



THE IMPACT OF iCARE BENEFITS

TIME AND COST SAVINGS

JULY 2015



EXECUTIVE SUMMARY

The formal workforce in developing nations often enjoys traditional benefits at work including social security, minimum wage and disability which enables them to provide for their families and meet basic living standards. Nevertheless, emerging market employees in the manufacturing, industrial, and hospitality sectors earning wages less than USD \$400 per month have limited purchasing power to buy essential products and services. While they enjoy job stability, they usually do not have access to essential retail, healthcare, educational or consumer financial products that make life better. Staple products like washing machines, refrigerators, air conditioners, mobile phones, hot water heaters, health insurance, low interest loans, affordable housing, or quality education are out of reach and unaffordable to the broader population.

Retailers and service providers have not found effective ways to penetrate this untapped market or increase stickiness. Even if they can bridge the distance, this segment does not have the purchasing power nor demand to buy with high interest rates or inconvenient repayment methods. Electronic wallets have been able to extend the reach of banks, yet penetration is low, and although it makes it easier to move small amounts of funds around, it does not enable users to make retail purchases for items that cost more than their monthly salaries or have high delivery fees.

Smartphones and mobile internet are creating a new breed of educated consumers at the base of pyramid who require solutions to increase their standard of living and quality of life while reducing the costs and time it typically requires of them to purchase products and services that the mainstream community takes for granted.

Mobile internet and affordable smartphones are creating smart consumers across all income brackets who demand products and services at market prices to enable them to accumulate assets that make life more comfortable.

iCare Benefits is a retail solution that unlocks purchasing power and leads to savings in time and money for emerging market workers

mobivi | iCare.
Chương trình phúc lợi của người lao động

This problem requires a breakthrough solution that can bridge the gap and bring affordable retail to the mainstream workforce. iCare Benefits is a pioneering intervention that effectively bridges the accessibility and affordability gap between retailers, service providers and workers. This unique retail platform and employee benefits program enables workers to purchase essential products and services with prices that are competitive with modern retail coupled with 6 month installment payments with no interest.

This survey was disseminated to gain insight from active iCare Benefits members across several companies deploying the program. The responses provided critical feed back and perspectives related to the satisfaction of current products and services as well as the appetite for new offerings not only in retail, but in the healthcare, education, and consumer finance industries. The survey also focused on identifying whether iCare Benefits is an effective tool that can improve livelihoods, save time and money, and properly incentivize workers thus resulting in a reduction in employee turnover and increase in productivity.



COMFORT LIVING



HEALTHY LIVING

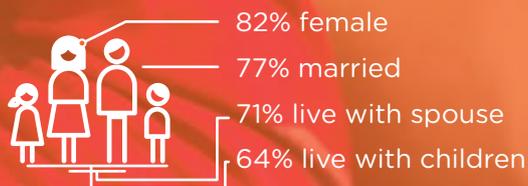


SMART LIVING



PROSPEROUS LIVING

SURVEY HIGHLIGHTS



The majority of survey respondents revealed that iCare Benefits is their default platform to purchase retail products and gain access to short term cash. In addition to retail goods, many respondents expressed demand for products related to education, healthcare and personal financial services.



63% want a loan product with low interest rates

There was a strong demand for savings and loans products and cash advance services, with over two-thirds of the respondents indicating they require instant cash at least once per year prior to receiving their monthly salary and a similar number asking for micro-loans with low interest rates.



48% claimed their skill or ability was a barrier to promotion

Respondents stated they want vocational training opportunities as a means to advance in their careers and earn higher wages.



93% believe that iCare Benefits has saved them time and money

iCare Benefits has become the primary purchasing method for a significant majority of respondents who previously stated they could not afford to make similar purchases without the program. One-third of the respondents travel more than 5km to browse for similar products at alternative retailers making it time consuming and costly to purchase elsewhere. It is also more expensive to secure financing with over one-third of the respondents saying they would pay up to 3% or more in interest per month from other retailers or the black market for essential products.



47% must travel 30 minutes or more to buy products similar to those from iCare Benefits

Nearly half of the respondents have to make at least two trips simply to secure financing to buy products. One-quarter travel over an hour one-way to complete the application for financing from alternative retailers. Another quarter of the respondents spend multiple days to complete the application process. As a result, nearly every respondent indicated that iCare Benefits saves them time and money when buying essential products. Of these buyers, the great majority would not have been able to buy or afford these products without iCare Benefits.



SURVEY METHODOLOGY

- The survey respondents consisted of a randomized sample of workers across three factories in southern Vietnam.
- The survey was conducted in July 2015.
- 1,370 surveys were distributed to the three factories. 1,110 surveys were returned. The response rates were as follows:

Factory Name	Original Survey Population	Returned Surveys	Response Rate	Statistical Significance (5% Margin of Error)
Factory A	400	326	81.5 %	93 %
Factory B	400	324	81.0 %	92.8 %
Factory C	570	441	77.4 %	96.4 %
		1091		
NO ANSWER		19		
TOTAL	1370	1110	81.0 %	

- The names of the surveyed factories were removed to protect their privacy
- +90% confidence interval, margin of error of +/- 5% and 0.5 standard deviation.
- Followed ICC/ESOMAR International Code on Market and Social Research fundamental guidelines.

