

Effective Marketing for Scaling Up Financial Services to Youth

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Toolkit

November 2011

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Acknowledgements: Special thanks to Claudia Pompa for her input and invaluable support.

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About SEEP

The SEEP Network (www.seepnetwork.org), founded in 1985 and headquartered in Washington, DC, is an association of 120 international organizations that support micro and small enterprise development programs in 171 countries around the world. SEEP works towards its vision of a sustainable income in every household by connecting microenterprise practitioners in a global learning community. SEEP plays a unique role by connecting these practitioners so that they may access, co-create and exchange the tools and experiences needed to strengthen their organization and programs and, ultimately, their impact.

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Abstract

This toolkit was developed by Enlace and XacBank as part of The SEEP Network’s Innovations in Youth Financial Services Practitioner Learning Program (PLP), in partnership with The MasterCard Foundation. The purpose of this toolkit is to explore key differences in marketing financial services to youth as compared to adults and to provide tools for practitioners looking to scale up their services through marketing. The objective of this toolkit is to help organizations think through how to effectively market to youth in three critical stages—design, implementation, and evaluation—to reach more young clients in different market segments with innovative financial products and services.

Acronyms

| | |
|-------|--|
| CRS | Catholic Relief Services |
| FSP | Financial Service Provider |
| GFDA | Golden Fund for Development Association (Xac NGO) |
| MEA | Mongolian Education Alliance |
| MIS | Management Information System |
| MNT | Mongolian Tugriks |
| MoU | Memorandum of Understanding |
| MRA | Marketing Research Association |
| PLP | Practitioner Learning Program, The SEEP Network |
| SWOT | Strengths, Weaknesses, Opportunities, Threats |
| USAID | United States Agency for International Development |

I. Introduction

The provision of financial services appropriate for youth is a critical issue of increasing importance. There were approximately 1.8 billion young people between the ages of 10 and 24 in the world in 2010—numbers that are only expected to increase in the next decade, especially in least developed countries.¹ Conversely, the number of youth with access to quality financial services is extremely low—estimated to be as low as 10 percent.² The benefits of providing financial services (including complementary services, such as financial education and skills training) to young people at an early age have been well documented. However, effective strategies to scale up financial services to youth have not yet been adequately explored by industry practitioners.

Scaling up is an active and deliberate process that begins at the product development phase. Organizations looking to scale up should consider effective strategies that can be utilized to achieve scale. One strategy that has proven effective for two partners of The SEEP Network's Innovations in Youth Financial Services Practitioner Learning Program (PLP) has been specialized marketing targeted to youth.

Although there are many similarities between marketing to youth and adults, there are also some key differences that should be explored in order to maximize the impact of scaling up. The types of products offered, how products are packaged, and how this information reaches youth clients can all be unique to the youth market segment. Organizations marketing to youth must not only promote specific financial products, they must also market themselves in transparent and engaging ways to separate themselves from the competition.

A. Marketing Financial Services to Youth

Marketing can be an extremely useful tool for helping financial service providers (FSPs) attract new clients. Marketing can help to build awareness of an organization or a product, increase acquisition and retention rates, and reinforce a product's unique value to customers.

Marketing can be especially important for financial institutions that wish to reach out to the youth sector, since young people may not be as familiar with products and services offered by the financial services industry. Youth clients are often less familiar with formal financial services, such as savings, credit, and insurance, as well as complementary activities, such as financial education. In addition, young people are often a new client group for financial institutions. As a result, many organizations find that they need to inform this new target segment about available products and services in order to encourage brand recognition and establish long-term relationships with the institution.

Although marketing to youth can be a highly effective way to attract new clients, financial institutions should be cognizant of relevant ethical issues when reaching out to younger clients. Youth (in particular, young children) can be highly susceptible to advertising and may not always know the difference between marketing message and fact. Therefore, financial institutions marketing to youth must be extremely careful to deliver messages in transparent ways that are appropriate to the age level targeted. To avoid predatory practices, it is also extremely important to involve parents and guardians in any marketing campaigns targeted to young people.

1 UN Department of Economic and Social Affairs Population Division, n.d., "Detailed Population Indicators," UN, New York, http://esa.un.org/unpd/wpp/unpp/panel_indicators.htm (accessed August 24, 2011).

2 Making Cents International, 2009, "State of Youth Financial Services," Plenary Session, International Global Youth Enterprise Conference, Washington, DC, September 30.

While the basic principles of marketing also apply to youth clients, organizations should keep in mind some key differences between youth and adult clients that can affect marketing strategies. Some key differences include:

- **Target group:** Youth are a highly segmented group differentiated by many factors, including age, life stage, geographic location, gender, education, and marital status. As a result, marketing campaigns to youth should, if possible, be targeted and focused.³
- **Approach:** Young people often access information in different ways than do older clients. Channels traditionally used for adult marketing might not always be appropriate for youth clients, who can be highly influenced by television, social media, their peers, and parental figures.
- **Content:** Information presented in marketing campaigns for youth should reflect differences in the attention spans and comprehension levels of young people. While transparency is essential when marketing to both youth and adult clients, product information may need to be presented and explained in different ways to ensure complete comprehension.

B. Marketing and Scaling Up Youth Financial Services

Marketing can be an important strategy to effectively scale up a youth financial product or service. For the purposes of the above-cited PLP, partners conceptualized scaling up as a process with four multidimensional aspects: breadth, depth, scope, and market penetration.⁴ Effective marketing can alert a greater number of potential youth clients to appropriate financial services (breadth), as well as advertise a new product (scope). Organizations wishing to reach more clients in a certain target market (market penetration) can utilize marketing to convey information to new client groups at different economic levels (depth). Marketing can also help an organization gain local and regional recognition, allowing it to strategically position itself in new markets.

Investing in the scaling up of financial services for youth can have potential long-term benefits for a financial institution because ideally, young people will become long-term customers. Marketing can play a key role in *initially* attracting youth clients and can also *keep* them educated about the variety of products and services available. As youth clients mature, marketing messages will necessarily change. By making an early investment to reach young people through marketing, financial institutions can reach new customers who may become an integral part of their future client base.

This toolkit analyzes the experiences of two very different financial institutions marketing financial services and products to youth.⁵ It includes tools and resources to assist practitioners in designing, implementing, and evaluating marketing campaigns for youth through the lens of scaling up. It is organized into three main sections—design, implementation, and evaluation—that will take practitioners through the major stages of marketing financial services to youth. Tools are included throughout the document and are also available separately for electronic downloading.

Aspects of Scaling Up

Breadth: Number of clients.

Depth: Poverty level of clients.

Scope: Provision of a greater variety of products and services.

Market Penetration: Number of clients being served in a particular geographic location or within a specific population.

Source: Adapted from Mark Schreiner, 2002, "Aspects of Outreach: A Framework for a Discussion of the Social Benefits of Microfinance," *Journal of International Development* 14 (5): 591–603.

3 The degree to which a financial institution segments its client groups for marketing purposes will necessarily differ depending on available resources and the specific needs of clients. Financial institutions may decide to group certain youth segments together in order to save money if it is determined that their marketing needs are similar.

4 Although there are other dimensions of scaling up, the PLP focused on these four.

5 More information about the PLP partner organizations, as well as SEEP and the PLP, can be found at the end of the toolkit.

Figure 1: The Marketing Process

| | |
|------------------|---|
| DESIGN | <ul style="list-style-type: none">• Conduct marketing research• Evaluate possible market segmentation• Develop a marketing strategy |
| IMPLEMENT | <ul style="list-style-type: none">• Engage staff members and partners in marketing activities• Evaluate marketing cost• Develop a marketing implementation plan |
| EVALUATE | <ul style="list-style-type: none">• Set realistic targets for marketing activities• Develop indicators to measure marketing outcomes• Gather a mix of information from a variety of sources |

II. Design

A. Research and Analysis

In order to effectively market a product or service, it is necessary to fully understand the needs, habits, and demand of the target audience. “**Marketing research** is the systematic gathering, recording, and analysis of data related to the marketing of specific products and services; its goal is to identify and assess how to best impact customer behavior.”⁶ Although *marketing research* and *market research* are often used interchangeably, market research refers to research regarding a particular market for product design purposes, while marketing research focuses on the actual marketing process.⁷

Marketing research is the systematic gathering, recording, and analysis of data related to the marketing of specific products or services.

Source: Marketing Research Association (MRA), n.d., “Glossary,” MRA, Glastonbury, CT <http://www.marketingresearch.org/glossary> (accessed October 11, 2011).

In conjunction with Women’s World Banking, XacBank in 2009 used focus groups and interviews to gather information for the design of a new savings product targeted to teenage girls. In addition to soliciting information for product development purposes, XacBank also analyzed the data from a marketing perspective. A summary of XacBank’s findings and their marketing implications can be found in table 1.

Table 1: Marketing Research for XacBank’s Aspire Girl Product

| Findings | Marketing Implication |
|--|--|
| Teenage girls typically save for a purpose (e.g., birthdays, holidays) | Run product promotions prior to or in conjunction with major savings activities |
| Mothers typically control their children’s money deposited in banks | Ensure that marketing campaigns also target mothers |
| Cell phones are the main communication tool for girls | Incorporate cell phones into marketing campaigns to communicate key information |
| Girls typically gather at cinemas, Internet cafes, and the Center Square | Market in these locations to reach the largest number of clients |
| Although girls demonstrate a good understanding of savings, they lack the discipline to regularly save | Utilize incentives to encourage regular saving behavior and market through financial education |
| Nearly all girls attend school | Engage in direct marketing to girls in schools |
| Teenage girls see XacBank as a bank for the rich | Include marketing activities targeted to low-income girls |

Source: XacBank.

During the marketing research period, organizations should also conduct a **situational analysis** to evaluate internal and external elements that could affect their marketing strategy. Situational analyses are often accomplished through a SWOT (strengths, weaknesses, opportunities, and threats) analysis, a tool that looks at the internal capacities of an organization (strengths and weaknesses) while examining

6 Marketing Research Association (MRA), n.d., “Glossary,” MRA, Glastonbury, CT. <http://www.marketingresearch.org/glossary> (accessed October 11, 2011). Making Cents International has developed two tools, “Attractive Media” and “Use of Time and Mobility,” that can be used to conduct marketing research for youth (Making Cents International, Washington, DC) <http://www.yfslink.org/featured-yfs-tool-Attractive-media> [accessed October 11, 2011].

