Lagos Business School

Customer-Centred Design Toolkit

01 PREPARE

LAGOS BUSINESS SCHOOL PAN-ATLANTIC UNIVERSITY

SUSTAINABLE + INCLUSIVE DIGITAL FINANCIAL SERVICES

In collaboration with:

Dalberg

Lagos Business School

Customer-Centred Design Toolkit

The Sustainable and Inclusive Digital Financial Services (SIDFS) initiative of the Lagos Business School, supported by the Bill and Melinda Gates Foundation, engages in research and advocacy projects with the vision to create an inclusive ecosystem for financial services. The initiative seeks to catalyse the financial services landscape by enhancing the evidence base for financial inclusion as well as ecosystem capacity to build sustainable solutions to Nigeria's financial inclusion challenges.

The overwhelming acceptance and acclaim of our annual State of the Market Report (SoMR) has encouraged us to continue to highlight and proffer evidence-based thought leadership to the financial service community. Now we want to move from research to outcomes.The SIDFS team has established a **Prototyping Lab** with the mandate of supporting financial service providers (FSPs) to bring innovative products and services to currently underserved segments. **Through the lab, we hope to expand our role by supporting FSPs to design, test, and launch new solutions to the market for previously untapped customer segments.** This toolkit is part of the lab, and introduces a customer-centered design process that will support FSPs to design innovative and commercially viable products and services that satisfies the needs, motivations, and aspirations of your customers.

We are looking forward to learning from your experience using this toolkit. To share your thoughts and feedback with us, and discuss ways the lab can partner with your team directly, write to sustainabledfs@lbs.edu.ng

Enjoy!

LAGOS BUSINESS SCHOOL
PAN-ATLANTIC UNIVERSITY

In collaboration with:

Dalberg

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Introduction

What is Customer-Centred Design?

Customer-Centred design is a creative problem solving process that starts with your customers, placing their needs at the centre of financial service offerings.

LEARN MORE ⇒
Learn how design can improve business performance

Customer-Centred Design can support financial service providers (FSPs) to develop informed, compelling, and innovative solutions. Customer-Centred Design can be applied to the development of **products, services, processes, messaging, and digital experiences**. It can link each of these elements into a cohesive and meaningful **customer experience**, which is particularly important in the provision of financial services.

Customer-Centred Design is an agile, problem solving process that focuses on **engaging people early on and collaboratively testing solutions with them** every step of the way. Design seeks to rapidly move from insights to action by translating learning into concepts that can be tested, adapted, and improved directly with your customers. The goal is to create solutions that satisfy people's needs, motivations, and aspirations and contribute to key business metrics around customer acquisition, engagement, and retention.

> ***"For a banker, it is just a transaction, but [to customers] it is much more than that. The customer context is something that a design process can bring out. We need to move away from the arrogance that we [bankers] know what the market needs"***
>
> -Head of Retail Banking, Nigerian Bank

How Customer-Centred Design reduces business risk

Through design, FSPs "get it right" faster, reducing overall development time while preserving customer trust.

CHALLENGE

Many FSPs launch products and services to the market after relatively limited customer testing. Teams often make decisions based on their observations of market trends and perceived customer needs, but without directly interacting with their customers or understanding their behaviour. This "launch fast and fix" approach often results in high development (and re-development) costs, low levels of consumer uptake, and may even result in reputational risk as **failed products can irreparably damage consumer trust**.

BENEFITS

Customer-Centred Design **reduces development, long term customer support costs and wasted development time** by bringing customers into the design process early. **Low cost prototyping** is at the heart of the proposed Customer-Centred Design process, helping project teams to continually test and refine their offerings with customers before committing to the full costs of taking a solution to market.

Ways that Customer-Centred Design can reduce business risk:

REDUCE RISK

Reducing overall development time
Reducing wasted development time
Improving the time to getting the product right
Reducing training needed
Reducing customer support costs

UPDATED

/Introduction

The Customer-Centred Design Process

This process is not linear and will evolve as teams learn more about their customers, the market, and their internal capabilities and priorities. The three design phases that your team should move through to develop informed, compelling, and innovative products are: **Prepare, Prototype, and Pilot.**

Prepare
(3 days)

During this phase, your team will identify the opportunity space and target customer group and gain a preliminary understanding of customers and the market.

OUTPUTS

By the end of this phase, your team will have **defined a target customer group and developed a series of opportunities, concepts, hypotheses, and assumptions** that they will test with customers in the next phase.

⇒ACTIVITIES

Prototype
(28 days)

This is the most dynamic and iterative phase of the design process. During this phase, your team will build a deeper understanding of customers' contexts, needs, behaviours, and motivations. The team will also test concepts and prototypes at increasing levels of fidelity, incorporating feedback and insights for prototype refinement and engagement strategy development.

OUTPUTS

By the end of this phase, your team will have a clear **understanding of their priority customer groups and tested and refined working prototypes, key features, benefits, distribution channels, messaging, and positioning strategies.**

⇒ACTIVITIES

Pilot
(3 -18 months)

During this phase, your team will prioritise features and develop a product roadmap. Your team will launch a minimum viable product (MVP[1]) to high priority customers, measuring and tracking performance indicators and customer feedback, synthesising insights, and course correcting where needed.

OUTPUTS

By the end of this phase, your team will have **piloted and launched an MVP to market, and aligned on a strategy for gathering customer feedback and evolving the offering** to meet any changing needs in the market.

⇒ACTIVITIES

***1.** Minimum viable product (MVP): An MVP is a basic version of a product or a service that has the minimum feature set necessary to satisfy early adopters. While an MVP is an actual product, its primary purpose is to gather feedback from customers before investing in developing features or benefits that may not create value in the market.*

/Introduction

How Customer-Centred Design improves business performance

Design enables FSPs to acquire new customers, retain existing customers, and expand product and service provision.

CHALLENGE

In the last 10 years, new regulations have opened up opportunities for **innovation**, and digital and physical infrastructure developments have led to an increase in **digital financial services and distributed (agent-led) banking systems**. As a result, banks are beginning to create products and services for **new groups of customers** they have not previously served and are not understood well.

BENEFITS

Customer-Centred Design can enable FSPs to understand these new customer groups, providing them with **a competitive advantage** as they bring new products and services to market. This competitive advantage is particularly important in a financial sector such as Nigeria's, where FSPs often reproduce the solutions they see from others in the sector. Developing financial products and services that are deeply grounded in the needs, aspirations, and contextual realities of their customers will support FSPs to **acquire, retain, and expand** product and service provision to new customer groups.

Ways that Customer-Centred Design can improve business performance:

ACQUISITION

Entering new markets
Understanding who to target
Launching new products and services
Acquiring customers or extending base to new segments
Incentivising referrals

RETENTION

Solving customer challenges
Increasing uptake and adoption of products and services
Increasing awareness
Reducing dormancy
Empowering customers

EXPANSION

Increasing up-sell and cross-sell
Increasing engagement
Increasing customer value and loyalty
Reducing cost to serve
Increasing customer lifetime value

/Introduction

Behavioural Thinking as Part of Customer-Centred Design

Behavioural thinking enables FSPs to achieve a deeper understanding of customer behaviour and create products and services that are more likely to be used.

CHALLENGE

Many companies (and the people within those companies) think that if you build a product or service that provides benefits to people, especially if those benefits outweigh and costs, people will use it. This type of thinking has led to product failures in all industries because when you make that assumption, you narrow your potential set of solutions. When you assume that people will weigh costs and benefits and always act when the benefits are greater, you do not account for the fact that people give more weight to benefits they receive in the present or near future compared to future benefits. People also tend to overweight present costs compared to future benefits, which is one reason why despite most people knowing the long-term benefits of exercise and good nutrition to their health, people still tend to eat junk food and not exercise enough.

BENEFITS

Behavioural Science acknowledges that **people do not always think or act in their "best self-interests" and focuses on how humans really think and act.** Behavioural science calls the reasons why people do not act in their "best self-interests" cognitive and behavioural biases. Cognitive biases affect how people make decisions, while behavioural biases tend to create a gap between intention and action. One bias, called present bias, is why people eat junk food or do not exercise enough, and it is also one reason why people do not save as much money as they hope.

Despite being named "biases", they are not good or bad, they are simply how human brains think. Status quo bias makes it easy for us to develop routines, but in certain situations it can make it mentally harder to switch to a better option.

ADDITION

/Example

A common goal of many banks is to expand their customer base. One bank did just that, increasing their number of accounts by 34,000 in only 15 months. However, the account set-up process for customers was **not informed by behavioural thinking and 58% of accounts never received an initial deposit and were never accessed again**.

This toolkit will work you through how to consider behavioural thinking so your company can meet its goals, whether it is expanding your customer base, increasing customer engagements, or another metric.

To learn more about this example see ***Case Studies Resource***.

PRO TIP

"Best self-interests"

If you're trained in economics, you might remember the common assumption that people act "rationally", weighing costs and benefits and making unbiased decisions before acting. A person acting in their "best self-interests" is how to describe acting "rationally" in non-economic terms.

/Introduction

Behavioural Thinking as Part of Customer-Centred Design

FSPs will benefit from applied behavioural science in two ways – deeper understanding of customer behaviour and improved product and service design.

CHALLENGES

A common way for an FSP to want to improve profit is to expand its customer base, as mentioned in the example on the previous page. However, when an FSP does not consider behavioural thinking, they tend to consider limited solutions such as: more marketing to make sure that customers know about their offerings, decreasing costs associated with their product (like lower fees), or trying to increase benefits (like a higher rate on savings). These solutions, focused on a general outcome, rarely address the true behavioural barriers for customers.

BENEFITS

An FSP that uses behavioural thinking will first translate its desired outcome to a customer behaviour: set up accounts and deposit initial funds. Then it will investigate the barriers that customers face to doing that. For example, hassles from set-up paperwork may result in people not finishing set-up; tunnelling or focusing on keeping their business functioning may mean an entrepreneur does not have enough brainpower during a specific moment to choose which account would work best for them; or an individual might feel that people like them do not have formal bank accounts. Continuing with the behavioural thinking process, the FSP would then use design-focused techniques and develop solutions that overcome the barriers. For example, a list of the information needed for set-up before people start may make it more likely people finish set-up, a decision tree to select the account type may make it mentally easier for an entrepreneur, or providing social comparison data may make individuals more comfortable setting up an account.

Considering specific behaviours instead of general outcomes and focusing on solutions [illegible]ose behaviours allows an FSP to develop tailored products.

ADDITION

/A note on terms

Behavioural Design Steps

Cognitive and behavioural biases get in the way of people acting in their own best self-interests. In the example discussed on the left, the biases of hassles, tunnelling, and stereotype threat meant an individual didn't set up their new account. FSPs will learn how to identify numerous biases to improve their understanding of customer behaviour during the Prepare phase.

