



**STRATEGIC MARKETING PLAN FOR OBRAPA MONEY LENDING LIMITED**

**UNDERGRADUATE APPLIED PROJECT**

B.Sc. Business Administration

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Applied Project Report submitted to the Department of Business Administration, Ashesi University College in partial fulfilment of the requirements for the award of Bachelor of Science degree in Business Administration

**(APRIL 2017)**

### **DECLARATION**

I hereby declare that this Applied Project Report is the result of my own work and that no part of it has been presented for another degree in this university or elsewhere.

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I hereby declare that the preparation and presentation of the Applied Project Report were supervised in accordance with the guidelines on supervision of applied projects laid down by Ashesi University College.

Supervisor's Signature: .....

Supervisor's Name: Mr. Anthony Ebow Spio

Date: .....

### **ACKNOWLEDGEMENTS**

My sincerest gratitude goes to the Almighty God for his guidance, protection and direction throughout this project. Without his sufficient grace, I would not have been able to complete this project successfully.

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## **EXECUTIVE SUMMARY**

Obrapa Money Lending Limited is a company licensed by the Bank of Ghana to operate the business of money lending. The company takes funds from the public in the form of investments and gives out funds to the public in the form of loans. Since its inception in 2013, the company has provided financial assistance to traders, taxi drivers and small enterprises.

The aim of this project was to develop a strategic marketing plan for Obrapa Money Lending Limited to increase its brand awareness and customer base. This was based on a needs analysis which revealed that the company relied on funds from friends and family members.

The strategic marketing plan was developed using the MicroSave-TMS Financial Strategic Marketing Framework, which has been implemented by eight institutions in Africa, similar to Obrapa who experienced phenomenal results in terms of brand awareness, an increase in the number of customers and a reduction in processing costs.

A major objective of the strategic marketing plan was to ensure that at least 30% of the target market living and working in and around Dzorwulu are made aware of the services Obrapa offers by the end of December 2017, through personal selling and Facebook advertisement. Some of the key activities of the plan include painting of the company premises, developing flyers and brochures and creating content for the Facebook page of the company.

An implementation of the proposed strategic marketing plan will help Obrapa Money Lending Limited increase its brand awareness, customer base and revenue significantly in the long-term.

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## **CHAPTER ONE: INTRODUCTION**

### **1.1 Introduction**

This chapter discusses the external business environment and identifies threats and opportunities that Obrapa Money Limited must be aware of, as it undertakes its business operations. It also reviews the microfinance sector in Ghana and presents a profile of the Obrapa Money Lending Limited, including an analysis of the company's internal context.

### **1.2 External Context (PEST Analysis)**

PEST Analysis is a tool used in identifying the main macro environmental forces that might affect an organisation. The analysis involves gathering political, economic, social and technological information and then identifying how each of these factors poses threats or presents opportunities that a company can capitalize on (Jurevicius, 2017). A PEST Analysis framework is employed to identify how factors in the external environment affect Obrapa Money Lending Limited either positively or negatively.

#### **1.2.1 Political Analysis**

Ghana is considered as one of the most stable countries in West Africa (BBC News, 2017). In December 2016, there was a smooth transition of power from the National Democratic Congress to the New Patriotic Party, making Nana Akuffo-Addo president of the country (World Bank, 2017). The political stability, is an indication to investors, both foreign and local, that they can conduct business in Ghana peacefully. This presents an opportunity for Obrapa to capitalize on, as it continues to operate the business of money lending in Ghana.

### **1.2.2 Economic Analysis**

The service sector, the largest in the country, contributed about 54% to the Gross Domestic Product (GDP) in Ghana in 2016 and the sector is projected to grow at 5.1% in 2017. With an elimination and reduction of some taxes and levies, this is expected to increase investment in the private sector especially, and create a business-friendly environment (PwC, 2017). In addition, it is projected that the inflation rate will decline from 15.4% in 2016 to 12.4% in 2017 and 8% in 2018 (PwC, 2017). The tax cuts and fall in inflation rate will reduce the overall cost Obrapa will incur in providing services to its target market.

### **1.2.3 Socio-cultural Analysis**

In 2013, over thirty microfinance institutions collapsed because of the inability to sustain business operations, causing customers to lose monies they had deposited (Ghana Business News, 2013). Thus, people have lost trust in microfinance institutions, and it has become difficult for these institutions to take funds from the public, which is a major source of finance for business operations. This is a major threat to Obrapa as the survival of its business depends on the funds it can raise from the public as investments, to give as loans to individuals and small businesses.

### **1.2.4 Technological Analysis**

The government of Ghana has introduced the Third-Party Reference System (TPRS) which allows financial and non-financial institutions among others, to have access to payroll verification and carry out personal loan deductions (Zogbenu, 2014). The use of such a system provides an opportunity for Obrapa to reduce risk associated with loan defaults, as the company will be able to carry out deductions when loans are given out to government employees.



### **1.3 Overview of Microfinance Sector in Ghana**

#### **1.3.1 Evolution of Microfinance in Ghana**

The practice of microfinance is not new in Ghana as it has been common practice for individuals to take or save little amounts of money from others to support small retail businesses or farming ventures. Some evidence points out that the earliest credit group in Africa may have been established in 1955 in the Northern Region of Ghana by Canadian Catholic missionaries (Asiama & Osei, 2007). The sector has prospered and advanced over the years as many financial sector policies and programs like the liberalization of the financial sector and the introduction of PNDC Law 328 of 1991, among others, has led to the establishment of a variety of non-banking financial institutions (Asiama & Osei, 2007). These institutions include finance houses, savings and loans companies and money lending companies.

#### **1.3.2 Nature of Microfinance Institutions in Ghana**

The Microfinance sector in Ghana provides credit and financial services to the urban and rural poor, and other sectors of the economy which do not have access to services provided by universal banks (Afolabi, 2015). The operations of the microfinance sector are tiered into four primary activities encapsulating activities performed by Rural and Community Banks, Finance Houses and Savings and Loans Companies (tier 1), Susu Companies and Financial Non-Governmental Organizations (FNGOs) that are deposit taking and profit making, as well as Credit Unions (tier 2) (Bank of Ghana, 2011). Activities of Money Lenders (the category Obrapa Money Lending Limited falls) and non-deposit FNGOs fall within the third tier, while Susu Collectors and individual money lenders also fall within tier 4 activities (Bank of Ghana, 2011). The categorization is done based on the nature of business operations and minimum capital requirements.

In an official list published by the Bank of Ghana (2016), as at July 2016, there were 64 money lending companies operating in Ghana, with 46 out of this number operating in Greater Accra alone. This is an indication of how competitive the money lending sector is in the capital city. With stringent measures in place to regulate the activities of these institutions to ultimately protect customers, especially those who deposit funds, the license of 70 microfinance companies were revoked for failure to meet certain requirements demanded by the central bank (Lokko, 2016).

### **1.3.3 Challenges of Microfinance Institutions in Ghana**

Some of the challenges faced by microfinance institutions in Ghana include inefficient credit delivery systems which do not optimally meet the diverse the needs of end users and high operational costs including the cost of utility bills and rent. Another major challenge is the lack of trained professionals to properly manage operations and coordinate operations, affecting the sustainability and profitability of these institutions (Afolabi, 2015).

## **1.4 Internal/ Organizational Context**

### **1.4.1 Company Profile of Obrapa Money Lending Limited**

Obrapa Money Lending Limited is a money lending company that borrows from and lends funds to individuals on contractual terms. Obrapa is registered as a company limited by liability. It commenced business on 19<sup>th</sup> June 2013 after being certified to carry out the business of money lending. The company is situated in Dzorwulu, a suburb of Accra, adjacent Union Savings and Loans (now OmniBank). The company has four board of directors with one doubling as the managing director. Currently, the company has three employees; a customer service officer, a finance officer and a managing director. The position of Operations Manager is vacant. Auditors of the firm are Ahima-Adonteng & Associates with Legal Ink (Lawyers) serving as legal advisors to the firm.

### **1.4.2 Services**

The company mainly offers the following services: 91-day Investment Certificates, 182-day Investment Certificates, 365-Day Investment Certificates, Personal Loans, Working Capital Loans and Business Loans.

### **1.4.3 Core Values**

The values that the company stands by which influence its business operations are:

- Confidentiality: Keeping transactions confidential to earn the trust, confidence and loyalty of customers and business partners.
- Customer Focus - Honouring obligations to customers and business partners.

### **1.4.4 Target Market**

Obrapa offers short-term loans of not more than GHS 3,000 to shop owners, taxi drivers, market women and small businesses, repayable within three months. The company's investment certificates are available to all individuals and groups, provided they are willing to invest a minimum amount of GHS2,000.

### **1.4.5 Vision**

To build our shareholders' value and maintain customers' loyalty.

### **1.4.6 Mission**

To earn the trust and confidence of our customers and business partners by conducting business in an ethical and professional manner.

## **1.5 Rationale for Selecting Obrapa Money Lending Limited**

Obrapa Money Lending Limited has been operating for over three years. However, the company does not have an extensive customer base. All its customers are friends and family members of employees. The company intends to expand its operations beyond its

current market. The purpose of this project is to therefore develop a strategic marketing plan for the company to create and capture value from a wider market.

### **1.6 Strengths, Weaknesses, Opportunities and Threats (SWOT) Analysis**

Information regarding the SWOT analysis was gathered from interviews with the managing director and customer service representative as well as a sector overview and PEST analysis framework discussed earlier. A summary of the SWOT Analysis is presented in Appendix A.

#### **1.6.1 Strengths**

- Obrapa gives loans of up to GHS 3,000 to customers, repayable within three months, as compared to close competitors like Fido that offers GHS 600 and WBI Money Lending that offers GHS 1,000.
- Obrapa is located adjacent OmniBank and although this may seem like a threat, it is a major strength to the company. Because of the company's location, loan customers who are rejected by the bank end up coming to Obrapa to secure loans because they cannot meet all loan requirements of OmniBank, such as the provision of collateral.

#### **1.6.2 Weaknesses**

- The company does not have marketing personnel to drive marketing activity to potentially increase revenue. As a result, customer base is limited to friends and family members of employees of the company.
- The company has only one branch and this limits the ability to reach a wide target market. Customers who want to use the company's services must go to the company's only premises at Dzorwulu. This restricts the number of people who could potentially do business with the company because of its sole location.

### **1.6.3 Opportunities**

- There is an opportunity to build a very strong brand in the money lending sector in Ghana as brand awareness in the sector is very low. In interviewing potential customers, they were not aware of the existence of money lending companies in the country.
- Obrapa can use the Third-Party Reference System to help in retrieving money given out as loans to public sector employees. The system ensures that the company deducts the agreed amount even before the customer receives his or her salary.

### **1.6.4 Threats**

- There is a negative perception towards microfinance companies in the country because of the collapse of some of these institutions. Some of these institutions have been shut down because they were not able to pay back monies to customers who invested money with them.
- Barriers to entry are minimal. As a result, similar institutions can be set up when they realise the business is profitable. These new entrants will compete and erode the profits of existing players in the market.

## **CHAPTER TWO: PROJECT NEEDS ANALYSIS**

### **2.1 Overview of Chapter**

This chapter demonstrates the need for the project. The chapter explains the data gathering procedures employed in identifying the need for the project. It also discusses the sampling techniques used with reasons why such techniques were used.

### **2.2 Needs Assessment**

A need is defined as a disparity between current results and the desired results (Kaufman & Guerra-Lopez, 2013). To identify a need, a process known as a needs assessment must be carried out. A needs assessment is a process that identifies gaps between current and desired results, and prioritising them based on costs in meeting the need, rather than costs to ignore the need (Kaufman & Guerra-Lopez, 2013). In identifying the needs of Obrapa Money Lending Limited, a needs assessment was carried out.

