



“DIFFERENTIATE OR DIE”
FINANCIAL INSTITUTION PRODUCT & SERVICES



&



Brandwagon Roundtable
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A PARADIGM SHIFT



Buy any car you want,
as long as its 'black'



Buy a car,
choose
your color





WHAT IS DIFFERENTIATION??

“...the ability of a product or service to stand apart from its competitors in a unique manner by offering a set of differentiating relevant promises to customers and delivering on those promises to leverage value...”



WHAT IS DEATH??

“...the inability of a product or service to find relevancy or patronage (at economically viable levels) amongst its target market thereby resulting in its demise or inability to contribute significantly to the bottom-line of its owner...”



THE DIFFERENTIATION CHALLENGE!

- **How**
- **What**
- **To whom**
- **Do it Profitably**



NIGERIA: A HISTORICAL PERSPECTIVE

- **Banks**
 - **Product Development**
 - **Technology**
 - **IPO Mania**
- **Insurance**
- **Stockbrokers**
- **Fund Managers**

A culture of “personality” & “me-too” syndrome



DIFFERENTIATION???

Not only 'visual' (logo, etc) & marketing communications & tangible elements but also...

The "intangible" elements...

- Culture
- Service
- Attitude & Approach
- Relationship building



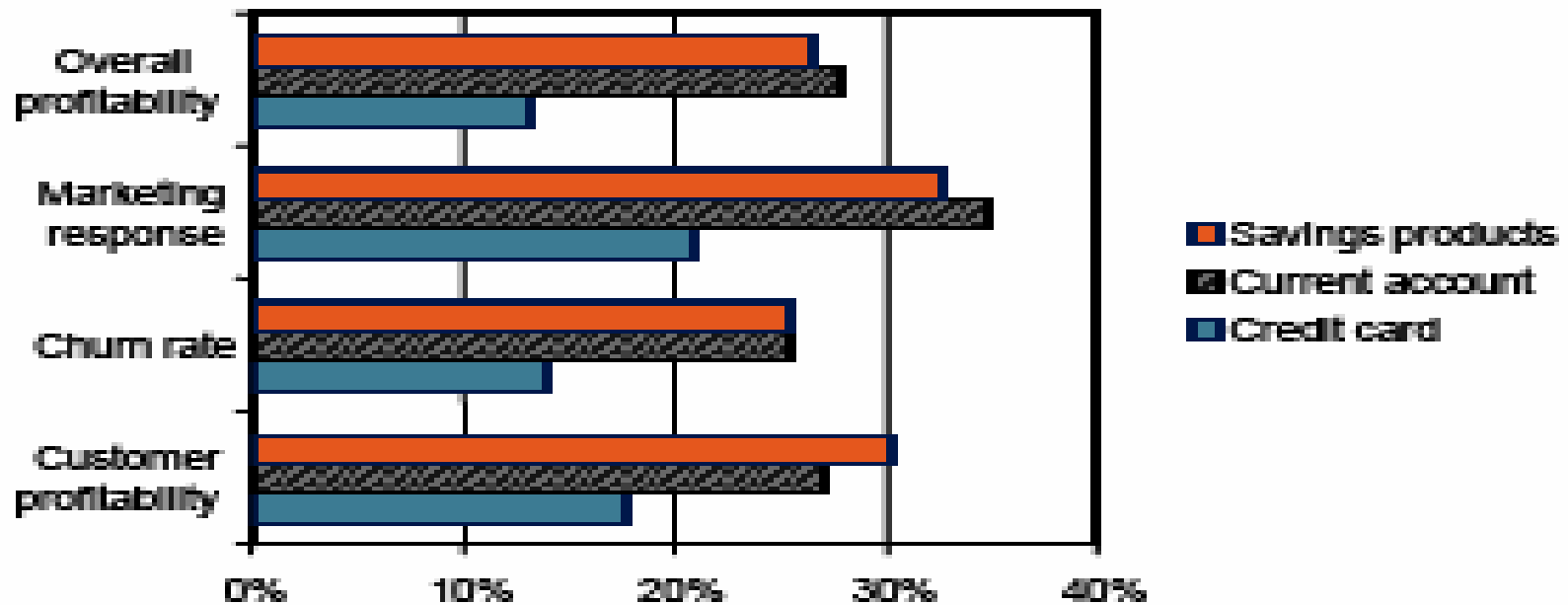
DIFFERENTIATION STRATEGY

