



Women's World Banking

# Global Best Practices for Women's Financial Inclusion

Jennifer McDonald  
Lagos, November 14, 2013



# Women's World Banking Global Footprint

**+ 30** years being the largest network in microfinance

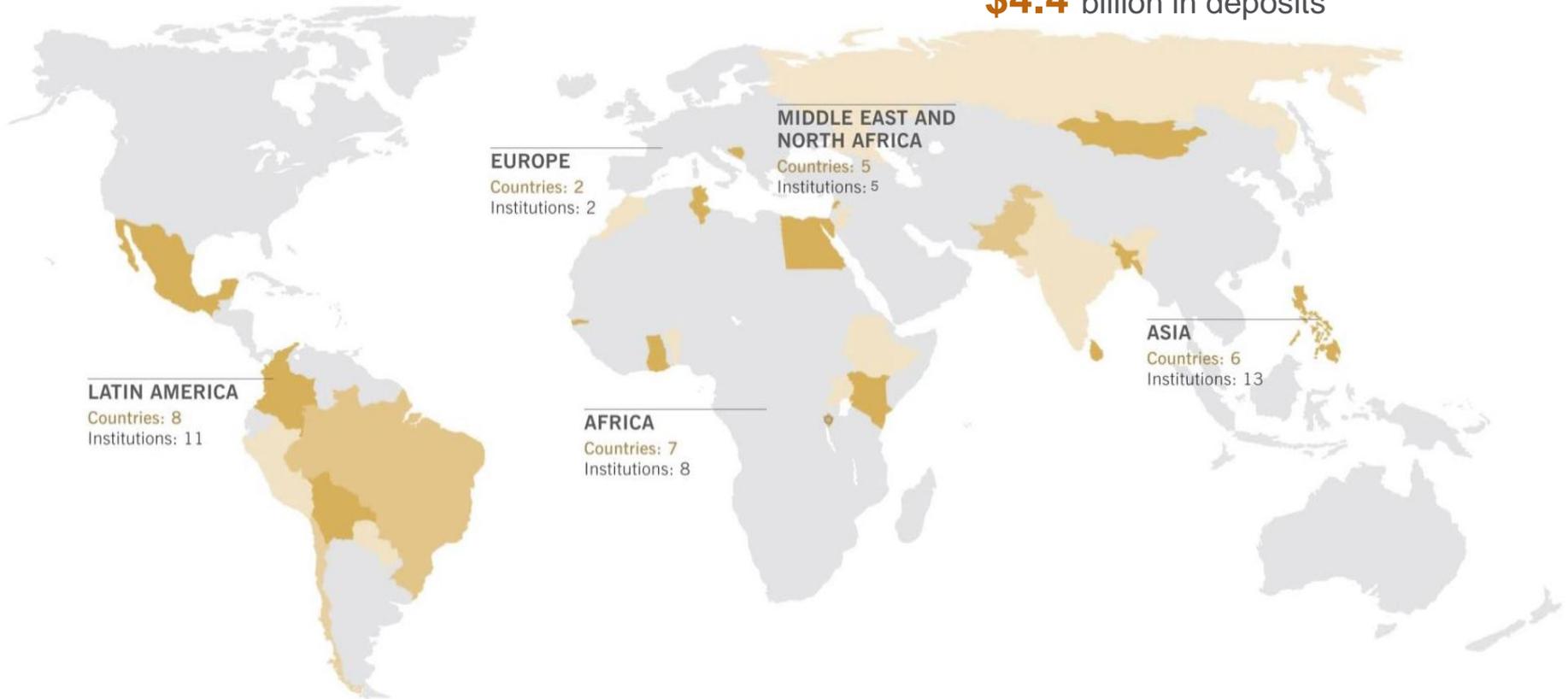
