

## Chapter 2

### Reviews of Literature and Related Research

From the research paper title " The Marketing Strategy of Financial Holding Company in the Digital Era on Customer's Satisfied: A Case Study of China a Financial Holding Company ", this research studies the literature review and related research. details as follows:

#### Literature review

##### 1. Research on Marketing Theory

In terms of marketing theory, the 4P marketing mix is currently a widely used marketing strategy. It was first proposed by American scholar John McCarthy. He believed that businesses need to take measures from four aspects: product, price, channel, and promotion to meet market needs and promote products. promotion of. Kotler then proved the feasibility and effectiveness of the 4P marketing mix in practice. With the development of the times, the consumption level has become a decisive factor in the market trend. Lauterborn believes that the 4P marketing mix is to interpret marketing strategies from the perspective of merchants, so he constructed a 4C marketing strategy oriented to meet consumer needs, which mainly includes four aspects: customer value, expenditure, convenience and communication. After that, more and more researchers began to develop different marketing theories according to the characteristics of consumers. Schuhz puts consumers in a higher position, emphasizing that the key to marketing should be to establish an intimate relationship between enterprises and consumers, so he puts forward the 4R marketing theory based on the 4C marketing mix, which emphasizes that enterprises should establish long-term relationships with consumers. Relevance (Relevancy), listen to consumers' opinions and reflect them in business operations (Reaction), actively manage the relationship between enterprises and customers

through interaction (Relation, Relation), and cooperate with customers for enterprises and customers Create value (return, Reward). Booms believes that the 4P marketing mix ignores to a certain extent consumers' experience, services in the shopping process, and shopping environment and other factors that affect consumer decision-making. Elements, put forward the 7P marketing mix suitable for virtual product marketing.

## **2. Analytical Framework of Microfinance Product Marketing Strategy**

In terms of the analysis framework of credit product marketing strategy, Androsetal. believes that the marketing of credit products should combine product marketing with risk management, and proposes that banks can design loan portfolios based on interest, loan term, loan type, etc., while meeting customer loan needs Guarantee banks' credit risk management capabilities. Mohamedetal. mainly used the theoretical framework of relationship marketing to analyze the credit product marketing of credit unions. Corporate customers usually have long-term credit needs. Credit unions need to establish long-term cooperative relationships with corporate customers and provide them with professional and standardized services. Guarantee the stable development of the credit business of credit unions.

## **3. Research on Influencing Factors of Microfinance Product Marketing**

Foreign researchers have fully discussed the influencing factors of microfinance product marketing. Simanjuntaket al. Based on 310 customer auto loan data, with the help of consumer perception model analysis, it is found that conversion barriers can significantly increase customer retention rates, and customer perceived value and corporate image will not directly increase customer retention rates. This conclusion indicates that financial practitioners engaged in credit business should enhance their service characteristics and product characteristics, and increase the switching cost of customers, so that customers can cooperate with the financial institution for a longer period of time. The survey results of Rizkiah et al. also show that in the horizontal competition of commercial banks, improving their own service characteristics and increasing customer conversion costs are a common means of competition. Abdunazarovna mainly studied the influencing factors of credit product sales in Uzbekistan. The customer threshold and the convenience of financial services

can significantly affect customer decision-making. Lowering the customer credit threshold can significantly increase the sales scale of credit products, but measures to lower the credit threshold are also related to Banks have conflicting risk management requirements. Chayjan proposed that the CRISP-DM method can be used to analyze the problem of customer churn with the help of big data technology. In the data analysis of bank customers in Iran, it was found that customer churn is mainly related to the age of the customer, and the younger the age, the easier it is for customer churn . Timofeeva et al. focused on the psychological characteristics of consumers and the characteristics of credit product consumption. Empirical research found that male and emotional consumers have stronger credit product consumption preferences, which suggests that researchers can influence the sales of credit products according to various factors. Mechanism of action, preliminary determination of customer portraits of customers, and help financial institutions to define market segments.

