

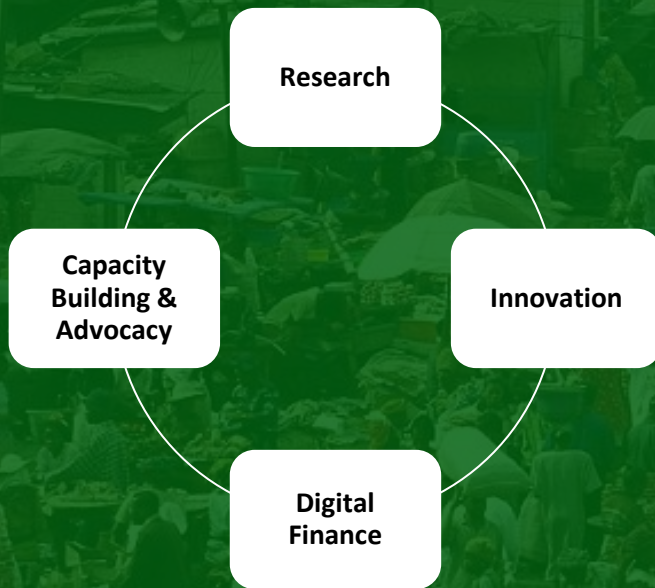
Lapsed Financial Services Agent Survey Report

Key Findings

January 2020

About EFINA

Enhancing Financial Innovation & Access (EFInA) is a financial sector development organisation that promotes financial inclusion in Nigeria. Established in late 2007, our mission is to make the Nigerian financial system work better, especially for the poor. EFInA works through four pillars:



EFInA is funded by UK Government's Department for International Development (DFID) and the Bill & Melinda Gates Foundation.



Background

Research Objectives

- Understand lapsed financial services agents' operations.
- Identify challenges faced by lapsed agents and reasons for churn.
- Determine motivations for potential re-enlistment.

Approach & Methodology

- Computer Aided Telephone Interviews (CATI)
- Telephone numbers randomly dialed, and questions were administered by well trained CATI interviewers using a structured questionnaire.
- Responses from respondents were uploaded to the server immediately.
- Sample size (N) 51 Lapsed Agents

PROFILE OF LAPSED AGENTS

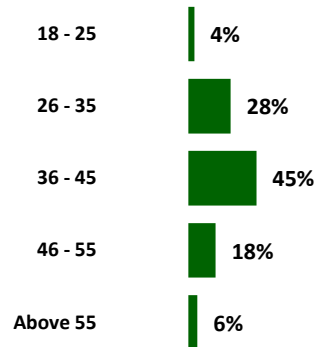
Predominantly males aged between 36 – 45 years. All have some form of formal education and about 8 out of 10 have at least a first degree.



