TOOLS FOR MICROFINANCE INTERVENTIONS IN POST CONFLICT SETTINGS

(Part 1)

CONCERN WORLDWIDE &

THE SPRINGFIELD CENTRE FOR BUSINESS IN DEVELOPMENT

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BY TAMSIN WILSON

WITH CONTRIBUTIONS FROM ISABELLE KIDNEY

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THE SPRINGFIELD CENTRE FOR BUSINESS IN DEVELOPMENT
MOUNTJOY RESEARCH CENTRE
DURHAM, DH1 3UZ
TEL:+44 191 3831212
EMAIL:twilson@springfieldcentre.com

THE PRICE OF SOUP

For the past couple of months I have been plagued by a recurrent dream. It goes something like this….

> *It's a cool evening and I am outside standing in a queue waiting for my ration of free soup. I have lost my nice pension and somehow seem to be without very much money. As I stand there, waiting for my soup I glance at the markings on the soup delivery truck and read "ABC Soup Development Centre a Community Project Sponsored by the INGO Corporation". On the blackboard next to the truck, in flamboyant letters, I read "Tonight's Special, Chicken Soup". There really is someone out there who cares! The line moves forward, although it seems to take forever. Finally I get my free soup. By this time I am starving. I lift the first spoonful to my mouth and enjoy the warmth that it gives me as it moves down my throat. But something is not right. There is no taste to the soup! In surprise I turn to the person who was just in front of me in the line and ask if he has the same opinion of the soup. "Oh yeah," he says, "It's the same every night, even though they change the name". "Why do you keep coming back", I question. "It's free and we come for the doughnut". "We can't get the doughnut without taking the soup". "Why don't you complain", I ask. "What to ABC? They don't listen to us, they get their money from the INGO Corporation, that's why they've been serving the same soup for years". "Can you live on this stuff" I ask in dismay. "Heck no", says another person listening to our conversation, "When we get really hungry we go to Fred's Diner, it's not the Ritz but Fred knows how to make his soup cheap and tasty". At this point I wake up shivering and hungry*

Extract from The Application of Market Led Tools in the Design of BDS Interventions Or (Influencing the Price of Soup in Nepal) by Jim Tomecko.

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QUICK REFERENCE GUIDE

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INTRODUCTION

The purpose of the Concern Worldwide and The Springfield Centre's action research project on post conflict microfinance is to enhance the provision of sustainable microfinance services in post conflict situations. Towards this goal, the project aims to improve the awareness, skills and knowledge available to implement successful post conflict microfinance projects for the poor.

'Tools for microfinance interventions in post-conflict situations' draws on the results of qualitative research undertaken by the project in Angola, Cambodia, Mozambique and Rwanda. Whereas the previous research sought to document the environment and the way people lived after conflict, this document provides practical guidelines on how to create the type of microfinance interventions that people in war-torn countries really need.

RATIONALE FOR CREATING TOOLS

In the past, many emergency and development organisations have only been able to 'see' the immediate communities in which they worked. Today, almost as if a dense fog has lifted from the surrounding area, the same organisations are now beginning to look outside of the communities in which they work and to take seriously the interconnectedness of communities and of markets. Thus, the local and the wider environment are increasingly acknowledged to affect local communities. Even poor people (NGO beneficiaries) are now understood to participate in markets as discerning buyers and sellers.

During the qualitative PCM research that preceded the creation of this document, it was found that poor people affected by conflict not only require but already use microfinance services. There were numerous reports of people using informal microfinance in refugee camps and even immediately after they returned from the camps. In contrast, the scale of semi-formal (commonly NGO) microfinance is exceedingly small and the products on offer tend not to suit poor people. Therefore, clients choose not leave the informal service providers such as moneylenders and traders who have provided them with a service in the past. Particularly post conflict, poor people have been given the microfinance services that some NGOs believe are good for them but unfortunately there was only limited understanding, on the part of the NGO, of the complexity of their lives. The results of such microfinance interventions have been unimpressive.

Today there is growing interest in asking potential clients about the types of products that are important to them and most importantly, what they are prepared to pay for. The microfinance field has gained significantly from the private sector where success depends upon knowing exactly what clients prefer and responding to it. Microfinance can also learn from recent developments in the field of Business Development Services (BDS). Numerous market research tools are now being adapted from their original purpose of maximising profit to the more familiar microfinance objectives of achieving significant outreach among poor people.

There has been a certain lack of imagination in the design of previous post conflict microfinance projects. In such harsh environments it is believed that radical changes must be made in order to be able to operate effectively. These tools do not approach the assessment of microfinance needs by simply searching for the most appropriate tried and tested models. Rather they assess preferences for different characteristics of microfinance products. It is then incumbent upon the project team to design a microfinance intervention that is viable and based, as much as possible, upon best practice principles. The data will also provide a valuable baseline against which progress can be monitored and impact evaluated in the future.

The design team has been conscious throughout of the need to achieve a balance between ease of information collection, cost-effectiveness, data quality, and simplicity. As this is work in progress, those organisations that use the tools are strongly encouraged to provide feedback to the team.

The document is divided into three parts. First, the tools are presented, which enable assessments to be made of the:

(i) Macro environment

(ii) Local environment

(iii) Usage, attitude towards and image of microfinance

(iv) Most suitable product concept

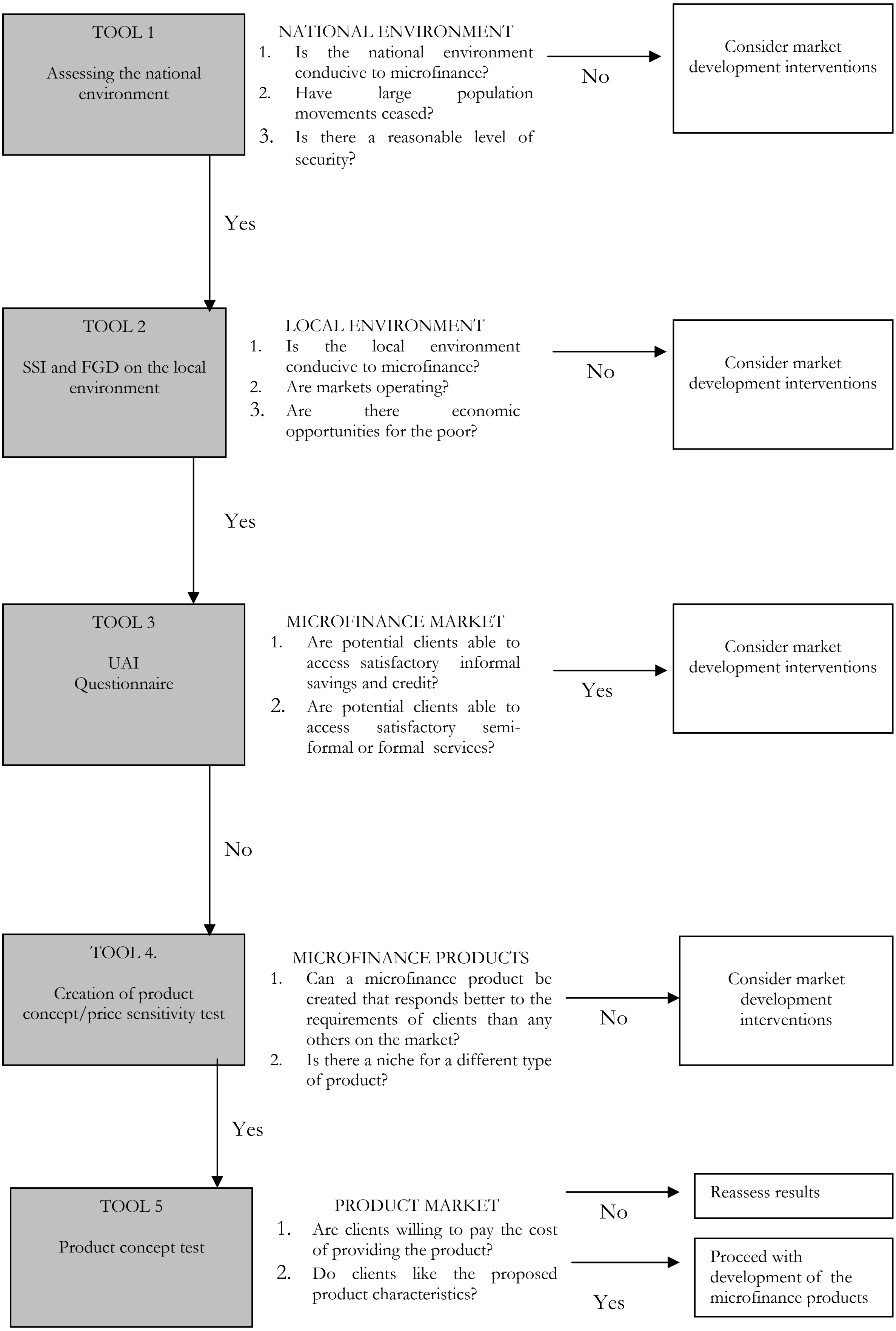
(v) Product concept and price sensitivity test

In the second part, three questionnaires are presented which assist in conducting parts (ii), (iii) and (v) above. Third, a tabular method of presenting the information is offered. Fourth, guidelines for conducting interviews are offered and finally there is a feedback form to assist the team in further developing the tools.

It is estimated that the initial process of assessing demand for and viability of microfinance will take approximately 2 months to complete. It will require a team of researchers and the work should be spearheaded by a project manager. The data collected is only as good as the people that collect it. Therefore, a significant period of training should take place prior to gathering any information. so that all the interviewees have the same clear understanding of what is required of them.

Each tool is accompanied by a number of tables in Appendix 2, which may be used to present the data in a clear and logical manner. In the future, it is hoped that a Microsoft Access database will be developed to assist with rapid analysis of the data.

THE PROCESS OF INFORMATION GATHERING



TOOL 1 ASSESSMENT OF THE MACRO ENVIRONMENT

SUPPORTING DOCUMENTS

Data Presentation Tables	*Appendix 2, Page 50*

The macro environment may seem far removed from a microfinance intervention which works with individual households at the local level. It is, however, very important to understand the context in which a planned microfinance intervention operates because the wider social, economic, physical and political environment does affect households and microfinance interventions alike.

