

CASE STUDY //

Orange Money Madagascar

Applying an International Group's
Customer-Centric Strategy
at the Local Level

Orange's customer-centric strategic vision

In its Essentials2020 strategy, French telecommunications group Orange S.A. made improving customer experience the company's top priority. The goal of satisfying customer needs was put at the heart of the process of creating and developing new products and of improving existing services. This decision presented major organizational and corporate cultural challenges for a multinational organization like Orange, which has a presence in about 30 countries around the world. Positioning the customer at the center of innovation and the marketing and operations of its services entailed far-reaching changes throughout the group's divisions and subsidiaries.

Orange's approach corresponds to what CGAP defines as "customer centricity" – having a customer-centric business model. For CGAP, customer centricity allows an organization to formulate and deliver valuable customer experience. It promotes customer acquisition and cements loyalty in a way that serves both the customer and the company.

In recent years one of Orange's subsidiaries, Orange Madagascar, has made numerous efforts to give practical expression to the group's vision and promote customer centricity in its operations. It made it a key element in efforts to strengthen its product, the Orange Money mobile money account.

In the context of this strategic approach, Orange Money Madagascar and CGAP worked together on a project to increase Orange Money's customer focus to address the challenge of the limited uptake of the service in the emerging mobile financial services sector, especially in rural areas.

COVER PHOTO: Women of the Antsakoamanondro savings group, Madagascar.
— Christopher Wilton-Steer, CGAP Photo Contest

CUSTOMER FOCUS TO ENCOURAGE UPTAKE OF PRODUCTS AND SERVICES

Repositioning the customer at the center of the development of products and services to make them more successful and promote their widespread adoption is one of the key elements identified by Orange in its Essentials2020 strategic project. The goal is to make its customer experience “unmatched” by 2020. Simplification of customer journeys, listening more carefully to customers, and digitization of distribution channels are some of the elements that are key to “reinventing the customer relationship.”

Orange considers this focus on the beginning-to-end customer experience particularly important in the countries of the Africa-Middle East region, where socioeconomic realities and usage differ from those in Western countries. Understanding the everyday life and needs of these communities will allow for the design and introduction of services that are better adapted to local conditions and make it possible to establish the most appropriate distribution channels and communication tools. Steps the company has taken include opening dedicated innovation centers to develop custom-made products for these markets, setting up customer test centers in various regional subsidiaries, and dividing the region into smaller segments.

ORANGE MONEY SERVICE IN MADAGASCAR: A CASE STUDY

Orange’s organizational model is top-down. The Essentials2020 strategic vision was defined at the group level but is shared and relayed by its subsidiaries, which incorporate it in their own strategies at the local level.

Orange Madagascar is one of these subsidiaries and for several years has aligned its strategy with the Essentials2020 project. It places particular reliance on this more customer-focused approach and has emphasized the quality of customer experience in promoting one of its services, the Orange Money mobile money account. A number of obstacles still remain to making Orange Money a widely and frequently used service in Madagascar. To address them, Orange Money Madagascar needs to get a more detailed, segmented knowledge of its customers. It formulated this approach at one of the first strategic focus workshops organized by CGAP in March 2016.



“Rather than originating with us, **our technologies, our offerings, our call centers, from now on we will start with our customers, their expectations** and aspirations. This means listening, then acting so as to jointly build ‘made-to-measure’ solutions genuinely meeting our customers’ needs.”

— Extract from the Essentials2020 project¹

1. Available at <http://www.orange.com>

Orange money agent, Madagascar.

The Orange Money Madagascar vision

"By June 2019 we will have built much **deeper analytical insights** into the worries, needs, wants, transaction behaviours and attitudes of our customers and prospects. We will treat different customers differently. We always focus on providing 'brilliant basics' to all our customers, however we will treat those customers with a demonstrated higher value better than our lower value customers.

Our competitive advantage is driven through intentional design of unique and relevant customer experiences at the most important moments of truth across the client journey. We are a much more important part of our customers' lives than merely a place to transact. We **utilise our customer insights in our relationship building initiatives across all our channels.**

Our focus for judging our performance is EBITDA [earnings before interest, taxes, depreciation, and amortization] - **actual activity based costs are allocated to customer segments.** We are proud of what we stand for and all staff actively promote Orange Money and act as ambassadors for the brand.

Our focus over the previous period on business basics now allows us to focus **on continuous improvement and innovation of product, service and customer experience.** We always look for new ways to create, deliver and capture value.