### **2.3 Methodology**

The target population of the needs assessment was employees of the organization. Information was also gathered from current and potential customers to gain insights. Data collection instruments employed included unstructured interviews, questionnaires and semi-structured interviews. Primary sources of data were employees, customers, potential customers and competitors. Both qualitative and quantitative research methods were employed. The data collection instruments are discussed under the various headings:

#### **2.3.1 Unstructured Interviews with Employees**

An unstructured interview (in-depth interview) is one in which questions are generated spontaneously, based on the natural flow of interaction between an interviewer and interviewee (Patton, 2002). A major advantage of this technique is that it allows the interviewer to probe and seek clarification on a subject matter, based on the interviewee's

perspective (McLeod, 2014). For this reason, unstructured interviews were used in uncovering the needs of the company. The sampling technique employed was purposive sampling. Purposive sampling is a method employed in qualitative studies, where the sample is selected based on characteristics the sample has in relation to finding answers to research questions (Teddlie & Yu, 2007). In this regard, the managing director and customer service representatives formed the sample since they were well equipped with knowledge about the company's operations and current situation because they were available at the time of the study and were willing to participate.

Table 1

*Summary of insights from unstructured interviews with employees*

Questions	Insights
When did Obrapa start operating and what is its mission and vision?	<p><i>We commenced business on 19<sup>th</sup> June 2013 and our vision is to build our shareholders' value and maintain customers' loyalty.</i></p> <p><i>Our mission is to do this by earning the trust and confidence of our customers and business partners in an ethical and professional manner.</i></p> <p><i>Our core values are confidentiality and customer focus.</i></p>
What products and services does Obrapa offer?	<p><i>We offer investment opportunities for the public to invest at competitive rates. We offer 91-day, 182-day and 365-day investments. Obrapa also gives out business loans, working capital loans and personal loans with a maximum amount of GHS 3,000 repayable within three months. Initially, we used to give out loans up to GHS 5,000 but repayment became a big issue so we reduced it to minimize our risk of default.</i></p>

Who is your target market?	<i>We consider small businesses and individuals such as traders, shop owners and taxi drivers as our target market. However, most of our current customers are different from the target we had in mind when starting the business.</i>
Who are your current customers?	<i>Majority of our investment customers are individuals who happen to be family members of employees of the company. Loan customers include both individuals and small businesses.</i>
How did you reach out to your current customers?	<i>We got into contact with them through family and friends by means of phone calls and face to face conversations. Some customers were gained through referrals from other customers.</i>
Does the company have a marketing strategy?	<i>No, the company does not have a marketing strategy. We would need a marketing plan to help the company expand its operations because we are relying on very few funds from family members and friends to keep the business afloat. We hope to build a strong brand and reputation in the money lending sector.</i>
What challenges does the company face?	<i>Firstly, we don't have a marketing plan so it is very difficult to stay in business. We rely on money our friends and family to keep the business running so we hardly get new customers. We sometimes turn down customers who need loans because we don't have enough money from investments to give out. Also, people don't really know about us so it is difficult for them to deposit money with us.</i>
What is the most pressing challenge in your opinion?	<i>The lack of marketing activity. Without any plan in place the business cannot grow beyond where it is today. Once this issue is addressed, the company will not have to turn down customers, rely on money from a network of family and friends and our brand awareness will increase, making us more credible. Because we don't have our name out there, people don't trust us that much to do business with us.</i>

Source: Author's own research



### 2.3.2 Questionnaires Administered to Current Customers

Questionnaires were administered to customers of the company (See Appendix C). This method was chosen because customers of the company are widely distributed and therefore difficult to meet to interview. The purpose of the questionnaire was to understand how Obrapa creates value for its customers as well as find out if customers wanted any improvement in the services they were being offered. The sampling technique employed was convenience sampling, as customers who completed it were those who came to the company office during the period the research was carried out. Ten out of the fifteen questionnaires administered were completed. Seven were completed by investment customers and three were completed by loan customers. Some insights gathered from the questions include the following:

- The highest educational qualification of most of Obrapa's customers is Basic Education Certificate Examination (BECE).

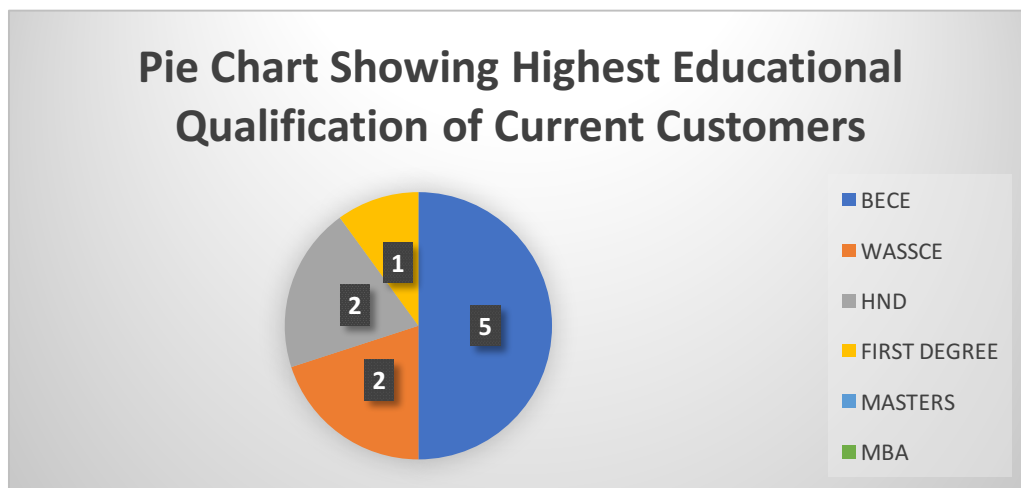


Figure 1. Pie chart showing educational qualification of current customers

- Most customers heard about the company through their friends and family, and their most preferred mode of communication is through brochures and flyers. According to them, brochures give credibility to a company and can be referred to for information such as the company's services, contact details and physical location.

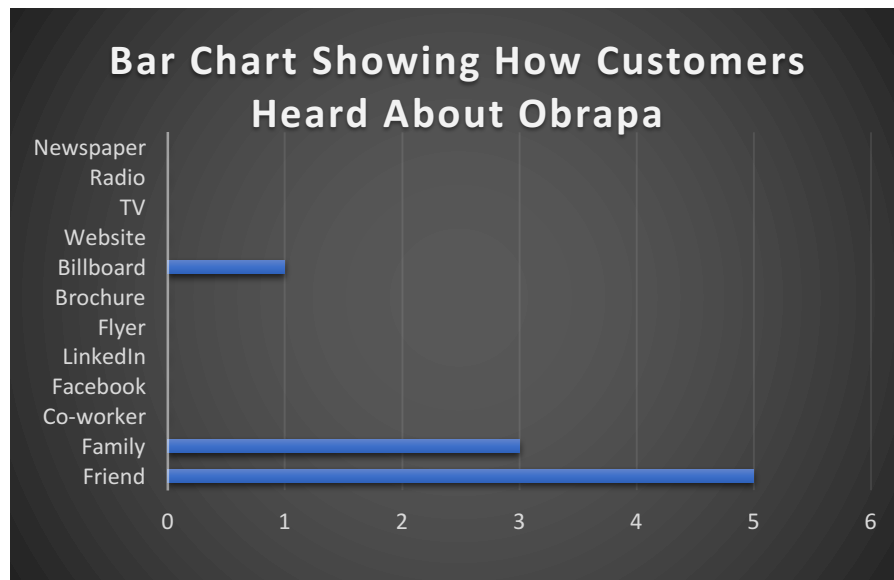


Figure 2. Bar chart showing how customers heard about Obrapa

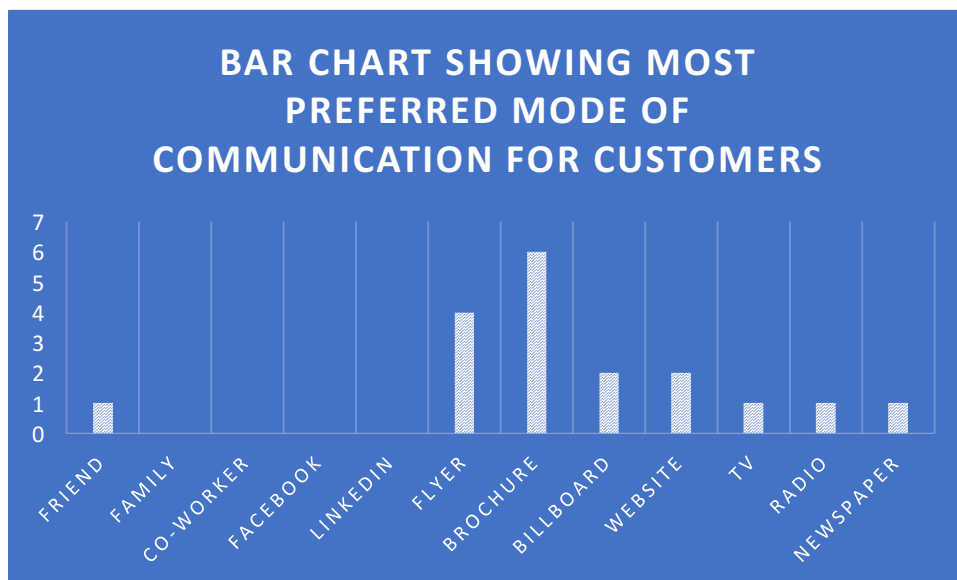


Figure 3. Bar chart showing customers' preferred mode of communication

- Customers prefer to make investments through cheques and direct deposit into the company's bank account.

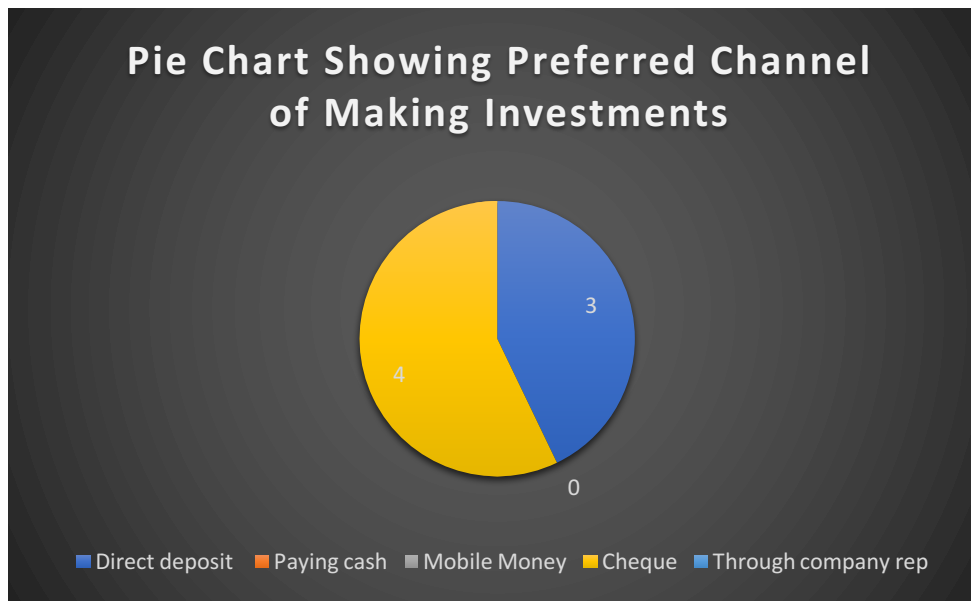


Figure 4. Pie chart showing customers' preferred channel of making investments

- Customers prefer to redeem investments through cheque or direct deposit into their bank accounts

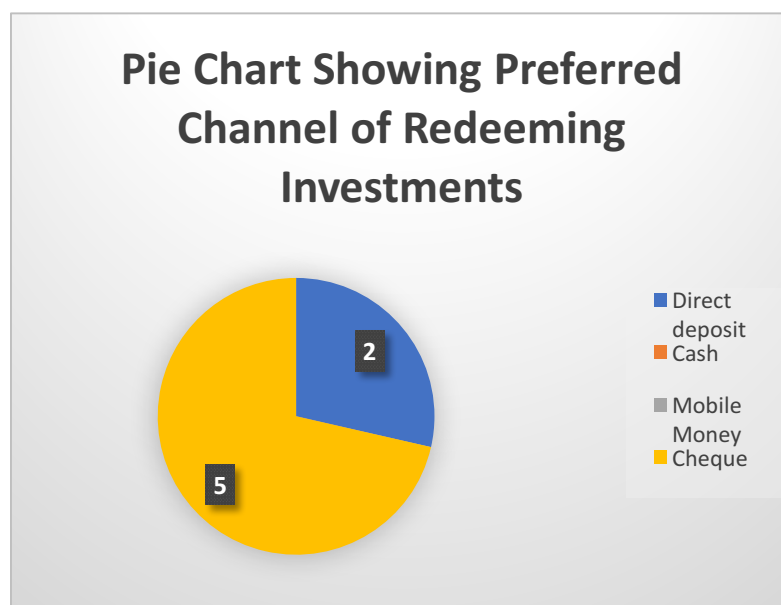


Figure 5. Pie chart showing customers' preferred channel of redeeming investments

- Customers prefer to receive loans in cash and pay them in cash or with mobile money.

