

Course Announcement for

Market Research for MicroFinance

“the best course on microfinance client demand available to MFIs in the world today, by a large margin”

Background

Following recent developments and the growing competition amongst MicroFinance Institutions (MFIs), and in the light of growing numbers of “drop-outs” or “exits” from MFIs’ programmes, there has been increased interest from MFIs in improving their product development skills. Developing MFIs’ capacity in market research is the first, all-important step.

Qualitative Research Techniques

The qualitative skills and tools in this workshop can also be used for a wide variety of activities that are critical for a successful MFI. These include:

- developing new products and modifying old ones,
- understanding clients and their perceptions of the MFI and its services/products,
- developing/refining marketing programmes,
- analysis of clients’ risks/vulnerability opportunities and how people use (formal and informal sector) financial services,
- understanding the “financial landscape” or environment within which the MFI is operating,
- analysing problems such as drop-outs and growing trends loan default,
- impact assessment and evaluation,
- analysis of relative depth of outreach,
- detecting fraud/rent-seeking, and
- running strategic planning/staff meetings.

The Development of “Market Research for MicroFinance”

MicroSave’s “Market Research for MicroFinance”¹ workshop/field training system was developed in February-June 1999, and first pilot-tested in June/July 1999. It has proved extremely popular and useful to all participating organisations, who were able to conduct market research to better understand their clients’ needs and to begin thinking about responding to those needs. The course was adjusted in the light of the pilot-testing, and is now ready for “roll-out” to other interested MFIs operating in the region.

For additional information on the Market Research for MicroFinance course, see *MicroSave* Briefing Note # 5 “*Assessment of the Use and Impact of MicroSave’s Market Research for Microfinance Toolkit*” by Ezra Anyango, Jennefer Sebstad and Monique Cohen.

Training Methodology

The most important part of the course is the in-the-field training that follows the workshop. This provides the MFIs’ staff opportunities to implement what they have learned in the workshop and undertake market research activities guided and assisted by experts from *MicroSave* and its consultants. A course outline is given below.

¹ Developed in conjunction with Research International – an international private sector market research company.

Reviews of “Market Research for MicroFinance”

“ ... this course gathered extremely strong accolades from all participants interviewed.²

*“For the first time we thought about what our clients wanted.” “It has changed this bank forever.”
“It let in the light.”*

Comments such as these came from nearly every institution exposed to the course, and there were numerous examples of how the results were being used, from Elgon Village Bank's recognition that it needed to launch a promotional campaign to FINCA's recognition that it needed to revise its client exit survey for tracking dropouts.

The evidence is clear that the MFIs using the course:

- Have experienced significant shifts in the way they think about their clients
- Have learned to talk with their clients more effectively
- Are applying lessons about clients and using the specific techniques in a variety of ways.

The course appears to be a very powerful tool for changing perceptions inside MFIs, and inducing MFIs to act on those changes.”

It is “the best course on microfinance client demand available to MFIs in the world today, by a large margin.”

- Marguerite Robinson, Elizabeth Rhyne and Patricia Mwangi
in their Mid Term Review of *MicroSave*

Estimated cost/time (personnel commitment) to use the tool

The cost/time taken to use these tools depends on the depth into which the MFI wants to go and the purpose for conducting the market research. A typical medium-sized MFI seeking to develop new products would want to commit to around 25-30 personnel days to the process (planning through to report generation), of which the majority would be sitting in the field with the clients learning from them.

Participants

Participants should be drawn from middle-level management/staff in the MFIs, but should also include one senior member of staff who will act as “Product Champion” and oversee the entire product development process. In order to get a critical mass of staff versed in the techniques, each MFI should send a minimum of two-four staff.

English Requirement

As most of the instruction will be in English, spoken and written knowledge of English is a must. All the extensive field work will be in Hindi and therefore good spoken Hindi is also a must.

Faculty

Graham A.N. Wright – *MicroSave* and Shahnaz Ahmed

Course Duration and Venue

August 16 – 27, 2004 (12 days) at Ahmedabad, Gujarat

Programme Fee

Rs.35,000 per participant (including boarding and lodging) and USD 1000 for international participants

² including Kenya Post Office Savings Bank, Tanzania Postal Bank, Kilimanjaro Co-operative Bank, Elgon Village Bank, FINCA-Uganda, Faulu-Uganda, Uganda Women's Finance Trust, and the Ugandan Poverty Alleviation Program.

