Convoy
Business Administration Paper
2005

“Brand Strategy for Convoy –
a Leading Financial Planning
Services Provider”

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Agenda

• Marketing Research
• Competitive Analysis
• Recommendation
  – Target customer
  – Positioning
  – Objective
  – Promotion strategies
  – Budget
Marketing Research

Primary Research

**Step 1:**
Exploratory Research
- Secondary Data
- Focus Group

**Step 2:**
Descriptive Research
- Survey (Through questionnaires)
- Sample size = 200
  - Interviewees: People interested in financial planning services when they have surplus on their income.

Findings from the survey

*There are five major findings from our survey:*

1. Awareness level of financial planning service providers
2. Potential customers of financial planning services
3. Selection criteria of financial planning service providers
4. Preferred brand image of a financial planning service providers
5. Situations that respondents will use financial planning services
Finding 1a
Awareness Level of Financial Planning Service Providers – First of Mind Brand Awareness

**Conclusion:**
HSBC becomes the first of mind brand when customers think of financial planning service provider.

Finding 1b
Awareness Level of Financial Planning Service Providers – Aided Brand Awareness

**Conclusions:**
The top 3 aided brand awareness:
1. HSBC (81.5%)
2. AIA (74%)
3. Hang Seng Bank (71%)
Whereas, Convoy ranked 12 in aided brand awareness (32%)

**Insight:**
Brand recognition of Convoy in the market is just fair. There are still rooms for improvements.
**Finding 2:**

**Potential Customers of Financial Planning Service**

<table>
<thead>
<tr>
<th>Factors</th>
<th>Mean*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>2.88</td>
</tr>
<tr>
<td>Female</td>
<td>3.47</td>
</tr>
<tr>
<td>Family Income</td>
<td></td>
</tr>
<tr>
<td>Below $10,000</td>
<td>1.75</td>
</tr>
<tr>
<td>$10,001 - $20,000</td>
<td>2.8</td>
</tr>
<tr>
<td>$20,001 - $30,000</td>
<td>2.86</td>
</tr>
<tr>
<td>$30,001 - $40,000</td>
<td>2.97</td>
</tr>
<tr>
<td>$40,001 - $50,000</td>
<td>3.1</td>
</tr>
<tr>
<td>$50,001 - $60,000</td>
<td>3.73</td>
</tr>
<tr>
<td>Above $60,001</td>
<td>4.03</td>
</tr>
<tr>
<td>Age</td>
<td></td>
</tr>
<tr>
<td>18 to 27</td>
<td>2.59</td>
</tr>
<tr>
<td>28 to 37</td>
<td>2.92</td>
</tr>
<tr>
<td>38 to 47</td>
<td>3.7</td>
</tr>
<tr>
<td>48 to 57</td>
<td>3.23</td>
</tr>
<tr>
<td>58 or above</td>
<td>3.14</td>
</tr>
</tbody>
</table>

**Conclusions:**

- 3 groups of people have higher intention to use financial planning services:
  1. Female
  2. Aged between 38 to 47.
  3. Family Income > $60,001.

**Insight:**

- We suggest Convoy to use demographic factors to narrow their target market, so as to make the promotion campaign more cost effective.

*Remark: Mean is equal to the intention of respondents in using financial planning services, the higher the mean, the higher of the intention.

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**Finding 3:**

**Selection Criteria of Financial Planning Service Providers**

<table>
<thead>
<tr>
<th>Factors</th>
<th>Impact Level *</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(A higher impact level represents more important)</td>
</tr>
<tr>
<td>Brand Image</td>
<td>0.205</td>
</tr>
<tr>
<td>Trust of Company Advisor</td>
<td>0.187</td>
</tr>
<tr>
<td>Professional Knowledge</td>
<td>0.171</td>
</tr>
<tr>
<td>Services Quality</td>
<td>0.169</td>
</tr>
<tr>
<td>Charge</td>
<td>0.139</td>
</tr>
<tr>
<td>Diversify Services</td>
<td>0.134</td>
</tr>
</tbody>
</table>

**Conclusions:**

With the use of Regression, the top three factors affecting selection criteria are as follows:

1. Brand Image
2. Trust of Company Advisor
3. Professional Knowledge

**Insights:**

We suggest that Convoy should build a good brand image, emphasis on trustworthy and having professional knowledge when formulating the branding strategies.

*Remark: Impact level are the beta value in the regression analysis
Finding 4: Preferred Brand Image of a Financial Planning Service Provider

Insight:
We suggest Convoy to build a brand image of cogency (中肯) and being professional as it is most preferred by the potential customers.