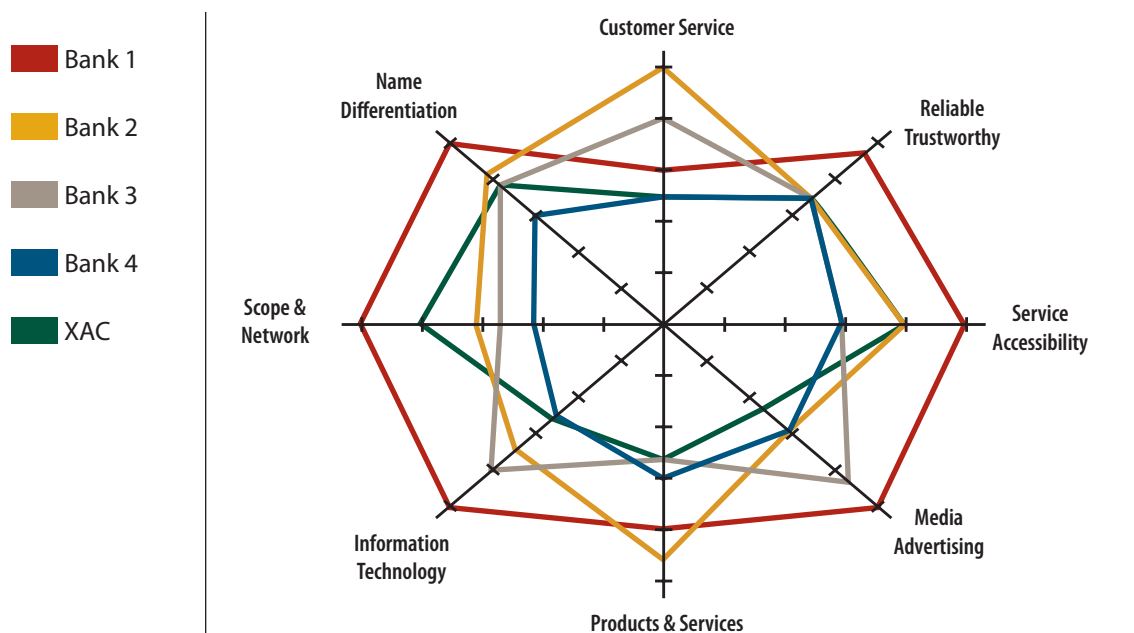
7 Although this toolkit does not provide specific guidelines on how to conduct market research for youth product development, practitioners can consult various resources, including YFSlink of Making Cents International (<http://www.yfslink.org/re-sources>) and the MicroLINKS library of USAID (<http://microlinks.kdid.org/library>) for more information (both websites accessed October 11, 2011).

key external factors (opportunities and threats) that could impact an activity (in this case, a marketing strategy). Key *internal factors* that must be considered include: (1) organizational structure, (2) youth financial products and services (both present and future), and (3) available organizational resources, including human and financial resources. Key *external factors* that should be considered include competitors, as well as social, environmental, regulatory, and political risks. For financial institutions offering products to youth, special attention should be paid specifically to internal issues such as financial resources (since youth products do not always generate short-term revenue) and human resources (since organizations might not be familiar with marketing to youth as a distinct client segment). External factors specific to marketing to young people can include access issues (both virtual and physical), the involvement of other stakeholders (e.g., parents, teachers, community leaders), and considerations for avoiding predatory marketing.

Financial institutions use a variety of situational analysis tools to capture information on internal and external factors that may influence marketing. XacBank uses a “spider web” tool to analyze information on external competition (see figure 2). At regular intervals throughout the year, undercover XacBank representatives approach individuals in public to ask them questions about their perceptions of banks in Mongolia. Respondents are asked to rank on a scale of 1 to 5 (with 5 the highest rating) their opinions of five competing banks in eight different areas, including marketing and advertising.

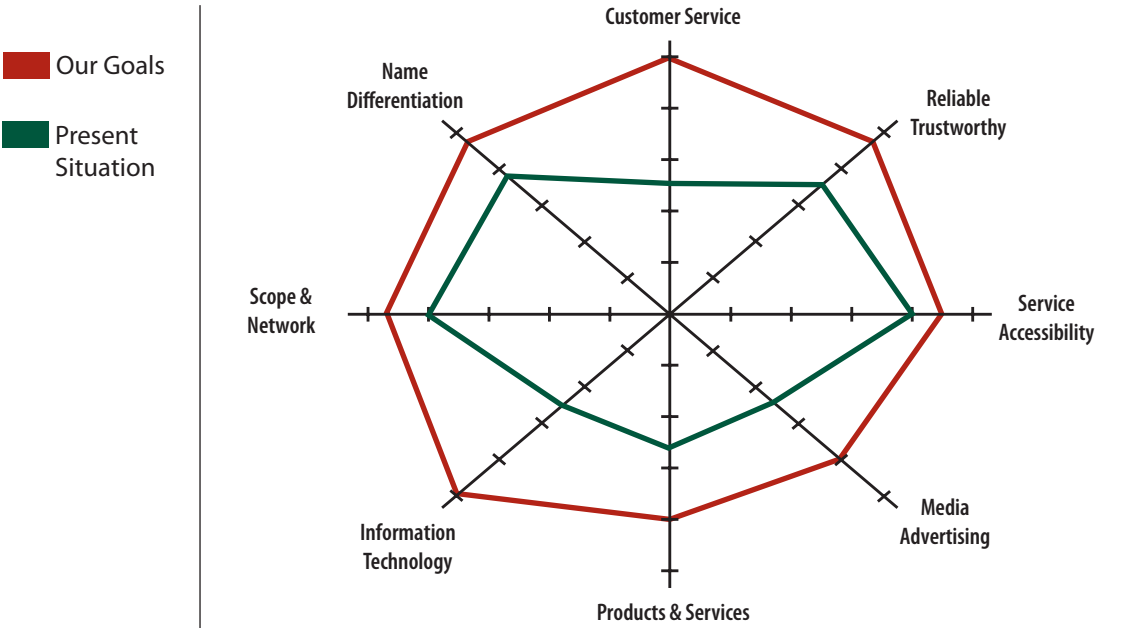
XacBank then uses this information to construct an internal analysis (see figure 3) to define organizational goals and targets related to these eight areas. The “media advertising” area directly feeds into the organization’s marketing strategy.

Figure 2: XacBank External Competition Spider Web Analysis



Source: XacBank.

Figure 3: XacBank Internal Strategy Spider Web Analysis



Source: XacBank.

Organizations wishing to utilize a similar spider web analysis tool can use the “Radar” chart function of the Microsoft Excel software program. Alternatively, in addition to Tool 1 below, a variety of traditional SWOT templates are currently available online. For most organizations, a simple analysis tool can be designed in Microsoft Word or Excel.

| TOOL 1: SWOT ANALYSIS | |
|--|--|
| INTERNAL | |
| Strengths | Weaknesses |
| Example: Experienced marketing and communications team | Example: Youth products only offered in the past two years |
| Example: Wide range of youth products for different market segments | Example: MIS needs strengthening to capture results from new youth products |
| EXTERNAL | |
| Opportunities | Threats |
| Example: Enormous demand by youth for financial products (data from market research) | Example: Three other FSPs are providing similar financial products to youth |
| Example: Partnership with “Sports for Youth” organization | Example: Ministry of Education has not been supportive of advertising in schools |

Source: Authors.
Note: FSP – financial service provider.

B. Market Segmentation

Youth are far from a homogenous client group. Youth clients differ according to life stage, geographic location, marital status, and educational situation; as such, specific youth groups sometimes need differing marketing approaches. A deeper understanding of client needs is necessary to develop effective ways to reach potential clients, as well as to decide on the types of messages that should be included in marketing campaigns.

The best way to understand a specific youth market segment is to talk with prospective customers to determine their financial needs and marketing profile. Information should be gathered on a wide variety of topics, including their: (1) typical activities; (2) gathering places; (3) knowledge of financial services; and, (4) places where information is typically accessed by them.⁸ By gathering data on these topics, an organization can begin to assess different client habits and needs. Only by doing this can an organization properly develop appropriate marketing strategies and methods that will effectively reach their target client base.

Enlace has successfully utilized an informal survey approach to determine appropriate ways to market to different segments of youth clients. This survey, administered by youth promoters and credit officers, gathers a variety of information in order to profile current and potential youth clients. Surveys are administered every six months during regular weekly meetings with youth. Respondents are randomly selected, but include a mixture of older and younger youth clients. Survey participants are asked to provide information on key questions, including: (1) how they get information about financial services; (2) where they go during their free time; (3) whether they use social networking (and, if so, which forms); (4) what types of activities they would be interested in participating in; and, (5) whether they have a mobile phone. An example of the survey can be found on the following pages.

There is little consensus among financial institutions and the youth financial services industry on how best to segment the broad category of youth, as context plays a significant role. However, certain basic segmentation categories are typically utilized by practitioners:

- Age range
- Geographic location
- Marital status
- Education
- Gender

⁸ Specific examples of places and communication channels for marketing products to youth are discussed in the following section, "Developing a Marketing Strategy for Youth Financial Services."

TOOL 2: ENLACE MARKETING SURVEY TO YOUTH

BRANCH: _____

DISTRICT: _____

GENDER: _____

AGE: _____

ACTIVITY: _____

1. What are the communication channels that you currently use the most to get information?

- | | | |
|--|--|--|
| <input type="checkbox"/> TV | <input type="checkbox"/> TEXT MESSAGES | <input type="checkbox"/> FRIENDS |
| <input type="checkbox"/> RADIO | <input type="checkbox"/> INTERNET | <input type="checkbox"/> YOUTH MAGAZINES |
| <input type="checkbox"/> BROCHURE | <input type="checkbox"/> EMAILS | |
| <input type="checkbox"/> ADVERTISEMENT | <input type="checkbox"/> FACEBOOK | |

Other Channels: _____

2. Through which of these channels/ways would you like to receive information?

- | | | |
|--|--|--|
| <input type="checkbox"/> TV | <input type="checkbox"/> TEXT MESSAGES | <input type="checkbox"/> FRIENDS |
| <input type="checkbox"/> RADIO | <input type="checkbox"/> INTERNET | <input type="checkbox"/> YOUTH MAGAZINES |
| <input type="checkbox"/> BROCHURE | <input type="checkbox"/> EMAILS | |
| <input type="checkbox"/> ADVERTISEMENT | <input type="checkbox"/> FACEBOOK | |

Other Channels: _____

3. Where do you usually go during your free time for fun?

4. Which of these social networks do you usually use?

- | | |
|-----------------------------------|------------------------------------|
| <input type="checkbox"/> FACEBOOK | <input type="checkbox"/> POWNCE |
| <input type="checkbox"/> TWITTER | <input type="checkbox"/> LINKED IN |
| <input type="checkbox"/> MYSPACE | <input type="checkbox"/> HI5 |

Other networks: _____

5. Do you belong to any club, social or religious group, or any other type of group?

6. Do you have a mobile phone?

- ☐ YES ☐ NO

7. Where do you think are important places where Enlace could promote its savings and credit services to youth?

8. What colors do you think should be used in a promotional campaign by Enlace for saving and credit services for youth?

9. In order to reach a larger number of young people, what activities should Enlace organize to make savings and credit services more attractive to youth?

10. What are the organizations or institutions that you think Enlace should partner with in order to reach more youth?

11. In your opinion, what are some of the challenges youth in your region face in getting access to information about savings and credit services?

12. In your opinion, how can Enlace motivate a group leader to form more saving and credit groups?

13. For youth promoters only: Write down the tastes and preferences that you have observed among young people in your area.

C. Developing a Marketing Strategy for Youth Financial Services

A marketing strategy is vital for ensuring that efforts to attract youth clients are appropriate and efficient. Marketing strategies should both clearly identify the target market and effectively communicate strategies for reaching this market. Marketing strategies should be flexible and re-visited often—especially in the case of youth clients—in order to respond to changes in customer perceptions, demands, and needs. Flexibility is also essential in order to take advantage of new and innovative ways of communicating with potential youth clients.⁹ Examples of Enlace’s youth marketing strategy, as well as a specific marketing plan for a XacBank youth event, can be found in appendices 1 and 2, respectively.