SURVEY FINDINGS



DEMOGRAPHICS

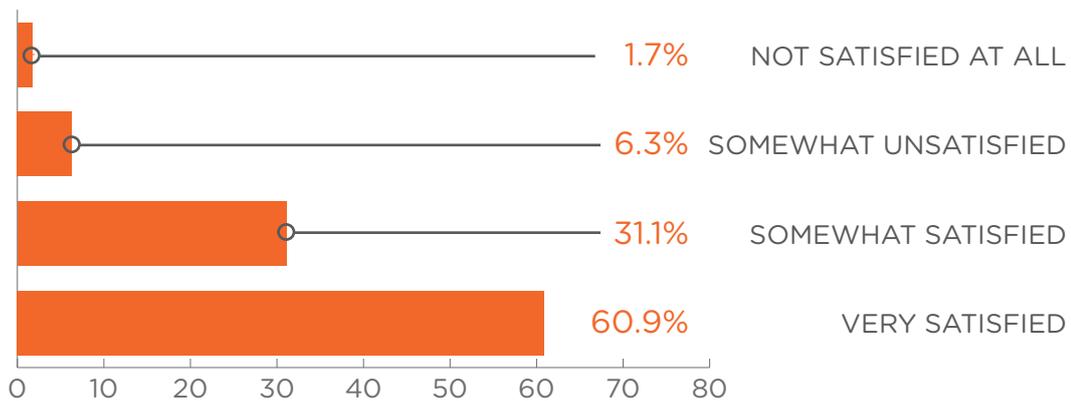
- Of the 1370 surveys distributed, the response rates across factories were: 82% at Factory A, 81% at Factory B, and 77% at Factory C.
- The vast majority (82%) of survey respondents were female.
- Nearly half (49%) are aged between 20 and 30 years old.
- A high percentage (77%) are married.
- A majority of the respondents (71%) stated that their spouse lived in their house with them, 64% said they also lived with/ had children and 35% have a parent living with them.



iCARE BENEFITS PERFORMANCE

› How satisfied are you as a member of iCare Benefits?

1038 out of 1110 people answered this question.



An overwhelming majority of respondents (92%) said they were satisfied with iCare Benefits as a member.

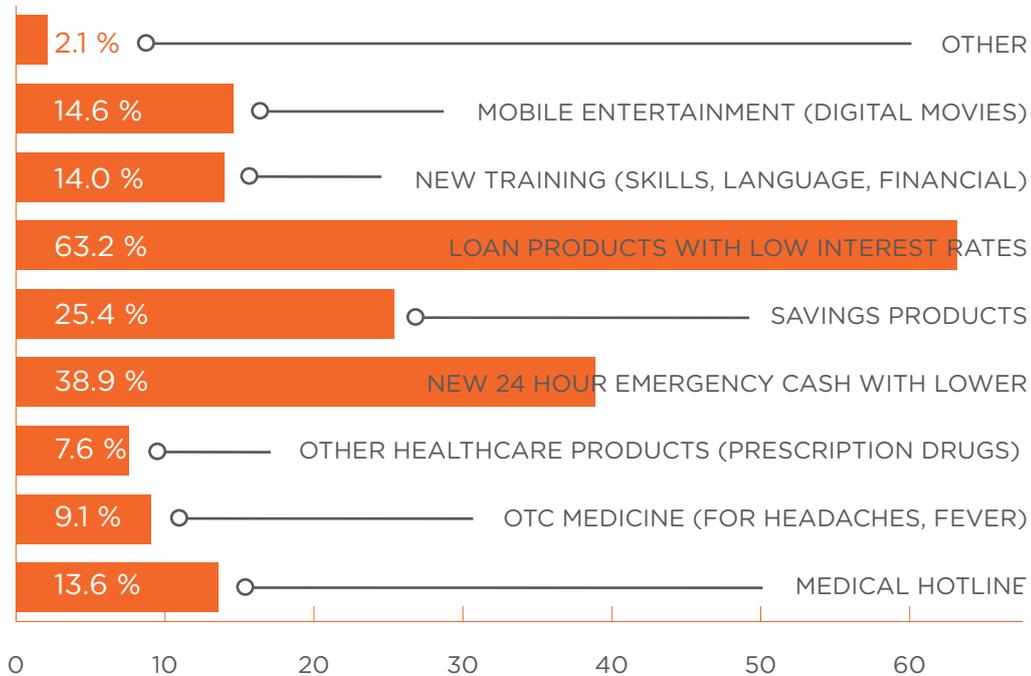
- 84% of respondents indicated that the Free Customer Service Number was good or very good.
- 79% of the respondents expressed content with the Delivery Service, with two-thirds (64%) offering a similar response on the Warranty Service.
- 83% of respondents expressed satisfaction with iCare Benefits Staff, and nearly three-quarters (74%) said iCare Benefits had a good selection of products.
- An overwhelming majority (92%) of respondents who have used the Cash Advance Service expressed satisfaction with the service. This figure excludes respondents from ChangShin, who do not have access to Cash Advance.



