



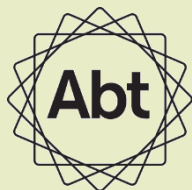
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M-Enabled Business Models: Applications for Health

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Abt Associates leads the project in collaboration with**
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Jhpiego
Marie Stopes International
Monitor Group
O'Hanlon Health Consulting

Market Based Solutions to Poverty in Africa

- SHOPS co-funded 16-month study to identify inclusive business models to engage with BOP
 - Conducted by Monitor Group
- 430 inclusive businesses analyzed
 - 43 were mobile-based services

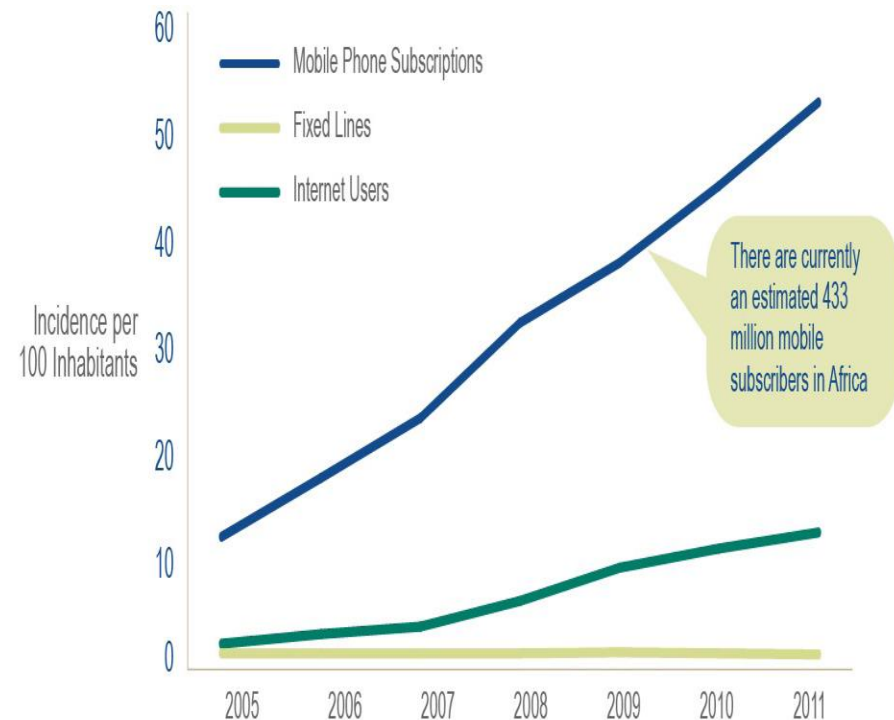
***Inclusive businesses** are market-based initiatives that offer socially beneficial, commercially viable goods or services to poor consumers or provide incomes to small producers at scale*

Focus on initiatives that both cover their costs and successfully reach the base of the pyramid

Context for mobile-enabled enterprises

Why mobile?

