



**Terwilliger Center for
Innovation in Shelter**



Branding and Marketing Strategy for Housing Microfinance Products

Introduction

For any institution, a branding and marketing strategy is established within a framework of up-to-date information. Threats are anticipated, weaknesses are converted to strengths, uncertainty is dismissed, and priority is given to defining the market in order to launch products with a competitive advantage and to work within a defined segment of the population. At the same time, an analysis of the competition can recommend the “essence” of the promotion needed for a successful brand launch – one that results in market penetration and participation rates that help the institution meet its profitability and social performance objectives.

In the case of housing microfinance products, the target population is purchasing a brand that will only position itself in its heart over time. Thus, the initial investment will bear fruit gradually, converting these efforts into “brand equity.”

Habitat for Humanity’s Terwilliger Center for Innovation in Shelter has worked with financial services providers to help them design their branding and marketing strategy based on the premise that housing microfinance products should not be promoted as loan products, but instead as the opportunity for low-income households to “achieve their dream home” in stages, through a series of successive loans with characteristics that meet their needs, according to their affordability levels.



At left, Tabitha and 2-year-old Benjamin have a new home in Kissi, Kenya. Above, Centenary Bank launches the CenteHome Loan at the Masindi branch.





What was the brand challenge at KWFT and Centenary Bank?

“In Africa, there is a distinct difference between the emotional connection between property, a house, and a home. Understand it, and you will understand Africa.”¹

For any homeowner, there is often an emotional connection to their house, beyond its status as an asset that provides financial security. It is also an asset that people continue to invest in as a symbol of their aspirations for a better quality of life for themselves and their family members.

With the support of Habitat for Humanity’s Terwilliger Center for Innovation in Shelter, both the Kenya Women Microfinance Bank, or KWFT, and Centenary Bank designed differentiated housing microfinance products to meet the housing needs of the low-income populations they serve. The Nyumba Smart Loan and the CenteHome Loan products have become relevant for their respective institutions, and though they are performing well, they still represent a very small portion of the overall low-income housing finance market in their respective countries.

The branding of the CenteHome Loan and the Nyumba Smart Loan was meant to differentiate the housing microfinance products from within the existing range of product portfolios of each institution and the respective markets. In the case of Centenary Bank, the institution was already offering housing-related products – namely, a home improvement loan, CenteSolar and CenteLand – to low-income households. At the time of the branding of CenteHome as part of the Building Assets, Unlocking Access project, confusion existed among the bank’s staff on the difference between CenteHome and the existing home improvement loan product, and whether the latter had been phased out. The existence of both products within the institution meant that messaging was similar, too, compounding the confusion.

On its part, KWFT was offering water tank loans, solar lighting loans and – before the project – an iron sheeting loan product, all of which are housing-related products. To gain more visibility for its new home improvement/construction product, the Nyumba Smart Loan, and with the idea of building customer loyalty and increasing product uptake, KWFT decided to engage in a dedicated branding process. By developing a brand identity for these products, KWFT intended to create a clear articulation of the brand promises of the products – to build or improve housing conditions in stages. The accompanying communications strategy developed alongside the branding would focus the product marketing efforts on sensitizing existing clients and attracting potential clients to the new products, conveying their importance, and creating an understanding of their positive impacts.

Nyumba Smart and CenteHome loans were launched with the sole purpose of responding to the evident housing needs of the banks’ existing clients, with Nyumba Smart focused on rural clients while CenteHome focused on urban and peri-urban clients. As the institutions launched their respective housing microfinance products, they quickly realized that low-income earners’ need for an affordable housing product could go beyond their original target markets. The new products presented the potential to reach out to a new market segment, attract new clients, and position the institutions as the market leaders in providing housing microfinance products. For example, KWFT’s mission is to partner with women in the creation of wealth. To this end, KWFT sees the Nyumba Smart Loan going beyond its current target market of low-income incremental housing to help clients acquire residential and commercial premises. Centenary Bank would like to grow the market share of the CenteHome product and distinguish itself from other microfinance providers by providing superior services. If positioned well, both of these housing microfinance products have the potential to become the flagship products for their institutions.

What process was used to develop the branding and marketing strategy for the Nyumba Smart Loan and CenteHome Loan products?

Habitat for Humanity’s Terwilliger Center supported both KWFT and Centenary Bank in formulating a brand identity for their housing microfinance products, outlining the value proposition for the products, and developing an associated communication strategy. Brand Integrated was hired to work with each of the institutions to develop a brand and communication plan that would allow the Nyumba Smart Loan and CenteHome Loan products to achieve growth objectives aligned with the institutions’ vision, mission and corporate transformation goals as captured in their strategic plans.

