

# MicroSave Briefing Note # 104

## Role of Branding to Promote E/M-Banking Products & Services (3/5)

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### Introduction<sup>2</sup>

According to Stuart Agres, “a brand is a set of differentiating promises that link a product to its customers”.<sup>3</sup> A brand helps to differentiate one service provider from another, and it helps to own a place in the customer’s mind by giving a product or service an identity. Branding is often the first of three elements needed when designing an overall marketing strategy.<sup>4</sup> Similar to industries like airlines, telecom and FMCG that make consistent efforts to own customer mindshare through brand promotion, branding also plays a significant role in the promotion of e-/m-banking products and services. This Note focuses on the role that branding can play in promoting e/m-banking products and services to the unbanked and underbanked.

E/m-banking products or services involve handling customers’ money, keeping it safe and delivering it when the customer demands. It is far more complex than selling airtime where the customers enjoy the benefit immediately after paying the money. Electronic or mobile banking is an exceptional shift for those who have never had a bank account, and often the only knowledge they have about banks is tangible aspects such as branches, passbooks and ATM cards. Marketing mobile money is tougher because customers must wait to be assured that their money is safe in their account. This is why balance enquiry is the most common transaction at the start-up of m-banking systems. This is where branding can play a very important role. In the absence of perfect information, we all use the reputation (brand) of companies we know well to make decisions. With many e/m-banking solutions, we find well known brands licensing their names to lesser known partners.

### Brand Development and Positioning

To promote e/m-banking services, a good corporate brand is important because it provides instant recognition, credibility, assurances, and goodwill and can also be a catalyst for word of mouth publicity. SBI<sup>5</sup> and Eko<sup>6</sup> provide a strong example of a bank-led model. Eko, being a start up, had minimal brand presence to leverage and also had marketing budget constraints (and a need of a partner bank for regulatory reasons). Therefore, Eko designed its strategy to leverage State

Bank of India’s (SBI) brand to promote mobile banking adoption. In order to be top of mind for target customers, Eko ensures that the standard Eko branding is at all promotional events and CSP locations – the use of green and white colours along with SBI’s logo. Eko also leverages the trust of the SBI brand by promoting itself as agent appointed by SBI “*Bharatiya State Bank dwara niyukt Eko.*”<sup>7</sup> Early on in a *MicroSave* study, several agents even urged Eko to change its positioning statement to focus more on the SBI relationship, going as far as suggesting new taglines: “*Your SBI ATM is now your own next door shop*” and “*Save with State Bank of India now at your next door shop*”.



SBI’s universally known logo on an Eko CSP banner. (Eko’s name figures prominently in the middle green band.)

### Brand Communication Plan

To build and deliver a brand, it is vital that the brand is effectively communicated both internally and externally. In case of e/m-banking, the agents are the first point of contact for the agent network manager (ANM) and the bank. Therefore, strong internal brand communication can ensure that agents understand and share the overall purpose to better serve customers. To do this, ANMs must provide adequate (and on-going) training, field support and regular communication to agents. Eko, for instance, conducts regular meetings with CSPs and circulates periodic newsletters that highlight best practices and recognise best performing CSPs. CSPs are also encouraged by Eko to seek feedback on customer perceptions about Eko’s brand and services.

To communicate the brand externally to customers and media, ANMs often use a mix of above-the-line (ATL) activities such as point of sale displays, hoardings, and advertisements on television, radio and newspapers.<sup>8</sup> Irrespective of the medium used, the marketing message should be such that it fits within the overall brand image

<sup>1</sup>With support from Chris Linder

<sup>2</sup>Please refer to *MicroSave*’s “[Corporate Brand and Identity Toolkit](#)” for more details.

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<sup>4</sup>The other two being product marketing and customer service design. Refer to *MicroSave*’s “[Strategic Marketing Toolkit](#)”.

<sup>5</sup><http://www.statebankofindia.com/>

<sup>6</sup><http://eko.co.in>

<sup>7</sup>*MicroSave* and others have found that SBI’s brand is very strong, with the rural poor trusting SBI over most other financial institution brands due to perceptions of stability (oldest bank in India and government-owned) and presence (widest branch and ATM network – especially in rural areas).

