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Enhancing Customer Engagement and  
Experience of Microinsurance in Africa

June 2014

# MICROINSURANCE

*Expanding Insurance to the Mass Market*



## THE PROJECT

*Partnership: CGAP, MicroEnsure and Continuum Innovation*

CGAP conducted an Applied Product Innovation project with insurance intermediary MicroEnsure and design firm Continuum. MicroEnsure, a leader in the provision of insurance for the mass market in Africa and Asia and Airtel, a leading global telecom, have a partnership to deliver insurance to 17 countries in Africa over the next three years. Our challenge: using human centered design techniques to figure out how to deliver relevant insurance products to the mass market, leveraging mobile phones.

## PROJECT GOALS

### CGAP

- Experiment with Human Centered Design techniques to develop a better understanding of customer perceptions of microinsurance and develop new concepts to engage customers more effectively with microinsurance products
- Institutionalize Human Centered Design tools and techniques at MicroEnsure

### MICROENSURE

- Increase acquisition and active membership among the mass market in Africa
- Formalize knowledge about the mass market

***To watch an 8 minute video about this project, please visit:***

**<http://www.cgap.org/photos-videos/human-centered-design-and-microinsurance>**



# Microinsurance

A teal wooden door with a silver padlock is set in a wall of cracked, reddish-brown mud-brick. The door is made of vertical wooden planks and is slightly ajar. The padlock is mounted on a metal bolt that passes through the door and the wall. The wall shows significant cracking and texture, suggesting an arid environment.

According to “Making Finance Work for Africa,” a study published by The World Bank, microinsurance grew by more than 200% on the continent of Africa between 2010 and 2012. That being said, fewer than 20 million Africans outside South Africa have any form of microinsurance - less than 5% of the potential 400 million customers in sub-Saharan Africa.



# Strategic Partnership



In September 2013 (just before our project began) MicroEnsure, a leader in the provision of insurance for the mass market in Africa, announced a strategic partnership with Airtel, a leading telecommunications services provider with operations across Africa and Asia. The partnership was established to provide insurance services to Airtel customers in Africa which will be deployed through mobile phones.



# Feature Phones



Smart phone penetration across Africa is 18%. While there are some aggressive predictions about smartphone adoption, feature phones are still the dominant phone held by the mass market in Africa. Feature phones are a way to keep connected, a business tool, a form of entertainment and the delivery mechanism for financial services platform. Feature phones and the extensive Airtel network make it possible to scale microinsurance to the mass market.




# INTERVIEWS

Base	Location	Type	Number of Subjects
Nairobi	Kibera	urban	4
Nairobi	Mathare	urban	3
Nairobi	Kabete	village on the rural outskirts of urban center	6
Nairobi	Soweto	village on the rural outskirts of urban center	3
Nairobi	Kijiji	village on the rural outskirts of urban center	3
Malawi	Lilongwe	village on the rural outskirts of urban center	5

Since we couldn't conduct interviews across all 17 Airtel markets, we chose two 'extremes' - Kenya and Malawi. Kenya is a sophisticated technology market with a high adoption of financial services via mobile phones. Malawi is more rural and has a much lower adoption rate of financial services technology. Human Centered Design interviews frequently target extreme use cases. By understanding two markets or customers that are quite different, we are able to design broad solutions that can be adapted and scaled.





Facilitator  
(Abby)

Participant


Researcher  
(Carin)

Researcher  
(Jenny)

Translator  
(Chris)

We worked with people in the mass market in Kenya and Malawi to understand their values, attitudes and behaviors, the problems they face, and to create and test solutions that work for them. We used the insights from our mass market interviews to inspire design solutions that hit on both the emotional and functional needs of people.



A photograph showing a man and a woman sitting at a table in a room with brick walls. The man, on the left, is wearing a green and blue striped polo shirt and is looking at a stack of papers. The woman, on the right, is wearing a white t-shirt and a colorful patterned skirt, and is looking at cards on the table. The table is covered with a green cloth and has several cards with icons on it. A large orange circle is overlaid on the image, containing text. The background includes a red patterned curtain on the left and a green and white striped curtain on the right. A sign on the wall behind them says 'Q'S CENTRE'.