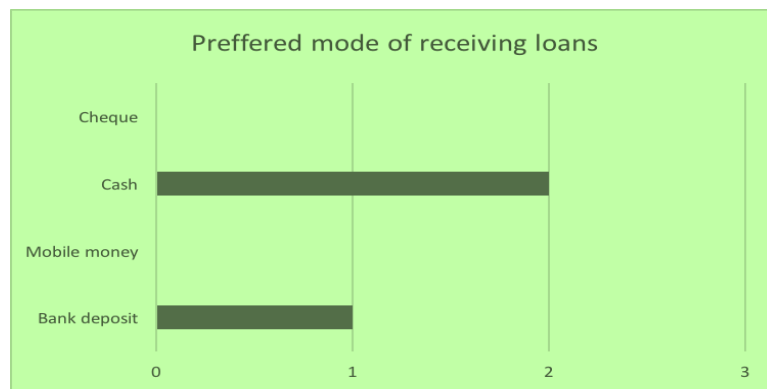


Figure 6. Clustered bar chart showing customers' preferred mode of receiving loans

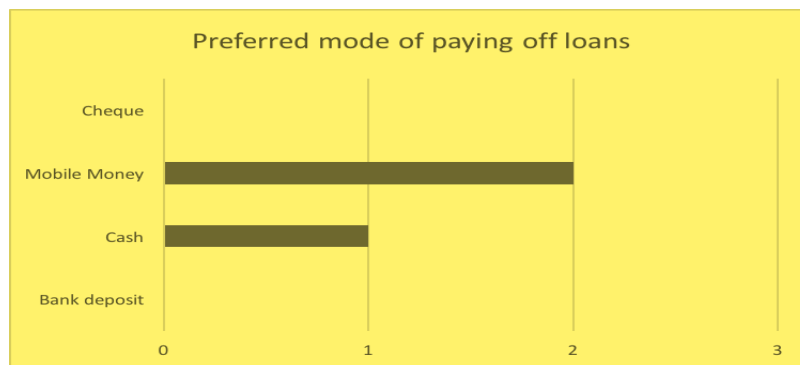


Figure 7. Clustered bar chart showing customers' preferred mode of paying off loans

- It currently takes four or more days for a loan to be processed and approved but customers prefer a shorter number of days to meet emergencies.
- 8 out of 10 customers will recommend Obrapa to others.

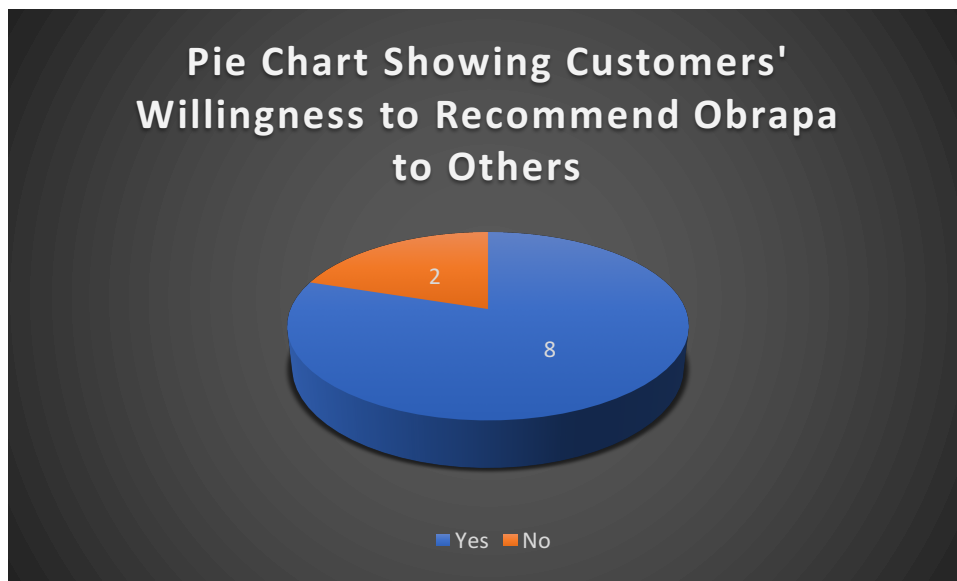


Figure 8. Pie chart showing customers' willingness to recommend Obrapa to other people

#### 2.3.4 Semi-structured Interviews with Potential Customers

Semi-structured interviews were conducted with potential customers living and working in and around Dzorwulu to gain insights. The interview guide is attached as Appendix B. Key insights gained from the interviews are summarized below:

- Most people use banks to save.
- Some people like that their financial institution ***“has many branches”*** so they can transact business almost wherever they find themselves. Others mentioned that ***“ATM cards make it easy to withdraw money 24/7.”***
- Some potential customers hate that they ***“have to join queues to get money”***. Others mentioned that ***“they are always deducting money monthly.”*** Some potential customers do not like that ***“the network is always down”*** when they visit their financial institution. This is a waste of time to them.
- Some potential customers think ***“microfinance institutions are helpful when it comes to loans because they don’t ask for collaterals.”*** Others think that ***“they offer attractive rates on investments but cannot be trusted.”***

- Some customers “*will do business with a microfinance institution if they know the owners personally*”. Some customers “*will never do business with a microfinance institution because they have heard some of them are unable to pay back monies to customers.*”

## **2.4 Problem Statement**

After operating for more than three years, Obrapa Money Lending Limited cannot boast of an extensive customer base. The company thrives on the services it offers to few existing customers. Most these customers are made up of friends and family members of the employees of the organization. Thus, it has limited the company’s prospects for growth and profitability. Obrapa therefore needs a plan to be able to increase its customer base and brand awareness so that it does not have to rely on funds from friends and family members.

## **2.5 Project Objective and Significance**

The major issue identified from the needs assessment is that Obrapa has not made provision for any form of marketing activity and thus, has limited its prospects for growth and expansion. As a result, the objective of this project is to develop a strategic marketing plan for the company to enable it to increase its customer base and brand awareness. This will provide an avenue for the company to measure its marketing effectiveness and performance based on strategic goals and objectives. The objective of this project, therefore, is to develop a strategic marketing plan for Obrapa Money Lending Limited to increase its brand awareness and customer base.

## **CHAPTER THREE: MASTERY OF SUBJECT MATTER**

### **3.1 Overview of Chapter**

The previous chapter revealed that Obrapa Money Lending Limited lacked any form of marketing activity. Based on that, this chapter seeks to review various literature from academic sources including journal articles and books that will throw more light on marketing in general. Literature on the marketing of financial services and marketing strategies of microfinance institutions will be discussed. In addition, this chapter reviews strategic marketing plan frameworks proposed by several authors from which a suitable framework will be chosen for Obrapa, based on its current situation and target market.

### **3.2 Mastery of Subject Matter**

This section reviews literature in the field of marketing. Literature will be reviewed under the headings of marketing, strategic marketing, marketing of financial services, microfinance marketing and marketing plans.

#### **3.2.1 Marketing**

Marketing is defined as “the process by which companies create value for customers and build strong customer relationships to capture value from customers in return” (Kotler & Armstrong, 2014). The American Marketing Association (2013) defines marketing as the “activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large.” The Chartered Institute of Marketing (2015) defines marketing to be the “management process responsible for identifying, anticipating and satisfying customer relationships profitably.” From the three definitions, it is evident that marketing is a mutually beneficial relationship which rests on the exchange of values between parties.

### **3.2.2 Strategic Marketing**

Strategic marketing is defined as the management process that optimizes gains to shareholders, by developing a competitive advantage in offering, communicating and delivering value to customers and in the process developing long-term relationships with them (Doyle, 2000). According to Hambrick and Fredrickson (2001), the elements of a marketing strategy include where the organization wants to be, how the organization will get there, how it will succeed, the tactics it will use and how profits will be obtained. Kotler (2003) states that strategic marketing involves deciding on a market to compete in, breaking it down into segments and then selecting the most profitable segment and creating and capturing value for that segment. The above definitions by the various authors all point to the fact that strategic marketing emphasizes on long-term profitable relationships that ensure sustainability and not merely tactical decisions for short-term profits.

### **3.2.3 Marketing of Financial Services**

So far, the definition of marketing puts an emphasis on tangible goods. It is thus prudent to understand the peculiarities of financial products and services and the characteristics that make marketing them different. Anand & Murugaiah (2004), identify that financial services are intangible and inseparable from the provider, making it difficult to be marketed and because of these features, propose three activities that must be performed. These activities are designing a service strategy to ensure credibility among the target customers, making services tangible through the provision of regular and necessary information to customers and finally, the development of a service system to create a positive perception in the minds of the target customers (Anand & Murugaiah, 2004).



### **3.2.4 Microfinance Marketing**

With an increase in competition, low switching costs among customers and slowing growth rates, it has become a necessity that microfinance institutions focus more on sustainability and profitability through their marketing programs (Tran, 2000). The components of a customer-centric marketing program are market, competitive, customer and product analysis, strategic planning and position and promotion communications to create and increase awareness about the institution (Tran, 2000).

In a study conducted to understand how some selected microfinance institutions based in Accra execute their marketing strategies, it was discovered that although some institutions had marketing strategies, they did not give adequate attention in developing their marketing plans (Brafu-Insaidoo & Ahiakpor, 2011). The study also revealed that marketing activities among microfinance institutions are not well organised, very little resources are channelled towards marketing activities and there is almost no focus on marketing in the strategic plans of these institutions (Brafu-Insaidoo & Ahiakpor, 2011).

### **3.2.5 Marketing Plans**

A marketing plan is a document that outlines and explains the step by step process of evaluating marketing opportunities and resources, establishing objectives, defining strategies and deciding on guidelines for implementing, controlling and evaluating the marketing program (Hult, Pride & Ferrell, 2012). According to Brookins (2017), the components of a marketing plan for a small business are a description of the business, defining the target market, the competition, a SWOT analysis, goals and tactics and a budget.