Finding 5: Situations that Respondents will Use Financial Planning Service

Insights:
Convoy can target at people having the following characteristics:
1. Have surplus of money
2. Want to have a higher expected return
3. Want to accomplish their life goal
Agenda

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Competitive Analysis

Three main types of organizations providing financial planning service

- Banking organizations
  - e.g. HSBC
- Insurance Companies
  - e.g. AIA
- Independent Financial Advisors
  - e.g. Convoy

3 different dimensions for comparison

(1) Product nature
(2) Number of investment categories for customers to choose from
(3) Level of cogency (中肯) in giving advice to customers.
Competitive Analysis

**Conclusions:**
Banking Organizations and IFAs are targeting at the same group of customers.

<table>
<thead>
<tr>
<th>Main Competitor of Convoy</th>
<th>HSBC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Competitive advantage of</td>
<td></td>
</tr>
<tr>
<td>Convoy</td>
<td>1. More investment products for customers to choose from</td>
</tr>
<tr>
<td></td>
<td>2. More cogency advice can be provided to customers</td>
</tr>
</tbody>
</table>

**Insights from competitive analysis**
- As seen from Finding 4 (Slide 9), cogent is the most preferred brand image of potential customers;
- Here, when IFA compared with banks or insurance companies, Convoy is providing a more cogent (中肯) advice to their customers;
- So the competitive advantage of cogency should be emphasized in formulating the branding strategies.

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Recommended Target Customer

**Segmentation:**

People having surplus of money are with the following characteristics:

- **Psychographic segmentation**
  - Want to have a higher expected return on investment
  - Want to accomplish their life goal

- **Demographic segmentation**
  - Aged between 38-47
  - Family monthly income >$60,000

**Selection Criteria:** (From finding 3, 4; slide 8,9)

1. Brand image of the services providers: Professional, Cogency
2. Trust of the advisors
3. Professional knowledge of the advisors

Recommended Positioning

- Convoy ≡ IFA
  - with the image of being professional and providing cogency advice.

**Aim:**

To create the association of Convoy to IFA, Convoy can make the target customers perceive Convoy equal to IFA

**Objective:**

To increase Convoy awareness in the target market from 32% to 72%, so that Convoy becomes the top five brand awareness services provider.
Promotion Theme

Being professional and cogency, we use our talent to manage your wealth.

專業中立 用我才引您財

Agenda

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**Recommended Strategies**

<table>
<thead>
<tr>
<th>Promotion Campaign</th>
<th>Purposes</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. TV Commercial</td>
<td>Create Awareness</td>
</tr>
<tr>
<td>2. Educational Program</td>
<td>Educate customer and induce Action</td>
</tr>
<tr>
<td>3. Convoy Charity Bowling Day</td>
<td>Create Awareness and Strengthen Relationship</td>
</tr>
<tr>
<td>4a. Print Advertisement 1 - Sky</td>
<td>Form Belief, Trust and Professional</td>
</tr>
<tr>
<td>4b. Print Advertisement 2 - Marble</td>
<td>Form Belief, Cogency and Professional</td>
</tr>
</tbody>
</table>

**Purposes**

- To *create awareness* within Convoy’s target customers that Convoy can help their customers to *accomplish their life goals*.
- Rationale behind:
  - Findings show that accomplishing life goal is the *third reason* for people to use financial planning service.
1. At first, we show several warm and fragrant family photos.

2. Then, it quickly zooms out from the windows to the sky.
3. In the sky, there is **Convoy** text statement formed by clouds.

4. Lastly, an ending slide with promotion theme is shown.
Recommended Strategies

1. TV Commercial

Recommended Strategies

2. Educational Program

"Convoy, Your IFA Presents: One-minute Financial Planning Tips"

**Purposes**

- To increase awareness level of Convoy
- To help consumers perceive Convoy is equal to IFA
Recommended Strategies

2. Educational Program

"Convoy, Your IFA Presents:
One-minute Financial Planning Tips"

Message Strategies

• There are totally **four episodes** (With reference to AIDA Model)

| Episodes | Topics                   | Purposes
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Episode 1</td>
<td>The Importance of Investment</td>
<td>Build Attention</td>
</tr>
<tr>
<td>Episode 2</td>
<td>What is IFA?</td>
<td>Create Interest</td>
</tr>
<tr>
<td>Episode 3</td>
<td>Benefits of using IFA to invest</td>
<td>Create Desire</td>
</tr>
<tr>
<td>Episode 4</td>
<td>How to choose IFA?</td>
<td>Induce Action</td>
</tr>
</tbody>
</table>

→ Aims at *educating* people about IFA and *providing tips* for investment
→ Build a *professional image* for Convoy

• **Followed by the logo** of Convoy and the slogan
  "*Convoy is your independent financial planning advisor*"
→ To help people associate Convoy is equal to IFA

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Recommended Strategies

2. Educational Program

"Convoy, Your IFA Presents:
One-minute Financial Planning Tips"

Others Supporting of the educational program

• At the same period, **radio advertisement** will be used as a complement of the program.
• **Advertorials** in finance and business magazines

Media planning

• **TVB Jade**
  – Rationale behind:
    • Having a **high reach** of HK citizen
• **Roadshow** (media on KMB bus)
  – Rationale behind:
    • **Cost** is relatively **lower** compared with TV
• **Commercial Radio 1**
  – Rationale behind:
    • Having a **high reach** of HK citizen
Recommended Strategies

3. Convoy Charity Bowling Day

**Purposes**

- To **strengthen the relationship** with customers of Convoy and the public
- To build up a **caring image** and **corporate goodwill** in Hong Kong and China

**Strategies**

- From our findings **bowling** is the favorite hobbies for the respondents who have **higher intention** to use financial planning services.
- Customers only need to donate HK$500 and they can join the bowling competition
- The winners can join the final-round competition with the famous singers.