“Market Research for MicroFinance”

Course Outline of the Classroom-Based Course

Day 1 Overview of Product Development and Market Research

Introduction

Introduction of Participants
Course Outline

Background to Market Research for MFIs

The MFIs and Their Markets
The New MicroFinance Landscape
Trends in the New Microfinance Landscape

Reasons for Developing New Products
Marketing for Microfinance Institutions

Product Development Cycle

Overview of the Four Phases of Product Development Cycle
Examine Capacity Considerations for Successful Product Development
Preparations for Product Development
Designing the Product Prototype

Introducing Market Research 1

The Market Research Process
Market Research Methodology : Quantitative v. Qualitative Research
Uses of Qualitative Research

Introducing Market Research 2

To provide an overview of:
Why Conduct Market Research ?
Secondary Research:

- Internal Records
- External Trends

Primary Research:

- Front-line Knowledge,
- Consulting Customers/Drop-outs

BRI Case Study

Day 2 Understanding Customer Needs and Opportunities Using Focus Group Discussions

Market Research Using Focus Group Discussions

What is a Focus Group Discussion ?
Selecting Participants
Preparing for the Discussion
Focus Group Discussion Guides

Group Moderation

Preparing for the Focus Group Discussion
The Qualities of a Good Moderator
Managing the Discussion Process

Analysing and Presenting FGD Results

Tools and Techniques for Analysing FGD Results
Reporting FGD Results

Day 3 Understanding Consumer Needs and Opportunities Using PRA

Briefing and preparations on FGD for the field
Role play of FGDs
Field Work – FGDs
Analysis of FGD

Day 4: Understanding Consumer Needs and Opportunities Using PRA

Introducing PRA
Participatory Rapid Appraisal (PRA) and its Uses
Principles of PRA
Practical Tips for PRA
The PRA for mF Toolkit
Field Work – Seasonality Analysis
Analysing PRA Results
A Framework for Analysis
How to Analyse PRA Sessions

Day 12 Prototype Testing, Pilot-Testing and Planning

What is Prototype Testing ?

To Prototype Test or Not to Prototype Test ?
Why Prototype Test ?

How to Prototype Test ? Methods

Pilot Testing and Launch

What is Pilot Testing ?
Essentials of Planning, Conducting and Monitoring Pilot-Tests

What to Measure ?

Type of Research

Launching in the Market

Action Planning for On-site Assistance

Design Research Plan
Conduct Qualitative Research
Develop/Refine Product Concept
Conduct Concept Testing

Day 11 Concept/Prototype Development

Feedback from the Field

Overall experience (what worked and what did not work)
Observations on Moderation
Findings on group discussions / PRA

Developing The Product Concept

Linking Needs to Products
Initial Concept Development: Brainstorming

From Concept to Prototype

Client Concept Evaluation

Day 10: Final Analysis and Report Writing

Day 5-9: Understanding Consumer Needs and Opportunities Using PRA

Every day - one tool (theory and demonstration)

Field Work – Ranking Exercise

Analysing PRA Results
A Framework for Analysis
How to Analyse PRA Sessions

Participatory Rapid Appraisal for MicroFinance

- A Toolkit -

Assembled and Developed by Graham A.N. Wright, Shahnaz Ahmed and Leonard Mutesasira
with help from Stuart Rutherford