**19** million active clients

**73%** women

**39** institutions

**\$6.9** billion in outstanding loan portfolio

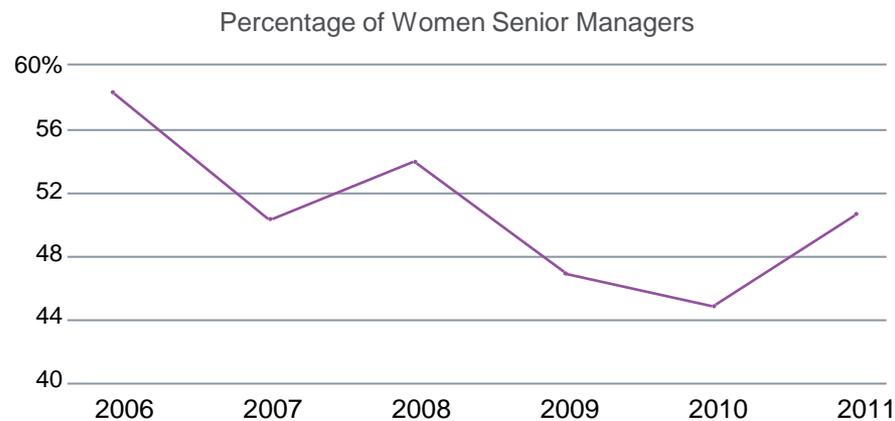
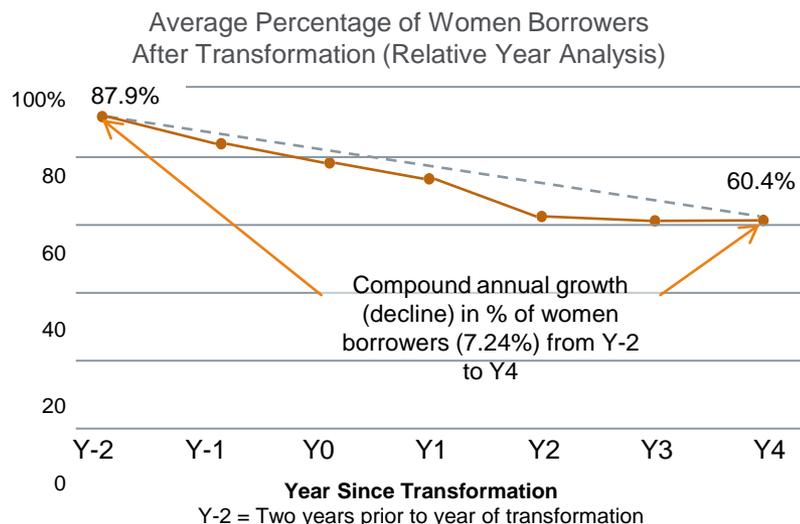
**\$4.4** billion in deposits



Women's World Banking is expanding its reach to partners in Malawi, Nigeria, Tanzania, and the Pacific

