



Paulsen/CGAP
Grillo
Luiz



/CGAP
Grillo
Luiz

Das/CGAP
Sudipto

Client-centered product development: New twists on an old theme

Objectives

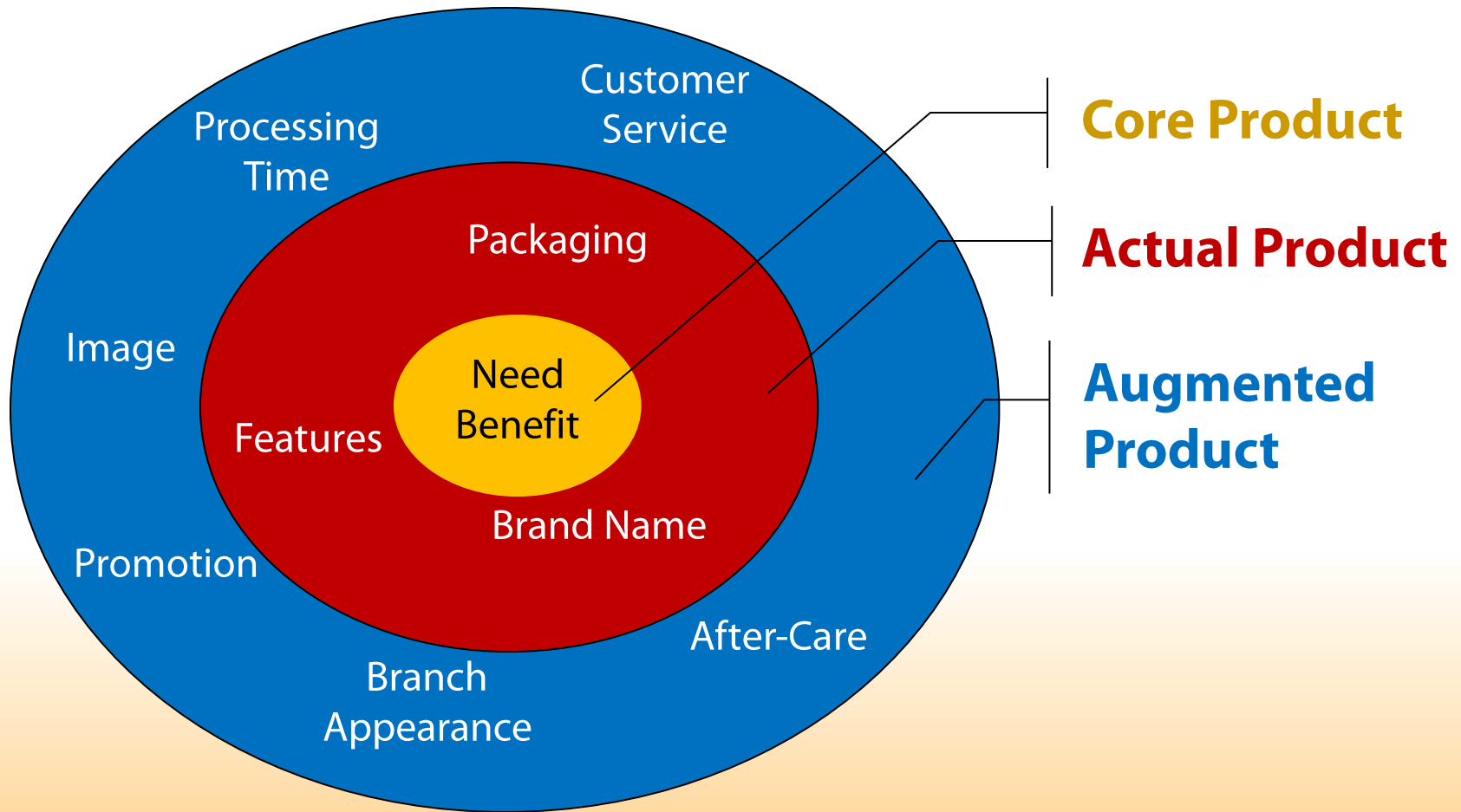
1. Define client-centered product development
2. Explore two frameworks for analyzing a product's design
3. Compare "old" and "new" approaches to client-centered product development
4. Examine how and why financial service providers are integrating human-centered design and behavioral marketing into their product development processes
5. Consider using a new approach to client-centered product development to increase your own institution's outreach

What is a product?

A financial service that customers purchase because it fulfils a particular need

- ▶ Some products combine two financial services in one package
- ▶ Others integrate financial and non-financial services

The Total Product



What is product development?

Product
development



New
product
development

What is product development?

