Public Perception and the Design and Delivery of Financial Services

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Outline

Let's Take a Moment?!

Think about how customers interact with your brand

Think about your employees' interaction with that one angry customer and their overall brand experience

Think about your latest product on the market. How do you think your customers are taking it.

Think about the product with the least business. What do you think your customers are saying about it

What's the outcome?

Public Perception: Why it matters

Perception has always played an important role in business. If applied and used properly it can be a major key in helping the business grow and survive in the market. It provides the business with a perspective that will help it prosper in the future and develop leading business opportunities as well
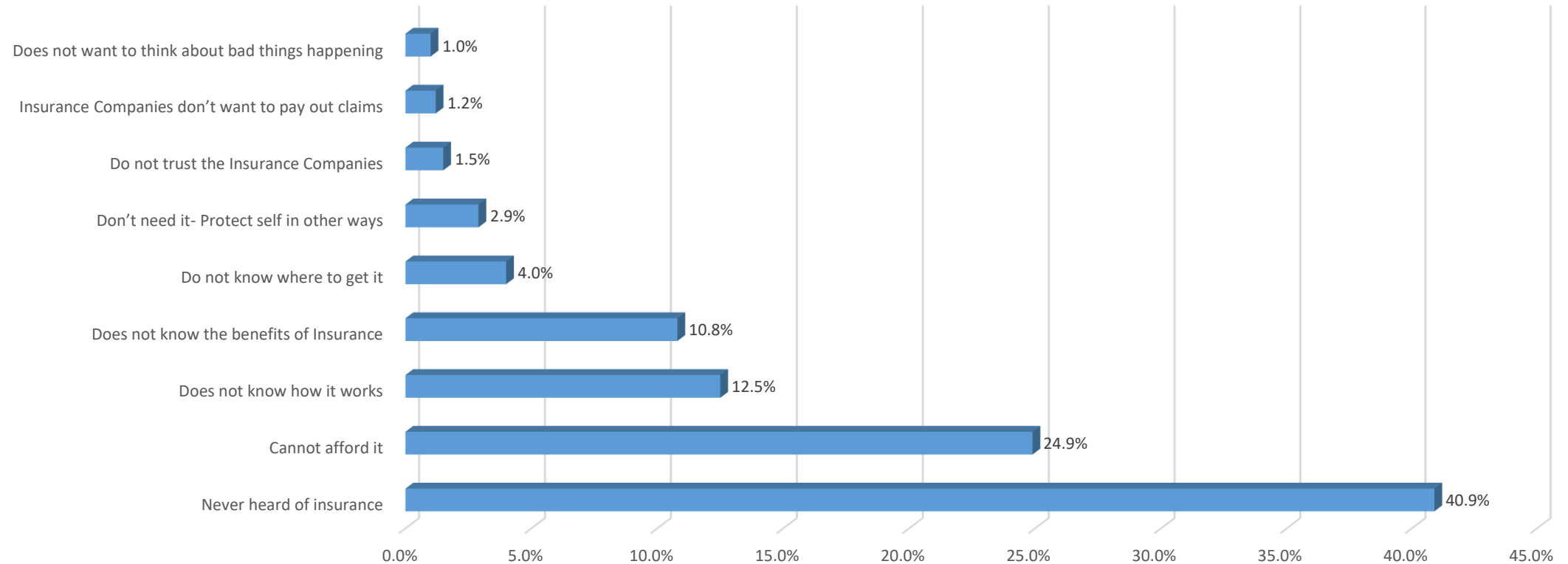
Consumers will always pay for what they perceive to be of value to their wellbeing. Buying decisions are greatly influenced by the perception consumers have about a product or service in terms of design, delivery and price

Insurance Product Perception, FinScope 2020

Barriers to using Insurance Products/Services

Barrier	Percentage
Does not want to think about bad things happening	1.0%
Insurance Companies don't want to pay out claims	1.2%
Do not trust the Insurance Companies	1.5%
Don't need it- Protect self in other ways	2.9%
Do not know where to get it	4.0%
Does not know the benefits of Insurance	10.8%
Does not know how it works	12.5%
Cannot afford it	24.9%
Never heard of insurance	40.9%

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Perceptions in the market

We don't trust Insurance Companies

They hide their information in T&Cs

They don't pay on time

Insurance is for the rich

Its complicated- hard to understand

There is no relationship after a sale

Perceptions and Product development

By monitoring customer perception, your businesses can spot common user pain points and improve the customer journey.

