THE LEAN DATA FIELD GUIDE

Tips For Collecting
Customer Data to Build
More Impactful Businesses

November 2015

ACUMEN
CHANGING
THE WAY
THE WORLD
TACKLES
POVERTY

WHAT IS LEAN DATA?

Lean Data is an approach to impact measurement developed by Acumen. The approach involves two main elements:

+ A shift in mindset away from reporting and compliance and toward creating value for a company and its customers

+ The use of methods and technologies for data collection that emphasize efficiency and rapid response while still achieving a sufficient degree of rigor.

This document is designed to serve as a field guide to help you conduct Lean Data projects. It is meant to be practical and action-oriented.

For a more in depth overview of the theory and practice behind Lean Data, please see:

http://www.ssir.org/articles/entry/the_power_of_lean_data

http://acumen.org/wp-content/uploads/2015/11/Innovations-in-Impact-Measurement-Report.pdf

HOW LEAN DATA WORKS

1

Get Started

Establish what you hope to discover through your Lean Data project.

2

Choose Your Technology

Determine the technology/method to communicate with customers quickly and efficiently.

3

Choose Your Questions & Method

Choose your question sets and devise an execution plan based on our "how to" guides.

4

Take Action Based On Your Data

Use the data to decide on concrete actions and next steps.

1. GET STARTED

What do you want to find out?

> How are my customers experiencing my product/service? How do I understand and refine my value proposition?

> Who are my customers? How can I hear from them to improve my business?

> Is my product/service having social impact?

Step 1:

Define your customer promise and the impact you are trying to achieve

Step 2:

Identify the data you need to understand if you're delivering on this promise

Example

Customer promise:

Provide high-quality, affordable solar home solutions that eradicate the need for kerosene for low-income households

Customer question areas:

Do my customers see my product as affordable and high-quality?

Am I reaching the poor?

Are customers actually reducing their kerosene usage?

Your customer promise can also be thought of as your **Social value proposition:**

What benefits do you intend to deliver & for whom?

What does success look like?

As in the example above, force yourself to summarize your customer promise in a single sentence and think about what will make a customer choose your product or service over the competition.

Breaking your customer promise down into different parts helps to identify the key areas and assumptions you want to test.

2. CHOOSE YOUR TECHNOLOGY

Start Here

Are literacy rates very low?

No   Yes

Do you need to ask over 10 questions?

Do you need qualitative, detailed responses?

No   Yes

Yes   No

Sensitive questions?

