

## ONLINE PROMOTION OF FINANCIAL INVESTMENT SERVICES COMPANIES

**Ioana Iancu, Ionuț Stanciu**

*Department of Power Engineering and Management, Electrical Engineering Faculty, Technical University of Cluj-Napoca, Cluj-Napoca, Romania*

*Department of Psychology and Pedagogy, Technical University of Cluj-Napoca, Cluj-Napoca, Romania*

[anca.iancu@enm.utcluj.ro](mailto:anca.iancu@enm.utcluj.ro)

[id.stanciu@gmail.com](mailto:id.stanciu@gmail.com)

**Abstract:** *When we think about promotion in financial investment services companies, we have to consider, not only the offline or traditional type of promotion (personal communication, advertising, sales promotion, public relations and organization identity) but online promotion as well. Due to the fact that for more and more people, Internet represents the most important mean of communication, financial investment services companies marketing specialists have a variety of tools at hand. In this study we will describe the most important online promotion tools, like: E-mail Marketing, advertising, search engines, networks socialization, M-Marketing and promotion through web pages. Specific methods of online promotion enable real-time knowledge of the investor's behavior and can also address to them most effectively. The purpose of this theoretical study is to increase the rate of knowledge and usage of online marketing, in a very conservatory sector of the financial market: Financial Investment Services Companies Marketing. By promoting online a company, a product or a service the marketing specialists can target specific customer, segments and quantify results, which is almost impossible on such a scale and with such precision by traditional methods of promotion. Based on the literature and our own experience, methods were taken up and adapted in financial investment services companies. We show the present state of online marketing, make proposals and describe difficulties which can be encountered when an e-marketing strategy is made. The conclusion of our study is that more and more companies use online tools in their marketing strategies. There is a change in attitude by the Financial Investment Services Companies web pages: from a reserved one in 2010 to one open to innovation in 2015; we believe that SSIF Broker is an illustrative example in this regard. Instead, our opinion is that Search Engine Optimization should be used more by SSIF Broker, because of its benefits: greater exposure to the company, high traffic on website, awareness and branding.*

**Keywords:** online marketing, financial investment services companies.

**JEL classification:** M31

### 1. Introduction

Specific online promotion methods enable real-time knowledge of the investor's behaviour and also the possibility of approaching their maximum efficiency. The main advantages of these methods are efficiency, sustainability, the possibility of addressing a large number of users, saving time and costs.

Promoting online ("e") is possible due to the development of Internet and technological capabilities of Financial Investment Services Companies. Eric Schmidt, CEO of Google says that "The Internet will transform advertising because of its trackability, not its beauty" (<http://www.clickz.com/clickz/column/1698205/immersive-advertising-three-days-Worth>). His statement refers to the fact that by promoting online, a company can pursue to target

specific customer segments and quantify results, which is almost impossible on such a scale and with such precision by traditional methods.

Based on the literature, including the one related to banking financial services (Adam, 2011), methods of online promotion were taken up and adapted in financial investment services companies, too.

## **2. E-mail Marketing**

Cho Khong, Gopal et al., Kim et al., Kim McMillan, shows that marketing via e-mail is increasingly used as a tool that builds and strengthens relationships with customers (Ellis-Chadwick & Doherty, 2011). Used effectively, this technique can yield the greatest return on investment of all the e-marketing tools, in that: it is inexpensive, can be easily oriented, customer targeted, widely customizable and fully measurable (Stokes, 2009).

Being extremely cheap and measurable, e-mail is the easiest way of communication between the client and the Financial Investment Services Company and can be somewhat independent, and integrating it with other channels both online and offline, reinforcing the brand message.

The types of e-mails sent to customers by SSIF Broker are illustrated below.

*Daily news bulletins* with information from domestic or foreign stock markets and stockbrokers opinions about the market. For investors to access this newsletter, it is necessary that they subscribe through the website. Among the advantages obtained by SSIF Broker by sending these e-mails are: knowledge and brand recognition, the possibility of linking e-mails to the web page. As disadvantages, we can mention: the impersonal nature of e-mails (formal and uniform content) and its aesthetic rigidity.

*Personalized information* about portfolios and trades. To reduce bureaucracy and to provide a constant portfolio and transaction details, SSIF Broker sends regular e-mails to customers.

Around the holidays, SSIF Broker sends electronic greetings to customers, employees and collaborators. These e-cards help them keep customers and employees, but also strengthen the company's brand.

