

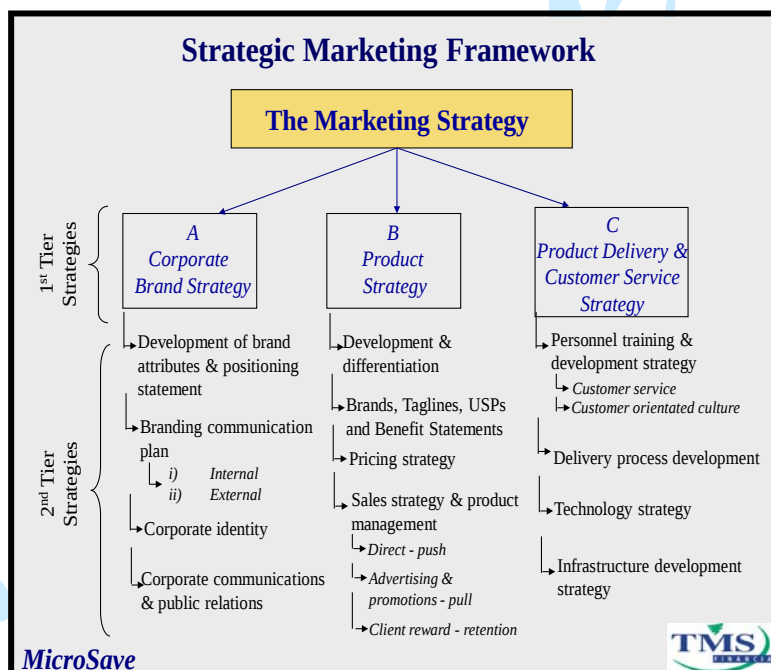
Strategic Marketing

Overview

“Marketing attempts to understand the needs of the client and to adapt operations in order to meet those needs and achieve greater sustainability. It addresses the issues of new product development, pricing, the location of operations and the promotion of the institution and its products. Marketing is a comprehensive field aimed at strengthening the institution by maintaining focus on the client. In doing so, it creates exchanges that satisfy individual and organisational goals” - Kotler, 1999.

Building on a comprehensive review of the marketing efforts of its clients, TMS Financial Ltd. and MicroSave developed a Strategic Marketing Framework. The new framework comprises three legs:

1. Corporate Brand Strategy
2. Product Strategy
3. Product Delivery and Customer Service Strategy that are based on information generated from four sources:
 1. Competitor Analysis,
 2. Market Analysis,
 3. Customer Analysis, and
4. Political, Economic, Social and Technological (PEST) Environment Analysis, complemented with some ad hoc analysis on need basis. As part of the framework MicroSave has developed a strategic marketing audit tool that can be used to assess FIs' marketing activities.



Delivering and communicating a variety of market-led products through appropriate and cost effective systems is necessary:

- For **long-term sustainability** of FIs (currently often undermined by drop-outs/desertions);
- As part of the maturing of the financial market focused on bottom of the pyramid, and its **march towards commercialisation**;
- To **broaden the range of microfinance clients** – both up and down market – beyond the market traders;
- To **realise real change and development** in the livelihoods of clients and to reduce their vulnerability; and
- For FIs in **competitive environments** (and desirable everywhere).

The transition to a market-led approach to microfinance often starts with relatively modest product development. But those FIs seriously committed to this, soon find that a market orientation requires long-term and fundamental changes in approach, mind-set and systems of almost every part of their business.

The rewards of making the transition to a market-led approach are very significant and manifested in a startling variety of ways: staff satisfaction, customer loyalty, developmental impact and higher profitability.

Benefits

All *MicroSave* clients have benefitted from our Strategic Marketing service, and have re-oriented their institutions onto a more market-led basis using it. They have been able to assess their progress in this transformation through the use of the marketing audit methodology that concludes the Strategic Marketing workshop.

- *Equity* has grown from 106,000 clients, when it started working on a market-led approach with *MicroSave* at the end of 2001, to 7 million clients by the end of 2011. In the intervening period, it has seen a hundred-fold increase in annual profits, transformed from a building society into a bank and had a successful listing in the Nairobi Stock Exchange. *Equity* has implemented almost all aspects of the strategic marketing framework to become one of the most market-responsive, and successful, financial institutions in Africa.
- On the basis of their marketing audit *Pride Tanzania* re-focused on branding, customer service and product improvement. *Pride* conducted extensive market research to develop new products, design marketing communications, assess customer service preferences of clients and initiate the re-branding process. Through this, *Pride* was able to train staff in the marketing skills needed to meet the changing needs of the institution as products were developed and rolled out, as well as part of transformation into a regulated institution.
- *Kenya Post Office Savings Bank* (KPOSB) has used the strategic marketing framework to begin what it believes will be a transformation of the bank. The process started with new product development - of a card-based savings product. Additional work focused on: product marketing and the de-centralisation of responsibilities for this down to the branch level; re-engineering the bank's delivery processes with process mapping; developing and implementing a customer service strategy; internal communication systems; staff incentive schemes and corporate brand analysis in preparation for the launch of the transformed bank.
- Many of the *MicroSave*'s clients collaborated to conduct cross-border strategic marketing audits, thus for example, Tanzania Postal Bank (TPB) and KPOSB staff participated in the reviews of one another's banks thus creating cross learning and comparison opportunities, and stimulating new ideas and directions for key departments. The Strategic Marketing toolkit and framework has also been used extensively throughout Western Africa, Eastern Europe and the MENA region.
- *CARD Bank* in the Philippines shifted its focus to savings to meet the client needs. This required a review and development of a new brand guide followed by a strategic marketing plan to implement it. *MicroSave* helped define the new plan and set up the new vertical by holding workshops with a cross section of their staff, followed by onsite technical assistance.



A Strategic Marketing approach can revolutionise the way your financial institution thinks about and conducts its business ... leading to significant increases in clients, profitability and developmental impact!