SOCIAL MARKETING TO INFLUENCE FINANCIAL BEHAVIORS

The Next Frontier

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WHY?

1. Fits definition of social marketing.
   There are clear behaviors that once adopted will improve the quality of life for individuals and society.

2. Efforts around the world demonstrate working, just as in Public Health, Environment, Community Involvement.

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11 QUICK STORIES

1. Clear Purpose & Focus
2. Target Audience
3. Clear Behavior
4. Audience Barriers Identified
5. All 4Ps Used
6. A Strong Product
7. A Strong Price
8. A Strong Place
9. A Strong Promotion
10. A Strong Partnership
11. A Strong Evaluation

#1 A CLEAR PURPOSE & FOCUS

Pigs for Peace in the Congo

- *Purpose:* Improve financial well being of families in rural areas
- *Focus:* "Loan" of a pig to provide income

"I will take care of her like a baby."

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#1 A CLEAR PURPOSE & FOCUS

- Village agrees to join Pigs for Peace
- Female pig delivered to families in village
- A male pig to start
- Payback:
  - A piglet from first two litters

"Thanks to the pigs I was able to build a house for me and my grandchildren."

#1 A CLEAR PURPOSE & FOCUS

- Between Dec. 08 and 09
- 110 women and families w/ pigs
- Selling pigs at $20-$40 is paying for:
  - School
  - Clothing
  - Medicine
  - Home
  - Business

Over 100 pigs provided; over 700 women and families waiting!

Source: Great Lakes Restoration and Dr. Nancy Glass, Johns Hopkins

#2 TARGET AUDIENCE IDENTIFIED

Sex Workers in Mumbai, India

- Total population of 18 million+
- High population male migrant workers
- Women often exploited
- Heavy debt
- Lack trust for money safekeeping in shops or with brothel managers

Sangini Women's Co-operative Bank: 2005

- Established by Population Services International
- To galvanize the 5000 brothel based sex workers

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#2 TARGET AUDIENCE IDENTIFIED

- **Barriers of target understood and addressed:**
  - No documentation required to open a bank account
  - No minimum balance
  - Deposit interest rates similar to average bank
  - Not required to fill out paperwork
- **Benefits understood as well:**
  - Break cycle of oppression for daughters
  - Protection from HIV

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#2 TARGET AUDIENCE IDENTIFIED

- And Messenger made the difference:
  - Female bank staff provided doorstep banking (Sangini means friend)
  - Filled out forms for client
  - Educated client
- By 2010, 1700 accounts
- Among the 5000 workers

Source: Sangini Microfinance http://www.sanginimicrofinance.com/BANKING.HTML

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#3 CLEAR BEHAVIOR IDENTIFIED

HIV/AIDS IN CAMBODIA

- Highest rate in Asia
- Heavy toll on women
- 75% of new infections
- Many head of household as husband died from disease or has HIV/AIDS

#3 CLEAR BEHAVIOR IDENTIFIED

- Trickle Up, U.S.-based org engaged in microenterprise
- Business training
- $100 seed grants
- Behavior:
  - Save cash for a business savings fund
  - Matched weekly

#3 CLEAR BEHAVIOR IDENTIFIED

- 2003-2009
- 850 women and over 2,000 family members
- 100% reported improved nutrition
- 50% able to get children in school
- 50% improved housing

"A family manufacturing Buddha models for sale."

#4 AUDIENCE BARRIERS IDENTIFIED

Financial Literacy Road Shows in Ghana

- Less than 20% utilizing financial services
- Barriers:
  - Lack of knowledge
  - Lack of trust
  - Lack of convenient access
- Government of Ghana & The Support Programme for Enterprise Empowerment and Development (SPEED)
- Launched Financial Literacy Program

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#4 AUDIENCE BARRIERS IDENTIFIED

- Product Focus:
  - Savings & Loans
- Place:
  - Rural Towns
  - Weekdays 9-Noon
  - Markets
- Promotion:
  - MFI Staff
  - Promo materials

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#4 AUDIENCE BARRIERS IDENTIFIED

- Performers discussing financial issues, dancing, and singing messages:
  - "You too can save for the education of your children."
  - "When you take a loan, make sure you understand the terms and conditions."