1. **Seasonality Analysis of household income, expenditure, savings and credit** is used to obtain information on seasonal flows of income and expenditure, and the demand for credit and savings services. This analysis also provides insights into some of the risks and pressures faced by clients and how they use MFIs' financial services to respond to these. This tool also provides insights into the financial intermediation needs of the community and what products the MFIs can design in response to these.
2. **Seasonality Analysis of migration, casual employment and goods/services** provided by the poor looks at the availability of cash to the people in the community - and examines how far they might have to migrate to find work (when it is available). This has important implications for their ability to make regular savings and loan repayments.
3. **Life-cycle Profile** to determine which of the events require lump-sums of cash; to examine the implications of these for household income/expenditure; to establish current coping mechanisms; and then finally to discuss how access to MFI financial services can help the household respond to these. The information gathered is useful designing financial products that match the various needs expressed at different milestones during a person's life cycle.
4. **Venn/Chapati Diagram** allows analysis of financial service groups/organisations within the community and their roles and to understand more about the social capital accumulated by participants.
5. **Simple Ranking** can be used to explore a wide variety of issues when an understanding of the relative importance/desirability etc. is needed (e.g. for understanding the relative importance of different elements of products – interest, rate, opening balance, grace period etc.)
6. **Relative Preference Ranking** is used to see how clients and potential clients perceive the financial service providers and components of the financial services they provide.
7. **Pair-wise Ranking** is used to examine in detail how clients and potential clients compare and contrast critical components of financial services, and why those elements are important for them.
8. **Simple Wealth Ranking** provides a rapid way of segregating a community into three basic categories, and is useful in situations where there are many households in a community. This is useful for targeting. This exercise can also be useful in impact assessment, and for examining the socio-economic characteristics of people who chose to join (or don't join) the MFI and also those who leave or whose accounts become dormant.
9. **Detailed Wealth Ranking** provides an understanding of in what way and why rich people are wealthy and the poor are poor, and a 'ranking' of the households in the village, from the most wealthy to the least wealthy, as seen by the members of the community.
10. **Cash Mobility Mapping** provides an understanding of where the community goes to acquire or spend cash (markets, waged labour, co-operatives, informal financial organisations etc.) and to lead into discussions of which financial service institutions they trust or value and why. The exercise also provides initial insights into potential income generating ventures/projects that the clients might get involved in.
11. **Time Series of sickness, death, loss of employment, theft, natural disaster etc.** (this year, last year, 5 and 10 years before) provides an opportunity to learn from the community about how it views change overtime in various areas related to a series of crisis. It also allows the research team to integrate key changes into the community profile, which will simplify problem identification; and to begin to organise the range of opportunities for improved delivery of financial services.
12. **Time Series of asset ownership** (this year, last year, 5 and 10 years before) is useful in determining what "productive" and "protective" assets (in a broader sense) are valued the most and thus the potential for designing or refining corresponding financial products including leasing, contractual savings deposits (e.g for housing, education, health insurance etc).
13. **Financial Services Matrix** is useful in determining which financial services are used by which socio-economic or socio-cultural strata of society and why, and thus the potential for designing or refining appropriate financial products.
14. **Financial Sector Trend Analysis** is useful in determining which financial services have been used over time by which socio-economic or socio-cultural strata of society, and thus for understanding the changes in the use/availability of a variety of financial services over time, and why participants used them.
15. **Financial Landscape Analysis** is useful in determining the types of competition are operating in the area as well as the rates they charge/offer etc. The tool also provides insights into the use/availability of a variety of financial services and why participants use them. It can also provide important insights into how poor people's perceptions of financial services sometimes vary substantially from the actual terms and conditions being offered.

Nomination and Inquires

Nominations must reach the School by the 15 July, 2004.

Ms. Ankita
Indian School of Microfinance for Women
G-07, Sakar-I Building,
Opp. Gandhigram Station
Ashram Road, Ahmedabad -380009

For further information, please write to the School at the above address.

Phone: 91-79-8012304

Website: www.schoolofmicrofinance.org

E-mail: ismw@icenet.co.in, post@schoolofmicrofinance.org

APPLICATION FORM

(Please complete and return this form on or before 15th July 2004, Photocopy of this form can be used in case of more than one nomination)

PARTICIPANT DETAILS

Name:

Sex: Male/Female

Date of birth:

Age:

Nationality:

Correspondence Address.....
.....
.....

Phone no:

Fax:

E-mail:

Educational Qualifications (in the order to the last degree obtained and then working backwards).....
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.....

Work Experience:.....
.....

Length of service in present organisation:.....
.....

Current Position:.....

Level of responsibility in the organisation.....

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Scope for application of the knowledge gained
.....
.....
.....

Objective(s) for attending the training
.....
.....
.....

Preference for Boarding & Lodging
a. Food: Veg. / Non-Veg b. Room: Double/Single

SPONSORING ORGANISATION DETAILS

Name:

Chief of the organisation:

Maturity of the organisation:
a. Small/Starting up b. Growing c. Mature

- Type of organisation:
- Promoting organizations, NGOs, Technical support
 - Wholesaler lending organizations
 - Retailers, MFIs, Cooperative
 - Federations, District Associations etc.
 - Networks, Training Institutes
 - Universities, Research institutes
 - Religious institutions, Dioceses
 - Banks and Banking institutions
 - Donor Institutions
 - Government institutions
 - Policy, Regulatory, Legislative Bodies
 - Business and professional fields related to MF

Address:
.....
.....

Signature of sponsoring authority with seal

Details of Programme Fee

Draft no. For US \$/INR

(Draft should be made in favour of Indian **School of Microfinance for Women** payable at Ahmedabad)

Last date for sending application: **15th July, 2004**