EXPRESSED NEEDS OF iCARE BENEFITS MEMBERS

› What more do you want from iCare Benefits?

921 out of 1110 people answered this question



A majority (63%) expressed a desire for loan products with low interest rates, and one-quarter (25%) of members said they would like to use savings products.

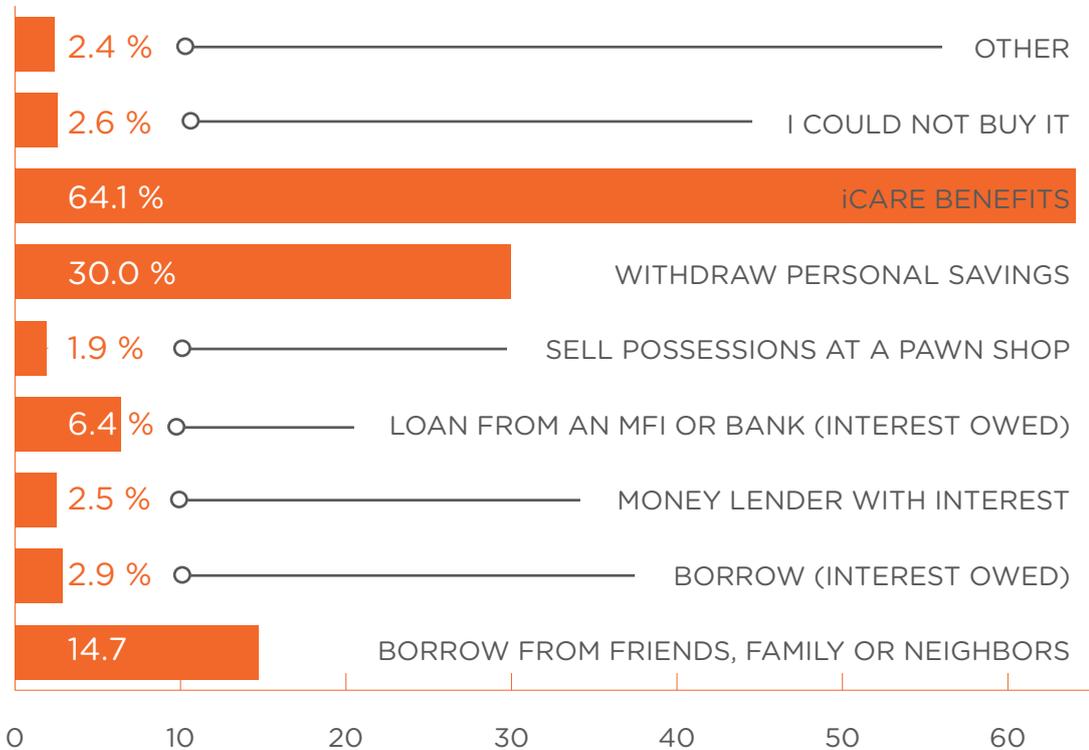
- 20% of respondents already save money monthly.
- Over one-third (39%) would like to access 24 hour emergency cash with lower fees through iCare Benefits.
- 14% of workers would like to sign up for new training, such as supervisory skills training.



PAYING FOR PRODUCTS

› How do you usually pay for things like a mobile phone, TV, refrigerator, or washing machine?

967 out of 1110 people answered this question



Nearly two-thirds (64%) now use iCare Benefits as their primary platform to pay for essential products like a mobile phone, refrigerator, or washing machine.

- About one-third (30%) of respondents are using their personal savings to purchase products and another quarter (27%) are borrowing money from various sources.



BUYING PRODUCTS ELSEWHERE

› Travel time to other retailers

955 out of 1110 people answered this question



› Trips to apply for financing

526 out of 1110 people answered this question



It would take 47% of respondents over 30 minutes to reach a location to buy products similar to those from iCare Benefits, and of this number half (50%) would travel for over one hour one-way.

