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ONLINE MARKETING PLAN PROPOSAL

Promotion of Microfinance Software

Application to Nigeria

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Abstract

Every company faces a time when there is a need to develop a marketing plan, which consists of determined goals and objectives, analysis of current situation, forecast planning and other relevant elements. In order to stay competitive and gain competitive advantage, companies seek for other marketing opportunities aside from traditional marketing. The era of technology has facilitated internet marketing development and opened the door of marketing opportunities.

The main objective of this study was to create an online marketing plan for Microfinance Software Application targeted on Sub-Saharan Africa, especially the Nigerian market. The study was created originally upon a request by Maviance GmbH, a German consulting and software development company, which has developed the product. The Nigerian market provides a lot of opportunities to service providers and microfinance institutions regarding its economical and technological environment, and thus is the main target market for the Microfinance Software Application.

Collected primary data from companies in related industries from Russia, Asia, North/Central/South America and Africa was used as a basis for online marketing plan. The qualitative research method was applied and seven interviews were conducted via email and Skype. The interview results reflect the fact that companies use online marketing tools in order to promote products. An outcome is actual marketing plan proposal for the Microfinance Software Application, specifying online channels worth of penetrating, actions needed to be done, implementation costs and required human skills.

The thesis outcome has many empirical implications and may be deployed in practice by any company integrating in online marketing. The thesis fulfilled its purpose and gives a clear image as well as an example of online marketing. Several recommendations and suggestions for the further application and research can be found in discussions chapter.

Subject headings, (keywords)

Marketing plan proposal, online marketing, microfinance software application, Sub-Saharan Africa, Nigerian market, Maviance GmbH.

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CONTENTS

1 INTRODUCTION

The introductory chapter aims on the familiarization of the reader with the thesis concept. It comprises a background of research, as well as a description of the research problem, study objectives and outline summary. Since the beginning the thesis was planned to be as practical as possible.

1.1 Study background

Access to financial services is an integral element of community and society as a whole. Some countries are more advanced in terms of financial systems, some are way behind. Nevertheless, governments all over the world encourage and run development projects in order to provide population with sufficient funding and access to financial institutions. Microfinance institutions particularly focus on building financial systems able to serve populations with very poor income or near-poor income, support entrepreneurship and diminish the poverty level. Sub-Saharan Africa is one of the regions where only a little percentage of households is able to be served financially. Nigeria, a part of Sub-Saharan Africa and the 7th most populated country in the world, has been struggling with poverty for years. Nevertheless, the world's microfinance institutions have seen the potential of Nigeria. To support this development the Nigerian government has introduced new programs and policies to help microfinance industry to serve unbanked population and provide sources of financial support.

For the last two decades many services have been automated. Innovations in the IT sector are being applied to both business economy and social community. Computers and smart phones have begun a new era of high productivity and efficiency, declining labor costs and minimizing errors.

Internet penetration and the number of mobile phone users have been significantly increasing in Africa, specifically in Nigeria. Experts forecast even bigger increases in the future in the African region. Mobile phones are used intensively for banking or other fi-

nancial purposes. All previously mentioned factors create a demand for new products or services automating microfinancing services, benefiting both the organization and the customer. Different software applications have already been developed, providing features and functionalities aiming to improve productivity in the area of microfinance. By now the market is rather saturated with firms competing for brand recognition and customer loyalty. New industry entrants find it hard to compete with already established companies. Since every company targets on gaining competitive advantage on the market, a well-planned structured marketing strategy is one of the attributes for success. With constant internet development, internet marketing opened the door of marketing opportunities and became a new convenient trend lots of companies started to follow. Computerized solutions, an attribute of the 21st century, is a very perspective topic in terms of development. Knowledge of IT, business management, economics and marketing lead us to the subject of this thesis.

1.2 Thesis objective

In order to have competitive advantage, companies try to reach as big as possible target audience, gain loyalty and brand awareness, using both traditional and Internet marketing. It can be managed only with a well planned and structured marketing strategy.

The main objective of the thesis is to come up with online marketing plan for Microfinance Software Application targeted on Sub-Saharan Africa, especially the Nigerian market. The Microfinance Software Application was developed by Maviance GmbH, a German consulting and software development company. The company has not done any marketing in this area, but would like to promote and draw more attention to the Microfinance Software Application with help of the Internet. Expected outcome should include a plan with recommendations and specific steps to be done in order to promote the product efficiently through the Internet to targeted market. It is not planned to do search engine optimization or to design the interactive ads for the company. Rather an outcome should state the actual names of e-channels, expected target audience of each channel, key messages to push through channels, and detailed steps to be taken.

In order to reach the desired goal, the following research sub-questions have been formulated for investigating and answering:

Q1 - What are the requirements of a successful marketing plan?

Q2 - Which tools or channels can be used in order to do product marketing on the on-line marketplace?

Q3 - What are strategies and steps to push through these on-line channels?

Q4 - What is the marketing situation in companies in the related industries in Russia, Asia, North/Central/South America, and Africa?

Q5 - How can collected data be used in order to create an on-line marketing plan for Mobile Microfinance Application to the Nigerian market?

Multiple theories and models from books and articles have been studied as well as internet sources used in order to meet the objectives. Qualitative research was conducted to investigate if companies in the same industry used Internet marketing and which channels they penetrated while using Internet as an online communication tool.

1.3 Outline summary

Overall, the paper consists of eight major parts: introduction, theoretical framework, client and its case, research process, interview results, online marketing plan, discussions, and concluding remarks. The introduction gives an insight to the overall thesis purpose by stating objectives and research sub-questions. The theoretical framework concentrates on the core theories concerning online marketing, reviews different online communication tools and elements of marketing model. Important previous studies and literature about related phenomena are discussed in this chapter. The following chapter, Client and its case, leads the reader from the theoretical knowledge to the empirical part. The chapter examines a background development of Internet and mobile smart phone usage, a microfinance situation and economical situation in Nigeria. It also reviews the client, Maviance GmbH, key features of the designed product, the Microfinance Software Application. Re-

search process chapter provides readers an idea on research methodology, taken steps to data collection, sampling etc. The interview results is a chapter devoted to the findings from the responses gathered through email and Skype interviews. The online marketing plan chapter contains marketing plan proposal. It shows how Internet can be used as an online communication tool for marketing the Microfinance Software Application to Sub-Saharan Africa, the Nigerian market. The discussions chapter summarizes the scope of the research study, and gives recommendations on further research and development. The final chapter, concluding remarks describes my own learning perspective.

2 THEORETHICAL FRAMEWORK

Development of a marketing plan is not possible without an understanding of an e-marketing concept in general. Before entering a market, it is important to study strengths and weaknesses, as well as threats and opportunities. Small and medium sized companies do not usually use the Internet to its full potential due to limited resources. However, Internet technologies offer a lot of opportunities and if used correctly, they make organization more competitive and benefit society as well (Boone & Kurtz 2012, 80). Over the past decade, the number of businesses using and offering Internet services, as well as the number of Internet users all over the world have grown dramatically. As a result, competition has increased and companies struggle to be globally competitive. Hence, why not to use an on-line tool, which diversifies marketing activities and potentially gives a competitive advantage? The development of the plan will be based on literature and theories reviewed in this chapter and followed by the empirical knowledge part.

2. 1 On-line marketing concept

2.1.1 What is on-line marketing?

There are a few related terms when it comes to use of Internet as a marketing tool. Definitions are similar, however they differ a little. Internet marketing or on-line marketing can

be defined as a use of Internet based tools in order to achieve marketing objectives and create on-line subsistence, while e-marketing or also called digital marketing has a broader meaning. Besides using "external media such as web, e-mail and wireless technology, it also includes management of digital customer data and electronic customer relationship management systems (e-CRM systems), which as internal to the organization". (Smith & Chaffey 2005, 98).

Internet marketing is an output of information technology applied to traditional marketing. Business environment, competition, market, customer needs have been changing over decades, demanding technological innovations in all spheres, including marketing activities. Thus Internet marketing is a result of combining opportunities of the information technology sector, requirements of economics and business, as well as the possibilities of marketing as shown in Figure 1.

New on-line infrastructure brought traditional marketing to the next level, providing great opportunities for companies on value creation processes, introducing cost saving benefits, and increasing revenues. Internet has played a crucial role in development, acting both as a market and a medium, connecting different platforms (Ngai 2003, 25).
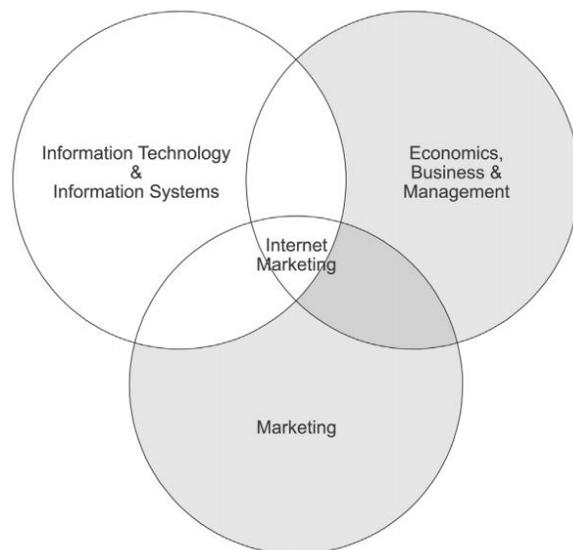

FIGURE 1. Internet Marketing (based on Ngai 2003, 25)

Petersen et al. (1997, 334) suggests an interesting framework by treating the Internet as a three way marketing channel, combining a distribution channel, a transaction channel and a communication channel, each of which has a distinct function. Distribution channels are responsible for the physical exchange of products or services. They help to reduce large inventories, storage costs, utilities and space rental (Kiang et al. 2000, 386). Transaction channels' function is sale activities managing between buyers and sellers. The Internet technologies allow companies to reach a bigger customer base, while streamline transaction processing reduces paperwork and transaction costs (Kiang et al. 2000, 386). Finally, communication channels work on information availability, accessibility, and exchange between sellers and buyers. This type of channel delivers information to customers in regard to updates or hot offers, and conversely saves time and money for the company in collecting information about customers via surveys, ratings and reviews. However, in practice channels overlap, which leads to multi functionality of each channel. By using Internet in these mentioned different ways companies struggle to remain competitive at the electronic marketplace, strengthen and increase brand awareness. In the current thesis study the Internet is used as a communication channel to bring customer relationship management to another level and deliver marketing value to customers in on-line presence. On-line communication tools will be discussed in more detail in subsequent chapters.

However small or medium-sized enterprises (SMEs) are organized differently compared to large organizations. The structure is simplified, resources are limited, and SME managers act and run decision making concerning marketing in another way. (Gilmore et al. 2001, 6). As far as costs are on the agenda, SMEs see the value of Internet marketing in on-line promotion and networking with customers. In such a case, according to Gilmore et al. (2007, 243), SMEs' activities express in "advertising in more markets with fewer expenses, using e-mail as a marketing tool, and decreasing the costs of printing materials such as catalogues and glossy brochures."

The lack of time, budget, skills and expertise, human resource and market restrictions indeed influence marketing situation in SMEs. This leads to poor on-line subsistence. Knowledge costs are high and if result is not worth the efforts, SMEs' managers do not take the risk and use Internet potential to the fullest. Besides, SMEs managers or owners are being more sensoring rather than intuitive in decision making and "make most of their decisions on their own, respond to current opportunities and circumstances and so decision making occurs in a haphazard and chaotic way". (Gilmore et al 2001, 6).

On the other hand, as soon as advantages of on-line marketing are revealed, companies are willing to do staff training, hire specialists and start creating on-line platforms, so, what are the benefits? Why do companies have to bother and make lot of effort in entering the electronic marketplace?

2.1.2 Benefits of Internet marketing

Internet may fairly be called the worlds' least expensive and most efficient marketing tool. It works as a medium, having access to mass market at a reasonable cost, connecting people from all over the world, bringing sellers and buyers together, allowing companies to perform business, and to have real time access 24 hours a day, seven days of the week. Doing marketing on the Internet benefits both buyers and sellers, each in a different way.

Benefits to sellers

Small to medium sized enterprises have usually limited marketing budget and therefore seek for cheaper marketing promotional tools. Doing marketing on-line reduces costs in many ways compared to traditional marketing. Internet opened a new niche for the global markets. The global access makes it possible for companies to obtain a wider range of customers and increase the geographic coverage at a lower cost and shorter time. Thus, new entrants may receive as much new data as already well established organizations have. In addition, electronic marketplace eliminates labor costs as well as printing and mailing costs, since no more communicating has to be done via post and neither bro-

chures or advertising campaigns have to be printed out and distributed. Alternatively, the company can produce e-brochures, e-product catalogues or leaflets in a digital form. In the past few years, more and more people are getting involved on-line and the demand for the printed media is dramatically decreasing. Therefore, companies invest more and more in on-line advertising, which is more likely to reach the right market. Information about new products, services and hot offers can be sent via e-mail newsletters so companies are able to cut advertising costs as well. "Because customers deal directly with sellers, on-line selling often results in lower costs and improved efficiencies for channel and logistics functions such as order processing, inventory handling, delivery, and trade promotion". (Armstrong et al. 2009, 479).

On-line services brought up more interactivity between sellers and buyers as well as improved and simplified business to business relationships. Frequently asked questions (FAQ), blogs, forums and feedback forms allow people to ask and receive answers much quickly. Time is a valuable thing. In this case, buyers and sellers save time. Customers do not have to wait till morning to call for service, while staff can organize their time and do other work more efficiently. Moreover, sellers learn more about fast changing customer specific needs and satisfaction through products' quality and performance reviews. In addition, running surveys on-line is the fastest and cheapest way to conduct a market research.

Benefits to buyers

The main benefits of Internet marketing to sellers, such as a wider customer database, lower cost benefits, and increased interactivity with clients have been reviewed in the previous chapter. "What are the benefits of Internet marketing to buyers", you may ask.

From buyers' perspective, Internet allows to compare products on-line at any time and place, avoid queues in shops and receive home delivery with no time spent outside home. Websites often offer more and better quality information that salesperson can provide (Armstrong et al. 2009, 478). "Buyers often can interact with the seller's site to create

exactly the configuration of information, products, or services they desire, then order or download them on the spot" (Armstrong et al. 2009, 478). While sellers enjoy convenient service, buyers learn more about customers' wants and fulfill the database.

2.1.3 Drawbacks and limitations of Internet marketing

Aside from new opportunities, Internet has also brought problems and challenges. Marketing methods and skills which used to be applied in traditional marketing seem no longer be efficient.

The world we live in is dynamic and data is changing fast in reality as well as in a virtual marketplace. In order to stay competitive and up to date, companies have to update websites and store on-line information quickly. Incorrect information may mislead people and damage customer relationships, especially if they are intended to be the long term relationships.

Security issues and data privacy is one of the biggest challenges in on-line markets. Not all privacy policies guarantee the safety of personal information and thus make customers hesitant providing personal data or accepting Terms and Conditions. Companies, on the other side, have to make sure that no mendacious websites are created. Sellers suffer from frauds as well. Companies have to take care of credit card information, emails or passwords, which are usually the first target of hackers. If the credit card details were stolen, there will be legal consequences.

Another risk is a system or a computer error. Computer algorithms and computerized sales, marketing and storage databases on-line were a great move of time and technological innovation. However, in terms of global electronic marketplace a minor computer fault can be fatal. A system may simply crash, and there is always a chance of unethical usage and manipulation of the on-line data. That is why precautionary actions should be upgraded in step with developing technological innovation.

Ever since it was realized how productive Internet can be, competition among companies has significantly increased. Currently any more or less substantial company has a website and, in addition, advertises itself in social networks, such as Google+, Facebook, Twitter etc. Hot news spread in fraction of a second and even a little mistake if not immediately taken control of may cost a fortune for the company.

Finally, on-line presence is lacking face-to-face interaction. In most cases, a website is the first thing customers pay attention to and do judging. Therefore, this on-line 'business card' should be as interactive and user friendly as possible.

Purchasing on-line does not guarantee receiving the exact quality, size or color the customer paid for. All virtual products are intangible and are not possible to smell, taste or touch. Companies try to imitate reality by providing photos or demos of the products. Nevertheless, people might have to return items. In order not to get negative reviews, companies can take care of shipping costs, provide quick delivery or expiate the guilt by suggesting an advantageous offer.

2.2 On-line communication tools

This chapter reviews the main on-line marketing tools which marketers can use in order to establish and develop on-line presence.