Domestic scholars' research on the influencing factors of microfinance product marketing can be attributed to two dimensions: demand level and supply level. At the demand level, the influencing factors of microfinance demand mainly include credit cost, credit risk, credit institutions, credit service innovation and so on. The demand for microcredit is mainly related to its capital needs. The deterioration of the macro-environment or the poor operation of the enterprise itself leads to difficulties in the flow of funds for enterprises or individuals, which will generate strong demand for credit products. However, since the service objects of microfinance—individuals or small and micro enterprises—have relatively weak anti-risk capabilities, they can only carry out credit financing at relatively high interest costs. Excessively high credit costs will also reduce people's microfinance credit needs. The lack of credit institutions and the lack of credit service innovation will suppress the demand for small credit products and turn them to other channels for financing. At the supply level, financial institutions pursue a balance between sales of microfinance products and risk control, and the supply of microfinance products is mainly related to institutional guarantees, customer credit, and credit risk management capabilities. The reduction of the domestic deposit reserve has provided

banks with more financial guarantees for expanding their microfinance business, while the improvement of the guarantee system and the development of the domestic guarantee industry have also reduced the risk for the expansion of the microfinance business. Financial institutions actively promote the application of financial technology, and use big data analysis technology to comprehensively evaluate the credit status of small amounts, which can reduce the risk of microfinance business to a certain extent, and is conducive to promoting financial institutions to expand the supply of microfinance. Internet companies like Alibaba and JD.com can use customer data to make more accurate evaluations of customers' credit risks, which also provides strong support for their microfinance business.

#### **4. Research on Marketing Mode of Microfinance Products**

In the marketing of microfinance products, foreign researchers support the use of advanced technical means to promote the marketing of credit products. Vaganova and others said that Russian banks attach great importance to customer service and security protection, so they actively use big data technology for customer identification, and use biometric technology to improve the customer's fund security system, so as to provide customers with more satisfactory banking and financial services. Königstorfer & Thalmann studied the application of artificial intelligence in commercial banking and found that artificial intelligence is mainly used in the back-end services of banks, but rarely in the front-end business. He believes that with the maturity of artificial intelligence technology, customers can be better identified and help banks reduce loan losses. In addition, Czarnicka & Mogaji used the content analysis method to analyze more than 2,900 credit advertisements in British newspapers, and found that loans are considered as a service that can provide relief, security, and positive feelings, and companies should also create credit advertisements in credit product advertisements. similar product image.

Domestic scholars have also studied the application of technology in the marketing activities of financial institutions' microfinance products. That the development of online credit sales business can bring more convenience to customers (Allen, McAndrews, & Strahan, 2002, pp. 5-27). Customers can handle

business through the Internet without going out, saving time for customers and making it easier to be welcomed by customers.

Ma Tengfei also pointed out the impact of financial technology on banks' financial service capabilities. Small and medium-sized banks should actively promote digital and intelligent development to provide customers with more convenience in handling business. In addition, domestic research also discusses how to solve the problem of mutual trust in the marketing activities of financial institutions' microfinance products. Rao Ying's research pointed out that the key to obtaining credit support from financial institutions for individuals or small and micro enterprises is to break the information asymmetry between loan applicants and financial institutions, so that financial institutions can grant credit to loan applicants under the condition of risk control. Li Caihong believes that although the financial information of many small and micro enterprises or individuals is incomplete, with the development of domestic e-commerce and the popularization of mobile Internet, people leave a lot of information on the Internet, which can be used to assist in judging the financial status of customers. These activities have created conditions for financial institutions to judge the credit standing of microfinance customers. The development of big data technology has also provided more support for commercial banks to sell microfinance products. Cao Fan said that commercial banks can use big data analysis systems to determine the portraits of microfinance users, so as to carry out targeted customer marketing activities and control. While reducing user credit risk, it promotes the growth of microfinance business. Zhang Shengnan believes that commercial banks can design suitable credit products according to the main economic activities of different types of small and micro enterprises. Microfinance needs with different characteristics.

