Terms of Reference for Market Research Consultant

Overview
Habitat for Humanity International’s Terwilliger Center for Innovation in Shelter in the Asia/Pacific region is looking to hire a consulting/research firm to conduct a market research for housing microfinance product development/refinement (including improving current marketing, promotion and outreach activities) in the Philippines on behalf of one of its financial institution clients. The research would be monitored and supervised by HFHI’s technical services unit, Terwilliger Center for Innovation in Shelter (TCIS). This unit provides advisory services to help microfinance institutions and other market actors enter into housing or scale existing housing products.

Timeframe
The research is expected to start in the March and the consulting firm is expected to submit final report by the mid May 2017.

Objectives
The research would include an in-depth analysis of the demand for housing microfinance products and housing support services\(^1\) in the operational geographies of the MFI partner. Specific tasks of the research include:

- **Demand evaluation**: Assess the housing and finance needs, preferences, and capacities of the target population. The primary research should also be complemented by secondary research on the demand and supply of housing finance products in the identified geographies
- **Competitor analysis**: Understand the level of competition for the MFI in the affordable housing finance sector and an in-depth understanding of product characteristics and market penetration of these products
- **Client segmentation**: Segmentation of the clients based on demographic/socio-economic characteristics and product feature preferences
- **Client satisfaction**: Assess the satisfaction levels of the clients with the existing housing microfinance products offered by the partner MFI
- **Client’s affordability**: The firm would analyze client’s affordability for availing home improvement loans, which will primarily involve cash flow analysis and indebtedness of the borrowers.

Research Technique
The firm may adopt a combination of qualitative and quantitative research techniques for meeting the objectives. The firm may be required to interview existing clients of the MFI, non-clients, and other

\(^1\) “housing support services” are non-financial products and services that enable households to improve their housing on their own. These services aim to help households acquire the basic knowledge to undertake or supervise their home improvements and to make the right decisions in the process. Examples of these services include construction related technical assistance, training of low income families on affordable housing, planning for home improvements, etc.
stakeholders involved in the housing value such as building material suppliers, masons, foremen, local authorities and community leaders.

**Deliverable**
The consultant will deliver both a hard and electronic copy of the following documents:
1. Plan and methodology of the work to be executed
2. Preliminary research report
3. Report on the results of the market research

The report must also include recommendations for a housing microfinance product development/refinement and strategy. In addition, the consultant will formally present each of the documents to the staff of the institution.

**Note:** Before commencement of the market research, the TCIS team will hold a half-day workshop with the senior and middle management team of the MFI to explain research objectives, plan and the tools. It is expected that inputs from the MFI at this stage will be incorporated in the research methodology. The consulting/research firm will also be asked to moderate this workshop along with the TCIS team at MFI’s location.