As a matter of fact, there are different theories suggesting ways of conducting marketing on-line. For instance, Armstrong et al. (2009, 487) created a framework recommending companies to do on-line marketing in the following four ways: setting up on-line social networks, creating a website, placing ads or promotions on-line, and using e-mail. On the other side, Neuman (2007) has identified six steps to drive traffic to web-based products and services. They include getting listed on search engines, sending email, advertising on-line, setting up an affiliate program, using viral marketing and blogs. However, the scope of the thesis should be limited to some extent and therefore the model created by Chaffey & Smith (2008), who suggest six main categories of on-line marketing tools, was chosen

and applied. Originally the toolbox includes two more categories related to offline com-
munications. However, the aim of this paper is to analyze Internet as a marketing tool and
for this reason offline communications are excluded. The modified toolbox is shown in
Figure 2.
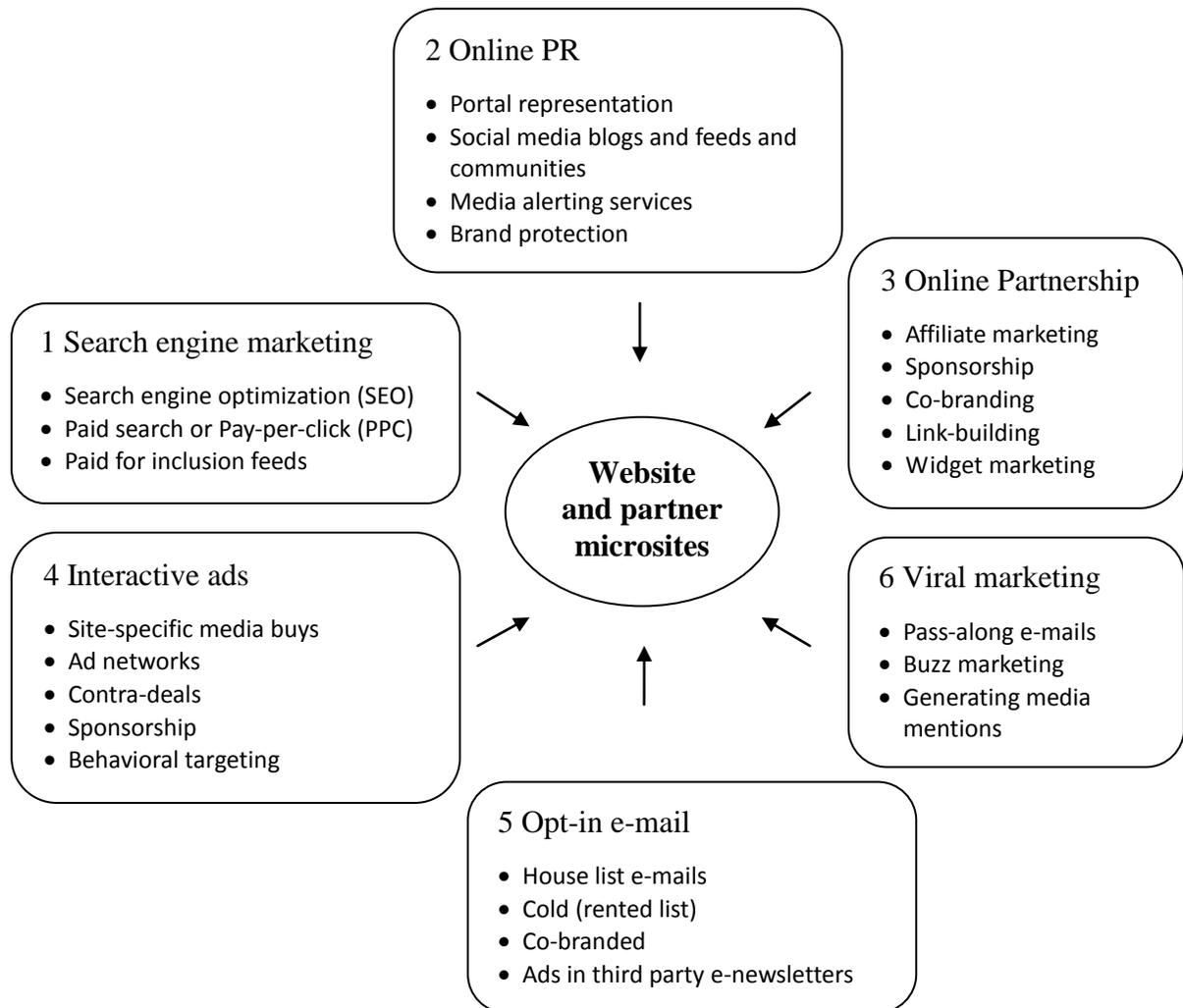
FIGURE 2. Six categories of e-communication tools or media channels (based on
Chaffey & Smith 2008)

The first step for most companies in Internet marketing is usually to create a website. The
website represents the company's presence on-line. It is also the first thing customers
judge the company by. A marketer's goal is to make it as accurate and informative as pos-
sible and also attractive, so to catch people's eyes and make them visit the website again

and again. Along with arising competition among sellers, buyers are benefiting as well. A lot of websites fight for customers' attention. Nowadays, on-line users quickly move from one website to another if their expectations were not fulfilled, which leads companies to lose potential clients.

However, there is no sense to have a website if nobody knows about it. Thus to obtain desired results, the next step is to attract customers' attention to the website with the tools shown in Figure 2. .

2.2.1 Search engine marketing (SEM)

With proper use of search engines small or medium businesses can ensure website visibility in an electronic sea. Companies incorporate on the website special techniques in order to improve it. Search engine marketing techniques are search engine optimization (SEO), Pay per Click and Paid for inclusion feeds (Chaffey et al. 2009, 29).

Search engine optimization (SEO)

Search engine optimization (SEO) is defined as "approach used to increase the position of a company or its products in search-engine natural or organic results listings for selected key phrases" (Chaffey 2006, 412). Search engines, such as Google, Yahoo, AOL, Bing and others provide targeted traffic. By customizing the traffic with key phrases and words it allows to direct people looking for exactly what a particular company offers. The Internet is getting increasingly competitive, and search engine optimization is a tool which helps to drive more visitors to the website.

Research confirms that search engines play a leading role in people's research activities (figure 3). Thus, it encourages marketers to pay more attention to it and receive good quality traffic from search engines.
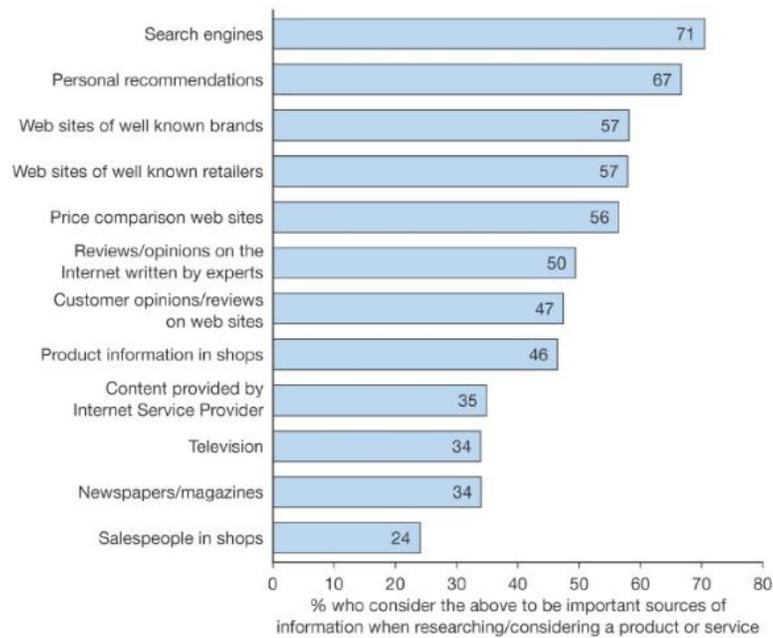
FIGURE 3. Percentage of people who consider the different information sources as important when researching/considering a product or service. Source: BrandNewWorld: AOL UK/Anne Molen (Cranfield School of Management)/Henley centre, 2004 (Based on Chaffey 2007)

Paid search or Paid Per Click (PPC)

Paid-per-click advertising model idea is quite basic: while an ad is placed on a search engine advertiser does not pay for displaying the ad, rather than for every time somebody clicks it. When keywords are registered in a search engine, companies bid on keywords to get high rankings. Of course, there is correlation involved and a company that bids the highest amount of money will be shown on top in PPC results. (Mordkovich & Mordkovich 2005, 12). You might get confused: "So, what is the difference between SEO and PPC? Both use search engines as part of advertising model." It is true; however these are different kind of advertising tools. The end result of search engine optimization is a free traffic which businesses receive by managing keywords and the resulting rankings. However, the Pay-per-Click techniques implie to paying for each visitor, controlling the number of visitors and the link they automatically get connected with, keywords etc. (Mordkovich & Mordkovich 2005 ,14).

Paid for inclusion feeds

Pay for inclusion (PFI) or pay per inclusion (PPI) is another service used for bringing more traffic to URL pages in the SERP (search engine results page) results. Seems, like similarly named, they stand for same things, however there is a slight difference. Pay for inclusion means paying an annual fee and in return search engine includes the website in a search engine database and indexes the web pages. Pay per inclusion, on the other hand, refers to paying a fee and in return having URL pages included on web, but this technique does not guarantee specific or better location on the search result page and neither high traffic attraction, but fast inclusion. The fee is based on the amount of clicks the website gets and per click fees can be relatively high. (Odom 2011, 167).

To sum up the above mentioned, Paid inclusion is a process of indexing and optimizing the content of pages into organic search engine results. Every search engine runs a program named "spider", which indexes all the web pages originally for free. Nevertheless, it's a matter of time. A search engine that offers a paid per inclusion option runs an additional spider to index pages that have been paid for with higher speed. Paid inclusion option assures ranking improvement in search engines while pages are constantly updated and have incoming links. Regular spider, in contrast, might never find and locate them in SERP. One of the biggest issues and disadvantages is cost. The costs of paid inclusion per website with ten pages vary from 170 USD to 600 USD, in addition there is an annual fee. The annual fee has to be submitted annually to make sure that pages are kept in a search engine index. Nevertheless, for some companies paid inclusion might be a good investment. Depending on a kind of product or service the company sells, dynamics of page's content renewal paid inclusion is considered to be a valuable investment or not. Paid inclusion is more beneficial to companies providing expensive products or services, which require big traffic to web pages. If pages content updates regularly, paid spider guarantees indexing in a shorter time period. (Rogers [referred 13.09.2012]).

One example of Paid inclusion program is Inktomi of Yahoo. Google has opposed the idea of paid inclusion for quite a long time, substantiating it as "Paid inclusion has histor-

ically been used to describe results that the website owner paid to place, but which were not labeled differently from organic research result. We are making it very clear to users that there is a difference between these results for which Google may be compensated by the providers, and our organic search results."(Sullivan [referred 12.09.2012]).

Nevertheless, Google recently has announced a movement towards the paid inclusion model and released Google Trusted Stores program. According to Google's announcement "Ranking in Google Shopping, when the full transition is complete this fall, will be based on a combination of relevance and bid price--just like Product Listing Ads today. This will give merchants greater control over where their products appear on Google Shopping." (Lee [referred 12.09.2012]).

2.2.2 On-line PR

The Internet has live and dynamic nature. Things spread in seconds, competition is high, and a company's reputation is always in danger. Positive references as well as negative ones and gossips are a part of a huge storehouse of information called Internet. A minor issue can quickly metamorphose into a real problem. The PR task is to keep an eye on these brand mentions as well as increase its awareness through media such as digital press releases, social media, blogs, concentrating on favorable images.

Portal representations and Media Alerting services

Press releases is a good way to keep third parties informed about the updates going on in a company, either there is a new product or service on the market or a campaign. Besides, press releases do increase the amount of positive mentions on the web, create a history of company's past and on-going activities, create the reputation and drive traffic to the website.

Social media, blogs, feeds and communities

Blogs and forums created within the company demonstrate expertise on specific products or service in the industry. They are good examples of two way communication tools which allow readers to interact with experts and benefit sellers by obtaining the feedback as well as testing new product ideas (Chaffey 2007, 415). However, the information should be reviewed and updated quite often so not to mislead people and thus avoid getting a company in legal trouble.

One of the main challenges of the blogs is to make readers to revisit the site as soon as new information is added. One possibility to reach this aim is to use RSS or Really Simple Syndication. It is an easy way to keep up with activities and events of favorite websites as well as for sellers to reach a wider audience and inform about updates, press releases etc. (Fill 2009, 793). As soon as a reader subscribes to RSS feed, he or she saves a lot of time by being automatically updated, instead of visiting the website and searching for what is on today's agenda.

Brand protection

Generally, companies must follow brand protection policies, as well as monitor competitors and affiliate activities. However, there is a mismatch between what theory knows and reality does. The Internet has brought commerce to the next level; nevertheless, businesses still remain vulnerable in regard of an intellectual property in on-line space. Exclusive marketing rights are violated, and unauthorized use of brand may lead to negative reputation for a company's web presence.

While branding refers to products and services, and reputation management's concern is how to deliver it, items cannot exist far away from each other. The brand owner has to make sure that a trademark, domain name, copyrights and patents are registered. These are the methods to prevent brand infringing by third parties. Some of them might be costly to start up businesses. Daniel Greenberg, director of domain name management and on-

line brand protection, as well as an attorney in Internet Law and Trademark Law recommends to create a unique name, at first, then to go for domain names followed by a trademark registry. Domain names are international and trademarks are territorial. It is also important to keep this in mind, especially if a company operates at an international level. (Cesario [referred 12.09.2012]).

2.2.3 On-line Partnership

In big twisted fast moving and competitive 21st century world, business is driven by connections and referrals. Companies either stay afloat alone on the web marketplace or think out of the box and exploit the power of third party endorsements. Small or medium enterprises are especially the ones who seek for a help of bigger organizations. In this section the following five different ways of on-line partnership are discussed: affiliate marketing, sponsorship, co-branding, link-building, widget marketing.

Affiliate marketing

Chaffey (2007, 416) defines affiliate marketing as "a commission based arrangement where the merchant pays a percentage or fixed commission to the referring site (affiliate publisher) for each lead or sale delivered." Amazon is a great example of affiliate marketing. It has a lot of affiliates of its network. Affiliate website redirects users to the Amazon website if they click the corresponding links. Clearly, the commission is paid every time when a product purchase is made through clicking on affiliate schemes. (Fill 2009, 799).

Sponsorship

On-line sponsorship is another tool working according to the popular saying "You scratch my back and I scratch yours." The sponsoring organization and the company which hosts sponsor's logo, banner or link on their website, benefit from it. On-line sponsorship leads to brand strengthening and awareness through financial support, and in return being associated with different events, products, services or personalities. In addition, it allows a

company to create a better brand image. The best example to give is a sponsorship of sport events. The sponsor might pay for equipment and have its logos on clothing or sport gear as well as being tagged on the supported company's website.

Co-branding

Co-branding goes ahead with on-line sponsorship. Chaffey & Smith (2008, 539) define co-branding as "an arrangement between two or more companies where they agree to jointly display content and perform joint promotion using brand logos or banner advertisements." In this case, partners work together by combining brands or logos and consequently merging the business, expanding the product or service range, attracting more customers and strengthening their position on the web market.

Link-building

Mentions on the third party web pages are an additional help to on-line PR as well as search engine optimization since they obtain links back to the company's web site. All links should work properly and thought-out concerning the location on sponsored organization's website or press release. The website of Linking Matters suggests detailed guidance and recommendations how links should be organized. For instance, the Linking Matters recommends to invite customers to share their problems in an additional web form on the website, encourage customers to share stories from their life experience, do webinars etc. (McGaffin [15.10.2012]).

Widget marketing

A widget itself stands for window gadget. Dr. Alan Glazier (2011, 95) defines widget as "a programming element that usually appears as some kind of box, badge, or button on a website". It is created in a way, so that by pointing a cursor at it, it shows some information as well as allows clicking on in and being redirected to other websites. Companies use widgets to make their web pages more interactive and navigable. There are social

network widgets, mobile widgets, desktop widgets, such as a weather forecast, dictionaries, RSS feed etc. YouTube is one of the best examples, which allows easily adding videos to web pages or blogs, and at the same time attracts traffic by hosting a lot of commercials.

2.2.4 Interactive ads

In this chapter I review the fourth category of e-communication tools of my framework - interactive advertisements. There are various ways of advertising on-line, such as banner ads, advertising networks etc. Since people spend more time on-line, more attention is drawn to digital advertising, and as a result on-line advertising becomes a growing marketing segment.

Site-specific media buys

Purchasing advertising space in the Internet is another good investment to be made. The cost usually varies depending on which part of the website the company wants to place their ad, the size of the ad, and the time it is displayed. There are four main on-line ad standards available: the button, the banner ad, the skyscraper, and the pop-up advertisement, as shown in Figure 4.
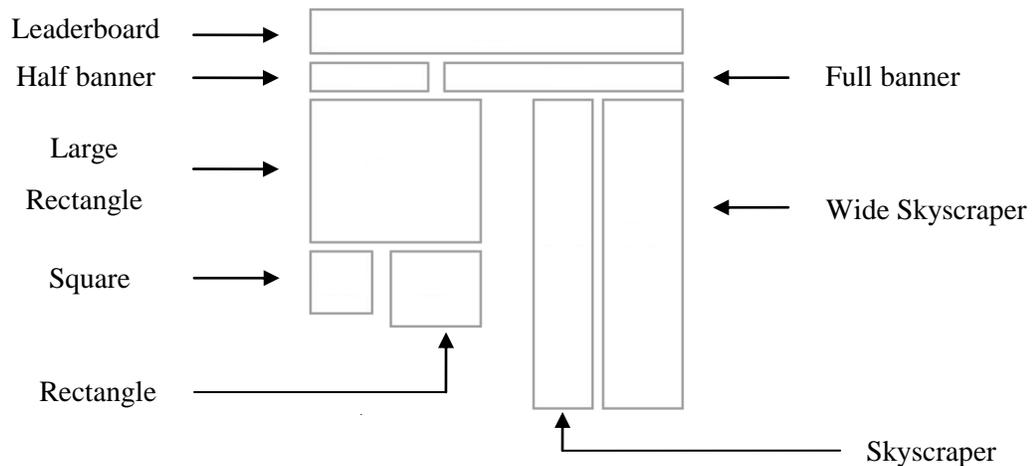
FIGURE 4. Online ad Standards (based on Cohen 2003)

The buttons are usually small sized banners with sizes from 88×31 pixel micro bar up to 125×125 pixels. The banner ads are more animated compared to the buttons and are usually placed in the header part of the website. The classic size is 468×60 pixels. The skyscrapers speak for themselves. It is vertical banner type ad, usually 12×600 pixel size ad located on left or right sight of the web page. The pop-up ads are probably the most annoying type of banners on the web. Programmed with JavaScript they appear every time somebody accesses the webpage. The standard size of pop-up ad is 250×250 pixels (Cohen 2003, 303).

Ad networks

Advertising networks work as a medium which connects advertisers and publishers which host ads on-line. The main goal ad networks pursue is to find and utilize publishers' web space and to respond an advertisers' demand. Here are some examples of popular ad networks: Google AdSense, Google AdWords, Yahoo! Advertising networks, Microsoft Advertising adCenter, Microsoft Ad Network, AdDynamix and 24/7 Real Media.

Contra-deals

Chaffey & Smith (2008, 104) define contra-deals as a reciprocal agreement in which neither party pays but both benefit as a consequence of co-branding which has been defined previously. Some examples of non-financial benefits would be requesting a recommendation on LinkedIn, request an endorsement letter which can be used as a promotional way or ask for hyperlink to the website on their website page.

Behavioral targeting

"Behavioral Targeting is a method of advertising seeking out consumers based on where they go and that they go as indicators of what their interests are most likely to be." (Miller K. Richard & Associates, 2007, 117). Sellers track customer behavior on the web and

according to their findings, segment customers with similar needs and create an advertising 'profile' relevant to each segment. This technique is used in order to analyze customer behavior, increase the effectiveness of campaigns, and form website content in a way more relevant to buyers' interests.