Design-focused techniques based on behavioural science make it easier and more likely that people will act in their own best self-interests. These techniques are sometimes called 'nudges', small and low-cost adjustments to products and services that influence behaviour. In the example discussion on the left, the techniques of simplification, salience, and social proof address the barriers. FSPs will learn how to apply techniques like these to improve product design during the Prototype phase.

/Introduction

The Preparing Process

PREPARE
3 Days

PROTOTYPE
28 days

PILOT
3 -18 Months

Defining the opportunity
(Opportunity brief template)

Identifying priority customer segments
(The Human Account data analysis and The Human Account key variables checklist)

Surfacing hypotheses and assumptions
(Data capture template, Hypotheses and assumptions checklist)

Conducting secondary research
(LBS customer analysis brief, LBS competitor analysis brief, LBS policy study)

Brainstorming ideas
(Set up your team for success - Brainstorming rules)

Developing concepts
(Concept canvas template)

/Introduction

Why focus on prototyping?

Prototyping supports teams to test, learn, and iterate on proposed ideas with customers quickly and cheaply.

Prototyping is a **structured way to check that you have a *desirable, feasible, and viable* product, service, or marketing and messaging strategy before rolling it out or making a significant investment** in its development. Prototypes can take many forms; the only shared characteristic is that prototypes are **all tangible forms of a team's ideas**.

Prototyping helps teams to **learn, iterate, and move forward quickly,** and therefore is an incredibly impactful part of the Customer Centred Design process, with a high return on investment (ROI).

IBM's adoption of prototyping resulted in:

2x
speed to market

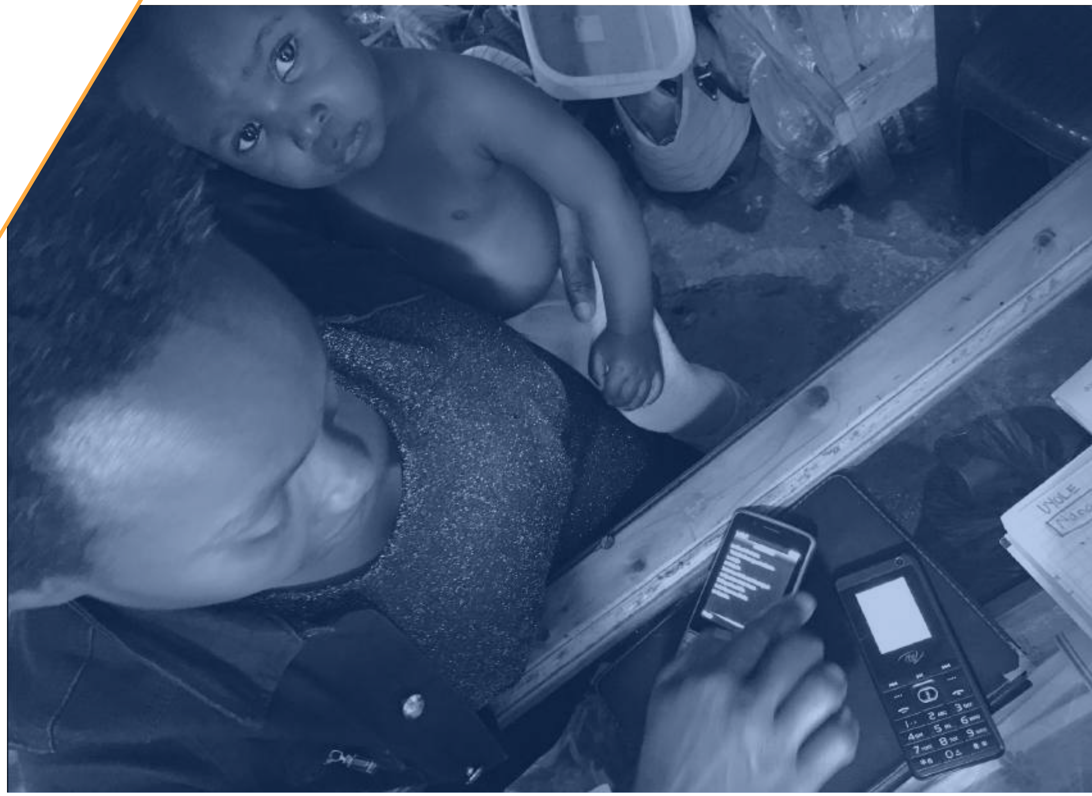
33%
reduction in design time

75%
reduction in development time

300%
increase in return on investment

/Source
2019 Forrester Total Economic Impact Study

LEARN MORE ⇒
Learn more about prototyping and the design process



/Picture source. *The Human Account Nigeria*

/Introduction

How to use this toolkit

This toolkit is a dynamic resource, helping your team to both learn about and, practice design. Use the following signposts to help you:

Structure. This toolkit is structured in three parts. Each part uses a different color: Dark blue for Phase 1 - Prepare, Cyan for Phase 2 - Prototype, and Purple for Phase 3 - pilot.

Examples. To make sure you understand what each activity should result in, follow the eye icon to read examples of the activities in practice.

" ... "

Quotes. Learn from people in the sector who have followed a customer-centric approach and hear from customers. Find quotes throughout the toolkit to illuminate other stakeholders' experiences.

LEARN MORE ⇒

Learn more. Throughout this toolkit, you will find highlighted resources that will complement the theoretical content. Follow the "learn more" buttons to access additional content (e.g., market analysis)

ACTIVITIES ⇒

Activities. Throughout this toolkit, you will find a series of activities that will help you put the theory into practice. This icon highlights hyperlinks to activities.

Link

Links. Throughout this toolkit, you will find different resources that will complement and facilitate your understanding of the content and the development of activities. Follow the underscored words in cyan to access these.

/Resource

Resource pages. Throughout this toolkit, you will find special pages for extra resources that will facilitate the development of activities. Read and print the resources when working in teams. Resources are reading material, not working files.

/Download worksheet

Downloadable files. Activities are enhanced by templates that will guide your team through the step by step processes. This button will take you to downloadable, editable and printable resources.

/A note on...

Notes. Special things to keep in mind when developing an activity or using a tool can be found on the far right of the page over a grey background. Read these to enhance your work.

PRO TIP

Tips. Some activities will provide you with tips on how to expand your thinking and reach when engaging with the customer centricity process.

Customer Centred Design for emerging segments: Using designing for Nigerian women as an example

The Customer Centred design process **can be applied to design for any customer group,** however, to ensure that the activities, tools, and resources are actionable, the toolkit is oriented around a practical example: designing a financial product for Nigerian women. Because **women are not a homogenous group**, and it is impossible to design a product that appeals to all women, the toolkit will take your team through the steps required to identify high priority segments for your products and services. **Teams can use the customer centered design process in this toolkit to design for any segment or market.** The toolkit uses Nigerian women as an example for the following reasons:

1. While **women make up half of the Nigeria population, they continue to be the most financially excluded population sub-group.** 46.6% of women are unbanked and 19.5% of women are underbanked, creating a potentially untapped market of approximately 33 million women over the age of 15[1].

2. Globally women control over US$20 trillion of total consumer spending and **make or influence 80% of buying decisions** [2].

3. Bridging the gender gap in financial inclusion is a **national priority,** and one of the focuses of Nigeria's revised National Financial Inclusion Strategy (NFIS 2.0)[3]

4. This case study draws on The Human Account data (described below). The Human Account is one of the first, nationally representative data sources available that helps FSPs to understand the unique characteristics of women, and **identify opportunities for commercially viable financial products that may suit them.**

The Human Account is a dataset developed by Dalberg in partnership with Lagos Business School (LBS) in 2018. With over 600,000 data points, The Human Account provides a more realistic and actionable understanding of people's financial lives in Nigeria. This toolkit incorporates data, qualitative insights, and human stories from The Human Account.

Picture source. *The Human Account Nigeria*
1. *Lagos Business School and Efina*
2. *Dalberg analysis*
3. *The Central Bank of Nigeria, National Financial Inclusion Strategy report*

LEARN MORE ⇒
Visit The Human Account Nigeria website

"Yes, I am ready as a woman to work hard, and so I am very confident with handling my money..."

-Fatimoh (45), Ebutta Metta, Lagos

/Phase 1

Prepare

During this phase, the team will identify the opportunity space and gain a preliminary understanding of users and the market through secondary research.

By the end of this phase, the team will have defined a target user group and developed a series of opportunities, ideas, hypotheses, and assumptions that they will test with users in the next phase.

Intro / Prepare

⇒ACTIVITIES

Innovation occurs at the point where customer desirability meets business feasibility and market viability. The "prepare" phase will set your team up to explore opportunities and challenges through these three lenses.

The starting point could be: **1)** Challenges with an existing product, service, channel, strategy, etc. **2)** Opportunities to enhance an existing product, service, channel, target segment, etc., and **3)** Opportunities to build new products, channels, and expand to new segments, etc.

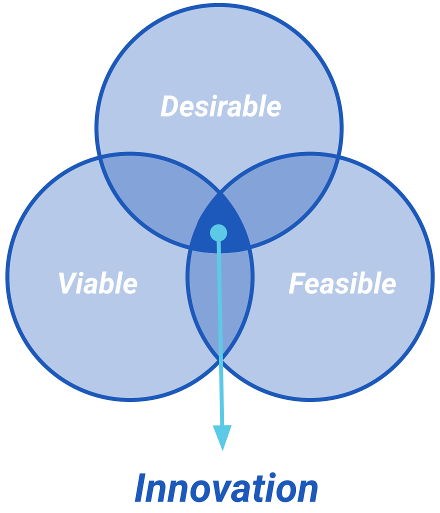
FSPs can understand and frame opportunities and challenges from three key lenses:

1. Market conditions and trends, including risk (**viability**).

2. Organisational strategy and capability (**feasibility**).

3. Customer needs motivations and aspirations (**desirability**).

Often, FSPs heavily consider the first two lenses but neglect the customer view of the opportunity and challenge. The customer lens is given greater emphasis in this toolkit.



Defining the opportunity

Opportunity brief worksheet

01

1/ Defining the Opportunity

Clearly define the opportunity you will pursue and tie to your strategy

Your team will start by defining an actionable problem statement or question to explore further. Design teams prefer to use "how might we" questions.

These types of questions will ensure that your team remains open to a range of possible answers. **The opportunity statement should be tied to your strategic priorities,** and may involve:

1. Addressing a challenge with an existing product, service, channel, strategy, etc.
2. Exploring an opportunity to enhance an existing product, service, channel, target customer group, etc.
3. Exploring an opportunity to build new products, channels, and expand to a new customer groups, etc.

/Example

"How might we facilitate female smallholders depositing funds into a new account so that we increase our customer base?" or
"How might we facilitate female entrepreneurs depositing funds into a new account so that we increase our revenue?"

Opportunity brief

View [example opportunity brief]

/A note on teams

Diversity in skills and perspectives

Product design is a group effort. Interdisciplinary teams that bring together members from different departments tend to create more ***feasible solutions***. These teams take into account organisational and product development opportunities and constraints during design while opening up unexpected pathways for prototyping and testing across functions like customer support.