Brand Integrated worked with KWFT and Centenary Bank to:

- Undertake a **brand business interrogation** to develop a fitting brand optimization strategy for the housing microfinance loan product.
- Formulate **brand business optimization strategies** in line with the core business strategies and both long- and short-term strategic market opportunities to deliver the housing microfinance loan products’ brand promise.
- Develop a well-aligned housing microfinance loan product **communication strategy and matrix** to get the right message to the right audiences and ensure that the long-term aspirations of the product are met.

¹ From interviews conducted by Brand Integrated Consulting.



The brand business optimization strategies – and consequently the brand identity and design – were drawn from an intensive process that included:

- Review of market research documents for each of the products and relevant documents about the local housing market.
- Extensive desk research to understand the macroeconomic context, housing trends and issues related to housing microfinance.
- Interviews and focus group discussions with existing and new clients, loan officers, and management.

All this information was synthesized using the proprietary **Brand Business Levers Framework**, which examines:

- **Organizational culture and staff:** Is your culture right for the brand? Is your sales force (loan officers) selling the product right?



- **Product fit:** Is the product right for the market? Does it require more innovation?
- **Support:** Are the processes and systems geared to build the brand and business? Are they right for the brand and business?
- **Marketing and messaging:** Are you engaging? Are you saying the right things to the right people in the right manner?

Findings of the brand business interrogation

- **Institutional culture and product messaging by staff:** Highlighted that the culture is right, with high levels of professionalism and teamwork and superior customer care. The institutions have friendly, respectful and welcoming staff but are constrained to appraise and assess all loans.
- **Product suitability for the market:** An assessment of the market segments already reached by the product revealed that given the average size of loans disbursed, a huge market potential existed for those at the bottom of the pyramid in Kenya and Uganda. Managers felt that construction technical advice, especially on affordable materials, is important for improving take-up of the product, but clients are given the liberty to choose their builder and are happy about it. The remaining challenge at the client level is getting the right amounts to complete their housing projects and the desire to have top-up loans.
- **Institutional messaging and target audience:** Very little information about the product was reaching the audience; a larger staff is needed to reach more people, as with other loans. There is a need for a clear definition of what the product is meant to do, and this should come through clear and purposeful messaging (e.g., is the product for residential or commercial building?). Attempts were made to market the product, but much effort is still needed. The institutions used flyers, brochures and posters and moved as a team to sensitize the communities to market the product.
- **Processes and systems for building the brand:** The turnaround time for all branches is inconsistent, ranging from two days to two weeks, which invariably implies inefficiencies within the process. The application form is too long and requires a review, and there is a need to explain the terms and conditions for the loan product. It also takes too long to acquire the loan, which calls for automation of simple processes. The loan appraisal process requires numerous information, and there is a need for review.

What was the brand strategy for Nyumba Smart Loan and CenteHome Loan products?

Based on the analysis and insight from each of the brand levers, a set of recommendations emerged and was used to develop the strategy:

Brand lever insights

Nyumba Smart Loan

- Based on the market demand, there is a need to build capacity (in-house or via collaboration) to expand the Nyumba Smart Loan plan to massive scale.
- Partnering with interested parties in the sector will enhance product awareness and understanding of the needs of potential clients, which will support continual innovation and differentiation.
- The KWFT staff is committed and is always pushing for growth but could benefit from additional training and clarity on how to balance financial performance with the social and economic well-being of the community.
- A reward-based system can catalyze the morale of the staff and clients to sell and acquire the product, respectively, thus realizing its full potential.
- The Nyumba Smart Loan has the potential to be KWFT's flagship brand. Structure the Nyumba Smart Loan offering in correlation with other KWFT product offerings through a clear brand architecture.
- Create awareness about the Nyumba Smart Loan, focusing on conveying the social impact of the product to the target clientele: low-income earners in the rural market.

CenteHome Loan

- Provide continuous and consistent tailored internal training about the CenteHome experience to all Centenary staff, beyond just the microcredit division.
- Consider tailoring the product to such customers' needs and strengthen internal infrastructure (through partnerships) to prepare for product expansion.
- As consumers' need for construction technical assistance varies from person to person, this component of a microfinance institution's housing loan product should be customized to the unique situation of each borrower. Consider partnering with relevant stakeholders with the same vision of transforming the well-being of consumers to provide the construction technical assistance services and supply affordable construction materials.
- The product has very limited visibility beyond a small subset of bank clients. The bank should develop a more tailored and comprehensive marketing strategy to reach a broader spectrum of current and potential clients.





At the heart of this strategy was the articulation of the brand promise to the customer, identification of the brand drivers, the modus operandi, the brand personality and how the brand intends to connect with the target market.