“...based on appropriate customer segmentation to offer relevant retail products and services supported by a rigorous CRM (Customer Relationship Management) strategy to enhance the ability to **relevantly** interact with, serve, support and nurture their various defined target markets...”



Figure 1: A significant proportion of banks increase business performance via CRM

"Has your CRM investment had an Impact on any of the following four performance metrics for the following products?"



Base: All banks

Source: Datamonitor: IT Efficiency in Financial Services 2002

DATAMONITOR



IMPLEMENTING A DIFFERENTIATION STRATEGY

Traditional vs. 1to1® marketing

Traditional marketing

Market share

Differentiating products

Managing products

Customers are adversaries

Finding customers for products

1to1 marketing

Share of customer

Differentiating customers

Managing customers

Customers are collaborators

Finding products for customers

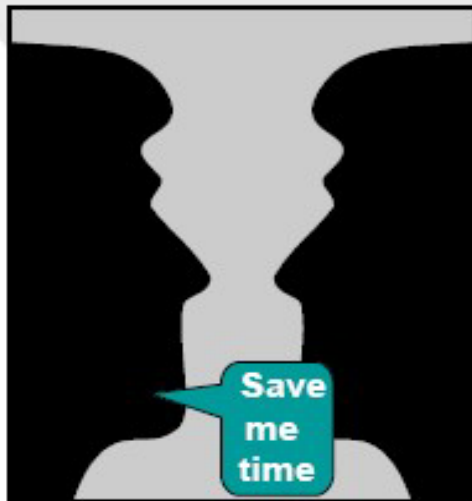


1. **Identify** customers, individually and addressably
2. **Differentiate** them, by value and needs
3. **Interact** with them more cost-efficiently and effectively
4. **Customize** some aspect of the enterprise's behavior

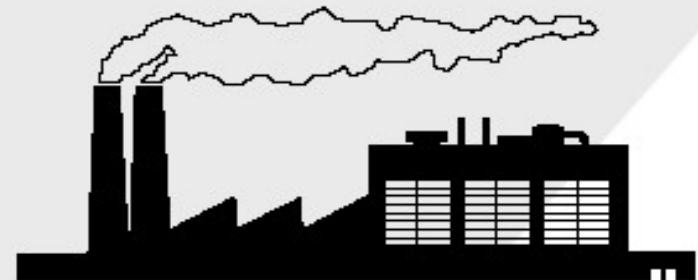




A Learning Relationship



Customer tells you what he wants



You tailor your product, service, or elements associated with it



The more effort the customer invests, the greater their stake in making the relationship work.

Now the customer finds it more convenient to remain loyal, rather than re-teach a competitor