To improve this method of online promotion (e-mail), the following proposals are made: creation of two newsletters types, one for guests and one for potential clients, the introduction of a "share" button in e-mails that allows the customer to send the news to a friend, e-mails to potential customers (containing information about the quarterly accomplishments, press articles relating to the work SSIF Broker, seminars and conferences organized by the company), e-mails sent to customers monthly (with recommendations to buy or sell shares and recalling the successful cases, respectively argument after the failure of previous recommendations).

Email marketing is facing some challenges that can be overcome through the use of intelligent solutions. A first challenge is the integration of data contained in e-mail with other data systems, respectively, measurable return on investment. A solution is to find a system to track the trades carried out due to the recommendations made by brokers. Given that there are customers who prefer certain markets, or make trades due to analyst's advice, they should be able to choose the information they want to receive. So we talk about personalization of information sent by e-mail. The second challenge is to improve the rate of supply of e-mails. Specifically, it would be important to know how many email boxes are inactive, to calculate the rate of interest of investors for this type of messages. On this basis, we can regularly clean the contact database and can offer customers the chance to update their data. Another challenge is to increase and maintain the database of email addresses of current and potential customers. Even if currently the newsletter is sent only to customers, it is important that potential customers have access to some data, as well.

Although the idea that the number of unsubscribes decreases with reducing the frequency of e-mails, it was shown that the frequency of e-mails not necessarily lead to a large

number of unsubscribes ([http://cdn2.hubspot.net/hub/53/docs/ebooks/anintroductiontoemail\\_marketing\\_final.pdf](http://cdn2.hubspot.net/hub/53/docs/ebooks/anintroductiontoemail_marketing_final.pdf)). On balance, we believe that SSIF Broker should constantly ask reader's opinion on this type of promotion. We suggest that, given the fact that e-mail is considered by Romanians as the least popular method of communication (<http://Româniacopywriter.ro/social-media-România-2013/>), SSIF Broker would need to turn attention to other promotional methods.

### **3. Internet Ads**

Ways that can be advertised through the Internet are multiple: banners, pop-ups and pop-under, on the interactive map ([www.maps.google.com](http://www.maps.google.com)), floating pages, background or video ads.

Continuous technological evolution, allows advertisers to be more interactive, starting from images, videos and applications used in social networks. Buying advertising space on the Internet can be achieved in at least the following ways (<https://reclamabusiness.wordpress.com/2012/12/2015>): Cost per Mille (space is paid on number of impressions), Cost per Clicks (space is charged by clicks that are made on an ad) and Cost per Action (the cost of the number of actions made by the user).

Continuous technological evolution, allows ads to be more interactive, starting from images, videos and applications used in social networks. An example is the promotional video of the company SSIF Broker via You Tube: <https://www.youtube.com/watch?v=EoDkWAJub40>. The link is then promoted using social media and on its web page.

### **4. Search engine marketing**

Search engines are used to find certain information on the Internet. 93% of the Internet traffic is through these engines, which may explain the fact that around them a marketing industry has developed (Egri & Bayrak, 2014). Most used search engines are [www.google.com](http://www.google.com), [www.yahoo.com](http://www.yahoo.com), [www.bing.com](http://www.bing.com) etc.

Search engine marketing (SEM) has two components: SEO (website optimization for search engines to help obtain free traffic) and PSA (advertisers pay to appear on the search engine (<http://conceptie.ro/5-strategii-de-marketing-online-promovare-site/>, 2015).

Our opinion is that SEO should be more used by SSIF Broker, because of its benefits: greater exposure to the company, high traffic website, awareness and branding. Obviously, these benefits would get a substantial optimization of the website. But the results of this effort are difficult to measure.

On the other hand, the purchase space (PSA) has the advantages of obtaining immediate results and measurability. They appear in front of the high costs and disadvantages related campaigns and constant monitoring obligation. An example of a paid promotion which was proven useful in promoting SSIF Broker is Google AdWords. Because of the ease with which the target segment is selected, destination and location, this program should be the most used tool to start an advertising campaign.

### **5. Social Media**

Social networks are based on written communication, visual and / or audio, built so that it can be shared (Collin, 2011). In reality, social networks are formed by groups of individuals, organizations, companies which are closely related and interacting (Vásquez & Escamilla, 2014). If traditional media is rigid, difficult to measure, hard to follow from a historical perspective and the comments from investors are not in real time, social networks are just the opposite.