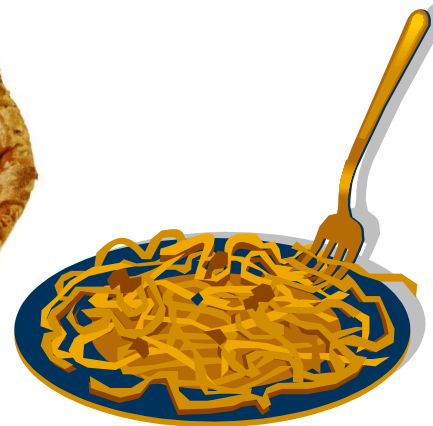
Product
development



The process of
improving existing
products or creating
new products



The 8Ps



The 8 Ps

Product

- ▶ The “8Ps” are the most commonly-used tool for defining the marketing mix

Price

- ▶ "Marketing mix" is a general phrase used to describe the choices organizations make to bring a product or service to the market successfully

Place

Promotion

- ▶ The first four Ps were articulated by E. J. McCarthy in 1960

The 8 Ps

Product

Price

Place

Promotion

Process

People

Physical
evidence

Positioning

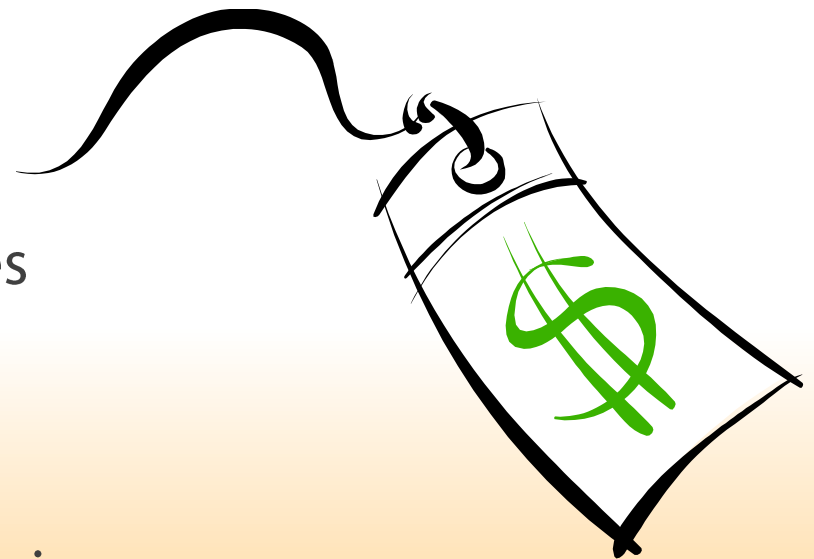
Product

- The “thing” you are selling or offering the customer
- Includes specific design features such as:
 - ▶ Loan amount
 - ▶ Loan term
 - ▶ Disbursement schedule
 - ▶ Repayment schedule
 - ▶ Collateral or collateral substitutes



Price

- What a customer must pay to access your product or service
- Includes direct costs, such as:
 - ▶ Interest rate
 - ▶ Withdrawal fees
 - ▶ Prepayment penalties
 - ▶ Prompt payment incentives
- And transaction costs, such as:
 - ▶ Transportation
 - ▶ Photographs and photocopies



Place

- Where your product or service is distributed; the locations where customers can access it
- May include:
 - ▶ Your branch network
 - ▶ Outreach agents
 - ▶ ATMs
 - ▶ Mobile phones



Promotion

- How you communicate the value of your product or service
- Includes:
 - ▶ Advertising
 - ▶ Personal sales
 - ▶ Public relations
 - ▶ Direct marketing
 - ▶ The specific channels through which you communicate



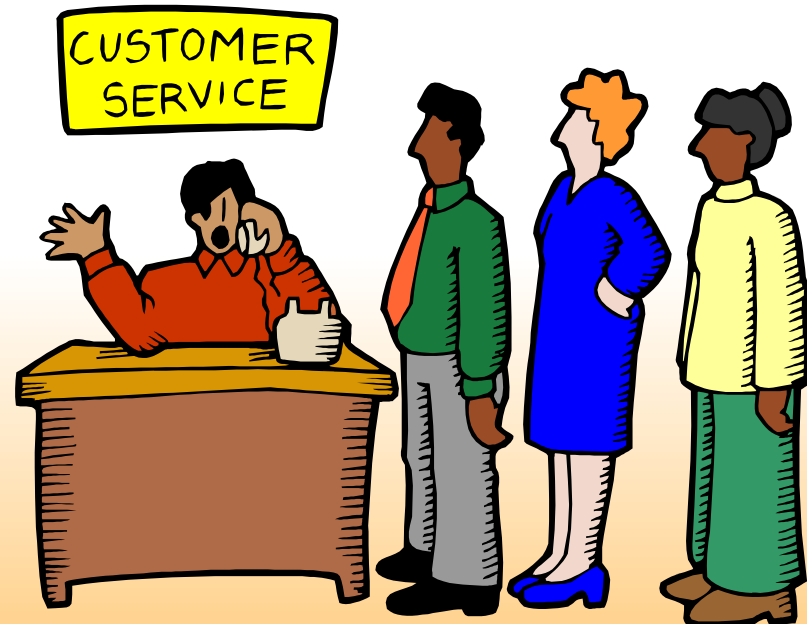
Process

- The procedures through which your product or service is delivered
- The experience customers get when they buy and use your product or service
- For example:
 - ▶ Forms to be filled
 - ▶ Steps to evaluate an application
 - ▶ Queues



People

- Who delivers your product/service
- What knowledge or skills they possess
- How they treat customers



