

## **Chapter Seven**

### **Conclusions, implications and recommendations**

#### **7.1 INTRODUCTION**

Chapter six provided a detailed report on the research results that were obtained from the empirical investigation. Chapter seven now concludes with the implications of the findings and recommendations.

The primary objective of this study, as described in chapter one, was to propose a marketing mix framework for independent financial advisers that would portray the various factors threatening their survival and growth in their organisational life cycle, as well as the various marketing mix strategies that could be implemented to proactively manage the problems and help generate sales growth. Six secondary objectives and research propositions were also formulated in chapters one and four to assist in achieving this primary research objective.

Section 7.2 commences with a critical evaluation of the key findings relative to each secondary objective and research proposition in order to draw the main conclusions, implications and recommendations of this study.

Following this investigation, the planned framework for business survival and sales growth is then proposed and discussed in Section 7.3.

Section 7.4 highlights the limitations of this study and Section 7.5 ends with a number of recommendations for future research.

#### **7.2 MAIN CONCLUSIONS, IMPLICATIONS AND RECOMMENDATIONS OF THIS STUDY**

The organisational life cycle stages of the respondents receive attention first.

## 7.2.1 The organisational life cycle stages of independent financial advisers

The following secondary objective and research proposition were formulated to study the organisational life cycle stages of the respondents:

### Secondary objective 1

To obtain clarity on the business phases of independent financial advisers.

### Research proposition 6

The independent financial advisers of this study do progress through the birth, growth, maturity and revival life cycle stages that were identified in chapter two.

#### ▪ Major finding 1

**It was not possible to group the respondents into the birth, growth, maturity and revival life cycle stages, based on the criteria that Ferreira (2000) originally used in his study.**

*Chapter two* presented the results of a comparison that was conducted between the life cycle stages of five different life cycle models (Churchill & Lewis, 1983; Ferreira, 2000; Lester & Parnell, 2008; Miller & Friesen, 1984; Smith *et al.*, 1985) to determine if common patterns of development could be identified. (In addition to representing small, large and general organisational life cycle models, all five models examined had also been empirically tested before by different researchers, in different periods, regions and industries.) It was discovered that businesses seem to progress through five general life cycle stages, namely birth, growth, maturity, revival and decline. (Table 2.2 provides a summary of these stages.)

The second question that also had to be answered was whether a business develops in a sequential manner through these five general life cycle stages. After reviewing the longitudinal research study that was conducted by Miller and Friesen (1984:1175–1176), it became evident that while there are general life cycle stages common to businesses, organisations do not

progress relentlessly in a sequential manner through them. The development of the business can take on any form. It further seemed that the business's resources as well as its expertise and strategic choices play an important role in determining, at any point, if it will progress to the next stage, remain at the current stage or deteriorate and perhaps die. Based on these findings, a graphical illustration of the general business life cycle model was then given in Figure 2.1.

**The following main deduction regarding the life cycle model of a business can be derived from the literature review:**

- The general business life cycle model proposed in Figure 2.1 is based on the common life cycle patterns that were revealed by small and larger businesses in different periods, regions and industries. This model is therefore not restricted to small businesses, but can also be used by larger businesses in other regions and industries to gain more insight into their current life cycle stage and development.

*Chapter two* then further stipulated that there is a great possibility that the general life cycle stages of the model displayed in Figure 2.1 (due to their universal appeal) could also be applicable to the businesses of independent financial advisers. Following Ferreira's example (2000), this study made use of Ward's minimum variance clustering method (1963) to attempt to group the respondents who experienced commission growth into the different general life cycle stages. *(Since the purpose of this study is to propose a framework for business survival and sales growth and it was decided in Section 2.2.2 that businesses in the decline stage would not be further investigated, this study was only concerned with the life cycle stages of the financial advisers who experienced commission growth.)*

The clustering exercise, however, was not very fruitful. As was indicated in Section 6.4.1, the cluster analysis did point towards five potential clusters, but there were a large number of similarities between them. These clusters could therefore not be accepted as a valid representation of the individual

business phases of the respondents who experienced commission growth (main finding 6.4(1)).

Following the empirical findings, it seems that Ferreira's variables were not really sufficient to help classify the respondents into different life cycle stages.

Ferreira investigated small businesses whose mean employment in the birth stage was recorded as 16.33 employees, in the expansion stage as 27.62 employees, in the maturity stage as 159.6 employees and in the diversification stage as 30.6 employees. Main finding 6.3(18) was that most of the respondents who participated in the telephone interviews (62.41%) had no employees in their businesses from 1 August 2006 to 31 July 2007 (the year in which the respondents' businesses were evaluated). Furthermore the average number of organisational levels in the small businesses investigated by Ferreira ranged from 2.33 levels in the birth stage, 4 levels in the expansion stage, 4.27 levels in the maturity stage and 4.71 levels in the diversification stage. In contrast, all the respondents who participated in the telephone interviews had either one or two organisational levels in their small businesses (main finding 6.3(20)). The majority of the respondents who experienced commission growth (55.26%) had only one organisational level in their small businesses (main finding 6.3(22)). Lastly, the number of specialised functions in the small businesses investigated by Ferreira ranged from 2.04 functions (birth stage), 4.69 functions (expansion stage), 6 functions (maturity stage) and 8.8 functions (diversification stage). The independent financial advisers who participated in this study had a maximum of three specialised functions in their small businesses (main finding 6.3(26)). More than half of the respondents who experienced commission growth (59.21%) had no specialised functions in their small businesses (main finding 6.3(28)).

It consequently appears that Ferreira examined small businesses that operated on a larger scale (with more employees, organisational levels and specialised functions than the respondents of this study). As a result of this

and because his data had a broader range, it was easier for him to use the different variables and group the respondents into a number of life cycle stages. The independent financial advisers of this study, in contrast, have little variability in terms of the number of organisational levels, specialised functions and employees employed in their businesses, which made it very difficult to group them according to Ferreira's variables.

The following main conclusions regarding the investigation of the organisational life cycle stages of the respondents can therefore be made:

### **Main conclusions**

- Ferreira's variables were not really as appropriate as the researcher originally thought they were to help classify the respondents into different life cycle stages.
  - Secondly, although it appears that all the advisers interviewed had a simple organisational structure, this study cannot claim that they were all in the same organisational life cycle stage (main finding 6.4(2). It was not possible to provide empirical evidence that the general life cycle stages depicted in Figure 2.1 are in fact applicable to the businesses of independent financial advisers. These stages, however, are based on the common life cycle patterns that were displayed by small and larger businesses in different periods, regions and industries. Table 2.2 also lists a number of characteristics that can be used to describe these general life cycle stages (of which the structure of the business formed only one component). Therefore, in the light of the general appeal of the life cycle stages and the number of characteristics that can be used to describe them, this study will rather conclude that the general life cycle stages should in fact also be associated with the businesses of independent financial advisers (although no empirical evidence could be obtained), but with one exception: it seems that independent financial advisers have a more simple organisational structure and do not really attempt to further develop this structure.
- Research proposition 6 should therefore be partially accepted.**

### **Implication**

The implication of these conclusions is that a more appropriate set of variables is needed to assist in grouping independent financial advisers into the different general life cycle stages.

### **Recommendation**

Researchers in future need to identify more practical criteria that can assist in grouping independent financial advisers into the various general life cycle stages. Independent financial advisers in the interim, though, can then use the summary of the general life cycle stages (as listed in Table 2.2) to help them identify their stage in the life cycle and to gain more insight into their businesses.

Section 7.2.2 is devoted to the business problems that can threaten the businesses of independent financial advisers.

## **7.2.2 The business problems that can threaten the businesses of independent financial advisers**

The following secondary objective and research proposition were formulated to study the business problems that can threaten the businesses of independent financial advisers.

### **Secondary objective 2**

To determine the problems actually posing a threat to the business survival of independent financial advisers in their organisational life cycle.

### **Research proposition 1**

The independent financial advisers of this study experience the potential problems in the life cycle stages discussed in the literature review and depicted in Table 4.5.

▪ **Major finding 2**

**The independent financial advisers experienced most of the problems that were discussed in the literature review and depicted in Table 4.5.**

In *chapter two* it was pointed out that Timmons and Spinelli (2007:260–261, 536-538), identified business problems similar to other authors, but went one step further and associated these problems with the different life cycle stages of a business. The lack of empirical evidence rendered the model proposed by Timmons and Spinelli unsuitable to be considered in the investigation of the general business life cycle stages. However, based on the findings of Section 2.2.1 it seemed that the business context of four of the life cycle stages proposed by Timmons and Spinelli correlate with the business context of the birth, growth, maturity and revival general life cycle stages. Table 2.4 provides a summary of this correlation as well as a list of the problems Timmons and Spinelli believe can occur in each particular stage. It was also stipulated that while there are a great variety of problems which a business might have to concentrate on, the problems that were highlighted by Timmons and Spinelli are particularly critical for the business and if not overcome, can seriously imperil the business.

**The following main deduction regarding business problems can be derived from the literature review:**

- There are a number of critical problems that can occur in each general life cycle stage and that can consequently threaten the survival of both large and small businesses.

The empirical findings revealed that the independent financial advisers experienced all the problems that were highlighted by Timmons and Spinelli, except the problem of offshore competition. (Although there was little chance that the independent financial advisers would experience this problem, it was still included in the survey to make certain.)

Timmons and Spinelli's problems, though, cannot be considered as critical in the businesses of the advisers, since they were not encountered by a very large number of respondents.

**Five of the eighteen problems investigated were only categorised as important problems in the businesses of independent financial advisers, since they were experienced by between 33,34% and 66,67% of the respondents interviewed. These problems included the following:**

- Have too many responsibilities and therefore struggle to meet deadlines (main finding 6.5(1)).
- Have difficulty in delivering the service to clients on time (main finding 6.5(30)).
- Sometimes struggle to close a business deal with new and existing clients on time (main finding 6.5(48)).
- Have not made strategic plans for the business, because the adviser concentrated primarily on the operational side of the business (main finding 6.5(37)).
- Attempt to perform all the business activities themselves (main finding 6.5(73)).

The first three problems listed above are all related to the financial adviser's lack of sufficient time to deliver the service. It could also be possible that the advisers concentrated primarily on the operational side (and therefore did not make strategic plans for the business), because they did not have sufficient time to do anything else.

If one considers the findings from the telephone interviews, the root of the time dilemma might be that the financial advisers did not have the necessary staff members to help them perform their duties and those who had staff did not employ them in various specialist roles, but mainly had them conduct administration duties.

More specifically, a total of 62% of the respondents personally interviewed indicated that they attempt to perform all the business activities by

themselves. Main finding 6.3(18) was that most of the respondents who participated in the telephone interviews (62.41%) had no employees in their business from 1 August 2006 to 31 July 2007 (the year in which the respondents' businesses were measured). The majority of the respondents who participated in the telephone interviews (89.47%) also did not experience any employee growth in their businesses in the relevant period (main finding 6.3(19)).

The independent financial advisers who participated in this study had a maximum of three specialised functions in their small businesses (main finding 6.3(26)). The majority of the respondents (67.67%), though, indicated that they had no specialised functions in their small businesses (main finding 6.3(27)). An administration worker was the type of employee most employed by the respondents and also the most popular type of specialised role performed in the businesses of the respondents. A total percentage of 58.82% was obtained (main finding 6.3(31)).

The following types of employees were mainly employed by independent financial advisers who experienced commission growth: bookkeeper (2.94%), tax consultant (1.47%), public relations and marketing officer (2.94%), person who makes appointments and resolves queries (1.47%), office manager and tax consultant (1.47%), telesales assistant (1.47%), telesales and administration worker (1.47%) (main finding 6.3(32)). However, not many of the financial advisers who experienced commission growth made use of these types of employees.

**The remaining 13 problems were experienced by between 0% and 33.33% of the respondents interviewed and were therefore classified as problems that only need consideration in the businesses of independent financial advisers. These problems included the following:**

- Do not know all the competitors that have entered the market (main finding 6.5(8)).

- Struggling with inadequate management of business expenses that do not keep up with the business growth (main finding 6.5(43)).
- Lost customers who experienced unsatisfactory service from the adviser's business (main finding 6.5(80)).
- Commission reduced, as the adviser could not meet the high demand for his service (main finding 6.5(109)).
- Commission has reduced through the unexpected activities of competitors (main finding 6.5(114)).
- Business commission reduced through offshore competition (main finding 6.5(123)). *(This was the only problem that was not experienced by any of the respondents personally interviewed.)*
- Experienced a lack of teamwork for a "greater purpose" (main finding 6.5(136)).
- Sometimes in conflict with business partners over business control (main finding 6.5(141)).
- Business is struggling with inadequate financial resources (main finding 6.5(147)).
- No new product and service developments in business over the last 12 months (main finding 6.5(154)).
- Dealt with an exhausted business opportunity that produced very low profits and return on investment for the business (main finding 6.5(160)).
- Used bank debt to solve financial resource requirements (main finding 6.5(180)).
- Do not have access to external networks (such as the Financial Planning Institute) that can help grow the business (main finding 6.5(55)).

Based on the problems listed above, it seems that the respondents also struggled with competitors, financial resources, customers, employees, product offerings and a lack of external networks.

Furthermore, a possible reason why fewer respondents encountered the problems that only need consideration is that most of these problems did

not have their origin in the shortage of employees, which a large number of respondents experienced and which attributed to the occurrence of the important problems. If the respondents had fewer or no employees, but were able to manage their competitors, financial resources, customers, product offerings and external networks, they would not have experienced most of the 13 problems listed above.

