Financial Products & Services Marketing to the Unbanked Population in Ghana. A Case Study of Atwima Kwanwoma Rural Bank Limited (Akrb)

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Abstract

The unbanked populations who are also typically micro entrepreneurs and individuals have little access to financial products/services. Majority of the existing financial products are tailored to suit the middle and upper income group. Many poor households lack access to financial services of all kinds especially credit facilities while a number of financial institutions do not see the unbanked population as credit worthy. This contradiction has necessitated the pursuit of this study which seeks to evaluate and contribute to the possibilities of rendering financial services to the low income earners, referred to as the "unbanked" in this study, with specific reference to Atwima Kwanwoma Rural Bank a leading rural Banking Institution in Ghana. The main objectives of the study are to identify the financial needs of the unbanked population in Ghana; explore innovative approaches in giving the unbanked people access to financial products. Structured questionnaires were used to collect data from respondents while SPSS and Microsoft Excel software were used to analyze the data. The study revealed that people do not bank because they lack trust or confidence in financial institutions. Many people would readily patronize financial products if service providers would reach out to them by means of well packaged (branding)personal selling and positive word of mouth. Furthermore, banking services were not made accessible to the unbanked populace, which is a contributing factor to their difficulty in accessing financial services.

Keywords: Marketing, Strategies, Financial products, Unbanked Population, Ghana

General introduction

Introduction

Ghana continues to make efforts to reach her development goals – creation of an enabling environment for private sector investment, growth and poverty reduction strategies, etc. However, more remains to be done to brighten the chances of the low income earners to access financial assistance to improve upon their economic lives. The private sector which comprises largely the micro entrepreneurs is a propeller of economic growth that creates financial liberation for the unbanked, and microfinance is a strategy for wealth creation and poverty reduction (Mainoo, 2011).

Microfinance is not a new concept. i.e., providing credits to small and micro groups or firms It dates back in the 19th century when money lenders were informally performing the role of now formal financial institutions. The informal financial institutions constitute village banks, cooperative credit unions, state owned banks, and social venture capital funds to help the poor. These institutions are those that provide savings and credit services for small and medium size enterprises. They mobilize rural savings and have simple and straight forward procedures that originate from local cultures and are easily understood by the population (Germidis, 1991).

It should be noted that microfinance is not a panacea but it is a main tool that fosters development in developing countries. It is known worldwide that the poor cannot borrow from the banks. Banks do not lend to them because they do not have what is required to be granted a loan or to be provided with the bank services (Germidis, 1991)

Despite the fact that banks have been in the system for far too long with myriads of products and services, a good number of the Ghanaian populace still remain unnerved; they are denied the banking services on the grounds that they are considered risky. The poor are considered risky because it is widely known that the poor cannot borrow from the banks. Banks do not lend to them because they do not have financial security that qualifies them to be granted a loan or provided with financial services. They are the group classified as the unbanked (Bair, 2002).

Statement of the problem

The unbanked populations are and cut across many segments: the working class; the low income earning group; small scale entrepreneurs; etc. Many people are out there with rich entrepreneurial ideas yet remain stifled with myriads of challenges in executing their business plans. Promising business plans persuade individuals and groups to embark on their own projects. A major challenge that deters many of such people, however, is capital, in other words money which is the lifeblood of every business.

Possibly, entrepreneurs cannot exist without having access to credit facilities. However, for a variety of reasons, loans are a scarce resource for the many unbanked population, some of whom are also micro entrepreneurs: their informal nature; the administrative disorder that characterizes some of them; their lack of leadership; the absence of real loan guarantees; a shortage of business information about small companies; and among others (Herrera, et al., 2008).

The unbanked populations who are also micro entrepreneurs have little access to financial products and services, although financial institutions continue to flood the markets with many products and service (Tandoh 2015).

The existing financial products are tailored to suit the middle and upper income group and the low-income groups who constitute the majority of the populace, however, do not have access to existing products. There is therefore, the need to develop new financial products to suit the low income earning group, many of whom do not have cheque accounts, assets, etc to guarantee them financial services such as loans. The greater percentage of Ghanaians who still remain unbaked is a source of worry. It is a source of worry because of the opportunities being missed – handling payments through a bank account provides a gateway for one to enter the financial mainstream and become an owner of financial assets. More so, those who own bank accounts are more likely to own other assets including accounts related to savings, credit, and insurance. Accessing credit facilities also becomes less cumbersome. People without financial accounts or relationship with mainstream financial institutions are likely to pay high transaction fees for services such as cheque. It goes without saying that the above argument has necessitated the pursuit of this study (Mensah, 2011).

Objectives

General objective:

The main objective of the study is to conduct an investigation into the marketing of financial products to the unbaked population in Ghana.

The specific objectives of the study are:
- To identify the financial needs of the unbanked population in the catchment areas of the bank.
- To explore the innovative approaches by which AKRB can give the unbanked population access to financial products.

