CERISE+SPTF

Sustainable Outcomes Management

Toolkit

Data Collection Methods for Outcomes Measurement & Management



April 2025 – Version 1.0

Objective of this Toolkit

Ten years ago, Cerise+SPTF anticipated the current global momentum for outcomes measurement and management.

Beyond environmental, social, governance (ESG) compliance reporting, to ensure actual customer protection and to understand what works and what does not work, the voice of the users counts!

There is a growing demand for more transparent, useful and comparable data on the actual effect of financial inclusion, both positive and negative, on the customers.

Collecting data to measure customer outcomes is as essential for reducing risks as it is for evaluating impact. Negative outcomes highlight areas for improvement while positive outcomes identify what is succeeding, and both inform strategic decision-making. Effective data collection enables tracking progress against set objectives and gaining a deeper understanding of customer experiences to avoid haring customers and ensure a lasting positive impact.

There are several methods to collect customer data, which vary depending on objectives, budget, time constraints, staff qualifications, target customers, local context, and available technologies.

This toolkit is aimed at guiding stakeholders in selecting, using and sometimes combining the most appropriate data collection methods to measure customer outcomes from using financial services.

It starts with general guidance on the effective use of data collection methods, applicable across all types, to maximize the quality and relevance of the data collected.

Then it presents summaries around the main categories of data collection methods:

Quantitative Data Collection

Conducive to gathering a large quantity of data:

- Management information system (MIS) data (including proxies, complaints data)
- Quantitative rapid surveys
- Quantitative in-depth surveys

Qualitative Data Collection

To understand customers' perspectives, behaviors, motivations, obstacles, and outcomes:

- Rapid light internal survey
- Focus group discussions

Mixed approaches

- Financial and business diaries
- Voice of the customers

For each methodology, this toolkit describes how it works in general, discusses its pros and cons, and makes recommendations for when to use it.

The toolkit illustrates each approach with practical examples or use cases and provides a summary so readers can compare the different methodologies at a glance.

Of course, the description is simple, and every method can be adapted or nuanced. The toolkit wants to share the big "families" of approaches, to guide users in decision-making.

This document is managed by Cerise+SPTF with support from strategic partners and funders.

e-MFP ADVANCING FINANCIAL INCLUSION

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Key Advice

A. Align with Strategy
B. Efficient/Digital way
C. Involve Customers
D. Triangulate Data
E. Segment Data
F. Negative results

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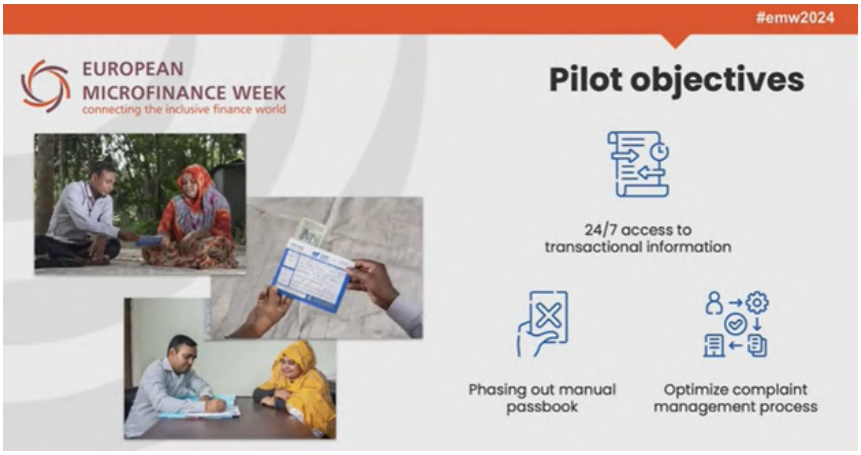
A. Ensure outcome data are integrated and aligned with the strategy

Always **prioritize** the most relevant indicators!

The ultimate goal of outcome data collection should be to **inform and guide strategic planning and operational decisions** within the FSP. Data collection methods must be designed with decision-making in mind, ensuring that the data gathered are relevant and timely for driving organizational actions.

For example, MIS data, financial diaries, or rapid data collection surveys should directly influence product design, improve customer services, and support impact reporting.

It is essential for the FSP to integrate findings from these methods into decision-making processes and to share them regularly with decision-makers as well as other internal stakeholders to strengthen internal buy-in. Sharing data internally also tends to increase the future quality of the data collection process. Once the different stakeholders see the data are useful, what the FSP means for the customers, how the data are used for improving products, staff and partners are more inclined to be careful to collect accurate information on the next steps.



B. Ensure outcome data are collected in the most efficient/ digital way

Do not use paper anymore for data collection!

There are now plenty of simple, user-friendly ways to collect data digitally, which will simplify data collection, cleaning, storage and analysis.

Here are two examples of regularly used data collection tools:

- KoboToolbox, a free platform for field data collection in challenging environments that works both online and offline through mobile devices and web browsers. > *Download this guide to get started with KoboToolbox.*
- Open Data Kit (ODK) is a paying solution used globally for thematic research and household surveys.

Some platforms are also built that can guide data collection for specific sector or needs.

AI (artificial intelligence) technologies could also support the data collection process. AI solutions – such as natural language processing, chatbot application, or banking software application – could help streamline reporting (reduce burden), gain efficiency, and improve data quality. However, it is not yet fully clear what are the most effective uses of AI in outcomes management, and what its risks are, so any FSP that chooses to use AI technologies will have to monitor its effectiveness especially closely.

To go further on these reflections, watch the following session recording by e-MFP in which different organizations from across the inclusive finance ecosystem present real-world cases of what AI means for the delivery of efficient, equitable and useful financial services to low-income people:

- Video by e-MFP – EMW 2024: AI & Financial Inclusion: Practical Examples for Today and Tomorrow

Key Advice

A. Align with Strategy
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C. Involve customers in the process if applicable

When possible, **involve** customers in the data collection process.

Self-assessment tools such as the Poverty Spotlight (see Friendship Bridge example) enable customers to evaluate their own financial standing and create personal action plans.

Financial and business diaries are good examples, they require customers to actively document their daily financial activities. This method not only captures granular data but also enhances customers' financial literacy and engagement with their own economic well-being.

At the end of the surveys, find a way to share the results with the customers.

This customer engagement not only improves the accuracy of data but also fosters a sense of ownership and empowerment among the customers.

D. Triangulate data

Combine different set of outcomes data for reliable results!

One of the most effective strategies is triangulation—the use of both qualitative and quantitative methods to gain a comprehensive understanding of customer outcomes.

As James Copestake and Sukhwinder Arora (2020) suggest, we should "place less emphasis on large, survey-based studies, and instead enhance capacity for more agile and responsive mixing of approaches" (05 November 2020 - Finance Fit for Opportunities and Shocks: What Helps Poor Customers Most).

Hybrid approaches offer a balanced solution by combining the precision of quantitative data with the richness of qualitative perspectives, but they require more complex management and higher costs.

For example, quantitative MIS data or rapid quantitative surveys may highlight trends in customer financial health, but qualitative methods like focus groups or financial diaries can explain why certain behaviors occur.

E. Segment by type of customers

Segment data by key customer groups and by main products!

Segmentation is essential to ensure that data reflects the diverse needs, behaviors, and outcomes of different customer groups. Rather than analyzing data in aggregate, FSPs should divide customers into segments based on key characteristics such as gender, income level, business type, or geographic location. This enables more targeted insights, revealing the different types of outcomes experienced by different customer segments.

F. Act on negative results

Use outcomes measurement to protect your customers first!

It is important to seek information on negative outcomes, and to **prioritize acting on them**. Negative outcomes—such as financial stress, loan defaults, loss of funds, violations of data privacy, exposure to financial abuse, seizure or sale of productive assets, dissatisfaction with customer complaints handling, and disrupted or unreliable access to financial services—often provide the most valuable insights for improving financial services design and delivery. By addressing negative results first, FSPs can identify and mitigate risks early and develop more customer-centric solutions by understanding pain points.

These general lessons can help on the use of customer data. Let's see now the main categories of data collection methods.

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Quantitative Data Collection Methods

A. MIS data
B. Rapid Surveys
C. In-depth Surveys

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A. Data from the Management Information System - Including Proxies

What – Description:

Uses existing operational, transactional, and demographic data stored in a financial service provider's **management information system (MIS)**:

- Operational data (trends on total amounts of loans, savings, or other products, trends by product, by region, customer retention rate, etc.)
- Customer transactional data (loan application date(s), loan reimbursement history, frequency and size of payments, frequency and size of savings deposits, average savings balance)
- Customer demographic and economic data (e.g., gender, age, location, source of income, assets, etc.)
- Complaints mechanisms feedback

Why – Importance:

This method leverages data already collected as part of the FSPs' daily operations. It enhances the understanding of customer interactions, financial trends and main issues without the need for costly new surveys.