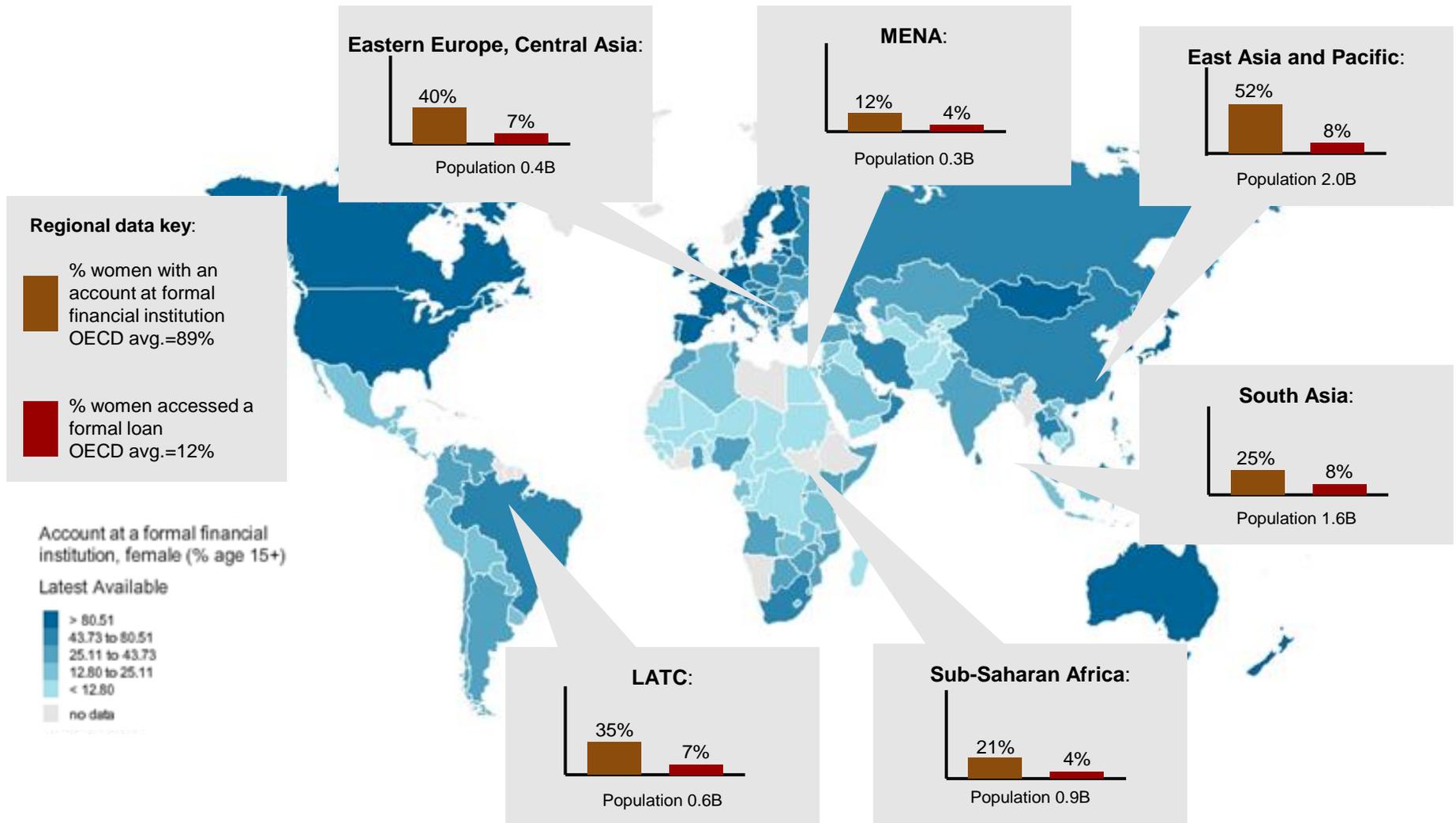
# Why Continue to Focus on Women?

- **Women account for the majority of poor populations worldwide**
  - 60% of the working poor earning less than US\$1 a day are women (Int'l Labor Organization)
- **Excluding 51% of the population is bad economics**
- **Engaging women is key to advancement of families and societies**
  - Women tend to invest more of their income into the health, education, and well-being of their families (McKinsey)
  - Increasing employment rates and education for women and girls in the Middle East and North Africa, for example, could add 1-2% per annum to GDP of those regions (McKinsey)
- **Commercialization of the microfinance sector has had dramatic consequences for women clients and leaders**
- **Historic link between focus on women and performance**
  - Women-focused MFIs outperform on growth, return and credit quality
  - Women-led institutions earn 53% higher ROE than institutions with the least female representation (Catalyst)



CGAP 2010 MIV Survey Report: Market Data and Peer Group Analysis, August, 2010.

# Still, significant global need remains for women's financial inclusion



Source: World Bank FINDEX database

Notes: Map shows % women with account at a formal institution, 2011. Data points show total population 2010 and regional averages for % women who have accounts at formal financial institutions and % of women who accessed a loan from a formal financial institution within the last year, using 2011 data.

# Women's World Banking Theory of Change

## Understand

Understand women's needs, preferences, and behavior related to financial products



## Develop, Scale and Replicate

Design and test innovations, while providing appropriate financial education and technical assistance to institutions



Maximize outreach to women



## Influence

Encourage behavior change and enhance how other institutions serve women. Share lessons learned and best practices with network and other financial institutions and facilitate peer learning



### Strengthen Leadership

Strengthen institutional leadership and gender diversity to increase women's financial inclusion

### Build the Case

Build the business case for serving women clients and invest in financial institutions that do so

*Women's World Banking is a network bound by a shared vision and common values. We partner with our network members and other institutions who are committed to serving women as clients, innovators, and leaders*



