CUSTOMER EXPERIENCE TOOLKIT

CGAP

Introduction

A large proportion of financial service provider customers do not use their accounts (68 percent of mobile money accounts, for example, lie dormant). At the same time, two billion people around the world remain excluded from the formal financial sector. CGAP believes that a lack of customer focus by financial service providers is a primary cause of these disparities. Financial service providers now have a great opportunity to create value by designing and delivering positive customer experience – based on a granular understanding of needs, which in turn creates value as customers choose and use their products and services.

Senior stakeholders of large and small financial service providers may appreciate the potential value of the customer-centric business model but often lack the tools to drive transformation. The goal of this toolkit is to fill that gap. While a number of resources on customer experience and customer-centered thinking are available online (and many are cited here), this toolkit is the only one that specifically targets the financial services community with an added focus on unbanked and underbanked customers. We hope it serves as a practical and useful guide, no matter where you are in your journey toward a customer-centric business model or where you sit within your organization.

Design Impact Group – Base, Rwanda

RESOURCES

Look for these icons throughout the toolkit. Each indicates more in-depth information on a subject or helpful resources.

Tools

Lead Customer Experience Initiatives

Robust tools to help you integrate and manage customer experience within your organization, including key frameworks, project planners, and design methods.

Perfect for managers looking to create a structure around their work and communicate its value to leadership.

Case Studies

Learn from Other Organizations

Evidence of the value of customer experience from financial service providers who've invested in this approach and its methods.

Useful for managers who want to share what customer experience looks like with teams and organizational leadership.

Experiments

Put Customer Experience into Action

Practical exercises that help you get closer to your customers and make customer experience a core competency. Experiments can be done in as little as one or two hours.

Ideal for managers and project teams who want to immerse themselves in customer experience or accelerate their work.

References

Build Your Customer Experience Knowledge Base

A curated set of research and reference materials to build your internal knowledge base and increase the impact of customer experience within your organization.

Valuable for advanced practitioners or those who want to dive deeper into a particular area of customer experience.

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"*We are looking at life stages to widen the definition of [customer] experience, because the customer is looking and shopping only when their need arises...*" Aveesha Singh, Absa Bank, Kenya

Continuum – Nairobi, Kenya

1

MAKING THE CASE

In this chapter you'll learn the basics and benefits of customer experience for your organization, the low-income populations whose loyalty it aims to gain, and how customer experience differs from other approaches. This orienting chapter helps define business challenges and formulates productive questions from a customer-focused perspective.

You'll learn how employees at Absa Bank and miMoni found value in customer experience at their organizations, and you'll be given tools to make the business case for your own. Finally, you'll be introduced to hands-on experiments that help catalyze a culture and approach that places customers at the center of your work.

In this chapter, we'll cover the following questions:
- What is customer experience and how can it transform employees into problem solvers?
- What are the benefits of providing positive customer experience?
- Who benefits from customer experience?
- How have other organizations benefitted from a focus on customer experience?
- How can a customer experience focus build trust and empower low-income customers?
- What business challenges can customer experience help solve?
- How have other organizations used customer experience to address challenges?
- How is a customer experience focus different?

What is customer experience and how can it transform employees into problem solvers?

Customer experience encompasses every interaction customers have with your organization throughout the customer lifecycle – whether in person at a branch, interacting with an agent, connecting on the phone, or interfacing online.

Customer experience centers on clear, compelling value propositions – products and services that satisfy your customers' needs and wants. Value propositions are usually associated with either short- or long-term goals, i.e., a loan that helps a customer buy a house. Positive customer experience generally has functional and emotional benefits based on whether expectations are met or exceeded as customers interact with your organization. Delivering positive customer experience requires coordination across functions, including marketing, product development, customer care, retail branches, and other touchpoints.

A focus on customer experience gives employees a sense of control and resourcefulness in their roles. It allows them to more holistically address customer issues and realize how products and services fit into customers' lives.

An organization that sees the value in customer-minded employees supports their efforts to design and deliver customer-centered services. These efforts can range widely, from advocating for customer research in a product development cycle to championing the launch of a Customer Experience Council at a local branch.

What are the benefits of providing positive customer experience?

Although there's a general consensus that digital financial service solutions will be the largest contributor to universal financial access, limited use and lack of uptake are two devastating drivers of failed business models.

A focus on customer experience ensures that your products and services speak to customer challenges, are well designed and delivered, and empower customers to access and use them. With positive customer experience, uptake and use is more likely.

Overserved Markets

A focus on customer experience emerged out of private sector investment in identifying unmet needs and to deliver competitive advantage in overserved markets, such as consumer electronics and financial services.

Underserved Markets

Customer experience is equally effective in addressing underserved markets where data on existing behaviors is lacking, needs and preferences are poorly understood, or where profitability relies more and more on self-service channels like branchless banking.
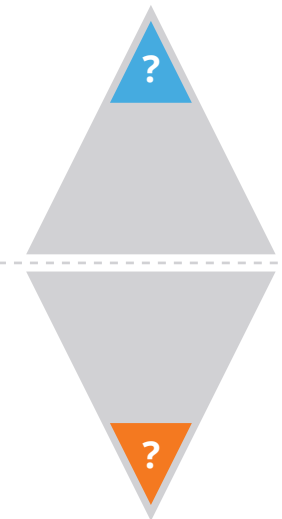
Organizations assume that what they're going to do is just "dress up" the experience. But what we know is that you have to design it first from the [customer's perspective and needs]. **Patrice Martin, Co-Lead + Creative Director, IDEO.org**

Who benefits from customer experience?

Customers: **The young couple that dreams of buying a home but struggles to save due to daily demands.** If your savings product is designed to make small, short-term deposits easy, this couple is more likely to meet their goal. Customers win when products, services, and delivery experiences are designed with them in mind. Whether through products that better fit their needs or incentives that align with natural behaviors, focusing on customers helps financial service providers deliver more value and can drastically improve possibilities for customers' lives.

Businesses: **The couple that went from occasional user to loyal saver as they put away funds for a future home.** An active account with less withdrawals means your organization retains a valuable customer-provider relationship. When customers thrive, organizations derive benefits like more active accounts, strengthened brand reputation, and deepened customer loyalty – all metrics that fuel an improved bottom line. A focus on customer experience across a portfolio of products and services translates to better market fit, greater engagement, and increased retention.

Society: **People in poverty who now experience expanded economic opportunities.** More families with the ability to invest in education, participate in the economy, and save for the long term translates to social value. When the poor have more predictable incomes and expenditures, economies experience stability and growth.

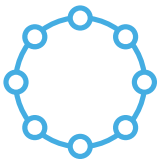*In the next 15 years, digital banking will give the poor more control over their assets and help them transform their lives.* **Gates Annual Letter, 2015**

How have other organizations benefitted from a focus on customer experience?

One way an organization catalyzes a customer-centric culture is by defining core values. Led by CEO Tony Hsieh, the online retailer Zappos wanted to understand what customers love about the company and codify those insights into guiding value statements. Over the course of a year, employees generated 37 value statements that were further consolidated into ten core values. One value actively encourages employees to develop listening skills to understand what customers want; it focuses less on collecting data and more on direct listening. To improve service delivery, for example, call center employees are encouraged to identify trends around what customers "say."

When discussing customer profitability, Zappos employees also talk about the "long tail" and how they can support individual customers with unique needs rather than simply dividing everyone into broad segments. Company leadership believes that as long as they deliver on their customer promise, positive financial results will follow. They also believe in the financial benefits of word-of-mouth advocacy, which is difficult to quantify in customer value models but a key driver of growth.

Zappos estimates that 75 percent of their customer base is repeat business and 25 percent is new, with 40 percent of new customers coming through word-of-mouth.

Conventional measures of success are actually indirect indicators, like portfolio growth. They give a false sense of security that the business is doing right by the customer. **Microfinance Institution, East Africa**

Reference: Learning from Customer Centricity in Other Industries
Build Sustainable Foundations: Culture and Leadership

How can a customer experience focus build trust and empower low-income customers?

In unbanked and underbanked communities, the prevalence of cash, limited awareness of products and services, and negative prior experience add to reluctance to engage with formal financial services – even though the benefits may exceed those of cash. In this context, it's a particular challenge to secure, maintain, and gain trust so these markets adopt and use formal financial services. Securing trust to promote digital financial services may be further complicated by customer uncertainty about the quality of mobile operator services (e.g., uptime), whether or not technology works, and lack of confidence in their own ability to use technology or resolve problems when errors occur.

In banks in Brazil, for example, customers are screened as they pass through large revolving doors under the scrutiny of security guards. The process is extremely intimidating

and creates a psychological barrier to using financial services.

Organizations in general may have limited insights about the financial lives of low-income customers, which is central to creating a differentiated customer experience. Poor people do save, but in highly nuanced ways. In Mexico, many people physically divide cash into categories such as school fees or food. In Brazil, responsible spending is considered a type of saving: getting a good deal or stretching wages is like tucking away a few coins or bills. In Ghana, people pay a fee for the convenience of having a "susu collector" come to their home or office to collect savings on a daily basis. Informal financial behaviors like these reveal a lot about the opportunity to design customer experiences that engage and serve low-income markets.

Reference: Learning from Customer Centricity in Other Industries
Challenge: Design Customer Experience to Build Trust and Empower Low-income Customers

What business challenges can customer experience help solve?

Think of the customers you serve, your portfolio of products and services, and your most common channels. What challenges do you face in acquiring, retaining, and expanding customer relationships?

Are there large gaps in your portfolio where customers fail to engage or drop out? Can you consider these opportunities from a customer experience perspective?

ACQUISITION Reaching new customers	**RETENTION** Deepening customer relationships	**EXPANSION** Expanding customer relationships
• Entering new markets • Understanding who to target • Launching new products and services • Acquiring customers or extending base to new segments • Incentivizing referrals	• Solving customer challenges • Increasing uptake and adoption of products and services • Increasing awareness • Reducing dormancy • Empowering customers	• Increasing up-sell and cross-sell • Increasing engagement • Increasing customer value and loyalty • Reducing cost to serve • Increasing customer lifetime value

Only as we start to articulate why a product needs to be built, what [customer] problem it is solving for [do we know how to begin]. That "why" piece is generally where we get a lot of meat for what we're putting into the "how."

Ginger Baker, Square

...mbuh bersama

No organization is static, it's running. The best way to ensure ownership is to align with current initiatives. Janalakshmi, India

Brainstorming workshop, frog design and Dalberg – Jakarta, Indonesia

Viewing business needs through a customer-centric lens significantly impacts the bottom line by addressing key acquisition, retention, and expansion challenges. This approach allows you to better understand and serve customer needs, increasing long- and short-term value for both customers and your organization.

For more information on business challenges, take a look at the CGAP **Business Challenges Booklet.**

How have other organizations used customer experience to address challenges?

MEET

Aveesha Singh
Aveesha used segmentation to transform branch strategy for Absa Bank in South Africa.

Role and Organization: Senior Segment Strategist, Absa Bank

Challenge: Make customer segmentation relevant to Absa's core business.

Approach: Instead of sitting in an office at headquarters, Aveesha spent a month working from retail branches to understand how segmentation could benefit branch managers and front-line staff. Generic business targets were a constant frustration, so Aveesha ran immersive trainings with front-line agents to help them transform conversations with customers into valuable selling moments. A new "life stage" segmentation model helped branches create tailored business plans and customer engagement approaches that ultimately lead to stronger performance. The approach engaged customers and empowered front-line staff to understand and connect more deeply with those they serve.

No organization voluntarily decides to resegment or do something different in their customer experience, there has to be an existing problem or revenue opportunity – segmentation isn't the [selling point], the [business] problem is.

Aveesha Singh, Absa Bank, South Africa

We finally found a head of user experience. This person has the unenviable challenge of deciding what the best experience is for customers from end to end. He mapped out every touchpoint we have with customers to figure out how to streamline and ensure we have control over the whole process.

Gabriel Manjarrez, miMoni, Mexico

MEET

Gabriel Manjarrez
Gabriel serves as a role model to employees and helps them develop an understanding of their customers at miMoni in Mexico.

Role and Organization: CEO, miMoni

Challenge: Bring customers online to apply for loans rather than finding loans through pawn shops. miMoni currently provides electronic loans at an average of $100 USD, based on an online application and a proprietary risk algorithm that determines eligibility.

Approach: Gabriel and his miMoni co-founder went door-to-door to meet customers and understand their needs, use of mobile phones, and use of financial services. Gabriel observed a trend among his own employees and started to offer a new loan product. He encourages all employees to focus on customer needs and identify areas in the loan process that cause friction so miMoni can address them quickly and ensure the best possible customer experience. Gabriel sets an example by personally calling five to ten customers each month and asking about their experience. He recently hired a head of user experience to support the company's mission to bring in more customers and ensure a positive experience.

How is a customer experience focus different?

A focus on customer experience is one component of being a customer-centric organization, which requires larger shifts in organizational dynamics. These perspective and operational shifts affect strategy, culture, and structure.

Customer experience requires a shift in **strategy** from a portfolio of products and services that drive growth to a portfolio of customers that drive growth based on meeting their needs.

Customer experience requires a shift from a **culture** that rewards employees for developing products and increasing sales to a culture that rewards employees for solving customer problems and deepening customer relationships.
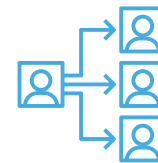
Customer experience requires a shift from an **organizational structure** where employees operate in silos and interact with other functions only when they need to launch a product to a structure where business units are linked across functions by teams or taskforces. These mixed groups allow an organization to rally diverse functions around customer needs and segments.

Incorporating a customer experience perspective into your work doesn't have to be intimidating. It's possible to find opportunities for impact on a smaller scale as your organization becomes familiar with the process and begins to shift toward customer centricity. (Refer to CGAP's **Business Challenges Booklet** for more on how customer experience can help solve business challenges.)

Reference: Learning from Customer Centricity in Other Industries
Customer Centricity Defined

Experiments

Introduction

A customer experience perspective requires organizational leaders to test new approaches with the goal of bringing a customer perspective into every aspect of the organization.

Throughout this toolkit, you'll find quick and easy ways to put customer experience into action. The toolkit includes three primary types of experiments:

1

Experiments that help you get closer to your customers

2

Experiments that incorporate the idea of customer experience into your organization

3

Experiments that help you and your team establish customer-centric habits

Each experiment includes basic guidance on execution and an illustrative case study. These experiments are designed to be easy to try out with a minimal amount of time and resources.

It's like a germ attacking the body...the bank can't be innovated from the outside, it has to come from within. **Aveesha Singh, Absa Bank, South Africa**

Try these experiments to become more familiar with customer experience.

1. ***10 Questions That Work***
Use these questions to assess the level of maturity of your organization's current approach, and identify the most valuable ways to integrate a customer experience perspective. (See page 24 for the full experiment.)