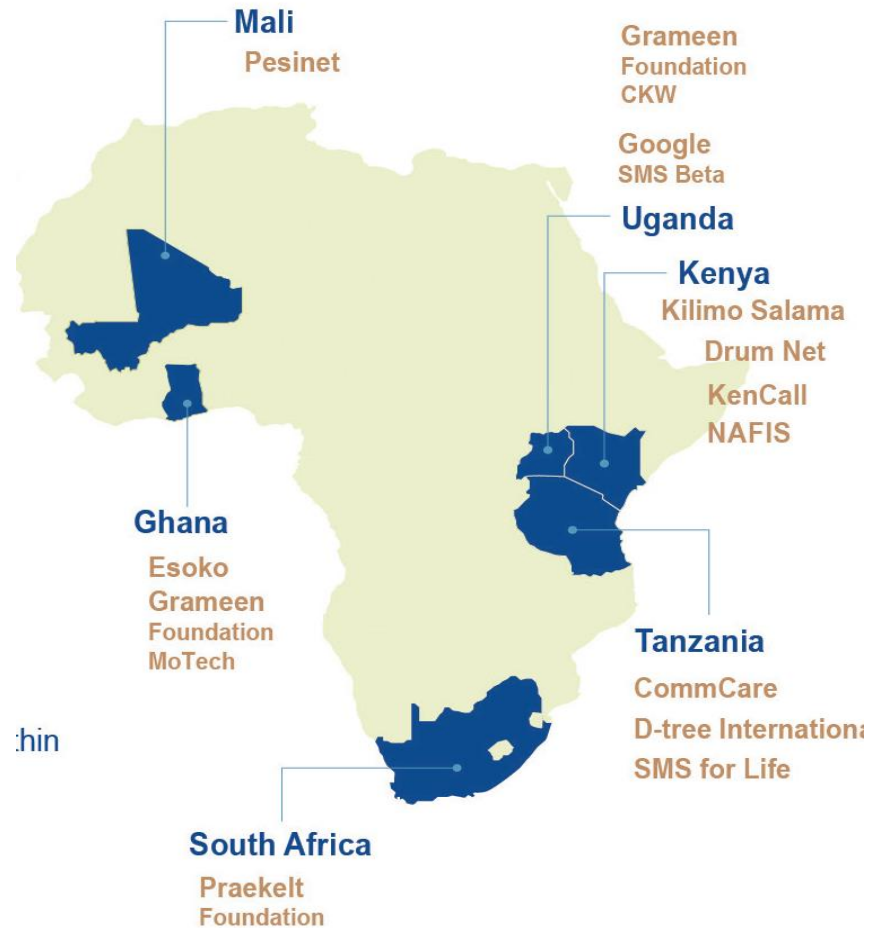
- REACH: Access to large segments of poorest, most isolated
- ENGAGEMENT: Able to provides real-time information to field workers, consumers, target beneficiaries
- IMPROVED EFFICIENCY: Can lower costs of service delivery



75% of the worlds 6 billion mobile subscribers are in the developing world, reaching further into the BOP than any other infrastructure

12 mobile enterprises profiled

- Selected mobile applications targeting consumers or outreach workers
 - Not applications for program improvements (e.g. disease surveillance or data collection)
- Six focus countries
 - Ghana, Tanzania, South Africa, Mali, Uganda, Kenya



Purpose was to learn what success factors and constraints exist for improving health outcomes through mobile applications

Included health and agriculture applications

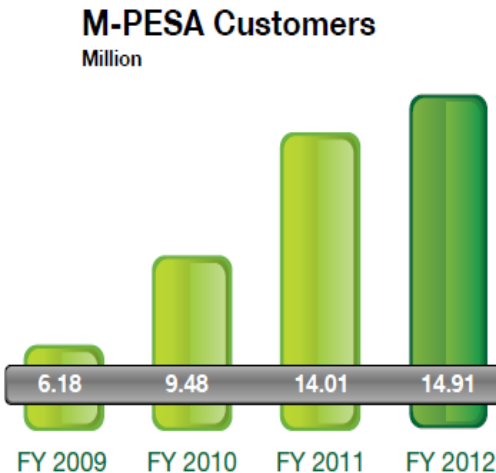
Health Applications	Profiled Services	Agriculture Applications	Profiled Services
Health provider support tools	• CommCare	Price information, facilitate trading	• Esoko
	• Pesinet		• Google SMS Trade
			• Drum Net
Health information	• Google Tips	Agriculture information	• Community Knowledge Worker Initiative
	• MoTech		• KenCall NAFIS
	• Project Masiluleke		
Pharmaceutical stock tracking	• SMS for Life	Insurance for farming inputs	• Kilimo Salama

Rationale: Agriculture services offer more tangible benefits, lessons to be applied to health interventions