We asked people to share their values, dreams and worries. Using cards with icons representing various possessions and activities aided the conversation.

Each interview lasted two hours. We asked about their life, their sources of income, what they value, who they trust, social circles, what they strive to protect and finally, their perceptions of insurance. Our goal was to understand what keeps people up at night as a source of inspiration for insurance.



WHAT WE LEARNED



## A THIRST TO LEARN

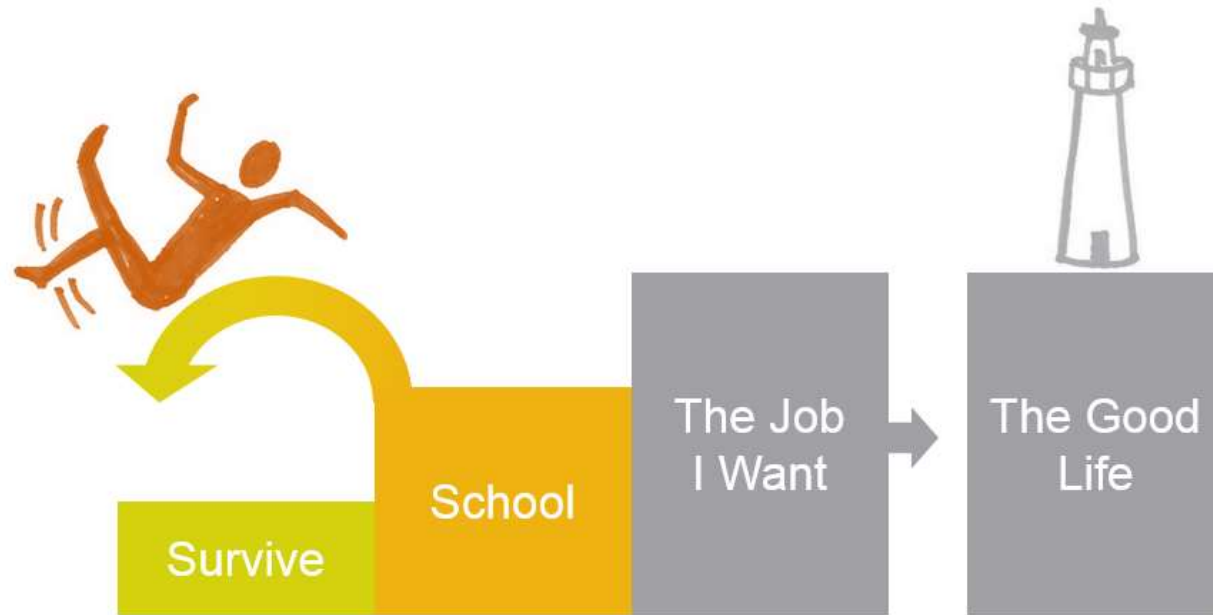


One participant said she would protect education and her family most (with 3 locks), water, food and health next (with 2 locks).

We were struck by how much people value learning, both formal education and informal information sharing. Hard work and knowledge are key to a better future. People save and raise money for school fees, seek business advice and decorate their homes with educational posters.



## A THIRST TO LEARN



“The Good Life” is relatively modest. People aspire to make enough money to cover their basic needs and own a home or car. Progression to the good life is slowed by inconsistent income and constant financial setbacks, ranging from school fees to the death of a loved one. School is an essential step towards the good life. It’s the driving force behind getting a good job or growing a business. When setbacks happen, both small and large, savings are depleted and school is often postponed to meet more immediate survival needs.