Literature review

Introduction

Financial services are the economic services provided by the finance industry, which encompasses a broad range of organizations that manage money, including credit unions,

banks, credit card companies, insurance companies, consumer finance companies, stock brokerages, investment funds and some government sponsored enterprises (wikipedia.org 2013).

Over the years, commercial banks and financial institutions have been springing up in the Ghanaian economy. That notwithstanding, a chunk of the populace still remain unbanked. The provision of financial services such as loans, savings, insurance, and others to people have been a common practice by most of these institutions. This is to say that several institutions continue to provide a limited range of products and services to a sector of the public. They thus fail to address the increasingly growing and varying needs of their target group.

The bank in the bid to marketing its financial products to the unbaked group has designed programmes and a number of loan products that are tailored to meet the needs of its clients. Atwima Kwanwoma Rural Bank's approach of supporting low-income earners has been packaged into special models, and this approach seeks to address the needs and challenges faced by the unbanked – accessing financial services (Atwima Kwanwoma Rural bank: Operations Policy Manual, 2006).

Defining the unbanked

Unbanked is an umbrella term mostly used to describe different groups of persons who remain outside the banking mainstream due to a number of reasons? The term unbanked means that a person does not have a checking or savings account (Bair, 2002).

According to Bair (2002), in the United States, the most common groups of unbanked people include low income individuals and families; the less educated, female-headed households, young adults, families dwelling in rural communities as well as select urban areas; and immigrants. It is estimated that African Americans are four (4) times more likely to be unbanked than European Americans. The unbanked population also includes people who were formerly banked but have negative credit histories that prevent them from opening financial accounts.

There are more than two million unbanked families in the United States. Most unbanked families have less than a $25,000 annual income. When financial institutions understand, address and meet the needs of unbanked people, the future services of the United States banking system will be impacted (The Federal Reserve Board Capital Connections, 2005).

According to the FRBCC (2005), a study conducted in 2004 on barriers to banking for Latin Americans, revealed that U .S. banks were described as insecure, unsafe, unforgiving, unwelcoming, inflexible, and have intimidating environments with language barriers to most clients. Also suggested by the same study was that more His panics would open bank accounts if what they call matriculate card (a proof of identity document)was accepted for identification; if banks were flexible in minimum balance expectations; and if remittance rates were reasonably priced.

Another study conducted in 2004 (a housing survey of low income households) revealed that unbanked people have an understanding of banks, but they were unable to show appropriate identification documents needed for opening accounts. They also had more difficulty maintaining minimum account balances, and were more likely to write checks even when accounts had insufficient funds. (The Federal Reserve Board Capital Connections, 2005)

Unbanked ghanaians

There are three finance segments in Ghana: The Banking and Finance; Insurance; and the Financial Market. These sectors saw a significant development in 2003 when the Bank of Ghana (BoG) officially put to force the Universal Banking Business License (Act 673) with a mandatory reserved for operation set at seventy (70) billion Cedis. This brought more competition into the banking industry. The pace was set from then and this has seen a gradual emergence of several banks and financial service providers. With time, this move by BoG led

to continuous reduction of interest rates, due to the ever increasing competition. More banks were thus willing and ready to give out loans.

Price Water House Coopers-Ghana in a report of the Ghana Banking Survey (2011)stated that, a total of 26 banks are currently operating in Ghana. The survey further observed that, the new oil found in Ghana brings enormous opportunities. However, tapping into these available opportunities still remains a challenge. This is basically due to the banks' inadequate capacity. The survey specifically made known that the unbanked sector of the Ghanaian population remained over eighty percent (80%) and this is a large untapped area for banks and financial institutions to continue to raise cheaper funds from – through deposits mobilization. The proliferation of non-banking financial institutions is a welcome service as they reach the unbanked and mainly informal sectors to provide a healthy competition for the banking sector. The PwC report therefore, suggests that, the future of Africa's non-banking financial institutions is remarkable (Mensah, 2011**).**

Mobile banking

The non-banking institutions need to find the most convenient ways to reach the greater chunk of eighty percent (80%) informal unbanked sector rather than waiting for them to come to the banking halls. Financial services must be mobile, thus taking their services to the door step of their potential clients and customers, as it is said that if the mountain will not come to Muhammad, then Muhammad must go to the mountain.

According to Mensah (2011), in recent times, it has been witnessed that several non-banking institutions have been in the business of approaching potential clients. The new agenda has turned on technology and innovation such as the use of mobile devices to do banking services that minimizes the frustrations of conducting a particular service directly in a bank.

One of the financial companies that has invested significantly into mobile banking innovations in Ghana is First Capital Plus, a wholly owned Ghanaian Savings and Loans Institution. The company's mobile banking product called Speed Banking basically enables customers who would otherwise never bank to directly deposit money into their account using a scratch card on their mobile phones. This presents an excellent way for rural folks especially to engage in active banking from the comfort of their remote locations. This platform gives them the opportunity to save, transfer and make withdrawals anytime and anywhere (Mensah, 2011).

