

Facts & Insights

1 The Beneficiary Perspective

Insight 1

The beneficiary does not think in terms of health areas.

Their health needs are part of the same universe and “interventions” divided in HIV, MCH, etc do not make any sense to them.

Insight 2

The beneficiary seeks “solutions” for its needs.

They do not differentiate between products, services or messages. Solutions need to be highly relevant, specific and delivered at the right place and right time.

Insight 3

A complex Dialogue trumps one-way communication.

The likelihood of an interaction with a beneficiary to actually translate in behaviour increases with the interactivity of that interaction and its repetitiveness over time.

2 The NGO Perspective

NGOs working on behaviour change messaging usually opt for community-based, Inter-Personal Communication (IPC). Despite its high potential for impact, IPC is limited by its operational complexity:

- **resource-intensive:** IPC requires contracting a high number of people, which increases admin, operational and control costs;
- **inefficiencies:** the [Pareto principle](#) – 80% of impact is driven by 20% of workforce;
- **no innovation:** IPC models are top-down, often adapted from old, global methodologies, lacking local insights;
- **low quality control:** supervision of IPC agents is expensive and unreliable;
- **scale:** even if above are addressed, going to scale is impossible, as it would require managing tens of thousands of agents in a country the size of Mozambique – any NGO attempting that at scale will implode.
- **competition** – there is always a turf-fight between NGOs over IPC agents and communities. This is not helpful.