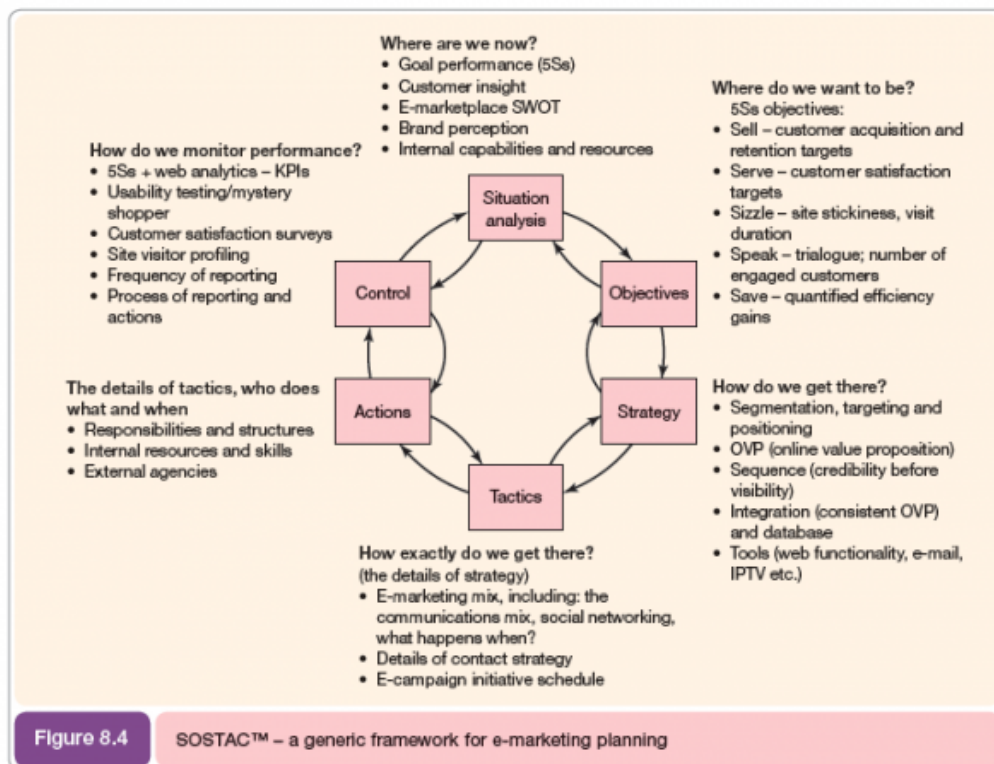
Various marketing plan frameworks have been developed by academicians and researchers to aid organizations in developing marketing strategies to meet specific objectives. Some of the most popular and widely used marketing plan frameworks include

STP Model and SOSTAC. Others include the Strategic Marketing Plan Framework for SMEs and the MicroSave-TMS Financial Strategic Marketing Framework.

### ***3.2.5.1 The SOSTAC Model.***

SOSTAC was developed by PR Smith in the 1990s and is a marketing model that covers six phases which are *Situation Analysis*, *Objectives*, *Strategy*, *Tactics*, *Actions*, and *Control*. The model is simple and easy to remember and use, and covers all major aspects of a marketing plan (Chaffey, 2016). The steps in the model form a cycle for continually reviewing the plan to adapt to changes in both the internal and external business environment. SOSTAC is very detailed and can even be adopted for marketing communication plans and digital marketing plans as well.

*Situation Analysis* involves understanding the current state of the company. *Objectives* involve determining where the company intends to. *Strategy* defines how the company seeks to get to where it intends to go. *Tactics* define the specific things a company must get to where it plans to go. *Action* is a detailed plan which involves persons responsible for specific tasks and when tasks should be performed. *Control* involves monitoring the performance to ensure that the plan is followed through completely (Chaffey, 2016).



(Morris, 2012)

Figure 9. The SOSTAC marketing model

### 3.2.5.2 The Segmentation, Targeting and Positioning (STP) Model.

The Segmentation, Targeting and Positioning (STP) Marketing Model is a three-step process in crafting a marketing plan. The model involves identifying niches within a broad market based on important attributes or characteristics, selecting the most attractive segments based on criteria such as accessibility and anticipated profits and then finally developing a marketing mix for the selected segments (Hanlon, 2016). A primary advantage of the model is that it is customer-focused since a company positions itself and its offerings based on the needs of customers. In comparison with SOSTAC, STP is just a subset of SOSTAC, contained within the third step in SOSTAC model.

### 3.2.5.3 The Strategic Marketing Plan Framework for SMEs.

A strategic marketing plan has been developed by Nigrecia, Dumitru and Edu (2011) which focuses on the long-term planning and sustainable development of any small and medium enterprise (SME) irrespective of the kind of company kind and its target market. This framework considers the intensity of competition and the growing demands of customers and incorporates it in the formulation of the strategic marketing plan. The strategic marketing plan broadly consists of three key sections which are the executive summary, current situation through analysis of the marketing environment and a presentation of the strategic marketing proposal for a defined period (Negrecia et al., 2011). Unlike the SOSTAC and STP models discussed earlier, this model was developed to be used by SMEs based on the nature of their business and the intense competition they face. Details of this framework are captured in Figure 9 below:

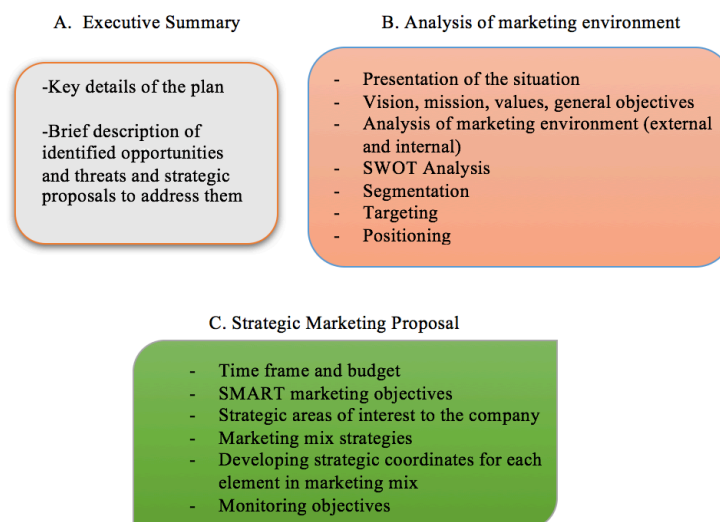


Figure 10. Strategic marketing plan framework for SMEs

### 3.2.5.4 The MicroSave-TMS Financial Strategic Marketing Framework.

The MicroSave-TMS Financial Strategic Marketing Framework was developed by MicroSave and TNS Financial, a South-African marketing company after reviewing the

marketing strategies of two NGO-MFIs, two commercial banks, two government-owned financial institutions and two non-bank financial institutions (Wright, Cracknell, Mutesasira & Hudson, 2005). The results of the review indicated that all eight institutions under review appreciated the need and value of the marketing function in the organizations. Marketing has evolved from only research activities to include areas like customer service, selling and delivery systems and corporate branding and identity among the more sophisticated microfinance institutions. In addition, customer service was found out to be key in influencing customer satisfaction and loyalty (Wright et al., 2005).

Based on the results of the review, TMS developed a strategic marketing framework for use in the microfinance industry, which has been tested and received by CEOs and Marketing and Operations Directors of the reviewed institutions. The strategy comprises the Corporate Brand Strategy, Product Strategy and Product Delivery & Customer Service Strategy. These three aspects of the strategy are based on information from Customer, Competitor, Market and PEST Analysis as well as ad hoc analysis when necessary (Wright et al., 2005).

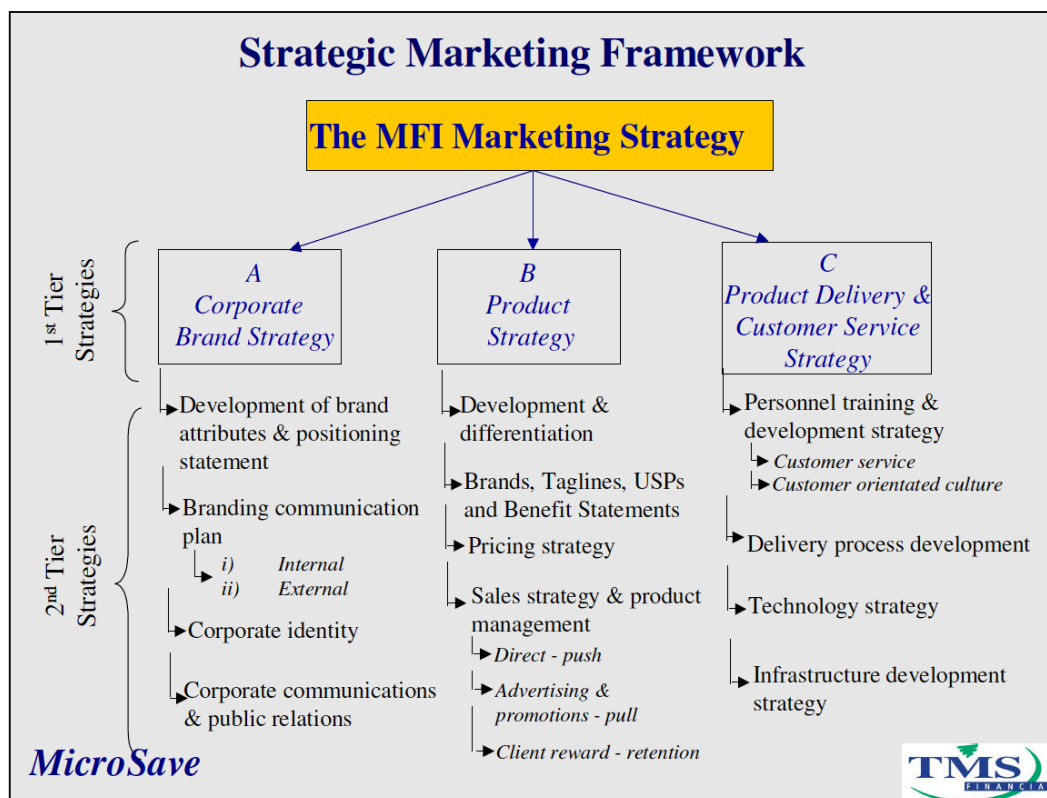
### **3.3 Empirical Evidence of the MicroSave-TMS Financial Strategic Marketing Framework**

This section discusses how some microfinance institutions who adopted the MicroSave-TMS Financial Strategic Marketing Framework have positively benefitted. After successful implementation of the framework, MicroSave is now strongly differentiated from its competitors and is highly regarded as customer-centric and providing quality service. Customers have since then, searched for information on the institution's website when looking for information on savings (Wright et al., 2005).

Equity Building Society, one of the organizations under review, reviewed its interest rates on loans based on feedback from clients and competitor analysis and has been able to

increase the accounts opened from daily, from about 25 a day to 300 a day (Wright et al., 2005).

Finally, Kenya Post Office Savings Bank, one of the institutions to implement this model, has been able to reduce the cost of processing deposits by 58% and withdrawals by 36% through the introduction of a card-based system, known as Bidii, which replaced the old passbooks, leading to overall cost savings and increasing the number of clients served (Wright et al., 2005).



(Wright et al., 2005)

Figure 11. The MicroSave-TMS Financial Strategic Marketing Framework

The frameworks discussed above are all useful in developing a marketing strategy. However, the MicroSave-TMS Financial Strategic Marketing Framework would be adopted in designing a marketing plan for Obrapa Money Lending because it has been used by similar microfinance institutions and the results have been phenomenal. The model, will, however, be modified, based on the needs of Obrapa, funds available and current internal capabilities of the company.

## CHAPTER FOUR: SOLUTION/TOOL

### 4.1 Overview of Chapter

This chapter presents a strategic marketing plan to help Obrapa Money Lending Limited expand its business operations, based on reviewed literature, the organization's external and internal context and needs analysis.

### 4.2 The Solution – Strategic Marketing Plan for Obrapa

The framework adopted to create the marketing plan is the MicroSave-TMS Financial Strategic Marketing Framework which will be modified to suit the needs of Obrapa Money Lending limited. The framework to be developed will include an action plan, budget and control and a balanced scorecard to monitor and evaluate objectives.