Find more experiments in the **CGAP Customer Experience Workbook**:

2. Start a Conversation about Customer Experience
Too often, conversations at headquarters seem to be removed from the reality of what customers experience in the field. But every one of your organization's employees is also a customer in their own daily life. This exercise connects your team's personal customer experience to your organization.

3. Take the Pulse
Learning about your customers can begin with something as simple as an email. Front-line employees already know where customers struggle or thrive best. Developing easy ways to "take the pulse" of what employees know is a great way to focus efforts early on.

4. Change Your Scenery
Changing your environment is a quick and easy way to begin shifting your mindset. Shake up your office routine. Choose a branch to work from remotely and meet front-line employees for coffee. Learn more ways to make this time more productive and illustrative.

5. Create an Alignment Map
Customer experience projects work best when they align with internal priorities and in-progress initiatives. Take an afternoon to make a "mind map" with several close colleagues. Explore what a customer experience project or perspective might add to your existing activities.

10 Questions That Work

An organization that puts customers first begins to shape its model and culture to reflect this core driver. As a team, take a moment to answer the following questions to identify the level of your organization's customer experience maturity and specific areas for improvement.

1. Has your organization designed key performance indicators to measure performance against customer satisfaction objectives?

2. Does your organization carry out research to understand customer wants, needs, and purchase drivers?

3. Does your organization examine sales processes to understand where they might fail or why customers may not purchase?

4. Does your organization analyze the number of customers gained or lost each year?

5. Does your organization apply a customer journey framework to design, document, and share the ideal end-to-end customer experience?

6. Does your organization use a set of broad research techniques to understand customer experience, satisfaction, and loyalty?

7. Does your organization carry out research to understand how customers are using your products and services, and why they may use them differently than you had planned?

8. Does senior management have regular, direct contact with customers to get a realistic view of what they experience when they engage with your organization?

9. Does your organization have a clear, consistent calculation of customer lifetime value when making customer investment decisions?

10. Does your organization understand the direct and indirect costs customers incur when they engage with your organization?

[0]
I DON'T KNOW.

[1]
NO. WE HAVE **NO COMMITMENT** TO DO SO.

[2]
SORT OF. WE'VE COMMITTED BUT HAVE **NO REAL PLANS** IN PLACE.

[3]
YES. WE HAVE A PLAN BUT **IT'S NOT YET IMPLEMENTED.**

[4]
YES. WE'VE IMPLEMENTED AND IT'S HAVING **SOME IMPACT.**

[5]
YES. WE'VE IMPLEMENTED AND IT'S HAVING **MAJOR IMPACT.**
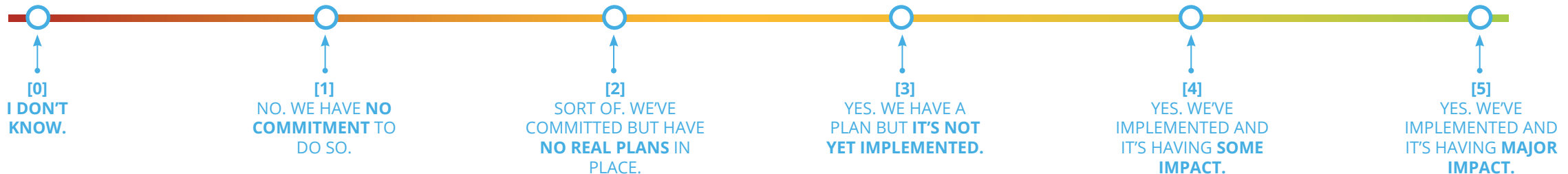
"The margin you earn through a particular product is meaningless if people don't adopt the product." Ginger Baker, Square

Design Impact Group – Nairobi, Kenya

2

STARTING WITH YOUR CUSTOMERS

Now that you've begun to formulate your organization's business case for customer experience, it's time to focus on the customers themselves. This chapter shows how user research and analysis help identify opportunities for business impact.

You'll learn how Centenary Bank used segmentation to create successful customer-focused marketing efforts (see CGAP's Customer Segmentation Toolkit for more details). You'll discover how personas helped Bank BTPN integrate the voice of the customer into their product experience, and how building a customer journey map acted as a foundation for Janalakshmi Financial Services' customer experience strategy. Along with persona and journey map tools, we'll share experiments that get your team into the field to speak with customers, staff, and agents.

In this chapter, we'll cover the following questions:
- What's the approach for acting on customer experience opportunities?
- Why does a customer experience approach build a culture of empathy?
- What's the best way to dive into customer experience research?
- How can design help deliver great customer experience?
- Which customers should you target?
- How should you approach research with low-income customers?
- How can you understand the needs of your target customers?
- How can you identify the best opportunities to address customer needs?

What's the approach for acting on customer experience opportunities?

The general process for developing customer experience projects is influenced by human-centered design principles, innovation techniques, and an agile product management approach.

Remember, the process is iterative, not linear, and should be customized to fit your team, project needs, and capacity. Use the following framework to start your work and add the additional details if your project is more robust. Allow your team to iterate and course-correct between phases.

Multiple rounds of iteration

PREPARING — LEARNING — CREATING — SCALING — TESTING — MEASURING
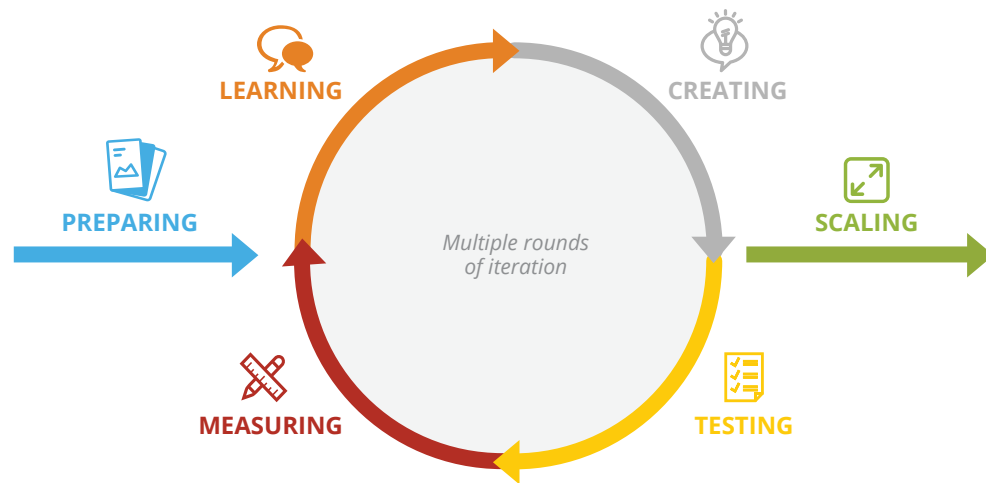
PREPARING
Define reserch objectives

1. LEARNING
Gather data internally
Choose research methods
Execute customer research
Analyze findings
Generate insights

2. CREATING
Conduct rapid prototyping
Refine and adjust prototypes

3. TESTING
Distill design principles
Generate ideas

4. MEASURING
Gather feedback
Adjust designs

5. SCALING
Implement pilot
Refine and scale up

PREPARING

Customer experience work is, by nature, highly iterative and improvisational. The objective in this phase is to cultivate alignment and structure that allows creativity to thrive, rather than a rigid, comprehensive master plan. Teams work best when they have a fair amount of autonomy in their approach to project goals, while at the same time maintaining accountability and unity as a group.

This phase starts by defining research objectives – key opportunity you're investigating, as well as the expectations your process will be measured against.

1. LEARNING

Once your team is aligned around research questions, it's critical to devote enough time to gathering data within the organization and clarifying what the team does or does not know. Finally, with a clear understanding of knowledge gaps, your team can choose qualitative and quantitative research methods to help fill them.

The objective of the learning phase is to develop a nuanced understanding of customer needs, their financial situations, and the larger context in which they live. Customer research helps your organization understand gaps in your current customer experience and identify opportunities to improve it. During customer research, you'll gather data through in-depth household interviews, co-design workshops, field research techniques like fly-on-the-wall observations, and other human-centered design methods.

After conducting robust customer research, it's important to analyze findings and synthesize customer insights by clustering observations into themes and identifying patterns, opportunities, and gaps that are ripe for design. This may also be the point where tools such as personas or customer journey maps are useful.

During the learning phase, we recommend a process of insights generation, which helps transform observations into clear statements that frame research learnings and underlying behaviors in actionable ways.

2. CREATING

Next, complement your research insights with design principles that guide your team as they generate ideas for improved customer experience. After generating ideas, the team can prioritize and convert concepts into prototype plans.

The output of this phase is a short list of viable, well-defined customer experience improvement opportunities that can be mocked up and tested with customers. It may be useful to engage an external facilitator or consultant, especially if your team is less familiar with brainstorming and the prototyping process.

3. TESTING

Chosen concepts go through a phase of rapid prototyping or real-world customer testing. This involves creating low-cost ways to test small aspects of a new offering or experience

to see whether customers respond positively to changes. Your team can quickly validate (or invalidate) early designs and improve final solutions.

Co-design workshops with employees and customers may use storyboards or paper prototypes to develop and test early ideas. To test more complex concepts, you may choose to involve external experts such as designers or fabricators. A small customer sample is usually sufficient to properly refine and adjust prototypes and get valuable feedback.

4. MEASURING

A prototype's impact can be measured through formal and informal means. While informal feedback helps hone designs, formal feedback surveys help assess whether customer experience improvements added value or whether the cost-benefit analysis is positive. The process of gathering feedback is possible with a small samples of customers, but should usually be done by an independent professional with no stake in the outcome.

After gathering feedback, your team can regroup and adjust designs, entering into a new cycle of creation and testing until you've refined and validated a solution that's ready to implement. Prototypes are generally not successful in their first iteration – it's normal to undergo several rounds before identifying a scalable concept.

5. SCALING

Prototypes that have performed well over several iteration and refinement cycles can be implemented as pilots. These small-scale launches are actually more formalized tests with customers that, after a process of refinement, can be launched as formal offerings to target customers. Over time and with success, a new offering can be further adjusted and scaled up in new markets, locations, or delivery channels.

A variety of resources offer methods for conducting customer experience work. While we share some resources in this toolkit, we also recommend the following:

For planning, learning, creating, and testing, check out:

- CGAP's Insights Into Action (pg 108-117)
- IDEO.org's Design Kit (see Methods)
- frog's Collective Action Toolkit
- CGAP's Better Insights for Better Products

And to learn more about customer experience in action at another financial service institution, reference Janalakshmi's Prototyping Toolkit.

Why does a customer experience approach build a culture of empathy?

Iterative processes, robust research, striking ideas – these are all crucial aspects of the customer experience design process. However, the real currency of this work is empathy, specifically, how a customer experience approach can build a culture of empathy within your organization – starting with customers.

It's easy to hear statements like these and think, "That's nice, but how does empathy impact my business?" The impact of translating a process of insights and innovation into an ongoing culture of empathy is felt in several dimensions.

Empathy helps your organization:
- Design more valuable offerings and service experiences for your customers
- Cultivate employee engagement and effectiveness
- Enhance collaboration across departments, and among employees and leadership

It's important to position the customer experience process as a way to yield effective marketing campaigns and product and service offerings. It also helps retain talent and promotes departmental cross-pollination. Raising awareness of the importance of customer experience within your organization is more than a fringe benefit; it's the first step to positively shaping culture and shifting operational norms.

Employees are generally at the front line of a business, and customers are the source of profits, so understanding their experience is vital. When an entrepreneur takes the time to empathize with the concerns and insights of customers and employees, they can gain valuable information to piece into their strategy for bettering the business. **Joey Pomerenke, Founding Partner, UPGlobal**

The main tenet of design thinking is empathy for the people you're trying to design for. Leadership is exactly the same thing – building empathy for the people that you're entrusted to help. **David Kelley, Founder, IDEO.org**

What's the best way to dive into customer experience research?

The first step in improving customer experience is understanding your customers' lives more fully. This means uncovering elements that most influence personal finance decisions, including needs, motivations, and aspirations – as well as current experience with and perceptions of financial services (especially your organization's). Armed with this knowledge, you can design more effective products, services, and customer experiences, and increase value provided and generated.

To move toward a true understanding of customer behavior, a combination of qualitative and quantitative research methods is most effective. However, you don't have to start from scratch. An efficient research plan begins by tapping internal knowledge before diving into the unknown. If, from the beginning, you have clarity on what you do or do not know, focus efforts on knowledge gaps to generate more relevant research findings.

QUANTITATIVE RESEARCH

Best for: Demonstrating market opportunity and gleaning a broad understanding of a population. A data scientist can help identify more nuanced ways to use quantitative research to understand behaviors and demographics.

The burden of proof is high, a precise estimation of market opportunity is required, or you already have a strong understanding of customer needs and characteristics. Sample size tends to be much larger with quantitative research, and insights tend to be more narrowly applicable to product features, attributes, and pricing models.

Methods include:
- Surveys
- Conjoint Analysis
- Max Diff
- A/B Testing

Tradeoffs:
- Large sample sizes
- Narrow scope of questioning, generally focused on product features, attributes, pricing
- Limited to needs and preferences people are aware of
- Limited value for testing and refining new product concepts
- Relatively easy to set up
- Expensive but quickly deployable
- Results are more representative due to large sample sizes
- Results can be quickly conveyed to a vast group of stakeholders

QUALITATIVE RESEARCH

Best for: Gleaning customer insights and understanding user aspirations, frustrations, rationales, and preferences.

You're completing more exploratory research on customer preferences and needs. You don't have sufficient secondary research to form hypotheses and/or the nature of behavior change is so great that in-depth personal information is required. Sample size tends to be much smaller, but qualitative research provides much deeper insights into unmet needs and expectations that are less obvious in surveys.

Methods include:
- 1:1 Interviews
- Focus Groups
- Discussions
- Ethnographies and Customer Observations
- User / Usability Testing

Tradeoffs:
- Small sample sizes
- Broad scope of questioning
- Encompasses explicit and implicit needs, as well as behaviors and environment
- Ideal for testing and iterating new product concepts
- May be expensive for robust ethnographic studies, but can be done less expensively with user intercepts and other rapid techniques
- Fewer vendors available, but lightweight research can be performed by internal staff with explicit training in ethnographic techniques (pay special attention to bias)

BLENDED RESEARCH: QUALITATIVE + QUANTITATIVE

Best for: Gaining a clearer picture of a target market and the business opportunity within customers' lives.

You have the time and resources to conduct two research phases and thus benefit from the advantages of qualitative *and* quantitative methods. The combination is particularly useful when targeting a market or segment with less well-established or rapidly changing needs, such as low-income customers.

Methods include:
- Validating insights from qualitative research through a broader survey to validate their prevalence
- Conducting customer interviews and observations to explain variances in user expectations or behaviors identified through surveys or A/B testing

Tradeoffs:
- Combines both approaches
- Tends to be more costly and time consuming, but can be staged effectively

We are losing customers because we just don't understand them. **Absa Bank, South Africa**

How can design help deliver great customer experience?