**CASE STUDY: DIAMOND BANK, NIGERIA**

# Product Design Framework (Savings)

## Product Design

### Barriers to opening

- Opening requirements: ID, proof of address, proof of income

### Accessibility

- Monthly fees
- Minimum balance requirements
- Cost of cards or checkbook

### Incentives

- Rewards, prizes or interest paid

## Marketing

### Emotional distance

- This is “for me”
- Simple communications in local language

### Campaign development

- Benefits that meet her needs
- Media and communication channels that reach her

### Financial Education

- Raise awareness and increase confidence
- Practical approaches aimed at specific gaps

## Operating Model

### Agency and mobile banking

- Increase convenience and reduce costs
- Especially for women who face security risks, are time-poor

### Tailored procedures

- Fast account opening procedures to reduce cost of acquisition
- Reduce impact of barriers like literacy or familiarity with banking procedures

### Staff development and training

- Profile, incentives and performance indicators for sales teams
- Branch staff training

Detailed, targeted and insightful assessment of women as target group

Comprehensive, qualified and efficient assessment of institution

# Diamond Bank & Un/der Banked Women

## BACKGROUND

Commercial bank with a **fast-growing retail division**  
Sees **financial inclusion as market development** for growth... with the right model

National network of **240 branches** - potential for impact at scale is significant

Opportunity to increase participation of women in customer base, from 32% at baseline

## APPROACH

Develop a value proposition for potential **customers close to market branches**

Savings as an entry product to **gain footprint**

Alternative channels to offer **convenience at reduced cost**

Next phase **expansion of proposition** to cross sell other products including credit

Collaboration on pilot through financial support from EFINA, Visa and AFD; new partnership with FSD Africa starting in 2014



# Designing a Proposition for Un/der Banked Women

## KEY CONSUMER INSIGHTS

Target segments are women (and men) market traders

She is familiar with banks but does not think they are relevant to her

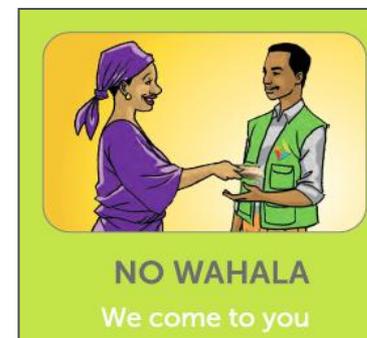
Even if she has a bank account she prefers the agility of informal mechanisms like ajo and adako (daily contribution scheme, ROSCAs)

Comfortable leaving her business for at most 15 minutes to transact

## PROPOSITION

BETA (“better” in Pidgin) is a simple savings account tailored for market women, that offers maximum convenience to customers by delivering a low cost banking service to their shops.

- No forms, no signature, no ID required, no account references, no minimum balance
- No monthly fee, no deposit fee, no withdrawal fee (ATM/branch)
- Starter pack with ATM card for instant account opening
- Interest paid on balances, rewards scheme with weekly cash prizes



# BETA Operating Model

## MULTI-CHANNEL ACCESS



**BETA Friend**  
Market-based sales and service team.  
Promotes BETA & opens accounts.  
Collects deposits, handles withdrawals in the field.



ATM



Branch

## FAST ACCOUNT OPENING



Account opened in five minutes, from anywhere.

BETA Friend captures data and photo through mobile app.



Customer receives account number and mobile PIN via SMS.



Customer receives starter pack with debit card, PIN mailer and info guide.

## EDUCATIONAL MARKETING

“BETA Talks” info sessions through NGO partnership; practical educational messages integrated in sales tool for BETA Friends, and in info guide in starter pack.

# BETA Pilot Results

## PILOT RESULTS

- 21 branches, 127 BETA Friends
- 38,600 accounts opened in six months
- ₦ 230m deposit volume (\$1.5m)
- High rates of account activity - 74% have more than one transaction per month
- Previously unbanked - 28.5% of account holders
- Women – 40.4% of account holders

## CUSTOMER FEEDBACK

BETA receives high rating from customers – it combines the convenience of informal systems with the security of saving with a bank. It is lower cost, pays interest, and offers 24/7 access to your money through the ATM.

*“They’re collecting every day. I love it. It’s not every time [that] we’ll have time to go to the bank.” (Focus Group, Women, Balogun Oke-Arin)*

## BUSINESS CASE CONSIDERATIONS

- BETA offers little fee revenue - business case based on maximizing growth of low-cost retail deposits for on-lending; in future cross-selling opportunities for other products.
- Full financial model developed for the product and channels.

