

## Chapter 5

### Conclusions, Discussion, and Recommendations

#### Conclusion

At present, the quality of our nationals is getting higher and higher, and the demand for investment is also increasing. The current bank financing methods can no longer meet the needs of people's diversified investment management and financing activities. Only through diversified asset allocation can we better adapt to market development and promote the orderly regulation of the capital market. At present, with the expansion of diversified investment varieties in the trust market, China's economy continues to grow steadily and will maintain a relatively healthy development state in the future. Since 2015, the state has imposed strict supervision on housing, forcing speculators to withdraw funds from the real estate market. At this stage, some funds slowly entered the undervalued trust market, which accelerated the release of liquidity in the trust market and promoted trust funds. Industry market prices continue to grow. Starting from the theoretical basis of marketing strategy, this study uses literature analysis and case studies and other research methods to analyze the development problems of the fintech loan industry and relevant literature on marketing strategies, revealing the problems, reasons and solutions of A's financial marketing strategy plan. It is hoped that the research results of this paper can provide theoretical guidance for A Finance's marketing strategy. conclusion as below:

First, Finance's current marketing strategy is being formulated. In this paper, based on theoretical discussion, combined with the development of A finance, theoretical analysis and actual situation, a case study is carried out. Assuming a more comprehensive understanding of A Finance, this article will formulate the current marketing strategy for A Finance. Second, clarify the problems and countermeasures of A's financial marketing strategy. Provide theoretical guidance for the rapid and

healthy development of A finance. Through the analysis of the key issues of A's financial marketing strategy, based on the STP theory, small and micro enterprises are subdivided according to age, industry, region, and quota requirements, and four target groups are determined. Combining with the 4 P theory, put forward suggestions to optimize the marketing strategy of A Finance, through a series of adjustments to the strategic content of the marketing mix, so that A Finance can achieve the goal of comprehensive and stable growth.

Third, under the current financial environment, the market competition of financial institutions is gradually increasing, the financing and loan business of small and micro enterprises started relatively late, and the basic business is not stable. The micro-enterprise financing and loan business has brought good development opportunities. This article mainly analyzes the current situation of A Finance's business marketing, finds out its problems, draws on the rich experience of foreign countries, and combines the characteristics of A Finance's enterprise to formulate an optimization plan for A Finance's business marketing, so that the company can improve customer service levels and enhance customer satisfaction. Degree, tap the potential value of customers, expand business, enhance market competitiveness, and win opportunities under greater competitive pressure in the future. Through analysis and research, this paper formulates a small and micro enterprise financing and loan business optimization strategy for A Finance that meets the needs of financial institutions' operation and development, which is operable. It has a strong reference value.

## **Discussion**

### **1. Optimization of product strategy**

#### (1) Introduce differentiated and characteristic credit products

1. Financial companies have specially designed low-interest microfinance products for customers with good credit standing of the parent company. A financial company is obviously different from ordinary microfinance companies or commercial banks. Its parent company, Ping and Group, has a strong comprehensive strength,

and has a huge sales team and sufficient financial resources. Customer information provides an important support for A financial company to launch characteristic microcredit products with low-risk characteristics. As of June 2022, the number of individual customers owned by the parent company has reached 220 million. The parent company has accumulated a large amount of customer information in the transactions with these individual customers, which can make a more accurate judgment on the risks of individual customers, so as to realize the efficient management of customer risks. Under the condition of controllable customer risks, A Financial Company can provide customers with credit products with lower interest rates and can also guarantee the sales profit of A Financial Company's products. A Financial Company can cooperate with the fintech company of the parent company to design and launch A customer credit risk assessment model, conduct A comprehensive assessment of the individual customer credit risk of the parent company, and digitize the risks of these individual customer groups. Then, A financial company designs microcredit products with different interest rates according to the risk degree of different individual customer groups, so as to realize the differentiation of credit products of A financial company. A Financials' competitors include city commercial banks, MyBank and WeBank. The lack of detailed customer information makes it difficult for these banks to accurately judge their own risks, leading to higher interest rates on their credit products. It is difficult to compete with a financial firm.