A study from 2013 shows that in Romania, most of the web surfers use Facebook, Twitter and Trilulilu and the most notorious social networks are Facebook, Youtube and Google Plus (<http://Româniacopywriter.ro/social-media-România-2013/>). The same study shows that 30% of the social networks users relate to brands presented to them. Their grievances refer to irrelevant information received from the companies, the absence of

price cuts, competitions, assistance and information about the products to be launched. Most users of the social network Facebook have between 25 and 34 years (<http://Româniancopywriter.ro/social-media-România-2013/>) and a study on consumer behaviour and investment services (Petric, 2015) shows that this age group has a higher propensity to purchase products with high risk. Therefore the SSIF Broker promotion through social networks would be important, be made consistent with the needs of investors.

Those responsible for the marketing of SSIF Broker lined up to this challenge, maintaining contact with clients and those concerned by Facebook, Youtube and Twitter. So far, looking at SSIF Broker, it promoted through Facebook, especially Webinars Academy Broker, Invest Quest BSE seminars, TV shows and rarely its own products (structured products, futures, stocks, bonds etc). The company uses both paid and unpaid promotion with different effects. If paid advertising receives more than 1780 views, unpaid advertise on Facebook brings only 91 viewers. Since 32% of the subjects of a study (<http://Româniancopywriter.ro/social-media-România-2013/>) believe that social media presenting a brand should have a post per day, the investment firm should pay attention and to promote their products / services on social networks.

Obviously, even if consuming human and financial resources, the promotion "brings" new customers, increases the number of web page visitors, increases brand visibility and, most likely, increases the market share of the company.

## **6. M-Marketing (mobile marketing)**

Mobile phones have become a common even trivial technology, in the last years. With the ability to transmit in real time and unlimited text messages, visual and / or hearing, smart phones connected to the Internet (or not), became a special channel to promote products and services. Through its multiple functions - communication audio, video, text or images, internet access, so access to email, social media, web pages etc. and specific applications of many types of activities, the mobile phone is an important tool for marketing.

The most important ways of M-marketing in a Financial Investment Services Company are: *direct sales*, *text messages* (studies show that most consumers find this type of communication irritating ((Muk, 2015), invading privacy (Windham & Orton, 2002) in an inappropriate way (Monk et al., 2004)), briefings made by phone (Watson et al., 2013; Stewart & Pavlou, 2002), internet marketing through smart phones or through various specific applications (developed specifically for certain mobile phones), for alerts, information over some discounts or fees, platforms for trading online, for viewing or market quotations etc.

Mobile platforms, made by Financial Investment Services Companies are just starting, and they resume to the possibility of accessing the website, checking the e-mail, confirmation of trades and portfolios. Versions of mobile trading platforms offer just a few Financial Investment Services Companies (SSIF Broker for the external market, and Tradeville). Based on the advantages of this form of trading (the speed of the trades, anytime, anywhere viewing the developments in holdings) and knowing that the most popular means of communication in Romania is by cell phone (<http://Româniancopywriter.ro/social-media-România-2013/>), investment companies should increase their efforts to adopt more rapidly this form of marketing.

SSIF Broker uses the mobile phone as a marketing tool for communicating with customers; it offers a version of the website for mobile, an application for online trading in foreign markets and communicating through social networks. As a result, it appears that 10% of the customers use this way of relating to the company (Petric, 2015). Based on analysis of the current situation of M-marketing in SSIF Broker, we make the following suggestions for enhancing the activity of this kind: sending messages to promote products / services appropriate investor profile, creating applications for online trading

("M") for Bucharest Stock Exchange, creating a system of "SMS Alert" on the portfolio, create SMS alert for entry dividends, subscriptions and information which may affect price developments in the market.

## **7. Web pages**

Some authors from the literature state that due to relatively low cost and power of information and the development of communication technologies, companies are using websites to improve image (Bonson&Escobar, 2002) or to obtain competitive advantages. The literature provides numerous methods for evaluating web pages, all showing the importance of content towards aesthetics. The result of a 2004 study (Constantinides, 2004) shows that users want adequate content of the page, speed, efficiency and safety in navigation, at the expense of aesthetics. Therefore, some argue that the foundation of a web page must be functionality (<http://2012books.lardbucket.org/books/online-marketing-essentials/s04-introduction-to-emarketing.html>). A study (Petric, 2011) over the Romanian Financial Investment Services Companies web pages shows that all have deficiencies regardless of the dimensions they consider: content, interactivity, navigation and appearance.