The products and services that a company has to offer are generally organized around its customers' needs in addition to the level of expertise and production capabilities of the firm, and so customer perception is a very important aspect of business.
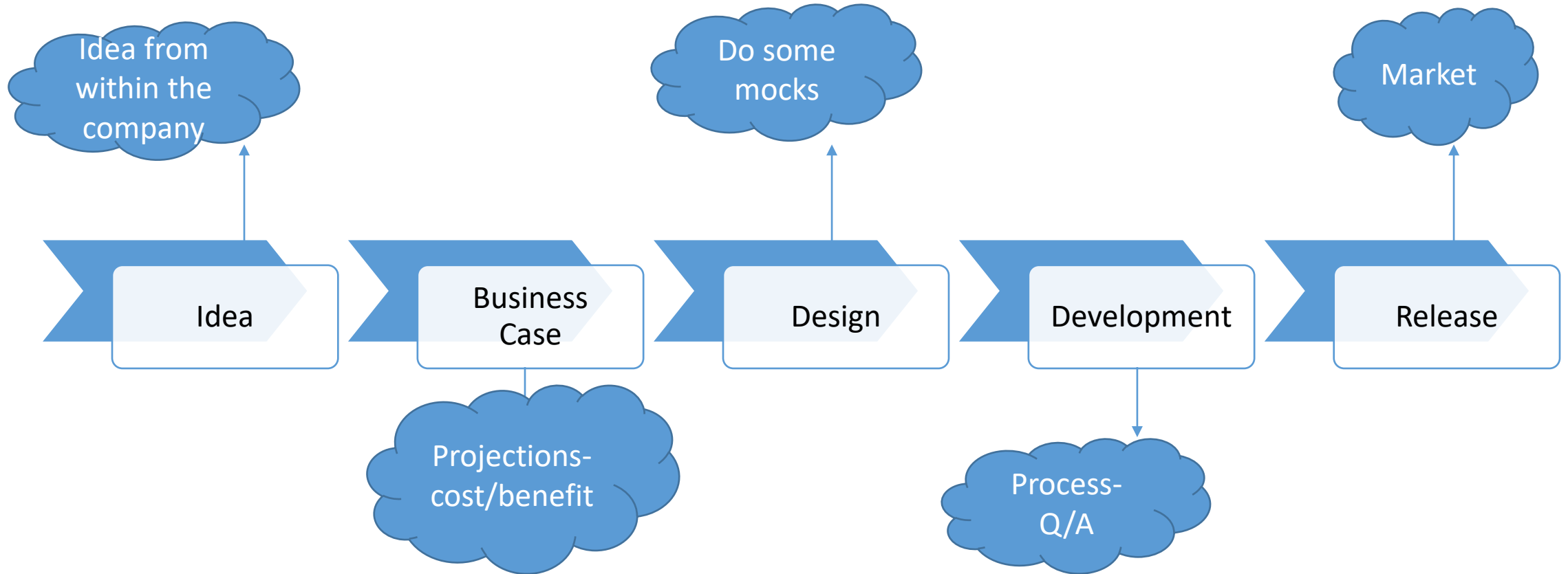
Product development aimed at promoting progressive consumer behavior must be informed by views, values, beliefs, opinions and thoughts held by the general public.