Mobile banking in Ghana has become so attractive. This is largely due to the enormous segment of Ghana's unbanked populace. Mobile telecommunication companies such as Airtel and MTN have joined this business of offering financial services in mobile saving, money transfers, mobile insurance and others to create more convenience for many people.

Another innovative measure being deployed in Africa is the use of point of sale (pos) devices and mobile banks (mobile bank vehicles)with ATM features that provides total banking services to rural communities. Opportunity International, a micro financial service provider has taken a significant lead in this advancement towards improving upon banking in Africa (Mensah, 2011**).**

Serving the unbanked population

According to Huchzermer (2011), the unbanked or under-banked consumer segment represents a large, mostly untapped market for companies that offer financial services. In Ghana, there is as high as about eighty percent (80%) unbanked population. The Federal Deposit Insurance Corporation (FDIC)estimates that nearly eight (8%)of American families do not qualify for or choose not to have a traditional checking or savings account. Another twenty-one million (21m) Americans are considered under-banked, a group of people who may have checking accounts, but often utilize services such as payday loans or car title loans due to poor credit or other factors.

In recent times, it has become the goal of several upstart financial institutions to capture the businesses of unbanked consumers who tend to have lower incomes. As traditional banks tighten lending procedure and struggle to deal with new regulations that limit fees they can charge customers, more and more companies are popping up to fill in the financial services gaps (Huchzermeyer, 2011).

Check-cashing businesses and payday loan companies first emerged on the scene to address some of those needs. According to First Research, about 7,000 companies in the United States (combined revenue of about $180 billion) engage primarily in making personal loans to consumers. However, as technology has improved, the population has increasingly turned away from paper transactions and a new wave of companies such as NetSpend, Green Dot Corporation, FS V Payment Systems, and Blackhawk Network Inc. and other start-up companies have started offering prepaid debit cards to customers as an alternative to using traditional banking accounts or cheque cashing services (Huchzermeyer, 2011).

The Credit Union National Association estimates that by 2014, $164 billion will be loaded onto prepaid debit and payroll cards. That is a big jump from the estimated $4 billion that was put into accounts in 2008. So far only 16% of under-banked households have ever used a prepaid debit card and only 4% of under-banked households currently receive their income through a payroll card. This indicates that there is a lot of room for growth in the industry (Brooks, 2012).

Understanding and serving the unbaked population

According to a study released by the FDIC (October 2012), 8.2% or about 10 million U .S. households are "unbanked," meaning they do not have accounts with financial institutions. Another 20.1 percent have an account but are "under-banked."These under-banked consumers choose to use money orders, check cashing services, payday loans, prepaid cards, and other financial services offered through outlets other than a traditional bank or credit union at least once per year. Recent research conducted by First Data reveals that most unbanked and under banked consumers are employed and working very hard to be financially responsible. These consumers feel that banks cannot help them manage their money effectively or achieve their financial goals. Financial institutions have an excellent opportunity with this consumer segment to gain new customers and to set their institutions apart from the crowd with customer-friendly, innovative services (firstdata.com, 2013).

According to FDIC, (2012) one important aspect of serving the unbanked is to understand their reasons for being outside of the financial mainstream. Without this type of information, it is difficult to design products and services to reach these groups.

The Federal Reserve Bank of Kansas City (2010)released a report on the unbanked in the 10th Federal Reserve District, which covers western Missouri, Nebraska, Kansas, Oklahoma, Colorado, and northern New Mexico. The report generated discussed why the unbanked uses alternative financial services, such as check cashers, payday lenders, etc to conduct basic transactions. Below are highlights of some of the findings that were found most interesting:

Past experiences with banks were primarily negative, and the perceived benefit and relevance of a bank relationship was not clear; family influence; risk and high cost associated with using alternative financial service providers; etc.

According to the report by Federal Bank of Kansa City (2010), participants stated the following characteristics of an ideal bank product for cash management: low-cost payment methods, lower identity requirements, access to money without delay, confidence money will be safe, and assistance with savings and budgeting.

The above concerns raised by the unbanked population need to be addressed by banks and financial institutions in order to be the alternative that these segments are searching for. Though use financial services, they have low opinion of financial institutions. Whether these consumers feel they need more control over their money or have had bad experiences with financial institutions, be it payment of high fees, etc, one's institution can help them better understand the many valuable benefits of leveraging the services being offered. By taking a

customer-centric approach with the services and reaching out in a clear, friendly way, one can gain the trust and loyalty of a large number of such potential new account holders.

Winning the trust of the unbanked and under-banked population

Many unbanked and under-banked consumers have had negative experiences with financial institutions and have turned elsewhere for financial services. Most often, they feel these alternatives are more convenient, offer more control and are transparent about their fees. Once financial institution can offer the same benefits; one just needs to position their institutions in the right way to win customers in this segment. There is the need to provide an alternative to traditional credit and debit cards by offering prepaid cards. Keep fees as low as possible and explain clearly up front the benefits the cards provide, the ability to pay bills by phone or online, but don't allow consumers to spend more money than they've loaded to the card (firstdata.com, March 2013).