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#4 AUDIENCE BARRIERS IDENTIFIED

- 41 Followup Participant Interviews:
  - More knowledge about savings
  - How savings helps get loans
  - More likely to get account since money safer
  - See bankers as more caring and trusting

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#4 AUDIENCE BARRIERS IDENTIFIED

- **21 Interviews with Staff at MFIs**
  - Increased client base (accounts opened at market)
  - Increased savings balances
  - Helped deal with clients scared to walk in bank
  - Enhanced bank reputation
  - Improved loan repayment rate

Source: Fact Sheet "Financial Literacy in Ghana" Ministry of Finance & Economic Planning

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#5 ALL 4Ps USED

Keep the Change: U.S.

- Bank of America 2004
- Interested in increasing consumer savings AND interested in new accounts
- Brainstormed 80 product concepts
- Narrowed to 12, tested and chose 1

Keep the Change®

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PRODUCT | PRICE | PLACE | PROMOTION

- Every time use Debit Card
- Rounds to nearest dollar
- Coffee $4.52
- $5.00 from checking and $.48 to savings

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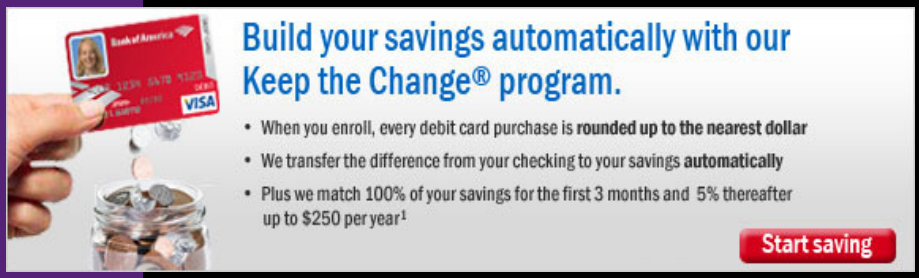
PRODUCT | **PRICE** | PLACE | PROMOTION



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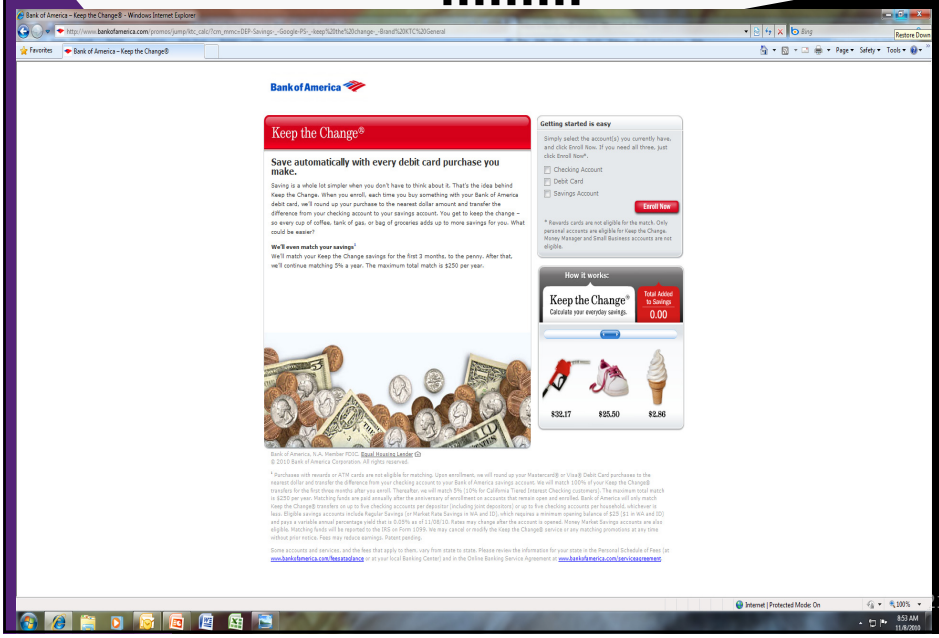
PRODUCT | PRICE | **PLACE** | PROMOTION