# What does it take to reach women?



## Women ask questions and seek information from different sources

*“[Women] will ask about microfinance banks coming up and coming down again. Then they will not open the account. They will say come back. Not tomorrow - Tuesday! Then when you come, they will say, I’m busy, come again. They want to let another one do it first, see how they are doing it, making deposits, withdrawing! Then they will do it.” (BETA Friend, Staff Focus Group)*

## Women are risk averse – it is more difficult to convince them to open an account and driving trial takes time

**They are loyal customers once convinced**  
*“Once you are able to convince the market women and be faithful to them, they will save with you.” (BETA Friend, Staff Focus Group)*

## Institutional commitment is the key ingredient for reaching them

- Diamond Bank successfully increased participation of women from 32 to 41% by offering “Focus on Women” bonus scheme for sales staff



**INTERNATIONAL CASES**

# Rural Credit in Latin America

## Market Research Showed:

### Findings

- Men and women in rural families both underestimate women's contribution to the household income.
- Similarly, loan officers underestimated the women's contribution and might not even analyze this income as part of the loan assessment.

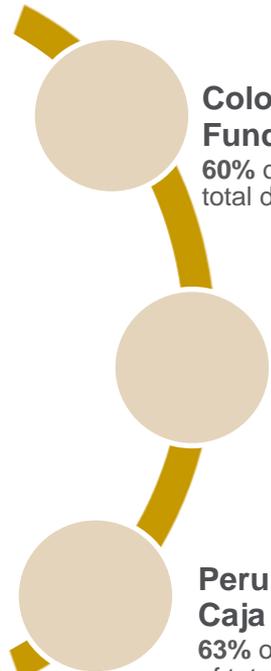
### Implications

- Women are excluded as customers and a significant portion of the family income is disregarded.
- There is increased credit risk in relying on the income from one large harvest for repayment and not taking into account the steady cash flow of women's activities.

### Solutions Proposed

- Modify existing credit methodologies to measure the entire family income and the growth potential of all income generating businesses.
- Allow multiple loans per household.
- Train staff to see women as viable and valuable clients.
- Raise awareness of women's contributions.
- Create multiple loan products for different needs (livestock, machinery, artisan).

## Project Outcomes:



**Colombia**   
**Fundación delamujer**  
60% of disbursed loans were to women, 38% of total disbursed loans were to new women clients

**Paraguay**   
**Interfisa Financiera**  
31% of disbursed loans were to women, 35% of total disbursed loans were to new women clients

**Peru**   
**Caja Arequipa**  
63% of disbursed loans were to women, 71% of total disbursed loans were to new women clients



To date, 9,800 loans have been disbursed to customers, 47% of whom are women. More than half are new customers: that is, they have never before received a loan from these institutions (or likely from any formal institution).

# Financial Education through Social Communications



## Nawiri Dada Campaign in Kenya

- Three-component campaign integrated a popular weekly TV show, media campaign, and nationwide promotion through bank branches
- Savings storylines ran through six episodes to motivate low-income Kenyan women to open and use bank accounts
- Nawiri Dada campaign launched on the show; promoted nationwide in partner branches with materials that directly linked to the show
- TV commercials and promo spots encouraged viewers to visit a partner bank to find out more and open an account
- Impact of financial education messages – viewers were more likely to believe that:
  - A bank account can help her save (+10%)
  - Money left in a bank will grow (+14%)
  - Best source of information is a bank representative (vs. a friend) (+11%)
  - Know how to find out about charges on accounts (+10%)

During three month campaign, over 140,000 new accounts were opened for women at the three participating institutions. Impact studies show that messages had impact on knowledge, attitudes and behavior.



# Designing Inclusive Products for Women

Products designed for men often do not reach women, but those that are attractive to women will usually also appeal to men.

## Segment by gender during product design

Women have different preferences and uses for financial services  
Offer her a product that adds value and improves on her current solution

## To reach women they must be targeted specifically

Women consume different media, may not be attracted by benefits that appeal to men, and make decisions based on their own criteria

## Develop the business case for serving women and monitor results

Sustainability and scale of programs focusing on women depend on development of a robust business case



Thank you for your attention  
Women's World Banking



@womensworldbnkg  
@jenmcdonald