Marketing mix is a phrase commonly used to describe the combination of marketing tools that can be used to satisfy customers and achieve organizational objectives. A marketing mix is traditionally comprised of “Four Ps,” including: (1) product; (2) price; (3) place; and (4) promotion.¹⁰ Many organizations have also added a fifth “P” to the mix: “people.” By utilizing different variations and approaches to these five elements, an organization can design an appropriate marketing strategy to reach its desired target audience. Specific examples of the marketing mix developed by XacBank and Enlace for their respective youth products are provided in the sections below.

1. Product

“Product” refers to the goods and services provided by organizations to their customers. It can also refer to specific attributes associated with a product, including packaging, quality, options, brand names and logos.¹¹ For the purposes of this toolkit, “product” refers to the financial services provided by an organization to youth clients, with a specific focus on the product’s terms and visual identity.

Both XacBank and Enlace engaged in market research prior to designing their respective youth products. Although XacBank had been offering the Future Millionaire youth product for years, market research conducted with Women’s World Banking revealed that there was significant market demand for another product, one specifically targeted to girls aged 14 to 18. The research revealed that teenage girls wanted more control over their finances than XacBank’s Future Millionaire product granted. As a result, in 2009 XacBank introduced the Aspire Girl savings and financial education product. Aspire provides girls with two savings account options: a demand deposit account and a time deposit account. Both accounts have low minimum balances (3,000 MNT or US\$2.00) and options for easy access to the accounts. The demand deposit account allows deposits and withdrawals at any time through ATM machines or

Figure 2: Marketing Mix



Source: Adapted from Greenfile Developments, Ltd. London, UK

9 Business Link. “Create Your Own Marketing Strategy,” Business Link, Accessible at <http://www.businesslink.gov.uk/bdotg/action/layer?topicId=1073900352>. Accessed September 1, 2011

10 Neil Borden, “The Concept of the Marketing Mix,” 1984, *Journal of Advertising Research* (September); and E. Jerome McCarthy, 1998, *Basic Marketing. A Managerial Approach* (New York: McGraw-Hill College, 13th ed.).

11 Cole Ehmke, Joan Fulton, and Jayson Lusk, 2007, “Marketing’s Four P’s: First Steps for New Entrepreneurs,” *Purdue Extension* [Department of Agricultural Economics, Purdue University, Indiana].

XacBank branches, while the time deposit account limits the number of withdrawals, but pays higher interest rates the longer the client leaves money in the account.¹²

Enlace and Catholic Relief Services (CRS) partnered in 2009 to implement the “Jovenes para el Progreso” (Youth for Progress) program. This comprehensive program, combining aspects of Enlace’s Community Bank methodology with CRS’s Savings and Internal Lending Community methodology, provides financial services, financial education, and skills training—as well as internal and external lending—to youth aged 12 to 24 through youth savings groups. In 2010 and 2011, Enlace engaged in market research to better understand the needs of both existing and potential youth clients. The research highlighted a number of interesting findings, including a demand for higher loan amounts and skills training through a group structure similar to that of Enlace’s current savings products. Enlace is currently looking at ways to incorporate some of the market research findings into their youth products.

Logo Design

A well-designed logo can be an important component of an organization’s overall brand identity. A product’s logo can serve as a visual representation that reinforces key messages about an organization’s mission and values. Particularly for financial institutions trying to expand to a new client base such as youth, logos can help the public associate the institutions as leaders in the provision of services to youth clients.

In 2010, Enlace engaged in a unique partnership with a local university to re-design its logo for youth services. Graphic design students at the university conducted research to learn more about Enlace and its youth services and youth clients. The proposals submitted by the students included a modification of the traditional Enlace logo colors in an effort to make it look “more modern, friendlier, and nicer.” The chosen logo emphasizes the link between Enlace, young people, and financial services (figure 4). It includes a picture of a piggy bank with wings (representing youth savings and the possibility of reaching goals) and Enlace’s name, connected by a plus sign to “Jovenes” (youth), signifying the collaborative relationship between the organization and its young clients.

In order to emphasize their commitment to serving youth, XacBank also designed new logos and promotional materials to market their Aspire Girl and Aspire Boy products (figures 5 and 6). The logos not only serve as a visual representation of the Aspire youth products but also contribute to XacBank’s overall branding strategy. For the Aspire Girl product, market research revealed that girls identified best with a pink-themed picture of a young girl holding onto a flower. When XacBank launched the Aspire Boy product, they dramatically adjusted the look of the product brand. Although the terms of both products are fundamentally the same, XacBank, effectively utilized its product logos and brand to market to different market segments.

Figure 4: Enlace Youth Product Logo



Figures 5 and 6: XacBank’s Aspire Girl and Aspire Boy Logos



¹² Microfinance Opportunities, 2010, “Savings and Financial Education for Girls in Mongolia: Impact Assessment Baseline Study,” Microfinance Opportunities, Washington, DC USA, <http://www.microfinanceopportunities.org/docs/Savings%20and%20Financial%20Education%20for%20Girls%20in%20Mongolia.pdf> (accessed September 15, 2011).

TOOL 3: CHECKLIST FOR LOGO DESIGN OR REVISION

- ✓ Conduct and analyze recent market research to understand youth logo preferences. This research can be done as a part of a larger product design market study or as a specific marketing research study. Based on the data, organizations can then design a logo for all of their youth products, or design different logos that target different youth market segments. It is important, however, to ensure that the creation of different logos for different products ultimately fits into the organization's overall brand and visual identity.
- ✓ Consult with appropriate internal departments (e.g., management, finance) to determine the organizational priorities for logo design and/or revision and developing a budget.
- ✓ Determine the mechanism for designing and/or revising the logo. Possibilities include:
 - an internal competition among employees for new logo ideas
 - a graphic design firm
 - suggestions by graphic design students at local universities

Regardless of the mechanism is chosen for the design process, it should be informed by a clear understanding of the organization's mission and products for youth clients.
- ✓ Commission multiple logo designs in order to review a variety of possibilities.
- ✓ Review logo proposals with key stakeholders, including internal staff members and external focus groups of youth clients.
- ✓ Provide feedback on logo design proposals to designer(s) in order to generate a final draft.
- ✓ Obtain approval for the new logo from senior management and staff working on youth products.
- ✓ Launch the new logo through a variety of communication channels utilized by the organization, such as posters, e-mail and website announcements, flyers, and brochures.

2. Price

Price is another key component of the marketing mix considered during product design, marketing, and scaling up. Price refers not only to the cost that a customer will pay to access a product or service, but also the costs that a company will incur to implement the service (including marketing activities). A demand-driven product offered at a competitive price will allow a company to effectively market the product to its target audience.

It is extremely important to understand the operating environment and market prior to determining a product price. With larger numbers of financial institutions now offering products and services targeted to youth, organizations must not only ensure that they provide youth clients appropriate, demand-driven products, but that these products are competitive with similar youth products on the market. If a product price is too high, youth clients may be unable to afford it. Conversely, if a product price is too low, an organization can run the risk not covering its operational costs.¹³

Enlace and XacBank evaluated a number of factors prior to finalizing the price component of their youth products. For its youth loans, Enlace uses the same interest rates that are applied to adult loans to prepare youth for eventual transition into regular financial products. XacBank set interest rates for its youth savings products after assessing market demand and projecting financial return.

Price is especially important when marketing to young people, whose financial considerations and needs differ from those of adults. Although research has shown that, globally, most youth do participate in some type of income-generating activity (either formal or informal), they often do not have the financial stability or decision-making authority of adults. They may also have very different needs from adult clients, including smaller deposit amounts, more frequent withdrawals, and financial education and/or vocational training needs. An organization must accordingly take these factors into consideration when determining a competitive price for its youth financial products and services¹⁴.

3. Place

Place is the third “P” in the traditional marketing mix. It refers to the places where a product or service is made available for purchase and use, and also to the places where marketing activities occur. Distribution channels can include both *physical areas*, such as stores, or *virtual areas*, such as websites. To successfully market any product or service, it is essential that a product be offered at the right places when demand is present.¹⁵

Traditionally, financial products and services have primarily been available through a financial institution's physical locations and branches. However, recent technology has made possible a wider range of “places” where clients can access financial products. Specifically for youth clients, who are often both “plugged in” and unable travel long distances to bank branches, financial institutions might consider creating online financial access or exploring locations such as schools and rural areas without bank branches. The Internet, mobile phones, point-of-sale devices, and innovative human resource solutions can all be used to reach youth in non-traditional places. Field officers, community volunteers, youth mentors, and school banking managers can all help facilitate young people's access to financial services in places where youth are likely to convene. By making products available in a variety of appropriate places for youth, financial institutions can more effectively market their services as “youth friendly.”

¹³ Business Teacher, 2011, “Marketing Mix,” Business Teacher, Nottingham, UK. <http://www.businessteacher.org.uk/marketing/marketing-mix> (accessed October 11, 2011).

¹⁴ Product costing information can be gathered prior to product development through market research. For more information on market research guidelines and tools, practitioners can consult various resources including, the YFSlink of Making Cents International, <http://www.yfslink.org/resources>, and USAID's MicroLINKS library, <http://microlinks.kdid.org/library> (both sites accessed October 11, 2011).

¹⁵ QuickMBA.com, 2010, “The Marketing Mix,” QuickMBA.com,; <http://www.quickmba.com/marketing/mix> (accessed October 11, 2011).

Although Enlace has defined the geographical areas where it offers youth financial services based on locations of its existing branches, it also reaches youth clients in other ways. With the assistance of local leaders, Enlace regularly visits schools, established community organizations, churches, and recreational and/or sports events to promote its youth products and services and provide financial education and trainings. By clearly understanding its target clients and their operating environment, Enlace has been able to expand the range of points of access where information about their products can be obtained.

“Place” is important not only in terms of where youth financial products will be offered, but also in terms of where marketing activities will be held. XacBank reaches youth through a number of different distribution channels, including bank branches, schools, mobile phones, community gatherings, and special organized events. In 2006, as a result of the increase in popularity of football in Mongolia, XacBank, along with GFDA, created the Boom Boom 2020 event. This tournament engages primary school students in a football tournament to “develop future talent for the 2020 Mongolian National team.” Since 2006, over 500 tournaments have been held; these events have become one of the most popular sporting competitions for children and teenagers. At the events, XacBank promotes both its Future Millionaire and Aspire Savings youth products to recruit new clients and secure XacBank’s reputation as a preferred youth financial service provider.

The AXA (pronounced “Aha”) Quiz show is a popular Mongolian television show that originated in 2005. It features primary school contestants who compete for cash prizes by answering trivia questions. Each episode is filmed at different schools in Mongolia and typically draws about 80 student competitors. XacBank has been an active sponsor of the program and utilizes it as a platform to promote its youth financial products. About 20 percent of trivia questions are about financial education, some even feature specific topics covered in Aspire financial education training.

5. Promotion

Promotion is the first “P” that most people consider when they think of marketing. Promotion includes all methods of advertising and selling products to clients. Promotion is especially important for scaling up a product or service, as it can inform existing clients of new products as well as attract new customers to use an organization’s financial products and services.

A Boom Boom 2020 event in Mongolia



Students wait to compete on an AXA Quiz show in Mongolia.



Photos: XacBank

Both XacBank and Enlace utilize Facebook to promote their youth financial products and services. On its Facebook page, Enlace describes the work being done by different branches with the goal of promoting current activities and attracting new youth clients. In addition to Facebook, XacBank utilizes Twitter to keep clients informed of promotions, events, and other bank-related information.

For more information about XacBank and Enlace’s Facebook and Twitter pages, please visit:

<http://www.facebook.com/xacbank>
<http://www.facebook.com/enlacejovenes>
<http://twitter.com/#!/xacbank>

Source: Information provided by Enlace and XacBank, 2011.