Also, demonstrate how the online banking system provides real-time access to their account balance, pending payments and pending deposits, as well as the ability to send alerts and notifications. Many consumers may simply not know how much control they can have over their accounts or may be unfamiliar with how online banking works. The unbanked and under-banked may not have reliable internet access but frequently have smart phones, therefore ensure that online banking system is mobile-friendly (firstdata.com, March 2013).

In addition to the legal documents provided about account fees, provide a simple, one-page account overview that clearly and simply outlines the parameters of the account and all of the fees. Review this document in person with the new account holder, being sure that they understand all there is to know, and provide personalized, ongoing recommendations for additional services or ways these consumers can take advantage of what the financial institution offers (firstdata.com, March 2013).

Above all else, ensure that the telephone customer service representatives and branch personnel are trained to be friendly, empathetic and patient. The unbaked and under-banked are seeking a personal touch and want to feel that their businesses are valued and their financial situations and goals are understood (firstdata.com, March 2013).

Financial products

In common usage, a product is a tangible good. However, the financial services industry tends to use the word "product" to describe the vast majority of what it sells, from services such as savings, credit, etc to investment securities – like stocks and bonds (Economy Watch, 2010).

According to the Economy Watch (2010), financial products refer to instruments that help to save, invest, get insurance or get a mortgage. These are issued by various banks, financial institutions, stock brokerages, insurance providers, credit card agencies and government sponsored entities. Financial products are categorized in terms of their type or underlying asset class, volatility, risk and return.

Types of financial products

Shares: These represent ownership of a company. While shares are initially issued by corporations to finance their business needs, they are subsequently bought and sold by individuals in the share market. They are associated with high risk and high returns. Returns on shares can be in the form of dividend payouts by the company or profits on the sale of shares in the stock market. Shares, stocks, equities and securities are words that are generally used interchangeably.

Bonds: These are issued by companies to finance their business operations and by governments to fund budget expenses like infrastructure and social programs. Bonds have fixed interest rates, making the risk associated with them lower than that with shares. The principal or face value of bonds is recovered at the time of maturity.

Treasury Bills: These are instruments issued by the government for financing its short term needs. They are issued at a discount to the face value. The profit earned by the investor is the difference between the face or maturity value and the price at which the Treasury Bill was issued.

Options: Options are rights to buy and sell shares. An option holder does not actually purchase shares. Instead, he purchases the rights on the shares.

Mutual Funds: These are professionally managed financial instruments that involve the diversification of investment into a number of financial products, such as shares, bonds and government securities. This helps to reduce an investor's risk exposure, while increasing the profit potential.

Certificate of Deposit: Certificates of deposit (CDs)are issued by banks, thrift institutions and credit unions. They usually have a fixed term and fixed interest rate.

Annuities: These are contracts between individual investors and insurance companies, where investors agree to pay an allocated amount of premium and at the end of a pre-determined fixed term, the insurer guarantees series of payments to the insured party (Economy Watch, 2010).

Grameen foundation's approach to serving the unbanked

Grameen Foundation established in 1997 with a bold charge from microfinance pioneer Professor Muhammad Yunus, founder of Grameen Bank and winner of the 2006 Nobel Peace Prize, to spread the principles of microfinance beyond the borders of his native Bangladesh. Just as Grameen Bank has done, Grameen Foundation has moved beyond the basic principles of microcredit to develop and provide a full range of financial-services solutions to both poverty focused organizations and the poor people they serve.

The poor have very unpredictable financial lives. Their income arrives in irregular increments and they struggle to build assets, leaving them vulnerable to financial shocks. These households need access to financial tools to allow them to manage risk; build assets; accumulate usefully large lump sums; and manage daily household cash inflows and outflows. Because of their precarious situation and unreliable income, the poor need financial services even more than the non-poor so as to survive from day to day. Formal financial tools to address these needs are unavailable to more than one-third of the world's population – 2.5 billion, and where the tools are available, they are often not well suited to the needs of clients (grameenfoundation.org)

Marketing

In a narrower business context, marketing involves building profitable, value-laden exchange relationships with customers. Hence, marketing is defined as the process by which companies create value for customers and build strong customer relationships in order to capture value from customers in return (Kotler and Keller, 2009).

Markets

The concepts of exchange and relationships lead the concept of a market. A market is the set of actual and potential buyers of a product or service. These buyers share a particular need or want that can be satisfied through exchange relationships.

Marketing means managing markets to bring about profitable customer relationships. A great deal of work, however, goes into creating these relationships. Sellers must search for buyers, identify their needs, design good market offerings, set prices for them, promote them, and store and deliver them. Activities such as consumer research, product development, communication, distribution, pricing, and service are core marketing activities.