Teams that are diverse in terms of gender, educational, and socio-economic backgrounds, etc. tend to create more ***desirable solutions***, as these teams can introduce some of the perspectives and experiences found in the target market. Project managers or team leaders should try to bring together teams that combine diverse skills and diverse perspectives.

According to Harvard Business Review, companies with diverse management teams have 19% higher revenues due to innovation.

UPDATED

Step by step: Define your “How might we” question to inspire ideation

ACTIVITIES ⇒
Use the *Opportunity Brief Template* to document your thinking.

BEFORE

1. Understand internal priorities: Develop a list of internal priorities, including **A)** challenges with existing products, services, channels, strategies, etc. **B)** opportunities to enhance an existing product, service, channel, target customer group, etc., or **C)** unexplored opportunities to build new products, channels, and expand to new customer group, etc.

DURING

2. Define the target customer: For the most compelling priorities, identify the outcome that you hope to achieve. identify the target customer group for each opportunity. This may be the full population (e.g., women) or a sub-group within that population (e.g., urban women).

3. Consider behaviour: **A)** Ask “What do customers need to do so my company achieves its desired outcome?” Think of the final step you want them to do, not just a step along the process. For example, if you want to expand your customer base, new customers would need to deposit funds into their accounts, not just set up a new account. **B)** Also think of some initial pain points or challenges that customers might have doing that behaviour. What makes (or would make) it hard for your customer to do that?

4. Create your “how might we” question: Using target customers, their behaviour, and your outcome for the internal priorities you selected, develop “how might we question” using the format:

“How might we facilitate (target customer group) (required behaviour) so that we (achieve the desired outcome).”

You will likely have to try 5-6 different ways of wording this statement to get to final version that captures each opportunity clearly.

AFTER

5. Sense check: Use the three lenses to check that your opportunity is worth pursuing:

A. Viability: Identify whether current market conditions and trends support the opportunity. Is there is a gap in the market for such an opportunity?

B. Feasibility: Determine whether pursuing the opportunity is internally feasible. Does it fit with your strategy and capabilities? Is it supported by existing technology and infrastructure?

C. Desirability: Define the specific customer need(s) that will be addressed for your target segment/subsegment. Will it have a high level of appeal and desirability based on your customer data?

Participants
Product development team, executive team, compliance and risk management team, user experience designers

PRO TIP

Defining behaviours
How do you know if something is a behaviour? It should be: **(1) observable, (2) measurable, and (3) repeatable.**

Common mistakes with identifying behaviours are:

(1) Thinking that creating awareness for a product is a behaviour. Creating awareness is not a behaviour, it is knowledge. A lack of awareness or a lack of knowledge about a product may be a barrier to an individual doing a behaviour, such as opening an account.

(2) Confusing data indicators with behaviours, for example thinking that increasing the number of clients is a behaviour (it is a data indicator). The behaviour is a client signing up for or purchasing products and services. When people do that behaviour it is measurable so you can count your clients, and see if there has been an increase.

UPDATED

Opportunity Brief
Worksheet

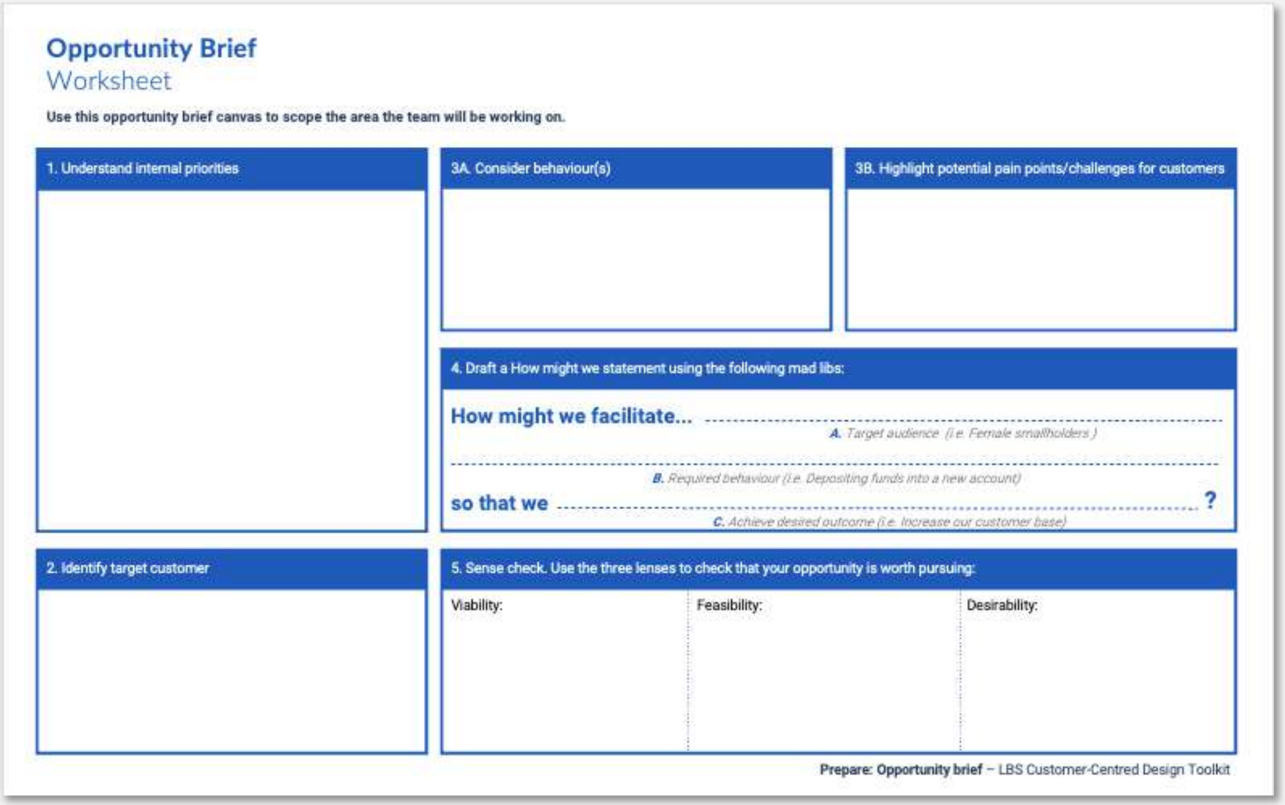
The opportunity brief is a written document that defines the business challenge, the internal priority it aims to address, the desired impact, proposed target users, and the behaviour(s) they need to do for a business to meet its desired goals. It translates that information into a "How might we" opportunity statement. Your team will continue to refer to the opportunity brief to ensure you remain focused on your overall objective and achieve your desired impact.

Difficulty level
Easy

Time
1 hour

Supplies
Opportunity brief worksheet, pens

Participants
Product development team, executive team, compliance and risk management team, user experience designers


Opportunity Brief
Worksheet

Use this opportunity brief canvas to scope the area the team will be working on.

1. Understand internal priorities

3A. Consider behaviour(s)

3B. Highlight potential pain points/challenges for customers

4. Draft a How might we statement using the following mad libs:

How might we facilitate... ....
A. Target audience (i.e. Female smallholders)
....
B. Required behaviour (i.e. Depositing funds into a new account)
so that we .... ?
C. Achieve desired outcome (i.e. Increase our customer base)

2. Identify target customer

5. Sense check. Use the three lenses to check that your opportunity is worth pursuing:

Viability:

Feasibility:

Desirability:

Prepare: Opportunity brief – LBS Customer-Centred Design Toolkit

/Download worksheet

UPDATED

Opportunity Brief
Worksheet

Use this opportunity brief canvas to scope the area the team will be working on.

1. Understand internal priorities

3A. Consider behaviour(s)

3B. Highlight potential pain points/challenges for customers

4. Draft a How might we statement using the following mad libs:

How might we facilitate... --

A. *Target audience (i.e. Female smallholders)*

B. *Required behaviour (i.e. Depositing funds into a new account)*

so that we -- **?**

C. *Achieve desired outcome (i.e. Increase our customer base)*

2. Identify target customer

5. Sense check. Use the three lenses to check that your opportunity is worth pursuing:

Viability:

Feasibility:

Desirability:

UPDATED

Opportunity Brief
Worksheet

Use this opportunity brief canvas to scope the area the team will be working on.

1. Understand internal priorities

Increase retail banking revenue, increase retail banking customer base, expand services to women

3A. Consider behaviour(s)

deposit funds into new account

3B. Highlight potential pain points/challenges for customers

may never have used formal banking before, may be unfamiliar with specific company

4. Draft a How might we statement using the following mad libs:

How might we facilitate... women

A. Target audience (i.e. Female smallholders)

depositing funds into new accounts

B. Required behaviour (i.e. Depositing funds into a new account)

so that we increase our customer base **?**

C. Achieve desired outcome (i.e. Increase our customer base)

2. Identify target customer

5. Sense check. Use the three lenses to check that your opportunity is worth pursuing:

Viability:

46.6% of women are unbanked, and 19.5% of women are underbanked, creating a potentially untapped market of approximately 33 million women over the age of 151

Feasibility:

New digital channels reduce the cost of customer acquisition, which makes it feasible to target emerging customer groups, including women.

Desirability:

Nigerian women would be interested in financial services, including payment, savings, and credit products to manage their households and invest in education and businesses.

UPDATED

Identifying priority customer segments

Customer segmentation
The Human Account Key Variables Checklist

02

2/ Identifying priority customer segments

Identify the specific customers segments you will target with your opportunity

Nigerian FSPs have traditionally designed retail products and services to appeal to the mass market. While this approach has shown some success to date, an increasingly competitive FSP landscape is now requiring teams to think differently, to **capture new market segments**.

In terms of financial inclusion priorities; women, youth, and rural Nigerians all present opportunities for FSPs to acquire new customers. However, not all members of these groups can or should be priority customers for FSPs. **Customer segmentation** helps FSPs explore these target population groups more closely, to **identify high priority customer segments for new and existing products and services**.

Customer segmentation divides and clusters the population into non-overlapping groups, where each group **shares characteristics that distinguish it from other groups.**

The Human Account is an incredibly rich customer segmentation dataset, clustering groups using **demographics** (geography, gender, education, digital literacy, mobile phone ownership, etc.), **behaviours** (formal financial service use, use of specific services including payments, savings, credit, etc.) and **psychometrics** (trust in, institutions, dependability, risk aversion etc.). This approach provides Nigerian FSPs with an understanding of each segment's financial lives, and actionable data to inform **product, service, and engagement strategy design.**

> ***"A lot of financial institutions don't have the desire or the wherewithal to go deep into that bottom-of-the-pyramid segment because they don't know if it will pay off in the end, [this data] will open market opportunities.."***

-Renee Karibi-Whyte, Rockefeller Philanthropy Advisors

/A note on segmentation
Bottom-up statistical clustering

Traditionally, FSPs have categorised groups by basic demographic variables and top-down approaches to create population subgroups, for example, youth, rural people, women, etc. However, statistical segmentation methods use bottom-up approaches to determine segment boundaries, recognising that these **simple demographic variables do not exclusively drive customer preferences.**

For example, in The Human Account data the segment called "Traditional Believers" has a high concentration of rural women, but also some urban women, and both urban and rural men because those respondents have statistically similar demographic, behavioural and psychometric characteristics as those rural women. This type of segmentation respects the differences within population sub-groups (for example, women, youth, rural people). It can provide FSP design teams with more realistic and actionable data and customer profiles.