Different types of marketing approaches can be utilized by an organization to reach its target audience(s). Most organizations utilize a combination of marketing techniques, called “promotional mixes.” These can include:

- **Direct marketing:** catalogs, fliers, mail, door-to-door sales, telephone calls, and in-person interaction through organized events.
- **Advertising:** paid media coverage (e.g., television, radio, Internet, newspapers).
- **Public relations:** unpaid media coverage (e.g., press write-ups, awards, press releases, newsletters, community activities).
- **Sales promotions:** marketing activities that provide extra value or incentives to an organization's sales force, distributors, or consumers (e.g., free samples, coupons, contests, rebates).
- **Word of mouth:** free advertising through customer interactions with potential customers.

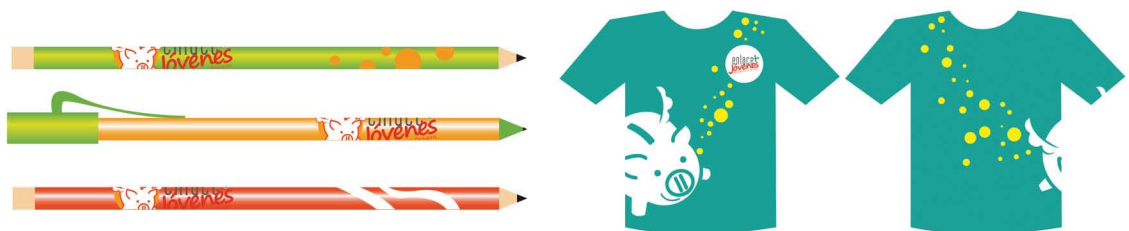
Keeping the target client segment in mind is essential when designing the promotional activities of a marketing strategy. In the case of youth, there are numerous ways to advertise a financial product or service. The methods that an organization chooses to promote its financial services and products to youth clients will differ depending on its operating environment, target segment, available distribution channels, and funding. This information can be obtained through marketing research conducted by either the organization itself or an external partner.

However, certain promotional mixes can be particularly effective for youth products, including combinations of: (1) direct marketing; (2) virtual engagement through social media (including Facebook and Twitter); (3) sales promotions through competitions and social gatherings; (4) mobile technology; and (5) word of mouth. For Enlace and XacBank, direct marketing has traditionally been the most effective promotional tool for youth products because it allows for face-to-face interaction between organizational representatives and potential clients. Although direct marketing can result in increased cost due to human resource considerations, organizations can save money by utilizing bank staff and project partners (such as youth-serving organizations) to convey key messages to young people.

Incentives

Incentives are a type of sales promotion frequently utilized by financial institutions to make financial products and services more attractive to youth clients. During Enlace's logo revision process, they looked at different incentives that could be offered to youth clients. Currently, it offers t-shirts, hats, pens, and pencils for youth interested in Enlace's youth programs (figure 7). They also provide materials and snacks during Enlace-sponsored workshops. Currently, Enlace's incentives are not tied to specific activities (e.g., incentives are not based on savings account activity), but are used primarily for promotional purposes.

Figure 7: Selected Youth Promotional Items from Enlace



XacBank also provides incentives to its youth clients to encourage regular savings activity and participation in the youth savings program. Specifically, XacBank created an incentive tree for the Aspire Girl product (figure 8) detailing the types of prizes that clients will receive at set savings levels. As a direct response to opinions expressed by girls in the focus groups conducted prior to product development,

XacBank also developed product accessories, such as passbooks, ATM and debit cards, and promotional items to market Aspire Girl to its target audience. Upon opening an account, girls receive a pink, wallet-sized passbook and a pink debit card decorated with the Aspire Girl logo. If two or more girls come into the bank to open an account together, they each receive a pink bracelet. The terms of the product, as well as its external design, were well-thought not only in terms of appropriateness and demand, but also in terms of marketing to teenage female clients through specially designed logos, accessories, and images.¹⁶

Figure 8: XacBank's Incentive Tree for the Aspire Girl Savings Product

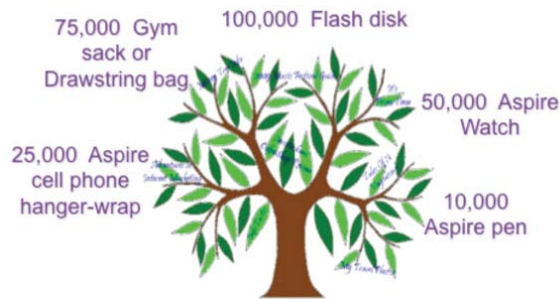


Figure 9: Aspire Girl wallet



Although incentives can be a very powerful marketing tool for youth, organizations should be careful not to have incentives overshadow the essential messages of financial services or products. One way to do so is to link incentives to client activity via clearly defined targets and incentives that are tied to positive financial behavior. To follow XacBank's example, a financial institution could offer, as one of their incentive items, a wallet where clients can store their money they have saved. Enlace provides lockboxes as incentives for youth savings group clients that give them with a safe place to store their money while engaging them in the product. By linking appropriate incentives to positive financial behaviors, financial organizations can ensure that they address sustainability issues, as this method not only attracts but maintains the interest and participation of youth clients.

6. People

"People" is often added to the traditional 4 Ps of the marketing mix as another essential element of a marketing strategy. "People" refers to the manpower and human resources that will be required to market and deliver a particular product or service to the end user. It can also refer to the market segment that an organization is targeting with a product or service. For financial services, people can specifically include individuals within an organization, such as a marketing team, field officers, bank tellers, finance specialists, and customer service representatives.

Partners are another essential category of "people" and are especially important to organizations that provide financial services to youth. Since youth products often include complementary services (e.g., financial education, and vocational and life skills training) in addition to financial services, partners can be utilized to contribute technical expertise in areas that may not be familiar to financial institutions. This tactic can result not only in higher-quality products and services for youth, it can also help with practical concerns regarding cost and outreach.

In addition to providing essential technical support and outreach assistance, partners can be important marketing avenues. Since direct marketing is often one of the most effective marketing approaches used by organizations working with youth, partners can assist in communicating important information

¹⁶ Microfinance Opportunities, 2010, "Savings and Financial Education for Girls in Mongolia."

about their products and services to current and potential youth clients. Marketing is a potential benefit of partnerships that is often overlooked and underutilized. FSPs should make sure that expectations regarding marketing are clearly communicated to partners prior to beginning marketing activities.

Both XacBank and Enlace currently partner with a number of organizations on their respective youth financial products. Enlace partners with Catholic Relief Services, which provides technical advice, mobilization assistance, and visibility with the public. In addition, Enlace partners with a number of local organizations, such as universities and vocational schools, to help them reach out to additional youth clients in new geographic areas, as well as to help them lower product costs through specific technical assistance (see “Logos” section) and complementary activities. XacBank partners with a number of local and international organizations, including Women’s World Banking, Aflatoun, Vittana, Kiva, the Mongolian Education Alliance (MEA), and local schools. By doing this, they leverage resources to save on essential costs, such as market research and product service delivery, while gaining additional avenues for product promotion. Specifically, since financial education is a key component of its Aspire Girl and Aflatoun products, partnering with organizations such as Aflatoun, MEA, and local schools, provides XacBank tested materials and access to schools.

When identifying an appropriate partner for youth financial services, financial institutions should evaluate a number of factors to determine whether a partnership would be a good fit for the organization. In addition, a formal agreement should be signed by both organizations that clearly outlines their expectations of the partnership. The following tools, “Key Steps for Partnership Selection” and “Memorandum of Understanding Template” can guide organizations looking to establish partnerships with other institutions working with youth.

TOOL 4: KEY STEPS FOR PARTNERSHIP SELECTION

- 1. Identify organizations with similar objectives and complementary skills.** Does the potential partner already have experience and technical expertise specifically related to: (1) your target population; (2) your geographic areas of operation; and, (3) the services that you want to provide?
- 2. Schedule preliminary meetings with potential partners to exchange information and discuss roles.** What services will the partner provide your organization (e.g., technical, coordination, research, financial)? How does its expertise complement your organization’s goals and activities?
- 3. Define the partnership’s goals and objectives through a formal memorandum of understanding (MOU).** Before any activities are undertaken, draft an MOU that outlines the activities that will be undertaken by each organization in as much detail as possible. These activities should be based on preliminary discussions between the contracting organization and the potential partner. (See Tool 5 for an MOU template).
- 4. Determine a key point of contact in both organizations.** Due to the number of different activities that occur simultaneously when implementing a youth financial product, it is essential that each organization (the contractor and the partner) specify their main point of contact for the product. This streamlines the partnership process and saves valuable time during program implementation.
- 5. Establish regular communication with the partner organization.** In order to ensure that project objectives and activities do not get off track, it is essential that the contracting organization set up regular conversations (in-person, telephone, or virtual) with key partner staff. By doing so, partners can identify potential problems early on and work together to develop viable solutions.

TOOL 5: MEMORANDUM OF UNDERSTANDING TEMPLATE

MEMORANDUM OF UNDERSTANDING

This Agreement is entered into on _____ [date], by and between:

_____ [Name of the Organization], a _____ [type of legal entity] organized under the laws of _____, having its registered seat at _____, represented by its _____ (hereinafter referred to as "Party A"), and

_____ [Name of the Organization], a _____ [type of legal entity] organized under the laws of _____, having its registered seat at _____, represented by its _____ (hereinafter referred to as "Party B").

Objectives of the Agreement

We, Party A and Party B, have come together to collaborate and agree to this MoU. Party A has agreed to cooperate with Party B in providing services for [detail the kind of services that will be provided]. The partners entering into the MoU have agreed to form a partnership and so agree to the following articles and clauses:

Purpose and Scope:

This Agreement defines the obligations of both Party A and Party B in the provision of services. The Parties acknowledge that, in accordance with Party A's commitment to [specify the party's commitment], Party B, where reasonably possible, shall ensure that [specific role of Party B]. This commitment of the Parties to [mention parties' mutual commitment, e.g., providing youth with better access to opportunities and/or education, etc.] shall be a priority throughout the execution of this MOU. The parties shall acknowledge each other's role to the general public as appropriate.

Commencement, Duration and Termination of Agreement

This Agreement shall commence on _____ and remain in force until _____. The agreement may be amended by the Parties only by mutual written consent. The Agreement may be terminated by either party thirty (30) days after the date of receipt of a written notice of termination.

Roles and Responsibilities of Party A

During the course of this Agreement, Party A shall:

- 1.
- 2.
- 3.

Roles and Responsibilities of Party B

During the course of this Agreement, Party B shall:

- 1.
- 2.
- 3.

Compensation Details (if applicable)

Party B shall be paid monthly by Party A on the basis of invoices submitted and approved, or statements of accounts in an agreed format, and according to an agreed budget. No payment can be made by Party A without supporting documentation certified by Party B, and accepted and/or signed by a representative authorized by Party A stating:

- the project number
- type of service
- details of the services that were provided

Miscellaneous Details

[Include details of any extra information as needed]

Signature and Date

Party A

Name:

Title:

Date:

Party B

Name:

Title:

Date:

III. Implementation

After designing a marketing strategy, an organization must then develop and refine processes for its implementation. The marketing plan should contain a comprehensive list and schedule of key tasks that describe what needs to be done by whom and by when. Individuals responsible for the marketing of youth financial services should refer to the plan frequently to avoid losing sight of overall objectives.

