
SPI4, the Universal Standards and Marketing

Webinar

March 24, 2016

SP Fund 3rd round

CERISE

- Association focused on disseminating knowledge and tools for ethical finance
- **Founding members:** five French organizations specialized in microfinance
- **Partners:** MFIs, networks, TA providers, investors, donors, researchers, worldwide
- **Working areas:** impact and social performance, governance, rural and agricultural finance.

www.cerise-microfinance.org

Social Performance Fund – 3rd round

Who we target?

- MFIs, National networks, Local regulators, Investors

SP Fund offer for Microfinance Stakeholders

- On-line trainings (in English, Spanish and Russian) for **network representatives, MFIs' managers, credit analysts** and **SPI4 auditors** on the data collection and use of SPI4
- Off site individual TA for selected MFIs, networks and credit analysts
- Scholarships to participate to SPTF annual meeting in 2016 and 2017

First calls for proposals since January 2016

More : <http://www.mfc.org.pl>

Objectives of this webinar

1. **Discuss the key issues around Marketing in SPM**
2. **Understand the key indicators related to Marketing in the Universal Standards (and SPI4 filtering option)**
3. **See examples on how to improve practices on Marketing**
4. **Identify technical resources**

What are the key issues around Marketing in SPM?

Dimension 1 : Define and monitor social goals



- Marketing in charge of:
 - **identifying data** needed on clients
 - **data collection** on client profile and satisfaction
 - **data disclosure** (to clients) and **dissemination** (to external stakeholders)

Dimension 3: Products that meet clients' needs



■ Marketing to ensure

- Adequate **market research** on a on-going basis to inform product development and improvement
- Collection of **client satisfaction** data
- **Strategic analysis** on products/services/delivery models/channels to see how they are:
 - ✓ Ensuring financial inclusion
 - ✓ Reducing risks and vulnerability of clients
 - ✓ Offering economic opportunities

Dimension 4: Treat clients responsibly



- Marketing and Client protection
 - Transparency and Effective communication to clients
 - Privacy of clients: written consent to use information or photos in marketing material
 - Use of complaints information to improve the organization's operations/ products/ communications.

How to assess practices on Marketing?

How to assess Marketing issues with SPI4?

- Quick demo of filtering option for Marketing: we find the key issues listed above.

The screenshot shows the Microsoft Excel interface with the 'Révision' (Review) tab selected. The 'Commentaires' (Comments) group contains the 'Afficher tous les commentaires' (Show all comments) button, which is highlighted with a red box. The 'Modifications' (Changes) group contains the 'Ôter la protection de la feuille' (Remove Sheet Protection) button, also highlighted with a red box. A red arrow points from the 'Révision' tab to the 'Commentaires' group, and another red arrow points from the 'Modifications' group to the 'Ôter la protection de la feuille' button. The 'Ôter la protection de la feuille' dialog box is open, displaying the following text:

Ôter la protection de la feuille

Empêche que des modifications indésirables soient apportées aux données d'une feuille en spécifiant les informations qui peuvent être modifiées.

Par exemple, vous pouvez empêcher que certains utilisateurs modifient les cellules verrouillées ou la mise en forme du document.

Vous pouvez spécifier un mot de passe pour désactiver la protection de la feuille et autoriser ces modifications.

Appuyez sur F1 pour obtenir de l'aide.

The background of the Excel window shows a questionnaire form with a progress bar at the top indicating steps 1 through 6. The form content includes a welcome message and a section titled 'LINE AND MONITOR SOCIAL GOALS'.

Questions/Confusing or challenging indicators?

Examples on how to improve practices on Marketing

1. Collecting data on clients

■ **PPI Standards of Use**

- Poverty level of clients
- www.progressoutofpoverty.org

■ **Voice of the clients by Smart Campaign**

- Client satisfaction and protection

■ **Lean Data by ACUMEN**

- Example of rapid data collection: texts & phone calls

Voice of the clients

Clients surveys by Smart Campaign report February 2016

http://smartcampaign.org/storage/documents/Synthesis_Report_ENG_FINAL.pdf

Key research questions for clients

- What do clients view as their **most important worries** and **most negative experiences** in dealing with MFI?
- What **attributes** are most important to clients in determining a **positive customer experience**?

Qualitative techniques

■ **Ranking exercise**

- understand respondent perceptions of good and bad treatment from different institutions that they interact with

■ **Focus group discussions**

- participated in role playing exercises to act out good and bad experiences

■ **Individual interviews**

- probe further into financial details that would not be appropriate to discuss in a group setting.

■ **Photography exercise**

- to illustrate negative and positive associations with microfinance.