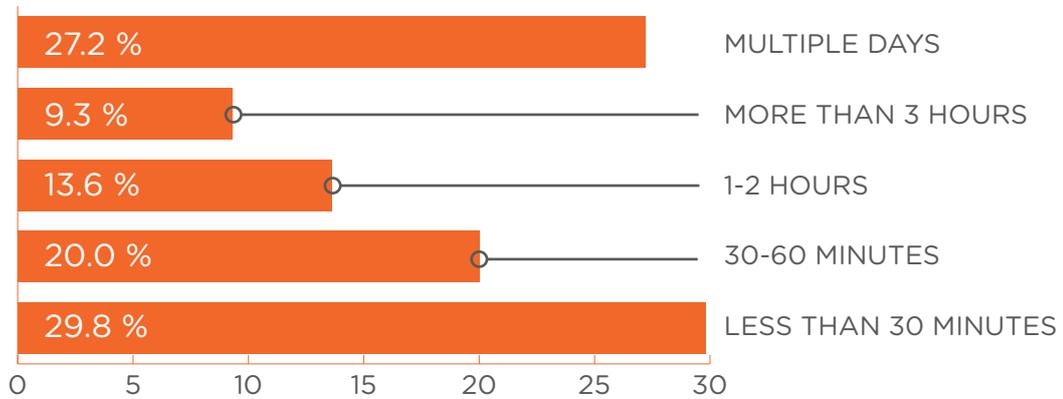
- If they were to look elsewhere before buying a product available from iCare Benefits, over one-quarter (26%) would go to a major retailer located more than 5km away.
- Over one-third of workers (37%) would have to use financing if they bought a product from another retailer.
- Nearly one-third of respondents (31%) did not know how much they would have to pay in interest if they bought a product from another retailer using financing.
- Out of the other lenders who provide 0% financing, 24% of respondents said this offer would be valid only for a limited time and over one-third (34%) did not know how long the offer would last.
- 43% have to make more than one trip to complete the application process for financing.



BUYING PRODUCTS ELSEWHERE

› Road trip to complete financing application

515 out of 1110 people answered this question



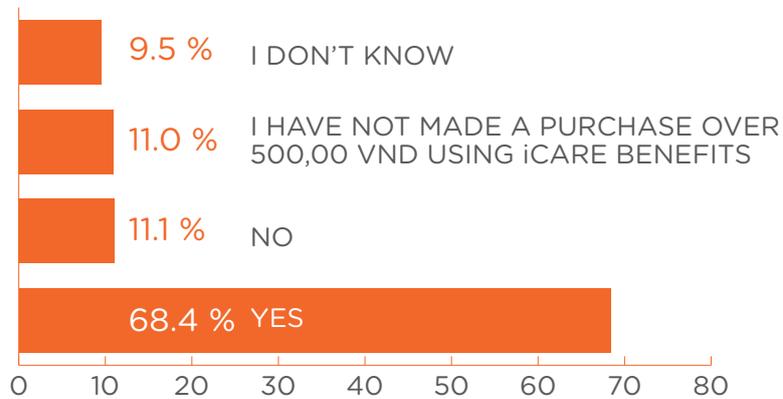
- Half of the respondents (50%) have to take a more than 1 hour roundtrip to submit the necessary documentation to apply for financing, with over one-quarter (27%) requiring multiple days to complete the process.
- To make monthly installments to another lender, a significant number of respondents would have to travel to make the repayments such as at the location they purchased the product (38%) or by depositing the instalment at the bank (28%) or an ATM (18%).
- One-third (32%) would have to travel for at least one hour one-way to make the installment payments at other retailers.



iCARE BENEFITS IMPACT

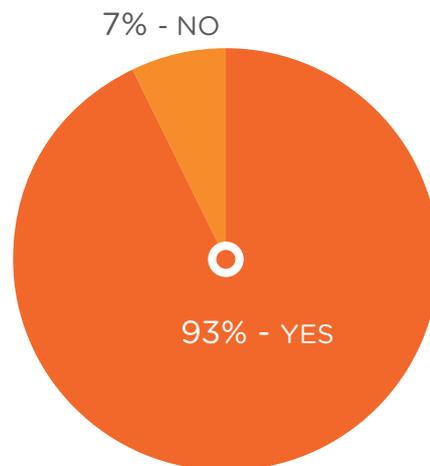
- › Has iCare Benefits permitted you to purchase something you wouldn't otherwise have been able to afford?

515 out of 1110 people answered this question



- › Has iCare Benefits saved you time and money when making purchases?

860 out of 1110 people answered this question



An overwhelming majority (93%) believe that iCare Benefits has saved them both time and money when making purchases.

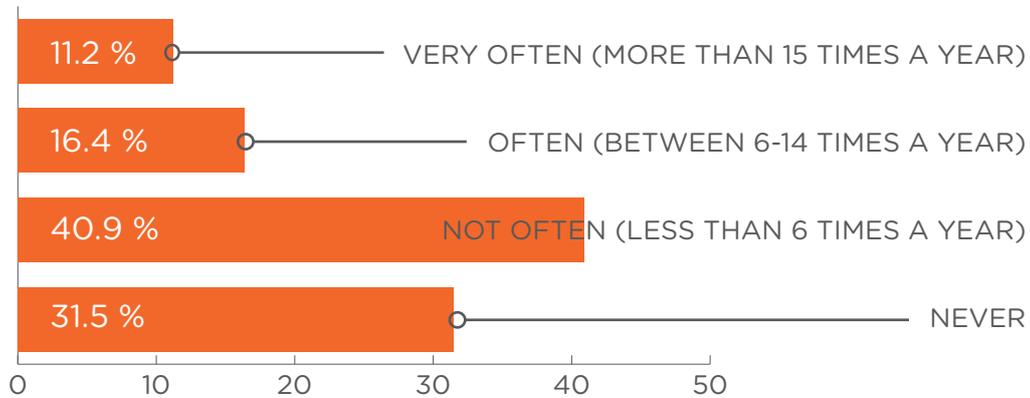
Two-thirds (68%) also believe that iCare Benefits has enabled them to purchase products they wouldn't otherwise have been able to afford.