<sup>8</sup>Below-the-line (BTL) activities, such as community events, are much more interactive and close to the customer; often pointing out the attributes of the actual product. Please see IFN 105 on Product Marketing for e/m-banking.

<sup>9</sup><http://www.safaricom.co.ke/index.php?id=745>

of the service provider. One of M-PESA's<sup>9</sup> current USPs<sup>10</sup> is accessibility ("MPESA is everywhere"), which fits well with both Safaricom, the parent and largest mobile service provider in Kenya, and M-PESA.

In addition, the brand communication should be designed to target the right segment of customers. M-PESA's original branding in Kenya was promoted through television and print ads with the simple and understandable tagline "Send money home", but perhaps more importantly in the beginning, it was underwritten by the trustworthy name of Safaricom. If we look at the first M-PESA ad below, the main focus is on M-PESA and what it does, but with the Safaricom subtly placed in the far right-hand bottom corner. By doing this, Safaricom was creating a separate and important brand for M-PESA, but at the same time, reassuring poorer Kenyans that Safaricom was behind the new service.



### Corporate Identity

Corporate identity in e/m-banking includes design of the agent premises, signage, staff uniforms, and even agent and staff behaviour in public. This corporate identity is crucial to ensuring customers a consistent, standard and a uniform experience. Safaricom had willing agent shops uniformly painted green across Kenya with a prominent display of the M-PESA logo so that customers could easily distinguish an M-PESA outlet from a normal airtime seller. Over time, the individual M-PESA brand became so important that not only did customers flock to the service, but the remaining shops who were not interested in the beginning were strongly requesting to become M-PESA agents. Eko's customer service points (CSPs) were also branded prominently by joint SBI-Eko banners, and each CSP has a certificate that reads the CSP has been directly appointed by SBI.

One does not always have to leverage a large corporate identity with significant financial resources to establish a strong branding presence. While still relatively small, KGFS, a DFI partner of *MicroSave* in India,<sup>11</sup> has built a strong local presence in three Indian states through consistent branding using common colour schemes,

branch layouts and documentation. Even the bicycles that field officers use are painted in the KGFS colour scheme, and all employees are trained and reinforced on what the "KGFS way" is. While not a bank, many customers say it is like a bank (and hence trustworthy), as operations look and feel like a bank.



### Public Relations

While such branding efforts are useful and unavoidable, they are also expensive. E/m-banking efforts supported by large parent companies, such as M-PESA, have relatively expansive budgets, but the smaller ones, such as Eko, must be more innovative. Therefore, many also focus on public relations (PR) to raise awareness amongst the general public, investors and regulators. PR is an oft-used tactic in "guerrilla marketing"<sup>12</sup> in particular because it is often free. Eko, for example, as often been mentioned in the Indian press and wider world, has tied-up with influential players, such as *MicroSave* and CGAP,<sup>13</sup> which in turn prompted a visit from Bill Gates, which again provided valuable and free PR. Eko also regularly presents its ideas to business groups and at conferences. Such PR initiatives provide significant scope for word of mouth publicity, increasing brand visibility in a less costly manner.

### Keys to Success with Branding

There are two main keys to success when it comes to branding. The first is a combination of execution of the model and strong customer service. If M-PESA was not actually fast and consistently safe, no amount of leveraged branding of the Safaricom name or clever positioning of M-PESA could have kept the service from losing customers in droves. The other key is to ensure that the new service (in this note, Eko and M-PESA) is allowed to build its own brand position in customers' minds so that it may eventually survive and thrive on its own – differentiating itself from direct competitors and from the parent brand of complementary services. This combined with a balanced marketing mix and clear marketing message will ensure the success of branding. The next Note in this series will focus on marketing the key attributes and advantages of the actual e/m-banking products.

<sup>10</sup>Unique Selling Proposition (USP)

<sup>11</sup>Development Finance Institution (DFI); Please refer to KGFS's website [www.ifmr.co.in/blog/tag/kgfs](http://www.ifmr.co.in/blog/tag/kgfs) for more details

<sup>12</sup>[http://en.wikipedia.org/wiki/Guerrilla\\_marketing](http://en.wikipedia.org/wiki/Guerrilla_marketing)

<sup>13</sup><http://www.cgap.org/p/site/c/>