

# Strengthening Customer Empowerment in ASKI

FINAL REPORT, 31 MAY 2021

## 1. Background

ASKI's feedback mechanism, popularly known as the *Komento Mo, I-text Mo*, is a proficient and effective way of collecting and processing client and staff complaints, inquiries, recommendations and recognitions. For the clients, the purpose of this feedback mechanism is to improve the organization's relationship with its clients by knowing how satisfied or dissatisfied they are with ASKI's products and services, policies and procedures. Likewise, this feedback platform as an early-warning sign that helps each Business Unit, Department and MFI branch determine whether certain policies need to be crafted or revised, or whether products and services need improvement.

## 2. Objective

The main objective of this study is to help ASKI understand the points where clients may be disempowered in terms of VOICE and therefore not use available mechanisms such as the *Komento Mo, I-text Mo* feedback platform. The study likewise aimed to identify ways to make ASKI's feedback and complaint mechanism more accessible to the clients and effective for ASKI. The broader goal is to bring in a focus on customer empowerment by determining how clients may be disempowered at different stages of their engagement with ASKI, and what actions are needed to address these gaps.

This study is part of a sector-level initiative on customer empowerment led by the Social Performance Task Force (SPTF) and the Microfinance Council of the Philippines (MCPI) with support from the Consultative Group to Assist the Poor (CGAP).

## 3. Framework

Integral to the framework of this study is CGAP's definition of an *empowered customer*: treated with respect and dignity, have voice and dialogue with their provider, can use and shape the financial services to be more in control of their financial lives, are more likely to be able to make effective use of the services available, provide input to shape the products and services available, and able to better manage their financial lives<sup>1</sup>. Table 1 below shows the Empowered Customer Grid – the knowledge and skills, attitude and confidence, and behavior that clients need to demonstrate empowerment. The grid covers the four elements of customer empowerment: **choice**, **voice**, **respect**, and **control**.

Table 1. The Empowered Customer Grid

	<b>CHOICE</b>	<b>VOICE</b>	<b>RESPECT</b>	<b>CONTROL</b>
<b>Knowledge &amp; skills</b>	Knows what choices are available in the market	Aware of and able to use feedback/ complaints mechanisms	Knows what to expect from provider	Understands how to use financial services for purpose
<b>Attitude &amp; confidence</b>	Confident in ability to choose	Willing to give feedback or complaint	Expects good treatment by FSP and staff	Feels capable to use financial services

<sup>1</sup> Koning, A. and G. Murphy. August 2017. Customer Empowerment in Finance: Why greater choice and control for poor customers is better for business and will help achieve financial inclusion. Consultative Group to Assist the Poor (CGAP).

<b>Behaviour &amp; experience</b>	Makes comparisons between available products & services in the market	Gives feedback & makes complaints when relevant	Feels that providers respect code of conduct	Takes up and uses appropriate financial services
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Source: SPTF and CGAP

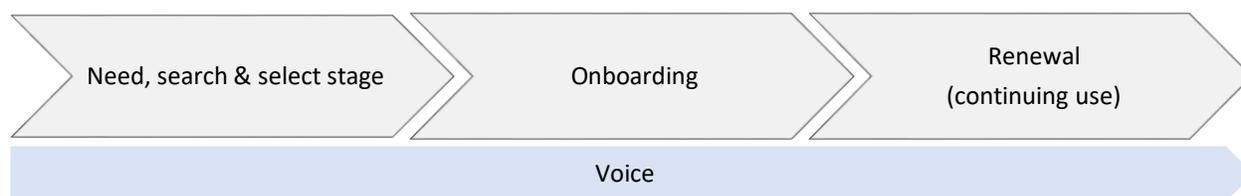
To pursue the customer empowerment framework, the study focused on the following key questions:

- How are ASKI’s clients empowered? What factors contribute to this?
- How are ASKI’s clients disempowered? What factors contribute to this and what can be done to address this?

To capture these moments of empowerment or disempowerment, clients were asked to share their experiences as they engage with ASKI and its financial services at different stages: when they assess their need for a financial product, when they have to choose and decide which financial service to access, when they access ASKI’s financial services for the first time, and through their continuing use of ASKI’s financial services (see Figure 1). Voice, as an element of customer empowerment, cuts across all stages.

Details of the methodology used for this study are provided in Annex C of this report.

