



Banking & Payments
Federation Ireland

BusinessEducation.ie

Case Study

The Marketing Mix
Using the 4 Ps to underpin a
Student Marketing Campaign

THE BANK OF YOU 



key learning outcomes

1

Market Segmentation and Targeting

2

Student Market

3

Marketing Mix

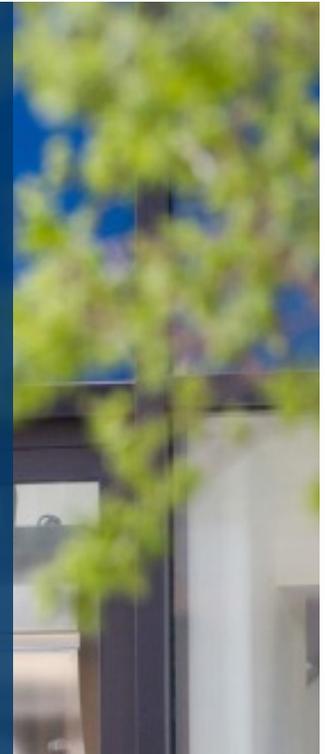
- Market Research
 - USP
 - The 4 Ps in Action
 - 1 Product
 - 2 Price
 - 3 Promotion
 - 4 Place
-

introduction

A large, semi-transparent watermark of the KBC Bank logo is visible in the background of the slide. The logo consists of a stylized figure holding a shield above the text 'KBC Bank'.

KBC is an Irish bank providing a complete range of banking services in Ireland for the past 40 years including deposits, corporate, treasury, business banking, and mortgages. KBC Bank Ireland employs over 1,000 employees in Dublin, Cork, Limerick, Galway, Kilkenny, Waterford and Kildare and is a wholly owned subsidiary of KBC Group NV, one of Europe's most recognisable financial institutions.

The focus of this study is on how KBC is developing its student market segment using the marketing mix (four Ps — product, place, price, and promotion) to create an innovative and highly targeted marketing strategy.



market segmentation and targeting



Companies will not survive if the marketing strategy is dependent upon targeting an entire mass market. For this reason, marketing segmentation and targeting are vitally important for ensuring the overall success of a company.

Market segmentation is the process of dividing an entire market up into different customer segments.

Target marketing involves deciding which potential customer segments the company will focus on.

Market segmentation always comes before targeting, which helps a company be more selective about who they are marketing to, via specific campaigns.

KBC segments its market so that it can effectively tailor its products, services, pricing, marketing, sales and communication to its specific customer needs. The segments include: retail banking, business banking, mortgages, and student banking.

In this case study, we are specifically looking at how KBC is targeting and developing its student market segment.

student market

challenges, opportunities and objectives

Research has shown that people are more likely to get divorced than change their bank account in their lifetime. This means that the student banking market is highly competitive as banks understand if they recruit customers when they are students, they will most likely have a customer for life.

When these students graduate, they go on to become reliable and profitable customers for the bank taking out mortgages, loans and paying their fees.

KBC is a new addition to the Irish student market, when compared with the other banks. Unlike its competitors, KBC Bank does not have the advantage of an on-campus branch presence in the major universities and direct access to students all year round.

In 2015, KBC began an active campaign to develop its student market, increase brand awareness and grow market share. Its objective was, and continues to be, to build a unique student USP and marketing campaign that stands out from the competition and grabs attention.



the marketing mix

Some results from the research...

Where do students receive spending money?

- 33% parents
- 31% part time work

What do students spend most of their monthly income on?

- 62% food
- 33% transport

What do students worry about?

- 52% cost of living
- 32% paying rent

Where do students get financial advice?

- 62% parents
- 44% online resources
- 34% bank

The marketing mix is often referred to as the four Ps: Product, Price, Promotion, and Place. It involves creating a unique blend of the right product, in the right place, sold at the right price, using the most suitable methods of promotion. It is a complex set of variables and is different for every business.

Conducting the right kind of [market research](#) to analyse how the marketing mix applies to a specific product or service will help a business pursue the right strategies and approaches to ensure success.

KBC conducted customer research early in 2015, to develop a deeper understanding of what students want.

The student market research identified that the 'power of choice' and 'experiences' are what matter most to this student audience.

A [Unique Selling Proposition \(USP\)](#) defines a company's unique position in the marketplace. The USP is what makes the business stand out and makes it different from its competitors.

KBC's USP is based on the creation of a bank where its customers come first. Its brand mantra, the 'Bank of You' is evident in all its products and services, and in its dealings with its customers, shareholders, employees and community.

From this research, KBC went on to develop its Marketing Mix, which is a complex set of variables used for identifying, anticipating and satisfying consumer requirements profitably.

The KBC Marketing Mix focuses on:

- [Product](#)
- [Price](#)
- [Promotion](#)
- [Place](#)

product

what is KBC offering students?

The **product** is the core element of marketing mix. If the product offered is not able to meet the needs of customers then the other elements of the marketing mix will not be able to build market share.

Companies need to think about the following when offering a product or service to market:

- What does the customer want from the product or service?
- What needs does it satisfy?
- What features does it have to meet these needs?
- How is it differentiated versus competitors?
- How and where will the customer use it?

In the banking context, the product is any service offered by the bank, regardless of whether it is offered for a fee or free of charge. This could be a savings account, current account, mobile banking, credit cards, fees, overdraft facilities, direct debit payment etc.

Most banks are offering similar products, therefore it is important for them to differentiate themselves from their competitors to maintain and develop their market share.