PERSONAL FINANCES

› Emergency cash in a year

858 out of 1110 people answered this question



A significant majority (69%) need emergency cash sent to them by friends or family at least once per year prior to receiving their monthly salary. 11% require this more than 15 times per year.

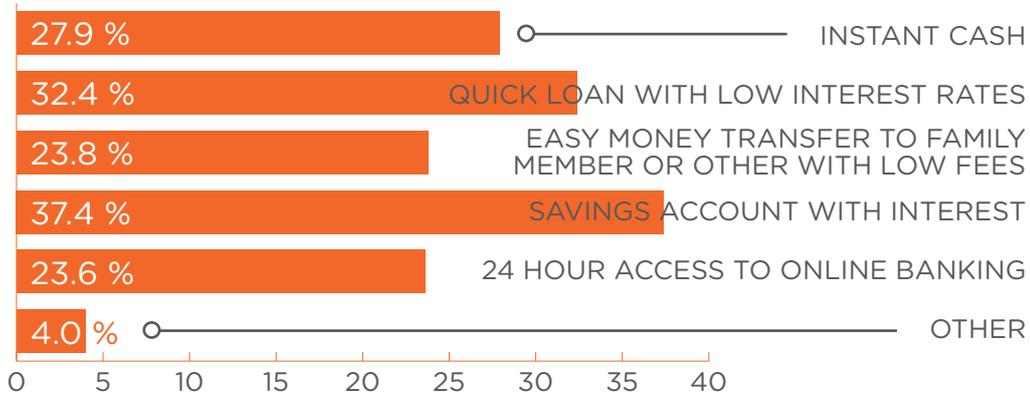
- A majority (58%) of respondents send money to their parents or other family members
- Nearly one-third (33%) said part of their salary went towards buying iCare Benefits products.
- Over half (53%) said they save or think they should save money for a better lifestyle in the future, and 40% said they should save for their children's future education.
- However, 55% said they are unable to save as they have no money left after paying their bills.
- 51% of respondents save or think they should save for future needs, such as emergencies or weddings.



FINANCIAL SERVICES

> Demanded financial products

823 out of 1110 people answered this question



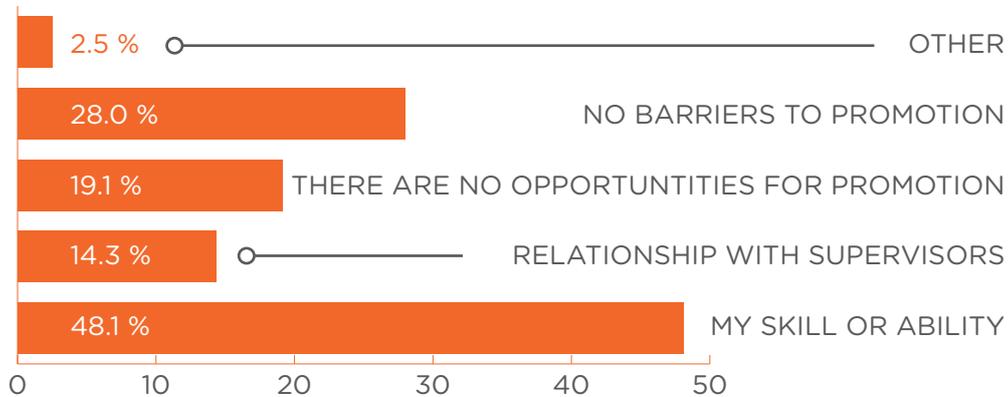
37% are interested in a savings account which provides interest and 32% would like to access quick loans with low interest rates.

- One-quarter (24%) of respondents would like to easily transfer money to a family member or other with low fees.
- One-third (33%) have never taken a loan out before.
- Approximately one-fifth have taken a loan out for consumption (29%) or investment (26%) purposes.
- In terms of financial training, over half (51%) are interested in family financial planning.
- Well over one-third (40%) would like to learn about different savings products, and one-fifth (20%) would like to learn about different insurance products.

TRAINING

> Barriers to promotion

813 out of 1110 people answered this question



Nearly half (48%) claimed their level of skill or ability was a barrier to promotion.