Figure 1. Different Stages in Client’s Journey with a FSP



## 4. Findings

### 4.1 Positive experiences

#### 4.1.1 Need, search and select stage

Details of customer experience (including touchpoints & personas affected)	How does this experience support customer empowerment?	Internal factors (due to ASKI policies, processes, etc)	External factors (due to market, cultural or behavioral factors)
<p><b>Client assesses and understands the risks in using the product before taking it</b> (asks the questions: How will I pay the loan? Is income enough? What if we missed payment?)</p> <p>Before he borrowed from ASKI, Gerald evaluated his capacity to pay the loan. This has been his practice since. <i>"Bago po ako mag-loan, kino-compute ko po muna kung kikita ba, kung kaya bang bayaran yung tubo, kung lalagpas ba sa tubo ganoon. Eh sosobra naman po."</i> (Before I take out a loan, I compute first whether the business is going to earn, if I can pay the interest or not.)</p>	<p>Improves ability to understand need for financial services, as well as its use and benefits, and the risks of getting financial services. (Choice)</p> <p>Strengthens ability to choose financial services that will meet needs, will be beneficial and will not cause harm. (Choice)</p> <p>May give the confidence to say no when financial services will not bring benefits; the confidence not to give in to FSP pressure, relationship, loyalty (Voice and Control)</p>	<p>Financial education being provided by the ASKI Training Institute (ATI), but this is provided for selected clients only.</p> <p>ASKI's use of the financial action learning system (FALS) with clients - use of a loan management calendar (among other tools) for selected AKP clients only (300 out of 100,000 clients). The branch makes the assessment and uses an instructional video (tool #5).</p> <p>ASKI's implementation of the Client Protection Principles and good SPM practices.</p> <p>The ASKI PO discusses and explains the client's cashflow with him/her each time a client gets a loan.</p>	<p>Client's negative experiences, such as repayment problems, tend to make clients become more cautious when it comes to borrowing. This can also happen when they hear or learn about these experiences of family and friends.</p> <p>Extra-ordinary situations, such as calamities and this pandemic, or events that bring about tight financial situations and repayment problems make clients assess risks first before taking out a loan.</p>
<p><b>Client understands the risks of getting a loan and its use to address a need</b> (e.g., risky if loan term is long – due to uncertainties)</p>			
<p><b>Client assesses capacity to pay</b> (cautious about increasing loan amount – borrows what she can only afford to pay)</p>			
<p><b>Client uses information to make a choice about financial products and services</b></p> <ul style="list-style-type: none"> <li>- Has access to information about chosen provider (sources are other clients in their community)</li> <li>- Has access to information about other FSPs, but cautious about getting loans from them and thinks first whether she can afford another loan</li> <li>- Uses word-of-mouth information from</li> </ul>	<p>Confident about where and how to get information about the provider. (Choice)</p> <p>Uses information to control use of financial services and to make informed choice. (Choice)</p>	<p>ASKI makes access to information about products and services easy by using different channels, such as social media (FB) and online platforms (website).</p> <p>ASKI does not discourage clients to look at other providers and their products/services - although this is not a standard communication message to the clients.</p>	<p>Cultural: Filipinos, especially women, belong to local social circles, which are sources of information. Positive experiences of relatives and friends may affect the client's decision regarding financial services.</p> <p>Filipino communities and families are closely knit. It is easy to get information and consult people who are deemed</p>

Details of customer experience (including touchpoints & personas affected)	How does this experience support customer empowerment?	Internal factors (due to ASKI policies, processes, etc)	External factors (due to market, cultural or behavioral factors)
reliable sources (relatives, friends) - Consults people and gathered information before signing up with ASKI (went to an ASKI Branch to inquire and apply)		POs who visit the clients regularly are reliable sources of information about ASKI's financial products.	trustworthy.
<b>Client is confident about where to get information</b> - Confident to approach the ASKI Branch to get information about the loan.  Mylene considers the Branch Manager as her "text mate". <i>"Kasi po si Manager lagi ko pong itine-text yun eh, kahit wala akong reklamo jino-joke ko po lagi yun eh."</i> (I always send a text message to the Manager even if I don't have a complaint. I always tease him.)	Has the knowledge and confidence about where and how to get information. (Choice)  Confident to speak with managers to get information about financial products. (Voice)	ASKI has a culture of openness that makes the staff approachable by clients. This can also be attributed to institutional culture and leadership.  ASKI's reputation in the community builds client trust and confidence and motivates individuals to approach staff or branch offices.	
<b>Client is confident about choice of provider</b> - Easy access to ASKI loans (e.g., no collateral required) as a decision point	Confident in ability to choose. (Choice)	ASKI's policies and processes are simple enough to ensure inclusion of marginalized client segments.	Clients tend to compared ASKI with other providers that have stringent entry or application requirements (e.g., requires collateral).

#### 4.1.2 Onboarding and renewal/continuing use

Details of customer experience (including touchpoints & personas affected)	How does this experience support customer empowerment?	Internal factors (due to ASKI policies, processes, etc)	External factors (due to market, cultural or behavioral factors)
<b>Client reviews and understands the T&amp;Cs before signing the contract.</b>	Makes effort to understand how to use the financial product (Control)  Feels capable to use the financial product and knows how to benefit from usage (Control)	At the branch level, Accounting Assistants explain the terms and conditions of the loan upon loan release. This is a standard practice. (During pandemic: ASKI is using EC Pay and Landbank cash card to disburse loans.)	Behavioral: Clients check the T&Cs so they can still compare with other providers' product offerings.  Behavioral: Perhaps due to unfavorable experiences in the past, clients are more careful when entering into agreements with providers.
<b>Client is confident to ask ASKI questions about the product T&amp;Cs</b>	Confident to provide feedback or ask questions in order to better understand	Pre-pandemic: When POs collect payments from clients, this iss also their	