Greater levels of customer insight has enabled us to precisely define the types of customers we want to acquire and retain and whilst all customers are as welcome as any other, we specifically invest in 'going after' our 'ideal' customer."

Source: Strategic workshop led by Doug Leather/CGAP with the Orange Money Madagascar team at the start of the project, May 2016.



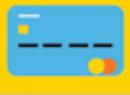
Orange Money staff in strategy workshop, Madagascar.

Orange has ambitious plans for the Orange Money service in this region.

Launched initially in 2008 in Côte d'Ivoire, Orange Money is available in 17 countries in the Africa-Middle East region with 31 million customers, of whom 8 million use it every month. It has 160,000 sales outlets.² In December 2016 Orange Money posted a total of 14.5 billion euros in transactions.³ Orange is particularly well established in this service area in the West Africa region, and is the market leader in countries such as Côte d'Ivoire, Mali, and Cameroon. The goal is to reach 200 million euros in revenue in 2018. Following its success in Africa, in April 2017 Orange announced the opening of Orange Bank.

Services available on Orange Money

Comment envoyer de l'argent en Afrique

Créez votre compte avec l'application.	Enregistrez une carte bancaire et rechargez votre compte.	Envoyez de l'argent quand vous le voulez.	Recevez un SMS de confirmation.	Le compte du destinataire est immédiatement crédité.
				

Vous pouvez aussi ouvrir un compte en boutique, y déposer de l'argent en espèces ou par carte bancaire.

Infos sur Orange Money en Afrique :  Côte d'Ivoire  Guinée  Mali  Sénégal  Madagascar

Translation of image above:

In Africa, with Orange Money you can:

Withdraw cash	Make money transfers to your friends and relatives	Buy air time	Make payments in partner stores	Pay bills
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More information is available about Orange Money in these countries: Mali, Côte d'Ivoire, Senegal.

In-country functionalities available for Orange Money customers in Côte d'Ivoire, Guinea, Mali, Senegal, Madagascar, transfer recipients. Details of fees for recipients in accordance with Orange Money offerings in recipient country.

2. <https://www.orange.com/en/Group/Activities/Orange-Financial-Services/Folder/Orange-Money>. December 2016 figures.

3. https://www.orange.com/en/content/download/38172/1160229/version/6/file/MEA_Plaquette_2017_EN_PDF_Web_Page.pdf. December 2016 figures.



International money transfers present a real growth opportunity for Orange Money, particularly in West Africa. In 2016 Orange established electronic money institutions (EMIs) in five countries – Côte d'Ivoire, Guinea, Mali, Senegal, and the Democratic Republic of the Congo. This gave Orange greater autonomy and an enhanced ability to launch new services. Orange is subject to regulations imposed by the central banks. It is liable for funds deposited by customers and banking compliance is assured through the Orange Money Compliance Expertise Center (CECOM).

Source: <https://www.orange.com/en/Group/Activities/Orange-Financial-Services/Folder/Orange-Money>

Orange Madagascar is one of the dynamic subsidiaries in the region which focus on Orange Money, innovating and experimenting with new offerings related to mobile money accounts. Launched in 2010 with the Malagasy bank BMOI and competing against the market pioneer MVola, it now has 1.5 million customers and 15,000 partners in the country, such as agents and traders.⁴ In a highly competitive environment, Orange Madagascar has positioned itself as the leader in the market of 11 million adults, of whom 42 percent are under 30 years of age. In Madagascar only 29 percent of adults engage with the formal financial sector.⁵

At the end of 2015 there were 9 million mobile telephone subscribers (SIM cards) in Madagascar and the number is steadily rising. Coverage is available in 85 percent of the country, with west Madagascar having the least complete coverage.⁶

4. Orange Money Madagascar figures. May 2017.
 5. Finscope Madagascar. 2016.
 6. ARTEC data.

Orange has played a significant role in the development of interoperability between mobile payment services, which was established in Madagascar at the end of 2016. It was the second sub-Saharan African country to benefit from this facility.