The need for marketing financial services

Kotler and Armstrong (1987) defined a service as any activity, benefit or satisfaction that is offered for sale. It is characterized by intangibility, inseparability, variability and

perishability. Services are intangible; they cannot be soon tested, felt, heard or smelt before they are bought. Stanton (1981) posited that service providers can only improve their clients' confidence by increasing the services tangibility. Services are inseparable from their providers; they cannot be put on shelf and be bought by customers whenever needed. The service provider must be present. Services are variable; their qualities depend on who provided them, when and where they are

provided.

Finally, services cannot be stored and it gives them perishability features. But the perishability of services cannot be a problem when demand is steady, thus it is because it is easy to store the services in advance. When demand fluctuates, service firms have problems (Stanton, 1981). Bank services can be divided into two broad categories; banking services and corporate finance services. However, there is no hard and fast rule as to this division. Rather it is a question of choice to suit bank management and objectives, which of these pigeon-holes a service falls into depends on the bank and nature of serves provided for client and considerable inter relationship of the services. For example, Whilst ICON (Merchant Bankers) classified project finance as a corporate finance service, NAL Merchant Bank Limited placed it under banking service.

Marketing of financial services is also essential because previous studies have shown that even in advanced countries, such as Britain and the U SA, there is a marked lack of awareness among both customers and noncustomers (both corporate and personal)about the services provided by Banks (Nwankwo, 1987).

According to Nwankwo (1987)the Bolton Committee on small firms in the United Kingdom, for instance, reported in 1971 that it is unfortunately that small businessmen, and to some extent their professional advisers, have a lamentable ignorance of the resources available to meet their financial needs. If this is so in the developed countries, the position in developing countries like Nigeria can be better imagined than described.

Marketing of banks financial services is essential not only because of the existence of competitors from other banks, but also from other financial institutions like insurance companies, building society, formal and non-formal financial houses. Also, it is an open secret that Nigeria is under banked with over 50% of currency outside the banking sector compared with some 10% in some developed economies (Nwankwo, 1987).

Bank marketing and the marketing concept

Marketing according to Kotler (1998)is a social and managerial process by which individual and group obtain what they need and want through creating, offering and exchanging products of value with others. This definition of marketing rests on the following core concepts; needs, wants and demands; products or goods, services and ideas, value, cost and sales faction, exchange and transaction, relationships and network, markets and marketers and prospects.

Marketing may also be defined as a management process which identifies, anticipates and satisfies consumer requirement profitably (Nwankwo, 1987).

Contained in this definition is both a concept and series of techniques. The concept places the customer in the forefront of the corporate thinking while the techniques permit the concept to be successfully, economically and profitably implemented.

Ladipo (1980)defined marketing as the distribution of goods and services from the producer to the ultimate consumer. Cole (1982)saw marketing as the only function of management which has to be more concerned with what is going on outside the organization than with what is happening internally. In their definition which is distinctly action-centred and managerial in approach, the institute which organizes and directs all those business activities involved in assessing and developing customer purchasing power into effective demand for a specific product or service, and moving the product or service to the final consumer so as to achieve the profit target or other objective of the company (Uppal, 2010).

Key factors in marketing financial services

Several factors influence successful marketing of financial services. According to Kumari (2012), the following factors could be used to diagnose potential areas for improvement:

Unique Selling Proposition: A fundamental requirement for marketing financial services is to possess a unique selling proposition (U SP). A unique selling proposition reflects the one attribute that a financial services provider must possess that makes it uniquely superior to its competitors. A well carved USP targeted at the unbanked group will direct them to make choices that meet their needs.

Target Marketing: Successful financial services advertising require that the product or services being promoted are designed in such a way that they are relevant to the targeted market. This is especially true in financial services marketing since consumer needs in financial services significantly vary from one consumer to the other.

Direct Marketing: Financial services marketing has recently become more reliant on the use of direct marketing techniques, reflected in an array of activities such as direct mail, direct e-mail, direct response advertising and telemarketing. These forms of advertising are uniquely capable of initiating personal communications between the financial services provider and potential or existing customers. Direct marketing serves multiple objectives: it helps facilitate contacts with the consumer and may motivate consumers to take further action by requesting additional information related to the service being marketed. By doing so, direct marketing allows one to separate serious leads from the less likely prospects so as to prioritize selling efforts. For certain types of financial services, in which customization and personalization of products are typical such as insurance, investment services, home mortgages, etc. it is critical for direct marketing to be integrated with follow-up sales procedures in order to ensure maximum results (Kumari, 2012).

The challenges of marketing financial services

The marketing of financial services is a unique and highly specialized branch of marketing. The practice of advertising, promoting, and selling financial products and services is in many ways far more complex than the selling of consumer packaged goods, automobiles, electronics, or other forms of goods or services. The environment in which financial services are marketed is becoming more competitive, making the task of marketing financial services increasingly challenging and specialized. Financial services marketers are challenged every day by the unique characteristics of the products they market. For example, often financial services cannot be visually communicated in advertisements as easily as consumer goods can (Uppal, 2010).