#### **5. Related research on marketing of non-bank financial loan products**

A financial company is not a commercial bank. Its source of lending funds is from commercial banks or other trust financial institutions. The cost of funds is significantly higher than that of ordinary commercial banks. This also determines that it is difficult for A financial company to compete with commercial banks. Its customer positioning It is also different from general commercial banks. The paper analyzes the

marketing of credit products of non-bank institutions, and the corresponding research results can provide a better reference for A financial company. According to Tian Huamao and Yang Xiurong's survey, microfinance companies generally have problems such as high rental costs, poor customer credit, and weak ability to restrain customers. Prominent credit risks have seriously hindered the long-term development of microfinance companies. In this regard, they believe that microfinance companies need to strengthen their advantages in specific fields, focus on developing scenario-based C-end customers, and achieve marketing success in market segments. Jiao Yujie also emphasized that microfinance companies need to focus on developing market segments and form differentiated competition with commercial banks through differentiated products. In addition, she also suggested that microfinance companies can advertise through self-media or communities, which can increase the company's popularity while controlling costs. Wang Jingyi suggested that non-bank financial institutions need to cooperate with commercial banks. On the one hand, commercial banks can provide necessary financial support for non-bank financial institutions and guarantee their credit business expansion. On the other hand, commercial banks and non-bank financial institutions The credit requirements for customers are different, and the customers eliminated by commercial banks may instead be the target customers of non-bank financial institutions, and the two are relatively complementary.

The business model of A financial company has certain similarities with WeBank and MYbank, and it can also gain experience from the marketing of credit products of similar companies. Ni Wufan and others believe that Zhejiang MYbank needs to use technological innovation to improve its ability to judge customers' credit, and increase product lines through financial innovation to promote further growth in revenue. Wang Yue believes that MYbank, backed by Ali's huge customer database, can provide strong data support for customer big data analysis, which is also an important reason why online banking can achieve a balance between controlling customer risks and expanding customer scope. Non-bank financial institutions will inevitably face the problem of relatively poor customer credit standing for customers eliminated by commercial banks, so they must actively seek

strong customer database support to provide guarantees for their customer credit judgments.

## **Related research**

### **1. International Studies**

The globalization of financial products originated in the United States in the 1980s. Since then, various financial products have successively entered the European market and are sought after by customers. The world's first private financial company was born in Switzerland, and its asset management business has been developed for 100 years. In many western countries, financing loans are integrated into almost all households. The following content introduces foreign research on corporate marketing strategies.

#### 1.1 Research on 7P marketing theory

In 1960, American marketing guru Jerome McCarthy summarized the elements of enterprise marketing into a combination of four elements, namely product, price, place, and promotion. The famous 4P theory. In 1981, Boom and Bitner added a 7P marketing mix based on the 4P theory, namely people, physical presentation, and process.

The first is products (products), which requires enterprises to pay attention to the functional attributes of products in the product development stage, and carefully develop products with their own unique selling points. The second is price (price), which refers to the economic benefits obtained by the enterprise through selling products. Enterprises formulate different price strategies according to different market positioning. The third is the channel (Place). Enterprises need to focus on training dealers and building a sales network. Fourth, promotion (promotion), companies stimulate consumers to buy through a series of marketing activities such as brand promotion, advertising, and sales promotion. Fifth, people (People), everything that employees do will affect customers' impression of the company, and this part is often particularly important. Sixth, physical evidence, including the environment and convenient tools provided by the enterprise, and providing

effective guidance. By displaying the company's products and services, the advertised products are closer to customers, and customers can also learn more about products through experience. The seventh is the process, that is, the process of realizing services through specific mechanisms and activities.