Yes   No

Budget

Less than $5k   More than $5k

Go with SMS   **Go with Phone**   **Go with IVR**
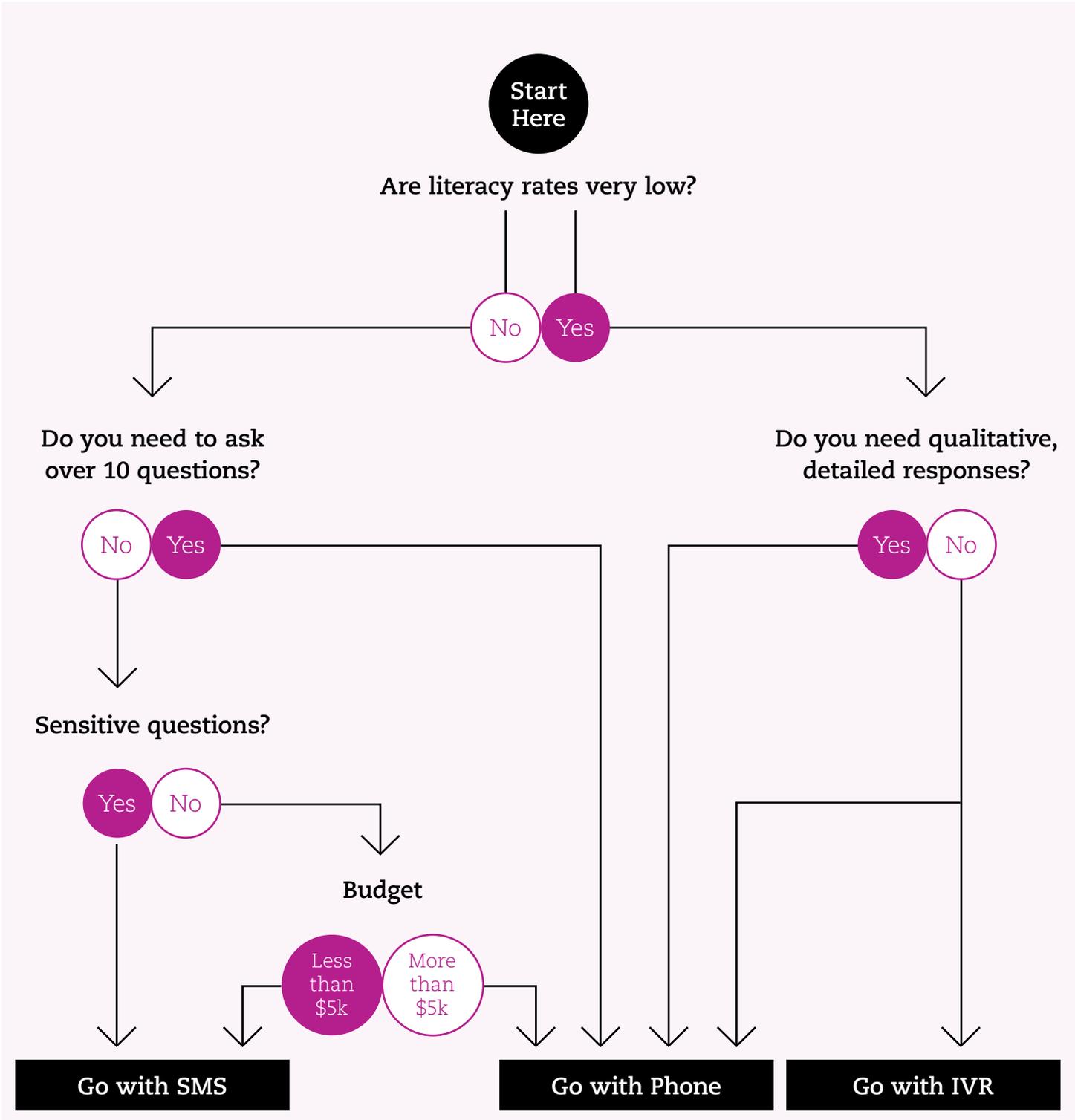
Note
If you can't get a representative set of phone numbers, go with in-person interviews

2. TECHNOLOGY PROS & CONS

Technology	Pros	Cons
SMS	+ Ability to incentivize customer with airtime bonus + Customer can complete at his/her convenience + Good quality open-ended questions + Honest responses to sensitive questions + Ability to compare responses to general population panel (requires existing panel – e.g. Kenya)	– Need high mobile penetration & decent literacy rates
IVR	+ Works in low-literacy areas (e.g. parts of rural India) + Honest responses to sensitive questions	– Multiple choice only, not able to analyze qualitative feedback easily – Less customer-control over timing of survey
PHONE CALLS	+ Works great in low literacy contexts + Good for more complicated questions that require explanation / probing ("tell me more about that") + Higher confidence in the quality of data	– Still need phone numbers – 3-5x more expensive than IVR & SMS
IN-PERSON	+ Overcomes low mobile phone penetration + Allows observation (e.g. see household environment to witness how a product is being used) + High quality, trusted data	– Time consuming, expensive (cost depends on quality of enumerators). – Experience can be intrusive to customer
SENSORS	+ Avoids bias inherent in self-reporting + Good for measuring frequency of predictable events e.g. usage patterns. Example sensors: heat sensor (cookstove), light sensor (solar), sanitation sensor (toilet usage)	– Expensive; ethical concerns

2. CHOOSE YOUR SURVEY PROVIDER

This is a list of selected survey partners. This is not an exhaustive list as the number of providers in this field is constantly growing.