Existing data can serve as a proxy for outcomes information, allowing the FSP to have some sense of outcomes without the time or expense of collecting actual outcomes data. For example:

- Customer retention rate gives an idea of satisfaction.
- Portfolio at risk data gives an idea of whether loan repayments are burdensome to customers.
- Trends in value of assets or savings gives an idea of whether the customer improves her situation or not.
- Data on portfolio by sector can be used to calculate a proxy of greenhouse gas (GHG) emissions for the FSP and data on loans for cookstove can be used with proxies for GHG emissions avoided.
- Complaints mechanisms can identify issues around risks of over-indebtedness, lack of transparency and understanding by the customers, negative outcomes.

When to use – Conditions for use:

- Especially effective when FSPs' systems are digitalized, which facilitates real-time data collection and analysis.
- Ideal for use when systems are well-developed, and the FSP collects the data consistently and reliably during each customer interaction.
- Ensure that the FSP can identify the need for customer data into account for each MIS upgrade or change, to smoothly integrate a capacity for outcomes analysis.

How – Collection process:

- The FSP designs its MIS to aggregate operational data.
- Field officers capture transactional and demographic data during day-to-day customer interactions, such as loan applications, follow-ups, and other operational touchpoints. Digital applications also allow for systematic data capture on customer profiles and transactions.

Pros:

- **Already integrated into daily operations.**
- **Low cost**, as the FSP staff continuously collect data without additional effort, or data is automatically captured in digital applications
- Can be leveraged for **real-time analysis**
- Allows for **longitudinal tracking** of business or household growth.

Cons:

Quality issues: there is a high risk on the quality

- Lack of capacity of staff: not enough dedicated time to collect accurately, not specifically trained for customer data collection, lack of motivation (risk of routine, no incentives to collect quality data if not seeing the value of it),
- Lack of accurate information on digital platforms (useless formatting, absence of data check, etc.)
- Customers may provide incorrect information: Customer demographic and economic data **might be biased** as customer may want to hide or overstate some information. For example, lying about age, level of debts or level of income on a loan application form, to increase their likelihood of approval.

MIS data does not actually measure customer outcomes. It makes inferences about outcomes by using other types of data as a proxy for outcomes, but this can be inaccurate. Using data as a proxy is a second-best solution, because the FSP is still guessing what the outcome is without actually measuring it. For example, high customer retention can happen when customers are satisfied, or it can happen when customers do not have a better option, so they remain customers even when they are somewhat dissatisfied.

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A. Data from the Management Information System - Including Proxies (next)

Cons (next):

MIS data does not give insight into why an outcome happens, whereas qualitative data would. For example, financial data might show customer dormancy. The FSP may use this as a proxy for satisfaction, and infer from the dormancy that the FSP's products and services do not meet the customer's needs. But it would not know why. If the FSP asked a customer about her dormancy, she might say, "*I stopped depositing savings into my account because each time I wanted to do that, the line at the branch office was too long and I wasted half a day.*"

MIS systems are generally focused on financial analysis, and not designed specifically for customer outcome analysis (multiple data bases not correlated, lack of systematic analysis of transactional data with an "outcome" lens, gaps in data collected, etc.), leading to **incomplete or inaccurate insights**.

Recommendations:

- Ensure proper **training and incentivization** with any staff who are part of the data collection, storage and analysis processes, to maintain high data quality.
- Have **one unique ID by customer** to facilitate analysis from different sources or databases.
- **Improve MIS systems** to focus on key customer data and discard irrelevant information. Take advantage of MIS changes to adapt the fields for useful customer data collection.
- **Be strategic in selecting** which data to collect, avoiding overwhelming staff. Make sure you have basic information to calculate proxies.
- **Share data insights with staff** to emphasize the value of accurate data and push field staff in collecting reliable and accurate customer data.

Example of FMBBVA: Data collection from loan application forms.

Fundación BBVA Microfinanzas

FMBBVA tracks quantitative indicators from financial data of its customers captured during its loan application form. These indicators helps following the the evolution of the customer's business (e.g., business revenue). FMBBVA thinks that economic data related to the business captured during the loan application are the most actionable data for the FSP, since the purpose of its loans is to help customers invest in their businesses. FMBBVA captures these data in its MIS system to be able to track outcomes. For example, every time a customer takes a new loan, FMBBVA knows how that business of the client evolves over time. Data analysis has confirmed that customers do grow their businesses over time, though volatility is the main issue.

Notably, FMBBVA does not limit its outcomes data collection to the indicators tracked in loan application forms. Instead, it collects data from multiple sources, including external surveys, which allows FMBBVA to triangulate outcome insights and to incorporate qualitative feedback too.

- See discussion on The Business Case for Customer Financial Health: Voices from the Field
- See BBVA Social Performance Reports

Example of Fundacion Dominicana de Desarrollo (FDD)

FDD

SPTF study in 2020-2021 with 4 FSPs on MIS data to analyze demograhic and financial transaction data by customer segments. Fundacion Dominicana de Desarrollo (FDD) reports that this analysis prompted FDD to take action.

Overall, FDD said the data helped them to think about how to use data in relation to the goals and social impact of its loan products. As a result, FDD is planning a change in marketing strategy by geography. It is also creating new products that focus on missed opportunities.

- See more information on the first session in the SPM Essentials series: it includes a brief on the session, as well as the presentation and the recording.

Here are four examples of how FDD used data analysis:

- **Data**: in rural areas, delinquency rated drop as tome passes. The opposite happens in urbal areas.
- **Hypothesis**: urban clients move more, making it more difficult to collect.
- **Action**: collect more data from clients to find them if they move without repaying.

- **Data**: different products showed different delinquency rates.
- **Hypothesis**: Non, this was a surprise to FDD.
- **Action**: ask credit officers, as they know the clients well and might have an opinion.

- **Data**: Different branches also showed different delinquency rates.
- **Hypothesis**: could vary depending on the economic development of the branch location, or it could be related to the management of employees.
- **Action**: analyse differences in employee management between the branches.

- **Data**: small percentage of clients use one type of loan.
- **Hypothesis**: marketing errors led to a new loan product cannibalizing this loan product.
- **Action**: Determine if the first loan product should exist.

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B. Quantitative Rapid Surveys

What – Description:

- Quantitative Rapid surveys refers to streamlined, simple surveys designed to collect key customer outcomes in a standardized and efficient manner. These surveys focus on capturing essential data points such as financial health and customer satisfaction, often using short, focused questionnaires that allow for quick and cost-effective data collection.
- The experience of 60 Decibels has highlighted that any survey should have a maximum of 40 questions.

Why – Importance:

- Quantitative rapid surveys provide timely, actionable insights into customer outcomes at relatively modest expense. They help FSPs monitor the impact of their services in a scalable and agile way.
- This approach allows for fast decision-making.

When to use – Conditions for use:

- Best suited when FSPs need high-level, standardized data on customer outcomes in a short timeframe.
- Particularly useful for periodic assessments or measuring immediate impacts of financial products.
- Suitable for tracking trends, such as financial health scores, across different customer groups or geographic areas.

How – Collection process:

- Quantitative rapid surveys are typically conducted using digital tools or phone-based surveys.
- Mostly conducted externally, at least on the first stages to define methodologies, questionnaires, etc.
- The sample's size depends on the scope of the survey.
- Typically done once every 1-2 years.

Pros:

- **Cost-effective**
- **Fast**
- **Can be focused on some specific products**/ services/ issues (e.g. financial health) to get a rapid insight of customers use, satisfaction and/or perceived changes
- **It can be standardized and benchmarkable** data, making it easier to compare across regions or FSPs. and easier benchmarking across different regions or FSPs.
- **Easily scalable**, allowing repeated assessments without heavy financial or operational burdens, based on initial survey.

Cons:

- **Lacks qualitative depth**: it describes what is happening (e.g., financial stress) but does not explain why (e.g., job loss or high expenses).
- **May not be comprehensive enough** if the sample size is too small or not representative. The trend in quantitative rapid surveys is to get "a snapshot", generally based on relatively small samples. Being focused (e.g., interviews only one demographic segment of customers, or only customers that use one specific product) or the survey being too short to encompass all aspects of outcomes may limit the scope of the results.
- **Risk of limited integration with FSP strategies**, especially when conducted externally, leading to limited capacity-building and potentially lower buy-in of the results by the FSP.