If your MFI was an animal, what type of animal it would be?

■ MFI A, Central Asia

■ Elephant

- strong
- powerful
- huge, not aggressive - domestic

■ Bear

- confidence, power
- fighting for its clients

■ Lion

- Stability
- wise

■ MFI B, Caucasus

■ Horse, cow

- Useful and friendly
- Supportive
- Useful in income generation

Focus Group Discussion questions

Housing Microfinance Product evaluation – example from MFC

- Typical housing interventions
 - What are the typical home repairs?
 - What are the typical challenges people face?
- Changes at the household level
 - What improvements have you made thanks to the loan?
 - How these changes influenced you, your family?
 - Are there any negative changes in your family/household due to the fact that you took this loan?
- Use of the loan
 - Did you complete the work? Why not?
 - Did you use any additional funds to conduct reconstruction work?

Lean Data by ACUMEN - Tips For Collecting Customer Data to Build More Impactful Businesses

Report, Nov 2015

<http://acumen.org/ideas/lean-data/>

1. In-person

2. Remote

Number of questions

Large number of questions necessary
(>15 questions)

<15 questions

Type of questions

Need for extensive open-ended questions or
nuanced questions that require explanation

Multiple choice question w/ no detailed
explanation needed

Verification needed

Need for in-person verification of respondent

No need to verify identify of respondent
w/100% certainty

Coverage needed

Need for very high response rates (e.g.,
80%+) or 95%+ for registration or compliance
purposes

Need for a fairly representative sample,
but not very high response rates

How would you rate the value for money of (product/service)?

- A.** It is expensive
- B.** It is fair
- C.** It is cheap

Please explain your answer

What feature do you like best?

.....
Please explain your answer

Have you ever recommended (product/service) to your friends?

A. Yes, I have told many friends
What have you told them?

B. Yes, I have told some friends
What have you told them?

C. No, I have not
Why not?

Amended
Net Promoter
Score (NPS)

Did you use any additional funding to complete work you have mentioned?

1	YES	<i>if 'Yes', go to question #8</i>
2	NO	<i>if 'No', go to question #9</i>
	Don't know/hard to say (do not read)	
99		<i>Go to question #9</i>

What was the source of additional funding? Please select all answers applicable
Note for interviewer - please read all the answers and tick those selected by respondent. Multiple response possible

1	Another loan
2	Savings
3	Borrowed money from relatives/friends
4	Sold assets (e.g. car, cow, furniture)
	Other
5	Please specify: _____

IF THERE WAS A POSITIVE IMPACT, In which areas the repair/renovation impacted the quality of your life and your family? Please choose all answers applicable, by saying 'yes' or 'no' as I read the answers.

Note for interviewer - Please read each category and tick the answer whenever the client says 'yes'. Multiple answers possible

1	Improved access to running water
2	Hot and cold running water
3	Toilet inside the house
4	Increase in usable space / privacy
5	Energy saving eg. on heating
6	Warmer house
7	I can invite guests with no shame
8	Cleaner (less dusty) living space
9	Less humid house
10	Income generated increase
11	Security and safety

Could you please say how convenient were the following product features, using the scale from 1 to 5. 1 means that the product feature is very much not convenient and 5 means that the product feature is very much convenient

Note for interviewer - Please read each category and ask the respondent how convenient it is. Tick the answer selected by respondent (from 1 to 5) next to the each category

	1 (very much not convenient)	2 (not convenient)	3 (neutral)	4 (convenient)	5 (very convenient)
Convenience					
Loan amount	1	2	3	4	5
Interest rate	1	2	3	4	5
Monthly instalment	1	2	3	4	5
Easiness of receiving the loan	1	2	3	4	5
Speed of procedures	1	2	3	4	5
Relationship with Credit Officers	1	2	3	4	5



Any question on clients surveys?

Experience to share ?

2. Transparent pricing and Marketing

- Clients lack essential information and disclosure-based approaches are not working
 - Focus on complying with disclosure requirements: information copious, technical, and complicated.
 - shift the objective from divulging information to promoting and verifying client understanding.

What clients should know before signing an agreement?

- Total cost of the loan (interest, fees,)
- Installment amount and payment date
- Any other conditions
- Penalty fees and when they are charge
- What happens if they do not repay the loan
- Institution collection practices
- Who they can contact in case of questions, complains
- Clients rights

Transparency: tools

- **Key facts statement**
- **List of questions given to client**

Key facts statement

Loan size and currency		Total no. of installments	
Interest rate		Installment frequency	
Commission fee		Disbursement date	
Other fees		Mandatory savings	
Purpose of loan		Maturity date	
Grace period (if applies)		Type of guarantee	
Penalty for late payment		Maturity of the loan (in months)	
Penalty for pre-payment		Total cost of loan (principle + int.+ fees)	

[illegible]

Branch Director Signature _____ Date _____



Can your MFI clients agree with the following?