Name	Technology	Country	Website
mSurvey	SMS	Global (mainly E.Africa)	http://msurvey.co.ke/
Echo mobile	SMS, Tablet	Global	https://www.echomobile.org/public/main
Voto	SMS, IVR	Global	https://www.votomobile.org/
Awaaz.De	SMS, IVR	Global (mainly India)	https://www.awaaz.de/
GeoPoll	SMS	Global	http://research.geopoll.com/
Labourlink	IVR	India, LatAm	http://goodworldsolutions.org/#labor-link
Fourth Lion	IVR, SMS	India	https://www.fourthlion.in/
Magpi	SMS, IVR	Global	http://home.magpi.com/mobile-data-collection
Ipsos Mori	Phone, In-person	Global	https://www.ipsos-mori.com/
Findyr	In-person + photos	Global	https://www.findyr.com/
Telerivet	SMS	Global	https://telerivet.com/
U-report	SMS	Global	http://www.ureport.ug/

3. CHOOSE YOUR QUESTION SET

+ In the next section, we've grouped tried and tested questions into themes to make it easy for you to mix and match questions based on your needs and specific customer promise.

+ There are 2-5 questions in each question set, and each question has been tested with low-income respondents (mainly in East Africa) and over SMS.

Question Set		What Are You Trying To Find Out
1	**Value proposition**	Why are customers buying your product/service? What do they see as valuable?
2	**Customer satisfaction**	How happy are your customers with your product/service? What would they improve?
3	**Meaningfulness**	Is your product/service actually having a meaningful impact on your customers' lives?
4	**Outcome measurement**	Are social outcomes improving as a result of your product/service? To what degree? What outcomes do customers value most?
5	**Poverty profile**	What is the income profile of your customers? What % of them live below the poverty line?
6	**Customer Archetypes**	What attitudinal / behavioral characteristics are common in your customers? Are they more risky? More aspirational?

3. SURVEY RULES OF THUMB

Enjoyable & ethical

Put the respondent first: include an introduction with a statement of consent, summary of the survey purpose, and a close out text with personalized content.

☐

Who is responding?

For phone surveys, keep in mind that shared cell phones are common. If you need respondent-specific information, check to see if you are speaking to the right person.

☐

Decision-focused

Make sure your questions are relevant and actionable: what will you **do** with the information you expect to collect?

☐

Test test test

Test the questions on yourself and then test questions with a small sample of locals: do they understand the questions right away?

☐

Short

Try to keep surveys between 5-10 questions.

☐

Mix it up

Achieve a balance between open-ended and multiple choice questions (and mix up the order).

☐

Scales

If you are using a scale in your question, make sure it's appropriate for and understood by your audience (e.g. be creative: use smiley faces, thumbs up/thumbs down, 1-5 is better than 0-9).

☐

Don't assume

Don't assume knowledge on spending habits as respondent might not be the primary buyer (see Question Set 4 for an example).

☐

Statistical significance

The size of sample required to achieve statistical significance can vary depending on the complexity of your study and population size - seek expert advice if needed. A general rule for most simple surveys is a sample size of 200.

☐

Non-customers!

Don't forget about speaking to non-customers: have they heard of the product / service or thought about purchasing it? If not, what's stopping them?

☐

4. GET READY TO TAKE ACTION BASED ON YOUR DATA

+ The question sets in this guide are tightly connected to a desired action and enable companies to make better, more informed decisions. This ultimately drives higher sales and more impactful businesses.

Data needed to make informed decisions

Question Set:	Value Proposition	Customer Satisfaction	Meaning-fulness	Outcome Measure-ment	Poverty Profile	Customer Archetypes
Amend design of product / service to better meet customer needs	●	●		●		
Align marketing messages to value prop that resonates most with customers	●		●	●		
Make quick-win changes to improve customer satisfaction		●				
Provide donors/investors with real impact data; access additional grant funding			●	●	●	
Identify ways to reach more low-income customers	●				●	
Target customers more effectively along attitudinal dimensions						●

Desired action (vertical axis label)

Result:
More impactful businesses + higher sales

QUESTION
SETS

QUESTION SET 1: VALUE PROPOSITION

Use this question set to understand

+ Reason for purchasing

+ Perceived value for money

+ Quality

Why did you purchase (product/service)?

How would you rate the value for money of (product/service)?

A. It is expensive
B. It is fair
C. It is cheap

Please explain your answer

How is the quality of (product/service) compared to the (product/service) you were using before?

A. It is better
B. It is the same
C. It is worse

Please explain your answer

What feature do you like best?

....

