

Listening to Clients: How to Better Serve Your Customers

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"Over the last ten years I've worked with the UNDP, UNCDF and USAID, and over those years of experience I think one of the most crucial points in the way an organization thrives, not just survives, is that it listens to its customers."

- Heather Clark (consultant)

What is the 'Listening to Clients' Series?

As the microfinance market has become more competitive, microfinance service providers are paying much more attention to consumer preferences and priorities in defining what and how financial services should be delivered. Microfinance institutions (MFIs) have found it necessary to develop the capacity to undertake market research. Their staff or their consultants need to know how to listen to the clients, gather data about demand, and analyze this data in ways that will inform decision making as well as product design and delivery.

Fortunately this trend has been paralleled by the development of microfinance market research tools that can be used by MFIs to 'listen to their clients.' Previously many people in the search for hard numbers on scale of outreach used quantitative market research methods to estimate demand. There was less knowledge about qualitative methods, which are more appropriate for looking at consumer preferences and determining the product attributes that correspond to them.

The 'Listening to Clients' series, which combines both USAID's AIMS/SEEP Learning from Clients Manual and MicroSave's Market Research for Microfinance Tools (MR4MF), provides MFIs with the means to learn how to understand their clients using a mix of these methods.



Disseminating Training: Challenges

A persistent issue in disseminating training is how to best respond to high demand. The original producers of the AIMS/SEEP Manual and MicroSave's Toolkit faced this same dilemma. Although the former was in the public domain and was highly regarded as an easy to follow manual, the latter was not readily accessible and required the users to undergo several weeks training in the more complex methods of qualitative research. The challenges were:

- how to finance effective dissemination of the toolkits; and
- the perception that the two toolkits were competitors.

In fact, they offered complementary market research instruments.

Face-to-face training is often the best way to transfer skills and knowledge. Small group and classroom training is good for adoption, but it is costly and time consuming and therefore not necessarily the most cost effective training method in terms of the numbers reached. Well written manuals are necessary and can reach large numbers but can result in reader fatigue. They are also limited when it comes to providing training in rapid appraisal techniques that are integral to qualitative market research. Distance learning, another alternative, is often plagued by high dropout rates.

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Lacking the funds for extensive classroom training and recognizing the limits of both manual-based training and distance learning, Microfinance Opportunities (MFO) and *MicroSave* sought an alternative approach that combined the use of video to demonstrate market research techniques with manual based training. The 'Listening to Clients' series is audio-visual step-by-step training in qualitative and quantitative client assessment. Each lesson uses video clips embedded in PowerPoint as part of the interactive training in market research and data collection and analysis.

The use of visual materials offers a different type of challenge. They must be responsive to as well as reflect the Toolkit's global audience. Including film from Africa, South Asia, the Middle East and Latin America and still photographs from a further field created a truly international Toolkit.

Example of Tool Options, by Research Task

Research Issue	'Listening to Clients' Tools	Other Research Tools
Poor people's use of financial services	<ul style="list-style-type: none">• Loan use• Financial services matrix• Life cycle• Seasonality• Financial sector trend analysis• Financial landscape	<ul style="list-style-type: none">• Cash mobility mapping (MR4MF)• Gendered financial services matrix (MR4MF)
Analysis of dropouts	<ul style="list-style-type: none">• Client satisfaction• Product attribute ranking• Exit survey• Financial landscape• Financial sector trend analysis	<ul style="list-style-type: none">• Relative preference ranking (MR4MF)• Loan and savings use (AIMS/SEEP)• AIMS/SEEP Impact survey: selected target groups and modules• Risk profile: key risks facing clients and risk management strategies (MFO)

'Listening to Clients' Series: Content

Based on the AIMS/SEEP Learning from Clients Toolkit and MicroSave's Market Research for Microfinance Tools, 'Listening to Clients' comprises nine market research modules. They include:

- Client satisfaction
- Exit survey
- Financial landscape analysis
- Financial sector trend analysis
- Life-cycle analysis
- Loan and savings use survey
- Relative preference ranking
- Seasonality analysis
- Simple ranking/product attribute ranking

Each module features a similar sequence: an introduction to the broader issues addressed by the research instrument followed by a summary of information and steps that need to be taken to learn about and then implement the module. The major part of each module is devoted to the training, with moderation and analytical aspects illustrated by the use of video. The concluding section of each module contains a discussion of the pitfalls associated with implementing the modules and ends with testimonials from three microfinance practitioners who have used the tools.