2.2.5 Opt-in e-mail and house list e-mails

E-mail marketing is a great and cost effective tool companies use to maintain good customer relationships. Companies use in house collected e-mail database as part of customer service, newsletters, marketing campaigns or offers, new product announcements, order confirmations, press releases, expiration notices, customer surveys, invitations to events etc. (Gay et al. 2007, 404). There is a distinction between opt-in and opt-out e-mail marketing. In the case of opt-in e-mail marketing, companies get e-mail lists of people who have signed and agreed to receive e-mails. Every subscriber can anytime delete their data and therefore quit receiving e-mails. There are a few popular companies which work in this line, like Postmasterdirect, Bulletmail or Htmail. Opt-out e-mail marketing, or also referred as spam, on the other hand, is an e-mail which a recipient gets without signing up or giving permission. (Milutinović & Patricelli 2002, 146).

Cold (rented list)

Some companies, especially the ones which just entered the market, gather e-mail addresses by buying or renting e-mail lists from agencies, such as Experian, Claritas, IPT Limited, Mardev, Thomson or Corpdata. Rented lists are also called cold e-mailings, since data is purchased from a third party and a correspondent does not know the company and might be not as much responsive as when he or she would signs up for receiving e-mails on purpose. In addition, rented lists are not that exclusive, since any other competitor may obtain them as well (Chaffey 2006, 102-103).

Co-branded

The use of co-branded e-mail results in leveraging brands, joint work of companies working on increasing an awareness of their brands. In practice, a recipient receives an e-mail from the company he or she has subscribed to and e-mail contains little information or offer from third party. This is considered to be a better way of e-mailing than cold e-mails, for the reason that recipients know where an e-mail is coming from and seem to be more trusted and more responsive to them. (Chaffey 2006, 107).

Ads in third party e-newsletters

Ads in third party e-newsletters enable companies to place an ad with a link to the original website on third party newsletters or digital media. It is quite effective and relatively cheap, taking into consideration the amount of advertisers who may place ads on their e-newsletters and costs, which are a bargain (Milutinović & Patricelli 2002, 146).

2.2.6 Viral marketing or buzz marketing

Viral marketing or buzz marketing is a word of mouth type of marketing. Its main idea is to encourage people to pass along messages produced originally by a company and therefore promote it. The original virus can be a creative link, text message, interactive Flash, video clip or jpeg image with promotion purpose, which is placed on social networks or websites, where it has high chances of transmission. Content plays a big role in viral marketing. The more amusing and catchy it is, the higher chances it has to be shared with friends on the web and achieve higher marketing results. Once placed on the web it creates a potential for an exponential growth, as shown in Figure 5. However, it is a coin of two sides, since a campaign is compounding fast, a lack of control may occur and ad ends up in either gain or loss (Sargeant, Shang & Associates, 2010, 300).
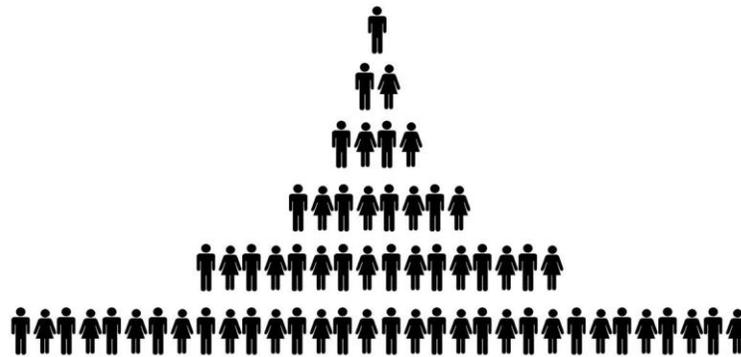
FIGURE 5. The principle of Viral Marketing

Pass-along e-mails

In marketing terms, pass-along e-mails tool refers to promotional message, link, picture or video companies use in e-mails for distribution to customers. The message usually contents Forward to Friends link within the email so that recipients can forward it further or recommend to friends via e-mail if found useful and attractive. (Chaffey 2007, 404).

Generating media mentions

Social media is a great source for advertising and spreading promotional messages. In social media networks lots of people instantly connect with each other, produce and share ideas, and do blogging. By spreading links on services like Facebook, Twitter, Youtube and Google+ increase chances for promotional message to be spread faster.

2.3 SOSTAC® Planning Model

The previous section has reviewed different on-line marketing tools. Nevertheless, it is not enough just to know the tools but you should be able to use them properly in order to reach your goals.

Companies face a lot of different kind of questions when planning and implementing its marketing plan. For instance: "Did the company reach a certain efficiency level and has no idea on the future? Did the profitability decrease? How to enter a new market niche?". Well thought and precise marketing plan helps to answer these kinds of questions and is an essential part of the company's marketing program, and thus a key to success. Young, small or medium sized enterprises are especially the ones trying to avoid risks in entering the market. Originally, a plan determines goals and objectives, analyzes the current situation, examines costs, and develops further forecasts and much more. There are different ways of forming a marketing plan, such as 4 Ps model or 11 Ps framework. Traditional marketing mix or 4 Ps – Product, Price, Place and Promotion is one way of implementation a marketing strategy. However, since traditional 4 Ps are limited in terms of Internet marketing to some extent, Tehrani (2009, 27) suggests and highlights the importance of seven more Ps: People, Partnership, Productivity, Personalization, Physical Image, Protocols and Privacy. Together these 11 Ps cover all aspects of e-marketing and make it easier for marketers to gather information on customers. Paul R. Smith has suggested another planning system, called SOSTAC (figure 6). SOSTAC model became a guide or also called aide-memoire in creating a marketing plan, and because of its precise structure it was chosen as a platform for the current study. SOSTAC is an acronym for the following six elements: Situation analysis, Objectives, Strategy, Tactics, Action and Control. (Smith & Taylor 2004, 32).

Where are we now?

How do we monitor
performance?

The details of tactics
Who does what and
when?

Where do we want
to be?

How do we get
there?

How exactly do we get there?
(details of strategy)
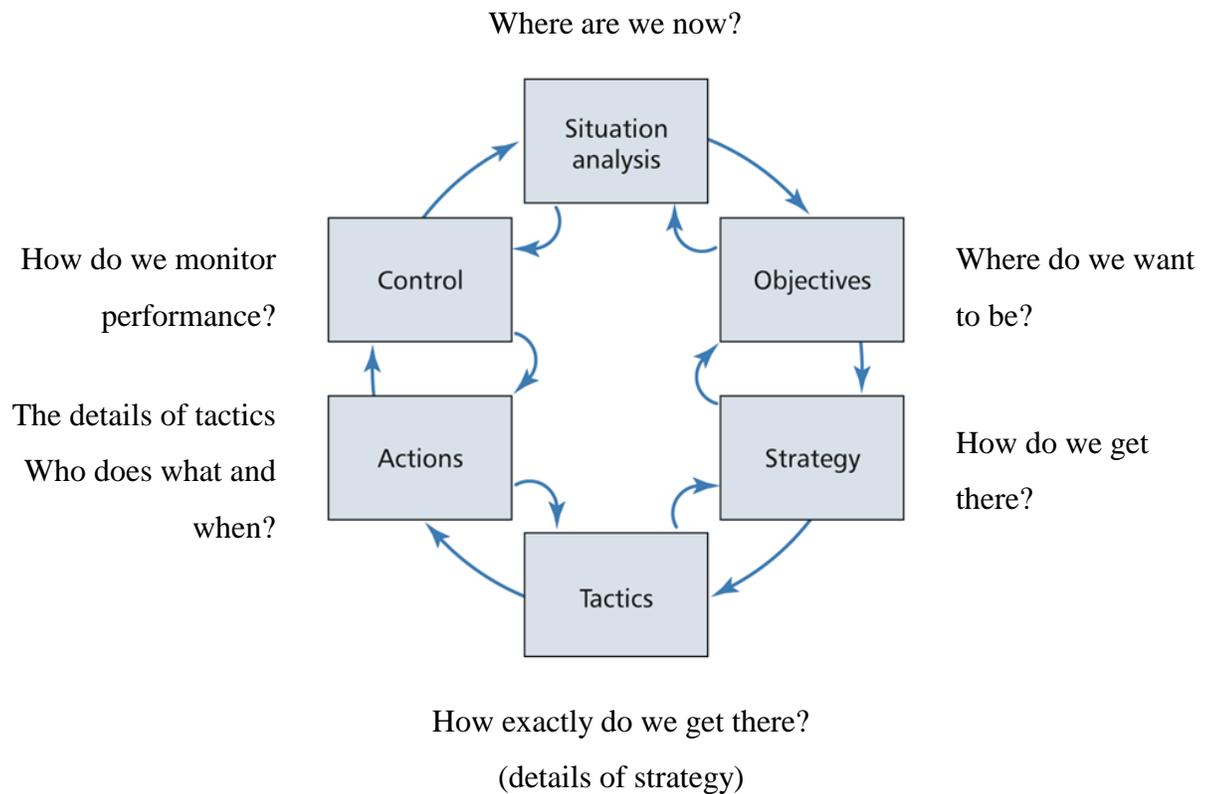
FIGURE 6. SOSTAC® planning framework (based on Smith & Chaffey 2005)

The idea behind SOSTAC is that it provides a platform, based on which a more compre-hensive plan can be created. Each of six above mentioned components are usually audited in more detail. SOSTAC usually goes in hand with three key resources: Men, Money and Minutes. **M** or Men refer to men and women, the human resource, expertise and skills required for specific jobs. People can be either withdrawn from the company or recruited from an agency. **M** or Money means budget, management of cash flows, ROI, profit and loss forecasts. **M** or Minutes stands for time, time schedules, and deadlines. It is necessary to have time frameworks so that all the process will be under control.

Together SOSTAC and 3M's provide a simple and detailed outline for the marketing plan. A simple structure can be valid in different situations at different levels. (Smith et. al 1999, 110-111). However, in this chapter I concentrate specifically on those elements

which play a crucial role for specifically this thesis, instead of covering all SOSTAC and 3M's elements on the surface.

2.3.1 Situation analysis

Analysis of the current situation is a fundamental part of a marketing plan, since before going any further; the current position should be investigated and analyzed. Both internal and external analyses are usually done. An external analysis concentrates on rivalry among competitors, market needs and demographics; uncontrolled trends, such as political, economical, social or technological impacts, which shape the marketplace. An internal analysis focuses on an organization's performance, sales, market share, profitability, customer characteristics etc. (Baker 2003, 645-646). In order to gain a full value picture of a current situation, both SWOT analysis and competitor analysis are described in detail below and completed in a further empirical section.

SWOT Analysis

SWOT analysis is a tool which helps companies to concentrate specifically on critical factors before developing a marketing strategy. Strengths (S) and weaknesses (W) are discussed in terms of internal factors, while opportunities (O) and threats (T) are external factors as shown in Figure 7. Strengths refer to skills, know-how and good corporate image. Weaknesses refer to flip side of the strengths. An external analysis might lead to opportunities penetrating a new market, product development or threats such as market shift toward other kind of needs, rivalry among competitors or limited budget. By increasing a value of strengths, developing opportunities, diminishing weaknesses and strategy developing to reduce risks and threats, organizations make a strategic map matching the resources with the environment. (Baker 2003, 645-646).
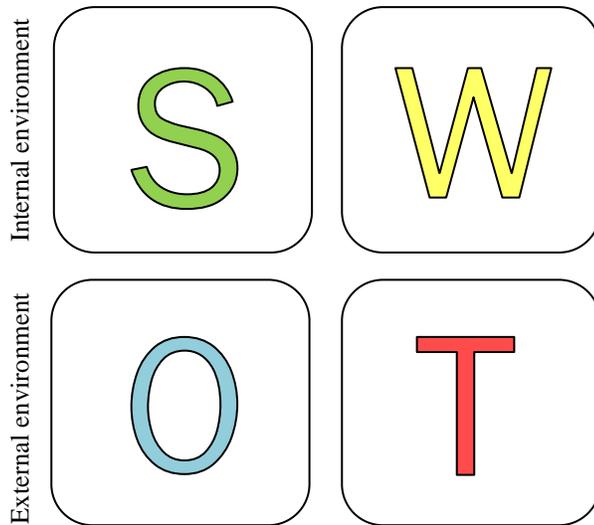
FIGURE 7. SWOT analysis (based on Baker 2003)

Competitor analysis

After the organization's own strengths, weaknesses, opportunities and threats are identified, the next important thing to do is to analyze competitors by the same scheme. A competitor analysis "not only gives more insight into the strategies and goals of the competition but it also provides a bird's-eye view of the trends and future of the industry in which the firm operates." (Stralser 2004, 163).

Porter's Five Forces of Competition model is a widely used framework targeted on the market industry analysis. Porter has identified five forces which shape competition in the industry; determined its intensity and attractiveness: rivalry among existing firms, threat of new entrants, bargaining power of suppliers, threat of substitutes, bargaining power of buyers, as illustrated in Figure 8. (Grant 2005, 73).

According to Porter, the stronger each force is, the harder it is for the company to stay competitive on the market and gain a profit. Based on the model managers can distinguish what are opportunities or threats related with a particular industry competition and come

up with appropriate strategic plans. Each of Porter's Five Forces is determined by structural variables which are to be discussed below.
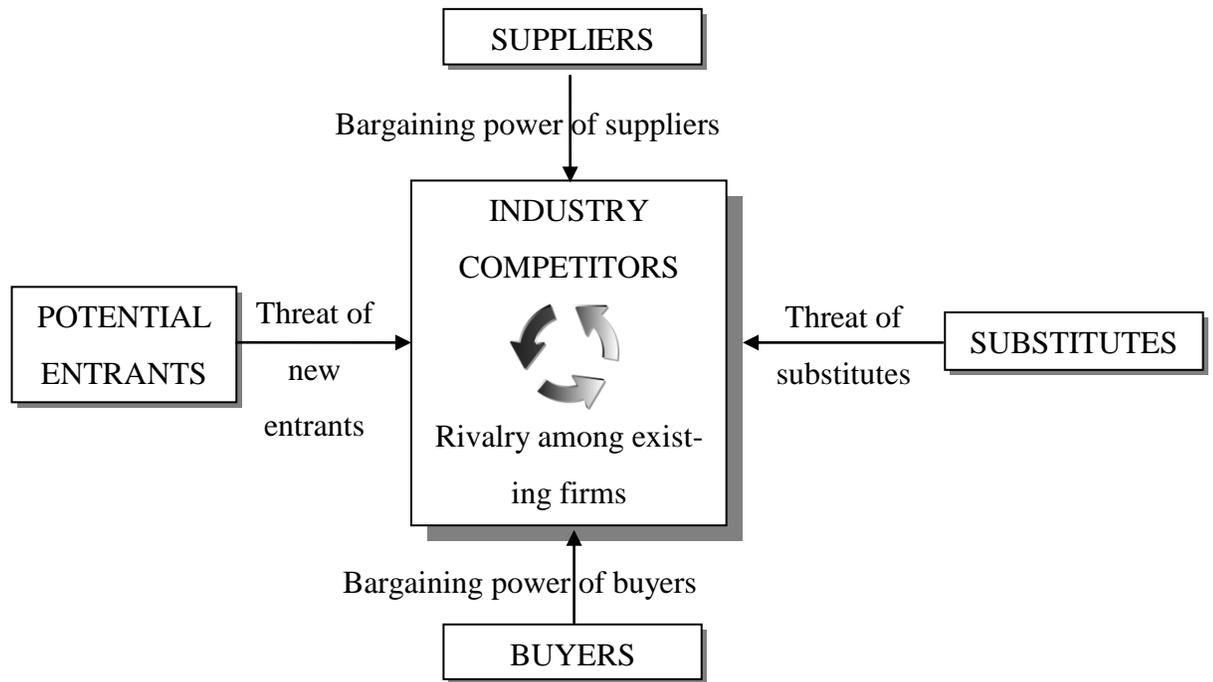
FIGURE 8.Porter's Five Forces of Competition framework (based on Grant 2005, 74)

Competition from substitutes

A threat of substitutes is determined by the availability of substitute products and price relativity. In a case of availability of substitutes, customers would switch to the substitute whereas the price is more reasonable. When there is no close substitute in the industry, firms are able to charge higher prices and benefit. (Grant 2005, 73-74)

Threat of entry

A threat of new entrants depends on the level of entry barriers such as economies of scale, absolute cost advantages, capital requirements, distribution channel accessibility etc. The higher the entry barriers, the lower the chances are for new firms to enter the industry. Some firms are hesitating to enter the market when it comes to start up capital require-

ments. New entrants face a problem regarding entering a large or small scale operation, bearing either high costs or risk. Customers might also get discouraged since switching costs occur while changing from an existing product to a new one. On the other side, new entrants have to work hard on advertising to gain brand awareness and loyalty. Distribution channel accessibility might be limited in capacity and involve efforts spent on retailers' relationship management. Legal barriers such as government policies or licensing are other obstacles to entry. (Grant 2005, 75-78)

Rivalry between established competitors

Companies use different ways to stay competitive. Some act aggressively in terms of price, some concentrate on advertising and innovation. Concentration, the diversity of competitors, product differentiation, excess capacity, exit barriers and cost conditions are the main dimensions of rivalry. Concentration refers to the number of competitors and the size and can be measured by the concentration ratio. Different terms of origins, objectives, costs, politics and strategies lead to more intense competition. High product differentiation leads to weak price competition. While customers are more eager to substitute when firms have similar offers and firms at the same time are more eager to cut prices and increase sales. Another important thing that has to be kept in mind is a balance between demand and capacity. In terms of unused capacity firms tend to offer price cuts and attract new businesses. High exit barriers such as legal or government restrictions, high fixed costs, health benefits prevent companies from leaving an industry. If exit barriers are high, companies get stuck into an unprofitable industry, which results in intense competition. (Grant 2005, 78-81)

Bargaining power of buyers

A bargaining power of buyers refers to the ability of buyers to bargain prices down or demand the higher quality or service. On the other hand, when buyers are weak, companies increase prices and reduce quality level. Buyers' price sensitivity and relative bargaining power are factors determining the power of buyers. Price sensitivity stands for the

importance of a product to the buyer. The greater the importance, the more sensitive the buyers will be regarding the price. (Grant 2005, 81-82). The bargaining power of buyers is high when there are only a few buyers, when switching costs within suppliers is low, substitute suppliers are available etc. (Kazmi 2008, 289).