Please explain your answer

QUESTION SET 2: CUSTOMER SATISFACTION

Use this question set to understand:

+ How likely your customers are to recommend your product/service

+ Suggestions for improvement

+ Customer experience and satisfaction

Have you ever recommended (product/service) to your friends?

A. Yes, I have told many friends
What have you told them?

B. Yes, I have told some friends
What have you told them?

C. No, I have not
Why not?

Amended
Net Promoter
Score (NPS)

How can we improve (product/service)?

Is there anything else you'd like to share with us?
TIP: This question works well at the end of a survey

Note On Our Amended NPS:

After testing the traditional NPS developed by Bain, we modified the phrasing to be more applicable across different regions. We found that our customers have trouble understanding the "Would you recommend" language and the 0-10 answer scale. Our revised version aims to get similar data as the NPS, with language that we've found is clear to the customers we are serving.

QUESTION SET 3: MEANINGFULNESS TOOLKIT

+ This toolkit is a combination of our best questions on usage, value proposition, customer satisfaction, and meaningfulness.

+ When asked in this sequence, this question set is our shortest and simplest way to understand depth of impact.

When do you use your [product/service]?

A. Everyday
B. 3-4 times a week
C. 1-2 times a week
D. Less than once a week
E. It's not working

There have been changes in my home because of [product/service]

A. Strongly agree
B. Agree
C. Neutral
D. Disagree
E. Strongly disagree

Were these changes positive or negative?

A. Positive
  i. Please explain the positive changes in your life because of (product/service)

  ii. Out of those changes, which one is most important to you?

B. Negative. *Please explain your answer*

Have you ever recommended [product/service] to a friend?

A. Yes, I have told many friends. *Please explain what you said*

B. Yes, I have told some friends. *Please explain what you said*

C. No, I have not. *Why not?*

QUESTION SET 4: SOCIAL OUTCOMES

+ To understand if social outcomes are improving as a result of a product/service, recall-based questions are useful.

+ However, when relying on customer memory, keep in mind that the accuracy of responses diminish after roughly one month of purchasing a new product/service.

+ To avoid recall error, try to survey new customers. Alternatively, you can do a baseline / endline, and survey the same customers, asking the same questions, at different points in time

Example
How to ask about the effect of solar lighting on kerosene expenditure and quality of available light

Do you know how much your family spends on kerosene?

A. Yes
B. No

(If yes) Now that you have a solar light, what did you spend on kerosene last week?

Before you had a solar light, what did you spend on kerosene each week?

How is the quality of your light compared to what you had before?

A. Much brighter
B. Somewhat brighter
C. The same
D. It is less bright

QUESTION SET 5: POVERTY PROFILE

We use the Progress out of Poverty Index (PPI) developed by Grameen Foundation to understand:

+ Percentage of customers living below poverty line

+ Customer segmentation, e.g. different household profiles of customers

How to conduct a PPI
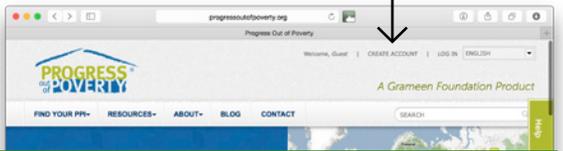
1	Go to: http://www.progressoutofpoverty.org/
2	Create a free account
3	Click on "Find your PPI" and select your country of interest
4	Download the country specific "PPI Scorecard and Lookup Table"
5	Follow the instructions to conduct the PPI survey questionnaire. Aim for a minimum sample of 200 respondents
6	Once you have the data, budget 30-60 minutes to complete the analysis using the scorecard and lookup tables to work out what percentage of customers live below the poverty line

QUESTION SET 6: CUSTOMER ARCHETYPE

+ When marketing a product/service, understanding the attitudes, behaviors, and preferences of your customers (and non-customers) is key.

+ This question set highlights our recent thinking about how to build and understand your customers along attitudinal lines vs. simple demographics

What did you buy in the last year that has had a big impact on your life?

**What is something you hope to own in the next 5 years?**

How likely are you to purchase a new product before any of your friends own it?