Despite these developments and this potential, mobile accounts in Madagascar are characterized by a significantly low usage rate. Many obstacles remain to increasing the uptake and frequency of use of these accounts. In Madagascar only 18 percent of the 5.2 million accounts opened are active.⁷ A Finscope study conducted in Madagascar in 2016 estimated that 17 percent of the adult population uses mobile financial services. Of those users, 80 percent use the service to send and receive money.⁸

A number of challenges remain before Orange Money can become a routine, everyday reality for Malagasy citizens, but the approach taken by both Orange and its Malagasy subsidiary of listening more closely to its diverse customers seems promising. More detailed information about financial usage in the country is needed to work out the most appropriate distribution channels and interfaces, the most relevant services to link to, and the instructional tools to be put in place to bolster the significantly low usage. With the customer repositioned at the center of efforts to develop and improve the service, these solutions may become more than just tools for transferring money, but a way to provide banking services to communities across the country.

7. Central Bank of Madagascar. September 30, 2016. Activity defined as usage within 30 days.

8. Finscope Madagascar. 2016.



“One of the priorities for Orange Money Madagascar in terms of customer focus is a **continuous reevaluation of the quality of customer experience with a view to making it better.**”

Orange money agent,
Madagascar.

From vision to practice and from global to local: Actions taken by Orange Money Madagascar

The Orange Money team in Madagascar turned the company's vision into a reality in the Malagasy subsidiary by giving greater weight to the customer as the end user in its various projects and by developing more customer awareness. This approach was reinforced through initiatives such as the "all salespeople" day organized by Orange Madagascar and through training programs offered by Orange to put the ideas of Essentials2020 into practice. Orange Money Madagascar remains a marketing division, supported in its customer centricity initiative by internal and external entities with expertise in this area. It has regularly relied on pooled cross-divisional resources within Orange Madagascar such as the call center, specially appointed "quality counterparts," and the Customer Test Center (CTC) to help identify the best ways to champion customer experience. On a more ad hoc basis, it has called upon consultancy firms and taken part in studies such as that organized with CGAP to improve its understanding of existing and potential customers.

LISTENING MORE TO CUSTOMERS THROUGH LOCAL INTERNAL DIVISIONS

Orange Money Madagascar has made provisions at several levels to ensure that customer views are heard and passed on and have an impact on the development of the Orange Money service. One of the priorities for Orange Money Madagascar in terms of customer focus is a continuous reevaluation of the quality of customer experience with a view to making it better.

Call center

Customer service by telephone is one of the most important points of contact and the quality of this interaction is critical to overall customer satisfaction with Orange Madagascar products and services. Wait times, the relevance of responses, the information given to customers, the level of attentiveness, and the manner of communicating all affect the quality of the experience.

Customer service is one of the areas where the customer's voice is most present and where interactions can be collated and analyzed to improve the service. Orange Money in Madagascar does not have its own dedicated call center but the Orange Money Madagascar team works closely with customer service to identify the problems most frequently encountered by customers, such as forgetting their PIN code.

The Orange Madagascar call center has been the subject of a major initiative in recent years to deal more effectively with its various challenges. It underwent a certification exercise with the U.S. management consulting company COPC, which specializes in customer satisfaction. The exercise lasted nearly two years.

This certification initially involved a basic week-long analysis of factors ranging from customer satisfaction to cost per transaction. After examining the issues, COPC provided Orange Madagascar eight months of remote support to help improve operations. The call center received its certification after a year, following a final audit to verify it was conforming with the established standards.

Quality counterparts

The increase in customer feedback to the Orange Money team created organizational challenges, with the need to take into account customer's views, identify difficulties, and improve interactions with customer. To address this, the company arranged in-house training for management and conducted an awareness-raising exercise through the appointment of "quality counterparts" for each of the ten management divisions of Orange Madagascar, including Orange Money. The counterparts' mission was to identify and refer issues concerning lack of quality identified at the agency level in all the Orange services, such as a customer complaint in an agency or a fault with a street sign.

Customer test center

Orange Madagascar is one of the company subsidiaries with a customer test center (CTC). This provides support with customer issues for different management divisions and product heads, including Orange Money Madagascar.

The establishment of an Orange CTC in Madagascar is an indication of a strong desire on the part of the subsidiary to take customer views into account. The center was modeled on the first Orange CTC opened in 2005 at Rennes in France and forms part of a network of CTCs in different subsidiaries. It benefits from support from the company as a whole, including pooled resources and tools, and applies methods established at the overall

company level. In Madagascar the CTC consists of a small team of fewer than ten people who have received expert training by the company. The cost to the subsidiary is thus limited.