When planning microfinance interventions after conflict, organisations must firstly decide whether or not the macro-environment is conducive to the development of a microfinance intervention. This decision must be based upon high quality, up-to-date quantitative information on the macro-environment. The best information is currently available from specialist web sites that offer in-depth information on individual countries [1]. In general, all of the information required for this tool can be obtained through one of these sources. Though a fee is payable for access to the information, the quality of the information and the speed with which it can be obtained should make them worthy of consideration.

1. AIM

To understand the wider environment in which a microfinance institution operates

2. OBJECTIVES

To gain quantitative indicators of the social, economic, political and physical macro-environment.

To make a more informed decision on the best location of a microfinance institution

[1] E.g. www.prsonline.com, www.countrywatch.com

3. APPLICATION

This information is particularly important in helping to make a decision about the geographical location of a future microfinance intervention. In particular it can show where services are most viable and necessary. Programme managers should seek to complete the data tables in Appendix X. In some cases, the decision about the province in which the organisation first works will have already been made, or there may be no choice. In this case information should be gathered at the District level. However, for those organisations that have not yet made this decision, then the environment should be assessed at the Province level, thus consideration of the whole of the country will initially take place.

Designed to build up a picture of trends in the national situation and therefore the factors should be used as a guide, but adapted to the information available and what is of most relevance in the country in question.

4. RESPONDENTS/INTERVIEWEES

None. All information should come from secondary sources, mainly the internet

5. PREPARATION REQUIRED

Download country information from the internet. Allow one to two person days (depending upon the quality and entirety of the country information available) to gather and process the information.

6. METHOD

This is a desk-based study of the macro environment. Collecting quantitative information can be a time consuming task - particularly post-conflict when few data are available. As it is rare for organisations to have access to high quality information in hard copy, it is strongly recommended that organisations purchase the relevant country information from the internet. One site can provide nearly all the information required to use Tool 1. Verification can be made using additional sources available locally.

Complete the tables in Appendix 2 and then write a brief analysis of the data in the tables drawing attention to the most significant data and trends over time. The following information is required:

INDICATORS: MACRO-ENVIRONMENT		
ECONOMIC	1.	Past and projected GDP growth
	2.	Change in production of primary exports
	3.	Military spending as % GDP
	4.	Fiscal /current account deficit as % GDP
	5.	Real GDP per capita
	6.	Borrowing and (7) deposit interest rates
	8.	Currency exchange system, parallel and (9)official exchange rates
	10.	Total foreign debt as % GDP
	11.	Tax rates for different institutional entities
	12.	Legal documents pertaining to microfinance
	13.	Forecasts of risk to international business in short and long term
SOCIAL	1.	Spending on public services as % GDP
	2.	Population growth rate
	3.	Literacy as % of population
	4.	Past and projected HIV/AIDS infection rate
	5.	Total Population
	6.	Population density by province or District
	7.	% Female headed households by province or District
	8.	Areas of recent insecurity
	9.	Major economic activities by province
	10.	Total disbursement of relief grants/donor funds by province or District
	11.	Numbers of returnees and (12) returned IDPs by Province or District
	13.	Incidence of primary, secondary and (14) tertiary educational establishments by province or district.
	15.	Standard daily wage rate for labourers and (16) office workers by province
	17.	Languages most commonly used in each province (if different)
	18.	Annual GDP per capita by province
PHYSICAL	1.	Roads per province (Km gravel and tarmac roads per Sq. Km)
	2.	Bank branches per province
	3.	Irrigated land area per province
	4.	Number urban centres e.g. >15,000 people
	5.	Rate of deforestation
POLITICAL	1.	Most likely regimes in the short and long term with probabilities
	2.	Most serious political threats
	3.	Forthcoming elections

7. EXPECTED RESULTS

In depth quantitative information with analysis of the macro-environmental characteristics that have the biggest influence on the creation and development of microfinance interventions. Tables 1-4 completed.

If at this stage it is found that the environment is not conducive to microfinance interventions then market development interventions should be considered.

TOOL 2: ASSESSMENT OF THE LOCAL ENVIRONMENT

SUPPORTING DOCUMENTS	
Checklist of Questions	*Appendix 1, Page 32*
Data Presentation Tables	*Appendix 2, Page 54*

1. AIM

To understand the local environmental conditions that influence the performance of microfinance institutions

2. OBJECTIVE

- To gain qualitative information on the main factors that influence, directly or indirectly, household demand for microfinance services.

3. APPLICATION

This tool enables the collection of information that should be referred to when designing products and the institutional dimensions of the microfinance intervention. The information can be used to assess market activity and the use of in-kind versus cash transactions. It reveals the characteristics of the poorer section of society and in particular their economic activity. It also identifies changes in women's roles.

4. RESPONDENTS/INTERVIEWEES

A small number of in-depth interviews should be conducted with households ranging from very poor to wealthy. Households should not be chosen at random. Instead several key informants (which might include the village chief) should be used to find out which households fall into which wealth categories. The number of interviews that can be conducted depends upon time, resources and the size of the area that is being researched. If tit is difficult to identify very poor people, once one very poor household has been identified, they can be asked to identify others that are similar to them.

Unlike quantitative research, the quality of the results depends upon the depth or richness of the information, rather than upon the number of interviews that are conducted.

5. PREPARATION REQUIRED

Interviewers should receive training in conducting interviews and also be able to practice their interview technique, if their experience is limited.. Please see Appendix 3 for guidelines on conducting interviews.

Interviewers and note takers should work in pairs and where possible they should be women.

6. METHOD

Semi structured interview or focus group discussions (depending upon the situation) will be conducted in areas for potential intervention. The interviews should follow the structure outlined below. Please see Appendix 1 for a checklist of questions.

This tool involves two steps. First, a semi-structured interview is conducted to gain qualitative information on the local environment including increasing understanding of the local markets and wealth in the area. Respondents views should be noted in great detail, but as unobtrusively as possible, by the note taker. The responses should be compiled in the data tables presented in Appendix 2. Second, observation is undertaken at local markets to gain further information on relationships and general behaviour.

1. OUTLINE OF SEMI-STRUCTURED INTERVIEW

CHARACTERISTICS OF THE LOCAL ENVIRONMENT		
MARKETS	1.	Proximity to markets
	2.	Frequency of markets
	3.	Size of markets
	4.	Difficulties in buying and selling
TRANSACTIONS	1.	Currencies in circulation locally
	2.	Preferred currency (ies) locally
	3.	Relative importance of barter and cash transactions for large and small purchase
	4.	Frequency of cash versus in-kind transactions
HOUSEHOLD FINANCES	1.	Value of money normally saved in the house
	2.	Reaction to increased insecurity with regard to cash
	3.	Amount of cash spent monthly
	4.	Frequency and quantity of goods exchanged in-kind
INDICATORS OF POVERTY	1.	Characteristics of houses, behaviour and posessions of wealthy people
	2.	Characteristics of houses, behaviour and posessions of poor people
	3.	Economic activities of wealthy people
	4.	Economic activities of poor people
	5.	Effect of conflict on economic activities
	6.	Length of production/trade cycles (investment to profit realisation)
	7.	Effect of seasons on economic activities
EXPOSURE TO RISK	1.	Major problems experienced by household since the end of conflict
	2.	Perceived threats to household
	3.	Coping mechanisms or ways in which behaviour is adjusted to change in the environment
GENDER ROLES	1.	Changes in roles and responsibilities for men, women and children
	2.	Changes in access to and control of resources
	3.	Changes in access to and control of benefits

2. OBSERVATION OF MARKET SIZE / MAKE UP

To ascertain size / scale of markets count the number of traders and catagorise them as small, medium or large. It is useful to use the information given by the traders to help inform the observation. It might be useful to categorise the activities according to gender. Pay particular attention to the activities that the traders described as those in which poorer people are active.

EXPECTED RESULTS

- An assessment of the level of local market activity and whether the target group have adequate access to them. Profile of markets, traders and wealth strata within the community.
- Assessment of profiting and coping strategies in the post-conflict environment
- Profile of socio economic opportunities and constraints
- Profile of the change in roles as a result of the conflict and understanding of the constraints and opportunities facing women in accessing and utilising microfinance services.

Tables 5-7 completed.

If at this stage it is found that the environment is not conducive to microfinance interventions then market development interventions should be considered.

TOOL 3: USAGE, ATTITUDE, IMAGE (UAI) SURVEY

SUPPORTING DOCUMENTS	
Questionnaire	*Appendix 1, Page 34*
Data Presentation Tables	*Appendix 2, Page 58*

In the past, NGOs have used mainly PRA activities to assess the needs of potential PCM clients. This toolkit offers a combination of complementary PRA and market assessment tools, which ensures that both quantitative and qualitative information is collected. The toolkit acknowledges that a functioning microfinance market (where supply of and demand for microfinance interact) exists before NGOs begin to offer microfinance. Significant numbers of poor people who have been affected by conflict are already clients of informal microfinance services e.g. they use RoSCAs or moneylender services, or are members of local microfinance providing associations.

This tool, a Usage, Attitude, Image (UAI) questionnaire is based on the work of Alexandra Overy Miehlbradt (2001) Guide to Market Assessment for BDS Program Design. It is very important that microfinance programme planners in war-torn countries gain an in-depth understanding of the market, as any new intervention will be strongly influenced by the existing market. Even more importantly, just by being there, the microfinance programme will itself have a significant effect upon the market.

1. AIM

To gather information about the microfinance market in order to design appropriate microfinance interventions

2. OBJECTIVES

To understand the nature and magnitude of microfinance market weaknesses and opportunities in the proposed project area.

3. APPLICATION

This tool has been adapted and simplified in order for it to be useful in rural as well as urban post conflict environments. It attempts to reach a compromise between high quality market research and ease of use for users who have no prior experience of market assessment. Overy Miehlbradt (2001) states that a UAI questionnaire can be used for a number of purposes:

1. Understanding current awareness and knowledge about microfinance services.

2. Gauging client satisfaction with existing microfinance services in the community.

3. Understanding current purchase and usage of microfinance services as well as trends within these.

4. Understanding why some households choose not to use the microfinance services.

5. Gaining information on the relative preferences of rich and poor households with regard to microfinance.

4. RESPONDENTS/INTERVIEWEES

This questionnaire represents the most important tool and also requires the greatest input in terms of staff time. In order to achieve an accurate representation of the population, approximately 10% of the entire population should be sampled. Unlike *qualitative* information collection, the *quantitative* data collected using this tool is highly dependent upon the number of people interviewed. Therefore, if time or money is short then rather than reducing the sample size, it would be preferable to reduce the length of the questionnaire.