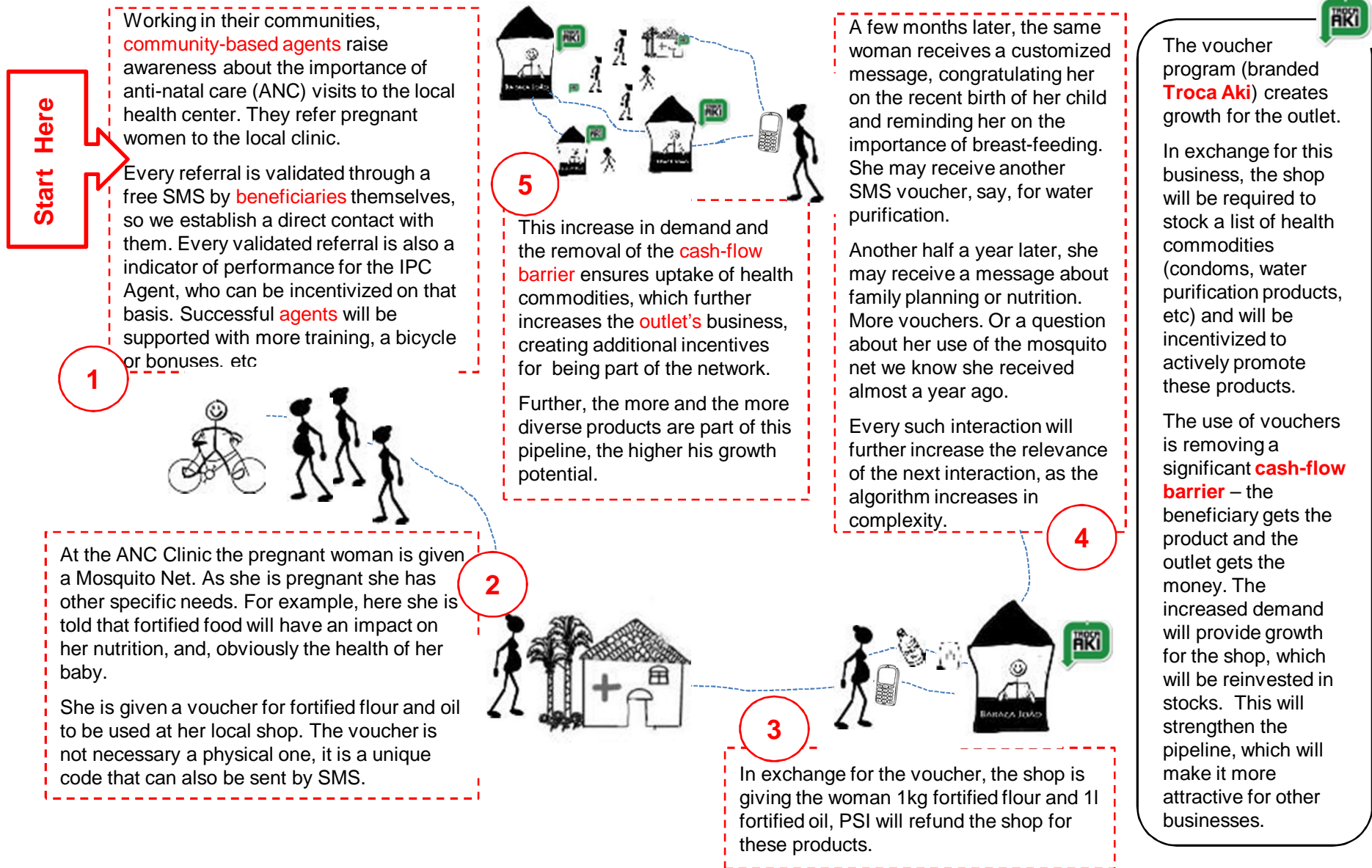
3 The Trade Perspective

Cash flow at the bottom of the pyramid is the biggest barrier to growth for any business in Mozambique. This fact has two highly relevant implications, for both high end businesses (Shoprite etc...) and small shops (baracas etc...):

1. **There are no demand barriers in the traditional sense.** People would buy stuff but they cannot afford it. They buy very small quantities of strictly necessary products – oil, sugar are sold by the teaspoon, salt by the pinch etc. They buy small quantities, as often as available cash allows it. Although they know the implications, they do not really buy health products unless they are sick, and when they do, they always buy by the piece.
2. **Businesses operating at the bottom of the pyramid have a limited amount at their disposal to invest in stock.** Further, they need to invest in fast-moving products to ensure their money is not stuck on the shelf for a long time. This makes it difficult to stock health commodities, among other products. Crucially, this fact limits growth potential for these businesses.

Building an eco-system

Based on these key facts and insights, we are proposing an “eco-system” that will make more relevant solutions available in more diverse and innovative ways. Here is an example:



The eco-system backbone : Movercado

A platform that enables highly complex, algorithm-driven interactions by means of SMS.

The focus is on the interaction, not the technology.

Beneficiary experience and business logic drive design. The technology is almost invisible to the user.

Movercado runs algorithms that ensure that every interaction is personalized and its personalization increases with the complexity of the interaction.

Every new interaction is an opportunity to learn more about the beneficiary and to increase the relevance of next interaction

Movercado is a platform, not an application.

It is designed to run any number of applications, from the very complex to plain gimmicky.

Movercado is built around the idea that the impact of any interaction increases with the increase in personalization and relevance of the interaction.

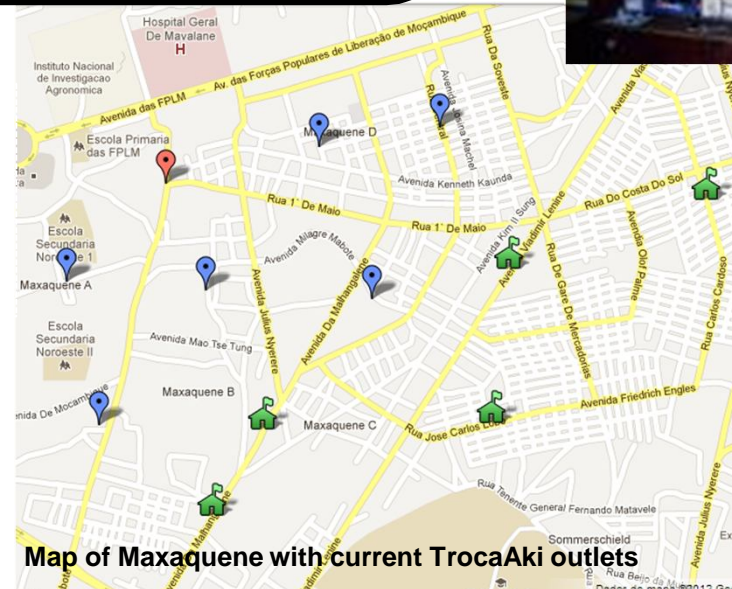
In other words, a highly relevant message received at the right place and right time is more likely to have an impact than a generic message received at a random moment.

Impact and ROI increase exponentially with the size of the eco-system.



Nice theory, But how about the practice?

Movercado is live as of August 2012. Here are the numbers three weeks after going live in three Bairros in Maputo, Sofala and Tete:



Appendix: How Does it Work ?

Application #1: The Pipeline

This is all about unlocking opportunities by removing or reducing the **cash-flow barrier** at the bottom of the pyramid. **Movercado** is running a voucher system branded **TrocaAki**. Essentially, we will pay shops for products given to beneficiaries by validating an encrypted code. A voucher.