Recommendations:

- **Ensure data is actionable**: When going for a "rapid survey", the FSP should not be too fast in the selection of the indicators and ensure that the data collected will provide insights to drive decisions. Each question should be judged at how answers will be actually used for decision-making.
  - Ex: drop questions of improved health if not a focus of the FSP
  - Include questions on repayment burden when the FSP sees an increase on its PAR, etc.
- In spite of being a "rapid survey", **use sample size large enough** for effective segmentation (Rule of thumb: at least 30 representatives by segment to be analyzed)
- **Ensure staff is involved** in understanding and using the results when the survey is done by an external data provider.
- **Ensure integration into FSP strategy**, when conducted externally.
- **Define an adequate frequency** for effective tracking without overburdening staff or customers.

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B. Quantitative Rapid Surveys (next)

Examples from External Data providers

Example of MFR:

The Impact Assessment measures the capacity of an FSP to create positive impact in the lives of their customers. This evaluation encompasses a thorough analysis of both impact management systems (at the FSP level) and achieved impact results (through a rapid – mostly – quantitative survey), providing a comprehensive overview of the FSP's effectiveness in delivering meaningful outcomes.

- See the Impact Assessment Methodology
- See MFR impact surveys presented at the Cerise+SPTF Annual Meeting 2022

Example of 60 Decibels:

The Microfinance Index is a financial inclusion study that provides standardized, comparable outcomes data from direct surveys to customers of microfinance institutions. This index is collected annually and has expanded to collect more than 1.4 million unique global data points in 2024.

The approach incorporates two main features: first, a shift in mindset away from reporting and compliance and toward creating value for a company and its customers; and second, the use of methods and technologies for data collection that favor efficiency and speed while maintaining rigor.

While the surveys incorporate some qualitative questions, the core set is a questionnaire of standardized indicators.

- See this article on The Power of Lean Data
- See The Microfinance Index 2024



The Role of Investors and Support Organizations

Example of Oikocredit:

Oikocredit end-customer surveys programme: Customer Self-Perception Survey is a systematic, digital survey of the partners' customers to assess significant changes in their lives over the past twelve months. It has a strict focus on providing data that are actionable to the FSPs.

In 2023, Oikocredit worked with 34 partner organizations in Latin America & the Caribbean, Africa and Asia and collected responses of more than 40,500 end-customers.

Oikocredit has identified different ways in which the FSPs had used the data to inform a decision:

- better serve their clients: identification of localities at risks, tailored workshop on climate change, financial literacy update, product development, improved complaints mechanisms,
- cross collaborate with different departments with the results,
- working on their strategy with core indicators to track over time: investment in the home/health/education, net income, savings, profile of customers, etc.

- See Oikocredit experience shared at 2022 European Microfinance Week

Examples shared at European Microfinance Week 2024:

MicroSave Consulting shared findings from its recent work with the e-MFP water, sanitation, and hygiene (WASH) action group on WASH indicators for investors, and on the related impact data management practices. See examples of indicators to be tracked in the publication.

Fortune Credit presented applications of digital technologies for gathering detailed customer data and their implications for product development. They explained how they implemented customer data collection and reporting by theme (energy access, wash...), using mobile application Open Data Kit (ODK) for quick and easy data collection in the field, and customized dashboards and digital reports.

- Session Recording: Impact Data Management in Practice: Experiences, Challenges, and Lessons Learned

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C. Quantitative In-depth Surveys

What – Description:

Quantitative in-depth surveys are large-scale, detailed surveys to assess customer outcomes and business performance. These surveys collect a broad range of data points, allowing for comprehensive analysis of customer welfare, financial behaviors, and business evolution.

Why – Importance:

- In-depth surveys are critical for organizations that need a more detailed understanding of customer outcomes. Outcomes is a complex and varied topic. For example, outcomes can relate to physical health, feelings (e.g., stress, hopefulness), empowerment, resilience to shocks, income, and education, among many others. An in-depth survey allows the FSP to explore outcomes comprehensively as opposed to just a few types of changes.
- As in-depth surveys, they are also generally based on large sample, enabling detailed segmentation by demographic factors or products, giving FSPs detailed insights into different customer needs and behaviors.

When to use – Conditions for use:

- ▪Best suited for longitudinal tracking as they can capture the nuances and granularity on different aspects that can change over time (details on income/assets, details on empowerment, details on living standards, etc.).
- Should be conducted at regular intervals (every 2-3 years)
- Ideal for more comprehensive impact evaluations or when FSPs require granular data to inform strategy, product development, or regulatory reporting.
- Typically used less frequently, compared to rapid surveys, due to the cost and complexity involved.

How – Collection process:

- These surveys are typically administered through face-to-face interviews, phone surveys, or online questionnaires.
- They involve a large number of questions
- Due to the survey's complexity, professional teams or trained officers are often required.

Pros:

- **Comprehensive**: Can capture more variables than rapid survey approaches.
- **Useful for longitudinal tracking** of customer welfare and business evolution.
- **Enables segmentation by demographics** (e.g., gender, age, location) with a large sample.
- **Customizable** to address unique business objectives or customer characteristics.
- When conducted with the support of **external research institutions**, especially recognized entities like universities, surveys benefit from independent methodologies that **reduce bias and increase the validity of findings**. This is particularly valuable when FSPs need to both drive internal decision-making and present externally validated evidence of their impact.

Cons:

- **Costly and time-consuming** to implement.
- **More complex to analyze** due to the large volume of data collected, requiring specialized software and skills.
- Large surveys may **overwhelm customers**, potentially leading to lower response rates.
- **Risk of survey fatigue** among customers and staff in charge of the surveys.
- Insights may not be available **in real-time**, with potentially **delaying decision-making**, due to the extensive analysis required.
- **Inadequate for sensitive topics like intra-household relations or cultural factors affecting service access**, requiring supplementary qualitative methods.

Recommendations:

- **Plan surveys less frequently** (every 2 to 3 years).
- Invest in robust data analysis **tools** and **skilled analysts**.
- Supplemented with **qualitative research that sheds light on the causal drivers and processes behind observed changes**.
- Develop partnerships with **local research centers** for more academic and rigorous surveys.

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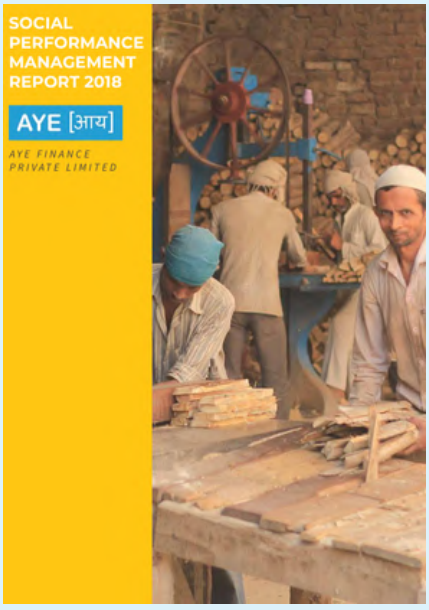
C. Quantitative In-depth Surveys (next)

Example of Aye in India (2018-2024):

The primary objective was to understand the overall impact of loans taken from Aye Finance on the lives of the beneficiaries. This survey on customers was complementary with the SPI social audit: the audit has analyzed Aye's processes to ensure that it is putting its mission into practices, and the impact survey was aimed at verifying that Aye effectively reaches its social goals and has the expected impact on its customers.

In 2018, Aye conducted a customer survey with 1600 borrowers. See the full report here.

In 2024, Aye Finance re-administered the survey, with around 1300 borrowers, comparing results to the baseline survey questionnaire and tracking changes. Aye also updated its social audit.



Example of ATIA in Madagascar (2022-2023) – In French:

Deux phases de collecte de données ont été menées auprès d'un groupe de traitement (des bénéficiaires de VAHATRA) et d'un groupe de contrôle (des individus sans microcrédit mais étant de potentiels clients) à 16 mois d'intervalle. Il s'agit de la méthodologie de la Double Différence utilisée en évaluation d'impact (1006 bénéficiaires et 503 individus témoins).

Le microcrédit favorise les activités génératrices de revenus, améliorant le chiffre d'affaires des AGR et le nombre d'employés. Les prêts sont bien utilisés de manière productives et injectés dans le développement des AGR.

Il existe également un effet positif sur la régularité de l'épargne et la capacité à payer des dépenses de santé importantes, notamment grâce à l'épargne obligatoire et la mutuelle santé de VAHATRA. Cependant, ces effets sont temporaires puisque les bénéficiaires ne perpétuent pas ces comportements d'épargne et perdent l'accès à une assurance santé formelle lorsqu'ils arrêtent de prendre un crédit.

L'étude n'indique pas d'effets négatifs sur la santé psychologique des femmes ni sur les perceptions des violences conjugales. En revanche, l'augmentation des responsabilités et des charges liées au microcrédit a un effet négatif sur leur implication au sein de la communauté, un effet qui disparaît après plusieurs microcrédits.