I can easily understand the interest rate and compare it to other institutions.



I know my installment amounts and when payments are due.



I've never had unexpected: late fees, early payment fees, or account activity fees, changes to my interest rate or loan terms.



The institution has explained my responsibilities for delinquent group members.



I can easily find out the amount of my outstanding debt and the balance in my savings account.



I am always given the opportunity to ask questions during my interactions with the institution.

Example of pricing disclosure – Mi-Bospo - BiH

← → C www.mi-bospo.org/index.php/en/kreditni-proizvodi/cjenovnik ☆



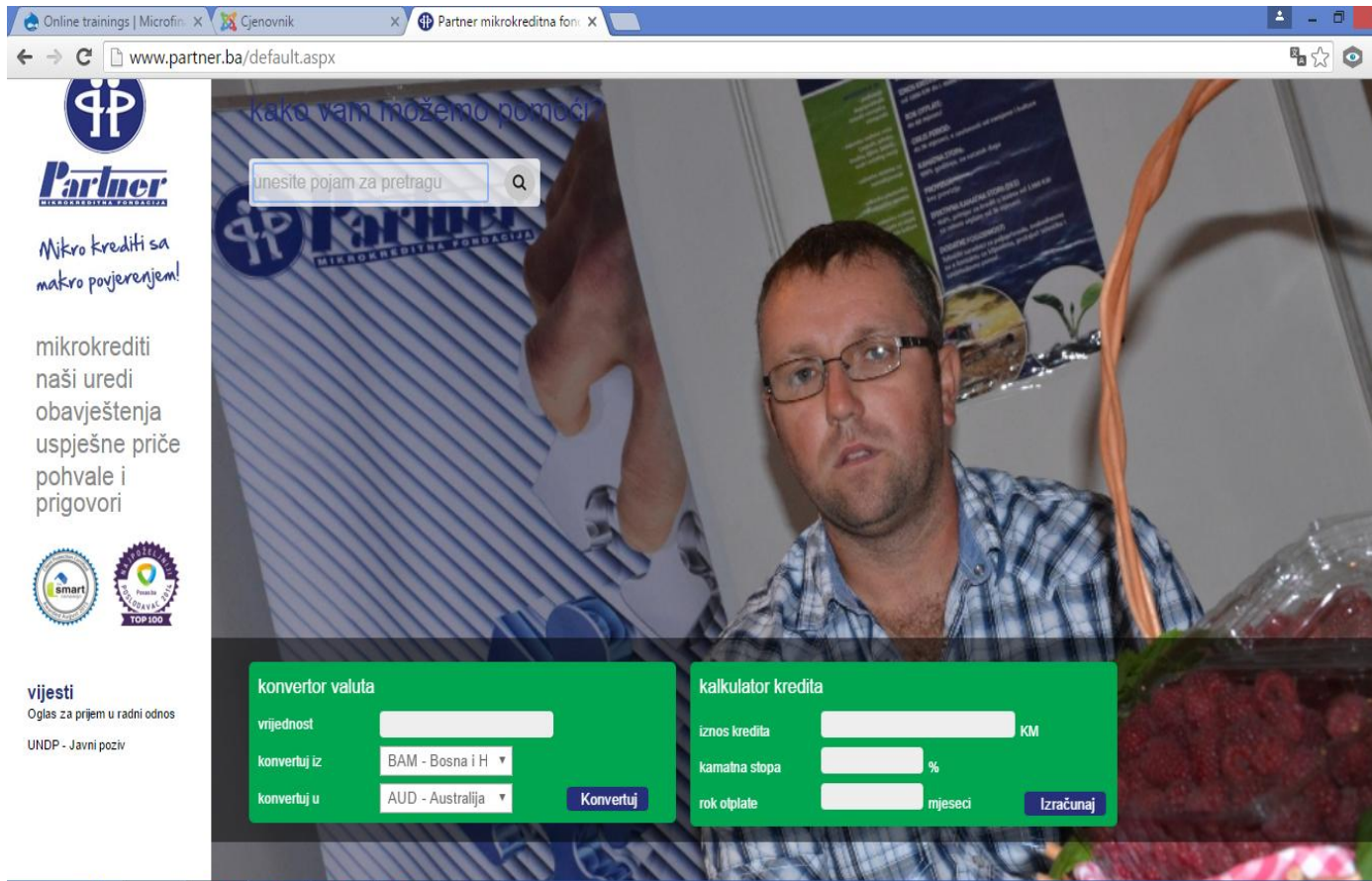
MI-BOSPO: Bosne srebrenе bb, 75 000 Tuzla, Bosna i Hercegovina
Tel: +387 35 270 283 Fax: +387 35 252 448 BESPLATNA INFO LINIJA:
0800 20 253 E-mail: mi-bospo@mi-bospo.org www.mi-bospo.org