Simply put, Marietta receives a code (on a card, in a SMS, over the phone, etc), she presents the code to her local shop (Baraca Joao). Baraca Joao is a registered Troca Aki outlet – they will SMS Marietta's code to Movercado – if it is valid they will hand Marietta the product (condom, water purification, fortified flour, oil, sugar, etc) and PSI will pay them directly in their accounts. Marietta will receive follow-up vouchers and relevant information. Everybody wins.

Baraca Joao is very happy – their stock was limited to small quantities of fast-moving product. Their turnaround small. But all of a sudden, they have a steady demand for certain products and a guaranteed payment. We have their attention.

Now we can require them to only stock fortified flour, oil and salt – we will guarantee uptake in the market through vouchers. We can require them to have a minimum stock of certain products, and to always have certain products in stock. We can even require them to have a box of free condoms and ensure there are always available to customers. Spot checks and mystery clients will ensure compliance.

In exchange they will have access to the eco-system – large demand for very diverse products through vouchers, cash-flow through credits, pipelines from PSI partners. The most successful ones can receive direct investments in, marketing materials, promotions etc.

But there is more::

Traditionally, aid organizations such as PSI are doing food and non-food distribution often running parallel, expensive, inefficient supply chains that disrupt fragile local markets. Movercado could provide industry-wide efficiency – we issue as many vouchers as needed for any products that need to be distributed and rather than move products, all that needs to be done is get codes to beneficiaries (by SMS, by paper, no matter). We ensure that the national distributors push the right products through the pipelines (easy, since demand and cash-flow are no issues) and all of a sudden, the local shops are thriving. This could even work in emergency response situations, when we could issue “flash” voucher codes by radio.

Once we have a critical mass of outlets in the eco-system we can approach banks with the option to boost their entrepreneur segment (where there is growth in the future), in exchange for low transfer fees and access to micro-credit for outlets.

We can do the same with cell-phone operators, asking them to subsidize handsets in exchange for SMS activity.

Unilever will be interested to grow the market for their no-frills soap. etc

All of this will generate momentum, which will make it more attractive to join TrocaAki. Which will give us more leverage throughout the value-chains. **Which will lead to more impact.**

Appendix: How Does it Work ?

Application #2: Integrated Outreach

Rather than hiring thousands of activistas, PSI is using **Movercado** to create a activista marketplace, allowing rapid scale-up and instant payment on performance without the need for investment in traditional supervision and control. As a bonus, we get instant reporting, access to beneficiary insights and virtually no admin/ processing costs.

1. First step: create high quality, standardized trainings. These will be made public and will be open to anyone's participation in exchange for a participation fee. Once we achieve scale, the training can be spun off as a franchise;
2. Upon completion, all participants will receive an "Activista Kit" containing materials and a set of cards containing unique codes that will be linked by Movercado to the respective activista;
3. At the end of each session the activista will hand out one card to a beneficiary, with the instruction to SMS the code to a free number (sending can be incentivized with a very small amount of airtime, a voucher, etc);
4. Once the codes are received, Movercado will validate them and automatically transfer commission points to the activista's account;
5. At headquarters, a quality control team calls up 30% of beneficiaries to review the session, reinforce messages, collect feedback, etc. This will allow us to ensure consistent quality, tweak content and delivery and evaluate performance. Activistas who perform consistently low can simply have their codes deactivated. Those who perform consistently high will be supported, trained more, have access to investment, etc.
6. New cards will only be issued after undergoing a refreshing training – that will allow us to reinforce and update trainings. All cards have an expiration period;
7. As priorities change with seasons and geography (cholera season, malaria season, cyclon belt, different HIV prevalence per province etc) incentives are tweaked accordingly.

The community session is only a first **touch-point** but, unlike in a traditional community session, the interaction does not stop there.

Using a combination of vouchers and personalized information, Movercado will engage the beneficiary in an interactive, long-term, increasingly complex dialogue that will further increase the accuracy of targeting algorithms and will allow us to learn more about the beneficiary. She is, really, a phone-call away.

And there are some other extra benefits:

- We encourage bottom-up innovation – at scale, activistas will figure out better ways to deliver messages. We will learn for them and reapply.
- Agents are free to have day-jobs. As a matter of fact we will encourage people who already have jobs/ a business in their communities (shop-owners etc) to join and use movercado as a way to supplement their income;
- We can allocate specific codes for organizations already in the community – once these codes are used, incentives can be shared between the respective organization in the community and agents. This will allow community based organizations to earn small, unrestricted funding.