Customer-centric design is built on learning directly from customers in their own environment, then quickly developing and refining concepts along with them. This ensures that needs and expectations inform design decisions and lead to a higher likelihood of success and adoption. The process challenges providers to understand, create, evolve, and test possible solutions and repeat the cycle as many times as necessary. Customer-centric design integrates a broad set of practices around a common understanding of user needs that can improve strategic decision-making and increase the effectiveness of individual products.
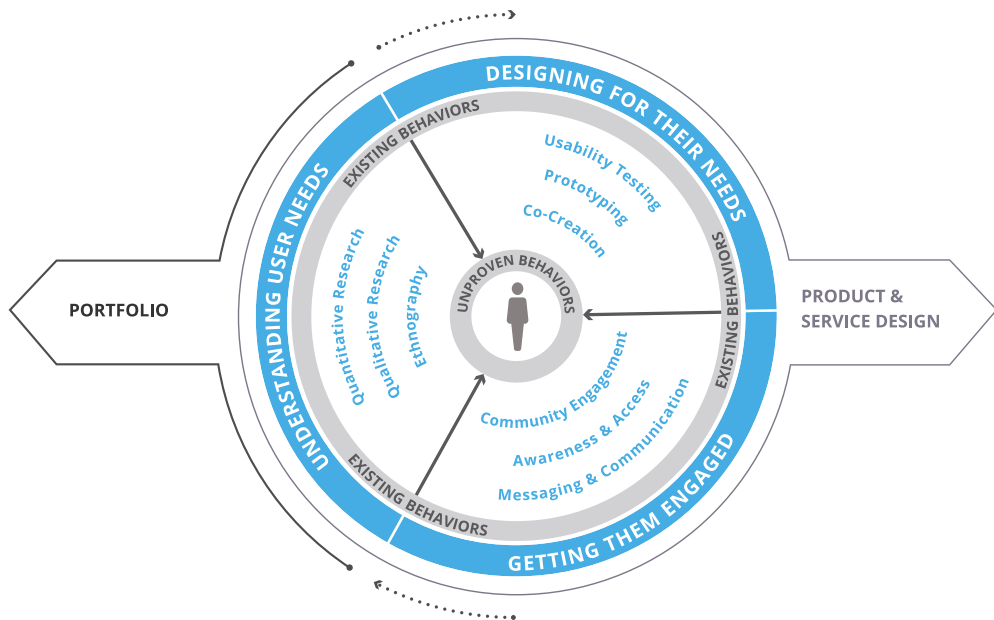
Human-centered design: meeting people where they are and really taking their needs and feedback into account. When you let people participate in the design process, you find that they often have ingenious ideas about what would really help them. **Melinda Gates, Bill & Melinda Gates Foundation**

UNDERSTANDING USER NEEDS

Quantitative Research
Collection and analysis of large-scale demographic and psychographic data through methods such as surveys and interviews to gather representative data on current perceptions and practices.

Qualitative Research
Direct engagement with target users and influencers through interviews, and observational and participatory techniques to gather directional data on emerging needs and behaviors.

Ethnography
A type of social science-based qualitative research that relies on deep immersion in user's lives and culture in order to minimize bias.

DESIGNING FOR USER NEEDS

User Testing
Evaluation of a product or service by directly testing with users, focusing on the ability of the offering to meet needs and fit into their lives so adoption is easy and natural.

Prototyping
Process of building an initial sample or model of a product, service, or system in order to refine and validate the concept or generate a new one.

Co-creation
Process where users directly participate in designing a product or service intended for their use.

GETTING USERS ENGAGED

Messaging and Communication
Process of crafting the value proposition of a product or service in a way that's compelling, then determining where and when the message is best communicated to different user segments.

Awareness and Access
Any activities that increase the knowledge and reach of a product or service among target user segments, including marketing and sales channels.

Community Engagement
Process of building long-term relationships with communities to increase trust and the potential to influence behaviors and norms.

Which customers should you target?

Customer segmentation can help divide a heterogeneous market into a number of smaller, more homogenous markets based on one or more meaningful characteristics. The scope of a segmentation strategy depends on the maturity of your organization, the diversity of your market, and available timeline and budget.

A segmentation model is a powerful tool. When used properly, it can help you:
- Estimate the size of a market opportunity
- Tailor products and services to your highest value customers
- Shape communications to drive awareness and adoption

Segmentation exercises are unique to each organization and situation. It's impossible to create a rigid "if this, then do that" guide. If your organization has the resources and interest in carrying out customer segmentation, familiarize yourself with the process and determine whether you have the capacity to take on the project internally. You'll find some great examples and guideposts and learn more about it in the CGAP Customer Segmentation Toolkit. If budget allows, hire a market research firm to help you more robustly translate market insights into actionable segments.

Segmentation is a widely recognized approach that deepens understanding of your target market. It's a useful foundation for designing customer-centric products, services, and experiences.

All of this work has been done based on understanding pockets of segments... because today's niche markets are tomorrow's mass markets. Small investments today create future adoption....you have to balance today's investment with the longevity of tomorrow's return. **Absa Bank, South Africa**

Reference: CGAP Customer Segmentation Toolkit

Case Study

Go-to-Market Lessons from Centenary Bank, Uganda

Challenge

Centenary Bank in Uganda is a full-service financial institution that offers a diverse range of retail banking products. The bank also offers a wide range of business products suitable for micro-, small-, and medium-sized enterprises, as well as corporate sector clients.

Centenary Bank launched a new mobile offering with a general marketing campaign that didn't live up to expectations. The bank embarked on a segmentation exercise to improve the campaign's communication strategy and shape communications by segment.

Questions

How do we improve our communication strategy to more effectively target different segments?

How do we increase uptake of our new mobile banking offering?

Overview

After completing a customer segmentation, the broad-based messaging campaign, "Take your bank everywhere," was replaced by advertisements more specifically tailored to each segment identified. These targeted ads enabled Centenary Bank to cut through the noise of other mobile offerings. With the combined go-to-market efforts, they saw 38 thousand users make 130 thousand transactions within the first four months of the new campaign's launch.

In the same way that an organization's offerings can change to fit target segments, messaging can be adjusted as well. Even if you don't change your products or services, messaging can still be tailored to fit different audiences.

Without segmentation, messaging may be too generic and as a consequence resonate less with customers (like Centenary Bank's original campaign):

After segmentation, a better understanding of target segments allowed Centenary Bank to tailor messages to various pain points discovered through customer research:

Youth
Youth learned that they could spend less time in long bank queues – and gain an easier way to receive funds from relatives.

Salaried Workers
Workers learned that they were able to withdraw money more regularly (as opposed to once a month).

Business Community
Business people learned that they could now save time and travel much less frequently to the bank to handle daily transactions.

How should you approach research with low-income customers?

Qualitative research requires time and attention. In high poverty environments, it's especially important to approach the process sensitively.

Here are a few tips for guiding your work with real customers:

Meet people where they are. Research is best done in context – in peoples' homes or places of daily living. An open demeanor helps them feel more comfortable with your presence, as does casual, appropriate attire.

Be mindful of norms. Whether religious, gender specific, cultural, or socioeconomic, unspoken differences can affect the tone of your conversations and participants' feelings of comfort, openness, and dignity. Avoid judgment and mitigate unhealthy power dynamics.

Bridge communication barriers. Make sure someone on your research team speaks the local language and establishes fluent interactions with participants. If you use materials or stimuli to prompt conversations, stick with visual icons and simple terms.

Respect time and consider incentives. It may be difficult to recruit participants for two- or three-hour sessions if it means they have to forgo work and daily income. Mitigate this challenge by recruiting up to a week in advance and offering small incentives for attending.

Do no harm. In settings where sensitive conversations are conducted, be aware of participants' privacy and security risks around your presence or conversations.

Handle people with humility and a spirit of genuine curiosity and care. They are your collaborators in building more impactful customer experience.

For more guidance on working with unbanked and underbanked people, see **UNICEF's Principles for Innovation and Technology in Development.**

Leveraging Informal Financial Services with Tigo Save

Live prototyping with Tigo Cash, IDEO.org – Accra, Ghana

Challenge

Tigo Cash launched its mobile money service in Ghana in 2010. But by 2012, only a fraction of its over 1 million registered subscribers actively used the service and the company struggled to gain momentum. In 2013, Tigo Cash, IDEO.org, and CGAP set out to better understand how to improve the customer value proposition – and the larger issue of engagement with mobile money among low-income Ghanaians as well.

The need for secure financial services is often context-specific, as is the case in Ghana where "susu collectors" and microfinance institution loan officers walk through poor communities carrying hundreds of dollars in cash. Their physical presence is important, but while mobile money providers such as Tigo Cash talk about the safety of their services they struggle to gain trust in the market.

Questions

How can we engage registered Tigo Cash customers who are not actively using the service?

How do we position mobile money and other digital financial services in new cultural contexts, plus take into account the needs and aspirations of low-income Ghanaians?

Overview

Over 14 weeks and through 40+ in-depth interviews, the team investigated important factors about making and receiving payments in Ghana. Details about customer desires and fears were synthesized into insights and guided the ideation phase. The team developed three experience principles to help position Tigo Cash in a new market and leverage informal behaviors and systems (e.g., susu collectors).

Experience Principles

- Create a visible Tigo Cash community (wherever I am, Tigo Cash is there)
- Offer expanded potential (create value beyond convenience, have Tigo Cash offer growth opportunities)
- Provide continuous support and make customers feel valued

Prototyping Tigo Save

Once new ideas were generated, the team developed three simple prototypes, including the Tigo Save service.

Tigo Save was modeled on the role that susu collectors play in Ghanaian savings behaviors. The aim of the prototype was to make an informal savings system feel more official.

Tigo Cash physically placed agents in the community to explain the benefits of Tigo Save over informal means of saving, which conferred gravity on the product and gained trust by using actual representatives and word-of-mouth.

Initially, Tigo Cash expected customers to be loyal to the susu collectors who visit their homes and workplaces daily. Surprisingly, the exercise showed that the majority of those interviewed actually preferred a new mobile money agent over their current susu collector – perhaps because they've heard of or experienced susu collectors running away with people's money. The Tigo Save service is now present in 27 communities in Ghana.

Reference: Designing Customer-Centric Branchless Banking Offerings A CGAP Brief Report

How can you understand the needs of your target customers?

Segmentation models focus on select attributes and characteristics of target customer groups. But in many cases, particularly with financial services, **customer needs do not fall into neat categories.** While segmentation can help identify the most valuable customers to target, it's important to take another step **to fully capture customer needs and expectations. One way to do so is to create user "personas."**

Personas are summary descriptions based on real people that represent users from the subgroups an organization wants to engage. A persona is created by combining various attributes of similar individuals, such as their situation, context, needs, motivations, and benefits, into a single holistic description.

These fictional yet realistic portraits act like characters in a book, and are surprisingly useful tools for designing and delivering products and services.

To create a persona, the key is to collect and cull specific characteristics of a number of people you've encountered in customer interviews into one holistic portrait of subgroup users. By defining a persona you'll capture a comprehensive understanding of the primary user, their context, and those who might influence their awareness and use of a product or service. Personas help you focus on actual people rather than an abstract notion of the groups they represent. Personas bring segmentation to life.

Even if you are just serving one aspect of their financial life, try to understand them wholly, because it will give you a lot of ideas of how to build value into the product you are providing. **Ginger Baker, Square**

Tool 1

Persona Profile

A persona is a descriptive summary of representative primary users and the key stakeholders that influence their behaviors, including an overview of their situation, context, needs, motivations, and benefits. A persona profile is developed from a range of different sources, pulling together common characteristics of similar people into an "archetype" through which a group can be understood.

Tool 1
Persona (2/4)

PERSONA

BACKGROUND - What important life experiences or events have contributed to the persona's current situation?

" Quote

DREAMS - What are this person's greatest dreams and aspirations? What factors does he / she consider that might contribute to or hinder pursuit of these dreams?

" Quote

[FINANCIAL] BEHAVIOR - What behaviors are involved in his / her financial practices? Which habits and rituals are performed on a regular basis vs. one-off behaviors that result from external pressures?

DRIVERS - What are the needs, enablers, and blockers that influence this persona? Who are the influential stakeholders in their lives?

For more tools, visit the **CGAP Customer Experience Workbook**.

Bank BTPN Persona

Challenge

Bank BTPN is a mid-sized Indonesian commercial bank serving 1.4 million mass-market customers. In 2012, the bank launched BTPN Wow!, a mobile wallet geared toward low-income Indonesians and designed for use on basic phones. However, the bank felt it needed additional support to tailor the offering to truly meet customer needs.

Project Bertumbuh (meaning "to grow") was born of an effort to help BTPN improve the BTPN Wow! product and better understand target customers.

Question

Knowing that the introduction of mobile banking isn't automatically a financial inclusion success story, how can Bank BTPN better understand low-income customers and improve adoption of their new mobile service?

Overview

Throughout three weeks of initial field research the team captured more than 5,000 photos, had conversations with over 70 people, and transcribed 2,600+ data points from conversations with customers, agents, and experts. During the research process and post-fieldwork, synthesis sessions derived critical human-centered insights.

The team developed five personas to inject the "voice of the customer" into the product experience via inspirational, stylized representations of individuals based on demographics, attitudes, interactions, and behaviors.

Each persona profile included:
- Background context
- Dreams and aspirations
- Financial behaviors
- Framework to illustrate the mental model of enablers, blockers, and needs in customers' lives

How can you identify the best opportunities to address customer needs?

It's not enough to improve the direct experience customers have with your products and services. In many cases their financial needs extend beyond direct engagement with a bank or moneylender. Financial decision-making happens in all sorts of situations throughout each day, week, and month. To most effectively reach customers, it's usually not enough to identify their unmet needs. It's also important to understand where and when you have the best opportunity to engage them and influence choices – particularly true of the unbanked, who often operate outside the reach of formal financial channels.

A customer journey map is a tool that captures and communicates an individual journey through a specific product or service experience, such as signing up for a loan or making payments throughout the lifetime of a product. Customer journey maps are typically generated for each persona you create for your target customers. Like personas, journey maps are best developed as a group activity that captures knowledge from customer-facing teams within your organization, such as sales agents and call center staff. Through journey maps, you'll gain clarity on what your customers do, how they think, and what they feel when they interact with your products and services. Journey maps describe a customer's general experience with a particular process (e.g., buying a home), capture their experience with your existing products and services, and illustrate the desired experience for new offerings. What all customer journey maps have in common is an understanding of phases, defined touchpoints, and insights into users' feelings.

Before you get started, clarify what you'd like your customer journey map to help you understand and the level of detail you want to get into.

We are looking at life stages to widen the definition of [customer] experience, because the customer is looking and shopping only when their need arises…today [that definition starts when the customer has already chosen a provider].