5. PREPARATION REQUIRED

Questionnaire sheets should be reproduced

Staff should be trained in how to use the sheets and have adequate time to practice conducting the interview.

6. METHOD

The tool is a questionnaire that has been adapted from the conventional format to rely wholly upon verbal communication, which means that it can be used with respondents that have no literacy skills. Respondents should be adults, though not necessarily household heads. The output from this tool is detailed quantitative information which is designed to complement the more in-depth qualitative information collected through tool 2.

The questionnaire occasionally offers a choice of answers to questions. These are not designed to be read aloud to respondents. Instead, the answers that respondents volunteer should be categorised by the interviewer, using the list of possible answers.

Normally it is recommended that a marketing research firm is involved with this process, particularly at the design and analysis stages, which require significant expertise.

Prior to conducting this work it is important to have already gained some idea of what clients see as the important benefits and features provided by microfinance and also to be aware of the informal and semi-formal microfinance services that are available in the locality.

The process of using the tool consists of the following steps:

STEP1 AGREE OBJECTIVES	Agree with the researchers the minimum amount of information that needs to be captured in order to design the microfinance programme.
STEP 2 TRANSLATE UAI QUESTIONNAIRE	A model UAI questionnaire is presented in Appendix 1. The following process should be undertaken: (1) Modification and translation of the model UAI questionnaire into the local language of the area of interest. (2) Discussion regarding the need for, relevance and clarity of the questions. (3) Design of the questionnaire format
STEP 3 AGREE SURVEY DESIGN	Decide upon: (1) The population from which samples will be taken (2) The socio-economic groups that will be segmented (i.e. considered as separate groups) (3) The sampling methodology (4) How the data collected will be stored in tables How the data will be analysed
STEP 4 TRAIN USERS OF THE QUESTIONNAIRE	The quality of the information gathered is very dependent upon the skills of the interviewer. Particularly in rural areas, it is important that the interviewer can put respondents at their ease and is thorough and consistent. Throughout the training, emphasise the importance of quality.
STEP 5 CONDUCT PRE-TEST	On a small sample group, test out the questionnaire, checking that the questions are clear and where appropriate, noting the possible answers to questions (see first sample question in section 5 of the model UAI questionnaire in Appendix 1).

STEP 6 ADAPT QUESTIONNAIRE WHERE NECESSARY	Adjust the questionnaire where necessary.
STEP 7 CONDUCT SURVEY	Choose a random sample of 100 households (for a total population of 1,000 households).
STEP 8 TABULATE DATA	Enter the data from the questionnaires onto a database, as soon as they have been completed. This provides a measure of quality control and means that the pile of questionnaires doesn't build up to an unmanageable level.
STEP 9 ANALYSE DATA	Analyse the data.

BASIC OUTLINE OF UAI QUESTIONNAIRE

The structure of the questionnaire is laid out below. The formatted questionnaire, providing space to write answers is presented in Appendix 1.

Adapted from Overy Miehlbradt (2001) Guide to Market Assessment for BDS Program Design

INFORMATION OBJECTIVES	TABLES FOR ANALYSIS DEVELOPED FROM RAW DATA	SAMPLE QUESTIONS
1.SCREENING QUESTIONS: To ascertain if the respondent is a household decision maker	N/A	How many people live in your house? Who is the household head? If response is husband, wife or self proceed with interview.
2.AWARENESS OF SERVICES: To determine how aware households are of savings and credit services in the community	% aware of services % understand services	Have you heard anything about savings services in your area? Have you heard anything about credit services in your area?
3. USE OF SERVICES: To gauge the use of services and understand how households save and borrow	% borrowing	Have you ever borrowed money from outside of your household? Explain that it could be from any source e.g. associations, from friends, relatives and neighbours or from a bank. And it could be in kind e.g. in cassava or in rice or it could be in cash.
	% saving	Have you ever saved money outside of your house? Explain that it could be saved anywhere e.g. in livestock, with associations, with friends, relatives and neighbours or in a bank.
To quantify market size and market penetration for savings and credit services including	Dates of last use	When was the last time you saved? When was the last time you borrowed?

	Types of service suppliers and % using each service	Where or with whom did you save? Where or with whom did you borrow? Typology of microfinance service providers should be determined in advance.
To learn who is providing microfinance services	% using services where some fee e.g. interest is levied	When you borrowed, did you repay the same amount, more or less? When you saved was a fee levied?
4. PURCHASE BEHAVIOUR: To understand clients' current microfinance purchase and usage habits	Prices paid and amount borrowed or saved	When you borrowed, how much did you borrow and how much did you pay back? When you saved, how much did you save and how much did you get back?
To quantify market size on a monetary basis	Methods of repayment	How did you repay the last time you borrowed (e.g. in labour, cash , in kind or by giving access to farm land)
To understand when and how clients get microfinance services	How customers learn about suppliers of microfinance	How did you find out that you could save or borrow with X?
	% who are repeat customers	Have you ever saved or borrowed prior to this occasion?
	Frequency of use	How often have you borrowed in the past six months? How often have you used a savings service in the past six months?
To identify informal microfinance providers	% who are repeat clients	Have you taken a loan with interest more than once? Have you saved and a paid a fee more than once?
To gather information on cost of saving and borrowing	Frequency of borrowing	How often have you taken a loan with interest payments in the past six months? How often have you been in a savings scheme with a fee in the past six months?
To identify alternative informal microfinance providers	When use started	When was the first time you ever saved? Borrowed?
	Alternative ways of saving and borrowing	For users: If you cannot get loans what will you ado? If you cannot get savings services, what will you do? For non-users: If you need to save a lump sum how do you do it? If you need to borrow money how do you do it?
5. PERCEPTIONS OF USE: To understand users perceptions of the services	Satisfaction with providers of microfinance	Compared to your expectations, how satisfied were you the last time you saved? Borrowed? • Extremely satisfied • Somewhat satisfied • Somewhat dissatisfied • Extremely dissatisfied

To gain a basic understanding of reasons for service use and non-use To understand to what extent the microfinance services that are already available are satisfying household demands To understand how households differentiate between different microfinance products and suppliers	Reason for use (among users) Divide data tables into fee for service customers, non-paying customers and those where the loan was part of a larger transaction e.g. trade credit.	Why did you decide to use savings service? Loan service? Determine sample answers through advance research and/or pre-test e.g. • We needed money for food • I had a problem with my business • A family member was sick • I needed to pay school fees • It was free AND What was the main purpose for which you saved? Borrowed?
	Reasons for non-use (among non-users)	Why have you not used savings services? Loan services? Determine sample answers through advance research and/or pre-test e.g. • Too poor • Don't need • Too expensive • Save in the house • Unavailable in this area
	Reasons for choosing microfinance provider?	Why did you choose to save with X? Borrow from X? Determine sample answers through advance research and/or pre-test e.g. • It was the only one I knew • It was the cheapest • It was the most accessible • It had the most flexible repayment • They are a friend or relative AND Have you ever changed the supplier from the previous one to a different one?
6.PERSONAL DATA: To learn about the different socio-economic groups in the area To understand about the differences in awareness, usage and demand from different socio-economic groups		How long have you lived in the area? Where did you live prior to this place? What are the activities that the household does for income in cash or in kind? What are the biggest expenditures of the household? How many people are able bodied (i.e. can work for income) and how many depend upon the workers in the household?
7.COMPARATIVE ASSESSMENT: To gauge relative demand for credit and savings To identify services where demand exceeds supply and possible reasons for the imbalance	Importance ranking of credit and savings services for meeting household needs	How important is a savings service for meeting household needs? How important is a loan service for meeting household needs? • Extremely important • Quite important • A little important • Not important

	% unaware that might borrow or save (among unaware or not purchased)	If a savings service/credit service were available, would you use it? • Definitely • Probably • Probably not • Definitely not

7. EXPECTED RESULTS

Quantitative information on the potential and current use of microfinance services, people's attitude towards microfinance and the image that it already has in the community. Tables 8-22 completed.

TOOL 4: PRODUCT DESIGN

SUPPORTING DOCUMENTS	
Design Matrix	*Appendix 2, Page 70*

Tool adapted from a document produced by Microsave Africa, Market Research and Client-responsive Product Development (downloaded October 2001) http://www.microsave-africa.com.

Recent research indicates that, post conflict, conventional microfinance products may not be suitable either for the environment or for potential clients. Rather than copying a tried and tested model and accepting the products that it comprises, this tool encourages NGOs to take a fresh look at the weaknesses and the opportunities in the market place. It draws on information gathered in the tool 3.

1. AIM

To identify the characteristics of a microfinance product and delivery mechanism that will be most competitive within the market place.

2. OBJECTIVES

- To understand the characteristics of microfinance products that are in demand in a post conflict environment

- To analyse the characteristics of microfinance services that are offered by other competitors in the same market and to propose a product that is more attractive to clients.

3. APPLICATION

Having (i) assessed the local environment and (ii) gathered information on peoples' usage, attitude and awareness of microfinance products, it is important to pursue a logical and structured process of information analysis. The Concept Design Matrix enables comparison of what microfinance products are available and what people actually want.

With the creation of a new product that attempts to narrow the gap between what is offered and what people want, the NGO will create a microfinance product that is more attractive than its competitors.

4. RESPONDENTS/INTERVIEWEES

Select a group of ten people, including some of the hired researchers and future MFI staff to participate in the workshop.

5. PREPARATION REQUIRED

Prepare for a one day workshop in which a small diverse group will design microfinance products based on information already collected.

6. METHOD

On poster paper, draw the matrix. Beginning at the top left of the matrix, work down the columns.

1. Distribute to each participant, initial summary of Tool 2 Summary information on the local environment and Tool 3 The Usage, Attitude, Image data.