Bargaining power of suppliers

A bargaining power of suppliers refers to the ability of suppliers to bargain, raise up prices or insist on buyers' acceptance of lower quality level products or services. A bargaining power of suppliers is high when there are many buyers and a few suppliers; when products or services are exclusive; when buyers make small orders and thus are not that relevant to the supplier etc. (Kazmi 2008, 290).

Dr. Stralser (2004, 163-166) distinguished another approach of competitor analysis. According to him, seven essential steps in performing the competitor analysis have to be done:

Step 1. Identify the Competition. On this first stage it is necessary to figure out who are direct or indirect competitors and make a list of them.

Step 2. Identify the Competitors' Strategies. Knowledge of activities done by competitors make an organization aware of possible trends on the market and might increase its chances for success.

Step 3. Determine the Competitors' Objectives and Goals. In other words, the key point here is to find out what competitors' value systems are based on.

Step 4. Identify Competitor SWOT. SWOT analysis is recommended in order to recognize competitors' vulnerable sights, weaknesses and threats; and keep them in mind while creating a competitive advantage.

Step 5. Estimate Competitors' Reaction Patterns. Since every competitor is exclusive, each of them reacts differently to activities in the marketplace. By understanding the behavioral patterns each competitor has, the firm takes one step forward in figuring out competitors' strategic management and may forecast possible future reactions.

Step 6. Select the Competitors to Attack and Avoid. At this point, flies should be separated from meat. The marketplace is huge and contains both strong and weak competitors. Companies should define which companies are easier to attack and which ones are better to avoid.

Step 7. Create a Positioning Map. Creation of a Positioning Map is an additional help tool which visualizes competitors' positions on the market as well as compares the firm with them.

2.3.2 Objectives

This section summarizes the company's decision making on "Where are we going? or Where do we want to be?" Well thought-out objectives and mission statement allow the company to focus all its resources and capital on a specific task. Objectives should be SMART: Specific, Measurable, Actionable, Realistic and Time specific. Two types of objectives are identified: Marketing objectives and communication objectives. Marketing objectives tend to refer to sales, market share, distribution penetration, launching new products or services etc. On the other hand, communication objectives refer to increased awareness, people's attitude or interest. In other words, communication objectives aim at a result gained from communication tools. (Smith & Taylor 2004, 43-45).

An interesting approach is provided by Smith & Chaffey (2005, 22-39) who created an objective framework of 5Ss: Sell, Serve, Speak, Save and Sizzle.

Objective – **Sell** – Grow sales refers to using the Internet as a sales tool. Many companies tend to move sales online. This is not applicable to every kind of a product, although

growing sales on-line can be achieved through a greater product range compared to traditional store, lower prices. Besides the Internet opened new sales opportunities: reach before inaccessible segments.

Objective – **Serve** – Add value refers to using the Internet as a customer-service tool, to add more value to audience and increase interaction within. It can be accomplished by providing customers' offers and benefits on-line, using on-line dialogues, and getting feedbacks.

Objective – **Speak** – Get closer to customers implies to using the Internet as a communication tool. Different digital media communication tools such as Search engine marketing, On-line PR, On-line Partnerships, Interactive advertising, Opt-in e-mail and Viral marketing, help companies speak to customers and listen to them through feedbacks or on-line surveys.

Objective – **Save** – Save costs represents using the e-marketing for cost reduction. A website can reduce efforts, print, postage or human resource costs, since transactions and sales are made on-line.

Objective – **Sizzle** – Extend the brand on-line refers to use the Internet as a brand-building medium. It can be done by adding new value on-line like interactivity or improving branding metrics, such as brand awareness or purchase intent.

2.3.3 Strategy

Strategy in a marketing plan can be compared with the strategy used in a well-known game called chess. Strategy is based on a big picture or long term strategic management aims. It must be separated from tactics which are short term moves, based on a long vision strategy. Since strategy is guiding both long and short term decisions of the company, it should be well structured and organized. The main aim of the strategy is to guarantee the long run success of a company. Naturally there are many ways to reach that aim but

typically one essential element of the strategy is growth. There are many different methods related to growth strategies. However, it was decided to use Ansoff Matrix which is shown in Table 1.

Ansoff Matrix is a good marketing planning framework that helps to evaluate strategic marketing opportunities, analyze how the Internet can be potentially used, and choose the right growth strategy.

TABLE 1. Ansoff Matrix (based on Crane 1993, 30)

	Existing Products	**New Products**
Existing Markets	Market Penetration	Product Development
New Markets	Market Development	Diversification

According to the theory provided by Dr. Crane (1993, 31-32) every growth strategy is discussed beneath so to give a reader an idea of Ansoff Matrix. In case of marketing a product on-line, the Internet provides an additional promotion platform for searching and reaching new geographic markets, digital product development and increasing product range.

Market Penetration

This strategy has a great value for companies moving from an introductory phase way forward and gaining customers from different markets. Market penetration aims on increase of market share by selling existing products into an existing market. Superior product service, competitive pricing, better distribution or aggressive promotion are typical market penetration techniques. The Internet can help to increase sales of existing

products into existing markets. However, this technique is limited and after the market is saturated, companies usually start to seek help from other growth strategies.

Market Development

This growth strategy is based on entering an existing product into a new market. Usually a demographics factor is involved, since a lot of companies tend to search for new distribution channels and move existing products to foreign or global markets. The Internet is a great solution, since costs can be reduced and wider segments be served.

Product Development

Through an implementation of product development strategy, companies enter existing markets with a new or innovated product portfolio. Similar to market development, this strategy is considered as a medium level risk.

Diversification

This is the most risky out of the other four strategies. Product development together with market development should be done, and thus the whole process requires a lot of involvement and risk assessment.

2.3.4 Tactics

Tactics are a part of the strategy, details referred to the strategy implementation. Depending on a chosen strategy, specific tactics will be identified by the company. In this case on-line marketing communication tools such as search engine marketing, on-line PR, on-line partnership, interactive ads, opt in e-mail and viral marketing were already discussed previously and appear as tactics in marketing plan. (Smith &Taylor 2004, 237).

2.3.5 Action

At this stage action plans are determined for implementing the strategy. In other words, all tactics are converted into actions. This process requires attention to details, good project planning and management; needed resources and skills should be correctly set up and responsibilities should be structured and distributed within people. Risk management is also done at this stage because things might go wrong. (Smith &Taylor 2004, 237).

2.3.6 Control

Controlling and measuring mechanisms are introduced at this step. Since the beginning managers should be able to know how well or badly the marketing process is going, whether marketing efforts are efficient or not. Smith & Taylor (2004, 51-52) suggest control systems, a tool to monitor and evaluate marketing activities. Here objectives are reviewed once again and divided into more detailed objectives for short periods of time, means and frequency of measuring, cost and actions are analyzed. (Table 2.).

TABLE 2. Control Systems (based on Smith & Taylor 2004, 52)

Quantified objectives	Means of measuring	Frequency of measurement	Accountability	Cost	Action
State each quantified objective and its time period	Sales analysis; number of responses; surveys	Daily; weekly; monthly; quarterly; annually	Who does it?	How much does it cost to measure?	Who needs to be alerted of significant variances are found?

3 CLIENT AND ITS CASE

This part of the thesis covers the client, a German consulting and software development company for which the research is done in the first place, and the target market, Nigeria. The client section reviews company's activities, illustrates in detail the Mobile Micro-finance System and drivers for change which triggered the research. The target market section describes the current economical situation in Nigeria and the development of such markets as microfinancing and internet penetration.

3.1 The client

3.1.1 Overview of Maviance GmbH

Maviance GmbH is a German consulting and software development company. The company creates sustainable solutions for small to mid-size businesses by combining holistic IT solutions and business processes. The company's scope of activities includes three types of services (business and IT consulting and software development) and two solutions (Smart Mobile Applications and Embassy Support Applications) as shown in Figure 9. (Maviance GmbH [referred 17.08.2012]).
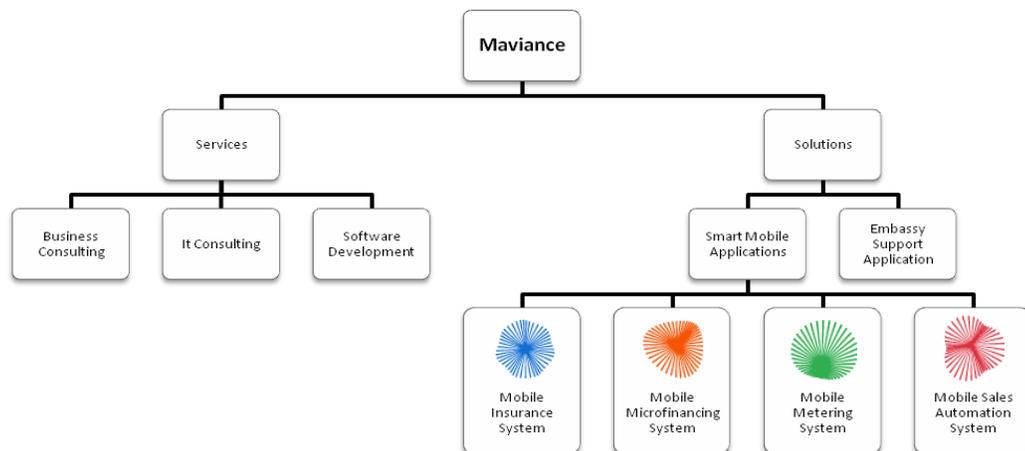
FIGURE 9. Operating framework of Maviance GmbH (based on Maviance GmbH 2012)

Maviance GmbH provides consulting services mainly for the financial services sector, especially banks and insurance companies, but also for industrial enterprises. By utilizing Web 2.0 applications, Java applications and mobile applications the company innovates, designs and develops interactive and efficient software web solutions. (Maviance GmbH [referred 17.08.2012]).

Smart Mobile Applications are based on a platform which allows to collect and summarize the data in or outside the enterprise through mobile device application. These solutions lead to increased efficiency in operations and time saving both for a company and a user, since fewer steps have to be taken and no paper work is needed. The applications also develop customer relationships through SMS notifications and reminders. (Maviance GmbH [referred 17.08.2012]).

3.1.2 Overview of Microfinance Software Application

During the last few years the microfinancing industry has been developing quite fast in Africa, while the technological progress in this area has not been that significant. Maviance GmbH found its market spot by filling in this gap and designing the solution which automates tasks and creates a solid chain between a customer, field loan officer and a head manager. Microfinance Software Application is in particular targeted for the African market.

ABC Finance Ltd, for instance, which has a wide range of lenders, employs field loan officers to collect savings and loan payments from customers. Field loan officers collect savings or a loan payment from a client in cash, register it in a book, issue a receipt and continue with other clients. However, the registered information might be faked up or lost on purpose or paid loans used without the company's permission. Maviance GmbH has found a solution to prevent potential frauds. An installation of a server at the company leads to connecting data on the mobile smart phones of the field officers either in real time or at the end of a day during synchronization. The central server is updated all the

time, in addition a customer receives either an SMS or e-mail notification for every transaction made. In this way, chances of manipulated information are out of the question. In other words, it provides security of data, and allows to access and track databases in real time. Microfinance Software Application combines traditional and modern approaches in order to increase the efficiency and productivity of the microfinance sector. From an operator's point of view the application simplifies transaction procedures, gives remote access to the full customer and payment history as well as access to the customer payment plans. By the end of the day the head manager can easily monitor the performance of customers or effectiveness of a mobile collector through statistics and reporting functionality which are generated by the application. Customers in return are connected to the system in real time and can browse their payment profile anytime anywhere, receive SMS or e-mail notifications reminding of account transactions or news update. Figure 10 clearly illustrates the process chain in more detail. (Maviance GmbH [referred 17.08.2012]).

1 Mobile revenue collector uploads a list of customers to visit at the start of the working day from the central database to his smartphone.

2 Mobile revenue collector visits clients and collects money for a loan repayment or for the customer's savings account. The payment information is uploaded in the mobile application and a receipt can be optionally printed for the payment.

3 The application sends the payment information directly to the central system in the branches and headquarters.

4 The central system sends the customer a confirmation SMS for payment as well as information on the current balance, date and amount of next planned payment.

5 At the end of a day, the mobile revenue collector returns to the head office and pays in money. The treasurer compares the money paid with an expected income from the central system.

6 The Manager uses the statistics and reporting functionality to monitor the effectiveness of the mobile collector and the performance of the customers.

FIGURE 10. Key functionalities of Microfinance Software Application (based on Maviance GmbH 2012)

Increased efficiency in operations, improved service delivery to customers, improved management capabilities – all these benefit both a user and the provider get while exploiting the Microfinance Software Application. In addition, the application can be extended and customized in order to reach new business target groups. In fact, Maviance GmbH has launched the updated version of Microfinance Software Application during the PROMOTE 2011 trade fair in Cameroon, which is a large business trade fair in Central Africa. The new version offers better support for multinational, regional and local small and medium-sized enterprises (SMEs) and partnerships. (Maviance GmbH [referred 17.08.2012]).

3.1.3 Drivers for change

Since no notable marketing plan was designed yet for the Microfinance Software Application and the Internet significance critically arises among business and society, Maviance GmbH came up with the idea of invading the web marketplace and searching for Internet channels to promote the product to the microfinance industry in the African market, especially Sub-Saharan Africa, Nigeria. The African market would be hard to reach with traditional market taking into account the geographical location of Maviance GmbH. Internet marketing also costs less in comparison with traditional marketing and on-line communication tools provide greater worldwide access. The number of people employing financial services in Africa has been increasing over the years and there is a huge market potential for Microfinance Software Application. This is the point when the whole thesis idea was born. Since Maviance GmbH is still on the primary step of acquiring a substantial market position, experience of larger companies in the same industry is used to familiarize oneself with the situation.

3.2 Target market

The current economical situation in Nigeria as a country together with Internet and microfinancing development will be overviewed in more details in this section. An accurate business strategic planning requires a lot of preparation, skills and knowledge. How-

ever, studying the target market in deep is one of the necessary steps to pursue before entering that market.

3.2.1 Overview of Nigeria

Nigeria is part of Sub-Saharan Africa located on the west coast of the continent and surrounded by Benin, Niger, Chad and Cameroon. Covering the area of 923,768 sq km, which is a little bit more than twice the size of California, Nigeria inhabits about 170,123,740 people according to statistics of July 2012. The country is ranked the 7th most populated country in the world. Divided by 36 states, Nigeria is a federal constitutional republic with the capital city Abuja. Nigeria is Africa's most populous country, which recognizes more than 250 ethnic groups including Hausa and Fulani 29%, Yoruba 21%, Igbo (lbo) 18%, ljaw 10%, Kannuri 4%, Ibibio 3.5% and Tiv 2.5%. The official language is English which is spoken together with other major languages as Yoruba, Ibo and Hausa. (Central Intelligence Agency (CIA) World Factbook [referred 20.08.2012]).

Nigeria is the second largest economy in Sub-Saharan Africa with GDP of 238.9 bn US dollars. The oil and natural gas rich country is ranked the 8th largest oil exporter in the world with an output of 2.4 million barrels per day. The unemployment rate is approximately 24% and GNP per capital was measured as 1,490 US dollars by 2012. According to the National Bureau of Statistics despite the economic growth, a poverty in Nigeria has been rising over decades due to corruption, and it reached 112.45 million by 2010. Table 3 shows the development of the poverty in Nigeria during the last 30 years.

TABLE 3. Nigeria's population in poverty, Nigeria's National Bureau of Statistics (based on BBC News Africa 2012)

Nigeria's population in poverty	
Year	Population
1980	17.1million
1985	34.7 million
1992	39.2 million
1996	67.1 million
2004	68.7 million
2010	112.47 million

Current number of people living in poverty in Nigeria is nearly 61%. Social figures are quite low as well. Nigeria was ranked the 2nd largest country in the world by a number of deaths from HIV/AIDS in 2009. In 2012, 10% of children are considered to be out of school in Nigeria. (Central Intelligence Agency (CIA) World Factbook [referred 20.08.2012]).

Nevertheless, recently more and more sectors of the economy receive attention from the government and foreign affairs. The Nigerian economy is developing relatively fast, comparing the GDP of 6.2% in 2011 and GDP of 7.6% in 2012. Furthermore the government aims at developing other sectors rather than an oil sector and a real GDP growth is expected the average 7% in 2013-2016. (Globserver.com. [referred 20.08.2012]).

3.2.2 Internet Penetration in Nigeria

According to InternetWorldStats.com ([referred 20.08.2012]) 6.2% of the worlds' estimated Internet users fall on Africa. Taking into account the population of the African region, 139,875,242 Internet users are concentrated in Africa. Nigeria is located on top of Internet consumption among other countries in Africa, scoring about 45 million of users and leaving far behind Egypt with 21.7 million, Morocco with 15.7, Kenya with 10.5, and others.

TABLE 4. Internet growth over the years in Nigeria (based on InternetWorldStats.com 2011)

Year	Internet Users	Internet Penetration (% Population)
2000	200,000	0.1%
2006	5,000,000	3.1%
2009	23,982,200	16.1%
2011	45,039,711	29%

Over the past 11 years, Nigeria has experienced a significant 32.2% growth of Internet users. In 2000 there were 200,000 Internet users or 0.1% of total population. Since that moment the growth has been increasing exponentially. In 2006 Nigeria had 5 million Internet users, in 2009 the number increased up to 24 million, and by 2011 it reached a little over 45 million of Internet users (Table 4). In the same year Nigeria was mentioned in 20 top countries consuming Internet, occupying the 11th place after the UK, France, Germany, Russia, Brazil, Japan, India, the United States, and China on the 1st place with 511,963,000 Internet users. (InternetWorldStats [referred 20.08.2012]). In a view of the fact that benefits from the Internet usage are great, more and more investments go to the technology development, increasing the Internet awareness. Weather transmitting and weather forecasts play a big role for an agricultural industry. Besides, business communication and attraction of foreign investments through the Internet give a lot of opportunities for growth. Electronic mail is one of the most popular ways of Internet exploitation. It is easier and cheaper alternative to phone, for instance when the telephone prices are so high. Even though several message boxes might be shared by a few people due to high costs. In journalism the Internet helps gather and compare the data provided by news agencies. Besides, the technology can be used for medical purposes for diagnosis and treatment, transfer of medical data or in educational purposes. (Vittin [referred 22.08.2012]).