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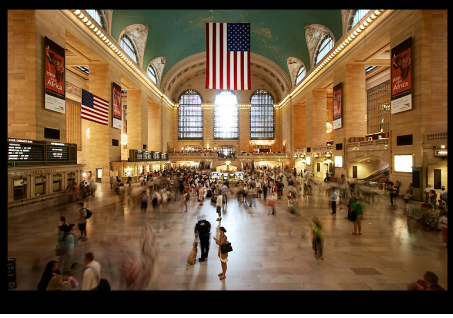
PRODUCT | PRICE | PLACE | **PROMOTION**

- **Launch:**
  - Public event & press conference New York's Grand Central Terminal
  - 20 foot red couch, stuffed with coins; invited people to look for change
  - Replicated in cities across country



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#5 ALL 4Ps USED

- **Results in 4 Years (2008)**
  - 12 million people enrolled
  - $3 billion in their savings
  - Includes $1 billion in customer round-ups and bank-matching funds

Source: Bank of America 2009 23

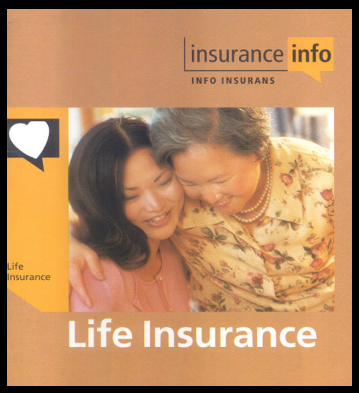
#6 STRONG PRODUCT STRATEGY

INSURANCE IN MALAYSIA

- *insuranceinfo*
- Bank Negara Malaysia & insurance industry
- **Core product (Benefit):**
- Cash, income if spouse dies or seriously ill
- **Actual product:**
- Variety of types and how to choose
- **Augmented product:**
- Ways to insure agent authorized

#6 STRONG PRODUCT STRATEGY

- From 1990 to 2008
- Number of policies in country increased from 2 million to over 11 million



Source: Bank Negara Malaysia, Life Association of Malaysia and Malaysian Takaful Association

#7 STRONG PRICE STRATEGY

TOBACCO CESSATION & SAVINGS IN THE PHILIPPINES

- Rural Green Bank of Craga
- NGO: Innovations for Poverty Action
- Committed Action to Reduce and End Smoking (CARES)

- **Target Audience**
  - Low income smokers
  - Wanted to quit
  - Nicotine therapy expense
  - Earning about $70 USD/month
  - Spending $2USD/month on cigarettes

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PRODUCT | PRICE | PLACE | PROMOTION

- Actual Product: Commitment Savings Account
- Required signed contract
- Either a date goal, or an amount goal

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PRODUCT | **PRICE** | PLACE | PROMOTION

- Account did not pay interest
- Required initial deposit and minimum balance
- Recommended the amount paid for cigarettes
- No withdrawal money during the deposit period
- End of 6th month, nicotine test
- Pass test, can withdraw entire savings
- Fail test, forfeit balance to charity

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PRODUCT | PRICE | **PLACE** | PROMOTION

- Bank staff approached smokers
- Offered account
- Personal weekly visits to collect deposits

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PRODUCT | PRICE | PLACE | **PROMOTION**

Slogan:

- "Put Your Money Where Your Butt Is"

Pamphlet:

- Emphasizing dangers of smoking

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#7 STRONG PRICE STRATEGY

- Results as of 2009 in Butuan City:
- 11% of smokers signed up

Avg. # of Deposits Made in 6 months	11 deposits
Savings in 6 months	~ US $10
End of 12 months	~ US $20

- ~5 percentage points more likely to pass the nicotine test than those with promo only

Source: "Tying Odysseus to the Mast", Ashraf, Karlan, Yin The Quarterly Journal of Economics, *May 2006*

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#8 STRONG PLACE STRATEGY

CELLPHONE ACCESS IN SOUTH AFRICA

- 2005
- 60% pop unbanked/underbanked
- WIZZIT, cellphone-based banking org:
- No branches
- Partnered with major mobile operators

"Challenge is not getting them to the bank. The challenge is getting the bank to them."