The following main conclusions regarding the investigation of the business problems can therefore be made:

### **Main conclusions**

- The 18 business problems investigated are not critical in the businesses of the independent financial advisers. Five of these problems can be regarded as important and the remaining 13 only need consideration.
- It appears that the five important problems that were experienced by the respondents can be attributed to the fact that the advisers had a lack of staff members and those who had staff did not employ them in various specialist roles, but mainly had them perform administration duties.
- The remaining 12 problems that only need consideration in the businesses of independent financial advisers can be classified as problems related to competitors, financial resources, customers, employees, product offerings and a lack of external networks.
- Finally, since the general life cycle stages can be associated with the businesses of independent financial advisers, it is possible to conclude that the problems experienced by the respondents do occur in these general life cycle stages. **However, since the respondents did not experience all the problems that were listed in Table 4.5 (the offshore competition problem was not experienced), research proposition 1 can only be partially accepted.**

### **Implications**

The implications of these conclusions are as follows:

- Since this study could only identify important problems and problems that need consideration, the critical problems experienced by independent financial advisers are still unknown.
- Independent financial advisers would need to pay attention to their employment practices in order to overcome the important problems they experience in their businesses.
- Independent financial advisers cannot focus only on the important problems, though, since there are also other problems that can occur in the businesses of independent financial advisers that would need consideration.

### **Recommendations**

- Researchers in future would need to identify critical problems that can be experienced by independent financial advisers (that is problems that are experienced by between 66.68% and 100% of the respondents interviewed).
- Independent financial advisers need to employ more employees in various types of specialist roles in order to overcome the important problems they experience in their businesses.
- Independent financial advisers also need to pay attention to competitors, financial resources, customers, employees, product offerings and networking in order to be able to address the problems that need consideration in their businesses.

Section 7.2.3 focuses on the solutions that can be implemented to address the business problems as well as the various marketing mix strategies that can be employed to generate sales growth. Secondary to this discussion, the subsection also focuses on the obstacles that can be encountered on implementation of the marketing mix strategies as well as the relevant solutions that can be used to counter the obstacles.

### **7.2.3 Solutions to business problems, marketing mix strategies for sales growth, barriers to implementation and counterstrategies**

The following remaining secondary objectives and research propositions were formulated for this study:

#### **Secondary objective 3**

To gain insight into confirmed marketing mix solutions that can assist in overcoming the actual problems posing a threat and hindering sales growth in their organisational life cycle.

#### **Secondary objective 4**

To establish confirmed marketing mix strategies in their organisational life cycle that are likely to engender sales growth.

#### **Secondary objective 5**

To investigate the internal and external environmental factors that are actually posing a hindrance to the implementation of the confirmed marketing mix strategies in their organisational life cycle.

#### **Secondary objective 6**

To determine confirmed strategies that can be employed to counter the environmental factors actually posing a hindrance in their organisational life cycle.

#### **Research proposition 2**

The independent financial advisers of this study use the possible solutions to overcome the various potential problems in the life cycle stages discussed in the literature review and depicted in Table 4.5.

#### **Research proposition 3**

The potential solutions depicted in Table 4.5 are also marketing mix strategies implemented by the independent financial advisers of this study and seem to enhance sales growth.

#### **Research proposition 4**

When implementing the marketing mix strategies, the independent financial advisers of this study experience the barriers to implementation discussed in the literature review and depicted in Table 4.5.

#### **Research proposition 5**

When experiencing the barriers to implementation, the independent financial advisers of this study use the counterstrategies as discussed in the literature review and depicted in Table 4.5.

*Chapter three* investigated previous research studies on marketing mix elements to establish possible solutions to the problems (as depicted by Timmons and Spinelli (2007:260–261, 536-538)) that independent financial advisers could experience in their life cycle. The literature investigation pointed out possible solutions that can also potentially serve as marketing mix strategies for sales growth. *Chapter four* then identified various potential internal and external environmental factors that can possibly hinder the implementation of the proposed marketing mix strategies. Potential strategies that can be implemented to counter these environmental factors were also investigated.

Following this comprehensive literature investigation, chapter four concluded with a summary of the study's literature findings in table format (Table 4.5).

**The following main deduction regarding the above literature investigation can be formulated:**

- Table 4.5 presents a very comprehensive outline of potential problems and strategies that can be experienced in the business life cycle. Business managers of large businesses or owners of small businesses can use Table 4.5 as a guideline in their strategy formulations. Potential problems, strategies, environmental factors and counterstrategies might provide valuable input to them when conducting marketing and sales growth planning.

The empirical investigation revealed that the respondents did not make use of all the strategies that were identified in the literature review and also did not experience all the proposed problems on implementation.

- **Major finding 3**

**There is one marketing mix strategy that can be strongly recommended as a marketing mix strategy for sales growth and that can also be used as a solution to a business problem.**

Controlling the quality of the service provided was the only strategy that was classified as a **highly popular strategy for sales growth** (main finding 6.5(10)) and a **popular solution** (to create a competitive advantage and therefore address the potential threat of unknown competitors, main finding 6.5(9)).

However, independent financial advisers attempting to follow this strategy could be confronted by a number of problems. Section 4.9.1 initially stated that the service encounter the client experiences with other competitors could play a role in the evaluation of the service provided. The respondents interviewed did not mention this competitor environmental factor (that was listed in Table 4.2), but highlighted 14 other problems (main finding 6.5(16)) that can be encountered on implementation. However, none of these problems appeared to be a major threat (main finding 6.5(15)). Thirteen of the problems can be related to the following additional environmental factors listed in Table 4.2: small business resources, education, exposure to information, small business culture, suppliers, changes in the industry and change of attitude towards marketing. (Table E.2 in Annexure E provides a detailed explanation of the association that was made between the problems mentioned and the environmental factors listed in Table 4.2.) It is also important to note that having difficulty recruiting staff (the fourteenth problem that was experienced by the respondents) was labelled in Table E.2 as an employee experience type of environmental factor. This environmental factor was not originally listed in Table 4.2, but was derived from the description provided by the respondents.

The independent financial advisers surveyed did not have appropriate solutions to all 14 of the obstacles experienced (main finding 6.5(17)). For example, hiring an additional staff member to control quality might not always help, since it will depend on the performance of the staff member. Working longer hours to control quality and catch up on administration and sales could cause fatigue, which then will affect the performance levels of the adviser. It might be more appropriate to design a range of policies and procedures according to which the activities of the business need to be carried out and then use a checklist to manage their implementation. The adviser, for example, can design certain steps that will have to be followed when preparation is done for a client visit. Once completed, the adviser could then use the checklist to ensure that all the aspects of the preparation were covered sufficiently.

There was also no solution to the problem where some clients expected the adviser to complete the application form on their behalf. To counter this problem, advisers can, for example, motivate that clients should rather complete the application forms themselves to avoid any misunderstanding and risk that their policies might not be paid out due to incorrect information.

Finally, advisers can use external suppliers to address the problem of spending time on upgrading new software (Spotlight Data Application). Certain procedures can also be standardised to ensure that a high level of service is maintained as the client base grows.

The following main conclusions regarding major finding 3 can be made:

### **Main conclusions**

- Controlling the quality of the service provided can be regarded as a strongly recommended marketing mix strategy for sales growth and should therefore form part of the core marketing activities of the advisers' businesses.
- This strategy can also be used to create a competitive advantage and thus address the potential threat of unknown competitors, but

independent financial advisers would have to be able to overcome eight environmental factors that can be experienced.

- Employee experience was not originally identified in the literature review as a type of environmental factor, but does pose a threat to the control of quality in the businesses of the advisers and therefore cannot be ignored.
- This study had to provide alternative solutions to some of the environmental factors experienced. It consequently appears that there are financial advisers who are not really equipped to implement this strongly recommended marketing mix strategy successfully.

### **Implications and recommendations**

- Independent financial advisers would have to focus on the provision and control of service quality when they conduct and implement their marketing planning to help them obtain a competitive advantage and generate sales growth. More specifically, they need to establish clear guidelines for the delivery of service quality and ensure that these guidelines are followed when they conduct and implement their marketing planning.
- Independent financial advisers would also have to familiarise themselves with the recommended solutions and make sure they are able to implement them successfully, in order to combat the eight types of environmental factors that can be experienced.

#### **Major finding 4**

**There are three marketing mix strategies that can be strongly recommended as solutions to business problems and that can also be used as marketing mix strategies for sales growth.**

Using the Internet was classified as a **highly popular** solution to deliver service to clients on time (main finding 6.5(31)) and a **popular strategy for sales growth** (main findings 6.5(32) and 6.5(50)). It was also categorised as a **popular solution** to address the problem of closing a business deal with clients (new and existing) on time (main finding 6.5(49)).

In Section 3.3.3 it was stated that in the insurance environment, independent financial advisers can, for example, use an effective communication message to advertise tax assistance on their websites. They could also communicate the type of information that the client would have to email to their offices. Valuable time would be saved in this scenario, as the advisers would not have to contact clients to sell their services. Furthermore, because the client would have to email the necessary information to the adviser's office, travel time would also be saved and it would be easier for the adviser to complete the client's tax forms before the tax submission deadline.

As indicated by Table 6.96, there are a number of different techniques that can be used to design effective Internet communication. The actions that could be taken to save time were the consideration that was mentioned most (main finding 6.5(188)).

There are no major threats hindering the implementation of this strategy (main findings 6.5(34) and 6.5(52)), but independent financial advisers need to be aware of at least 12 problems that can be experienced (main findings 6.5(35) and 6.5(53)). Eleven of these problems can be associated with the following environmental factors listed in Table 4.2: exposure to information, education, technology, suppliers and financial resources. (Tables E.7 and E.9 provide more insight into the association that was made between the problems mentioned and the environmental factors highlighted in Table 4.2.) The environmental factor time is listed as an additional environmental threat in Tables E.7 and E.9. It was not originally identified in the literature review, but was derived from the description provided by the respondents in the empirical study.

The respondents did not mention that they followed the actions of their competitors and were more likely to use an Internet strategy when their opponents did so. They also did not complain that larger businesses have more experience with Internet practices. (It was initially thought in Sections

4.5.1 and 4.5.2 that the respondents might experience these problems when they use an Internet strategy.)

The biggest threat to the implementation of the Internet strategy could not be countered effectively (main findings 6.5(54) and 6.5(36)). There are no adequate solutions for the cost of the hardware and software (the solution listed in Table 6.36 could not be accepted as a general solution, since not all the advisers' children will have access to computer programs). Instead, financial advisers who do not have a contact that can help them with computer programs could rather focus on the marketing mix strategies for sales growth that are recommended in this study to generate more commission and therefore finance the computer programs. Advisers who do not know how to solve the problem of learning to use the software offered by the Financial Services Board (Table 6.36) could contact the Financial Services Board for training. Advisers who have to train their staff on how to use the Internet (Table 6.44) can use external computer training programmes. Finally, advisers can prepare for their meetings in advance and also phone the administration staff at insurance companies for information to address the problem of Internet service providers that are offline sometimes (Table 6.44).

Adapting the service according to the client's needs was categorised as a **highly popular solution** to address the problem of a loss in customers (main finding 6.5(82)) and a **popular strategy for sales growth** (main finding 6.5(83)).

In Section 4.9.2, it was highlighted that service customisation could be expensive. The respondents did not mention this environmental factor.

Advisers who wish to customise services will not experience any major threat, but still need to be aware of at least ten problems that can be encountered (main finding 6.5(85)). It is possible to associate five of these barriers with the following environmental factors listed in Table 4.2: education, personal goals of the small business owner, small business resources and supplier. The other five problems encountered cannot be

related to the environmental factors listed in Table 4.2, but can be grouped under the additional environmental factors of time, client commitment and business processes. (Refer to Table E.15 for an explanation of this association.)

It further appears that the respondents used sufficient solutions to address the ten problems experienced (main finding 6.5(86)). These solutions can consequently be followed as a guideline.

Ensuring that every employee is aware of the essential role they play in the final delivery of quality service and as a result enabling the employee to deliver excellent service has been categorised as a **highly popular solution** to promote teamwork in the business (main finding 6.5(137) and a **popular strategy for sales growth** (main finding 6.5(138)).

This marketing mix strategy might have been more popular if more than only 34 of the respondents interviewed had had employees in their businesses. It was also stipulated under major finding 2 that the financial advisers who had staff did not employ them in various specialist roles, but mainly had them perform administration duties. The marketing mix strategy could also be applied more effectively if financial advisers make use of more specialist roles in their businesses (that could help them to carry out the different functions in the business at an optimum level) and ensure that their employees understand and are able to perform these roles.

Ensuring that every employee is aware of the essential role they play in the final delivery of quality service is a relatively easy strategy to follow. The respondents did not mention that their employees had vague job descriptions. (This education environmental factor was initially associated with the strategy in Section 4.8.3.) Only two types of problems were identified (main finding 6.5(139)) and neither of them was a major threat. As pointed out in Table E.23, the staff problem experienced by the respondents can be classified as a small business culture environmental factor and the family member problem can be categorised as a family type of environmental factor (this environmental factor was not depicted in Table

4.2, but was derived from the description provided by an adviser in the empirical study.)

Lastly, appears that the respondents need more guidance to address the problem of staff that are too proud to accept constructive criticism (main finding 6.5(140)). As a solution, financial advisers could, for example, first highlight the strengths of the employee and then offer constructive criticism as guidelines, which the employee could then implement to become even more successful.

The following main conclusions regarding major finding 4 can be made:

### **Main conclusions**

- The three marketing mix strategies discussed under major finding 4 can be regarded as strongly recommended solutions to their relevant problems and should be taken seriously by financial advisers.
- Independent financial advisers can also apply these strategies to generate sales (commission) growth in their businesses.
- The strategy of ensuring that every employee is aware of the essential role they play in the final delivery of quality service could become even more popular and effective if the respondents employ more specialist employees in their businesses (that could help them to carry out the different functions in the business at an optimum level) and ensure that these employees understand and are able to perform their roles.
- The three marketing mix strategies are relatively easy to execute, since there are no major threats that can hinder their implementation. There are, however, a number of problems that can be experienced.
- Time, client commitment, business processes and family are four environmental factors that were not originally identified in the literature review as types of environmental factors, but do pose a threat to the businesses of the advisers and therefore cannot be ignored.
- This study had to provide alternative solutions for some of the environmental factors experienced. It therefore appears that there are

financial advisers who are not really equipped to implement these three strongly recommended marketing mix solutions.