- Consultez le Rapport d'évaluation d'impact d'un programme de microfinance à Madagascar

Réseau Pratiques
Partages d'expériences et de méthodes pour améliorer les pratiques de développement

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A. Rapid Light Internal Interviews (Call Center Surveys)

What – Description:

Quick internal interviews or calls with open-ended questions made to a small, randomly selected sample of customers to gather feedback on specific issues. These surveys are often conducted through existing call center infrastructure and focus on gathering short, timely insights about customer experiences.

Why – Importance:

These interviews provide immediate feedback, enabling FSPs to respond quickly to emerging customer issues or satisfaction levels. They offer a low-cost method to gauge customer perspectives regularly, providing a pulse on customer needs and experiences.

When to use – Conditions for use:

- Best used for monitoring customer satisfaction, identifying urgent service issues, or gauging responses to recent product launches.
- Suitable when FSPs need rapid insights without a major resource investment. It does not require a quantitative questionnaire, nor statistical analysis of results.

How – Collection process:

Interviews are conducted through phone calls, with a small, random sample of customers chosen from FSP's customer base.

Pros:

- **Provides immediate feedback** on customer satisfaction and emerging issues.
- Easy to implement using **existing call center infrastructure**.
- Can be conducted **regularly** without much additional cost.
- Ideal for capturing timely insights in real time, which can **inform day-to-day operations**.
- **Gives insights into the why of outcomes**, for example, why a customer is using this channel and not that one, or why the customer was late repaying her loan

Cons:

- Limited to a small sample, which **may not represent the entire customer base**.
- Lacks **depth** on complex or sensitive topics.
- Responses may be **biased**, for example by the respondent's mood or the respondent's hopes that certain types of answers may lead to certain types of responses by the FSP.
- Responses may be inaccurate, as too rapid through phone call, or due to poor memory, misunderstanding the questions, etc.

Recommendations:

- **Increase sample size** to improve representativeness.
- **Rotate questions** to cover a broader set of topics.
- Consider **complementing** these surveys with follow-up methods that provide deeper insights into customer experiences, such as face-to-face interviews or focus groups for more sensitive or complex topics.
- Take steps to make sure the **customer feels comfortable** giving honest answers to the surveyor (e.g., assure them it is anonymous, tell customers all responses get summarized before being shared with management)

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Quantitative Data Collection Methods
Qualitative Data Collection Methods
A. Rapid Interviews
B. Focus Group Discussions
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B. Focus Group Discussions

What – Description:

Focus group discussions involve organized conversations with a small group of customers aimed at gathering qualitative insights into their financial needs, challenges, and experiences with financial products. Typically, these discussions include 6 to 12 participants and are facilitated by a trained moderator who guides the conversation around specific topics of interest.

Why – Importance:

Focus group discussions enable customers to share their thoughts in a comfortable setting, allowing for a deeper exploration of the qualitative factors influencing financial decisions and inclusion.

When to use – Conditions for use:

- Best utilized when there is a need to explore complex issues or when the FSP seeks to understand customer perspectives in detail.
- Ideal for gathering insights on specific product experiences, understanding cultural or social dynamics affecting financial behaviors, or testing new concepts or services before rollout.
- Particularly useful when quantitative data indicates a trend that requires further exploration to uncover the "why" behind customer behavior.

How – Collection process:

- Conducted in person or virtually, bringing together a diverse group of customers to discuss their experiences and needs.
- A trained facilitator guides the discussion, ensuring that all participants have an opportunity to share their views while managing group dynamics.

Pros:

- Provides **rich, in-depth qualitative insights**.
- Allows exploration of **cultural or social factors** that may influence financial inclusion.
- Helps FSPs understand **why certain trends** are occurring.
- Encourages interaction among participants, potentially leading to new insights through group dialogue.
- Builds trust that leads to truthful sharing, as the group facilitator is meeting with customers in person.

Cons:

- **Time-intensive** (identify the customers, invitation, logistic, capturing discussions, summarizing core ideas)
- May not capture the full diversity of customer experiences due to **group dynamics** (certain people can dominate group discussion, certain people may be shy to share their bad experience, etc.)
- Logistical challenges can arise, particularly in rural areas, making it **difficult to ensure all voices are heard**.
- Interpretation of the results can be **subjective**.

Recommendations:

- Conduct discussions **alongside quantitative surveys or at least MIS data** (see above) to triangulate data and provide a more comprehensive view of customer needs.
- **Rotate locations** for discussions to ensure broad representation across different demographics and customer segments.
- **Train facilitators** in group dynamics and bias management.

Example on next page >

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B. Focus Group Discussions (next)

Example: Evaluation study by the Small Enterprise Foundation (SEF) in South Africa.

The study, supported by SIDI and Grameen Foundation-Credit Agricole, uses a mix of methods, and relies in particular on focus group discussions. SEF initially analyzed quantitative data. This revealed some interesting trends about customer product use and transaction behavior. In order to understand why those trends were happening, SEF then conducted focus group discussions with a stratified sample of customers. These discussions covered the following topics:

- Loans & SEF processes
- Business and livelihood changes
- Evolution of SEF methodology from joint liability to individual liability
- Change in gender equality and community inclusion
- Open question on what customers found their most significant changes?

SEF services have been found to have brought positive changes to the socioeconomic situation of their customers, notably in their motivation to save, and their ability to repay loans.

SEF customers have also been found to often create new economic activities in the form of starting or supporting small, revenue-generating business ventures, even though that was not always their main usage of SEF loans. Indeed, loans are often allocated to a mix of purposes, including home improvements, or investment in children's education. Triangulation of evidence revealed that these changes were accompanied by improvements of the customers' socioeconomic conditions as well as a reduction in vulnerability.

The gender equality aspect was difficult to evaluate due to the deliberately discreet approach that SEF customers take with SEF. Indeed, gender dynamics in South Africa can often prompt women to protect the loans they take from interference of their husbands or life partners.

- See methodology on focus group discussions and mixed approach in the Impact Evaluation Report (p.32)

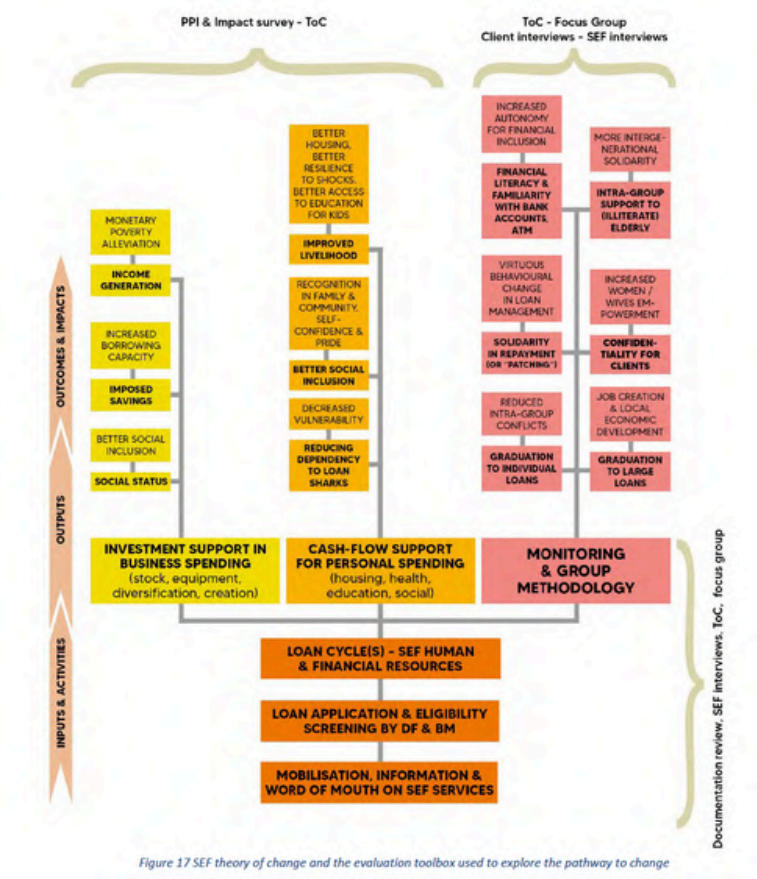


Figure 17 SEF theory of change and the evaluation toolbox used to explore the pathway to change

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Qualitative Data Collection Methods

Mixed Data Collection Methods

A. Financial and Business Diaries
B. Listening to the Stories of Customers

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A. Financial and Business Diaries

What – Description:

- Financial and business diaries are **longitudinal, qualitative data collection methods** used to track customers' financial and business activities over time.
- In **financial diaries**, customers regularly record their income, expenses, savings, and financial transactions. It is a research methodology to understand money management of low-income households.
- **Business diaries** go a step further by capturing both financial data and qualitative insights related to business performance.
- These methods allow customers to self-report their financial or business activities in real-time.