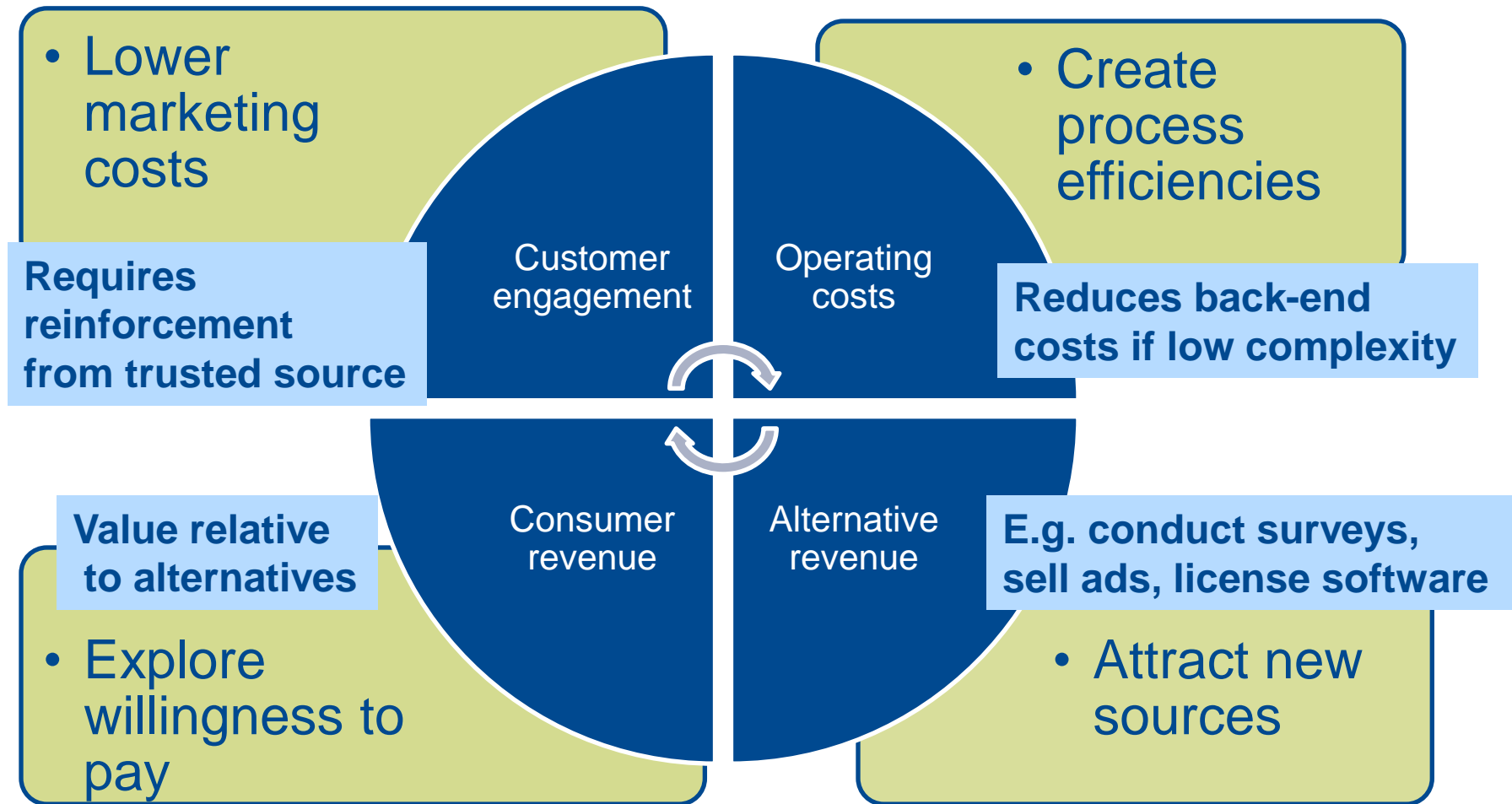
mPesa as base case



- Provides Safaricom subscribers ability to deposit, transfer, withdraw funds using mobile phones
- Only profitable m-enabled enterprise found reaching BOP
- Success factors to inform m-enabled enterprises
 - Self-evident value proposition
 - Established brand
 - Extensive agent network



