

Positioning Strategies of Financial Services Firms in Ghana: A Case Study Approach

SETH KETRON, PHD STUDENT OF MARKETING, UNIVERSITY OF NORTH TEXAS

CHARLES BLANKSON, ASSOCIATE PROFESSOR OF MARKETING, UNIVERSITY OF
NORTH TEXAS

Overview

Background

- What is Positioning?
- Positioning in the Literature
- Quantitative vs Qualitative Methods
- Research Problem
- Research Purpose

Method

- Research Method: Qualitative Case Study
- Cases
- Measurement Construct

Results & Discussion

- Findings
- Contributions/Implications
- Limitations/Future Research

Before we begin...what
is positioning?

The Concept of Positioning

“the deliberate, proactive, iterative process of defining, measuring, modifying, and monitoring consumer perceptions of a marketable offering” (Arnott, 1992)

“the investigation of a particular segment's perceptions with a view of exploiting those perceptions” (Kotler, 2000)

- The fundamental concept of both product and business strategy
- Requires deliberate and proactive involvement of marketer (Arnott, 1992)
- Perceptions of product and brand positioning are important in shaping consumer attitudes

Positioning in the Marketing Literature

Highlights from the literature

- Arnott (1992, 1994) - positioning as a strategic concept that can be operationalized
- Aaker & Shansby (1982) – positioning by attribute, price-quality, application, product class and user
- Park, Jaworski, & MacInnis (1986) – image-based positioning (functional, symbolic, & experiential)
- Sujan & Bettman (1989) – niche positioning
- Fisher (1991) – services differentiation
- Peterson (1997) – internet-based positioning
- Blankson & Kalafatis (2004; 2007) – empirical typology of positioning activities

Benefits of positioning

- Mechanism for delivering superior value (Knox, 2004)
- Strong positioning leads to more favorable impressions of offering(s)
- Especially important for services due to innate intangibility (de Chernatony & Dall'Olmo Riley, 1999; de Chernatony & Segal-Horn, 2001)

Research Problem

Prior empirical research on positioning incomplete

- Quantitative focus
- Causes apprehension among managers due to lack of benchmarks

Need for qualitative understanding of positioning

- Important due to the nature of managerial operationalization of positioning (Ries & Trout, 1986; Porter, 1996)
- Method allows probing questions to gain deeper understanding of phenomena

Fruitful yet little-studied business opportunity in Ghana

- Emerging economy with high potential (Coffie & Owusu-Frimpong, 2014; Coffie, 2014)
- Focus on financial services firms

Research Purpose

To examine the employment of positioning strategies of financial services firms in Ghana using a case study approach

Objectives:

- Expand understanding of positioning activities
- Uncover positioning activities of financial services firms in Ghana
- Provide recommendations for managers
- Establish directions for future research

How did we study
positioning of financial
services in Ghana?

Quantitative vs Qualitative Methods

Quantitative (numbers-driven) methods beneficial yet not always possible/desirable

- Difficult to measure/obtain specific data
- Little understanding of underlying processes/theory
- Need for subsequent questioning in data collection

Qualitative (concept-driven) methods help to remedy shortcomings of quantitative

- Allows use of open-ended interviews vs. standardized surveys
- Permits revelation of beliefs, attitudes, etc.
- Provides a foundation for inductive understanding of data/theory

Qualitative case study used in this research

- Little quantitative understanding of positioning outcomes (limited research)
- Little understanding of day-to-day managerial positioning activities

Research Method: Qualitative Case Study

Nature

- Uncovers underlying processes, ideas, and motivations not apparent in quantitative research
- Captures complexity and supports theory in new areas
- Confirms/builds existing theory

Benefits

- Criticized yet important (Cooper & Schindler, 2001; Gummesson, 2001)
- Unique insight into positioning (Dubois & Gadde, 2002; de Chernatony & Cottam, 2009)

Study Procedure

- Interviews
 - At least one senior manager from each firm
 - Open-ended
 - 40-45 minutes
 - Notes/recordings taken
- Researcher observations of service-scape

Whom did we examine?