Although the implementation of any marketing campaign involves certain key components, organizations working with young people need to consider adapting or expanding traditional marketing campaigns to effectively reach youth clients. Most of these differences concern the types of marketing channels and promotional activities that are used. However, there are also other key differences related to human resources, staff mobilization, cost, and timelines—all of which can be unique when marketing youth products and services.

A. Human Resources

After the marketing plan has been approved, financial institutions should schedule meetings with all staff members who work on the marketing campaign to ensure that they clearly understand their roles and responsibilities and that there is a transparent system for communication and feedback. Since marketing financial services to youth is still a relatively recent development in the financial services industry, many organizations may have to allocate additional time and resources to train staff members working directly with youth. For example, at XacBank, selected branch staff working on the Aspire Girl product are trained on Aspire's product terms as well as effective ways to market and communicate with youth clients. The training typically lasts five days and includes activities such as role playing, informal discussions, and activities. The training is structured as a training of trainers and is delivered at all branches before product launch. (To learn more about XacBank's Aspire training, see appendix 3).

Although XacBank has a separate marketing department that assists with youth products, staff members from a number of different departments also assist with marketing activities. While the marketing department focuses on disseminating information through agreed marketing channels and monitors costs, XacBank product officers are responsible for conducting all research related to marketing, including conducting surveys.

Source: XacBank.

As an accompaniment to the training, staff members also receive a “direct marketing toolkit” that includes the following materials and information:

- “How to” direct marketing handbook
- “How to” customer service handbook
- Financial education “quick facts” handout
- Poster designed for product demonstration on collapsible stands
- Icebreaker tools
- Customer contact sheet
- Case study
- Prize for winners of case studies

While it is essential to train and sensitize staff working directly with youth on products, it is also important to create ways to inform *all* staff about new youth products so that they can serve as ambassadors of an organization's youth initiatives. Since marketing can occur on a number of different levels, organizations should ensure that all staff members are aware of any new initiatives so that they will be able to discuss them with interested parties. Enlace utilizes a number of strategies to actively involve staff members in their youth initiatives which can be found in Tool 6 below.

TOOL 6: WAYS TO ENGAGE STAFF IN MARKETING YOUTH ACTIVITIES

- ✓ Include information about all youth initiatives in new employee handbooks and organization manuals to educate staff members on products terms and services.
- ✓ Create awareness of youth initiatives among staff and provide opportunities for them to become a part of youth product activities. This can be accomplished through trainings, informal company-wide brownbag lunches, or staff meetings. Organizations could also consider allowing non-project staff to participate in product activities on occasion, such as attending a youth savings group meeting or community event, to encourage their understanding and participation.
- ✓ Advertise the youth initiative internally by designing and displaying visual materials, such as posters, flyers, and success stories, in headquarters and branch offices. Also include information and project successes in internal communication materials, such as staff newsletters and e-mail updates, as appropriate.

B. Cost

Since youth products do not typically generate the same revenue as adult financial products (at least in the short-term), many organizations may find that securing resources for marketing activities can prove challenging. In the case of XacBank, youth products have been institutionalized within the organization due to the buy-in of senior management and the alignment of these products with the bank's goals and mission. As a result, XacBank allocates a significant amount of funding to the marketing of youth products. However, this funding is tied to the size and performance of the products. For youth products such as Future Millionaire, which makes up approximately 24 percent of XacBank's total savings portfolio, marketing resources are generous and provide for television ads, incentives, and sponsorship of youth-attended events in Mongolia (e.g., Boom Boom 2020 and the AXA Quiz show). Conversely, XacBank does not market its youth loan products, such as Vittana, as aggressively, since they account for only about 10 percent of the bank's entire loan portfolio.

Enlace also currently spends more funds on marketing to youth than to adult clients. The institution has found that marketing to youth often costs more because of the increased interaction, explanations, and communication needed when working with young people as opposed to adults. Although Enlace does not determine the percentage of marketing funds based on product performance, it allocates a generous amount for marketing events, the development of product incentives, and staff time.

The following tool, adapted from XacBank, can be utilized by organizations developing a budget for marketing their youth products.

TOOL 7: BUDGET TEMPLATE FOR YOUTH MARKETING ACTIVITIES

| | JAN | FEB | MAR | APR | MAY | JUN | JUL | AUG | SEP | OCT | NOV | DEC | TOTAL |
|---|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-------|
| GRAND TOTAL | | | | | | | | | | | | | |
| GENERAL MARKETING | | | | | | | | | | | | | |
| TOTAL | | | | | | | | | | | | | |
| Advertising | | | | | | | | | | | | | |
| TV ads and broadcast | | | | | | | | | | | | | |
| Radio/FM broadcast | | | | | | | | | | | | | |
| Magazine | | | | | | | | | | | | | |
| Newspaper | | | | | | | | | | | | | |
| Web banners | | | | | | | | | | | | | |
| Print ads | | | | | | | | | | | | | |
| Flyer | | | | | | | | | | | | | |
| Brochures & booklets | | | | | | | | | | | | | |
| Posters & leaflets | | | | | | | | | | | | | |
| Banners & stands | | | | | | | | | | | | | |
| Billboards (print & rent) | | | | | | | | | | | | | |
| Audio-video materials | | | | | | | | | | | | | |
| Create audio and video materials | | | | | | | | | | | | | |
| Copy audio and video materials | | | | | | | | | | | | | |
| E-marketing | | | | | | | | | | | | | |
| Send e-mails | | | | | | | | | | | | | |
| Send marketing materials to customer by post | | | | | | | | | | | | | |
| Send sms (texts to mobile phones) | | | | | | | | | | | | | |
| Captive/moving advertisement | | | | | | | | | | | | | |
| Taxi | | | | | | | | | | | | | |
| Bus/ inside hanger | | | | | | | | | | | | | |
| Sales promotion/incentives | | | | | | | | | | | | | |
| Promotional items (gifts) | | | | | | | | | | | | | |
| Bonus (Vouchers) | | | | | | | | | | | | | |
| Cards | | | | | | | | | | | | | |
| Fair & exhibition and events | | | | | | | | | | | | | |
| Venue rental | | | | | | | | | | | | | |
| Volunteer's salary and food expense | | | | | | | | | | | | | |
| Marketing materials (specific for this event) | | | | | | | | | | | | | |
| Cost for prizes | | | | | | | | | | | | | |
| Public relations | | | | | | | | | | | | | |
| News (TV & newspapers)/interview | | | | | | | | | | | | | |
| Sponsorship | | | | | | | | | | | | | |
| Promotional Drawings | | | | | | | | | | | | | |
| Cost of drawing | | | | | | | | | | | | | |
| Cost of prizes | | | | | | | | | | | | | |
| Marketing materials (specific for this event) | | | | | | | | | | | | | |
| MARKETING-EDUCATION PROGRAM | | | | | | | | | | | | | |
| TOTAL | | | | | | | | | | | | | |
| Print ads | | | | | | | | | | | | | |
| Handbook and Manuals (for children) | | | | | | | | | | | | | |
| Brochures | | | | | | | | | | | | | |
| TOT | | | | | | | | | | | | | |
| Training hand books and manuals | | | | | | | | | | | | | |
| Training trip cost | | | | | | | | | | | | | |
| Training room rental | | | | | | | | | | | | | |
| Training stationary | | | | | | | | | | | | | |
| Trainers salary | | | | | | | | | | | | | |
| Other expenses | | | | | | | | | | | | | |
| Teachers salary | | | | | | | | | | | | | |
| Teachers incentive | | | | | | | | | | | | | |
| MARKETING TRAINING FOR STAFF | | | | | | | | | | | | | |
| TOTAL | | | | | | | | | | | | | |
| Handbook and Manuals | | | | | | | | | | | | | |
| Brochures | | | | | | | | | | | | | |
| Training trip cost | | | | | | | | | | | | | |
| Training room rental | | | | | | | | | | | | | |
| Training stationary | | | | | | | | | | | | | |
| Trainers salary | | | | | | | | | | | | | |
| GRAND TOTAL | | | | | | | | | | | | | |

C. Timeline

Every organization will have different steps and timelines for implementing a youth marketing campaign. Differences depend on a number of factors, including an organization's mission, the duration of the youth product, the marketing strategy, and the approved budget. Care should be taken, however, to avoid setting too short of a timeline (which can cause stress due to unrealistic deadlines) or too long of a timeline (which can cause a product to lose momentum due to the lack of immediate goals). There should also be a balance between larger, longer-term tasks (e.g., "organize youth financial conference") and more immediate tasks that are essential for accomplishing longer-term goals (e.g., "sign contract with caterer").¹⁷

Marketing financial services to youth can take longer than marketing to adult clients for a number of reasons. Enlace has found that young people often need more information about the products and services being offered because of their unfamiliarity with formal financial services. XacBank's experience has been similar, particularly with respect to the time it needed to determine the types of marketing activities and product features that would be attractive to youth. For example, prior to the launch of the Aspire Girl product, XacBank officials spent over two months designing the savings book that is now a popular marketing item for the product.

There are many software tools available for creating a marketing timeline and task list. Microsoft Excel (or a similar program) is quite sufficient for this type of activity, since it is usually easily accessible and customizable. Enlace utilizes the tool shown in table 2 (created with the table function in Microsoft Word) to plan and monitor its marketing activities for youth financial initiatives.

Table 2: Enlace Marketing Implementation Table

| Activity | M1 | M2 | M3 | M4 | M5 | M6 | M7 | M8 | M9 | M10 | M11 | M12 |
|---|----|----|----|----|----|----|----|----|----|-----|-----|-----|
| Plan marketing activities | | | | | | | | | | | | |
| Meet internally to evaluate market details | | | | | | | | | | | | |
| Draft budget | | | | | | | | | | | | |
| Approve budget | | | | | | | | | | | | |
| Obtain quotes for marketing materials | | | | | | | | | | | | |
| Purchase marketing materials | | | | | | | | | | | | |
| Finalize promotional materials | | | | | | | | | | | | |
| Promote product | | | | | | | | | | | | |
| Conduct house-to-house visits and deliver brochures | | | | | | | | | | | | |
| Finalize partnerships | | | | | | | | | | | | |
| Launch local radio promotions | | | | | | | | | | | | |
| Launch promotional merchandise | | | | | | | | | | | | |
| Organize local fairs for product demonstration | | | | | | | | | | | | |
| Organize workshops with local leaders | | | | | | | | | | | | |

While Enlace's tool is useful for tracking major marketing activities related to youth products, marketing implementation tools can also include tracking who is responsible for which task and whether this task has been accomplished. Such a tool could then be made available to staff and stakeholders working on a marketing campaign to ensure accountability and effective project management. Tool 8 is an implementation tool template that can be used by organizations engaging in marketing campaigns to youth.

¹⁷ BusinessKnowledgeSource.com, *How to create a marketing timeline* (2010). Accessible at: http://www.business-knowledgesource.com/marketing/how_to_create_a_marketing_timeline_023780.html.