–
Participants
Data analytics team, product development team

/Picture source. *The Human Account Nigeria*

2/ Identifying priority customer segments

Step by step: Use The Human Account to identify segments that match your opportunity

BEFORE

1. Review the *opportunity brief*: Take 5-10 minutes to review the opportunity brief to ensure the team has a shared understanding of the opportunity statement and desired outcome.

DURING

2. Customer segmentation through the Human Account: Explore the data to understand your customer's demographics, behaviours, and psychometrics, to uncover high priority customer segments, what products and services may suit them, and what engagement strategies may resonate with them:.

A. Explore the 6 The Human Account *segments:* Read the profiles and segment overviews, watch the videos, and explore the design opportunities to understand the demographic, behavioural, and psychometric characteristics of each segment. Reflect on ways your team could use this data to refine your opportunity statement.

B. Use the *simplified dataset* to explore differences between your group and the Nigerian population: Create pivot tables to compare your group of interest (women) against the remainder of the Nigerian population. Use the ***variables checklist*** to and the ***The Human Account questionnaire*** to ensure you are exploring the key variables of interest. Isolate demographic, behavioural, and psychometric differences that may be relevant to your opportunity.

C. Explore your group's representation in the 6 Human Account segments: Using the simplified dataset, create pivot tables to explore the size of each group of interest (women) through their representation in the existing Human Account segments.

D. Use the *scoring model* to identify high priority segments that match your opportunity and extract insights that may inform design: Use this ***step by step guide*** to complete the model for your target customer subgroup. Then explore the demographic, behavioural, and psychometric variables for the group within each segment to understand how your sub-group (women) influences the high priority segments.

AFTER

3. Continue to revisit your target market selection: Continue to revisit the segmentation data to extract additional insights about the highest priority customer segments for your solution.

LEARN MORE ⇒
Use the scoring model to identify opportunities for your sub-group

LEARN MORE ⇒
Read existing analysis for the mass market segments, women and farmers

/Example*

2. Customer segmentation through The Human Account:

A. Explore the 6 segments. "Digital Youth", "Resilient Savers", and "Confident Optimists" are all segments of interest as they are more urban and therefore, would be easier for our FSP to serve. They are typically wage earners or self-employed and have some level of digital literacy. All 3 segments demonstrate high savings frequencies indicating the potential for a *savings product.*

B. Differences between women and Nigerian population: Nigerian women have similar savings frequencies to the rest of the Nigerian population. 29.6% save weekly (30.1% Nigeria average)

C. Representation in the 6 Human Account segments: 56% of "Confident Optimists" are women, representing an addressable market size of 8.3 million women in Nigeria.

D. Identify segments that match your opportunity: If creating a saving product geared towards women, 'Confident Optimists' could be a high priority customer group. These women tend to be formally employed or self-employed, are within middle to high socio-economic quintiles, have low income volatility and have the power to make financial decisions. Confident Optimists exhibit high savings deliberateness and prioritise saving frequently in banks.

**This example is highly condensed and provides a brief overview of the types of data The Human Account can surface that FSPs can use to inform product, service, and engagement strategy design.*

The Human Account Key Variables Checklist

ACTIVITIES ⇒
Create pivot tables using the simplified data set to explore these characteristics

The following is a non-exhaustive list of the key variables in The Human Account data. Use this together with the simplified dataset to create pivot tables and explore you segments or sub-groups of interest.

✔ **DEMOGRAPHICS**
- Socioeconomic status (% SES 1-3)
- Gender (% women)
- Age (% 18-34)
- Location (% rural)
- Marital Status (% married)
- Household head (% HH head)
- Education (% secondary and tertiary)
- Decision maker (% primary decision maker)
- High income volatility (% disagree or strongly disagree they earned about the same each week)
- Formal account ownership (% with account)
- Basic phone ownership (% with personal phone)
- Smartphone ownership (% with personal phone)
- Digital literacy (% low or lowest)
- Reliable phone network (% have reliable network)
- Land ownership (% who own land)
- Vehicle ownership (% who own a vehicle)

BEHAVIOURS
- Mobile phone frequency (% at least once per day)
- Savings any channel (% who have saved monthly or more)
- Borrowing any channel (% who have borrowed monthly or more)
- Formal account transfer frequency (% at least once per month)
- Formal account receive funds frequency (% at least once per month)
- Formal account savings frequency (% at least once per month)
- Formal account borrow frequency (% at least once per month)
- Informal savings participation (% participate)

✔
- Informal savings frequency (% at least once per month)
- Informal borrowing frequency (% at least once per month)
- Friends and family savings frequency (% at least once per month)
- Friends and family borrowing frequency (% at least once per month)
- Able to cover expenses (% agree or strongly agree)
- Able to rely on family, friends, and neighbours for school fees and to invest in business (% agree or strongly agree)
- Ability to overcome emergencies (% possible or very possible)
- Plan for expenses (% agree or strongly agree)

PSYCHOMETRICS
- Believe financial services are complex (% agree or strongly agree)
- Locus of control (% high or highest)
- Self esteem (% high or highest)
- Self efficacy (% high or highest)
- Debt orientation (% high or highest)
- Dependability (% high or highest)
- Impulsivity (% high or highest)
- Openness (% high or highest)
- Trust in people (% high or highest)
- Conscientiousness (% high or highest)
- Trust in banks (% high or highest)
- Risk averse (% risk averse)
- Loss averse (% loss averse)
- Safety of savings (% high or highest)
- Earn enough to save (% agree or strongly agree)

Surfacing hypotheses and assumptions

Data capture template
Journey mapping template
Customers' behavioural biases
Data collection methods resource
Hypotheses and assumptions questions checklist

03

UPDATED

3/ Surfacing hypotheses and assumptions

Share hypotheses and assumptions to test with customers

Nigerian FSPs generally design products and services based on their hypotheses and assumptions. **Design teams use hypotheses and assumptions as the foundation for their research** and a tool to keep the team on track. A **hypothesis or assumption is never taken as true until it has been tested with customers.**

FSPs can confidently bring a product, service, or engagement strategy to market once all hypotheses and assumptions have been tested, and product concepts have been refined and prototyped. If teams use this process, they can be confident their solution is based on sound evidence.

There are four areas where teams should test hypotheses and assumptions:

1. Customers – particularly their needs, pain points, behaviors, strategies, psychological states and preferences

2. Products and services – relating to value propositions, use cases, core features, effective channels, marketing strategies, messaging, branding, etc.

3. Internal/business dynamics – concerning the technical and human capabilities, priorities, and strategies of the FSP

4. Market dynamics – considering the past, present, and future trends and market conditions

"We think we understand our customers, but I don't think it is right. The team tries to think about themselves and their parents, siblings, even grandparents when they design."

-Digital Financial Service Team Leader, Nigerian Telco

Participants
Product development team, compliance and risk management team, software development team, data analytics team, marketing team, user experience designers

/Picture source. *The Human Account Nigeria*

Behavioural hypotheses

The introduction discussed behavioural thinking and how it is a key element of customer-centric design. Now teams will utilise the behaviour(s) identified in the Opportunity brief and create an initial Journey Map to dive deeper into how customers think and act.

A journey map is a tool that helps visualise the steps a customer goes through to achieve a goal, which in this case is to complete an identified behaviour. Journey mapping is a flexible process with multiple formats and structures. In this activity, sometimes also called a behavioural journey map or a behavioural map, teams will focus on the decisions and actions leading to the identified behavioural. In the Prototype phase teams will build on this information and create a synthesised journey map that includes these elements as well as other elements discovered or validated during customer research.

Teams will develop behavioural hypotheses for this journey map and test them, along with their additional hypotheses and assumptions, with customers.

Behavioural hypotheses are based on evidence-based cognitive and behavioural biases that get in the way of people reaching their goals. Cognitive biases affect how people make decisions, while behavioural biases tend to create a gap between intention and action. Remember that biases are not good or bad, they are just how human brains work. Sometimes biases can make it easier for people to do things and something they make it harder; it all depends on the situation.

To think deeply about biases and how they affect behaviour, teams will consider the steps leading up to the identified behaviour.

/Example

You may have heard the term "behavioural insights", it is increasingly being used by policy-makers and organizations.

Creating behavioural hypotheses is the first step to behavioural insights. After you refute or validate your behavioural hypotheses with customer research they can become behavioural insights.

ADDITION

3/ Surfacing hypotheses and assumptions

Step by step: Behavioural hypotheses

BEFORE

1. Prepare individually: Take 10 minutes to review the behaviour identified in the ***Opportunity brief***.

DURING

2. Consider the actions and decisions that lead to that behaviour: An action is always described with a verb and is usually observable. Some common action verbs related to financial services are: go, select, choose, plan, deposit, add, withdraw, transfer, talk, ask, start, file, submit, and apply. A decision, sometimes called an intention or an intention formation, is when a customer solidifies their intention to take an action. When your customers have gaps between their intentions and their actions, it is helpful to split up the intention to do something and the actual action of doing it because that allows for deeper understanding of the root cause of why the action is not occurring.

For example, an entrepreneur may form the intention to set up a business bank account – they may want and fully intend to do it – but they do not end up doing so because things get in the way. FSPs that target the intention (i.e. with marketing telling people about account offerings) are not addressing the core issue of the intention-action gap and would be wasting money on the wrong intervention.

Some of the steps you include on your journey map will be decisions and some will be actions. There is not an ideal number of decisions or actions to include, usually 3-4 steps [illegible] helpful.

ADDITION

Also consider if there is a decision or action that the customer should take after the identified behaviour. For example, after opening an account do you want your customer to make a second deposit the following month?

3. Consider context and key moments: Consider where your customer is and what else they might be doing for each step. Because your team has not yet talked with customers, you may not be sure of the details, so consider multiple options for your answers.

4. Create hypotheses about barriers: Review the ***Customers' behavioural biases*** and ask:

A. How might this bias prevent me from doing this step?

B. How might this bias prevent my target customers or a sub-group of my customers from doing this step?

Remember that this activity is about creating hypotheses that you will test during the customer research activities. Not every bias will affect every step.