A. Very likely
B. Likely
C. Neutral
D. Unlikely
E. Very unlikely

Tip
Don't forget about surveying non-customers! You can glean important insights on how to better market your product to meet their needs. What did you buy in the last year that has had a big impact on your life?
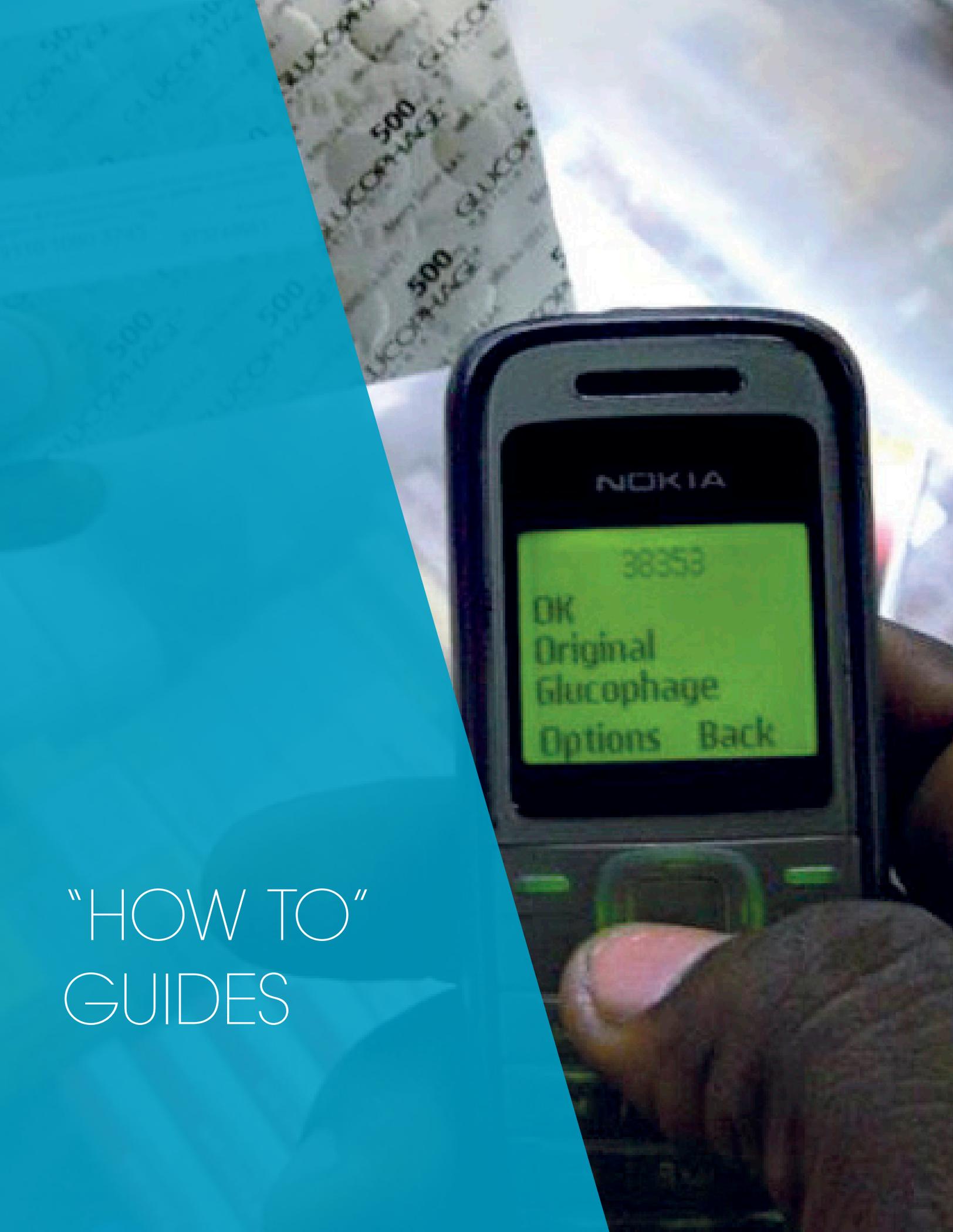
"HOW TO" GUIDES

HOW TO: CHOOSE A SAMPLE SIZE

Number of customers	Margin of error	Sample size			
		Confidence Level			
		80%	85%	90%	95%
10K	5%	162	204	262	370
50K	5%	164	207	268	382
1M+	5%	164	208	269	385

Golden rule
Sample of size of 250 is sufficient in most cases!