Why – Importance:

- Diaries offer a **deep understanding** of how customers manage cash flows, cope with financial shocks, and make decisions about resource allocation.
- This allows for **quick interventions** based on real-time data and helps FSPs understand the link between **financing and household or business performance**.

When to use – Conditions for use:

- These methods are best employed when detailed insights into customer financial or business behaviors are required.
- Financial diaries are most useful in contexts of economic volatility
- Business diaries are ideal for small business owners who need to track business health over time and respond to external shocks.

How – Collection process:

- Customers maintain physical or digital diaries to record daily financial and business transactions such as income, expenditures, sales, and investments.
- Business diaries often include business strategies and decision-making processes.
- Both methods can be enhanced through mobile apps.

Pros:

- Help FSPs understand **cash flow patterns** and **income volatility**.
- Provide a comprehensive view of **financial health** and **business performance**.
- Support the development and adjustment of products or services tailored to customers' financial rhythms and real-life circumstances.
- Can be integrated into mobile apps for **real-time data capture**.
- Encourage customers to **reassess their spending habits** (can contribute to financial education).

Cons:

- **High cost and resource-intensive**, requiring significant effort from both customers and FSPs.
- Risk of **self-reporting bias** or **inaccuracies** in data if not closely monitored.
- **Time-consuming** for customers, which may lead to **drop-off** or **incomplete** diaries.
- Interpretation of the data can be **complex**.
- Customers need access to and familiarity with **mobile devices and apps**, which can be a barrier.

Recommendations:

- **Use technology**, such as mobile apps, to simplify data capture and improve customer engagement.
- **Incentivize customer participation** such as offering rewards for regular diary updates.
- **Provide clear guidance and support** to customers on how to maintain accurate diaries.
- **Expand customization options** within the app to meet diverse customer needs.
- **Invest in training programs** to improve customer uptake and effective use of the technology.
- **Cross-verify** diary data with other data sources (e.g., Management Information Systems or surveys).

Examples on next page >

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A. Financial and Business Diaries (next)

Example of reports by Gojo:

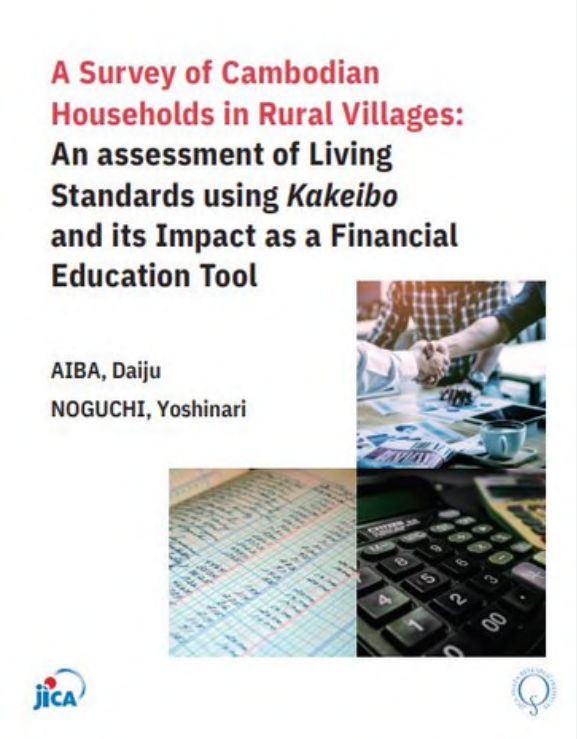
Gojo & Company, Inc.

Kakeibo is a method of household bookkeeping designed to efficiently save money. In the field of social sciences, this approach is also referred to as "financial diaries," and it is increasingly being used to collect high-frequency data on household cash flows. Using the records kept by the participating households, Gojo analyzed each household's patterns of income, expenses, savings, and borrowing, as well as the impact of maintaining a Kakeibo on the financial literacy and financial behavior of rural households.

The analysis revealed several key findings:

- Expenses related to ceremonies, such as weddings and funerals, constitute a significant portion of total expenses, and these were financed primarily through gift income.
- When faced with large expenses, wealthier households tended to rely on borrowing, while lower-income households were more likely to rely on remittances.
- Households with diversified income sources tended to have more stable income, although many households still experienced periods when their income and expenses fell below the poverty line, indicating vulnerability.
- On average, households that participated in the Kakeibo program showed improvements in financial literacy and financial behavior compared to those that did not participate.
- However, the positive effects of participating in the Kakeibo program were predominantly observed in households with higher levels of education or higher income, with less significant effects seen in households with lower levels of education or lower income.

See the report: A Survey of Cambodian Households in Rural Villages: An Assessment of Living Standards Using Kakeibo and its Impact as a Financial Education Tool (March 2024)



See other examples :

- Financial Diaries Research
- Sri Lanka Financial Diaries Tracking Survey (February 2023)
- Highlights of the webinar on "Financial Diaries research and it's future" (December 2022) by MicroSave Consulting (MSC)
- FINBIT application from L-IFT (Low-Income Financial Transformation) - see Appendix

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B. Listening to the Stories of Customers

What – Description:

- Open-ended, narrative-based tool used to assess complex social change, particularly in the development sector. This approach can be used to gather qualitative insights by encouraging respondents to share personal stories rather than answering preset survey questions.
- Understanding if a particular intervention makes a difference, and if so how and for whom and what other factors have affected their wellbeing.

Why – Importance:

It reveals both positive and negative impacts that standard surveys might miss.

When to use – Conditions for use:

When deep insights into complex social or financial dynamics are needed.

How – Collection process:

Respondents share stories related to their experiences (e.g., how a loan helped them achieve life goals).

Examples:

- **SenseMaker**: Around 150-200 stories per study are gathered, categorized using software to identify patterns and themes.
- **QuIP (Qualitative Impact Protocol) studies** are normally planned in discrete sets of 20-25 individual interviews, plus four focus group discussions.

Pros:

- Captures nuanced insights missed by standard surveys.
- Identifies emergent patterns, offering a more holistic view of outcomes.

Cons:

- Resource-intensive and time-consuming, especially for in-person data collection.
- A common issue with qualitative research is how to organize and make sense of large quantities of narrative data, and to do so in a way that is transparent

Recommendations:

Blend qualitative data with traditional quantitative methods to enhance the reliability of assessments.

> *"If people are interviewed, they're answering our questions; if they tell a story, they tell us what's important to them."*
>
> Voices That Count

SenseMaker:

Alterfin 2024 Impact Study on Nyamurinda Coffee Growers Ltd., a Rwandan cooperative active in the coffee value chain and Alterfin's partner since 2021. This study was conducted with the assistance of Voices That Count on sharing and implementing the "FarmVoices Methodology". See details in Appendix

ToumAI Analytics:

ToumAI provides innovative multilingual and generative voice analytics solutions. The platform incorporates a module that seamlessly integrates with FSPs' existing technology stack, capturing in any language/dialect both voice and written feedback from customers. See details in Appendix

QuIP:

The Qualitative Impact Protocol (QuIP) provides a cost-effective mechanism to ask people about significant drivers of change in their lives, and to analyse and present the data collected.

- See the comprehensive analysis of QuIP by BetterEvaluation.
- Example: Savings at the Frontier project evaluating linkages between informal VSLAs and MFIs/Banks (September 2022)

Key Advice

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Specific Focus on Poverty Assessment Tools

A. The PPI (Probability of Poverty Index)
B. The Poverty Stoplight Tool

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A. The PPI (Probability of Poverty Index)

What – Description:

MIS systems often integrate additional tools like the Poverty Probability Index (PPI) to assess poverty levels among customers.

The PPI is a tool to assess poverty levels based on national data specific to each country. It enables FSPs to estimate the likelihood that a customer is living below the poverty line through a score calculated from a series of country-specific indicators.

Some FSPs, such as KOMIDA in Indonesia, integrate the PPI into their MIS systems. Loan officers collect PPI data during the loan application process.

Pros:

- Particularly **accurate for the very poorest customers**, making it valuable for inclusion-focused goals.
- It is **based on national data**. The PPI uses data tailored to the socio-economic conditions of individual countries, providing a more contextually appropriate measure.
- **Integration of PPI data into the MIS** helps to analyze customers' profile in operations.