Details of customer experience (including touchpoints & personas affected)	How does this experience support customer empowerment?	Internal factors (due to ASKI policies, processes, etc)	External factors (due to market, cultural or behavioral factors)
<p>- Asks the PO or the branch staff</p> <p>Loraine was confident to ask the ASKI PO about savings and insurance, which were bundled with her loan. <i>"Nagtanong ako - Sir bakit po may mga savings? Bakit hindi na lang yung kapital o yung interest ang ibigay? Nakalimutan ko na kung ano yung sagot ni PO sakin noon, pero naintindihan ko rin siya."</i> (I asked the PO why are there savings and why not just give the capital or interest? I forgot his answer but I understood him.)</p>	<p>how to use the financial product (Voice)</p>	<p>opportunity to ask the clients if they have questions or clarifications about product features and policies.</p>	
<p><b>Client experiences easy and convenient loan application</b> (form brought to her)</p>	<p>Meets expectation of quality service and good treatment by FSP (Respect)</p>	<p>Upon application, the assigned officer in the area where the applicant/potential client live will personally bring the application form and initially conduct a pre-credit investigation.</p>	
<p><b>Client understands use of bundled financial products (savings and insurance)</b></p> <p>- Appreciates the importance and understands the use of financial products bundled with the loan (understands the benefits from using savings and insurance)</p>	<p>Understands how to use financial products, its purpose and benefits. (Control)</p>	<p>Through ASKI's financial education, client orientation and client stories in ASKI's social media channels (YT, FB), clients learn all about the financial products, including its use and importance.</p> <p>Since the MBA insurance is an in-house insurance provider of ASKI, time needed to process claims can be shorter. Clients appreciate this.</p>	<p>Clients learn from other clients' positive experiences about the products (insurance in particular).</p>
<p><b>Client benefits from use of ASKI's financial products and services</b></p> <p>- Beneficial for the business or livelihood</p> <p>- Satisfied that ASKI is meeting their need for business capital, as well as other needs (e.g., for child's job application)</p> <p>- Feels trusted by ASKI</p> <p>- Satisfied with ASKI's simple processes and easy requirements</p> <p>- Controls use of loans (does not add other</p>	<p>Understands how to use financial products, its purpose and benefits and how it can meet their needs. (Control)</p> <p>Confident that provider respects and trusts them. (Respect)</p> <p>Confident about choice and ability to choose provider; knows what he/she wants about products and service.</p>	<p>ASKI regularly tracks and monitors clients' usage of loans, i.e., if they used it according to the purpose of loan (loan utilization check). This is done a week after the approval and release of loan.</p> <p>ASKI's financial products were designed to be impactful - to benefit the clients through small and accessible loans, savings and insurance. These products</p>	<p>Behavioral: Clients feel trusted and respected due to many years of beneficial relationship with ASKI.</p> <p>Favorable business environment brings about positive results such as better incomes for the clients, hence payment problems are minimized.</p>

Details of customer experience (including touchpoints & personas affected)	How does this experience support customer empowerment?	Internal factors (due to ASKI policies, processes, etc)	External factors (due to market, cultural or behavioral factors)
<p>loans to their ASKI loan) - Does not experience payment problems (gets payment from business)</p> <p>The client speaks highly of ASKI and attributes the trust between him and the company to 20 years of experience and relationship. "<i>Sa tagal na andito po ako sa ASKI talagang buo ang tiwala ko sa kanila at buo din po ang tiwala nila sa akin.</i>" (I have been with ASKI for a long time. I have full trust in them, and I believe they fully trust me too.)</p>	(Choice)	are deemed suitable to client characteristics/profile.	
<p><b>Client experiences easy and convenient access to ASKI services</b> - Easy access points and trustworthy transactions (ASKI staff collects loan payments, branch is nearby) - Easy and convenient loan renewals (ASKI brings loan application form to client)</p>	<p>Knows what to expect from the provider in terms of product and service. (Respect)</p>	<p>ASKI's process and product design are suitable to its clients.</p> <p>ASKI PO can bring loan application to client at each client visit for loan collection.</p> <p>ASKI processes loans within 5 days upon completion of requirements. Some MFI branches also do not require renewal clients to submit all documents required during the first application if these are still "valid". They only require the renewal client to submit a new loan application form.</p> <p>ASKI branch offices are accessible in terms of location. Staff, POs in particular, conduct regular client visits.</p>	
<p><b>Client controls use of loans</b> - Controls use of loan (controls amount that will be borrowed – only what is affordable based on capacity to pay) - Evaluates capacity to pay before taking out a loan - checks income and household expenses first</p>	<p>Uses financial products appropriately, ensures risks will not cause issues and challenges. (Control)</p>	<p>ASKI PO discusses the cashflow with the client each time client renews a loan.</p>	<p>Behavioral: Clients are more cautious about borrowing when they experienced payment issues in the past, or when they observed families/friends experience problems with their providers.</p>

Details of customer experience (including touchpoints & personas affected)	How does this experience support customer empowerment?	Internal factors (due to ASKI policies, processes, etc)	External factors (due to market, cultural or behavioral factors)
<p>Before asking for a loan from ASKI, Pina checks her potential farm income and household expenses. <i>"Binabasihan ko rin yung kita sa palay o yung pagkakagastos sa bahay - yun ba ay kayang i-produce agad agad sa takdang bayaran. Kaya pinag-iisipan ko kasi mayroon akong pinag-aaral kaya kaunti lang yung inilo-loan ko para kayang kayang budgetan ang pagbabayad."</i> (I base my decision on my income from farming or the household expenses – whether I have the money on the date payment is due. I think hard about it because I have a student – that’s why my loan is small so I can afford to pay it.) She does this because she does not want to have problems with repayment.</p>			
<p><b>Client is confident about the information provided by ASKI</b>  - Confident about the information she has on financial products (loan, savings, insurance)  - ASKI staff provides clear explanation</p>	<p>Expects and experiences good treatment by provider (transparent, etc.). (Respect)</p>	<p>ASKI staff reads the contract before disbursement.</p> <p>Product information and policies are explained to clients at each loan cycle. POs who visit clients are also sources of information.</p>	