KBC decided that innovation had to be the key ingredient in its student campaign so that it would truly stand out as more relevant than its competitors. KBC took into account that the student audience spends more than 50% of their time online, and so an overhaul of the KBC.ie student section was completed in advance of the campaign to ensure it was mobile responsive.

The student account product shows that KBC Bank Ireland is a different type of bank and is a modern banking partner. Here are some of the key components of the KBC student account product:

- Fee Free Banking.
- Mobile Banking App - anytime anyplace banking
- Contact less Visa Card.
- 15 Hubs – with free coffee, phone charging and Wi-Fi while you bank.
- Easy set mobile instant account set up – KBC Bank Ireland was the first bank to allow people to fully sign up for accounts remotely.
- €100 incentive: €40 when student account is opened and a further €60 when 10 debit card transactions are made and online banking is activated.



price

what is the pricing strategy used by KBC?



In the marketing mix, the **price** element means the amount of money charged for the product or service. It is the only one of the four Ps that generates revenue for the company. If a product or service is not given a correct price, this may affect sales and may lead to the company's failure. Adjusting the price of the product will have a big impact on the entire marketing strategy as well as greatly affecting the sales and demand of the product or service.

Pricing of services is tougher than pricing of products. For physical products, the final price depends on the raw materials, cost of production and distribution etc. However, for services, it is more difficult to measure the cost of the services offered.

In the banking context, most customers treat prices as one of the most important criteria when choosing a bank. Price here includes banks charges for using ATMs, online banking, lodgements, maintenance fees, and interest fees on loans.

KBC has adopted a very competitive pricing strategy as they want to recruit student accounts and then invest in these customers for years to come. Here are some of the key components of the KBC student account price:

- Very Competitive introductory offer for students: €100 incentive: €40 when student account is opened and a further €60 when 10 debit card transactions are made and online banking is activated.
- Free ATM and Cheque lodgement fees.
- No quarterly maintenance fees.
- Free contactless card debit transactions.
- Free Cashback.
- Free Online and Mobile banking.
- Free direct debits and standing orders.

promotion

how is KBC promoting the student account?

Promotion is a term used frequently in marketing and is one of the four basic elements of the marketing mix. It refers to raising customer awareness of a product or brand, generating sales, and creating brand loyalty.

During Freshers' Week each year, dedicated KBC staff promote the bank across campuses and generate account applications. The promotion consists of **experiential** activity, a pop up KBC hub (in the form of a camper van), an innovative digital-led advertising campaign, radio competitions, highly targeted press inserts and outdoor media.

Experiential activity in this context means creating an opportunity for people to interact with the brand in person.

Here are some of the key components of the KBC student account promotion:

- 109 days over 18 locations.
- Over 60 promotional KBC staff involved. Staff are a very well trained team and the brand is consistent across all locations.
- Staff opened dialogue with students to find out if they were looking for a bank and explained about the KBC proposition. It was important that the students understood that there were no catches, but that KBC wanted to invest in them as potential customers for years to come.
- KBC staff in very visible in bright blue standard uniforms. They were equipped with tablets which meant that students could join on the spot using the digital app.



- Innovative 'office space' is used in the form of a pop up mobile camper van.
- Radio spots and on air promotion, Spotify digital radio.
- Outdoor advertising targeted around colleges.
- Geo-targeting colleges with mobile display and text.
- Video / social package – Joe / Her.ie.
- Social Media – Facebook / Twitter / Instagram – students tagging themselves in pictures on campus – spreading brand awareness.

place

how does KBC get its product to the market?



The **place** element of the marketing mix involves identifying where the product or service will be sold. Place ensures that the product is distributed and made conveniently available for the right target audience, at the right location at the right time.

When talking about banking, three types of direct distribution channels can be identified:

- Traditional distribution happening in the bank branches.
- Electronic distribution happening online, on mobiles and at ATM machines.
- Mobile distribution meaning bank employees leaving the branch and travelling to meet customers in their own environments and create temporary points of sales.

KBC uses all of the above distribution channels to communicate with its student target market.

- Traditional distribution happens in KBC's 15 Hubs. KBC also has a USP here as its Hubs have longer opening hours than other banks and are also open on Saturday.
- Electronic distribution is done via the KBC website and mobile banking app.
- Mobile distribution occurs during Freshers' Week which is the key selling time for new student accounts. This happens at the start of the college year in September and KBC's highly trained student teams travel around the country to meet students first hand, promote the bank and generate student account applications. KBC does not have an on campus branch presence like many of its competitors. This means that it can't promote on campus so it has to be innovative and promotes around perimeter of campus and it also sponsors events off campus.

conclusion

The marketing mix defines the strategies and tactics a firm uses to reach target customers. The marketing mix is a crucial tool to help understand what the product or service can offer and how to plan for a successful product offering. The marketing mix is most commonly executed through the 4 P's of marketing: Product, Price, Promotion, and Place.

In this case study we see how KBC has successfully managed the four elements of the marketing mix to build an integrated and co-ordinated student marketing campaign. This campaign not only meets, but exceeds its target, increases brand awareness and grows market share.



activity

- 1 Define the term market segmentation in relation to KBC.
- 2 Explain the Product, Price, Promotion, and Place elements of the marketing mix. Relate your explanations to KBC.
- 3 Analyse, for a product or service of your choice, the elements of the marketing mix.

about

BusinessEducation.ie is an online resource created for Leaving Cert Business, Economics and Accounting students and teachers. The site contains a wide range of support tools including:

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