



Going to Task: Using Market Research Results to Design Products for Young Clients

An introduction to projects to be presented



Under the Expanded and Sustained Access to Financial Services, CHF International and its affiliate MFI, Ryada, are looking to increase the access to financial services for young people.

Making Cents is providing technical assistance to Ryada.

Ryada is an MFI with 5,000 clients, \$12 million portfolio, 5 branches in West Bank and Gaza. 40% of its Clients are 18 – 29 years of age.

Ryada is completing the market research and product design concepts to be piloted in November.

Goal: Improve the capacity of youth living in poverty to access and use financial services as a way to enhance their future economic opportunities.

Approach: Provide integrated financial services and financial education to young people ages 13 to 24.

Countries: Mali and Ecuador

Partners:
Ecuador – Plan International, Cooperatives San José and Santa Ana
Mali – CAEB and Tonus (NGOs), Kondo Jigima and Nyesigiso (MFIs)

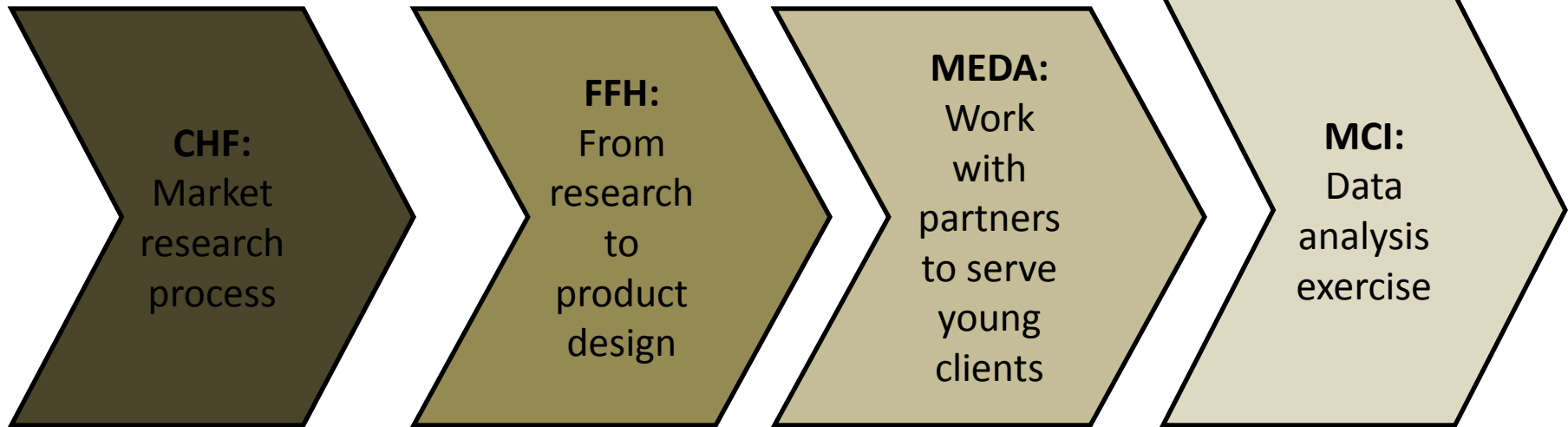
Countries: Egypt and Morocco

Project: YouthInvest project is working to increase access to financial and non-financial services for youth entrepreneurs and employees

MEDA provides four types of support to youth- training, loans, savings, and internships. MEDA also provides organization capacity building to partner financial service providers and youth serving organizations.



Agenda- A product design journey





CHF Ryada

Market Research Process





Methodology

Qualitative research that involved

- Initial meetings with youth serving organizations
- 48 focus groups
- 20 interviews with current clients
- 20 interviews with potential clients
- 7 interviews with Ryada staff





Market Research Tools

Table 1: Market Research Tools

Name of tool	Purpose	Type of data created
Life Events focus group tool	To learn about the aspirations and life events of young people.	<ul style="list-style-type: none">● Critical events in the lives of young people● Links between life events and resource needs● Aspirations of young people
Money Flow focus group tool	To learn about how young people earn money and spend it	<ul style="list-style-type: none">● Existing sources of money● Expenses● Priority uses of money and decision-making
Business Mobility focus group tool	To learn about where young people spend time as well as understand how they think businesses grow	<ul style="list-style-type: none">● Where young people spend time● What attracts young people to certain places● The steps and support young people see in growing a business



