

Executive Summary

During the past few years the number of actors in the microfinance industry has increased, different players such as NGOs (Non-Government Organizations) - small and big, trade unions and even commercial banks (downscaling) have started to compete with microfinance products and services.

Because of these incoming players to the market, Microfinance Institutions are looking forward to get a competitive advantage over the competition, and some of them have turn into marketing programs, to find this competitive advantage.

This study analyzes the use of Internal Marketing (IM), a miss regarded marketing program in the microfinance environment, as a good option to satisfy employees, specially the front-line staff and eventually to develop client's loyalty.

A research was conducted in a hosting microfinance institution: L'Association de Microfinance Oued Srou (AMOS) from May to July 2009, in Morocco. AMOS has the mission to **“Improve; through microfinance, the socio-economic situation of people and marginalized individuals”**. The 36 employees of AMOS focused their efforts on the area of Meknes-Tafilalet over the past nine years.

The findings of the thesis regarding IM shown, that an institution may be facing different situations due to different levels of employee's satisfaction, employee's motivation, IM concept-strategy change management and/or customer orientation issues.

The findings regarding Client's Loyalty, shown that, client's longevity, number of products bought by the clients and client's satisfaction, can be used as signpost to determine the client's Loyalty level in a MFI.

The statistical results of the study shown that, not only the study lays on a reliable scale; but also, that there is a weak negative correlation between IM and Client's Loyalty. In other words, that for an increase in IM there will be a decrease in Client's Loyalty.