#### 4.2.1 Competitor Analysis

A list of questions was generated to gather information with regards to services, prices, place and communication channels of four of Obrapa's closest competitors. Phone interviews were used to reach the customers because this method is cheap and helps to gather a wide range of information within a short period of time. The results of this analysis will help the company channel its efforts into providing services to its current and potential customers. A summary of the analysis is presented in Table 2 below:

Table 2

*Insights from Competitor Analysis*

Company	Services	Price	Place	Promotion
Fido Money Lending Limited	Loans	16% per month + GHS 12 processing fee	Dzorwulu	Website, Facebook & Mobile Application
Cobbs Money Lending	Loans	10% per month + 4% processing fee	Adabraka	Website & Facebook

McOttley Money Lending Limited	<ul style="list-style-type: none"> <li>Loans</li> <li>Investments</li> </ul>	Loans (10% per month + 1% facility fee + 1.5% processing fee + 1.5% monitoring fee)  Investment (Treasury bill rate equivalent)	Dzorwulu	Website & Facebook
WBI Money Lending Limited	Loans	Loans (8% per month + 60cedis processing fee)	Dzorwulu	Website & Facebook
<b>Obrapa Money Lending Limited</b>	<ul style="list-style-type: none"> <li><b>Loans</b></li> <li><b>Investments</b></li> </ul>	<b>Loans (10% per month + 4% processing fee)</b>  <b>Investment (Treasury bill rate)</b>	<b>Dzorwulu</b>	<b>Facebook (dormant) &amp; Website (under construction)</b>

Source: *Author's own research*

#### *4.2.2 Corporate Brand Strategy*

##### *4.2.2A Brand Positioning using the Unilever Brand Vision Tool.*

To position the Obrapa brand, a brand positioning tool developed by Unilever, known as the Brand Key Vision, has been adopted for the management of Obrapa to position and manage the brand. The elements of this tool include the competitive environment, target market, insight, benefits, reasons to believe, discriminator and essence. Using these elements, the position of the Obrapa brand has been articulated.

Positioning Objective: To be top of mind among market women, shop owners, taxi drivers and salaried employees, especially those who live and work within and around Dzorwulu in terms of convenience, credibility, reliability and customer focus when it comes to loans and investments.

Positioning Statement: Only Obrapa gives you access to speedy and convenient financial services to help you be financially successful.



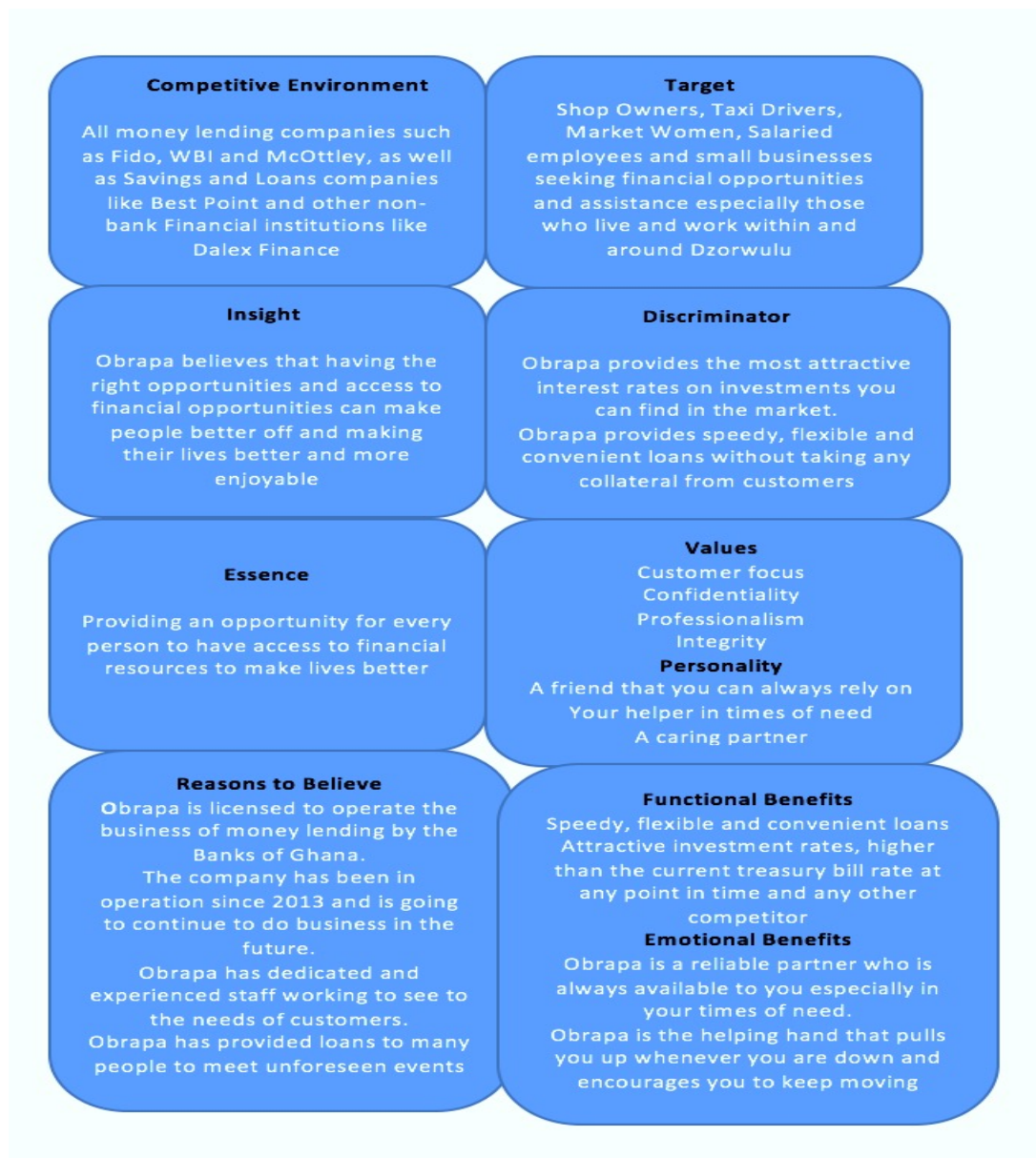


Figure 12. Obrapa's brand positioning

#### 4.2.2B Communication Plan.

Communication Objectives:

1. To ensure that at least 30% of the target market living and working in and around Dzorwulu are made aware of the services Obrapa offers by the end of December 2017.
2. To ensure that at least 70% of the target market who are made aware of Obrapa attribute its services to convenience, reliability and flexibility by the end of December 2017.

Measurement: The number of new customers taking loans or making investments every month.

#### Personas of Obrapa's Target Market

- *27-year-old banker* – Kwaku, is a banker who has been working for the past two years. He intends to invest about 30% of the money he has earned so far, as he has plans of moving out of his father's house soon. He is not attracted by the treasury bill rate because he thinks it is too low. He is looking for an alternative to invest his money at a very attractive rate so that he can have enough to move out of his father's house as soon as possible.
- *Church Group*: The welfare committee of a church in Dzorwulu has collected funds from members towards supporting members in need. However, the committee foresees that it might need a little more money in a few months and thus wants to invest the cash in hand for 6 months to earn some interest on it, rather than putting it in a bank where charges will be applied to the money they have been able to raise so far.
- *Shop Owner*: Auntie Bee, a convenience shop owner at Abelemkpe goes to Accra once a month to buy items to stock her shop. It is the month of September and she has just stocked her shop and her daughter Akosua needs 1,200 cedis to pay her school fees or she will be kicked out of school by the end of the week. Auntie Bee needs a loan urgently to pay her daughter's school fees since her money is locked up in stock.

#### Tactics

- *Personal selling combined with a distribution of flyers and brochures*

Personal selling is a strategy which involves using a salesperson who directly approaches a customer to sell a company's products or services. The sales person should be well-equipped with knowledge about the company and its products and services and tailor this to the needs of the potential customer. It is advised that the salesperson approaches the

target customers in groups such as market unions, taxi unions and church, where members hold each other accountable and have similar needs. Once a person from the group is satisfied, he is likely to convince another to trust the company. The salesperson should go along with flyers and brochures that outline company details, location, services and contact information that the target group can refer to. Information gathered from current and potential customers indicated that they prefer to hear about a company through brochures and flyers. According to them, this gives credibility to the company. In addition, it serves as a reference material for the customers to refer to since it has information regarding the company's services, contact details and location.



Figure 13. Sample brochure



Figure 14. Sample flyer

- *Facebook Advertising*

It is recommended that Obrapa uses Facebook actively to reach out to other potential customers, as their competitors are doing, as presented in the competitor analysis. The Facebook account is targeted mainly towards investment customers who are a little more sophisticated. Information gathered from the needs analysis indicated that investment customers usually get information from Facebook daily. Thus, Facebook will mainly be used

to target investment customers. Facebook provides a platform for the company to market its services to a wide range of audiences for free. The company must provide regular and relevant posts to engage with the target audience. The company already has a Facebook page but it is inactive so it must be reactivated to engage with the target audience. Any enquiries posted on the company's Facebook page should be responded to in a friendly and courteous way. A proposed content calendar has been developed to ensure consistency in the posts.

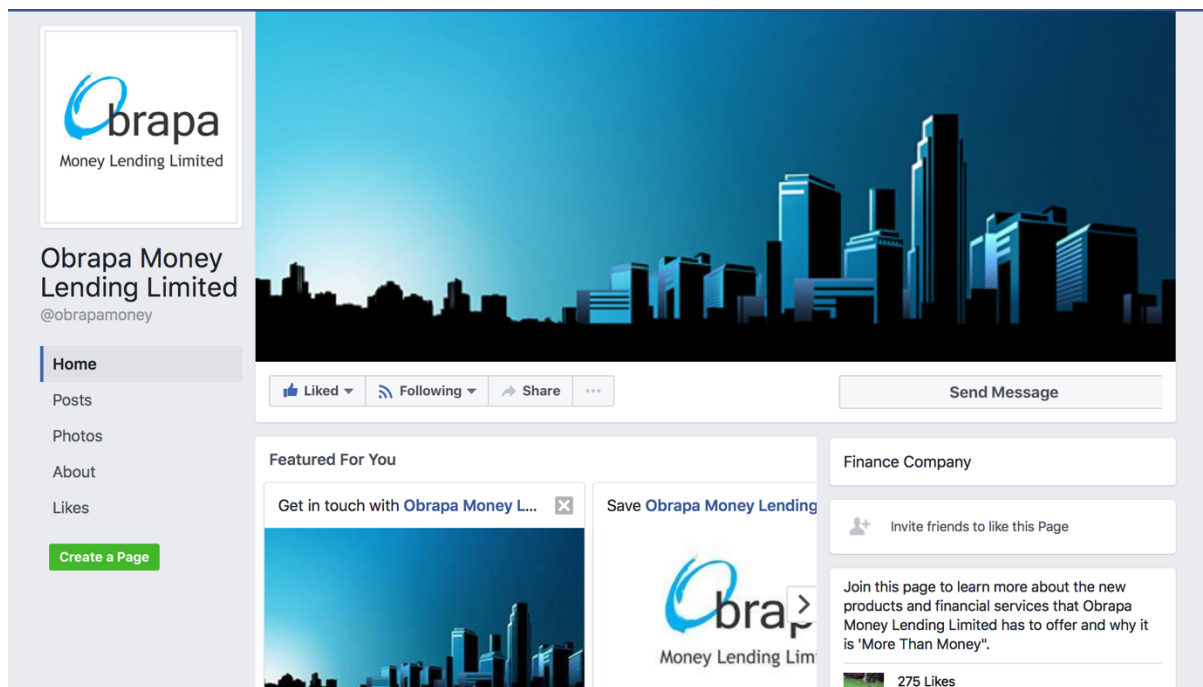


Figure 15. Obrapa's current Facebook page

Image source: [www.facebook.com](http://www.facebook.com)

Table 3

*Recommended Calendar for Obrapa's Facebook Posts*

Day	Content
Mondays	Quote on investments, money or financial independence
Tuesdays	Post on company or industry
Wednesdays	Obrapa Investments
Thursdays	Obrapa Loans
Fridays	Feature of a satisfied customer

The company also has an option of paid advertising on Facebook where it can specify the demographics of the target audience it wants to reach, as well as where they live, based on the amount the company is willing to spend and the duration of the advertisement.

The screenshot displays the Facebook 'Boost Post' interface. On the left, under 'AUDIENCE', the 'People you choose through targeting' option is selected. Targeting criteria include 'Location - Living In: Ghana' and 'Age: 18 - 65+'. Other options like 'People who like your Page' and 'People who like your Page and their friends' are available. Below this, there's a section for 'Instagram' with a checked box for 'Run promotion on Instagram'. The 'BUDGET AND DURATION' section shows a 'Total budget' of '\$10.00' and 'Estimated People Reached' of '8,600 - 23,000 people' out of a total of 2,700,000. On the right, the 'Duration' is set to '1 day', '7 days', or '14 days'. The 'Run this ad until' date is 'Apr 17, 2017'. A summary box states: 'You will spend an average of \$3.33 per day. This ad will run for 3 days, ending on Apr 17, 2017.' The 'PAYMENT' section shows the 'Currency' as 'US Dollars'.

