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Do Microfinance Institutions Really Need to Worry About Their Brand?

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Please Provide Feedback to *MicroSave*

This paper reviews the principles of branding and summarises lessons learned from *MicroSave*'s Action Research Programme in terms of developing, implementing and monitoring financial service corporate brands. However, *MicroSave* is conscious of the evolution of the microfinance industry worldwide. Many microfinance institutions are becoming more aware of the importance of a strong corporate brand, particularly for those mobilising deposits and/or operating in competitive markets.

MicroSave would be very interested to learn more about how other microfinance institutions have developed and managed their corporate brands. We would also like your feedback on the usefulness of *MicroSave*'s studies and toolkits on this topic, so that they can be improved further. Feedback can be addressed to the *MicroSave* team via Lisa Parrott at Lisa@*MicroSave*.net.

INTRODUCTION

Potential Customer: "Why should I open an account with your MFI?"

Branch Manager: "That's a good question …. well, I guess because we have many customers and we have good services."

As a prospective client, are you convinced you should deposit your savings in this institution? Would you trust them to come through on the loan you need by the end of the month for a key business opportunity? Is this an institution you would like to be associated with? Do you think your money is safe in this bank? Would you recommend this microfinance institution (MFI) to your friends?

The above conversation was from an actual experience in a microfinance institution in East Africa. In many ways it illustrates the challenge financial institutions face in creating, maintaining and promoting their corporate brand. How many MFIs can confidently say that from the CEO to the receptionist, everyone in the organisation can clearly articulate what they stand for and how they are unique in the market? *MicroSave*'s action research has shown that very few institutions have purposefully established a distinct, well-defined corporate brand so that customers instantly know what they stand for and rush to be part of that brand promise because it is what the institution lives.

The collective lack of corporate brand experience in the microfinance sector may be due to a limited understanding of what a brand is and how it can be leveraged to attract more clients and build client loyalty, while helping an institution to work more effectively. Branding has also received less attention because of the traditional focus on an institution's product strategy: products are designed and pushed onto the market in a supply driven fashion. As the industry is evolving into a more market-led approach in which financial service providers are re-oriented towards researching and responding to customer needs and demands, the corporate brand is becoming key to reaching, and retaining, more target clients. A strong, well-defined brand can help a microfinance institution align with its mission and vision, and achieve it strategic business plan.

This paper documents some of the experiences of *MicroSave*'s Action Research Partners (ARPs) in strategically building a corporate brand to reach more clients, increase profitability and become more market-led. The principles outlined are drawn from *MicroSave* and Women's World Banking (WWB)'s Corporate Brand and Identity Toolkit. The paper provides insights on the brand building process that can assist other financial service providers in designing a strategy for brand development, implementation and monitoring.

WHAT IS A BRAND?

When the staff of MFIs in *MicroSave*'s training courses are asked to define what a brand is they often refer to the logos, taglines and colours they use to market their services. Some institutions have repainted their offices, or changed their corporate logo and proudly claim they have "re-branded." In a sense they have begun to influence market perceptions about their institution, which is very important to developing a brand. However, brands are more than just logos and the visual clues that make us think of a product or company. Brands are the perceptions, emotions and attitudes that others have towards your product or service. They are a blend of how you present the brand, what others say, and how the product or service is delivered – all from the customer's point of view (Berry, 2000). We can all think of brands that are trendy and up-and-coming; or sophisticated and professional; or inexpensive; or poor quality; or have great friendly service; or remind us of incompetence. We have emotional links to brands. When it comes to services, the company itself is the primary brand. The brand is the essence of what the institution stands for in the market: *the organisation's personality and business aspirations*.

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Brands are more than logos

In a world of well-known global brands like Coca-Cola and Nike we tend to think of the images and colours used to represent a product and the marketing messages that flout the logo. However, brands are about the experiences you have and the way an institution presents itself in the market. We relate to brands positively or negatively, based on how we feel about their performance and what they stand for. Financial service providers create the brand not just by having a distinct logo, or unique corporate colours, but by influencing the experiences a person has from every contact point with the institution. It is the look and feel of your branches and infrastructure, the experience customers have when they interact with your staff, the processes required for transacting, the feedback of other clients, how customer service issues are handled, your history in a particular location, what others say about you and the way you portray your institution in marketing campaigns. The experience with your institution will define its personality and send clues to the market about your business aspirations. It can be the difference between being described as "a sleeping dinosaur, lazy and tired" or being known for "employing a young and energetic workforce which is friendly, welcoming and hardworking."

Service brands are different from consumer product brands

Because you cannot package and display a savings account or business loan the way you would a bar of soap, service brands are different. The intangibility of financial services makes it difficult for customers to assess what exactly they are buying. The person or institution providing the service becomes the brand. Service brands are unique in that they increase the customers' trust in the purchase of the invisible product. This is particularly important for financial service providers who need to attract customers who will deposit in their institution or believe that the MFI will provide a loan when it is needed. Your institution needs to be recognised, particularly when many microfinance providers offer similar services. A strong, positive brand creates a safe place for customers to transact.

Corporate brands are different from product brands

It is easy to confuse the corporate brand – the personality of the whole institution – with product brands. Products may have specific personalities and target unique markets, but the idea for most financial service providers is to attract clients who use a variety of services, not one particular product. Ideally, customers "buy" the institution and remain loyal to it. Often institutions create a strong institutional brand, but have weak product brands. Barclays Bank in East Africa is known as a solid, professional, upscale bank for larger depositors. Until recently, few people could describe its product offering, which was fairly standard among banks. It sold its services on its corporate image. A corporate brand can effectively differentiate an institution from its competitors, even if it offers the same products and services, as is the case with many financial service providers.

Some banks use the corporate brand strategically to help customers identify their products. MiBanco, WWB's partner in Peru, uses its name and tagline to create a reinforcing link with its products. It is branded as "MiBanco, Tu Banco" (My Bank, Your Bank) and has a series of products using the Mi-association: MiCapital, MiEquipo, MiCasa, etc.

MiBanco

"Tu Banco!"

Miahorro	Savings accounts for domestic currency or US dollars with no fixed term
Mimercado	Credit for construction of a market stand or shop
Micasa	Credit for the construction or improvement of a home
Miequipo	Credit for equipment or machinery for a business
Micapital	Credit for general capital infusions for businesses

Corporate branding is a process of understanding where your institution is positioned in the market from the perspective of your clients, potential customers, staff and other stakeholders, and then making strategic choices to influence that position. The branding process must be grounded in the mission and values of the institution so it is a larger expression of who the MFI is. It presents the opportunity to positively impact your corporate image so that what you really are about comes through loud and clear. A well-crafted brand cannot stand alone: the institution must deliver on the brand promise over time at each contact-point with the customer. More than just creating the brand you desire, your goal is to live the promise that is made through that brand so that it becomes tangible for everyone that interacts with your institution. If the customer's experience differs from what you advertise or promote, they will believe their experience, not the advertising (Berry, 2000).

Defining the CMF Brand

CMF
Secure savings. Easy loans.

In 2004 CMF, formerly known as Commercial Microfinance Ltd in the marketplace, began to look seriously at re-engineering its business processes to streamline the loan processing for clients and improve its internal operations. It sought to attract more deposits and extend its services to more customers in the competitive Ugandan microfinance market. The CEO worked to recruit staff and build a management team that would reflect CMF's desire to be a more modern, service oriented institution. Preparing to shed its past, it hired a marketing firm to help design a new logo, develop a tagline that highlighted the key selling features of the new strategy and enhance the corporate colour scheme to portray the fresh image. A marketing expert was added to the management team and the branches were systematically renovated to consistently reflect a more professional, solid institution. The new tagline of "Secure savings, Easy loans" focused market attention on CMF's desired positioning and enhanced services.

Old CMF Signage

New CMF Signage (after re-branding)

Old Owino Branch Banking Hall

Re-branded Owino Branch Banking Hall

Terminology surrounding branding can often be confusing. It is easy to be confused by brand identity, brand attributes, brand essence, brand benefits, brand personality … the list goes on. While some of these distinctions will be discussed later in this paper as part of creating the brand, it is only necessary at this point to understand the difference between "brand" and "identity." As noted above, the brand is how the market perceives the personality of the institution – a no-nonsense view of who you really are. The identity, however, is the sum of the unique characteristics that define your institution: design of the offices, signage, staff uniforms (if any), stationary, logos, marketing materials, etc. The corporate identity is the set of clues and signals that are sent to the market that form the brand. Managing your corporate brand identity is crucial in assuring consistency of message so that everything portraying your MFI reflects the desired character.

SO WHY ARE BRANDS IMPORTANT FOR MICROFINANCE INSTITUTIONS?

There are several reasons why a brand strategy is important for microfinance service providers. A strong corporate brand will not only help an MFI become established, known and promoted by its target market, but also help it grow, improve its staff performance and become more profitable. *MicroSave* and WWB's Corporate Brand and Identity Toolkit highlights the way a brand assists in:

- **FACING COMPETITION**: in markets with intense competition, strong brands to distinguish an institution, even if it offers similar services. A clear brand can ensure you have a steady stream of customers that match the market segments you want to reach. In the Ugandan capital of Kampala there is an over-abundance of microfinance service providers. Competition analysis shows that certain institutions with distinctive brand characteristics are most frequently cited by potential customers as a "good place to save/get a loan" while those with a more ambiguous name and reputation are rarely mentioned by the low-income market.

