

MicroSave Briefing Note # 150

Repositioning As A Third Generation Microfinance Institution: Corporate Branding at ASKI

Swati Mehta and Nitish Narain
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Introduction

Microfinance institutions often suffer from the stigma of being viewed primarily as lending institutions, in spite of offering a range of financial and non-financial services. This perception is rooted in the fact that lending has been, and still remains, the core business of these institutions making it extremely difficult to change the perception. Corporate branding is essential for the success of MFIs – particularly those that seek to move beyond traditional core micro-credit business.¹

As a market strategy, such third generation microfinance institutions² (or 3G-MFIs) seek to achieve market penetration by offering modified or new products for their existing client base, so as to meet their diverse financial needs. By default, the majority of these clients are associated with the MFI through its micro-credit business. This could further lead to a misplaced perception about the MFI amongst those clients in absence of planned corporate branding efforts. In such cases, clients are either not aware that they can avail services other than credit, or might not trust the MFI (especially for savings). In this Note we present the case of AlalaySaKaunlaran, Inc (ASKI), a development NGO in the Philippines, which grappled with these issues in the absence of a corporate branding strategy.

Background of ASKI

ASKI was born in 1986 as a vehicle for promoting and delivering micro-enterprise development and social services in the Philippines. ASKI initially focused on microfinance (credit only), but overtime it grew and expanded its offering to include other financial (insurance and remittances) and non-financial services (such as training, market linkages, enterprise development, community development, and business support services) offered through different business units.

ASKI's Brand Positioning – “Where it is”

Despite the expanded range of services, ASKI continues to be known as primarily a ‘lending institution’. The reasons attributed to this perception are:

- Lending is still the core business and the entry point for the majority of its clients.
- Heavy reliance on the field officers (whose key responsibility areas are linked to lending business)

to communicate with the clients leading to more focus on lending.

- Word-of-mouth from existing clients is a major source of information further amplifying the misplaced perception.
- Absence of a corporate or institutional brand as a result of which the microfinance brand (often used synonymously with ASKI) becomes the default parent brand since it assumes a dominant position in the brand architecture (being the oldest brand and biggest contributor to overall business).

These reasons act as barriers in ASKI's efforts to reposition its brand among its clients and the community at large.

ASKI's Brand Repositioning – “Where it wants to be”

ASKI wishes to be seen as a holistic social development organisation that goes beyond microfinance.³ It wants to position itself as a development institution which is:

- dedicated to holistic development of the community;
- offering services beyond microfinance and lending; and
- here to meet all or most of the clients' needs – credit, education, health, housing, and so on.

ASKI's Brand Persona

During a dip-stick brand image analysis research, *MicroSave* asked ASKI's clients and staff to define its brand personality. They were asked – “If ASKI is a person then what are his or her characteristics?”

The answers we received were:

Clients: Helpful, supportive, friendly, people-oriented.
Staff: Caring, loving, family member, God-centred, dedicated, helpful, respectful, and people-focused.

While the brand persona is aligned with ASKI's mission, the key words used by clients were “loans”, “low interest rate”, “friendly staff”, “insurance” which are only partially aligned with the corporate image that it seeks to achieve.

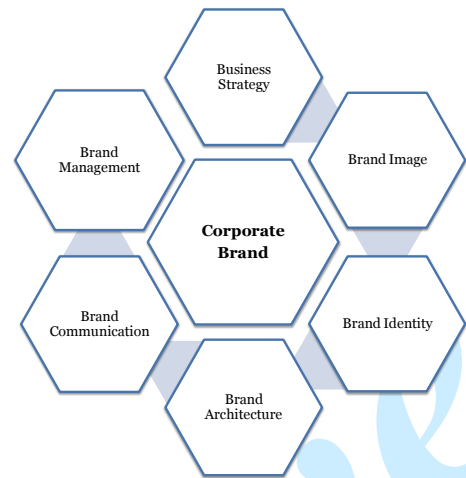
The repositioning will help ASKI to ensure that:

¹ See *MicroSave* Briefing Note # 27 “[Corporate Brand and Identity - Why They Are Important for MFIs](#)”

² See *MicroSave* India Focus Note # 26 “[Market Strategy Development and 3rd Generation Microfinance in India](#)”. The 3G-MFIs are typically driven by their mission to be “one-stop-shop” for their clients' financial services needs. Hence they offer a variety of financial and non-financial services as part of their strategy to engage with their clients.