**Date:** June 2006

**Time:** 10:00-18:00

**Venue:** Olympian City

**Sessions:** Morning and Afternoon Session

**Celebrities:** Andy Lau, Gigi Leung
Recommended Strategies

3. Convoy Charity Bowling Day

Strategies

- The charity fund will donate to the needed children in Mainland China.
  - To build up a caring image and corporate goodwill in Hong Kong and China
  - Convoy can show her social responsibility in Mainland China
  - Make people in Mainland to perceive that Convoy is reliable and can be trusted
  - Easier to enter to Mainland China market in future

Recommended Strategies

4. Print Advertisement

Purposes

- To form a belief and further emphasize cogency, trustworthy and being professional
- Rationale behind:
  - The top three selection criteria of financial planning service provider are brand image, trust of company advisor and professional knowledge.
  - Findings show that people prefer a financial planning service provider with the brand image of cogency, professional.
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Recommended Strategies
4a. Print Advertisement 1 - Sky

**Purpose**
- To form a belief that Convoy is trustworthy and being professional

**Message Strategy**
- Slogan: “Just because I trust you”
- Girl praying to the God
- To create association between trusting God and trusting Convoy.
- The slogan of “Just because I trust you” is to strengthen the effect of the print ad.

**Media Planning**
- Headline Daily and Next Magazine

Recommended Strategies
4b. Print Advertisement 2 - Marble

**Purpose**
- To form a belief that Convoy is cogency and being professional

**Message Strategies**
- Slogan: “Convoy can help your life to become as simple as childhood”
- Customers play marbles when they were young
- Create the stopping power and recall their memories
- Using the black and white marbles are to emphasize on the cogency (中肯) of Convoy

**Media Planning**
- Headline Daily and Next Magazine
## Budget

<table>
<thead>
<tr>
<th>Promotion tool</th>
<th>Details</th>
<th>Times</th>
<th>Price</th>
<th>Total cost ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>TVC</td>
<td>TVB Jade, J7(18:55 - 22:55), F3, Mon – Fri, 10s, one time/week</td>
<td>4</td>
<td>$85,130</td>
<td>$340,520</td>
</tr>
<tr>
<td></td>
<td>TVB Jade, J3 (23:35 - 24:35), F9, Sat – Sun, 60s, one time/week</td>
<td>4</td>
<td>$142,620</td>
<td>$570,480</td>
</tr>
<tr>
<td>KMB Roadshow</td>
<td>KMB, 60s, 800 bus per days, 8 days per months</td>
<td>---</td>
<td>$502,720</td>
<td>$502,720</td>
</tr>
<tr>
<td>Radio</td>
<td>CR1, buy a package, 9 times/day, 252 times/month</td>
<td>---</td>
<td>$139,440</td>
<td>$139,440</td>
</tr>
<tr>
<td>Event Marketing:</td>
<td>Sunday, 10:00a.m to 6:00p.m, hold in Olympian City with 6 lanes</td>
<td>---</td>
<td>$1,500,000</td>
<td>$1,500,000</td>
</tr>
<tr>
<td>Bowling</td>
<td>Headline Daily, ROP, full page Full Color, Mon - Fri, 1 spot per week, for 8 weeks</td>
<td>8</td>
<td>$100,000</td>
<td>$800,000</td>
</tr>
<tr>
<td>Magazine Ad:</td>
<td>Next Magazine, ROP, full page Full Color, Mon - Fri, 1 spot per week, for 8 weeks</td>
<td>8</td>
<td>$45,000</td>
<td>$360,000</td>
</tr>
<tr>
<td>Trust</td>
<td>Next Magazine, ROP, full page Full Color, Mon - Fri, 1 spot per week, for 8 weeks</td>
<td>8</td>
<td>$100,000</td>
<td>$800,000</td>
</tr>
<tr>
<td>Cogency</td>
<td>Next Magazine, ROP, full page Full Color, Mon - Fri, 1 spot per week, for 8 weeks</td>
<td>8</td>
<td>$45,000</td>
<td>$360,000</td>
</tr>
</tbody>
</table>

**Total Budget** $5,473,160

The End
Thank you
our talent
your wealth