The Internet growth is tightly correlated with the telecommunications development, particularly the number of Internet service providers (ISPs) through which the Internet is distributed. In 2000 Nigeria had only six Internet providers and a decade later, the country was ranked the 172nd among other countries in the world by present internet service providers with the amount of 936 Internet hosts (an internet service provider's computer is directly connected to the Internet). Nevertheless, Nigeria is way behind the United States or Japan with 498,000,000 and 63,466,000 Internet hosts respectively. (CIA the World FactBook [referred 20.08.2012]).). Since Internet service providers is a key factor for internet accessibility, more infrastructures has to be built to extend the amount of networks. Countries where networks have been built a long ago, old-fashioned technology has to go in hand with the recent technological process and thus update or change the equipment. African countries in contrast can save themselves some trouble and use the lack of coverage of telecommunication technology and directly build infrastructure according latest technology trends. The equipment costs and cost of implementation are quite vital challenges for Africa in the Internet development and accessibility as well. A strong strategy or policies on information technology are needed to be developed and set up. The purchase of information technology and software in most African countries is a result of private sector organizations without predetermined strategies. The lack of clear regulatory framework does not let to count up investment and resources needed for changes in technology framework, make investors hesitant in big capital supplies in this sector. (OECD 2002, 208-109).

Networking in the African region is limited and is mostly available in urban areas. If a high percentage of population lives in rural areas where the internet infrastructure installation costs are much higher, consequently it leads to a communication gap between urban centers and rural areas. In addition, Sub Saharan region claims to be the most expensive in terms of Internet access prices and this is another issue preventing a widespread adoption of the Internet. Figure 11 shows both nominal and relative prices of Internet access in different areas of the world.
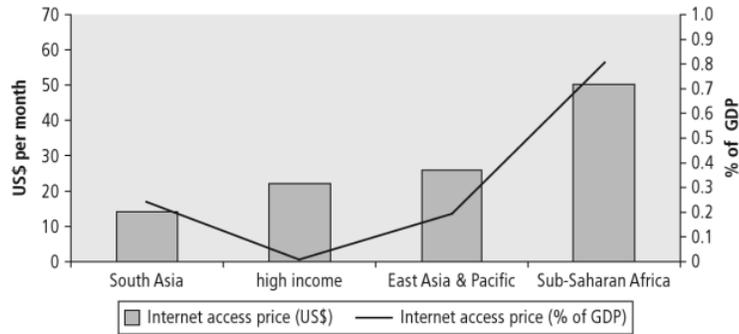
FIGURE 11. Price basket for Internet access, 2005 (based on The World Bank 2010, 167)

Slow speed connections are also in some way discouraging people to go on-line and make transactions. Recently, more investment has been flowing into the high bandwidth network development, networks, which allow connecting cities within the country as well as across borders (The World Bank 2010, 174).

Above all, security and data confidentiality is another issue that needs to be improved. CyberSource Corporation, the leading supplier of risk management solutions, commissioned the Eighth Annual CyberSource Fraud Survey among electronic commerce merchants in 2006. The results revealed Nigeria on top with 31% of mentions among the respondents, while Russia scored 9% and China 3%.Nigeria was named the world's riskiest country for on-line trade with common credit card or personal detail frauds for the third consecutive year. As a result this might prevent consumers from purchasing on-line, doing on-line transactions or sharing personal data on the Nigerian market cyberspace. (CyberSource Corporation [referred 22.08.2012]). Yet, there is lot of room for development and Nigeria has already taken a step forward to it, despite the fact that country is facing many challenges towards internet adoption and on-line business development.

3.2.3 Overview of microfinance in Nigeria

Behind the microfinancing stands the idea to allow people with very poor income or near-poor income to have access to good quality financial services, including credit, savings, insurance and fund transfers. On one hand it helps to reduce poverty and at the same time supports small businesses and entrepreneurs, speeds up the economic growth. The Nigerian market is a proper target in this case.

As mentioned earlier, the Nigerian population in poverty has been increasing over the years. In order to address the poverty situation in the country, the Microfinance Policy, Regulatory and Supervisory Framework was introduced in 2005. The policy sets up a framework of private sector driven by microfinance banks (MFBs), aims at making financial services accessible to the larger segment of population, reduce unemployment, poverty etc. However, there is yet a gap in accessing financial activities. As poverty is distributed unequally with the higher percentage on the north and lower in the south, microfinance banks are concentrated in the specific part of Nigeria which receives more investment. Improper regulation is one of the biggest challenges the government meets in the development of the microfinance industry in Nigeria. (Central Bank of Nigeria [referred 22.08.2012]).

According to Enhancing Financial Innovation & Access (EFInA) organization statistics, a large part of Nigeria population is excluded from financial services. Since late 2007 EFInA has done research within the country aiming at improving the Nigerian financial system, expanding services for the entire population, and "facilitating the emergence of an all-inclusive and growth-promoting financial system"(EFInA 2011 [referred 19.09.2012]). Based on theresults of EFInA Access to Financial Services in Nigeria, 2008 and 2010 surveys, Table 5 and Table 6 were built and the key findings summarized. From 2008 to 2010 the number of financially excluded adults has decreased, while number of adults that are banked has increased by 8.9%. By referring to banked adults, EFInA alludes to people who use or have access to deposit money, or use an ATM/Debit card, credit card, savings account, current account, fixed deposit account, mortgage, overdraft, loan from a bank.

Financially excluded adults refer to the population which is not banked. (EFInA 2008 & EFInA 2010 [referred 19.09.2012]).

TABLE 5. Financial access strand in Nigeria. 2008 and 2010 year comparison (based on EFInA 2008 & EFInA 2010)

Year Population	2008	2010
Financially excluded	45.4 million Nigerians (52.5% of adult population)	39.2 million Nigerians (46.3% of adult population)
Banked	18.3 million Nigerians (21.1% of adult population)	25.4 million Nigerians (30.0% of adult population)

The results revealed rather big numbers in access and usage of Mobile Phone Technology, comparing to rather poor Internet access and usage numbers. (Table 6.).

TABLE6. Technology and mobile phone usage in Nigeria. 2008 and 2010 year comparison. (based on EFInA 2008 & EFInA 2010)

Year Description	2008	2010
Access to Prepaid Mobile Technology	49% (42.2 million adults)	66.6% (56.4 million adults)
Regular Prepaid Mobile Phone usage	45%	62.6%
Personal/Household Mobile Phone ownership	42%	58.1%
Internet at business centre access	4%	-
Internet usage	2%	-

In accordance with the results of EFInA 2008 survey, 35.9 million adults own a prepaid mobile phone and 16.4 million people are banked, while 19.5 million are unbanked. This leads to the conclusion that the mobile technology usage has a great potential being a distribution channel for financial services to an unbanked part of the population. The results of EFInA 2010 survey confirm this withdrawal with 49.2 million adults owning a mobile

phone, of which 23.9 million are banked and 25.3 million are unbanked. (EFInA 2008 & EFInA 2011 [referred 20.09.2012]).

From 2008 to 2010 significant changes has taken place in a financing sector, at some point because of Microfinance Policy. As it was disclosed earlier, extending technology to the use of mobile phones in banking is one of the ways to promote financial inclusion in Nigeria, prevent business from losing growth opportunities and choking Nigeria's economic growth.

4 RESEARCH PROCESS

Naturally companies do market research for different reasons in different ways. Some do it on a regular basis tracking sales or market share. For others market research is a key tool to use if problems arise, and scouting out the current situation. Nevertheless, stages of research process are nearly the same although defined differently. According to Gilbert & Iacobucci (2010, 29) the research process begins with the problem formulation, is followed with the determination of research design, data-collection method, sample design, and the final steps are data collection, analysis and interpretation. As a matter of fact, Stokes & Lomax (2008, 146) define five steps in the process of marketing research. It starts with setting the objectives and planning the research. This is followed by implementing the research and analyzing the results. Finally, using the information is a final step.

This fourth chapter describes research methodology or in other words research process of the thesis. It defines the scientific research approach and sampling which were used in the study, explains the choice of approach to answer the research questions. Thereafter the data collection procedures, data analysis and interpretation end up the chapter.

4.1 Research objective

Depending on the nature of the research problem, exploratory, conclusive descriptive or conclusive causal research designs can be done. Exploratory research literally explores the situation, helps organizations formulate and investigate problems in detail, set values and priorities. This type of research "helps researchers gain some initial insights and may pave the way for further research." (Parasuraman et al. 2007, 35). It can be used in order to set and review in detail the objectives of marketing research or to find out if there is a market for a new business idea through little interviews and surveys. In other words, exploratory research has an experimental nature and aims at situation investigation. Exploratory research requires minimum costs and time, since it is built on prior data and no deep surveys are in need. (Baker et al. 2008, 146).

Conclusive research is aimed at evaluation the organization's performance and selecting specific courses of actions. Two types of conclusive research are distinguished: descriptive and causal. The conclusive descriptive research gives answers to questions who, what, where, when and how, but not why, creating some kind of a customer profile. It addresses such research problems as market potential for new products or services, customers' attitudes or level of awareness. (Baker et al. 2008, 146-147).

In contrary, the conclusive causal research approach identifies cause and effect relationships, figures out how one variable is related to another. In practice it examines correlation between demographics or time of the year and purchasing behavior, relationship between advertising campaigns and market share. (Baker et al. 2008, 147).

As it was mentioned in the previous chapter, Maviance GmbH has decided to add on-line value to the recently developed Mobile Microfinance Application, designed for the Nigerian market. However, the company is on its way of invading the market. In order to be successful, it is necessary to get familiar with the strategies pursued by other more experienced companies in the same industry, and bear this knowledge in mind while generating its own marketing strategy. Speaking of the thesis study, the research objective

was to obtain data of how other companies in the same industry carried out marketing of their products on-line and how the Internet could be used as an on-line marketing tool. Thus, the thesis research itself is descriptive in nature. In addition thesis research aims at fulfilling the thesis objective and answering the research questions which were stated in the Introduction chapter:

Q1 - What are the requirements of a successful marketing plan?

Q2 - Which tools or channels can be used in order to do product marketing on the on-line marketplace?

Q3 - What are strategies and steps to push through these on-line channels?

Q4 - What is the marketing situation in companies in the related industries in Russia, Asia, North/Central/South America, and Africa?

Q5 - How can collected data be used in order to create an on-line marketing plan for Mobile Microfinance Application to the Nigerian market?

4.2 Research method

Broadly speaking there are two major marketing research types: qualitative and quantitative methods. Each method covers different methodology, different types of data, and is intended for different research questions.

Stokes & Lomax (2008, 148) claim that "qualitative research explores attitudes, perceptions and ideas." Qualitative research is designed to answer questions such as why and what if, while quantitative research is responsible for questions how many and what. Qualitative research concentrates on studying and revealing customers' attitudes, beliefs and opinions. It seeks for intentions to underlain specific behavioral patterns. The wide range of qualitative research tools, like face to face interviews, focus groups, observation and projective techniques, and others allow research participants to express themselves and allow researchers to uncover their train of thought. (Kolb 2008, 28-29).

Housden (2008, 63) assumes that quantitative research "seeks to make measurements as distinct from qualitative research." This research method is focused on mathematical problem solving, statistics, and on the topic of the chosen sample gives assumptions about population behavior as a whole. Findings are usually converted into tables and figures, and they require a comprehensive analysis. Quantitative research might be costly, since a lot of data needs to be taken from a large sample in order to draw a profile of the market-place. Nevertheless, large-scale surveys and observations are in some cases worth doing whereas more money can be lost in the case of an undigested and untested strategy. (Stokes & Lomax 2008, 148).

None of the previously discussed methods is better than the other, but different. Quantita-tive research is considered to be more scientifically focused on specific variables while qualitative research is more subjective and concentrates on over viewing the problem as a whole. Since the current thesis study emphasis is on gaining a deeper understanding of how companies conduct on-line marketing the qualitative research was chosen.

4.3 Data collection

Once the research objectives were set and research approach chosen, it was necessary to determine the way of collecting data. Generally speaking, two types of data are distin-guished: primary and secondary data. Primary data is a result of original findings collect-ed by researchers through observations, experimentation, surveys, interviews etc. The main advantage of primary source is that gathered data is recent and more reliable, since it focuses on the factors directly related to the project study. Yet collecting primary data requires a lot of time and effort from researchers. (Mooi & Sarstedt 2011, 29).

Secondary data is already existing data previously collected by other researchers for other purposes. After the primary data is used for other research purposes, it automatically transforms into secondary data. Possible methods of obtaining secondary data are print sources, electronic databases, consulting firms, market research firms, and the Internet. This type of data collection tends to be cheaper, use a greater sample size, and it has ease

of access. However, secondary data rather quickly becomes out of date and therefore irrelevant for researchers. Besides, compared to primary source, secondary data does not always meet specific research needs or can be reported with different units of measurement, definitions or aggregation levels of data. (Mooi & Sarstedt 2011, 29). Data for this research was obtained from both primary and secondary sources, in view of the fact that it is not possible to answer all research questions with only one type of data.

4.3.1 Primary data collection

Since the research purpose was to find out how other companies in the same industry carried out on-line marketing, primary data was researched through interviews. Interview is the most widely used research method. Compared to other research methodologies, interviews create a framework in which respondents are free to share opinions, attitudes and knowledge. Three main types of interviews are defined: structured, semi-structured, and unstructured interviews. In structured or standardized interviews a framework of predetermined questions is used for interviewing each respondent, with the same questions in the same order. This method aims at maximum standardization and organization, although it is the less flexible one if have to cope with unexpectedness. The semi-structured interview is similar to the structured interview, although it is more flexible. Same as in the structured interview, the researcher has a list of topics or issues to be discussed in advance, although no specific order per each respondent has to be determined. It allows adapting the research for each respondent, being more open and fluent into case of spontaneity, and attaining a wider range of information. (Miller & Brewer 2003, 166-167).

While conducting an unstructured interview, the researcher does not have a prepared set of questions; instead, a random list of ideas is used which during the interview is improvised into questions (Grix 2001, 76). Unstructured interviews are useful when the researcher is not familiar with a respondent's background, and therefore has to be flexible while interviewing. During the interview the researcher keeps on generating questions to follow up the circumstances. (Miller & Brewer 2003, 167-168).

Due to distance and time I used structured interviews as a key tool in my study. The interviews were conducted in both the English and Russian languages via e-mail and Skype, since it was the most convenient and still efficient way to reach people regardless the distance. The original sample was over 25 companies from Russia, Asia, North/Central/South America, and Africa, which have developed software aimed to simplify processes in the microfinance sector. This sample was chosen considering the CGAP, Group to Assist the Poorest, microfinance software listings and reviews in the microfinance industry focusing on the African market. Out of 25 companies that were contacted only seven companies kindly participated in the interview questions process. Some companies did not reply at all, while others refused to cooperate due to competition issues and risks of revealing information on marketing strategies. In order to find the right respondents, mainly companies' websites were looked up. The contact persons from marketing departments of each company were chosen for interviews. After the right person was found, e-mails were sent out with an enquiry to collaborate and participate in the research. The interview questions are available in Appendix 1.

4.3.2 Secondary data collection

The primary findings are not enough to answer all the research questions settled for this study. Therefore a variety of secondary sources such as the company's website and internal documents, books, electronic articles and Internet databases were analyzed, and they provide additional information to complement the interviews. Based on different marketing theories reviewed and strategies together with the gathered primary data, it was decided which on-line marketing tools can be the best for the company of the thesis.

4.4 Data analysis and interpretation

Obtained raw data is useless until it is interpreted and analyzed. Researchers have to be accurate and objective while analyzing data. Data suitability depends on two related characteristics: reliability and validity, which are discussed further. In regard to this study, the

gathered information was put in the context of the current market and company situation as to make a final decision for the client.

4.4.1 Reliability and validity

Validity can be defined to the extent when the measuring instrument measures what was intended to be measured. With reference to Webb (2002, 248), reliability, conversely, refers to the extent "to which a scale of measurement delivers consistent results." Reliability stands for data accuracy - in case of repeated data collection procedures, given results would be the same. Although these characteristics are related, there is an asymmetrical relationship between them. A valid data is always reliable, while a reliable data may not be valid. (Webb 2002, 248). Wrenn et al. (2007, 142) proposes a visual aid to display mentioned possible outcomes (figure 12).

(a) Neither Reliable nor Valid   (b) Reliable but Not Valid   (c) Reliable and Valid
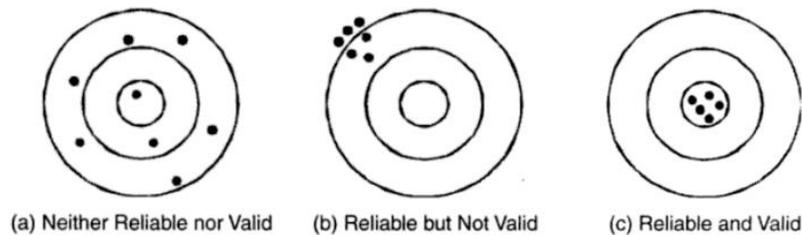
FIGURE 12. Possible outcomes of test for reliability and validity (based on Wreen et al. 2007, 142)

Quality standards, validity and reliability are playing crucial role in data analysis. Nevertheless, Seidman (2006, 24) states that "needed are not formulaic approaches to enhancing either validity or trustworthiness but understanding of and respect for the issues that underlie those terms."

Before the interviews were conducted a pre-test, a simulating procedure, was run, which helps to improve the reliability and validity of the data obtained. Fixing detected faults in design was the last step of the interview design building.

