USING CUSTOMER INSIGHTS TO GROW MARKET-LED INNOVATIONS

Social enterprises are delivering innovative solutions to basic needs in areas like energy, WASH and education. Data-driven insights can help bring these efforts to scale by identifying the factors that drive adoption and usage of emerging products. While fostering the growth of a BOP market, customer research can also assess the social value of these ventures and help direct resources to where they will have the most impact. In this context, the most relevant concept of "impact" is one that reflects customers’ perspectives.

• Market intelligence can help map the expansion for basic service products beyond the early adopters.

• BOP innovations are attracting enormous attention; user-driven research ensures that customers have a voice at the table.

• For these solutions to realize their full potential, customers must adapt to their usage and maintenance requirements—otherwise the products may face slow uptake or declining usage over time.

• Social ventures should be able to provide evidence that their products and services are delivering meaningful benefits to BOP customers.

A Research Methodology Built from the Customer’s Perspective

FINCA approaches the question of social impact from the customer’s perspective, to understand how products affect their day-to-day lives. Our research uses participatory survey methods designed to give voice to customers’ perceptions and experiences. This data indicates whether and how we are improving their lives, and it helps us be more responsive to customer needs as we grow and scale.

Customers tell us what attributes to measure and how to measure them. This generates impact metrics that are derived from customers’ daily experiences and are meaningful within a relevant time-frame.

Using these metrics, a survey instrument is designed that supports rigorous quantitative analysis, including the frequency and intensity of responses and a reliable measure of their value to customers.

This methodology can find impact pathways that might elude other approaches. For example, off-grid customers told us their solar home systems helped them sleep better at night, a valuable health benefit that has not been identified in other studies.

FINCA’s Customer Research Process

FINCA’s Customer Research offers a powerful and cost-effective approach to uncovering the needs, experiences, and behaviors of emerging-market consumers as they progress through the customer journey and product life-cycle. From study design to implementation, FINCA provides a tailored end-to-end research solution. Our user-led approach can help identify and interpret the demand-side insights that foster a market for products to serve the world’s poor.
To help collect bullet-proof data, FINCA developed ValiData, a cloud-based research platform for collecting and analyzing field data. This powerful and unique solution offers numerous advantages over traditional field data collection.

### Customer Research in Action

#### Off-Grid Customer Impact Study in Uganda
FINCA completed a study of off-grid customers using solar energy and improved cookstove products in Uganda. The goal of the study was to: 1) identify specific forms of impact that customers attribute to their products while managing their homes and businesses, 2) compare the relative frequency and intensity of the various impact attributes, and 3) improve understanding of how customers adopt these products over time, any barriers they face along the way, and what can be done to maximize customer benefits and speed the transition to a better standard of living. Customers reported how solar home systems, for example, help improve safety and health.

#### Rural Agency Banking Study in DR Congo
FINCA studied the impact of agency banking and its role in driving women’s financial inclusion in DR Congo. The goal of the study was to: 1) describe the household and business characteristics of clients using the service, 2) identify the relevant impact parameters that improve social and economic wellbeing, and 3) make an initial estimate of the current levels of impact. Client-reported findings indicate that attributes related to saving time and money are less significant motivating factors than perhaps expected in seeking out the financial services of banking agents. In fact, relationships were the dominant factor in driving usage of agency banking.

- **2.9%** of respondents are saving **45 min** by avoiding banking queues
- **2.5%** of respondents are saving **1,500 CDF** by visiting agents instead of branches
- **2.2%** of respondents saved **30 min** because the banking agent is nearby

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FINCA International was founded in 1984 on a radical notion: giving small loans to the poor has the power to transform entire communities in a sustainable way. After impacting tens of millions of lives with responsible financial services, we are widening our focus to catalyze further economic growth and alleviate poverty in underserved markets around the world. We remain boldly committed to market-based solutions, and are supporting the rise of social enterprises delivering basic service and financial innovation to help low-income families and communities achieve a better standard of living.