Furthermore, the relatively unexciting nature of financial services, according to Uppal (2010) makes the task of attracting consumer attention and inspiring consumer desire a difficult one. However, the study of financial services marketing is in many ways far more fascinating than other areas of marketing. There are many predictable behaviors that consumers often exhibit in their dealings with financial services providers. The predictability of these behaviors and the abundance of data on existing and potential customers enable a uniquely scientific approach to developing and executing successful strategies for the marketing of financial services, much more so than in other markets.

Methodology and organizational profile

Research paradigms

Research paradigms, according to Sanders et al (2007) is a technique of examining social phenomena from which particular understanding of these phenomena can be gained and explanations attempted. This study made use of structured questionnaire in which respondents were asked to answer the same set of questions in a predetermined order. In analyzing the data, the study made use of Statistical Product for Social Science (SPSS) and Microsoft Excel software to generate charts and graphs to give meaning to the research findings

Research design & research population

The researchers employed a combination of primary and secondary data in its analysis. Sampling technique was used to select branches and clients. The research population consists of selected clients of AKRB in some selected branches in Ghana. According to available data, there are a total of 15,574 clients in the five selected branches of the Bank, as of December, 2012. Out of this, Santase Branc has the highest number of 3737, representing 24% ; Tafo has 3460, representing 22% ; Krofrom has 3354 (22%); Atonso 2952 (19%); and Pakyi has 2071 , representing 14% .

Sample size and techniques

The population is the complete set of individuals (subjects), objects or events having common observable characteristics in which the researcher is interested (Saunders et al 2007). The relevant population for this study is the loans clients of the bank and also some management and staff member. This consists of clients and staff from five branches of AKRB namely; Santase Branch, Tafo Branch, Krofrom Branch, Pakyi Branch and Atons. According to Saunders et al., (2007), identification of the relevant population is essential since data collection can be a costly exercise and contracting a large number of people who would have nothing to do with the survey would only waste the limited resources.

The estimated population at the time of study within the five branches was 15,574 clients comprising 88.78 percent of women with the remaining 11 .22 percent being men.

The sample was selected from the population of 15,574 clients from the five branches of SAT . It was about budget and time constraint that advised the use of the sample.

The five branches are located in four regions of Ghana. Cluster sampling was employed to ensure that each branch is adequately represented.

Data collection

The main sources of data collected for this study were from a primary source; AKRB loan clients and AKRB staff. Data collected include, clients' business cash flows, family income, clients' sources of funds, clients' impression about banks/microfinance, innovative approaches in lending, clients' transformation data, etc and these data were collected based on the objectives of the study as stated in the introductory chapter. According to Brinkerhoff (1983), data collection means gathering information to address the critical questions that had been identified earlier in the study.

The data were obtained using interview guide designed to answer the research questions. The study gave a serious thought to the wording of individual questions so as to ensure that respondents answer objectively to the questions in the guide. Conscious efforts were made to frame questions that asked for only one piece of information at a time and that sought for the exact level of details or essential details from the respondents. The guide was in the open-ended format for all respondents. The open-ended questions or guide gave respondents the opportunity to elaborate and provide detailed answers. The secondary data for empirical analysis were derived from annual reports, organizational journals, operational manuals, and other relevant market information to enable the study analyses a success.

Data analysis

The research adopted both qualitative and quantitative tools to interpret and analyse the data. After gathering all the completed copies of questionnaire from respondents, total responses for each item were obtained and analysed. Results of the key variables were then generated in tables and appropriate charts using Statistical Package for Social Science (SPSS) software and Microsoft Excel. The study employs some analytical tools such as the likert scale, use of mathematical statistics such as mode and averages to analyse the findings of the research.

Validity of the data was improved by allowing several people to review the data collected. In view of the nature of the study, and in line with Goodwin et al., (1997)methodology, the

study assessed the validity first by sending a summary of findings to some management members of AKRB and clients for their comments and suggestion. Their suggestions were subsequently incorporated in the study.

Research working definitions

Some of the key words used in this research work are defined below:

Low income earners

Low income earners refers to the group that earn less than average; having a relatively small income, or people living on a relatively small income. (Microsoft Encarta, 2009).

Microfinance

Microfinance constitutes the wide range of services and programmes designed by institutions to address the challenges and needs of the growing demands of low income clients of such institutions.

Microcredit

Microcredit refers to small loans advanced to micro entrepreneurs as working capital for business expansion.

Unbanked

The word unbanked is an umbrella term used to describe diverse groups of individuals who do not use banks or credit unions for their financial transactions. It is commonly used as an umbrella term to describe diverse groups of individuals who remain outside the banking mainstream for many reasons.

Findings and discussion

Measure of extend of agreement of respondents

Five point likert scale was used for the analysis as shown below:
1 --- Strongly Disagree, 2 – Disagree, 3 --- Uncertain/Neutral, 4 --- Agree and 5 --- Strongly Agree
Mean measures the average response in a collective manner to each factor given by

$$\mu = \frac{1}{N} \sum_{i=1}^{j} y x_i$$

Where y is the number of respondents agreeing to the factor, j is the total number of extent of agreement or disagreement, N is the total number of respondents involved in the response, and x_i is the assigned weight to the level of agreement or disagreement.