#### 4.1.3 Voice

Details of customer experience (including touchpoints & personas affected)	How does this experience support customer empowerment?	Internal factors (due to ASKI policies, processes, etc)	External factors (due to market, cultural or behavioral factors)
<p><b>Client is confident to engage with ASKI</b>  - Prefers approaching the ASKI staff for questions or concerns  - Finds ASKI staff approachable and comfortable to engage with  - Confident to inform ASKI about their concerns and needs (e.g., adjustment in loan term to cope with payment issues)</p>	<p>Knows how to engage and provide feedback, or inform the provider about issues. (Voice)</p> <p>Knows how s/he should be treated by the provider and is treated well by the provider. (Respect)</p>	<p>ASKI has approachable branch/field staff, and this is likely due to institutional culture and staff training.</p> <p>The POs' weekly visit and loan collection serve as a touchpoint to engage with clients.</p>	<p>Clients feel comfortable with ASKI if they see others (co-members/clients) are comfortable too.</p> <p>Family members are clients too.</p> <p>Clients believe that ASKI takes action quickly on issues if reported directly to</p>

Details of customer experience (including touchpoints & personas affected)	How does this experience support customer empowerment?	Internal factors (due to ASKI policies, processes, etc)	External factors (due to market, cultural or behavioral factors)
<ul style="list-style-type: none"> <li>- Finds convenient ways to engage with ASKI and informs staff about issues (e.g., through weekly visits of ASKI staff)</li> <li>- Confident to engage with ASKI and receives timely information about his account</li> <li>- Uses ASKI staff's weekly visit and loan collection to engage because client does not have a mobile phone</li> <li>- Does not hesitate to approach any of ASKI's managers and collectors because they are not intimidating and they explain things well</li> <li>- Confident to engage with ASKI but likes face-to-face engagement and prefers going to the ASKI branch office for any questions or concerns</li> </ul> <p>Lorraine feels comfortable with ASKI and enjoys a good relationship with the branch staff. <i>"Parang kumportable kami. Kapag pumupunta ka ng branch welcome na welcome ka sa kanila at sa mga PO nila. Yun po parang included na rin yung feeling comfortable ka sa kanila. Sila lang yung pwede mong pagkatiwalaan sa mga ganung bagay."</i> (We are somewhat comfortable. The staff welcome us when we go to the branch. We feel comfortable and we can trust them to do that.)</p>			<p>the Branch Manager.</p>

## 4.2 Points of Disempowerment

### 4.2.1 Need, search and select stage

Details of customer experience (including touchpoints & personas affected)	How does this experience adversely affect customer empowerment?	Internal factors (due to ASKI policies, processes, etc)	External factors (due to market, cultural or behavioral factors)
<p><b>Client has negative perceptions about loans</b> (due to unethical collection practices of other providers) <b>and there is reluctance to borrow</b> (because client does not have sufficient income to pay loan).</p>	<p>Affects knowledge and range of choices about providers and financial products that are available in the market, especially when clients generalize their experience. (Choice)</p>	<p>Even some clients have had unpleasant experiences with ASKI, and this contributes to negative perceptions about loans and providers.</p>	<p>Negative perceptions are brought about by unpleasant experiences with other FSPs (e.g., harmful and fraudulent practices, discrimination, etc.), and with ASKI (for some clients).</p> <p>Some clients hear stories from family members and friends and this creates distrust and negative perceptions.</p> <p>The experiences of other borrowers also affect the decision of the client to choose where to get a loan or which providers or products to access - especially if these are individuals they trust, such as family members, community leaders, etc.</p>
<p><b>Client takes out a loan despite having no need for it</b> (felt compelled or forced to get a loan in order to get insurance)</p>	<p>Affects ability to choose and use products that serve their needs. (Choice)</p> <p>Affects control or the ability to take up and use financial product based on need or purpose. (Control)</p> <p>Affects confidence to be treated well by the provider. (Respect)</p>	<p>Once a client has fully paid a loan with ASKI, the branch encourages the client to get even a small loan to continue payment of the insurance premium. Branches also have loan production targets and, if not monitored, might lead to aggressive sales practices by the staff.</p> <p>By design, ASKI loans are bundled with savings and insurance.</p> <p>Some branches encourage clients to renew their loan since they have good repayment record and credit rating.</p>	<p>This could be due to peer pressure, i.e., even if the client does not need it, he/she will try to apply for loan because their relatives and friends are getting a loan.</p>
<p><b>Client dislikes engaging with several providers</b> (wants to borrow from ASKI only)</p>	<p>Affects ability to make comparison between available products and services in the market and make</p>	<p>Clients are satisfied with and benefits from ASKI's products and services.</p>	<p>Client had negative/unpleasant experiences with other providers, or heard stories of other clients'</p>