### **Implications and recommendations**

- Independent financial advisers would need to familiarise themselves with the three marketing mix strategies and ensure that they are able to apply them when they experience the relevant problems and also to generate sales (commission) growth. More specifically, independent financial advisers need to pay attention to the different approaches that can be used to design effective Internet communication. They also need to become aware of the needs of their clients and adapt their services accordingly.
- Independent financial advisers further would need to identify the different areas of their business that would require specialists (for example, an employee that would only deal with the short-term insurance side of the business) and then provide training to the employees to ensure that they understand and are able to perform their duties.
- Independent financial advisers, however, would also have to be aware of the environmental factors that can hinder the implementation of these strategies and use the recommended solutions to address these barriers effectively.

#### **▪ Major finding 5**

**There are a total of four marketing mix strategies that can be recommended to independent financial advisers as solutions to business problems and as marketing mix strategies for sales growth.**

Engaging in continuous service developments, aligned with an appropriate business process that ties in with the needs of the markets, was classified as both a **popular solution** to become more strategically orientated (main finding 6.5(38)) and a **popular strategy for sales growth** (main finding 6.5(39)).

In Section 3.3.1 it was explained that financial advisers could, for example, modify the service package offered to clients to also perhaps include medical aid provision. The financial adviser would then need to make sure that the business processes followed to offer these services were appropriate and aligned with the client's needs and expectations.

Based on the empirical findings, it seems that the respondents concentrated primarily on selling life insurance and investments as a service package. Main finding 6.3(8) was that life insurance and investments (28.57%) was the most popular blend of products advised on and sold by the respondents, followed by life insurance, investments and medical aid funds (21.05%), short-term insurance only (12.03%) and life insurance only (9.77%). Main finding 6.3(9) further indicated that the majority of the respondents who experienced commission growth (61.84%) advised on and sold at least life insurance and investment products in their businesses. This approach, however, did not help them to generate a large amount of commission growth (there is no connection between the types of products advised on and sold by the respondents and the commission growth they experienced (main finding 6.3(10)). Also, only 5.32% of the respondents experienced commission growth of 60% or more. The average percentage increase in the amount of commission earned was 22.4% and the standard deviation is 22.6% (main finding 6.3(3)).

The scenario might have been different if more of the respondents who experienced commission growth included accounting, buying shares, setting up a trust, drafting wills and employee benefits in their service offering. (Accounting (0.36%), buying shares (0.36%), setting up a trust (0.36%), drafting wills (0.36%) and employee benefits (0.36%) were the products least sold by the financial advisers (main finding 6.5(7).) If sold individually, these types of products do not generally produce a large amount of commission. However, by drafting up wills, advisers can, for example, identify more life cover and investment needs, which would then help to sell more life cover and investment policies and ultimately aid in generating more commission growth.

Engaging in continuous service developments, aligned with an appropriate business process, seems to be a relatively easy strategy to implement. Only four types of barriers have been identified and none of them appears to be a major threat (main finding 6.5(41)). As indicated in Table E.8, these four barriers can be associated with the following types of environmental factors: small business resources, education, exposure to information and workload. Workload was not originally listed as an environmental factor in Table 4.2, but was derived from the description provided by the adviser in the empirical study. The education environmental factor was also correctly identified as an environmental barrier for this strategy in Section 4.3.2.

The respondents did not have effective solutions to all the problems experienced (main finding 6.5(42)). For example, having strategic sessions on a Monday would not make the strategy less time-consuming to implement. Two respondents did not have a solution to this problem either, which poses the biggest threat. The respondents should rather focus on hiring additional staff members (as proposed by one respondent). (These staff members with their special expertise could then assist with the drafting of wills and tax planning for clients.)

Furthermore, learning by experience to make the strategy work takes time, which then delays the benefits that can be gained from the implementation of the marketing mix strategy. The respondents might instead want to use an external consultant to help them implement their strategies successfully.

One respondent did not take his strategic leadership role seriously and allowed his staff to have strategic meetings without him. It is imperative that the advisers plan their schedule to ensure they are able to attend the strategic meetings, where they as the owner of the business are able to provide the necessary strategic direction.

Meeting with competitors occasionally to benefit from their experience was described as a **popular solution** to establish fruitful networks (that can help the business grow) (main finding 6.5(56)) and also as a **popular strategy for sales growth** (main finding 6.5(59)).

There is no major threat to the strategy of building relationships with competitors (main finding 6.5(62)). Only three types of problems were identified and not many respondents experienced them. As indicated in Table E.10, these problems can be associated with the following types of environmental factors: personal goals of the small business owner, exposure to information and time.

The environmental factor of exposure to information was initially identified as a barrier to this strategy in Section 4.6.2, but was described in the context of perceptual errors made by small business managers and not because the competitors did not want to share their information. Furthermore, time as an environmental factor was derived from the description provided by the respondents in the empirical study.

The respondents used appropriate solutions to address the problems experienced (main finding 6.5(63)) and there is no need to propose alternative strategies.

Refraining from following an autocratic management style to manage employees who strive for achievement and being more inclined to entrust power and control to them has been labelled as both a **popular solution** to address the problem of attempting to perform all the business activities by oneself (main finding 6.5(74)) and also as a **popular strategy for sales growth** (main finding 6.5(75)).

However, this strategy is one of the more difficult to implement. According to main finding 6.5(77), the amount of time involved in training employees is the problem that poses the biggest threat. (There were a large number of respondents who experienced the problem and it has subsequently been classified as an important threat.) There are also eight other barriers that can be encountered on implementation and that independent financial advisers would need to consider (main finding 6.5(78)). These barriers can be associated with the following environmental factors: education, small business culture, small business resources, time, thirst for power and business processes (Table E.14). The last three types of environmental

factors were not listed in Table 4.2, but were again derived from the empirical findings. The environmental factor of education was also correctly associated with the strategy in Section 4.7.2. It was, however, initially thought that it would be the educational need of the small business owner that would hinder the implementation of the strategy and not the training needs of the employees, as was pointed out by the respondents.

Seven of the respondents who indicated that the training of employees took time (the biggest threat) did not know how to solve the problem (main finding 6.5(79)). A solution to this problem could be to train employees in two sessions. While the one group is busy training, the other group could still continue with urgent work. One respondent also did not know how to address the problem where the work done by staff had to be checked continually. An option could be to delegate this responsibility to a more senior staff member. This would free the adviser's time and enable him or her to see more clients.

Working from home to reduce overhead expenses and as a result create competitive pricing was classified as a **popular solution** to address the problem of inadequate financial resources (main finding 6.5(148)) and also as a **popular strategy for sales growth** (main finding 6.5(149)).

In Section 3.4.2 it was stated that reduced overhead expenses would enable independent financial advisers to charge lower commission and therefore make their services more attractive to clients.

The respondents did not experience the exposure to information environmental factor that was associated with this strategy in Section 4.4.3. There are further no major threats that can hinder the implementation of this strategy (main finding 6.5(151)), but independent financial advisers need to be aware of at least five problems that can be experienced (main finding 6.5(152)). According to Table E.24, these barriers should be linked to the following types of environmental factors: social needs, family and discipline. (All three environmental factors were derived from the empirical results and were not originally listed in Table 4.2.)

There is lastly no need to propose alternative solutions to these problems. Main finding 6.5(153) was that the advisers applied appropriate strategies to address the obstacles experienced.

The following main conclusions regarding major finding 5 can be made:

### **Main conclusions**

- The four marketing mix strategies discussed under major finding 5 can be used as solutions to business problems and as marketing mix strategies for sales growth and should therefore be included in the financial adviser's marketing plan.
- Financial advisers also need to offer accounting, buying shares, setting up a trust, drafting wills and employee benefits as part of their service package. These types of products do not necessarily generate a large amount of commission growth, but can help the adviser to identify more life cover and investment needs and consequently sell more policies.
- There are a number of problems that can be experienced in the implementation of the four marketing mix strategies. The amount of time involved in training employees (who need to share in the power and control of the business) is the only obstacle, though, that was labelled as a major threat. The other three marketing mix strategies discussed under major finding 5 are therefore relatively easy to execute.
- Workload, time, thirst for power, business processes, social needs, family and discipline were not originally discussed in the literature review, but are environmental factors that independent financial advisers experienced and consequently need to be considered.
- The respondents did not struggle to address the problems they experienced with meeting with competitors occasionally to benefit from their experience or working from home to reduce overhead expenses and facilitate competitive pricing. It therefore appears that they are able to implement these strategies successfully.
- This study had to propose alternative solutions to some of the problems experienced with engaging in continuous service developments, aligned

with an appropriate business process and refraining from following an autocratic management style to manage employees who strive for achievement. It therefore appears that there are financial advisers who are not really equipped to implement these strategies successfully.

### **Implications and recommendations**

- Independent financial advisers would need to familiarise themselves with the four marketing mix strategies and ensure they are able to apply them when they experience the relevant problems and also to generate sales (commission) growth. More specifically, financial advisers would need to make certain they have the necessary knowledge, skills and contracts in place to offer accounting, buying shares, setting up a trust, drafting wills and employee benefits as part of their service package. They would also need to identify their competitors and establish good relationships with them in order to benefit from their experience. Financial advisers further would need to become more conscious of their management style and attempt to entrust more power and control to their employees. They should also investigate the possibility of a home-based office.
- It is further important that independent financial advisers be aware of the environmental factors that can hinder the implementation of the strategies – especially the amount of time involved in training employees, which was the only obstacle that was labelled as a major threat.
- Independent financial advisers would also have to make use of the recommended solutions in order to successfully address the problems experienced on implementation.

#### **▪ Major finding 6**

**There are a total of six marketing mix strategies that can be recommended to independent financial advisers only as solutions to the business problems.**

Recruiting more employees and motivating them through various measures to perform has been classified as a **popular solution** to address the problem of having too many responsibilities and therefore struggling to meet deadlines (main finding 6.5(2)) and an **unfavourable strategy for sales growth** (main finding 6.5(3)).

However, the independent financial advisers have not utilised this strategy to its full potential. In Section 3.2.5, it was described that the four different types of roles that employees can perform are back office personnel, personnel involved in the research and development of the marketing strategy, receptionists and sales personnel. The respondents, in contrast, employed mainly administration workers and this was also the most popular type of specialised role that was performed. A total percentage of 58.82% was obtained (main finding 6.3(31)). Only a few of the financial advisers who experienced commission growth employed other types of employees. These advisers might have been in a better position to manage their time more productively if they also used the other types of roles mentioned in Section 3.2.5.

Question 8 of the telephone questionnaire assessed whether the respondents applied the motivational strategies that were identified in the literature review. The empirical results pointed out that:

- An equal number of respondents who experienced commission growth modified their employees' responsibilities to expand and add challenges to the tasks required at least once a month (15 respondents) and less often than once a month (15 respondents) (main finding 6.3(34)).
- The majority of the respondents who experienced commission growth and who commented on the second motivational strategy (24 respondents) acknowledged their employees' achievements at least once a month (main finding 6.3(36)).
- The majority of the respondents who experienced commission growth and who commented on the third motivational strategy (eight respondents) ensured that their employees felt that they were being

paid equally compared to their fellow workers at least once a month (main finding 6.3(38)).

- Finally, almost an equal number of respondents who experienced commission growth ensured that the salaries of their employees were enough to provide them with the basic necessities for themselves and their families at least once a month (15 respondents) and less often than once a month (14 respondents) (main finding 6.3(40)).

This study, however, could not find a connection between any of these motivational strategies and the commission growth that the respondents experienced (main findings 6.3(35), 6.3(37), 6.3(39) and 6.3(41)). It therefore appears that the motivational techniques that were identified in the literature review are not very effective in the businesses of the advisers. (The strategies were not implemented by a large number of respondents and they did not seem to contribute to their sales growth either.) Independent financial advisers, who want to benefit from shared responsibility, would therefore have to search for other motivational strategies that could be implemented more successfully in their businesses to encourage their employees to perform.

Recruiting and motivating staff in general is not a difficult strategy to implement. There is no major threat that can hinder the implementation of this marketing mix strategy (main finding 6.5(5)), but independent financial advisers do need to be aware of a large number of problems that can be experienced (main finding 6.5(6)). According to Table E.1, these problems can be associated with the following types of environmental factors: employee experience, education, time and financial resources. The education environmental factor was also associated with this strategy in Section 4.7.1, but it was initially thought that it would be the lack of recruitment knowledge of the small business owner that would hinder the implementation and not the training needs of the employees, as was pointed out by the financial advisers. Furthermore, the time and employee experience environmental factors were again derived from the empirical findings.

It seems that solutions are available to all the problems, except for new staff that need training in administration duties (main finding 6.5(7)). (There are a number of insurance companies that provide training to administration staff and that would be able to help in this regard.) The other solutions implemented also appear to be adequate for the problems experienced, except for the replacement of poorly performing employees, which was not really a solution to the problem of having difficulty finding the right person to employ. Independent financial advisers should rather use the remaining three solutions that were mentioned by the advisers. (Refer to Table E.1.)

Using the customer-based pricing method, for example offering high quality services at lower prices, has been categorised as a **popular solution** to build a competitive advantage (and consequently address the potential threat of unknown competitors) (main finding 6.5(9)) and an **unfavourable strategy for sales growth** (main finding 6.5(11)).

In Section 3.2.2 it was stated that in the insurance environment, high quality services at lower prices would translate into offering valuable services and at the same time not charging a high commission.