Analytical framework: Drivers of break-even for m-enabled enterprises



Ten best practices highlighted

Lessons for mHealth

1. Use trusted intermediaries

6. Explore alternative revenue streams

2. Balance ease of use and cost considerations

7. Diversify the customer base

3. Consider ability to charge

8. Engage in partnerships

4. Stimulate demand

9. Enlist government support

5. Sell bundles services

10. Leverage existing at-scale platforms and applications

1 Establish partnerships

Rationale

- Cost sharing and efficiencies
- Access to better information
- Increased credibility
- Multiple sales channels
- Leverage relationships

Implications

- Improvements to health system through overall savings
- Partnerships also increase complexity
 - Diverse incentives, objectives, metrics, and time horizons

Partnership benefits

Partner category	Benefits for service	Benefits for partner
Commercial enterprises	Sell and market services	Access to new consumers
Mobile operators	Discounts, marketing, credibility, brand	Build customer loyalty, increase traffic, goodwill
Government	Credibility, access to institutional resources	Improves quality of service, improves health outcomes
NGOs	Field force to leverage, quality information sources	Additional income streams, assists in development objectives

Case study SMS for Life Tanzania

- Malaria drug tracking platform
- Weekly stock requests from health worker personal phones
 - Airtime incentives for timely reports
- MOH monitors and redistributes supply
- **Large partnerships facilitate replicability, expand opportunity to leverage platforms, reuse data**
- Partner benefits
 - Novartis: long-term sales
 - IBM: CSR/goodwill
 - MOH: meet health targets
 - Vodafone: network usage
 - Roll Back Malaria: reduce waste

#2 Consider ability to charge fees

Rationale

- Mobile services have demonstrated consumer acceptance of user fees
- User fees benefits
 - Help sustain beneficial services
 - Demonstrates value to recipients
 - May increase engagement with the content

