SERB NATIONAL FEDERATION

Marketing Plan
Serbian National Federation

2011

Mission Statement

- The Serbian National Federation strives to provide quality life insurance for people of Serbian heritage. Additionally, we seek to perpetuate Serbdom by preserving the Serbian heritage, culture, and traditions. Our Fraternal Society will strive to continue in offering protection and experience to benefit its membership.

History

- Oldest and largest Serbian Fraternal organization on this continent.
- Serbs coming to America immediately realized the need to become organized and to be able to lean on each other to assure survival.
- Serbs immediately noticed the need for a unified ethnic group in America.

Target Market

- **Generation X-**
  - Born in 1965-1976
  - 20% would consider purchasing high face life insurance
  - 5% percent more than the average adult
  - 19.5 % do not have insurance
- **Older Americans age 60+**
  - Generally looking for a quality product
  - Want to know that they are not going to be targeted for scams
  - 50 million Americans over 60 and over

SWOT Analysis

- **Strengths**
  - Competitively priced products
  - Small size lets it make changes to organization quickly
  - Board of Directors has significantly improved insurance term
  - > 300 branch offices
  - In Business for > 100 yrs.

SWOT Analysis

- **Weaknesses**
  - Apathy among members
  - Lack of new membership
  - Lack of knowledge about the organization
  - Limited Product offerings
  - Segmented Serbian Markets (SSF, Clergy, etc)
  - No perceived benefit ($, time, peace of mind)
  - Retention rate
  - Recruitment training

SWOT Analysis

- **<u>Opportunities</u>**
  - Merger with other fraternal organizations
    - Acquiring?
    - Being Acquired?
  - Age group 55-75 is the fastest growing segment
  - Potential to offer a more expansive product line
  - Reach out to existing members to assist to in proactive committees for marketing, training, legal, new products, etc.
  - Reaching "Outside – Serbian Community _ for new membership"

SWOT Analysis

- **Threats**
  - Pennsylvania Department of Insurance has issued said threat
  - Insurance market (Competition) is larger than ever before
  - No Distinctive Competency
  - Homogenized Gene-pool (3^{rd}-4^{th} Generation loosing identity)
  - Ethnocentric to a fault?
  - Image
  - Proactive instead of reactive

Situational Analysis

Competitors

- **Non-fraternal**
  - New York Life
  - State Farm
  - Stock/Mutual Co.
- **Fraternal**
  - Greek Catholic Union
  - Thrivent Financial for Lutherans
  - National Slovak Society
  - Polish Falcons of America

Trends of Industry

- **Financial**
  - Industry
    - Return on index – 14.6%
    - Net profit margin – 7.10%
    - Dividend yield – 2.68%
    - Market capitalization - $453.6 Billion
    - Total debt/equity – $1.7 Billion
    - 1 day price changing is decreasing
    - Market capitalization is decreasing
  - Ethnic Groups
    - Increasing revenue growth

Trends of Industry

- **Competition**
  - Industry Competition
    - State Farm
    - Allstate
    - MetLife
    - Northwestern Mutual
    - ING Group
    - Prudential PLC
    - Etc.
  - Target Market Competition
    - Greek Catholic Union
    - Balboa Insurance Group, Inc.
    - China Life Insurance Company Ltd.
    - Scottish Equitable PLC
    - Etc.
- **Ethnic**
  - Strong ethnic background
  - Strong pride in ethnicity
  - Events and activities for members

Marketing Mix

Product

- **Insurance Plans**
  - Whole life insurance
  - 20-Payment life insurance
  - Life insurance fund for education plan
  - Single premium life insurance
  - Single premium installment plan
  - Renewable term insurance
  - 10-Year level term insurance
  - Term to age 25 insurance

Pricing

- **Plans - age, sex, and smoking habits**
  - Age Ranges
    - Whole life payment plan and 20- payment plan – age 40 & under
    - Life insurance fund for education – age 0-15
    - Single premium whole life plan – age 50 & under, age 40 & under
    - Yearly renewable term – age 15-70
    - 10 year level term plan – age 50 & under

Distribution

- **Done through memberships**
- **Memberships can be extended:**
  - Spouse, children, and grandchildren
  - Kumovi and other family members (nieces, nephews, aunts, uncles)
  - Friends, fellow church members, fellow bowler, golfer, etc.
  - Business associates