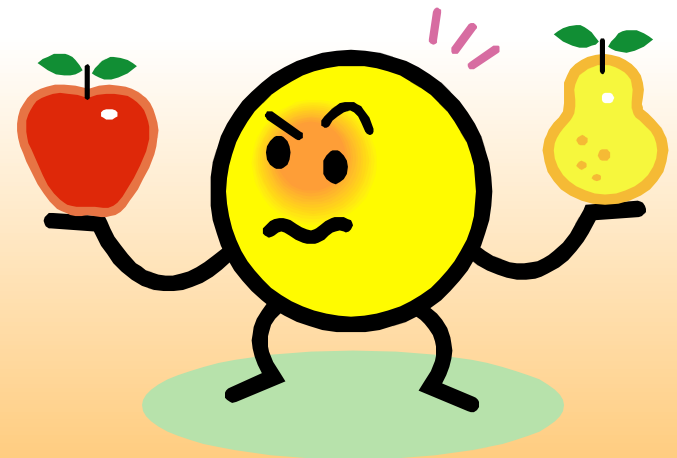
Physical evidence

- What customers see and touch when they experience your product or service
- For example:
 - ▶ The physical environment in which the product or service is delivered
 - ▶ Brochures, posters, other marketing materials
 - ▶ A passbook or smartcard

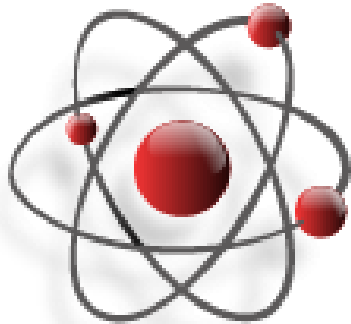


Positioning

- How you aim for your product or service to be perceived relative to the competition
- For example:
 - ▶ Low price
 - ▶ High quality
 - ▶ Security of savings
 - ▶ Quick turnaround time
 - ▶ Professional service



What does it mean to be “client-centred”?



“Integrating client understanding throughout your operations”



“Being focused on addressing customer needs and not on selling products”

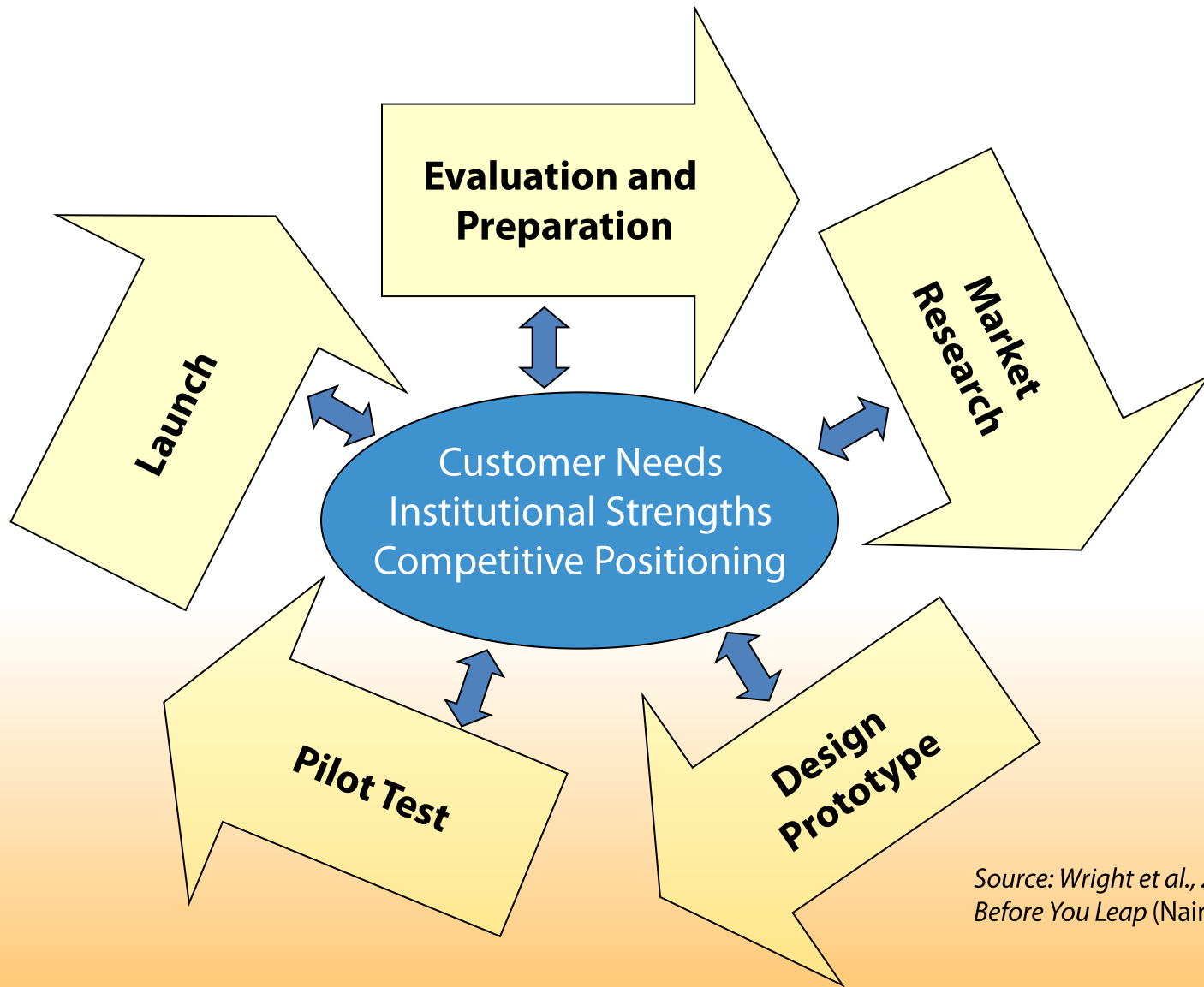


“Engineering all parts of the institution around the customer in an integrated fashion”