- **MAINTAINING MARKET LEADERSHIP**: in markets with very little competition an MFI will want to maintain its leadership and recognition. If there is a true market for the services you offer, you won't be alone for long and you will want to ensure you stand out distinctively from the eventual competition that tries to enter. If you don't purposefully develop a brand, the market will determine what you stand for (or fail to stand for and deliver on), and that will become your position. Brands for institutions in rural markets are often important so that the institution becomes the known and recognised reference point for financial services. Centenary Bank in Uganda has been able to maintain a strong position in places where it was first to market and now faces new entrants.

- **MOBILISING SAVINGS**: to mobilise savings effectively you need a brand that communicates the safety, security and/or accessibility of deposits to your clients, and the ability to deliver on it! Customers must trust your institution and feel secure that the savings they put in today will be well-managed and available for them when they need it. Your brand can develop that guarantee for the client, but it cannot just be words and good promotion, each depositor must experience the stability that you advertise. It requires that you have the processes, procedures, people and infrastructure to build and communicate confidence to the market. In the context of Ugandan regulated Microfinance

SHOULD I CARE ABOUT A BRAND?

- We are the only MFI in my market
- We have a small client base
- We don't have a marketing department
- We are an NGO and our international partner designed our logo
- We don't have money for branding

Many MFIs think they don't need to worry about their brand. They forget the power of branding for mobilising savings and attracting loan clients, as well as establishing a competitive position (before competition moves in). There are many cost-efficient ways you can strategically align your MFI internally with your desired image. After all, branding is not just about logos, it's about the client's experience at every interaction.

Whether you focus on branding or not, your clients and staff will develop an image of your institution. Without adequate attention, this might not be the image you want.

Deposit-taking Institutions (MDIs), the newly registered MDIs projected to mobilise large volumes of deposits as soon as they were registered. More than a year down the road some institutions are failing to meet their projected levels of savings because the target market does not associate them with savings. They have not fully converted their brand to be recognised as an attractive and reliable place to deposit money. In addition to changing policies, procedures, branch infrastructure and staff attitudes, institutions moving into savings need to change the market perception of their services so that they are recognised as a place where you would go to deposit. They may need to stand out against the other financial service providers who typically all offer an "ordinary" savings account. If the products are not unique, the institution can still prosper in the market by building a distinct, trusted corporate brand.

In some ways deposit taking institutions may have to worry about their brand more than lending only institutions. There is an entire corporate culture, and corresponding brand image, to be developed so that people will trust you with their deposits. Credit institutions can often get away with tucking offices on the third floor and maintaining small, functional premises, with less attention to marketing messages – clients are willing to go out of their way for a loan. However, if a customer is going to entrust you with their carefully saved funds, they will expect you to be more convenient and reliable than their other options.

- **UNIFYING STAKEHOLDERS AROUND A COMMON VISION**: strong brands help unify institutional stakeholders (especially staff) around what the institution believes in and what you stand for. Ideally your brand reflects your strategic goals, for example expanding to serve more customers, streamlining processes for more efficiency, or growing the loan portfolio through a variety of products. A strong brand helps employees to stay focused and empowers them to easily solve problems because they know what is important to the institution. A clear brand attracts committed talent that will align with the institution's values. People want to work for institutions that have positive profiles and deliver on what they promise. When Equity Bank defined the essence of its brand as "a passion for our customers," their critical success factors, hiring, training and processes all became aligned to a customer perspective. Decision making and corporate culture development was clearly focused towards the needs of target customers.

- **ENHANCING MARKETING EFFECTIVENESS**: it is important for an institution to have a clear brand for marketing purposes. It's easier to sell something that has a distinct personality and clear benefits. If you give your staff and clients something positive to talk about, they will be your word-of-mouth marketers and they will say the things you want them to say about your services. For several years Uganda Microfinance Limited's brand stood out because of the system used in loan collections. Clients who failed to repay their loans were given a "red mark" which made subsequent loans more difficult. Clients' fear of the red mark quickly created the image of a strict collections policy, which was communicated to other potential borrowers. The institution hardly needs to market its integrity and professionalism in lending – the brand speaks for itself.

- **INCREASING PROFITABILITY**: clients will often pay more for a quality brand. Building a brand that people want to be affiliated with can increase your profitability and give clients a sense of pride as users of your services. A clear brand will also attract the client you are targeting so that the customers who come to you know what you have to offer and whether they qualify for your services: you will operate more efficiently.

- **BUILDING CREDIBILITY**: established, trusted brands develop strength in the marketplace enabling them to weather negative publicity and downturns. Strong brands can facilitate strategic alliances as potential partners will be eager to leverage the benefits for their own brands by linking themselves with your institution. In addition, making clear what the institution is about helps to attract partners and investors with similar values and approaches. It can re-assure policy makers of your intentions and diffuse rumours about your institution.

Many of *MicroSave*'s ARPs have approached branding with hesitation saying they had "other issues to work on first," or did not have the resources to focus on branding. The reality, however, is that all microfinance institutions already carry a brand - known or unknown, liked or disliked - and there exists an opportunity to influence that image just by the way business is carried out. At Centenary Bank in Uganda, an analysis of the current brand image, as opposed to the way the bank *wanted* to be perceived showed that changes in the approach to customer service and streamlining of processes would need to take place. These decisions had little to do with a marketing strategy or the corporate identity, but were more about core business re-engineering. By identifying areas that are important to their target market, and making the needed changes, institutions can already begin to influence their brand. Staff and customers will experience a difference before changes are made to the logo or look of the brand. Ideally, a brand starts from within and emanates outwards so that you are already living the brand you want to be.

DETERMINING WHEN TO FOCUS ON THE BRAND

Branding is a continuous process that requires regular monitoring to ensure you stay aligned with your corporate strategy, and the direction of your target market. Institutional priorities and mission change, customer needs change and the environment in which you operate will evolve as well. Equity Bank has re-branded three times in response to changes in its form, customer base and stakeholder expectations, moving from a building society to a commercial bank and now defining itself as a company traded on the Nairobi Stock Exchange. Many East African MFIs offering loans have had to become more serious about their brand in response to the local market. For example, less serious lenders and unscrupulous loan sharks have tarnished the simple label of "microfinance." Some institutions established under the auspices of microfinance did indeed provide credit, but in essence allowed "borrowers" to use the loans more as grants that were never fully recovered. In other cases, businesses opened under the name "microfinance" and ran away with initial deposits that clients had made towards loans. To address both of these situations, honest microfinance practitioners have had to develop a serious, professional and trusted image in the marketplace in which their lending (and expected repayment) is taken seriously.

IT'S TIME TO CHANGE…

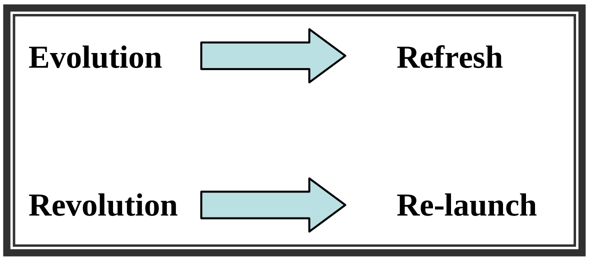
Several of *MicroSave*'s ARPs determined that it was time to focus specifically on brand issues because of key opportunities and the pressures of competition:

- Uganda Microfinance Limited (UML) recognised that its conversion to an MDI and change of name from UMU to UML created confusion in the marketplace. Customers were unsure whether it was a union of microfinance institutions with branches of its own, a government programme or a partner of other "microfinance" programmes. At the time of this paper, UML was working on a new brand strategy to clearly distinguish itself in its target market and differentiate itself from the competition.
- FINCA Uganda realised a need to work on its brand image when it shifted from being a primarily group-based lending institution to an MDI accepting deposits and offering individual loan products. The corporate identity linked to the tagline "Small Loans, Big Changes" no longer reflected the core offerings of the institution. It is working to build a new image of a full-service financial institution, with a brand that is fuller than its village banking roots.
- Kenya Post Office Savings Bank (Postbank) has a long history of affiliation with post office outlets and the lack of financial service experts in these outlets. It has moved out of several post office premises in order to establish a separate identity, with customer service officers to assist depositors. It is developing a new business model using technology to improve efficiency of services to customers and has introduced non-domiciled products. These changes, coupled with competition in even the more remote towns where Postbank was once the sole provider of savings services, are leading to a new brand. The tagline "At Your Service Countrywide" is no longer a unique proposition, nor does it reflect the bank's new core vision.

A planned branding strategy might be inspired by any of the following:

- Your brand is not clearly understood by key stakeholders
- Customer expectations have changed
- Competition has increased
- Your strategic goals, mission or vision have changed
- You have gone through organisational changes

Even without major changes in your internal or external environment, brands must evolve with time. The brand may require focus if it has become less prominent in the marketplace, or out-dated, and yet still has goodwill and recognition based on the institution's history and past performance.