Referring to the website of SSIF Broker ([www.ssifbroker.ro](http://www.ssifbroker.ro)) we must specify that it is the most important element in the internet marketing strategy of the company. All because it is where the client (or potential client) can find all information about the activity of the company, its products, its image in the media, but also the competence of the human factor. In the 2012-2014 period, the aesthetics (appearance) prevailed in front of airworthiness. Visitors had difficulties finding information of interest because the page was very busy and contained elements that were moving all the time. Based on the premise found in literacy, that a web page must be primarily useful and functional (even at the expense of aesthetics), some changes have been suggested: accessing online trading platforms on domestic and international markets, on the front page ("home page"), introduce news segments "Latest News by SSIF Broker" (all information about the company), "Quick Info" (stock news, economic, political, banking etc.) and "Analysis", introduction to the right, the three "buttons" addressed the potential investor or a customer who does not know the stock market, "informed" (courses and seminars organized by SSIF Broker) "Invest" (related to the types of existing accounts) and "Diversify" (related to the types of products that can be traded through SSIF Broker), introducing useful links or shortcuts in the footer of the website, for the visitor to get to relevant information without having to search the whole site map, concentration of all elements in the same display so as to require a minimal navigation at the bottom (scroll down), accessing all functions of website and mobile phones, brochures introducing the use of trading platforms online, creating a dedicated customer relationship, with questions and answers to these questionnaires and opinions (blog type). In May 2015, this project was finished by the author and the entire team from SSIF Broker ([www.ssifbroker.ro](http://www.ssifbroker.ro)).

Obviously, the mere existence of the website, without monitoring what is going on it does not make any sense. Therefore, it is imperative that the marketing department of the investment firm to pursue the objective of collecting data about users of its standing to meet them, or to meet to satisfy their wishes and needs. The "Google Analytics" is very useful for this purpose, establishing the profitability (efficiency) by other forms of promotion through the website. In connection with users, the program allows to obtain data on their number, the total number of views, number of pages visited by each one, the average time spent on the website, leaving rate from the main page before accessing other pages, number of visitors new area to page accessed, the terminal used to access the page (phone, PC, tablet) etc.

## 8. Conclusions

Obviously, even if consuming human and financial resources, the online promotion "brings" new customers, increases the number of web page visitors, increases the brand visibility and, most likely, increases the market share of the company.

There is a change in attitude on Financial Investment Services Companies web pages: from a reserved one in 2010 to one open to innovation in 2015; we believe that SSIF Broker is an illustrative example in this regard.

Instead, our opinion is that Search Engine Optimization should be more used by SSIF Broker, because of its benefits: greater exposure to the company, high traffic on website, awareness and branding.