## FUTURE GOALS, NEAR-TERM REALITIES

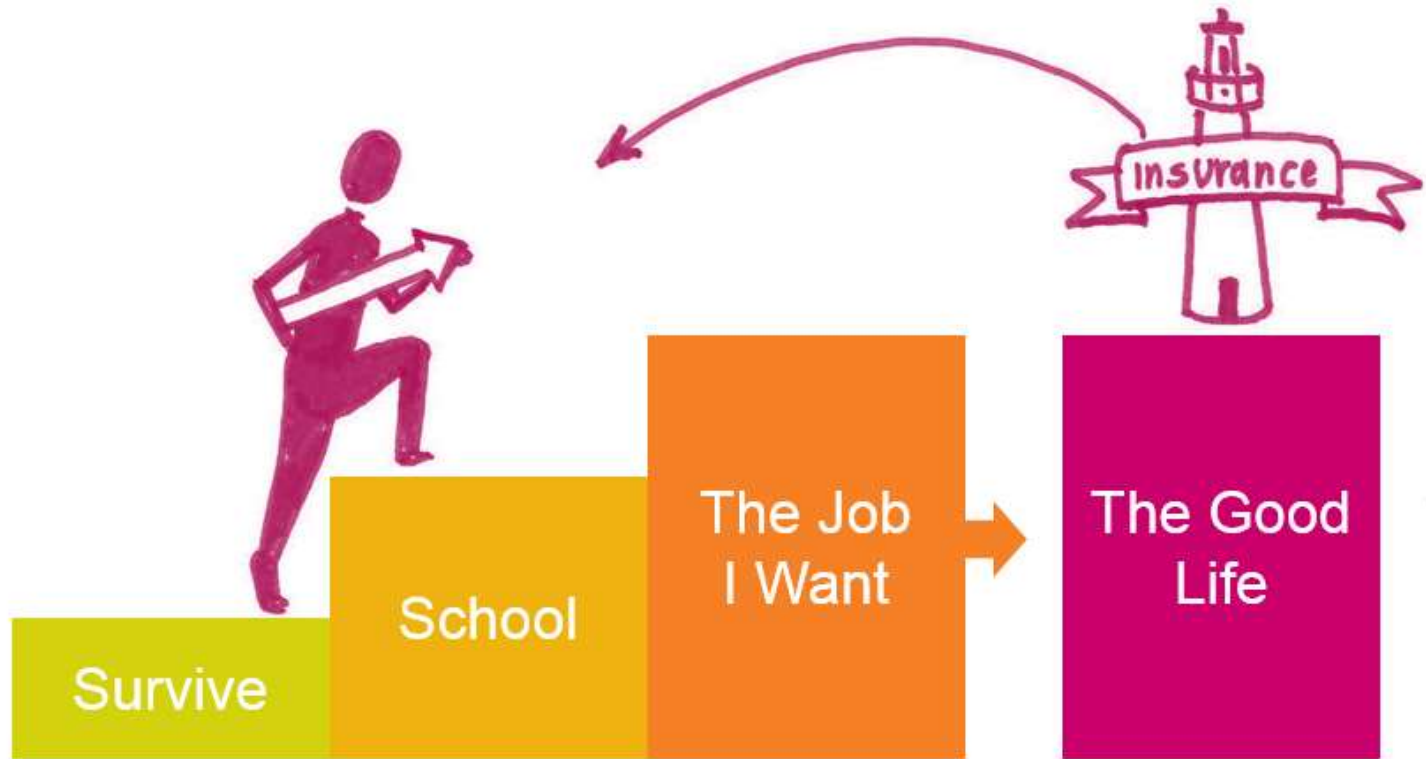
Dalitzo owned neither a home nor a car, yet he allocated 500 KSH (\$5.69 USD) of fake money to car insurance and 1000 KSH (\$11.39 USD) to home insurance.



Currently insurance is seen as a distant need. Similar to the Good Life, insurance feels inaccessible and is considered a product for those that have more to protect.




# FUTURE GOALS, NEAR-TERM REALITIES



For insurance to be attainable now, it must help people deal with immediate stability and future growth.



## TRUST ISSUES

A photograph showing three people sitting in a tent-like structure. On the left, a woman with short brown hair, wearing a red and white patterned t-shirt, is holding a large sheet of paper and looking at it. In the middle, a man wearing a black and white striped polo shirt and camouflage pants is also looking at the paper. On the right, another man wearing a grey t-shirt with a circular logo and the word 'COASTIA' is looking towards the paper. The background consists of blue and brown fabric walls. A red cup is visible on a table in the foreground.

People are wary of things that sound too good to be true. If there is no reasonable explanation of how things work, then they doubt its validity. Trust is not given easily. Even if things are advertised as “Free”, people know they often come with strings attached.