Aveesha Singh, Absa Bank, South Africa

Tool 2
Customer Journey Map

A customer journey map allows you to put archetypal users or "personas" in motion to interact with your products and services in real life. A journey map is most helpful in capturing:

- A service experience over time and in the context of everyday life (journey stages)
- Interactions between people, products, and experiences (touchpoints)
- The balance between a person's behavior, mental models, and emotional reactions (doing, thinking, feeling)
- Highs, lows, and key areas of opportunity within a product or service (moments of truth)

Creating a customer journey map requires several key steps. If you're interested in learning more, dig into the tool below.

- **Understand your context.**
- **Define process stages** within the journey from your customer's perspective, e.g., awareness of need, research, selection, purchase/onboarding, use, upgrade/downgrade.
- **Detail touchpoints** with your customers: How do they interact with your brand? When/how do they connect with your product, employees, or platforms?
- **Fill in qualitative customer data** such as their thoughts and feelings during the process.
- **Understand your moments of truth** or highs and lows of the experience that illuminate key insights and opportunities.

Customer Journey Map basics:

For more tools, visit the **CGAP Customer Experience Workbook.**

Janalakshmi Customer Journey

Ideation workshop at Janalakshmi, Design Impact Goup - Bangalore, India

Challenge

In 2015, Janalakshmi and nine other institutions in India were awarded the small finance bank license, which allows them to expand their range of services beyond group loans. With 11 payment banks launching shortly and several banks, mobile payment operators, and microfinance institutions already in the picture, India could soon become a competitive market for financial services for the poor. Janalakshmi saw an opportunity to invest in positive customer experience to distinguish their offering from the competition. Ashwini Jain, Head of Products and Marketing at Janalakshmi, estimates that a quarter of their current group loan customers will graduate from group loans to a broader range of financial services such as savings, insurance, and small- and medium-enterprise loans. Jain reflects, "If you have treated them well, then these are just the customers who will stay with you rather than go elsewhere."

Questions

What do our customers value most?

How can we design offerings and experiences that deliver on these values?

How can we identify and remediate gaps in customer experience and pave the way for active, loyal customer relationships?

Overview

The customer experience project began by creating a cross-functional working group of employees from Janalakshmi branches, marketing, product design, and compliance to collaboratively work on improvements. Through field research and immersion exercises with customers, the team identified current gaps in delivering a positive customer experience along their journey with Janalakshmi. The project's focus was to fill gaps in customer experience and move from, in founder Ramesh Ramanathan's words, "a somewhat average experience [for customers] to an experience of delight."

For example, despite a strongly articulated social mission to serve poor customers, large socio-cultural inequities were sometimes reflected in the Janalakshmi customer experience: customers feared asking questions. Some admitted to being disrespected but didn't feel empowered to express dissatisfaction. A customer waiting in a branch with her infant felt too self-conscious to ask the all-male staff for a place to breastfeed. Gaps like these stem from factors such as gender inequality and class distance – and they impose a psychological cost. They can turn customers away from services altogether.

Field research also revealed that sometimes basic amenities were missing at a branch. Drinking water was not available and bathrooms were often designated "staff only." On other occasions, customers said they waited over six hours for a manager to address them. Financial service providers that serve poor customers must keep a list of non-negotiable factors that reinforce their basic minimum customer experience and create a distinct brand identity in customers' minds.

Articulating values and pain points along the Janalakshmi customer journey was an eye opening experience for the team. In a very human way it revealed the discord Janalakshmi sometimes faced in delivering on customer needs and expectations, and allowed them to plan for improvements and innovations.

Reference: 5 Ways to Improve Customer Experience for the Poor
CGAP Blog Post

JANALAKSHMI CUSTOMER JOURNEY

Latent Need	Feel the Need	Search	Select	Onboard	Use	Migrate Up	Migrate Down
Customers have an existing/upcoming situation that could be addressed more suitably through a Janalakshmi product or service, but are either unaware of the offering or unable to correlate it to their life situation.	Customers feel the need for products and services included in the Janalakshmi portfolio, but either take no action to address those needs or are only at the early stages of searching for service providers who can fulfill them.	Customers search for solutions that address their financial needs, whether proactively seeking information or passively being influenced by peers.	Customers have considered service providers that offer adequate solutions to their financial needs and have chosen Janalakshmi as their financial service provider.	Customers have considered one or more service providers that offer an adequate solution to their financial needs and have chosen Janalakshmi	The financial service, along with the reciprocal financial process, is delivered to customers. For loans, this involves disbursement and periodic collections; for savings accounts (Badhti Bachat), this involves periodic collection and withdrawals	Customers migrate to a more comprehensive set of financial services with Janalakshmi, e.g., adding Badhti Bachat to their existing SBL product or moving from L1 to L2, respectively	Customers reduce or terminate their engagement with Janalakshmi – whether or not renewing an SBL or opting out of a Badhti Bachat account – for reasons such as finding a better substitute or urgently requiring cash

CUSTOMER VALUES

Information	*Information, Relationship*	*Information, Relationship*	*Information, Relationship, Cost*	*Speed, Convenience, Productivity, Emotion/Comfort*	*Flexibility*	*Risk, Relationship, Information*	*Speed*

GAPS

INFORMATION: Communication strategy needs to be designed better

INFORMATION: Field employee structure and incentives need to be designed better to ensure conversion

"I usually ask my friends or family for information when financial need arises." | INFORMATION: Communication strategy needs to be designed better

INFORMATION: Field employee structure and incentives need to be designed better to ensure conversion

INFORMATION: Information and communication systems could be better designed to validate needs felt by customers

"I'm very close to my neighbor. We help each other out in times of difficulty. She introduced me to Janalakshmi and told me I could get a loan there cheaper than in private." | RELATIONSHIP: Field employee structure and incentives could be better designed to assist existing and prospective customers in their search process | COST: Have technology enabled, user-centered tools that allow users to model their financial needs and select appropriate products that minimize total cost to them. Design principles could include low cognitive load and limited literacy

RELATIONSHIP: Field employee structure and incentives could be better designed to assist existing and prospective customers in their selection process

"Everyone recommended Janalakshmi to me, and I asked my sisters – who also said it was a good option." | SPEED, PRODUCTIVITY: Possibly looking at the design of newer systems or the configuration of existing systems that could lead to improved TATs, and also a reduced need for multiple visits (or long visits) by customers

SPEED, PRODUCTIVITY: Programs could be improved by offering incentives for Janalakshmi Center employees to improve TATs during the onboarding stage | FLEXIBILITY: Using flexibility as a key unique selling point could be a very strategic option for Janalakshmi to adopt

FLEXIBILITY: Janalakshmi could create processes and technology systems that enable it to provide greater flexibility to customers without increasing risk exposure or operational costs

FLEXIBILITY: Field employee structure and incentives could be better designed to enable enhanced flexibility for customers in terms of timings, amounts, and processes

"It's hard for me to pay 100 rupees every day. I get my income monthly. Why can't they adjust?" | INFORMATION: Field employee structure and incentives could be better designed to assist existing and prospective customers with their portfolio management process | SPEED: Designing processes and systems could provide quicker dispursements of money (in the case of savings accounts)

"The manager told me I can take the next loan and make my business better." |

Learn more about the **Janalakshmi Customer Journey.**

> *"Human-centered design really got beyond the superficialities of consumer research to actually get to the bottom of the real motivations and feelings of customers."*
> **Selorm Adadevoh, CEO, Digicel, Haiti**

Starting with Your Customers

Try these experiments to practice basic skills for your qualitative research

6. *Find 3 Agents in Your Community*

Seemingly simple moments like trouble-free access to an agent or effective guidance through the customer call center are easy to take for granted. But small breakdowns in experience can create critical challenges for customers as they try to engage with your products or services. (See page 56 for the full experiment.)

Find more experiments in the **CGAP Customer Experience Workbook**:

7. Have Coffee with Customers

Start impromptu conversations with a group of customers while they visit your branch. This is a great way to learn about their experience without getting into the logistics of a formal focus group.

8. Follow Front-line Staff

Shadowing is a basic observation technique that allows you to unobtrusively learn about an experience from the perspective of a single user. Following a front-line employee will help you uncover patterns and insights in interactions between customers and employees.

9. Create a Customer Sketch

A customer sketch is a simple exercise to start characterizing your customers and learn where you may lack information. It can also help you guide the creation of a research plan and early-stage personas.

Experiment 6

Find 3 Agents in Your Community*

The agent experience is usually quite different in rural and urban areas, and seemingly simple moments can be taken for granted – like easy access to an agent or effective guidance through the customer call center.

There are a few simple ways to put yourself in the customer's situation to better understand their everyday challenges with your products and services.

Tigo Cash launched its mobile money service in Ghana in 2010. But by 2012, only a fraction of its over 1 million registered subscribers actively used the service and the company struggled to gain momentum. In 2013 Tigo Cash, IDEO.org, and CGAP set out to better understand how to improve the customer value proposition – and the larger issue of engagement with mobile money among low-income Ghanaians as well.

Once the initial research took off, the Tigo Cash manager was challenged with a simple exercise: find three agents to ask for help. The experiment would help the manager experience the service firsthand and learn how it worked in real life, in a real community. It took the manager more than ten calls with a Tigo customer representative and several hours wandering around town to find even one agent. It was at that moment that Tigo Cash employees realized the practical challenges their customers were facing.

STEPS

1

Start by visiting a town or village with low adoption rates of your products and services. Walk around and try to **find three agents that can assist you**. (It's ideal if you're not familiar with the location beforehand.) Document the process in writing and images. Note your actions, interactions, emotions, and thought process.

2

Follow-up activity: Choose a specific challenge you could face as a customer (e.g., unable to set up your mobile wallet). Ask the agent if he/she can help you with it, then **phone the customer center and ask them to help you solve the problem as well.**

If your organization does not work with an agent network, you can still run Step 2.

3

Take notes as you go through the experience and once you're back at the office, reflect with your team on the following themes:

- How much time does it take to find an agent or gain effective support through the customer call center?
- What moments in the process were frustrating for you?
- Beyond the customer call center, who did you reach out to for support?

USE IT WHEN

- Just before you start your research phase. The experiment will help you think from a customer perspective right from the beginning of the process.
- As a support activity to creating a customer journey map – to understand how people think, feel, and act in similar situations.

USE IT TO

- Get a better understanding of the daily challenges and needs your customers may face with your products and services.
- Spark new ideas to improve current products and services.

TIME
1-2 hours

ROLES
Individual or small group exercise

MATERIALS
Mobile phone
Notebook

3

PLANNING AND TAKING ACTION

Understanding your customers can be an eye-opening experience, but putting insights into action can be a daunting task. This chapter guides you through the process of framing and prioritizing customer-focused business opportunities using an opportunity brief, and shares strategies for integrating customer experience into your existing work.

You'll discover how Janalakshmi, a microfinance institution in India, used ideation and prototyping to empower their teams and test their ideas in real communities. Additionally, you'll build your team's practical toolbox with the business canvas, budgeting tools, and practical tips for gaining support from all areas of your organization.

In this chapter, we'll cover the following questions:
- How can you define and prioritize promising business opportunities?
- How do you operationalize customer experience?
- How do you prototype for customer experience?
- How do you get your team to rapidly test ideas?

How can you define and prioritize promising business opportunities?

The segmentation model, personas, and journey maps help you identify the compelling needs and aspirations of your target customers and where your offerings may fall short. Opportunity briefs will help you capture and prioritize the key benefits and attributes your products and services must offer to ensure adoption. The next, and most crucial, step is translating these insights into a viable business opportunity to invest in. Use the following questions to guide your thinking, and the opportunity brief template on page 61 to dive in deeper.

Prioritizing barriers
Analyze the barriers that would prevent customers from using your product or service, and identify those that are "deal breakers" for the personas you created.
If you have an existing product: What product attributes contribute most to these barriers?

Prioritizing incentives and benefits
Analyze the potential benefits your product or service should offer, and identify which are "must haves" for the personas you created.

If you have an existing product: What are the attributes that would strengthen these benefits and increase uptake?

Prioritizing touchpoints and channels
Analyze the touchpoints and channels through which customers experience your offering. Identify the strongest and weakest touchpoints and the challenges or opportunities of each channel. What should you keep or change?

Prioritizing attributes to drive value
Look at the five key attributes that must be included or optimized to ensure adoption (maximize benefits and minimize barriers), and identify the key attributes of your product or service that drives adoption, e.g., speed, customer relationships, flexibility, etc. Assign a value from 1-10 for each.
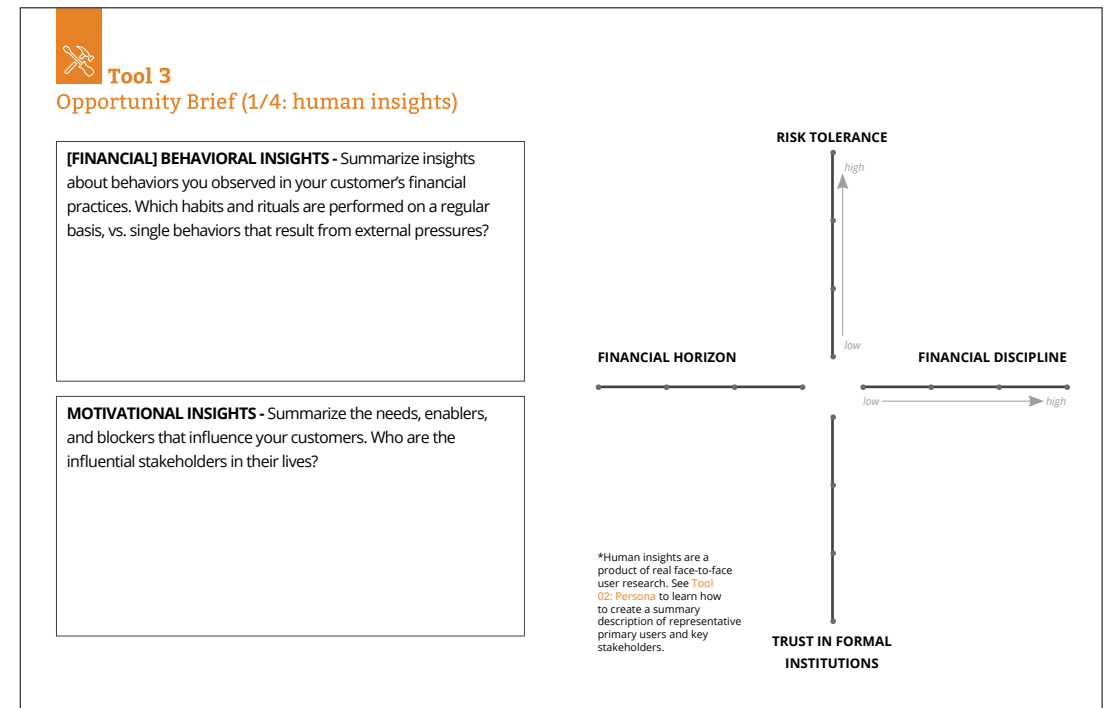- What is the ideal/optimal value?
- What is the minimal acceptable value?

Once you've assigned ideal, optimal, and minimal values, confirm them with key stakeholders; they may vary considerably for different contexts or segments.