5. Create hypotheses about enablers and facilitators: Review the ***Customers' behavioural biases*** and ask:

A. How might this bias make it easier for me to do this?

B. How might this bias make it easier for my target customers or a sub-group of my customers?

PRO TIP

Using simple language

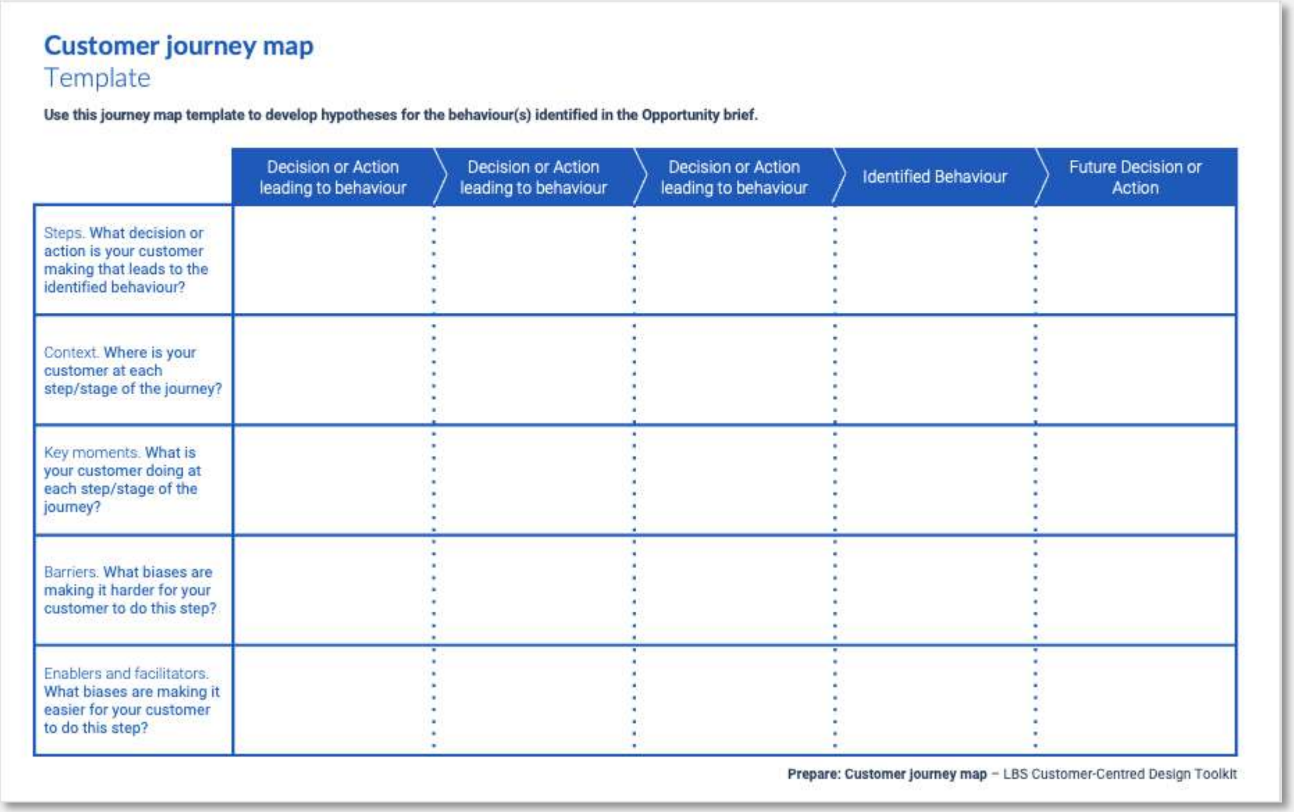
Write your behavioural hypothesis in simple and clear language, as if you were describing it to someone who was not using this toolkit. Simple and clear writing will make it easier during customer research to understand if your hypotheses are correct.

For example, write: an entrepreneur with low literacy from a rural area feels uncomfortable setting up a formal business account since she know there is a belief that women like her do not succeed in business. Therefore she keeps putting off going to the bank even though she knows having a formal account would make running her business easier.

Do not write: Stereotype threat prevents an entrepreneur from setting up a formal business account.

Journey mapping template
Worksheet

This journey map is a tool to visualise the steps a customer goes through to complete an identified behaviour. It allows your team to identify decisions and actions leading to a behaviour and what can get in the way or make it easier to do those steps. Your team will continue to refer to this journey map to ensure that you remain focused on designing to address your customers' needs.


Customer journey map
Template

Use this journey map template to develop hypotheses for the behaviour(s) identified in the Opportunity brief.

	Decision or Action leading to behaviour	Decision or Action leading to behaviour	Decision or Action leading to behaviour	Identified Behaviour	Future Decision or Action
Steps. What decision or action is your customer making that leads to the identified behaviour?					
Context. Where is your customer at each step/stage of the journey?					
Key moments. What is your customer doing at each step/stage of the journey?					
Barriers. What biases are making it harder for your customer to do this step?					
Enablers and facilitators. What biases are making it easier for your customer to do this step?					

Prepare: Customer journey map – LBS Customer-Centred Design Toolkit

Difficulty level
Easy

Time
1 hour

Supplies
Journey mapping worksheet, pens

Participants
Product development team, executive team, compliance and risk management team, user experience designers

/Download worksheet

ADDITION

Customer journey map

Template

Use this journey map template to develop hypotheses for the behaviour(s) identified in the Opportunity brief.

	Decision or Action leading to behaviour	Decision or Action leading to behaviour	Decision or Action leading to behaviour	Identified Behaviour	Future Decision or Action
Steps. **What decision or action is your customer making that leads to the identified behaviour?**					
Context. **Where is your customer at each step/stage of the journey?**					
Key moments. **What is your customer doing at each step/stage of the journey?**					
Barriers. **What biases are making it harder for your customer to do this step?**					
Enablers and facilitators. **What biases are making it easier for your customer to do this step?**					

ADDITION

Customers' behavioural biases to explore

Consider the examples below of how cognitive and behavioural biases affect real-life decisions and actions, then use the *Journey Map tool* to document your hypotheses and assumptions about how these biases may get in the way of your customers doing the behaviour you identified in the *Opportunity Brief*. If you feel comfortable with these biases, you can also review the *Advanced behavioural biases*.

CHOICE OVERLOAD Too many choices can feel overwhelming. When faced with too many choices, humans tend to put off (defer) making a choice until later or go with an option that has been chosen or recommended for them (like a default). Consider real-world examples:	• A farmer is faced with multiple fertilizers for her crop. She feels overwhelmed and unsure of which type is best, so may not buy any. • A businessman wants to make all customers happy so creates many service options, each a little different. Customers don't understand the differences and may not buy any services.	Are your customers presented with lots of options? Is it difficult for them to differentiate between options? During customer research, present the options and ask if they can differentiate between them, if the number feels overwhelming, and which they would eliminate.
DECISION FATIGUE A muscle gets tired after lighting weights and the brain gets tired after making decision after decision. After having to make too many decisions, the brain starts making less accurate and less beneficial decisions. Consider real-world examples:	• Doctors make hundreds of decisions about patient care daily. Their decisions become less accurate when their brains are mentally tired. • A customer is signing up for a new service and has to make many decisions at the same time after a long set-up process. They may get annoyed and not finish the process.	Are your customers making decisions when they are tired? Do the decisions they are making feel very heavy, important, or uncomfortable? During customer research, understand when in the day they make decisions about this step and ask how much weight they put on the importance of this decision or action.
HASSLES FACTORS Hassles, even small ones, create hurdles that interrupt following through on an intention and make doing something less likely. Just expecting there may be hassles can have the same effect as the hassles themselves. Consider real-world examples:	• Going to the doctor for a routine check-up requires overcoming numerous known and potential hassles, including transport and logistics hassles, so many people put it off. • A person starts filling out a form and gets to a part requiring specific information that's stored somewhere else. They plan to finish filling it later, but may not follow through.	Are your customers having to complete multiple sub-steps? Do any of them irritate the customer? Is there a difference between how long people think it will take compared to how long it does? During customer research, understand if your customers can complete the step with easily-accessed resources and how long people think it takes vs. how long it takes to complete the step.

ADDITION

Customers' behavioural biases to explore

Consider the examples below of how cognitive and behavioural biases affect real-life decisions and actions, then use the *Journey Map tool* to document your hypotheses and assumptions about how these biases may get in the way of your customers doing the behaviour you identified in the *Opportunity Brief*. If you feel comfortable with these biases, you can also review the *Advanced behavioural biases*.

HOT-COLD EMPATHY GAP

When someone is hungry or angry they are in an emotionally charged 'hot' state. They make different decisions and they act differently than they would if they were calm or in an emotionally neutral 'cold' state. Consider real-world examples:

- A person strongly believes in practicing safe sex and has a strong intention to always use a condom. But in the heat of the moment, they may not use a condom.
- A person plans to eat a healthy dinner, but they are hungry when they go to the market. They buy food to snack on immediately and may never end up cooking their full dinner.

Are customers emotional during this step? Do their emotions differ from when they made their decision to do this step?

During customer research, do a card sort with a range of positive and negative emotions and ask how they felt during the different steps, focusing on if they felt differently about deciding vs. doing.

INFORMATION OVERLOAD

When a lot of information is presented that is hard to understand, information overload (also called cognitive overload) occurs. People don't process information when there is too much of it or when it is confusing. Consider real-world examples:

- A manager wants to improve services, so looks up ideas. But the ideas are hard to compare and it is difficult to figure out how to improve things, so they may do nothing.
- A customer is given technical information about the risk of products. They do not have a background in finance and do not understand the data, so may not choose.

Is information presented in a way that customers can easily understand? Is there technical wording or acronyms?

During customer research, understand how your customers relate to finance. Ask them to explain technical terms in their own words or ask how they would describe a product to their friends.

INFORMATION TIMING

The timing of providing information is crucial. While not a specific bias, giving information too early or when a person isn't able to absorb it makes it harder to remember when it's needed. Consider real-world examples:

- At the time of purchase months ago, a farmer received information on when and how to apply fertilizer. They have forgotten the details and may apply it incorrectly.
- A person has been told they are HIV-positive and is provided with a lot of information on treatment. But they may stop mentally processing information the second they hear, "You are HIV positive."

Do customers have all of the information they need when they are doing the step? Are they receiving information in a moment of heightened emotions when their mind is on other things?

During customer research, ask them to explain what they know about doing that step and when they received that knowledge. Ask if any emotions are related to that information.

ADDITION

Customers' behavioural biases to explore

Consider the examples below of how cognitive and behavioural biases affect real-life decisions and actions, then use the *Journey Map tool* to document your hypotheses and assumptions about how these biases may get in the way of your customers doing the behaviour you identified in the *Opportunity Brief*. If you feel comfortable with these biases, you can also review the *Advanced behavioural biases*.

PLANNING FALLACY
People consistently underestimate the amount of time it will take to do something. Planning fallacy means that plans may not be fully completed because each task takes longer than expected. Consider real-world examples:

- Setting up an appointment is on a person's to-do list. But work is busy and they never get through their list, so they may keep delaying making the appointment.
- An entrepreneur wants to create a business plan. It takes so much longer to do than she expected, so she puts off finishing it until later (and may never finish it).

Do customers have accurate estimates for how long steps will take? Are they constantly pushing back actions to "tomorrow" that they can't finish?