The 8Ps from a customer's perspective

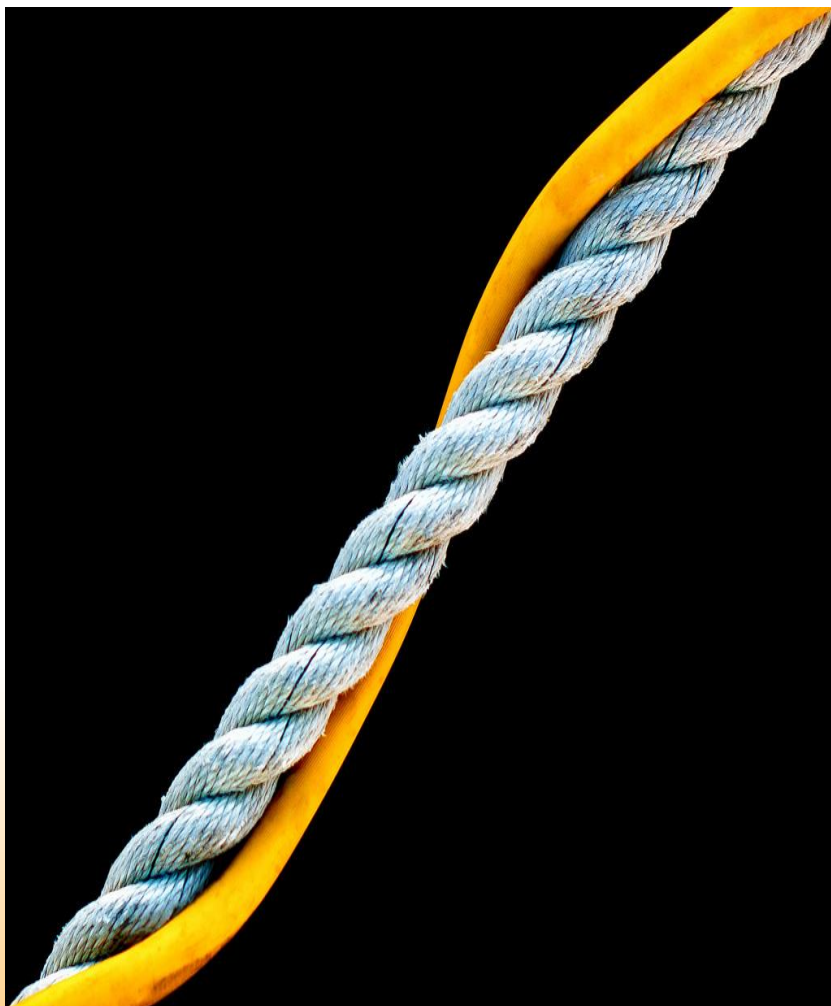
8Ps	8Cs
Product	Customer solution
Price	Cost
Place	Convenience
Promotion	Communication
Process	Concise, confidential
People	Courteous, competent care
Physical evidence	Confirmation
Positioning	Commitment, competitive edge

A client-centered product development process?



Source: Wright et al., 2001, *Looking Before You Leap* (Nairobi, MicroSave).

New twists on an old theme



"Twisted" by [Thomas Leth-Olsen](#) is licensed under [CC BY 2.0](#)

- What is human-centred design?
- What is behavioral marketing?
- How can these new approaches make our product development more client-centered?
- Will being more client-centered generate more returns?

Today's panelists



Sashi Selvendran
MEDA



Ivana Damjanov
UNCDF



Rathi Mani-Kandt
17 Triggers

MEDA and UGAFODE: Savings Mobilization

IDEO.org Photo



New Savings Products

Insights, Opportunities, Ideas and Prototypes

Agenda



- Introductions of MEDA, IDEO.org, 17triggrs
- Project Overview
 - Project Communication Loop & Roles
- Role of IDEO.org
- Role of MEDA
- Role of 17 triggers
- Q&A

Project Overview



Donor Support: UNCDF (MicroLead Expansion)

Timeline: 3 years until end of 2016 (about 6 months in)