³ See *MicroSave* Briefing Note # 146 “[Listen In Order To Protect Clients](#)” for more details.

- there is consistency in the way it is positioned amongst existing and potential clients; and
- it is differentiated from other competitors in the microfinance sector.



ASKI's repositioning strategy entails four major action areas:

- 1. Realign core strategy:** ASKI will realign its core branding strategy to accommodate the demands of all the business units. It will refine the brand identity components in order to better leverage the parent brand and ensure consistent use of logos, colours, and taglines of all the sub-brands.
- 2. Develop clear internal communication plan:** ASKI will ensure clear and consistent communication of the new brand and its essence to the staff—both head office and branch staff (especially the field officers). ASKI will use a variety of channels for internal communication including videos, print, meetings, trainings, and so on to ensure that the staff has access to most updated product and policy information.
- 3. Develop clear and consistent product marketing material:** ASKI will identify the key messages to be communicated to the clients as well as non-clients, and develop standard marketing material based on these key messages. The marketing materials will focus on communicating the product benefits in a more interesting and effective manner. In addition to stand-alone product marketing material, ASKI will develop marketing material that describes the corporate brand and all services offered.
- 4. Monitor the progress of brand:** ASKI will develop a brand management strategy that will be used to track the success of the brand against measurable objectives. This will entail conducting regular brand image analysis and review of communication plans accordingly.

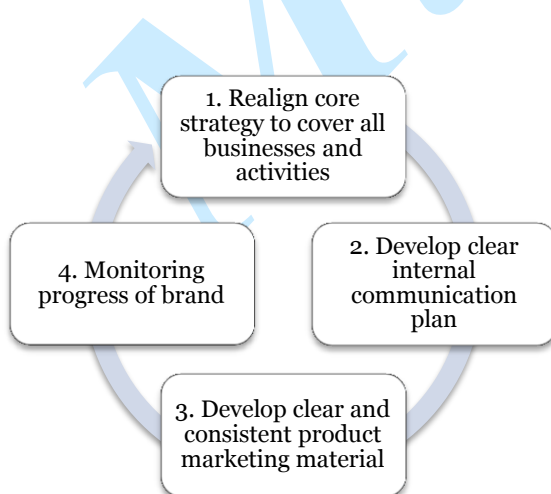
Given the high level of awareness of the ASKI brand, it wants to leverage its strengths by re-positioning it as the corporate or parent brand which should be perceived as a **global development organisation committed to holistic transformation** of the marginalised sections of the Filipino society.

ASKI's Brand Repositioning Strategy

ASKI, with support from Opportunity International, Australia and *MicroSave*, is currently repositioning its corporate brand to align with its overall vision and mission and the different business units. In doing so, it seeks to capitalise on the existing strengths of its brand which include:

- ✓ excellent customer service;
- ✓ being adaptive to clients' needs;
- ✓ availability of insurance and other add-on products (microfinance plus);
- ✓ courteous and respectful treatment of clients;
- ✓ affordable loan products; and
- ✓ multiple awards received locally and internationally.

The repositioning strategy is based on the review of different components of the corporate brand strategy as shown in the figure below:



The above strategy is the first step towards repositioning ASKI as a holistic development organisation. ASKI is committed to execute the plan with sustained efforts from the senior management to achieve the desired results. The dedicated communications unit will ensure close coordination between the various business units so that they are aligned with the corporate brand.