



Application of the concept of Competitive Advantage in the area of Financial Products and Services (A Study conducted with special reference to Reliance Money)

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Competitive advantage and value addition are two major benchmarks in the area of contemporary financial products selection modality and processes. This is the major angle on the basis of which this research study has been conceived and undertaken.

Key words: *Competitive Advantage, Brokerage Firm, Market Conditions, Value Addition.*

Introduction : This research was concerned with assessing Competitive Advantage in the area of financial products and services of Reliance Money. The term Competitive Advantage in the area of management and marketing, has become an inevitable phenomena in terms of being recognized as a systematic effort being followed by Management Executives. Financial Services in marketing has become the most sought after segment in the area of financial management and enjoys the effects of interfacing itself with Competitive Advantage.

Hypothesis of the Study:

Competitive Advantage is a foregone conclusion and is generally found applicable in every type of financial market. In financial products and services which includes investment portfolio management mixes and various kinds of investment packages, are exposed towards being converted into product choices and in almost every given condition the overall emphasis of the marketer is to operate through, by establishing a stand point which would reflect and reveal a scenario concerned with gaining competitive advantage.

Objectives of the Study:

This study of ours with regard to assessing the overall competitive advantage concept, centered around accomplishing the following objectives:-

- To undertake a detailed assessment of the competitive advantage scenario with special reference to Reliance Money.

- To justify the presence and penetration of Reliance Money products with regard to the present market standing of the financial products.
- To analyze, implement and monitor the competitive conditions prevailing within the financial environment in general and to probe the competitive advantage in particular; being enjoyed by Reliance Money under the current prevailing market conditions.

Methodology:

Validity of any research program depends upon the quality of the data collected and analyzed. Proper attention was exercised while collecting the data, which was collected on the basis of the 2-tier technique, that is, Primary Data Source and Secondary Data Source.

- (a) **Primary Data Source-** The primary data was collected from the respondents by using a structured schedule, made up on the basis of the different question mixes. The sample size of our study consisted of 100 respondents and the sampling technique used was Stratified Random Sampling, where the focus was on collecting data from specific strata of the society in terms of their financial profile and professional background. We approached the household sector as well as organizations in this regard.
- (b) **Secondary Data Source-** The secondary data was gathered by studying the different internal files and records of the organization, on the basis of the

discussions with the organizational executives and different associates of the company.

Major Findings of the study :

Every Research attempt/report undergoes an exposure with regard to the major findings, which concerns the basic study. In this case, where we analyzed and probed the competitive advantage status and have encountered the given findings :

1. Finding number 1 :

Preference towards Financial Investment

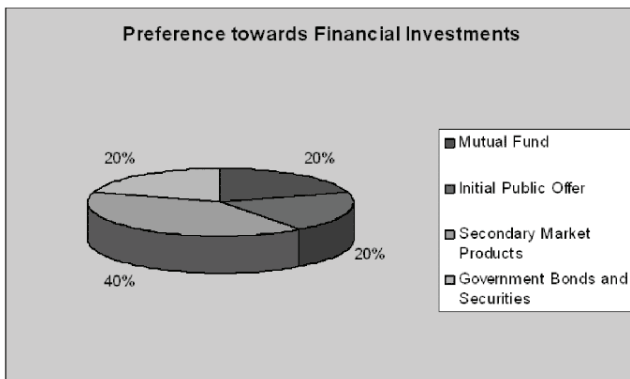
The first major finding which we came across concerns the preference analysis of the investing audience towards the variety of the financial products, which they normally consider for purposes of investment.

Our respondents were given 4 major options within the range of products like:

- (a) Mutual Fund,
- (b) Initial Public Offer (IPO),
- (c) Secondary Market Products, and
- (d) Government Bonds and Securities.

This means that in an overall manner it is still the corporate business prospect which is ruling the total financial environment of the country.

Financial Products	No. of Respondents	Percentage (%)
Mutual Fund	20	20%
Initial Public Offer (IPO)	20	20%
Secondary Market Products	40	40%
Government's Bonds and Securities	20	20%

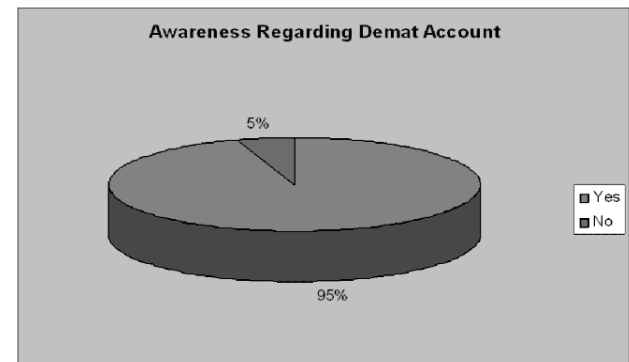


2. Finding number 2

Awareness regarding Demat Accounts.

The second important information which was derived concerns the level of awareness regarding Demat Accounts. The information that we gathered as to if they were aware about it what advantages does it extend, and to this effect we had 99% of the respondents who had a complete idea regarding he operational benefits and this justifies the fact that Demat Accounts are common today in terms of facilitating investment management in an effective manner.