Cons:

- **Needs frequent updates.** Many FSPs use outdated versions of the PPI framework.
- **Updates to the PPI have not been regular**, often occurring only when resources are available to conduct studies. This means that for some countries, the PPI may be outdated
- The PPI is **not available for all countries**.
- In large countries or those with significant regional differences, a single **national PPI may be inadequate, as it will less accurate** when applied to certain regions.
- **Challenges in some markets**: the PPI does not estimate a person's annual income but it states the probability of the person living under a specific poverty line, based on proxies. It does not measure the person's estimated income. So if information on income is required (to comply with regulation, or for analysis of capacity to repay), the PPI is not the right tool.
  - In India for example, there is pushback against PPI due to regulatory requirements related to income equivalence. The PPI does not provide a direct income equivalent (e.g., the limit for microfinance in India is 300,000 INR), as PPI data cannot be benchmarked with actual income in Purchasing Power Parity or USD values.
- From the FSP's point of view:
  - **Low motivation by staff to collect the data:** FSPs often find the staff who collect PPI data do not necessarily understand why it is useful or relevant, especially if their performance targets are tied to customer acquisition and sales, and therefore staff may resent the time they must spend on PPI data collection: "*we gather it [PPI data] and it comes up to the high level but doesn't go back to the people in the field as actionable data that helps them*", leading to a lack of engagement from loan officers and customers.
  - **Low reliability:** "*It has a high margin of error – you can't use it to say your poverty level is this, so your loan amount should be this*". Some FSPs note that PPI scores can have a high margin of error, making it difficult to use these scores to guide decisions such as loan amounts. In some cases, field officers may even fill in inaccurate data when pressured to reach poverty targets.



Managed by Innovations for Poverty Action (IPA), the Poverty Probability Index is a poverty measurement tool for organizations and businesses with a mission to serve the poor. More than 600 organizations worldwide are currently using the PPI.

The PPI is statistically-sound, yet simple to use: the answers to 10 questions about a household's characteristics and asset ownership are scored to compute the likelihood that the household is living below the poverty line. With the PPI, organizations can identify the clients, customers, or employees who are most likely to be poor, integrating objective poverty data into their assessments and strategic decision-making.

Learn more about the PPI

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B. The Poverty Stoplight Tool

What – Description:

The Poverty Stoplight is an alternative tool to assess poverty of the customers.

This tool involves customers in the data collection process, allowing them to self-assess their poverty status and create their own action plans, which increases engagement and perceived relevance.

The Poverty Stoplight comprises indicators from the Multidimensional Poverty Index developed by the UNDP and Oxford University, which are organized into six different dimensions:

- Income and employment
- Health and environment
- Housing and infrastructure
- Education and culture
- Self-reflection and motivation
- Organization and participation

These dimensions are divided into 50 indicators. Each indicator has the following characteristics: (1) it uses stoplight colors to indicate extreme poverty (red), poverty (yellow) and no poverty (green); (2) it uses simple images and text to help families identify and visualize their level of poverty in an understandable and significant way; (3) it is adaptable, ensuring that the survey represents locally relevant conditions; and (4) it is actionable, achievable and aspirational, allowing families to become the central agents of their poverty elimination strategies.

Using illustrations and the colors of a traffic light to indicate an acceptable situation (non-poverty) in green, one that needs improvement (poverty) in yellow, and an unacceptable one (extreme poverty) in red, customers select the color that best reflected their situation.

Pros:

Holistic – taking into account many aspects of poverty, involves customers in data collection, customers see their progress over time, the conversation between staff and customers strengthens the relationship between customers and the FSP.

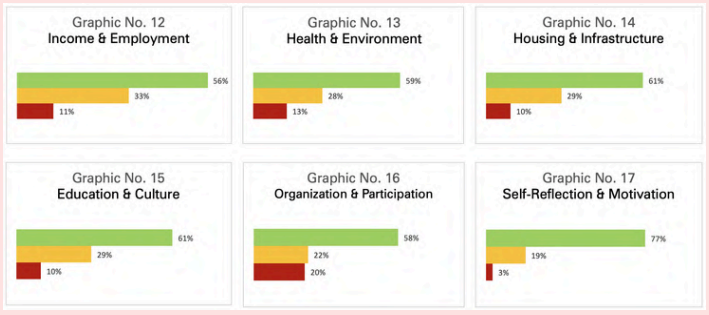
Cons:

It takes a relatively long time to fill out, doubts about the accuracy of self-reported data

What is the Poverty Stoplight?







Example of Friendship Bridge in Guatemala

Guatemalan FSP Friendship Bridge explains why it finds the Poverty Stoplight beneficial: "*We've been looking at the Poverty Stoplight for a while. What we like about it is a tool you do with the customers; they assess themselves, and they come up with their own action plan.*"

The overall results reflect that 62% of the client indicators are in green, 28% in yellow, and 10% in red. Longer-term clients (four or more loan cycles with Friendship Bridge) were 4% points less poor than newer clients (in cycles one, two, and three) and had better conditions than new clients for every indicator.

The top five of the indicators most prioritized by clients (only those in yellow and red were prioritized) to improve are the following: **Savings, Waste Management, Unforeseen Events, Income, and Assets**. Clients created plans focused on taking direct action toward these indicators.

- See the Friendship Bridge's Results of Poverty Stoplight 2022

Full Comparison Table

METHOD	ACCESSIBILITY	RELIABILITY & ACCURACY	ANALYSIS COMPLEXITY	FREQUENCY	IMPLEMENTATION TIME	COST	SUSTAINABILITY & SCALABILITY	TECHNOLOGICAL REQUIREMENTS	TYPICAL USE CASE / WHEN TO USE
MIS Data Collection	Average (depends on level of digitalization of the FSP)	Average (depends on field officers' training and motivation)	Low	Continuous data collection	Already integrated into daily operations (if MIS already set up); real-time analysis possible.	Low	Highly scalable if digitalized	MIS system; integration with tools like PPI	Use when reliable, continuous financial data is needed for tracking business/household growth over time; works best in digital environments.
Quantitative Rapid Surveys	Average (depends if customers have reliable access to phones or digital tools)	Average; lacks qualitative depth and long-term tracking.	Low	Every 1-2 years	Quick to implement, results in short time frame.	Low	Easily scalable	Digital tools for surveys, phone-based platforms / can be face to face.	Use for fast, high-level insights into customer outcomes, particularly financial health or satisfaction, best for periodic assessments and benchmarking.
Quantitative In-depth Surveys	Average-Weak; requires access to customers.	High reliability for detailed, granular data.	High due to large datasets and deep analysis	Annually/ biennially	Time-consuming to design, conduct, and analyze.	High	Limited scalability (cost and complexity)	Advanced data collection and analysis tools needed	Best for longitudinal tracking and comprehensive impact evaluations, useful when demographic segmentation and detailed analysis are required.
Rapid Light Internal Surveys	High, as they use existing call center infrastructure.	Average, biased responses possible in small samples.	Low	Ad hoc	Quick to implement, short time frame.	Low	Highly scalable with existing resources	Phones or call center infrastructure / can be face-to-face	Best for monitoring customer satisfaction or product feedback in real time; suitable for frequent, low-cost insights.
Focus Group Discussions	Low accessibility, especially in rural areas or low-literacy populations.	High for qualitative insights, subjective interpretation possible.	High, subjective interpretation of group dynamics.	Ad hoc	Time-intensive to organize and analyze	High	Not scalable for large groups (logistical challenges)	Requires in-person or virtual setup and trained facilitators	Use to explore complex issues or when deep qualitative insights are needed, best for understanding cultural and social factors affecting customer behaviors.
Financial Diaries	Low for non-digitalized FSPs or customers without mobile access; high for tech-savvy customers.	High for detailed, granular data over time.	High due to combining quantitative and qualitative analysis	Continuous data collection	Time-consuming for both FSPs and customers; real-time data capture.	High	Difficult to scale due to high cost and customer effort	Mobile apps or digital tools required / can be physical diaries (need to re integrate)	Best for understanding detailed, day-to-day financial behaviors and cash flow patterns.
Business Diaries	Low accessibility, especially in rural areas or low-literacy populations.	High for qualitative insights, subjective interpretation possible.	High, subjective interpretation of group dynamics.	Ad hoc	Time-intensive to organize and analyze	High	Not scalable for large groups (logistical challenges)	Requires in-person or virtual setup and trained facilitators	Best for tracking business health (and also livelihood data with some existing tools).
Voice of the customers	Low, especially in rural areas	High for qualitative insights, subjective interpretation possible.	High, categorization of stories and thematic analysis.	Ad hoc	Time-intensive to organize and analyze	High	Not easily scalable for large groups	Requires in-person or virtual setup and trained facilitators	When deep insights into complex social or financial dynamics are needed

Short Comparison Table

METHOD	ACCESSIBILITY	RELIABILITY & ACCURACY	ANALYSIS COMPLEXITY	FREQUENCY	IMPLEMENTATION TIME	COST	SUSTAINABILITY & SCALABILITY	TECHNOLOGICAL REQUIREMENTS	TYPICAL USE CASE / WHEN TO USE
MIS Data Collection	Average	Average	Low	Continuous	Immediate	Low	High	MIS system	Tracking business/household growth over time
Quantitative Rapid Surveys	Average	Average	Low	Every 1-2 years	Quick	Low	High	Digital tools, call center.	Fast, high-level insight into customer outcomes, periodic assessments and benchmarking.
Quantitative In-depth Surveys	Average	High	High	Annually/ biennially	Time-intensive	High	Limited	Advanced	Longitudinal tracking and comprehensive impact evaluations
Rapid Light Internal Surveys	High	Average	Low	Ad hoc	Quick	Low	High	Call center or face-to-face	Monitoring customer satisfaction, frequent, low-cost insights.
Focus Group Discussions	Low	High	High	Ad hoc	Time-intensive	High	Limited	In-person or virtual / trained facilitators	Complex issues, cultural and social factors affecting customer behaviors.
Financial & Business Diaries	Low	High	High	Continuous	Time-intensive	High	Limited	Mobile apps or physical diaries / trained facilitators	Detailed, day-to-day financial behaviors / business health.
Voice of the customers	Low	High	High	Ad hoc	Time-intensive	High	Limited	In-person and trained facilitators	Complex social or financial dynamics

Conclusion

This Toolkit offers guidance on how to start on Outcomes Measurement. It gives trends and core characteristics of the main collection methods, in a continuum of methods.