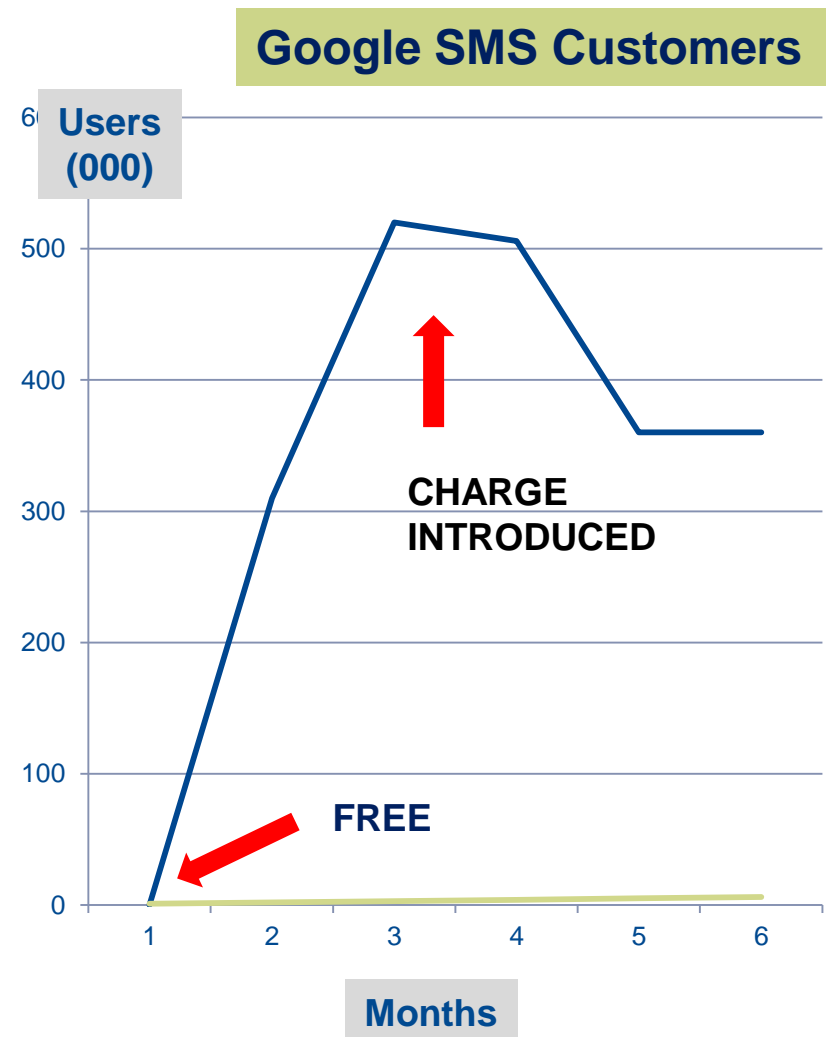
Implications

- Fees will dampen demand
- Free services less costly to implement
- Fees may exclude those with greatest need
 - Should consider stratified prices and services (basic and premium)

Case study: Google SMS Tips Uganda

- Provides information on health, agriculture, weather
 - Health inquiries predominate, especially HIV/AIDS
 - Includes Clinic Finder with locations
- Google offered free at start, introduced charges later
 - Hits per month dropped but stabilized at 360,000/month

Willingness to pay demonstrates lack of substitute for credible, timely health content.



3 Bundle services

Rationale

- Intangibles such as insurance, agricultural and health information, preventive health care among the most difficult sales to make to the BoP
- Combining information with products or more tangible benefits can build demand

Implications

- Expands marketing opportunities, focus on more tangible products
- Opportunities to cross-subsidize information with services

Case study Kilimo Salama Kenya

- Insurance designed to protect farm inputs (seeds, fertilizer) against drought, excess rain.
- Distributed through rural agro retailers
- Mobile phones enable
 - Policy registration
 - Claims payout
 - SMS communications



Key facts

- Launched 2009
- 23,000 farmers reached
- Partners: Syngenta Fdn, UAP Insurance, Safaricom

Bundling of complex insurance with tangible inputs incentivizes uptake

4 Use trusted intermediaries

Rationale

- Intangibles such as insurance, health savings, health advice require education
 - New mhealth applications will encounter skepticism, risk aversion
 - Information transmitted electronically is difficult to assess or verify

Implications

- Higher costs
 - mHealth requires human capital to supplement the software and messages
- Marketing services directly through mobiles has not yet been accepted by BOP in Africa

Personal trusted contacts are needed to build demand for mobile services

Case study M-Kilimo Kenya

- Farmer's helpline established in 2010 by KenCall, Kenya's largest call center
 - Agriculture experts provide call back, offer advice, multi-language, available 24/7
 - Topics include climate information, land preparation, pest management, harvesting and marketing, location of agro-dealers, sources of capital
- Currently supporting 12,000 registered farmers in two districts
 - Customer base is subsistence farmers, live in extreme poverty
- Marketing is person-to-person
 - KenCall operators attend farmer events
 - Must meet farmers they advise remotely to create personal relationships and trust
 - Adds significant costs for the enterprise