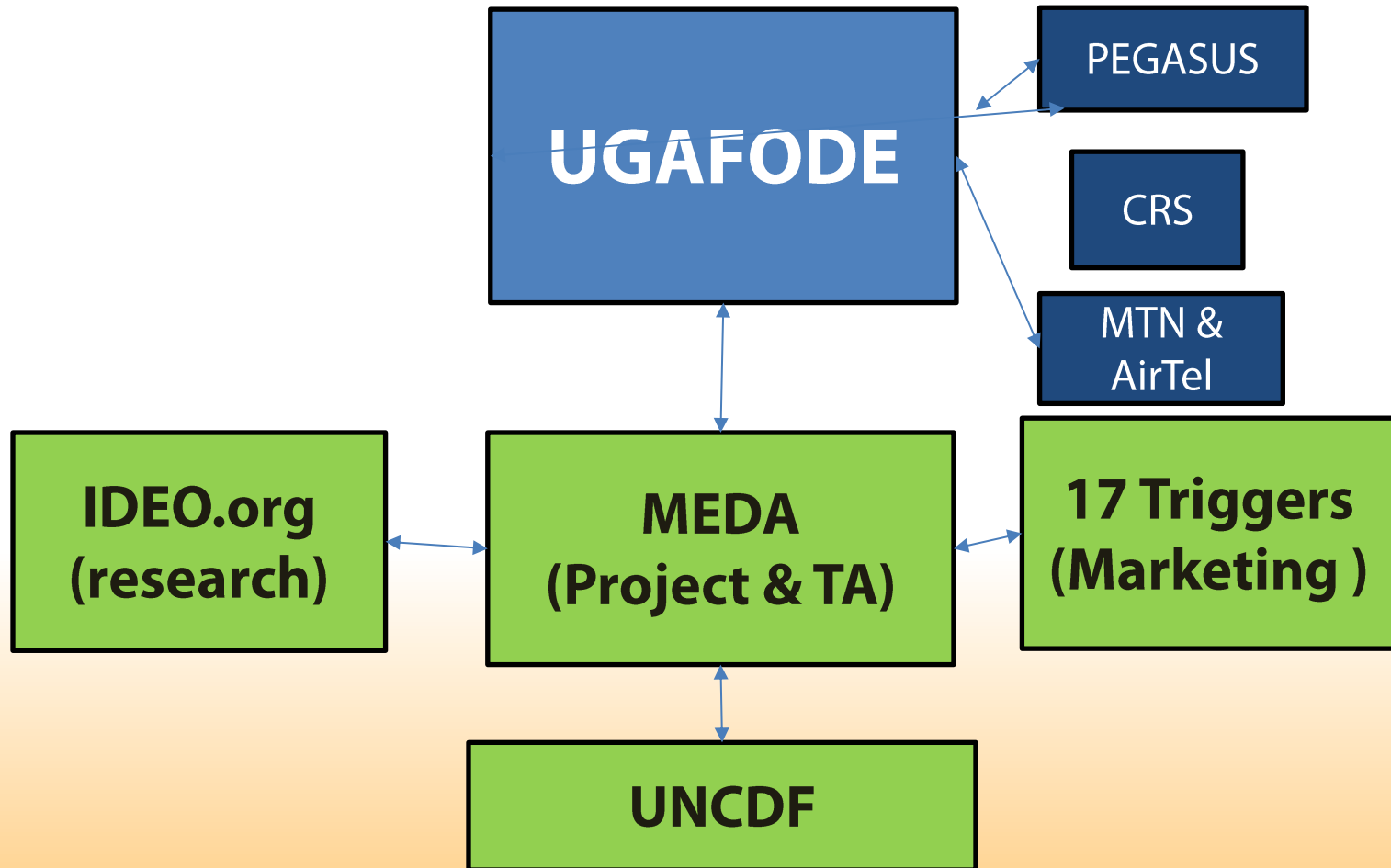
Scope:

- Successful **mobile banking** rollout, expansion in outreach and uptake
- Successful **savings mobilization** with increased outreach to **women** and **rural** population

Goal:

- To offer sustainable mobile financial services to rural women and men in Uganda that have limited or no access to savings accounts through the formal financial system. The ultimate goal of the project is to improve the livelihoods of rural households as a result of access to appropriate and sustainable financial services.

Project Partnership



Role of MEDA

1. Competitor Analysis
2. Institutional Assessment
3. Blending findings of IDEO.org into tangible implementation
4. Guiding product development process
5. Training & TA