Tool 3

Opportunity Brief

An opportunity brief aligns the most promising opportunities to improve customer experience *and* create business value. This tool helps drive alignment within your team and buy-in from stakeholders on where to invest to improve customer experience.

Tool 3
Opportunity Brief (1/4: human insights)

[FINANCIAL] BEHAVIORAL INSIGHTS - Summarize insights about behaviors you observed in your customer's financial practices. Which habits and rituals are performed on a regular basis, vs. single behaviors that result from external pressures?

MOTIVATIONAL INSIGHTS - Summarize the needs, enablers, and blockers that influence your customers. Who are the influential stakeholders in their lives?

RISK TOLERANCE
high
low

FINANCIAL HORIZON   FINANCIAL DISCIPLINE
low   high

TRUST IN FORMAL INSTITUTIONS

*Human insights are a product of real face-to-face user research. See Tool 02: Persona to learn how to create a summary description of representative primary users and key stakeholders.

For more tools, visit the **CGAP Customer Experience Workbook**.
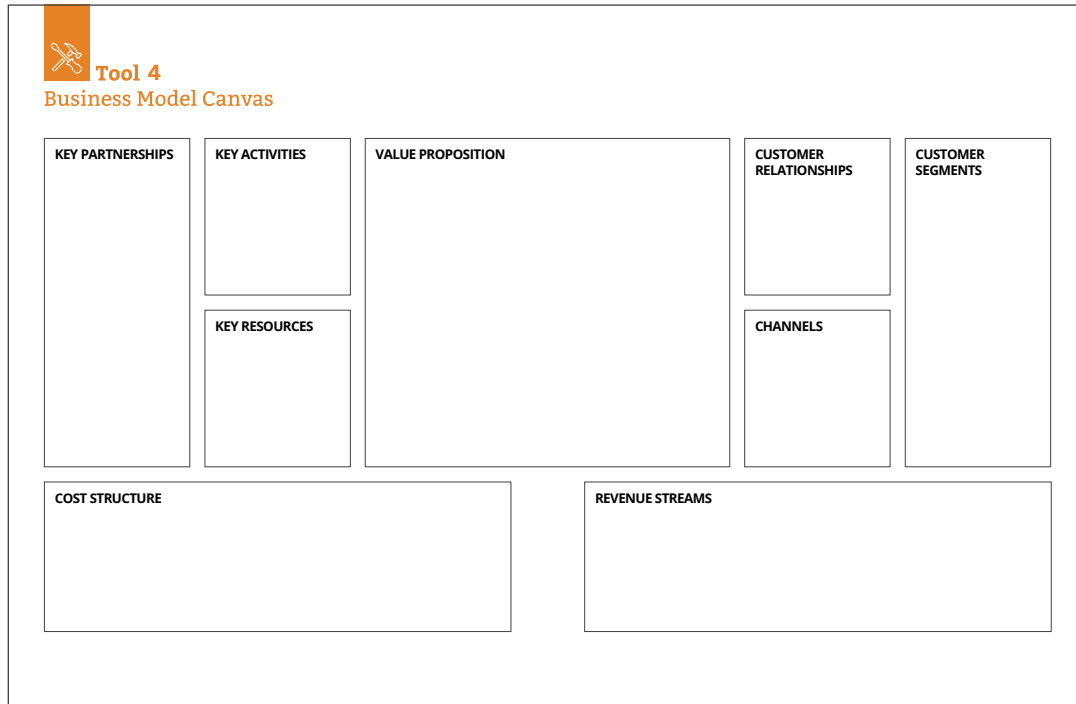
References: Prioritization Tools
Selected methods from The DIY Toolkit (Nesta), Insights Into Action (CGAP).

Business Model Canvas

The business model canvas is a tool for describing, analyzing, and designing business models. It describes the rationale of how an organization creates, delivers, and captures value, and is a good starting point for thinking through and discussing the business model of your organization, your competitors', or any other enterprise.

Tool 4
Business Model Canvas

KEY PARTNERSHIPS	KEY ACTIVITIES	VALUE PROPOSITION	CUSTOMER RELATIONSHIPS	CUSTOMER SEGMENTS
	KEY RESOURCES		CHANNELS	

COST STRUCTURE	REVENUE STREAMS

For more tools, visit the **CGAP Customer Experience Workbook**.

How do you operationalize customer experience?

Use the process outlined in earlier chapters to address short- and long-term opportunities for testing customer experience improvements. Whether one week or six months, the scale of investment will depend on the type of solution and the scope of research and testing you want to pursue.

Compared with other forms of analysis, design-oriented processes provide concrete results to learn from in a relatively short period of time. While they may seem more fluid, their rigor comes from a set of principles and processes that encourages rapid cycles of learning, creating, and testing.

PROJECT SCOPING GUIDE

	Light Effort 1-3 weeks	Medium Effort 4-8 weeks	High Effort 2-3 months
Level of Effort Timeframe	**Light Effort** 1-3 weeks	**Medium Effort** 4-8 weeks	**High Effort** 2-3 months
Project Example	**Janalakshmi** Marketing campaigns at the branch	**Janalakshmi** Service/product improvement	**MyAgro** Product development
Team		1 senior management 2-3 core team members	1 project lead 2-3 field researchers 1 translator (as required)
1. LEARNING		**TIME:** 2 weeks **ACTIVITIES/TOOLS:** **Household interviews** 15-16 interviews 3 hours per interview Tools: Income spending map and Janalakshmi touchpoints **Shadow field employees** 1-2 observations 3-4 hours 1 person **Fly-on-the-wall** 1-2 observations 3-4 hours 1-2 people **Customer workshops** 2 workshops (3 hours each) 5-7 customers per session	**TIME:** 2 weeks of planning 3 weeks of learning **SECONDARY RESEARCH:** **Framing the innovation space** Space influencers Organizational dynamics **PRIMARY RESEARCH:** **Household interviews** 3 hours per interview **Intercept interviews** 50-70 interviewees 20-30 minutes per interview

PROJECT SCOPING GUIDE

Level of Effort Timeframe	Light Effort 1-3 weeks	Medium Effort 4-8 weeks	High Effort 2-3 months
Project Example	Janalakshmi Marketing campaigns at the branch	Janalakshmi Service/product improvement	MyAgro Product development
Team		1 senior management 2-3 core team members	1 project lead 2-3 field researchers 1 translator (as required)
2. CREATING		**TIME:** 1 week **ACTIVITIES/TOOLS:** **Group ideation** 2 sessions 4-5 customers per session 2 facilitators Section I: 60 minute group exercise Tools: Ideation templates, solution cards Section II: 30 minutes Tools: Idea pitch template, rating template	**TIME:** 1 week **ACTIVITIES:** **Ideation workshop** 1 session 8-12 employeees 1 facilitator **Stakeholder interviews**
3. TESTING		**TIME:** 4-6 weeks **PROTOTYPING ACTIVITIES/TOOLS:** Note: Steps represent process for each prototype **Planning** Tool: Planning template **Design** **Production** **Implementation** Tool: Prototype update **Measurement** Tools to gather feedback	**TIME:** 2 weeks **PROTOTYPING ACTIVITIES:** **Paper prototypes** Farmers passport for enrollment (example) Monitoring worksheets to prioritize expenses (example) **Mobile wireframes** For registration and enrollment (example) **Interactive Voice Response skits** 5-minute skit to illustrate a new service experience

PROJECT SCOPING GUIDE

Level of Effort Timeframe	Light Effort 1-3 weeks	Medium Effort 4-8 weeks	High Effort 2-3 months
Project Example	Janalakshmi Marketing campaigns at the branch	Janalakshmi Service/product improvement	MyAgro Product development
Team		1 senior management 2-3 core team members	1 project lead 2-3 field researchers 1 translator (as required)
4. MEASURING		**MEASUREMENT ACTIVITIES:** **Customer satisfaction survey** Tool: Dalberg Customer Experience design *Note: Activity out of scope of 4-8 week timeframe*	**TIME:** 2 weeks *Note: Activities same as testing phase*
5. SCALING		*Note: Activity out of scope of 4-8 week timeframe*	**TIME:** Over 6-8 months *Note: Phase to be determined*

Once you've developed your project plan, coordinate involvement from other groups at the branch or department level to gain cross-functional support and align with current initiatives.

How do you prototype for customer experience?

User experience prototypes are a customer-facing representation of a product or service idea used to validate, spark new ideas, and refine concepts with stakeholders. Prototypes use available materials to quickly mock up aspects of a product or service.

Why prototype?
Prototyping allows your team to explore many concepts quickly before investing in detailed design and development. It gives product and service ideas form so they can move out of the office and into the reality of customers' lives, needs, desires, and abilities.

Principles of Prototyping:
• Fail fast with many ideas
• Refine and revise promising ideas
• Make efficient use of available resources, skills, and tools
• Actively involve your customers in product and service creation

To gain the most benefit from prototyping, a product or service must be flexible. Undertaking prototyping and testing implies a commitment by your team to embrace customer feedback and make necessary changes.

Multiple rounds of prototyping are the way to really focus on concept details. Prototypes fall into three main categories: concept prototypes, interface prototypes, and usability prototypes – and can range from concept sketches to interactive high-fidelity artifacts.

CGAP – Jakarta, Indonesia

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How do you get your team to rapidly test ideas?

A key element of customer experience projects is rapid prototyping. By quickly building in just enough resolution to make an idea real, you can get it in front of customers and solicit their feedback.

Most financial service providers are not used to quickly testing their ideas through rapid prototyping, particularly in the early stages. It can be difficult to break through existing mindsets and convince your team members to try (and risk failure) in order to quickly learn from customers. But prototypes take a wide variety of forms and some do not require much commitment on the part of your organization, as noted below.

PROTOTYPES

Iteration Type and Purpose	Description	Setting	Example
Idea Mockups (rough representations to illustrate)	Quick, tangible manifestations of your ideas. Low-fidelity, simple representation that can take the form of sketches, storyboards, or role playing scenarios. Best used as artifacts to push forward discussions on an idea.	Meetings or workshops	A storyboard that demonstrates a new service experience

PROTOTYPES

Iteration Type and Purpose	Description	Setting	Example
Prototypes (interactive concepts to experiment with or test)	The stage when you test a formed version of your concept/solution with specific features and representative users in a natural context. Prototypes are valuable tools for testing specific questions about features, audiences, or experiences in context. Generally used in facilitated experiences with users.	In the field (street, community spaces, branch offices, home)	A working wireframe of a mobile service platform for a potential customer to click through
Pilots or Mini-pilots (small scale programs to refine)	The act of putting your idea into the world in a more substantive way. At this stage, your solution is ready to be tested in a relatively unfacilitated manner in order to gather insights on its natural performance with users. Metrics and other evidence help your team hone and evolve a pilot into an implementable offering. Pilots and mini-pilots provide crucial trial periods before refining and launching an offering.	Target or representative service environment (branch, store, mobile platform, etc.)	A 60-day trial of a new service with a group of 100 customers, followed by short phone interviews
Implementation (models or offerings to sustainably launch)	When a tested offering is rolled out to market in a more permanent way. At this point, your product or service should be able to stand alongside your existing portfolio of offerings. Internal (business model, operations) and external (service experience, marketing) details should be fleshed out and only tweaked slightly. Success is measured by indicators refined from the pilot stage, as well as business performance. Implementation stage offerings are real-world solutions launched with actual customers.	Actual service environment with real partners	A new loan offering with a digital onboarding experience facilitated by field agents and through mobile channels

Continuum – Lahore, Pakistan

"The focus [of the prototypes] was on moving from a somewhat average experience for customers to an experience of delight." **Ramesh Ramanathan, Janalakshmi, India**

Janalakshmi Prototyping Process

Challenge

With increasing competition in the market that provides financial services for the poor, Janalakshmi, India's largest urban microfinance institution, saw an opportunity to distinguish their brand through customer experience. In 2015, CGAP collaborated with Janalakshmi and Dalberg to better understand the customer journey and make customer experience interventions. Dalberg used qualitative research to design a blueprint for short-term customer experience improvements at Janalakshmi, starting with small prototypes. Learn more about the research phase on page 50.

Questions

Which customer experience prototypes will prove the most impactful and valuable for Janalakshmi to implement and scale?

How can Janalakshmi create cross-functional teams to design and run customer experience prototyping projects?

Overview

During the six-week testing phase, prototypes were rolled out by designated project leads. Teams tested the most promising solutions with customers to get rapid feedback so that after a few iterations customer experience improvements could be formally incorporated into the Janalakshmi business processes. The prototyping phase was structured as follows:

Prototype Planning: Define hypothesis; create process maps, timelines, budget and resource requirements, and approach to gathering feedback.

Prototype Design: Create collateral, artifacts, processes, and training materials.

Prototype Production: Procure or produce collateral or artifacts. Keep these components to a minimum so prototypes are lightweight and flexible.

Prototype Implementation: Implement prototypes over several weeks until desired sample size and actionable insights are achieved.

Janalakshmi tested three prototypes:
- improved facilities for customers at a bank branch
- a faster disbursement process that reduced customer waiting time
- a rewards program that recognized customers who paid back loans faster and consistently attended loan meetings

A modest budget was set aside for the team to use for prototypes. A senior staff member was assigned as the customer experience champion to ensure prototyping managers had the permission and buy-in to complete their projects.

Some ideas were easy to implement. Janalakshmi decided they needed a list of non-negotiable factors to reinforce the basic minimum customer experience at every branch and agent location to create a distinct brand identity in the minds of customers. They prototyped Jana Basics, where water, clean bathrooms, large waiting areas, breastfeeding zones, and kids play zones were provided at two branches in poorest of the poor areas that lacked those facilities. Janalakshmi trained hosts to welcome each customer, provide a token for waiting, and direct people to a seating area. The positive impact of this prototype showed they needed to scale the non-negotiables to all branches nationally.

Janalakshmi also tested a radical idea for reducing customer waiting time for group loan disbursements. Customers complained that they lost a day of work and wages to get loan funds into their accounts (which requires the entire loan group to be present at the branch at the same time). The team tested a new approach where all paperwork was done at a community center near loan group members' homes (generally in the same community). They still needed to be at the branch to get money on their ATM cards but waiting time was reduced. With fewer customers waiting, the branch processed more loans each day: good for customers, good for business.

Reference: Can a Good Customer Experience for the Poor Benefit Business? CGAP Blog Post

However, compliance and risk teams were hesitant since the prototype challenged industry norms on enforcing group liability. They feared it would affect replayments. An increase in business was not evident in six weeks of prototyping but customers seemed to like the program. As a result, the prototype moved to a piloting phase for more evidence and management committed to back it if the business case was proved.

At the end of the six-week period, the Jana Basics business case was clear. Currently, a second prototype for changing loan disbursements needs further piloting for evidence of impact and a third customer rewards program prototype is back to the design table because it needs a stronger business case. Janalakshmi is also in the process of building a practice of continuous innovation and testing around customer experience. Employees took great initiative during prototyping but struggled to balance responsibilities with their regular jobs.