DIFFERENTIATION = NEEDS FULFILLMENT

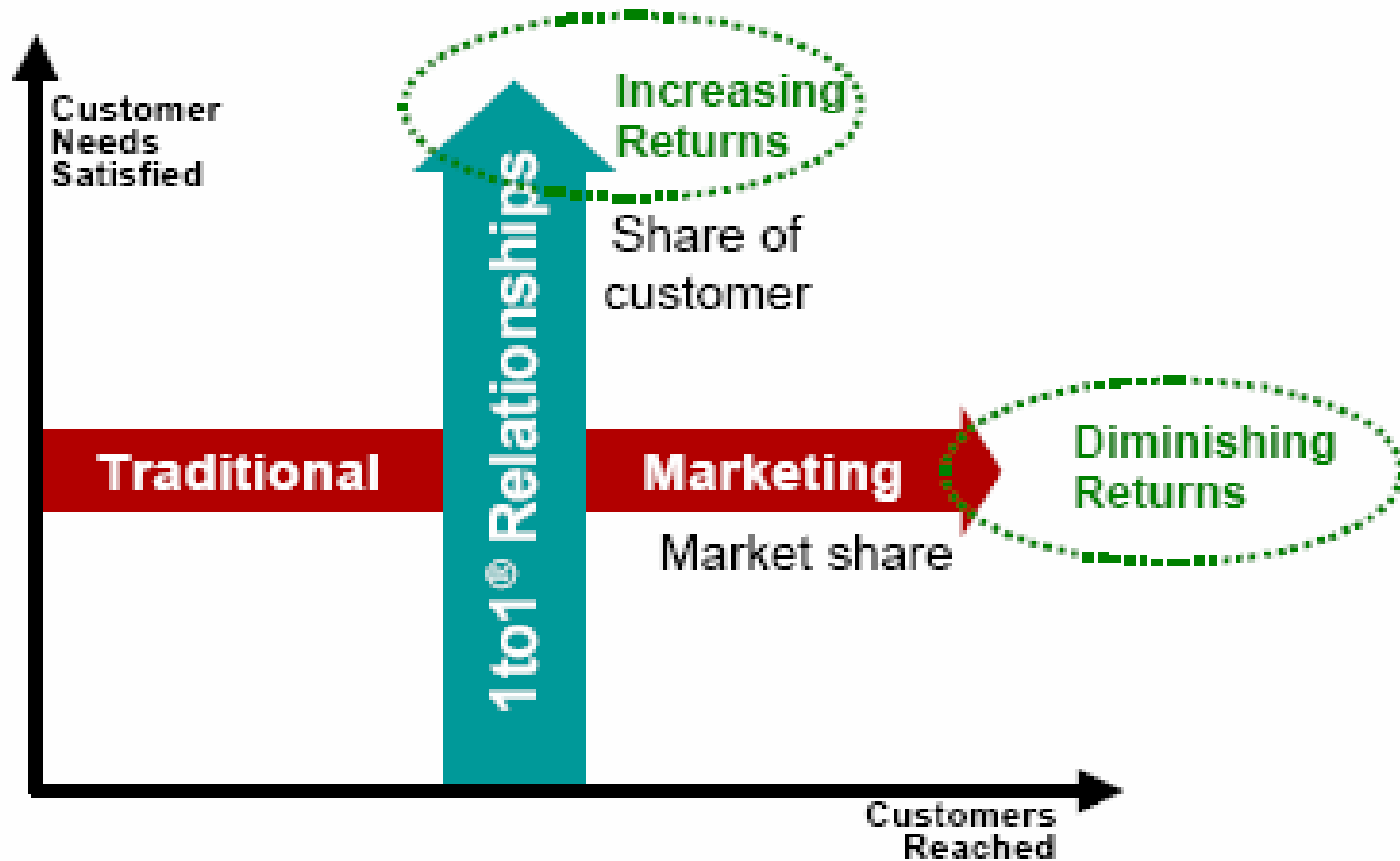
“...54% of financial services institutions felt that a ‘lack of understanding of customer needs’ kept them from finding a profitable product strategy...” CINCOM