	Nyumba Smart Loan	CenteHome Loan
Key offering	Home improvement product loans that focus on uplifting consumers' lives beyond their well-being.	Home improvement loans and construction loans.
Mission	To partner with women in their creation of wealth.	To provide appropriate financial services, especially microfinance, particularly in rural areas, in a sustainable manner and in accordance with the law.
Values	Innovation, flexibility, action.	Customer satisfaction, excellence and competence.
Brand promise	Beyond well-being to meeting your aspirations.	It's not just about a home. It's about uplifting your social standing.
Brand modus operandi	<ul style="list-style-type: none"> • No clutter. • Straight shooting. • Collaborative. • Agile. 	<ul style="list-style-type: none"> • Collaboration. • Timely action. • Consistency.
Brand drivers	<ul style="list-style-type: none"> • Honest. • Innovative. • Direct. • Simple. 	<ul style="list-style-type: none"> • Transparent. • Innovative. • Simple.
Brand personality	<ul style="list-style-type: none"> • Honest. • Genuine. • Deliberate. • Loyal. 	<ul style="list-style-type: none"> • Genuine. • Loyal. • Supportive.
Brand connect	Focusing on making you the difference.	Making a difference by focusing on that which matters to you.

Communication and messaging plan

The next step after articulating the brand promise and the comprehensive brand strategy was to develop a communication plan that would ensure consistency in messaging and the realization of the product's brand goals.

The tables below outline the communication and messaging plan for both the Nyumba Smart Loan and the CenteHome Loan, respectively.

The key elements of a communication plan are developing an overall creative concept that can be used across all marketing materials, identifying target audience groups and messages for each group, and developing a detailed messaging calendar that outlines the media outreach channels for each target group and the frequency of the communications.

NYUMBA SMART LOAN

Creative concept: "Nyumba Smart, Niko Smart!"

Brand positioning: "Beyond well-being to meeting your aspirations"

Communication need		Messaging focus
Public (potential clients)	Knowledge and understanding of how the Nyumba Smart Loan works.	Influence: <ul style="list-style-type: none"> - What is the Nyumba Smart Loan? - What does it promise? - Educate about the Nyumba Smart Loan and the difference it makes.
Media	Championing the wider message on housing for low-income earners.	Collaboration: <ul style="list-style-type: none"> - What impact does the Nyumba Smart Loan have on the target audience?
Housing microfinance sector	The needs and mutual benefits of working with KWFT.	Partnership: <ul style="list-style-type: none"> - Seeking a means of working together to make an impact on Kenyans' lives.
Government and regulators	Understanding the real impact of the Nyumba Smart brand on the nation.	Partnership: <ul style="list-style-type: none"> - Working together in partnership to tackle the national housing challenge.
Staff and board	Belief in the Nyumba Smart brand.	Catalyst: <ul style="list-style-type: none"> - Be at the forefront of championing Nyumba Smart, not because it is your job but because you believe in its impact on Kenyans.



CENTEHOME

Creative concept: “You’re a home above the rest!”

Brand positioning: “It’s not about a home. It’s about social standing!”

Communication need		Messaging focus
Public (potential clients)	Engage the community with the message of bringing joy and pride – virtues that come with owning a decent house.	Influence: <ul style="list-style-type: none"> - What is CenteHome? - What does it promise? - Sensitize the community about CenteHome and the ultimate impact it makes on their lives.
Media	Informing the broader spectrum of the target audience about CenteHome’s existence.	Delivery: <ul style="list-style-type: none"> - Why is CenteHome relevant to the target audience? - And why should they come for it?
Housing microfinance sector	The need and benefits derived from the symbiotic association between Centenary Bank and other relevant stakeholders in the sector.	Partnership: <ul style="list-style-type: none"> - Seeking to leverage our partnership to enhance the well-being of Ugandans.
Government and regulators	Understanding the need and impact of the CenteHome Loan to the lives of Uganda’s low-income earners.	Collaboration: <ul style="list-style-type: none"> - We believe in unison that we shall provide a solution to the housing challenge in our nation.
Staff and board	Believing and living CenteHome’s brand promise.	Catalyst: <ul style="list-style-type: none"> - It’s about making an impact in the lives of our people. Let’s work in unison, believing and living up to CenteHome’s brand purpose.

At the beginning of the branding and positioning exercise, there was some resistance within the institutions about working with external actors to develop a strategy. However, once the brand strategy was developed, the institutions became more active in using a communication strategy developed for product launches, using websites, and sharing information on the product in national and regional forums.



What has been the impact of the branding and marketing strategies for the housing microfinance loan products?

The branding and marketing strategies for both products were finalized and rolled out less than a year ago, but they are already showing positive results. Offering housing microfinance is perfectly aligned with KWFT's strategic approach of designing products and services that have the ability to improve clients' livelihoods; uphold their dignity; save them time, energy and resources; and conserve the environment. The overall branding is simple and straightforward, making it easy for clients to understand it and connect. The word "smart" captures the client's emotions and creates a stronger bond with the product and the institution.