2. Brainstorm the most important points that emerge from the information on client preferences.

3. Complete the first column of the matrix on client preferences.

4. Identify all of the different formal and informal institutions that offer microfinance services in the community, as identified in the Usage, Attitude, Image questionnaire.

5. Create a separate column for each institution and work downward through the matrix filling in the boxes.

6. Brainstorm on the ways in which the new MFI could offer a new service that would be most attractive to potential clients.

7. Complete the final column of the matrix.

7. EXPECTED RESULTS

A description of one or more products that respond to the needs and preferences of the client group as voiced in the UAI and identified through the local environment information gathered in Tool 2. Table 23 completed.

TOOL 5: PRODUCT CONCEPT AND PRICE SENSITIVITY TEST

SUPPORTING DOCUMENTS	
Questionnaire	*Appendix 1, Page 46*
Data Presentation Tables	*Appendix 2, Pages 72*

This tool is based on the Microenterprise Best Practice Technical Note by Alexandra Overy Miehlbradt (1999) Applying Market Research Tools to the Design and Improvement of Business Development Services.

1. AIM

To gain reaction from potential on a proposed microfinance product

2. OBJECTIVES

- Find out how target clients will make sense of a new microfinance initiative.
- Uncover any negative aspects of the design.
- Assess whether or not the client wants to pay for the proposed service.

3. APPLICATION

The product concept and price sensitivity tests provide a variety of information to the designers of microfinance programmes.

- Qualitative information on what consumers think about the service idea - both positive and negative
- Ratings of the product features and the delivery mechanism
- Clients' interest in buying the service

- 'True competitors' to the organisation

- How consumers currently obtain savings and credit services

Further analysis of the results can provide additional information:

- Price for the service that will maximise revenue

4. RESPONDENTS/INTERVIEWEES

This questionnaire, like the UAI requires wide coverage in order to achieve a representative sample of the population. Approximately 10% of the potential client group should be surveyed. If the poor are to be targeted then a list of these households should be obtained and the majority of respondents should be from this group.

6. PREPARATION REQUIRED

Questionnaire sheets should be reproduced in the local language.

Staff should be trained and have time to practice conducting the interview.

6. METHOD

A product concept and price sensitivity test is a questionnaire, which is based around a clear but concise description of the product, designed in Tool 3, above. This questionnaire is based on a set format that has been developed by marketing specialists. However, in this case it has been simplified to make it easier to use. The description focuses on the benefits that can be derived from the microfinance product. The process of carrying out the test consists of the following steps:

1. Determine the sampling methodology
2. Write the description of the product and delivery mechanism
3. Determine the price scale
4. Translate and develop the survey questionnaire
5. Train surveyors
6. Conduct a pre-test
7. Modify the questionnaire, if necessary
8. Conduct the survey

9. Tabulate the results
10. Analyse the results

BASIC OUTLINE OF PRODUCT CONCEPT/PRICE SENSITIVITY TEST

This questionnaire is adapted from a document by Overy Miehlbradt (1999) which may be found on the Microenterprise Best Practices web site. The formatted questionnaire, which includes spaces for respondents answers is presented in Appendix 2.

INFORMATION OBJECTIVES	TABLES FOR ANALYSIS DEVELOPED FROM RAW DATA	SAMPLE QUESTIONS
1.SCREENING QUESTIONS: To ascertain if the respondent is a household decision maker	N/A	How many people live in your house? Who is the household head? If response is husband, wife or self proceed with interview. Have you heard anything about savings and loan services where you pay a little to borrow money or to save money in a safe place? Unaware of service = Proceed Aware of service = Terminate interview
2. EXPOSE RESPONDENT TO SERVICE CONCEPT: To explain the service, its benefits and its features to the respondent	N/A	Detailed description of the service The interviewer reads out the description of the service
3. REACTION TO THE CONCEPT: To learn how households make sense of the proposed microfinance product characteristics. This helps to understand the need for the service and the benefits that are expected.	Qualitative data on the reactions to the service	What do you think about the microfinance service that I have just described? What else do you like? (dislike?) Anything else?

4. SPECIFIC FEATURES: To understand how the proposed microfinance service compares to its competitors	Ratings of service features	I am now going to read out a characteristic of the service I have just described and for each feature tell me if you believe that: 1. There is no service available that offers this feature satisfactorily to your household 2. There is at least one service that offers this feature satisfactorily to your household 3. There are many services that offer this feature satisfactorily to your household Characteristic e.g.: • Instant access savings • Flexible repayment plan • Option to save daily • Individual loans
4. OVERALL RATING: To determine the household's perceived need for the service.	Overall rating of service	Overall would you say that this microfinance service would be: 1=Extremely or often helpful to your household 2= Somewhat or sometimes helpful to your household 3=A little or occasionally helpful to your household 4=Not at all helpful to your household
5. INTEREST IN BORROWING OR SAVING: To gauge households' interest in purchasing the service	Interest in purchasing the service	Based on what you have read about the service, would you say that you would be 1=Definitely interested 2=Probably interested 3=Probably not interested 4=Definitely not interested The interviewer should not allow the respondent to say "not sure".
6. PRICE SENSITIVITY TEST: To determine households' "rejection price" for the service - the price at which people will no longer borrow or will no longer save	Household's "rejection price" for the service measured on a price scale	At what interest rate on this line do you begin to feel that you would no longer be interested in taking a loan? At what (fee) price on this line do you begin to feel that you would no longer be interested in saving money?
7.COMPETITOR/ SUBSTITUTE SERVICES: To learn what are the competing or substitute services currently available	Household use of competitor/substitute services	If at (mention price threshold), you would no longer be interested in borrowing (saving), where or with whom would you borrow (save)?

7. EXPECTED RESULTS

The characteristics of the proposed microfinance fully tested and feedback gained in order to make further improvements where possible. Tables 24-27 completed.

If at this stage it is found that there is no demand for the proposed microfinance service, then the results of the previous tools should be re-assessed to ascertain whether or not information was missed or wrongly prioritised. Adjustments should then be made to the design. If this is unsuccessful, the market may not be ready for semi-formal services and market development interventions should once again be considered.

APPENDIX 1 QUESTIONNAIRES

CHECKLIST OF QUESTIONS FOR SEMI-STRUCTURED INTERVIEW ON THE LOCAL ENVIRONMENT:

CHARACTERISTICS OF THE LOCAL ENVIRONMENT

MARKETS

1. Which markets are visited regularly?
2. How do people travel to the markets?
3. What is the cost of getting to the markets?
4. How often are they held?
5. Approximately how many traders are there at the markets?
6. Have there been any problems experienced in buying and selling goods at the markets?

TRANSACTIONS

1. In which currencies are goods normally paid for?
2. Which is the preferred currency locally? Why?
3. For what type of purchase is barter commonly used?
4. For what types of purchase is cash commonly used?
5. How often is each type of transaction made?
6. Does money buy the same amount of goods now as it did a year ago?

HOUSEHOLD FINANCES

1. How much money is normally kept in the house?
2. If the security situation worsened once more what would be the reaction in terms of the ratio or the amount of liquid and non-liquid assets belonging to the household?
3. How much money is spent monthly and what is purchased?
4. Which goods are purchased in kind, how much and how frequently?
5. What is the average length of production/trade cycles (investment to profit realisation) for specific production activities?
6. What effect do the changing seasons have on economic activities and household income?

INDICATORS OF POVERTY

1. What do the houses of rich people look like?
2. What do they do (or don't they do) daily and also less frequently that makes it clear that they are wealthy?
3. What belongings do they have which makes it clear that they are wealthy?
4. What do the houses of poor people look like?
5. What do they do (or don't they do) daily and also less frequently that makes it clear that they are less wealthy?
6. What belongings do they (or don't they) have which makes it clear that they are wealthy?

7. What are common economic activities of wealthy people?
8. What are common economic activities of poor people?
9. How have economic activities changed as a result of the conflict?

EXPOSURE TO RISK

1. What have been the major problems experienced by household since the end of conflict?
2. What are considered the major potential threats to the household now?
3. What coping mechanisms (ways in which behaviour is adjusted to change in the environment) are used to respond to the disasters mentioned by respondents above?

GENDER ROLES

1. Since the conflict, what changes have there been in roles and responsibilities of men, women and children? Consider agriculture, IGAs, employment, fetching water and fuel, preparing food, looking after children, nursing sick people, cleaning and repair of houses and buying and selling at the market.
2. Since the conflict, what changes have there been in access to and control of resources? Consider agricultural land, livestock, equipment, labour, resources, cash training and education.
3. Since the conflict, what changes have there been in access to and control of benefits? Consider outside income, asset ownership, food, clothing and shelter, education, political power and prestige, community relations, including those with loocal institutions.

INTERVIEW NO:____

TIME STARTED:____
TIME ENDED:____

MALE/FEMALE

USAGE, ATTITUDE , IMAGE QUESTIONNAIRE ON INFORMAL AND SEMI-FORMAL MICROFINANCE SERVICES

Name of respondent:________________________________House no.____________________
Location: Cellule 1
Cellule 2
Cellule 3 (add names of cellules here and assign each a code number).

Interviewed by: __________________________________Date:________________________
Back-checked by:__________________________________Date:________________

INTRODUCTION

SCREENING
Respondent must be an adult in the household.

AWARENESS, KNOWLEDGE AND TRIAL OF SERVICES

Fill out chart 1 for questions 1-X

Q1 Which of these services have you heard about? USE SHOWCARD

Yes 1 No 2

Q2 For each service heard about, ask:
What have you heard about the (name service)?

Fully aware	1	
Partially aware	2	
Wrongly informed	3	

Q3 For each service that the respondent understands, ask:
Has your household ever used the (name service) but got it free?

Yes 1 No 2

Q4 For each service that the respondent understands, ask:
Has your household ever paid interest for the (name service) ?

Yes 1 No 2

TYPE OF MICROFINANCE	SERVICES	Q1 Aware	Q2 What heard about service?	Q3 Used but got for free (without interest or reduction in total savings)	Q4 Ever purchased?
Insert number as per code on page 1					
SAVINGS	Save with friend, relative, neighbour or employer				
	Save in a bank				
	Save in an NGO village bank, inc. Popular Bank				
	Save with an association				
	Etc				
	Other				
CREDIT	Borrow from a friend, relative, neighbour or employer				
	Borrow from a shopkeeper or trader				
	Borrow from a bank inc. Popular Bank				
	Borrow form an NGO village bank				
	Borrow from an association				
	Etc.				
	Other				

USAGE OF SERVICES

Ask questions in this section for each service ever used (Q3) or purchased (Q4)

Fill out the chart below for questions 5-13 except Q11 which will be post coded.