During customer research, understand how your customers plan their days (or if they plan at all). Ask about a specific day and how long they expected actions to take vs. their actual duration.

PROCRASTINATION
Enjoying good things in the present (or avoiding bad things) feels better than far-off benefits that may come in the future. So when something is uncomfortable, even if it has future benefits, people may put off doing it. Consider real-world examples:

- It can be uncomfortable to figure out what to write in a report, especially for a new boss. Since it is uncomfortable, an individual may keep putting off starting the report.
- A farmer intends to put fertilizer on her crop, but doing it is hard and tiring. So each day she plans to do it tomorrow but may put it off to the point that it is no longer effective.

What is uncomfortable about any of the steps? Is there any uncertainty in steps or results that might make a person uncomfortable?

During customer research, do a card sort with a range of positive and negative emotions. Ask how they felt the last time they did those steps, probing on the reasons for negative emotions.

SCARCITY MINDSET
When someone is living in scarcity, especially economic scarcity, they devote a big chunk of their brainpower to surviving the scarcity. They may tunnel or only focus on their immediate and most important needs. They can overlook long-term benefits or the immediate costs they face. Consider real-world examples:

- An entrepreneur is working a job plus completing a certificate plus trying to get her business set up. She is mentally overwhelmed and she may forget the deadline for her business license.
- A parent's income fluctuates. He spends so much time thinking about how he can pay some bills partially and some completely that he may forget to pay school fees.

Are customers living in mental or economic scarcity? Is their income unstable or uncertain? Do their expenses time well with their income?

During customer research, ask about the amount and timing of their income and how it compares to expenses. Ask about their responsibilities, what they manage, and how they feel and cope with their mental workload.

ADDITION

Customers' behavioural biases to explore

Consider the examples below of how cognitive and behavioural biases affect real-life decisions and actions, then use the *Journey Map tool* to document your hypotheses and assumptions about how these biases may get in the way of your customers doing the behaviour you identified in the *Opportunity Brief*. If you feel comfortable with these biases, you can also review the *Advanced behavioural biases*.

SOCIAL NORMS

Social norms are the rules (spoken or unspoken) that create behavioural expectations for members of a group of people. They can cover a wide range of behaviours, such as who should give up seats on crowded buses to how people should treat their children. Consider real-world examples:

- A woman with a cane boards a bus. A young man sees her but continues to sit. Other individuals on the bus frown at him, so he stands up and offers his seat.
- The hair salon is owned by the daughter of the mayor. A new stylist moves to town and opens a salon, but a person may not go to her because other people would disapprove.

Are there expectations for how people should do a specific step? How do people know those are the expectations and are expectations enforced?

During customer research, ask about the rules for each step. Ask how they know the rules, if people know when they are followed or broken, and the consequences for not following them.

STATUS QUO BIAS

Making a decision, especially about something new, can be uncomfortable. When choosing between continuing to do the same thing or figuring out if (and how) they can adjust, people tend to stick with doing the same thing, sometimes without even considering there may be alternatives. Consider real-world examples:

- An entrepreneur has used the same supplier for years even though he gets annoyed with the supplier. But because he has always used them, he may not consider switching.
- A shopper has a habit of going to the same vendor at the market. Because she has used that vendor for as long as she can remember, she may never consider others.

Have people been doing a step the same way for a long time without considering alternatives?

During customer research, understand the habits of your customers. Ask if they have reasons for doing specific steps the way they do, if they know of or have considered alternatives, and why they do not do the alternative.

STEREOTYPE THREAT

People have 'identities', which are specific ways they think about themselves, like being a member of a racial or ethnic group, a gender, a parent, a friend, an employee, or a boss. People act based on the identity they feel in a situation. And sometimes a negative stereotype about that identity can affect their actions. Consider real-world examples:

- A student who is the first in their family to go to university may drop out when they are struggling because they think 'people like them' don't graduate from university.
- A rural woman may not believe she can become an entrepreneur because she thinks "people like her" don't become entrepreneurs.

Do customers belong to an underserved group? In what situations do they identify with a specific identity? How do they feel about their identities?

During customer research, do a card sort with a range of identities and ask them to describe themselves. Then do a card sort with a range of positive and negative adjectives and ask how people perceive or treat those different identities.

ADDITION

Step by step: Explore foundational questions

BEFORE

1. Prepare individually: Take 20-30 minutes before the meeting to note down your hypotheses and assumptions related to the opportunity and any supporting evidence. Also review your initial *journey map* and *Data Collection Methods* and start to think about ways to collect data.

DURING

2. Brainstorm as a team using the *hypotheses and assumptions question checklist*: Gather as a team to discuss your hypotheses and assumptions. The team leader should use the checklist to organise the group's hypotheses and assumptions. It is important to note that the team will not have hypotheses and assumptions around all of the questions at this stage or may feel unsure of a lot of answers. The team leader should write down all assumptions and hypotheses, taking note and making a list of:

- **A.** Where the team did not have any hypotheses or assumptions or disagreed
- **B.** Shared hypotheses and assumptions

AFTER

3. Test hypotheses and assumptions: Teams should test this list of hypotheses and assumptions by using at least one of the methods outlined in *Data Collection Methods*, checking off where hypotheses and assumptions have been validated or changing the list with new evidence. If the team disproves a hypothesis or assumption, they should revisit the *opportunity brief* and any ideas or concepts to determine if the project is still worth pursuing.

PRO TIP

Think about underserved customer groups

Women, rural people, Northern Nigerians, and youth are all cited in the 2018 Financial Inclusion strategy as the most underserved groups. As you think through the questions, ask yourselves how this opportunity might impact these customer groups differently?

ACTIVITIES ⇒

Use the *Data capture* to document your thinking

UPDATED

Data capture tool
Tool

The data capture tool enables the team to plan research activities and capture key data points generated during user research for subsequent use in analysis, synthesis, and communications. The tool is a shared document where the whole team inputs their findings. To ensure accountability, your team leader should periodically review the data capture tool to make sure it has been updated.

Difficulty level
Medium

Time
10 minutes per day

Supplies
Data capture tool

Participants
Product development team, compliance and risk management team, software development team, data analytics team, user experience designers

/Download worksheet

UPDATED

Data capture tool

Use this capture tool to document your hypotheses and assumptions for each one of the questions on the *Hypotheses and assumptions checklist*.

Circle Focus Area: User / Products and Services / Internal Dynamics / Market Dynamics
What are you trying to answer? Select an applicable question from the *'Hypotheses and assumptions checklist'*:
i.e. How could the opportunity you are pursuing impact underserved customers differently?
Initial hypothesis or assumption - List your initial hypotheses and assumptions related to your questions:
i.e. Lower income consumers or those who had never had formal bank accounts before may feel uncomfortable going to physical banks or interacting with banking personnel
Research - List the ways you will collect data and the types of resources you plan on using to answer/address your hypotheses and assumptions:
i.e. (1) Focus group discussions, and (2) Individual interviews
Research findings - List the observations, quotes, findings, and/or insights from research that relate to these hypotheses and assumptions:
i.e. "I expect staff would treat me rudely because I'm not educated like they are." -Female, Secondary school degree, Hair salon owner "I don't have a lot of money and I think they might look down on me if I opened an account with only a little money." -Male, Secondary school degree, Food cart vendor

Hypotheses and assumptions capture tool - Prototyping Toolkit

Data Review and Collection Methods

Consider the examples below of different ways that you can review existing data or collect new data with customers.

SECONDARY RESEARCH

Secondary research involves reviewing data that other groups, organizations, or firms have collected and made public.

How: Use publicly available data or contact the group who collected it and request access.

Sample size: Depends on the secondary data source. Some data can have a large sample size and some can have a small sample size.

Ability to focus on identified hypotheses: Since the research was conducted by other groups, it may not address your hypotheses and assumptions or provide insights into the challenges facing your target customers.

SURVEYS

Surveys typically collect quantitative data. Surveys can help you understand topics that have a multiple choice, quantitative, or scaled answer (e.g. strongly agree/agree/ disagree/ strongly disagree). Typical survey questions answer: income, expenditure, trust in brands, and brands customers currently buy or use.

How: Surveys can be done over the phone, via sms/WhatsApp, or online. It is important to remember that with surveys you may be excluding people who do not have access to or are not comfortable with the way you are collecting data. For example, individuals with low literacy might not complete an online survey.

Sample size: Surveys can be a cost-effective way to collect data from a large sample size.

Ability to focus on identified hypotheses: Surveys can answer quantitative hypotheses but will typically not get at the "whys" behind decisions or behaviour.

INTERCEPTS

Intercepts typically collect data on a handful of questions with a large number of people. Surveys can help you understand who your target customers may be and how they think or act on a very narrow topic. Questions are typically quantitative.

How: A trained interviewer stands in a location where they can "intercept" people and asks them 2-5 short questions on a topic. Initial questions can cover if the individual is within your target customer group and then a handful of other questions can be asked.

Sample size: Intercepts can be an effective way to get information from many people in a short period of time, but not all people will agree to speak with the interviewer. Therefore the sample may be representative of all customer types within the target customer group.

Ability to focus on identified hypotheses: Intercepts are best used to answer quantitative hypotheses. There is not enough time during an intercept for the interviewer to build trust and ask probing questions.

ADDITION

Data Review and Collection Methods

Consider the examples below of different ways that you can review existing data or collect new data with customers.

INDIVIDUAL INTERVIEWS

Individual interviews are 1-on-1 discussions with a specific member of your target audience. Interviews typically last one hour and can occur in a location the person chooses or at a central office. Interviews allow for probing questions and asking the "why" behind decisions and actions.

How: A trained interviewer asks the individual questions in a private space and/or has them complete activities while a recorder/transcriber records the data.

Sample size: Individual interviews can be time-consuming and very expensive. An interviewer should conduct five interviews maximum per day to allow for breaks and preparation for the next interview.

Ability to focus on identified hypotheses: Individual interviews allow for targeted exploration of hypotheses and discussions. Because there is one individual for the whole hour, they also tend to result in more precise and more detailed data.

FOCUS GROUP DISCUSSIONS

Focus group discussions (FGDs) are discussions with ideally 6-8 members of your target audience. They typically last one and a half to two hours and can occur in any location. They allow for probing questions and asking the "why" behind decisions and actions. However, because they are not anonymous, people may answer in ways that they think other discussion members would approve of instead of being honest.

How: A trained interviewer asks the group members questions in a private space and/or has them complete activities while a recorder/transcriber records the data. With FGDs it builds comfort and trust when group members tend to be similar to each other.

Sample size: FGDs can be time-consuming, but can provide information from a larger sample size. An interviewer should conduct three sessions maximum per day.

Ability to focus on identified hypotheses: FGDs allow for targeted exploration of hypotheses and discussions. But because there are multiple people in the group, it is harder to obtain precise and detailed data. A FGD typically covers fewer questions than an individual interview.

