Learning Journey

Microfinance Opportunities (MFO)
Insurance Consumer Education – Kenya (ICE-Kenya)

Contents

Project Basics .................................................................................................................. 1
About the project ........................................................................................................... 1

Project Updates ............................................................................................................. 2
Key Indicators .................................................................................................................. 2
What is happening? ........................................................................................................... 2

Project Lessons ............................................................................................................. 5
On developing a radio campaign for insurance consumer education ....................... 5
On the impact of radio campaign on insurance and risk-management literacy of the target group ... 7
On cost-effectiveness of the radio campaign ................................................................. 7
On integrating educational messages into marketing materials ..................................... 8
Project Basics

About the project

This project is a joint initiative of Microfinance Opportunities (MFO), a resource centre that promotes client-led microfinance and specializes in financial education for the poor, and the Association of Kenyan Insurers (AKI). While the need for insurance education targeted at the low-income market is well recognized, few private institutions are willing to invest in education for fear that it might benefit their competitors. Completed in December 2011, the project has galvanized insurance education efforts in Kenya by building local capacity to disseminate insurance education as a public good. A training of trainers (TOT) workshop was organized to disseminate the content and delivery of MFO’s innovative “Risk Management and Insurance” curriculum to insurance companies and delivery channels. MFO and AKI have been collaborating on an industry-wide education strategy to facilitate uptake and usage of insurance in Kenya. This was done through a participatory radio campaign that provided consumers with the knowledge and skills necessary to move them from reactive to proactive risk management strategies such as insurance. Rigorous research was put in place to evaluate the effectiveness of the campaign on increasing insurance literacy of listeners. The project also provided technical support to organizations other than insurance companies that were interested in adapting the “Risk Management and Insurance” material to other media channels.

Project Summary

<table>
<thead>
<tr>
<th>Project Name:</th>
<th>Insurance Consumer Education Kenya (ICE-Kenya)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Start Date:</td>
<td>January 2010</td>
</tr>
<tr>
<td>Duration:</td>
<td>24 months</td>
</tr>
<tr>
<td>Status:</td>
<td>Completed</td>
</tr>
<tr>
<td>Country:</td>
<td>Kenya</td>
</tr>
<tr>
<td>Product:</td>
<td>Consumer education</td>
</tr>
</tbody>
</table>
Project Updates

Key Indicators

The radio campaign was aired on Radio Citizen (1st station nationwide, in Kiswahili), iNooro FM (1st station in Central Province, in Kikuyu) from October-December 2010. Its delivery was successful as shown by the key indicators on reach, recall and satisfaction.

Reach
Total exposure (based on national radio data) – 2.1 million adults for iNooro FM and 8.3 million for Radio Citizen
93% of iNooro treatment group (created for the research) reported to hear at least one episode; 51% fewer than 7 episodes; 42% more than 7 episodes

Recall
22% of iNooro treatment group unable to recall correctly any episode
78% recalls at least one; the most common topics were property insurance, benefits and importance of insurance, claims, types of policies, and risks

Satisfaction
Most iNooro listeners satisfied, 47% very pleased, 49% pleased, none dissatisfied

Costs
US$ 137,518 for radio campaign

What is happening?

As of May 2010

The project began in Kenya with a March 2009 kickoff meeting providing an opportunity for the partners from MFO, AKI, ILO, and the radio production team to meet and discuss the project objectives. At the request of the ILO, ICE-Kenya discontinued the development of a map of the microinsurance market in Kenya. Following the meeting, AKI selected the radio station partners, and the Risk Management and Insurance curriculum was adapted to a radio campaign. At the time of the first progress report, the ICE-Kenya team was working on developing the scripts for the radio spots, interviewing experts to appear on the radio shows, and recording the program episodes. By the end of the first period, zero radio spots were produced, one script was approved, and 2 scripts were in draft form.

The second focus during the first period was on the training of the trainers (TOT). Ana Klincic Andrews and Sophie Nambi delivered a 5-day TOT based on MFO’s “Risk Management and Insurance” module in Nairobi from May 24-28. 25 trainees attended the Training of Trainers representing 17 organizations including banks, deposit taking MFIs, media, insurance companies, and the Insurance Regulatory Agency, an MFI advisory service provider and the Association of Kenya Insurers.