Details of customer experience (including touchpoints & personas affected)	How does this experience adversely affect customer empowerment?	Internal factors (due to ASKI policies, processes, etc)	External factors (due to market, cultural or behavioral factors)
<p>Virgilio admits that he is not comfortable having to deal with several providers and wants to have a relationship with ASKI only.</p> <p><i>"Sa akin lang ay ayaw ko na talaga, minsanan na lang dito, ayaw ko ng ibang kausap."</i> (For me, I don't want to talk to other providers. I'm okay dealing with ASKI every now and then.)</p>	<p>informed choices. (Choice)</p>		<p>experiences with their FSPs.</p> <p>Client has hurdles or challenges in comparing providers (lacks information and ability to compare), in switching to other providers (due to KYC requirements, no track record, will have to establish a new relationship, etc.), or is intimidated having to deal or engage with other providers.</p>
<p><b>Client does not want to know more about other FSPs and their products and services</b> (does not want multiple borrowings)</p>	<p>Limits knowledge of other available providers and products, and affects ability to make comparisons and informed choices. (Choice)</p>	<p>Clients know that ASKI regularly submits their credit status to the Microfinance Data Sharing System (MIDAS). Clients tend to take care of their good repayment record so they can continue to have access to ASKI loans.</p>	<p>Behavioral: There is stigma in having many loans, especially if loans are not repaid. This could be the clients' own experience or based on other clients' experience.</p> <p>Client is influenced by family members and peers to borrow from ASKI only.</p>
<p><b>Client lacks information about other products and providers</b> (not aware if other providers offer savings and insurance too, or if ASKI's interest rate is lower than others)</p>	<p>Limits knowledge of other available providers and products. Affects ability and confidence to make comparison and informed choices. (Choice)</p>		<p>Client lacks access to information - perhaps due to distance, technology (limited access to information available from the internet, socmed).</p> <p>Client has literacy limitations - information available is not easy to understand. Client does not know where to look for information.</p> <p>Client is simply not motivated to look for other providers and engage with them (satisfied with ASKI; intimidated by other FSPs; there are challenges to switching providers).</p>
<p><b>Client does not verify information about the provider</b> (did not verify whether the information/feedback received about ASKI were true or accurate)</p>	<p>Affects confidence in ability to choose and make informed choices. (Choice)</p>		<p>Client lacks access to information - perhaps due to distance, technology (limited access to information available from the internet, socmed).</p> <p>Client has literacy limitations -</p>

Details of customer experience (including touchpoints & personas affected)	How does this experience adversely affect customer empowerment?	Internal factors (due to ASKI policies, processes, etc)	External factors (due to market, cultural or behavioral factors)
			<p>information available is not easy to understand. Client does not know where to look for information.</p> <p>Client's sources of information are trustworthy (i.e., family members, ASKI POs), hence no longer motivated to verify information.</p>
<p><b>Client has limited use of smart phone</b> (used for texting and calls but not to look/search for information)</p>	<p>Affects ability to access information, use information to make comparisons, understand products and services, and to make informed decisions. (Choice)</p>		<p>Client lacks digital literacy or is not tech savvy. Client may also believe in the saying "can't teach old dogs new tricks."</p> <p>Client has unstable signal/connection issues.</p>
<p><b>Distance limits client's options regarding FSPs</b></p> <p>Client is aware of other lenders present in their town, but does not consider borrowing from them due to distance. <i>"Malayo po eh sa bayan po. Eh sa dulo po kami. Nasa gitnang bukid po kasi kami eh."</i> (They are located far from us. We live at the far end of the town in the middle of a farm.)</p>	<p>Affects access and use of financial products and services that may be appropriate for their needs. (Control)</p>	<p>Client is satisfied with ASKI's products and services, and is no longer motivated to look for other providers.</p>	<p>Other FSPs are located outside the town or community and it will be costly for the client to transact with them.</p>
<p><b>Client lacks confidence and ability to approach ASKI for a loan</b> (felt intimidated and worried that application will get rejected because s/he does not feel creditworthy)</p> <p>As an AKP (group loan) client, she found it more convenient to approach the center chief for questions about ASKI and the financial products she took. <i>"Si center chief lang kasi matagal na sya dun"</i>. (We just approach the center chief because she has been with ASKI for a long time.)</p>	<p>Limits knowledge of provider's products and services. (Choice)</p> <p>Affects confidence and ability to engage with the provider in order to ask questions and get more information. (Voice)</p> <p>Affects access and use of financial products and services that may be appropriate for their needs. (Control)</p>	<p>ASKI staff are not approachable and intimidating.</p>	<p>There is stigma if client's loan application is rejected. Client might have been rejected in the past.</p> <p>Client is intimidated because s/he lacks financial capacity or capacity to pay.</p>