There are three problems that can be experienced in the implementation of this strategy and that financial advisers would need to consider. The problem that poses the biggest threat is a reduction in commission (two-thirds of the responses obtained) (main finding 6.5(21)). (This threat directly affects the financial situation of the financial adviser and could be the main reason why not more respondents applied this strategy and why it was therefore classified as an unpopular strategy for sales growth.) As motivated in Table E.4, the three problems experienced can further be associated with the following types of environmental factors: financial resources, exposure to information and competition. The environmental factor of exposure to information was initially associated with this strategy in Section 4.4.1, but it was thought that technical constraints and market knowledge would hinder the implementation and not the large amount of paperwork, as was described by the respondents.

Main finding 6.5(22) further indicated that it seems that the respondents did not have adequate solutions to the reduction in commission problem or the problem where a large amount of paperwork is involved.

Charging clients lower commission does not in general require a large amount of paperwork. The financial adviser who struggled with this problem needs to review his processes and stop doing any unnecessary paperwork. The reduction in commission strategy would further become cost-effective if the financial advisers changed their negative perception about price reduction, sharpened their selling skills, promoted this strategy aggressively and sold more policies.

Given the low number of respondents who indicated that the use of the price-reduction strategy seemed to have contributed to their sales growth, though, it seems that more research is needed to identify practical guidelines that can help the respondents to sharpen their selling skills and promote the strategy more aggressively. This study therefore cannot at this stage recommend the pricing strategy as an approach that independent financial advisers could follow to help them generate more sales growth.

A price reduction strategy can, however, still be recommended as a solution to gain a competitive advantage. Offering clients a reduction in price would immediately place the financial adviser in a more competitive position and help to attract more clients. The success of this strategy in the long term then would depend on the financial adviser's ability to sell a large number of policies and subsequently generate more sales growth.

Using advertising to produce persuasive messages to clients has been categorised as a **popular solution** to create a competitive advantage (main finding 6.5(9)) and as an **unfavourable strategy for sales growth** (main finding 6.5(11)).

It appears that this strategy is relatively easy to implement. The respondents did not experience the exposure to information environmental factor that was originally associated with this strategy in Section 4.6.1.

According to main finding 6.5(23), only two problems were identified that can affect the use of advertising to produce persuasive messages to clients and these problems should not be regarded as major threats. (The response rate for each problem is only 25%.) Table E.5 further indicates that the two problems can be associated with the environmental factors of small business resources and time.

Main finding 6.5(24) was that it appears that the respondents did not have adequate solutions to the problems experienced. There was no solution to address the problem of a high volume, and hiring additional sources to help organise the advertising can be costly. This might be one of the reasons why the advertising strategy was not implemented by more respondents and is consequently regarded as an unfavourable strategy for sales growth.

Financial advisers could make special employee arrangements to address these problems. For example, a financial adviser could hire an employee whose primary role would be to assist with creating and communicating effective advertising messages and to help with preparing quotations and processing applications during periods of high sales volume. The employee could then be remunerated on a commission basis to keep the financial adviser's overheads as low as possible.

However, not all financial advisers might be able to implement this solution successfully. An employee who designs and communicates effective advertising messages could help to create a competitive position for the adviser, but a creative employee who can design advertising messages might not simultaneously have good administration skills and would need further training to assist with processing applications during periods of high sales volume. Consequently, given this potential situation, the study at this stage will only recommend the use of advertising messages to produce persuasive messages to clients as a solution to create a competitive position.

Training employees to perform different job functions at peak periods has been classified as a **highly popular solution** to address the problem of

meeting the high demand for the service (main finding 6.5(110)) and an **unfavourable strategy for sales (commission) growth** (main finding 6.5(111)).

In Section 3.4.3 it was stated that in the world of the financial adviser, this approach would, for example, mean that when the demand for the service is high, the secretary could assist with preparing quotations and completing application forms. This could then free the financial adviser's time to see more clients and sell policies to them.

The strategy appears to be relatively easy to execute (main finding 6.5(112)). The respondents did not experience the competitor environmental factor that was associated with this strategy in Section 4.5.3. Only three types of problems were experienced on implementation and none of them can be regarded as a major threat (main finding 6.5(112)). (In relation to the eight respondents who indicated that the strategy seemed to have contributed to their sales (commission) growth, the response rate for each problem is only 25%.) Table E.20 further indicates that the three problems can be associated with the following types of environmental factors: small business culture, education and time. (The environmental factor of time was again derived from the empirical findings.)

The respondents had appropriate solutions to all the problems experienced, except for the obstacle where the employees initially resisted learning new things (main finding 6.5(113)). Taking over the employee's task would simply create more work for the adviser and would not be a viable solution in the long term. A more feasible solution might be to offer the employees financial incentives to perform.

Finally, training employees to perform different job functions at peak periods might have been more popular as a marketing mix strategy for sales growth if more than only 34 advisers who experienced commission growth had had employees in their businesses. The potential of this strategy to lead to sales growth should therefore be further assessed in future when more independent financial advisers appoint employees in their businesses.

The strategy of facilitating discussion regarding problems has been categorised as a **highly popular solution** to address the problem of conflict between business partners over business control (main finding 6.5(143)) and an **unfavourable strategy for sales growth** (main finding 6.5(146)).

It therefore appears that conflict can be resolved between business partners who discuss their problems, but that this action would not really help advisers to sell more policies and generate more sales (commission) growth.

It further seems that this strategy is relatively easy to implement. The one respondent who used this solution did not mention any problems that he experienced on implementation.

Blending ideas was also categorised as a **highly popular solution** to address the problem of conflict between business partners over business control (main finding 6.5(143)) and an **unfavourable strategy for sales growth** (main finding 6.5(146)).

It consequently appears that similar to the facilitation of discussion regarding problems, the blending of ideas can also be used to resolve conflict between business partners, but that this action would not really help advisers to sell more policies and generate more sales (commission).

The one respondent who applied this strategy did not mention any problems that he experienced on implementation. The blending of ideas therefore also seems to be a relatively easy strategy to implement.

The following main conclusions regarding major finding 6 can be made:

### **Main conclusions**

- There are six marketing mix strategies that independent financial advisers at this stage should use as solutions only if they encounter their relevant problems.

- Independent financial advisers should, in addition to appointing administrative staff, also use personnel involved in the research and development of the marketing strategy, receptionists and sales personnel and find appropriate ways to motivate them to perform. This approach could help them to manage their time more effectively.
- Five of the six marketing mix strategies discussed under major finding 6 are relatively easy to execute, because there are no major threats that can hinder their implementation. Independent financial advisers, however, would still have to be aware of a large number of obstacles that can be encountered.
- Independent financial advisers would further need to pay special attention to the obstacle of a reduction in commission growth that can be experienced when offering high quality services at lower prices. This problem has been classified as an important threat and directly affects the financial situation of the adviser.
- Time and employee experience are two environmental factors that were not originally identified in the literature review as types of environmental factors, but do pose a threat to the businesses of the advisers and therefore cannot be ignored.
- This study had to provide alternative solutions for some of the environmental factors experienced on implementation of the first four marketing mix strategies discussed under major finding 6. It consequently appears that there are financial advisers who are not really equipped to implement these marketing mix strategies successfully.

### **Implications and recommendations**

- Independent financial advisers would need to familiarise themselves with the six marketing mix strategies and ensure that they are able to apply them when they experience the relevant problems. More specifically, the advisers would need to approach recruitment agencies or place an advertisement in a newspaper to find the four types of employees (as discussed in the literature review) and also consult the

necessary resources to identify appropriate methods to motivate these employees to perform. The advisers would further have to ensure that the services they offer are of high quality and that their clients would be able to afford these services. Creative advertising messages would need to be compiled that will persuade clients to conduct business with the adviser. Training sessions would need to be scheduled to ensure that the employees are able to perform different job functions at peak periods. Finally, the advisers would have to focus on the facilitation of discussions and the blending of ideas when they experience conflict with a business partner.

- Independent financial advisers would need to change their negative perception about price reduction, sharpen their selling skills and promote and sell the price reduction strategy aggressively in order to combat the problems of lower commission.
- Independent financial advisers would also need to be aware of the other obstacles that can be experienced on implementation of the marketing mix strategies and apply the recommended solutions to address these problems successfully.
- Finally, the six marketing mix strategies discussed under major finding 6 were not very popular among the financial advisers as strategies for sales growth and they will therefore not be included in this study's proposed framework. However, there are some measures which can be followed to implement two of these strategies more successfully and which in future could help financial advisers to generate more sales growth:
  - Insurance companies could, for example, investigate different means that can be used to assist those independent financial advisers who would struggle with sales skills and the marketing of the price reduction strategy. Training sessions could then be provided to coach the advisers to improve their sales skills and selling approaches.
  - Training sessions could also be provided to those employees who are able to design and communicate effective advertising

messages, but who are not very skilled in the processing of application forms (during periods of high sales volumes). These employees would then be able to convince clients to do business with the adviser and also help to process the application form to finalise the sale.

- It was also stipulated that the training of employees to perform different job functions at peak periods might have been more popular as a marketing mix strategy for sales growth, if more than only 34 advisers who experienced commission growth had had employees in their businesses. The potential of this strategy to lead to sales growth, as well as the other two strategies discussed under this point, should therefore be further assessed in future when more independent financial advisers have appointed employees in their businesses and the necessary training has been conducted.

- **Major finding 7**

**There are a total of 11 marketing mix strategies that can be recommended to independent financial advisers only as marketing mix strategies for sales growth.**

The respondents **did not use** the strategy of aligning the services according to the client's needs and expectations as a **solution specifically to build a competitive advantage**, but did state that it seemed to have contributed to their sales growth. Based on the number of responses obtained, it was classified as a **popular strategy for sales growth** (main finding 6.5(12)).

In Section 3.2.1 it was indicated that this strategy in the environment of the independent financial adviser, for example, could mean not following the traditional route of merely selling life policies and investment products, but rather offering clients a new unique “one-stop solution package” (that includes additional services such as assistance with tax planning, wills and asset management). Based on the respondents' answers it seems that this strategy did not help the advisers to gain a competitive advantage. A

potential reason could be that other advisers offer the same type of service and that this approach would not really place the respondent in a more competitive position. It is, however, still possible that the strategy could have led to more sales growth. A client, for example, could have purchased life cover through one specific financial adviser and, instead of contacting more financial advisers, decided to also use the other services offered by the first financial adviser.

The respondents did not experience the financial resources environmental factor that was initially associated with this strategy in Section 4.3.1. There are no major threats to the implementation of this strategy, but at least five barriers that can be experienced that would need consideration (main findings 6.5(18) and 6.5(19)). As motivated in Table E.3, these problems can be related to the following types of environmental factors: education, exposure to information, time and suppliers. The environmental factor of education was initially identified with this strategy in Section 4.3.1, but from a project management perspective and technology perspective. The respondents of this study, however, indicated that they rather had to learn more about their clients' financial needs and had to train their clients.

Finally, main finding 6.5(20) was that it seems that there are solutions to all the problems listed in Table 6.30 and that the solutions implemented also appear to be adequate for the problems experienced. This study will therefore not make any further suggestions in this regard.

The respondents also **did not use** personal selling as a **solution** specifically to build a competitive advantage, but did state that it seemed to have contributed to their sales growth. Based on the number of responses obtained, it was categorised **as a highly popular strategy for sales growth** (main finding 6.5(13)).

It is possible for this strategy to be categorised as a highly popular strategy for sales growth, since the primary sales medium for independent financial advisers is personal selling. The respondents, however, did not believe that the strategy would place them in a competitive position. It could again be

argued that the financial advisers might have felt that all their colleagues also use personal selling and that this tactic would not really place them in a more favourable position. The sales generated through personal selling are merely the end result of the financial needs analysis and recommendations which they provided to their clients. This matter would need further investigation in a future research study.

There are also no major threats to the implementation of this strategy (main finding 6.5(25)), but independent financial advisers would need to be aware of at least eight problems that can be experienced (main finding 6.5(26)). These problems can be related to the following types of environmental factors: exposure to information, time, education, client commitment and motivation of the small business owner to grow (Table E.6). (Client commitment and time were not listed in Table 4.2 as environmental factors, but were derived from the description provided by the advisers in the empirical study.) Furthermore, exposure to information was also correctly associated with this strategy in Section 4.6.1, but was not experienced from a research perspective (as was originally thought). The respondents struggled more with lead referrals and the potential negative statements which unsatisfied clients could make about the business.

Main finding 6.5(27) indicated that it seems that the advisers did not manage the large number of barriers experienced with the implementation of personal selling effectively. Voluntary referrals, for example, were not really an effective solution to solve the problem of clients who do not want to give referrals. A more appropriate solution for these advisers (and those who complain that it is time-consuming to source leads), for example, could be to arrange a training session with a large number of potential clients and network during those functions. This solution was implemented by one of the advisers. Furthermore, a proper financial needs analysis could also help to convince clients (who do not want to consider new policies) of the importance of buying a certain new financial product.

The strategy of building relationships with clients has been classified as **an unfavourable solution** to address the problem of a lack of external networks (main finding 6.5(56)) and a **highly popular strategy for sales growth** (main finding 6.5(57)).

It is possible that building relationships with clients could lead to sales growth, since through their interaction with clients advisers would become more aware of their clients' financial needs and could then offer effective solutions to address the problems. The fact that not many of the respondents, however, viewed this strategy as a solution to address their lack of external networking practices is somewhat surprising. (Section 3.3.4 stated that building relationships with clients could be used as a network strategy to enhance the potential for further business.) It might be possible that the advisers focused mainly on building relationships with clients before the sale and that they did not really contact their clients again after they had closed the deal. Because of this approach, it was not possible for the advisers to establish good long-term client networks that could help them with more client referrals on a continuous basis. This matter would need further investigation in future.

Building relationships with clients appears to be a relatively easy strategy to implement. There are no major threats that can hinder the implementation (main finding 6.5(64)), but independent financial advisers need to be aware of at least seven problems that can be experienced (main finding 6.5(65)). According to Table E.11, these barriers can be related to the following types of environmental factors: time, financial resources, personal relationships, client commitment and demographic concerns. (Only financial resources and demographic concerns were originally listed in Table 4.2 as environmental factors. The remaining types of environmental factors were derived from the description provided by the advisers in the empirical findings.) The respondents also did not experience the exposure to information environmental factor that was originally associated with this strategy in Section 4.6.2.

