

# Marketing

**Objective:** To develop in the candidate:

- a knowledge and understanding of the significance of marketing and marketing planning to the effectiveness of the insurance industry;
- an understanding of the issues arising from the development and implementation of a global marketing strategy for insurance products and other risk solutions;
- the ability to apply knowledge and skills to practical situations;
- the ability to synthesise different aspects of the syllabus and apply them to given scenarios.

**Assumed knowledge and application skills:**

Assumed knowledge may not appear in detail within the learning outcomes but forms part of the syllabus and thus may be examined. It is assumed that the candidate already has the knowledge gained from a study of the relevant sections of P01 Insurance practice and regulation, or an equivalent qualification.

**Notes:**

- The syllabus will be based on English law and practice.
- The April session will test the legal position as of 31st August of the preceding year.
- The October session will test the legal position as of 28th February of the same year.

## 1. The role of marketing

### 1.1 Definition of marketing

Candidates should be able to

- *discuss* the various definitions of marketing.

### 1.2 Marketing and other business functions

Candidates should be able to

- *discuss* the relationship and interaction between marketing and other functions in the business.

### 1.3 Developing a corporate strategy

Candidates should be able to

- *discuss* the role of marketing in achieving and developing a corporate strategy.

### 1.4 Marketing strategy

Candidates should be able to

- *discuss* the importance to a business of an effective marketing strategy;
- *discuss* the importance to a business of an effective distribution strategy.

### 1.5 The impact of change

Candidates should be able to

- *discuss* the impact on marketing of change in the following areas:

- social (cultural);
- economic;
- competition;
- technological;
- ecological and meteorological;
- type and range of service providers;
- political and regulatory;
- consumer protection.

### 1.6 Period of change

Candidates should be able to

- *discuss* the proactive role of marketing in a period of accelerated change.

### 1.7 General insurance and financial services

Candidates should be able to

- *discuss* the factors affecting the role and operation of marketing in insurance and financial services.

## 2. Theory of marketing

### 2.1 Marketing theory

Candidates should be able to

- *explain* the key elements of marketing theory for customer goods;
- *discuss* the application of marketing theory in insurance and financial services;
- *explain* the key elements of marketing theory for services.

### 2.2 Supply and demand

Candidates should be able to

- *discuss* the significance of supply and demand to marketing activity.

### 2.3 The marketing mix

Candidates should be able to

- *explain* the key components of the marketing mix;
- *discuss* the application of the marketing mix to insurance and financial services.

## 2.4 Segmentation

Candidates should be able to

- *explain* the process of segmentation;
- *describe* segmentation as it applies to the marketing of insurance and financial services.

## 2.5 Product differentiation

Candidates should be able to

- *describe* product differentiation in the services industry.

## 2.6 Product life cycle

Candidates should be able to

- *discuss* the product life cycle and its application in insurance.

# 3. Developing a marketing strategy

## 3.1 Position in a market

Candidates should be able to

- *discuss* the factors involved in taking a position in a market.

## 3.2 Identifying customers

Candidates should be able to

- *explain* the purpose and process of identifying customers.

## 3.3 Customer behaviour

Candidates should be able to

- *discuss* the significance to marketing of customer behaviour and expectation.

## 3.4 Types of market segment

Candidates should be able to

- *describe* the types of market segment for insurance and financial services products;
- *identify* and *explain* appropriate distribution channels for each segment.

## 3.5 Competitors

Candidates should be able to

- *describe* the methods of identification and monitoring of competitors;
- *explain* the purpose of identifying and monitoring the effects of competition;
- *outline* the effect of competition on product design, pricing and delivery.

## 3.6 Value and supply chain analysis

Candidates should be able to

- *discuss* the nature and purpose of value chain/supply chain analysis.

## 3.7 Product development and management

Candidates should be able to

- *discuss* the nature and purpose of product development and management.

## 3.8 Pricing

Candidates should be able to

- *discuss* differential pricing within a marketing strategy.

## 3.9 Regulation

Candidates should be able to

- *describe* the impact of regulation and legislation on an insurance marketing strategy.

# 4. Marketing data

## 4.1 Reasons for data gathering

Candidates should be able to

- *describe* the reasons for and methods of gathering data for the marketing of insurance and financial services products.

## 4.2 Types of data required

Candidates should be able to

- *discuss* the use, objectives and value of market research to insurance marketing;
- *compare* and *contrast* the options of desk versus live market research;
- *explain* the distinction between qualitative and quantitative research.

## 4.3 Interpreting the data

Candidates should be able to

- *explain* the value of a market information system;
- *explain* the use of data mining and data warehousing as it applies to insurance marketing.

## 4.4 Using the data

Candidates should be able to

- *describe* the use of focus groups in product development;
- *describe* the use of third party and own databases in insurance and financial services marketing.

# 5. Branding

## 5.1 Establishing a brand

Candidates should be able to

- *explain* the purpose and process of establishing a brand.

## 5.2 The importance of branding

Candidates should be able to

- *discuss* the importance of branding in the marketing of services.

## 5.3 Brand awareness

Candidates should be able to

- *describe* the options for creating brand awareness.

## 5.4 Brand extension

Candidates should be able to

- *explain* how brand extension is achieved and the benefits of doing so.

## 5.5 White labelling

Candidates should be able to

- *describe* the role and use of white labelling to support brand values.

# 6. Communication

## 6.1 Marketing message

Candidates should be able to

- *describe* the considerations for establishing the purpose and content of the marketing message;
- *discuss* the role and responsibility of the organisation to communicate the marketing message;
- *evaluate* the criteria for selecting the appropriate communication channel;
- *describe* the communication strategies for different types of customer.