The principal mission of the CTC is to test out new offerings before they are marketed. This CTC evaluation is mandatory and the actual commercial launch of a service depends on the outcome of the testing. This consists of a sampling of active customers, including internal customers (staff). It provides an opportunity to identify strong points and areas needing attention and to make recommendations on how to improve the product or service before it is launched.

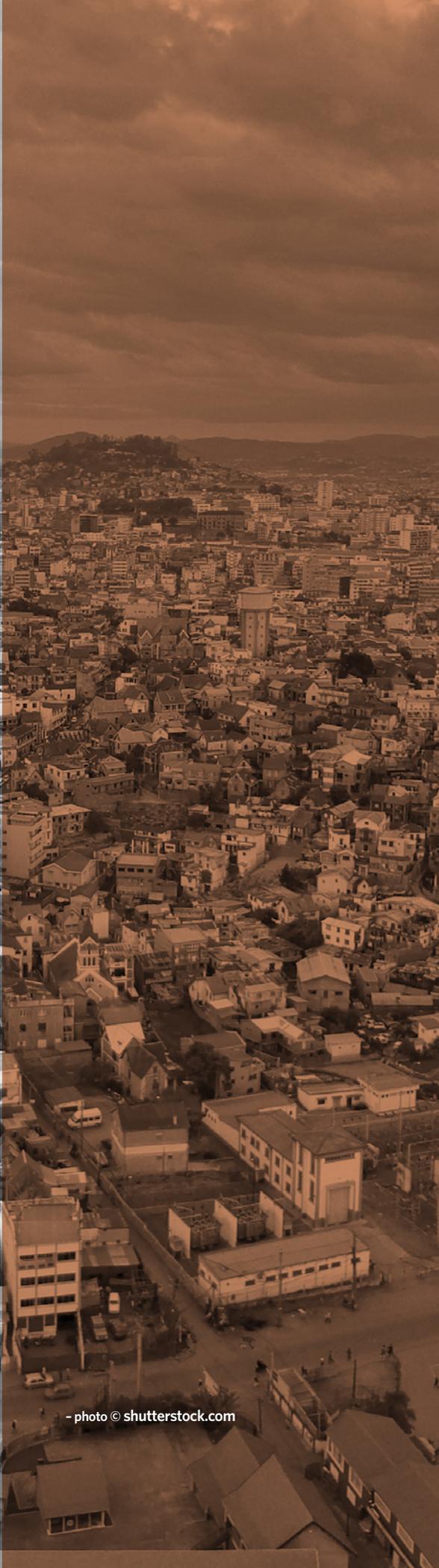
Orange Money Madagascar worked in this way with the CTC to test the service with focus groups before it was launched. The CTC was also involved five years ago in preparing for launch of a savings service linked to the mobile money account, which has since been suspended for regulatory reasons. More recently the CTC has provided support for Orange Money Madagascar on the wording of text messaging notifications by the service and modifications to the menu. It analyzes customer interactions and relies in particular on customer complaints in making proposals.

The CTC plays an important role in collating customer views, but it does not normally venture into the field to meet customers. Its most frequently used tools are focus groups held in-house or cold-call telephone surveys of customers. Although it has been made aware through its collaboration with CGAP of alternative, more immersive, and person-centric survey methods, the CTC still confines itself to protocols and methods laid down by the company and does not venture into the field to listen to and observe customers.

ORANGE MONEY PROMOTIONAL MATERIALS

Orange Money coaching videos

When it launched Orange Money in Madagascar, Orange produced a series of videos featuring a coach presenting the service to customers and promoting it in the Malagasy market. These instructional videos showed what could be done with the service (transfer money, pay bills, etc.) and how each of these transactions could be carried out on a mobile phone. The videos featured a wide variety of customer profiles so that anyone watching could identify with the characters, as a way to encourage their widespread acceptance. Orange Madagascar arranged for the videos to be broadcast on television. It is difficult to assess their impact but they aroused interest and allowed customers to get to know the service as a part of the Malagasy mobile financial services offerings.



- photo © shutterstock.com

Training Orange Money agents

Orange devoted substantial resources to training agents in Orange Money sales outlets, kiosks, and multiservice points. They are not just physically close to the customers but often work with them on using the services, and are among the first to make them aware of and understand a service. Orange Money Madagascar provides training for these agents, in particular in customer relations, to ensure they provide a high-quality introduction to Orange Money and user support for the customer.

The training is provided at an agent's premises and generally lasts between 30 and 60 minutes. It focuses on how to carry out transactions but also covers basic guidance about welcoming customers and providing customer service, and who to call with any concerns. Agents can change codes, but for other tasks must contact customer service.