MI-BOSPO CJENOVNIK

20 godina Vaš prvi izbor

KREDITNI PROIZVODI	GLAVNE KARAKTERISTIKE KREDITNIH PROIZVODA	IZNOS KREDITA	ROK OTPLATE	TROŠAK OBRADE	NKS	EKS	IZNOS MJESEČNE RATE
				%	%	%	
KREDIT ZA POČETAK POSLOVNE AKTIVNOSTI	Iznos kredita: od 500 do 5.000 KM Rok otplate: do 24 mjeseca za iznose do 1.000 KM Rok otplate: 36 mjeseci za iznose od 1.001 do 5.000 KM Grace period: do 9 mjeseci Nominalne kamatne stope: 28% za iznose od 500 do 1.499 KM 26% za iznose od 1.500 do 2.999 KM 22% za iznose od 3.000 do 5.000 KM Provizija za obradu kredita: nema	Primjer 3.000	24	0	22	24,47	155,63
KREDIT ZA RAZVOJ POSLOVNE AKTIVNOSTI	Iznos kredita: do 10.000 KM Rok otplate: do 60 mjeseci Grace period: do 9 mjeseci Nominalne kamatne stope: 28% za iznose do 999 KM 26% za iznose od 1.000 do 1.499 KM 24% za iznose od 1.500 do 2.999 KM 22% za iznose od 3.000 do 3.999 KM 20% za iznose od 4.000 do 4.999 KM 19% za iznose od 5.000 do 5.999 KM 18% za iznose od 6.000 do 9.999 KM 17% za iznose 10.000 KM Provizija za obradu kredita: nema	Primjer 10.000	36	0	17	18,44	356,53
KREDIT ZA FINANSIRANJE POSLOVNE AKTIVNOSTI	Iznos kredita: do 10.000 KM Rok otplate: do 60 mjeseci Grace period: do 9 mjeseci Nominalne kamatne stope: 30% do 999 KM 28% za iznose od 1.000 do 1.499 KM 26% za iznose od 1.500 do 3.999 KM 24% za iznose od 4.000 do 4.999 KM 23% za iznose od 5.000 do 5.999 KM 21% za iznose od 6.000 do 9.999 KM 20% za iznose 10.000 KM Provizija za obradu kredita: nema	Primjer 5.000	24	0	23	25,65	261,87
POLJOPRIVREDNI KREDIT	Iznos kredita: od 3.000-10.000 KM Rok otplate: do 24 mjeseca Grace period: 6, 9 ili 12 mjeseci Nominalne kamatne stope: 22% za iznose od 3.000 do 3.999 KM 20% za iznose od 4.000 do 4.999 KM 19% za iznose od 5.000 do 5.999 KM 18% za iznose od 6.000 do 9.999 KM 17% za iznose 10.000 KM NKS na glavnici tokom grace perioda: 18% za iznose od 3.000 do 3.999 KM 16% za iznose od 4.000 do 4.999 KM 15% za iznose od 5.000 do 5.999 KM 14% za iznose od 6.000 do 9.999 KM 13% za iznose 10.000 KM	Primjer 5.000	12	2,5	19, a tokom grace perioda 15	20,86	Tokom 6 mjeseci grace perioda: 67,12 Tokom preostalih 6 mjeseci: 872

Partner, BiH – product calculated



Online trainings | Microfin... x Cjenovnik x Partner mikrokreditna fon... x

www.partner.ba/default.aspx

Partner
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vijesti
Oglas za prijem u radni odnos
UNDP - Javni poziv

kako vam možemo pomoći

unesite pojam za pretragu

konvertor valuta

vrijednost

konvertuj iz

konvertuj u **Konvertuj**

kalkulator kredita

iznos kredita KM

kamatna stopa %

rok otplate mjeseci **Izračunaj**

Any questions on transparency and understanding ?

Experience to share ?