Finally, main finding 6.5(66) stated that only two solutions to the problems experienced were mentioned. Independent financial advisers who struggle with petrol expenses and business lunch expenses could, for example, charge their clients more commission and in return offer them a more comprehensive financial needs analysis. Independent financial advisers whose clients become their friends should attempt to remain professional at all times. Clients could also be contacted to confirm appointments and independent financial advisers who struggle with cultural differences could read books or attend courses that would help them to understand their clients better.

The strategy of building relationships with employees **was not used by the respondents as a solution** to build networks (main finding 6.5(56)), but has been categorised as a **popular strategy for sales growth** (main finding 6.5(60)).

The respondents did not include their employees in their network strategies. It could be possible that the staff members were not really a good source of referrals and would therefore not be able to help the advisers obtain more clients. The advisers, however, still concentrated on building good relationships with their employees, which then resulted in more sales (commission) growth. A possible explanation for this scenario could be that the employees, through their close interactions with the advisers, became more productive and that they were more motivated to assist in processing the application forms and having the policies issued. This matter would need to be further investigated in a future research study.

The respondents did not experience the exposure to information environmental factor that was associated with the building of relationships in Section 4.6.2. In fact, there are no major threats to this strategy (main finding 6.5(67)) and it seems that only two problems can be expected. According to Table E.12, these problems can be associated with the following types of environmental factors: time, education and demographic concerns.

Main finding 6.5(68) further was that it seems that the advisers used adequate solutions to address the problems experienced. This study will therefore not make any further suggestions in this regard.

The respondents **did not specifically concentrate on building relationships with suppliers to improve their external networks**. This strategy, however, has been categorised as a **highly popular strategy for sales growth** (main finding 6.5(58)).

It is possible that the building of relationships with suppliers could initially have been categorised as a highly popular strategy for sales growth. The respondents would have needed good relationships with insurance companies to ensure that their clients' policies are issued on time and that their commission is paid to them. A potential reason why the respondents did not include suppliers (such as insurance companies) in their network strategies could be that they did not really believe these suppliers would be willing to help them with client referrals and to improve their businesses. This matter would also need to be further investigated in a future research study.

It further seems that building relationships with suppliers is not a difficult strategy to implement (main finding 6.5(69)). The respondents did not experience the exposure to information environmental factor that was associated with this strategy in Section 4.6.2. There are only three problems that can be experienced on implementation, none of which appears to be a major threat. According to Table E.13, these problems can be associated with the following types of environmental factors: supplier, time and small business resources.

Lastly, it appears that the respondents struggled to address the problems regarding time and staff turnover (main finding 6.5(70)). As an alternative to spending a large amount of time building relationships with suppliers, the respondents could rather focus on writing more business for the supplier (insurance company) with whom they want to build a relationship. Insurance companies in general pay more attention to the advisers who

write a large amount of business for them. Independent financial advisers should also identify and address the root of their staff turnover problem to avoid losing the good relationships their staff have with the suppliers.

The strategy of motivating younger employees with recognition has been categorised as an **unfavourable solution** to address the problem of a loss in customers who experienced unsatisfactory service from the business (main finding 6.5(82)) and a **popular strategy for sales growth** (main finding 6.5(83)).

It appears that there were not many respondents who believed in motivating younger employees with recognition to assist in winning back lost customers. A possible explanation for this could be that the advisers might have felt their younger employees are still inexperienced and would not really be able to deal with unsatisfied clients. This strategy was used rather to inspire younger employees to bring in more new business for the advisers.

The respondents did not experience the labour market environmental factor that was originally associated with the motivation of employees in Section 4.8.2. There is in fact no major threat to the implementation of this strategy (main finding 6.5(89)). However, financial advisers do need to be aware of two problems that can be experienced. According to Table E.16, these two problems can be classified as small business resources and financial resources types of environmental factors.

Main finding 6.5(90) indicated that it seems the respondents need more guidance to address the two problems experienced. Independent financial advisers, for example, could launch a competition to motivate employees who become complacent and for whom recognition no longer has any effect. The employees might then be more willing to participate if they knew they were competing with other employees to obtain a reward. This solution could also help to address the problem of staff that want financial rewards more than recognition. The staff might be more willing to

contribute if they knew they could be nominated as employee of the month and perhaps qualify for one day's leave.

The strategy of using financial rewards to motivate older employees to deliver a positive service experience was classified as an **unfavourable solution** to address the problem of a loss in customers (main finding 6.5(82)) and as a **popular strategy for sales growth** (main finding 6.5(83)).

It appears that there were not many respondents who believed in motivating older employees with financial rewards to assist in winning back lost customers. A possible explanation could be that the respondents did not trust their older employees to deal with unsatisfied clients. (These employees perhaps did not have the interpersonal skills required or knowledge to deal with the situation effectively. A further research study would need to be conducted to investigate this matter.) The respondents rather motivated older employees with financial rewards to bring in more new business (main finding 6.5(83)).

The advisers did not experience the labour market environmental factor that was associated with the motivation of employees in Section 4.8.2. There is no major threat to the implementation of this strategy, but advisers need to be aware of three problems that can be experienced (main finding 6.5(93)). According to Table E.17, these problems can be associated with the environmental factors of attitude towards marketing and small business resources.

Main finding 6.5(94) was that it appears that the respondents need more guidance to address two of the three problems experienced (no solutions were presented). In addition to providing incentives for sales, financial advisers could, for example, also offer financial rewards to employees, if they completed their administration work on time and sufficiently. Early morning meetings could also perhaps be scheduled with the incentive-based staff that start coming into the office later and later.

Giving recognition to motivate older employees to perform has been classified as an **unfavourable solution** to address the problem of a loss of customers (main finding 6.5(82)) but a **popular strategy for sales growth** (main finding 6.5(83)).

It appears that there were also not many respondents who believed in motivating older employees with recognition to assist in winning back lost customers. The same argument that was stated in the previous discussion could also be applied to this scenario. (It is possible that the respondents did not trust their older employees to deal with unsatisfied clients, perhaps due to a lack of interpersonal skills or the required knowledge.) The respondents rather motivated older employees with recognition to bring in more new business (main finding 6.5(83)).

Only three problems were experienced when the respondents applied this strategy. In relation to the 14 respondents that indicated that the strategy seemed to have contributed to their sales (commission) growth, the response rate for each problem is only 7.14%. There is also no major threat to the use of recognition to motivate older employees (main finding 6.5(96)). According to Table E.18, the three problems experienced can be related to the environmental factors of exposure to information and small business resources. The respondents did not experience the labour market environmental factor that was originally associated with this strategy in Section 4.8.2.

Main finding 6.5(97) indicated that the respondents need more guidance to address the problems experienced. To avoid having staff become despondent, financial advisers could, for example, also praise staff that are not performing that well and then provide them with constructive feedback on how they could improve their performance. Competitions could also be held for older staff that got accustomed to praise.

Showing respect to motivate older employees to perform has been categorised as an **unfavourable solution** to address the problem of a loss

in customers (main finding 6.5(82)) and a **popular strategy for sales growth** (main finding 6.5(83)).

Main finding 6.5(82) provides further evidence that the respondents did not really use older employees to win back lost clients. The respondents rather motivated older employees by showing them respect to bring in more new business (main finding 6.5(83)).

There is no major threat to the implementation of this strategy (main finding 6.5(100)), but independent financial advisers need to be aware of five problems that can be experienced (main finding 6.5(101)). According to Table E.19, these problems can be associated with the following types of environmental factors: small business resources, demographic concerns and sensitivity towards needs of employees. (The last environmental factor mentioned was derived from the empirical findings.) The respondents also did not experience the labour market environmental factor that was originally associated with this strategy in Section 4.8.2.

It seems that the advisers need more guidance to help them address the problems of controlling their emotions and older staff who do not have respect for them (main finding 6.5(102)). Independent financial advisers need to remember that they are the owners and managers of their businesses and need to manage with authority in order to gain and keep the respect of their employees.

The respondents **did not apply the strategy of reinforcing the current image of the business** to address the problem of offshore competition (main finding 6.5(124)). This strategy, however, has been classified as a **popular strategy for sales growth** (main finding 6.5(125)).

The business image strategy was not implemented as a solution, since the respondents did not experience the offshore competition problem. It seems that independent financial advisers would be able to increase their income if they approach this strategy as a marketing mix strategy for sales (commission) growth.

There are two types of problems that can be encountered on implementation. However, these problems are not major obstacles (main finding 6.5(127)) and can be related to the environmental factors of time and client commitment (Table E.21). (Time and client commitment were not originally listed as environmental factors in Table 4.2, but were derived from the empirical findings.) The respondents also did not experience the exposure to information environmental factor that was originally associated with this strategy in Section 4.6.3.

According to main finding 6.5(128), it seems that the respondents need more guidance to address the problem of making regular visits to clients where a deal is not closed (no solution presented). Financial advisers should reassess their situation and attempt to identify possible reasons why the clients did not want to buy the policies. Client needs, for example, might not have been identified correctly or the client might still want to buy life cover, but at a lower premium. The financial adviser would then need to address these problems.

Main finding 6.5(125) indicated that the service blueprint strategy that was used by the respondents could be classified as a **popular strategy for sales growth**. Since the respondents did not experience the problem of offshore competition, their use of service blueprints could only be evaluated from a sales perspective.

There are a total of four problems that can be experienced on implementation. The time needed to design a service blueprint can be regarded as an important problem (main finding 6.5(134)). According to Table E.22, these four problems can be linked with the following types of environmental factors: time, supplier, financial resources and long-term objectives of the business. The respondents did not experience the problem of the personal goals of the small business owner that was initially associated with this strategy in Section 4.9.3.

The respondents should further keep the following strategies in mind to address the problems experienced (main finding 6.5(135)): Financial

advisers could, for example, attempt to build good working relationships with the administrators employed at insurance companies. This could then help to accelerate the processing of application forms and consequently simplify the service blueprint design. Advisers could also attempt to follow the service blueprint processes of more senior and successful advisers, to save on time and cost and become more efficient.

The following main conclusions regarding major finding 7 can be made:

### **Main conclusions**

- There are 11 marketing mix strategies that independent financial advisers at this stage should use only as marketing mix strategies for sales growth.
- Ten of the 11 marketing mix strategies discussed under major finding 7 are relatively easy to execute, because there are no major threats that can hinder their implementation. Independent financial advisers, however, would still have to be aware of a large number of obstacles that can be encountered.
- Independent financial advisers would need to pay special attention to the time needed to design a service blueprint. This problem has been classified as an important threat.
- Client commitment, time, personal relationships, sensitivity towards the needs of employees and the long-term objectives of the business are five environmental factors that were not originally identified in the literature review as types of environmental factors, but do impose a threat to the businesses of the advisers and therefore cannot be ignored.
- This study had to provide alternative solutions for some of the environmental factors experienced on implementation of the marketing mix strategies discussed under major finding seven. It therefore appears that there are financial advisers who are not really equipped to implement these marketing mix strategies successfully.

## Implications and recommendations

- Independent financial advisers would need to familiarise themselves with the 11 marketing mix strategies and ensure that they are able to apply them to generate more sales (commission) growth. More specifically, the advisers would need to become more aware of their clients' needs and expectations in order to adapt their services accordingly. They would need to sharpen their personal selling skills, as this was identified as a highly popular strategy for sales growth. Professional relationships with clients, suppliers and employees would need to be built. The performance of younger and older employees would need to be measured, and recognition, respect and financial incentives would need to be given where needed and deserved. Financial advisers would also need to identify and implement measures to reinforce the current image of the business and ensure that they are able to design and follow an effective service blueprint strategy. They could make use of personal selling to reinforce the current image of the business. This was the most favourite technique implemented by the respondents interviewed (main finding 6.5(189)). Furthermore, the eight-step process to develop a service blueprint, as discussed in Section 4.9.3, could also be of assistance to design an effective service blueprint strategy.
- Independent financial advisers would need to be aware of the obstacles that can be experienced on implementation of the marketing mix strategies and use the recommended solutions to address these problems successfully.
- Finally, independent financial advisers in search of new techniques to encourage their staff can apply the motivational strategies that were discussed under major finding 7.

### ▪ Major finding 8

**There are a total of 33 marketing mix strategies that cannot be recommended to independent financial advisers at this stage.**

The following marketing mix strategies listed in Table 7.1 below were not really used by the respondents as solutions to the business problems and have also been classified as unfavourable strategies for sales (commission) growth.