#### 4.2.2 Onboarding and renewal/continuing use

Details of customer experience (including touchpoints & personas affected)	How does this experience adversely affect customer empowerment?	Internal factors (due to ASKI policies, processes, etc)	External factors (due to market, cultural or behavioral factors)
<b>Distance affects client's ability to gather information</b> (ASKI branch is located in next town)	Affects ability to better understand usage of the product for need or purpose. (Control)		<p>Clients have limited access to information available from the branch, and from the ASKI website, FB, etc.</p> <p>Client has smart phone and connection issues, which may limit access to online information. Client may also have digital literacy issues.</p>
<p><b>Client lacks understanding about product T&amp;Cs</b></p> <ul style="list-style-type: none"> <li>- Does not understand why she had to add to her savings to get a bigger loan</li> <li>- Does not easily understand the features and terms of the insurance policy</li> <li>- Lacks confidence to question policy regarding insurance (e.g., upfront deduction of high premium)</li> <li>- Does not understand the T&amp;Cs of the insurance (does not have an idea why she needs to continue paying for her premiums even if she already settled her account/loan with ASKI)</li> </ul>	Affects ability to better understand usage of the product for need or purpose. Affects confidence to use the product. (Control)	Staff lacks explanation about product T&Cs, particularly about bundled products (savings and insurance).	<p>Clients do not have sufficient time to receive the information and understand them (always in a hurry to go back to their homes and business). "<i>Pag kailangan na, tsaka nagtatanong.</i>" (When we need the information, that's the time we ask.) Client's intention was to get a loan and therefore tries to understand the loan T&amp;Cs only.</p>
<b>Client experiences difficulty complying with a loan requirement</b> (husband's pay slip - due to covid lockdown)	Affects confidence to use financial products and services. (Control)	ASKI branches take time to give feedback to clients about their loan application - especially if disapproved (due to reasons such as lack of funds, or client did not qualify).	
<p><b>Client lacks confidence to engage with ASKI and ask questions</b> (particularly for new clients - do not know how to ask questions)</p>	<p>Affects ability and confidence to engage with the provider. (Voice)</p> <p>Affects ability to understand how to use financial product. (Control)</p>	ASKI staff do not sufficiently communicate to clients how they can ask questions or get more information (through POs, branches, Komento Me hotline, etc.).	<p>Client is intimidated.</p> <p>Client is not aware of the channels to use to ask questions, or did not take the information seriously when provided by ASKI.</p>
<p><b>Client has issues with insurance</b></p> <ul style="list-style-type: none"> <li>- Lacks confidence about her knowledge regarding insurance</li> </ul>	Affects ability and confidence to understand use of the product for purpose or need. (Control)	Staff lacked explanation about product T&Cs, particularly about bundled products (savings and insurance).	<p>Clients do not have sufficient time to receive the information and understand them (always in a hurry to go back to</p>

Details of customer experience (including touchpoints & personas affected)	How does this experience adversely affect customer empowerment?	Internal factors (due to ASKI policies, processes, etc)	External factors (due to market, cultural or behavioral factors)
<p>- Lacks awareness about insurance obtained from ASKI</p> <p>- Does not fully understand the T&amp;Cs of ASKI's insurance product</p> <p>Jocelyn did not mind that she would lose insurance coverage once she drops out of ASKI in 2018. <i>"Hindi naman namin kailangan eh. Pero nag-offer sila na kahit hindi ka na member pwede ka na mag insurance na naka-separate. Kasi dito lang naman ako sa bahay - hindi ko naman kailangan, hindi naman ako nagmo-motor."</i> (We didn't need insurance. But ASKI said I can still have insurance coverage even if I'm not borrowing. I just stay here at home and I don't ride a motorbike.)</p>			<p>their homes and business). <i>"Pag kailangan na, tsaka nagtatanong."</i></p> <p>Client's intention was to get a loan and therefore tries to understand the loan T&amp;Cs only.</p>
<p><b>Client's financial capacity affects access to and use of financial services</b></p> <p>- Financial capacity and bank requirements affect ability to use bank products (e.g., savings)</p> <p>- Paying capacity and payment concerns affect confidence to borrow (hesitant to increase loan)</p>	<p>Affects ability and confidence to use or take up appropriate financial products. (Control)</p> <p>Affects range of options regarding FSPs and products. (Choice)</p>	<p>ASKI targets low-income households. Target clients therefore have issues regarding incomes and financial capacity.</p>	<p>Behavioral: Client lacks confidence to engage with financial services and providers due to inadequate income and insufficient capacity to pay loans. They are intimidated - perhaps due to past experiences (e.g., unable to repay loan, savings or loan application with a bank got rejected).</p> <p>Client lacks ability to assess cash flow and determine capacity to pay.</p>
<p><b>Consumer protection issues affect clients' access to and use of financial services</b></p> <p>- Unfavorable experience with a provider (involving savings)</p> <p>- Does not use services of other providers due to negative perceptions (co-members/peers as source of information)</p>	<p>Affects ability and confidence to use or take up appropriate financial products. (Control)</p> <p>Affects expectations of good treatment by providers. (Respect)</p> <p>Affects range of choices of available products and services. (Choice)</p>		<p>Behavioral: There is lack of trust of financial services due to consumer protection issues (fraud, unethical collection practices, etc) with other FSPs. This can be an actual experience of the client, or based on the experiences and stories of other clients.</p>
<p><b>Distance and smart phone usage issues affect client's engagement with ASKI</b></p> <p>- Prefers going to the branch for questions or</p>	<p>Affects ability to use available channels for feedback and complaints, as well as ability to provide feedback and</p>		<p>Some barangays/communities are far from the ASKI branch offices.</p>

Details of customer experience (including touchpoints & personas affected)	How does this experience adversely affect customer empowerment?	Internal factors (due to ASKI policies, processes, etc)	External factors (due to market, cultural or behavioral factors)
<p>information</p> <ul style="list-style-type: none"> <li>- Does not own and use a mobile phone (hampers communication with ASKI)</li> <li>- Poor mobile connection hampers communication with ASKI</li> </ul>	<p>complaints. (Voice)</p>		<p>Signal and connection issues discourage use of smart phones to engage with ASKI and other providers.</p>