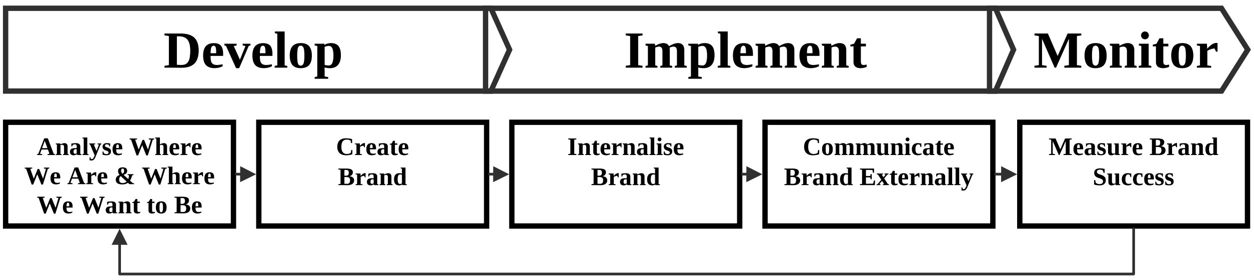


Some institutions find it necessary to simply refresh the brand to keep it current, while others require a substantial re-launch of the brand to establish a clearly different image.

MicroSave has seen that sometimes a brand loses its ability to engage employees, clients, or other stakeholders. This occurs for a number of reasons – perhaps the organisation has outgrown the brand, client needs have changed, or competitors are seen to offer superior products or services. In some cases the brand was never clearly defined and implemented, so it has become confused and undifferentiated, or simply remains as background noise to the daily operations of the institution. One institution in Uganda is embarking on a branding initiative that will see a revolution in the way the bank does business through improvements in internal processes and enhanced customer service. Its target market has long associated it with one specific church which has had positive benefits, as well as an alienating effect for other market segments. The new brand will focus on its role as a customer oriented development bank catalysing growth and economically empowering Ugandans nationwide. However, its external marketing of this new brand will not launch until the internal changes have come to fruition to deliver on the brand promise.

There are three basic phases to a planned branding process: developing, implementing and monitoring. In *MicroSave* and WWB's Corporate Brand and Identity toolkit these are organised into five distinct steps, collectively called the "Footpath to a Great Brand" as illustrated in Figure 1. However, creating and refining your brand, as well as ensuring consistent roll-out and delivery on the brand promise is an iterative process. While you are developing broad-based support for the new brand internally you might also be working on creating the corporate identity and how that will be projected internally and externally, based on feedback from a variety of stakeholders. Each step adds to the learning and feeds into the new or revised brand.

Figure 1: Footpath to a Great Brand



Successful branding work is led from the head of the institution, either by the Board of Directors, or the CEO/Managing Director. It has full participation and buy-in by senior managers, who see it as critical to the institution's success: just as important as the financial bottom line, because it eventually

STRONG BRANDS ARE DRIVEN FROM THE TOP, AND REINFORCED WITHIN THE INSTITUTION

Senior Managers at UML met to discuss the current perceptions of the brand, and review reports of brand inconsistency in their market. The results of the research showed a lack of clarity in what the institution offered and stood for. The senior management team looked at the strategic direction outlined in their critical success factors, and their desired positioning. They determined that UML was essentially about being a friendly, stable, and efficient institution. The next step in the branding process was to mobilise teams and departments within UML to refine this focus and ensure that customer service, financial management, operations and processes delivered on the brand promise. Led from the top, the core senior management team is committed to instilling the new UML image in all aspects of operations, as well as the staff's approach to service delivery.

impacts the bottom line in terms of customer volumes. John Hancock Financial Services CEO, David D'Alessandro, criticises management teams that relegate branding to simple marketing and advertising functions: "They fail to consider that their brands can be profoundly affected by extensions, acquisitions, distribution, product development, customer service, quality control, etc. – in other words, the entire list of disciplines that it takes to make a business…. This means one thing: The safekeeping of the brand is the CEO's responsibility. The buck stops there."[1] If the corporate brand is not factored into the decisions made internally, and is not a clear centrepiece of the strategic planning process, the institution will not be able to deliver on its desired positioning.

To create, or re-create the brand, institutions rely on a Brand Management team to guide the process. In microfinance institutions this team usually consists of the CEO, Head of Operations and the Marketing Manager, as well as any other senior managers who have expressed explicit interest in branding. In one institution this involved the ICT Manager as well because the brand is so closely linked to technology and delivery systems. Research regarding successful brands shows that it is also important for the Human Resource Manager to be involved in the branding process. In the service industry the staff is the primary driver of the corporate brand – it is people who deliver the service. Branding expert Nicholas Ind notes that branding "is a human resource activity. It is about selecting the right people, developing their skills, building commitment and nurturing talent."[2] If the Human Resource Manager does not fully understand and embrace the brand you will not be able to recruit, hire, train and monitor the performance of delivering on the brand promise.

The Brand Management team should be kept relatively small in order to facilitate the logistics of meeting and the speed of decision making. Their role is to make strategic decisions about the brand and guide the rest of the staff forward. Staff commitment and buy-in is crucial to the process, so the Brand Management team must make soliciting the opinions of other staff members and listening to their concerns a top priority, allowing them to review progress and provide feedback on key decisions.

In addition to the Brand Management team, one Brand Manager should be appointed to be responsible for monitoring the brand and signalling when it is time to make changes to either the brand design or to how it is being implemented. This person should also take a leading role in meetings of the Brand Management team, and should ensure that there is clear follow-up from these discussions. They can plan and coordinate research, outsource inputs by media agencies, facilitate internal communications, etc. The choice of Brand Manager will depend on the organisation, but it should be someone who is senior enough to command the attention of the rest of the team, has a good understanding of market research and of client needs and desires, and has the time and energy to devote to the brand.

Once an institution has gone through a comprehensive brand development process, focus shifts away from changing the core of the brand itself. The day-to-day brand management involves making sure

[1] D'Alessandro (2001), p.164.
[2] Ind (2003), http://www.allaboutbranding.com "Inside Out Branding"

that the brand is delivered consistently throughout each and every part of the business. The Brand Manager will need to monitor the brand to ensure that it remains compelling, and signal when changes may be necessary – but these should mostly be only minor refinements. Successful brands evolve over several years, often building on the history and value created in the marketplace. However, key turning points in an institution's evolution (those mentioned above) can be ideal opportunities to rethink the brand and re-fresh or re-launch in the market.

DEVELOPING: START WITH THE BRAND YOU HAVE

When an institution engages in a full process of "branding" or "re-branding," it conducts market research to understand where it is currently positioned, determines where it wants to be (its aspirations) and how it will get there. It focuses on creating a brand that communicates the essence of what the institution stands for, and an identity surrounding that core focus. Most microfinance institutions are already operational and thus must confront their current brand in the marketplace, or determine that they are completely unknown and begin to create a distinctive image. Whether the goal is to re-fresh the brand you have by changing the look and feel, or to completely launch/re-launch a brand, the process starts by examining the brand you have today.

Where we are …
MicroSave has worked with several of its ARPs to understand their current brand and positioning in the marketplace. This type of research involves key players in the brand development process within the institution so that they hear and understand what is said and are able to create a brand that reflects the perceived personality and the desire personality of the institution. It is an opportunity to start generating internal support of the brand at a very early stage by letting key stakeholders participate in defining the brand. Knowing who to talk to about the brand is important and at a minimum includes input from current and potential customers, staff and the Board of Directors.

In assessing the existing brand, *MicroSave* has relied on a combination of the following tools:

- ***Image Analysis studies***

  Participatory rapid appraisal (PRA) technique using picture cards which a group of 6-8 customers select and discuss to describe the brand of their MFI, or other institutions in the marketplace. The adjectives attached to the pictures give indications of the brand image as perceived by the consumers. *MicroSave* has found that pictures of people in various activities best for this type of research. In one institution the image was consistently described as a "sleeping giant" – large in size, but unaware of what was happening around it. In another setting, customers commented that the MFI was like a mother, but she had too many children to manage so they were all suffering. Image Analysis is often paired with other tools like Financial Landscape Analysis and Relative Preference Ranking to refine the perception of the brand. These tools are explained in *MicroSave*'s Market Research for MicroFinance Toolkit.

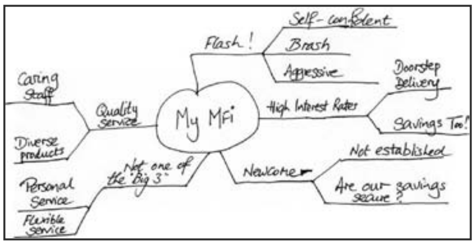
- ***Focus group discussions (FGDs)***

  FGDs of 6-8 participants using a semi-structured guide of brand and/or institution specific questions can also assist in evaluating the corporate image. *MicroSave* has found these most useful with clients (existing and potential) as well as groups of staff with a common perspective (e.g. loan officers, branch staff, marketing department, etc.). FGDs often render "quotable quotes" that clearly express the brand as it exists, or as it could be.

- ***Individual interviews with key informants***

  Individual discussions around a pre-determined set of questions can be an effective way to solicit feedback on the brand, especially for key stakeholders like Board Members, Branch Managers, the CEO and other senior staff. A series of individual interviews can confirm patterns in the way the institution views itself, or signal conflicting images and how those perceptions might prevent a clear brand from coming out. In one institution a portion of the staff saw the primary asset and attraction of the MFI as its focus on small women-owned businesses, whereas other staff members believed the success was the expansion into new markets regardless of gender, and diversification into salary lending. It was important that these competing perceptions were uncovered and discussed as part of a brand building process. *MicroSave* has found that individual interviews are most successful when done by an outside or impartial party who can synthesise the various themes and views about the brand.