SWOT Analysis

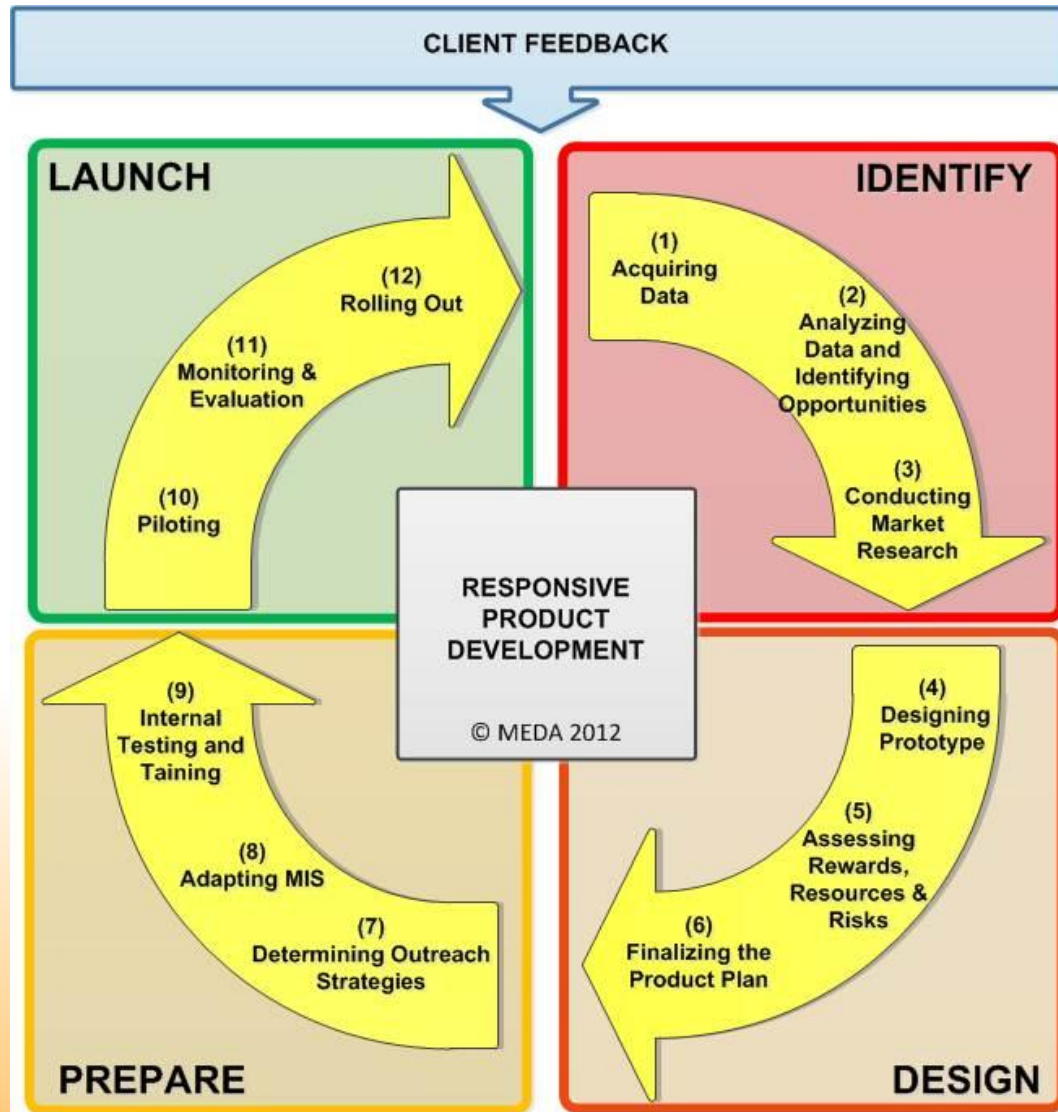
INTERNAL

Strengths	Weaknesses
<ul style="list-style-type: none"> • Governance structure • Management Structure • Strategic partnerships and linkages • Documented policies and procedures • Integrated ICT System • CRB Membership 	<ul style="list-style-type: none"> • Operationalizing transformation • Less aggressive marketing • High cost of funds • Keeping pace with competition • Limited national coverage • Breakdowns of ICT System • Undefined radius of operation

EXTERNAL

Opportunities	Threats
<ul style="list-style-type: none"> • Regulation by Bank of Uganda • Product development opportunities • Outreach expansion • Stable political environment • Growing informal sector 	<ul style="list-style-type: none"> • Stiff competition • Public perception about MDIs • Funding structure - largely debt • Subsidized government credit programs • Multiple borrowing