4.4.2 Advantages and limitations

One of the main advantages of the study is that the gathered data is up-to-date concerning the market situation in microfinancing and on-line marketing strategies. Information from seven different sources was compared and analyzed. Yet we must bear in mind that in the current world market situation, marketing techniques are changing all the time. Therefore what was efficient for companies yesterday might not be efficient today or tomorrow. Variables do still prevail. Recently obtained data might be useful in present in regard of the current company size and product/service range. Nevertheless, together with strategy development and market share growth old techniques might have to be substituted with the new ones.

The aim of the study was to explore different ways of on-line marketing and analyze the marketing situation in companies in the same industry aiming at the similar market. The research still was limited to some extent, since it was concentrating on on-line marketing channels suitable for development of, especially, Microfinance software to the Nigerian market. Collected results can be useful to anybody who wants to build good on-line presence, to small or medium sized companies which research was originally targeted at.

As mentioned before, email surveys and web surveys were used in this study considering the distance, cost and time. However, there are certain constraints every researcher faces: low response rate, problems organizing the list of email addresses fully matching a sample, problems reaching people due to the lack of English proficiency or certain field knowledge proficiency, distrust issues, low quality of replies since people do not want to spend much time filling out open-ended questions etc. This research study has not been an exception and was challenged as well. Finally, Figure 13 reviews and sums up the research method selection and data collection process of the current study.
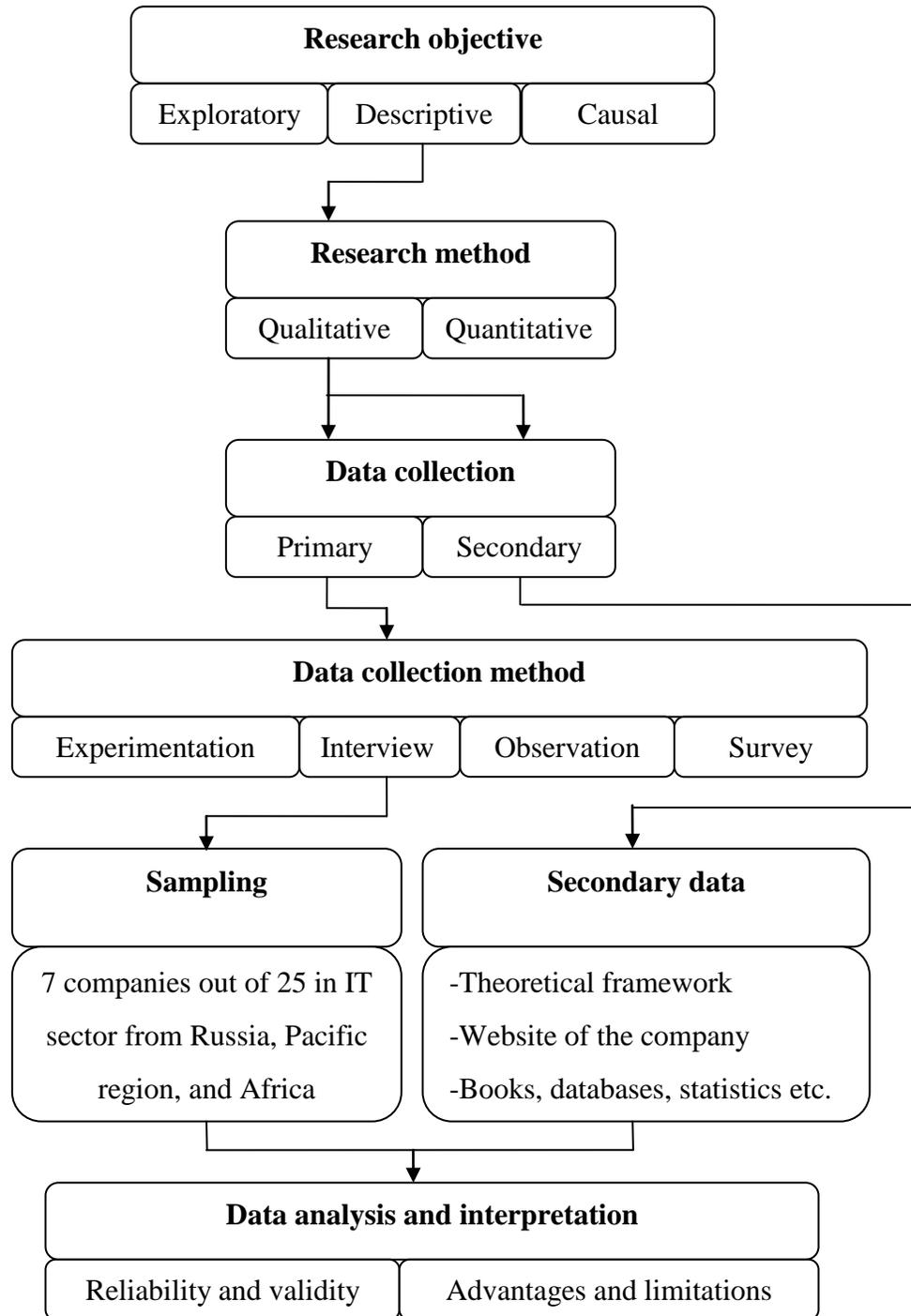
FIGURE 13. Research process design

5 INTERVIEW RESULTS

This chapter is the heart of the study and was designed to provide responses gathered through interviews with different company representatives. The main objective was to find out marketing activities companies in similar industries carry out. It is expected that the findings answer some of the research questions stated in previous chapters and support the development of a marketing plan for Maviance GmbH.

5.1 Primary data findings

Since the interview questions and related answers are rather versatile, the analysis of the empirical data was decided to be divided and grouped into three categories. The first category overviews the company's background information and product related features. The second category concentrates on the marketing related issues i.e. marketing strategies of the companies. The last part reflects problems and challenges related to marketing microfinancing software products and its future prospects. The interview questions can be found in Appendix 1.

Background information of interviewed companies

As mentioned earlier, seven companies from different parts of the world were interviewed for the current study. The interviewed companies are listed in Appendix 2. Due to the data confidentiality companies were named Company A − Company G. Yet, one of companies had bad experiences in marketing their software products and therefore provided answers only to the marketing related questions.

Figure 14 illustrates the vitality of microfinancing issue and the way it scatters around the globe. In particular, the map demonstrates countries where the interviewed companies have their offices. All seven companies work on an international level and three out of them have offices in different countries. For instance, the interview with the director of

Company A was conducted through the office in Costa Rica, even though the company has headquarters in Uganda. The interview with the representative of Company C was conducted through the office in Peru, while the company has a head office in London and offices in South Africa, Uganda, Cambodia, Bangladesh, Jamaica, France, India, Kenya, Nigeria, Canada, Ghana, Sierra Leone and U.A.E. The interview with Communication representative of company E was done through the office in Ecuador, even though the company has offices also in the USA, Panama, Mexico, Colombia, and Salvador. The main priorities for contacting offices illustrated on the map were an approachability and presence of the right contact persons.

FIGURE 14. The scope of research

Three out of seven interviews were carried out with Company's Director/CEO, whereas four remaining ones were conducted with Managing Partner, Communication Representative, Coordination Manager from Strategy & Relationships Department and Sales Representative. The first three questions of the interview framework under this category are related to the background information of the respondents.

Each company has a great amount of experience with the particular software. Both Company B and Company E have had their microfinance software in the stock for nine years. Company C launched its banking software in 2008. Company A , Company D, Company F and Company G are leading among the interviewed companies considering the years of experience in the software development aimed in MFI, i.e. 14, 19, 15 and 13 years respectively. Coordination Manager of company F gave more details on the banking software development. He states that "the earliest version came out in 1997 and since then it was undergone many version upgrades. It continues to be upgraded with the advent of new technologies that are appropriate in the operating environments of microfinance, since many of the areas where microfinance is needed suffer from infrastructural problems, such as absence of internet connectivity." (Anonymous 2012).

All seven interviewed companies provide software and services targeted at microfinance institutions, savings and loans institutions, credit unions and financial institutions that wish to incorporate a solution oriented towards specific groups at the base of the economic pyramid. Besides the above mentioned, Company B also targets its software at village banking. The software provided by Company F also caters for micro-insurance. Coordination Manager of Company F continues "We have banks as well as all sizes of MFIs (Microfinance institutions) as our customers." (Anonymous 2012). Company G targets its software also at rural finance cooperatives, rural banks and development banks.

The third interview question was devoted to the target distribution regions, companies use to reach the clients. According to the results, four out of seven interviewed companies have clients in Africa. Company A Ltd. has clients in 50 countries and 80% of them are in Africa. In accordance with Director of Company A, distribution is mainly done via the web. Company F is prepared to cater to all the English speaking parts of the world, although the solution is Unicode compliant; however, if a user helps to change the captions etc. to any other Unicode compliant language, there is no problem. The CEO of Company B paid attention to the fact that Nigeria and the French and Portuguese speaking countries are their main clients. Table 7 helps visually to picture the scope of customers each company works with. Company D is not included in the table, since no reply was received

from the company's Director/CEO. Nevertheless, through the website it was figured out that the company distributes only domestically in Russia.

TABLE 7. Target distribution areas of interviewed companies

World region	Company					
	Company A	Company B	Company C	Company E	Company F	Company G
Africa	✓	✓	✓			✓
Europe		✓	✓			✓
Asia		✓	✓		All	✓
North America				✓	English	
Central America				✓	speaking parts	✓
South America			✓	✓	of the world	✓
Caribbean			✓			
Pacific region			✓			

Marketing activities

This section covers fourth and fifth questions of the interview questions aimed at gaining insight into if the companies do microfinance software marketing over the Internet or not, why/why not and if yes, then how.

Out of seven interviewed companies, only one company, Company D, had bad experience with marketing the Microfinance Software. The Director/CEO of Company D points out high costs as the first reason. Since the rent and other expenses are high, and the software company is a startup and does not have significant investors, investing in on-line market-ing activities is not affordable at the moment. Besides, the company is not interested in expanding the business globally. In addition to the above mentioned, the director states that another problem is a psychological barrier linked with the fear of personal data leak-

age. Given that the database is located somewhere outside, no one guarantees the data security.

The rest of the gathered data was sorted out and presented in Table 8. In regards of product on-line marketing, more than half of the interviewed companies have their software reviewed by the Consultative Group to Assist the Poorest (CGAP), an authority of the World Bank in the microfinance industry. More than half of the companies have also pointed out the importance of microfinance conferences, providing potential clients, software demo versions and brochures available on the website. As shown in Table 8, three out of six companies use newsletters and press releases as part of the marketing strategy.

In addition to the CGAP reviews, press releases, newsletters, demo versions, brochures and conferences, the representative of Company C shared that marketing was also partly done via Webex or conference calls. Since the software provided by Company C is not a massive product for sale, the company does not do social marketing like Facebook, Youtube, or commercial advertisings in the Internet or TV. "Be the highest in Google searches for microfinance software or ask representatives to put links to our website" is an essential part of our marketing strategy, Director of Company A notes.

TABLE 8. Marketing strategies of interviewed companies

Marketing channel	Company A	Company B	Company C	Company E	Company F	Company G	Total
CGAP software review	✓	✓	✓			✓	4
Newsletter	✓		✓		✓		3
Press release	✓		✓		✓		3
Microfinance Conference	✓	✓	✓	✓			4
Demo versions	✓	✓	✓			✓	4
Brochures	✓	✓	✓			✓	4
Search Engine Optimization (SEO)	✓						1
Link building	✓						1
Facebook				✓			1
LinkedIn	✓		✓	✓	✓		4

Challenges and ideas on future

The purpose of last two interview questions was to understand which challenges do companies have encountered related to the marketing of microfinance software and what the software future might be.

Concerning challenges, two companies out of six justified budget limits and the lack of human resource with good knowledge of Internet marketing as a problem. Fast changing advanced technology requires technical skills as well. Extensive knowledge of Internet marketing and wide experience in working with the web are some of the values which companies seek while recruiting. Nevertheless, the budget is limited to some extent and big investments in Internet marketing or special IT trainings are not done unless they are worth doing it.

Other two companies answered the question pointing out the highly specialized market as a challenge. The sales representative of Company G marks that the microfinancing software market is a highly specialized market and most organizations change the banking software once in 10 years considering high initial costs of introducing new software and trainings. However, on the other side, "this is an advantage too, it helps to us to retain existing customers for a long time." (Anonymous 2012). Communication Representative of Company E notes that the sales cycle for the banking software is rather a continuous process and the success of marketing efforts is not immediately notable and useful. (Anonymous 2012).

An interesting insight was provided by another company which declared the financial crisis as an outgoing challenge. The worldwide crisis is affecting many banks, reducing costs of resources and investments affecting directly the Europe and the African regions. Many deals are going on with South American and soon with North American region, "so our main challenge is to face the crises wisely, trying to find opportunities where it's less

affected. And the less vulnerable region is now South America and South East." (Anonymous 2012).

One of the companies has refrained from giving comments on problems with the software promotion and development, although stated that Finance Solutions Software has a great future and currently Company B concentrates on developing new features as per customers' demands. All other companies have replied positively as well, seeing a very bright future concerning the future of Microfinance Software.

Coordination Manager of Company F shared that the company maintains a dominant position in Bangladesh and keeps exploring other markets, including India, Far East and Africa. One of the current developing innovations includes an Islamic version to cater for Muslim countries. "We have tremendous experience in the areas of banking, microfinance and modern technology and have never failed in any project since the inception of our company in 1996. Therefore with the new marketing strategy, we see a very bright future for us indeed." reveals the coordination manager. (Anonymous 2012).

The sales representative of Company G continues on the same topic and notes that the company "keeps expanding and keeps updating the software with new modules, such as ATM (Auto Teller Machine) On-line, Foreign Exchange etc." (Anonymous 2012).

The communication representative from Company E shared the same view on clear future and confirms that the demand for this software will only increase in the future, especially in developing countries which have some of the most robust microfinance institutions. The communication representative continues "we should keep our eye on trends in group borrowing, female entrepreneurship, and demand for mobile payments – all of which are factors which influence the creation of new products and services in financial institutions and in turn shape their software and technology needs." (Anonymous 2012).

5.2 Interview results discussion

Based upon the analysis of the findings it can be concluded that the interviewed companies do have a lot in common concerning on-line marketing methods. Six out of seven companies spoke favorably on online marketing the Microfinance Software. Each company has a functional website with integrated product brochures, demo versions or press releases published in more than one language, covering different target groups. As the research has shown, some companies are more advanced in terms of on-line marketing than the others. Every one of them has the same possibilities, although companies use it in different ways to benefit company the most, not vice versa. Overall, it can be summarized that the companies are optimistic about the future of Microfinance based Software and enthusiastic about developing an on-line marketing strategy. The companies do operate in the competitive and dynamic environment, although each one has a strategy how to succeed.

Narrowing the topic to Nigeria, unfortunately, only one interviewed company has clients in Nigeria. Nevertheless, the secondary data analysis shows that the percentage of Internet users in Nigeria is increasing as well as the percentage of mobile phone users, thus creating a larger market for the software the previously mentioned companies offer.

Email interviewing was the right thing to do although it was a rather challenging method. The response rate was relatively high, although excellence has no limit and better results can be received. Besides some questions of the interview framework were not responded as it was expected. Nevertheless, responses were valid enough and reliable to draw conclusions. The collected data can be deployed in practice in different ways, although in this case it will be useful in creating an on-line marketing plan for Mobile Microfinance Application, Maviance GmbH.

The collected data represents the marketing situation in the companies in the same industry as the client, the Maviance GmbH, and therefore answers Q4 research question set in the introductory chapter.

6 ONLINE MARKETING PLAN

Based on the theoretical framework, the primary and secondary results analyzed previously, the on-line marketing plan is developed for the Microfinance Software Application to the African market, especially Nigeria. Elements of SOSTAC® Planning Model are discussed in this chapter and implied at empirical level. However, the process of creating a marketing plan does not include schedules and deadlines. No specific time frames were set in the beginning and thus the deadline for the objectives to be implemented is time X. Time management will be introduced after the plan is complemented and approved by the Maviance GmbH.

6.1 Situation analysis

6.1.1 SWOT analysis of Maviance GmbH

According to the theoretical framework of the thesis, SWOT analysis identifies both internal (strengths and weaknesses) and external (opportunities and threats) factors of the company, which are to be discussed further. During the lead-off meeting managing director of Maviance GmbH, has helped to go through the company's material, which was a rather useful to overall situation analysis.

Strengths

Despite the fact that the company is young, Maviance GmbH has developed a wide and flexible range of services and products: Business Consulting, IT consulting, Software Development, Smart Mobile Applications, and Embassy Support Application. The key of success is a smart combination and collaboration of IT knowledge and business. In addition, the areas the company covers are indeed currently high in demand and provide a huge potential market for the company. Human resource is another core competence. IT and business consultants have good skills and experience from all over the world. Through developing the good reputation since the beginning, the company has established

a stable ground for further development and growth. The company has participated in PROMOTE 2011 trade fair in Cameroon, while the company and its Mobile Solutions was favored by the German Ambassador. Maviance GmbH has also sponsored the 8th international Symposium of the VKII (FOSTDIC) in Dortmund, inspired entrepreneurship within the African audience, shared its know-how and methodology on building mobile solutions. (Maviance GmbH 2012 [referred 17.08.2012]). The company has recently updated the website, providing it in the German, English and French languages. The website contains detailed information about products and services, newsletter service, recent news and press releases, and it also allows clients to contact with company's' staff via Facebook and Twitter.

Weaknesses

Nevertheless, the company has not achieved yet a big brand recognition within the target market, which causes some difficulties while entering the market and sales. A small investment has been made so far in the marketing area.

Opportunities

Steady market demand and technology progress are the leading factors to the company's growth and development. Technology driven, Maviance GmbH can conquer new markets, as the demand arises or customer tastes or lifestyles change. Building a strong global brand recognition is another trend to get concentrated on.

Threats

The last but not the less critical for the audit element of SWOT analysis is threats. High competition is probably the biggest challenge for the company. Contestants providing products or services at the lowest price with simple ease of using interactive interface occupy the top of the market. Companies with lower-cost resources, providing microfinance related software come from all over the world all aiming at the similar target.

Nevertheless, Maviance GmbH has a dynamic nature of products and services and can adapt to aggressive competition. Even so, the company's strategic management has to concentrate on diminishing the most damaging threats and working on the core strengths and opportunities.