Q5 When was the first time your household used (name service)?
MONTH AND YEAR ______________________

Q6 Did you pay interest or a fee to use the service?
YES 1, NO 2 {IF YES GO TO Q7, IF NOT GO TO Q8}

Q7 Why did you decide to purchase (name service) the first time? (multiple answer)

1. Needed finance for business
2. Needed school fees
3. Needed household security
4. Wanted to purchase a house
5. All our savings were lost during the conflict
6. We needed to flee the country during the conflict
7. To take advantage of business opportunities during or post conflict
8. We needed money for food
9. A family member was sick

Q8 When was the most recent time your household used (name service)?
MONTH AND YEAR ______________________

Q9 Did you pay interest or a fee to use the service?
YES 1, NO 2 {IF YES GO TO Q10, IF NOT GO TO Q12}

Q10 How much did you pay the most recent time you received the service?
AMOUNT

Q11 How much money did you get for that amount (either saved or borrowed)

Q12 IF FIRST TIME USED AND LAST TIME USED ARE *NOT* THE SAME, ASK
How often does your household use (name service)?

1. Every two weeks or more
2. Not every two weeks but at least every month
3. Not every month but at least every three months
4. Not every three months, but at least every six months
5. Not every six months but at least every year
6. Not every year but at least every two years

Q13 How do you normally receive the service?

1. Always pay
2. Sometimes pay, sometimes get for free
3. Always receive for free

TYPE OF MICROFINANCE	SERVICES	Q5 When first used	Q6 Free or purchased	Q7 Why purchased?			Q8 When last used?	Q9 Purchased or free?	Q10 Amount	Q12 Frequency	Q13 Acquisition
SAVINGS	Save with friend, relative , neighbour or employer										
	Save in a bank										
	Save in an NGO village bank, inc. Popular Bank										
	Save with an association										
	Etc										
	Other										
CREDIT	Borrow from a friend, relative, neighbour or employer										
	Borrow from a shopkeeper or trader										
	Borrow from a bank inc. Popular Bank										
	Borrow form an NGO village bank										
	Borrow from an association										
	Etc.										
	Other										

SUPPLIERS

Ask questions in this section for each service respondent has ever used.
Fill out chart below for question 14-19

Q14 The last time you used (name service) who provided the service? Please give us details of address and location.

1. An individual (actual name and details of supplier)
2. An NGO (actual name and details of supplier)
3. A business (actual name and details of supplier)
4. The government (actual name and details of supplier)

Q15 How did you learn about this supplier? (multiple answer)

1. From a colleague, friend or relative
2. In a newspaper
3. On the radio
4. From a television commercial
5. From an NGO
6. In a leaflet
7. Other (SPECIFY)

Q16 Why was this particular service supplier chosen? (multiple answer)

1. Interest rate/fees were low
2. It was the cheapest
3. The organisation is trustworthy
4. It was the only one available
5. They provided the best service
6. They made decisions quickly
7. They gave instant access to savings
8. It was free
9. I was persuaded to join
10. Others (SPECIFY)

Q17 Compared to your expectations, how satisfied were you the last time you used the service?

1. Extremely satisfied
2. Somewhat satisfied
3. Somewhat dissatisfied
4. Extremely dissatisfied

Q18 Has your household used more than one supplier of microfinance?

YES 1, No 2

Q19 For each service that Q18 is Yes, Ask:
What other supplier (only those most often used)? Please give details of address and location of the same.

1. An individual (actual name and details of supplier)
2. An NGO (actual name and details of supplier)
3. A business (actual name and details of supplier)
4. The government (actual name and details of supplier)

TYPE OF MICROFINANCE	SERVICES	Q14 Last supplier	Q15 How learnt about supplier			Q16 Why this supplier	Q17 Satisfaction	Q18 More than one supplier	Q19 Other suppliers
SAVINGS	Save with friend, relative , neighbour or employer								
	Save in a bank								
	Save in an NGO village bank, inc. Popular Bank								
	Save with an association								
	Etc								
	Other								
CREDIT	Borrow from a friend, relative, neighbour or employer								
	Borrow from a shopkeeper or trader								
	Borrow from a bank inc. Popular Bank								
	Borrow form an NGO village bank								
	Borrow from an association								
	Etc.								
	Other								

EXPENDITURE ON MICROFINANCE SERVICES

Ask questions in this section for each service respondent has purchased in the last 12 months only.

Fill out Chart below for questions 20 and 21.

Q20 How much interest or fees did your household spend on (name service) in the past 12 months? ACCEPT AN ESTIMATE OR HELP CALCULATE WITH RESPONDENT IF RESPONDENT IS UNSURE.

Q21 Please tell me which services you spent more on, which the same and which less. For (name service, compared to the previous 2 years (or alternatively pre-conflict), was the household expenditure in the last 12 months…………

1. Higher
2. The same
3. Lower

Q22 Compared to this year (or pre-conflict) do you expect your household to use each of the services…..

1. More than this year
2. The same as this year
3. Less than this year

TYPE OF MICROFINANCE	SERVICES	Q20 Amount spent	Q21 Change in amount	Q22 Expected change
SAVINGS	Save with friend, relative , neighbour or employer			
	Save in a bank			
	Save in an NGO village bank, inc. Popular Bank			
	Save with an association			
	Etc			
	Other			
CREDIT	Borrow from a friend, relative, neighbour or employer			
	Borrow from a shopkeeper or trader			
	Borrow from a bank inc. Popular Bank			
	Borrow form an NGO village bank			
	Borrow from an association			
	Etc.			
	Other			

REASONS FOR NON-PURCHASE OF SERVICES

Ask questions in this section for each service that respondent understands (Q1 Aware) but has never purchased (Q4 Ever purchased)

Q23 Why has your household never purchased (name service)? Multiple answers)

1. Too poor
2. Don't need
3. Too expensive
4. Save in the house
5. Unavailable in this area
6. Get it for free
7. Other (SPECIFY)

TYPE OF MICROFINANCE	SERVICES	Q23 Non purchase reasons		
SAVINGS	Save with friend, relative , neighbour or employer			
	Save in a bank			
	Save in an NGO village bank, inc. Popular Bank			
	Save with an association			
	Etc			
	Other			
CREDIT	Borrow from a friend, relative, neighbour or employer			
	Borrow from a shopkeeper or trader			
	Borrow from a bank inc. Popular Bank			
	Borrow form an NGO village bank			
	Borrow from an association			
	Etc.			
	Other			

PERCEIVED VALUE OF SERVICES

Ask questions in this section for all microfinance services

Q24 Please rank the importance of these services for the day to day running of your household

4=Extremely important 3=Quite important 2= A little important 1=Not important 0=Don't know

TYPE OF MICROFINANCE	SERVICES	Q24 Importance household				
		EI	QI	LI	NI	DK
SAVINGS	Save with friend, relative , neighbour or employer					
	Save in a bank					
	Save in an NGO village bank, inc. Popular Bank					
	Save with an association					
	Etc					
	Other					
CREDIT	Borrow from a friend, relative, neighbour or employer					
	Borrow from a shopkeeper or trader					
	Borrow from a bank inc. Popular Bank					
	Borrow form an NGO village bank					
	Borrow from an association					
	Etc.					
	Other					

Q25 Please rank the importance of these services for livelihood activities including business, farming, trading etc

4=Extremely important 3=Quite important 2= A little important 1=Not important 0=Don't know

TYPE OF MICROFINANCE	SERVICES	Q25 Importance livelihood				
		EI	QI	LI	NI	DK
SAVINGS	Save with friend, relative , neighbour or employer					
	Save in a bank					
	Save in an NGO village bank, inc. Popular Bank					
	Save with an association					
	Etc					
	Other					
CREDIT	Borrow from a friend, relative, neighbour or employer					
	Borrow from a shopkeeper or trader					
	Borrow from a bank inc. Popular Bank					
	Borrow form an NGO village bank					
	Borrow from an association					
	Etc.					
	Other					

Q26 Are there any other financial services that you think might be important for your household or for your livelihood activities? (OPEN ENDED)

RESPONDENT CHARACTERISTICS

Q27 What are the main ways in which your household supports itself and earns money? (OPEN ENDED)

Q28 How many people normally live in your household?

Q29 How many people are supported by the household?

Q30 How many people are able to work for the household?

Q31 During the conflict where were most household members?

Q32 Age of the respondent

Q33 Land area owned by household

THANK RESPONDENT AND TERMINATE INTERVIEW

INTERVIEW NO:____
TIME STARTED:____
TIME ENDED:____

MALE/FEMALE

PRODUCT CONCEPT AND PRICE SENSITIVITY QUESTIONNAIRE: SEMI-FORMAL MICROFINANCE SERVICES

Name of respondent:________________________________House no.____________________
Location: Cellule 1
Cellule 2
Cellule 3 (add names of cellules here and assign each a code number).

Interviewed by: ________________________________Date:____________________
Back-checked by:________________________________Date:______________

INTRODUCTION

SCREENING

Q1. Respondent must be an adult in the household.

Q2. Have you heard anything about savings and loan services where you pay a little to borrow money or to save money in a safe place?

Yes = Terminate interview No -= Proceed.

Q3 Exposure to microfinance services

Read out a detailed description of the service concept e.g.

> *This microfinance service allows you to save money safely with a female representative who would visit the village every day. You could deposit with her as much or as little of your money as you wanted, some days nothing but other days 5 RFr or 600 RFr. The amount is up to you and there is no minimum or maximum amount. Your deposited money would be written down for your records in a small book. Your money would be stored safely in a bank, but if you needed to take out your money in an emergency you could do so by giving our representative one days notice. This is a particularly safe way of storing money because it cannot be stolen or lost. It is also accessible because by giving just twenty-four hours notice, you will receive your money. A small fee is paid which covers our representatives visiting your village every day and our storing your money safely.*

This description should be written on a card so that literate people can hold the card and read with the interviewer. However, the interviewer should never assume literacy and therefore should always read the text aloud.