Each method, whether quantitative or qualitative, offers unique insights that can be used to improve product offerings, enhance customer service, and drive strategic decision-making. The choice of method should be tailored to the FSP's objectives, resources, and the specific context in which it operates.

The key to maximizing the value of data collection is ensuring that the insights gathered are actionable, integrated into the FSP's strategic planning and communicated clearly both to internal and external stakeholders.

For more information and guidance, you can check on our websites:

- The Sustainable Outcomes Management project and working groups led by Cerise+SPTF with strategic partners.
- The Collection of Resources for Outcomes Data Management in relation to the SGDs, codeveloped by Cerise+SPTF, its members and partners, e-MFP and other stakeholders. This page gathers recent publications, reports, tools, training materials, and more on customer-level data management and outcomes measurement linked to the UN Sustainable Development Goals.

To build this toolkit, some specific examples have been analyzed and shared during the European Microfinance Weeks, webinars and on-site sessions with the Sustainable Outcomes Management working groups, or with the Social Investor Working Group from Cerise+SPTF. Some of the results are briefly shared in the following Appendix.

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A. Financial Diaries: Gojo

B. Business Diaries: FINBIT mobile application by L-IFT

C. SenseMaker / FarmVoices: Alterfin

D. ToumAI Voice Analytics

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A. Financial Diaries: Gojo

Gojo & Company, Inc.

Gojo's Financial Diaries initiative leverages the **financial diaries methodology**, which involves collecting high-frequency panel data on cashflows to gain deep insights into the financial behaviors of low-income households. Inspired by the pioneering work of Stuart Rutherford's Hrishipara Daily Diaries project in Bangladesh, Gojo launched its own projects in **Cambodia** and **Sri Lanka** starting in 2020. These projects aim to capture the daily financial realities of households, focusing on areas such as income, expenditure, borrowing, savings, and crisis management.

Participants:

- In Cambodia, the project includes an average of 130 households.
- Participants, referred to as "diarists," document their daily financial inflows and outflows in notebooks.
- Literacy rate plays important role (Gojo distributed a diary notebook)

Objectives:

- Understand the financial lives of individuals in Gojo's operational regions.
- Explore whether financial environments, such as access to loans, can be structured to enhance income generation.

Data collection methodology:

- Phone calls and in-person visits by enumerators 2-3 times a week

Duration of data collection:

- 54 weeks

The study revealed the following key findings:

- MFIs presence in households' money management.
- Usage of funds: The diaries also help evaluate the impact of loans on participants' lives. Responses to the question "*How exactly the loan helped the life?*" revealed these areas of loan usage:
  a. Home construction – Contributes indirectly to income growth.
  b. Investment – Supports direct income generation.
  c. Ceremonies (e.g., weddings) – Non-income-generating but culturally significant.
  d. Other needs – Diverse personal or familial expenses, such as asset trading (speculation on moto and cows prices), audio equipment, savings.
- Not explicitly observed that MFI loans directly generate income.
- Households often rely on smaller, more frequent loans from relatives and informal moneylenders.
- This practice seems to encourage a reassessment of spending habits and could contribute to financial education.

Challenges faced in the approach:

- Communication
- Data privacy
- Illness/Travel
- Diarists drop-out
- Data accuracy
- Separating transactions
- Digitization
- Natural/man-made disasters
- Incorrect capture



A coconut farmer in Ayeyarwady, Myanmar.
©Taejun Shin

More resources by Gojo:

- Financial Diaries Research
- A Survey of Cambodian Households in Rural Villages: An Assessment of Living Standards Using Kakeibo and its Impact as a Financial Education Tool (March 2024)
- Sri Lanka Financial Diaries Tracking Survey (February 2023)
- Highlights of the webinar on "Financial Diaries research and it's future" (December 2022) by MicroSave Consulting (MSC)

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B. Business Diaries: FINBIT mobile application by L-IFT

L-IFT Low-Income Financial Transformation

To gauge small business activities, 60% of institutions use credit bureaus, yet face challenges in consolidating fragmented information from various departments. Despite regular demand-side surveys, the lack of centralized capacity within institutions hinders a holistic understanding of both financial and non-financial needs of small businesses.

A tested prototype, the persona segmentation toolkit for Nigerian sector players, built on FINBIT, is now available in the market.

This toolkit combines financial diaries, macro-level data, and insights from qualitative discussions to create a holistic picture of small businesses' financial and non-financial needs. It gives **real time insights** by quantitative and qualitative data being self-reported and fed into an application, not only financial data, **not only small business Diaries data, but also livelihood data**.

The app offers customization options, a portal for segmented results, and a loan platform for streamlined applications.

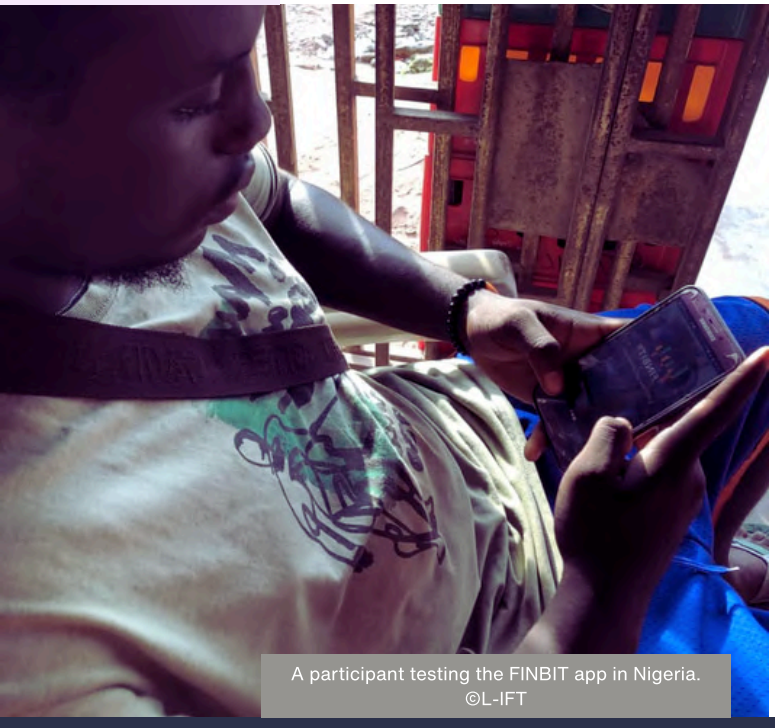
Note: applicability in various sectors beyond finance. The aim is to overcome data asymmetries and provide a platform for various stakeholders.

Benefits for customers (the tool empowers those providing data):

- It facilitates financial empowerment by enabling users to record and manage their finances. "*Empowering individuals with their data, enable informed decision-making and business improvement*." (EMW speech on business diaries, November 2023).
- Customers can improve overall their business performance, for ex. gaining insights from data collection on revenue cyclicality, enabling better risk management.
- It enables users to better demonstrate business value to investors.

Benefits for FSP: utilizing business diaries, offering tracking as an engagement tool and monitoring individual loans.

- The platform involves a portal that provides segmented results based on demographics, enabling organizations to communicate with specific target groups. They can analyze financial trends, and visualize project implementation, while case studies offer insights and visualization of targeted financial trends. "*It helps them [organizations] monitor and evaluate their programs and get instant data from the field. It allows them to assess whether interventions are influencing aspects such as family income, business revenue or overall quality of life.*" (EMW speech on business diaries, November 2023).
- The platform also supports lenders in screening applicants: users can apply for loans based on their financial data, streamlining the screening process for FSP.