6.1.2 Competitor and industry analysis

This section introduces the analysis of industry attractiveness and indentifies five forces in Maviance GmbH market environment.

Key industry competitors are core banking solution providers, offering microfinance related mobile or stationary PC software and services to Microfinance institutions or any small financial institutions with processes like trade finance, leasing, mortgage, savings, credits, swaps, nostro/vostro, treasury, etc. Potential entrants are new service providers or IT companies, developing microfinance automation software and targeting it on the microfinance industry. Main substitutes are open source Microfinance Software; services with the same key features performed by a man. Suppliers in this market are defined as a mobile or computer software providers, or software exporters. Buyers are microfinance institutions, rural finance cooperatives, credit unions, or development banks. As shown in Table 13, overall attractiveness of the software industry is relatively moderate. The industry has numerous customers. Economies of scale are an important factor in this industry. The buyer power is rather low. For new entrants it is hard to compete with already established larger players in the market, considering costs, poor customer database or brand recognition. However with a lot of experience in the IT sector barriers to entry are not that high. A threat from substitutes exists but attracts a rather small market share. Competition within rivalry players is rather intense. Lots of competitors fight for gaining customer loyalty and brand recognition.

TABLE 9. Porters Five Force's analysis

Porters Five Force's element	Analysis criteria	Evaluation	Attractiveness level
Bargaining power of suppliers	Number of suppliers	high	Industry attractiveness is high
	Availability of substitutes	high	
	Switching costs	medium	
	Suppliers threat of forward integration	high	
	Contribution to quality	high	
	Contribution to cost	high	
Bargaining power of buyers	Number of buyers	medium	Attractiveness is moderate. Switching costs are high
	Availability of substitutes	medium	
	Switching costs	high	
	Buyer's threat of backward integration	low	
	Contribution to quality	high	
	Contribution to cost	medium	
	Buyer's profitability	high	

TABLE 10. Porters Five Force's analysis (Continued)

Porters Five Force's element	Analysis criteria	Evaluation	Attractiveness level
New Entrants	Economies of scale	high	Relatively unattractive. Rather hard to enter
	Product differentiation	medium	
	Brand identity	high	
	Switching costs	medium	
	Capital requirement	high	
	Access to technology	high	
	Access to raw material	high	
	Government protection	high	
	Exit barriers	medium	
Substitutes	Availability of close substitutes	medium	Relatively low
	Switching costs	medium	
	Substitute's price value	medium	
	Profitability of the producers of substitutes	medium	
Competitors	Number of competitors	high	Market is intense competitive.
	Industry growth	high	
	Fixed cost	medium	
	Differentiation	high	
	Switching cost	medium	
	Exit barriers	medium	

6.2 Marketing objectives

The marketing objective is to use the Internet channels to promote Microfinance Software Application to the microfinance industry, to Sub-Saharan Africa, in particular Nigeria. In other words, the Internet has to be used as a communication tool to draw more customers' attention to the website and Microfinance Software Application in particular. The company targets at market penetration and various digital media channels are here the key tools to speak to current or potential audience on the sites. The key target audience consists of microfinance institutions or any small financial institutions offering processes like trade finance, mortgage, leasing, savings, credit, loans etc. No specific time frames were set since the beginning and thus there is no deadline when the objectives should be implemented.

6.3 Strategy

After an analysis of a series of primary and secondary findings and also taken into account on-line marketing experience of more advanced companies in the same industry, the marketing strategy for Maviance GmbH has been developed (figure 15). Each element is discussed in more detail in the following chapter. The channels for the marketing strategy for Maviance GmbH were determined on the ground of the marketing channels interviewed companies penetrate. According to the research findings, competitors tend to penetrate same online channels and apply similar websites' modifications, such as a product brochure and product demo versions, distribute newsletters, publish press releases, participate in microfinance conferences, and do marketing through social media. Since Maviance GmbH is already using some social media and newsletters, publishing current news and press releases, and it has participated in a few related conferences, channels which need to be paid more attention to were considered in the marketing strategy and analyzed. It was also identified that the interviewed companies are not so strong in marketing sectors as link building or search engine marketing. Despite that, the marketing proposal contains ideas on development of link building and Search Engine Optimization,

which strategy if implemented correctly and efficiently can help a company to gain a competitive advantage.
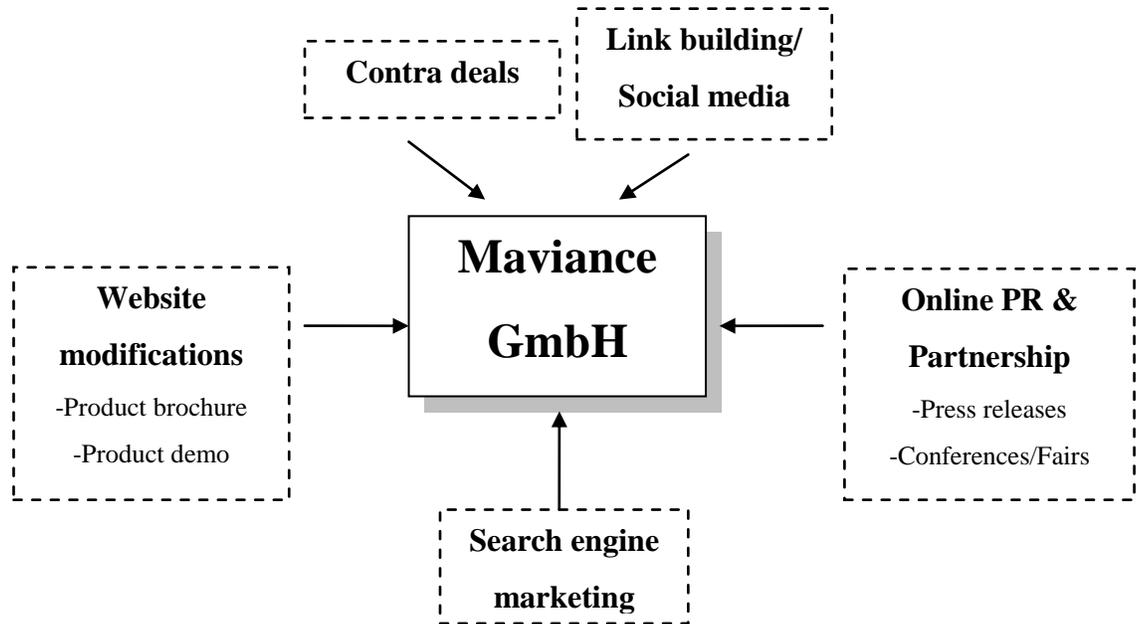
FIGURE 15. Online Marketing Strategy for Maviance GmbH

6.4 Marketing Mix

After particular on-line communication channels were identified, it is important to craft message strategies for each of these channels, decide upon skills required for each task, and implementation costs.

6.4.1 Website modifications

Website is a representation of a company on-line and thus is one of the first things to be judged by Internet users. This is the reason why websites should be up to date, catchy, interactive and user friendly. Before attracting customers' attention to the website, products and services, several modifications are suggested to be done in order to improve it: creating a product brochure and a product demo.

Channel: Product brochure

Goal: Catchy product brochures are a great and inexpensive method to familiarize potential customers with the functions of Microfinance Software Application.

Implementation: The brochure should outline product advantages; state the key functionalities and company contact information in the end. It can start with gaps that create a need for such product as Microfinance Software Application, and then continue with product facts. Brochures should look catchy for the eye and motivate readers to keep looking through it. Being creative is another aspect of brochure creating and marketing. Visuals should be considered as well since pictures are worth a thousand words and easy to perceive.

Created with Microsoft Word program and converted into PDF format, brochures can be downloaded to the website, so customers have easy access to them and can download them to their computers.

Skills: Basic computer and Internet skills are required, knowledge of Microsoft Office Word, Microsoft Office PowerPoint, Adobe Acrobat.

Cost of implementation: Labor costs

Channel: Product demo

Goal: Product demonstrations are great visual support targeted at prospective customers to show how the software works. It is more interactive compared to reading a long manual. People tend to find things more appealing if it's possible to see or touch them. Besides, demos are sort of a proof, showing what the product does and thus a rust barrier is diminishing faster. Moreover demo distribution does not cost anything but still drives traffic to the website.

Implementation: Before starting to develop an actual product demo, it is important to think of what to show to prospective customers. Exclusive features of the product, key functionalities and benefits – this is what should be in a list for showcasing. A demo can be considered a feature tour which target message is to touch an audience and make the product as appealing as possible to them.

First, make sure that the structure is well thought through. The structure could start with an introduction, by introducing the company and product to the audience, pointing out why there is a need for such a product. The next step is to illustrate product key features and characteristics. This part can have pictures from different angles demonstrating how each feature works. At the same time, each feature can be stated together with a benefit it has. The market is quite competitive and it is essential to point out how the product is superior to those of the competitors'. Office PowerPoint is one of the easiest ways to create a demo. It has possibilities to insert audios and videos into the presentation so to make it more interactive and user friendly. Color themes, fonts, tables or animations should be well thought through and they should not steal an eye from the core product idea. The demo can be finished with a conclusion, emphasizing the benefits of the product. Contact details should be added as well.

Naturally, a free trial of microfinance software expiring after a fixed date could be a good idea as well. Open source trials let clients become acquainted with the features of the software and make up their minds about the purchase.

Skills: Basic computer and Internet skills, knowledge of Microsoft Office PowerPoint is required.

Cost of implementation: Labor costs

6.4.2 Contra deals

Contra deals occur when both parties receive non-financial benefits such as a mention on the website which leads to public attraction. Several relevant approaches of how Maviance GmbH could build relationships and benefit out of them are discussed in this part.

Channel: MIX (Microfinance Information eXchange) Market Website

Goal: MIX is Microfinance Information eXchange. MIX Market provides a qualified information and objective analysis aiming at strengthening the global microfinance sector. It stores MFI Reports, Cross-Market Analysis, Funding Structure, Country Profiles, Profiles of Networks, Funders and Service Providers performance on microfinance institutions (MFIs). (MIX Market 2012 [referred 5.09.2012]). Creating a profile, which reviews company's activities, software products and brochures, is a good step to introduce the Microfinance Software Application to microfinance on-line market. Besides, the profile of the service provider (in this case Maviance GmbH) can be linked to the country profile of Nigeria, in particular a microfinance sector of the country profile.

Implementation: An on-line application has to be submitted once it is decided to use MIX service. It can be done through the link available in Appendix 3. (MIX Market 2012 [referred 5.09.2012]).

Skills: Basic computer and Internet skills are required, familiarization with knowledge management.

Cost of implementation: MIX Market suggests different types of features: MIX Basic, MIX Silver, MIX Gold. MIX Basic is free of charge but limited to some extent with data and analytics, market intelligence and support (Portfolio tracking and reporting, MIX Market Insight Webinars etc.). The price for MIX Silver starts at 3500 USD and comes with more advanced analytical tools and market intelligence. MIX Gold is a custom re-

porting and portfolio monitoring solution with the most advanced features. The price of MIX Gold is a matter of negotiation. (MIX Market 2012 [referred 5.09.2012]).

Channel: The Microfinance Gateway

Goal: The Microfinance Gateway is one of the services provided by CGAP Organization, Consultative Group to Assist the Poor, an independent policy and research center targeted on advancing a financial access for the world's poor. The Microfinance Gateway is a great on-line resource offering a comprehensive library of research and publications, articles on industry developments and trends, the latest news, events related to the microfinance industry and financial sector. (CGAP Microfinance Gateway 2012 [referred 5.09.2012]). Submitting the company's profile to the Microfinance Gateway means an interflow into the microfinance on-line world, and an increase of company's awareness.

Implementation: The process of submitting an organization to the Microfinance Gateway occurs via on-line application. After forms are filled in, the Microfinance Gateway has to review and approve it before it is posted on the web. (CGAP Microfinance Gateway 2012 [referred 5.09.2012]).

Skills: Basic computer and Internet skills are required, familiarization with knowledge management.

Cost of implementation: Contractual costs

Channel: Rural Finance Learning Center

Goal: Rural Finance Learning Center aims to provide financial services to people who live in rural areas. The website provides an access to referenced library with finance related material, training section with study materials and multimedia and calendar events. The RFLC has also a member area with portals, networks, and organizations. Being a member of such a community leads to the wider access of finance related data, setting up

an on-line company and product profile, being up to date with ongoing events as well as being able to interact with the system, making suggestions to the editors. (Rural Finance Learning Center 2012 [referred 5.09.2012]).

Implementation: In order to become a member, an on-line application form has to be filled in and submitted. An e-mail confirming the membership will be received afterwards together with a username and password. The application can be found at the link available in Appendix 3. (Rural Finance Learning Center 2012 [referred 5.09.2012]).

Skills: Basic computer and Internet skills are required, familiarization with knowledge management.

Cost of implementation: Free of charge

Channel: Microfinance Africa

Goal: Microfinance Africa.net is on-line resource covering different aspects of the micro-finance development in the African region. The website reviews technology providers, information providers, micro institutions and anyone involved in microfinancing. It also delivers daily news in the form of newsletter. (Microfinance Africa 2012 [referred 5.09.2012]). Since people tend to visit the website and read news, references to Maviance and Microfinance Software Application to the African region is a good marketing move.

Implementation: Any enquiries regarding advertising on Microfinanceafrica.net should be sent to the email available in Appendix 3 or discussed personally. In order to have company's details in Microfinanceafrica.net directory an email should be send to the email available in Appendix 3. (Microfinance Africa 2012 [referred 5.09.2012]).

Skills: Basic computer and Internet skills are required, familiarization with knowledge management.

Cost of implementation: Contractual costs

Channel: African Microfinance Transparency

Goal: African Microfinance Transparency promotes performance and supports a growth of African MFI's through developing the market and performance evaluations and ratings. The AMT membership can bring company closer to African microfinance sector and give an opportunity for attending AMT activities: conferences, forums, investors' fairs, workshops, and to receive quarterly newsletters. The company's profile and logo will be presented on the website as well. (African Microfinance Transparency 2012 [referred 5.09.2012]).

Implementation: To receive a membership, an eligibility criteria has to be met and afterwards an application on-line form has to be filled in through the link, which can be found in Appendix 3. (African Microfinance Transparency 2012 [referred 5.09.2012]).

Skills: Basic computer and Internet skills are required, familiarization with knowledge management.

Cost of implementation: Contractual costs

6.4.3 On-line PR & Partnership

Press releases is a good on-line marketing communication tool which increases a company's reputation, keeps users updated about ongoing activities, and drives traffic to the website. Press releases are done for reason of announcing something newsworthy such as awards, new products or services development, accomplishments, upcoming or past conferences, forums or workshops.

Sponsorships also increase company's awareness, build loyalty, and attract media. Thus this section covers different kinds of microfinance related events Maviance GmbH could

attend, attract favorable media attention to the Microfinance Software Application and the company as a whole. Besides, some of the events worth sponsoring are reviewed here as well.

Channel: The 2nd National Software Conference and Competition 2012 in Nigeria

Goal: The 2nd National Software Conference and Competition 2012 in Nigeria will be organized by the Institute of Software Practitioners of Nigeria (ISPON) from the 28th to 30th October 2012. The theme of the 2012 year conference is: "The Cloud and The Future of Software Nigeria". The main idea is to gather ideas created by the Nigerian software professionals. The IT sector is growing rapidly and the software solutions become key instruments in developmental challenges. The National Software Conference is planned to be a forum where developers, service providers, consumers, sponsors, partners and related interest groups discuss and make contributions related to the software development. (Institute of Software Practitioners of Nigeria 2012 [referred 5.09.2012]). This is a good chance for Maviance GmbH to promote its software product.

Implementation: The registration form is available on the website of ISPON and can be found through the link available in Appendix 3. (Institute of Software Practitioners of Nigeria 2012[referred 5.09.2012]).

Skills: Basic computer and Internet skills are required, familiarization with knowledge management, experience in providing comprehensive company representation.

Cost of implementation: Contractual costs

Channel: European Microfinance Week

Goal: European Microfinance Week will be organized from the 14th to 16th November 2012 in Luxembourg with the theme "Combining strengths-delivering results". This microfinance event is hosted by the European Microfinance Platform, E-MFP. The event is

planning on bringing microfinance stakeholders together to discuss hot issues in the microfinance sector regarding developments and growth. During the European Microfinance Week workshops and sessions in three following major topics are going to take place: regulation/ownership/governance/cooperatives, innovations in microfinance: security/technology and outreach/environment protection, and measuring impact/gathering results/identifying outcomes. (European Microfinance Platform 2012 [6.09.2012]). Maviance GmbH could submit a proposal focusing on IT solutions aimed to benefit the microfinance sector or participate in mobile financial services workshop and draw attention to Microfinance Software Application.

Another option for Maviance GmbH is a sponsorship opportunity, which would enhance the company's visibility within the microfinance sector and build relations with the media.

Implementation: Registration form for the European Microfinance Week can be filled through the link found in Appendix 3. (European Microfinance Platform 2012 [6.09.2012]).

All contact details and information on sponsorship opportunities can be found in PDF format, link of which is in Appendix 3. (European Microfinance Platform 2012 [6.09.2012]).

Skills: Basic computer and Internet skills are required, familiarization with knowledge management, experience in providing comprehensive company representation.

Cost of implementation: The company has to make a decision upon its available budget and sponsorship opportunities. The European Microfinance Platform suggests different types of sponsoring: Platinum Sponsor (over 20,000 EUR), Gold Sponsor (15,000 EUR), Silver Sponsor (10,000 EUR), Bronze Sponsor (5,000 EUR), Friend (3,000 EUR), Lunch/reception sponsorship at European Microfinance Week 2012 (Pre-conference reception 12,000 EUR or two lunches, each at 10,000 EUR), Giveaway sponsorship and

European Microfinance Week 2012 conference report (25,000 EUR). Terms and details of each sponsoring opportunity can be found directly at the website of European Microfinance Platform, E-MFP. (European Microfinance Platform 2012 [6.09.2012]).

Channel: 5th AMT Microfinance Investor's Fair

Goal: 5th AMT Microfinance Investor's Fair will be held from the 11th to 12th of October 2012 in Tunis. The Fair is open to African MFIs searching for funding, social investors, Microfinance institutions, technical providers. The aim is to make African MFIs, investors and microfinance related interest groups come together and encourage exchange of experiences. Technology providers will be able to have a stand to present their products and services to the participating MFIs. (African Microfinance Transparency 2012 [referred 6.09.2012]). This is a great opportunity for Maviance GmbH to promote directly the Microfinance Software Application.

