

CASE TWENTY-ONE

Qotion.com: Helping People to Make Comparisons

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Case Objectives

- To understand consumer behavior related to online purchases
- To understand the concepts of interactive marketing and creation of customer value
- To explore the process of multichannel marketing

Case Synopsis

- Singapore's continuing growth has driven the demand and supply of an increasing number of credit cards available on the market. Banks have reacted by providing a wide range of cards with varying attractive perks to cater to the needs of consumers.
- Qotion.com is an online portal that provides objective information on financial products available in Singapore, adds value to consumers by providing a credit card comparator. Members of the portal are also able to make online credit card application directly through the medium.
- Various marketing channels are employed to reach out to potential credit card applicants. At present, consumers are fairly satisfied and receptive to Qotion.com, a type of interactive marketing channel. However, some still prefer alternative channels such as roadshows or banking outlets for actual credit card applications or transactions.

Case Questions and Answers

Question 1

Would consumers make financial decisions online based on information provided in the same medium? What kinds of consumers are more likely to do so?

- Based on information given, about half of Qotion members applied for a credit card (making financial decisions) through other channels after registering with the online

portal. They may have made decisions based on online information but choose to take actions via other forms of channels.

- Cross-channel shoppers (online consumers who research about products online and then purchase them at a retail store) and ebivalent newbies are unlikely to decide based on online information. They gather information online that would help them decide, but do not necessary take any actions (such as purchasing) online.
- Internet-savvy consumers are more likely to be confident about making financial decisions online. Consumers who appreciate the time utility of online applications are likely to use such this medium to perform financial transactions. Brand loyalists who regularly visit a certain financial website are likely to make decisions based on online information because they trust the service provider.

Question 2

Qotion.com is acting as a marketing intermediary for the financial products and services offered by banks. What value is provided by Qotion to consumers? What revenue streams are available to Qotion and what costs are involved in this model? Can this business model be profitable and sustainable? Why or why not?

- Qotion employs Internet technology to engage the consumers and two unique capability of such a medium is to create customer value in terms of interactivity and individuality (customization). Provision of a unique customer experience with an online medium in terms of context, content, community, customization, communication, connection and commerce may also be mentioned.
- Context refers to the website's aesthetic appeal and functional look and feel reflected in site layout and visual design. Qotion is a function-oriented website that provides users with a credit card comparator and also provides direct credit card applications.
- Content refers to all digital information on the website and Qotion provides up-to-date information to members via email. Online financial information is also available for all users of the website.

- Community refers to user-to-user communications hosted by the website, such as creating virtual communities. Even though Qotion does not offer this experience, it has the potential to do so.
- Customization is the ability of a certain section/function of the website to be modified by each individual in accordance to their liking. The suggested new initiative, myQotion, will allow each member to have a personalized page.
- Communication refers to the dialog that unfolds between the website and users. Consumers can now expect that communication to be interactive and individualized in real time much like a physical conversation. For example, the credit card comparator tool offered by Qotion allows users to sieve through all cards available for the few that best suits an individual's profile. This is much like communicating with the users to find out the best option for him or her.
- Connection in website design refers to the network of formal linkages between a company's site and other sites. Even though it was not explicitly mentioned that Qotion is linked to the websites of major banks in Singapore, it is much likely to be linked to them, providing connection value to users.
- Commerce refers to the website's ability to conduct sales transactions for products and services. Online transactions are quick and simple in well-designed websites. Members of Qotion can make an online credit card application directly through the website.
- Some possible revenue streams available to Qotion include membership fees paid by members, commission from successful credit card applications via the website or advertisement space provided for various banks. Costs involved are the application gifts for new members, Internet server space, online security charges and other administrative fees.
- This business is likely to be sustainable because of the relatively low capital and maintenance charges due to its nature of being an online business. However, profitability may be difficult to predict because as mentioned in the research, about half of its members apply for credit cards via other channels instead of the website, therefore reducing the revenue earned as credit card application commission. This

also indicates that existing customers are still not very comfortable with making financial decisions online.

Question 3

Should Qotion pursue a single or two-pronged strategy for the credit card initiative? Why? Provide details of a tactical plan for your chosen strategy.

- According to the passage, raising awareness and improving customer satisfaction are two main aims that Qotion has to ensure the prosperity of the company. Students' answers can vary in terms of the following three choices.
- A *single strategy* for the credit card initiative should be pursued.
- i) Qotion should adopt a single pronged strategy to raise awareness of the website because of its limited resources to carry out too many programs.
 - Qotion should focus on raising awareness of its website because more new users mean that more credit card applications via Qotion are likely to be achieved. Furthermore, the survey reveals that the customers are neutral about the overall user experience of Qotion, which means that current website functions are sufficient to satisfy users in general. With the increased revenue in the future, Qotion can then proceed to enhance its services and website functions.
 - Details of a plan could include increasing exposure in active online forums or blogs, and linking online articles featuring Qotion to the official website. Qotion can also include testimonials of past users about their experience using the website and its services.
 - Roadshows appear to be more persuasive in getting credit card applications than online services and information. Therefore, Qotion can consider holding roadshows to promote awareness of its online services as well as secure more credit card applications at the same time. The focus could be on the usage of the website and its services. This can be achieved by setting up computers at the roadshows such that consumers can have

hands-on experience with the website. Trained promoters could be around to provide assistance.

- Such marketing efforts are likely to attract media (television, newspapers) attention and media public relations would reach out to potential customers.
- ii) Qotion should adopt a single pronged strategy to increase customer satisfaction and provide a value-added experience for all members. Existing users are likely to be confident enough to make financial decisions via Qotion and may even spread positive word of mouth to their friends.
 - Efforts can also be put into getting members' feedback, carrying out collaborative filtering, and subsequently making sales recommendation via email.
 - Plans could include providing more up-to-date information, displaying seals of online security (so as to increase customers' confidence regarding privacy of personal information), and refining the credit card comparison tool such as adding more instructions to make it more user friendly.
 - Qotion can also set up a "virtual community", such as a forum, and encourage users to suggest ways for improvement. Letting users take part in improving the website's functions will encourage them to use it more often.
- iii) Qotion should pursue a *two-pronged strategy* so as to attract new users of the online portal, as well as put in more effort to retain the existing members. Potential new users could be consumers with adequate IT knowledge but need some persuasion to use internet transactional services.
 - Plans include those mentioned for (i) and (ii).