As of December 2010

The radio program, titled “A Friend Indeed,” was aired in October-December 2010 and comprised 13 episodes that ran weekly on iNooro FM, a Kikuyu-language station, and Radio Citizen, a Kiswahili-language station. Nearly all episodes included three elements-dramas, testimonials, and expert advice, and most included audience participation.
The storylines of the drama follow a typical family living in Kenya facing common insurable risks to ensure that listeners could relate to the content. Throughout the series, the protagonist household suffers common shocks; chooses how to allocate limited household assets; and encounters situations in which members learn the basics about household financial products, such as savings accounts.

At the onset of the project, 16 learning objectives were established for the radio campaign. The objectives were created with consideration for existing knowledge gaps in the understanding of financial products and risk management techniques among low-income households. They fall into three categories—understanding risks, managing current assets, and understanding insurance. The content of “A Friend Indeed” was specifically designed to improve scores on the 16 objectives by using the program elements to relay information based on these objectives. The quantitative survey used to collect data for this report measured baseline and endline understanding of the 16 objectives, allowing researchers to identify any changes that occurred following the airing of the radio program.

A rigorous evaluation was put in place. In order to evaluate the impact of the ICE-K radio campaign, quantitative baseline data was collected in September 2010 and quantitative and qualitative endline data was gathered in January 2011. All primary research for this evaluation was conducted with iNooro listeners in Central Province. The evaluation focused on measuring the likely outcomes of the campaign, namely changes in awareness and KSAs, which were measured immediately after exposure as indications of short- to medium-term impacts. The study assumes that behavior change is a longer-term impact and is therefore unlikely to occur immediately after an intervention such as the radio campaign. These measures, therefore, were minimally tested.

As of December 2011

The ICE-K project was successfully completed in 2011. The results of the radio campaign evaluation are reported separately in the “A Friend Indeed: Evaluation of an Insurance Education Radio Campaign in Kenya”, Microfinance Opportunities, 2011.
Staff collected primary data in three rounds of field visits. The first round, from August 16-21, 2010, focused on collecting data about partnership experiences with the TOT and preparations for the radio campaign. The next round of data collection sought lessons learned about the radio campaign after its completion, and ran from January 2-12, 2011. The final round of data collection in July, 2011 sought feedback from participants in the technical assistance component of the project.

While there were challenges in completing the project, the project partners viewed the project very positively and are actively seeking new outlets for the campaign. Positive response to the campaign suggest that there are future uses for ICE-K project materials, and more importantly, that the project could inspire other consumer insurance education efforts in East Africa and elsewhere.
Project Lessons

On developing a radio campaign for insurance consumer education

Selecting the right type of radio partner and getting their buy-in is key. The ICE-K project selected two of the most popular stations in the country, including iNooro, the most popular station in Central Province. Royal Media Services was selected for the ICE-K project because of its ability to reach more rural and low-income audiences than other leading media outlets. In interviews, executives explained that RMS targets a mass audience, rather than the "prime" audience category of upscale urban listeners. These stations also had no obvious political or religious affiliation with the potential to alienate any listener segments, nor were there any perceived affinities among the general public. Lastly, radio stations in Kenya have a very powerful negotiating position so enough time should be allotted to making sure their expectations are understood and they are involved in production process.

The content of the radio program must be carefully tailored to the tastes and experiences of the audience. Survey respondents easily identified the drama segment and expert analysis as parts of the radio program, and focus group participants appeared to appreciate the “simple” nature of the dialogue and to identify with the characters. These segments and features seemed to appeal to listeners, suggesting that the dialogue and characters were true to the actual experiences of listeners. It is important to understand the target audience when designing a radio program to ensure that it is both entertaining and relevant to their situations and problems.

A program framework is critical to ensure impactful design that is relevant for the audience. The framework for the ICE-K project was developed to include both the learning objectives from the MFO Risk Management and Insurance module curriculum and the dramatic plot and characters developed by Advertising Matters, a radio producer. It was based on market research previously conducted by MFO in East Africa on risk-management needs and preferences of low-income households. Learning objectives were based on a theory of behavior change that postulates that individuals must first acquire the knowledge necessary to understand a particular change in behavior, the skills to successfully make the change, and a positive attitude towards doing so. Only after changing his or her knowledge, skills, and attitudes (KSAs) will individuals change their behavior. Ultimately, the goal is to encourage participants to take up, use, and renew valuable insurance products. The input from Advertising Matters allowed the program framework to remain relevant to the audience. In turn, this allowed the program framework to adapt the critical learning objectives from the FE model to the Kenyan audience, making it more impactful and relevant. See more details in the program framework.