Janalakshmi is creating key performance indicators for employees that encourage customer-centric innovation. They realize it's important to incentivize employees (with time and money) to contribute beyond their usual responsibilities. A customer centricity council called Suno Unki Kahani ("listen to their stories") has been set up with members from every business function. The group meets periodically to highlight customer-centric initiatives and bring customer voice into the boardroom. A Janalakshmi branch in Bangalore's Neelasandra neighborhood has been transformed into a lab for testing all new customer-centric initiatives. If prototypes work there, it's the first endorsement for scaling up customer experience improvements. With a combination of cultural norms, structural incentives, and clear processes for innovation, Janalakshmi is fueling a new focus on customer experience in the organization.

Continuum – Nairobi, Kenya

Bank BTPN Prototyping: Project Bertumbuh

Challenge

Bank BTPN, a mid-sized commercial bank, serves 1.4 million mass market customers in Indonesia. Project Bertumbuh ("to grow") was born of an effort to improve the lives of the 150-200 million Indonesians who are currently unbanked. However, the bank felt it needed additional support to tailor offerings to truly meet customer needs.

Question

How can Bank BTPN better understand low-income customers to improve uptake of their new mobile service in Indonesia?

Overview

After three weeks of initial research in the field, the team synthesized 2,600+ data points from conversations with customers. The team then field tested five main concepts that emerged from an ideation workshop where 118 new ideas were initially developed with bank employees. Throughout the testing phase, prototypes at various levels of resolution allowed the team to garner insights around the most valuable concepts, features, and messaging components the product needed to offer to ensure adoption.

Paper mockups for testing concepts showed people naturally thinking about their money in terms of tangible needs and dreams. The mockups helped the team engage interviewees in a proactive exercise that generated ideas and improved the most valuable concepts.

Paper prototypes to test the product concept (simple marketing posters) helped the team explain product functions and frame the conversation around the most critical and interesting benefits.

Mobile prototypes as proof of concept were developed out of paper to test USSD menus and SMS interfaces – features designed to build trust between customers and agents that would eventually lead to a credit history or credit offerings. Based on customer feedback, the team was able to focus on the most appealing concept and product at the end of the prototyping phase.

Tool 5

Project Planner

Use these simple framing and timeline planning tools to begin the loop of prototype design, feedback, and tweaking. It's important to plan adequately, and far in advance, to consider your prototype objectives, the key customer experience improvement hypothesis you're testing, sample size required, locations, materials, budget, and timeline.

Tool 5
Project Planner

PROJECT CONCEPT

OPPORTUNITIES - What opportunity area does your project exploring?

PROJECT STAGE PLANNER

| 1. | 2. | | 3. | 4. |

Activities

Resources (internal / external)

ROLES - What people are needed to make this a reality, and for what are they responsible?

OWNERS

ITERATION - How can your concept be improved upon and iterated over time?

SUCCESS - What would success look like for this project?

Tool 6

Budgeting Tools

Budgeting tools help model basic costs required to execute customer experience activities over the course of a week, a month, or longer. These tools help you define different internal and external cost categories since, in many organizations, certain types of funding can be harder (or easier) to procure.

Tool 6
Budgeting Tool (1/4: core team resourcing)

ROLE ON Customer experience TEAM	TYPICAL FUNCTION	RESPONSIBILITIES		% ALLOCATION	ESTIMATE COST
Executive Sponsor	Senior Manager or Executive Sponsor	• Set business goals & vision • Drive organizational buy-in • Mobilize resources		• N/A	$
Project Lead	Marketing Customer Research Product Development Digital Banking	• Bring strong customer mindset • Define strategy and approach to achieve busienss goals • Provide familiarity with customer centered approaches		• 50% forsmall & medium projects • 100% for large projects or critical stages of smaller initiaitves	$
Operations	Product Management Operations	• Bring strong customer mindset • Define strategy and approach to achieve busienss goals • Provide familiarity with customer centered approaches		• 25% for small % medium projects • 50% for large projects or critical stages of smaller initiatives	$
Finance	Strategy Business Analyst Finance	• Align Customer experience efforts with strategic and financial goals • Develop financial models and analysts to support business case for Customer experience		• 10% for small & medium projects • 25% for large projects or critical smaller initiatives	$
Evangelists / Champions	Sales & Marketing Customer Support Engineering / IT Branding & Communications	• Tap broader knowledge base and customer data • Evangelize for Customer experience across functions & departments • Anticipate dependencies in support functions like marketing, branch managemenetor IT		• Minimal time allocation to track progress and provide input, typically 2-4 hours / week. • Usually this extended team comprise another 3-5 people	$
Subtotal					Total costs

For more tools, visit the **CGAP Customer Experience Workbook**.

Experiments
Planning and Taking Action

Try these experiments to push yourself to set boundaries and plan within constraints

10. *Show the Impact of Your Prototype*

Organizations often wait until they have a fairly developed product before gathering reactions and interest through customer testing. But a low-resolution prototype is a cost-effective way to test your concept, gauge its value to customers, and uncover their perceptions about specific features. Prototyping is a great way to tangibly ground your ideas and elicit feedback from your audience. (See page 82 for the full experiment.)

Find more experiments in the **CGAP Customer Experience Workbook**:

11. Check Your Assumptions

When undertaking customer experience projects, it's always good to keep your assumptions in check. Use this simple test to spark reflection and dialogue.

12. Scope Your Project

Budgets and priorities often shift. When taking on customer experience projects, be mindful of lean and thoughtful project management. This tool will help you embrace your resourceful side.

Experiment 10

Show the Impact of Your Prototype

Organizations often wait until they have a fairly developed product before gathering reactions and interest through customer testing. But a low-resolution prototype is a cost-effective way to test your concept, gauge its value to customers, and uncover their perceptions about specific features. Prototyping is a great way to tangibly ground your ideas and elicit feedback from your audience.

STEPS

There are many ways to build a low-resolution prototype that tests your initial assumptions. It can even take less than three hours!

1
Identify concepts you'd like to understand more deeply. To illustrate your idea more completely, determine the components you'd like to test using a storyboard or concept map (e.g., a rewards program with many components: kiosk sign-up, rewards structure, mobile).

2
Low-resolution prototypes can take many forms: mock-up marketing posters, paper interface "screens," or a cardboard desk with faux staff. Choose the low-fidelilty approach that fits your concept and create questions to evaluate interactions with sample users.

3
Put your concept into action with real users. Ask them to "test" the product, messages, and key features. Have them articulate their thought process aloud or explain their understanding of features back to you after the experience. Record and debrief each interaction.

TIME

Building a prototype
Paper prototype: 2-3 hours
Hi-resolution prototype: 2-3 days

Testing
Spread activities over 2 days

ROLES

Group of 3-4
When testing:
1 facilitator (role playing)
1 note taker
1 photographer

MATERIALS

Online resources for mobile prototyping (mockups, POP 2.0)

EXPERIMENTS IN ACTION: TIGO CASH, GHANA

Tigo Cash launched its mobile money service in Ghana in 2010. But by 2012, only a fraction of its over 1 million registered subscribers actively used the service and the company struggled to gain momentum. In 2013 Tigo Cash, IDEO.org, and CGAP set out to better understand how to improve the customer value proposition – and the larger issue of engagement with mobile money among low-income Ghanaians as well.

The project's prototyping phase lasted two weeks. At the workshop, the team defined planning and logistics for three live prototypes. They began by splitting up the team and figuring out logistics before going out in the field.

The Traveling Kiosk Prototype
Concept: A dedicated, consistent Tigo Cash customer service presence in communities. The kiosk is a live, in-person physical installation, i.e., a table with a banner or a van set up near a Tigo Cash agent. The kiosk provides educational information, try-on experiences, support, and referrals to the local Tigo Cash agent for transactions and usage.

Three prototypes were tested live: Traveling Kiosk, Video Tools, and Star Promoters were all done on the spot – in the street or with a Tigo representative approaching potential customers without pre-arranged interviews. The Traveling Kiosk was set up at a busy intersection; the team measured how many people walked up to it, what kinds of questions they asked, etc.

USE IT WHEN

- You already have a concept and want to learn how people react to it
- You want to add a specific feature to a product or service
- You're crafting a communications or outreach campaign

USE IT TO

- Learn where value lies for customers
- Test how easy it is for people to use your product or service, and challenges they face
- Learn how customers use your products or services
- Understand which features are missing and which can be excluded

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It's one thing to say, "ok, I understand my customer"...and another thing to actually go make something and try it out. **IDEO.org**

4

MAKING
IT WORK

Embarking on a journey to become a customer-centric organization is a serious endeavor that requires the sustained support and engagement of senior management, your board, and employees. Leadership needs to ensure that all employees are committed to this major cultural shift, and properly incentivized.

This chapter focuses on team changes that are key to becoming customer-centric, as well as ways to ensure that teams work effectively with new methodologies.

Building a customer experience culture requires high visibility internal communication that focuses on the need for becoming customer-centric, key customer insights, and showcasing customer experience initiatives and success stories.

We also support the next phase of your journey with creative resources that capture and promote your work, like the case study template and the capturing business value tool. Don't forget to share your project with CGAP. You may be the next case we profile!

In this chapter, we'll cover the following questions:
- What type of team do you need to be successful?
- How do you ensure that your team works effectively?
- How do you adopt a customer experience culture?
- How do you generate support from other parts of your organization?

What type of team do you need to be successful?

When executing a project that focuses on customers, your best work will be done as a cross-functional team. You'll need a built-in set of collaborators with whom you can brainstorm ideas, give and get feedback, and "gut check" assumptions throughout the project. Make sure each team includes the following perspectives: consumer mindset, operational savvy, financial expertise, and organizational evangelists. Two additional factors to consider are team size and working with outside contractors.

1. Team Size depends on the scope of your project, but it's best to start with a core team of at least two people from different customer-facing functions in your organization.

2. Working with Outside Contractors
What can be done internally vs. what requires an external firm? If you're unsure and budget allows, consider having at least some external assistance. Even for basic research, subtle changes in questioning technique can result in dramatically different results.

Organizational Functions

FUNCTIONAL GROUP	TYPICAL ROLE	CONTRIBUTION TO CUSTOMER EXPERIENCE PROJECT
Design	• Designer • User Experience Designer • Interaction Designer • Service Designer	• Aesthetics, visual and brand identity for products and retail environments • Prototype and test new product concepts, particularly for web and mobile channels
Customer Research	• Customer Researcher	• Gather and understand customer behaviors, perceptions, current product usage, desires in new products and services, exerperience using products, etc.

References: CGAP Customer Segmentation Toolkit, Insights into Action Decision Tree

FUNCTIONAL GROUP	TYPICAL ROLE	CONTRIBUTION TO CUSTOMER EXPERIENCE PROJECT
Product Development	• Product Manager • Product Development Engineer • Product Architect • Quality Assurance (QA) • Product Owner / Program Manager	• Understand user behaviors, needs, and wants to create the right product • Define product portfolio, requirements, and features rollout • Usability of product and user journeys • Understand uptake of various features
Information Technology	• Information Technology Manager • Systems and Infrastructure Manager	• Manage internal technology platforms and systems, including customer data • Most likely to manage internal knowledge management platform or all technology used to collect and record customer feedback
Marketing	• Marketing Strategy • Market Research • Branding and Communications • Digital Marketing • Search Engine Optimization	• Define and understand target customers in the process of creating consumer value propositions (marketing messages), product pricing, market sizing, and trend scoping • Smaller companies generally assume that marketing is the natural home for customer-centric initiatives
Analytics	• Customer Data Analysts	• Collect customers' behavioral and transactional data • Raw data doesn't provide significant value but intelligent analysis can bring valuable insights
Strategy	• Competitive Intelligence • Channel Strategy • Corporate Strategy • Market Analyst	• Conduct market and competitor intelligence on key market and competitor trends that span social, technology, and consumer
Sales	• Sales • Account Management • Customer Relationship Manager	• Define and communicate value propositions to customers • Understand customer preferences, concerns, and needs
Customer Support	• Customer Support / Service Manager • Customer Support Representative • Branch Manager	• Handle customer feedback or complaints after sales • Some companies systematically monitor customer care feedback to improve current product offerings

"One of the most promising ideas in finance is using social ties and strengths to keep people on responsible savings programs." **Ginger Baker, Square**

How do you ensure that your team works effectively?

Customer experience projects require a few key operating principles for sustained success.

PHASE	OPERATING PRINCIPLE
PREPARING	**Customer Experience Needs Leadership Support:** Projects require strong, consistent management support for the organization to remain true to its mission and ensure that customer experience is a priority among trade-offs.
	Cross-Functional Involvement: Customer experience projects cut across product, sales, and operations functions – and require cross-functional teams for success.
	Budgets: Customer experience projects need separate budget heads, especially in cases where the benefit does not accrue to a single business function.
1. LEARNING	**Go to Customers:** User research should happen within the natural customer context as much as possible.
	Study the Entire Lifecycle: Customers' interactions with your organization represent a small fraction of their financial lives. It's important to study the entire lifecycle of their financial needs.
	Rich Interactions: Research should be designed to create rich interactions with customers that reveal much deeper insights than simply asking questions can.
2. CREATING	**Engagement Across Functions:** Customer experience ideas should be developed in a way that engages as much cross-functional expertise as possible.

PHASE	OPERATING PRINCIPLE
	Prevent Premature Critique: Many customer experience ideas run counter to prevailing wisdom. It's important that ideas are given thoughtful attention rather than premature criticism.
	Clear Metrics: When ranking customer experience ideas, it's important to rate each one by a well-defined set of parameters that takes into account quantitative and qualitative factors.
	Stories Communicate Better: Rather than blurbs that may be misinterpreted, writing down ideas as short stories (100-150 words, plus pictures) encourages thoughtful debate.
3. TESTING	**Prototypes Are Not Pilots:** Prototypes focus on testing specific components of processes and services. Pilots tend to be small-scale implementations of an entire process or service. They need to be treated differently.
	Plan a Little, Prototype the Rest: Once the basic details of your prototypes are in place, it's important to let users experience them and provide feedback. Then tweak.
	Fast and Cheap: While prototyping, quick and raw can be more valuable than waiting for perfection. Low-fidelity prototypes can yield very useful information and insights about what can improve customer experience.
	Take Calculated Risks: Prototyping needs evaluation and approval metrics that are less stringent than those applied to standard projects or pilots. Measured risk-taking is encouraged.
	Budgets: The culture of prototyping benefits from having a separate budget for prototyping on a regular basis.
4. MEASURING	**Plan for Measurement but Avoid Complexity:** Building a measurement plan during the design and inception of any customer experience project or prototype is important. But keep customer experience projects as simple as possible. For example, a survey with five or six questions can be done in person or over the phone to gauge the impact the project has on customers.
	Avoid Conflicts of Interest: Measurement surveys and tools should be administered by people who have no stake in eventual outcomes.