Overview of Cases

Selected firms

- Quality Insurance Company
- uniBank Ghana
- Barclays Bank Ghana
- Standard Chartered Bank Ghana
- Energy Bank Ghana
- Fidelity Bank
- ARB Apex Bank

Rationale

- Representative of different target markets
- Includes firms of both domestic and foreign origin

Case Backgrounds

Quality Insurance Company

- Incorporated about fifteen years ago by the Catholic Bishops' Conference under the Companies Code of 1963 (Act 179)
- Provides composite insurance services
- 12 branches & several agencies in Ghana
- Partners heavily with Catholic churches (including sponsored choir)

uniBank Ghana

- Incorporated in 1997 & opened in 2001
- Offers broad range of banking services to Ghanaians
- Serves individuals, small businesses, and corporate clients
- Received 34 banking awards from 2002 to 2011

Case Backgrounds

Barclays Bank Ghana

- Subsidiary of Barclays Bank PLC
- In operation for almost a century
- 59 branches in addition to 135 ATMs and several other facilities
- Wide range of offerings primarily for business/corporate clients (also has offerings for individuals)

Standard Chartered Bank Ghana

- Opened in 1896
- Prior name: Bank of British West Africa
- 80% owned by Standard Chartered PLC (remainder owned locally/traded on Ghanaian stock exchange)
- 23 branches and 2 agencies

Case Backgrounds

Energy Bank Ghana

- Incorporated in 2009
- Privately owned
- Seeks to contribute substantially to Ghanaian economic development

Fidelity Bank

- Incorporated in 2006
- Wide range of offerings for banking, investment, asset management, etc.
- Appeals to individuals as well as business/corporate clients

ARB Apex Bank

- Incorporated in 2000
- Part of the group Rural/Community Banks (RCBs)
- Financed primarily through Rural Financial Services Project (RFSP)

Measurement Construct

- Used the findings from the interviews and observations to assess different kinds of positioning strategies with a generic typology of positioning strategies (Blankson & Kalafatis, 2004; see next slide)
- Appropriate for both goods and services
- Developed in UK
- Validated in Ghana
 - Face-to-face interviews with executives
 - Review by academic experts

What did we find?

Summary of Findings

Firm Name	Top of the Range	Service	Value for Money	Reliability	Attractive-ness	Brand Name	Select-ivity	Country of Origin
QIC	*	*		*		*		
uniBank		*	*			*		
Barclays	*	*		*				
Standard Chartered Bank		*	*	*	*	*		
Energy Bank		*	*		*			*
Fidelity Bank	*	*	*		*			
ARB Apex Bank		*	*		*			

Discussion of Findings

Non-typological findings common to sample

- Tangibilization (vital to services)
- Maximization of profitability & shareholder earnings

Typological findings common to sample

- Universal pursuit of “service”
- No total overlap of pursued services
- No fewer than three & no more than five positions occupied by any single firm
- No pursuit of “selectivity”
 - While a few firms pursue “top of the range”, these firms seek to appeal to a broad range of consumers of various personal and financial backgrounds.
 - Would pursuing “selectivity” improve the efficiency and effectiveness of firms with high-end customers?

Discussion of Findings

Inter-sample comparisons

- Four of five firms pursuing “value for money” are the four pursuing “attractiveness”
 - Does this apparent relationship explain the reason why firms pursuing “top of the range” fail to employ “attractiveness?”
 - Do firms with strong, appealing ambience attract lower-end consumers but not higher-end consumers?
- Only three firms pursue “reliability”
 - Counterintuitive – is reliability not desirable to/sought by customers?
 - Opportunity for competitive advantage?
- Only Energy Bank pursues “country of origin”

What is the impact?

Contributions/Implications

Academic

- Enhances marketing theory, specifically concerning positioning
- Sheds light on Ghanaian financial services positioning practices
- Provides avenues for future research concerning positioning in Ghana

Managerial

- Highlights benefits of positioning (i.e., maintaining/creating customer value)
- Offers information for possible optimal entrance strategies (new firms)
- Provides information for competitive repositioning (current firms)
- Supports need for emphasis of selected positioning strategies in marketing communications

Limitations/Future Research

Limitations

- Lack of empirical validation of findings
- Small sample size
- Financial services only

Future Research

- Rigorous quantitative study of findings
- Expanded sample size
- Additional services contexts
- Cross-cultural comparison (i.e., UK/US versus Ghana)

Thank you!

Questions?