The modules come with extensive manuals. Printed copies, which can be downloaded, provide training and implementation details that are beyond the scope of the PowerPoint presentations. All have been well tested and have proven easy to use. For those seeking more information on a range of issues, other documents are included in the modules as well as in the resource CDs. Many of the documents associated with both Toolkits are also available in French and Spanish.

A challenge to any user of the tools is to decide ‘which tool for which task?’ In their eagerness, researchers sometimes focus on the tools without first defining precisely the research objective. Defining the research objective requires an iterative process that pares down the objectives from useful, to manageable, to essential. This is necessary to ensure the greatest benefits from the market research. Once completed, determining which research instruments best address the research questions follows. Rarely does a single instrument address the final objective. A combination of tools, if possible no more than four, is used to generate the needed information and to permit triangulation.

*“These tools have changed the way
our bank thinks and works.”*
- James Mwangi
(CEO Equity Bank)

Additionally, the ‘Listening to Clients’ Series provides guidance to those unfamiliar with qualitative research by offering three modules on focus group discussions (FGDs). They cover the necessary skills and steps involved in the conduct of successful FGDs, i.e., preparing, running and analyzing FGDs. Completing the Series are resource modules.

Use of ‘Listening to Clients’

The ‘Listening to Clients’ Series can be used to obtain client information from existing and potential clients. The flexibility of the tools permits them to be readily adapted to a wide variety of issues including product development and product refinement as well as assessments of customer loyalty and satisfaction. Some MFIs have adapted the tools to gain information that relates to staff performance and information flows within institutions. Others have used them in the development of a financial education curriculum.

The ‘Listening to Clients’ training works on several levels. MFIs and networks can use the Series to train their staff, ranging from executives to field personnel. Individuals, staff and consultants value it as a self study guide. Donors and project managers are another audience for the ‘Listening to Clients’ Series.

To ensure broad dissemination, it is important that the ‘Listening to Clients’ Series be accessible to both small and large actors in microfinance. Beyond their own use, trainers should ensure that the organizations whose staff they are training have a copy. It can be used as a reference book as well as by qualified staff to train others within their organizations. It is important that donors not only acquaint themselves with these market research techniques, but also encourage the use of ‘Listening to Clients’ by the MFIs they are supporting as a way of encouraging good practices. A copy of the ‘Listening to Clients’ Series should be an integral part of any MFI in order to guarantee the use of market research in the operations of microfinance institutions.

Those that have used it have welcomed this innovative product:

- *“The video clips bring the training alive so that participants can see and get the feel for focus group discussions and the PRA tools.”*
- *“The VCDs will allow us to conduct training on these valuable tools for ourselves, within our organization.”*

For some the value of ‘Listening to Clients’ extends beyond simply MFI operations. On a first viewing, one MFI staffer remarked that this is a great way to teach moderation skills to one’s front line staff so they can better serve their customers.

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'Listening to Clients' was developed by Microfinance Opportunities and *MicroSave* with support from the Ford Foundation. It was produced by Kwamba Productions. Microsoft PowerPoint version 2000 or later is needed to run the Toolkit. It is priced to be affordable to the majority of MFIs and to generate sufficient funds to undertake future updates and replication. The Series is currently available in English and Spanish. The 'Listening to Clients' Series is available in a set of nine VCDs or as one DVD, both at a cost of US\$100.00 plus shipping.

For more information or to obtain a copy of the 'Listening to Clients' Series, please contact:

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