The program framework is also critical to manage the project and design evaluation. The program framework helped to keep the radio producer focused on the learning objectives and it was an excellent tool for MFO to manage expectations and deliverables. The framework also helped to design the impact evaluation design, by identifying good questions and measures and relating them to the learning objectives for the program and script content. This makes it easier to connect audience outcomes to media campaign inputs.

A program format that is novel for a given market can boost interest in a campaign and attract and retain listeners as well as help to build an insurance culture. The program format used in the ICE-K Project drew attention to the campaign and presents insurance in an entertaining and novel way through drama and testimonials, framed by the comments of the insurance expert. Other elements, such as the musical theme (played 2-3 times per day to promote the series) and the consistent drama
with same characters, helps listeners identify and relate to the program. The radio producer and broadcaster agreed that serial dramas about topics like insurance and risk management are new to the Kenyan market, and they have the potential to engage listeners and encourage them to follow the characters, and the program, over time. Scripts and the sample tune give some idea about how entertaining the campaign was.

In a truly participatory campaign, it should be easy for audience members to provide feedback. All parties recognized that campaign could have been made even more interactive if right systems were developed. One possible step is to set up a dedicated line for receipt of text messages, rather than depending on the broadcast partner to filter and aggregate messages. In the ICE-K project AKI collected texts from audience members with comments and questions about the program. Also, AKI did collected responses to a weekly quiz where the audience competed to win mobile phone airtime. A further step that AKI noted would have improved the response rate was to set up a dedicated short code, 3 digit, with a local cell company. The campaign used a full-length mobile phone number for responses and it was difficult for listeners to remember and respond. They found that short three to five digit codes are easier for listeners to remember than regular seven to ten digit codes. It may also be possible to set up a toll-free code for listeners. When they did respond, implementers could not effectively transfer the content of the messages to a more usable format, such as a word processing or spreadsheet file, to aggregate for further analysis.

Monitoring and feedback mechanism needs to be in place to be able to refine the program in real time. The evaluation that was conducted was very useful to suggest improvements. But implementers would also like to have a system to gather feedback in real time to be able to fix any possible problems during the campaign period. For example, the recording of SMS messages was important to the project because it was intended to be used to monitor the program and act as a feedback mechanism. However, little substantive feedback was registered via SMS as they were not closely tracked. The main feedback that reached AKI consisted largely of comments from insurance industry colleagues rather than low-income listeners. Furthermore, the SMS technology posed difficulties for listeners and for AKI, which had agreed to track and consolidate listener feedback. A written agreement between project partners detailing the monitoring plan should be drafted early in the project design process to enable the aggregation of comprehensive audience feedback.

Pilot testing is essential. Pilot testing is an essential step in preparing the program for final broadcast by testing the characters and plots with a representative group of listeners. Feedback from the pilot test can help the project team, and particularly the radio producer, to account for local preferences and fine-tune the program. But time must be allotted for pilot testing to be completed, and the project partner responsible for pilot testing must also be capable of conducting the testing or learn how to do so. MFO and AKI originally planned to develop feature episodes in three consecutive four-week blocks, each consisting of four short features and four long features. Each block would be pilot tested before airing. While pilot testing was planned in the project, as the first set of scripts were being developed, implementers realized that they need to skip piloting of some episodes as the approval process with radio stations is taking much more time than planned. While MFO developed the pilot test focus group guides and advised AKI on the procedures, in the end, due to time constraints, pilot testing was limited to the first set of programs.
On the impact of radio campaign on insurance and risk-management literacy of the target group

Radio is a great tool to reach masses and get target group’s attention in Kenya. By using radio - arguably the most popular electronic medium in Africa - and broadcasting in the vernacular languages of Kiswahili and Kikuyu, the campaign made insurance education accessible to millions of Kenyans for the first time in their lives. Language selection is critical to the success of a media campaign in multi-lingual countries. Language selection not only maximizes the audience, but maximizes the listeners’ interests in and understanding of the campaign, particularly among low-income and rural consumers.