#### 4.2.3 Voice

Details of customer experience (including touchpoints & personas affected)	How does this experience adversely affect customer empowerment?	Internal factors (due to ASKI policies, processes, etc)	External factors (due to market, cultural or behavioral factors)
<p><b>Client lacks confidence to provide feedback</b></p> <ul style="list-style-type: none"> <li>- Not consulted or asked for feedback about ASKI products and services (staff gets in touch for loan collection only)</li> <li>- Lacks confidence to offer suggestions regarding product T&amp;Cs (or provide feedback about product terms)</li> <li>- Lacks confidence to inform ASKI about her needs (for a loan/bigger loan) because ASKI staff asks first if she can afford to pay it</li> <li>- Issues about/with co-members affect confidence to give feedback or voice out concerns</li> <li>- Lacks confidence to directly approach ASKI for questions or concerns (prefers approaching the center chief)</li> </ul>	<p>Affects confidence and willingness to provide feedback and complaints. (Voice)</p> <p>Affects ability to use financial products for need or purpose. (Control)</p>	<p>Clients are not informed about their consumer rights (right to voice or to give feedback and complaints).</p> <p>ASKI does not conduct client satisfaction surveys anymore.</p> <p>The ASKI PO's visits and calls are for loan collection only.</p>	<p>Clients perceive the POs' visits and calls are for loan collection only.</p> <p>Behavioral: Clients feel a sense of intimidation when engaging with ASKI. S/he cannot express what s/he needs or wants and feels she will not be heard anyway.</p>
<p><b>Client lacks information about ASKI's feedback/complaints channels</b></p> <ul style="list-style-type: none"> <li>- Lacks information about ASKI's complaint channels</li> <li>- Does not know how to file a complaint if issue is about staff</li> <li>- Does not know how to send a complaint (will just go to the ASKI Branch in case she has a complaint)</li> </ul> <p>Ceperina thinks she does not have any reason</p>	<p>Lacks awareness and ability to use feedback/complaints mechanisms. Affects confidence and willingness to provide feedback and complaints. (Voice)</p>	<p>ASKI staff are not disseminating information about the <i>Komento Mo</i> hotline, and are worried about repercussions if clients complain about them.</p>	<p>Clients do not take sending or filing of complaints seriously. There is little appreciation of the importance of client feedback and complaints to improve ASKI's products and services.</p> <p>Clients do not know how to use the <i>Komento Mo</i> channel to send feedback or complaints.</p>

Details of customer experience (including touchpoints & personas affected)	How does this experience adversely affect customer empowerment?	Internal factors (due to ASKI policies, processes, etc)	External factors (due to market, cultural or behavioral factors)
<p>to complain about ASKI and does not know how to send a complaint. <i>"Eh wala naman ako masilip para ireklamo sila. Wala pa naman akong ano eh, kaya di ko pa alam kung paano magreklamo. Lalo na wala akong nasisilip na pwedeng ireklamo sa kanila."</i> (I can't find any reason to complain and I don't know how to complain.) She said that maybe she will go to the ASKI branch office if she has a complaint.</p>			
<p><b>Client is intimidated about filing complaints</b> - Feels intimidated filing a complaint or raising issues about ASKI managers because "he is the manager" and it is embarrassing</p>	<p>Affects ability, confidence and willingness to provide feedback and complaints when relevant. (Voice)</p>	<p>ASKI lacks information and communication regarding clients' rights, particularly their right to voice/complain.</p>	<p>Client is intimidated and is worried about repercussions especially if complaint is about the ASKI staff or manager.</p> <p>Clients do not take sending or filing of complaints seriously. There is little appreciation of the importance of client feedback and complaints to improve ASKI's products and services. Clients also believe that complaints are not heard and addressed.</p>
<p><b>Client finds inconveniences in filing complaints</b> - Did not file a complaint with another provider, felt the issue was not significant (and amount involved was not substantial)</p>	<p>Affects willingness to provide feedback and complaints when relevant. (Voice)</p>		<p>Clients do not take sending or filing of complaints seriously. There is little appreciation of the importance of client feedback and complaints to improve ASKI's products and services.</p> <p>Filing complaints have costs for the client, and channels are not easy to use.</p>
<p><b>Clients believe delinquent clients have no right to voice</b> - Repayment performance affects confidence to engage with ASKI. <i>"Medyo nakakahiya rin po, kaya siyempre para maulit po. Mas maganda po yung halos nasa due po o kaya minsan advance (payment)."</i> (It's embarrassing if we cannot pay our loan. So we</p>	<p>Affects confidence and willingness to provide feedback and complaints when relevant. (Voice)</p>		<p>Client is intimidated and lacks the confidence due to his/her repayment performance. Client feels s/he has no right to voice, while others (staff, co-members) make her/him feel as such. Client is also worried about repercussions, i.e., complaining might worsen situation or relationship with</p>

<b>Details of customer experience (including touchpoints &amp; personas affected)</b>	<b>How does this experience adversely affect customer empowerment?</b>	<b>Internal factors (due to ASKI policies, processes, etc)</b>	<b>External factors (due to market, cultural or behavioral factors)</b>
<p>can also borrow again of course. Better if we can pay on due date or sometimes in advance.)</p> <p>- Delinquent clients feel intimidated to voice out concerns</p>			<p>ASKI.</p>

## 5. Recommendations

Specific recommendations are provided in Annex A and Annex B of this report. These recommendations are intended to address issues in customer empowerment and reinforce the clients' positive experiences in their engagement with ASKI and their use of ASKI's financial products and services. However, these recommendations focus on actions at ASKI's level only, and does not include any market-level actions to address broader gaps in customer empowerment.

Summarized below are some key recommendations for ASKI to help them develop and strengthen the clients' knowledge, skills and attitude across the pillars of customer empowerment, particularly in terms of choice and voice.

- a) The Financial Action Learning System (FALS) is a mechanism and a set of tools that can support customer empowerment in ASKI. FALS tools can help ASKI clients become empowered through the use of the visioning and financial calendar tools. The visioning tool, for instance, features the future plans of the client for his/her family in terms of their businesses and education of their children while the financial calendar tool helps the client plot their monthly budget and attain their goals on a specific date. Use of the FALS falls under the Bridging the Gender Gap Project, which aims to guide ASKI clients on how to build a better relationship in their homes, improve their lives, boost their confidence and enhance their leadership skills.

