



Quality handbags made with love for people and planet | NIDO Customer Research

“Lean data” customer needs research for the launch of eco-handbags made by producers from disadvantaged contexts

BOGOTÁ, 2020 | Katmondo helped the cooperative organization NIDO with customer research to accompany the launch of a new line of eco handbags. The bags are made by leather workers with physical disabilities, living in disadvantaged areas in the outskirts of Bogotá, Colombia. “Elegance and quality with love for people and the planet” is the brand message.

We used the “lean data” method* to set up the accompanying market research. This new approach to market and customer surveys is used especially in emerging markets. In these contexts, companies and consumers often do not have access to high-end communication technology.

By applying the “lean data” research methodology we were able to map out customer needs and expectations vis-à-vis the handbags, surfacing key information from local target groups. The lean data market research was done in an easily accessible way, among others with surveys via mobile phones.

** The Lean Data approach is being actively promoted by Acumen, the USA-based impact investment fund for social enterprises that serve low-income communities in developing countries. This approach prioritizes the collection and use of social impact data related to clients, consumers and producing companies through low-cost survey technologies.*



The research cited in this document puts several of the Lean Data principles as promoted by Acumen into practice. More information: www.acumen.org.

1. The organization and its product

NIDO, based in Bogotá, Colombia, is a cooperative organization that has as its mission to be a self-sustaining community company that allows a group of people with disabilities and their caregivers to generate a decent income through the production of leather bags and other accessories, allowing them to support themselves and their families.

To achieve this, NIDO is developing different models of leather bags with their respective customer promise. One of the special features of the bags is that they can be either bought with a default design, or the purchaser can choose between several options of individual designs, in which (s)he can make her own combination within a range of pre-established details, such as different colors and patterns.

2. Customer segments

The customers NIDO serves are, on the one hand, persons with high purchasing power in richer parts of Bogotá, and on the other hand, persons with a modest income who live in the same neighborhoods as the leather bags producers. A third customer segment is composed of socially responsible buyers, which can increasingly be found within the city's middle class income groups.

3. Customer promise

The newly launched handbag line has as its central customer promise:

The bags are made of recycled materials by means of an eco-friendly production process, by people with disabilities in Bogotá's disadvantaged neighborhoods. By buying a NIDO bag, you treat yourself to a beautiful high quality bag while at the same time supporting artisans to earn a decent living for their families.

4. The customer survey: focus and key question

Through the Lean Data Customer Research, NIDO wants to understand if the rich and middle-income customer segments (high-end and socially responsible buyers) – for whom a new line of leather bags is being launched – are willing to pay a higher price for an exclusive and good quality bag, which is produced in an environmentally sustainable way by people with disabilities and their caregivers.



In other words: will buyers pay a premium for the added value of being produced with special care for people and the planet?

5. Key value drivers

The following are the key value drives which underpin the customer promise of the newly launched handbag:

Customer promise	Key value drivers
Stand out with an elegant, high quality handbag made with love for people and the planet	High quality and durability
	Exclusivity – distinguished models and materials
	Benefits disadvantaged populations
	Environmentally friendly

6. Customer perspectives to verify value drivers

Taking some key principles of the Lean Data for Social Impact approach as a starting point, the current customer research into the perspectives – needs, wants and desires; or pains, gains and jobs (see Strategyzer’s Value Proposition Canvas method*), the survey questions are limited to a short set of key topics.

The lean data approach prioritizes principles such as accessibility, speed of results, flexibility and adaptability. Also, data collection about customers’ perspectives is always linked to decision-making and action-taking.