**Table 7.1:** Marketing mix strategies that received a low response rate

1.	Providing easy access to the business's building to promote the business (Mf 6.5(11))
2.	Using creative discount measures (Mf 6.5(45))
3.	Using support networks (such as the Financial Planning Institute) (Mf 6.5(60))
4.	Motivating younger employees with financial rewards (Mf 6.5(83))
5.	Motivating younger employees with respect (Mf 6.5(83))
6.	Motivating younger employees with a sense of accomplishment (Mf 6.5(83))
7.	Motivating older employees with a sense of accomplishment (Mf 6.5(83))
8.	Gaining competitor knowledge by applying Porter's five competitor forces (Mf 6.5(117))
9.	Gaining competitor knowledge through published resources (Mf 6.5(116))
10.	Gaining competitor knowledge through competitive market surveys (Mf 6.5(116))
11.	Gaining competitor knowledge through trade associations (Mf 6.5(116))
12.	Gaining competitor knowledge through employees (Mf 6.5(118))
13.	Gaining competitor knowledge through consulting firms (Mf 6.5(119))
14.	Gaining competitor knowledge through networking (Mf 6.5(116))
15.	Developing a new image for the business (Mf 6.5(126))
16.	Repositioning the image of the competition (Mf 6.5(126))
17.	Making use of creativity (Mf 6.5(144))
18.	Generating consensus (Mf 6.5(146))
19.	Sharing information (Mf 6.5(146))
20.	Avoiding becoming defensive when other people disagreed with views (Mf 6.5(146))
21.	Allowing employees to make suggestions on new developments (Mf 6.5(156))
22.	Using client suggestions to formulate new ideas (Mf 6.5(164))
23.	Using gifts to revitalise sales (Mf 6.5(164))
24.	Using publicity to revitalise sales (Mf 6.5(164))
25.	Using trade shows to revitalise sales (Mf 6.5(164))
26.	Giving gifts to retain existing clients (Mf 6.5(164))
27.	Using publicity to retain existing clients (Mf 6.5(164))
28.	Using trade shows to retain existing clients (Mf 6.5(164))
29.	Providing guarantees (Mf 6.5(164))
30.	Encouraging clients to pay their accounts earlier than required by offering them a discount (Mf 6.5(183))
31.	Outsourcing some of the delivery of service offerings to other people (Mf 6.5(183))
32.	Using sales promotions to produce persuasive messages to clients (Mf 6.5(11))
33.	Using the Internet to assist in creating competitive prices (Mf 6.5(164))

The strategies listed in the table above that involve the business owner's employees might have been more popular if more respondents had had employees in their businesses. (Only 34 of the respondents interviewed had staff members.) The success of these strategies as business solutions

and strategies for sales growth could therefore be further investigated in future, should the respondents decide to employ more staff in their businesses.

However, at this stage this study will not include any of the marketing mix strategies listed in Table 7.1 in the proposed framework. The response rates that were obtained for these strategies were too low and there is currently no evidence that they could actually help independent financial advisers to solve their business problems and enhance their sales (commission) growth.

The following main conclusions regarding major finding 8 can therefore be made:

### **Main conclusions**

- There are a total of 33 marketing mix strategies that this study cannot recommend to independent financial advisers at this stage as solutions to business problems or as marketing mix strategies for sales growth. They will consequently not form part of the proposed framework. (As a result, all the main findings related to the 33 strategies depicted in Table 7.1 are not discussed further.)
- The marketing mix strategies depicted in Table 7.1 that involve the business owners' employees might become more popular if independent financial advisers in future recruit more staff and use these strategies to their advantage.

### **Implications and recommendations**

- There are five business problems that were experienced by the respondents for which this study cannot present any empirically tested solutions at this stage. All the solutions that were originally proposed for them formed part of the 33 marketing mix strategies listed in Table 7.1 which will not be further recommended. This study, however, would still like to provide some support to these advisers and will therefore

propose the following five alternative solutions, which could then be further investigated in future:

**Independent financial advisers could, as alternative solutions:**

- Appoint an employee with a strong financial background to address the problem of inadequate management of business expenses that do not keep pace with business growth.
- Build strong networking relationships with competitors to address the problem of a reduction in commission through unexpected activities of competitors.
- Use past experience as a guideline to offer new product packages that are aligned with the client's needs and expectations and to address the problem of no new product and service developments in the business over the last 12 months.
- Also use past experience as a guideline to offer new product packages that are aligned with the client's needs and expectations and to address the problem of an exhausted business opportunity that produced very low profits and return on investment for the business.
- Conduct more comprehensive financial needs analyses for clients and attempt to sell additional products to address the problem of using bank debt to solve financial resource requirements.
- Independent financial advisers could also in future recruit more employees and then further explore the benefits which the employee related marketing mix strategies depicted in Table 7.1 could provide.

This discussion concludes the examination of major findings 3 to 8. From the review it is evident that the respondents:

- Used only some of the marketing mix strategies listed in Table 4.5 as solutions to their business problems.
- Indicated that only some of the marketing mix strategies listed in Table 4.5 seemed to have contributed to their sales (commission) growth.

- Experienced some of the barriers to the implementation of the marketing mix strategies, as listed in Table 4.5 (but mostly encountered different types of barriers).
- Implemented primarily their own solutions to address the barriers experienced.

**Consequently, research propositions 2 to 4 can only be partially accepted and research proposition 5, which relates to the counterstrategies that were implemented by the respondents, should be rejected completely.**

In the following section, the planned framework for business survival and sales growth are now proposed and discussed.

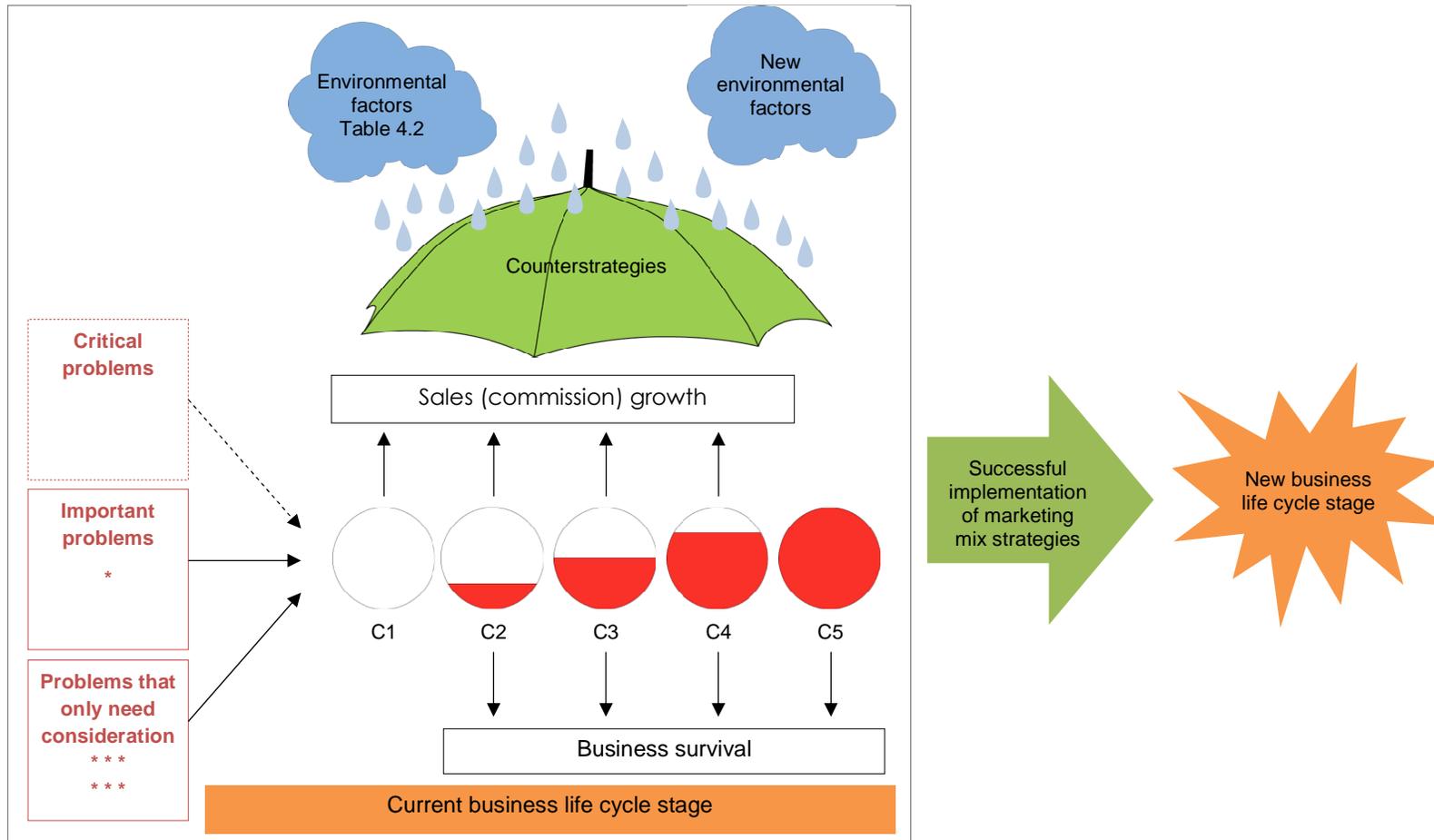
### **7.3 A MARKETING MIX FRAMEWORK FOR BUSINESS SURVIVAL AND SALES GROWTH**

The framework proposed in this section comprises two interrelated components:

1. **The first part of the framework** presents a graphical illustration of the dynamics between the obstacles independent financial advisers are confronted with and the action steps they could follow to survive and grow their businesses into the next organisational life cycle stage.
2. **The second part of the framework** offers a more detailed summary of all the various business problems that could be present in the businesses of independent financial advisers, as identified in this study, as well as the recommended marketing mix strategies they could implement to address these problems, generate more sales (commission) and grow their businesses.

▪ **Part 1 of the marketing mix framework**

**Figure 7.1:** The dynamics between independent financial advisers' business obstacles and action steps for survival and growth



### **Business problems**

***The first three blocks on the left side of the diagram illustrate the fact that independent financial advisers could experience three types of problems in their businesses: critical problems, important problems and problems that only need consideration.***

Solid lines were used to draw the blocks depicting the important problems and problems that only need consideration. The empirical results have shown that these problems can definitely pose a threat to the businesses of independent financial advisers. A dotted line was used to draw the block depicting the critical problems. Independent financial advisers would also need to be aware of the potential threat that critical problems could pose to their businesses. These types of obstacles, however, are still unfamiliar and would need to be further investigated in a future research study.

***There is one asterisk inside the important problem block and six asterisks inside the block portraying the problems that only need consideration.***

In Section 7.2 it was argued that the five important problems could be attributed to the fact that the advisers had a lack of staff members and those who had staff did not employ them in various specialist roles, but mainly had them perform administration duties. It was further stated that the remaining 12 problems that only need consideration in the business of independent financial advisers could be classified as problems related to competitors, financial resources, customers, employees, product offerings and a lack of external networks. The asterisks depicted in the two problem blocks represent these factors.

### **Marketing mix strategies**

In Section 7.2 it was recommended that independent financial advisers pay attention to their employment practices in order to overcome the important problems they experience in their businesses. It was further stipulated that they would also need to pay attention to their competitors, financial

resources, customers, employees, product offerings and networking to be able to address the problems that need consideration in their businesses.

The circles depicted in the middle of the diagram represent the marketing mix strategies related to the factors that were investigated in this study. The empirical results showed that independent financial advisers can apply most of these strategies to address the various business obstacles in their businesses.

***More specifically, the five circles symbolise the five groups of marketing mix strategies that were discussed under major findings 3 to 7:***

- **Circle one (C1) represents the marketing mix strategies** that are recommended to independent financial advisers only as marketing mix strategies for sales growth (major finding 7).
- **Circle two (C2) represents the one marketing mix strategy** that is strongly recommended as a marketing mix strategy for sales growth and that can also be used as a solution to the business problem (major finding 3).
- **Circle three (C3) represents the marketing mix strategies** that independent financial advisers can apply to solve business problems and to help them grow their sales (commission) (major finding 5). (The response rates for these strategies were not very high and they therefore could not be strongly recommended as solutions to the business problems or as marketing mix strategies for sales growth.)
- **Circle four (C4) represents the marketing mix strategies** that are strongly recommended as solutions to business problems and that can also be used as marketing mix strategies for sales growth (major finding 4).
- **Circle five (C5) represents the marketing mix strategies** that can be recommended to independent financial advisers only as solutions to the business problems (major finding 6).

Hence, independent financial advisers who experience important problems and problems that only need consideration in their businesses can use the five groups of strategies (symbolised by the five circles) to help them **solve their problems and survive** (as depicted by the block below the five circles) and also to **generate more sales (commission) growth** (as depicted by the block above the five circles).

Finally, it might also be possible for independent financial advisers who experience the critical problems in their businesses to use the five groups of strategies to address the problems. This matter would need to be further investigated in a future research study. (A dotted line arrow was therefore drawn from the critical problem block to the five circles in the middle of the diagram.)

#### **Environmental factors and counterstrategies**

The empirical findings have shown that independent financial advisers are confronted by a number of obstacles (environmental factors) when they attempt to apply the different marketing mix strategies.

***The cloud hovering over the five circles on the left side represents the environmental factors experienced by the respondents that were also discussed in the literature review and that were listed in Table 4.2. The cloud hovering over the five circles on the right side represents the environmental factors experienced by the respondents that were not initially foreseen in the literature review.***

Independent financial advisers would need to ensure that they are aware of and understand all these environmental factors that can hinder the successful implementation of the marketing mix strategies.

***The umbrella in the diagram depicted immediately below the clouds symbolises the shield of counterstrategies (as listed in Annexure E) that independent financial advisers should apply to address the various environmental factors and safeguard the successful implementation of the strategies.***

**Positioning of the current business life cycle stage vs the new business life cycle stage**

Based on the common life cycle patterns that were displayed by small and larger businesses in different periods, regions and industries, this study has made the conclusion under major finding 1 that independent financial advisers could progress through five general life cycle stages, namely birth, growth, maturity, revival and decline. It was not, however, possible to use Ferreira's criteria (2000) to group the respondents who experienced commission growth specifically into the general life cycle stages.

Consequently, the diagram in Figure 7.1 merely provides an indication of the problems and strategies that independent financial advisers who experience commission growth could encounter and implement **in their business life cycle**. This study cannot specifically indicate in which stage each problem and each strategy will occur.

The onus lies on independent financial advisers to first use the summary of general life cycle stages (as depicted in Table 2.2 – excluding the structure description, which is not applicable) to identify their current business life cycle stage. Secondly, independent financial advisers could determine the kind of problems they experience in their businesses and apply the relevant recommended marketing mix strategies to address these problems and generate more sales (commission) growth.

In Section 2.2.2 it was stipulated that it seems that the business's resources as well as its expertise and strategic choices play an important role in determining, at any point, if it will progress to the next stage, remain at the current stage or deteriorate and perhaps die.