OBSERVATIONS

Observations involve a data recorder sitting in a location where they can see what is happening but not being involved in the events or disturbing anything that is happening. Observations allow the observer to see the actions of specific, but in the narrow context where they may only observe the final action and not understand why the customer took that action.

How: With observation, a trained data recorder finds a location where they can observe a situation, such as customers purchasing an item from a vendor or staff interacting with customers. They try to be as unobtrusive as possible and not influence the situation at all.

Sample size: Observation can provide data on the actions of many customers or staff.

Ability to focus on identified hypotheses: Observations allow for targeted exploration of hypotheses on what is happening in a specific step or situation. However, that data is limited to actions and doesn't provide the "why" behind the actions.

ADDITION

Data Review and Collection Methods

Consider the examples below of different ways that you can review existing data or collect new data with customers.

SHADOWING

Observations involve a data recorder sitting in a location where they can see what is happening but not being involved in the events or disturbing anything that is happening. Observations allow the observer to see the actions of specific, but in the narrow context where they may only observe the final action and not understand why the customer took that action.

How: With observation, a trained data recorder finds a location where they can observe a situation, such as customers purchasing an item from a vendor or staff interacting with customers. They try to be as unobtrusive as possible and not influence the situation at all.

Sample size: Observation can provide data on the actions of many customers or staff.

Ability to focus on identified hypotheses: Observations allow for targeted exploration of hypotheses on what is happening in a specific step or situation. However, that data is limited to actions and doesn't provide the "why" behind the actions.

CONTEXTUAL INQUIRY

Shadowing and contextual inquiry involve going to an individual's home or place of work and following them for the day to see exactly what they do and how they do it. It could last all day or it may be only for specific activities. It allows for a deep understanding of how things "really" work instead of how things should work.

How: With shadowing, an individual follows someone throughout their day and records exactly what they are doing and how they are doing it. Contextual inquiry is similar to shadowing, but the individual asks questions and askes to be shown how things are done.

Sample size: It can be time-consuming and also expensive. Someone who is shadowing may only be able to shadow one person a day, making it a slow way to collect data.

Ability to focus on identified hypotheses: They allow for targeted exploration of hypotheses and discussions, especially around understanding steps, contextual factors, and any potential hassles associated with steps.

IMMERSION

Shadowing and contextual inquiry involve going to an individual's home or place of work and following them for the day to see exactly what they do and how they do it. It could last all day or it may be only for specific activities. It allows for a deep understanding of how things "really" work instead of how things should work.

How: With shadowing, an individual follows someone throughout their day and records exactly what they are doing and how they are doing it. Contextual inquiry is similar to shadowing, but the individual asks questions and askes to be shown how things are done.

Sample size: It can be time-consuming and also expensive. Someone who is shadowing may only be able to shadow one person a day, making it a slow way to collect data.

Ability to focus on identified hypotheses: They allow for targeted exploration of hypotheses and discussions, especially around understanding steps, contextual factors, and any potential hassles associated with steps.

ADDITION

Hypotheses and assumptions questions checklist

Check the boxes once you have documented your hypotheses and assumptions on the *Data capture tool*.

ACTIVITIES ⇒
Use the *Data capture tool* to document your thinking

✓ **USERS**

- 1. What is your target customer group? What is the size of this market?
- 2. Where are your customers located?
- 3. What are some of their financial goals?
- 4. What financial strategies or tools do they use? Why do you think they use these strategies or tools?
- 5. How do they earn, spend, save, borrow, and invest money?
- 6. What do you believe your customers want or aspire to?
- 7. What are some of the social/cultural, economic, political, environmental/infrastructure, and technological systems and factors that may impact the opportunity you are pursuing?
- 8. What are some of the constraints/challenges your customers face that may also impact the opportunity you are pursuing?
- 9. What other shared personal traits or preferences might your customers have that could impact uptake or use of the opportunity you are pursuing?
- 10. What are customers willing to pay for financial products or services?
- 11. Reviewing your completed *Journey Map*, which behavioural biases make it less likely your customer will make a specific decision to follow through with a key action?
- 12. How could the opportunity you are pursuing impact underserved customers differently?
- A. What are the socio-cultural norms, beliefs, and perceptions that may influence how they receive the opportunity you are pursuing?
- B. What do you believe are their roles and decision-making power in a household, and how may this influence their uptake and use of the opportunity you are pursuing?
- C. In what ways might their goals or priorities be different?

✓ **PRODUCTS AND SERVICES**

- 1. What types of products or services will be most compelling to your customers? In what situations will they use them?
- 2. What value will they get from using them?
- 3. How will your users learn about your products or services? What do you believe are the most effective ways of distributing products and services to your users?

INTERNAL DYNAMICS

- 1. What capabilities and resources does your team need to 1) prototype, and 2) develop, 3) roll-out this project, 4) and support the long term delivery of the project?
- 2. What internal enabling factors can you make use of to achieve this project?
- 3. What internal challenges might you face as you pursue this project?
- 4. What internal checks and balances must the team consider?
- 5. Who internally needs to approve this opportunity for it to be a success?
- 6. How will these people be convinced of the benefits of this project?

MARKET DYNAMICS

- 1. Are other FSPs pursuing a similar opportunity? If so, what differentiates your project?
- 2. How might competitors impact your project?
- 3. What products, services, engagement models, business models, and pricing strategies are your competitors using that you can learn from?
- 4. How might the economy, environmental, and infrastructural factors impact your project?
- 5. What policies or regulations might affect your project?

UPDATED

Reviewing secondary research

LBS customer analysis brief
LBS competitor analysis brief
LBS policy study

04

4/ Reviewing secondary research

Stay up to date on current customer, FSP landscape and policy research

Customer insights: The government, NGOs, and research institutions periodically release data that can support FSPs to better understand their customers and the potential to expand into new customer segments. Staying up to date on the latest customer data can help your team understand the size of potential customer groups or segments, and some of their key characteristics, for example, demographics and financial behaviours. This research can inform product, service, and engagement strategy design.

Landscape analysis: The Nigerian financial sector is constantly growing with the introduction of new FSPs, products, services, and delivery models. Conducting landscape analyses helps FSP teams understand offerings, strategies, and positioning of their competitors. Teams can then scope both the opportunities and threats, and identify their potential competitive advantage. Understanding the competitor landscape also informs business modelling, particularly around pricing strategy.

Policy: The policy landscape for financial services in Nigeria is rapidly evolving, with new policies, regulations, taxes, and incentives introduced frequently. Conducting frequent policy reviews ensures that FSPs remain credible in the eyes of the regulator and their customers. This prevents disruptions in business operations and helps FSPs take advantage of emerging opportunities that result from changes in policy or regulation.

LEARN MORE ⇒
Learn more about customers through the ***LBS customer insights brief***

LEARN MORE ⇒
Learn more about competitor through the ***LBS landscape analysis brief***

LEARN MORE ⇒
Learn more about policies through the ***LBS policy brief***

/A note on Lagos Business School

A hub for sustainable and inclusive digital financial services

The Sustainable and Inclusive Digital Financial Services (SIDFS) initiative of the Lagos Business School seeks to gain an in-depth understanding of the **digital financial services** and **financial inclusion** landscape while providing thought leadership on sustainable business models to deliver digital financial services to the unbanked poor.

Our team includes experts with deep experience in the **Nigerian financial service sector**, and our content expertise include digital financial services, **demand side** analysis and customer insights, **supply side** analysis, and **financial policy**. Our overall objective is to support the development and promotion of sustainable solutions to Nigeria's financial inclusion challenges and help more Nigerians access the financial services they need to improve their lives.

/Picture source. *Lagos Business School*

Brainstorming ideas

Brainstorming guidelines

05

5/ Brainstorming Ideas

Generate a large number of new and innovate ideas

Brainstorming is the process of **generating, developing, and communicating new ideas** for products and services and engagement strategies. Teams will build on their *opportunity brief*, *journey map*, hypotheses and assumptions, and their secondary research to create as many ideas as possible for their target customer segments. Design teams typically use brainstorming sessions during ideation, as a more structured process to support **creative and lateral thinking**.

-

Participants

Product development team, compliance and risk management team, software development team, data analytics team, marketing team

/A note on brainstorming:

Set your teams up for success

Creating a set of rules around your brainstorming session will help the team stay on track and come up with a large number of ideas:

Defer judgement: When first brainstorming, don't judge the ideas of others. Encourage wild ideas! You never know where a good idea will come from so let the ideas flow freely.

Build off the ideas of others: Try to use "and" instead of "but" when discussing ideas in order to let them evolve instead of shutting them down. Feel free to merge ideas together or take bits and pieces from each other.

Go for quantity: At first, think of as many ideas as you possibly can. You can never have too many. You will have time to refine and sort through them later.

Stay on topic: While you want to think wildly and freely, try to keep the discussion on target. This means staying within the scope of possibility and the scope of your "how might we" questions.

Focus on one conversation at a time: Respect your team's ideas. Give attention to one conversation at a time to help direct the moment forward.

UPDATED

5/ Brainstorming ideas

Step by step: A highly collaborative structured brainstorming process

BEFORE

1. Review the completed *opportunity brief*, *journey map* and *data capture*: Take 10-15 minutes to review the opportunity brief and the data capture to ensure that all new findings are brought into the brainstorming session.

2. Review the brainstorming rules.

DURING

2. Individual brainstorm round 1: The facilitator should set a timer for 7 minutes. Each team member should work independently to write as many product/service ideas or engagement strategies as they can to address the "how might we" question on post-it notes. Each post-it note should have a separate idea.

4. Group share: Going round the table, each team member should share one idea, they noted down to the group. If someone has a similar idea they should go next and share it, explaining how it builds on what the previous person shared. The facilitator should stick each post-it note on the wall after it is shared with similar ideas next to each other. The team should keep going round until all ideas have been shared and clustered.

5. Lateral thinking: Discuss products, services, or engagement strategies that have already been popular with your target customers, both within the financial service sector and outside of it. Pick your two favourite ideas. For each example, the facilitator should set a timer for 3 mins

Using a different colour post-it, each team member should work independently to write down as many reasons they think the product, service or engagement strategy resonates with customers. Repeat the brainstorming for another 3 minutes with the second example.

6. Group share: Going around the table, the team should share and build on each other's ideas of why the example products, services or engagement strategies were successful. The facilitator should post these on the wall, to the side of the original ideas.

7. Individual brainstorm round 2: The facilitator should set a timer for another 7 minutes. Each team member should write as many product/service ideas or engagement strategies as they can to address the original "how might we" question drawing inspiration from the success factors uncovered in the lateral thinking round.

8. Group share: Going round the table, the team should repeat step 4, sharing out their ideas and posting them on the wall. Building on, or clustering similar ideas.

AFTER

9. *Concept development*: Turn your ideas into concepts.

/Note

Beware the IKEA Effect

IKEA is a home furnishings store where you build the furniture yourself after purchasing it. The IKEA Effect, one of the biases, is named after this store: **When you build or create something yourself, you tend to value it more.**

Design teams are not immune to the IKEA effect!