* Value Proposition Canvas and instruction videos available at: <https://www.strategyzer.com/canvas/value-proposition-canvas>

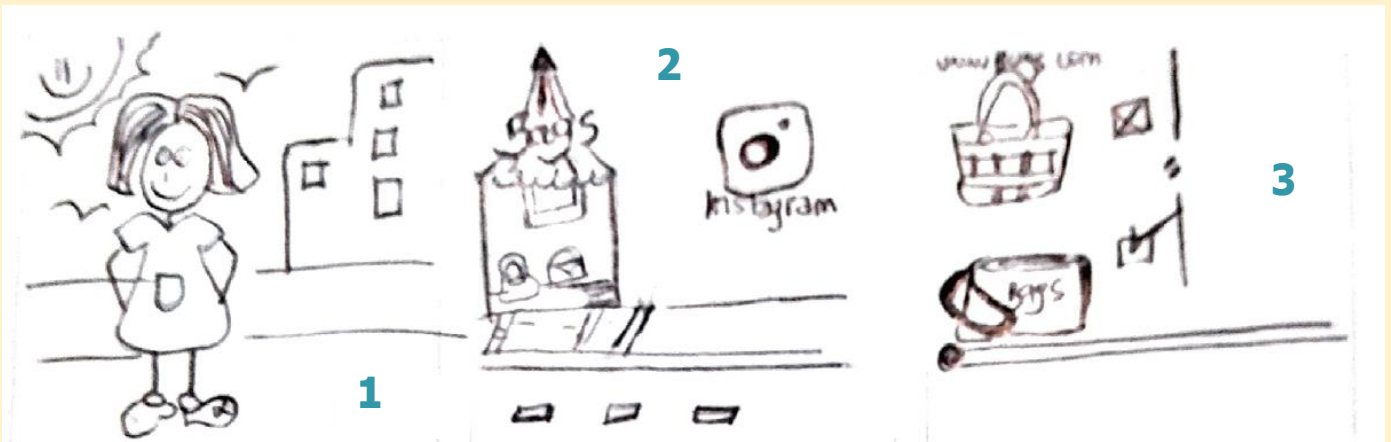
Question	Key decision customers' perspectives allows us to take
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Are customers willing to pay a higher price for the social value the product creates for the bag manufacturers?	<p>Pricing compared to market standards:</p> <ul style="list-style-type: none"> • Price level • Viability of premium added for social value
Are customers willing to pay a higher price for product being environmentally friendly?	<p>Viability of premium added for environmental value</p>
What places do they go to (physical / on line) for their bag / accessories purchases?	<ul style="list-style-type: none"> • Key outlets in the city • Key social media platforms
What motivates them to buy the NIDO bag?	<ul style="list-style-type: none"> • Key purchase drivers: social, economic, etc. • Importance of added social value within the purchase motivation mix • Importance of added environmental value within the purchase motivation mix

7. Customer journey with customer touch points

In this phase of the Lean customer research applied to NIDO, we identified the different customer touch points along the customer journey. These touch points are moments, places and spaces where the NIDO cooperative is able to interact with its buyers, and where relevant social impact metrics can be generated.

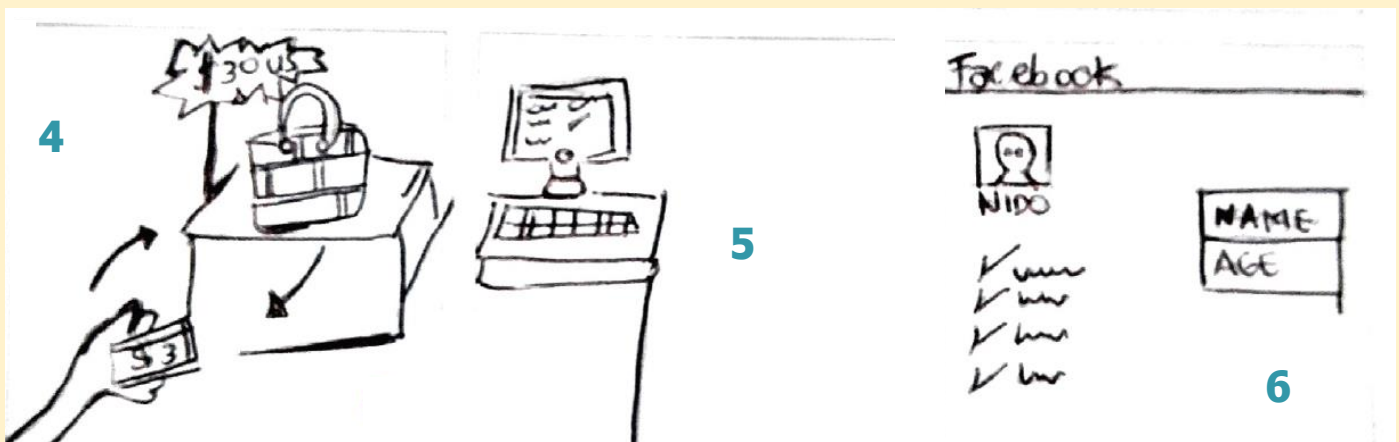
Customer journey and customer touch points:



1. Woman needs a bag

2. Goes to the store or searches on Instagram

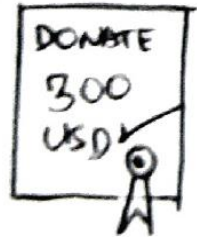
3. Chooses between the model that's ready-made and the bag you can design yourself



4. Buys the bag in the store or via Instagram

5. Seller collects customer data

6. Woman reviews information about the bag's producers on Facebook



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7. Finds the option to donate



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8. Uses the bag



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9. Seller tracks the customer



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10. Woman brings back the used bag when it has ended its useful life



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11. Woman receives discount voucher for new purchase



8. First customer survey

1. For what purpose do you buy a bag?

- Attend work
- Go shopping
- Attend a special event
- Buy daily groceries

2. When you buy a bag, where do you usually buy it?

- Shopping center stores
- Designer stores
- Markets or fairs
- Online (website / Instagram etc.)

3. When you buy a bag you pay for:

- Quality
- Design
- Comfort
- Social value of the product

4. Would you be interested in customizing the bag?

- Yes
- No
- I'm not sure. Please explain:

5. How much would you be willing to pay for a bag?

- Less than COP 30,000
- Between COP 30,000 and 40,000
- Between COP 41,000 and 50,000
- Between COP 51,000 and 60,000
- Between COP 61,000 and 80,000



More than 80,000

6. Would you be willing to pay more than COP 80,000 if the bag was made by people with disabilities?

- Yes
- Maybe
- No
- I don't know. Please explain:

7. Would you be interested to buy the bag if it was made from recyclable material?

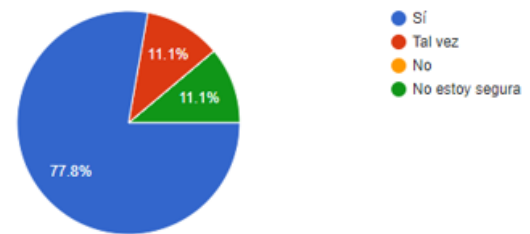
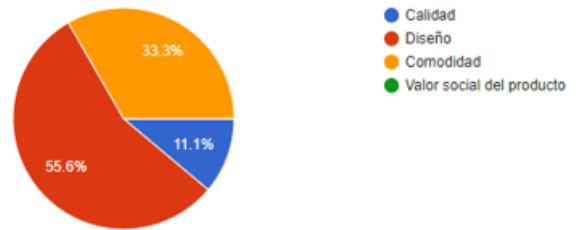
- Yes
- Maybe
- No
- I don't know. Please explain:

9. Most significant survey outcomes

Results

✓ *No one answered that social value was the determining factor to buy the bag*

✓ *More than 50% of respondents said they would be willing to pay more than COP 80,000 if the bag were made by people with disabilities*



10. Main initial insights

- ✓ The determining factors for a person to buy a bag are design and comfort.
- ✓ As long as the company meets those criteria, the person would be willing to pay more, if in addition to this the producer is a person with disability
- ✓ The marketing strategy cannot be focused on the condition (disability) of the producers

The content included above is an excerpt from the complete Lean Data Customer Survey conducted for the "NIDO" organization in Bogota, Colombia. Data ownership: NIDO, Bogota.