## SMALL PLEASURES

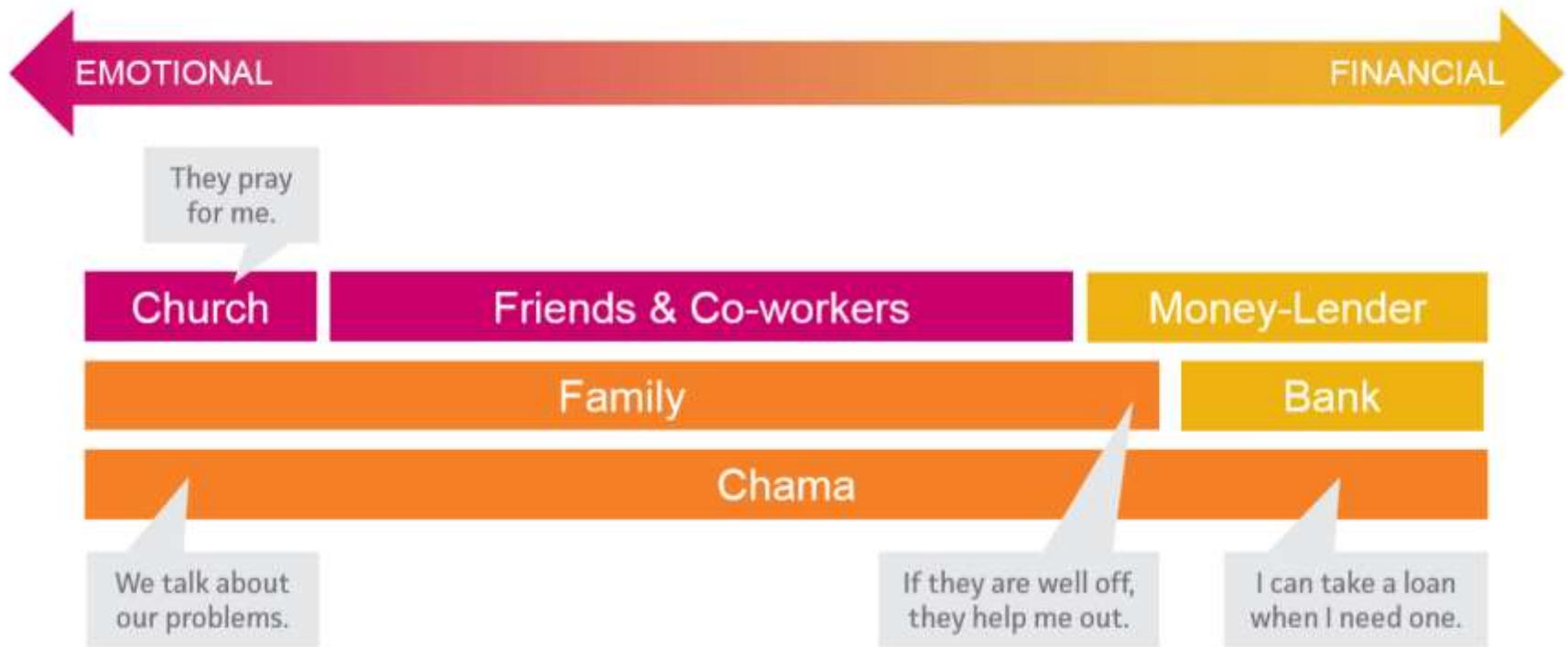


Ethel plays Block'd on her phone. She keeps her phone on her at all times in this satchel.

Despite daily worries, people still find time to de-stress. Chamas (Kenya's form of informal saving groups) have turned a financial savings tool into a small pleasure by building in the joy of being rewarded when getting a lump sum. People play games on their phone, socialize and exchange tips on Facebook, and enter contests via SMS.



# SOURCES OF SUPPORT



People take help where they can get it. Few sources of support span both functional and emotional needs. Chamas have alone bridged the gap, emulating the emotional support of family while providing more reliable access to finances similar to a lender or bank.

CREATING AND PROTOTYPING  
SOLUTIONS



# BUILDING THE HOLISTIC CUSTOMER EXPERIENCE



We mapped out the journey the customer goes through to sign up for and use microinsurance with MicroEnsure. Keeping their journey in mind helped us think about solutions holistically. Understanding the context of the journey makes sure we're conveying the right message at the right time in a way that makes sense to people.