### 1.2 Research on the Current Situation of Marketing of Financial Products

The potential risks faced by personal financial management companies, including portfolio risk in financial product design and risk planning after product design. He suggested that financial management platforms should play an intermediary role in personal financial management services, focus on serving customers, collect customer needs, popularize personal financial risk prevention, and control knowledge to customers, and allow customers to make professional and rigorous decisions to reduce customer risks (Henderson, et al., 2018: p. 50-60). The current development model of the financial market is globalization, and the financial market is facing fierce struggles and multi-level adjustments. The investment and financing effects of many new products such as gold and crude oil gradually emerged and occupied the market. At present, various innovative wealth management products of various financing platforms cooperate with each other, different investment portfolios gradually occupy the market, and investors' requirements for low risk are becoming increasingly urgent. The financing platform has a natural information advantage. Its advantage lies in relying on the Internet and integrating various risks so that investment customers can seek relevant help (Thomas & Hedrick, 2019: p. 27-41). That is the Internet can help many traditional industries establish innovative marketing systems, change marketing channels and strategies, and gain business opportunities in the market. When formulating marketing strategies, the financial industry should comprehensively consider industry characteristics, product types and Internet channel communication modes, and choose an appropriate marketing plan (Zhu, Xu, Zhang, Chen, & Evans, 2020: p. 192).

### 1.3 Research on marketing strategies of financial products

The marketing strategy of financial services should be centered on the financial needs of customers, that is, the development of banking and financial services should be customer-centric, and the design of characteristic financial products



should be based on customer needs, referring to the benefits and benefits of financial products. Risk factors, focusing on investment and research capabilities. Meet customer needs and improve customer reputation (Lewis, 2018: p. 577-590). In the importance of product marketing in his research on the formation and development of personal financial products and believed that the marketing positioning of personal financial products should be market-oriented and in line with the service concept of "Customer First". At any time and under any circumstances, banks must take the interests and needs of customers as the starting point to promote the development of financing and loan business (Roa & Villegas, 2022: p. 1-23) and that the customer service of financial institutions is very important, and it directly affects the company's external image and influence (Van der Merwe, Malan, & Bruwer, 2020: p. 1-12).

## **2. Domestic Research**

### **2.1 Product strategy research**

To achieve the goal of a differentiated competitive strategy, trust companies must combine the interests of asset management under the current Chinese macroeconomic environment. The implementation plan of trust companies relying on asset management business transformation should formulate specific strategies, including the innovation of individual product and service strategies (He, 2018: p. 1088-1110). Companies should establish rich and diverse wealth products in the competition and provide professional services for customers' asset evaluation (Qiang, Runxiang, Peng, & Jinfang, 2020: p. 730). The product structure should be continuously improved, customers should be segmented, product marketing channels should be expanded, and the competitive advantages of research institutions should be continuously improved, to provide an important guarantee for the implementation of asset management strategies of trust companies (Seitz & Stickel, 2001: p. 67-77). The trend of asset management should be widely used to improve the company's comprehensive business chain and promote the reform of the product structure of trust companies (Suh & Han, 2002: p. 247-263). And conducted in-depth research on wealth products, exploring sustainable asset

management models and profitability methods, to achieve the company's goal of making experts more financially responsible (Arnaboldi & Claeys, 2008: p. 1-28).

## 2.2 Research on price strategy

The asset management pricing strategies of other leading companies in the trust industry, comprehensively consider changes in other asset management businesses in China and examine the impact of investment companies' asset management pricing plans on enterprises. The innovation of institutional services and value mechanisms and examined price operations to meet market demand (Qiu, 2019: p. 50-55). The development of the trust industry should be compared with the statistical results of internal and external data to analyze the operating performance and income structure of large enterprises (Ran, 2023). After understanding the development direction of the top trust companies in the trust industry, they concluded that the changing trend of the asset management pricing mechanism in the industry is irresistible (SK & David, 2019; p. 143-154). The price mechanism of the trust market through case studies is based on the basic theory of asset management, combined with the perspective of domestic and foreign asset management (Araújo, Portela, Alvelos, & Ruiz, 2022: p. 163). And the adjustment of the price mechanism has had a positive impact on the company, providing a direction for the reform of service commissions and product pricing strategies (Ndirangu, Kiragu, Ngunyi, Shano, & Kimani, 2022: p. 59-71).