MEDA Client Centered Framework for Product Development



IDEO.org: Market Research

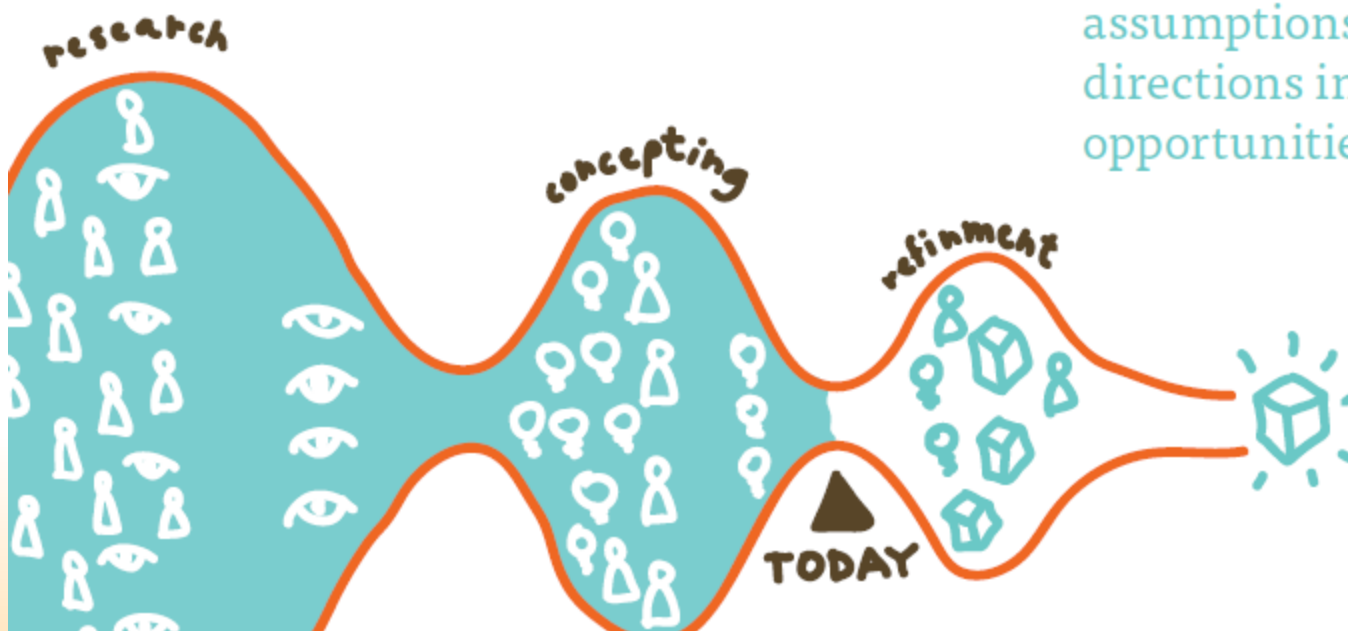


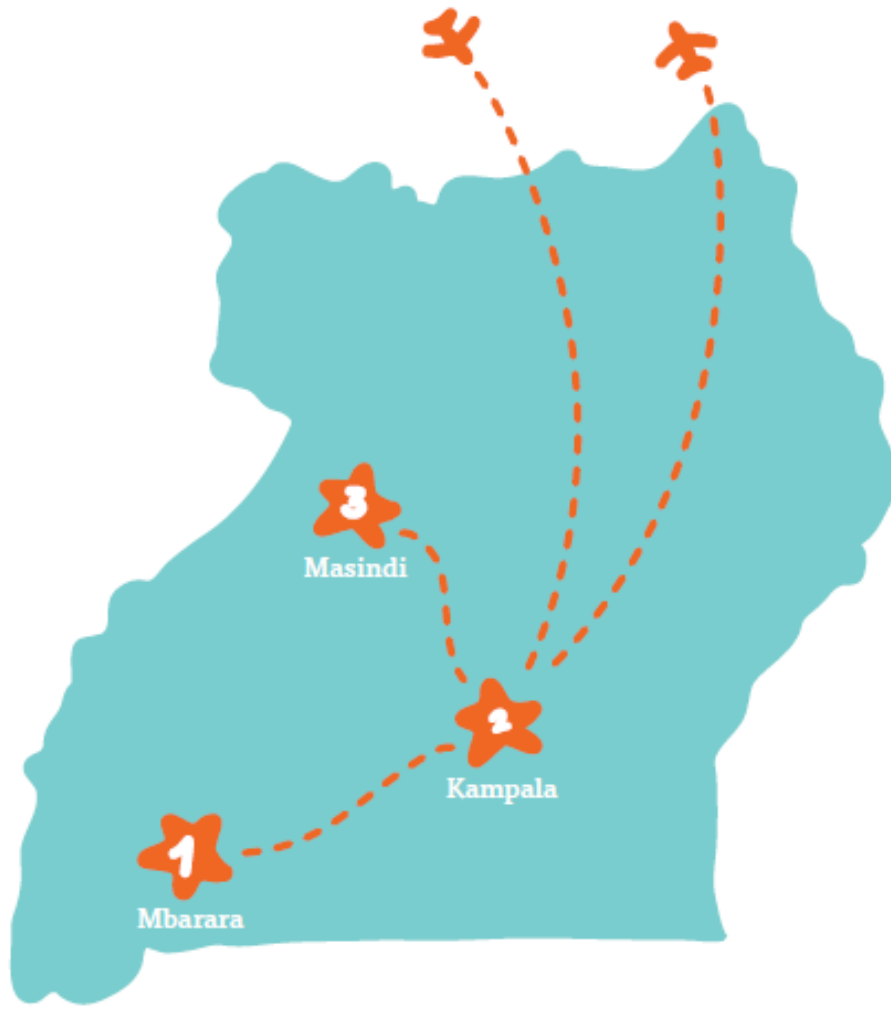
- Where does client-centered product development start?
- Key research question

How might we design formal savings tools that are better-suited to the needs of low-income Ugandans, especially women and rural populations?

Process

Human-centered design (HCD) is a generative and iterative process through which we gain deep empathy for people, question assumptions, and explore directions in order to identify new opportunities.





Where we went

2 weeks in Uganda, 3 different cities: urban, peri-urban, and rural areas.

Our field work

20 interviews,
4 group meetings,
3 expert interviews.





Harriet, Kampala

Harriet, a storekeeper in Ggaba, saved 5 million UGX slowly over time to purchase her shop. She saved in a tin at home and in a savings group because opening a savings account, she says, doesn't make sense for her. A savings account would require her to go to the bank to make deposits—something she doesn't have time for. I can't leave my shop, she says, that would be too costly for me.



Insights about Savings



UGAFODE + MEDA + IDEO.ORG
July 2013

7 Insights about Savings in Uganda

1. Savings groups fit naturally into people's lives.
2. Hedging bets is second nature.
3. Money should support the local community.
4. Limited access can be a benefit.
5. Saving in a bank is often too costly.
6. Banks are for "big" money.
7. Saving is an aspiration.

Opportunity 1: How might we make savings a frequent, convenient activity that is accessible to all?

UGAFODE + MEDA + IDEO.ORG
July 2013

Customer Journey

From their first interaction to every withdrawal, customers should experience a seamless banking experience with AirSave.



Designers and Research



Opportunity 2: How might we support savings groups effectively and build upon their existing structures?