Figure 16. Paid advertisement on Facebook

Image source: [www.facebook.com](http://www.facebook.com)

#### 4.2.2C Corporate Identity.

Place and Physical Evidence Objectives:

- To build a positive mental image about Obrapa Money Lending Limited in the hearts and minds of at least 50% of all potential customers in Dzorwulu, through the tangible and intangible aspects of the brand by end of November 2017.
- To ensure that at least 70% of potential customers living and working in and around Dzorwulu who walk in front of, and into the company's premises, are able to have an idea about the services Obrapa provides without having to speak to a company representative by the end of November 2017.

Obrapa is located in Dzorwulu, adjacent OmniBank. All major transactions take place at the company's premises. Customers who want to make investments or take loans must go

to this physical location to do so. Standing across the street, there are mini billboards in front of the premises to display company information, services provided and contact information. However, the paint work on the building is old and not attractive. It is recommended that the company paints its premises for it to look more attractive.

In the main office area, the company has displayed its certificate of incorporation, the certificate to commence business, approval by the Bank of Ghana to operate as a money lending company and the current interest rate on loans and investments. The display of the certificates and approval by the Bank of Ghana gives the company credibility and makes customers trust the services of the company. A socio-cultural analysis presented in chapter 2 indicted that many Ghanaians have a negative perception towards microfinance institutions. The certificates and license to operate provide customers with an assurance that the company is registered to carry out business and not to engage in any fraudulent activity leading to collapse of the company. The display of lending and borrowing rates gives customers who walk into the company premises a summary of information about the company's services. In addition, there is also a pullup banner that communicates the services the company offers. This is to make it easy for customers, and potential customers to have a fair idea about the company even before interacting with an employee.



OBRAPA MONEY LENDING LIMITED	
<b>BORROWING RATES</b>	
DAYS	% PA
91	21.5
182	22.5
365	23.5
<b>LENDING RATES</b>	
FORMS	GHC10
PROCESSING FEES	4.5%
INTEREST RATE	10.0%
PENAL RATE	10.0%
OBRAPA ... MORE THAN MONEY	

Figure 17. Obrapa's lending and borrowing rates





Figure 18. Obrapa's certificate to commence business and licence to operate a non-bank financial institution

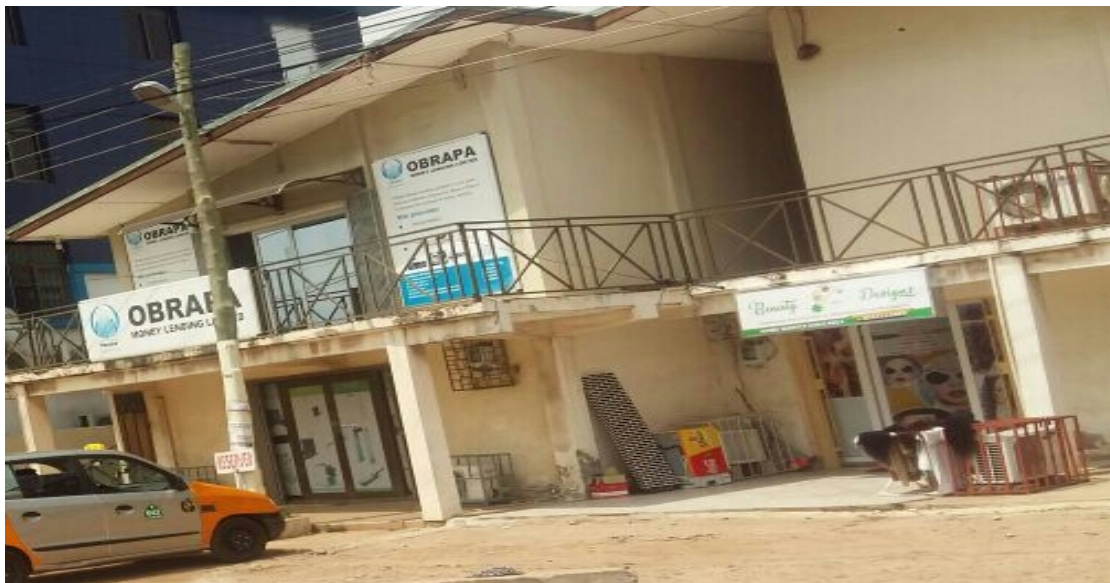


Figure 19. A view of the company across the street

#### 4.2.3 Product Strategy

Product Objectives:

1. To make Obrapa's investment products the most attractive in terms of interest rates on investment among 60% of the target market living and working in Dzorwulu by the end of December 2017 by offering a negotiable rate higher than the treasury bill rate.

2. To make Obrapa loans the most affordable among 60% of the target market living and working in Dzorwulu by the end of December 2017 by charging a rate lower than the current market rate.

Table 4

*Obrapa's Product Descriptions*

<b>Product</b>	<b>Description</b>	<b>Tagline</b>	<b>Unique Selling Proposition</b>	<b>Benefit Statement</b>
<b>91-day Investment Certificate</b>	A three-month investment certificate (minimum of GHS 2,000) attracting a negotiable interest rate of current T-bill rate plus 0.5% to 2% based on the amount and term)	<i>Grow your money today</i>	<i>The ladder to financial independence</i>	<i>A secure future today</i>
<b>182-day Investment Certificate</b>	A six-month investment certificate (minimum of GHS 2,000) attracting a negotiable interest rate of current T-bill rate plus 2% to 3.5% based on the amount and term)	<i>Grow your money today</i>	<i>The ladder to financial independence</i>	<i>A secure future today</i>
<b>365-day Investment Certificate</b>	A one-year investment certificate (minimum of GHS 2,000) attracting a negotiable interest rate of current T-bill rate plus 3.5% to 5.5% based on the amount and term)	<i>Grow your money today</i>	<i>The ladder to financial independence</i>	<i>A secure future today</i>
<b>Personal Loan</b>	Loans granted to customers for personal purposes such as educational and medical	<i>Fast, flexible and convenient loans</i>	<i>Timely loans that offer you convenient and flexible payment options</i>	<i>Immediate financial assistance</i>



	(10% interest/month +4% processing fee on loan amount)			
<b>Business Loan</b>	Loans granted mainly to traders to buy stock in bulk (9% interest/month +2.5% processing fee on loan amount)	<i>Fast, flexible and convenient loans</i>	<i>Timely loans that offer you convenient and flexible payment options</i>	<i>Immediate financial assistance</i>
<b>Working Capital Loan</b>	Loans granted to enterprises to meet working capital, general and administrative expenses like wages, utility and fuel (8% interest/month +3% processing fee on loan amount)	<i>Fast, flexible and convenient loans</i>	<i>Timely loans that offer you convenient and flexible payment options</i>	<i>Immediate financial assistance</i>

Source: *Author's own research*

### Development & Differentiation

Market Penetration: This is a low-risk growth strategy that involves selling more of existing products to currently served target markets. It involves convincing customers to use your products more, convincing customers of competitors to switch to you and encouraging non-users to become users of your products or services. Tactics to be used include:

- Back2School – This is a sales promotion targeted at loan customers. It will run between August and October and is aimed at parents and guardians who need to meet urgent financial obligations of their children as a new academic year begins. This promotion eliminates processing fees originally charged on loans. As such, the only charge on this loan will be 10% per month. Customers are required to provide evidence of outstanding fees to qualify for this promotion in addition to any other relevant information they deem necessary. The loan will have to be paid back by end of January.

### Pricing Strategy

#### Pricing Objectives:

1. To make the interest rate on Obrapa's investment products the most attractive among all money lending companies in Ghana by the end of November 2017, by adding an additional margin of between 0.5% to 5.5% to the treasury bill rate.
2. To make Obrapa's loans the most affordable among all money lending companies in Ghana by the end of November 2017, by charging a rate lower than the market rate.

Interest rates on investment products are market-based. The benchmark is the Government of Ghana treasury bill rate. Based on this rate, Obrapa will negotiate with customers who want to invest and adds a margin of between 0.5% and 5.5%. Once both parties are satisfied with the margin, the interest rate on the investment is decided. This makes the interest rate very attractive since it is more attractive than that of competitors, based on the competitor analysis.

Interest rates on loans will range between 8% and 10% per month with a 2% to 4% flat fee (processing fee) on the loan amount, payable before a loan is disbursed. This rate is influenced by the competitor analysis.

#### **4.2.4 Product Delivery & Customer Service Strategy**

##### ***4.2.4A Personnel Training and Development.***

People Objective: To ensure that all employees of Obrapa, especially those who interact directly with customers, are equipped with customer relations skills by the end of June 2017.

##### *Basic Etiquette*

- Employees must dress professionally always and must keep their hair well groomed.

- Employees, especially those who interact with customers must be trained to be customer-centric and handle situations where customers are angry or irritated in a respectful manner.
- Employees, especially those who interact with customers should be able to speak one or more local languages to communicate effectively with customers who cannot communicate in English.

#### *4.2.4B Delivery Process Development*

Process Objective: To standardize all loan applications by the beginning of July 2017, by eliminating non-value adding processes such that all approved loans are delivered within 48 hours after receiving a customer's loan application form.

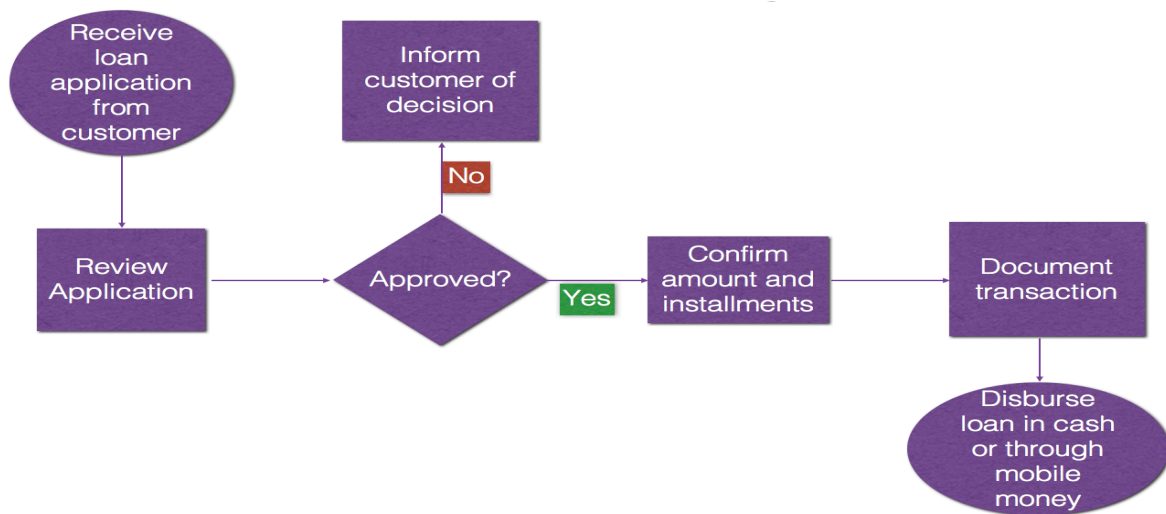
#### Loan Application Process

Information gathered from current customers indicated that the current loan application process is cumbersome and as such customers are not pleased. Based on this information, the loan process has been standardized to ensure consistency and eliminate non-value added activities that make customers frustrated. Loans are approved once customers complete the necessary loan forms and provide evidence that they can pay back the amount within an agreed period. A guarantor must then sign the form to give the company the assurance that if the customer defaults, he or she will be held responsible for repayment of the loan. Currently, the company does not ask for any collateral to make the loan process less cumbersome and more convenient.

Presently, loans are disbursed to customers in the form of cheques issued in the name of the customer. However, information gathered from customers indicated that customers will prefer to receive their loans in cash or directed directly into their bank accounts. It is therefore recommended that Obrapa disburses its loans in cash or through direct deposits into

the customers' bank accounts, based on their preference in addition to cheques, to make it more convenient for customers based on their preferences.

