

CASE STUDY 14: MOVERCADO

Background

PSI Mozambique's Por Ti (For You) health social marketing program uses a mobile technology powered platform to increase healthy behaviors and encourage use of health commodities, such as condoms, water purification and micro-nutrients. Launched in May 2012, the platform known as Movercado is an ecosystem that leverages micro-entrepreneurs and small businesses to expand access to health commodities to bottom of the pyramid markets.

PSI uses a trained cadre of 1440 micro-entrepreneur interpersonal communication agents to conduct outreach sessions that motivate people to change current health behaviors and adopt new ones (for example around HIV prevention and use of condoms, and anti-natal care). At the end of each session, beneficiaries are issued a unique code, which when entered into their cell phones, validate the outreach session and trigger a commission for the agent. Beneficiaries also receive an SMS with additional health information and a code for the relevant health product which can be redeemed at any participating shop to receive free or discounted access to products.

The Troka Aki ("Swap here" in Portuguese) brand identifies participating outlets that will redeem Movercado-powered vouchers and accept payments. Troka Aki points include informal neighborhood shops, wholesalers service providers, and pharmacies. Currently, there are 338 active Troka Aki points across the country, with plans to expand to another 1000 by end 2014, distributing products such as condoms, water purification solution and micro-nutrient powder. Additional products will be introduced to the ecosystem, including long-lasting insecticide treated nets and soap.

The use of vouchers removes a significant cash-flow barrier; the beneficiary accesses the product and the shops are refunded by PSI, increasing business and incentivizing them to actively promote and carry health products (condoms, water purification products, etc.). For the vendors, the voucher transactions are equivalent to regular sales, as they receive the same profit margin as they would from the sale of other commodities.

The beneficiary's phone number is sent to a quality control call-center where a trained call-agent contacts beneficiaries and conducts in-depth interviews in order to evaluate the amount of information retained by each beneficiary from sessions with interpersonal communication agents (recall rate). Data from the interviews is used to calculate incentive payments to agents and to identify areas where they may need additional training.

Mobile Money

Movercado uses mobile money as a component of its larger program and technology platform to send payments safely and securely to shop vendors. After retailers distribute health products, they submit a

Use of mobile money: reimbursement of costs for health commodities

Date launched: May 2012

Stage: Scale up

Size: 480+ registered shops

Country: Mozambique

Area of the country: National, focused in Maputo, Sofala, Tete.

Funding: USAID, Embassy of Netherlands, DANIDA, DFID

Key partners: USAID, Embassy of Netherlands



code associated with the product via SMS and receive automatic reimbursements via mobile money. This mobile payment system allows for careful tracking of the sales and inventories of the shops. The use of mobile money goes beyond health; the platform can be used for food as well as nonfood distribution programs run by other NGOs. Retailers are trained to submit product codes and enable and use mobile money to redeem the cost of the product.

Results

Movercado is scaling up its use of mobile money as the program grows. As of 2014, Movercado had registered more than 480 Troka Aki outlets and approximately 2 million mobile money transactions.

Lessons Learned

- *SMS vouchers offer an alternative approach for addressing inefficient supply chains which disrupt local markets.* Costs associated with distribution of health commodities, such as transportation and warehousing, can be prohibitively expensive and can deter vendors from sending commodities to rural and hard-to-reach areas, where they are usually needed most. These inefficiencies in traditional supply chains create tremendous opportunities for alternative distribution methods, such as SMS vouchers, which deliver a subsidy directly to beneficiaries and bring economic value to bottom of the pyramid economies.
- *Using data to create a user-centric program.* Individuals are logged and tracked within the Movercado IT system via their cell phone numbers, which enables the collection of real-time data on interactions between health consumers, health workers, local health markets (shops/small businesses), and health facilities, as well as the broader supply-side chain for health commodities. Movercado analyzes this data to gain insights on the best ways to engage with program users and beneficiaries and constantly adapts the program design to very rapidly respond to changes in consumption patterns.
- *The value of agility.* Movercado evolves quickly in response to consumer behavior and market adoption. From a programmatic perspective, the most important lesson learned is to rapidly launch new features and applications and use real feedback from users to modify and improve upon the program.
- *Quality Assurance.* As with any intervention directly targeting consumers, quality assurance is very important. Movercado has a call center that completes surveys with beneficiaries on a daily basis and updates results in real time to a cloud-based system. Based on this feedback, Movercado makes adjustments to its program operations (e.g. distribution channels) and its IT platform (i.e. minimizing incorrect use of codes).

Mobile Money Payment Process

1. After selling a commodity the retailer submits the product code via SMS
2. A reimbursement for the health commodity is automatically sent to retailer via mobile money
3. Retailer cashes-out at mobile money agent

Challenges

- *Reaching at-risk populations.* Movercado has demonstrated exceptional resourcefulness in reaching poor and disadvantaged populations with their services. Nonetheless, there are significant barriers to mobile money uptake and use among these populations, which poses an ongoing challenge. These include: lack of access to cell phones, low mobile phone subscription in rural areas, low literacy rates (which impede sending/receiving health information via text), as well as lack of cash throughout bottom-of pyramid economies and in particular at agent cash-out points. This creates a huge

opportunity for virtual cash/ wallet applications. Movercado has developed one such application and is currently testing it.

- *Program sustainability.* The Movercado program is funded by several donors. The Embassy of the Kingdom of Netherland has supported core program development, while the operationalization and application has been funded by USAID via Population Services International (PSI). As operational funding was reduced in 2014, PSI Mozambique is experimenting with cross-subsidies and the creation of micro-entrepreneur networks aimed at growing the scale of the eco-system without requiring significant funding.

Looking Forward

Within and outside of Mozambique, there is significant interest in Movercado to expand the use of platform. PSI is exploring practical options to make this platform available globally in health and other sectors.

Sources

- <http://enter.movercado.org/>
- Interview in August 2014 with Iulian Circo, PSI Country Manager for Mozambique.