Traditional product development

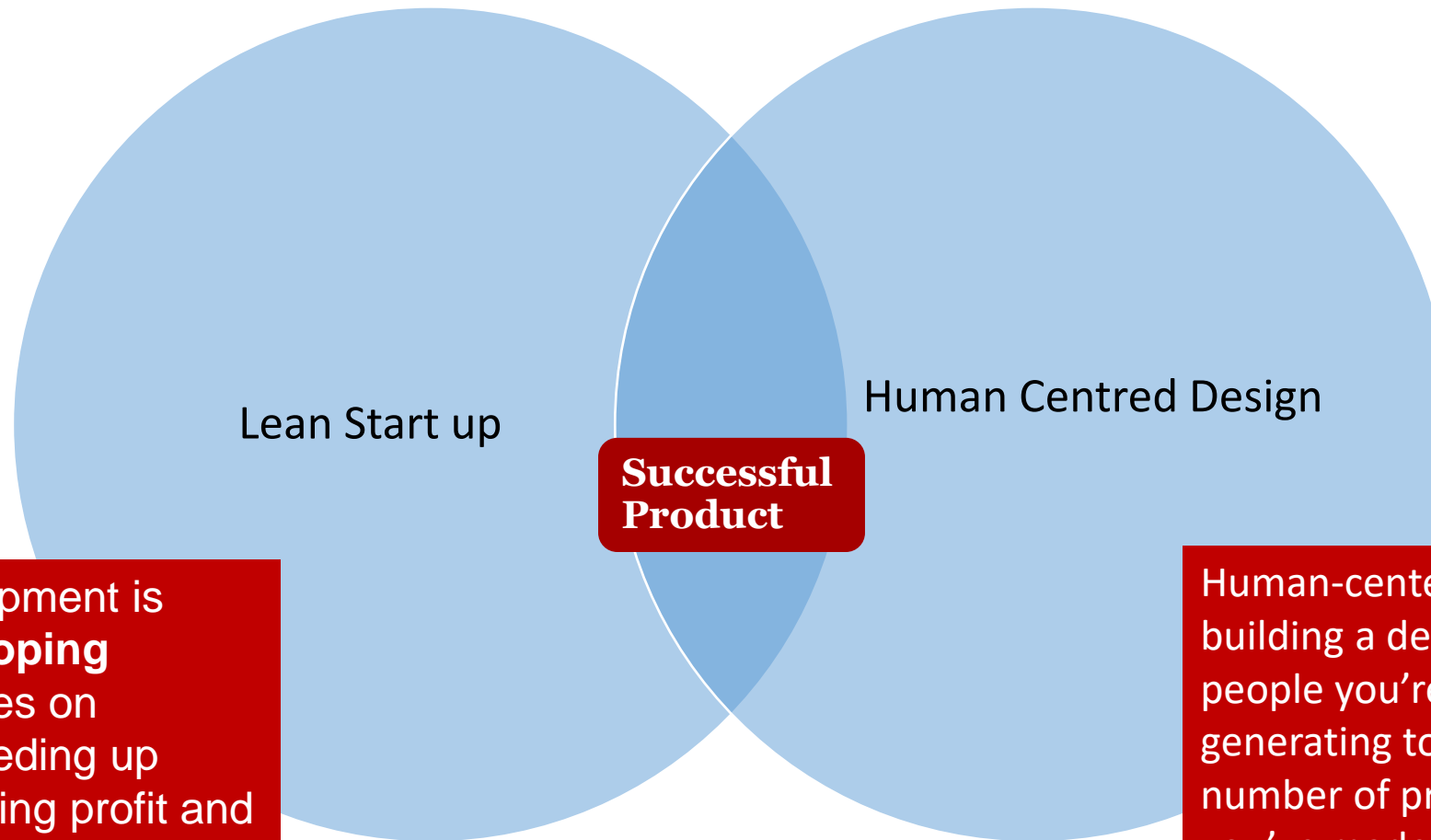# Traditional Product Development

Problems with this approach

- Usually does not speak to specific needs of target clients
- Design and Development team are brought in late
- Marketing team are brought in really late- usually at the end of the tail
- Brings about Silos in teams
- Its usually slow
- Customer validation is late
- There's a false sense of progress once it hits the market
- Product will probably fail as soon as it goes to market
- Shelved or deleted

Transformative product development

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Transformative Product Development

Lean Start up

Human Centred Design

Successful Product

Lean product development is a **method for developing products** that focuses on reducing waste, speeding up delivery, and increasing profit and customer value.

Human-centered design is all about building a deep empathy with the people you're designing for; generating tons of ideas; building a number of prototypes; sharing what you've made with the people you're designing for; and eventually putting your innovative new solution out in the world

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Start up

START UP

- Creating products under extreme uncertainty

BUILD –MEASURE-LEARN

- Prioritize critical assumptions
  - Create small products to test assumptions

- Understand Customers
  - Use Customer feedback to evolve the product and avoid waste