#8 STRONG PLACE STRATEGY

- Use phones to make:
  - Person-to person payments
  - Transfer money
  - Purchase pre-paid electricity vouchers
  - Buy airtime for mobile phone
- 3000 WIZZkids: account opening at homes, workplace
- 2009 . . . 300,000 customers (5,000 new/month)

WIZZIT
my bank in my pocket

#9 STRONG PROMOTION STRATEGY

A TV SOAP OPERA IN KENYA

- Edutainment, launched in 2005
- Program Content from Microfinance and other financial education orgs
- Encouraging:
- Establish bank account
- Save money together
- Avoid pyramid schemes

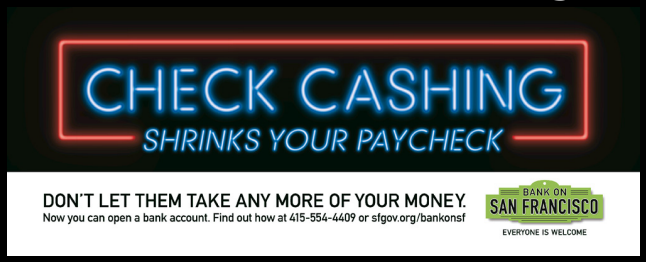
#9 STRONG PROMOTION STRATEGY

- Fictional village with colorful cast
- After each program . . can send SMS for more info including leaflet

#10 STRONG PARTNERSHIPS

BANKING THE UNBANKED IN SAN FRANCISCO

- 2006, 50,000 HH in San Fran unbanked
- Relying on check-cashers, pawn shops payday lenders
- 5% of income on check cashing



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#10 STRONG PARTNERSHIPS

- **Public Sector:**
  - Mayor's Office, Office of Treasurer, Federal Reserve Bank
- **Private Sector:**
  - 15 financial institutions providing over 170 locations
- **NGO Sector:**
  - Community Organizations like EARN (Microsavings)

BANK ON SAN FRANCISCO
EVERYONE IS WELCOME
CALL 2-1-1 bankonsanfrancisco.org

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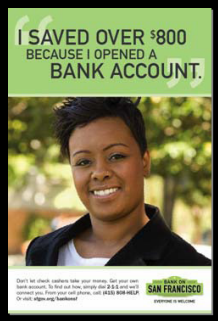
#10 STRONG PARTNERSHIPS

- **Detailed Reports**
  - Number of accounts opened/closed, NSF/OD charges, zip codes, average balance
- **By 2008**
  - 31,000 accounts opened
  - Average balance $980
  - Replicated in other cities



Source: City & County of San Francisco, Office of the Treasurer & Tax Collector. Press Release, November 20, 2008

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#11 STRONG EVALUATION

Financial Education in Bolivia

- *CRECER* unregulated non-bank financial services provider
- Financial education for low income
- Modules:
- Debt management
- Savings
- Budgeting
- 2009: 98,000 attendees

#11 STRONG EVALUATION

EVALUATION

MODULE	BEHAVIOR	% INCREASE (n=655)
DEBT MANAGEMENT	Set money aside, little by little , to repay loan	22% increase
SAVINGS	Put away some of earnings into savings	52% increase
BUDGETING	Keep a written budget on weekly or monthly bases	49% increase

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IN SUMMARY

We saw Social Marketing influencing:

1. Women in the Congo to raise pigs for an income.
2. Sex workers in India to contribute to a savings account.
3. Women with HIV/AIDS in Cambodia to start a business.
4. The unbanked in Ghana to work with a banker.
5. Millions of U.S. bank customers to increase their savings.
6. 9 million more in Malaysia to have life insurance.
7. Tobacco users in the Philippines to "put their money where their butt was."
8. 300,000+ unbanked/underbanked to use their cellphones for banking in South Africa.
9. Soap opera fans in Kenya save money and borrow w/ care.
10. 3/5th of unbanked in San Fran opening checking accounts
11. Attendees at financial literacy trainings in Bolivia repay their loans, increase their savings and monitor their budget.

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