

# More than just brand building



Takaful industry bears an additional responsibility than the conventional insurers and other industries to propagate values besides brand building and marketing. **Mr Ezzedine Ghlamallah** of **SAAFI** scripts a marketing and image building strategy that works.



**B**randing and marketing are essential to enhance the reputation and propagate the values of takaful industry, giving it a positive image. Being well-known is a prerequisite to image building, but it is not sufficient to develop a positive brand image.

Any marketing approach has to be based on a triple vision: cultural, organisational and strategic. Marketing must reflect the institution's atmosphere; it must have the purpose of maintaining coherence of actions and ensure veracity of speech. As in all key areas of the institutions, the commitment of leaders is essential. Marketing is essentially the effort to help organisations adapt to competitive markets in order to influence the behaviour of the public on which they depend, by an offer whose perceived value is higher than that of the competitors.

Marketing involves having a customer-oriented mindset. It is the set of techniques that enables the meeting of products and services intended to satisfy the expectations and needs of consumers. Today, the power of customers is growing thanks to the development of blogs, forums and social networks. It is possible to inquire

before a purchase, to testify as a result of good or bad experiences, to propose improvements products, etc. The institutions must learn to take this into account in a transparent and respectful manner.

A successful marketing strategy for takaful institutions includes:

- Taking into account technical and management constraints without cannibalising marketing;
- Integrating the network dimension into product design and marketing actions;
- Addressing brand communication and communication in synergy;
- Integrating the internet and ICT dimension into all strata of the institution;
- Ensuring a good coherence between the marketing actions and the environment of the institution;
- Ensuring a good mix and consistency over time of marketing actions; and
- Determining pricing policy which takes into account existing offers on the market.

## Branding

The use of branding is to give takaful institutions a positive image. Whilst being well-known is essential to build-

ing a positive image, it is not sufficient. Branding efforts need to transmit the values of the takaful institutions, especially in respect to Shariah compliance. In addition, the choice of products' names is integral to branding and needs to reflect the products' Islamic values.

### Merchandising

Merchandising is the marketing of the products and involves advertising and distribution to capture the customer's attention.

The challenges of merchandising takaful are to: interest the prospect, sensitise visitors, exploit the traffic of the branches and ensure that the purchase meeting space is optimised to prioritise the sales objective and is comfortable for the customer.

### Communication and media plan

The establishment of a communication strategy involves various stakeholders: marketing, consulting agency and the executive management. To ensure the effectiveness of the communication strategy, it is essential to communicate on social networks by being transparent and sincere, and integrate all media in the campaigns.

Communication should provide information and advice to clients, convince them of the benefits of the offer and give them the desire to subscribe. It will play a major role in the development of the institution's marketing mix by integrating variables as part of a holistic overall strategy.

A takaful institution will have to focus on a strategy of differentiation. The axes on which insurers are positioned are generally identical: proximity, solidity and service, they try to be different, credible and attractive.

It is necessary to avoid certain misunderstandings while having a positive impact on the perception of clients towards the takaful institution and its products, taking into account their economic and social situation and their way of life.

The means of communication must not concentrate solely on advertising. It is essential to turn to original channels via new information technologies and not hesitate to organise events such as conferences and use sponsorship. Intermediaries also play a central role in communication because they

represent the interface between the takaful institutions and their customers. It is necessary to develop both mass communication and proximity communication.

The effectiveness of the external field depends on the implementation of an internal communication shared by all components of the takaful institutions.

Campaigns will use all or part of:

- Existing media: public relations, sponsorship and patronage;
- Media: TV, billboards, press, radio;
- Non-media campaigns: direct marketing, emails, SMS, promotional tools, pamphlets, brochures, documentation, sales assistance tool and the internet.

### Pricing policy

In insurance, the price is a part of the product offer, the price must always be competitive, and its determination is carried out according to a two-fold approach:

- **Objective:** determined by actuaries and lawyers on the basis of technical characteristics such as technical components, performance and associated services; and
- **Subjective:** determined by consumer perception such as product concept, positioning and brand.

The price factor is decisive in order to capture the shares of this concentrated market. Demand is elastic and low switching costs allow consumers to easily change providers. The offer may also try to play on other parameters such as service, quality and highlight its religious compliance through awareness campaigns.

### The seven "Ps" of the takaful marketing mix

- **Pedagogy:** The more knowledge a person has about takaful, the more takaful will interest him. Consequently, if the takaful company wishes to increase the degree of his interest, it is necessary to increase the degree of his knowledge.
- **Pureness (Shariah compliance):** Companies must build trust through honesty, transparency and sincerity and must participate in social and educational activities. Proposed contracts must be validated by Shariah scholars and surpluses must be allocated between companies and

participants.

- **Price:** Affordable prices must be sought without seeking to take advantage of the absence or weakness of competition to increase them, at the risk of creating mistrust which would be perceived as a misappropriation of religious values of solidarity and mutual assistance for pecuniary ends.
- **Product:** To ensure successful commercialisation, the products offered must meet real needs arising from cultural, religious, social and economic factors.
- **Professionalism:** Takaful companies' credibility depends on the professionalism of their representatives, who must be competent, honest and focused on meeting customer needs.
- **Place:** One of the main challenges is distribution where it must be optimised so that the tariff can be competitive with the conventional offer. Marketing should be in tune with the spirit of these types of Islamic products which unfortunately are badly perceived as using aggressive sales techniques.
- **Promotion:** Develop viral marketing to demonstrate the solvency and solidity of the takaful company by communicating both on compliance and on the quality of products and services.

Digitalisation is a factor that should allow takaful institutions to realise their full potential with its ability to disrupt existing business models, transform and reinforce product innovation, transparency, service, cross-selling, engagement and customer experience.

The strategy of meeting the needs requires an adaptation to the evolving expectations of the customers. A defensive strategy would be to copy the products of other conventional players in the market. Strategically, it is best to use an approach that adapts, improves and creates new products that meet the needs and socio-cultural values of individuals. It is therefore necessary to establish a differentiation strategy, based not only on compliance but also on the embodiment of the alternative values offered.■