TOOL 8: IMPLEMENTATION TASK LIST AND TIMELINE FOR MARKETING ACTIVITIES

| Company XYZ Marketing Task List and Timeline | | | | | | | | | | Year | | | | | | | | | | | |
|--|--------------------|-----------|-----|-----|-----------|-----|-----|-----------|-----|------|-----------|-----|-----|--|--|--|--|--|--|--|--|
| | Person Responsible | Quarter 1 | | | Quarter 2 | | | Quarter 3 | | | Quarter 4 | | | | | | | | | | |
| | | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | | | | | | | | |
| Goal 1 | Activity 1 | | | | | | | | | | | | | | | | | | | | |
| | Activity 2 | | | | | | | | | | | | | | | | | | | | |
| | Activity 3 | | | | | | | | | | | | | | | | | | | | |
| | Activity 4 | | | | | | | | | | | | | | | | | | | | |
| | Activity 5 | | | | | | | | | | | | | | | | | | | | |
| Goal 2 | Activity 1 | | | | | | | | | | | | | | | | | | | | |
| | Activity 2 | | | | | | | | | | | | | | | | | | | | |
| | Activity 3 | | | | | | | | | | | | | | | | | | | | |
| | Activity 4 | | | | | | | | | | | | | | | | | | | | |
| | Activity 5 | | | | | | | | | | | | | | | | | | | | |
| Goal 3 | Activity 1 | | | | | | | | | | | | | | | | | | | | |
| | Activity 2 | | | | | | | | | | | | | | | | | | | | |
| | Activity 3 | | | | | | | | | | | | | | | | | | | | |
| | Activity 4 | | | | | | | | | | | | | | | | | | | | |
| | Activity 5 | | | | | | | | | | | | | | | | | | | | |
| Goal 4 | Activity 1 | | | | | | | | | | | | | | | | | | | | |
| | Activity 2 | | | | | | | | | | | | | | | | | | | | |
| | Activity 3 | | | | | | | | | | | | | | | | | | | | |
| | Activity 4 | | | | | | | | | | | | | | | | | | | | |
| | Activity 5 | | | | | | | | | | | | | | | | | | | | |
| Goal 5 | Activity 1 | | | | | | | | | | | | | | | | | | | | |
| | Activity 2 | | | | | | | | | | | | | | | | | | | | |
| | Activity 3 | | | | | | | | | | | | | | | | | | | | |
| | Activity 4 | | | | | | | | | | | | | | | | | | | | |
| | Activity 5 | | | | | | | | | | | | | | | | | | | | |

D. Event Planning

In line with the marketing strategy, organizations should consider hosting special marketing events at key moments of a product's launch and implementation. These events can either be specifically designed for the youth product or integrated into other organization-wide events. As marketing to youth can dramatically differ from marketing to adults, so can the types of events that an organization uses to promote the two types of products. Enlace has had a great deal of success in organizing events to promote its youth products, including fairs, workshops, competitions, and outdoor recreational events. Many of Enlace's events are large and involve the cooperation of multiple branches and numerous staff members. In order to implement these activities, Enlace utilizes a checklist (see tool 9) to ensure that key activities related to the event are fully conceptualized and kept on schedule. Although many of the activities in the checklist are applicable to any event, the text boxes provide specific examples of how certain activities for events specifically targeted to youth differ from those targeted to adults.

In May 2011, Enlace organized a national "Youth Exchange Event" to promote its youth financial services. On a weekend day, branch staff members and youth clients traveled to a public park outside of San Salvador to participate in dancing and singing competitions to learn about the importance of youth financial services and talk about their experience of working with Enlace. Through good-natured competitions, youth clients were able to interact with clients from different branches and showcase their support for Enlace's youth programs. The event, the first of its type that Enlace has organized, was hugely successful and provided a unique marketing opportunity not only to reach current clients, but potential clients through advertising and word of mouth.



Youth Exchange Event, San Salvador, May 2011. (Photo: Enlace.)

TOOL 9: YOUTH EVENT PLANNING CHECKLIST

6 Months Before Event: Pre-event Planning

- ☐ Decide event purpose (e.g., training, marketing, etc.)
- ☐ Choose a theme and a name
- ☐ Visit potential sites
- ☐ Appoint an event coordinator/manager
- ☐ Select committees/chairpersons
- ☐ Get cost estimates:
 - (a) decoration
 - (b) designers
 - (c) caterers
- ☐ Finalize budget
- ☐ Create mailing list
- ☐ Decide on time and date
- ☐ Get written contracts from suppliers
- ☐ Think of alternative site(s)
- ☐ Hire graphic designer (if needed)
- ☐ Create logo for event
- ☐ Set marketing schedule
- ☐ Develop press release
- ☐ Hire photographer (if needed)
- ☐ Investigate need for special permits

The type of event (e.g., contest, group meeting, reception, sporting activity, etc.) and its name and the location can differ drastically when marketing to youth and adults. Enlace plans events for youth that feature engaging and entertaining activities (such as their recent "Youth Exchange Event") and has found that open spaces are often more conducive for youth-friendly activities.

3 to 6 Months Before Event

- ☐ Review invitations, programs, posters, etc., with graphic designer
- ☐ Prepare final draft of invitations and posters
- ☐ Complete mailing list for invitations
- ☐ Order invitations, posters, etc.
- ☐ Make list of locations for posters
- ☐ Finalize mailing list
- ☐ Secure permits and insurance
- ☐ Invite VIPs
- ☐ Finalize audio/visual contract

Enlace invites youth to events through their parents or guardians who are current customers. They also visit schools and talk with local partners who assist in promoting the event.

2 Months Before Event

- ☐ Assemble/address invitations
- ☐ Mail invitations
- ☐ Distribute posters
- ☐ Obtain contracts for decorations and rental items
- ☐ Obtain logos for program printing
- ☐ Review need for signs at registration
- ☐ Have all major chairpersons finalize plans
- ☐ Hold walk-through of event with responsible committees
- ☐ Review/finalize budget, task sheets, and tentative timeline
- ☐ Select a Master of Ceremony

1 Month Before Event

- ☐ Conduct telephone follow-up of invitations
- ☐ Follow up with news media
- ☐ Confirm staff for registration, hosting, and other needs
- ☐ Write VIPs and program participants to confirm their participation
- ☐ Complete list of contents for VIP welcome packets
- ☐ Get enlarged site plan/room diagram and assign seats/tables

| |
|--|
| <input type="checkbox"/> Meet with all outside vendors and consultants to coordinate event |
| <input type="checkbox"/> Review script/timeline |
| <input type="checkbox"/> Continue telephone follow-ups of invitations |
| <input type="checkbox"/> Confirm transportation schedules: airlines, trains, buses, cars |
| <input type="checkbox"/> Confirm hotel accommodations (if needed) |
| <input type="checkbox"/> Prepare transportation and accommodations |
| <input type="checkbox"/> Prepare welcome packet for VIPs, chairmen, and key staff |
| <input type="checkbox"/> Schedule deliveries of special equipment and rentals |
| <input type="checkbox"/> Confirm setup and tear down times with event site |
| <input type="checkbox"/> Finalize plans with event decorator |
| <input type="checkbox"/> Meet with chairpersons and key staff to finalize all the above |
| 1 Week Before Event |
| <input type="checkbox"/> Meet with all committees on last-minute details |
| <input type="checkbox"/> Finish telephone follow-ups |
| <input type="checkbox"/> Confirm number of attendees |
| <input type="checkbox"/> Finish seating arrangements |
| <input type="checkbox"/> Hold training session with volunteers; finalize assignments |
| <input type="checkbox"/> Finalize registration staff |
| <input type="checkbox"/> Distribute seating chart and assignments to hosts/hostesses |
| <input type="checkbox"/> Schedule pickup or delivery of any rented or loaned equipment |
| <input type="checkbox"/> Double-check arrival and delivery times with vendors |
| <input type="checkbox"/> Reconfirm event site, hotel, transportation arrangements |
| <input type="checkbox"/> Deliver final scripts/ timelines to all program participants |
| <input type="checkbox"/> Confirm number of volunteers |
| <input type="checkbox"/> Make follow-up calls to news media for advance and event coverage |
| <input type="checkbox"/> Distribute additional fliers |
| <input type="checkbox"/> Final walk-through with all personnel |
| <input type="checkbox"/> Schedule volunteer assignments for day of event |
| <input type="checkbox"/> Establish amount of petty cash needed for tips and emergencies |
| <input type="checkbox"/> Write checks for payments to be made the day of the event |
| Day Before Event |
| <input type="checkbox"/> Recheck all equipment and supplies to be delivered to event |
| <input type="checkbox"/> Have petty cash and vendor checks prepared |
| Event Day |
| <input type="checkbox"/> Arrive early |
| <input type="checkbox"/> Unpack equipment and supplies and make sure nothing is missing |
| <input type="checkbox"/> Be sure all VIPs are in place and have scripts |
| <input type="checkbox"/> Go over all final details with staff |
| <input type="checkbox"/> Check with volunteers to make sure all tasks are covered |
| <input type="checkbox"/> Setup registration area |
| <input type="checkbox"/> Check sound/light equipment and staging before rehearsal |
| <input type="checkbox"/> Hold final rehearsal |

Enlace has found that it generally takes more time to organize an event for young people than for adults due to the need to gather additional information about youth interests and availability.

IV. Evaluation

To ensure that targets are met and results realized, organizations should establish systems to regularly evaluate youth marketing activities. Targets should initially be set in the marketing plan based on input from key individuals working on youth financial products. In addition, the cost of marketing activities should be regularly evaluated against budgets set during the design phase.

There are numerous ways to evaluate the effectiveness of a marketing campaign for youth financial service products. Organizations should utilize a mix of both qualitative and quantitative information to assess the outcome of their marketing efforts. Metrics utilized by XacBank and Enlace include:

- Number of new clients who sign up for a specific financial product or service (Enlace and XacBank)
- Formation of new youth savings groups (Enlace)
- New partnerships formed for youth products (Enlace)
- Increased visibility and recognition in the community for youth products and services (Enlace and XacBank)
- Amount of deposits for youth savings products (XacBank)
- Percentage of marketing costs covered by product revenue (XacBank)
- Customer feedback (XacBank¹⁸)
- Requests for information about youth products and services (XacBank)
- Expansion of geographic areas providing youth financial services (Enlace and XacBank)

The ways in which marketing evaluation data is collected will differ depending on organizational structure and marketing strategy. However, staff responsibilities should be clearly defined during the design phase and communicated prior to product launch, ensuring that relevant data is collected and analyzed on a consistent basis. Table 3 outlines the types of indicators used by XacBank to evaluate marketing campaigns, as well as who collects the information and how often.

Table 3: XacBank’s Key Indicators for Evaluating Youth Marketing Activities

| # | Indicator | Who Collects? | How often? |
|---|---|---|--|
| 1 | New accounts opened | Product Officer | Daily |
| 2 | Frequency of account usage | Product Officer | Monthly |
| 3 | Number of clients | Product Officer | Daily/monthly |
| 4 | Portfolio at risk | Finance Analysts | Monthly/quarterly/annually |
| 5 | Rate of return on marketing costs | Finance Analysts | Quarterly and after campaign has ended |
| 6 | Customer complaints | Call center Representatives | Monthly |
| 7 | Reputation/awareness (including recognition of XacBank’s brand names) | Product Officer/Call center representatives | Monthly and after campaign has ended |

Source: XacBank.

When deciding which indicators to use for monitoring marketing activities, organizations should use a checklist similar to Tool 10 below.

18 Enlace collects customer feedback through its call centers.

TOOL 10: CHECKLIST FOR DETERMINING MARKETING INDICATORS

- ☐ Are indicators clearly linked to marketing objectives and product performance?

For example, if one marketing objective is to recruit more clients as part of a plan for scaling up, the number of new clients who sign up for a particular product or service after the marketing campaign begins should be monitored.

- ☐ Will your indicators satisfy both internal and external reporting requirements?