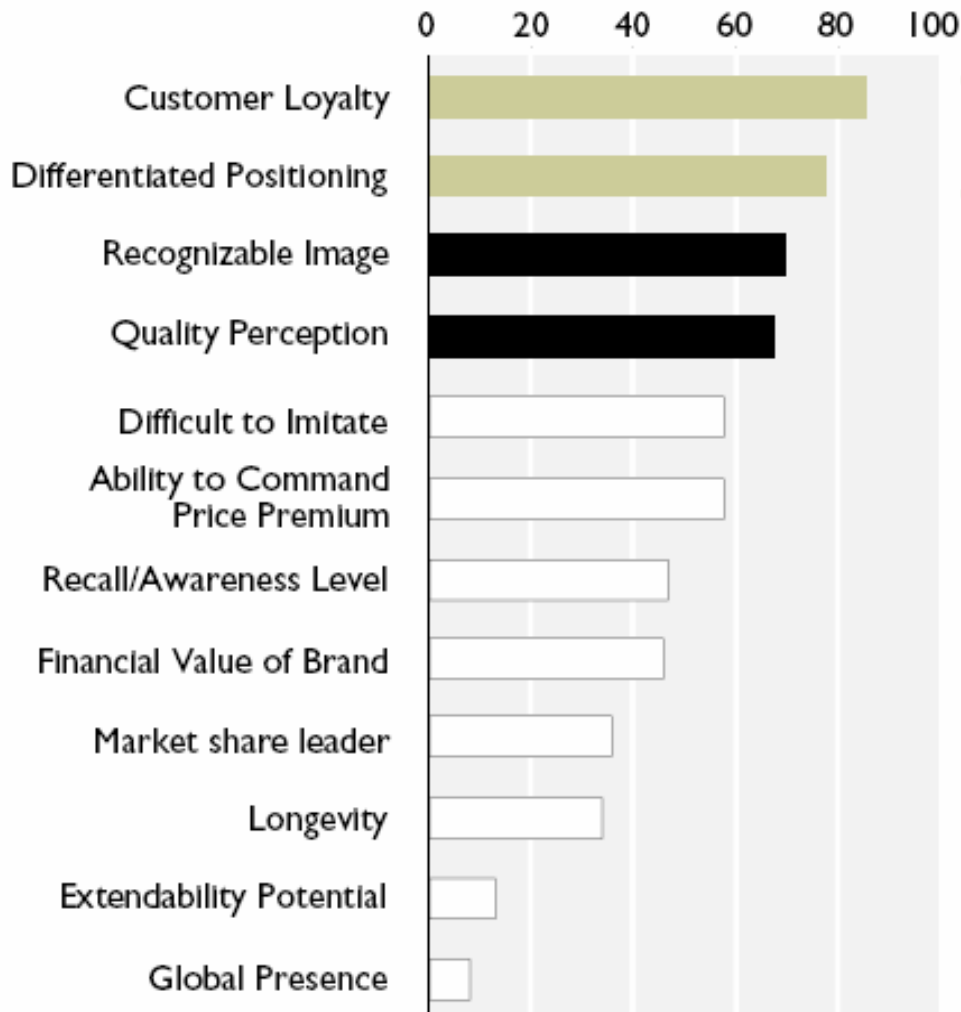
- Customer Segmentation to identify similarities & enhance learning
- Customization to provide relevance & meet expectations

Operational & Strategic use of Customer data will be a key differentiator among FI's



A different dimension of competition





Customer loyalty and a **differentiated positioning** are thought to be the most important factors in determining brand strength, and these ideas were prevalent throughout the survey

- The need to differentiate is a key trend affecting branding today
- Increasingly, firms are striving to gain customer loyalty





Benefits of CRM in financial services

Good customer service and:

% Likely to add one or more products in next 12 months

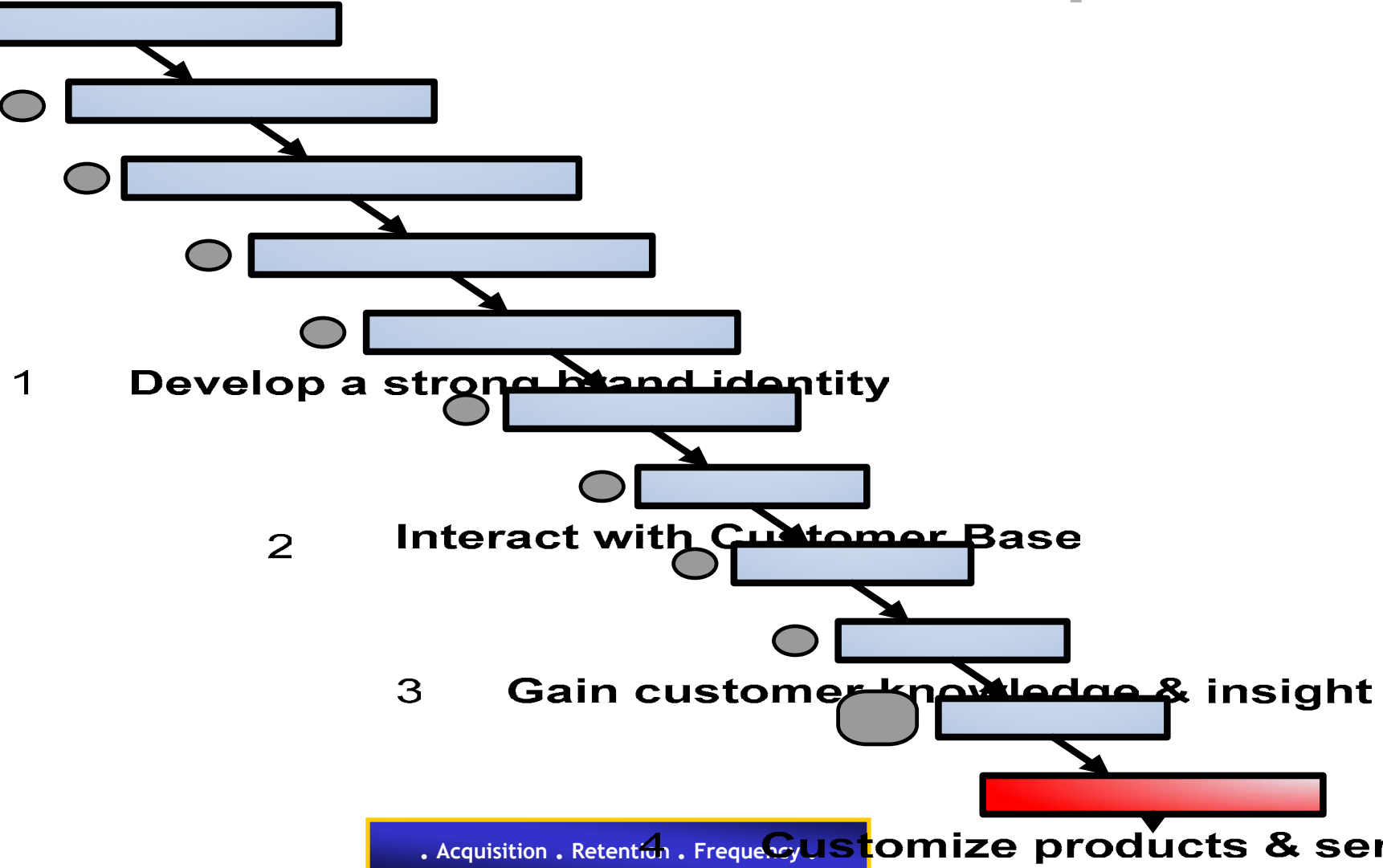
% Likely to switch away one or more products in next 12 months

LOW CRM	15%	26%
MEDIUM CRM	21%	10%
HIGH CRM	31%	1%

Source: PRG - Roper Starch Worldwide survey, Sep 2000



The Differentiation Road-Map





THE STRATEGIC NEEDS:

- **Product Development, Customer Service, CRM become core strategic functions**
- **Management Commitment**
- **Defined Objectives**
- **Measurable Criteria**
- **Long term outlook**



**TECHNOLOGY ENABLES....
IMAGINATION WINS**

THANK YOU