## 2.3 Channel strategy research

With the development and popularization of mobile Internet technology, 5G technology has been applied, and Internet financial technology has gradually matured. The rapid development of Internet marketing channels has greatly promoted the reform of trust marketing channels and reformed the traditional business model (Ndirangu, Kiragu, Ngunyi, Shano, & Kimani, 2022). The development of trust companies should effectively use technological tools to change the defects of traditional marketing channels and make up for the loss of income caused by poor market conditions (Zreik, Marzuki, & Iqbal, 2023: p. 9-21). The growth of residents' income, residents' wealth management and services should be fully

developed, residents' consumption potential should be tapped, and the impact of diversified channels on corporate income should be increased (Younas & Kalimuthu, 2021: p. 67-80). The value and function of marketing channels by using comprehensive theory and the practice of asset management transformation in China Trust Corporation. (SK, Jeevan, & Akash, 2022: p. 1109-1114). An analysis of the development status and existing problems of the trust business and deepened the transformation and development of marketing channels according to the background of the trust transformation era. Therefore, it is necessary to effectively promote the reform of the marketing channels of the trust industry (SK & David, 2019: p. 143-154).

#### 2.4 Research on sales promotion strategies

In the marketing process, we can formulate precise sales strategies according to the image of different customers. They analyzed the needs of the target market, investigated the characteristics and needs of different customers, and formulated corresponding marketing strategies to meet the needs of different customers (Miri & Mhamdi, 2022: p. 49-57). The scope and nature of consumer assets, asset management needs, and behavioral characteristics of portraits, and implemented corresponding marketing strategies and marketing plans. Sun, proposed to conduct an in-depth investigation of customer demand behavior and adopt rich promotional activities to promote their consumption (Sun & Duang, 2021: p. 18-32). And the promotion methods of traditional securities companies, and under the opening of the Internet, big data, and financial technology, they implemented and realized the diversified needs of customers. To establish a healthy professional service organizational structure, optimize business models and promotion activities, and promote the realization of the promotion functions of various business departments of trust companies (Ding, Gu, & Peng, 2022: p. 102194).

#### 2.5 Research on personnel strategy

According to the research on innovative models confirmed by relevant cases, practitioners in the trust industry should focus on improving investors' capital flow. Some employees of trust companies should actively consider changes in investors' trading habits, not just trading stock products (Nwankwo, Kanyangale, Anoke, & Eze,

2023: p. 79-106). Consumers should be aware of the distribution of investment structures, and brokers of trust companies should be aware of guidance, realize the differentiated service functions of trust company business departments, and transform into a financial service platform for comprehensive asset management (Ding, Gu, & Peng, 2022: p. 102194). Company marketing personnel should improve their professional quality and be able to conduct differentiated marketing to trust customers. This difference is mainly reflected in two aspects: one is the ability to segment customers, and the other is the ability to provide differentiated products and services according to the different needs of customers (Sun & Duang, 2021: p. 18-32). The development of e-commerce is of great benefit to the marketing of trust companies, which can improve the professional skills of the team and cultivate confidence, so as to gain core competitive advantages in market competition (Araújo, Portela, Alvelos, & Ruiz, 2022: p. 163). And the implementation of the marketing strategy of trust enterprises must first ensure the professionalization and standardization of the marketing team, establish, and improve the assessment and incentive mechanism, and stimulate the creativity and enthusiasm of employees (Ding, Gu, & Peng, 2022: p. 102194).

## 2.6 Service process strategy research

With the strengthening of trust industry supervision and the intensification of market competition, trust companies must continue to tap the deep value of massive customer marketing data. In the process of enterprise marketing services, it is very important to continuously create new marketing strategies and service models and improve internal control levels and customer experience (Bian, 2022: p. 20). In the industry, it is necessary to combine big data analysis technology to analyze the consumption habits, consumption behavior, and preferences of different customer groups, and formulate precise marketing strategies and service measures (Gutiérrez, Fuertes, & Serrano, 2008: p. 415 - 436). The perspective of service marketing, suggests that in the process of product promotion, we should fully understand the consumer psychology of customers and improve the service strategy (Bian, 2022: p. 20). Different asset management services meet different customer needs, and trust companies should create and optimize differentiated products and services in the

process of business development (Qiu, 2019: p. 50-55). That services should be classified, customer service structures should be differentiated, problems existing in the existing asset management service system should be identified, and product optimization and upgrading plans should be proposed (He, 2018: p. 1088-1110). Research by the Financial Stability Analysis Group of the People's Bank of China shows that in the process of trust marketing, customer service should be emphasized, trust marketing should be diversified, and similar service strategies should be distinguished according to the level of investment consulting services provided, to achieve precision marketing target.