This training is particularly important to Orange because most of its counterparts are not under the company's direct supervision but under that of Orange's subcontractors who make up the distribution network.

DEEPENING KNOWLEDGE OF THE CUSTOMER

Orange Money Madagascar has initiated a number of initiatives to help it reach its goal of better understanding and differentiating between its customers.

Increased segmentation of financial usage

Marketing teams in the Africa-Middle East region recently reviewed segmentation for the region and for the first time conducted a study on the usage of mobile financial services by different groups of customers. Although this segmentation is only regional and is based largely on voice and internet usage, it provides a useful tool for identifying major trends by customer profile and devising more targeted products and services.

Orange Money Madagascar appreciates that it would be useful to develop detailed, dedicated segmentation, but this is not yet one of its priorities. It is now focusing on establishing a firm foundation for growth and lacks the resources and available personnel for such a project.

Analysis of customer data

Orange Money Madagascar has a two-person internal customer data analysis team for monitoring performance, which reports directly to the subsidiary's director. The team has the ability to analyze ad hoc data, such as the level of agents' commission in different regions. It is currently scrutinizing this data as part of a review of agents' contracts.

Orange Money Madagascar also relies on customer data analysis to monitor the performance of a new service and its impact, and to modify it if necessary. One example was a service which made it possible to use Orange Money to pay for bets. The aim of the analysis was to see if those posting bets already used Orange Money or if the service had attracted new customers, and to establish whether the customers remained active.

Orange Money Madagascar considers it a significant advantage not have to depend on other sources for such data. The commercial and marketing teams, for example, have difficulty collecting customer data on telecoms usage because of the difficulty securing internal approval to use it.

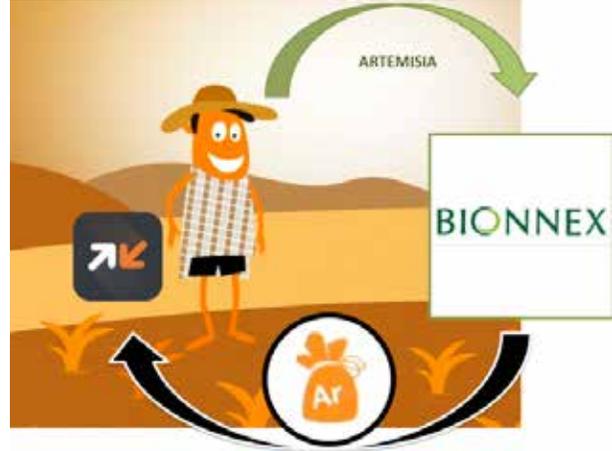
Research on rural segment conducted with CGAP

At the start of 2017, as part of a drive to better understand customers' diverse profiles, Orange Money Madagascar, with CGAP, began a research project in rural areas of which it had little data. This customer segment represents a significant portion of the Malagasy market. Seventy-three percent of Madagascar's adult population live in rural areas and half of this group lists agriculture as their primary source of income.⁹

The goal for Orange Money Madagascar and CGAP was to formulate a comprehensive understanding of this customer segment by examining its usage of, and attitudes toward, telecoms and financial services. The people surveyed were not necessarily users of Orange Money, or even of mobile financial services, but the aim was to assess their knowledge and understanding of this type of service, to identify what might dissuade them from using such services, and also what might motivate or encourage them to use the services in their everyday life.

The approach was essentially qualitative although there was an initial component of analysis of customer data. The idea was to have a strong, quasi-immersive field presence, so that members of product marketing teams could

9. Finscope Madagascar. 2016.



Examples of visual prompts presented in focus groups.



Interviews and focus groups held in southwest Madagascar.