Ultimately, the successful implementation of the recommended marketing mix strategies (where the different environmental obstacles have been addressed effectively) could help independent financial advisers to grow their businesses and progress to a more advanced life cycle stage.

▪ **Part 2 of the marketing mix framework**

**Table 7.2:** Summary of business problems and recommended marketing mix strategies for survival and sales (commission) growth

Business problem	Type of problem	Marketing mix strategy presented on interview card	Recommendation	Solution to business problem	Type of solution	Marketing mix strategy for sales growth	Type of marketing mix strategy for sales growth	Types of barriers that can be experienced	Types of counterstrategies that should be implemented
<b>Have too many responsibilities and therefore struggle to meet deadlines</b>	Important (Mf 6.5(1))	Recruit more employees (in different types of specialised roles) and motivate them through effective and practical measures to perform	Recommended only as a solution to the business problem ( <i>Approach recruitment agencies or place an advertisement in a newspaper to find the four types of employees (as discussed in the literature review) and also consult the necessary resources to identify appropriate methods to motivate these employees to perform – recommendation under major finding 6)</i>	Yes	Popular (Mf 6.5(2))	Yes	Unfavourable (Mf 6.5(3))	Employee experience, education, time and financial resources (Annexure E)	Rely on external resources, search for experience, mentor employees, create time for training, use creative financing (Annexure E)
<b>Do not know all the competitors that have entered the market</b>	Needs consideration (Mf 6.5(8))	<b>Approaches that can be followed to build a competitive advantage and thus address the potential threat of unknown competitors:</b>							
		Focus on controlling the quality of the service provided to impress clients	Strongly recommended as a marketing mix strategy for sales growth. Can also be used as a solution to the business problem. ( <i>Establish clear guidelines for the delivery of service quality and ensure that these guidelines are followed when conducting and implementing the marketing planning – recommendation under major finding 3.</i> )	Yes	Popular (Mf 6.5(9))	Yes	Highly popular (Mf 6.5(10))	Small business resources, education, exposure to information, small business culture, suppliers, changes in the industry, change of attitude towards marketing and employee experience (Annexure E)	Standardise procedures, implement policies and procedures, use experience, induce fear, work overtime, use a financial incentive system, use skilled staff, ask top management for help, focus primarily on quality service, change suppliers, use external resources (Annexure E)
		Provide new services that are aligned with clients' needs and expectations (For example, do not follow the traditional route of merely selling life policies and investment products, but rather offer clients a new unique "one-stop solution package" that includes additional services such as assistance with tax planning, wills and asset management).	Recommended only as a marketing mix strategy for sales growth ( <i>Financial advisers would need to become more aware of their clients' needs and expectations in order to adapt their services accordingly – recommendation under major finding 7)</i>	No	N/A	Yes	Popular (Mf 6.5(12))	Education, exposure to information, time and suppliers (Annexure E)	Simplicity, rely on external resources, use technology, change suppliers (Annexure E)
		Use the customer-based pricing method – offer high quality services at lower prices (Stated differently, offer valuable services and at the same time do not charge a high commission)	Recommended only as a solution to the business problem ( <i>Ensure that the service being offered is of high quality and that the clients would be able to afford these services – recommendation under major finding 6)</i>	Yes	Popular (Mf 6.5(9))	Yes	Unfavourable (Mf 6.5(11))	Financial resources, exposure to information, competition (Annexure E)	Sales skills, review processes, create and follow cost-effective work policies (Annexure E)



Business problem	Type of problem	Marketing mix strategy presented on interview card	Recommendation	Solution to business problem	Type of solution	Marketing mix strategy for sales growth	Type of marketing mix strategy for sales growth	Types of barriers that can be experienced	Types of counterstrategies that should be implemented
<b>Do not know all the competitors that have entered the market</b>	Needs consideration (Mf 6.5(8))	<b>Implement one or more of the following methods to convince clients to rather use the adviser's service</b>							
		Advertising	Recommended only as a solution to the business problem ( <i>Creative advertising messages would need to be created that will persuade clients to conduct business with the adviser – recommendation under major finding 6</i> )	Yes	Popular (Mf 6.5(9))	Yes	Unfavourable (Mf 6.5(11))	Small business resources, time (Annexure E)	Special employee arrangements, rely on external resources (Annexure E)
		Use personal selling	Recommended only as a strategy for sales growth ( <i>Advisers would need to sharpen their personal selling skills – recommendation under major finding 7</i> )	No	N/A	Yes	Highly popular (Mf 6.5(13))	Exposure to information, time, education, client commitment and motivation of the small business owner to grow (Annexure E)	Generate sales through education and referrals, get the client to participate in the service delivery process, use creative financing, work overtime, use technology, focus on important clients, focus primarily on the needs of clients, focus on the benefits, use financial needs analysis tool and focus primarily on quality service (Annexure E)
<b>Have difficulty in delivering the service to clients on time</b>	Important (Mf 6.5(30))	Use the Internet	Strongly recommended as a solution to the business problem. Can also be used as a marketing mix strategy for sales growth. ( <i>Consider the actions that can be taken to save time for effective implementation</i> ) (Mf 6.5(188) and recommendation under major finding 4)	Yes	Highly popular (Mf 6.5(31))	Yes	Popular (Mf 6.5(32))	Exposure to information, education, technology, suppliers, financial resources and time (Annexure E)	Use technology, rely on external resources, use self-training, use alternative technology, plan in advance, use skilled staff, change suppliers, generate more sales, contact the supplier on a regular basis (Annexure E)



Business problem	Type of problem	Marketing mix strategy presented on interview card	Recommendation	Solution to business problem	Type of solution	Marketing mix strategy for sales growth	Type of marketing mix strategy for sales growth	Types of barriers that can be experienced	Types of counterstrategies that should be implemented
<b>Have not made strategic plans for the business, because adviser concentrated primarily on the operational side of the business</b>	Important (Mf 6.5(37))	Engage in continuous service developments, aligned with an appropriate business process that ties in with the needs of the markets (an approach to become more strategically orientated) (For example, the financial service package offered to clients can be modified to also include, for instance, medical aid provision, accounting, buying shares, setting up a trust, drafting wills and employee benefits. The financial adviser would then need to make sure that the business processes followed to offer these services are appropriate and aligned with the client's needs and expectations.)	Recommended as a solution to the business problem and as a marketing mix strategy for sales growth. <i>(Financial advisers would need to ensure that they have the necessary contracts in place to offer the additional services, major finding 5)</i>	Yes	Popular (Mf 6.5(38))	Yes	Popular (Mf 6.5(39))	Small business resources, education, exposure to information and workload (Annexure E)	Use skilled staff and external resources, gain experience, plan in advance (Annexure E)
<b>Struggling with inadequate management of business expenses that do not keep up with the business growth</b> (For example, the business is growing rapidly and the adviser is not able to find all the necessary financial resources quickly enough to fund the expenses)	Needs consideration (Mf 6.5(43))	Use creative discount measures (such as charging lower commission) (This strategy could then help to sell a larger number of policies, generate additional income and thus fund the expenses.)	Cannot be recommended as a solution to the business problem or as a marketing mix strategy for sales growth (Mf 6.5(45)) <i>Potential alternative solution: appoint an employee with a strong financial background that could assist in managing this function</i>	<i>No related main findings were investigated further.</i>					
<b>Sometimes struggle to close a business deal with new and existing clients on time</b>	Important (Mf 6.5(48))	Use Internet communication (For example, use the Internet to advertise tax assistance and ensure that clients send the advisers the required documents before the first meeting)	Strongly recommended as a solution to the business problem. Can also be used as a marketing mix strategy for sales growth – recommendation under major finding 4.	Yes	Popular (Mf 6.5(49))	Yes	Popular (Mf 6.5(50))	Suppliers, time, education, financial resources, technology (Annexure E)	Use alternative technology, rely on external resources, question the service provided by the supplier, generate more sales, contact the supplier on a regular basis, plan in advance (Annexure E)



Business problem	Type of problem	Marketing mix strategy presented on interview card	Recommendation	Solution to business problem	Type of solution	Marketing mix strategy for sales growth	Type of marketing mix strategy for sales growth	Types of barriers that can be experienced	Types of counterstrategies that should be implemented	
<b>Do not have access to external networks (such as the Financial Planning Institute) that can help grow the business</b>	Needs consideration (Mf 6.5(55))	Focus on meeting with competitors occasionally to benefit from their experience	Recommended as a solution to the business problem and as a marketing mix strategy for sales growth. <i>(Identify competitors and establish good relationships with them in order to benefit from their experience – recommendation under major finding 5)</i>	Yes	Popular (Mf 6.5(56))	Yes	Popular (Mf 6.5(59))	Personal goals of the small business owner, exposure to information and time (Annexure E)	Gain new perspective, win the competitor's trust and plan in advance (Annexure E)	
		<b>Focus on building relationships with one or more of the following parties:</b>								
		Clients	Recommended only as a marketing mix strategy for sales growth <i>(Build professional relationships with clients – recommendation under major finding 7)</i>	Yes	Unfavourable (Mf 6.5(56))	Yes	Highly popular (Mf 6.5(57))	Time, financial resources, personal relationships, client commitment and demographic concerns (Annexure E)	Build trust through education, charge commission for extra service, remain professional, confirm appointments, manage time creatively and rely on external resources (Annexure E)	
		Employees	Recommended only as a marketing mix strategy for sales growth <i>(Build professional relationships with employees – recommendation under major finding 7)</i>	No	N/A	Yes	Popular (Mf 6.5(60))	Time, education and demographic concerns (Annexure E)	Use a financial incentive system and manage staff differences (Annexure E)	
		Suppliers	Recommended only as a marketing mix strategy for sales growth <i>(Build professional relationships with suppliers – recommendation under major finding 7)</i>	No	N/A	Yes	Highly popular (Mf 6.5(58))	Supplier, time and small business resources (Annexure E)	Establish an agreement with supplier, manage cultural differences, write more business for supplier, investigate staff turnover problem and contact the supplier on a regular basis (Annexure E)	
<b>Attempt to perform all the business activities by themselves</b>	Important (Mf 6.5(73))	Refrain from following an autocratic management style to manage employees who strive for achievement and be more inclined to entrust power and control to them	Recommended as a solution to the business problem and as a marketing mix strategy for sales growth. <i>(Financial advisers would need to become more conscious about their management style and attempt to entrust more power and control to their employees – recommendation under major finding 5)</i>	Yes	Popular (Mf 6.5(74))	Yes	Popular (Mf 6.5(75))	Education, small business culture, small business resources, time, thirst for power and business processes (Annexure E)	Create time for training, train separate groups, trust staff, mentor employees, search for experience, manage staff differences, become more patient and delegate responsibility (Annexure E)	



Business problem	Type of problem	Marketing mix strategy presented on interview card	Recommendation	Solution to business problem	Type of solution	Marketing mix strategy for sales growth	Type of marketing mix strategy for sales growth	Types of barriers that can be experienced	Types of counterstrategies that should be implemented	
<b>Lost customers who experienced unsatisfactory service from the business</b>	Needs consideration (Mf 6.5(80))	Adapt service according to the client's needs	Strongly recommended as a solution to the business problem. Can also be used as a marketing mix strategy for sales growth. <i>(Become aware of the needs of clients and adapt services accordingly – recommendation under major finding 4)</i>	Yes	Highly popular (Mf 6.5(82))	Yes	Popular (Mf 6.5(83))	Time, client commitment, education, personal goals of the small business owner, business processes, small business resources and supplier (Annexure E)	Manage time creatively, generate sales through education, become more patient, get the client to participate in the service delivery process, capitalise on unforeseen opportunities, visit clients regularly, change suppliers, build trust with clients (Annexure E)	
		<b>Motivate younger employees with the following to deliver a positive service experience:</b>								
		Recognition	Recommended only as a strategy for sales growth <i>(Measure performance and give recognition where needed – recommendation under major finding 7)</i>	Yes	Unfavourable (Mf 6.5(82))	Yes	Popular (Mf 6.5(83))	Small business resources and financial resources (Annexure E)	Competitions and give recognition to staff (Annexure E)	
		<b>Motivate older employees with one or more of the following to deliver a positive service experience:</b>								
		Financial rewards	Recommended only as a strategy for sales growth <i>(Measure performance and provide financial rewards where needed – recommendation under major finding 7)</i>	Yes	Unfavourable (Mf 6.5(82))	Yes	Popular (Mf 6.5(83))	Change of attitude towards marketing and small business resources (Annexure E)	Use financial incentives, schedule early morning meetings and mentor employees (Annexure E)	
		Recognition	Recommended only as a strategy for sales growth <i>(Measure performance and give recognition where needed – recommendation under major finding 7)</i>	Yes	Unfavourable (Mf 6.5(82))	Yes	Popular (Mf 6.5(83))	Exposure to information and small business resources (Annexure E)	Give recognition and constructive feedback to staff and offer competitions (Annexure E)	
		Respect	Recommended only as a strategy for sales growth <i>(Measure performance and show respect where needed – recommendation under major finding 7)</i>	Yes	Unfavourable (Mf 6.5(82))	Yes	Popular (Mf 6.5(83))	Sensitivity towards needs of employees, small business resources and demographic concerns (Annexure E)	Become more sensitive towards needs of employees, manage with authority, become more patient and mentor employees (Annexure E)	
<b>Commission reduced, because adviser could not meet the high demand for the service</b>	Needs consideration (Mf 6.5(109))	Train employees to perform different job functions at peak periods (This approach would, for example, mean that when the demand for the service is high, the secretary could assist with preparing quotations and completing application forms. This could then free the financial adviser's time to see more clients and sell policies to them.)	Recommended only as a solution to the business problem <i>(Training sessions would need to be scheduled to ensure that the employees are able to perform different job functions at peak periods – recommendation under major finding 6)</i>	Yes	Highly popular (Mf 6.5(110))	Yes	Unfavourable (Mf 6.5(111))	Small business culture, time and education (Annexure E)	Apply own skills, use a financial incentive system, mentor employees, create time for training, become more patient (Annexure E)	