## 9. References

- Adam, C., (2011), *Marketing financiar-bancar*, Ediția a 2-a, Editura Mirton, Timișoara
- Bonsón E. & Escobar T. (2002), *A Survey on Voluntary Disclosure on the Internet. Empirical Evidence from 300 European Union Companies*, 2 (1), 27-51, [Online] [www.uhu.es/ijdar/10.4192/1577-8517-v2\\_2.pdf](http://www.uhu.es/ijdar/10.4192/1577-8517-v2_2.pdf) , [12 Dec 2009]
- [cdn2.hubspot.net/hub/53/file-13196188-pdf/docs/7-steps-to-jump-start-your-email-marketing-strategy-final.pdf](http://cdn2.hubspot.net/hub/53/file-13196188-pdf/docs/7-steps-to-jump-start-your-email-marketing-strategy-final.pdf) , [12 Dec 2014]
- Collin, P., Rahilly, K., Richardson, I. & Third A., (2011), *The Benefits of Social Networking Services*, [Online], [http://www.uws.edu.au/\\_data/assets/pdf\\_file/0003/476337/The-Benefits-of-Social-Networking-Services.pdf](http://www.uws.edu.au/_data/assets/pdf_file/0003/476337/The-Benefits-of-Social-Networking-Services.pdf)
- [conceptie.ro/5-strategii-de-marketing-online-promovare-site/](http://conceptie.ro/5-strategii-de-marketing-online-promovare-site/), [5 Jan 2015]
- Constantinides, E. (2004), *Influencing the online consumer's behavior: The web experience. Internet Research*, 14(2), 111-126
- Ellis-Chadwick, F. & Doherty, N.F. (2012), *Web advertising: The role of e-mail marketing*, *Journal of Business Research*, 65(6), 843-848
- Gokhan Egri, G. & Bayrak, C. (2014), *The Role of Search Engine Optimization on Keeping the User on the Site*, *Procedia Computer Science*, 36, 335–342, [Online], <http://www.sciencedirect.com/science/article/pii/S1877050914013519>, [11 Feb 2015]
- <http://2012books.lardbucket.org/books/online-marketing-essentials/s04-introduction-to-emarketing.html>, [1 Dec 2014]
- <http://Romaniancopywriter.ro/social-media-România-2013/>, [26 Dec 2014]
- <https://reclamabusines.wordpress.com/2012/12/>, [19 Jan 2015]
- <https://www.youtube.com/watch?v=EoDkWAJub40>. [ 20 Dec 2014]
- Monk, A., Carroll, J., Parker, S. & Blythe. M. (2004), *Why are mobile phones annoying? Behaviour and Information Technology*, 23 (1), 33–41
- Muk, A.& Chung, C. (2015), *Applying the technology acceptance model in a two-country study of SMS advertising*, *Journal of Business Research*, 68 (1), 1-6, [Online], [www.sciencedirect.com/science/article/pii/S0148296314001982](http://www.sciencedirect.com/science/article/pii/S0148296314001982) 296314001982/pdf?md5=46a790dc59b2e4440b4218dca80e0260&pid=1-s2.0-0148296314001982-main.pdf
- Petric, I. A. (2011), *The Image Of Investment And Financial Services Companies In Www Landscape (World Wide Web)*, p. 748-753, *The Annals of University of Oradea, Economic Sciences*, 20 (1), [Online], [anale.steconomeiceuoradea.ro/volume/2011/n1/098.pdf](http://anale.steconomeiceuoradea.ro/volume/2011/n1/098.pdf)
- Petric, I. A. (2015), *THE BEHAVIOR OF RETAIL INVESTORS ON THE BSE AND MARKETING MIX IN FINANCIAL INVESTMENT SERVICES COMPANIES*, Phd. Thesis
- Stewart, D.W. & Pavlou, P. A. (2002) *From Consumer Response to Active Consumer: Measuring the Effectiveness of Interactive Media*, *Journal of the Academy of Marketing Science*, 30, 376, [Online], [www.uk.sagepub.com/chaston/Chaston%20Web%20readings%20chapters%201-12/Chapter%209%20-%2036%20Stewart%20and%20Pavlou.pdf](http://www.uk.sagepub.com/chaston/Chaston%20Web%20readings%20chapters%201-12/Chapter%209%20-%2036%20Stewart%20and%20Pavlou.pdf)

Stokes, R. (2009), E-marketing, *The Essential Guide to Marketing in Digital World*, [Online], [https://www.redandyellow.co.za/wp-content/uploads/16-Email-Marketing\\_Quirk-Textbook-5.pdf](https://www.redandyellow.co.za/wp-content/uploads/16-Email-Marketing_Quirk-Textbook-5.pdf), [ 10 Dec 2014]

Vásquez, G.A.N. & Escamilla, E.M. (2014), *Best Practice in the Use of Social Networks Marketing Strategy as in SMEs*, *Procedia - Social and Behavioral Sciences*, 148, 533-542

Watson, C., McCarthy, J. & Rowley, J. (2013), *Consumer attitudes towards mobile marketing in the smart phone era*, *International Journal of Information Management*, 33 (5), 840-849, [Online], [www.sciencedirect.com/science/article/pii/S0268401213000868](http://www.sciencedirect.com/science/article/pii/S0268401213000868)

Windham, L. & Orton, K. (2002), *The soul of the new consumer: The attitudes, behavior, and preferences of e-customers*, Allworth Press

[www.clickz.com/clickz/column/1698205/immersive-advertising-three-days-worth](http://www.clickz.com/clickz/column/1698205/immersive-advertising-three-days-worth), [2 Dec 2014]

[www.maps.google.com](http://www.maps.google.com) [11 Apr 2016]

[www.ssifbroker.ro/](http://www.ssifbroker.ro/), [11 Apr 2016]

[https://www.youtube.com / watch?v = EoDkWAJub40](https://www.youtube.com/watch?v=EoDkWAJub40) [11 Apr 2016]