Market Research Tools

Financial Services Preferences focus group tool	What young people are looking for in financial service providers and their use of financial services	<ul style="list-style-type: none">• Use of formal and informal financial services• Advantages and disadvantages of financial services
In-depth interview with potential clients	What makes financial services accessible for young people	<ul style="list-style-type: none">• Preferences for saving and borrowing• Information needs and channels• Characteristics of a good client
In-depth interview with current clients	Current clients' experience with financial services	<ul style="list-style-type: none">• Satisfaction with the financial service provider• Business development process• Communication with the financial service provider
In-depth interview with micro finance	Relationship between financial institution staff and	<ul style="list-style-type: none">• Perceptions of young clients• Characteristics of good clients• Communication with clients



Market Research Structure

Making Cents

- Select and train local consulting
- Introduce market research tools / adapt to local market
- Oversee / backstop market research
- Analyze data
- Support Ryada in designing product

Ryada

Manage /
Monitor

Solutions for Development

- Carry out focus groups and interviews
- Consolidate and analyze data into report

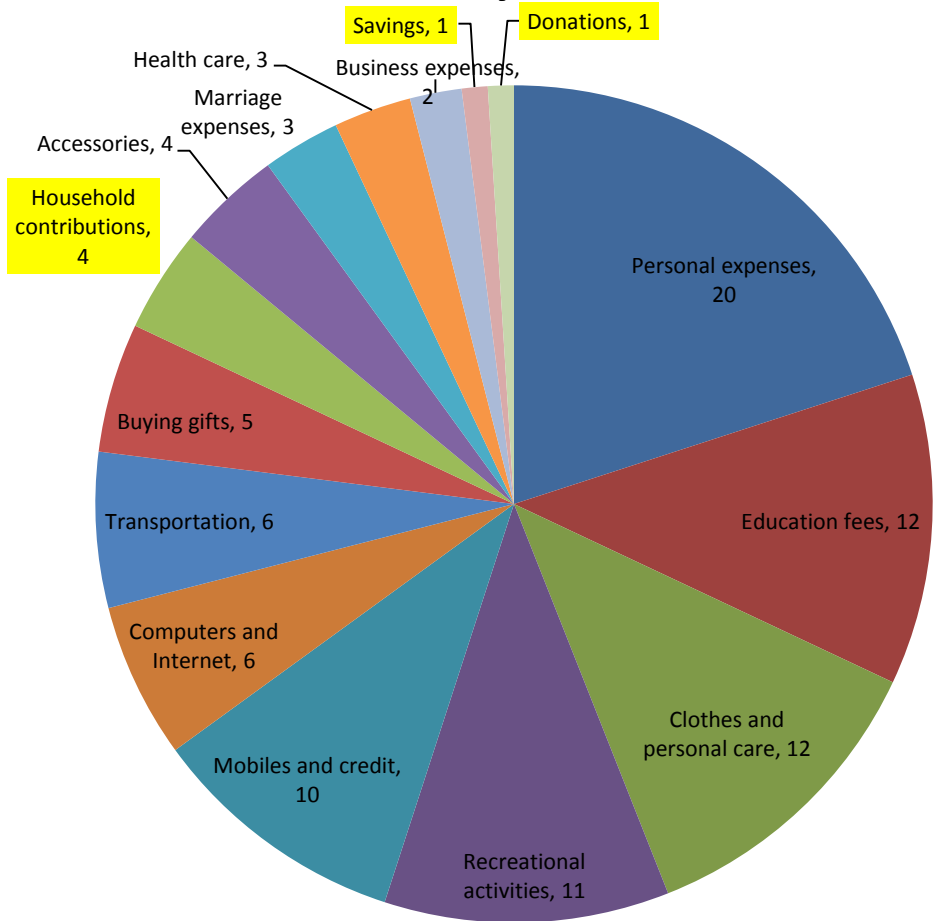
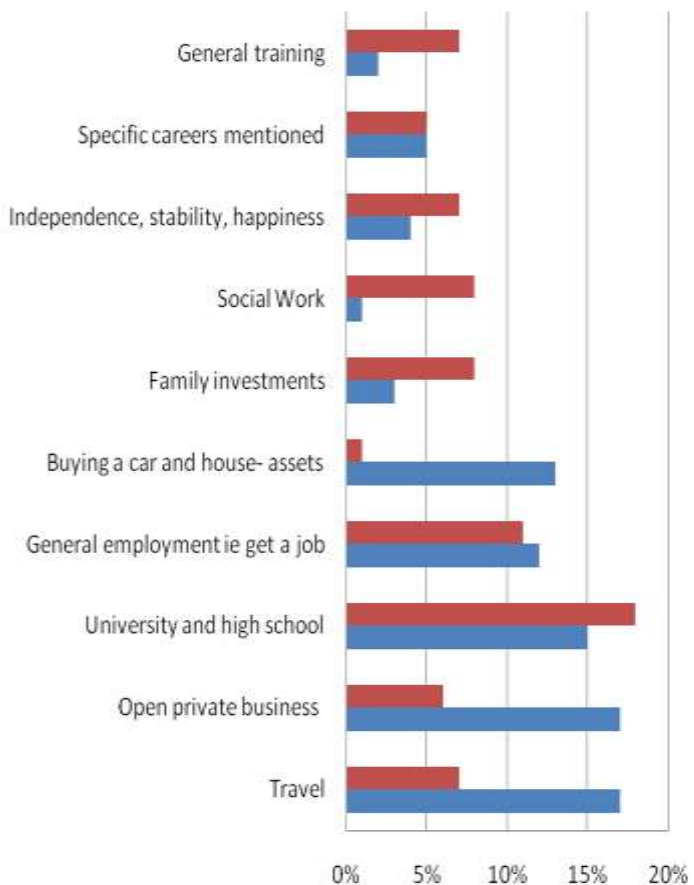