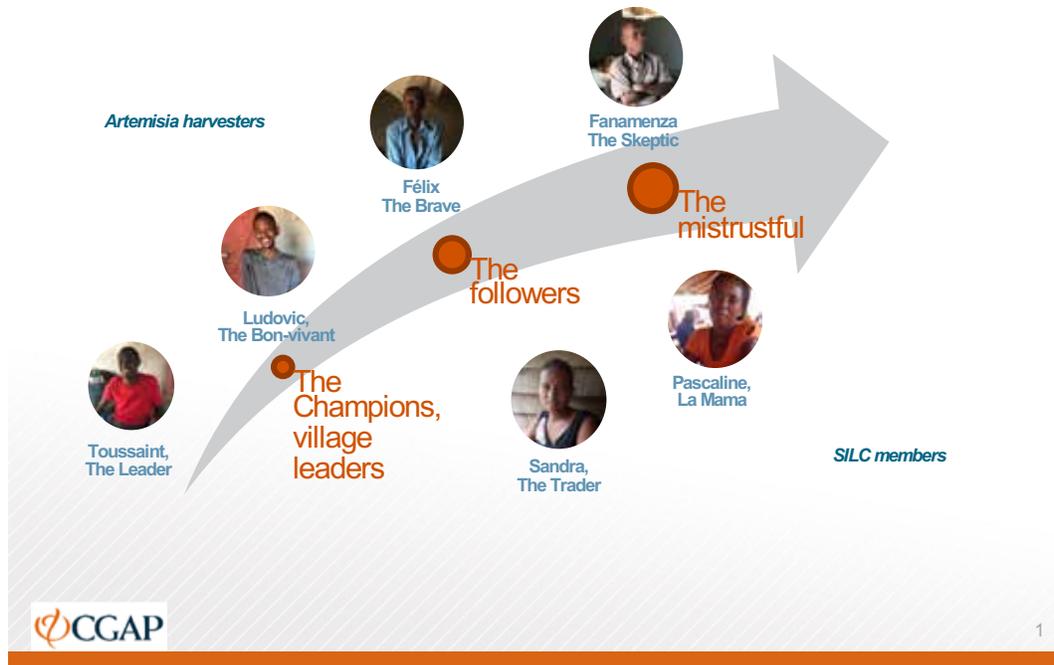
Source: Orange Money Madagascar/CGAP.

meet customers with very limited financial means, some living in isolated areas, see the reality of their situation, and consider how the Orange Money service could help in their daily life. The organizers interviewed 36 people individually and held 17 focus groups. These exchanges included the presentation of a number of visual prompts and scenarios to illustrate the service.

A total of 90 people took part in the sample. They were drawn from groups already engaged in two existing projects involving Orange and other partners in the south-west of the country. One was with Catholic Relief Services (CRS) and concerned the digitization of savings groups (Savings and Internal Lending Communities [SILC] or “tontines”), and the other was with the Bionnex company looking at ways to use Orange Money to make payments to farmers for their crops. The people interviewed included savings group members and workers harvesting artemisia, a plant used to treat malaria. While the results of the study relate specifically to the two groups, the goal for CGAP and Orange Money was to make them representative of the broader rural sector.

The study resulted in a series of customer profiles focusing on the level of interest in the service and its use in everyday life, as well as the capacity of the person to use it. These profiles may be used by Orange to help it prepare for possible customer interactions with Orange Money. They might also allow more detailed and sector-specific analysis needed in the development of new Orange Money services.

Adoption curb by our 2 target groups



Source: Restitution of field research carried out by PHB and FIDECO for Orange Money Madagascar/CGAP.

The study found a strong appetite for this type of financial service in this target group. In a situation where there is widespread lawlessness and it is risky to hold wealth in the form of livestock, services like Orange Money allow people to keep their money secure while having quick and easy access to it. Money transfers are the service most associated with Orange Money and most used by existing account holders.

The low rate of telephone ownership (one user in two) is the main reason for the limited number of rural people using the service. They are also cautious about using a device with which they are unfamiliar. A number of proposals have been outlined to gain customer confidence, including offering them simple, secure use of the service and encouraging them to use Orange Money on a regular basis. Several of these approaches will be implemented by Orange Money Madagascar in the second phase of the project.

Results and overall impact

Orange Money Madagascar has taken a variety of steps to develop more customer awareness and put the customer at the center of its organizational model. This has led to changes in long-term internal strategy and a number of ad hoc projects with external partners. The projects have already resulted in recommendations and practical moves to improve existing services and identify major projects to be implemented in the future.

CONTINUOUS IMPROVEMENT OF CUSTOMER INTERACTIONS WITH THE SERVICE

Customer feedback from the call center, “quality counterparts,” and the CTC has allowed Orange Madagascar to identify the major problems faced by its customers and to take steps to resolve them.

One specific example is the issue of forgetting PIN codes, one of the main reasons for calls to customer service. Orange Madagascar has now established an online self-help platform, on which a customer can create an account and directly modify their PIN.