It takes four or more days for an approved loan to be disbursed to a customer. However, the aim of the standardized process is to ensure that loans are disbursed within 48 hours after approval.



*Figure 20.* The loan application process

The loan application form is designed to collect as much information from customers as possible. Some of the information includes the purpose of the loan, financial obligations to be met by the customer and the guarantor's information. The loan application form for both individuals and businesses is shown in Appendix D and E. A portion of the loan application form is shown below:

18. LOAN REQUEST GHC: \_\_\_\_\_ REPAYMENT PERIOD \_\_\_\_\_ months  
 PURPOSE OF LOAN: \_\_\_\_\_  
 \_\_\_\_\_  
 (Attach Supporting documents, if any)

19. FINANCIAL COMMITMENTS  
 Are you currently servicing a loan contracted from a bank, savings and loans company, finance house, microfinance company or private person? Provide details:  
 Loan Amount, GHC \_\_\_\_\_ Monthly Repayment, GHC \_\_\_\_\_  
 Loan Balance, GHC \_\_\_\_\_ Maturity Date \_\_\_\_\_ 20\_\_\_\_

20. REFEREE'S INFORMATION

Full Name _____	Full Name _____
Address _____	Address _____
_____	_____
Telephone(s) _____	Telephone(s) _____

21. GUARANTOR'S INFORMATION

Full Name of Guarantor \_\_\_\_\_  
 Relationship with Client \_\_\_\_\_  
 Nationality / Hometown \_\_\_\_\_  
 Postal Address \_\_\_\_\_  
 \_\_\_\_\_  
 Email \_\_\_\_\_ Telephone(s) \_\_\_\_\_  
 Residential Address /House No/ (Please Indicate Nearest Landmark) \_\_\_\_\_  
 \_\_\_\_\_

Name & Address of Employer \_\_\_\_\_ Telephone(s) \_\_\_\_\_  
 Department \_\_\_\_\_ Position Held \_\_\_\_\_  
 Net Monthly Salary, GHC \_\_\_\_\_ Other Income, GHC \_\_\_\_\_  
 Guarantor's Signature \_\_\_\_\_ Date \_\_\_\_\_ 20\_\_\_\_

**DECLARATION**  
 I HAVE PERSONALLY READ AND UNDERSTOOD THE CONTENTS OF THIS DOCUMENT. THE ANSWERS AND INFORMATION PROVIDED ARE TRUE TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF. ANY FALSE MISREPRESENTATION, DECLARATION OR INFORMATION PROVIDED WILL RENDER THIS REQUEST DECLINED.

Applicant's Signature \_\_\_\_\_ Date \_\_\_\_\_ 20\_\_\_\_

Figure 21. A portion of the loan application form

### Investment Process

The minimum investment amount is GHS 2,000. Once an investor is ready to invest with GHS2,000 or more for a fixed term, (91 days, 182 days or 365 days) the interest rate is negotiated, based on the amount of the investment and the investment duration. Upon agreement, the customer fills out an investment certificate indicating the terms of the investment.

From the needs analysis, it was revealed that customers are impressed with the company's interest rates on investments. In addition, customers indicated that they want to make their investments through a direct deposit into Obrapa's bank account or issue a cheque to the company. Based on this information, it is recommended that Obrapa grants customers this flexibility. Furthermore, customers indicated that once their investments mature, they would prefer to redeem it through a cheque or receive it in their bank accounts. Based on this, Obrapa should make available these options to customers whose investments have matured.

**Obrapa**  
Money Lending Limited .... More Than Money

**CERTIFICATE OF INVESTMENT**

No. 0001050

GHS                      DATE OF ISSUE                      DUE DATE                     

We hereby certify that.....has invested a sum of.....Ghana Cedis for a period of ..... days at an interest of..... percent (%) per annum.

Interest on Principal Payable: Monthly ☐ Quarterly ☐ Semi-annually ☐ Annually ☐

AMOUNT PAYABLE, GH¢                     

.....  
Manager

.....  
Managing Director

**TERMS AND CONDITIONS**

(A) Payment of Principal shall be effected on presentation and surrender of this certificate  
(B) 3-day Notice is required before termination or part withdrawal  
(C) Where certificate is surrendered before the maturity date Obrapa Money Lending Limited reserves the right to forfeit payment of accrued interest or part thereof  
(D) Interest is limited to day of maturity. However, principal and accrued interest shall be placed on call at Obrapa Money Lending Limited for a period of 7 days. After the seventh day, principal and interest will be rolled over under same terms and conditions.

Figure 22. Obrapa's investment certificate

#### 4.2.4C Technology Strategy.

Based on the needs analysis, current and potential customers opted to pay off loans through mobile money since it is more convenient for them to do so. As a result, Obrapa should have a mobile money account solely for receiving loan payments from customers. This will

go a long way to help the company position itself as a convenient and flexible loan provider.

The process for creating a mobile money account is captured in Figure 23 below.

**airtel**

Airtel Money : express account

Please do not enter any special characters (space, &, #, @ etc)

enter 10 digit airtel mobile number

first name

last name

date of birth

dd/mm/yyyy

Captcha

**proceed**

Figure 23. Creating an Airtel Money Account

Image Source: [www.airtel.com](http://www.airtel.com)

### 4.3 Action Plan and Budget

Table 5

#### Action Plan and Budget

Activity	Timeline	Responsibility	Cost
<b>Paint Company Premises</b>	June 2017	Managing Director	GHS 5,000
<b>Setup Mobile Money Accounts</b>	June 2017	Finance Personnel	GHS 0
<b>Train Employees</b>	June 2017	Managing Director	GHS 600
<b>Develop Flyers and Brochures</b>	July 2017	Operations Manager	GHS 500
<b>Develop Content for Facebook Posts</b>	July 2017	Graphic Designer	GHS 300
<b>Launch Back2School Promotion</b>	July 2017	Operations Manager	GHS 800
<b>Run Facebook Advertisement</b>	August 2017	Customer Service Representative	GHS 200
			<b>GHS 7,400</b>

#### Notes to Action Plan and Budget

- Training of employees should be done to equip employees with customer service skills.

- Facebook advertisement would be run for three times a week for one month (August 2017) to increase brand awareness and online presence of the brand.
- Launch of Back2School Promotion includes printing of banners to be displayed in front of company and transportation of salesperson going to taxi unions, churches and marketplaces to tell potential customers about the promotion.
- A graphic designer will be paid to develop visual content for Facebook posts for a month. Thereafter, a national service personnel will be trained to take over.
- Developing flyers and brochures includes the cost of designing and printing.

#### 4.4 Control and Evaluation

To ensure that the stated objectives are met, it is prudent that standards are set to identify discrepancies and make the necessary corrections. A balanced scorecard, tailored to the objectives of the company is presented below, to help the company control and evaluate its strategy implementation.

Table 6

##### *Balanced Scorecard*

Variables	Key Elements	Standard/Target	Benchmark	Monitoring Frequency
Strategic	Loan customers	100 customers per year	Fido Money Lending	Annually
	Investment customers	70 customers per year	FirstBanc	Annually
	Brand Awareness	20% (Money Lending Sector)	WBI Money Lending	Quarterly
Financial	Loan disbursements	GHC 20,000 per month	Best Point	Monthly
	Investment receipts	GHC 20,000 per month	FirstBanc	Monthly
	Revenue growth	GHC180,000	Beige Capital	Annually
	Gross Profit Margin	10%	Dalex Finance	Annually
Customer Satisfaction	Loan Application Process	48 hours after receiving application	UT Bank	Weekly
	Positive customer perception of value	9 out of 10	Barclays Bank	Monthly
Risk-related	Reduction in loan default amount	5% of total loan amounts disbursed	Izwe Loans	Quarterly
Human Resource	Employee Retention	85% retention rate	Unilever	Annually



### Opportunities and Challenges of Using the Tool

The tool serves as a plan for Obrapa to follow through, to increase its brand awareness, customer base and revenue. In addition, it reviews the competitive environment to develop strategies that can give the company a competitive advantage. One challenge of using the tool is that it needs a regular review of the external business environment and microfinance sector, to identify trends, threats and opportunities that can impact the company. Another challenge is that if the necessary funds are not allocated for the tool to be used, the company will not see the expected results.

### Guidelines for Using the Tool

- The manager of operations should take ownership of this tool.
- The Customer Service Representative should manage the Facebook page and should engage the audience by answering any questions that they may ask.
- Facebook posts should be evaluated by the number of daily likes and post engagements.
- Facebook posts should be visual and catchy to make it interesting and easy to read.
- The finance personnel should manage the mobile money account of the company to track loans that are being paid off.

### Resources Needed to Maintain the Tool

- Competitor, market, industry and target market analysis should be done every quarter to make the tool effective.
- The necessary funds for specific marketing activities must be allocated accordingly.
- The Customer Service Representative must have basic design skills to make Facebook posts visual and catchy.

- The Back2School promotion must be measured by the number of customers who took loans in the period and compared with the number of people who took loans before the promotion began.

## **CHAPTER FIVE: CONCLUSION, RECOMMENDATIONS AND LIMITATIONS**

### **5.1 Key Insights**

- Most companies in the money lending sector do not have strategic plans in place. They place an emphasis on day to day operations and lose sight of an overall strategic direction. This affects the survival sustainability of their business.
- Obrapa Money Lending Limited must take into consideration the needs of its target market in designing services, pricing and communicating it to them for the business to be profitable.

### **5.2 Conclusions**

- The tool developed will help solve the company's problem of relying on funds from friends and family members. If implemented, the company will capture new customers and this will help the business grow beyond its existing customer base.
- With the reactivation of the Facebook page, the company is likely to attract another segment of the market which its competitors are currently profiting from. It will also increase the online presence of the brand and build its credibility.

### **5.3 Recommendations**

The company should hire a salesperson to execute marketing activities of the company.

The salesperson must be someone who has experience in selling financial services, persuasive and communicate effectively in English plus one or more local languages.

The marketing plan developed should be updated quarterly since changes in the market, industry and customer preferences are likely to occur.

### **5.4 Limitations**

- Data was gathered from a small sample size (ten current customers and ten potential customers) and might affect the validity of the work.

- Information pertaining to the money lending sector specifically was not available. As a result, information was gathered on the microfinance sector in Ghana which might not be very accurate.