Different organizations require different types of information to ensure that objectives are met and costs kept within approved budgets. If an organization evaluates budgets on a quarterly basis, it should make sure that costing information for marketing campaigns is collected in time to include in quarterly reports.

- ☐ Is there sufficient staff to collect proposed indicators?

When choosing indicators, organizations must ensure that they are realistic and not too ambitious to avoid overburdening staff. Current staff workloads, job descriptions, and capabilities should be reviewed prior to assigning data collection responsibilities.

- ☐ Are there sufficient financial resources and adequate time to collect data for selected marketing indicators?

While it might be interesting to gather feedback from every individual participating in a marketing event, this would be time consuming and costly. Decide on reasonable target numbers to obtain information from a representative sample as an alternative.

- ☐ Is there a mix of qualitative and quantitative indicators?

It is important to collect different types of information to evaluate a marketing event. Quantitative indicators such as “number of new clients who signed up for the product” will provide one level of information, while qualitative information such as “how long it takes clients to reach marketing event” provides additional important information.

A variety of different tools can be used to gather information to evaluate the success of a marketing campaign. These methods are identical to regular project monitoring and evaluation activities and can include:

- Surveys/Questionnaires
- Interviews
- Focus group discussions
- Feedback from call centers
- Internal staff or project reports
- Unsolicited feedback from clients or the public

As part of a larger focus group survey for youth savings products, XacBank obtains feedback specifically on its marketing activities. Questions included in the survey can be found in Tool 11 (the entire focus group questionnaire can be found in appendix 4).

TOOL 11: FOCUS GROUP QUESTIONS USED BY XACBANK TO EVALUATE MARKETING ACTIVITIES

| Question | Purpose/Explanation | Follow-up action |
|--|---|--|
| What other products offered by other banks do you currently utilize? | Determine respondent's attitude toward XacBank's products and services. | Write down names of other banking services/products the respondent currently utilizes. |
| If our bank provided similar products, would you be interested? If so, why? | Determine whether marketing activities should be directed to segments similar to this respondent. | |
| Do you have any suggestions for the name of the product? | Obtain potential customer feedback on branding. | |
| Please recommend how we can better deliver financial service information to you. What delivery channels should we utilize? | Determine the delivery channels utilized by the respondent. | If there is no response, provide examples of delivery channels: television, Internet, radio, billboards, estate agents, etc. |
| What advertisements have you found to be the most effective for financial products? Why did you find them effective? | Gather feedback on current or past marketing activities in order to adjust marketing strategies. | |
| Where do you typically receive information about financial services? | Determine if there is a difference between the types of delivery channels the respondent would like to use and the ones that he/she is currently using. | |

Source: XacBank.

V. Conclusion

The scaling up of youth financial products and services is a deliberate process that should be conceptualized at the product development phase. Marketing can be an effective tool for systematically scaling up financial services for youth because it provides increased visibility and information to both current and potential clients. While marketing to adults and youth is often similar, there are key differences that financial service providers should keep in mind. These differences should be considered throughout three main stages of marketing campaigns (design, implementation, and evaluation).

Design

- Ensure that marketing campaigns take into account an organization's segmentation of youth clients, since activities appropriate for one segment may not be appropriate for another. For example, a successful marketing campaign directed toward potential clients of XacBank's Future Millionaire product involved different approaches (sponsorship of game shows watched by younger children and age-appropriate logos) than a marketing campaign directed toward vocational students utilizing its Vittana student loan product.
- Choose appropriate delivery channels to effectively reach young people. Youth typically access information in ways that are different from adults. Direct marketing through organized recreational or sports events, as well as the Internet and mobile phones, has proved especially effective for XacBank and Enlace.
- Spend extra time designing logos and incentives that will attract youth clients. Since young people are often not as familiar with formal financial services, FSPs may need to convey key information to potential clients in different ways. Colorful logos and desirable incentives, such as t-shirts and pens, can help make an organization's product stand out to youth.
- Engage in strategic partnerships to market to youth. Partnerships can be important resources for marketing to youth due to their reputation and extended outreach in a given community. FSPs should engage partners to provide information to youth clients about available products and services, as well as to regularly solicit young people's feedback regarding product improvement.

Implementation

- Provide additional guidance and training to staff members who conduct youth marketing. Prior to implementing marketing activities, staff members working with youth should be trained in appropriate communication techniques, activities, and approaches.
- Involve all staff members in marketing activities. Since youth services are often a smaller component of the operations of many FSPs, staff members may not be as familiar with them. Keeping staff updated about youth initiatives through brown bag lunches, field visits, and visual materials can help them become "marketing ambassadors" of youth products and services.
- Keep in mind the longer-term goals of scaling up when conceptualizing marketing costs. Since youth products do not always generate revenue in the short term, organizations may need to invest in marketing activities to scale up the product over the long term. Buy-in on the part of key internal stakeholders is essential for this to occur.
- Create a viable implementation plan for marketing during the design phase and regularly refer back to it during implementation. Ensure that marketing strategies are clearly outlined in a tool that specifies the persons responsible for specific tasks, as well as realistic timelines for accomplishing goals.

Evaluation

- Regularly refer back to marketing targets set during the design phase to evaluate the effectiveness of a marketing campaign. Targets will differ depending on the marketing plan, but should be aligned with the mission and vision of the organization.
- Be willing to adjust marketing strategies based on evaluation information and adjust the marketing plan as necessary.

About Enlace

Enlace is a Salvadoran microfinance institution established in 2002. Its mission is to improve the lives of entrepreneurs by offering specialized financial services. It focuses its attention on poor clients and specifically targets women who are heads of households. Enlace has identified youth financial services as an important niche in the Salvadoran market and, in 2010, partnered with Catholic Relief Services to implement the “Jovenes para el Progreso” (Youth for Progress) program. This comprehensive program seeks to design, develop, and implement suitable financial services, including savings and credit, to youth aged 12 to 24.

About XacBank

XacBank was formed in 2001 by merging the two largest non-bank financial institutions in Mongolia. XacBank is now the fourth-largest bank in Mongolia, with more than 70 branches located in all aimags (provinces) of the country. The mission of XacBank is to contribute to the socioeconomic development of Mongolia through inclusive, value-adding, and reliable financial services, with a focus on “Planet, People, and Profit.” XacBank, along with its partners, offers a wide range of financial products and services to youth, including the Future Millionaire savings product, the Aspire and Aflatoun savings and financial education products, and loans for university students. XacBank works closely with the Golden Fund for Development Association (GDFA) on its youth financial education programs.

About the Innovations in Youth Financial Services PLP

The Practitioner Learning Program (PLP) methodology was developed by SEEP as a way to engage microenterprise practitioners in a collaborative learning process to document and share findings and to identify effective and replicable practices and innovations that can benefit the industry as a whole. The PLP combines a small grant program with an intensive small group-facilitated learning process, usually over a period of one or more years.

PLPs focus on learning at three levels: the individual organization, the PLP group, and the industry at large. At the individual level, organizations have the opportunity to share with other organizations and to revise their individual work plans. At the group level, all participants involved in the PLP share experiences and ideas. Participants decide by consensus the common themes that they want to explore as a group, which is called the learning agenda. At the industry level, PLP participants produce learning products documenting their lessons learned, challenges, and promising practices to benefit the microenterprise and microfinance industries.

The SEEP Practitioner Learning Program (PLP) on Innovations in Youth Financial Services is an action learning project bringing together key stakeholders to explore innovations in youth financial services to help microfinance and microenterprise institutions better respond to the growing need for appropriate and accessible products for young people (ages 12-24 inclusive). The PLP, implemented in partnership with The MasterCard Foundation, focuses on reaching scale with youth financial services by exploring viable models as well as seeking to understand critical stages organizations must move through to achieve scale. The envisioned impact of this PLP is to expand the number of youth clients served by appropriate financial services, and improve the quality and breadth of service provision to youth.

VI. Appendix 1: Enlace's "Youth for Progress" Marketing Plan

Marketing Plan for the "Youth for Progress" Project

BACKGROUND

Enlace, in coordination CRS El Salvador, began developing a pilot project called "Youth for Progress" in March 2010. The project seeks to reach 6,060 young people aged 12 to 24 from urban and rural areas through savings groups. The goal of the project is to develop the entrepreneurial skills of these youth in order to help them start their own business.



GOAL

To implement a basic marketing plan to encourage youth to organize themselves into savings groups in the towns and areas served by Enlace.

Specific goals

1. Promote the project through various media channels and promotional products.
2. Properly manage different marketing campaigns.

Implementation strategies

1. Adjust campaigns according to the time and season
2. Implement campaigns in places frequented most by young people
3. Use media channels for marketing campaigns in line with the target population
4. Deliver promotional products.
5. Make events attractive to young people, such as football tournaments, entrepreneurial fairs, and workshops

IMPLEMENTATION PLAN

| Date | Activity | Place | Responsible party |
|----------------|---|---|--|
| January 2011 | Promote project with community leaders Conduct house-to-house visits and deliver project brochures | Ahuchapan and Santa Ana branches | Team assigned by the branch and youth promoter, along with the project coordinator |
| February 2011 | Promote project via loudspeaker and brochure delivery | Santatecla and Soyapango branches | Marketing department, university student volunteers, youth promoter |
| March 2011 | Promote project via loudspeaker and brochure delivery Soccer teams match | San Miguel and Cojutepeque branches | Marketing department, university student volunteers, youth promoter, project coordinator |
| April 2011 | Organize workshops for project promotion with community leaders and deliver promotional items | Ahuachapan and Santa Ana branches | Marketing department, branch advisers, youth promoter |
| May 2011 | National Youth Conference | Cojutepeque, Apopa, and Colonias branches | Marketing department, credit officers, youth promoter and project coordination |
| June 2011 | Promote project via loudspeaker in places frequented most by youth people; deliver promotional items | Lourdes and Armenia branches | Marketing department, credit officers, and branch promoter |
| July 2011 | Organize promotional workshop in coordination with other youth-serving organizations | Sonsonate and Municipios branches | Project coordinator and business advisers |
| August 2011 | Participate in the Entrepreneurship and Employment Fair | Santa Ana branch, International Fair location | Project coordinator |
| September 2011 | Conduct house-to-house visits and deliver brochures | Santa Tecla and Municipios branches | Marketing department, youth promoters, and project coordinator |
| October 2011 | Promote project via loudspeakers; deliver promotional items | Mejicanos and Colonias Aledañas branches | Marketing department, youth promoters, and project coordinator |
| November 2011 | Promote project with community leaders, distribute flyers, deliver promotional items | Soyapango and Ilopango branches | Marketing department, university student volunteers, and project coordinator |
| December 2011 | Christmas activities | Savings groups | Branch and youth promoters |

Monthly coordination with the different branches is required in order to take advantage of the proposed plan. Activities can vary according to the target population.

The execution of the plan will be from January through December 2011.