What do you think about the microfinance service that I have described?….What else do you like?…What else do you dislike? (Write down response word for word).

Q4 I am now going to read out some characteristics of the service. I'll read them through from beginning to end, once, and then I'll read them out again one by one. For each characteristic please tell me if you believe that:

1=There is no service that offers this feature satisfactorily to your household
2=There is at least one service that offers this feature satisfactorily to your household
3=There are many services that offer this feature satisfactorily to your household.

There are X characteristics. They are e.g.

- Fast access to savings
- Flexible repayment
- Option to save daily and borrow daily
- Individual loans
- Credit agents in the village or coming to the village
- Staff that are friendly and respectful towards clients
- Safety of money
- Waiting/meeting time
- Confidentiality

These characteristics must be carefully developed prior to the interviews and based on the factors that following prior investigation are believed to be most important.

Q5 Which of these characteristics is most important to your household? Which is the second most important?

- Fast access to savings
- Flexible repayment
- Option to save daily and borrow daily
- Individual loans

- Credit agents in the village or coming to the village
- Staff that are friendly and respectful towards clients

- Safety of money
- Waiting/meeting time

Confidentiality

Most important = 1   Second most important = 2

Characteristics	Q4 Satisfaction with service characteristics	Q5Importance of service characteristics
Fast access to savings		
Flexible repayment		
Option to save daily and borrow daily		
Individual loans		
Credit agents in the village or coming to the village Staff that are friendly and respectful towards clients		
Etc.		

Q6 Overall, how important would you say that the service described above would be for your household?

1=Extremely or often helpful to your household

2= Somewhat or sometimes helpful to your household

3=A little or occasionally helpful to your household

4=Not at all helpful to your household

Q7 Based upon what I have told you about the microfinance service, would you say that you would be:

1=Definitely interested

2=Probably interested

3=Probably not interested

4=Definitely not interested

The interviewer should not allow the respondent to say "not sure".

Q8 At what interest rate in this line do you begin to feel that you would no longer be interested in saving with the microfinance service? The numbers on the card represent Rwandan Francs. For every 1000 RFr saved, the service would receive the amount on the card in payment for collecting and safely storing your money.

On card, draw scale. In the absence of information on similar current services, make sure that the scale progresses from a price that is universally acceptable to an end price that is too expensive for all respondents. The scale should be reviewed after the pre-test.

2	*4*	*6*	*8*	*10*	*12*	*14*	*16*	*18*	*20*	*22*

Q6 Overall rating	Q7 Interest in using the service	Q8 Price sensitivity

Q9 If at (mention price threshold), you would no longer be interested in (saving) , where or with whom would you (save?).

1. ....

2. ....

3. ....

THANK THE RESPONDENT AND TERMINATE THE INTERVIEW

APPENDIX 2 DATA PRESENTATION TABLES

I THE MACRO ENVIRONMENT

The tables below should be completed as thoroughly as possible, using high quality sources of information. A short analysis that highlights the most important trends and information should accompany the tables.

TABLE 1 THE ECONOMIC ENVIRONMENT

Indicators		1995	1996	1997	1998	1999	2000	Short term future	Long term future
1. GDP Growth									
2. Production of primary exports	1.								
	2.								
	3.								
3. Military spending as % GDP									
4. Fiscal/current account deficit before official transfers as % GDP									
5. Real GDP per capita									
6. Interest rate on borrowing									
7. Interest rate on deposits (define further as per									
8. Parallel exchange rate US$									
9. Fixed exchange rate US$									
10. Total foreign debt as % GDP									

11. Tax rates for different institutional entities	Institution	Tax rate
	1.	
	2	
	3.	
	4.	
12. Most important legal documents pertaining to microfinance and source	1.	
	2.	
	3.	
	4.	
13. Forecasts of risk to business	Short term e.g. 18 months	Long term e.g. 5 years
Turmoil		
Direct investment		

TABLE 2 THE SOCIAL ENVIRONMENT

Indicators	1995	1996	1997	1998	1999	2000	Short term future	Long term future
1. Spending on public services as % GDP								
2. % Population growth								
3. % Literacy								

This table should be supplemented by maps where possible

Indicator	Province 1	Province 2	Province 3	Province 4	Province5	Province 6	Province 7	Province 8
5. Total population								
6. Population density								
7. % Female headed households								
8. Intensity and prevalence of insecurity								
9. Most important economic activities								
10. Grants or relief expenditure								
11. Numbers of returnees								
12. Numbers of returned IDPs								
13. Number of universities and collleges								
14. Number of secondary schools								
15. Daily wage rate labourers								
16. Daily wage rate office workers								
17. Languages spoken								
18. Annual GDP/GNP								

TABLE 3 THE PHYSICAL ENVIRONMENT

Indicator	Province 1	Province 2	Province 3	Province 4	Province5	Province 6	Province 7	Province 8
1. Roads per unit area								
2. Number of formal bank branches								
3. Total irrigated land area								
4. Number of urban centres								
5. Intensity of deforestation								

TABLE 4 THE POLITICAL ENVIRONMENT

1.Most likely regimes and their probabilities	
Short term	
Long term	
2. Most serious political threats to stability	
1.	
2.	
3.	
3. Date of forthcoming elections	

II THE LOCAL ENVIRONMENT

TABLE 5 LOCAL ECONOMIC ACTIVITY TABLE

Where possible, the information in the table below should be disaggregated by gender.

Economic Activity	Importance / profitability	Profit cycle (from production or purchase to profit)	Risk	Key factors affecting profitability
A				
B				

Use the qualitative information on wealth and economic activities to develop categories of wealth and of economic activity. For example:

'Small' could be for example single trader, with perhaps single produce sold off ground, small quantity of produce sold.

'Medium' could be a trader selling produce that has been processed / has had value added prior to selling / is of high value (e.g larger livestock, clothes,), may be selling one high value product or range of products.

'Large' traders could be selling goods brought from another region / country, manufactured, may involve skilled labour or technical input in production, may involve more than one seller.

The type of shelter that the traders use is often indicative of their 'status' as a trader – for example, some trader will be 'selling off the ground' others will have a stall and the largest traders may have a permanent shop at the market place.

TABLE 6 CHANGE IN GENDER ROLES AS A RESULT OF CONFLICT

PART I ACTIVITY PROFILE OF WOMEN AND MEN FOR PRODUCTIVE AND REPRODUCTIVE ACTIVITIES

	Women		Men	
1. Activity Profile	Before the conflict	After the conflict	Before the conflict	After the conflict
A. Production Activities				
1. Agriculture Activity 1 Activity 2 etc				
2. Income Generating Activities Activity 1 Activity 2 etc				
3. Employment Activity 1 Activity 2 etc				
4. Other Activity 1 Activity 2 etc				
B. Reproductive ('family') Activities				
1. Water related				
2. Fuel related				
3. Food preparation				
4. 4 Childcare				
5. Health related				
6. Cleaning and repair				
7. Market related				
8. Other				

PART II ACCESS TO AND CONTROL OF RESOURCES

2. Access and Control Profile	Access for Women		Access for Men		Control for Women		Control for Men	
A. Resources	Pre conflict	Post conflict	Pre conflict	Post conflict	Pre conflict	Post conflict	Pre conflict	Post conflict
1. Land								
2. Equipment								
3. Labour								
4. Cash								
7. Training / education								
8. Other								

PART III ACCESS TO AND CONTROL OF BENEFITS

2. Access and Control Profile	Access for Women		Access for Men		Control for Women		Control for Men	
B. Benefits	Pre conflict	Post conflict	Pre conflict	Post conflict	Pre conflict	Post conflict	Pre conflict	Post conflict
1. Outside income								
2. Asset ownership								
3. Basic needs (food, clothing and shelter)								
4. Education								
5. Political power and prestige								
6. Other (including involvement in local institutions)								

Abbreviated and adapted from The Harvard Analytical Framework[1](

TABLE 7 COPING MECHANISMS

CATEGORY	Stage 1: o Food shortage			Stage 2 : o Serious food shortage o Medical expense			Stage 3: o Most serious food shortage o Death in family		
	Response	Recovery	Capacity	Response	Recovery	Capacity	Response	Recovery	Capacity
Agriculture				Sell coffee in flower	Not until next harvest	Reduced signific-antly			
Livestock	Sell hens		Small decrease	Sell small livestock		Decre-ased			
Assets									
Food	Cut down on more expensive food items		Not affected if very tempor-ary measure	Go to work for rich people in exchange for food		Farm work decr-eases Trad-ing decrea-ses	Send children to relatives	Children return	Farm labour reduced tempor-arily
Migration							Family member migrates	Family member sends back money	increase
Income Generation	SPIN MORE COTTON			Sell wood and grass					
Financial action	Spend reserves			Withdraw savings			Borrow money		

III CLIENT USAGE ATTITUDE & IMAGE

TABLE 8 USAGE, ATTITUDE, IMAGE DATA

Table 1 Female headed households

Cellule	No Female headed households	Total number interviewed	% Female headed
Cellule 1			
Cellule 2			
Cellule 3			
Cellule 4			

TABLE 9 AWARENESS, REACH AND RETENTION OF ALL TYPES OF MICROFINANCE SERVICE

This table provides an indication of where the market weaknesses are. For example, if overall awareness levels of savings services are very low, an organisation may be best advised to spend time building knowledge of the benefits through a social marketing campaign. If awareness and reach are high (ie people know about and have used the service), but retention is low, it might be that the organisation needs to evaluate the suitability or attractiveness of existing services.

TYPE OF MICRO - FINANCE	SERVICES	Q1 Awareness (% aware of service)	Q2 Understanding (% judged to understand the service)	Q3&4 Reach (of those who are aware, % who have tried it)	Q5&8 Retention (of those who have tried the service, %who used it in the last year)
SAVINGS	Save with friend, relative , neighbour or employer				
	Save in a bank				
	Save in an NGO village bank, inc. Popular Bank				
	Save with an association				
	Etc				
	Other				
CREDIT	Borrow from a friend, relative, neighbour or employer				
	Borrow from a shopkeeper or trader				
	Borrow from a bank inc. Popular Bank				
	Borrow form an NGO village bank				
	Borrow from an association				
	Etc.				
	Other				

TABLE 10 CONSUMER ADOPTION

This data is useful to gain an understanding of how conflict might have affected the use of microfinance services. The number that started using the service in 1990 are added to those that started in 1991, and so on. It is useful to make a graphical representation of these data with 'Year first started using' on the x-axis and '% households' on the y axis. Savings and credit should be treated separately. If a large sample size is used then it would be possible to analyse individual services, such as NGO microfinance.