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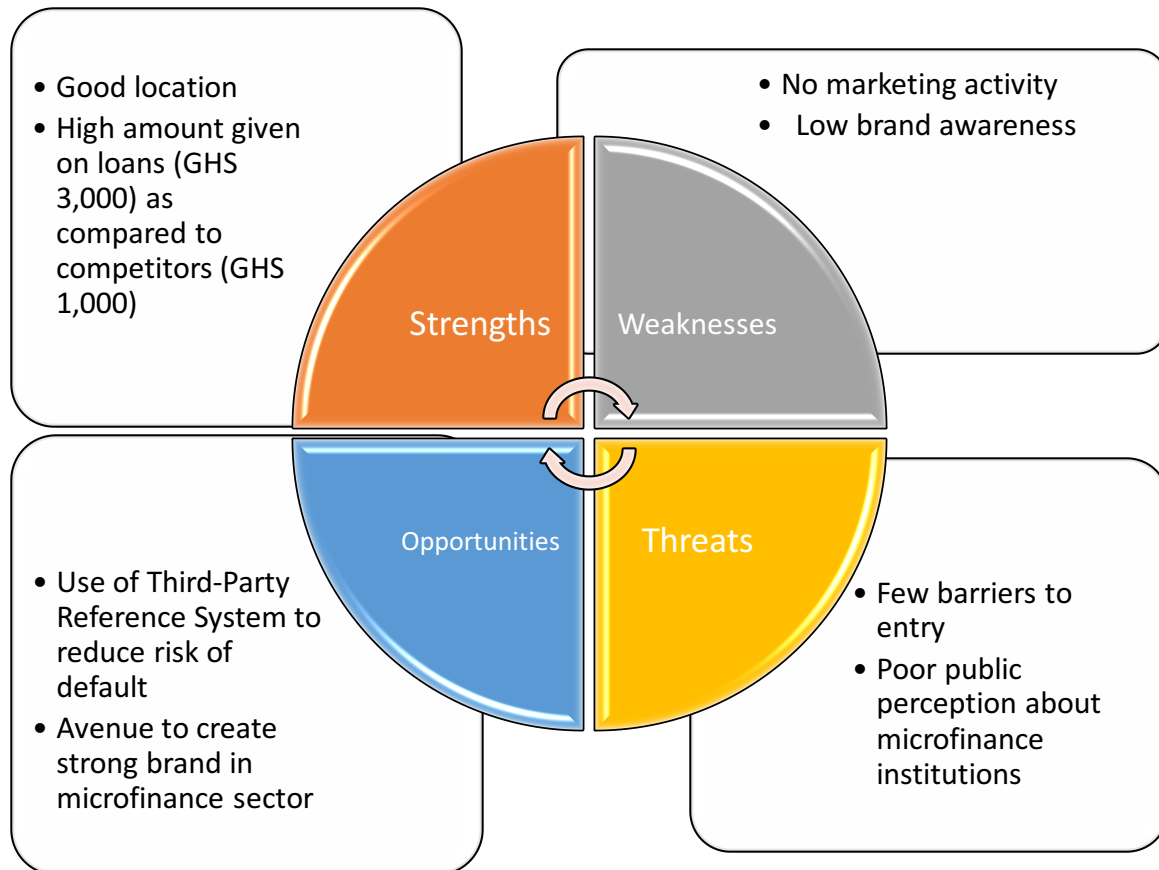
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**APPENDIX**

## Appendix A Summary of Obrapa's SWOT Analysis





## Appendix B Interview Guide for Potential Customers

### **Interview Guide for Potential Customers**

1. What type of financial institution do you use currently?
2. What do you like about the services of your current financial institution?
3. What challenges, if any, do you have with your current financial institution?
4. What are your views about microfinance institutions?
5. Would you do business with a microfinance institution. Why or why not?

## Appendix C Questionnaires Administered to Current Customers

I, Kwabena Nkansah Akuamoah, a final year student of Ashesi University college like to ask your permission to be part of this research activity. The purpose of this study is to develop a marketing plan For Obrapa Money Lending Limited. Your participation will provide ideas in improving the services the company delivers to customers. You are free to be part of this activity, and you are free to stop at any moment during the activity. There is no risk involved in being a part of this study. The benefit of your participation is that an effective marketing plan would be developed by the company to create value for you. For further information, you can contact my Supervisor, Mr. Anthony Ebow Spio, Head of Business Administration Department at Ashesi University College. This study and consent form has been reviewed by Ashesi IRB for Human Subjects Research to ensure that this survey does not infringe your rights as a participant. For further information contact the committee through [irb@ashesi.edu.gh](mailto:irb@ashesi.edu.gh)

1. How did you hear about Obrapa Money Lending Limited?
  - ☐ Friend
  - ☐ Family
  - ☐ Co-worker
  - ☐ Facebook
  - ☐ LinkedIn
  - ☐ Flyer
  - ☐ Brochure
  - ☐ Billboard
  - ☐ Other (please specify) .....
2. How would you want Obrapa Money Lending to communicate its offerings to you? (tick as many as applicable)
  - ☐ Friend
  - ☐ Family
  - ☐ Co-worker
  - ☐ Facebook
  - ☐ Twitter
  - ☐ Instagram
  - ☐ LinkedIn
  - ☐ Flyer
  - ☐ Brochure
  - ☐ Billboard
  - ☐ Website
  - ☐ TV
  - ☐ Radio
  - ☐ Newspaper
  - ☐ Other (please specify) .....
3. What kind of services do you enjoy from Obrapa?
  - ☐ Working Capital Loan
  - ☐ Personal Loan
  - ☐ Business loan
  - ☐ 91-day investment
  - ☐ 182-day investment
  - ☐ 364-day investment
  - ☐ Other (please specify) .....
4. How many business days did it take to process your loan/investment?
  - ☐ 1 – 3 days
  - ☐ 4 – 6 days
  - ☐ 7+ days
  - ☐ Other (please specify) .....
5. How long would you want your loan or investment to be processed?
  - ☐ 1 – 3 days
  - ☐ 4 – 6 days
  - ☐ 7+ days
  - ☐ Other (please specify) .....
6. What was your biggest challenge in making an investment or taking a loan from the company?
 

.....

.....

7. How satisfied are you in terms of the following? *(please tick where applicable)*

	Very dissatisfied	Dissatisfied	Neutral	Satisfied	Very Satisfied
Speed and efficiency of service delivery					
Appearance of staff					
Friendly and courteous nature of staff					
Interest rate on loan (if applicable)					
Interest rate on investment (if applicable)					
Procedure for obtaining loan (if applicable)					
Procedure for making an investment (if applicable)					

8. Would you recommend the services of Obrapa to another person?

- ☐ Yes
- ☐ No

9. Please provide a reason for your answer to question 8 above

.....

.....

.....

10. Any other concerns that may not have been addressed?

.....

.....

.....

11. What is your highest level of educational qualification?

- ☐ BECE
- ☐ WASSCE
- ☐ HND/Diploma
- ☐ First Degree
- ☐ Masters
- ☐ MBA
- ☐ PhD

*To be completed by loan customers only*

12. How was your loan disbursed to you?

- ☐ Deposited into my bank account
- ☐ Deposited into my mobile money account
- ☐ Cash was given to me
- ☐ Cheque was presented to me
- ☐ Other *(please specify)* .....

13. What channel do you currently use in paying off loans?

- ☐ Direct deposit into company account
- ☐ Paying cash at company premises
- ☐ Paying through mobile money
- ☐ Paying by cheque
- ☐ Company employee taking cash from me at home/work

- Other (*please specify*) .....
- 14. What is your preferred mode of receiving loans?
  - Deposited into my bank account
  - Deposited into my mobile money account
  - Cash given to me
  - Cheque given to me
  - Other (*please specify*) .....
- 15. What channel is most convenient for you in paying off loans?
  - Direct deposit into company account
  - Paying cash at company premises
  - Paying through mobile money
  - Paying by cheque
  - Other (*please specify*) .....
- To be completed by investment customers only***
- 16. What channel do you currently use in making your investment?
  - Direct deposit into company account
  - Paying cash at company premises
  - Paying through mobile money
  - Paying by cheque
  - Giving cash to company representative
  - Other (*please specify*) .....
- 17. What channel do you currently use in redeeming your investment?
  - Direct deposit into my account
  - Receiving cash at company premises
  - Paid into my mobile money account
  - Through cheque issued in my name from the company
  - Other (*please specify*) .....
- 18. What channel would be most convenient for you in making investments?
  - Direct deposit into company account
  - Paying cash at company premises
  - Paying through mobile money
  - Paying by cheque
  - Giving cash to company representative to make investment on my behalf
  - Other (*please specify*) .....
- 19. What channel would be most convenient and preferred in redeeming your investment?
  - Direct deposit into my bank account
  - Paying cash at company premises
  - Paying through mobile money
  - Paying by cheque
  - Other (*please specify*) .....

*Thank you for your time and cooperation*

## Appendix D Personal Loan Form



1 KPETEBPLEBI ROAD, DZORWULU, ACCRA  
P. O. BOX KD 713, KANDA. ACCRA

### **APPLICATION FORM: PERSONAL LOAN (SECURED)**

*Information provided on this form will be treated as strictly confidential. Please provide accurate and truthful responses to all questions in this document. You may use additional paper where the spaces provided are inadequate.*

#### **A. PERSONAL INFORMATION**

##### **1. Name**

Surname Name First Name Middle Name(s)

##### **2. Residential Address/ House No / (Please Indicate Nearest Landmark):**

Name & Location of Church / Mosque

##### **3. Postal Address:**

##### **4. Email:**

##### **5. Telephone Number(s):**

6. Nationality Hometown Region

7. Date of Birth Marital Status

##### **8. Type of Valid Photo ID: Please Circle**

(i) Voter ID (ii) Driver's License (iii) NHIS (iv) Ghana Passport

ID Number Expiry Date 20

##### **9. Spouse: Name & Address**

Telephone Number(s)

*(Applicant's spouse must be a signatory to all documents which will be executed by loan applicant if the loan is granted)*

##### **INTRODUCED BY:**



## 1. DETAILS OF EMPLOYMENT

1. Name & Address of Employer: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_ Telephone Number(s) \_\_\_\_\_
2. Office Location: \_\_\_\_\_  
 \_\_\_\_\_
3. Date of Appointment with Employer \_\_\_\_\_  
 (Attach a copy of your appointment / job offer)
4. Department \_\_\_\_\_ Position \_\_\_\_\_
5. Applicant's Personal Postal Address: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_ Telephone Number(s) \_\_\_\_\_
6. Email: \_\_\_\_\_
7. Net Monthly Salary: GHC \_\_\_\_\_ Other Income: GHC \_\_\_\_\_  
 (provide 3 months current pay slips and / or bank statements)
8. Name of Banker(s):  

<u>Bank #1</u>	<u>Bank #2</u>
Bank _____	Bank _____
Branch _____	Branch _____
Account # _____	Account # _____
Loan Balance: GHC _____	Loan Balance: GHC _____

## 2. DETAILS OF TRADE

9. Type /Trade In \_\_\_\_\_
10. Location: \_\_\_\_\_ Store No. \_\_\_\_\_
11. Years in Trade \_\_\_\_\_
12. Please circle: Sole Proprietorship / Partnership / Limited Liability
13. Telephone Number(s): \_\_\_\_\_
14. Monthly Income: GHC \_\_\_\_\_ Other Income: GHC \_\_\_\_\_
15. Postal Address: \_\_\_\_\_  
 \_\_\_\_\_

\_\_\_\_\_FOR OFFICE USE ONLY\_\_\_\_\_

RECOMMENDATIONS

APPROVALS & COMMENTS

Approved, GHC\_\_\_\_\_ Term \_\_\_\_ Months. Interest Rate \_\_\_\_\_% per month

Manager \_\_\_\_\_

Name Signature Date

Residence

Business Location

## Appendix E Business and Working Capital Loan Form



1 KPETEBPLEBI ROAD, DZORWULU, ACCRA  
P. O. BOX KD 713, KANDA. ACCRA

**APPLICATION FORM: CORPORATE (SECURED)**

*Information provided on this form will be treated as strictly confidential. Please provide accurate and truthful responses to all questions in this document. You may use additional paper where the spaces provided are inadequate.*

**A. COMPANY INFORMATION**

1. Business Name \_\_\_\_\_
2. Certificate of Incorporation: Number & Date \_\_\_\_\_
3. Certificate to Commence Business: Number & Date \_\_\_\_\_
4. Business Address & Location (Please Indicate Nearest Landmark):  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Telephone \_\_\_\_\_
5. Postal Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
6. Email: \_\_\_\_\_

**B. SHAREHOLDERS / OWNERS**

Full Name	Percentage Shares / Ownership
1.	
2.	
3.	
4.	

**C. DIRECTORS**

Full Name	Age	Nationality	Date of Appointment
1.			
2.			
3.			
4.			
5.			



Telephone(s) \_\_\_\_\_ Telephone(s) \_\_\_\_\_

**APPLICANT'S DECLARATION**

I/WE HAVE PERSONALLY READ AND UNDERSTOOD THE CONTENTS OF THIS DOCUMENT. THE ANSWERS AND INFORMATION PROVIDED ARE TRUE TO THE BEST OF MY / OUR KNOWLEDGE, INFORMATION AND BELIEF. ANY FALSE MISREPRESENTATION, DECLARATION OR INFORMATION PROVIDED WILL RENDER THIS REQUEST DECLINED.

Authorised Signatory \_\_\_\_\_ Date \_\_\_\_\_ 20 \_\_\_\_

Authorised Signatory \_\_\_\_\_ Date \_\_\_\_\_ 20 \_\_\_\_