- 28% said there were no barriers to promotion at their factory, while 19% claimed there were no opportunities for promotion.
- 14% said the relationship with their supervisor was a barrier to promotion.
- Over three-quarters (82%) have received training in worker rights, labour laws, and benefits at their factory, with nearly as many (73%) having undergone Health & Safety training.
- 23% have received upgrading and supervisory skills or new equipment and operations training, while 3% said they had not had any training .

CONCLUSIONS

iCare Benefits saves its members both time and money.

The majority of respondents would spend multiple hours outside of their residential area to browse for essential products, apply for financing, or make installment payments were it not for iCare Benefits. This is all time spent away from their families, household chores, and work, and is a significant strain that could reduce their productivity and well-being. A quarter of respondents would pay interest rates of over 1% per month if they bought products from other retailers- a substantial amount for low-income groups.

iCare Benefits unlocks the purchasing power of its members.

Respondents stated that they are now able to buy previously cost-prohibitive products. The program is able to extend the reach of manufacturing and service providers to reach low-income workers by making products instantly affordable.

iCare Benefits has become the default purchasing method of members.

People trust iCare Benefits so are buying essential products without having to borrow from friends and family, financial institutions, or money lenders. Additionally, iCare Benefits offers increased convenience compared to buying products from other retailers.

Respondents may be underreporting other payment methods.

As the survey was not anonymous, respondents may underreport whether they borrow from black market money lenders, financial institutions, or by selling assets due to fear of negative implications or embarrassment.

Respondents indicating they would not use financing does not mean they can easily afford these products.

Two-thirds of workers would not use financing to purchase products comparable to those offered by iCare Benefits, but this may be due to the fact that they do not buy the product at all, pay out of their savings, buy from local stores who have no financing options available, or don't know how to apply for financing.

Many respondents would fail to qualify for 0% financing at other retailers.

This could be because their salary is too low for them to qualify. Respondents may not take the next step beyond reading the advertising materials of other retailers to actually buy the product and recognise this. Furthermore, some retailers will run 'bait & switch' campaigns where 0% financing is only available for out of stock products.

0% financing options at other retailers are not valid indefinitely.

Many respondents did not know for how long other retailers offer 0% financing. High interest rates are often applied to delayed payments, meaning buyers can experience punitive costs at no notice. Such a high number of unsure respondents also suggests there may be opportunities here to educate members on interest calculations.

Respondents had a strong interest in their children's education.

There is the demand and potential for Smart Living to introduce products around children's education, such as supplementary tutoring.

Many respondents have taken out loans for investment purposes.

This indicates demand for Prosperous Living products. iCare Benefits could potentially cooperate with the community around a factory to finance low-income housing.

Respondents expressed a strong interest in savings products.

A consistent percentage of respondents across numerous questions would like to access savings products or training- one-tenth of respondents have never been taught how to save.

Upgrading or supervisory skills training is lacking.

The majority of respondents have not had this type of training, which represents an opportunity for training programs run by iCare Benefits.

A majority of respondents remit money back to their family.

There are significant openings for iCare Benefits to assist members in the distribution of money sent to family members and opportunities to help members during emergencies.

iCare Benefits products and services are highly rated.

Respondents had overwhelmingly positive feedback on key business areas such as the selection of products and the delivery service.

APPENDIX

A: SURVEY QUESTIONS

Today's Date:.....**Factory Name:**.....

Name:.....**Year of Birth:**.....

Mobile telephone number:.....**Hometown:**.....

Current Address:

Gender: Male Female

Marital Status: Single Married

1. Who lives in your household with you? (Select all that apply)

Spouse

Children

If yes, how many children under 5 years of age?

If yes, how many children aged 6-13 years old?

If yes, how many children aged 14-18 years old?

Parent

Other family member. Please specify

I live with a friend or another person

I live alone

2. How satisfied are you as a member of iCare Benefits? (Select one answer)

Very satisfied

Somewhat satisfied

Somewhat unsatisfied

Not satisfied at all

3. How would you rate the quality of products and services from iCare Benefits?

	Very Good	Good	Fair	Poor	Have not Used Yet
Free Customer Service Number	<input type="radio"/>				
Delivery Service	<input type="radio"/>				
Warranty Service	<input type="radio"/>				
Staff	<input type="radio"/>				
Selection of Products	<input type="radio"/>				
Cash Advance Service	<input type="radio"/>				

4. What more do you want from iCare Benefits? (Select all that apply)

- Medical hotline
- OTC medicine (for headaches, fever, diarrhea, runny nose, sore throat, etc.)
- Other healthcare products (prescription financing and vaccinations)
- New 24 hour emergency cash with lower fees
- Savings products
- Loans products with low interest rates
- New training (skills, language, financial literacy, supervisory skills)
- Mobile entertainment (digital movies, music, online courses, and games)
- Other (please specify):

5. How do you usually pay for things like mobile phone, TV, refrigerator, washing machines? (Select all that apply)

- Borrow from friends, family or neighbors (no interest)
- Borrow (interest owed)
- Money lender with interest
- Loan from an MFI or bank (interest owed)
- Sell possessions at a pawn shop
- Withdraw personal savings
- iCare Benefits
- I could not buy it
- Other (please specify):