A participant testing the FINBIT app in Nigeria. ©L-IFT

FINBIT is an Android-based application developed by L-IFT (Low-Income Financial Transformation) to collect and track financial and livelihood data periodically.

It offers individuals, firms, and organizations tools to monitor and report various aspects of their financial activities. The app includes tracking features for incomes, expenditures, savings, loans, and other indicators like agricultural production levels and livestock health.

Organizations can customize the app by adding indicators through a user-friendly console.

Learn more about FINBIT and L-IFT

FINBIT®

Key Advice
Quantitative Data Collection Methods
Qualitative Data Collection Methods
Mixed Data Collection Methods
Specific Focus on Poverty Assessment Tools
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A. Financial Diaries: Gojo
B. Business Diaries: FINBIT app from L-IFT
C. SenseMaker / FarmVoices: Alterfin
D. ToumAI Voice Analytics

C. SenseMaker / FarmVoices: Alterfin

Alterfin works in both microfinance and agriculture sectors. They use the SenseMaker approach for assessing outcomes, an open-ended tool adapted for complex social change in the development sector.

SenseMaker begins with prompting questions, encouraging respondents to share their personal stories rather than simply answering preset survey questions. For example, in microfinance, borrowers are asked how receiving loans has helped them achieve their life goals.

From these stories, the organization gets insights on both positive and negative impacts. They gather 150-200 stories per study and categorize them using software, identifying patterns and themes such as housing improvements or financial burdens. This qualitative data is then supplemented with traditional quantitative survey questions, examining areas like economic improvement, business expansion, access to healthcare, and resilience to shocks.

Alterfin emphasizes that their qualitative approach reveals insights that standard surveys might miss. For instance, in one case, they discovered that an institution was providing unrecorded emergency support to farmers—information that would have been overlooked in traditional, more structured surveys.

To complement their internal methodology, the organization has collaborated with M&E experts and established partnerships with academic institutions. They've engaged with a PhD student from a university to further develop research questions aimed at identifying impactful institutions. The goal is to increase the reliability of their assessments by blending qualitative insights with a more quantitative approach, enhancing their decision-making process.

There are challenges, particularly with resources and scaling. Conducting in-person surveys and collecting qualitative data can be labor-intensive and time-consuming. Despite this, they have managed to implement smaller-scale studies, such as in Central Asia, and hope to expand their sample size with grant funding to draw more reliable conclusions.

By the end of 2025, they plan to deploy their new tools across all partners, aiming to consolidate quantitative and qualitative data into a comprehensive system that will link customer outcomes with broader portfolio performance.



A farmer of Nyamurinda Coffee Growers Ltd. in Rwanda. ©Alterfin

SenseMaker is a large-scale listening method that places the voices of people at the centre of the inquiry. By capturing people's stories and allowing them to give meaning to their own experience, it generates quantitative data backed up with context from the narratives.

SenseMaker is one of the narrative-based methodologies implemented by Voices That Count, a collaborative network of experts and practitioners who use narrative approaches to understand complex realities within organisations or projects.

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D. ToumAI Voice Analytics

What – Description:

ToumAI platform incorporates a module that seamlessly integrates with FSPs' existing technology stack, capturing in any language/dialect both voice and written feedback from customers. This data, along with information from surveys, media, and social networks, is processed using advanced AI analytics. The system offers a 360-degree analysis of customer interactions, including sentiment, emotional tone, and the calculation of key performance indicators (KPIs), providing actionable insights across all feedback channels.

Why – Importance:

Empowers local communities with linguistic inclusion and enables international investors and stakeholders to better assess risks and opportunities with robust analytics.

When to use – Conditions for use:

- Collecting real-time insights on social or economic trends in underserved areas.
- Assessing local community needs.
- When existing data is insufficient, inaccessible, or lacks cultural context.

How – Collection process:

Data is collected through various channels, including voice and text feedback, tailored for unstructured dialects. The collected data is then analyzed by AI, which processes both structured and unstructured inputs. Insights are delivered via dashboards equipped with decision-support tools for actionable outcomes.

Pros:

- Captures rich, culturally relevant data in various dialects, ensuring inclusivity.
- Provides data analysis with AI-driven tools, for faster decision-making.
- Easily scalable in diverse linguistic and cultural contexts.
- Integrates easily with existing stacks (apps, website, survey tools, CRM...)

Cons:

- Requires system integration for seamless deployment.
- While voice capabilities enhance engagement, additional incentives may be necessary to further boost user participation.

Recommendations:

Case 1: Improving Customer Experience in a Microfinance Institution

Situation: A microfinance institution wants to gather customer feedback about its services, particularly regarding loan access, general satisfaction, and unmet customer needs. The tool could be integrated into their CRM system to collect real-time feedback via voice and text channels (SMS, voice calls or Whatsapp push).

Use: Customers, primarily from rural communities with specific local dialects, can provide feedback in their own language which increases engagement. The tool analyzes these responses in real-time, detects emotions, and extracts recurring themes (e.g., concerns about interest rates or requests to simplify processes). This enables the institution to quickly identify pain points, segment responses by customer type, and make data-driven decisions to enhance service quality.

Case 2: Tracking Social and Economic Trends in a Community

Situation: An NGO/FSP wants to better understand the economic and social concerns of a local population to tailor its aid/financing programs. The tool can be used to process field surveys through voice and written feedback from different community groups, surveying topics like current economic situations, food needs, or concerns about education and employment.

Use: Community members can respond to surveys via voice calls or text messages. The tool processes these responses and provides insights into sentiment and expressed needs, offering valuable information on the community's priorities. For example, if a large portion of the community expresses concerns about access to education, the NGO can adjust its programs to focus more on this issue.

Case 3: Employee Feedback on Working Conditions in a Company

Situation: A company wants to gather employee feedback on their working conditions and overall satisfaction. The tool can be integrated into the internal HR management platform, allowing employees to anonymously provide feedback on topics like workload, work environment, or benefits via voice or text interactions.

Use: The tool collects feedback from employees through monthly surveys or during feedback sessions, analyzes the sentiment and emotions expressed, and generates detailed reports on areas of satisfaction and dissatisfaction. This allows the company to make informed decisions about improving the work environment, such as offering more flexibility or adjusting benefits.

Case 4: Assessing the Impact of Support Programs for Small Businesses

Situation: An organization supporting small businesses wants to evaluate the impact of its programs on entrepreneurs. The tool can be used to track the progress of businesses through voice or written updates sent by participating entrepreneurs, gathering data on their business growth, challenges faced, and satisfaction with the program.

Use: Entrepreneurs provide regular updates on their business status via the tool, which analyzes the information and generates reports on their progress (e.g., increased sales, improved financial management, etc.). In parallel, the tool can also identify signs of stress or difficulties through the emotions expressed in the responses. The organization can then adjust its support based on specific needs, offering targeted training or mentorship.

Sustainable Outcomes Management

Join our Project!

The Sustainable Outcomes Management Project **contributes to building local capacities and international knowledge for efficient outcomes measurement and management in connection with the Sustainable Development Goals (SDGs).**

The SOM Project aims to strengthen outcomes management of financial institutions, social businesses and impact investors in relation to targeting vulnerable populations (SDG 1), improving their living conditions (SDG 2, SDG 8), gender equality (SDG 5) and environmental issues (SDG 13, SDG 15).

Cerise+SPTF and its partners provide guidance through the sharing of good practices, development and dissemination of resources and tools, and direct support to impact-driven organizations to measure outcomes on their customers and beneficiaries against the SDGs metrics.

In the end, the project will contribute to creating a resilient and sustainable financial system.

Specific objectives:

- **Strengthen local capacity to collect and analyze data at beneficiary level**, using simple household survey methods and focusing on environmental issues (focus on SDGs 13 and 15).
- **Enhance the digitization of data collected, in particular on the SPI Online platform**, so that impact organizations can better understand the changes experienced by beneficiaries and use this data and relevant dashboards to adapt products and services in favor of the achievement of the SDGs.
- **Capitalize on and disseminate knowledge and analyses for a better contribution to the SDGs**, in particular by sharing good outcomes management practices based on standardized approaches.

Working groups:

The working groups are bodies to co-create, exchange, and inform about the project advancement. They are moderated by Cerise+SPTF with strategic partners. **Members are both partners and beneficiaries of the project.** They are involved in carrying out support activities with field partners and capitalizing on results.



The SOM Project is managed by Cerise+SPTF with support from strategic partners and funders.

e-MFP ADVANCING FINANCIAL INCLUSION

En partenariat avec RÉPUBLIQUE FRANÇAISE Liberté Égalité Fraternité AFD AGENCE FRANÇAISE DE DÉVELOPPEMENT

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