

Title of thesis: Distribution Strategy for financial products

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Executive Summary

This bachelor thesis develops a distribution strategy for financial products considering the latest technological advancements as well as the shift in demand-side preferences and applies the result on an existing product aiming for a significant increase in customers.

After providing the basic knowledge concerning marketing and distribution, an in-depth analysis of the possible distribution channels, including distribution through a branch network, agents, the Internet, mobile Internet and independent asset managers, as well as the multi-channel distribution strategy is made. This analysis is conducted through gathering and comparing the current empirical and theoretical research, in order to gain an insight into the various options and trends in today's markets from the demand, as well as from the supply side of view. The demographic differences in the adoption of innovative channels, the level of consulting provided, the perceived safety and the trust are found to be the critical properties of a distribution channel. Furthermore, the logical answer to the state of uncertainty concerning the distribution method that will win the market is the multi-channel approach, due to its concentration risk minimization and the large possibilities in contacting different customer segments.

The results from the analyses conducted are applied on the financial product in the second part of the thesis. The target state distribution strategy is derived after a thorough examination of the product as well as the targeted customer segment. The stated distribution strategy aims to strengthen and extend existing channels by reducing prices and increasing incentives to sell for sales personnel as well as creating and implementing a new online distribution channel, in order to obtain a multi-channel distribution. The resulting strategy allows the financial product to be advertised to a broader public.

The provided implementation guidelines will allow the strategy to be implemented effectively. The strategy ensures an effective push of the financial product's sales and the flexibility of the management in order to reduce reaction time on new market trends.