- ***Mind-mapping exercises***



A brainstorming technique used to understand associations. In *MicroSave*'s experience you begin with the institution, or a characteristic about it (or even the concept of a brand itself), in the centre of a diagram. Working with a group 5-10 people they call out the associations that come to mind around the core idea. These are presented with lines connecting to the centre concept. Then additional associations are made to those concepts and you develop outward, showing the relationship with lines. This technique has been helpful in understanding how all the facets of a brand are connected and what lies and the core of the brand.

- ***Quantitative surveys***

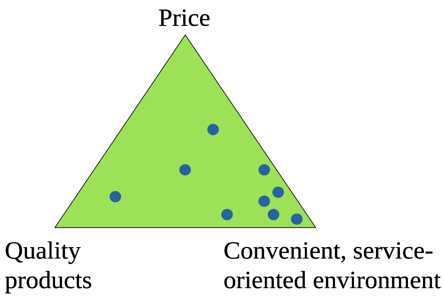
Some institutions use quantitative surveys, among client groups or staff, to try to understand specific issues about the brand, or to measure brand recognition. Equity Bank used an external research company to quantify the ways the brand was recognised in their market before conversion from a building society to a bank. They collected information on media preferences and recall of marketing materials, as well as perceptions of the corporate identity. These findings helped them define the brand for the bank and later market it externally.

- ***Branch infrastructure reviews***

Using a pre-designed checklist, with space to note comments, branch infrastructure reviews look at how the brand is presented physically and through the 8Ps of marketing (see *MicroSave* and WWB's Corporate Brand and Identity Toolkit for a sample checklist). The goal is to evaluate consistency of message and capture the brand image as it is portrayed in the outlets where customers transact. *MicroSave* worked with UML's marketing staff in Uganda to identify where old brand images needed to be replaced in branches, where infrastructure needed to be adapted and where customer interface could be improved to strengthen their deposit mobilisation and customer service (both part of their brand) in the branches.

- ***Perceptual maps***

SIMPLE PERCEPTUAL MAP



MicroSave often hears that an institution wants to be low-cost, pay high interest on savings, provide low interest loans, serve customers quickly and accurately, provide excellent service and offer a wide range of products. Essentially they want to be everything to everyone, which is impossible. A simple (or complex) perceptual map can help you identify what your real key differentiator is. It can show whether you are perceived as a key competitor on price, the holder of quality products or stronger in customer service. *MicroSave* uses perceptual maps mainly with staff, but it is also informative to have customers place various institutions on the map, based on their perceptions. Comparing how customers view the service providers and how staff place them helps see the differences in image perception.

- ***Competition analysis matrices around branding***

  Using mystery shopping techniques, phone calls and observation of marketing and media in a particular market, competition analysis can signal how your brand is distinctly different, or not. Financial service customers can help identify what they see as the selling point of various MFIs and indicate whether the experience matches the promise. *MicroSave* finds that examining the presentation of the brand and the associated marketing amongst 4-5 key competitors in a market can reveal whether you really have a competitive edge, and allows MFIs to see what they are competing against. There is nothing covert or sneaky about competition analysis since it is an evaluation of exactly how everyone is presenting themselves, and the messages they *want* to communicate publicly.

- ***Drawing/acting out the brand***

  Often overlooked as a tool for understanding brand perceptions, the use of art and drama to explain the brand can be powerful. At Centenary Bank in Uganda senior managers worked in groups to draw the current brand. They posted their flipcharts on the wall and took turns examining and explaining the lorries chugging uphill with a heavy loads, sunny skies and hundreds of ant-like dots representing customers. From the descriptions they provided they were able to solidify an understanding of their strengths and weaknesses, and begin dreaming about a new brand. The pictures on the walls allowed them to identify what would have to change to make their desired brand it a reality.

In each brand analysis exercise that *MicroSave* has undertaken there was an attempt to refine the market segmentation and understand who the institution was really targeting (not everyone, but particular segments), what the current perceptions were and gain an understanding of the possible future directions of the brand. Looking at the market holistically – what competitors were offering – through tools like competition analysis matrices is also instrumental in seeing how much a particular brand stands out, or fails to stand out in the market. Microfinance institutions are encouraged to use a variety of tools to assess the brand: 2-3 at a minimum.

Where we want to be…

After gaining an understanding of the brand's current market position, analysing key differentiators, and building an understanding of what is needed in the market, the Brand Management team can begin to "dream" about a new or modified brand. This discussion of where an institution would like its brand to be is called **aspiration analysis**. In some cases, particularly with focus group discussions and individual interviews, brand aspirations can be incorporated into the initial "as is" research to simultaneously understand where an MFI is and where stakeholders would like it to be. Often, however, the aspiration for the brand needs to be thought of in close alignment with the vision, mission and strategic direction of the institution. This can be done as a separate exercise with senior managers, or a focused team that clearly sees the direction of the institution and its future role in providing financial services.

As the institution "dreams" about the brand they desire, it is important to ground the discussion in research findings and more importantly in the organisation's capabilities, resources and existing business plan. As PRIDE Tanzania looked at its image analysis study and brainstormed the way forward for its brand, it thought about its strengths, weaknesses, market opportunities and threats. PRIDE has a track record of offering reliable, convenient, fast services with high levels of professionalism and staff integrity. However, it wanted to build on this heritage and further enhance its reputation by offering a broader range of quality products to a wider market. During the aspiration analysis it talked about becoming known for greater flexibility and quality in its products. It also wanted to build the image as a more sophisticated, professional institution as part of its current transformation process.

The aspiration analysis is a stepping stone to actually creating the brand. The benefit of stopping to think big, and to imagine the future is that it provides a comparison between what is, and what could be. At this point institutions often need to make significant changes in the way they do business to move them closer to the aspired brand. At KPOSB this meant establishing and networking branches that it operated outside of the Post Office network, along with other technology solutions. At PRIDE Tanzania it translated into designing new, more flexible products. These changes were necessary before a new brand could be believed in the market.

MOVING FROM "AS IS" TO "COULD BE"

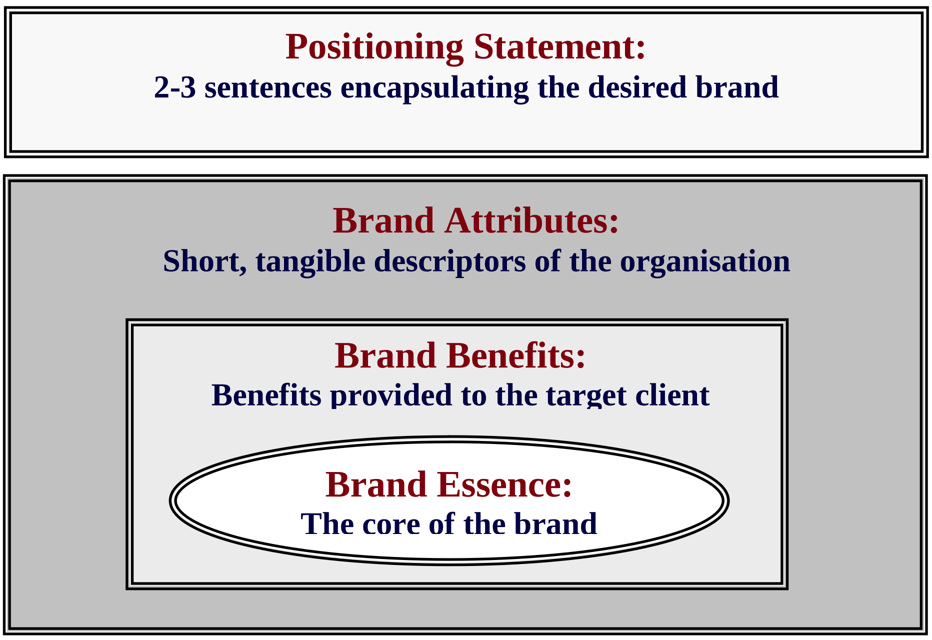
At Kenya Post Office Savings Bank (KPOSB), the Image Analysis report was presented to a group of senior managers and key decision makers at a branding workshop. Some staff were surprised by the market image, and yet felt it was the ideal time to tackle some of the old perceptions of the bank. As a team they gave input on how they wanted to be perceived by imagining what people would say about the bank in 2 years time. They clearly outlined what would have to change to realise this fresh image. The discussion was prefaced on a presentation of elements of the strategic plan and the proposed update to the business model. The brand they aspired to have (which was quite different than the current brand) was defined by what the bank was aiming to achieve operationally. For example, it was clear that KPOSB wanted to build a reputation around its new technology strategy and customer service enhancements. The bank is working to fill the gap between where they are and where they want to be in order to launch a new brand.

Creating the brand ….

The final step in the brand development process is to actually design the brand: how it is defined, how it comes out in the daily operations and how it will be portrayed physically. The Brand Management team moves from aspiration to reality in establishing the brand. Financial services are notoriously poor in distinguishing themselves in the market, rarely moving beyond "brand as logo" (de Chernatony et al., 2005).

In assisting ARPs in creating the brand, *MicroSave* has relied on a simple "brand guide" as shown in Figure 2.

Figure 2: Brand Guide



Using discussions and various methods of ranking priorities along with institutional strengths, the Brand Management team first focuses on the *essence* of what the brand stands for. If people could say one thing about you, what would that be? Sometimes this is a combination of qualities, but it should narrow down to what it is that your institution stands on. If you try to be everything to everyone, it will be impossible to stand out in the marketplace. You need to prioritise for yourself, and for your market, what it is you will build your brand on. Is it a personal banking experience that your customers have expressed a willingness to pay for? Is it simplified procedures leading to fast processing that makes the whole experience efficient? For Equity Bank it is a passion for customers in the way services are designed and delivered.