Customers' response

Various responses were solicited from the customers of the institution to seek their views on the marketing of financial products to the unbanked populace. Varying information was solicited to help in determining the main marketing communication strategies on the profitability of the financial institution and effectiveness on the customers.

Table 4.1: Marketing Communication Strategies to win the unbanked group

Factors	Average	Std. Dev.
AKRB cares about my satisfaction and business growth	4.278	0.934
I am always aware of the products the bank offers	2.159	1.063
I feel intimidated approaching banks or financial institutions for a service	2.338	1.053

I feel intimidated approaching AKRB for their product/service	2.695	1.154
People do not bank because they do not trust or have confidence in financial institution	4.294	1.075
I don't bank because I don't trust financial institutions	2.437	1.376
The Bank's tailored-made product/services to reach the unbanked population is not enough	3.545	0.257
I am satisfied with AKRB's products	4.052	1.544

Sources: Author's field work, June, 2013

The study revealed that there was a collective agreement on marketing strategies from the perspective of the customers of which all recorded an average mean of more than 4.0, which indicates a high level of acceptance of such practices being carried out by AKRB. This throws light on the day to day activities of the institution which was in total agreement according to the customers' perception of the delivery of the institution's products to them. This includes the fact confirmed by the customers on the care, customer satisfaction and growth. However, respondents also agreed that 'People do not bank because they do not trust or have confidence in financial institutions'. It was indicated that the customers were very satisfied with the products of the bank. For the bank to win the trust of the many unbanked who lack confidence and trust in financial institutions, a lot more has to be done by means of aggressive one-on-one marketing communication.

Table 4.2: Reaching the Unbanked via the appropriate Communication Medium

Factors	Average	Std. Dev.
I read newspapers and listen to radio for information about new products of banks and financial institutions	3.488	0.648
I am willing to patronize a bank's product/service when they reach me face-to-face rather than through radio and television and other means	4.084	1.064
Positive word of mouth influenced me to become a client of Sinapi	4.534	1.448
AKRB considers our views and suggestions in developing their products	4.073	1.845
Banking services are made easy and accessible to the unbanked population	2.495	1.453
Products/ services are developed regularly to meet the needs of the unbanked population	3.072	1.546
I find it difficult accessing financial services	2.639	1.469
Accessing loan products is a challenge because of my inability to meet the criteria	3.185	0.835

Sources: Author's field work, June, 2013

In accessing for information on new products and services, few respondents indicated that they rely on newspapers for information. However, there was clear indication that the majority of the respondents or clients was willing and would readily patronize financial products if service providers would reach out to them by means of personal selling campaign and a positive word of mouth which is influential than the media. It is therefore not surprising that some financial institutions come to the market, persuade some of the market women by means of personal selling to transact business with them and at the end, dupe the poor traders by bolting away with their hard earned cedis and pesewas. Well meaning and genuine financial institutions whose credibility can be trusted, such as the bank should therefore see this as a wake-up call to meet every financial need of these vulnerable traders. Daily Susu products, etc. should all be readily made available at the doorstep of the unbanked.

The readiness of the customers to access products through personnel interaction of the bank is because of the views and suggestions the financial institution sought for in the development of its products.

Nevertheless, of the extent of agreement on some of the strategies of the institution by the customers, they were of the view that they are not always aware of the products Sinapi offers,

which shows consistent view of the disagreement among the sample selected for the study. Again, majority also indicated they felt intimidated approaching banks and or financial institutions for services. Other respondents indicated that they didn't have confidence in banks.

Response from staff and management

Responses were solicited from the staff and management of AKRB as well on the availability, accessibility, etc of the products and services to the unbanked populace.

Table 4.3: Perception of Financial Products

Factors	Average	Std. Dev.
I feel to be part of this company	4.674	0.265
I am proud to tell people I work for AKRB	4.493	1 .471
I am always aware of the product/services the bank offers	4.21	40.637
Product/Services are developed regularly to meet the needs of the unbanked	4.338	1.643
Banking services are made easy and accessible to the unbanked population	4.285	1.559
Service delivery has largely improved as a result of marketing communication	4.047	1.766
I am satisfied with the products/services the bank offers	4.1	740.534
The bank does not consider the views and suggestions of their clients in their product development	2.046	2.463

Sources: Author's field work, June, 2013

Evidently, staff and management members indicated their strong attachment to being part of the organization which saw a high average score of 4.674 and specifies their strong agreement as being part of the company. Their feeling proud to tell people they work for the bank underscores this, as it recorded a mean score of 4.493. Contrary to perspective of customers, while management and staff indicated that products and services are made easy and are accessible to the unbanked populace and that products are developed regularly to meet the needs of the unbanked group, which has been largely improved as a result of marketing communication, the unbanked group also indicated their preference for one on one personal selling of products and services.