Question 6 relates to buying products from somewhere other than iCare Benefits

6a. If you want to shop for comparable products available in iCare Benefits, but prefer to look somewhere else first, where do you look first? (Select all that apply)

- Local market within 5 km
- Local market more than 5 km away
- Local store
- Retailer (eg. The gioi di dong, Nguyen Kim) within 5 km
- Retailer (eg. The gioi di dong, Nguyen Kim) more than 5 km
- Online e-commerce market
- Other (please specify):

6b. If you decide to shop for comparable products available in iCare Benefits in another location, such as a refrigerator, washing machine, mattress, hot water heater, or a smartphone, how long do you have to travel from home to buy it? (Select one answer)

- <5minutes
- 5-15 minutes
- 15-30 minutes
- 30-60 minutes
- > 1 hour

6c. If you did decide to buy something from another retailer and not from iCare Benefits, would you use financing (for example apply for a loan or an installment payment plan) to buy it? (Select one answer)

- Yes No

If you answer yes to 6c and you do use other financing (a loan or another installment payment plan), to buy something from another retailer and not from iCare Benefits, please answer the following questions:

6d. How much would you have to pay in interest to buy the product at another retailer and not iCare Benefits? (Select one answer)

- 0% per month < 1% per month 1-2% per month 2-3% per month
 > 3% per month The lender does not inform me I do not know

6e. If the other lender provides an installment payment plan with 0% interest, is the 0% offer valid for a limited time or until the loan is paid in full? (Select one answer)

- 0% offer until loan paid in full 0% offer valid for limited time
 The lender does not inform me I do not know

6f. When you apply for the financing (a loan or monthly installment payments) not through iCare Benefits, do you have to make multiple trips back and forth to complete the application process, submit required documentation, and await approval? (Select one answer)

- I get it done in one trip I need to make at least 2 trips
 I have to make more than 2 trips

6g. When you apply for the financing (a loan or monthly installment payments) not through iCare Benefits, how much time does it take you to travel round trip to complete the loan application process, including submitting all required documentation)? (Select one answer)

- < 30 minutes 30-60 minutes 1-2 hours > 2 hours
 multiple days

6h. If you have to make monthly installment payments to another lender, how do you repay the loan and make installment payments? (Select one answer)

- Pay cash at the location where I purchased the product Pay cash to the money lender
 Deposit at the bank Deposit at an ATM Online bank transfer to lender
 Mobile e-wallet transfer to lender Other (please specify):

6i. If you have to make monthly installment payments to another lender, how often do you have to make those payments? (Select one answer)

- 1 time a week one time a month
 bi-monthly Other (please specify):

6j. **If you have to make monthly installment payments to another lender, how much time do you estimate it would take to travel in order to make those payments? (Select one answer)**

- < 15 minutes
- 15-30 minutes
- 30-60 minutes
- 1 hour
- > 1 hour

7. **Do you think that iCare Benefits saves you time and money when making purchases for items you want to buy? (Select one answer)**

- Yes
- No

8. **If you have already bought something using iCare Benefits, did iCare Benefits permit you to purchase something you wouldn't otherwise have been able to afford without iCare Benefits?**

- Yes
- No
- I have not made a purchase over 500,000 VND using iCare Benefits
- I don't know

9a. **Do you send money to your parents or other people in your family? (Select one)**

- Yes, occasionally
- Yes, regularly
- No

9b. **If yes to 9a: How much money did you send or give to your family in the last 12 months ?**
.....VND (Vietnamese Dong)

10. **When you receive monthly salary, what do you spend it on? (Select all that apply)**

- Payment for my home (rent, mortgage). Approximate in VND.....?
- Food. Approximate in VND.....?
- Utilities (electricity, water, cable tv). Approximate in VND.....?
- Mobile minutes top up. Approximate in VND.....?
- Remittances (sending money to family). Approximate in VND.....?
- iCare Benefits products. Approximate in VND.....?
- I save some of it. Approximate in VND.....?
- I prefer not to answer this question
- Other (please specify what and how much in VND):
.....

11. **Why do you save or think you should save money? (Select all that apply)**

- For future needs (emergencies, wedding, funeral, parties)
- For better lifestyle in the future
- For buying an apartment, house, or land
- For buying a vehicle (motorbike)
- For starting a business later
- For the education of my children in the future
- Other (please specify):

12. Why is it difficult to save? (Select all that apply)

- After I pay my bills, I have no money left
- I like to spend my money too much
- Other (please specify):
- I was not taught how to save

13. In one year, how often do you need to get emergency cash to send to your family or for some other reason prior to receiving your monthly salary?

