

Introduction to santander and its market plan



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Santander is one of the largest financial institutes in the world with a consumer base of 66 million people worldwide functioning in 40 countries with 150 years of experience making it the 5th largest bank in the world by profit and the 7th largest by market capitalization (Santander Home Page).

The success of a business lies with its collaboration and communication strategies with its customers and clients (Kotler & Sitawan, 2007). Santander has enhanced and developed its business by emphasizing the need to communicate and collaborate with consumer and customer demands prior to financial profit and organizational benefits; this is the biggest secret to its success. Marketing has evolved a great deal in the past decade and Kotler describes marketing as “ the process by which companies create value for customers and build strong relationships in order to capture value from customers in return” (Kotler, 1999).

1. 1. 1 Marketing plan and mission – the mission of Santander is dedicated to being a resilient financial institute while embracing a culture of market orientation and making customers priority and forefront of every strategy or plan formulated. The marketing plan for Santander hence stands to endeavor and to seek out and conserve the buoyancy of its customers and offer generous services aligned with consumer expectations and demands (Santander Home Page).

1. 1. 2 Marketing plan and vision- the vision henceforth is aptly aligned with the mission of the organization by unremittingly creating value products for customers offering a sense of belonging and a family environment where

services are beneficial according to their requirements (Santander Home Page).

2. 1 Marketing plan in terms of changing market trends

Marketing has evolved a great deal and Kotler defined these changes in three stages (1) marketing 1. 0 (2) marketing 2. 0 and (3) marketing 3. 0 (Kotler & Sitawan, 2007). The 1. 0 marketing strategy is epitomized by Henry Ford's marketing strategy with respect to his T automobile Model stating "any customer can have a car painted any colour that he wants so long as it is black"; illustrating that marketing is about selling a single product on a large mass scale bearing in mind feasibility and low cost (Kotler & Sitawan, 2007). Henceforth marketing 2. 0 signifies technological trends of marketing epitomized as "age of participation" where collaborative marketing strategies i. e. news, advertisements and online marketing approaches like Wikipedia, YouTube, Facebook, Twitter etc are used for marketing products and services. Most of the organizations functioning in the business world follow and adhere to marketing 2. 0 strategies but with the changing trends corporations like Santander have altered their marketing strategies by collaborating marketing 2. 0 and marketing 3. 0 strategy where information technology is collaborated with global marketing approaches as 3. 0 "is an approach that addresses concerns and desires of global citizens" (Kotler & Setiawan, 2007).

Santander has improved and enhanced its marketing products and service by offering online banking to its customers. However as the competitive market has evolved fiercely the organization has realized a need for change with reference to their services. The rapidly advancing technological trends

and consumer demands in accordance to it Santander has aimed to leverage its consumer base to escalate its revenue stream while offering extended services in banking to its customers. Taking all these factors into consideration a marketing plan for Santander thus formulated was to introduce a much more advanced and improved version of online banking “ensuing releases supplements new features and functionalities to make it truly state-of-the-art” (Santander Home Page). A brief outline of its marketing plan thus follows:

2. 1. 1 E-Services

The corporation with the changing trends aims at the best quality services that are beneficial and according to customer demands and requirements. Santander has launched an “online direct savings for Family Planning and Education” and is offering the following:

- Children’s savings accounts
- Education savings accounts
- Holiday savings accounts
- Retirement savings accounts

While offering these Santander offers the following additional services to its best eminence (Santander Home Page):

- Accepting deposits
- Lending loans

- Transfer of money
- Trustee business
- Safekeeping
- Government business
- Venture capital offering loan for initiation of a risky business
- ATM
- Phone and internet banking
- Deposit insurance schemes

2. 2 Marketing plan and product analysis in terms of marketing environment and competitors

Family planning and educational savings account is offered by every bank in the world. Santander's marketing environment is highly competitive and rapidly evolving with institutions adapting to advance and current marketing trends in order to enhance consumer base. What makes Santander different and unique in its marketing strategy and service offers is their cost effective and consumer reliable savings accounts and services that prove to be beneficial to their customers in the long and short term. Following is a comparison of its competitors to the e-savings services it offers:

Source: [www. comparethemarket. com](http://www.comparethemarket.com)

Analyzing the market environment and market trends, Nationwide offers award winning savings accounts with their e-saver account acknowledged by

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Money-facts as one of the most consistently high-paying internet savings account between 2005 and 2008. The service however is limited and targets a particular set of customers those who can afford it activating it by depositing £5, 000 in their accounts. Their cost-effective and premier services are limited to a particular class in society which is also evident in their limited advertising strategies. The services they offer are (www.natwest.co.uk):

- 2. 00% gross p. a./AER with no more than 3 withdrawals annually otherwise it may result in low interest rate
- Savings from £1 to £500, 000
- Customers holding a Nationwide Flex Account is offered to set up a high interest internet savings account
- Customer not a Nationwide Flex Account members are obligated to open a Flex account online alongside an e-savings Plus

Abbey is a collaborative of Santander and is ranked as one of the 10 largest banks worldwide. On the other hand Abbey's marketing strategies and services seem more business oriented with the aim of enhancing revenue stream while offering customer satisfactory services and products. Abbey's allow its customer to open a savings account with a minimum deposit of £1 while offering them an interest rate of 2. 50%. Although a lot of other banks provide the same service i. e. opening a savings account for the amount of £1 the difference is highlighted in their interest rates which are less than Abbey's. Abbey offers interest rates and savings accounts which helps

customers in achieving their saving targets for short and long term. Their advertisement and marketing strategy invokes customers stating “ whether you’re saving up for a new car or just for a rainy day you can get their quicker with an Abbey savings account” (www. abbey. co. uk).

Abbey’s savings account are designed and formulated to suit variety of needs of customers i. e. whether customers are planning to save up annually with the purpose of benefitting from higher interest rates or in need of savings accounts which does not limit withdrawals on the cost of interest rates. The bank offers savings accounts all suited to a variety of customers and a universal mass target. Their product and services are as (Abbey’s home page):

- Offers a grand return of 2. 50% gross/AER with a bonus of 2. 00% gross/AER for the first year while opening a savings account
- Savings from £1
- Offers round the clock money withdrawals without limitations or penalties
- Calculation of interest on a daily basis with final payment on a monthly basis
- Provision of Financial Services Compensation Scheme Services where savings is cosseted up to £50, 000

The market environment after analyzing both of these financial institutes seems to be fiercely competitive. The comparison of both distinguishes the aims and objectives of both on different yet same plane e. g. Nat-west

targets a particular class with limited services with no compromise on quality or performance; hence confining a major part of its services to business customers and their investment securities. In simple words the services of Nat-west are beneficial and reserved for the elite. Abbey, conversely, appeals to the needs and demands to a variety of investors big or small and their services and products are designed for all classes.

Evaluating products and services of these two competitors Santander aims to offer services that are not reserved or confined to just one class or a particular set of targeted customers. To establish a strong market plan and marketing approach Santander has launched branches in various destinations nationwide emphasizing that location is significant in marketing strategies. The location of the branches is vigilantly planned out i. e. on high streets and malls etc which are easily accessible by customers. Santander has also invested in promoting branches in the rural area by carefully evaluating the saving rates in both rural and urban areas; and after careful evaluation it seems that people in the rural area tend to save up more as compared to urban areas.

Apart from this Santander has launched an easily accessible e-savings family and educational accounts by enhancing its profit margin by 3% (Santander Home Page). The reason for this improvement in profit scale is beneficial with reference to organizational marketing benefits and customer requirements and demands e. g. this service is offered online making it more cost effective i. e. not investing in staff, branching or online advertisement and by offering online bank statements it saves up on cost of postal or printing. Hence it proves beneficial for both customer and the Bank.