Orange Money, with CTC support, recently conducted a more general audit and review of customer interaction resulting in proposals to correct and improve the service.

As Orange Money is a mobile service, it interacts with its customers through USSD, a communications technology that is not always intuitive for the majority of people in Madagascar. Efforts to simplify the system and broaden its use have so far had a limited impact. Customer activity has increased somewhat but remains below the established targets and has not matched the results achieved by similar services elsewhere. Orange Money Madagascar’s main explanation is that the low percentage of the population having a mobile phone (30 percent) is a major obstacle to adoption and use of the service. This conclusion was also drawn by the CGAP study targeted on rural customers.

IDENTIFYING NEW LINES OF DEVELOPMENT FOR ORANGE MONEY

The studies undertaken by Orange Money to improve its understanding of customers and their expectations also yielded insights that are helping the company develop new products and services that match customer needs.

For example, a study of the profiles of rural workers that emerged from the Orange Money project with CGAP and Bionnex indicated that it may be best to limit (to only a part of their income) the payments that artemisia harvesters make to their Orange Money accounts. The project also confirmed the appetite for offers of credit, an area Orange Money Madagascar was already working on, and helped to define the goals and conditions for such new types of financial services. It showed that pre-financing seems to be a promising option for the rural target group in areas such as mobile telephones and agricultural equipment.

The Orange Money Madagascar/CGAP study also confirmed the need to develop voice-activated interfaces in local languages for this type of service. While it is common for illiterate people to seek help with communications from a close friend or relative, this does not seem desirable when dealing with financial information, particularly the balance on a mobile money account. Customers want to check their balance and carry out transactions themselves. So Orange Money has identified providing a voice-activated service as one of its top priorities, perhaps initially on a trial basis.

Orange Money Madagascar enjoys wide name recognition but it must also disseminate more instruction and information to promote the service, particularly in the rural market. The lack of familiarity with mobile services needs to be addressed to build confidence in their use. Orange Money must provide significant support to reassure these customers and needs to go beyond just street marketing and one-shot enrollment by Orange Money agents. The instruction could be done by village leaders, who are trusted by rural people. More instructional videos are needed, along the lines of the Orange coach but with more prominence given to characters who resemble people in the targeted groups. This type of promotion has been particularly well received by people interviewed in the field.

Agents for Orange Money are also important to the success of this type of service. One approach that has been proposed is to allow agents to create their own guarantee fund, on the basis of which microfinance institutions could grant them loans. This ambitious proposal would require external partners and would be hard to implement in the short term.



Farmer, Madagascar.

Conclusion

Over the next few years, the Orange Money service is expected to develop into a fully fledged platform giving access to a wide range of financial services. In Madagascar, service teams have grasped the importance of customer experience and the need to consider the customer as the end user in defining any new services that Orange Money will offer.

Orange Money Madagascar does not yet have its own resources dedicated to fostering this customer focus, but it has been able to draw on resources made available by Orange Madagascar and on third-party skills and initiatives to reinforce its own actions. It is seeking to make its processes more agile in the future, and introduce more efficient go-to-market management with arrangements for quicker sharing of customer feedback.

It is difficult for Orange Money country teams, such as the Madagascar team, to envisage the future of the service without the support of the company's internal resources, in particular Orange Labs, the research and development division. One issue the teams face is that they have little time – their priority is to generate revenue and resolve immediate, short-term problems. They also lack overall control because innovation is largely managed at the overall company level.

At present the Orange Money service has implemented almost no customer-oriented innovation initiatives in association with subsidiaries in the Africa-Middle East region. But in view of the importance assumed by Orange Money within the company and the challenges involved in its development in the African market, an Orange Labs team has initiated research with Orange Senegal based on a customer-focused conceptual approach centered around Orange Money. It is called the Designed Services for Mobile Banking project.¹¹ This project brings together various experts in customer experience (human sciences researchers, designers, ergonomists) who are not available at the level of the country subsidiary and employs them to design a financial services offering with a 2022 time frame.

11. Within the Orange Research Field: Digital Emerging Countries, and the Emerging Countries Designed Services Research Project.

This type of experience provides country teams with a chance to learn about the tools and methods specific to such an approach and to tackle the beginning-to-end process of the conceptual development of the service. The process melds customer research, conception, and creative synthesis. It will be some months before the outcome is known and thus whether it generates interest and desire in the subsidiaries to develop their own initiatives combining customer-centric research and the development of new services.