Market Research Results

How young people spend their money

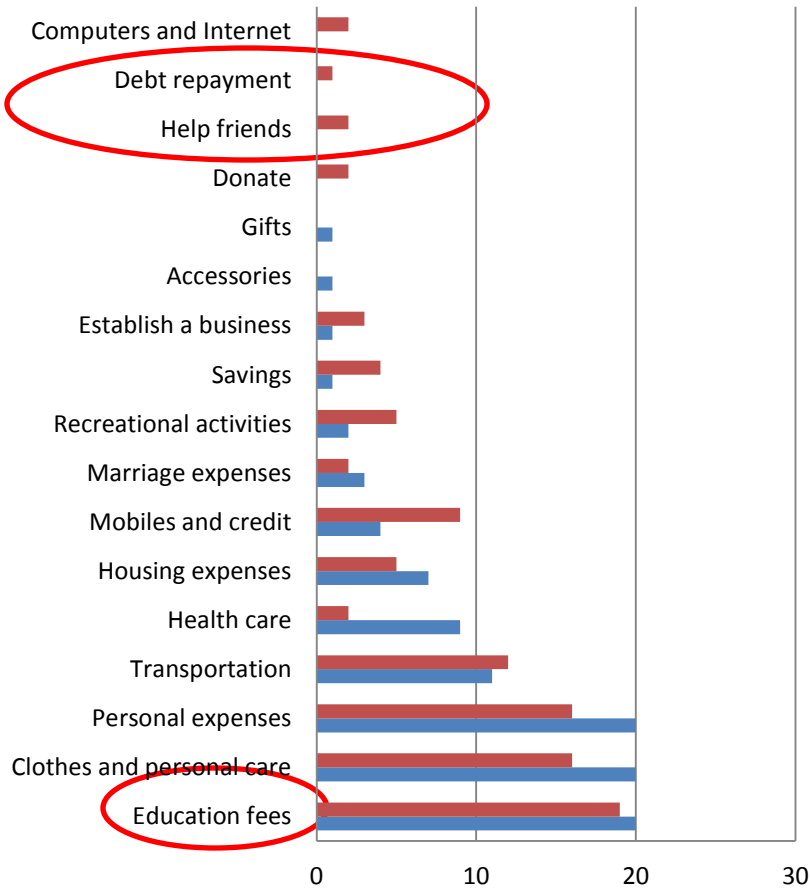
Aspirations of youth



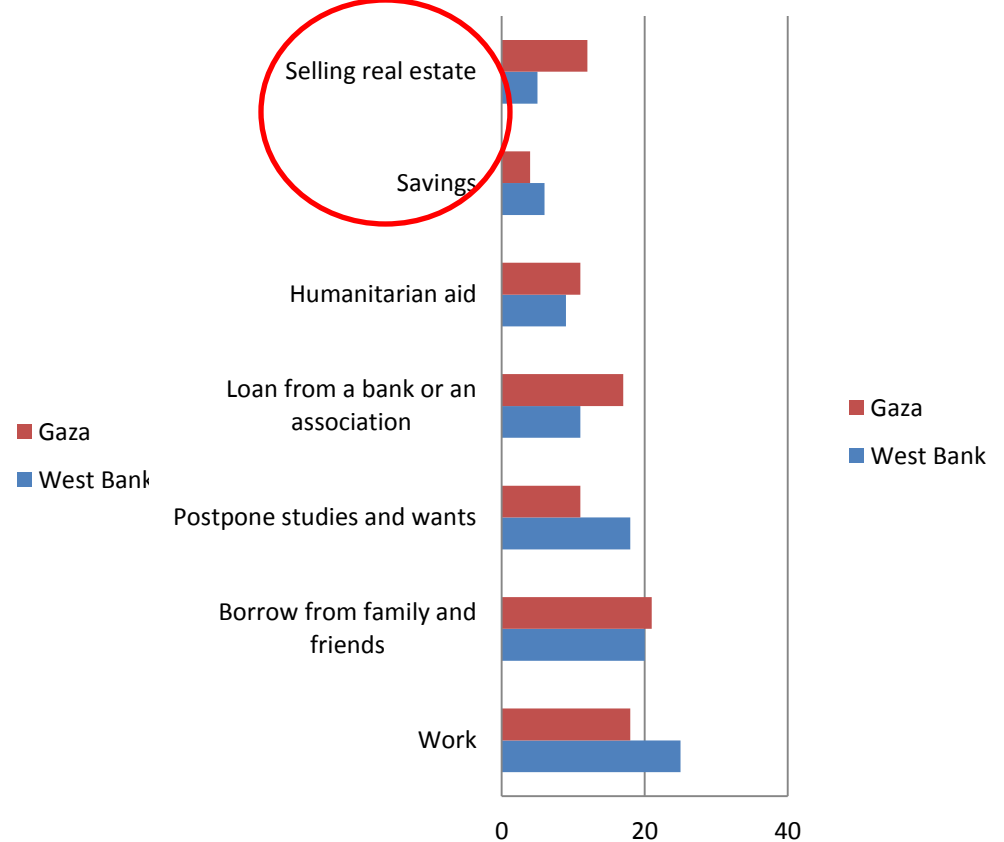


Market Research Results

Priority expenditures



Strategies for coping with budget shortfalls





Challenges

- Selecting a local consultant
- Training local consultant in tools
- Adapting the tool as needed during the process
- Consolidating / analyzing and interpreting the results
- Using results to inform the product



Selecting a Local Consultant

- Many market research firms, few with qualitative research capacity
- No firm with experience in working with youth
- Requirements for detailed SOW
- Need for a number of consultants able to work on the research
- All parties agree that the best firm was selected





Training the Local Consultant in Tools

- Focus groups with youth require not only knowledge of the tool, but also understanding of how to talk to youth
- Probing into important issues raised
- Initial excitement by local consultant with tool waned as they found the tools difficult



Adapting tools during the process

- Initial tool adaptation, with international consultants in country was done after testing
- Consultant found that Palestinian youth are frequently surveyed and have certain expectations about length and types of questions in focus groups
- Lack of in-country expertise made it difficult to adjust survey as it progressed