Besides or instead of attending AMT's Microfinance Investor's Fair, African Microfinance Transparency offers several sponsorship packages. Based on the company's budget it is another way to increase the company value within the microfinance sector and attract good media attention.

Implementation: The registration form is available on the website of AMT and can be found through the link available in Appendix 3. Together with registration form registration fees have to be paid.

Contact information and more details on sponsorship packages can found through the link in Appendix 3. (African Microfinance Transparency 2012 [referred 6.09.2012]).

Skills: Basic computer and Internet skills are required, familiarization with knowledge management, experience in providing comprehensive company representation.

Cost of implementation: Registration fees were determined as 500 EUR per organization or 200 EUR surcharge per person. Bank details can be found on the AMT website. The African Microfinance Transparency offers three types of sponsorship packages: Platinum package (10,000 EUR), Gold package (5,000 EUR) and Silver package (2,000 EUR). (African Microfinance Transparency 2012 [referred 6.09.2012]).

Channel: Sanabel's Ninth Annual Conference

Goal: Sanabel's Ninth Annual Conference will take place from the 31st of October to the 2nd of November 2012 in Sudan. The theme of 2012 year conference is "New Decade for Sanabel, New Services from the Microfinance Sector". The conference targets to discuss new trends, challenges and opportunities concerning the microfinance sector in the Arab region. (SANABEL 2012 [referred 6.09.2012]).

Implementation: The registration form can be filled after following a link in Appendix 3. (SANABEL 2012 [referred 6.09.2012]).

Skills: Basic computer and Internet skills are required, familiarization with knowledge management, experience in providing comprehensive company representation.

Cost of implementation: Registration fee for Sanabel Members is 500 USD per person, for non-member – 700 USD per person, for participants from Sudan – 500 USD per person. Registration fees for groups of different size and payment options are available at the official website of SANABEL. (SANABEL 2012 [referred 6.09.2012]).

Channel: 2nd Africa Microfinance Repositioning Summit

Goal: The 2nd Africa Microfinance Repositioning Summit will be held from the 23rd to 26th October 2012 in South Africa. It aims at bringing MFIs, development partners involved in supporting the microfinance sector, and stakeholders together to debate at microfinance practices going on in the African region, product and service innovation, a

growth of the African MFIs etc. (CGAP Microfinance Gateway 2012[referred 8.09.2012]). The central theme is Innovation and Maviance GmbH has a great chance to promote its Microfinance Solution aimed to improve effectiveness of microfinance sector.

Implementation: Contact details can be found at the website of Mwangaza Africa Business Consultants, the sponsor of this event.

Skills: Basic computer and Internet skills are required, familiarization with knowledge management, experience in providing comprehensive company representation.

Cost of implementation: Registration fee for Microfinance Repositioning Summit is 795 USD. (CGAP Microfinance Gateway 2012[referred 8.09.2012]).

Channel: Investment and Innovation in Microfinance Summit: Africa.

Goal: Microfinance Summit will be held from the 19th to 20th September 2012 in Ghana. The summit is aimed at MFIs and their innovation and investment strategies and opportunities, as well as the African market opportunities. The content in more details can be found at the official website of Investment & Innovation in Microfinance Summit: Africa. Sponsorship of the Summit can build favorable media relations, increase the company awareness among the microfinance sector, and create new business partnerships. (Investment & Innovation in Microfinance: Africa 2012 [referred 11.09.2012]).

Implementation: For more detailed information on sponsorship the company has to contact directly Commercial Director of Investment and Innovation in Microfinance Summit: Africa.

Skills: Basic computer and Internet skills are required, familiarization with knowledge management, experience in providing comprehensive company representation.

Cost of implementation: Investments range from 4,000 GBP to 120,000 GBP (Investment & Innovation in Microfinance: Africa 2012 [referred 11.09.2012]).

6.4.4 Link building/Social media

Channel: Forum

Goal: Forum is a great communication tool, which helps companies interact with customers and understand their needs. A link to the forum can be attached to the official website of Maviance GmbH. A forum can consist of discussion boards where news, updates, announcements or other educational content is published. One of the posts can be related to the FAQ, in particular to the problems regarding the installation or software configuration. Discussion boards enable customers to ask questions, share problems they try to solve or ideas for further product feature development. In this way the company can obtain the feedback from customers, reduce misunderstandings and gain loyalty.

Implementation: One of the options is phpBB®, free and open source software, which can be easily downloaded from the website and installed. This software simplifies discussions and posting. One of its features is an ability to post attachments to posts. Discussion boards filled in with posting boxes enable users easily to ask questions or reply. The latest version of the open source bulletin board software can be downloaded at official website of phpBB® creating Communities, link of which is available in Appendix 3. (phpBB® Creating Communities 2012 [referred 11.09.2012]). In addition, a person should be assigned to be responsible for discussion boards, and they will be able to update information and answer questions that arise.

Skills: Basic computer and Internet skills are required, preferable experience in blogging, good grammar and proofreading skills.

Cost of implementation: Free of charge

6.4.5 Search engine marketing

Search engine marketing is typically divided into SEO (Search Engine Optimization) and paid adds, but the scope of this thesis is search engine optimization.

Channel: Contextual advertisement: Google Adwords

Goal: Text advertisements are an effective method to draw Internet users' attention to the website.

Implementation: AdWords account can be created directly at the official website through the link available in Appendix 3. The target audience would be microfinance industry, Sub-Saharan Africa, Nigeria. In the beginning, brainstorming has to be done to come up with keywords related with Maviance GmbH and Microfinance Software Application. Some examples of keywords are microfinance software, microfinance solution, financial services software, IT microfinance solution, mobile microfinance solution, mobile financial solution, banking software, etc. Examples of an ad which would appear right next to relevant search engine results are illustrated in Figure 16.

Microfinance Software
http://www.maviance.com/
Software for microfinance organizations - Contact us for more information!

Mobile microfinance application
http://www.maviance.com/
Mobile microfinance system -Contact us for more details!
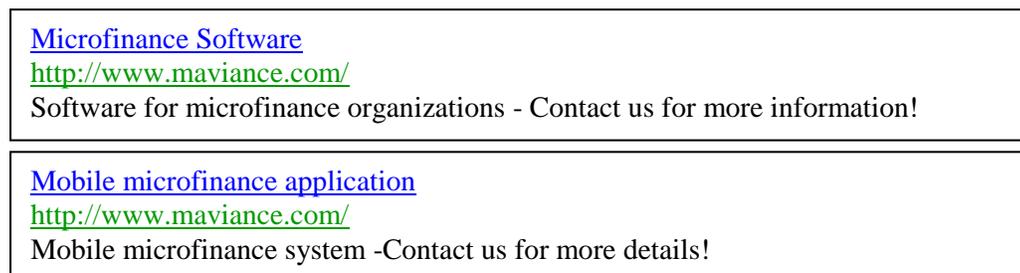
FIGURE 16. Example of Contextual advertisement

Skills: Basic computer and Internet skills are required, preferable experience in search engine marketing.

Cost of implementation: Contractual costs. Payment is made if someone clicks on the ad. The amount company will pay for AdWords is up to Maviance GmbH management decision.

6.5 Controlling instruments

A previously discussed strategic elements need to be monitored and controlled. The main objective was to promote the Microfinance Software Application and thus drive traffic to the Maviance GmbH website. The results of website modifications, link building activities, social media, on-line PR and on-line partnership can be measured by increased or remained the same amount of visitors. This can be done with the help of Google Analytics. The efficiency of search engine marketing, in particular, contextual advertisement, can be tested with Google Adwords report. Recommendations for blogging and discussion boards' management are given below as well.

Google Analytics

Google Analytics is web analytics service providing detailed statistics regarding the visits to a website. It is a great tool to check if marketing activities were useful or not. Google Analytics designs reports which gather information about visitors (location, language etc.) as well as the amount of clicks, visitors, page reviews, and much more (Google Analytics 2012 [referred 14.09.2012]).

Google AdWords

Google AdWords provides the Placement Performance Report, supported by Google Display Network. The report allows tracking advertisement's performance: where the ad appeared, how many clicks it earned, costs etc. After an ideal audience is found on the web, targeting and bidding ad strategy might have to be changed a little to benefit the company best. (Google AdWords 2012[referred 14.09.2012]).

Forum management tips

In order to run a good forum, to engage consistently with the audience, and to increase the site traffic, several tips can be considered in building successful social media platform. Some of tips are:

1   To proofread the text before posting it.

2   To stay involved in discussion boards. Reply in time.

3   To create and constantly update meaningful categories. Too much of mixed content might get readers confused.

4   To create catchy headers. Headers, sub-headers and paragraphs make it easier for readers to follow through.

5   To add tags related to the post content.

6   To use Google Analytics to check the blog performance and traffic.

7 DISCUSSIONS

This chapter runs correlation between the findings, empirical part and objectives set in the beginning. Study implications, recommendations for further research as well as a reliability and validity of the research are also discussed.

7.1 Study implications

The main objective of the research was to obtain data from other companies regarding their marketing activities, and based on the primary and secondary knowledge to create an online marketing plan proposal for Maviance GmbH. All the formulated research questions were investigated and fulfilled.

The theoretical framework as well as the empirical framework supported the study findings. The theoretical framework has answered the following first three research questions:

Q1 - What are the requirements of a successful marketing plan?

Q2 - Which tools or channels can be used in order to do product marketing on the on-line marketplace?

Q3 - What are strategies and steps to push through these on-line channels?

The essential requirements of a successful marketing plan can be modeled with different kinds of models but in my thesis a SOSTAC planning model was used for this purpose. The fast development of the Internet has created a large number of online marketing communication channels which can be used to do product marketing online. The online marketing channels were grouped into six categories (search engine marketing, online PR, online partnership, interactive ads, opt-in e-mail and viral marketing) and the strategies related to them were analyzed in the theoretical part of my thesis.

The qualitative research answered the fourth research question:

Q4 - What is the marketing situation in companies in the related industries in Russia, Asia, North/Central/South America, and Africa?

The primary data was gathered with interviews via email and Skype from seven companies with offices in different parts of the world. The data was analyzed and also used as a background for a creation an online marketing plan for Mobile Microfinance Application. The research findings show us that the companies in the related industries in Russia, Asia, North/Central/South America and Africa use mainly the following marketing channels:

- CGAP software reviews
- newsletters
- press releases
- product brochures
- demo versions of their applications
- LinkedIn company pages

The data also revealed that only a few of the interviewed companies use SEO (Search Engine Optimization), link building or have a company page on Facebook. Only one company did not have a successful experience in promoting the software through the Internet, while others besides facing such challenges as budget limits and a lack of human resources with good knowledge of internet marketing, narrow target market or financial crisis, are optimistic about the future of Microfinance based Software and Internet promotion as well.

The fifth and the last research question was devoted to the practical implementation of the gathered data:

Q5 - How can collected data be used in order to create an on-line marketing plan for Mobile Microfinance Application to the Nigerian market?

 The marketing plan with recommendations about how to better carry out the marketing of Microfinance Software Application was created. The plan includes actual names of the marketing channels, essential implementation steps, required skills, and estimates of the implementation cost. Originally the thesis was planned to be very practical and useful in professional field. Hence, a result of the current thesis, an online marketing plan proposal as well as gathered primary data can be deployed in practice by any company or individual planning marketing products online. The target goal of the study was eventually reached; all five research questions set it the beginning were answered.

Taking into account the fact that no time frameworks or deadlines were set since the beginning, time management could be a next step for the company. Nevertheless, I came up with a variety of suggestions for further application and research:

1. A research among banks and MFIs (Microfinance Institutions) can be done in order to understand customer s' opinions and needs in regard to Mobile Microfinance Application. Some problems with a service quality or software maintenance may occur. Making a market research would generate some ideas for improvements, increase customers' loyalty, and hence accelerate sales and make profit.

2. Further research could be concentrated on market development. The business requires constantly updating clients' databases. A search of new clients and introducing business to a new niche might be done. Specific market entry strategies can be crafted for targeted countries. Before entering a new market, market research in this sphere could be done as well. In addition marketing and branding strategies can be developed considering culture specifications and market characteristics. In this way, market development will be carried out in a more detailed and more efficient way.

3. Another issue which can be investigated is the need and opportunity of creating a Webshop for Embassy Support Application, Smart Mobile Applications, such as Mobile Insurance System, Mobile Microfinancing System, Mobile Metering System, and Mobile Sales Automation System.

7.2 Data reliability and validity

Email surveys and interviews were the key tools used in this study to gather primary data. Replies from seven companies were eventually received. Unfortunately, it cannot be admitted that the interviewed companies represent the overall situation in the industry. More detailed research with a much bigger sample could be performed in the future and thus guarantee more reliable and detailed results. When it comes to personal opinions and feelings on the issue, information cannot be 100 per cent reliable and can be distorted. Over time the data will not be valid any longer, since trends in a fast moving world are currently changing. The secondary data was collected from rather reliable sources over the Internet.

8 CONCLUDING REMARKS

The process of writing this bachelor's thesis has significantly extended my knowledge on microfinancing industry, software development, and IT innovations, Sub-Saharan Africa and Nigerian market, and a wide range of Internet marketing opportunities. Certainly, I

believe that the gained skills and knowledge will be helpful in a future working life, and performing a similar research study will be much easier and more sophisticated. Even though thesis writing required a lot of effort and time, I enjoyed it and do not regret the time I spent. The thesis was written upon a request by Maviance GmbH, German IT development and consulting company, which has been very enthusiastic in helping me to write the thesis. The thesis concept since the beginning was limited to some extent in order to study one problem in depth. The choice of topic itself was good, since it combined my personal interests in marketing and IT technology, and the experience of practical work. Therefore the whole thesis process was more than just a university final assignment.

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Anonymous[2] 2012. Interview via Skype 8.07. Director/CEO of Company B.

Anonymous[3] 2012. Interview via Skype 14.07. Managing Partner of Company C.

Anonymous[4] 2012. Interview via e-mail 7.07. Director/CEO of Company D.

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[1] First and last names are not disclosed

[2] First and last names are not disclosed

[3] First and last names are not disclosed

Anonymous[5] 2012. Interview via e-mail 13.07. Communication Representative of Company E.

Anonymous[6] 2012. Interview via e-mail 18.07. Coordination Manager from Strategy & Relationships Dep. of Company F.

Anonymous[7] 2012. Interview via e-mail 12.07. Sales representative of Company G.

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[4] First and last names are not disclosed

[5] First and last names are not disclosed

[6] First and last names are not disclosed

[7] First and last names are not disclosed

APPENDICES

Interview framework

1. How long the X Software has been out in stock?

2. What are key target groups?

3. What are main target regions for distribution? Is it sold domestically or abroad as well?

4. What marketing strategies do you pursue? Is any marketing done with help of the Internet? Why/why not?

5. Could you give a few examples of such on-line marketing? (blogs, press releases, forums, interactive ads, demo versions of software, on-line brochures, Youtube, RSS, SEO)

6. What are the main challenges and problems related to promotion of X Software?

7. How do you see the future of X Software? Any crucial factors to concentrate on?

Interviewed companies

1. Crystal Clear Software Ltd.
2. Sigma Data & Computers Ltd.
3. Neptune Software Group
4. ESCAPE/M Ltd.
5. COBISCORP banking technology partners
6. Southtech Limited
7. FAO-GTZ MicroBanker Project

Links to essential web services and web pages

1   Contra deals

Channel: MIX Market Website

Official website: <URL: www.mixmarket.org>.

On-line registration form: <URL: http://microfinance-business-solution.mixmarket.org/microfinancebusinesssolutions.html>.

Channel: The Microfinance Gateway

Official website: <URL: http://www.microfinancegateway.org/p/site/m/>.

Channel: Rural Finance Learning Center

Official website: <URL: http://www.ruralfinance.org/rflc-home/en/>.

Membership application: <URL: http://www.ruralfinance.org/member-area/become-a-member/en/?no_cache=1>.

Channel: Microfinance Africa

Official website: <URL: http://microfinanceafrica.net/>.

Contact email for enquires regarding advertising on the website, email news bulletin, sponsorships: marketing@microfinanceafrica.net.

Contact email for submitting news or events advertising, have company's details in directory: news@microfinanceafrica.net.

Channel: African Microfinance Transparency

Official website: <URL: http://www.amt-forum.org/en/home.html>.

Online application form to receive a membership: <URL: http://www.amt-forum.org/en/membres/devenirmembre/candidatmembreassocie.html>.

2   On-line PR & Partnership

Channel: The 2nd National Software Conference and Competition 2012 in Nigeria

Official website: <URL: http://www.ispon.org/nsc2012/>.

Registration form: <URL: http://www.ispon.org/nsc2012/register.asp>.

Channel: European Microfinance Week

Official website: <URL: http://www.e-mfp.eu/register-emw2012>.

Registration form for the European Microfinance Week: <URL: http://emfp.ccrn.lu/>.

PDF file containing sponsorship opportunities: <URL: http://www.e-mfp.eu/sites/default/files/userfiles/file/EMW%202012%20Sponsorship%20opportunities.pdf>.

Channel: 5th AMT Microfinance Investor's Fair

Official website: <URL: http://www.amt-forum.org/en/activites/foireinvestisseurs/lafoire2011.html>.

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Channel: Sanabel's Ninth Annual Conference

Official website: <URL: http://www.sanabelnetwork.org/News/NewsDetails.aspx?id=1384>.

The registration form: <URL: http://www.sanabelconf.org/Registeration.aspx>.

Channel: 2nd Africa Microfinance Repositioning Summit

Official website: <URL:

http://www.microfinancegateway.org/p/site/m/template.rc/1.11.184365/>.

Channel: Investment and Innovation in Microfinance Summit: Africa.

Official website: <URL: http://microfinance-africa.com/>.

3   Link building/Social media

Channel: Forum

Official website of phpBB® creating Communities: <URL: https://www.phpbb.com/>.

4   Search Engine Marketing

Channel: Contextual advertisement: Google Adwords

Official website of Google Adwords: <URL: adwords.google.com>.