Second, based on customer portraits, it has launched personal medical loans, education loans, housing decoration loans and other featured products. According to the characteristics of customer portraits released by Ping and Group, it can be found that the age of its insurance customers is generally concentrated between 31 and 40 years old. They are more concerned about the health and pension issues of individuals and family members and have the label attribute of investment and quality consumption. In addition, Ping and Group's insurance customers are most concerned about pension insurance, followed by critical illness insurance. Therefore, A Financial Company should also design credit products such as medical loans, education loans and housing-related loans according to the characteristics of its target customers. Meet the needs of the target customers. Although most of the

target customers have medical insurance and serious illness insurance, the coverage of the existing insurance is relatively limited, and the coverage of the insurance still needs self-raised funds, which is prone to capital turnover difficulties. If A Financial company launches medical credit products, it will be able to better solve the difficulties of customers. In addition, the insurance channel of the parent company can also be used for marketing and joint product promotion, to reduce the marketing channel cost of A Financial Company to A certain extent. In addition, the target customers who pursue the quality of life may have a higher pursuit of their children's education and personal living environment. Therefore, if A Financial Company launches education loans, it can also meet the needs of target customers for upgrading education consumption.

#### (2) Focus on the development of offline credit products

The development of fintech has provided many conveniences for financial institutions to serve the public, including commercial banks, microcredit companies, Internet banks and so on, which are actively expanding online financial business, and consumers can apply for credit products through the Internet. A financial company was established late and relatively lacked the flow advantage of Internet finance, making it difficult to form a strong competition with Tencent's WeBank and Alibaba's MyBank. Therefore, the development space of online credit products is relatively limited. And A financial company has obvious advantages in offline marketing channels. From urban to rural areas, the parent company has set up sales staff or agency service points all over the country, providing convenience for A Financial Company to carry out offline credit business.

Compared with online credit products, offline credit products also have their own advantages. First, the sales staff have a deeper understanding of the local economic situation and residents' credit status, making it more convenient to carry out the applicant's risk investigation, which is conducive to the control of customer credit risks. Secondly, offline financial services are more in line with people's consumption habits. As financial products are intangible and intangible virtual products, some middle-aged and elderly people are unwilling to provide financial services through the Internet on the basis of risk control. The advantages of A

financial company's offline channel can meet the financial consumption characteristics of this group and make the credit products of A financial company more popular. In addition, in order to improve the efficiency of examination and approval of credit products, A financial company can move offline approval process to the Internet, namely in the terminal, by A financial company sales staff or the parent company sales staff on behalf of the customer receiving customer credit application, uploaded to A financial company loan audit center, after approval, by the sales staff credit service agreement with customer, loans, finally achieve credit product sales.

## **2. Optimization of pricing strategy**

### **(1) Implement competitive pricing strategies**

To make up for the cost of human resources and reduce the risk of credit product customers, A Financial Company implemented the high price strategy. This pricing strategy affects the competitiveness of its credit products and the expansion of the enterprise scale. In 2021, Internet companies will join the credit business competition. The operating income of the credit business of A Financial Company decreased by 12.4% year on year, and the operation of credit products fell into an unfavorable situation. Through the SWOT analysis of the credit products of A financial company, it is determined that A financial Company faces good market opportunities, and the company itself has strong capital advantages, which can meet the credit needs of large-scale customers, and is more suitable for the implementation of growth or reversal policy. In the background of the enterprise development strategy, the price strategy should be adjusted accordingly, and the market share of the product can be improved by appropriately reducing the credit product rate, that is, the price strategy of the product must conform to the development strategy of the enterprise.

In the specific operation, there are two ways. The first way is to take WeBank and MyBank as the main comparison objects and reduce the interest rate pricing of its credit products by one percentage point to make profits for customers. At the same time, for customers with relatively poor credit standing, we will provide the service of combining guarantee and credit granting based on the interest rate

situation of the local guaranteed market and the microfinance market. The overall price is 2 percentage points lower than the market interest rate, which increases the market competitiveness of credit products of financial companies. The second method is: to classify the customer, customer group classification helps A financial company judgment business development, at the same time help to lead in the deployment of policy rules and analysis of the key points, and help A financial company in the quota strategy to deal with high risk customer increase amount to improve the quality of assets, the low risk customers to refuse or reduce the amount to ensure that the asset quality does not fall. For example, A, B, C, D, E, F, and G are used to represent the customer group level. Class A is the best, and the interest rate can be priced at the lowest level. Although unprofitable, it can attract more premium customers; B and C, who are priced lower than other Internet companies. This is also the price competition strategy of A financial company to compete for Internet finance company customers; D, E customer groups need to pay attention to, these customers have relatively high interest rates. It is also the company's main profitable customer group, screening the lowest risk customers and providing loans. Generally speaking, it is difficult for such customers to obtain some funds from banks and other institutions, so we should pay attention to the repayment of customers; F, G customers focus on group investigation, such customer group is the worst qualification, but after risk identification, can give some customers, the low amount can also reduce the risk of company loss, so pay attention to the investigation, only qualified can loan.

