

## Using Customer Insights to Drive Your Crisis Response: A Conversation with SEF, South Africa

SEF is a group lending microfinance organisation offering group and individual loans, savings mobilisation and financial education to 210,000 clients across South Africa. This summary is based on a SPTF webinar presentation. View the full webinar [here](#).

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

- SEF started collecting data as soon as the lockdown was announced. The purpose is to understand how SEF can respond to a constantly changing context.
- Initially things were changing very fast, so the survey was conducted weekly. As the pace of change slowed down, SEF reduced the frequency of interviews.
- Sample sizes have been 200 – 400 clients for each round of data collection, with a total of 3,700+ clients interviewed over 10 rounds. Sampling is random each round; there is no follow up with the same clients over time.

### Who collects the data and how?

- SEF uses five social survey officers whose normal job is to conduct client feedback surveys and market research, and two Customer Care operators from their call centre.

### What analysis is done?

- Analysis focuses on the impact of COVID on business operations and non-business income, the reasons for these impacts, household concerns, and other impacts on clients' lives.
- SEF also wants to understand the impacts of specific policy measures. Management makes slight changes to the questions for each round, based on information needs (e.g., Are clients accessing special operating permits? Access to social grants? What are specific obstacles to certain businesses operating?)
- Segmentation has been key to understanding differences in business types, levels of non-business income, extent to which businesses are operating, and the ability of clients to pay.

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

- Around 30% of businesses are still operating at height of impact, but 60% of these are negatively impacted => **SEF is still lending but clients have the option to reschedule. Easier to identify which clients are at greatest risk of loan default.**
- Business type is the strongest indicator of expected impact. Industries most affected are alcohol, events, and selling at schools. Least affected are room rental, tailoring and grocery stores => **SEF is providing guidance and relevant financial education to clients by business type.**
- A small minority of businesses are thriving as a result of the lockdown (e.g., small retail shops) 60% of clients still have one or more sources of income. => **SEF realizes the crisis not as bad as might have seemed from business operation data.**
- At height of crisis, 70% of clients were unable to pay for essential household items within a month, but this number decreased to 25% by June => **SEF made grant funding available to assist some clients.**
- Most clients surveyed did not believe that obtaining a special permit from the government would result in their ability to continue operating. The bigger issue has been clients' inability to access goods to stock businesses => **SEF initially advocated for these business permits, but advocacy work has now shifted to reducing restrictions on travel for clients traveling to town to buy stock.**