Building on the heart of what your brand stands for, institutions can then describe the *benefits* this brings to the target client – the need that is being met through this brand. The key questions *MicroSave* asks here are: why would someone want to associate with this brand? and what makes this brand different from others? For some institutions this is where the fast processing of loans, or safe, accessible savings might be articulated. If the essence of your institution is integrity, the benefits to the clients might be clear loan procedures and approval decisions, security in transactions, honest customer service follow-up and "never losing their savings." Sometimes these benefits come from your image analysis work. In one institution they capitalised on the fact that clients said: *"An institution with good looking branches, spacious banking halls, consistent use of corporate colours, clean and inspiring …"* This led to a new brand that was focused on providing clean, organised branches; professional looking and well trained staff and an overall stronger competency for the needs of low-income clients than their competitors in the marketplace.

The brand benefits are then translated into *attributes* that will form what is presented in the market. These are things that can be controlled by the institution. Attributes are short, tangible descriptors of the organisation. The attributes might be the products and services and how those become a real experience for the customer. Some examples might include: fast service, short waiting times, well-trained staff, etc. They are the features that need to be offered in order to deliver on the brand. Although they need not all be offered by the organisation when the Brand Guide is developed, it is important to ensure that they are consistent with the organisation's assets and capabilities – as a key part of implementing the brand is building these features into the business strategy (*MicroSave* and WWB Corporate Brand and Identity Toolkit, 2004).

Finally, the brand comes together through a *positioning statement* that provides a more complete statement of what you want the brand to stand for every time people hear your name. It should answer the following questions about the brand:

- **Who:** Who are you?
- **What:** What business are you in?
- **For whom:** What people do you serve?
- **What need:** What are the special needs of the people you serve?
- **Against whom:** With whom are you competing?
- **What's different:** What makes you different from those competitors?
- **What's the benefit:** What unique benefit does your target client derive from your service?

Equity Bank, whose success is built on a customer focus, developed the following positioning statement: "Equity Bank provides accessible, client-focused banking services for microfinance clients to meet their aspirations for today and tomorrow. Unlike other financial institutions, Equity is down-to-earth and friendly. Equity Bank is a partner in growth for Africa, where over 20 years of client service and efficiency ensure that clients are served equitably."

Developing the brand can be a challenging process. It requires really knowing your market – the directions and trends, as well as the personal aspirations of your clients – and wrestling with the reality of your ability to deliver on the crafted brand. Leonard Berry, Distinguished Professor of Marketing at Texas A&M, notes that the most successful service brands have the following elements (Berry, 2000):

1. ***Distinct personality: they dare to be different***

   For microfinance service providers, the products are very similar and often indistinguishable. The strongest brands are those that have a distinct personality and demonstrably different presentation. It goes back to the question of *"why should I open an account with your MFI?"* How do you create a distinct mental picture of your relatively similar offerings (compared to the competition) for your target client? What messages do you provide in your branches and other delivery points that are distinctive, unique and compelling?

2. ***Important to target customer: they stand for something that is valued***

   In addition to standing out from the competition, successful brands present a valuable market offer. They capture and communicate what you want to be famous for amongst your clients. The brand must not only fill a need, but fill it well. Does your institution offer something that clients truly value, perform it better than the competition, tell this story through marketing that creates awareness, stimulate customers to try your services and reinforce your promise through positive customer experiences? Many of *MicroSave*'s partners have claimed that they have great customer service, which they are "known for." However, when mystery shopping or focus group discussions are conducted in their markets the results often show that they have less than stellar performance. What the institution sees as a need and believes is great is not what the client associates them with. These institutions have yet to achieve a brand that speaks to what customers value in customer service.

3. ***Emotional connection: they ignite feelings of closeness, affection and trust***

   Brands succeed when they make an emotional connection to the intended audience. They need to reflect the customer's core values. These values are either satisfied or left wanting, depending on the treatment received. The actual experience can enhance the emotional connection. Marketing campaigns, however, cannot replace what fails to exist in your institution. What emotional connection do you make with your customers? Is it a personal experience? A sense of security? Pride to be associated with your MFI? One bank's image analysis revealed it as *"a bank that is insensitive to customer needs, unfriendly to customers, slow to learn, complicated and resistant to change."* It provided an important wake up call for the bank which went on to build an effective customer care team that is changing this image.

4. ***Internal commitment: they are embraced by employees who transform them into a reality***

   Service providers make or break a brand simply by the experience the customer has. If the staff of your MFI don't turn the marketer-articulated brand into a customer-experienced brand it will be hard to grow your business. Even if your customer transacts primarily through an ATM or cell phone, the speed, accuracy, ambience and ease of the interface will impact your brand. However, more important for most microfinance service providers are the way the *people* of the institution create a positive experience. This requires selling the brand to your staff, and ensuring that they care about it, nurture it and live it. It should be linked to the mission which the staff are already comfortable with and carrying out. Ask yourself whether you have created a brand that has meaning to your employees, and can it be easily embraced as part of their work? Regardless of the advertising or promotion you do, in the service sector it is your employees who keep the customers coming back.

Because of the challenges in creating a brand, some institutions have wanted to contract out the brand development process to outside agencies. *MicroSave*'s experience with this strategy in many countries where the service sector is still nascent is that the agency rarely embraces the full brand building and internalisation process to the extent that it reflects the institution's real services. Instead, marketing firms have tended to deliver logos, colours, slogans and external representations of the brand. In this sense these creative experts can be invaluable. The advice from *MicroSave*'s ARPs is to work carefully with external agencies on brand development and ensure that your staff is involved in the process (see Annex 1) so that they are able to simply and clearly explain the brand and how it is expressed in your institution.

The last piece of creating the brand is to look at the corporate identity – how the brand will look and feel in the visual, audio and other sensory aspects of your organisation. This is where creative agencies can be very helpful. PRIDE Tanzania drew up a clear terms of reference that was circulated to major marketing and design firms in East Africa, requesting a logo, colour schemes, visual representations and taglines to match their newly created brand. The agencies submitted proposals for the work and PRIDE was able to select from the most compelling presentations of their brand.

A WORD ABOUT LOGOS

Logos can be an art into themselves. If clearly presented and reinforced with positive messages they remind us of an institution. They might signal the types of services you offer, for example a savings institution may have images of money in their logo, but they do not have to be a picture of exactly what you do. Think of the Nike "swoosh" or the MacIntosh apple logo. They simply remind us of the brand, but do not tell us what product they sell. It is important that the logo is familiar, inviting and recognisable.

Centenary Bank in Uganda found that their logo (at left) was too complex and difficult to reproduce, let alone identify them clearly in the marketplace, that they needed to simplify it as part of the re-branding process. They had difficulty getting consistency of colour and finding printers who could consistently represent the old image in a variety of contexts. They went to a designer to work on a new logo that would evolve the existing one and help the market transition to the new look and feel.

Equity Bank in Kenya faced a logo challenge as well when transforming from a building society to a commercial bank. They tested new, more modern logo designs and colours with their customers – designs that were liked and favoured by staff – but found that the target market already identified strongly with the house and "earth" colours that were established in the days when Equity provided mortgage loans. While staff liked the abstract nature of a new look, which was favoured by the younger generation of employees being hired, customers related this to images of swimming and felt the familiar image they associated with Equity was being lost. The bank decided to maintain the more traditional house in the logo, updated the brown tones in their corporate colours, added the tagline and changed the name to Equity Bank.

Old logo	Logo Staff Liked	New Logo for Bank

It is important to provide creative designers and marketing agencies with a tight brief outlining what you desire, and exactly what the brand stands for. The experience of *MicroSave* ARPs shows that microfinance clients tend to appreciate more literal than abstract designs and messages. Ideally the logo, tagline, colours, stationary, signage, branch design and lay-out – all the corporate identity items

– are simply signals of the brand. They should reflect the institution's brand essence and reinforce the desired positioning. Equity Bank has a down-to-earth clientele of salaried workers, teachers, farmers and small business owners. When the bank received creative proposals from various marketing agencies, it quickly eliminated those who had failed to understand the target client and approach. For example, rather than portraying pick-up trucks and tractors which are the goods their target market aspires to, some agencies used modern cars found in city centres and houses from Europe that might only be found in exclusive neighbourhoods in the sample brochures.

Not all microfinance institutions work with agencies, especially if they have talented, creative employees on staff. Some have held contests amongst staff to "design" a logo or look that matches the brand. Others have involved clients in creating the new brand. Summarising the desired brand characteristics to your customers and having them submit logo ideas, then showcasing the selected ones, even voting on the best entries and offering a prize might be a low-cost way to generate customer loyalty and buy-in. In any case the institution should look for something that is simple and easy to reproduce.

Preferably all visual and audio proposals should be tested back to the target market to verify that they are understood in the way intended. Teba Bank in South Africa prepared materials for a new product financing funeral expenses. When they tested the images and wording on clients the respondents thought the product related to farming. The sombre image of an old man in a field did not symbolise the liveliness of family coming together around a funeral that resonated with the target client. Testing the creative brand elements brand, even with a few focus groups, can ensure that you launch a brand that clearly speaks to your target market.