### 2.7 Research on tangible display strategies

The consumption habits formed by consumers in the new media environment can further guide consumers through tangible displays. The objective content of tangible display is an important reference for studying consumer behavior. that consumers need to analyze and evaluate other people's views on products and services based on external information, thereby influencing purchase decisions (Gutiérrez, Fuertes, & Serrano, 2008: p. 415 - 436). And believes that consumers can not only see the company's official opinions, but also evaluate products on new media, which greatly reduces the risk of shopping (Araújo, Portela, Alvelos, & Ruiz, 2022: p. 163). Consumers can quickly learn about products and promote consumption through the influence of word of mouth (Ding, Gu, & Peng, 2022: p. 102194). Companies should actively use Internet tools to disseminate information through Weibo and other means and show consumers objective evaluation information to promote consumption (Ndirangu, Kiragu, Ngunyi, Shano, & Kimani, 2022: p. 59-71). According to the survey, Internet technology tools should be used for scientific observation and promotion, focusing on the overall advancement of trust operations and the transformation of business philosophy, improving differentiated marketing strategies, and formulating differentiated marketing strategies based on the company's own advantages and interests, and constantly improve their own interests in the process of upgrading (Heller & Badding, 2012: p. 831-835).

The transformation and upgrading of the platform marketing strategy directly reflects the influence of the current regulatory rules, and the internal environment of

the industry has undergone earth-shaking changes. This article analyzes the existing problems in the entire loan industry from this perspective: First, establish an open and transparent loan platform. Because of the rapid development of the credit reporting system, the degree of data sharing in the industry will be further improved. Therefore, relevant entities should realize the importance of establishing an information processing system to prevent information asymmetry in the industry and control the possibility of internal credit risk on the information lending platform to a certain extent. Second, improve information transparency & this is also an important measure to protect the legitimate rights and interests of investors. In addition, the establishment and improvement of the national credit reporting system is related to the internal credit rating system of the platform. The strength of risk management is increasingly becoming an important indicator and factor to measure the strength of the platform at this stage. However, at present, specific internal control measures for financial supervision have not been implemented, and the speed and quality of risk audits cannot be guaranteed, which has caused risks to a large extent. The introduction of industry supervision will surely promote the establishment and improvement of national systems. Therefore, channel credit data sharing is more important. In addition, the loan platform should choose the best evaluation tool according to its development, break the various influences of imperfect systems, establish its credit platform system, meet the characteristic requirements of gradual development, and improve the overall credit rating ability. This is the establishment of a credit platform. main premise. Third, realize the organic combination of online and offline channel models. At present, the domestic financing technology loan industry has already undertaken part of the functions of online and offline loans and investment docking, and it is not a loan model with the same full significance as external financing technology loans. Most of the offline channels on the platform can be fully utilized because they already have a relatively mature business model. Therefore, fintech loans in China should seek an organic combination of online and offline. It is not allowed to completely copy the pure online model of the West, but to make full use of the characteristics of most domestic financial technology lending platforms, organically combine online and offline companies, and form a channel

business model that supports each other. Fourth, the development of the fintech loan industry in the vertical market segment will become a trend and a competitive advantage of the platform.

The entire industry presents the basic characteristics of specialization and standardization, so in the process of product and service development, the choice of high-quality products is more diversified. The platform should carry out extensive in-depth mining and channel segmentation from various angles of product positioning to promote the further improvement of vertical market share. Under the platform marketing strategy of pricing power and under the background of enhancing core competitiveness, further enhance the level of risk management. Therefore, in terms of product prices, it is necessary to recognize the importance of achieving a differentiated competitive advantage.

The above-related literature review, on the basis of studying the marketing strategy of the financial technology loan industry, reveals to a certain extent the marketing strategy of the development direction of the financial technology loan industry under the guidance of the existing industry environment and policies, and gradually further research for the subsequent chapters a financial company and its marketing strategy provide directional guidance.