PHASE	OPERATING PRINCIPLE
	Early and Often: Collect feedback as soon as users are exposed to prototypes since people tend to quickly forget what they saw, thought, or felt.
	Budget for Measurement: Collecting feedback is one of the most important activities of the prototyping stage. Without it, there's no way to know whether or not to scale. Allocate budget for resources (people and money), as well as time to conduct meaningful measurement activities.
	"Right Sized" Samples: It's vital to define upfront how many customers you want to collect feedback from. Too few and the team may not have enough quality data to proceed; too many and you have to invest a lot in resources and time. In the Janalakshmi project, for example, the team collected feedback from 50 customers in control and exposed groups over a three-week prototyping period.
5. SCALING	**Build a Platform:** Scaling up successful customer experience projects needs a dedicated process or platform to expand best practices across geographies and product lines.
	Customer Experience Team of Experts: Having a dedicated team of customer experience managers who can travel to different locations and initiate scale-up of customer experience projects helps institutionalize adoption.
	Dedicated Budgets: Create a budget pool for carrying out customer experience projects, with business rules that govern contributions and utilization of funds by various geographies and functions.

Project Team Best Practices
- Create a dedicated project space if possible
- Maintain momentum by setting aside time to consistent work together as a group
- Establish a clear communications strategy
- Share progress throughout your organization
- Document everything

 Reference: Design for Libraries

Team Roles + Descriptions

Customer experience involves a number of different skills and capabilities that may not be present in one single individual. Some skills may be found within your organization already, particularly in customer-focused roles such as marketing or customer care. Use the role descriptions in this worksheet as a guide to help build your team.

Tool 7
Team Roles + Descriptions

WORKING DISPOSITIONS DESCRIPTIONS

Anthropologist: A curious inquirer who wants to find out how people tick and interact with each other, their environments, and their tools. You notice what others may not and approach qualitative understanding with rigor. You view people with an empathetic, open mind and seek inspiration from everyday human innovation.

Experimenter: A consummate builder who tests to learn. You aren't afraid to work through a problem in a rough state and would rather make decisions from evidence than theory. Experimenters don't need to have a hard design or technical discipline, but can often be seen drawing through ideas, making models, or talking through hypothetical situations to seek clarity.

Storyteller: A synthesizing mind with a knack for finding the storyline in the data points. You cut through jargon and find ways to translate work to a broader audience – identifying the challenge, plot, and characters. Your messages

help clearly convey innovations and can motivate the emotions and actions of a broader audience.

Analyst: A seeker of patterns in the data. You can find the story of human behavior in quantitative touch points to identify opportunities for impact. This perspective can help find ways to measure creatively and model business value quickly. They often are your translators to operational or financial roles in your organization.

Connector: A gregarious socializer with a knack for cross-pollination. They can bring in multiple perspectives from their own experience or network. This skill is crucial in the field to building rapport, forming mutually beneficial partnerships, and building connections and support in your organization to spread your work in Customer Experience.

GROUP GOALS What are your goals for this project and team? What would success look like?

PERSONAL GOALS What are your individual goals for this project? Is there a skill you'd like to gain or enhance? A professional milestone?

PROJECT PERSPECTIVES
Share the perspective and disposition you bring to your project team. This will help your team identify how to share work and leverage strengths.

How representative of this of you?

	this is not me 1	2	3	4	this is me 5
ANTHROPOLOGIST					
EXPERIMENTER					
STORYTELLER					
ANALYST					
CONNECTOR					

What implications does this have for the role and responsibilities you'll have in this team?

For more tools, visit the **CGAP Customer Experience Workbook**.

"We've created a new job, a customer service person at the Janalakshmi center. We will hold that person accountable... it can't be touchy feely, it needs to be stuff we can measure."
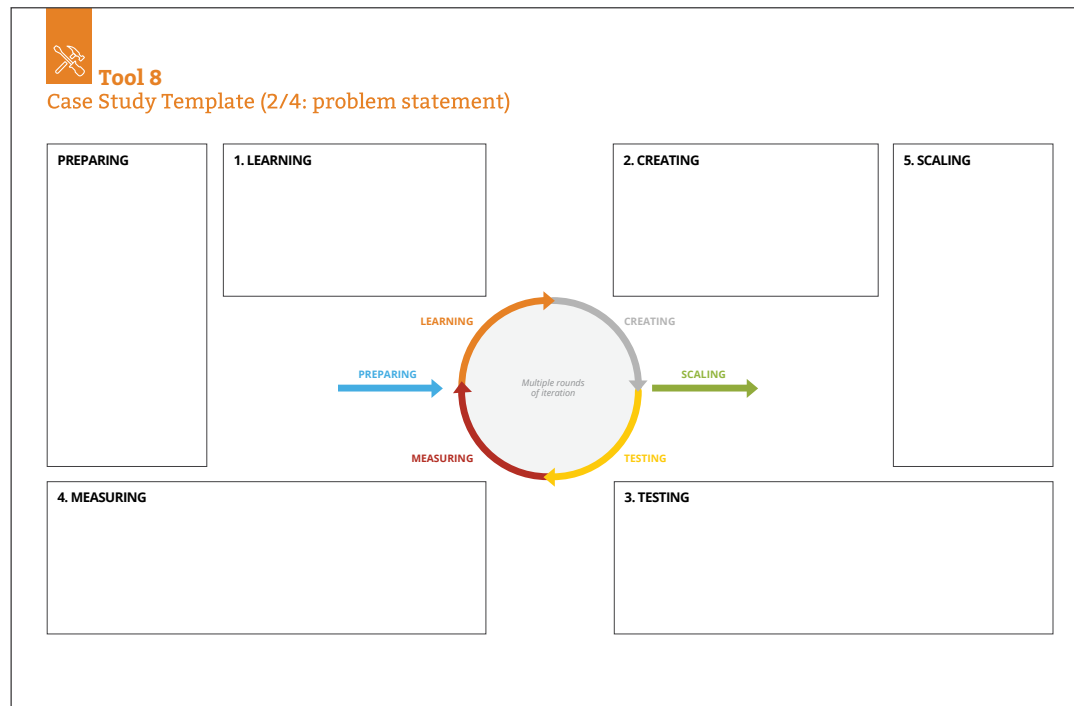
Ramesh Ramanathan, Janalakshmi, India

Tool 8
Case Study Template

Customer experience projects provide rich ground for learning by contextualizing the value of your offerings within customers' daily lives. As you integrate activities into your organization, it's a good idea to have a standard format for capturing outcomes in the form of case studies and lessons learned, plus specific return on investment / key performance indicator metrics.

Tool 8
Case Study Template (2/4: problem statement)

PREPARING | 1. LEARNING | 2. CREATING | 5. SCALING | 4. MEASURING | 3. TESTING

LEARNING | CREATING | PREPARING | SCALING | MEASURING | TESTING

Multiple rounds of iteration

For more tools, visit the **CGAP Customer Experience Workbook**.

How do you adopt a customer experience culture?

ADOPTING A CUSTOMER EXPERIENCE CULTURE | *PRINCIPLES FOR MAKING A CULTURE SHIFT*

Customer Experience Leadership

Embarking on a journey to become a customer-centric organization is a serious endeavor that requires the sustained support and engagement of senior management. Creating the role of chief customer experience officer can help provide sustained leadership.

Communication and Visibility

Building a customer experience culture requires high visibility internal communication that focuses on the need for becoming customer-centric, key customer insights, and showcasing customer experience initiatives and success stories.

Incentives

Designing appropriate incentives such as an organization-wide contest or financial perks can encourage a large number of employees to suggest and participate in customer experience initiatives.

Guarding against Pitfalls

It's important to stay the course in becoming a customer-centric organization. Guard against common pitfalls like turning back due to unexpected but isolated failures.

How do you generate support from other parts of your organization?

Decisions are not made unilaterally at most financial service providers, particularly if they're about customer-facing interactions. These types of decisions generally require input from a wide variety of functions, including sales and compliance. Here are some questions about customer experience and its implications for an organization that are commonly asked internally. Take a moment to think about which facets of your organization may need support to embrace a customer-centered approach.

STAKEHOLDER	TYPICAL QUESTION	SAMPLE RESPONSE
Legal/Regulatory Department	• How will customer experience efforts take into consideration the local regulatory environment? • What costs and risks does the organization face when creating new products and services?	• Customer experience efforts typically do not run up against legal issues, at least in the prototyping phase, unless they involve signing up new customers, or, in some countries, complex offerings. However, knowing regulatory constraints upfront and seeking appropriate review allows you to build the best customer experience possible within legal boundaries. It's important to know that a lot of prototyping and testing can be accomplished with dummy data to avoid sensitivities. • Product and service concepts need to be evaluated based on potential upsides and risks – prior to implementation. Part of the value of a customer experience process is that it allows concepts to be prototyped and tested to determine potential value before risk/reward considerations (as opposed to killing promising ideas at the outset if there's even the potential of risk).

STAKEHOLDER	TYPICAL QUESTION	SAMPLE RESPONSE
Operations	• What resource implications exist for new customer experience projects? • Which employee resources are required and how will the organization fulfill existing obligations? • What are the implications for front-line employees? They earn by commission and need to be paid for their time. How do they benefit?	• Customer experience projects are typically developed on an iterative basis, pulling from resources within the organization that strongly connect with customers. While resource-intensive over time, projects often start with a small team and adjust as they go, incorporating feedback from customers to ensure that value is captured before significant resources are deployed. • Employees can become quite passionate about customer experience projects, putting considerable time into them in addition to their existing obligations. This is a great asset for building motivation and entrepreneurial skills, but expectations need to be carefully managed. Customer experience projects usually require at least one employee with time specifically allocated for the effort. • Front-line employees are extremely valuable participants in the customer experience process. Besides monetary, there are often other rewards that compensate for involvement and provide sufficent motivation. Rewards may take the form of recognition or the opportunity to present ideas to senior leadership.
Compliance Department	• Do customer experience efforts abide by internal guidelines or partner specifications? • Does customer experience put existing vendor licensing agreements across the product portfolio at risk? • Are customers at risk?	• Customer experience design is customer-driven, using customer needs rather than internal guidelines as a starting point. However, as ideas and concepts mature and show value, it's critical to align with internal guidelines and flag compliance issues while still in the prototyping phase. • Customer experience efforts often begin with mockups and prototypes that do not involve real data or threaten partner or licensing agreements. The design process is generally flexible enough to steer clear of these issues, particularly in the early exploratory phase. • During the design and prototyping phase, customer experience does not put customers, or customer data, at risk. Risk is often avoided by using dummy data and making results anonymous; sample size is also generally quite small.

STAKEHOLDER	TYPICAL QUESTION	SAMPLE RESPONSE
Finance Department	• What's the return on investment for customer experience efforts?	• Customer experience projects are an effective way to test new business models and value propositions to determine appeal before investing in production and scale-up. They generally have a strong return on investment, as up-front costs are low and potential opportunities to drive customer value can be significant.
	• When and how does customer experience demonstrate value to the bottom line?	• That depends on goals. Customer experience projects can target both short- and longer term improvements to customer experience. Because the process is customer driven, it tends to surface a range of options that need to be filtered against business goals and priorities. In areas like retention, efforts have sometimes seen bottom line improvements in a matter of months.
	• How does customer experience encourage greater efficiency in retention/ acquisition? Which current problems should it address?	• The process is customer driven, so the ability to impact key issues such as retention/ acquisition depends in large part on the organization's ability to implement improvements that emerge from the customer-driven design process.
Information Technology	• What are the implications of customer experience technology? How do you think critically about evolving customer experience within current technology systems?	• Customer experience improvements require close alignment with IT systems, particularly to support more intelligent and personalized branchless banking experiences. It's ideal to involve tech teams from the beginning and work closely together to prototype and test concepts so IT implications are well understood.
	• How do you ensure that the mock-ups/prototypes you develop reflect real constraints of the IT system, including costs like mobile messaging?	• The customer experience process starts with customer needs, not tech constraints. Concepts are often explored that don't reflect all existing constraints within the business, such as IT. However, as ideas and concepts mature and show value, it's critical to align them with real world constraints (and costs) to priortize concepts that are the best fit from a cost/benefit perspective.

"Your biggest sell is to who owns the balance sheet in the organization."

Absa Bank, South Africa

Experiments
Making It Work

Try these experiments with your team to create healthy habits and bring the voice of the customer into your daily work through prototyping sessions.

13. Align Your Team Values
Seemingly simple, this value mapping exercise can put all team members on the same page. It acts as a common call to action, decision-making compass, and tool for negotiating priorities and conflicts. (See page 100 for the full experiment.)

Find more experiments in the **CGAP Customer Experience Workbook**:

14. Storyboard Your Idea
A storyboard is an easy way to robustly illustrate an offering idea within the life of your organization and its customers. Storyboards provide details on users, flow, interactions, and dependencies, and act as early stage mock-ups or prototypes.

15. Energy Barometer for Weekly Check-ins
Managing a project can be tough work, especially if it involves going against everyday norms. Use this simple technique to gauge the positive (or negative) energy of your team, and channel it toward productive work on a regular basis.

Experiment 13

Align Your Team Values

What makes you do what you do?
This value mapping tool enables you to describe the values embodied in your personal work and in the wider organization. Values are probably more influential than anything else in shaping what you do. They may be something you take for granted, that you believe is obvious, or something you've never actually articulated or written down. Defined values can be very useful in trying to explain your work to colleagues and partners. Once team values are defined they can be shared; they act as a common reference point to simplify and speed up decisions, and ensure consistency in the work your team accomplishes.

STEPS

1
Print a value mapping template for each team member (see Reference, page 101). Start by individually writing down on a piece of paper (or sticky note) what you feel is most valuable for yourself, as well as your organization. Make sure each team member first makes a personal value map.

2
Place a wide range of values (ten or more each) in the relevant fields on the template. Swap them around until you feel they're in the right place. To focus your activities, place a maximum of five in the "always important" column.

3
Ask other team members to complete the same exercise. Once all templates have been defined, together you can establish which values are important to the organization as a whole.

TIME

40 minutes

ROLES

Collective exercise
1 facilitator (optional – for introducing and guiding the exercise)

MATERIALS

Value mapping template
Sticky notes

EXPERIMENTS IN ACTION: MADHYA PRADESH, INDIA

A technical support leader for the government health team in the Indian state of Madhya Pradesh identified that her team was stuck in a rut. They were resistant to change, yet exhausted by the day-to-day challenges of government protocol.

The technical support leader used the value mapping tool to identify core values on the individual and organizational level that could bring much wanted change to the way the system operated. The idea was to try "change management" so resources could be used to more productively deliver services to citizens.

The team drew up an annual work plan that covered human resource and organizational development dimensions. Compartmentalizing values into four neat boxes was easier said than done, but in reality the values overlapped on the individual and organizational levels. Although there were shifts in position, personnel, and policy, a common thread was detected.