UGAFODE + MEDA + IDEO.ORG
July 2013

GroupSave Journey

Building upon social ties to their savings groups, GroupSave lowers the barriers to formal savings, welcoming new customers into Ugafode step by step.




Designers and Research

53

UGAFODE + MEDA + IDEO.ORG
July 2017

UGAFODE GROUPSAVE

MEMBER NAME	DEPOSIT	CREDIT	PAYMENT	FEES
WILSON TWAMUHABWA	2,000			
SASHI SELVENDRAN	2,000			
ERIC LOPEZ	2,000			
CHRISSEY MARTIN	2,000			
NATHAN BARIGYE	2,000			
ROBIN BIGIO	2,000			
DANNY ALEXANDER	2,000	14,000		
				500



Ideo.org – research and product development process



- Ideo.org's background
- Private sector techniques & experience
- Participative approach
- Fresh perspective



Ideo.org – research and product development process



Advantages

- Inclusive participation
- Creative & visual

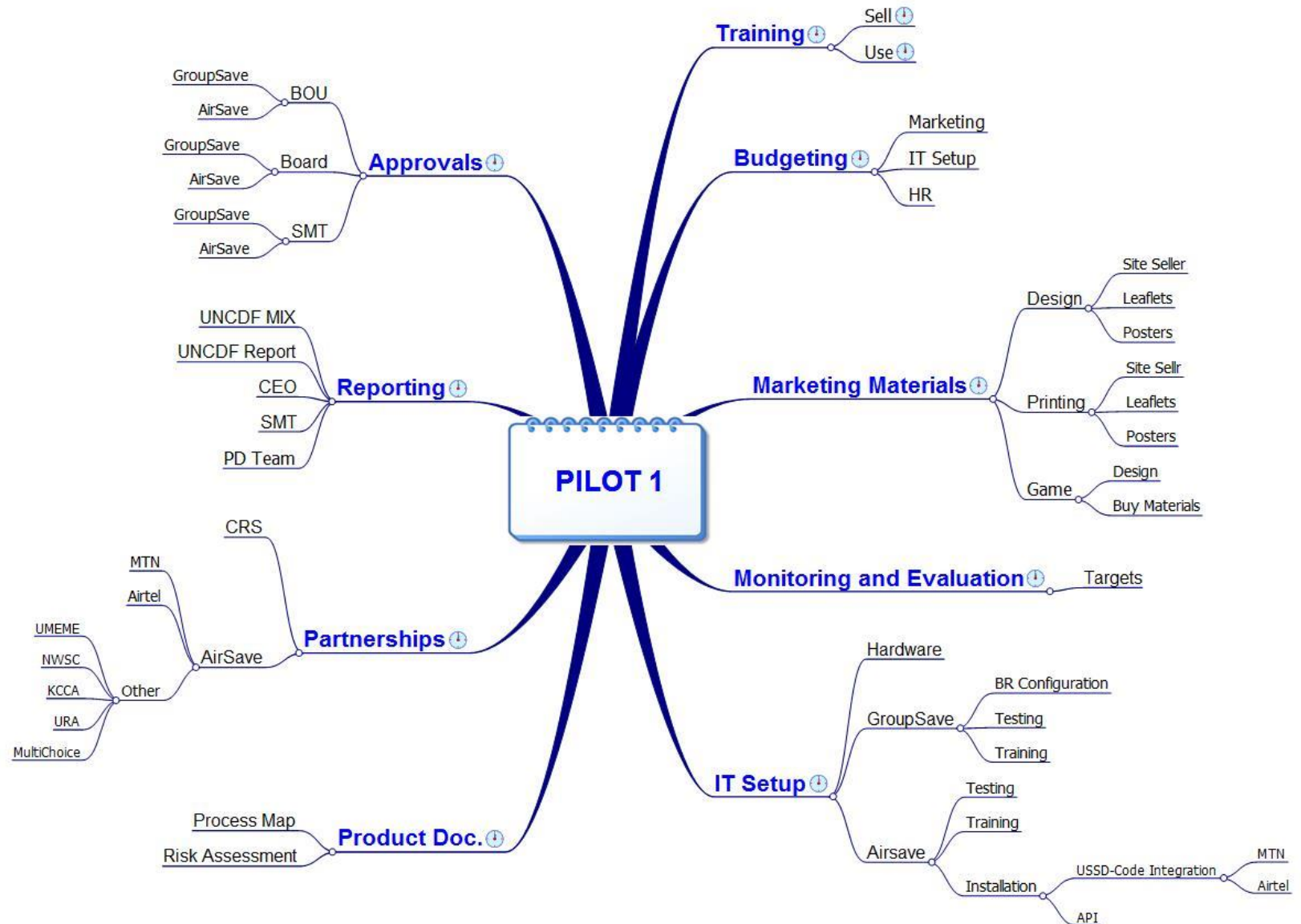


Challenges

- Unfamiliarity with context/sector
- Timing of intervention
- Expectations



Bringing it all together



Now what?

Take a minute to reflect on the panel discussion and comment on one of the following in the questions box:

1 A lesson learned that you can apply in your own product development

2 A question you need to have answered before you can apply these techniques

3 A barrier you must overcome before you can apply these techniques

UN Capital Development Fund



THANK YOU