Technical resources for Marketing department

Where to find SPI4 and related resources?

www.cerise-spi4.org



FAQ

Support

Funding

Publications

Contact



DOWNLOAD SPI4



CONDUCT AN AUDIT



GET TRAINED



SPI4 IN NUMBERS

version 1.3 released FEB 2016

NEWSLETTER ALINUS
SPI4 FOR INVESTORS

SPI4 BENCHMARKS OCT
2015

QUALIFIED AUDITORS LIST

Consult the SPTF Resource Center!

The screenshot shows the SPTF Resource Center website. At the top, there is a navigation bar with links: Home, Universal Standards for SPM, Online Trainings, How Do I Start?, SP Tools, Resources, and SP Task Force. A search bar is also present. Below the navigation bar, there is a 'Featured Items' section with four items: Universal Standards Implementation Guide, Human centered design toolkit, Microfinance index of market outreach and saturation, and SP14 Assessment Tool. Below this, there are four dimensions of social performance, each with an icon and a list of resources:

- Dimension 1: Define and monitor social goals**
 - 1. Strategic management toolkit handbook
 - 2. Imp-Act Indicators practice note
- Dimension 2: Ensure board, management, and employee commitment to social goals**
 - 1. Governance guidance
- Dimension 3: Design products and services that meet clients' needs and preferences**
 - 1. Portfolios of the poor
- Dimension 4: Treat clients responsibly**
 - 1. Avoidance of over-indebtedness: Guidelines
 - 2. Calculating transparent pricing tool
 - 3. Client complaint

<http://sptf.info/resources/resource-center>

Specific resources for Marketing

- **Universal Standards Implementation guide**
 - <http://sptf.info/spmstandards/universal-standards>
- **Smart operation:** see chapter on Marketing: Appropriate roles for 11 areas of microfinance operations.
 - <http://www.smartcampaign.org/tools-a-resources/796>
- **Videos**
 - Transparency: Auntie needs a loan:
<https://www.youtube.com/watch?v=k0uv7n591as>
- **Imp-Act Guidance Note on QUIP:** Research steps to conduct clients surveys
 - http://sptf.info/images/pn2_quip.pdf
- ACUMEN Lean Data Guidance
- PPI standards of Use
- Voice of the clients

Specific resources for Marketing

- *SP Fund has developed a number of case studies for marketing and product development*
<http://www.mfc.org.pl/en/content/sp-fund-case-studies>
 - ❑ *FINCA Azerbaijan: Transforming clients' complaints into loyalty for life*
 - ❑ *FINCA Azerbaijan: Protecting client privacy, increasing client trust*
 - ❑ *Vision Fund Uganda: Piloting and using the PPI*
 - ❑ *Muktinath Bikas Bank group (Nepal) training manual: Supporting informed client decisions*
 - ❑ *Al Majmoua (Lebanon) Client Satisfaction and Client Exit Survey*
 - ❑ *Peoples Bank of Caraga (Philippines) listens to Members: Customer satisfaction survey*
 - ❑ *AMK Cambodia: Using client data to inform the strategy*
 - ❑ *Arvand Tajikistan: Using mystery shopping to understand clients*
 - ❑ *CREZCAMOS Colombia: Providing transparent information to clients*



The Universal Standards for Social Performance Management Implementation Guide

Social Performance Task Force
Lead Author: **Leah Wardle**

Imp-Act

Practice Notes

IMPROVING THE IMPACT OF MICROFINANCE ON POVERTY: ACTION RESEARCH PROGRAMME

ISSN: 1740-4711 • NUMBER TWO • 2004

QUIP

Understanding clients through in-depth interviews

PROGRESS OUT OF POVERTY INDEX® (PPI®) STANDARDS OF USE



Basic Standards

The **Basic PPI Standards of Use** are best practices that an organization should adhere to in order to accurately report its PPI data. Compliance with all basic standards is required to achieve Basic PPI Certification.



My Turn to Speak: **Voices of Microfinance Clients in** **Benin, Pakistan, Peru and Georgia**

February 2015

USE AUTHORS

Sushruti Meka and Caitlin Sanford

COMMITTEES

Justin Gilder, Laura Cojocari, Wajiba Ahmed

WITH THANKS TO

Alexandra Ricci, Elizabeth Rhyne,
Isabelle Barre, Pablo Amato Diaz



Keeping clients first
in microfinance

THE LEAN DATA FIELD GUIDE

Tips For Collecting
Customer Data to Build
More Impactful Businesses

November 2015



If you need help ...

- SP Fund can offer off site TA in English, Spanish and Russian e.g.
 - Provide guidance in conducting an audit, understanding the indicators
 - Suggest existing tools which can help reduce SP gaps

Contacts CERISE:

spi4@cerise-microfinance.org

www.cerise-spi4.org

Contacts MFC:

kdabrowska@mfc.org.pl