#### (2) Implement an intuitive price comparison strategy

The interest sources of credit products of A Financial Company are mainly divided into three parts, namely, the interest charge, service fee and insurance fee of credit products. The product pricing method is obviously different from that of the credit products of commercial banks. Many customers are more familiar with the business. When banks buy credit products from A Financial Company, their product pricing method often only focuses on interest fees and ignores other expenses. It was found that the real interest rate of the product was much higher than expected,

which also led to many cases on the Black Cat platform. Complaints against A Financial have affected the company's reputation.

As A large national credit company, A Financial Company has formed A national brand awareness. It does not need to hide part of the service fee to induce customers to buy the product. The intuitive display method of credit product interest rate can better reflect the reputation of A financial company sincere. When showing the rates of different products to customers, the sales staff can take the main products of WeBank and local microfinance companies as the price comparison objects and show the comprehensive rates of credit products between A financial company and competitors, so that consumers can quickly discover the pricing advantages of A financial company's products. As A financial company has advantages in capital scale and cost of capital, it is difficult for local microfinance companies to compete in price. Using an intuitive price comparison strategy in the product display can better highlight the product characteristics of A Financial Company, to promote the sales of credit products.

### **3. Optimize the service strategies for direct selling and channel personnel**

A financial company has more than 50,000 employees and has strong advantages in offline channels. In addition to the cooperation with the parent company's marketing channel, its offline channel advantages are further enhanced. However, A Financial also needs to optimize its channel strategy in two ways to support its growth product development strategy.

(1) Optimize the personnel management of direct selling channels and agent channels

Some sales staff have the problem of low professional ethics in their work, which is related to the fact that A financial company attaches too much importance to the performance of sales staff. To obtain high commissions and achieve monthly performance targets, sales personnel may take deception under the mentality of eager for quick success and instant benefits, leading to customers buying credit products that do not meet their own needs. Therefore, it is necessary for A Financial Company to strengthen the control and guidance of sales staff behavior. Considering the relatively complex situation faced by sales staff in their work, it is difficult for A

financial Company to restrict the specific behaviors of sales staff, and too many restrictions on sales staff are not conducive to the normal development of the work of sales staff. Therefore, A Financial Company can optimize the personnel management of direct selling and agency channels from the following two aspects:

First, A Financial Company can increase the assessment of the customer complaint rate of sales staff on the basis of performance orientation. When the customer complaint rate exceeds a certain standard, the commission ratio of the sales staff will be reduced, to guide the sales staff to take compliance measures. Sales method of product promotion. For example, add the post-loan score in the KPI of in-service sales staff, the full score is 100 points, pass 80 points, all rewards below 80 points for 80% off, 20% off over 80 points, 50% out of 50% off. This will help to strengthen the sales staff's attention to customer satisfaction, and improve the psychological satisfaction of financial company A.

Secondly, A Financial Company needs to develop A sales framework guidance plan and sales recommendation process for credit products and strengthen the working skills of sales staff. Specifically, A Financial Company can adopt A phased management method, dividing employees into several stages of "new internship period-formal period-maturity period-senior sales consultant", and adopt different training and training plans for employees at different stages. Targeted them to learn the knowledge and skills needed for credit product marketing and strengthen their work skills through various ways such as situational training.

## (2) Promote the construction of agency channels

Promoting the construction of agency channels is helpful to solve the difficulties of A financial company's own sales personnel with high cost, declining profitability, increased revenue but no profit. Therefore, A Financial Company needs to actively develop the agency marketing channels and achieve product sales through the agency channels. Specifically, it can be developed from the following two aspects:

First, improve the professionalism of the agent sales service. For agents, Financial Company A needs to provide brief training and guidance services, such as emphasizing the need to fully inform customers of the comprehensive interest rate

of credit products, repayment methods, and punishment mechanism for default repayment, etc. Financial companies can also use fintech to guide the work of their staff, such as integrating customer identification functions in an APP, classifying customers into three categories according to customer information, and recommending credit products for them. In addition, A Financial Company can set up agency service centers in various places, and its own sales staff will be responsible for the training and technical guidance of the agent marketing channel staff, to ensure the service quality of the agency channel to A certain extent.

Secondly, promote the management of agency channels by region or by scale. The construction of agent channel can be divided into two aspects by region and scale. Specifically, dividing the agency channel according to the region is conducive to avoiding unhealthy competition within the agency channel, and also to ensure the planning and purpose of the development of the agency channel. Taking Tianjin as an example, general agency channel centers can be set up in six districts of the city to manage the operation and distribution of all agency channel personnel. Under the jurisdiction of suburban counties, offices can be set up in each suburban county to facilitate the centralized management of personnel. The agency channel divided by scale helps to clean up the agency company without production capacity, ensure the continuous output of performance, and achieve the dual goals of saving the company's costs and increasing product sales.