“High touch” promotions critical to generate demand generation

5. Enlist government support

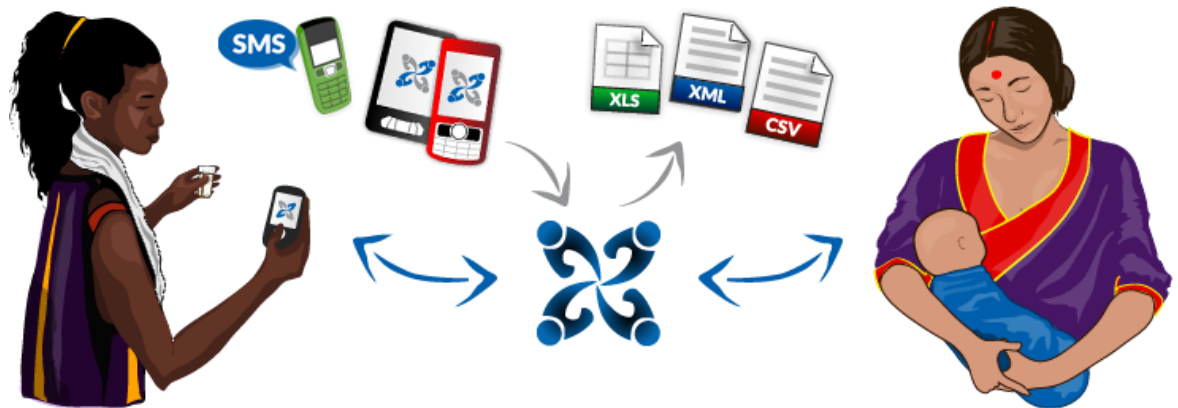
Rationale

- Integration within health care system improves opportunities to scale
- Government roles include
 - Anchor buyer
 - Implementation partner
 - Coordination

Implication

- Requires alignment with government's priorities
- Trade-offs with market flexibility

Example CommCare HQ

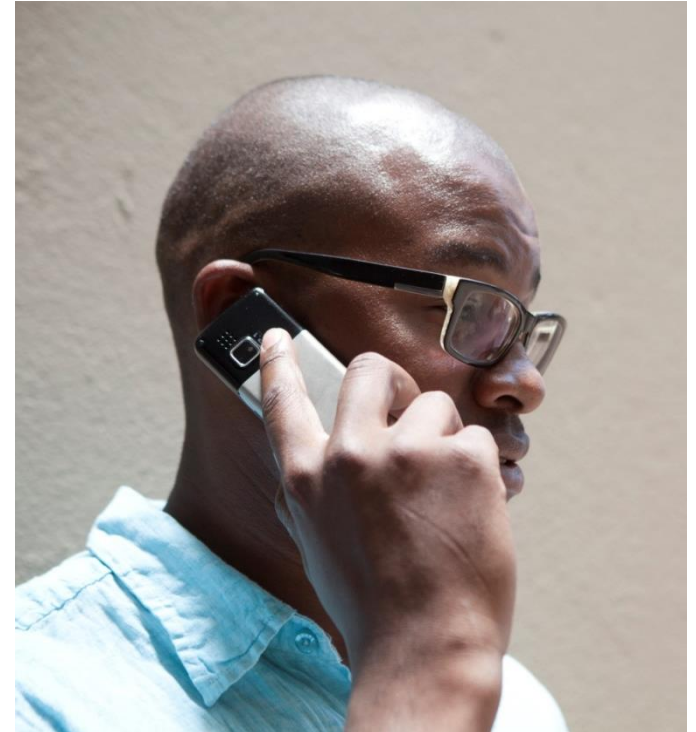


Other take-aways

Lesson	Considerations
Explore alternative revenue streams	Examples include use of mobile platforms to conduct surveys, attract advertiser support on messages, sell data
Stimulate demand	Mass media channels, partnerships
Diversify the customer base	Wealthier customers can subsidize poorer, offer a mix of free and paid services
Balance costs with use of use	Voice services preferred by BOP, but costs need to drop for large scale
Leverage existing platforms	Keep infrastructure simple

Conclusions

- Mobiles can increase access, reach and efficiency of health services
 - Potential to serve the poorest, improve lives
- Emerging models are promising
 - Continued need for innovation and evaluation of what works



Thank you

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