It is recommended to integrate customer empowerment in the FALS framework by including the Empowered Customer Grid in the expected outcomes. It is further recommended to widen the coverage of FALS to include as many, if not all clients. This may have implications on ASKI's financial and human resources, particularly in training more staff who can administer the FALS. It is therefore important to analyze benefits vis-à-vis costs, and how FALS can be implemented in a cost-efficient manner.

- b) The *Komento Mo, I-Text Mo* platform for client feedback and complaints is most likely working for certain clients of ASKI, particularly tech-savvy individuals, those without phone signal issues and those comfortable using their smart phones to communicate. Most of the clients interviewed for this study, however, hardly know the texting platform and that it can be used to send feedback and complaints. To improve the clients' use of the texting platform, ASKI may want to consider the following:
  - i. For those with access to the *Komento Mo* platform, reasons for not using it to send feedback and complaints can be any of the following:
    - It is not the preferred mode. There will be clients who prefer speaking with an ASKI staff if they have issues or concerns. According to several clients interviewed for this study, they can get immediate feedback, answer or resolution of their concerns if they talk to an ASKI staff. An ASKI staff is also very accessible: clients can go to the branch or speak to the PO who visits them weekly. It is therefore important for ASKI to consider other platforms, particularly for clients who prefer face-to-face means of communication.
    - Clients have no or limited information about *Komento Mo*. ASKI has to re-assess how information about the texting platform is being disseminated to clients. ASKI's Corporate Planning team has been doing a text blast to clients in all MFI branches to promote the use of *Komento Mo, I-text Mo*. The goal is to inform all new and current clients that they have the right to speak out their minds and raise their

concerns by sending a text message. MFI staff should also support the mechanism because they are mainly responsible to communicate this to clients. More broadly, ASKI can launch a campaign to intensify dissemination of information but include the importance of exercising the client's right to voice, and why client feedback and complaints are important to ASKI. Further, ASKI has to recognize and address the issue that field staff may not have the incentive to communicate the *Komento Mo* platform to clients due to complaints that may be lodged against them.

- ii. For those without access to the *Komento Mo* feedback platform, ASKI should consider other mechanisms such as customer service agents in branch offices.
- c) The broader gap, however, is the barrier to voice faced by ASKI clients. Some of these barriers include the following:
- i. A sense of intimidation, especially if the subject of complaint is an ASKI officer;
  - ii. Strong sense of gratitude and loyalty, hence the tendency to withhold comments or complaints;
  - iii. Finds sending feedback or filing complaints inconvenient and not worth the effort and time;
  - iv. Does not know how to file complaints and what to expect in terms of resolution;
  - v. Does not understand a client's rights as a financial consumer, particularly the right to voice;
  - vi. Cannot assert the right to voice due to repayment problems.

Based on the Empowered Customer Grid, empowerment in the area of voice means that the client should be: (i) aware of and able to use feedback/complaints mechanisms; (ii) willing to give feedback or complaint; and (iii) gives feedback and makes complaints when relevant. ASKI can take steps to lower the barriers to voice by considering the following:

- Educate clients about their financial consumer rights. Include this in financial education modules and other communication media and ensure that each right is understood and appreciated. Provide examples of how they can exercise these rights as clients of ASKI (e.g., even delinquent clients can submit complaints).
  - As mentioned earlier, launch a campaign to disseminate information about the feedback and complaints mechanisms. Include not only the *Komento Mo* platform, but also other mechanisms such as branch offices and external or third-party channels (e.g., BSP, SEC, MCPI). Ensure that clients are also aware about what happens to their complaints once submitted (e.g., resolution, escalation, confidentiality, etc.).
  - Motivate the ASKI field staff to inform and educate clients about the feedback and complaints channels.
- d) Key to empowering financial consumers is to provide support and education during teachable moments. While financial education provided at certain stages – upon entry or during weekly meetings – is useful, ASKI can make use of opportunities in client situations to teach about financial services (i.e., benefits, how to use, etc.). For instance, a client experiencing issues with his/her savings will be a good opportunity to provide education or support about ASKI's savings product. Or a client hesitating to file a complaint due to fear of consequences will be a good moment to teach about financial consumer rights and where/how to file a complaint.

Since teachable moments are unplanned and may occur at any moment, it is important that mechanisms are readily available and accessible. Clients who are somewhat empowered may

seek for these mechanisms, but ASKI also has to be pro-active in looking for these teachable moments. For instance, Project Officers can make use of their regular visits to clients to look for these teachable moments. Clients interviewed in this study appear to be comfortable speaking and conveying their situations, concerns or issues with their POs. POs can be trained to look for these teachable moments and engage clients in meaningful dialogues that will provide support or education. This will also counter any notion among clients that POs are only concerned about collection.

- e) Lastly, ASKI's increasing use of digital platforms and social media is an advantage in terms of making financial education with customer empowerment more accessible to clients (i.e., for those with access to digital and online platforms). For example, ASKI's Youtube Channel can include lessons about financial consumer rights, how to understand bundled financial products such as insurance, or how to use feedback and complaints channels (ASKI's and third-party channels). Clients can give testimonies on how submitting complaints can be easy and convenient, and how it has helped usage of the product.