- Very often (More than 15 times a year)
- Not often (less than 6 times a year)
- Often (Between 6 to 14 times a year)
- Never

14. If you have taken a loan, what was the purpose? (Select all that apply)

- Consumption (to buy something)
- Unforeseen expenses
- Pay school fees of a family member
- Other (please specify):
- Investment (building, renovation)
- Party or ceremony(Wedding, Funeral, etc.)
- I never took a loan before

15. What kind of financial service needs do you require or find interesting? (Select all that apply)

- Instant cash
- Quick loan with low interest rates
- Easy money transfer to family member or other with low fees
- Savings account with interest
- 24 hour access to online banking
- Other (please specify):

16. Would you be interested in learning about the following topics? (Select all that apply)

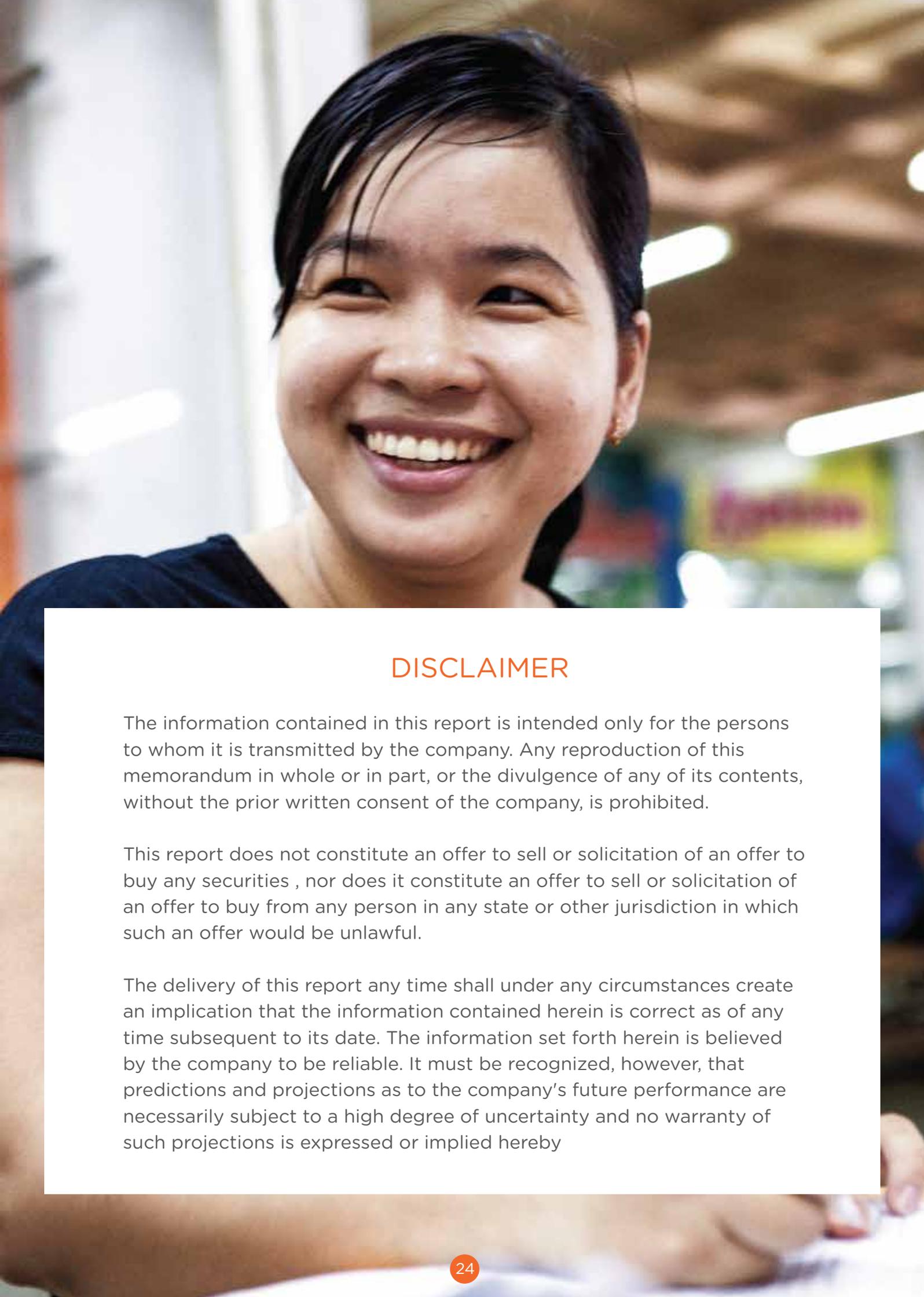
- Family financial planning
- Learning about different insurance products
- Other (please specify):
- Understanding loan interest calculation
- Learning about different savings products

17. Are there any barriers you face getting promoted in your factory? (Select all that apply)

- My skill or ability
- There are no opportunities for promotion
- Other (please specify):
- Relationship with supervisors
- No barriers to promotion

18. Did you receive any training since your began working in the factory? (Select all that apply)

- Worker rights, labor law and benefits
- Pay procedures
- New equipment and operations
- Other (please specify):
- Health and Safety
- Upgrading and supervisory skills
- No training received



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