If services have been adopted quickly (steep curve on graph), the MFI should not invest heavily in advertising the service but should be prepared for high demand for products from the beginning. Conversely with slow consumer adoption, advertising may be important to stimulate initial demand.

Q5 Year first started using	% households using credit services (or savings services) (cumulative total)
1990	5
1991	9
1992	15
1993	16
1994	17
1995	50
1996	55
1997	59
1998	59
1999	65
2000	69
2001	71

TABLE 11 REASON FOR USING MICROFINANCE SERVICES (SAVINGS AND CREDIT)

This table shows the most popular reasons of different groups in society for using microfinance services.

Possible reasons	Q7 % Female headed landless	% Female headed with land	% Male headed landless	% Male headed with land
Needed finance for business				
Needed school fees				
Needed household security				
Wanted to purchase a house				
All our savings were lost during the conflict				
We needed to flee the country during the conflict				
To take advantage of business opportunities during or post conflict				
We needed money for food				
A family member was sick				

TABLE 12 DETAILS OF MICROFINANCE SERVICES USED LAST YEAR BY GROUP

These data give an indication of the most used services by group in the last year.

TYPE OF MICRO - FINANCE	SERVICES	Q8 % used in last year Female headed lnadless	% used in last year Female headed with land	% used in last year Male headed landless	% used in last year Male headed with land
SAVINGS	Save with friend, relative , neighbour or employer				
	Save in a bank				
	Save in an NGO village bank, inc. Popular Bank				
	Save with an association				
	Etc				
	Other				
CREDIT	Borrow from a friend, relative, neighbour or employer				
	Borrow from a shopkeeper or trader				
	Borrow from a bank inc. Popular Bank				
	Borrow form an NGO village bank				
	Borrow from an association				
	Etc.				
	Other				

TABLE 13 ESTIMATED MARKET SIZE FOR MICROFINANCE SERVICES AMONG DIFFERENT GROUPS

This indicates the current size of the microfinance market, in particular the numbers of households in each category, their average interest payments and a projected total spend for each group as a whole.

Group	SAMPLE				CLIENTS			TOTAL SPENDING		
	Q20 Average interest/ fee paid	No people interviewed	Q9 No people who had purchased	Proportion buying (number interviewed/number that have purchased)	# Households in area of interest	# Households that have purchased (Proportion buying x # households	% of Total	Value RFr	Value US $	% Total
Female headed landless										
Female headed with land										
Male headed landless										
Male headed with land										
							100%			100%

TABLE 14 FREQUENCY OF USAGE

TYPE OF MICRO - FINANCE	SERVICES	Q12 Every two weeks or more	Not every two weeks but at least every month	Not every month but at least every three months	Not every three months, but at least every six months	Not every six months but at least every year	Not every year but at least every two years
SAVINGS	Save with friend, relative , neighbour or employer						
	Save in a bank						
	Save in an NGO village bank, inc. Popular Bank						
	Save with an association						
	Etc						
	Other						
CREDIT	Borrow from a friend, relative, neighbour or employer						
	Borrow from a shopkeeper or trader						
	Borrow from a bank inc. Popular Bank						
	Borrow form an NGO village bank						
	Borrow from an association						
	Etc.						
	Other						

TABLE 15 TYPE OF MICROFINANCE SUPPLIER LAST USED, BY GROUP

GROUP	Q14 Type of last supplier		Q15 How learned about the supplier	
	Supplier	%	Most repeated reason	2nd most repeated reason
Female headed landless	An individual An NGO A business The government			
Female headed with land	An individual An NGO A business The government			
Male headed landless	An individual An NGO A business The government			
Male headed with land	An individual An NGO A business The government			

TABLE 16 REASON FOR CHOOSING SUPPLIER, BY GROUP

GROUP	Q16 Why this supplier?			Q18 More than one supplier
	Most repeated reason	2nd most repeated reason	3rd most repeated reason	% saying yes
emale headed landless				
Female headed with land				
Male headed landless				
Male headed with land				

TABLE 17 IMPORTANCE AND SATISFACTION DATA

SERVICES	Q17			
	Most	% Somewhat satisfied	% Somewhat disatissfiied	% Extremely Disatisfied
Female headed landless				
Female headed with land				
Male headed landless				
Male headed with land				

TABLE 18 REASONS FOR SATISFACTION AND DISSATISFACTION

SERVICES	Q16 Satisfaction with services			
	Q17a Most repeated reason for satisfaction	2nd most repeated reason for satisfaction	Most repeated reason for dissatisfaction	2nd most repeated reason for satisfaction
Female headed landless				
Female headed with land				
Male headed landless				
Male headed with land				

TABLE 19 REASONS FOR NON-PURCHASE

TYPE OF MICRO - FINANCE	SERVICES	Q18 Reasons for non-use	
SAVINGS	Save with friend, relative , neighbour or employer	Most repeated reason	2nd most repeated reason
	Save in a bank		
	Save in an NGO village bank, inc. Popular Bank		
	Save with an association		
	Etc		
	Other		
CREDIT	Borrow from a friend, relative, neighbour or employer		
	Borrow from a shopkeeper or trader		
	Borrow from a bank inc. Popular Bank		
	Borrow form an NGO village bank		
	Borrow from an association		
	Etc.		
	Other		

TABLE 20 PERCEIVED VALUE OF MICROFINANCE SERVICES

TYPE OF MICRO - FINANCE	SERVICES	Q24 Perceived value to the household					Q25 Perceived value to livelihood activities				
		EI	QI	LI	NI	DK	EI	QI	LI	NI	DK
SAVINGS	Save with friend, relative , neighbour or employer										
	Save in a bank										
	Save in an NGO village bank, inc. Popular Bank										
	Save with an association										
	Etc										
	Other										
CREDIT	Borrow from a friend, relative, neighbour or employer										
	Borrow from a shopkeeper or trader										
	Borrow from a bank inc. Popular Bank										
	Borrow form an NGO village bank										
	Borrow from an association										
	Etc.										
	Other										

TABLE 21 LIVELIHOOD ACTIVITIES

SERVICES	Household livelihood strategies		
	Most commonly stated	Second most commonly stated	Third most commonly stated
Female headed landless			
Female headed with land			
Male headed landless			
Male headed with land			

TABLE 22 HOUSEHOLD CHARACTERISTICS

SERVICES	Household livelihood strategies				
	Number of people living in the household	Number of people supported by the household	Number of people able to work in the household	Location of household during conflict	Land area owned by household
Female headed landless					
Female headed with land					
Male headed landless					
Male headed with land					

IV NEW PRODUCT DESIGN

TABLE 23 CONCEPT DESIGN MATRIX

<table>
<tr><th></th><th>PRODUCT</th><th>CLIENT GROUP 1</th><th>CLIENT GROUP 2 ETC</th><th>COMPETITOR 1</th><th>COMPETITOR 2 ETC</th><th>PRODUCT CONCEPT</th></tr>
<tr><td>CORE PRODUCT</td><td>PREFERENCES</td><td colspan="2">What are the preferences of potential clients for credit and/or savings services?</td><td colspan="2">How are these preferences being met by other informal and semi-formal microfinance providers</td><td>How could we better address the core product preferences of the potential clients?</td></tr>
<tr><td rowspan="3">PRODUCT CHARACTERISTICS</td><td>PRODUCT DESIGN</td><td colspan="2" rowspan="3">What terms and conditions do the clients want?</td><td colspan="2" rowspan="3">What are the terms and conditions of the competitors?</td><td rowspan="3">How can we improve upon the terms and conditions offered by our competitors?</td></tr>
<tr><td>PRICE</td></tr>
<tr><td>PHYSICAL EVIDENCE</td></tr>
<tr><td rowspan="6">MODE OF DELIVERY</td><td>PROMOTION</td><td colspan="2" rowspan="6">How do clients and microfinance providers communicate? Are they literate? Are they geographically concentrated? Do they have similar livelihood activities?</td><td colspan="2" rowspan="6">How do the competitors reach the target market? What is the image of the competitors and the products in the market? What can we learn from this?</td><td rowspan="6">How can we improve upon the mode of delivery of our competitors?</td></tr>
<tr><td>PLACE</td></tr>
<tr><td>POSITIONING</td></tr>
<tr><td>PHYSICAL EVIDENCE</td></tr>
<tr><td>PEOPLE</td></tr>
<tr><td>PROCESS</td></tr>
</table>

DEFINITIONS OF TERMS USED IN THE TABLE

PRODUCT CHARACTERISTICS
PRODUCT DESIGN   Opening/minimum savings balance, liquidity/withdrawal terms, loan terms, ancillary services e.g. loan approval and disbursement times, collateral or guarantees, repayment structure
PRICE   nterest rate, withdrawal costs, statement/ledger fees, loan fees, prepayment penalties, prompt payment incentives, transaction costs and other discounts.
PHYSICAL EVIDENCE Passbooks, cards and statements, appearance of promotional brochures and posters.
MODE OF DELIVERY
PROMOTION Advertising, public relations, direct marketing, publicity and all aspects of sales communications
PLACE The distribution channels - making sure that the service is available when and where clients require. Use of outreach workers, mobile bankers, ATMs, working with the informal sector
POSITIONING The effort by the MFI to occupy a distinct competitive position in the mind of the target customer. This could be in terms of low transaction cost, low price, high quality, security of savings, quick turnaround time, professional service etc.
PHYSICAL EVIDENCE Physical appearance of branch, tidy or dirty? freshly painted or decaying?
PEOPLE How clients are treated by staff. Relative status of staff and client
PROCESS The system through which the product is delivered. How the transaction is processed and documented, the queues/waiting involved, the forms to be filled in.