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Santander offers the following services in a competitive market environment (Santander Home Page):

- Great return of 3% gross/AER including a bonus of a free laptop after one year on first commencement of the account
- Savings from £1
- Customers with current accounts can set up savings accounts on high interest rates
- Withdrawal of money anytime with interest generating on an annual basis
- Customers with e-savings accounts are entitled to a 25% discount on travel

2. 2. 1 SWOT analysis of Santander

Strengths

- v Introduction to e-savings interest account
- v Comparatively better interest rates
- v Ideally suited to a variety of needs
- v Provision of better discount offers
- v Being more cost-efficient through e-services

Weaknesses

- v Increased costs associated with more benefits to attract customers

Opportunities

- v Introduction of new branches in rural areas

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v Moving a product into a new market sector

v Benefitting from new technological trends i. e. e-savings and online banking

Threats

v Increasing competition and threats to the Banking industry from other companies

v Decreased investment in savings account due to the current financial climate

2. 3 Marketing plan in terms of marketing environment and consumer behavior

The marketing environment assessed and evaluated for a marketing plan is derived from two factors (1) motivational factors of consumer attitude (2) amendment of marketing strategies according to changing consumer attitudes and demands (Kotabe & Helsen, 2010). Hence in this scenario the marketing environment thus assessed for apposite marketing management are derived from two factors (1) motivational factors or aspirations of people whether to having savings or not (2) amending interest rates with changing consumer attitudes and demands. While evaluating the marketing environment and consumer demands organizations should evaluate products that are in the market and are not appealing to consumers; the best way to overcome such a challenge for the marketer is either to “ find ways to change the product or change consumer perception” (Elliot & Roach, 1991).

In the banking sector it is known fact that the amount of savings by a consumer escalates with the increase in their income and as economy

strengthens the volume of savings by individuals is likely to grow (Johnson 2004). It is for this reason that consumer attitudes and motivations must be evaluated and aptly assessed to better comprehend how and why flux in savings occurs.

“ What motivates people to save?” this aspect of consumer attitude has been researched by the Survey Research Center where it analyzes and evaluates consumer attitudes towards savings. Their findings demonstrate that consumer save for a variety of reasons different from the other and the two major reasons hence highlighted are of two kinds (1) the survey showed that 40 to 45% of individuals save for emergencies or for a rainy day to eliminate the chances of being broke if ever unfortunate turn of events may occur (2) 70% of the individuals surveyed gave a positive outlook to their savings stating that they would save for an early retirement or for family and educational needs or to purchase a house or start a small business (Spiegel & Samuels 1984).

Due to these factors Santander strives and seeks to preserve and attain consumer confidence by offering products that are aligned with their attitudes and demands and services that comply with their life aspirations and their needs for savings. The following critical path or marketing plan analysis has been established by the organization to follow the launch of e-services:

3. 1 Marketing in terms of technological and media trends

Kotler has described the “ enablers of new wave technology” the “ rise of social media” and has further classified it into two categories (1) expressive

social media (2) collaborative media (Kotler & Satiawan, 2007). In recent years the World Wide Web has become one blog and has evolved personal communication for availing economical benefits and gains. This has given rise to new technological trends and changing marketing strategies for organizations like Santander. Consumers products in quick access and easily managed are now rapidly becoming popular by means of e-services or the internet as “ business social media is low-cost and bias-free and it will be the future of marketing communications” (Kotler & Satiawan, 2007). Trend-watching becomes essential when it comes to promotion, pricing, positioning and executing a product into the market as it “ summarizes consumers’ motivation for product co-creation” (Kotler & Satiawan, 2007).

3. 1. 1 Promotion- online advertising a means of collaborative social media trend is rapidly evolving and developing in the business world. The Internet Advertising Bureau and Price water-house Coopers, surveyed a report with reference to online advertising and its growing consumer appeal stating that it grew 41. 2.% to reach £2. 02 billion in 2003and it exceeded by 11. 4% market share against 10. 4% traditional and conventional advertising media i. e. newspapers and magazines. The traditional advertising market saw a 2. 9% decline in their market share in 2008 against internet advertising (Shampine, 2003). The three principle categories in online advertising formats i. e. display advertising, paid-for-search and online classified advertising grew by 35%, 52% and 45% respectively generating revenues of £453. 7 million, £1. 2 billion and £379 million annually, respectively (Shampine, 2003).