Market Segments

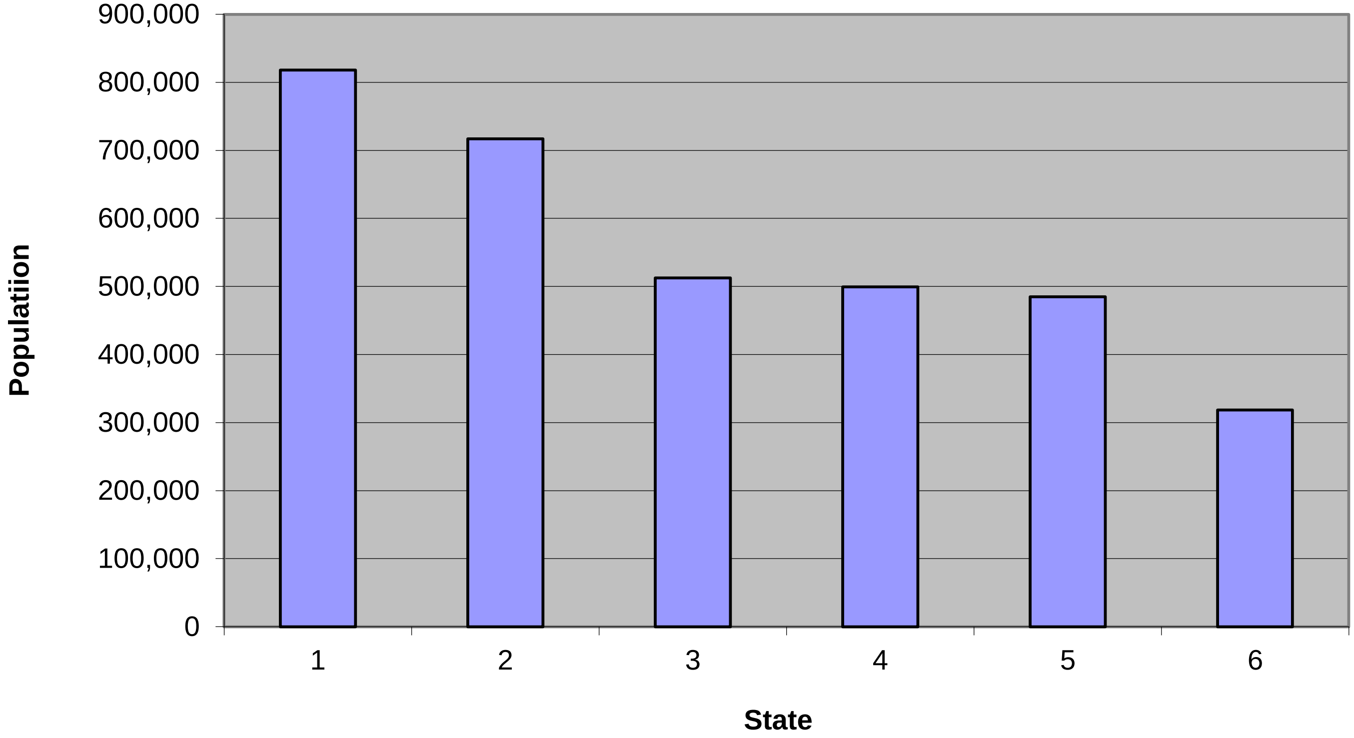
Demographics

- **Newly arrived**
  - Young age 18-25
  - Pursue schooling or job search
- **Older generation**
  - Immigrated decades ago
  - Escaping communism
- **American born**
  - All ages
  - All occupations