VII. Appendix 2: XacBank Future Millionaire Event Marketing Plan

Approved. The Director of Retail Banking division _____

“Children’s Town” Event Plan

Objective

For the upcoming ninth anniversary of the “Future Millionaire” savings product for children:

- Introduce and publicize the “Future Millionaire” savings product to children and their parents
- Maintain the leading position in the youth financial services market
- Motivate savers
- Increase sales by attracting new clients

Target Group

- Children 8–18 years old and their parents

Key Message

- “Your Future Millionaire savings are secure”

Time frame

- May 23–28, 2011

Products to be Promoted

- Future Millionaire saving product
- Aspire savings products and subsidiary financial training
- Aflatoun Social and Financial Education program

Marketing Materials

- Invitation with brief introduction of Aspire and Future Millionaire products
- Flyers on Aspire and Future Millionaire products
- Voucher

Events and Activities

- 1,000 invitations, each of which gives the recipient the right to participate in a “Children’s Town” lottery, will be distributed at XacBank city branches, beginning on May 23rd. Each invitation will function as a lottery ticket and will have a space for a full name and registration number to be written down.
- The lottery will be held at the “Children’s Town” event
 - Old clients and their parents who attend the “Children’s Town” event will receive a lottery ticket for each 10,000-tugrik deposit. Clients and their parents who create a new savings account with a 10,000-tugrik ending balance will also be given a lottery ticket. 500 such tickets will also be distributed at the event.
 - People who are given lottery tickets at the branches will also be part of the lottery-drawing.

- The blank space on the invitation will be filled out and the resulting lottery ticket put into a glass box at the “Future Millionaire” product station.
- The lottery-drawing will take place at 15:00 hours on the main stage and prizes awarded directly to the winners. However, if a winner is not in attendance, the prize will be given to the holder of the next lottery ticket drawn.
- Two tellers from the sub-branch #1 will work at the product station. The winners can transfer their funds into their accounts.
- At each product station, a contest will be organized for “Future Millionaire” savings accounts and the winners of each contest awarded vouchers to open a saving account or vouchers to deposit money into their saving accounts.
- At each product station, flyers and cards will be distributed with information about the “Future Millionaire” and “Aspire” products

Budget (in tugriks)

| Channels | Explanation | Quantity | Unit fee | Total |
|---|---|----------|----------|------------------|
| Vouchers | | | | 975,000 |
| Vouchers to open savings account | The lottery will use registration numbers. | 15 | 25,000 | 375,000 |
| Prize on vouchers to open savings account | Prize I | 20 | 15,000 | 300,000 |
| | Prize II | 20 | 10,000 | 200,000 |
| | Prize III | 20 | 5,000 | 100,000 |
| Printed marketing materials | | | | 812,000 |
| Invitation | On one side, there will be an invitation, and on the other side, there will be introductions to the “Future Millionaire” and “Aspire” products. There will be some blank space to write down the registration number for the lottery, which can cut to make a ticket. | 1,500 | 200 | 300,000 |
| Flyers with introduction of products | Detailed introductions of “Future Millionaire” and “Aspire” Products | 5,000 | 100 | 500,000 |
| Certification | Vouchers to open savings accounts are awarded to children who win the contest | 60 | 200 | 12,000 |
| Total direct costs | | | | 1,787,000 |

May 19, 2011

VIII: Appendix 3: XacBank's Direct Marketing Training

XacBank the AspireProject: Direct Marketing (Personal Selling)

July 21 – July 31, 2009
Ulaanbaatar, Mongolia

What is Direct Marketing?

The basic difference between DM and general advertising is that **DM requires the recipient to take some type of action**

For a marketing promotion to be considered Direct Marketing it must:

- ❖ **Place an offer** directly in front of the potential customer,
- ❖ **Call that customer to respond immediately by taking an action** in the form of a request for additional information or a purchase decision, and
- ❖ **Allow the source of the response to be tracked** accurately so that the return on the marketing investment can be measured.

Determine Your Communication Style

- ❖ Figure out your **communication style** – it's unique, own that
- ❖ **Know thyself**
- ❖ Put yourself in the shoes of your audience, what would you want to be said to you?
- ❖ When possible – **tell a story**, give examples, relate to your audience
- ❖ Acknowledge the elephant in the room
- ❖ **Beware of falling into your comfort zone**

Know They Product & Prospect

Knowing both your product and prospect will **help you make more sales**

- ❖ Do you know what you are selling?
- ❖ Are you familiar with describing the product to a customer in user's terms, in intimate detail?
- ❖ Can you describe the product in simple, everyday language?
- ❖ Can you speak from firsthand experience about the value and benefits of the product?

The Target Segment – Knowing Girls

Since September 2008, we have conducted market research to **understand our target market** and their **needs, preferences, attitudes** about financial products and literacy training.

- ❖ Girls can and do save and earn money
- ❖ Girls typically save for a purpose
- ❖ Girls want to have some level of financial independence and ease of access to their money
- ❖ Girls are greatly influenced by their parents, particularly mothers

The Target Segment – Knowing Girls

Girls want to be:

- ❖ Respected
- ❖ Financially Independent – manage their own money
- ❖ Equal
- ❖ Valued
- ❖ Listened to
- ❖ Feel Important

Demonstrate the Benefits

Anyone can read a product brochure. Prospective customers want to know how a product will benefit them. Use **combination of rational and emotional approaches to engage your audience** and clearly explain the benefits.

What to Say – Rational Approach

- ❖ Promotes functional benefit—the more you save, the more money you have
- ❖ Based on value – “if someone else has better rates, I’ll probably go to the competition”

What to Say – Emotional Approach

- ❖ Explains to customer how they will feel if they use the product and the personal benefit it will have

Examples of Good Direct Marketing

- ❖ Brainstorm

Building the Curriculum - Brainstorm

- ❖ Lecturette – Promotions Strategy and Communications Skills
- ❖ Code of Conduct – Development of Guidelines
- ❖ Applications – Scripts
 - ❖ Participants are broken into groups to develop scripts for Branch Staff to use in the field (i.e., in schools)
- ❖ Role Play Activity – Branch Staff and Student Bankers
 - ❖ Customer
 - ❖ Branch Staff (Direct Marketer)
 - ❖ Observer

IX. Appendix 4: XacBank's Evaluation Guidelines

Evaluation Guidelines

XacBank

Mongolia | September 2010

Focus group No: _____

Guideline for an Interview with the Target Group: Survey on Savings Products

The purpose of this survey is to:

- Reveal (on the basis of the opinions of competitors' clients) the present state of both our and our competitors' saving products and services
- Learn our strengths, weaknesses, opportunities, and threats
- Find out the reason why clients have chosen a specific bank or banks
- Discover the general standards of saving products for other banks' clients
- Listen to what clients say about how we can improve our services
- Find out what policy we should follow regarding those types of products

Greeting

- Thank you very much for coming here. We're very grateful for your coming here and devoting your time to our interview.
- We're researchers from a company called Mongol Survey. We've invited you here to clarify several issues.
- You are bank clients, so we've invited you to ask questions about and clarify information about banks, specifically about issues related to saving products.
- As the first step of this interview, we would like you to introduce yourselves. While introducing yourselves, my co-worker, who is here, will ask your names and prepare name badges for you. With the help of the badges, I can remember your names well. [While preparing the name badges, the directing and leading person will mention the observers in the room and explain their roles.]
- Everything spoken here will be secret and will not be passed to anyone else. We consider you a representative of all clients of the bank. So, please don't be worried and please express your opinions freely.

| Main questions | Confirming questions | Follow-up actions |
|--|--|--|
| Opening questions | | |
| 1. Please tell me your names. In your own introduction, please tell us your age and employment status. And please don't forget to tell me about the type of business and/or work in which you are engaged. | | <ul style="list-style-type: none"> The assistant directing person will write down the names of survey participants and the lead questioner on name tags for them to wear. |
| 2. What type of savings do you have and at which bank? | | |
| 3. Why did you choose that bank? | | |
| 4. From what source did you accumulate money for a savings account? In what circumstances do you open a saving account? | | |
| 5. For what purpose(s) do you plan to spend your savings? How long will you save? | | |
| 6. From how many banks do you get service? Right now, at how many banks do you have savings? How long have you been their clients? | | |
| Evaluating product conditions | | |
| 7. Why did you choose that specific type of savings? What was the necessity? | <ul style="list-style-type: none"> There are many types of bank saving services. Identify why a client has chosen that specific type. Define their product demands. | |
| 8. How much do the following features of your current saving account match your interest? <ul style="list-style-type: none"> interest rate maturity method for calculating interest minimum balance required linkages with other services | <ul style="list-style-type: none"> To question in detail on each condition, to ask if there is any difficulty or any vagueness | |
| What do you think are the drawbacks of the saving product that you use? | | |
| 9. What service of the bank influenced you to open this saving account? | | |
| 10. Is it possible for you to open saving accounts at different banks at the same time? Why? In what situations would you think of canceling your existing cooperation or account with a bank or of becoming the client of another bank at the same time? | | |

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| <p>11. What are the main reasons why you chose your bank for a savings account?</p> <ul style="list-style-type: none"> • trust • bank reputation • quick service • good customer service • branch location • social responsibility • required documents • promotion • high interest rate • please choose the most important 3 indicators from the above list and explain | <ul style="list-style-type: none"> • Define which activity of the bank most affected that person and motivated him/her • Do you prefer to be served by one bank or many banks? Why do you choose more than one bank? |
| <p>12. Please use this same list to evaluate the following banks: Xac, Khaan, Trade and Development, Golomt. When you hear the name of these banks, what is the first thing that comes to your mind?</p> | |
| <p>13. Please read the list and place each item underneath the name of the bank for which you think they are true.</p> | <ul style="list-style-type: none"> • Please ask further questions why they choose the specific indicators for each bank • Answer any questions they have about choosing the indicators to evaluate the banks • Find out his/her general thoughts about the other banks. • Identify the advantages and weaknesses of our competitors <ul style="list-style-type: none"> • Indicators should be written on square paper beforehand, so the interviewee can place the indicators in a list on the table in the order of his/her preference • Provide the table with indicators |
| Customer Evaluation | |
| <p>14. How did you find about the Future Millionaire savings account and why did you choose it?</p> | <ul style="list-style-type: none"> • What marketing channels were used? Did you do the research yourself or did you hear about it from your friends and family, TV, radio, newspaper, or elsewhere? |
| <p>15. If you have an existing Future Millionaire account, how long are you planning to save?</p> | |
| <p>16. Please talk about the things that can be improved by your bank?</p> | |
| <p>17. What kind of promotions or discounts has your bank announced lately? And what was your response? Did you find the promotions or discounts interesting or useful? What kind of promotion would suit you the most?</p> | <ul style="list-style-type: none"> • What attracted them to save more (e.g., a promotion)? |
| <p>18. How much is your monthly income? What percentages of that do you save? How often do you make deposits in your saving account?</p> | <ul style="list-style-type: none"> • Find out the barriers to monthly saving • Find out all other relevant information they might have |

| | | |
|--|---|--|
| 19. What were your thoughts on youth savings products before you opened the account? And now? How have they changed? Was your choice correct? | | |
| Marketing channel | | |
| 20. What other products do you currently need or already have from a bank? | | |
| 21. If your bank provided a similar product to the one we described, would you be interested? Why? | • Please determine their attitude toward various banking services and try to write the suggested names down | • Explain the main features of the Future Millionaire product. |
| 22. Do you have any suggestion for what to name this kind of product? | | |
| 23. Please give us recommendations on what we should do to deliver information on financial services to people like you. What are the important areas we should look at? | | |
| 24. Please name the advertisements that you think were best? Why? | | |
| 25. Where do you usually receive information on financial services? | <ul style="list-style-type: none"> • Internet? • TV? • Radio? • Billboards? • Estate agents? | |
| Closing | | |
| Thank you very much for your time. Your contribution to our work is important to us. | | |
| You're very welcome to contact us to discuss any other suggestions and complaints that you have about current youth financial services! | | |



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