Besides, management and staff members were found to be satisfied with the products/services AKRB offer to its clients, which was agreed upon by all staff sampled for the study. However, they disagreed that, the views and suggestions of clients were not sought for in the development of new products. That is to say, they held that products and services were not brought to the market without the inputs of their target market.

Table 4.4: Marketing Strategy of AKRB

Factors	Average	Std. Dev.
I feel marketing research forms part in the design of marketing strategy at AKRB in reaching the unbanked population	4.31	51.642
I feel marketing research forms part in the design of products at the bank in reaching the unbanked population	4.057	1.101
AKRB adopts marketing communication tools such as personal selling, ,direct marketing etc. in marketing its products to the unbanked population	4.285	1.066
Positive word of mouth helps AKRB in the marketing of its products/services	4.024	1.508
People do not bank because they do not trust or have confidence in financial institutions	3.276	1.477

AKRB's tailor-made products/services to reach the unbanked population is not enough	2.686	0.633
The Bank sees untapped opportunities in the unbanked market	4.063	1.736

Sources: Author's field work, June, 2013

Staff members in the institution believed that, marketing research forms a major part of the drawing of a marketing strategy in the institution in reaching the unbanked population and this was agreed upon by most of the staff respondents with an average of 4.315. The marketing research was also found to be an integral part of the formation or development of product and services of the company. The employment of marketing communication tools such as personal selling in order to reach the unbanked population was found out to be a very effective tool for the organization.

It was also confirm as shown in Table 4.4 that, positive word of mouth which the organization relies on so much to sell its products was very primal tool in convincing the unbanked group. The study again discovered that, the staff believed there were untapped opportunities in the unbanked populace. However, they disagreed that their products targeted at reaching the unbanked was not enough. Many of the respondents were mainly neutral as to the level of confidence the unbanked people have in financial institution as shown in Table 4.4 above.

Summary, conclusions and recommendations

Attitude of customers towards accessing financial products

The study found that information on financial products and services reached the target audience through advertisement as was the view of some of the respondent. However, the willingness of the customers to patronize the products and the services of a bank was found to be through personal selling, as most of the respondents indicated, that a positive word of mouth influenced them to become clients of Atwima Kwanwoma Rural Bank Limited (AKRB). This finding is a confirmation to the fact that some of the unbanked group feels intimidated approaching banks and some financial institutions to access a service. This is a testament to the fact that some of them have low confidence and little trust in financial institutions.

Perception of Customers on Products and Services of AKRB.

The study found that even though there are several products and services of the bank which are tailor-made, aimed at reaching the unbanked populace, little is heard about the existence of those products. This revelation, first of all underscores to the fact the unbanked normally feel intimidated approaching financial institutions of which Rural Banks are inclusive to make inquiries and ultimately, subscribe to such financial products. Secondly, it can be attributed to the fact that little or no effort is being made with respect to publication of the myriads of products AKRB has for sale.

Perception of staff on service/product delivery of AKRB

The study found that staff members were proud as employees of the institution since they felt to be part of the company. That notwithstanding, they disagreed with the customers/respondents on grounds that, banking services are made accessible to the unbanked population; while the unbanked populace held that it was uneasy for them accessing the service, the service providers thought otherwise.

Moreover, whilst customers indicated in their response that the kind of service being delivered to them by the bank wasn't enough, and could be improved upon, staff members were of a different view, that they were very satisfied with the services they render to their clients.

Marketing strategy of AKRB

The study found that, the staff of the bank mostly combined different marketing strategy to reach their target market, most of who fall under the unbanked category. These strategies

include personal selling and direct marketing. In addition, marketing research was found to be part of the design and the marketing strategy AKRB employs to market its products and services.

Conclusion

Using different marketing strategies to reach the unbanked in order to expand the market share, thereby improving upon profitability of the organization is a measure to sell the products and services of the organization to the unbanked populace. The study found that the unbanked group feels intimidated in approaching financial institutions or commercial banks to access financial products/services.

Again, personal selling and positive word of mouth was found to do the trick in convincing prospects to subscribe to a product.

In addition, there are untapped opportunities among the unbanked population that can be cashed in on by AKRB. The study revealed that a number of people are ready and willing to subscribe to all kinds of financial products, provided financial service providers will come to 'their level' for a mutual benefit transaction.

Recommendation

The following recommendations are made to help improve upon how the organization can improve its profitability through the marketing of its products to the unbanked population:

- It is recommended that mass education through an integrated marketing communication approach on the services and products on offer by rural Banks will bring to the door step of the unbanked population the awareness of such products rural banks offer. This will increase their customer base and profitability.
- It is recommended that rural Banks should also increase their visibility and brand value to make them more attractive.
- It is also recommended that AKRB prioritizes the personal selling and the direct marketing strategies.
- The sales force of the rural bank need adequate training on selling and relationship management skills.

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