The Nyumba Smart Loan is a new and innovative offering for low-income housing and is able to differentiate itself based on product attributes such as affordable pricing, highly trained staff support, timely and efficient delivery, and use of appropriate marketing materials. Clients have expressed their satisfaction with the product through testimonials shared with KWFT's staff and by promoting it through word of mouth.

Developing and implementing a branding and marketing strategy has allowed KWFT to increase its competitiveness by offering the Nyumba Smart Loan as an innovation that touches the lives of low-income Kenyan families and allows them to realize their dreams of homeownership. The process also has enhanced the KWFT brand positioning, especially in terms of demonstrating a commitment to its social mission and creating positive impact on the lives of its clients.

Reflections from the peer learning exchange

In June 2017, Habitat's Terwilliger Center team hosted a peer learning exchange in Nairobi between Kenya Women Microfinance Bank, or KWFT, and Centenary Commercial Bank, Pride Microfinance Ltd. and Opportunity Bank based in Uganda. As one of the participants from this event observed:

"The impact of the Nyumba Smart Loan is evident when we visited the KWFT loan branches and clients that took up the HMF loan. It is glaringly obvious that staff members are passionate about customer service, meeting the needs of clients and the financial inclusion of women, an infusion of its triple-bottom-line approach. KWFT's mixture of 247 physical branches, digital platforms and third-party agents has enabled it to embrace 'financial inclusion,' reaching over 700,000 low-income households."

What are the lessons to inform the design of a branding and marketing strategy of housing microfinance products?

- **Engage consultants with experience to develop the marketing strategy and assess market trends and changing environments.** During the process of creating a brand identity for housing microfinance products, financial service providers have found that it helps to engage an external brand consultant to support an initial assessment of the branding needs and then develop the brand identity and marketing strategy, which includes examining market trends in order to become in sync with the changing environment.

Most effective marketing strategies being used for the Nyumba Smart Loan and the CenteHome Loan:

- Client testimonials.
- Word of mouth from satisfied clients.
- Marketing through group meetings.
- Distribution of flyers.
- Demo plots/house during key events.
- Product activations: Centenary Bank.
- Radio shows: Centenary Bank.

- **Gather information from different stakeholders.** The process also should gather information on the product from different stakeholders – management, the sales team, operational staff, clients, service providers and competitors – to validate the findings and make informed decisions. The development of a branding and marketing strategy allows financial service providers to create a connection with the client by understanding their needs and aspirations and to position their product offering appropriately.
- **There are cost implications that need to be considered.** Based on the work done for the Nyumba Smart Loan, KWFT indicated that there are important cost considerations for developing a branding and marketing strategy. KWFT had to invest in research to develop the plans. Once the strategy was developed, the institution had to invest in media and publicity, and in designing and printing marketing materials. Moreover, marketing is an ongoing activity, so there were additional costs to market the product at housing expos and other events. But KWFT was able to justify this investment because the product has experienced sustained growth since the campaign launched.

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- **The promotion strategies should not be around core product features such as pricing, terms or requirements.** Since housing microfinance is not easy to distinguish from other products with similar loan sizes, tenures, guarantees and even pricing, the initial assumption of some financial service providers is that the real differentiating feature of housing microfinance is the provision of nonfinancial housing support services, which has proved not to be the case. Financial service providers have come to find, however, that a key feature to market and position their housing microfinance products often involves a process of educating clients about the benefits and realities of incremental housing construction. Loan officers often engage directly with customers to help

them determine how to break down and prioritize their home improvement aspirations while ensuring that project costs are in line with borrowing capacities.

- **Internal and external marketing.** Sales strategies that involve orienting potential customers help to position housing microfinance within the market as well as within the financial institution, presenting housing microfinance as a key component of incremental housing construction and thereby giving this process visibility, intentionality and structure. Thus, both internal marketing (e.g., staff training) and customer sales become critical to selling housing microfinance as a unique product offering.

*This document was elaborated by the Terwilliger Center for Innovation in Shelter.
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The Building Assets, Unlocking Access project is implemented by Habitat for Humanity International's Terwilliger Center for Innovation in Shelter in partnership with the Mastercard Foundation to develop housing microfinance products and nonfinancial support services for people living on US\$5 to \$10 per day. The aim is to enable these people to secure adequate and affordable housing and improve their living conditions.

To learn more about the partnership between Habitat for Humanity's Terwilliger Center and the Mastercard Foundation, and about the lessons emerging from the Building Assets, Unlocking Access project, visit

[habitat.org/impact/our-work/terwilliger-center-innovation-in-sheltershelter-solutions-for-people-in-sub-saharan-africa](https://www.habitat.org/impact/our-work/terwilliger-center-innovation-in-sheltershelter-solutions-for-people-in-sub-saharan-africa).