#### **4. Optimization of the promotion strategy**

##### **(1) Strengthen the promotion of high-quality customers**

When operating credit business, financial companies need to consider two key points: risk management and revenue scale. If large-scale promotional activities are implemented in pursuit of revenue growth, some customers with poor credit level will receive credit from A Financial Company. For credit products, the later credit default will undoubtedly bring huge losses to A Financial Company, so A financial Company needs to carry out targeted promotional activities according to the characteristics of customers. On the one hand, through the quality of customer management to broaden the customer acquisition channels. The quality customers of A financial Company mainly come from three sources, namely, the old customers

who cooperated with each other in the past, the quality customers of the parent company and the external quality customers. The information of these customers is relatively complete, and A financial company can accurately judge their credit risk, to provide them with credit products. For example, A Financial Company can carry out promotional activities by forwarding them and get discounts on Moments. When quality customers share A Financial Company's promotion information on moments or other social media, they can get interest rate discounts to realize product promotion. Get more new customers while increasing customer engagement.

On the other hand, let the "customer endorsement" to achieve the effect of accurate promotion. Because the directly recommended customers will be more accurate than the customers forwarded to the circle of friends, the customer trust will be higher, and the work of the sales staff will be smoother. So, in addition to lowering interest rates, we can get our customers involved in the form of a lottery. If you recommend a customer, you can participate in the exclusive lottery of the company's customers. The bonus value is set at 5000-10000, so that customers can be more motivated to participate. This will help to broaden the audience of A Financial Company's credit products, not limited to customers who have loan business cooperation with A Financial Company A, customers who have not been approved for successful funds and prospective customers who have not been approved temporarily have become potential target audiences.

## (2) Promote the cooperation with online media

The promotion of new media has the advantages of fast speed, quick effect, low cost and wide range. Combined with the characteristics of target customers of one credit product, A Financial Company needs to focus on cooperation with Baidu, some credit forums and social we-media. Put advertisements in credit forums and some opinion big V places to attract target customers to buy A Financial Company's Internet credit products. Through the relatively accurate Internet advertising network, can reduce advertising costs and promote product sales.

Take short video promotion as an example, a financial company can set up a small new media team without having to hire a large traffic vs. Its daily tasks include editing short videos, writing copywriting, and requiring daily updates. The content

includes but is not limited to loan success cases, loan professional knowledge explanation and analysis, financial industry development trend and other related content. Through forwarding and push, let customers understand the relevant knowledge of credit products, and stimulate the credit demand of potential customers.

### (3) Strengthen the comprehensive marketing management of sales personnel

A Financial company is currently under threat from multiple online and offline competitors. Although excessive reliance on pricing strategy can allow A Financial Company to gain A short-term competitive advantage, it will also damage the profitability of A Financial Company. With the advantages of offline marketing channels and many sales personnel, A Financial Company should give full play to the advantages of offline channels and achieve product sales through high-quality customer service.

On the one hand, the thinking change from "product management" to "customer management" forms a close relationship between the sales staff and customers. Financial companies can require sales personnel to regularly push value-added service information according to their own customer information, so that customers can benefit from the preferential activities of the group company, to improve the stability of the income of financial companies. For example, in the auto insurance service, most of A financial company's customers are the bosses of small and medium-sized enterprises and some business elites. Most of these people are customers with cars, and if they have a car, they need car insurance. You can open the authority of the employees of A Financial Company, handle the auto insurance for the customers, and return the auto insurance commission to the customers in the form of rebates, to win the favor of the customers.

On the other hand, while developing new customers, we should maintain the old customers and lock in the stock of customers. The value of old customer maintenance is mainly reflected in three aspects: the lifetime value of demand dimension, the lifetime value of time dimension and the lifetime value of influence dimension. Therefore, the human capital owned by the old customers is also the

blank market that the sales personnel need to dig out. For example, you can provide a physical examination for your regular customers. According to the loan amount of the customer, if the amount is less than 300,000 yuan, the customer will be sent a physical examination card. If the amount is more than 500,000 yuan, the multiple physical examination cards can be provided for the customer to send to their relatives and friends. By shortening the distance between A Financial Company and its loyal customers, the maintenance of old customers can be realized.

## Recommendations

The limitation, there are still some deficiencies in the study of this paper, such as poor application of marketing strategy-related theories and relatively simple use of specific marketing analysis tools. Therefore, in future research, on the one hand, other analytical tools should be supplemented, including PEST tool, five-force model, etc. On the other hand, it is also necessary to use quantitative statistical analysis to identify the marketing strategy model of A Financial Company and explore the influence of various factors on the implementation effect of the marketing strategy, to determine the value of A Financial Company's microfinance products. Marketing strategy focus.