Whether an agency or an in-house process generates the final look of your brand, you will need to decide how to consistently display it. This includes stationary, advertising, branch signage, nametags, business cards, brochures, ATM cards, etc. Sometimes called a "brand bible" by advertising firms, the corporate brand identity specifications should be clearly outlined in a written document, including the details of logo dimensions and the PMS colours (PMS is a "Pantone Matching System"). It states how signage is displayed, whether the logo goes in the upper or lower corner of stationary, how forms are printed, what to do on a light background or dark background, etc. A note on corporate colours: it is often difficult to have the same colours reproduced in the same way, even if PMS specifications are given. Different printers mix colours in different ways, and in countries where the printing industry is less developed, inconsistency is common. The variableness in printing can also be affected by the materials printed on, the weather and humidity or poor quality control. Every time you use a new printing agency you will need to verify that they can repeat your colour schemes accurately. And every time you use the visual or audio elements of your brand, it should be checked to ensure it meets the specifications of your corporate brand identity guidelines. Consistency and quality will ensure that your corporate identity evokes the desired, positive images associated with your brand.

IMPLEMENTING: COMMUNICATING INTERNALLY AND EXTERNALLY

A carefully crafted brand should come out in the way you do business. The brand, therefore, needs to be communicated to your employees so they know how it is operationalised, or better yet how they are empowered to make decisions that support the brand. As the internal operations of your organisation start to match the brand, it will have meaning for the people who use your services. Then you can use external communication – a clear presentation of the brand through advertising, service facilities, and the appearance of your service points and people – to attract new customers to your institution.

The brand is everything experienced by the customer, a holistic experience that makes it more than the sum of its parts: it is the overall promise made to the market (de Chernatony and Drury, 2005). If it has been well designed, it will be an extension of who the business really is. However, the staff need a simple, clear way to understand the brand. Internalising the brand requires that microfinance institutions communicate the brand to their staff, shareholders and directors (**internal marketing**), as well as ensuring that the organisational policies and procedures are designed to deliver on the promises (**organisational alignment**).

Internalising the brand …

Explaining and selling the brand to employees, sharing the research behind the development of the brand and training staff in brand-strengthening behaviours are all critical to internalising the brand (Berry, 2000). It is about employees becoming involved in the care and nurturing of your brand. The way you communicate the brand to your staff can be just as creative and interactive as the way it is communicated to potential customers. The more the staff can feel, see, hear, taste, touch the brand, the more it becomes real. Using simple, easily identifiable and memorable descriptions will make it easier for employees to understand and meet the brand promise.

Internal marketing of the brand needs to involve the CEO and the senior management. They need to visibly support the initiatives and demonstrate the brand values in the way they interact with staff, as well as customers. "Living the brand is not a six month programme or a campaign of internal communication. It is an integrated, ongoing and genuine commitment to the focused development of employee potential."[3] Many institutions, including several that *MicroSave* has worked with, stumble with the process of connecting employees to the brand idea. Equity Bank is incorporating the brand into their human resource development plan so that from recruitment and induction training to branch staff meetings, employees understand the brand and are empowered to act upon it.

Jack Morton Worldwide, an experiential marketing agency, suggests that the success of internal branding stems from six principles (Jack Morton, 2002):

1. **Do your homework** to understand what your employees are thinking and saying before you push your brand messages. If they are not included in the initial research to understand the brand they may feel it is something handed down from above and lack inspiration to act.
2. **Recruit evangelists** who demonstrate the brand and can spread the message to others. Who are the people who can influence others in your organisation to live the message? What are you doing to motivate and recognise them so they are your internal advocate?
3. **Be creative** and move beyond corporate memos to communicate. Internal branding should stimulate, engage, inspire and surprise your staff. It does not have to be expensive or ridiculous, but should inform and provide new insights into how employees can develop themselves professionally and help the institution reach its goals.

4. **Use high touch opportunities** to help employees "touch and feel" the brand. Whether it is interactive media, face-to-face time with the CEO or senior management, or even special events; a variety of interactive experiences with a human touch "sell" the brand better than simple written descriptions. Some of *MicroSave*'s partners have used internal road shows in which teams from Head Office go region by region to launch a brand and help employees understand it. They report how powerful it was to see employees react and use drama and songs to illustrate their understanding of the brand concept – and how it can be communicated to clients.

5. **Choose the appropriate media** to communicate to employees. Leveraging Intranets, CD-ROM, video and other mediums are ways to add extra personal touch to the brand. *MicroSave* saw the power of this when they took photos of the existing brand images and experiences in various branches of one of the ARPs. When these photos were shown to the Board of Directors, they said "where were these pictures taken?" Realising it was their own institution; they made a decisive decision to change and are working to improve the experience for the employees who work in their outlets every day.

[3] Ind (2003). p.1

6. **Reinforce** the brand at every opportunity. Brands do no emerge overnight and have meaning. A constant flow of marketing communication, reinforcement of the brand essence and attributes will build the long-term understanding you desire. Internal feedback loops and research with your staff can confirm whether your messages are getting across, and guide you in reformatting messages have been misunderstood. One institution has used a company-wide brand quiz to rank departments and branches on brand awareness. Those units that score poorly receive a focused presentation from the marketing department and are tested again in one month's time to ensure their comprehension score goes up.

The initial launch of a new brand may require a special, experiential opportunity where staff engage in the way the brand actually performs. Special videos, theme nights, drama or training events can highlight the way services are delivered when you are "fast and focused" or "personalised and professional." The logos, colours, taglines and marketing materials are shared with the staff to help them "feel" the brand. A marketing agency may even be able to help in organising the internal promotion of the brand so that the attributes are clearly portrayed. If you are about efficiency, then this needs to be visible in the way the brand is portrayed and employees need to see how they can contribute to building this brand image.

Beyond the special events, however, the values and essence of the brand is reinforced in the employee's interaction with the institution. Are your managers demonstrating the brand with staff and customers? Do the branches shout the branch externally and behind the scenes in the back office? Some institutions brand their clocks so that every time you check the time you are reminded of where you work. Are there clear criteria in job descriptions that reflect the brand values, and are staff given feedback on their performance? In one institution the desired brand was focused on customer service, and yet staff was only provided guidance on the quality of their loan portfolio and savings volumes. There were no tools in place to measure customer satisfaction or service performance. It was the classic case of "you can be fired if your till doesn't balance, but you can be rude to a customer and keep your job." And yet the brand they wanted had everything to do with customer relationships.

Organisational alignment…

In addition to communicating the brand to staff, it is important that the policies, procedures and processes are set-up to deliver on a brand. In one institution the staff complained that they were pushed to be efficient and serve customers as fast as possible, but the computer system would constantly "hang" and cause extended delays in transactions. Until an IT solution was found, or the branch was empowered to "work around" the glitches, the institution could never sell itself on speed and accessibility of funds.

Organisational alignment means making the changes necessary to ensure that everything that the organisation does reflects and reinforces the brand. It means tracing the entire client experience from the time they begin a transaction to the time they complete it, and making sure that there is a consistent experience of the brand at each and every point of contact. It needs to be consistent with each visit and in each outlet. It means making sure that the staff and employees have the resources and knowledge they need to make this a reality.

For some organisations the alignment process may mean changing the look and feel of the branches to provide more space for clients, or more teller windows to serve more customers. At one institution in Tanzania it involved mapping the loan application process and reviewing the excessive number of approvals needed. When management reviewed the procedure they were able to reduce the number of authorizations, especially on very small loans. The result was that loan officers could turnaround applications much faster. At another institution teller pay-out limits were increased, and branch limits on loan disbursements were raised to ensure customers did not have to wait for authorisations. If an institution promises, knowledgeable, well-trained staff, it may need to improve its staff training programmes; if it promises tailored products, it may need to empower staff to be flexible in designing loans or expand the product offering.

Communicating the brand externally…
Presenting your brand externally involves both attaching positive associations to your services for your existing customers and attracting new users through marketing and promotion. This part of the process is what organisations are most familiar with because it deals with the traditional notions of marketing. The institution has control over most of the advertising and planned messages in an external brand launch. However, there is also an element of uncontrolled information that customers absorb, primarily through word-of-mouth and publicity (Berry, 2000). Collectively these external projections create brand meaning: the customer's dominant perceptions of the brand.

MicroSave's ARPs have realised that prior to launching a brand externally, they need to ensure that the essence of the brand is clear to anyone using the services. At UML the branding process was staggered with enhanced customer service and branch improvements to ensure that friendliness, stability and efficiency exuded from their daily operations.

EVEN YOUR OFFICES SPEAK YOUR BRAND

Tanzania Postal Bank (TPB) decided to refresh its physical image in the market following changes in its product offering, streamlining of processes and improved internal systems. The new brand was less of a change in the brand promise, but actually an updated, more professional projection of the bank. Due to financial costs, TPB rolled out the brand in phases, starting with key offices and over time implementing the new brand throughout the network. The bank re-furbished its branches with cleaner, more customer-friendly transaction points and customer service desks. They repainted, installed new signage and designed staff uniforms for frontline employees. The bright, spacious branches with more customer space and better marketing of the brand improved staff attitudes, built pride in customers and most of all enticed new clients into the banking halls.