As you are brainstorming, **avoid thinking of ideas as "your ideas"**. You do not want to become attached to an idea and value it more because you thought of it or built it.

/Example

3. Individual brainstorm round

A. Ideas could include: group savings, urban to rural remittances, engage women through the mosque or church groups.

5. Lateral thinking

A. Hair salon services: Success factors could include: community, perceived status, luxury, beauty, professionalism

B. Toothpaste: Success factors could include: brand recognition, daily use, price, availability

7. Individual brainstorm round

A. Ideas could include: Dedicated savings, daily reminders, links to e-commerce, partnership with local brands.

UPDATED

Developing concepts

Concept sheet

06

6/ Developing concepts

Turn ideas into proposed solution concepts

A concept is more polished and complete than an idea. It is something the team will want to test during prototyping. A concept starts to look like an answer to the *opportunity brief* or the *journey map*, combining ideas with an articulated value proposition (why the solution will be important to your customers and what behavioural challenges it will help them overcome) and use case (how your customers will use it). The team will review their ideas, bundle them into concepts, and document the best ones so that they can test them with customers during the prototyping phase.

-

Participants
Product development team, compliance and risk management team, software development team, data analytics team, marketing team

"Many Nigerian FSPs replicate what they see others doing or what they see in other markets. There are many homogenous products on the market. FSPs can take it to the next level and stand out."

-Supply side analysis team, Lagos Business School

/A note on value propositions

Differentiate yourself from the market

The team should now have defined their opportunity space, surfaced their assumptions and hypotheses, and conducted initial secondary research. As the team sits down to develop its product concept, think about how you can differentiate yourselves by 1) serving **new target segments** you have uncovered during the customer identification, or by 2) creating **products and services that distinguish themselves from competitors**, or by 3) leveraging an opportunity you see in **financial inclusion friendly policies and regulations**.

UPDATED

Step by step: Bundling ideas to develop concepts with value propositions and use cases

BEFORE

1. Review and recluster ideas: The team should have developed a wall of post-its, including ideas based on the "how might we question" and success factors or differentiating criteria based on the lateral thinking exercise. Review the post-its and ensure that all similar ones are clustered together.

2. Review the *concept canvas*.

DURING

3. Idea bundling and concept creation: The facilitator should set a timer for 20 minutes. Each team member should work independently to develop one or two concept sheets. They should begin by looking at the wall and bundling ideas and differentiating factors together. Each ***concept canvas*** includes:

- **A.** A name for their concept
- **B.** Their target customers
- **C.** A description of how it works
- **D.** An explanation of the barriers it overcomes for the user
- **E.** The value proposition (why they believe it will be important to their customers)
- **F.** The use cases (how they think their customers will use it)

4. Group share: Going round the table, each team member should share their concept with the group. The facilitator should stick each concept sheet on the wall after it is shared with similar concepts next to each other. The team should keep going round until all concepts have been shared.

5. Prioritisation: Begin by discussing whether similar concepts should be combined, or which elements of similar concepts should be tested. Use the following three lenses to prioritise your concepts, scoring each concept with high, medium, or low across each of the following criteria:

- **A. Viability:** Identify whether the concept is supported by current market conditions and trends.
- **B. Feasibility:** Determine whether pursuing the concept is internally feasible.
- **C. Desirability:** Define the specific customer need(s) that will be addressed for your target segment/subsegment.

The team should then identify high priority concepts that they want to test during prototyping by voting on their favourites. A maximum of 3 different concepts should be identified during one concept testing sprint to ensure the team remains focused during prototyping.

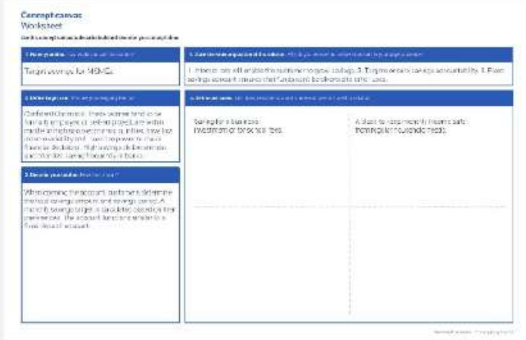
AFTER

6. Business case and feasibility gut check: Gut-check financial, operational, technology, talent, and regulatory feasibility, to ensure that the concepts being tested could be brought to market.

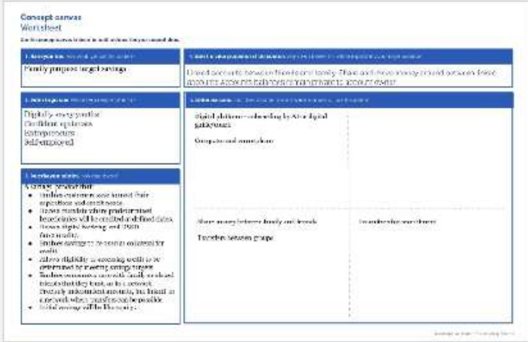
7. Prototyping: Test your concepts using the process found in the ***next phase***.

/Example

3. Idea bundling and concept creation



*View **example concept***



*View **example concept sheet** from customer-centricity training workshop*

UPDATED

Concept canvas
Worksheet

Use this concept canvas to describe and build your concept ideas.

1. Name your idea. What would you call this solution?

5. State the value proposition of this product/feature/service. Why will this be important to your target audience?

2. Define target user. Who are you designing for?

6. Define use cases. List, draw, or describe how and where your user will use this solution.

3. Describe your solution. How does it work?

4. Barriers. What barriers does this overcome for your user?

UPDATED

Prepare
Activities checklist

- ❑ **Define opportunity**
  Tool: Opportunity canvas
- ❑ **Identify priority customer segment**
  Resource: The Human Account data
- ❑ **Surface segment hypotheses and assumption**
  Tool: Journey Map
  Resource: Customers' behavioural biases
  Tool: Data Capture tool
  Resource: Data collection methods
  Resource: Hypotheses and assumptions questions checklist
- ❑ **Conduct secondary research**
  - ❑ Customer analysis
    Resource: LBS customer insights brief
  - ❑ Competitor analysis
    Resource: LBS analysis brief
  - ❑ Policy study
    Resource: LBS policy brief
- ❑ **Brainstorm ideas**
  Resource: Brainstorming rules
- ❑ **Prioritise ideas**
- ❑ **Develop concepts**
  Tool: Concept canvas

UPDATED

/Annex

Glossary of terms

Glossary of commonly used design terms

B

/Brainstorming: The process of generating, developing, and communicating new ideas. Brainstorming typically builds on a base of research and common understanding of the design challenge.

C

/Challenge/opportunity: Some common examples for financial service providers include (1) challenges with an existing product, service, channel, strategy, etc., or an important question tied to business strategy or KPIs (2) opportunities to enhance an existing product, service, channel, target customer group, etc. (3) greenfield opportunities to build new product, channel, expand to new customer group, etc.

/Customer journey maps: A customer journey map is a framework that can help FSPs explore key moments for different stakeholders as they experience a solution. A journey map can, for example, lay out: how customers first become aware of a solution; their initial interactions and engagement; their repeat use; and the longer term impact of the product and opportunities for cross/up-selling.

/Customer segmentation: A data analysis approach that clusters or groups respondents based on common survey responses. Statistical customer segmentation uses a bottom-up approach that allows the segment boundaries to be delineated based on similarities and differences in responses, rather than assumptions made by the teams analysing the data. However, FSPs often use the term segment to describe population subgroups differentiated by one or two demographic variables, for example, urban people, women, high net worth individuals, youth, etc.

E

/Ecosystem map: A visual representation of the relationships that shape a person's economic and financial life. Ecosystem maps can help FSPs understand the most important stakeholders or channels to influence someone's financial decision-making as well as key gaps that limit their financial well-being.

H

/Hypotheses and Assumptions: A Design Hypothesis is a supposition or proposed explanation based on limited evidence. An assumption is a statement, idea, or understanding taken as true. Hypotheses and assumptions are either proven or disproven using research and experiments.

The results of these experiments tell you whether you are really understanding your user's behaviour and how accurately you understand the potential or the pitfalls of your concept.

Every hypothesis or assumption that is tested has the potential to generate new insights for future rounds of your product's development. This is why we believe forming them based on research and evidence is fundamental to customer-centric design.

/Household financial map: Captures how customers currently manage their finances in response to a range of possible scenarios. This participatory exercise draws out experiences, relationships, and attitudes that drive financial decisions. Household financial maps help FSPs to better understand their customers, their existing financial management practices and tools and may surface opportunities for FSP intervention.

I

/Ideation Session: A creative approach by which individuals or groups generate and share ideas without criticism or judgment in order to promote uninhibited thinking.

/Insights: Learnings or patterns from research expressed as succinct statements. Insights offer a new perspective, even if they are not new discoveries. They are inspiring and relevant to the design challenge.

/Iterative design process: The cycle of learning, creating, prototyping, and measuring to achieve a desired goal. Each repetition of the process is called an iteration. Designers typically go through several rounds of iteration in which they present their ideas and prototypes to customers and then make incremental changes based on their feedback. This process leads to ideas that are more in tune with customers needs.

M

/Minimum viable product (MVP): A basic version of a product or a service that has the minimum feature set necessary to satisfy early adopters. While an MVP is an actual product, its primary purpose is to gather feedback from customers before investing in developing features or benefits that may not create value in the market.

P

/Personas: Archetypal characters that represent how different customers might engage with a product or service in a similar way. Personas can help FSPs better understand specific sub-segments of the population.

/Product concept: A concept is an idea with a rationale that supports how the solution you are designing will overcome a problem or challenge. A concept is more polished and complete than an idea, represent a compelling solution by adding specific details to how that idea can be realised.

/Prototyping: Creating a sketch or proof of concept test with customers in order to learn from them. A prototype helps designers understand, explore, and communicate what it feels like to engage with a solution in real working conditions rather than theoretical conditions.

/ Low-fidelity prototypes (concept posters, paper based activities and sketches, etc.): Using concept posters or simple sketches of customer interfaces so that they can be rapidly designed, simulated, and tested with end customers. Low-fidelity prototypes can be used to communicate ideas and observe human interaction with customer interfaces even before these interfaces are designed and developed.

/ High-fidelity prototypes (wireframes, clickable mockups, etc.): Representations of the product in its closest resemblance to the final design in terms of details and functionality. High-fidelity prototyping is typically done after low fidelity prototyping has produced a good degree of confidence in the appeal of the product concept. Wireframes and clickable design mockups are two commonly used forms of high fidelity prototyping.

S

/Synthesis: Involves combining and interpreting customer research findings into ideas to form insights (ideas or anecdotes expressed as succinct statements that serve to interpret patterns in research findings) that prompt further design.

U

/Use case: The sequence of steps that a customer might take to achieve a goal within a product or service. Each use case is represented as a sequence of simple steps, beginning with a customer's goal, and ending when that goal is fulfilled.