Business problem	Type of problem	Marketing mix strategy presented on interview card	Recommendation	Solution to business problem	Type of solution	Marketing mix strategy for sales growth	Type of marketing mix strategy for sales growth	Types of barriers that can be experienced	Types of counterstrategies that should be implemented
Commission has reduced through the unexpected activities of competitors	Needs consideration (Mf 6.5(114))	Business strategy takes into account competitor knowledge gained from using Porter's five competitor forces; published resources; competitive market surveys; networking; consulting firms, employees and trade shows	Cannot be recommended as a solution to the business problem or as a marketing mix strategy for sales growth (Mf 6.5(116) to Mf 6.5(119)). <i>Potential alternative solution: build strong networking relationships with competitors</i>	No related main findings were investigated further.					
Business commission reduced through offshore competition	Needs consideration (Mf 6.5(123))	Reinforce the current image of the business	Recommended only as a strategy for sales growth ( <i>Identify and implement measures to reinforce the current image of the business, for example personal selling (main finding 6.5(189) and recommendation under major finding 7)</i> )	No	N/A (Mf 6.5(124))	Yes	Popular (Mf 6.5(125))	Time and client commitment (Annexure E)	Manage time creatively and reassess the situation (Annexure E)
		Use a service blueprint for the benefit of being able to identify ineffectual links in the chain of service activities, which can be targeted for quality improvement	Recommended only as a strategy for sales growth ( <i>Ensure that adviser is able to design and follow an effective service blueprint strategy. Can follow the eight-step process to develop a service blueprint, as discussed in Section 4.9.3 – recommendation under major finding 7)</i> )	No	N/A (Mf 6.5(124))	Yes	Popular (Mf 6.5(125))	Time, supplier, financial resources and long-term objectives of the business (Annexure E)	Work overtime, develop own skill, rely on external resources, build relationships and follow by example (Annexure E)
Experience a lack of teamwork for a "greater purpose"	Needs consideration (Mf 6.5(136))	Ensure that every employee is aware of the essential role they play in the final delivery of quality service and as a result enable the employee to deliver excellent service (To be more effective, financial advisers could use more specialist roles in their businesses (that could help them to carry out the different functions in the business at an optimum level) and ensure that their employees understand and are able to perform these roles.)	Strongly recommended as a solution to the business problem. Can also be used as a marketing mix strategy for sales growth (recommendation under major finding 4)	Yes	Highly popular (Mf 6.5(137))	Yes	Popular (Mf 6.5(138))	Small business culture, family (Annexure E)	Criticise with praise and rely on external resources (Annexure E)
Sometimes in conflict with business partners over business control	Needs consideration (Mf 6.5(141))	<b>Apply one or more of the following approaches to solve the conflict situation:</b>							
		Facilitate discussion regarding problems	Recommended only as a solution to the business problem (recommendation under major finding 6)	Yes	Highly popular (Mf 6.5(143))	No	Unfavourable (Mf 6.5(146))	No environmental factor was identified	No solution mentioned
		Blend ideas	Recommended only as a solution to the business problem (recommendation under major finding 6)	Yes	Highly popular (Mf 6.5(143))	No	Unfavourable (Mf 6.5(146))	No environmental factor was identified	No solution mentioned



Business problem	Type of problem	Marketing mix strategy presented on interview card	Recommendation	Solution to business problem	Type of solution	Marketing mix strategy for sales growth	Type of marketing mix strategy for sales growth	Types of barriers that can be experienced	Types of counterstrategies that should be implemented
<b>Business is struggling with inadequate financial resources</b>	Needs consideration (Mf 6.5(147))	Work from home to reduce overhead expenses and create competitive pricing	Recommended as a solution to the business problem and as a marketing mix strategy for sales growth <i>(Investigate the possibility of a home-based office – recommendation under major finding 5)</i>	Yes	Popular (Mf 6.5(148))	Yes	Popular (Mf 6.5(149))	Social needs, family and discipline (Annexure E)	Focus on the benefits, maintain relationships, manage time creatively, create a separate work area at home, manage time with family, focus on becoming more disciplined (Annexure E)
<b>No new product and service developments in business over the last 12 months</b>	Needs consideration (Mf 6.5(154))	Allow employees to make suggestions on new developments	Cannot be recommended as a solution to the business problem or as a marketing mix strategy for sales growth (Mf 6.5(156)) <i>Potential alternative solution: use past experience as a guideline to offer new product packages that are aligned with the client's needs and expectations</i>	<i>No related main findings were investigated further.</i>					
<b>Dealt with an exhausted business opportunity that produced very low profits and return on investment for the business</b>	Needs consideration (Mf 6.5(160))	Use client suggestions to formulate new ideas; use gifts, publicity and trade shows to revitalise sales and retain existing clients; use the Internet to assist in creating competitive prices and provide guarantees	Cannot be recommended as solutions to the business problem or as marketing mix strategies for sales growth (Mf 6.5(163) and Mf 6.5(164)) <i>Potential alternative solution: use past experience as a guideline to offer new product packages that are aligned with the client's needs and expectations</i>	<i>No related main findings were subsequently further investigated.</i>					
<b>Used bank debt to solve financial resource requirements</b>	Needs consideration (Mf 6.5(180))	Encourage clients to pay their accounts earlier than required by offering them a discount and outsource some of the delivery of the service offering to other people	Cannot be recommended as solutions to the business problem or as marketing mix strategies for sales growth (Mf 6.5(181) to 6.5(183)) <i>Potential alternative solution: conduct more comprehensive financial needs analyses for clients and attempt to sell additional products</i>	<i>No related main findings were investigated further.</i>					

Table 7.2 is based on all the main findings, major findings and recommendations that were examined and analysed in this study.

- The **first column** provides a list of all the business problems that independent financial advisers can experience, as revealed by the empirical findings. (The problem of offshore competition is also included in this column. It does not pose an immediate threat but independent financial advisers would still need to be aware of this problem that could potentially occur in future.)
- The **second column** indicates whether each problem that can be experienced should be considered as an important problem or a problem that only needs consideration. Independent financial advisers should pay more attention to the important problems in their businesses.
- The **third column** provides a list of marketing mix strategies that were investigated in this study. The researcher, however, has excluded those marketing mix strategies that were intended as additional solutions to the business problems and that received a response rate of lower than 33.33% (as solutions to the business problems and also as strategies for sales growth). These strategies are not really well-accepted strategies to follow.
- The **fourth column** indicates whether the particular marketing mix strategy should be used as only a solution to the business problem, as a marketing mix strategy for sales growth or both. These recommendations were discussed under major findings 3 to 7 and are based on the main findings listed in **columns 5 to 8**. The fourth column also provides alternative marketing mix solutions to those problems where all the related strategies (as identified in the literature review) received a very low response rate and as a result could not be recommended to independent financial advisers to address the problems.
- The **second last column** provides a list of all the barriers that can be experienced on implementation of each marketing mix strategy.

(Annexure E provides a more detailed explanation of these environmental factors.)

- The **last column** provides a summary of the types of counterstrategies that can be implemented to address each barrier. (Annexure E also provides a more detailed explanation of these counterstrategies.)

### **Contributions of the proposed framework**

In conclusion, the framework proposed in this study offers independent financial advisers the following valuable benefits:

- It provides additional assistance on business survival and sales growth to independent financial advisers operating small businesses in an environment governed by strict legislation.
- It can be used as a tool for long-term planning where the advisers, who understand the problems that can occur, can review their plans and strategies to prepare for the future.
- More specifically, the framework offers valuable insight into the problems and strategies that can occur in the business life cycle of independent financial advisers. It was not possible to divide the problems and strategies experienced specifically into the birth, growth, maturity and revival general life cycle stages. Independent financial advisers, however, would be able to use the description of the general life cycle stages depicted in Table 2.2 to determine their current business life cycle stage. They could then use Table 7.2 (which can be viewed as an evolution of Table 4.5) as a toolkit to identify the kinds of problems they currently experience in their businesses and apply the recommended solutions to address the obstacles, generate more sales (commission) growth and grow their businesses to a more advanced stage.
- Table 2.2 further makes provision for strategies that will assist the adviser to provide high-quality support services and policies to employees that will in turn enable them to deliver quality results to clients. The proposed framework therefore acknowledges and supports

the principles of the service profit chain model (as discussed in Section 3.6).

- The framework, however, does not make provision for businesses in the decline stage. Since the purpose of this study is mainly to propose a framework for business survival and sales growth, this study did not examine businesses in the decline stage. It was also stated in Section 2.2.2 that businesses in the decline stage would need a more complex investigation.
- Given the findings of Section 2.2.2 it is further possible for independent financial advisers to make a strategic decision to remain in a particular life cycle stage and not grow their businesses any further. The strategies recommended in the proposed framework could then simply be used to help these financial advisers to address the problems they experience and to survive.
- Table 7.2 provides further evidence that the independent financial advisers do experience some of the obstacles and implement some of the marketing mix strategies that previous studies associated only with larger service businesses and businesses selling manufactured products. (In chapters three and four it was stated that the literature sources are limited that specifically address the marketing mix strategies and environmental factors that service businesses, such as independent financial advisers, experience. This study consequently also investigated potential environmental factors and marketing mix strategies previously experienced and implemented by large service businesses and businesses selling manufactured products. The empirical findings have shown that some of these environmental factors and marketing mix strategies are also present in the businesses of independent financial advisers.)
- According to Bunting (2009:141), Emergent Research, a consultancy business that investigated and analysed the significant trends and forces impacting small business formation and growth, have found that economic stress result in small business innovation. More particularly, "...driven by the need to improve productivity and increase customer

value, in times of crisis small businesses will not only focus on cashflow and cost containment, they will also re-evaluate, redesign and refine their products, processes and business models.” The various strategies listed in the framework proposed could therefore further provide assistance to independent financial advisers to redesign their processes and business models and consequently improve the value of their businesses in the midst of the global financial crisis.

Finally, this study had to make a number of additional recommendations in the framework where the independent financial advisers were unable to provide practical solutions. The effectiveness of these strategies in the businesses of independent financial advisers would still need to be further examined in future. The framework proposed in this study can therefore only be considered as a conceptual framework and needs further analysis.

## **7.4 LIMITATIONS OF THIS STUDY**

Certain limitations regarding the literature review and the empirical phase of this study should be pointed out.

### **7.4.1 Limitations based on the literature review**

The aim of the literature review was to include all the relevant literature on the research topic.

- a) Although abundant information could be found in the literature regarding business problems and strategies, very little literature focusing on financial services marketing could be identified. As a result, this study had to rely on the research that was conducted in other industries under different circumstances.
- b) The researcher also identified a definite lack of literature on the organisational life cycle of a small business in South Africa.

*(Researchers in future, though, would be able to benefit from the empirical findings from this study, which make a valuable contribution to the theory on the*

*application of marketing mix principles and the organisational life cycle concept, specifically within the financial services industry.)*

#### **7.4.2 Limitations of the empirical phase of the study**

- a) The study is limited to independent financial advisers operating small businesses in Johannesburg.
- b) The study is also limited to the financial services industry in South Africa.
- c) The final samples that were obtained for the telephone and personal interviews are relatively small and conclusions had to be made in this context. The findings are therefore not representative of the total population.
- d) Furthermore, due to time and financial constraints an in-depth longitudinal investigation into the businesses of the respondents could not be done. The empirical results were therefore based solely on the viewpoints of the respondents regarding the problems they experienced and the strategies they implemented.

*(The purpose of this exploratory study, however, was mainly to gain more insight into the subject matter and to provide some guidance to financial advisers. The same study could be repeated in future over a longer period, with a larger number of advisers, countrywide, to investigate the findings in more depth and to make more comprehensive recommendations to independent financial advisers.)*

#### **7.5 RECOMMENDATIONS FOR FUTURE RESEARCH**

The following recommendations for future research can be made:

- a) The conceptual framework proposed in this study could be further tested to measure its viability and applicability in the businesses of independent financial advisers. A future research study could measure the sales growth before and after the strategies have been implemented to gain a better understanding of the effectiveness of the proposed strategies.

- b) Researchers in future could determine whether certain marketing mix strategies for sales growth are more effective in certain business life cycle stages.
- c) This study did not include the financial advisers' own suggested solutions (that were not originally investigated in the literature review) in the proposed framework. These solutions were merely suggested by one or two financial advisers and therefore did not seem to be popular strategies. A future research study, however, could further investigate the effectiveness of these solutions.
- d) A more comprehensive examination of the organisational life cycle of independent financial advisers in South Africa is necessary. The businesses should be studied over a longer period and financial statements could also be analysed to get a more in-depth view. Researchers in future further need to identify more practical criteria that can assist in grouping independent financial advisers into the various general life cycle stages.
- e) This study can also be repeated among independent financial advisers in other regions in South Africa to determine if the problems and strategies they experience and implement are different from their counterparts in Johannesburg.
- f) The potential problems and strategies that were identified in the literature review and summarised in Table 4.5 can also be tested among small business owners in other industries in South Africa.
- g) Researchers in future would need to identify critical problems that can be experienced by independent financial advisers (that is problems that are experienced by between 66.68% and 100% of the respondents interviewed).
- h) Finally, the same study could be repeated in future over a longer period, with a larger number of advisers, countrywide, to investigate the findings in more depth and to make more comprehensive recommendations to independent financial advisers.

## 7.6 CONCLUDING REMARKS

Based on the conclusions, implications and recommendations that were made in this chapter it can be accepted that both the primary and secondary research objectives of this study have been addressed.

The conceptual marketing mix framework for business survival and sales growth proposed in this study contribute to the body of knowledge of the application of marketing mix principles and the organisational life cycle concept, specifically within the financial services industry.

Finally, only a small amount of research has been conducted in South Africa in terms of independent financial advisers. The results of this study further contribute to and assist with future research on independent financial advisers specifically.