- Get real product into the world

- Adjust direction based on evidence

Build

Measure

Learn
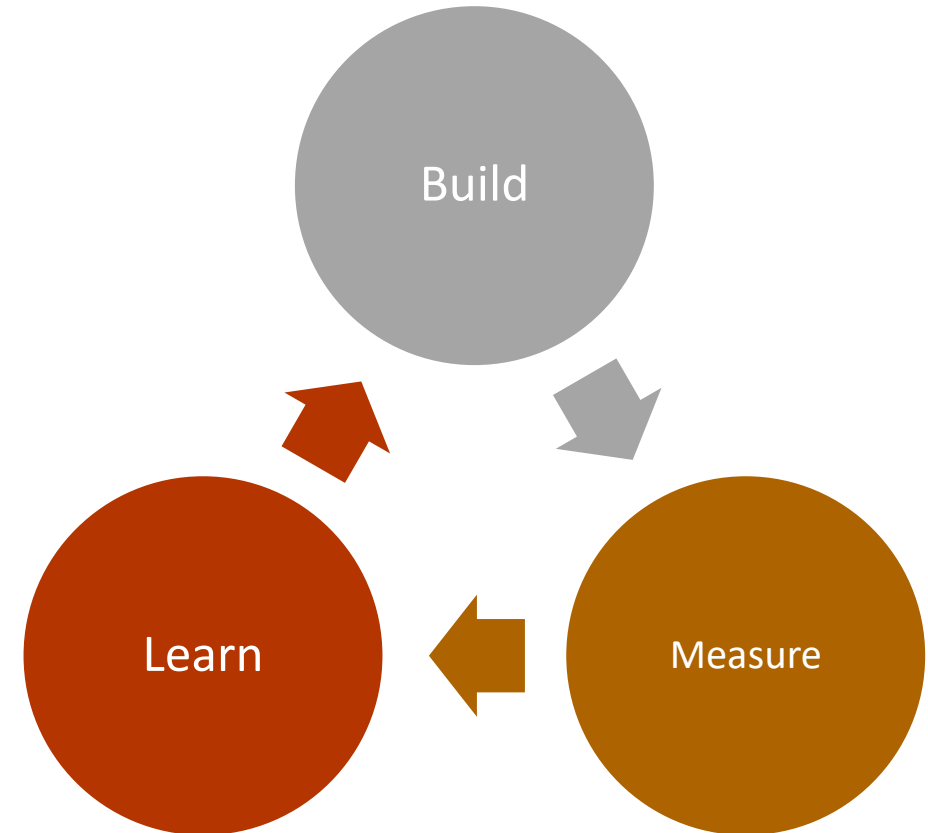
# Start-up – Minimum Viable Product

Prototype   MVP   Iteration 1   Iteration 2

A minimum viable product, or MVP, is a product with enough features to attract early-adopter customers and validate a product idea early in the product development cycle. In industries, the MVP can help the product team receive user feedback as quickly as possible to iterate and improve the product.

