

## Using Customer Insights to Drive Your Crisis Response: A Conversation with FINCA International

FINCA International is the founder and majority-owner of 20 community-based microfinance institutions and banks across Africa, Eurasia, Latin America, the Middle East and South Asia. This summary is based on a SPTF webinar presentation. View the full webinar [here](#).

### **FINCA International is collecting client data during the COVID crisis. What data is collected and from whom?**

- Using a COVID-19 Customer Experience Survey, FINCA collects feedback from clients on household provisioning and financial capacity, family and business situation, coping strategies, and expectations from FINCA.
- The target sample is 500 clients, randomly selected, for each of the 20 subsidiary institutions.

### **Who collects the data and how?**

- FINCA International (headquarters) collects the data through telephonic interviews, using a structured format with a few open-ended questions. Clients are randomly selected among loan, saving, and cross savers.

### **What analysis is done?**

- Analysis focuses on the impact of COVID on FINCA customers, the implications for saving and lending, and what customers' expectations are from FINCA going forward in terms of products and communications.
- FINCA recognizes the importance microfinance institutions play during a humanitarian crisis and wants their analysis to advocate for their customers and represent their needs to all stakeholders.
- FINCA wants to understand their customers' ability to repay loans.

### **What are the insights and what actions have been taken?**

- Savers are significantly less concerned than borrowers.
- Agriculture and wholesale trade clients are more optimistic than those employed in small trader, service, and industry. => **FINCA realizes they need to build up agriculture portfolio as a source of resilience for customers and for the institution itself.**
- About 90% of respondents reported a significant drop in household income due to either complete shutdown or significant reduction of business turnover.
- Within retail and wholesale trade, food businesses were open but felt the effect of reduced demand significantly, while personal items & clothing businesses were mostly closed because of the lockdown and have not encountered significant market related factors yet. => **FINCA understands that retail food clients may take more time to recover and may be vulnerable to depressed demand after restraints are lifted.**
- There are strong similarities between countries in terms of the impact of repayment. => **FINCA can predict that restructuring will affect between 80 and 90 percent of loans, with up to 30 percent as full or partial write-offs.**
- Across countries, women are more likely to say "probably" or "unsure" while men are more definite in their assessment of the impacts of COVID.
- On average, over 80% of clients would like to receive additional communication from FINCA on updates on operating hours, available products and services, changes in product features, and reminders about health and safety measures. => **FINCA will continue providing practical information to customers on a regular basis.**