

# Introduction and context

Rohan Samarajiva

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# About us...

- Our mission:
  - *“Catalyzing policy change through research to improve people’s lives in the emerging Asia Pacific by facilitating their use of hard and soft infrastructures through the use of knowledge, information and technology.”*
- Since 2004, working mostly in ICT infrastructure

# Countries that we engage with



- Our Team (this part of the project):
  - Rohan Samarajiva, PhD
  - Helani Galpaya
  - Shazna Zuhyle
  - Nilusha Kapugama
  - Ranjula Senaratne Perera
  - CKS Consulting (India)
  - Usha Ramachandra, PhD
  - Rajkiran Bilolikar
  - Pial Islam
  - Payal Malik
  - Vignesh Ilavarasan, PhD
  - Roshanthi Lucas Gunaratne

# Center for Knowledge Societies



- CKS is an innovation consulting practice that employs user-centered research and design methodologies, including ethnography, design analysis, and user experience, to help organizations systematically and routinely create products, services, and systems.
- The company has wide experience in India, but has also worked in different emerging economies worldwide including South Africa, China, Nigeria, Philippines, Bangladesh and Indonesia

# About the group that's not here...

- Urban, low-income, micro-entrepreneurs (MEs)
- Why low-income MEs?
  - A group that is not visible to many service providers
  - 'Lost' between the Bottom of the Pyramid users and large corporates
- Why urban?
  - A decade of urbanization. Continues

# Studied three services consumed by Micro Enterprises

- With different levels of competitive provision
  - Telecom: high levels of competition
  - Electricity: low competition/monopoly
  - (Municipality Delivered) Government Services (e.g. business registration): monopoly provision by govt.
- Different levels of ICT use
  - Telecom: high use
  - Electricity, Govt services: lower

# How can MEs be better served?

- What are current levels of customer-centricity in each sector?
- Can we identify ‘best-fit’ practices from one sector that could work in the other?
  - E.g., Telecom seems to use ICTs to manage customer relationships. Can electricity do the same?
- Can practices from one country be adapted to work in another?
  - Three countries: Sri Lanka, India, Bangladesh



# Research methods

- First: from supplier point of view
  - How are customers served? How is the relationship managed?
  - Interviews with service providers + Desk research
- Then: from user point of view
  - What is used? What are problems? Satisfied?
  - Quantitative: Sample survey of 3,180 MEs
  - Qualitative: in-depth interviews/other research of 76 participants and 12 ethnographies at sites of service provision

# Why do we care?

- Not all MEs remain MEs for-ever
- Some grow
  - Into SMEs (small/medium enterprises)
  - Even into large enterprises
- Economic growth happens when this journey takes place
- What can we do to catalyze it?

# Why should you care?

- Valuable customers today
  - Low income MEs consume more telecom and electricity than an average bottom of the pyramid (BoP) consumer
  - They are less ‘fickle’: e.g. fewer dual SIM than BOP
- Potentially even more valuable customers in the future
  - Be their partner from the beginning

# Plan for the rest of the morning

- Rohan Samarajiva
  - setting the stage and learnings from quantitative and qualitative research
- Nilusha Kapugama
  - possible solutions for electricity
- Audience
  - critique of solutions

# Where does electricity fit within constellation of public services

	User pays	Paid for by taxes
Collectively consumed	E.g., Non-toll roads, maintained through fuel taxes?	E.g., Early warnings of disasters Law and order National defense Vaccinations against infectious disease
Individually consumed	E.g., Public utility services Passports	E.g., Welfare payments Pensions

# Users pay for service; no real alternative available

- Exit, the normal consumer response to problems in quality of service, is not available
  - Except for large users, who may invest in self-supply
- Voice is only available response
  - Direct complaints to supplier
  - Complaints through media
  - Complaints to regulator
  - Complaints to political authorities

# Downsides of being sole supplier

- Obligation to serve, even if uneconomical
  - Many customers pay less than cost of billing
  - But managers are expected to not incur losses
- Cannot get rid of unattractive customers
- Voice (direct and indirect) tends to be loud
  - Frustration levels are higher

# Therefore,

- CEB should, as it is doing now, pay special attention to
  - Understanding its customer base
  - Differentiating among different categories of customers
  - Providing appropriate solutions to customers
    - Reduce the need to complain
    - But for the complaints that do come: have good channels & response; also treat complaints as data useful in improving your systems



# Differentiation of service

- Government and its agencies cannot discriminate
  - But this does not mean it cannot treat different classes differently
    - Large industrial customers are, and should be, treated differently from <90 unit customers
    - Classes must be rational → based on evidence
    - Within a class, treatment must be the same

# Example: Passports

- Absolute monopoly, enforced by law
- Perhaps considered one of the most efficient government services
- Classes exist, e.g.,
  - Middle East Only; All countries
  - Regular; One-day
  - Normal; official
  - Head Office; decentralized
- Different payments; different service quality

# Electricity

- Differentiate, rationally
  - Not only in prices offered
  - But also in other aspects of customer relationship management