Consolidating and Analyzing Data

- Data is qualitative, using proxy indicators
- Surveyors presented data using methods appropriate for quantitative analysis, ran reports in SPSS
- Difficulty in identifying trends in data coming from various tools (E.g. Is money spent on aspirations?)
- Identifying minor but frequently cited issues (e.g. desire to help others)



1. Life Events for a Young Person * 1. Educational Level Crosstabulation

Count

		1. Educational Level			Total
		High School	TVET	University	
1. Life Events for a Young Person	Entering Preparatory School	4	0	0	4
	having a Trauma	0	1	0	1
	Adolescence	12	15	13	40
	being a Child	11	10	6	27
	buliding a house	3	6	1	10
	buy a car	1	0	0	1
	Composition of social relations	0	1	0	1
	Cultural Shock (returning back to Palestine, or immigration)	0	0	2	2
	Death event	5	2	2	9
	Divorce	1	1	2	4
	Early Marrige	0	0	2	2
	End Of Work in Israel	0	0	1	1
	Enter elmentary School	7	8	8	23
	Enter High School	7	6	7	20
	Enter Kindergarden	8	3	6	17
	Enter University	5	0	3	8
	Entering University	8	7	8	23
	Exposure to violence	0	1	0	1
	Fall in Love	0	1	1	2



Using the results to inform the product

- Ryada was concerned about the indirect nature of data
- Ryada confirmed many of its understanding of youth habits:
 - Sources of funds
 - Ability to borrow
 - Interest in use of borrowed funds
- Ryada was surprised by how important savings is