Geographics

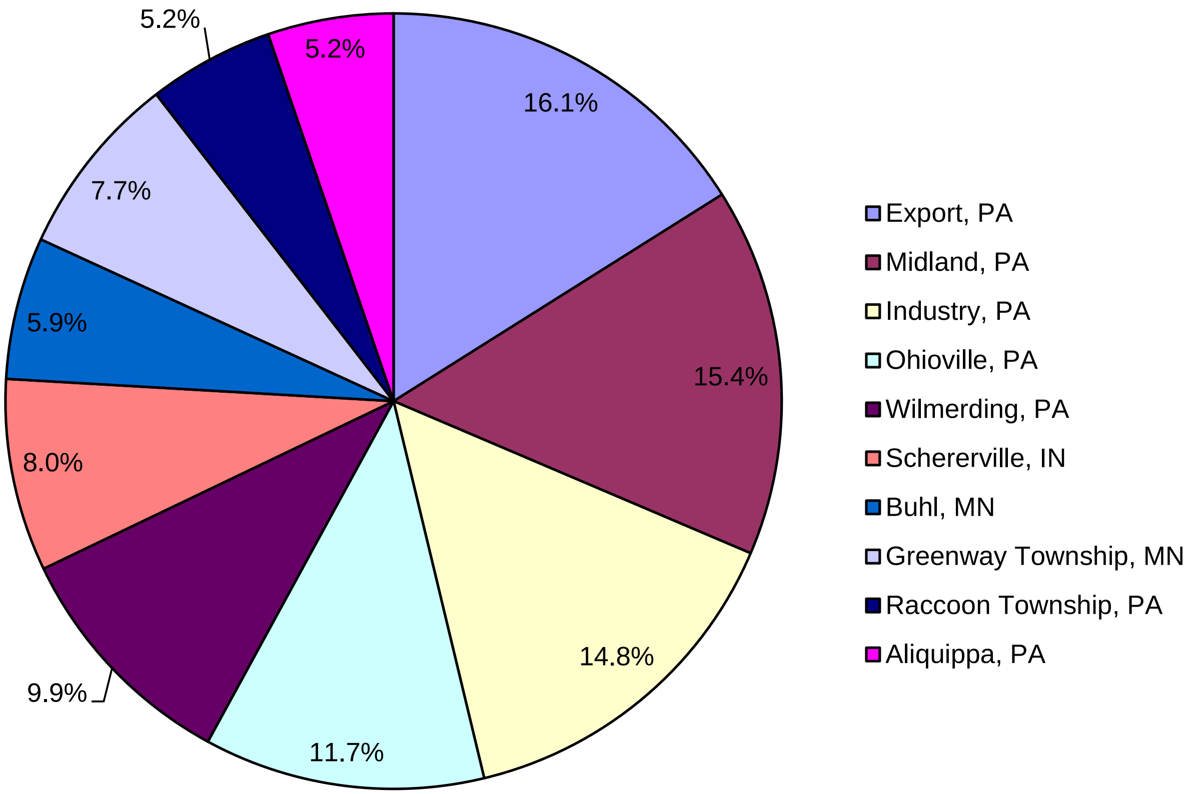
- 5,300,936 Americans of full or partial Serbian decent
- 388,562 listed as Yugoslavian
- Serbian-American substantial communities are Chicago, New York City, Buffalo, Cleveland, Detroit, Indianapolis, Pittsburgh, Los Angeles, Southern California

Concentrations



1 - Illinois	817,893
2 - Ohio	716,859
3 - California	512,760
4 - Indiana	499,238
5 - New York	484,997
6 – Pennsylvania	318,316

Community Percentages



Promotional Mix
and
Recommendations

Promotional Mix

- **Advertising**
  - Local City Papers
  - Local Magazines
  - Local Cable
  - Internet/Social Networking
- **Sales Promotions**
  - Promotional give-a-ways
    - Free gift promo for new members who sign up for insurance
    - Offer incentives for members who recruit new clients

Promotional Mix

- **Personal Selling**
  - Create brochure that lists and describes all policies offered by SNF
    - Have sales staff (trained) distribute brochures
  - Distribute newspaper throughout country
    - Description of SNF's commitment to its members and Serbs worldwide

Recommendations

- Update website to create a user friendly atmosphere – make it easy to contact and download information
- Decide – Internally – the viability of reinstating a dividend for permanent policies (can be perceived as a Distinctive Competency in the market)
- Revisit Annuity Contract minimums as market conditions continue to erode

Recommendations

- Create a database (Contact/Marketing) to keep track of the distribution of the products
- Print newspaper (or perhaps – Magazine) on a monthly basis - and/or – make the paper available for free and on the internet
- Give discounts to members (small groups) who get other people to sign up (as long as they stay for at least 3 years)

Recommendations

- Additional (different) sporting events or similar activities
- Generate knowledge of SNF through direct mailers, and ads in local newspapers and the penny saver
- Set up a policy retention system so members receive calls after 3, 5, and 10 years to ensure happiness of product and to up sell

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