

Customer Empowerment and SPM



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Agenda

1. Introduction, overview and discussion <ul style="list-style-type: none"> Defining customer empowerment & difference from 'empowerment' Rationale for SPTF focus on customer empowerment. Objectives of Working Group 	20 mins
2. Integrating customer empowerment into the USSPM <ul style="list-style-type: none"> Overview of content in document Input and discussion 	15 mins
3. Measuring customer empowerment <ul style="list-style-type: none"> Overview of content in document Input and discussion 	10 mins
4. Action-research <ul style="list-style-type: none"> Overview of content in document Identify opportunities to integrate customer empowerment indicators into customer and market surveys Opportunities to integrate action-research into existing research Additional ideas for action-research 	10 mins
5. Next steps for working group <ul style="list-style-type: none"> Setting up groups to work on different aspects of agenda Steps to sign-up for participation 	5 mins

Objectives of Working Group

- **USSPM customer empowerment lens (provider focus)**
Develop guidance and additional practices
Test guidance & practices with FSPs.
- **Measuring customer empowerment**
Develop and test measurement
Integrate indicators into customer & market surveys
- **Action-research (customer/market focus)**
Use survey data to analyse patterns of customer empowerment
Integrate into existing research activities
Develop new research on customer empowerment
- **Audience:** Providers & wider market (regulators, associations etc)
- **Time frame by October 2019 (6 months)**

Defining customer empowerment

Empowerment: *enhancing capacity to make choices and transform those choices into desired actions and outcomes [and prevent undesired ones]*

Customer empowerment: relationship between a customer and provider

- Not just as consumer, but engaged in shaping services
- Affected by but not including broader empowerment in other aspects of life

Providers can facilitate customer empowerment (& avoid disempowerment):

- **Choice:** customers are able to make informed choices.
- **Respect:** all customers are treated with respect and dignity regardless of transaction size or channel.
- **Voice:** in relation to developing and shaping products and services, feedback and complaints. This prompts accountability by the financial services provider.
- **Control:** gives customers tools to exercise greater control over their use of financial services and, consequently, their financial lives.

Share practical example of customer empowerment in your organisation

Why SPTF focus on this?

- Implicit in many of Standards
- Helps ensure customers receive the products and services they need
- Disempowerment excludes vulnerable, reduces value of services and creates risk
- Is an important part of effective client protection
- Makes business sense – uptake, dormancy, inactivity, exit, delinquency, competitiveness

Customer empowerment in USSPM

- Standards are already closely aligned, especially:
 - Focus on risk in strategy (2B)
 - Employee recruitment & evaluation (2C)
 - Understanding needs & preferences (3A)
 - Design of products and services (3B)
 - Transparency (4B)
 - Fair & respectful treatment (4C)
 - Complaints resolution (4E)
- Initial ideas - please **send feedback** on document
- Interest in **testing** additional practices – as part of USSPM implementation, self-assessment, audit, rating?

Standard 2C. Employee recruitment and evaluation is based on both social and financial performance criteria

Additional practices

- Staff and agents devote sufficient time to service needs of low-income customers without undue time pressure.
- Staff are supported to develop empathy in their interaction with customers.
- Customer empowerment is understood by staff and supported by organisational culture, incentives and communication.
- The provider ensures that staff understand the relationship between customer empowerment, outcomes for customers, and value created for the business.

- Standard 3B: The provider's products, services, delivery models and channels are designed to benefit clients, in line with the provider's social goals

Additional practices (choice)

- The provider undertakes actions and monitors that customers understand the relative benefits and draw backs of the range of products and services on offer using communication channels appropriate for each customer segment.
- The provider identifies and seeks to address moments in the customer journey where customers may be dis-empowered through lack of information or understanding of their choices and may therefore not access appropriate products or services.

Questions & contributions

Measuring customer empowerment

- Suggested indicators – choice, voice, respect and control.
- Direct questions to customers – knowledge, attitude, practice e.g. Likert-type scale responses (ie. scale of 1 – 5).

Capacity to make effective choice

- I am informed about multiple financial services available in the market.
- I am informed about the products and services and their terms on offer from my financial service provider
- When I need more information about financial services, I know how to get it.
- I understand the differences between the different types of loans and savings products available to me.
- I can compare prices and terms offered by different FSPs.
- I understand the risks involved in using financial services and believe they are offset by the benefits I gain.
- I am confident that I can select the products or services that are right for me.

Questions & contributions

Action-research

Market studies: Looking at market to understand characteristics of segments by levels of customer empowerment

Testing actions to promote empowerment independent of providers

- 1) Actions to build financial capability
- 2) Connecting customers & sharing information through digital platforms
- 3) Building collective voice, action and customer representation
- 4) ? other

Action-research

- Link to existing market studies and research
 - E.g. MFO financial diaries and education with garment workers in Bangladesh
 - E.g. FINCA market studies – brand health & customer satisfaction
- Develop new concepts to test
- Draft ideas for comment and sharing suggestions
- Collaborative between WG members

Questions & contributions

Next steps

- Email antons@socialperformance.net which aspects of the WG you are interested to participate in
- Send feedback on draft content for USSPM
- Test new content in practice
- Send feedback, ideas for market studies & action-research, opportunities to integrate
- More detailed call to share input/ideas with Anton
- Anton will forward link to recording and dates for next call/webinar