# THE IDEAL EXPERIENCE

The Path to the Good Life:

MicroEnsure helps people reach their life goals with a holistic offering that ties together long-term protection with relevant advice and education in a fun and engaging way.



The ideal experience actively engages people with their insurance membership. We identified three content streams that must work in concert with one another to demonstrate relevance and provide meaning for customers.




# GAME



We used a cardboard phone to test 4 different concepts. They ranged from a combined analog/digital game, to quiz based games to choose your own adventure stories. Our aim was to provide a small pleasure for people while delivering educational value and information about insurance.

## ADVICE



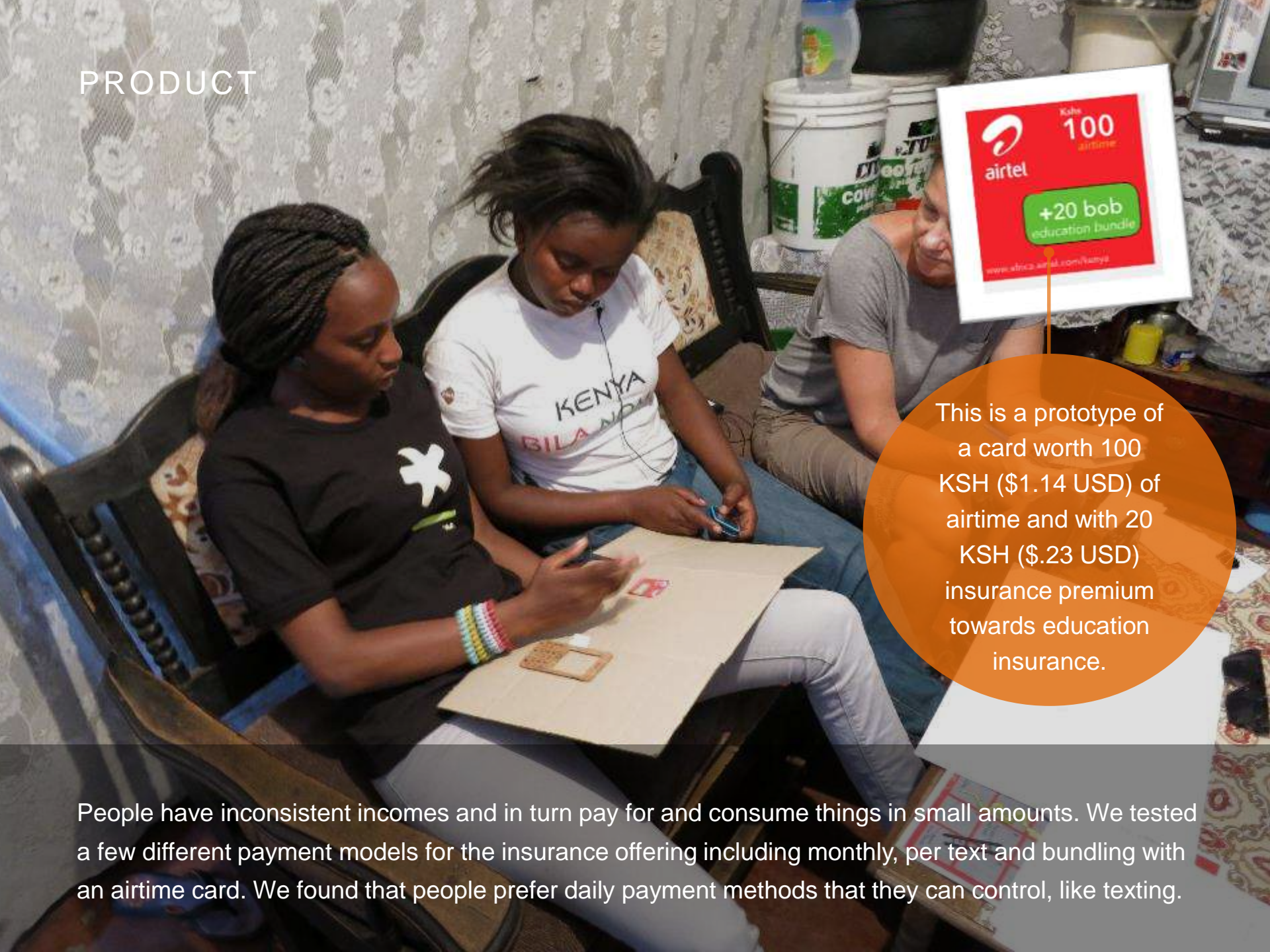
Protect your  
child's  
education and  
get free  
business advice  
for yourself.

\*123#

People are hungry for education and advice for themselves and to share with others. We tested benefits like annual check-ups, business advice and love tips. Many of the tips delivered via phone today are too broad to be relevant to individuals.



# PRODUCT



This is a prototype of a card worth 100 KSH (\$1.14 USD) of airtime and with 20 KSH (\$.23 USD) insurance premium towards education insurance.

People have inconsistent incomes and in turn pay for and consume things in small amounts. We tested a few different payment models for the insurance offering including monthly, per text and bundling with an airtime card. We found that people prefer daily payment methods that they can control, like texting.

NEXT STEPS



## PILOTING



We are currently building a working prototype in order to pilot the game and conduct in-field testing. We are working with Leti Arts, an interactive media studio based in Nairobi.

FORMALIZING THE LEARNING



## ENGAGING THE TEAM AT MICROENSURE



Part of the outcome of our work together was to provide MicroEnsure with tools to help align and inspire their growing team. We developed tools to help formalize and build upon what MicroEnsure knows about their members in order to inspire current employees and on-board new team members.

# DESIGN CRITERIA



**Design Criteria Scorecard**




Use this document to evaluate concepts being pitched and reviewed. An asterisk to the right of the sentence should read and give others all the words necessary. Use the standard below with a rating to state clearly that your solutions are effectively covering the goal.

<b>SHOWS ME HOW</b>	Helps a new concept become helpful and relevant
<input checked="" type="checkbox"/> <b>Simple</b>	Communicates the basic concept. Doesn't take years.
<input checked="" type="checkbox"/> <b>Clear Choice</b>	Focuses on one main idea.
<input checked="" type="checkbox"/> <b>Speaks My Language</b>	Simple and concise. Not overly technical or abstract.
<input type="checkbox"/> <b>Shows Real Examples</b>	Shows how you're solving the problem.
<b>BUILDS TRUST</b>	Helps to believe that you are what you say.
<input type="checkbox"/> <b>Transparent</b>	Doesn't hide things.
<input checked="" type="checkbox"/> <b>Connects with My Networks</b>	Doesn't try to replace them.
<input type="checkbox"/> <b>Consistent</b>	Doesn't constantly change the way things work.
<input type="checkbox"/> <b>Compassionate</b>	Shows that you're the club.
<input checked="" type="checkbox"/> <b>Follows Through</b>	Doesn't follow it on and on.
<b>FITS MY LIFE</b>	Helps me manage my time and makes it easy for me to participate.
<input checked="" type="checkbox"/> <b>Convenient</b>	Doesn't make the goal of my way.
<input type="checkbox"/> <b>Easy Access</b>	Doesn't require a lot of extra steps.
<input type="checkbox"/> <b>Affordable</b>	Doesn't require a lot of extra money.
<input type="checkbox"/> <b>Gives Benefits Now and Later</b>	Doesn't just look at the long term.
<input type="checkbox"/> <b>Helps Me Be Disciplined</b>	Doesn't require a lot of extra steps.
<b>REFLECTS MY VALUES</b>	Shows how you're really interested and how you're committed to it.
<input type="checkbox"/> <b>Empowers Me</b>	Doesn't take away my power.
<input type="checkbox"/> <b>Respects My Pride</b>	Doesn't show me up or embarrass me.
<input type="checkbox"/> <b>Connects with Me</b>	Doesn't make me feel like I'm not the same.
<input type="checkbox"/> <b>The Right Kind Of Help</b>	Doesn't just give me the same old help.
<input type="checkbox"/> <b>Follows My Lead</b>	Doesn't just follow me around.
<b>Am I effectively meeting the criteria?</b>	What are the good things or ideas I like best in each of these categories or needs? and what are the bad things?
<b>SHOWS ME HOW</b>	Can you explain the concept through pictures and text? Show me your own words. What do you think about the process?
<b>BUILDS TRUST</b>	How confident are you that you'll follow through? How clear are you about your values and goals?
<b>REFLECTS MY VALUES</b>	How would it fit in your life? Does it fit how you see your future? How do you see your future? How do you see your future?
<b>FITS MY LIFE</b>	How would you see about the possibility of this solution? How likely are you to get it done? How likely are you?