Awareness	No. of respondents	Percentage (%)
Yes	95	95%
No	5	5%

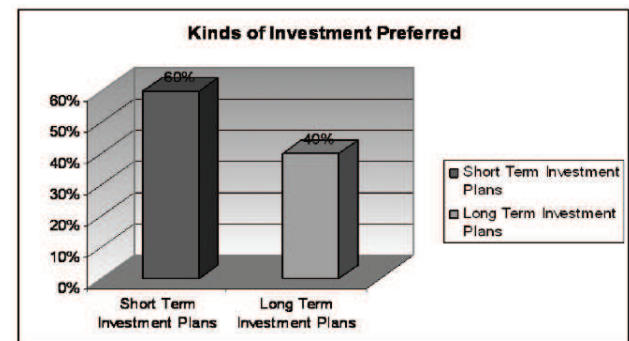


3. Finding number 3

Kinds of Investment Preferred

A response with regard to this classification is also evident. This is so because in all probability, investors today always prefer Short Term financial gains and for them Short Term liquidity convertibility is primarily important.

Kinds of Investment	No. of respondents	Percentage (%)
Short Term Investment	60	60%
Long Term Investment	40	40%

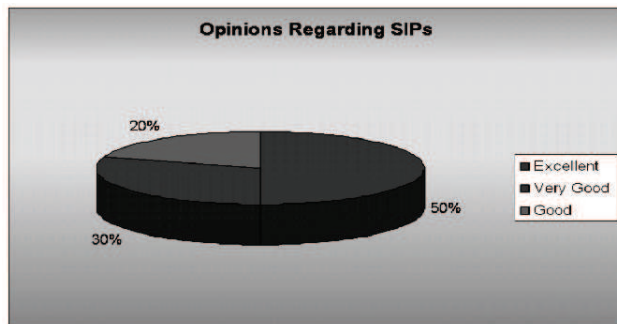


4. Finding number 4

Opinion Regarding S.I.Ps

Respondents were assessed with regard to their preference towards the S.I.Ps schemes available currently and taking it on a rating scale consisting of 5 parameters.

Opinions	No. of respondents	Percentage (%)
Excellent	50	50%
Very Good	30	30%
Good	20	20%
Satisfactory	Nil	—
Not upto the mark	Nil	—

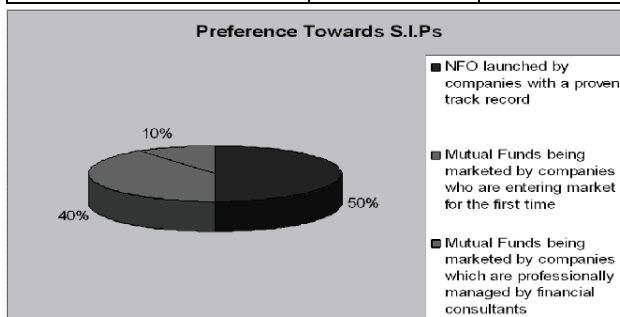


5. Finding number 5

Preference towards S.I.P. type/kinds

Another major finding of ours concerns the choice of investors related to the different kinds of Systematic Investment Plans, on the basis of which the Competitive Advantage concept could be elaborated upon.

Kinds of S.I.Ps	No. of respondents	Percentage (%)
NFO launched by companies with a proven track record	50	50%
Mutual funds being marketed by companies who are entering market for the first time	40	40%
Mutual funds being marketed by companies which are professionally managed by financial consultants	10	10%

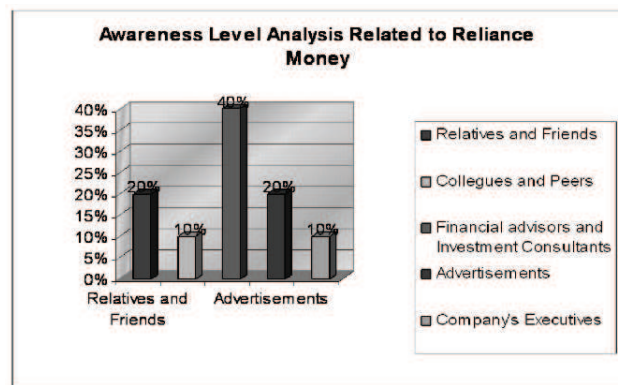


6. Finding number 6

Awareness level analysis related to Reliance Money

Yet another major finding concerns the know-how level or the awareness level of respondents with regard to Reliance Money. This finding status definitely proves that Reliance Money does enjoy a competitive advantageous position as against the given market conditions.

Particulars	No. of respondents	Percentage (%)
From Relatives & Friends	20	20%
From Colleagues & Peers	10	10%
From Financial Advisors / Investment Consultants	40	40%
From Advertisements	20	20%
From Company's Executives	10	10%



Major Impressions of the Study

The concept of Competitive Advantage is an inevitable phenomena being followed by Management Executives. Competitive Advantage is attained when the firm is able to deliver the additional benefits than its competitors. Competitive Advantage presents an organization as the benchmark of the industry.

On the basis of the research which was conducted, Porter's model of competitive Advantage has given us an insight into the application of the concept in the area of such organizations which are concerned with financial benefits. The current economic platform incorporates different aspects of situational advantages and helps in taking care of the various attributes which investors prefer and take into consideration with regard to creating a mindset, as far as financial advantages and

leverages are concerned. The overall findings of the research study suggests that, the common man's general mindset today suggests that, every individual investor looks for a competitive advantage in terms of lowest brokerage charge. This study has therefore been an eye opener towards the problem concerned and gives us more food for thought for conducting advanced research in this area.

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