V PRODUCT CONCEPT & PRICE SENSITIVITY

TABLE 24 RESPONSE TO PRODUCT CONCEPT

Q3 Response to concept	Most common response	Second most common response	Third most common response
Positive response			
Negative response			

TABLE 25 IMPORTANCE AND SATISFACTION RANKING

Characteristic	Q4 % rated extremely important	Distance from mean	Q5 % Rated extremely satisfied	Distance from mean
Fast access to savings				
Flexible repayment				
Option to save daily and borrow daily				
Individual loans				
Credit agents in the village or coming to the village				
Staff that are friendly and respectful towards clients				
Safety of money				
Waiting/meeting time				
Confidentiality				

The characteristics from Table 25 should be placed in the appropriate box in the satisfaction-importance matrix below. The characteristics of microfinance products that respondents stated were of high importance but low satisfaction should be noted as these are the ones in particular that organisations must attempt to improve upon. Conversely, any characteristics that are shown to be of low importance but high satisfaction could be a waste of limited resources.

Satisfaction - Importance Matrix

b

	High satisfaction	Low satisfaction
High importance	STRENGTH	WEAKNESS
Low importance	WASTE	INDIFFERENCE

TABLE 26 OVERALL PERCEIVED INTEREST AND IMPORTANCE

Q6 Perceived importance to the household			
% stated EI	% stated SI	% stated OI	% stated NI
Q7 Interest in service described			
% DI	% PI	% PNI	DNI

TABLE 27 MICROFINANCE SERVICES PRICE SENSITIVITY TEST

This table indicates at what price the maximum revenue on savings deposits may be obtained. In effect this is a balance between the maximum interest rate that can be levied on for example a savings account and the maximum number of clients that can be attracted to use the savings service.

In this fictitious case, a monthly fee of 20 Rwandan Francs levied on a savings account balance of 1000 Rwandan Francs is the level at which revenue can be maximised

A	B	C	D	E
Q8 Price per line (RFr)	% Not willing to buy at price	Cumulative % not willing to buy at price	% still willing to buy at price	Revenue at price (RFr)
Source of information	From survey	Cumulative total of column B	100%-C	AxD
2	5.7	5.7	94.3	188.6
4	10.3	16	84	336
6	0	16	84	504
8	0	16	84	672
10	0	16	84	840
12	5.3	21.3	78.7	944.4
14	25.7	47	53	742
16	0	47	53	848
18	0	47	53	954
20	2.6	49.6	50.4	1008
22	18.3	67.9	32.1	706.2

24	4.3	72.2	27.8	667.2
26	0	72.2	27.8	722.8
28	1	73.2	26.8	750.4
30	3.8	77	23	690

Most popular alternatives when price of services is considered to be too expensive

Q9 Most commonly stated alternative	Second most commonly stated alternative	Third most commonly stated alternative

APPENDIX 3 GUIDELINES FOR CONDUCTING INTERVIEWS

1. KEY PARTS OF THE INTERVIEW

This entire section is based on the work of Frey and Oishi (1995)A survey interview is a purposeful conversation in which one person asks prepared questions (the interviewer) and another answers them (the respondent). It is a directed conversation, the purpose of which is to gather information by means of administering the same set of questions in a consistent way to all selected respondents. The key parts of the interview are described below:

1.1 INTRODUCING THE INTERVIEW

- Introduce yourself by full name and identify the sponsor of the survey.
- Explain the purpose of the survey, the kind of information sought, and how it will be used.
- Verify that the right person has been reached.
- Stress the confidentiality of the interview, its approximate length, the voluntary nature of the client's participation, and that the client will have an opportunity to ask questions.
- Ask permission to proceed with the questions.

1.2 ASKING INTERVIEW QUESTIONS

- Ask each question exactly as written.
- Listen actively to determine what is relevant.
- Record the answers in the boxes and other spaces provided for each question.
- Probe to increase the validity, clarity, and completeness of the response.
- Avoid any unnecessary or overly enthusiastic reinforcement, such as, *"Oh, that's very good!!"*
- Never suggest an answer.

1.3 ENDING THE INTERVIEW

- Thank the respondent. Tell him or her again how important the information is that he or she has provided; that it will help the program to understand better its clients and how to serve them.
- Answer any questions or concerns the respondent may have about the interview or the content of the survey.

1.4 CONDUCTING THE POST-INTERVIEW

- Proofread the completed questionnaire to find and correct errors, clarify handwriting, and add clarifying notes.

2. INTERVIEWER'S ROLES AND RESPONSIBILITIES

- The interview should be arranged for a time that is convenient with the respondent.
- Dress in a simple, inconspicuous manner
- Ask the questions exactly as written, and in the order presented.
- Maintain a conversational level of communication and a comfortable rapport

Two exercises below can be used to assist in pre-survey training sessions for the interviewers

EXERCISE 1: PARTICIPATORY TRAINING EXERCISE:

The Good Interviewer…

Step 1: Distribute markers and 5 large-size stick-on notes to everyone.

Step 2: Create a heading on a blackboard or wall that reads, "Characteristics of a Good Interviewer."

Step 3: Explain that the interviewer plays a critical role for establishing the tone of the interview and ensuring that the respondent provides as complete and accurate information as possible. Ask everyone to write down two characteristics of a good interviewer.

Step4: Ask people to come to the front of the room and post one of their positive characteristics.

Step5: Read through the answers and group the characteristics. Remove repeats. Ask people to add the second characteristic if they do not see it already posted. Repeat for each level. Summarize thecharacteristics in terms of how they relate to communicating the questions, motivating respondents to cooperate, and probing for complete answers. Complete recording of the responses.

EXERCISE 2: PARTICIPATORY TRAINING EXERCISE

What an Interviewer Should Not Do….

Step 1: Distribute markers and approximately 5 large-size stick-on notes to everyone present.

Step 2: Create a heading on a blackboard or wall that reads, "What an Interviewer Should Not Do."

Step 3: Explain that the interviewer plays a critical role for establishing the tone of the interview and ensure that the respondent provides as complete and accurate information as possible. Ask people to identify two things an interviewer should not do.

Step 4: Allow a few minutes and then ask people to come to the front of the room and post one of the examples they had identified.

Step 5: Read through the answers and group the undesirable behaviors. Remove repeat responses. Ask people to add the second characteristic they identified if they do not see it already listed. Repeat for each level. Summarize the behaviors in terms of how they would undermine a positive interview that collects complete and accurate information.

THE "DOs" OF INTERVIEWING

√Speak clearly and use correct grammar in the language of the interview;
√Read fluently;
√Record verbatim answers in that language;
√Recall responses long enough to record them accurately;
√Perform several tasks simultaneously: read questions, record answers, follow instructions;
√Judge nonverbal and verbal cues of respondent to know when to administer reinforcement and clarification;
√Exercise self-discipline and regulate verbal and nonverbal behavior in order not to improperly influence responses. Be neutral.
Interviewers are also expected to
√Initiate and maintain a conversation with a stranger;
√Respond professionally to unexpected questions and situations;
√Remain neutral by keeping individual opinions out of the interview process;
√Motivate reluctant respondents to participate in the interview;
√Deliver the questionnaire in a flowing, conversational manner that reflects self-assurance and ease with the task of interviewing;

√Probe incomplete responses in an unbiased manner for more useful results; and
√Clarify contradictory responses.

(Frey and Oishi, 1995)

THE "DON'Ts" OF INTERVIEWING

√Get involved in long explanations of the study, such as trying to explain sampling in detail;
√Deviate from the study introduction, sequence of questions, or question wording;
√Try to justify or defend what they are doing;
√Interview someone they know;
√Falsify interviews;
√Improvise;
√Suggest an answer or agree or disagree with an answer;
√Try to ask questions from memory;
√Rush the respondent;
√Patronize respondents;
√Dominate the interview;
√Let another person answer for the intended respondent;
√Turn in a questionnaire without checking it over to be sure every question has been asked and its answer recorded;
√Change the wording or sequence of the questions.

(Frey and Oishi, 1995)

3. ASKING PROBING QUESTIONS

During an interview, clients will occasionally provide incomplete answers to the questions asked. When this happens, "probe" or ask additional questions to tease out more information. Probing is one of the interviewer's most critical responsibilities. If the respondent is quiet, do not simply assume that she has little to say, and do not be in a rush to complete the interview. Take the time needed to get complete answers. The tricky part is that it is easy to make mistakes when probing for more information by anticipating what the respondent is going to say or asking leading questions. Probing is equally, if not more important in qualitative interviews.

GOOD PROBING TECHNIQUES

Show Interest An expression of interest and understanding such as "uh-huh," "I see," and "yes," conveys the message that their response has been heard and more is expected.

Pause Silence can tell a respondent that you are waiting to hear more.

Repeat the Question This can help a respondent who has misunderstood, misinterpreted, or strayed from the question to get back on track.

Repeat the Reply This can stimulate the respondent to say more or to recognize the inaccuracy.

Ask a Neutral Question

For clarification:

- *"What do you mean exactly?"*
- *"Could you please explain that?"*

For specificity:

- *"Could you be more specific about that?"*
- *"Tell me about that. What, who, how, why?"*

For relevance:

- *"I see. Well, let me ask you again."* [REPEAT QUESTION AS WRITTEN]
- *"Would you tell me how you mean that?"*

For completeness:

- *"What else?"*
- *"Can you think of an example?"*

(Frey and Oishi, 1995)

Improper Probing

Question:

"How many hours did you work on your bread-making business in the last 24-hour period?"

Answer:

"Oh, I worked all day."

Improper Probe:

"So you mean about 12 hours?"

Better Probe:

"Could you be more specific? About how many ***hours*** *would you say you worked in the last 24-hour period?"*

(Frey and Oishi, 1995)

APPENDIX 4: REVIEW OF THE TOOLS

Concern Worldwide and The Springfield Centre aim to continuously improve the tools, based upon feedback from practitioners who have used them. The table below can be completed and sent to Tamsin Wilson twilson@springfieldcentre.com or to isabelle.kidney@concern.ie.

Tool	Amount of time taken to carry out	Staffing levels required	Visual / tabular represent-ation	Compilation	Cost effectiveness	Usefulness	Easy to understand / carry out in field	Overall ranking (out of 10)
TOOL 1								
TOOL 2								
TOOL 3								
TOOL 4								
TOOL 5								

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