**Radio campaign increased awareness and knowledge of insurance.** Five measures of consumer education were assessed, including awareness of insurance and risk management techniques, insurance literacy, insurance behavior, attitudes towards insurance, savings and risk management, and trust (both generally and of insurance companies, specifically). Of these five measures, the radio campaign had largest impact on the general scores of listeners, on listener awareness of insurance terms and products, and on listener knowledge of insurance terms and policies. Listeners scored 18.6 per cent higher on measures of awareness and 8 per cent higher on measures of knowledge than non-listeners. The findings imply that simple exposure to insurance terms and risk management techniques through the radio program was sufficient to increase awareness and knowledge of insurance. Under the theory of financial education behavior change, improving awareness and knowledge of insurance terms and products is a first step in moving consumers towards changes in attitudes, increased skills, and, eventually, behavior change. Thus, the evaluation found that these improvements in listeners’ overall awareness of insurance and risk management and knowledge of insurance terms and products indicate that radio is an effective tool to encourage financial behavior change. Listeners may need repeated exposure and prolonged time periods to advance along the continuum, however. See more on the results in the evaluation report.

Radio has limitations in addressing distrust or changing negative attitudes about insurance. The lack of change in positive attitudes towards insurance and trust of insurance companies may be related to the context in which participants normally encounter insurance. Lack of trust of insurance companies tends to be tied to negative experiences with insurance and a lack of understanding of how insurance works. In focus groups, listeners recounted that stories of negative experiences tend to be passed through social networks, spreading mistrust of insurance companies. The exposure that listeners received to positive messages about insurance and insurance companies may not be sufficient in duration and length to counteract personal experiences or word-of-mouth.

Radio is an effective tool for encouraging behavioral change, but listeners may require repeated, more prolonged exposure to change their behavior. The knowledge effect, even if significant, is still relatively low (compared to some evaluations of other educational channels such as classroom-based workshops) that hints that reminder programs need to be run or radio needs to be integrated with other educational channels.

**On the cost-effectiveness of the radio campaign**

Radio allows to raise awareness and contribute to some knowledge improvements in a cost-effective way. A cost-effectiveness analysis of the ICE-K project was conducted to assess the level of resources required to achieve the reported changes in listeners’ insurance literacy levels. The cost-effectiveness was calculated as the cost to achieve a 1% increase in the outcome of interest among the radio listener
Audience. The analysis found that the cost to raise the radio campaign audience’s insurance awareness scores by 1 per cent was US$ 7,238, the cost to raise the audiences’ insurance knowledge scores by 1 per cent was US$ 17,190 and the cost to raise the combined awareness and knowledge scores by 1 per cent was US$ 10,187. The cost per listener was also calculated as another measure of program efficiency. This ratio, calculated based on the analysis of the budget and listenership estimates, ranged from US$0.01 to US$0.08 depending on assumptions about the audience size and which components of the ICE-K project were included in the cost estimates. To sum it up, this suggests that it costs less than US$ 0.5 to increase awareness and knowledge of one listener. See more on the cost-effectiveness analysis in the evaluation report.

There might be a case for an insurance association to pool resources from its members to run consumer education campaigns at the national level. Building on the above cost-effectiveness calculations and assuming a conversion rate of 2 per cent among those who were aware or became aware as the effect of the program, one can speculate that a radio campaign of similar type as the one in Kenya can create a pool of approximately 84,000 new customers for microinsurance products. This means a cost of US$1.1 - US$2.3 per attracting one new customer. Given that average annual premiums range from US$10 - US$25 and the ‘free rider’ effect, it might be difficult for one insurer to justify the involvement in such an education campaign. But if those assumptions hold then there might be a case for an insurance association to pool resources from its members and run radio education campaigns at the national level, especially when costs are trimmed. Other benefits include improving image of the insurance industry as a whole.

On integrating educational messages into marketing materials

It is possible to integrate education messages in the marketing materials. MFO has worked with Faulu, CIC and Britak to integrate some educational messages in their marketing materials. Testing effectiveness of such tools goes beyond the scope of the project so those materials should be rather taken as illustrative materials to inspire other practitioners in the field. Potentially, they can support other more costly education interventions such as radio campaigns or workshops.