Old TPB Banking Hall

New TPB Banking Hall

In addition to portraying the brand through infrastructure, staff and processes, institutions have the opportunity to use a mix of different media to develop a strong brand communication strategy. Brand marketing can be combined with other marketing the institution carries out, and the channels may include a mix of:

- ***Public relations***

  Prior to listing on the Nairobi Stock Exchange Equity Bank invited journalists to private interviews with the CEO to discuss the value of owning shares in any business. The CEO was able to discuss the up-coming listing, but more importantly talk about stocks and investments. The theme of several articles published was investment, but Equity Bank was used as an example of an investment opportunity, thereby receiving positive PR. Community social responsibility (CSR) is another way to attract public relations, often at low or no-cost. UML offered each branch a small budget to do something positive in their community. Some organised market clean-up days, others installed signs and bus shelters to aid the community (for example: "Caution, School Children at Play. Drive carefully").

- ***Advertising***

  Media agencies can assist in choosing high leverage points for advertising your institution. *MicroSave*'s partners have noted that it is important to shop around because some media agencies will push you to big, mass media options that they are most comfortable with (newspaper, radio, TV,), and where they may earn commissions. It is important to re-focus on your target market and understand where they receive their information from. Sometimes small community advertising initiatives like painting signs, handing out brochures at farmer meetings and posting billboards on entry points into the town can be more effective than newspaper ads for mobilising potential clients. One institution found that small investments in local radio spots that spoke the regional dialect were more effective in attracting savings than expensive radio placements in the capital.

A CAUTION ABOUT ADVERTISING

Crafting your advertising messages well, and testing them as you did your corporate identity, can pay off when it comes to marketing. Sometimes advertising agencies can help with this process. In Uganda many of the new Microfinance Deposit-taking Institutions (MDIs) advertised widely that they were now accepting savings as an MDI, and proclaimed that deposits were safe and secure. In many communities, however, the potential customers did not know or understand what an MDI was and the promise meant little to them. Remember to associate (and describe) your brand with images that have meaning to your clients, and compel them to respond so that you maximise your advertising investment.

- ***Events***

  Special events and community activities can be high leverage points to reinforce your brand. Be careful how these are used so that the brand speaks to the client. A positive example of this is Kenya where a local bank trying to project an image of "personal touch" took out a booth at an agriculture fair in a small town, alongside the large commercial banks. At the end of the day the large banks tore down their booths, packed their 4X4 vehicles and sped out of town for the capital. The small bank rolled up their signs and hand carried them back to the local branch, walking beside the show attendees. They had a wonderful marketing opportunity and led many of the fair participants back to the branch to open accounts, just by actually living the "personal touch."

- ***Personal sales***

  Personal selling of services is an area that *MicroSave*'s partners often struggle with. There is a challenge to ensure that every employee (not just frontline staff) understand the product offering, how to market it and how to communicate effectively. Too often there is an over-promise, which results in an under-delivery of the services. For example, many credit-focused institutions who have moved into savings still sell the institution by claiming you should "open an account to access a loan." The institution wants to be known for its full-service options, but the staff continues to market it as a loan facility. To strengthen the brand, the personal sales need to focus on completely *selling the institution*, and what you derive from being a customer, not just the benefits particular product option. Then you can develop loyal customers who will access a variety of services.

- ***Direct marketing***

  The experience of direct marketing – targeting specific individuals, or definable groups with personal marketing messages – has not been widely used by *MicroSave*'s ARPs. Instead, the direct marketing has been a combination of personal sales and word-of-mouth marketing that somehow tries to isolate a specific market segment. However, as the number of products offered by microfinance institutions increases and the delivery systems become more sophisticated, some partners are experimenting more with direct marketing, like sending SMSs or placing flags for follow-up on accounts of clients who qualify for new products. The customer can respond to the text message, or get directions to the product within the bank.

When you are planning to use any combination of external marketing, it is important to think about a single, quantifiable objective. This focus on one target can help you in measuring the value of the investment, understanding where you want the brand to go and ensuring you choose the right communications to credibly help you in achieving the objective. For example, are you trying to create awareness of the brand in a new market through some simple visual images, or are you trying to get customers to switch from a competing brand to yours? The strategies and the measures of success will be different.

A final issue that becomes relevant for many of *MicroSave*'s ARPs is that of **consistency**. The external brand marketing needs to be consistent over time, from one medium to another and over all the branches. There might be personalisation of the brand (in one market you may use the language that is most commonly spoken to communicate the brand, or for urban markets you may use different media than rural markets), but the brand essence remains the same. Your brand is not about efficiency in the capital for busy people and about slow, manual processes in rural locations. Customers should have the same "feel" and experience wherever they encounter your brand.

One way that *MicroSave* helps partners in measuring consistency, and also opportunities for external marketing is to look at the brand through the 8Ps of marketing. How is your brand expressed through each of these aspects of your business? How consistent is it?

- People

  Do the people your customers (existing and potential) consistently reflect the brand values? What about the guard at the door? Is the Customer Service representative alert and ready to provide service, or busy answering phones? Is the loan officer a person of integrity that gives your institution a professional, trustworthy brand? What about new employees versus those that have been there for a long-time – are they equally prepared to live the brand?

- Processes

  Do you have brand-friendly processes? What would need to change to make them meet the standards of a clearly delivered on brand promise? Do they need to be faster? Simpler? Less risky? Explained better from the first customer contact?

- Physical evidence

  How is your brand seen or felt in your offices? In your branches? Is it the same in the Head Office as the branches? What images and symbols are used to represent your brand? Do they all adhere to your corporate identity standards? Are they consistent?

- Price

  Do the prices (both implicit and in terms of opportunity costs to the customers) reflect your brand? How are they clearly communicated and understood? Do you offer better services, and by extension a superior brand, and charge for it?

- Promotion

  In every promotional effort does your brand come out clearly, not only in visible representations, but also in the words, pictures and promoters you use? Are you associating your brand with the things that best portray it, or could it be misunderstood in the promotional effort? Some institutions have struggled to clearly project their brand image when relying on politicians, church leaders and other people of influence in the community. It is important to prepare these representatives, when possible, to deliver a true image of your organisation.

- Place

  What does the location of your services say about your brand? If you offer "convenient" savings services, but customers have to climb stairs to the top floor to make a deposit, are you truly inviting easy account access? If you provide loans and want to reach low-income earners, are your offices in places they frequent? What about your hours of operation?

- Product

  What do your products say about your brand, and are they consistent in message and delivery? Do you your products speak a unified message about your institution and are they packaged in a way that reinforces your brand?

- Positioning

  Is the brand positioning the same among your various markets and potential customers? How do customers respond to the brand and what is their perception of you compared to other institutions?

The external projection of your brand is extremely important in attracting new customers. The messages need to be fresh, relevant and of value to the target client. They need to consistently express the messages and themes of your institution, especially in the service industry where the promise will be delivered on (or not) the minute they walk through your doors.

MONITORING: MEASURING THE SUCCESS OF THE BRAND

After putting so much effort into understanding, designing and launching a brand, most institutions want to know if it has paid off. They want to know if the investment in the brand was worth it, and if they are achieving "brand success." Often this measure is referred to as "brand equity." Unfortunately, there is no standard way of measuring brand performance and in particular, financial service brands have fewer guideposts on which to lean (de Chernatony, et al. 2002). Measuring brand equity is a challenging prospect, even for the most sophisticated financial service providers. However, monitoring how your brand is performing can provide great insights on whether it is holding its strength in the changing marketplace, especially if clients are asked to respond on how well the institution meets its brand promises. Most of *MicroSave*'s experience in monitoring brand performance has involved use of tools similar to the initial brand analysis research, particularly image analysis studies and focus group discussions. Done on a periodic basis, these surveys can gauge whether the brand is on course.

Although periodic quantitative research can provide benchmarks on brand recognition and customer satisfaction it cannot pinpoint exact "brand equity." Knowing what you have invested in the branding process and how much of your market share is a return on that investment is a difficult art and science.

MONITORING THE BRAND SUCCESS

Equity Bank conducted both qualitative and quantitative research to understand their market position and perceptions before converting to a bank in January 2005. The new bank's brand was very similar to the previous building society in terms of look and feel, as well as internal processes and projection of the image. In July 2006, just over a year and a half later they returned to the external firm who did the initial quantitative research to re-assess the bank's position. They were able to see what had remained the same in terms of their image and positioning, as well as what had changed, especially in relation to key competitors. Both quantitative and qualitative information was collected to "monitor" the brand.

The institution must decide on which measures will determine success, and what it wants to see achieved. Some of the traditional single measures, often used in the private sector, do not fit the microfinance context. For example, stock market value over and above the tangible book value (PepsiCo, for example, shows a tangible book value of $6.5 billion, yet a market value of $86.8 billion. *Forbes*, April 19, 2004). de Chernatony, Professor of Brand Marketing at the University of Birmingham – Winterbourne, and lead author of the paper "Developing a brand performance measure for financial services brands" notes that managers can make better decisions about when it may be necessary to adjust the brand strategy to ensure the corporate identity remains positively positioned if they have a variety of measures, not just one indicator. Based on literature review, interviews with more than 20 experts and actual measurement of brand equity using hypothesised indicators, he concludes that brand loyalty, satisfaction and reputation are key components in measuring brand equity in financial services (de Chernatony, et al. 2002).