## 6.2 E-marketing

Candidates should be able to

- *explain* the impact of e-marketing in insurance and financial services.

## 6.3 Advertising

Candidates should be able to

- *describe* the advertising activities and techniques used in insurance marketing.

## 6.4 Public relations

Candidates should be able to

- *describe* the public relations activities and techniques used in insurance marketing.

## 6.5 Promotion

Candidates should be able to

- *describe* the sales promotion activities and techniques used in insurance marketing.

## 6.6 Sponsorship

Candidates should be able to

- *outline* the role of sponsorship in insurance marketing.

## 6.7 Emergency communications plan

Candidates should be able to

- *explain* the role, purpose and operation of emergency communications planning.

## 6.8 Call centres

Candidates should be able to

- *explain* the importance of call centres and their impact on the effectiveness of marketing and communication.

# 7. Distribution and service delivery

## 7.1 Different types of distribution methods

Candidates should be able to

- *describe* the different types of distribution methods for goods and services.

## 7.2 Distribution options

Candidates should be able to

- *describe* the role of the following distribution options:
  - financial advisers;
  - other intermediaries/brokers;
  - direct selling;
  - financial institutions, including bancassurance;
  - other organisations distributing insurance.

## 7.3 Customer service

Candidates should be able to

- *discuss* the role and importance of customer service;
- *explain* the importance of managing the customer experience.

## 7.4 Face to face communication

Candidates should be able to

- *discuss* the importance and purpose of face-to-face communication.

# 8. Marketing programme administration

## 8.1 Marketing programmes

Candidates should be able to

- *describe* the process for and importance of implementation, measuring and monitoring the effect of the marketing programmes;
- *explain* the significance of budgetary control.

## 8.2 Contingency planning

- *describe* the purpose and nature of contingency planning.

## 8.3 Payment mechanisms

Candidates should be able to

- *outline* the payment mechanisms available for different distribution options.

## 8.4 Consultancies

Candidates should be able to

- *explain* the advantages and disadvantages of using consultancies to ensure effective communication.

# 9. Key issues in international marketing

## 9.1 Developing an international marketing strategy

Candidates should be able to

- *discuss* the considerations for developing an international marketing strategy.

## 9.2 Communication

Candidates should be able to

- *describe* the communication issues affecting international marketing.

## 9.3 Distribution

Candidates should be able to

- *describe* the distribution issues affecting international marketing.

## 9.4 Application of e-commerce

Candidates should be able to

- *discuss* the role of e-commerce in international marketing.

## 9.5 Administration and control

Candidates should be able to

- *outline* the issues affecting the administration and control of the international marketing strategy.

## Reading list

The following list provides details of various publications which may assist with your studies. The primary text for this syllabus is shown in bold type. Periodicals and publications listed as additional reading will be of value in ensuring candidates keep up to date with developments and in providing a wider coverage of syllabus topics. Any reference materials cited are authoritative, detailed works which should be used selectively as and when required.

**Note:** The examination will test the syllabus alone. The reading list is provided for guidance only and is not in itself the subject of the examination.

CII/Personal Finance Society members can borrow most of these additional study materials from CII Knowledge Services and may be able to purchase some at a special discount. For further information on lending and discounts go to [www.cii.co.uk/knowledge](http://www.cii.co.uk/knowledge)

### **Primary text**

Marketing. London: The CII. Coursebook 945.

### **Additional reading**

E-commerce in insurance. Martyn Allez. London: CII Knowledge Services. Updated as necessary. Available online at [www.cii.co.uk/knowledge/factfiles](http://www.cii.co.uk/knowledge/factfiles) (CII/Personal Finance Society members only).

### **Reference materials**

Marketing: concepts and strategies. Sally Dibb ... [et al]. 5th European ed. Boston, Massachusetts: Houghton Mifflin, 2005.

The marketing casebook. Sally Dibb, Lyndon Simpkin. 2nd ed. London: Thomson Learning, 2001.

Marketing management. Philip Kotler. 12th ed. London: Prentice Hall International, 2005.

Marketing planning for financial services. Roy Stephenson. Aldershot, Hants: Gower, 2005.

Marketing strategy: how to prepare it, how to implement it. Paul Fifield. 2nd rev ed. London: Butterworth-Heinemann, 2004.

Marketing theory: a student text. Michael J Baker. London: Thomson Learning, 2000.

Principles of marketing. Philip Kotler, Gary Armstrong. 10th ed. International ed. Upper Saddle River, New Jersey: Pearson Education, 2004.

### **Periodicals**

The Journal. London: The CII. Six issues a year. Also available online at [www.cii.co.uk/knowledge/journal](http://www.cii.co.uk/knowledge/journal) (CII/Personal Finance Society members only).

Post Magazine. London: Incisive Financial Publishing. Weekly.

### **Websites**

CII Knowledge Services – [www.cii.co.uk/knowledge](http://www.cii.co.uk/knowledge)

### **Examination guides**

You are strongly advised to study these before the examination. Please visit [www.cii.co.uk](http://www.cii.co.uk) to buy online or contact CII Customer Service for further information on +44 (0)20 8989 8464.

### **Exam technique/study skills**

There are many modestly priced guides available in bookshops. You should choose one which suits your requirements.

You will also find advice at [www.cii.co.uk/knowledge/careersupport](http://www.cii.co.uk/knowledge/careersupport) (CII/Personal Finance Society members only).

For a more interactive approach, you should consider: Winning the brain game. London: The CII, 2006. CD-ROM.