Start-up - MVP

How not to build
Versus
How to build

HOW NOT TO BUILD A MINIMUM VIABLE PRODUCT

1   2   3   4

ALSO HOW NOT TO BUILD A MINIMUM VIABLE PRODUCT

1   2   3   4

HOW TO BUILD A MINIMUM VIABLE PRODUCT

1   2   3   4
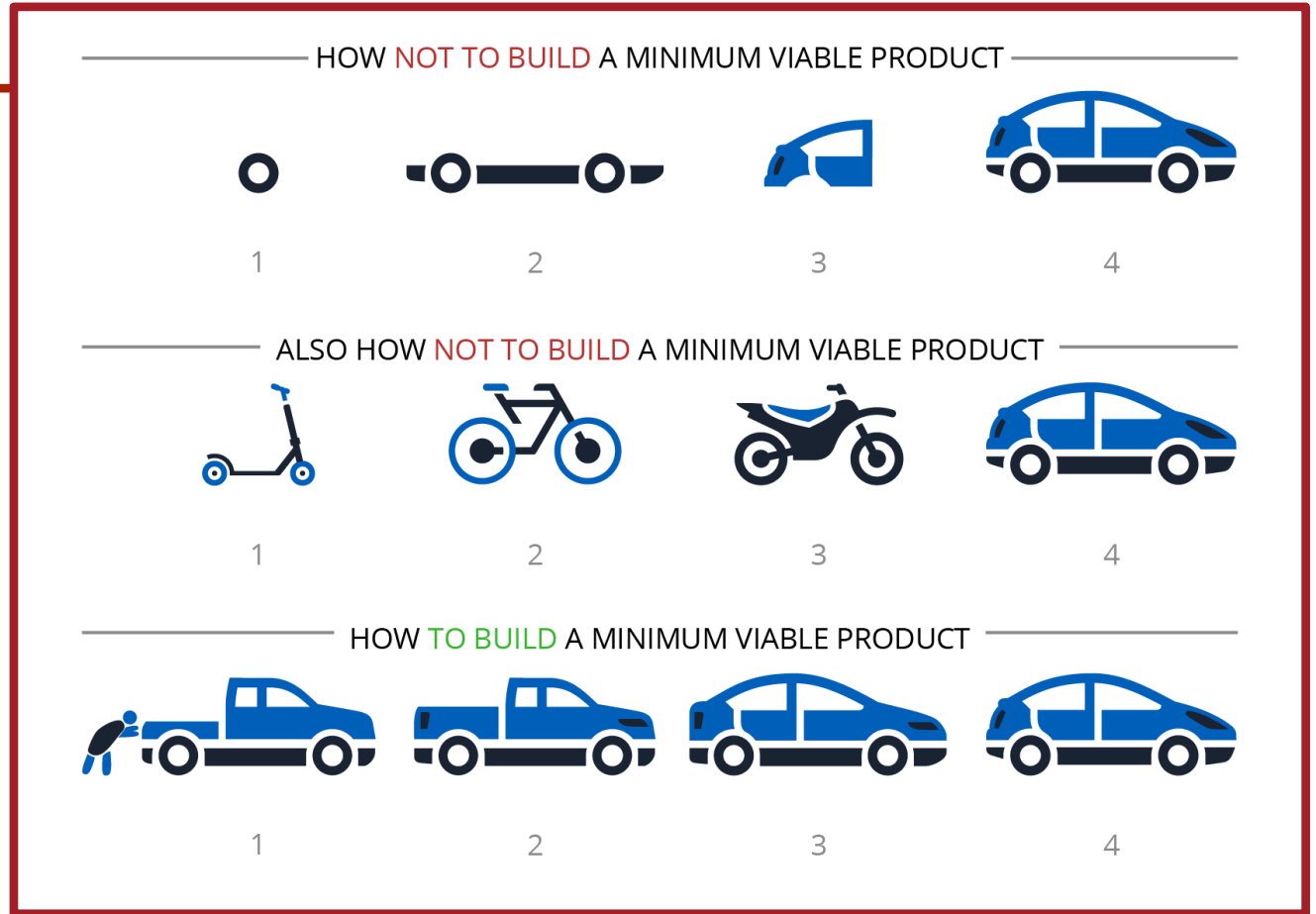
Human Centre Design

- Designing the product around the user

    RATHER THAN

- Changing user's behavior around how the product works

- When you have happy customers you have a successful business

What is HCD most useful for? Should everyone be trying it?

- HCD is a process that brings the customer's voice into the boardroom.

- The combination of a collection of customer insights and actionable design principles is very powerful.

- HCD can be applied to any aspect of the customer experience.

- HCD is transformative

Human-centered design consists of three phases.

1. **Inspiration Phase**

2. **Ideation Phase**

3. **Implementation Phase**

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https://youtu.be/musmgKEPY2o

Lessons Learnt- FSD Zambia Case

FSD Zambia

- Our Mandate to Promote financial Inclusion

- Our focus – Low income households, individuals and micro and small entrepreneurs

- Our Programme areas –
    - Financial Services- Informal finance, Rural finance, Agriculture Finance, Enterprise Finance, Insurance
    - Digital Finance and Policy
    - Gender and Financial Education

- Our Approach – M4P
    - Systemic (AAER)

- Our Partners
    - Government, Non Governmental Organizations, Financial Service Providers, Regulators, Policy makers, Community Based Organizations, Financial Service Associations etc..

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FSD Zambia's Inclusive Insurance thematic area

- Inclusive Insurance thematic area incorporates activities that facilitate **access** to and **usage** of **appropriate** and **affordable** insurance services for the **unserved** and the **underserved** with emphasis on **vulnerable, low income individuals** and **households** in Zambia.

- Advocates for simple products, appropriate cover, manageable premiums, suitable delivery channels, convenient premium collection methods, timely and well understood pay-out mechanisms and consumer awareness as key drivers in reducing the vulnerability of low-income earners.

Product Innovation Interventions

1. **Inclusive Insurance Upscaling Challenge Fund**

   - Challenged the market to design products for low income segment
   - Challenged market with prescribed target reach.
   - Our Support – Financial (Up to $100,000)
   - Outcome
     - We selected 3 Insurance Companies
     - Came with already designed products
     - Not Successful challenge

Product Innovation Support Interventions

2. FinClient Centric Cycle

- Partnered with the market

- Used Human Centre Design approach.

- Our Support – Financial (Varying) & Technical

- Outcome
  - We trained 3 team leads representing Insurance companies- HCD approach
  - Built capacity of Insurance teams- Microinsurance strategies designed
  - Three products on the market- one digital

Product Innovation Support Interventions

2. Microinsurance Technical

Advisory Group

Partnered with the market to design a Microinsurance Association

Champions Microinsurance

Outcome

Supports Industry with Capacity building

Has held three Product development and delivery related workshops this year

Holding a final one for the year targeting Heads of companies.

Final Comments

Competitive advantage has shifted from being the best in the world at a particular thing to being the most adaptable to evolving markets and customer needs.

HCD is a powerful tool in the hands of the right organization with the commitment and leadership support to maximize its impact. It's not a magic bullet, but it is a fantastic process to help managers understand their customers creatively, iteratively and effectively.

Claudia McKay, Yanina Seltzer- CGAP

Thankyou!