Conclusions

- Ryada would recommend doing market research for any future product
- In the future, it would ensure that an expert in the tools is on site throughout the entire process
- It would ensure that reporting formats are agreed among all parties prior to study
- It emphasizes the importance of on-going adaptation of tools throughout the process
- The MFI needs clear expectations / able to communicate to all parties throughout the process and manage relationships



Freedom from Hunger

From Market Research to Product Design





MEDA

freedom
from Hunger

CHF
International

 Making Cents
International



Market Research Segmentations

MFIs (Ecuador and Mali)

- Adolescent girls 13-17
- Young women 18-24
- Adolescent boys 13-17
- Young men 18-24

NGOs (Mali)

- Unmarried girls (mostly adolescents)
- Married young women (under 24 years old)
- Unmarried boys (mostly adolescents)
- Married young men (under 24 years old)





Concept Development Workshop

- 3-day long workshop with key partner staff in each country
- Youth participants to provide perspective and input into analysis and design
- Concepts for financial services (mainly savings) and financial education content





Concept Development Workshop

Analysis of Market Research

- Identifying needs and preferences of youth, including differences by segmentation
 - Saving
 - Borrowing
 - Knowledge of and access to financial services

Concept Development

- Identifying preliminary concepts of financial products that would fill those needs and preferences





Financial Service Concept Development Matrix

5Ps	Existing Products	Youth Needs and Preferences	Product Concepts	Next Steps
Product				
Price				
Place				
Promotion				
People				





Financial Education Concept Development Matrix

Savings	
Actual Behaviors	Desired Behaviors





YouthInvest: From Market Research to Product Design





Market Research Parameters

- 500 young people, aged 15-29
- Urban / rural split
- Mixture of MFI clients, employees and economically inactive youth
- Current behaviours and attitudes toward savings, credit and training





Market Research Findings

- Wide variations in the youth interviewed
- Commonality: all seeking jobs or want to create their own micro enterprises
- Financial and non financial needs differ depending on geographical location, gender and educational background. Single product will not respond to all needs
- Diverse partners needed to respond to different needs
 - MEDA - developing partnerships with MFIs, banks, vocational training centers, and local NGOs.





Findings – continued

Youth barriers include:

- lack of perceived opportunities,
- no access to resources to fund studies/training,
- lack of hands-on experience
- general and widespread feeling of hopelessness about the future





From Market Research to Product Design

YouthInvest Components:

- Training
- Loans
- Savings
- Internships





Training

Market research

Youth wanted:

- Flexible training hours
- Interactive courses,
- Courses that will help them finding a job or creating their own project
- Free courses or with a very small fee
- Certificates of completion of the training



Product design and Project evaluation

- Different training programs depending on youth availability,
- Use of governmental training centers in different regions;
- Training is free
- Training is done through different channels: YSO, MFIs, Extension officers, youth to youth;
- Certificates from MEDA and the government training centers





Savings

Market research

Youth wanted:

- Very small initial deposit,
- Very small minimum deposit,
- Easy to access,
- Matching fund to help starting their own business

Product design and Project evaluation

- Initial deposit 10 times lower than the regular amount
- Minimum deposit 10 times lower than the regular amount
- MEDA established partnerships with and a commercial bank and La Poste to offer this services to all youth in different regions
- Based on the amount saved, youth can access loan from Bank





Loans

Market research

- More money,
- Longer loan period,
- Lower interest rate,
- Follow up and training

Product design and Project evaluation

- MFIs were not able to offer more money than their regular loans. Period and interest rate same;
- MFIs open door for start ups for the first time in Morocco;
- Every youth must go through training and can access other support services from the MFIs





Internships

Market research

- Internship in companies working in the same field as youth expertise or education,
- Paid internship,
- Between 1 and 3 months
- Internship right after the end of the training or education

Product design and Project evaluation

- MEDA: partnerships with businesses and government agencies
- Right after training, youth are directed to companies where they will spend at least 1 month
- MEDA pays 50\$ to youth to cover small expenses
- Internship report sent to MEDA after of the training





Data Analysis Exercise

- What trends are recurring through the data?
- How are youth currently meeting their financial needs?
- What similarities are there in what young people aspire to do and the way that they use their financial resources?
- Do young people currently save? How
- Do young people currently borrow? How?
- What preferences do youth have in how to save money? What preferences do youth have in how to borrow money?
- What are the similarities in the long term and short term needs of young people? What are the differences?
- What type of financial/money transactions do young people have with adults? For what purpose?
- What are the needs of youth that are not being met in relation to financial services? How can these needs and preferences be addressed?