After the exercise, outputs were shared with government partners, which helped pave the way for buy-in for upcoming health projects and needed systems changes.
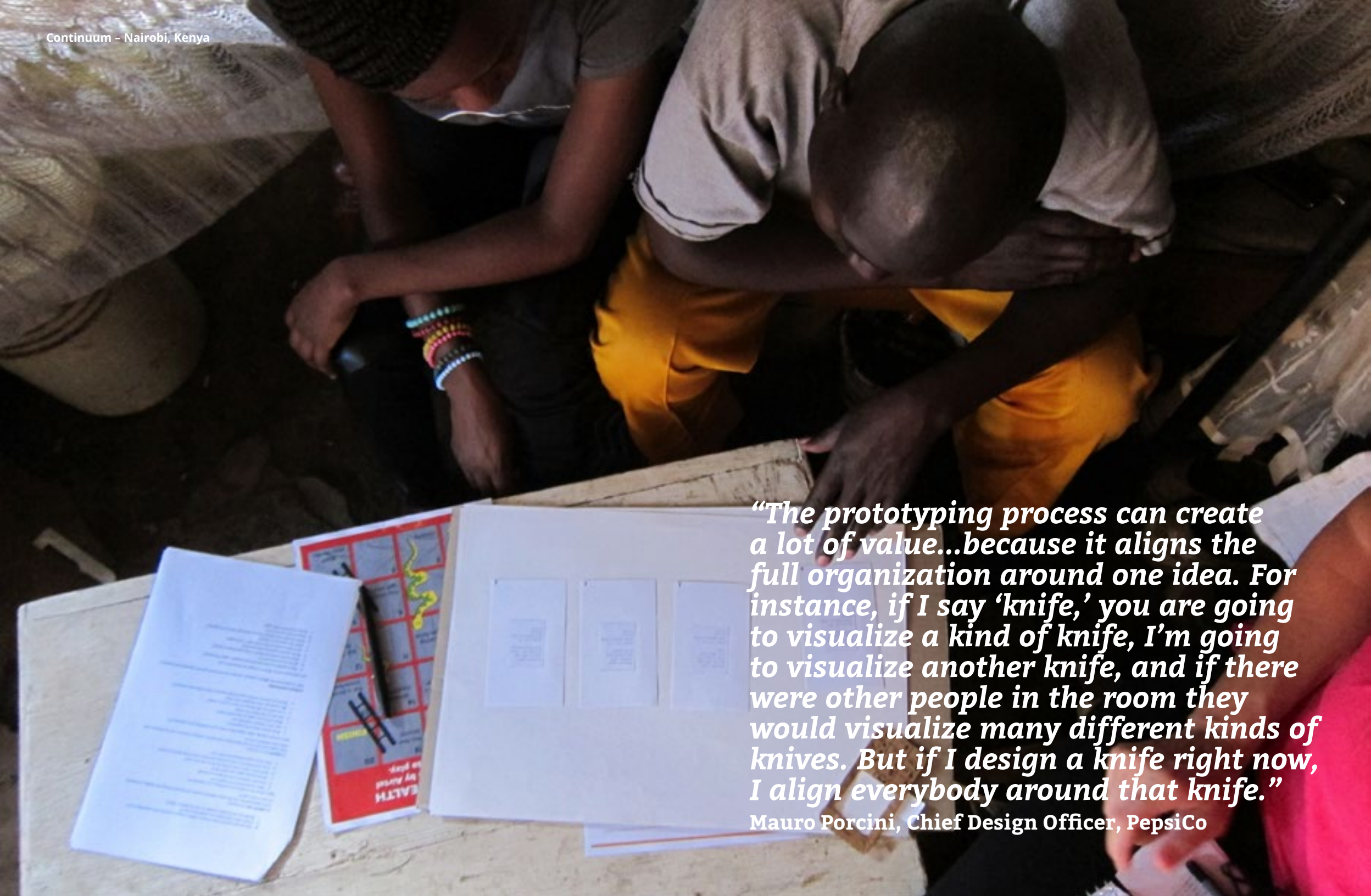
USE IT WHEN

• A change in management is underway that may affect your team dynamic, and you want to ensure that team members are aware of how changes may align (or not) with their individual values.

USE IT TO

• Expedite decision-making at critical moments by aligning on commonly agreed-upon values that work as guiding principles throughout your project.

Reference: DIY Development Impact and You
The DIY Toolkit (Nesta) Value Mapping

"The prototyping process can create a lot of value...because it aligns the full organization around one idea. For instance, if I say 'knife,' you are going to visualize a kind of knife, I'm going to visualize another knife, and if there were other people in the room they would visualize many different kinds of knives. But if I design a knife right now, I align everybody around that knife."

Mauro Porcini, Chief Design Officer, PepsiCo

SHARING THE RESULTS

Both customers and your team may be energized by your new customer experience initiative, but galvanizing broader support for this type of work is crucial. It requires a reflective process – gathering feedback, measuring impact, proving value, and telling the story of your process and learnings.

In this chapter, we'll cover the following questions:

- How do you collect feedback and share results to motivate adoption of customer experience?
- How can you showcase the impact of customer experience in your organization?

How do you collect feedback and share results to motivate adoption of customer experience?

Customer experience initiatives work best when they're holistically spread throughout your organization, rather than isolated in a department, team, or moment in time. Sharing and storytelling is crucial to building momentum and buy-in from peers and superiors. This simple act of transparency is a highly valuable but often forgotten practice when leading organizational and cultural change.

When it's time to share your customer experience projects, don't just reach for numbers and quantifiable results. It's often the illustrative anecdote or qualitative insights that are most provocative.

As you share with your organization, paint a robust picture. Four key sharing dimensions include:

- **process** what you did, how you did it
- **results** the quantitative and qualitative impact of your project
- **stories** vivid stories that reveal insights about people and places
- **learnings** positive and negative takeaways that may inform future practice

It often feels overwhelming to digest and share information, especially at the end of an initiative. But a well-established habit of documenting will pay off as you share with people outside your project group.

Recommended sharing practices
- Post-interview documentation: Direct quotes from customers are an incredibly valuable way to make your case (Design for Libraries, Insight Capture Sheets, Final Documentation PowerPoint)
- Field research observation capture sheets: Vivid takeaways from contextual research and prototyping (DIY Toolkit, Tools 11+12)
- Project journal: a daily or weekly account of progress to use for pulling insights
- Photos and videos: Visual capture from research, workshops, synthesis, and prototyping

As you embark on internal storytelling, keep in mind these key guidelines
- Sharing is an exercise in balance between process and outcomes, too much and too little, formal and informal channels
- Focus on people, not just products
- Consider which insights may be most directly useful to your team's work
- Appeal to a diverse audience; satisfy both the skeptic and the cheerleader
- Stories and qualitative sharing can be just as rigorous as quantitative findings
- Presentation is important; balance story, numbers, and imagery

I had to run something like a political campaign within the bank [to advocate]. I communicated with those interested...showed iterations...and was opportunistic.

Absa Bank leader

Tool 9
Customer Statisfaction Survey

Customer satisfaction surveys are highly useful evaluative tools that can be adapted and used throughout your process, although they are especially pertinent during prototyping and testing. Surveys are a quick way to generate data to validate or disprove your hypotheses, and are ideally executed at regular intervals so you can continue to make adjustments and iterate on ideas until a solution is refined enough to scale.

Tool 9
Customer Satisfaction Survey (2/2)

TARGET GROUP	SAMPLE QUESTION	1	2	3	4	5
Both	How **comfortable** do you feel at the [service location]?	Very comfortable	Somewhat comfortable	Neither comfortable nor uncomfortable	Somewhat uncomfortable	Very uncomfortable
Both	When you have **questions**, how adequate do you feel the information provided at the [service location] is?	Very adequate	Somewhat adequate	Neither adequate nor inadequate	Somewhat inadequate	Very inadequate
Exposed group	Have you **noticed any changes** at the [service location]? (Yes/No) If yes, how much do you like these new changes?	A lot	Somewhat	Indifferent	Very little	Not at all
Both	**Overall, how satisfied** are you with your overall experience at the [location]?	Very satisfied	Somewhat satisfied	Neither satisfied nor unsatisfied	Somewhat unsatisfied	Very unsatisfied
Both	How much **do you like** the facilities at the [service location]?	A lot	Somewhat	Indifferent	Very little	Not at all

Customer Feedback

Customer Feedback

For more tools, visit the **CGAP Customer Experience Workbook**.

How can you showcase the impact of customer experience in your organization?

Whatever the outcome of your project, link your findings back to your organization's overall business objectives and, ideally, provide recommendations on how your organization can continue to step toward improving customer experience. The three main things to consider when showcasing the impact of customer experience:

INCLUDE A MARKET STRATEGY ANALYSIS TO SUPPORT YOUR CASE Include intangible benefits as well	MAP THE IMPACT OF YOUR PROJECT THROUGHOUT YOUR ORGANIZATION	LAY OUT NEXT STEPS
• Refer to value matrix from **Business Challenges Booklet** • Carry out a product rollout sensitivity analysis • If possible, carry out a profitability study, or at least project profitability	• Create a concept reach map across the value chain • Create a product roadmap • Lay out the ecosystem around your product or service	• Immediate next steps

"Financial service providers are looking for data and analysis, but may not have the capacity to make sense of it. That's where this work comes in." **CGAP**

Experiments
Sharing the Results

You've worked really hard. Now try some experiments to explore tactical ways to measure and share the impact of your projects.

16. Make a Video, Show Your Impact

Sharing an "aha!" moment as a story brings the impact of your work to life. Create a one- or two-minute video with your camera phone and show the impact to your peers. (See page 112 for the full experiment.)

Find more experiments in the **CGAP Customer Experience Workbook**:

17. Launch a Customer Council

To better understand how a portfolio of offerings holds up, test it with a Customer Council. Over time, use this champion group to better understand customer preferences, brand impressions, and market direction.

18. Create Insights Cards

Insights cards are tools that cleverly address that moment at a meeting when you sense that the customer focus is getting lost. Build insights cards from your work by gathering understandings from personas, needs, and goals.

Make a Video, Show Your Impact

We often get lost in numbers and charts, thinking this is the best way to showcase results. But while data is important, sharing stories of people is another powerful way to leave an impression and resonate with your audience. In fact, you've probably already shared a moment of realization (when the impact of your work dawned on you) with a customer or your team.

STEPS

1
Brainstorm and recall moments of realization that you and your team had. Think how you'd like to capture one of those moments.

2
Make a four- or five-step storyboard that plans the shots you'd like to capture in your video.

3
Keep it simple. Focus on the story – not the execution. Some tips to spark your imagination and keep it simple:

- Interview a customer or employer you worked with
- Create a photo sequence from the field, with captions and background music
- Role play with your team

TIME	ROLES	MATERIALS
1-3 hours	Individual or group of 2: (1 fixer – logistics, and 1 cameraperson)	Video function from your phone

USE IT WHEN

- You want to share the impact of your work internally
- You're trying to make the case for an organization
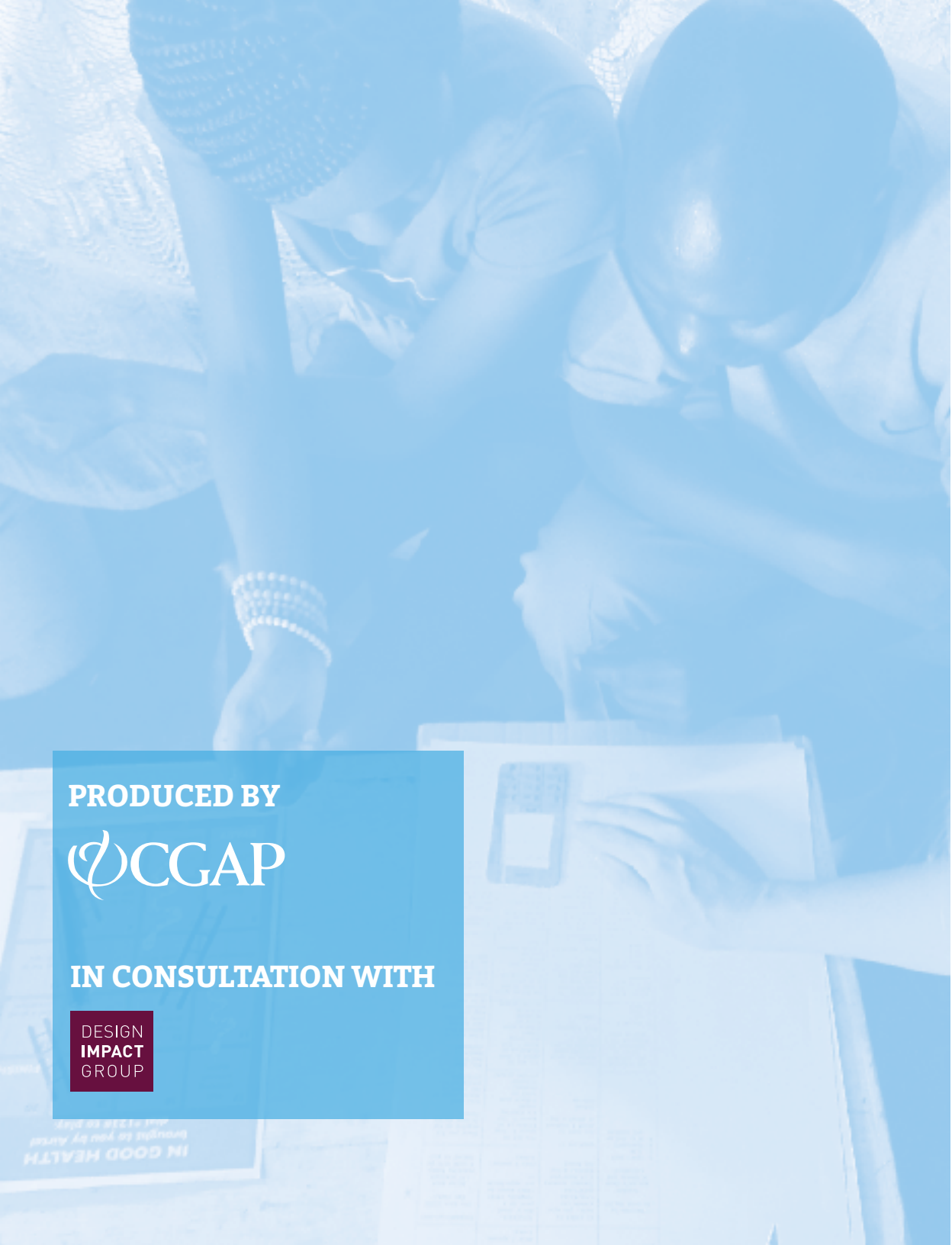
USE IT TO

- Get people excited
- Share the process across your organization and gain buy-in to scale up product development or tested prototypes

"The real danger is that we get caught in the words of customer centricity. We need to connect...in a personal way. The best way to make [customer experience] come alive is through stories." **Ramesh Ramanathan, Janalakshmi, India**

"People talk and talk about things until somebody arrives with an object, a prototype, and then everybody gets excited.

That's how you unlock resources...speed up your innovation process, and make the outcome more relevant to customers." Mauro Porcini, Chief Design Officer, PepsiCo