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
Primary text
Marketing. London: The CII. Coursebook 945.

Additional reading

Reference materials

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

Websites
CII Knowledge Services – www.cii.co.uk/knowledge

Examination guides
You are strongly advised to study these before the examination. Please visit 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 (CII/Personal Finance Society members only).
For a more interactive approach, you should consider: