VisionFund Guatemala

Baseline Study

Welcome To
Your 60dB Results

We enjoyed hearing from 287 of your Recovery Loan clients
– they had a lot to say!

Methodology Summary

In-depth phone interviews with a
representative sample of 287
Recovery Loan clients.

Performance is compared with the
60dB Financial Inclusion
Benchmark consisting of 82
Companies & 38k+ interviews.

Contents

Headlines

Detailed Results

What Next

Appendix

VisionFund's Priority Impact Questions

Here's a range of crucial questions, as highlighted by VisionFund Guatemala during survey design.

See slide 32 for comparisons to 60dB's benchmarks.

Is VisionFund providing a unique product and how satisfied are clients?

81% could not find a good alternative to the VisionFund Recovery Loan.

Net Promoter Score

63
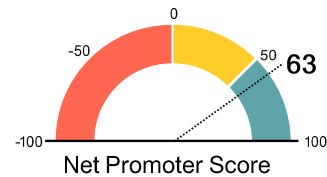
Top 3 Value Drivers for Promoters:
> Great customer service (47%)
> Low interest rates (31%)
> Fast loan approval process (17%)

Are clients ready for digital products?

5% have mobile money accounts.

30% would prefer having mobile options for repayment.

34% would prefer completing the borrowing process online.

Are clients interested in receiving training?

66% would likely attend training on financial practices offered by VisionFund.

63% would like to learn about saving: how to save, saving habits, and saving growth.

What impact has COVID-19 had on clients?

82% report a decrease in their main income source since the coronavirus lockdown.

50% saw their income decrease due to lockdown and restrictions imposed by the government.

68% stopped loan repayments as a coping mechanism due to the pandemic.

61% used money they had been saving to cope with the financial effects from the pandemic.

Top Actionable Insights

VisionFund's Recovery Loan is providing a scarce alternative and achieving excellent client satisfaction. There is strong interest in receiving financial training.

| Headline	Detail & Suggested Action
🔴 **Going Great:** With the Recovery Loan, VisionFund provides a scarce service with excellent client satisfaction.	8 in 10 clients could not find a good alternative to the VisionFund Recovery Loan. The Net Promoter Score was an excellent 63! Clients love the great customer service, low interest rates, and fast loan approval process **An idea:** Sharing this information with potential clients, partners, and funders may help increase VisionFund's reach.
🔵 **A Finding That Jumped Out:** Clients are open to financial training opportunities, in particular about saving and investing.	Despite virtually all clients reporting a good understanding of the terms and conditions of their Recovery Loan, 2 in 3 clients are likely to attend potential financial training by VisionFund. Saving (63%) and investing (38%) are the most popular training topics. **A recommendation:** An introductory training program conducted physically in Tecpan and focused on saving is likely to be the most requested and impactful program.
🟣 **Area For Improvement:** VisionFund can aim to reach more low-income clients, as it is currently below the Latin America average.	VisionFund has an inclusivity ratio of 0.97, which is higher than the 60dB Financial Inclusion Benchmark of 0.83 but lower than the 60dB Latin America Benchmark of 1.09. 30% of clients are living in poverty, with the regions of Quiche and Chimaltenango having the largest proportions of clients in poverty. **For discussion:** What strategies can be put in place to reach more low-income clients?

Client Voices

We love hearing client voices.

Here are some that stood out.
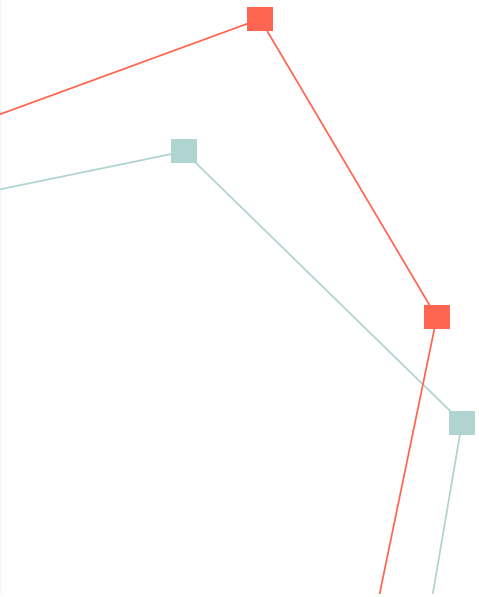
Income Source Impact of COVID-19

82% report a decrease in their main income source

"During the pandemic, our products were out of markets, because there were no local markets opened. Sometimes I just threw my crops away because nobody wanted them. I could not go to other towns because roads were closed. This COVID-19 restrictions affected us so much." - Male, 41

"I was a so difficult to get transported to different places. Also, there were schedules restricted of transportation, so for me was complicated because I live far away from the city." - Female, 37

Planned Loan Usage

63% plan to use their loan to grow their own business

"With this new credit I could buy a machine for fabrication of ice creams. Also, I increased sales in my food business. I used part of the credit for some personal cost, I needed to buy medicines and prevent COVID-19 on the rest of my family because my brother was positive with the virus." - Female 31

"I invested on a new project: I bought chickens so I can grow them and sell their meat. Also, I continued investing in my tortillas business: I bought maize and wood." - Female, 40

Opinions On VisionFund Value Proposition

72% were Promoters and highly likely to recommend

"VisionFund is a great support for me, sometimes I have to pass through several economical issues, electricity bills are overdue, and I need money to reinstall electricity again. With the help they give me, I look for new opportunities to overcome problems." - Female, 46

"(VisionFund has) helped me a lot, because they offer an excellent service, the interest rate of the loan is extremely low. " - Female, 33

Training Opportunities

66% would likely attend training offered by VisionFund

"I would like to learn more about credit record. I know that in different banks if you have been working for a long time, they provide especial discounts on rate interests. It is possible only for punctual and responsible clients, I consider myself that I've been loyal and responsible with the credit." - Male, 31

"I just want to learn how the interest rates change (decrease) when clients have been working for a long time." - Female, 27

Key Questions
We Set Out To Answer

● **Who is VisionFund Reaching and What is its Impact During COVID-19?**

> Client profile: demographics, inclusivity and income status

> Business profile: business value and other loans

> COVID-19: impact on income and and coping mechanisms

● What is the Baseline Situation of VisionFund Clients?

● Are Clients Satisfied with VisionFund & Why or Why Not?

● What Opportunities for Improvement Does VisionFund Have?

Client Profile: Demographics

A typical VisionFund client is a 40-year-old female, living in a male-headed household in the village/countryside. At least one household member has upper secondary education.

VisionFund appears to be serving a relatively homogenous client base: typically, females who live in villages, predominantly in San Marcos and Guatemala.

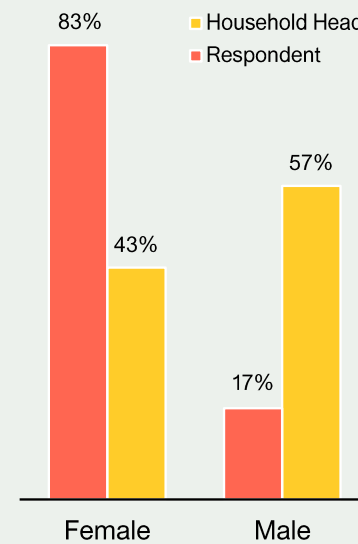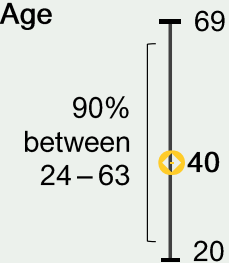There was, however, a good degree of variability in age.

Other agencies include San Pedro, San Martin, Escuintla, Coatepeque, and Tejutla San Marcos.

About the VisionFund Clients We Spoke With

Data relating to client characteristics (n = 287)

Gender

Household Head
Respondent

83% — Female (Respondent)
43% — Female (Household Head)
17% — Male (Respondent)
57% — Male (Household Head)

Age

90% between 24 – 63

69
40
20

Agency

- Malacatan   39%
- San Juan   31%
- Tecpan   13%
- Patzicia   8%
- Other   3%

Household Size

5.7 average size

Location

- Village/countryside 66%
- Town   28%
- City   5%

Education Level

- Primary   43%
- Lower Secondary   26%
- Upper Secondary   24%
- Tertiary   4%

Client Profile: Inclusivity

VisionFund is serving slightly wealthier clients compared to Guatemala's national and rural averages, suggesting there is scope to better reach lower-income clients.

Using the Poverty Probability Index® we measured how the income profile of your clients compares to the national average.

Guatemala is classified as upper-middle income by the World Bank, meaning those living below $5.50/day are considered to be in poverty.

VisionFund's inclusivity ratio is 0.97, which is higher than the 60dB Financial Inclusion Benchmark of 0.83.
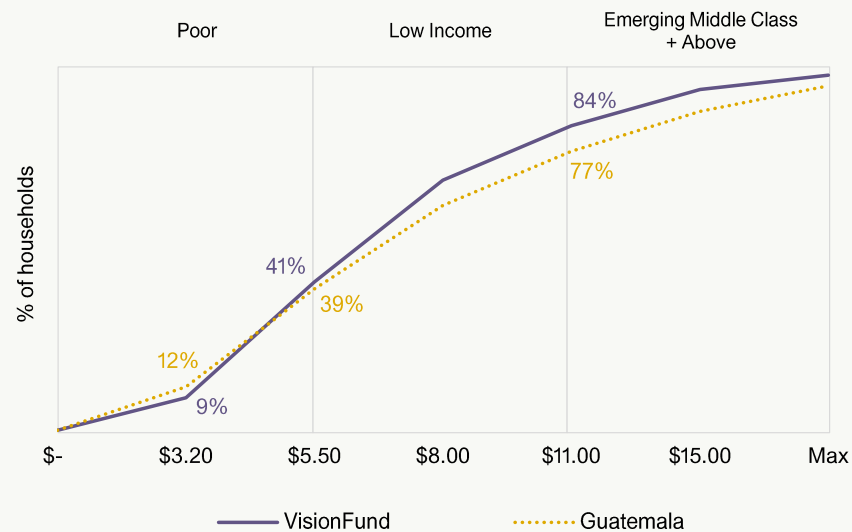
Respondents living in the village/countryside are more likely to live in poverty (32%) compared to those living in towns (28%).

Food for Thought

What actions or programs be implemented to make VisionFund attractive to low-income clients?

Income Distribution of VisionFund Relative to Guatemala

% living below $x.xx per person / per day (2011 PPP) (n = 287)

Poor   Low Income   Emerging Middle Class + Above

84%
77%
41%
39%
12%
9%

% of households

$- $3.20 $5.50 $8.00 $11.00 $15.00   Max

——— VisionFund   ·········· Guatemala

Inclusivity Ratio

Degree that VisionFund is reaching low-income clients in Guatemala

0.97

● ● ● ● ○ – TOP 40%

We calculate the degree to which you are serving low-income clients compared to the general population.
 1 = parity with national;
> 1 = over-serving;
< 1 = under-serving.
See Appendix for calculation.

Client Profile: Income Status

3 in 10 clients run their businesses while working part-time or full-time elsewhere. Food and clothes vending were the top sources of income for clients before COVID-19.

Women are more likely to not be employed elsewhere (72%) than men (60%).

Food / grocery is the top income source among women (39%), while farming / agriculture is the top among men (29%).
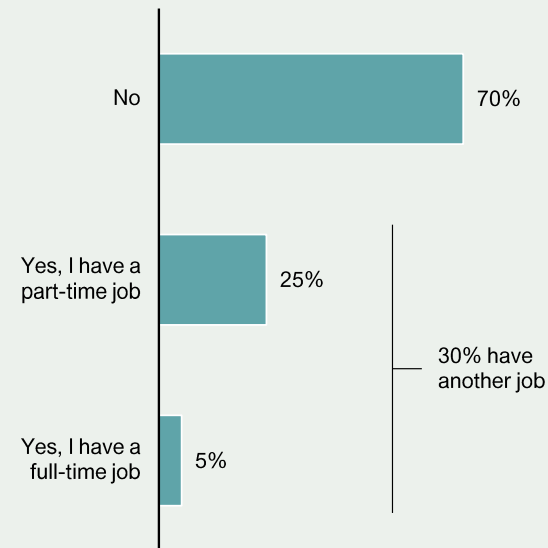
Other sources of income include transportation, carpentry, teaching, and nursing.

Food for Thought

Businesses are clients' primary income source, so any improvement in their business will likely have a larger impact on livelihoods – can VisionFund offer training / support to clients on how to better manage their businesses?

Employment Outside Current Business

Q: Alongside running your business, are you usually employed by another company? (n = 287)

Category	Value
No	70%
Yes, I have a part-time job	25%
Yes, I have a full-time job	5%

30% have another job

Pre-COVID-19 Income Source

Q: In the 6 months before the coronavirus lockdown, what was the largest source of income for your family? (n = 287) Open-ended, coded by 60 Decibels.

Category	Value
Food / grocery	35%
Clothes shop / tailor	30%
Retail shop	18%
Farming / agriculture	11%
Other	6%

Business Profile: Business Value

Clients report being left with Q1,405 per month on average after business costs. Loan sizes are positively correlated with business value.

On average, men are left with 75% more money when compared to women, suggesting their businesses have higher profitability.

Most clients believe they can sell their businesses for around 3x to 7x the value of their loans.
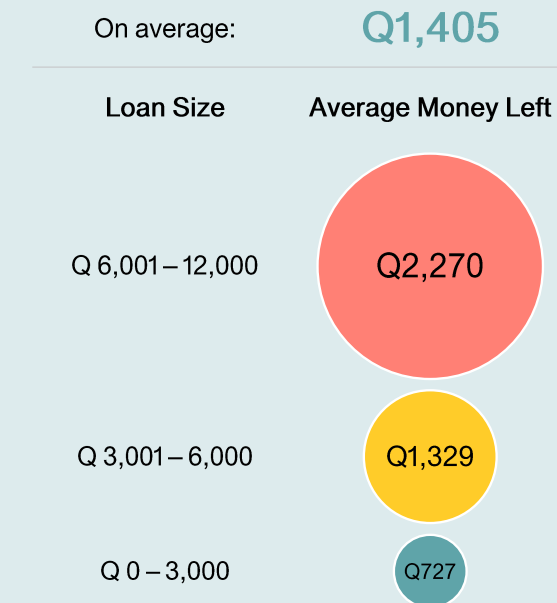
Men's average business value is 3.3x that of women's, perhaps a reflection of higher profitability.

Food for Thought

With data on estimated business value, could VisionFund adjust loan sizes to reflect this potential collateral?

Money Left after Business Costs

Q: After paying all your business costs, how much money do you have left over at the end of the month? (n = 262)

On average: **Q1,405**

Loan Size	Average Money Left
Q 6,001 – 12,000	Q2,270
Q 3,001 – 6,000	Q1,329
Q 0 – 3,000	Q727

Estimated Business Value

Q: If you had to sell your business to a friend tomorrow, how much could you sell it for? (n = 140) Open-ended, coded by 60 Decibels.

On average: **Q23k**

Loan Size	Average Business Value
Q 6,001 – 12,000	Q46k
Q 3,001 – 6,000	Q17k
Q 0 – 3,000	Q10k
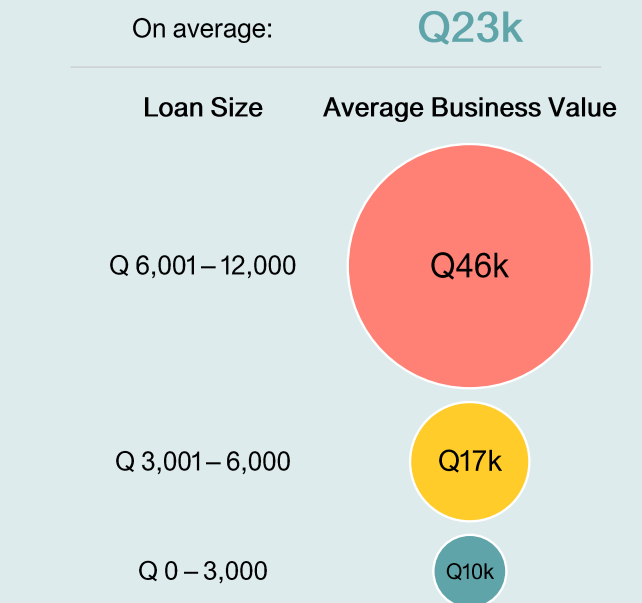
Note: $1 = Q7.7 (Guatemalan Quetzal)

Business Profile: Other Loans

Around 4 in 10 clients have other household or business loans on top of the Recovery Loan, with two-thirds of these having one additional loan.

Clients with a 60% interest rate are less likely to have other loans (30%), compared to those with 48% interest (41%). This could be a reflection of the additional burden of higher rates.

Interest rate also has a negative effect on the number of additional loans, as those with higher interest are less likely to take more than one extra loan.

A higher proportion of Chimaltenango clients (45%) have taken other loans, when compared to Quiche (42%), Guatemala (39%), and San Marcos (30%).
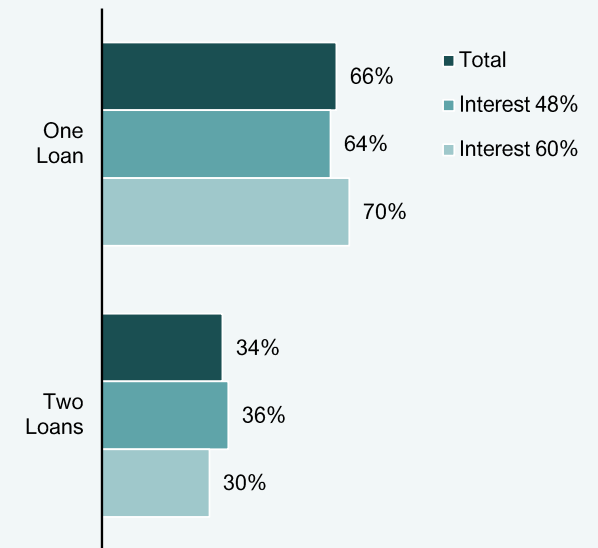
Other Loans

Q: Does your household or business have any other loans or credit? (n = 287)

- Total
- Interest 48%
- Interest 60%

No
63%
59%
70%

Yes
37%
41%
30%
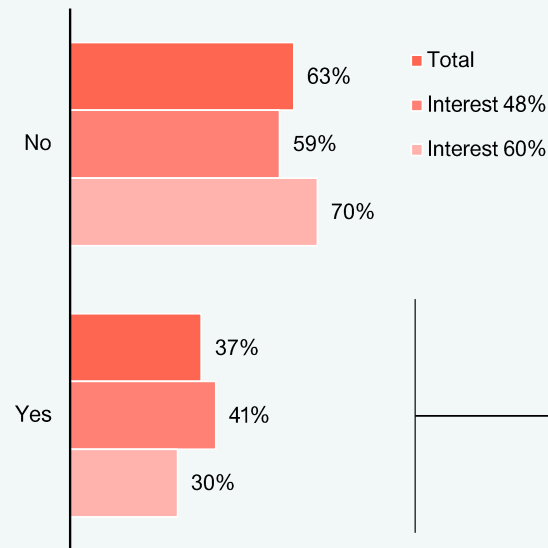
Quantity of Other Loans

Q: If you have other loans or credit, how many? (n = 106)

- Total
- Interest 48%
- Interest 60%

One Loan
66%
64%
70%

Two Loans
34%
36%
30%

COVID-19:
Impact on Income

Over 4 in 5 clients reported a decrease in income due to COVID-19; this was primarily due to the lockdown and restrictions imposed by the government.

Chimaltenango is the most affected city, with 90% of clients reporting a decrease in income; Guatemala is the least affected, with only 75%.
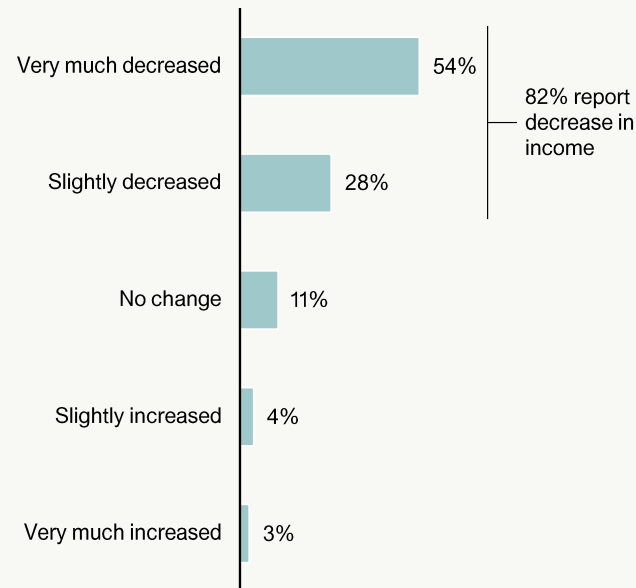
Men are more likely to report a decrease (88%), when compared to women (80%).

Food for Thought

Aside from the Recovery Loan, what can VisionFund do to help its clients cope with COVID-19?

Income Source Impact of COVID-19

Q: Has your income from this source changed since the start of the coronavirus lockdown? (n = 287)

Very much decreased — 54%

Slightly decreased — 28%

82% report decrease in income

No change — 11%

Slightly increased — 4%

Very much increased — 3%

Income Source Concerns

Q: Could you please explain why your income from this source has changed? (n = 234) Open-ended, coded by 60 Decibels.

Lockdown & restrictions — 50%

Customers' decreased income — 26%

Fewer customers — 20%

Other — 3%
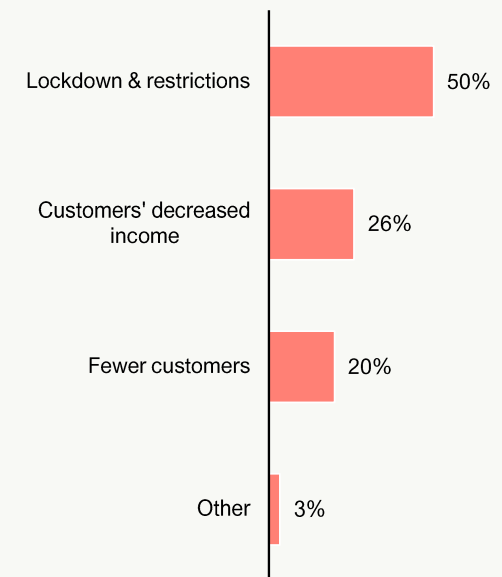
COVID-19: Coping Mechanisms

2 in 3 clients have stopped or reduced loan repayments as a way to cope with the effects from the pandemic. Borrowing money or selling an asset have rarely been needed.

Women are more likely to use savings (64%), when compared to men (50%), and less likely to borrow money (15%), when compared to men (23%).

Chimaltenango clients are more likely to use savings (73%), while San Marcos ones are least likely (56%).

Overall, 6 in 10 clients are using savings to cope with the coronavirus, suggesting there is potential scope to offer them more savings products. Can VisionFund facilitate this?
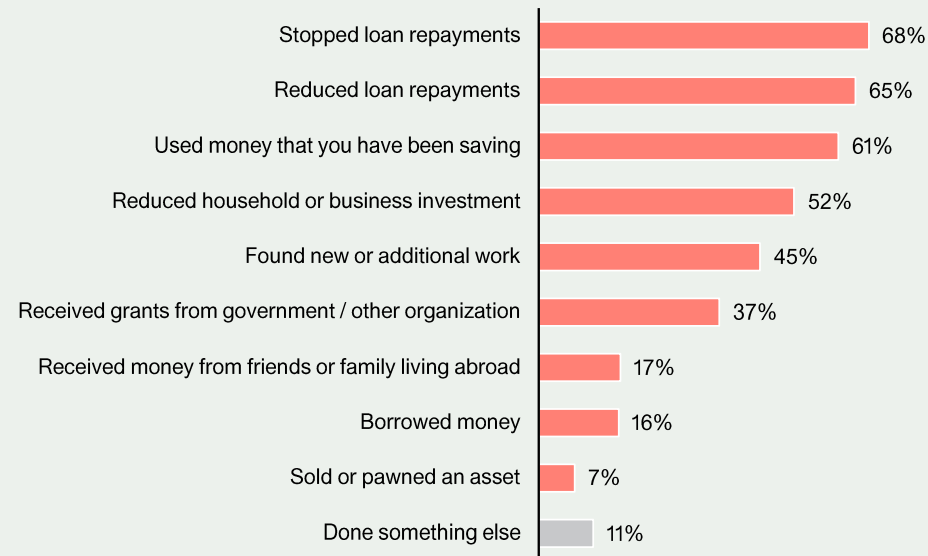
60dB COVID-19 Dashboard

You can get more insights on how families around the world are coping with the pandemic here: https://app.60decibels.com/covid-19

Coping Mechanisms to Deal With COVID-19

Q: As a way to cope with the coronavirus situation, aside from your Recovery Loan from VisionFund, have you had to do any of the following? (n = 287)

Stopped loan repayments	68%
Reduced loan repayments	65%
Used money that you have been saving	61%
Reduced household or business investment	52%
Found new or additional work	45%
Received grants from government / other organization	37%
Received money from friends or family living abroad	17%
Borrowed money	16%
Sold or pawned an asset	7%
Done something else	11%

Key Questions
We Set Out To Answer

○ Who is VisionFund Reaching and What is its Impact During COVID-19?

● **What is the Baseline Situation of VisionFund Clients?**

> Background: loan usage and financial goal

> Household outcomes: stress levels

> Financial control: repayment burden, financial management and planning

> Financial resilience: ability to save and weather shocks

○ Are Clients Satisfied with VisionFund & Why or Why Not?

○ What Opportunities for Improvement Does VisionFund Have?

Background: Loan Usage

Two thirds of clients plan to use their Recovery Loan to grow their existing business, while 1 in 10 aim to start a new one.
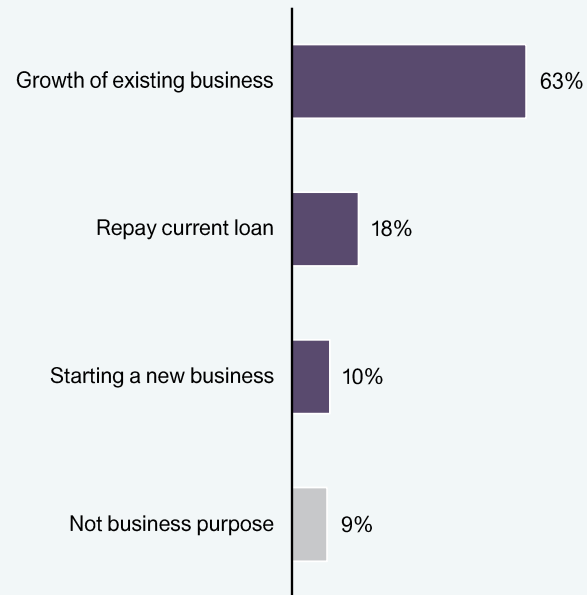
There are differences across cities:

> 75% of Quiche clients plan to grow their business, versus 63% on avg.

> 25% of Chimaltenango clients plan to repay loans, versus 18% on avg.

> 13% of San Marcos clients aim to start a business, versus 10% on avg.

Clients taking smaller loans, up to Q3,000 in value, are more likely to use it to repay loans (26%), when compared to the average (18%).

Business Loan Usage

Q: How do you plan to use your Recovery Loan from VisionFund? (n = 287)

Category	Value
Growth of existing business	63%
Repay current loan	18%
Starting a new business	10%
Not business purpose	9%

Growth of existing business

"With this new loan I invested on my chicken business, and I reopened my clothing store."
- Female, 36

Repay current loan

"Part of the loan I used to cancel some loans I had done for my sick son, who passed away last year."
- Female, 48

Starting a new business

"Due to the lack of access to Tapachula, I decided to start with a business at home, selling food."
- Female, 46

Background: Financial Goals

9 in 10 clients have a goal, with more than half of these aiming to grow their businesses. The Recovery Loan has positively impacted their chances to achieve these goals.

A higher proportion of women (89%) report having a financial goal, when compared to men (81%).

Aiming to grow an existing business is more common in men (67%) than women (54%), while increase savings as a goal is more common in women (22%) than men (8%).
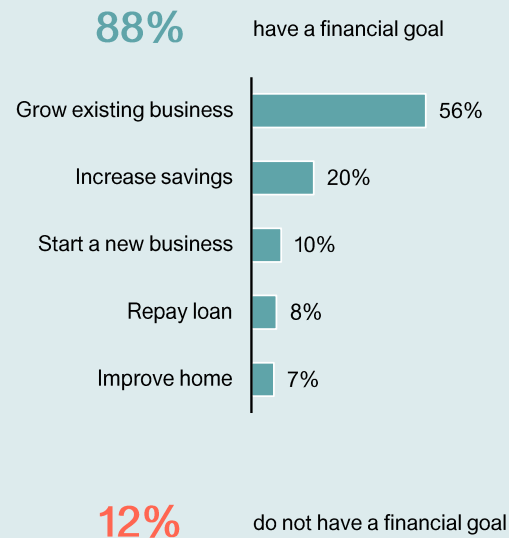
Clients with smaller loan sizes report a greater likelihood of achieving their goals, suggesting the Recovery Loan is marginally more relevant.

Food for Thought

Even small loans can greatly help clients achieve their financial goals, so VisionFund might consider deploying more smaller loans.
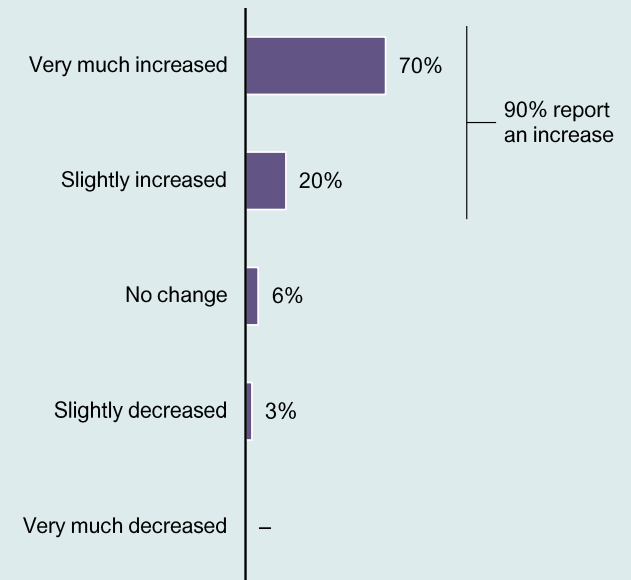
Financial Goals

Q: Do you have a financial goal you would like to achieve in the next 12 months? (n = 287). Q: If so, please describe this goal. (n = 252) Open-ended, coded by 60 Decibels.

88%   have a financial goal

Grow existing business	56%
Increase savings	20%
Start a new business	10%
Repay loan	8%
Improve home	7%

12%   do not have a financial goal

Impact on Likelihood of Achieving Goal

Q: Do you think receiving VisionFund's Recovery Loan will change the likelihood of achieving this goal? (n = 252)

Very much increased	70%
Slightly increased	20%
No change	6%
Slightly decreased	3%
Very much decreased	–

90% report an increase

Household Outcomes: Stress Levels

Clients report average stress levels of 6.0 (out of 10). Clients with smaller loans and those living in San Marcos report higher stress levels.

We asked clients to rank their stress levels from 0 (very low) to 10 (extremely high). We then took the average score across different segments for comparative analysis.

In the follow-up study, we will ask this question again and compare scores to measure the impact the Recovery Loan has had over that period.

Women report being more stressed (6.1) than men (5.4). Those living in poverty report being less stressed (5.7) than those not in poverty (6.1).

Stress Levels

Q: On a scale of 0-10, where 0 is very low and 10 is extremely high, how are your current stress levels? (n = 287)

On average: 6.05

Loan Size	Average Stress Level
Q 0 – 3,000	6.3
Q 6,001 – 12,000	6.1
Q 3,001 – 6,000	5.7

Region	Average Stress Level
San Marcos	6.3
Chimaltenango	6.1
Guatemala	5.7
Quiche	5.7
Other	4.6

Financial Control: Repayment Burden

More than half of the clients find VisionFund's repayments not to be a problem. 4 in 10 clients found additional work to make loan repayments.

The Recovery Loan does not seem to be overburdening clients: only 12% consider it to be 'a heavy burden'.
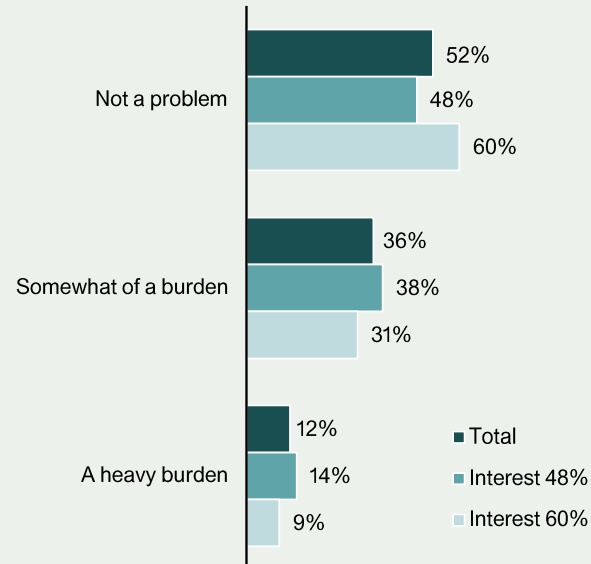
It was interesting to see that higher interest rates don't necessarily suggest heavier repayment burden. This might be because clients with a 60% interest rate are less likely to take additional loans (slide 11).

3 in 10 clients borrowed money, either from a friend or family member or from a formal lender.

Access to formal lending varies by poverty level: those living in poverty are less likely (3%) to use this source, compared to those not in poverty (13%).
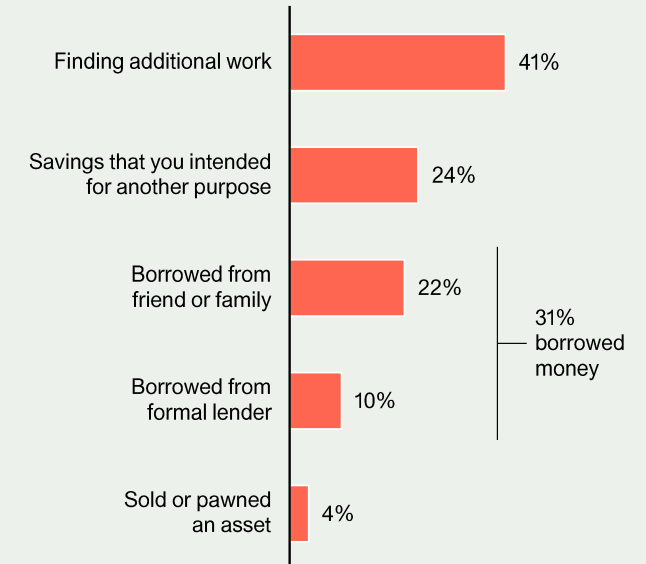
Repayment Burden

Q: Thinking about the VisionFund repayments at the moment, are they: (n = 287)

Not a problem
- 52%
- 48%
- 60%

Somewhat of a burden
- 36%
- 38%
- 31%

A heavy burden
- 12%
- 14%
- 9%

Legend:
- ■ Total
- ■ Interest 48%
- ■ Interest 60%

Repayment Sources

Q: Have you used any of the following to make a loan repayment in the past 12 months, other than using your business income / wages? (n = 194)

- Finding additional work — 41%
- Savings that you intended for another purpose — 24%
- Borrowed from friend or family — 22%
- Borrowed from formal lender — 10%

31% borrowed money

- Sold or pawned an asset — 4%

Financial Control: Management & Planning

Clients report medium-high levels of financial management and ability to plan finances. The endline survey will look at changes in these two critical factors.

Financial management scores vary by region, with San Marcos and Guatemala leading the group, and Quiche well below average.

Loan size has an impact on clients' ability to plan finances: the larger the loan, the more able they are to control their finances. This might reflect that clients with larger loans use them as recurrent financing and have more capacity to take on debt.

Insight

Training clients on how to better financially plan is likely to result in them feeling in better control of their finances.

Financial Management

Q: On a scale of 0-10, where 0 is very low and 10 is extremely high, how are your current feelings of control over your finances? (n = 287)

On average: **7.5**

Region	Average Score
San Marcos	7.7
Guatemala	7.7
Chimaltenango	7.2
Quiche	6.5
Other	6.8

Ability to Plan Finances

Q: On a scale of 0-10, where 0 is very low and 10 is extremely high, how is your ability to plan your household finances? (n = 287)

On average: **7.7**

Loan Size	Average Score
Q 6,001 – 12,000	7.8
Q 3,001 – 6,000	7.7
Q 0 – 3,000	7.5

Financial Resilience: Saving and Shocks

Clients report average ability to save of 6.3 (out of 10), with loan size being a determining factor. 6 in 10 clients report less than three months of continuity in case of a shock.

Clients with larger loan sizes report a higher ability to save. City also appears to have an effect on the ability to save, with the average score ranging from 6.5 (San Marcos) to 5.5 (Quiche).

To understand the resilience of clients to recover from unexpected shocks, we asked them how long they could continue to cover business expenses without borrowing any money.

A higher proportion of clients with smaller loans, up to Q3,000 in value, report less than three months (71%), when compared to medium and large loans (57% and 52%, respectively).

Ability to Save

Q: On a scale of 0-10, where 0 is very low and 10 is extremely high, how is your ability to save? (n = 287)
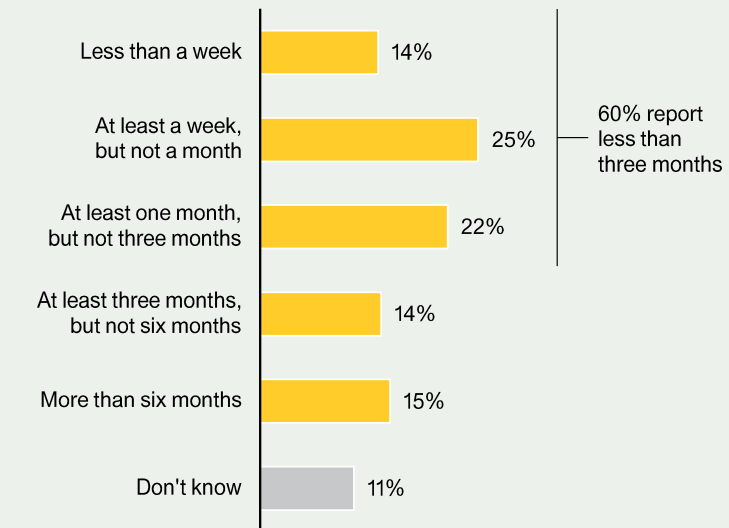
6.3 on average

By loan size:

6.7	Q 6,001 − 12,000
6.5	Q 3,001 − 6,000
5.7	Q 0 − 3,000

Ability to Weather Financial Shocks

Q: Tomorrow, if you lost your main source of income, how long could you continue to cover business expenses, without borrowing any money? (n = 287)

Less than a week	14%
At least a week, but not a month	25%
At least one month, but not three months	22%
At least three months, but not six months	14%
More than six months	15%
Don't know	11%

60% report less than three months

Key Questions
We Set Out To Answer

● Who is VisionFund Reaching and its Impact During COVID-19?

● What is the Baseline Situation of VisionFund Clients?

● Are Clients Satisfied with VisionFund & Why or Why Not?

> Client satisfaction: Net Promoter Score & drivers

> Challenges: experiences and types of challenges

● What Opportunities for Improvement Does VisionFund Have?

Client Satisfaction: Net Promoter Score

VisionFund has a Net Promoter Score® of 63, which is excellent and higher than 60dB Global and Latin America Benchmark, as well as the Financial Inclusion Benchmark.

The Net Promoter Score® is a gauge of satisfaction and loyalty. Anything above 50 is considered excellent; a negative score is considered poor.

Asking respondents to explain their rating provides insight into what they value and what creates dissatisfaction. These details are on the next slide.

Slide 24 presents a breakdown of NPS by different segments.

Insight

You're in the top 40% of our benchmark for this indicator.

Increase this score by just 6 points to move into the top 20%!

Net Promoter Score® (NPS)

Q: On a scale of 0-10, how likely are you to recommend the VisionFund Recovery Loan to a friend or family member, where 0 is not at all likely and 10 is extremely likely? (n = 287)

0

-50

50

63

- 100

100
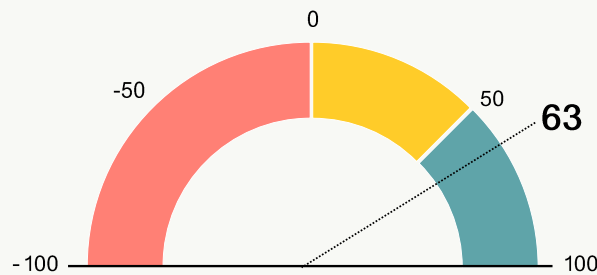
NPS = % Promoters — % Detractors

9-10 likely to recommend

0-6 likely to recommend

NPS Benchmarks

● ● ● ● ○ – TOP 40%

60 Decibels Global average 413 companies	**43**
Financial Inclusion average 82 companies	**49**
Latin America average 40 companies	**51**

Client Satisfaction: NPS Drivers

Promoters and Passives value VisionFund's customer service, low interest rates and loan approval process. Detractors point out issues with group loans.

72% are Promoters   :)

They love:

1. Great customer service
   (47% of Promoters / 34% of all respondents)

2. Low interest rates
   (31% of Promoters / 23% of all respondents)

3. Fast loan approval process
   (17% of Promoters / 12% of all respondents)

"I trust VisionFund, the personnel treats people so well and respect the clients." - Female, 25

Tip:

Highlight the above value drivers in marketing.

Promoters are powerful brand ambassadors — can you reward them?

20% are Passives   : \

They like:

1. Good customer service
   (64% of Passives / 13% of all respondents)

2. Competitive interest rates
   (16% of Passives / 9 respondents)

3. Fast loan approval process
   (9% of Passives / 5 respondents)

"VisionFund do not charge too much for loan interest, and we get to pay the loan fully." - Female, 27

Tip:

Passives won't actively refer you in the same way that Promoters will.

What would it take to convert them?

9% are Detractors   : (

They want to see:

1. Lower interest rates
   (32% of Detractors / 8 respondents)

2. Less issues with group loans
   (24% of Detractors / 6 respondents)

3. Improved customer service
   (20% of Detractors / 5 respondent)

"I cannot recommend because other people cannot pay the credit." - Female, 57

Tip:

Negative word of mouth is costly.

What's fixable here?

Client Satisfaction: NPS by Segment

Clients with lower interest rate loans and larger loan sizes have higher NPS.

Interest rate and loan size are critical factors for client satisfaction.

Clients who have experienced challenges report a significantly lower NPS (5), compared to those who have not experienced challenges (68).
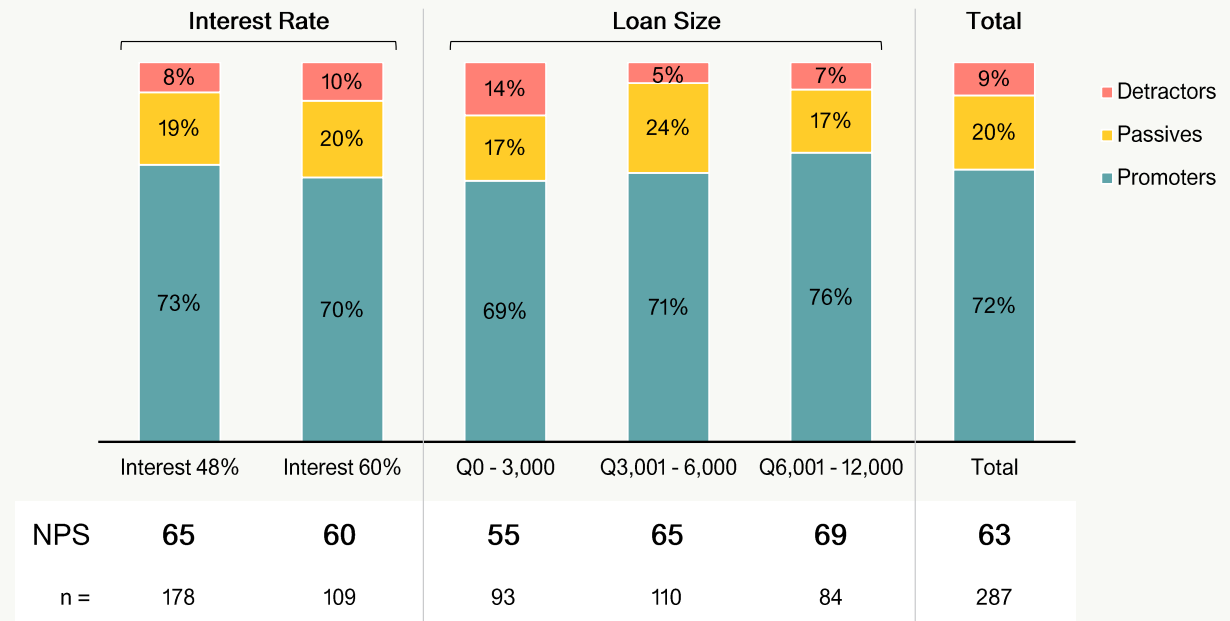
More information on challenges on the next slide.

Recommendation

NPS is a helpful metric to track over time to detect subtle changes in client satisfaction. Companies looking to improve their NPS set a target of increasing NPS by 7 points over 12 months, on average.

Net Promoter Score by Segment

Q: On a scale of 0-10, how likely are you to recommend the VisionFund Recovery Loan to a friend or family member, where 0 is not at all likely and 10 is extremely likely? (n = 287)

	Interest Rate		Loan Size			Total
	Interest 48%	Interest 60%	Q0 - 3,000	Q3,001 - 6,000	Q6,001 - 12,000	Total
Detractors	8%	10%	14%	5%	7%	9%
Passives	19%	20%	17%	24%	17%	20%
Promoters	73%	70%	69%	71%	76%	72%
NPS	**65**	**60**	**55**	**65**	**69**	**63**
n =	178	109	93	110	84	287

Challenges Experienced

Less than 1 in 10 clients report challenges with VisionFund's Recovery Loan. Top issues were related to payment burden, loan officer service and group issues.

Challenges experienced vary by agency, with a higher proportion of Tecpan clients experiencing issues.

Clients with higher interest rate loans experience less challenges (5%), when compared to those with lower interest rates (10%).
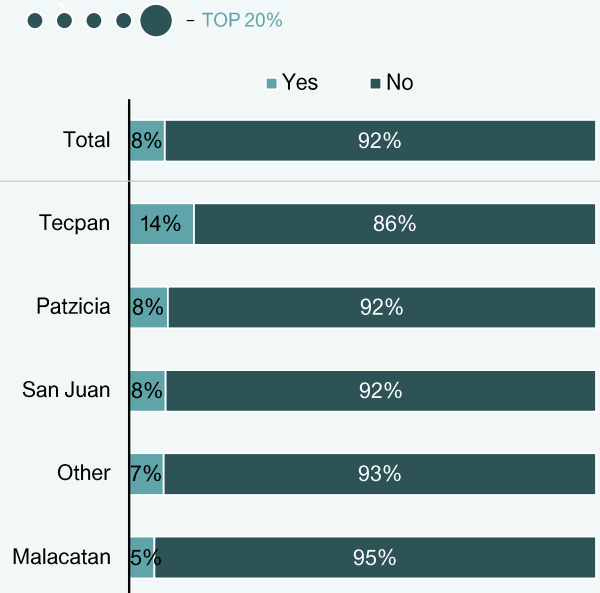
There are no material differences across gender or poverty levels.

Insight

Tackling customer service and group loan issues is key to reduce challenges experienced among clients. Reducing challenges can lead to a higher NPS.

Clients Reporting Challenges

Q: Have you experienced any challenges using the VisionFund Recovery Loan? (n = 287)

● ● ● ● ● – TOP 20%

■ Yes ■ No

	Yes	No
Total	8%	92%
Tecpan	14%	86%
Patzicia	8%	92%
San Juan	8%	92%
Other	7%	93%
Malacatan	5%	95%

Most Common Challenges

Q: Please explain the challenges you have experienced. (n = 22). Open-ended, coded by 60 Decibels.

36% mentioned **payment burden**, mainly driven by the pandemic
(8 responses)

32% talked about challenging **service from loan officers**
(7 responses)

32% reported **group loan issues** leading to payment delays
(7 responses)

Key Questions
We Set Out To Answer

● Who is VisionFund Reaching and its Impact During COVID-19?

● What is the Baseline Situation of VisionFund Clients?

● Are Clients Satisfied with VisionFund & Why or Why Not?

○ What Opportunities for Improvement Does VisionFund Have?

> Training opportunities

> Demand for digital products

> Availability of alternatives in market

Training Opportunities

2 in 3 clients are likely to attend potential training offered by VisionFund. Saving and investing are the preferred topics.

Virtually all clients (99%) report having a good understanding of the terms and conditions of the Recovery Loan, with 86% stating 'strongly agree'.

However, 2 in 3 clients are open to training on financial practices, with particularly high interest in Tecpan (83%) and San Juan (76%).

When asked about the training modality, clients prefer:

> Physical (55%)

> Virtual (45%)

Clients in Tecpan prefer physical training significantly more (86%).

Recommendation

An introductory training program should be conducted physically in Tecpan and focus on saving.

Potential Training Reception

Q: VisionFund is thinking of offering a training on financial practices to its clients. How likely are you to attend that training if it takes place during a time and place that is convenient for you? (n = 287)

Legend: ■ Likely*   ■ Neutral   ■ Unlikely*

	Likely*	Neutral	Unlikely*
Total	66%	9%	26%
Tecpan	83%	11%	6%
San Juan	76%	6%	18%
Other	63%	15%	22%
Malacatan	55%	7%	38%
Patzicia	50%	17%	33%
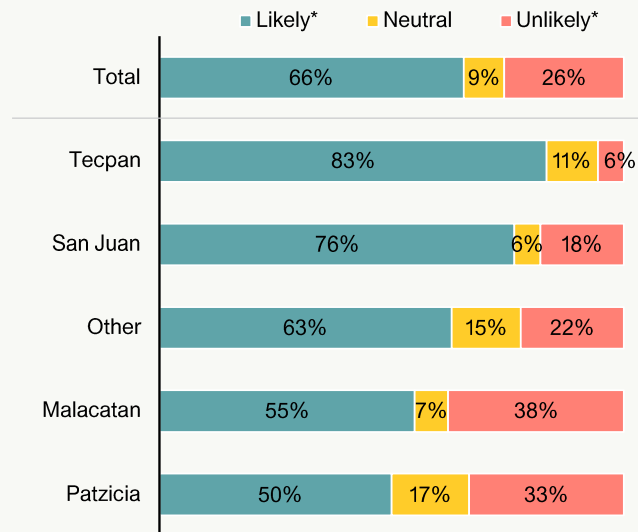
Preferred Training Topics

Q: What topics would you like to see covered in the training? (n = 214). Open-ended, coded by 60 Decibels.

Saving	63%
Investing	38%
Budgeting	15%
Business	10%
Credit Record	8%
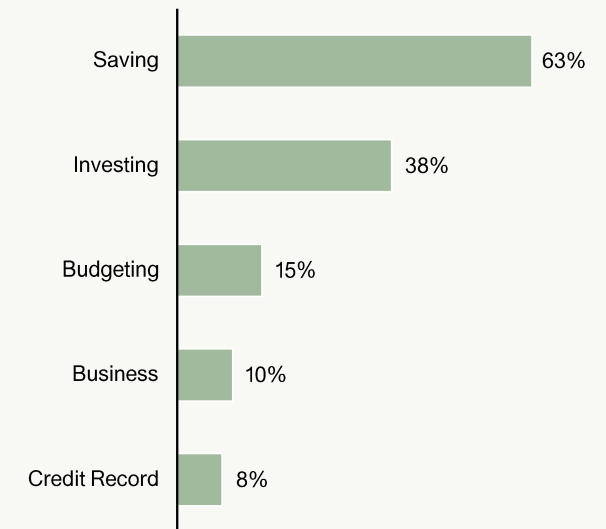
* Likely includes those responding 'very likely' and 'somewhat likely'. Unlikely includes 'very unlikely' and 'somewhat unlikely'.

Digital Products

Only 5% of clients have a mobile money account. However, around 1 in 3 would use digital products to make repayments or complete the borrowing process.

Mobile money usage is low among clients. 38% of those with a mobile money account (13 clients) have used it to make a payment in the last year.

Clients with larger loan sizes are more likely to use mobile money accounts and prefer completing the borrowing process online.
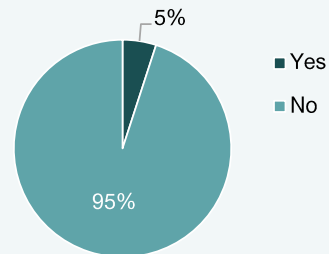
Less than half of clients (46%) report accessing the internet in the last week, either on a phone or computer.

Internet access is particularly low in Guatemala and Quiche (35% and 33%, respectively).

Mobile Money Account

Q: Do you have a mobile money account? (n = 287)

5%

- Yes
- No

5%

95%

Mobile Repayment

Q: If VisionFund offered mobile options for repayment, would you prefer that? (n = 287)

30%

- Yes
- No

30%

70%
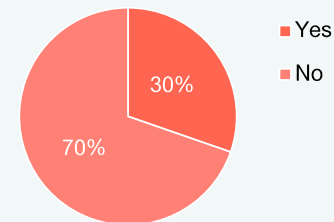
Online Borrowing Process

Q: If VisionFund had a way of completing part of the borrowing process online, would you prefer that? (n = 287)

34%

- Yes
- No

34%

66%
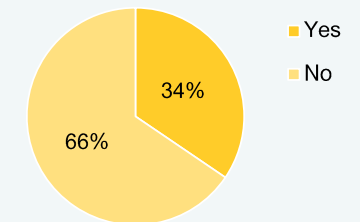
Availability of Alternatives

8 in 10 clients cannot easily find a good alternative to VisionFund's Recovery Loan; the few that can believe VisionFund is the same or better than the alternatives.

Availability of alternatives provides insight into the competitive landscape and the degree to which VisionFund is providing a scarce service.

The fact that 81% said they could not easily find a good alternative suggests VisionFund offers a scarce product.

Top alternatives mentioned are:

> Banrural (20%)

> MICOOPE (14%)

> Compartamos (12%)

Clients living in poverty are more likely to have no alternatives (90%), when compared to those not in poverty (78%).

Access to Alternatives

Q: Could you easily find a good alternative to the VisionFund Recovery Loan? (n = 287)

15%	■ Yes
4%	■ Maybe
81%	■ No
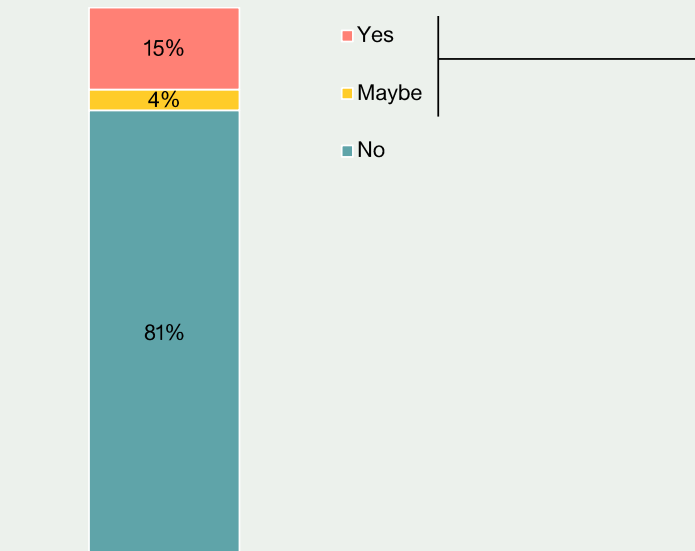
Comparison of Alternatives

Q: How does the VisionFund Recovery Loan compare to this alternative? (n = 54)

11%	■ Much worse
39%	■ Slightly worse
	■ Same
17%	■ Slightly better
33%	■ Much better
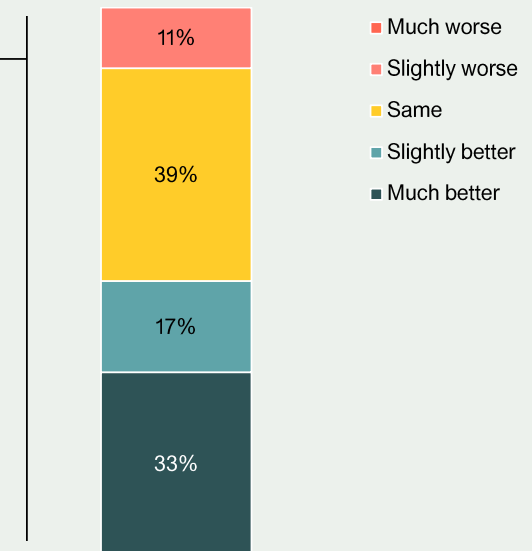
What Next?

…& Appendix

How to Make the Most of These Insights

Here are ideas for ways to engage your team and use these results to fuel discussion and inform decisions.

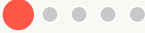Example Twitter or Facebook posts to share publicly:

- 90% of our clients say VisionFund's Recovery Loan has increased the likelihood of achieving their financial goals. #ListenBetter with @60_decibels

- 72% of clients would recommend us to a friend or family member – what are you waiting for? #ListenBetter with @60_decibels

- 66% of our clients would like to receive financial training – what topics would you like to see? #ListenBetter with @60_decibels

What You Could Do Next. An Idea Checklist From Us To You :-)

Engage Your Team	☐	Send deck to team & invite feedback, questions and ideas. Sometimes the best ideas come from unexpected places!
	☐	Set up team meeting & discuss what's most important, celebrate the positives & identify next steps
Spread the Word	☐	Reach a wider audience on social media & show you're invested in your clients – we've added some example posts on the left
Close the Loop	☐	Let us know if you'd like us to send an SMS to interviewed clients with a short message letting them know their feedback is valued and as a result, you'll be working on improving customer service
	☐	If you can, call back the clients with challenges and/or complaints to find out more and show you care
	☐	After reading this deck, don't forget to let us know what you thought: Feedback Form
Take Action!	☐	Collate ideas from team into action plan including responsibilities
	☐	Keep us updated, we'd love to know what changes you make based on these insights

Performance Relative to 60dB Benchmarks

VisionFund performs particularly well on customer satisfaction and challenges experienced. Clients are relatively more well-off than the Guatemalan average.

Profile

30%

live in poverty
(below $5.50 line)

Inclusivity

0.97

inclusivity ratio

Gender

83%

female respondents

Repayment Burden

52%

finding repayments 'not a problem'

Net Promoter Score®

63

on a -100 to 100 scale

Challenges Experienced

8%

report challenges

Access to Alternatives

81%

do not have access to a good alternative

Training Opportunities

66%

likely to attend training offered by VisionFund

Client Voice

"I have been working with VisionFund for 6 years, and it seems to me a great support to our business. I remember when I got new credit, I asked for it on Monday and they gave to me on Friday, I felt that the process was so fast and easy." - Female, 40

Data Summary

287 Recover Loan client phone interviews during January – May 2021 in Guatemala.

Quintile Assessment compares VisionFund's performance with 60dB's Financial Inclusion Benchmark comprised of 82 companies, 28 countries, and 38k+ clients. Full details can be found in appendix.

Performance vs. 60dB Benchmark

– TOP 20%

– TOP 40%

– MIDDLE

– BOTTOM 40%

– BOTTOM 20%

Detailed Benchmarking Comparison

VisionFund performs well on providing a scarce service to its clients with excellent client satisfaction. Reaching more low-income clients is an area for improvement.

Comparison to benchmarks can be useful to identify where you are under- or over-performing versus peers, and help you set targets. We have aligned your results to the Impact Management Project framework – see next slide.

Information on the benchmarks is found below:

VisionFund Data
clients   287

60dB Global Average
companies   398
customers   174k+

60dB Financial Inclusion Average
companies   82
customers   38k+

60dB Latin America Average
companies   40
customers   16k+

Comparison of Company Performance to Selected 60dB Benchmarks

Dimension	Indicator	VisionFund	60dB Global Average	60dB Financial Inclusion Average	60dB Latin America Average
Who ○	% live in poverty (below $5.50 line)	30	34	41	34
	Inclusivity Ratio	0.97	0.79	0.83	1.09
	% female	83	39	52	49
How Much ☰	(To be measured in endline survey)	–	–	–	–
What Impact □	Stress levels average score	6.0	–	–	–
	Ability to plan finances average score	7.7	–	–	–
	Ability to save average score	6.3	–	–	–
Contribution +	% saying no good alternatives are available	81	73	70	54
Experience	Net Promoter Score	63	43	49	51

Impact Management Project

We aligned your results to the Impact Management Project. We're big fans of the IMP – it's a simple, intuitive and complete way of conceptualizing impact.

We take pride in making the data we collect easy to interpret, beautiful to look at, and simple to understand and act upon.

We also align our data with emerging standards of best practice in our space, such as the Impact Management Project (IMP).

The IMP introduces five dimensions of impact: Who, What, How Much, Contribution, and Risk.

These dimensions help you check that you haven't missed any ways of thinking about, and ultimately measuring, the positive and negative changes that are occurring as a result of an intervention.

**IMPACT
MANAGEMENT
PROJECT**

Dimension	Explanation
Who ○	The **Who** of impact looks at the stakeholders who experience social and environmental outcomes. All things equal, the impact created is greater if a particularly marginalised or underserved group of people is served, or an especially vulnerable part of the planet protected. **For the who of impact, we tend to work with our clients to understand poverty levels, gender and disability inclusivity.**
What Impact □	**What** investigates the outcomes the enterprise is contributing to and how material those outcomes are to stakeholders. We collect most of this what data using qualitative questions designed to let customers tell us in their own words the outcomes they experience and which are most important to them.
How Much ☰	**How Much** looks at the degree of change of any particular outcome.
Contribution +	**Contribution** seeks to understand whether an enterprise's and/ or investor's efforts resulted in outcomes that were better than what would have occurred otherwise. In formal evaluation this is often studied using experimental research such as randomised control trials. Given the time and cost of gathering these data, this is not our typical practice. We instead typically ask customers to self-identify the degree to which the changes they experience result from the company in question. We ask customers whether this was the first time they accessed a product of technology like the one from the company, and we ask how easily they could find a good alternative. If a customer is, for the first time, accessing a product they could not easily find elsewhere, we consider that the product or service in question has made a greater contribution to the outcomes we observe.

Calculations & Definitions

For those who like to geek out, here's a summary of some of the calculations we used in this deck.

Metric	Calculation
Net Promoter Score®	The Net Promoter Score is a common gauge of client loyalty. It is measured through asking clients to rate their likelihood to recommend your service to a friend on a scale of 0 to 10, where 0 is least likely and 10 is most likely. The NPS is the % of clients rating 9 or 10 out of 10 ('Promoters') minus the % of clients rating 0 to 6 out of 10 ('Detractors'). Those rating 7 or 8 are considered 'Passives'.
Inclusivity Ratio	The Inclusivity Ratio is a metric developed by 60 Decibels to estimate the degree to which an enterprise is reaching less well-off clients. It is calculated by taking the average of Company % / National %, at the $1.90, $3.20 & $5.50 lines for low-middle income countries, or at the $3.20, $5.50 and $11 lines for middle income countries. The formula is: $$\sum_{x=1}^{3} \frac{([Company] \ Poverty \ Line \ \$x)}{(Country \ Poverty \ Line \ \$x)} \ / \ 3$$

Summary Of Data Collected
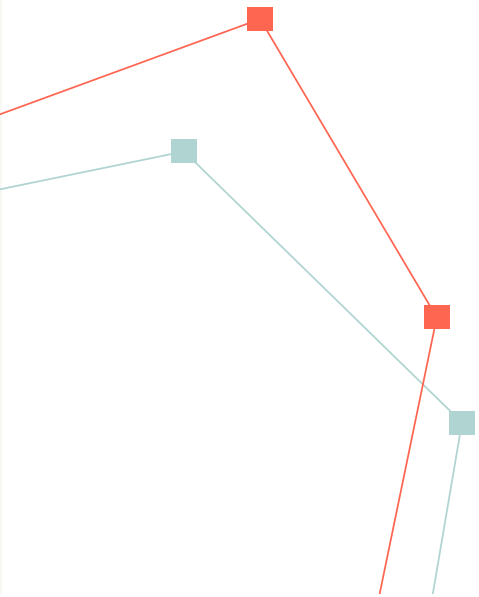
287 phone interviews completed in January – May 2021.

Methodology	
Mode	Phone
Country	Guatemala
Language	Spanish, Kaqchikel
Dates	January – May 2021
Sampling	Random sample of 458 clients

Data Collection	
Total Responses	287
Response Rate	68%
Average Length	16 mins

Sampling	Sample	Population
Female	83%	87%
Male	17%	13%
San Marcos	43%	41%
Guatemala	31%	29%
Malacatan	39%	37%
San Juan	31%	29%

Accuracy	
Confidence Level	c. 95%
Margin of Error	c. 5%

Thank You For Working With Us!

Let's do it again sometime.

About 60 Decibels

60 Decibels makes it easy to listen to the people who matter most. 60 Decibels is an impact measurement company that helps organizations around the world better understand their customers, suppliers, and beneficiaries. Its proprietary approach, Lean Data, brings customer-centricity, speed and responsiveness to impact measurement.

60 Decibels has a network of 750+ trained Lean Data researchers in 50+ countries who speak directly to customers to understand their lived experience. By combining voice, SMS, and other technologies to collect data remotely with proprietary survey tools, 60 Decibels helps clients listen more effectively and benchmark their social performance against their peers.

60 Decibels has offices in London, Nairobi, New York, and Bengaluru. To learn more, visit 60decibels.com.
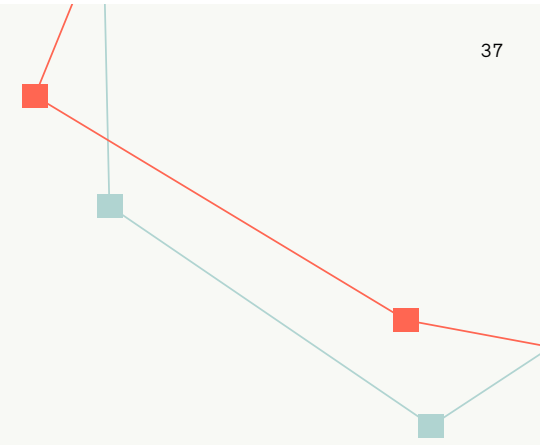
We are proud to be a Climate Positive company.

Your Feedback

We'd love to hear your feedback on the 60dB process; take 5 minutes to fill out our feedback survey: Feedback Form

Acknowledgements

Thank you to Santiago, Luis and Juan José for their support throughout the project.

This work was generously sponsored by VisionFund International.

The   loan   helped   my   business.
The   adviser   is   very   friendly.
The   interest   rate   is   not high.

                            I like VisionFund because of

                            > excellent service
                            > really good interest rate
                            > helping me with by business

                            despite being hit by the pandemic.

                                                            Kasia Stochniol
                                                            kasia@60decibels.com

                                                            Matt Lewis
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                                                            Ramiro Rejas
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