One of the tools we developed was Design Criteria. The Design Criteria serves as a filter for the MicroEnsure team as they create new insurance products and assess existing ones.



# DESIGN GUIDELINES

<p>What is life protection? How does it work? How does my family get paid?</p>	<p>In the sad event of death, your loved one gets 15,000KSH.</p>	<table border="1"> <thead> <tr> <th>Weekly Premium</th> <th>Cover: Subscriber</th> </tr> </thead> <tbody> <tr> <td>Ksh 15</td> <td>= Ksh 25,000</td> </tr> <tr> <td>Ksh 25</td> <td>= Ksh 50,000</td> </tr> <tr> <td>Ksh 35</td> <td>= Ksh 75,000</td> </tr> </tbody> </table>	Weekly Premium	Cover: Subscriber	Ksh 15	= Ksh 25,000	Ksh 25	= Ksh 50,000	Ksh 35	= Ksh 75,000	<p><del>1. What is Bima Mkonool? 1. Learn More about Bima Mkonool.</del></p>
Weekly Premium	Cover: Subscriber										
Ksh 15	= Ksh 25,000										
Ksh 25	= Ksh 50,000										
Ksh 35	= Ksh 75,000										
<p><b>TELL A STORY</b></p> <p>Insurance is a new concept. Take people on a journey and explain the idea in stages. Giving one message at a time allows people to digest and retain information.</p> <p><i>Q&amp;A style information helps lead people through the experience.</i></p>	<p><b>DIRECT &amp; CONCISE</b></p> <p>Provide straightforward language around benefits and the description of insurance. Being too descriptive causes confusion, disinterest and disengagement.</p> <p><i>Spell it out. Using phrases like "In case anything happens" or "people" are ambiguous and unclear.</i></p>	<p><b>SMALL CHOICES</b></p> <p>Give people small choices in the right places. Don't</p>	<p><b>NO WINDING PATHS</b></p> <p>If you propose a question, answer it in the next</p>								
			<p><del>Please tell your friends about us.</del></p>								
<p><b>REFERRALS</b></p> <p>People like to share the things they've learned with their friends and family. It's a matter of pride. Offering an incentive to do so certainly sweetens the deal but is not always necessary.</p> <p><i>Word of Mouth is an essential marketing tool in Kenya, harnessing the power of your customer base is essential in getting to critical mass.</i></p>	<p><b>VISUAL CUES</b></p> <p>People are proud of doing the right thing. They want to show others that they are protecting their family and their child's education. Allow for moments of special recognition.</p> <p><i>The insurance bundle airtime card was popular as it showed everyone that they took their responsibilities seriously.</i></p>	<p><b>SOCIAL MEDIA</b></p> <p>Facebook is popular (even on feature phones) and is influential in getting the word out to mass audiences.</p> <p><i>We heard multiple stories about people seeing or hearing about things on Facebook and then going out to buy them.</i></p>	<p><b>DON'T MAKE THEM DO THE WORK</b></p> <p>Make it easy for people to share information and tell others about your offerings. Don't expect them to do it all on their own.</p> <p><i>People loved the option of sending a text to their next of kin with policy and claim info.</i></p>								

We identified and articulated tactical design guidelines to help ensure that product offerings and communication are executed in a way that resonates with people.







Caitlin  
(Continuum)

Samuel  
(Field  
Coordinator)

Carin  
(Continuum)

Jenny  
(Continuum)

Chris  
(Translator)

- Not shown:
- Peter (MicroEnsure)
  - Mario (MicroEnsure)
  - Claudia (CGAP)
  - Carol (Independent)
  - Mavuto (independent)
  - Mark (iHub)
  - Abby (iHub)
  - Wesley (Leti Arts)

# CGAP

Advancing financial inclusion to improve the lives of the poor