Recent years have shown a thrust in technological trends particularly in E-services and it is anticipated that this impetus will escalate and advertisers feel prone towards experimenting and benefitting from these technological trends and creating more innovative and appealing advertisements to enhance consumer base. In response to this drastic technological change, Santander Bank is promoting its business through operating a very user attractive website and by using the social Medias such as facebook and twitter. Company's website is where promoting the business also the main aim is to facilitating the customers and management perceived the healthy impacts on customer base of the company.

Hence, online advertisements are more beneficial for organizations like Santander.

3. 1. 2 Pricing- the pricing for the service offered by the Bank should be aligned with “ consumers’ motivation for product co-creation”. The interest rates should be amended and modified with the changing consumer attitudes and their feasibility. Market evaluation hence for expressive social media becomes essential for Santander to understand and collaborate with consumers and their expectations associated with the organization.

3. 1. 3 Products- Santander management is continuously seeking the new ways to meet up the needs and demands of their customers by offering them the more competitive and versatile products. The e-savings offered by the Bank is offered to appeal consumers who are pursuing means to save up for a better tomorrow for their families and child well being. The services online

offered by Santander include Children's saving accounts, Education savings accounts, Holiday savings account and Retirement savings account.

3. 1. 4 Placement- Internet and web has become the fastest growing convenience in the past recent years. However, the bank is offering the combination of both services; online and offline services. Considering that there are areas where the branches have not been setup, e-services are ideal for the customers to access their account details, statements and deposits online.

4. 1 Marketing in terms of future sustainability

According to the projections released by the Office for National Statics, the population in the UK is anticipated to increase by 4 million to 65. 6 million by 2018 highlighting a 1. 2% incline per annum. The statistics illustrate that the working population defined as individuals between 16 and 59 is anticipated to increase by 14% i. e. from 38. 1. million to 43. 3 million in the span between 2008 to 2033. This also means a 1. 2% increase per annum and since this is the target of Santander's e-savings services the market evaluation and product projection is carried out with reference to these statistics and information.

(Source: [www. statistics. gov. uk/pdffdir/pprojn1009. pdf](http://www.statistics.gov.uk/pdffdir/pprojn1009.pdf)).

According to a published report by Mintel Corporation Ltd. people investing in savings accounts average percentage stands at 40% and which is expected to rise to 42. 1% by 2012; demonstrating a £95. 14 per head savings that is to increase to £98. 37 and £101. 29 in 2011 and 2012

respectively (www. statistics. gov. uk). Bearing in mind all these figures and statistics the future prospects of Santander's e-savings can be made hence:

Net profit

4, 685

5, 109

5, 538

For future prospects and the firms future reputation will be well managed by controlling launch product effectively and aptly by

- Calculated planning of the e-savings service after vigilant market environment and consumer behavior evaluation and assessment
- Conducting online surveys and creating blogs for feedback and evaluating possible opportunities for modifying product according to consumer needs
- Managing online project management by establishing monitoring and task management teams
- Viral circulation strategies i. e. advertising through expressive social media and collaborative social media
- Refining formats i. e. pricing, promotions, bonuses and discount rates, up-sells and continuous improvement programs for the services being offered
- Synchronizing efforts with in-house staff, outsources and vendors and deliverables from project principles

- Setting up a customer service online operating team available to consumer round the clock.

5. 1 Conclusion

“ When undertaking a sustainability initiative it is important to measure the costs, savings, and revenues and other benefits to get all stakeholders on board and the measures should be accurate and honest to evaluate the impact of initiative on financial return and intangible benefits” (Cooperman & Gifford, 2008). Santander is keen on adapting to the changing technological trends as due to globalization the world has become one block where exchange of ideas, thoughts, personal communication and information is carried out through the evolving internet trend. As the statistics show online advertising is rapidly becoming popular due to the vastly growing number of consumers approaching firms and organizations for their needs and requirements by e-services. The future for Santander stands bright and the high reputation is evident from its inclining market share and consumer base by adapting to the 3. 0 marketing strategy in today’s business world. This will also enable the organization in communicating and collaborating with its customers in a better way and better comprehend their needs and demands and modify their products accordingly.