Useful definitions

+ Confidence level: is the probability that your sample accurately reflects the attitude of your population

+ Margin of error: the range (measured as a %) that your population's responses may deviate from your sample

Visit this link for additional details:

https://www.surveymonkey.com/mp/sample-size-calculator/

HOW TO: GET CUSTOMER PHONE NUMBERS

Clever & cost-effective ways to start gathering mobile contact information:

1 Customer Registration

Make Phone Number a "must-have" field in the customer registration process. Can use mobile-apps or tablets to make data capture more efficient and error-free (vs. paper entry)

2 Radio + SMS/IVR

For potential customers, hold a radio campaign to encourage SMS/IVR inquiries: e.g. "call/SMS this number free to find out more and be entered into a lottery"

3 Join Codes

Place a number to register your product on your packaging

Text [HELLO]

80249

for FREE

To register your warranty / sign up for offers / enter a lottery etc

This word is called a JoinCode and can be the name of your product or company or any other word

This number is set by your JoinCode provider

Choose a credible incentive for your customer to text the joincode

HOW TO: RUN A FOCUS GROUP

When to use focus groups

+ To dig deeper into perceptions and attitudes and get feedback on product ideas and marketing campaigns

+ Particularly useful for understanding non-customers

+ Advantages: allows you to study people in a more natural conversation pattern than typically happens in one-to-one interviews. Efficient: collect views from multiple people at once

What makes a good focus group

Who: 6-12 people, don't know each other but feel comfortable together (think about gender, age, income level when selecting participants). 1 trained moderator, 1 assistant moderator to take notes

Set-up: chairs in a circle. Example locations: quiet hotel, café, restaurant. Outdoors in shade can also work well

Feel: Warm, relaxed environment. Offer drinks and small monetary incentive to say thank you for participation. It's important to make everybody feels comfortable to share views.

Length: 45-90 mins. 8-9 question areas

How to run a focus group

1. **Welcome:** Thank participants. Introduce moderators and purpose of focus groups "We have been asked by _____ to find out about _____. We need your input and want you to share your honest and open thoughts with us"

2. **Ground Rules:** "(1) We want you do the talking. We would like everyone to participate. I may call on you if I haven't heard from you in a while. (2) No right or wrong answers: every person's experiences and opinions are important. Speak up whether you agree or disagree. We want to hear a wide range of opinions. (3) What is said in this room stays here. Your answers are completely anonymous. (4) Any questions? Is the process clear?"

3. **Focus Group Questions:** See do's and don'ts on the next page

4. **Close out:** Ask "Is there anything we missed?" and thank for participation

Question
Do's & Don'ts

Do:

Ask open-ended Qs, e.g.: "What do you like best about… what are the biggest problems with… what comes to mind when xyz" etc

Follow up if unclear—"will you tell me more about that?"

Ask for specifics if you get a very general response to a question

Ask others in the group their views are when you only have heard one person's opinion

Seek out input from all participants

Don't:

Ask many "yes" or "no" questions.

Ask more than one question at a time.

Ask leading questions ("Isn't this true that Y is important?")

"correct people" or tell them they are wrong about something

Be afraid of asking for clarification

Pressure someone to speak

Setting up
a focus group

It's easier than you think! All you need to do is:

+ Find a moderator who understands the local context (Impact team can help)

+ Secure a suitable venue for 2 hours

+ Recruit participants: go to local market & ask "are you free [insert time] for 2 hours for a focus group? You will be compensated for your time"

+ Prepare a thoughtful moderator guide: what questions do you want to ask?

Additional
guides

http://www.focusgrouptips.com/focus-group-questions.html
For helpful tips on question ordering and phrasing

http://www.eiu.edu/~ihec/Krueger-FocusGroupInterviews.pdf
For a full guide on how to design and conduct a focus group

http://www.theexperiencebusiness.co.uk/downloads/content-docs/top_ten_tips.pdf
Top 10 tips for great focus groups

ACUMEN
CHANGING
THE WAY
THE WORLD
TACKLES
POVERTY