The challenge for financial service providers is to find simple, cost-effective ways to monitor loyalty (have you looked at your customer retention lately?), satisfaction (are clients willing to pay a premium price, or do your services exceed their expectations?) and reputation (would your institution be the first choice amongst financial service options, or do they rank your reputation as high in the market?). *MicroSave* has tried to incorporate these aspects of brand equity into the tools that are used to monitor the brand. For example, using questionnaires customers are asked the importance of given factors (brand benefits) in using financial services, and then asked to rank their bank against those factors. These surveys have the potential to show how well you are performing against key brand elements, and whether these have value to your customers. However, it seems the richer information comes from the qualitative discussions, both before and after the branding process. *MicroSave* starts with qualitative assessments, and then returns once the brand is in place to understand if there are changes in perceptions or attitudes, especially in regards to delivery on the brand promise.

In addition, once an institution has gone through a comprehensive brand development process, its efforts shift away from changing the core of the brand itself, and it starts to focus on making sure that the brand is delivered consistently throughout each and every part of the business. This can be monitored through branch infrastructure reviews, and mystery shopping (to see how the service is being delivered). In *MicroSave*'s ARP programme both these tools have helped to ensure a comprehensive and cohesive roll-out. The results of these monitoring tools can then signal where brand strengthening should occur.

A FEW LAST COMMENTS

MicroSave's experience in working with more than 10 partners on various aspects of branding, in addition to reports from the field by those using the *MicroSave* and WWB's Corporate Brand and Identity Toolkit, have shown that there are three areas of consistent concern. These are highlighted here with some suggested perspectives for anyone else confronting these issues.

Everyone wants to be known for customer service

Interestingly, nearly every branding assignment *MicroSave* has conducted has resulted in a desire to excel in some aspect of customer service. Actually, this should not be surprising given that until now most microfinance services are delivered directly by people. The literature on service branding is full of references to making customer service a top priority in building your brand.

The customer experience plays a salient role in service brands, and is what makes creating a brand for a financial institution different from selling products that you see and touch. For the most part, and definitely from the account opening perspective, service brands are labour intensive, with less machine performance contributing to the brand (Berry, 2001). In marketing products, the quality of production and the physical presentation of the good being sold – its taste, look, smell, etc. – impacts the brand. With services, it is the people who create these images. The service encounter creates the brand.

So it is no surprise that microfinance institutions want to stand out for "good customer service." That is vital and important. However, not everyone can be the best, and not everyone can be the best at every aspect of service. You will have to make choices about what aspects of service you will focus on for excellence. And you will need to be careful about how you portray that superior service. Saying you are "serving you better all the time" is a bit vague and implies that you need to constantly improve your services. However, understanding the core benefits of your services – those things that are **really** important to your client's – and building those into your customer service and marketing can help you stand out for "service." They have to be distinct and noticeably different from the competitors, not just from your perspective, but from the customer's.

It is OK to have customer service as a key brand differentiator, and in fact should probably factor into some of the top brand values. However, it is really important to understand what that means and how it is delivered. Are customers really interested in a "personal banker" and willing to pay for the cost of someone meeting them individually each time they come to the bank, or do they really just want to be recognised for their loyal patronage? Do customers want to be treated as a valued customer and expect you to use their name every time they come to the bank, or do they really just want a respectful queuing system and does not discriminate? Figure out what your competitive advantage is going to be, and then build your brand on that.

"We really are too small" …

Microfinance institutions, especially those in the early stages of development, tend to be very operations-focused. They often feel they are "too small" to worry about marketing, let alone creating a corporate brand. They are worried about getting the systems running, ensuring loans are being repaid, expanding their client base and just paying their expenses. The problem with this attitude is two-fold: 1) they view branding as an expensive, complicated luxury in the busy day-to-day operations; and 2) they fail to realise that they are building a brand whether they consciously work at, or not.

The response to these institutions is that it can be much simpler and more powerful than they realise. It is important to be clear about what you want as an image in the marketplace from the day you take that first deposit, extend the first loan, make the first transfer or insure the initial client. Often brands are easiest to build when you are still a small staff with a very focused, common vision. It does not require an extensive marketing department, or even a marketing budget, to create a distinctive, well-known and cherished brand. It does require a clear articulation of that vision and how it will manifest itself in the daily operations.

In most markets there are already some financial service options, even if they are small community-based savings clubs, or local moneylenders. In many areas, however, there are several choices for the consumer. While you are small, what are you doing to build a brand that will grow and help you stand-out against the meagre operators (and before competition arrives), or as a new entrant in a busy market? When meaningful differences are difficult (or impossible) to find in products and services, the market will look beyond the financial service itself to see what differentiates you. It is important to build a brand history – whether it is impeccable honesty and transparency, 100% on-time services, or unique and flexible products. Then you really will attract, and retain, customers in a way that will help you grow large enough to one day afford that marketing department.

A brand for everyone

A final area of concern by many institutions is that their services are for everyone so shouldn't their brand speak to everyone? Isn't microfinance a mass market, particularly in low-income communities? The response can be "yes and no" … yes, your services are for everyone who qualifies to open an account or take out a loan, but no, you do not want everyone as a client. Do you want the defaulters? Do you want the people who will open an account, drain it to the minimum balance and become dormant? Do you want to lend only to the wealthy? Do you want the people who will offer bribes to your credit manager to get a larger loan?

There are obviously segments of the market that you would rather not have as customers. Your brand is a key opportunity to signal to these segments what you are and are not about. Can you isolate your best, most profitable clients? Or what about those that help you fulfil the social mission of your institution? What about those that will remain loyal and use your services over and over again, often trying several of your products? Careful market segmentation is often overlooked in the branding, and marketing, process. If you can describe your ideal customers, then you should be building a brand that speaks to that segment. You'll be able to serve them better if you are not distracted by all the customers who do not fit your profile and weigh down your expenses by leaving shortly after they begin with you.

CONCLUSION

Branding has received narrow and limited attention from the microfinance industry, reflecting a trend recognised globally regarding financial services. "Financial services providers have traditionally placed little importance on their brands, and of those which did, until recently few had moved beyond the visual, 'brand as logo' stage."[4] The reasons why: many don't understand the power of a corporate brand and they assume that consumers are reluctant to switch providers. Both of these misconceptions have been proven wrong in *MicroSave*'s work with microfinance institutions.

Brands are much more than logos, taglines and marketing messages. They are nothing less than everything your customer thinks of when they see your logo or hear your name (d'Alessandro, 2001). For microfinance service providers, the institution is the brand. Every way that the customer interacts with your institution builds, or diminishes your image, and by extension attracts or repels customers. MFIs must understand how they are perceived in the market, and compare that to how they want to be perceived. They need to ensure that the brand they build is understood and lived by every employee so that the brand promise is consistently and honesty kept.

Customers can be enticed by external expressions of your brand, whether through a marketing campaign, special events or word-of-mouth. It is dangerous to believe that customers will not switch given a better option. Your brand must be compelling, and true to form, so that you attract and retain the clients you target. Only by monitoring the health of your brand in the eye of your users will you be able to make the changes necessary to improve it, evolve it with the changing marketplace and keep it relevant to the needs and desires of your internal and external stakeholders.

Some institutions worry about their "brand secret," but in fact your brand should not be secret at all. Let the competition try to copy your brand identity, but they cannot copy how you deliver it. They can copy your marketing campaign, but they cannot copy superior service deliver. Rather than remaining a coveted company secret, your brand should be loud and clear … well-known and cherished!

[4] de Chernatony and Drury, 2005.

ANNEX 1

Some Thoughts on Working With Agencies

Some of *MicroSave*'s partners have sought the assistance of professional agencies in designing their brand. Unfortunately the vast majority of these firms have offered only logos and business card designs. In many cases the firm failed to truly understand the brand and the target market of the microfinance partner. They simply pushed their "collateral" designs.

The experience of several microfinance institutions in East Africa has led to a few conclusions about working with agencies:

- *Ask for a full brand.* If the agency only submits creative designs and printing or marketing lay-outs, ask them if they are able to assist you with the brand building, including brand values and how it will be lived out in the institution. Find out if they are willing to do a complete brand analysis and design with you. If not, they might not be the right partner. Ask for examples of how they did internal brand building and changed the brand of other institutions successfully. You want an agency that will take the time to work with you, use the market research you have done (or do some for you) and develop an image that reflects who you are and who you want to be.
- *Or just contract for collaterals.* If you cannot find an agency willing to work on broader brand issues, such as the brand essence, brand benefits and brand attributes, you might just write a very tight brief and only rely on them for visual creative designs. Have them spend some time in your branches and getting to know your institution so that they design around your look and feel. You will have to do the brand building internally.
- *Check expectations on both sides.* A microfinance institution is often a "small client" for many of the serious advertising and media agencies. These firms may not be willing to give you much time and energy, and sometimes you have to shop around for someone who really wants to work with you. If they give you their junior staff and expect that you will be satisfied with some simple or modern looking logos, ask to have experienced staff on the team to help define a brand inside and out. Ensure that they understand you want a brand that is more than a logo, and that you want solid experience guiding the process. Insist on a comprehensive brand identity that you will be able to use and replicate on your own.
- *Do your part.* You can do a lot to ensure the agency produces what you need. Stay involved and provide them with all the information they need (for example, if you have photos you can share or market research you have compiled). Monitor the work of the agency and learn from them. Ask questions and challenge recommendations – the agency is an expert at marketing, but you're the expert on your organisation. Ensure that all senior management are involved in the final decisions because you will have to live with the consequences of a new brand for a long time!!

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