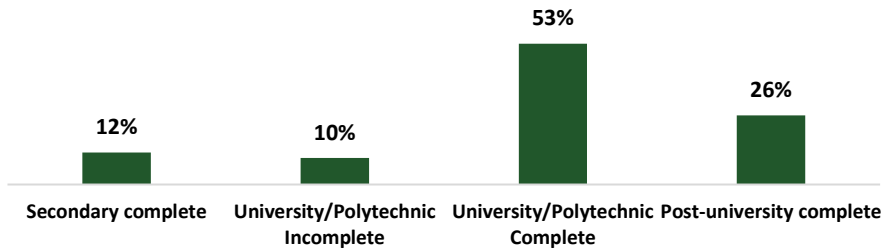
Gender



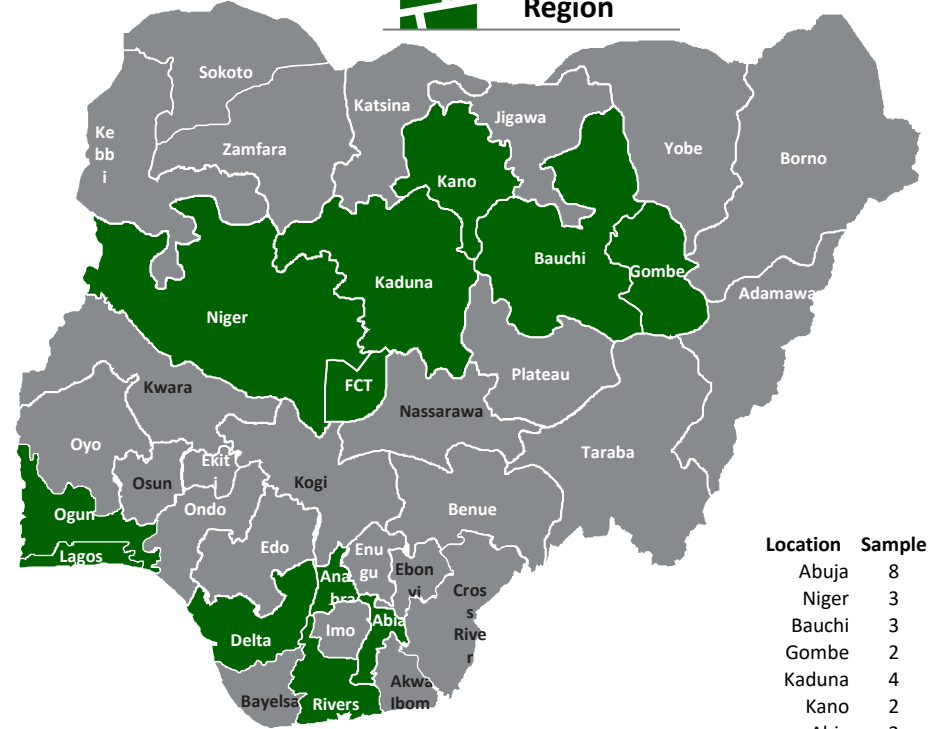
Age



Education



Region

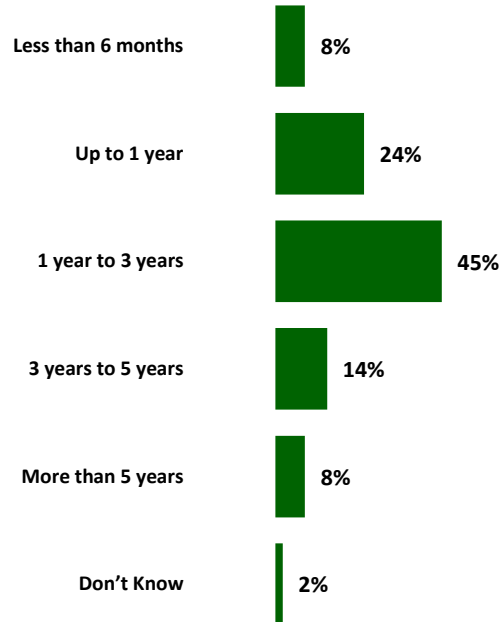


Location	Sample
Abuja	8
Niger	3
Bauchi	3
Gombe	2
Kaduna	4
Kano	2
Abia	3
Anambra	3
Delta	3
Rivers	2
Lagos	15
Ogun	3

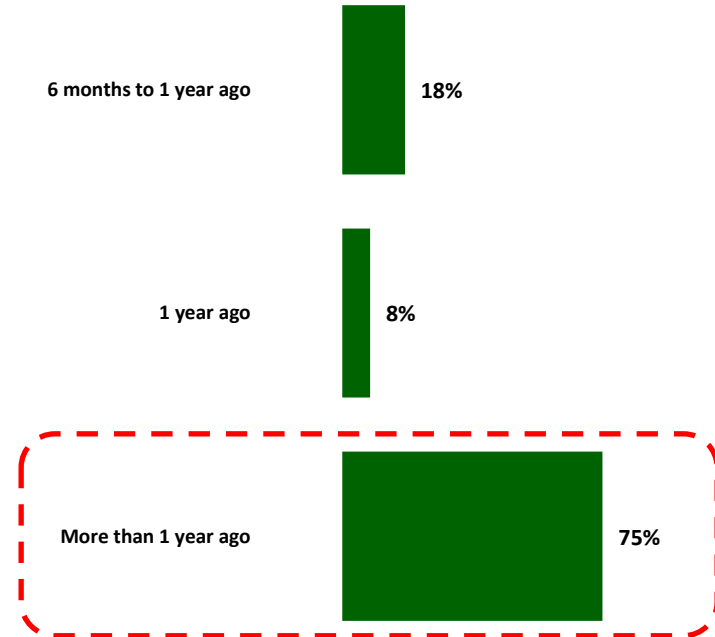
AN AGENT TIME IN BUSINESS (%)

Most of the agents were in the business for about 1 to 3 years with majority (75%) exiting the business over one year ago.

Time in Business



Time of Churn



Base: 51

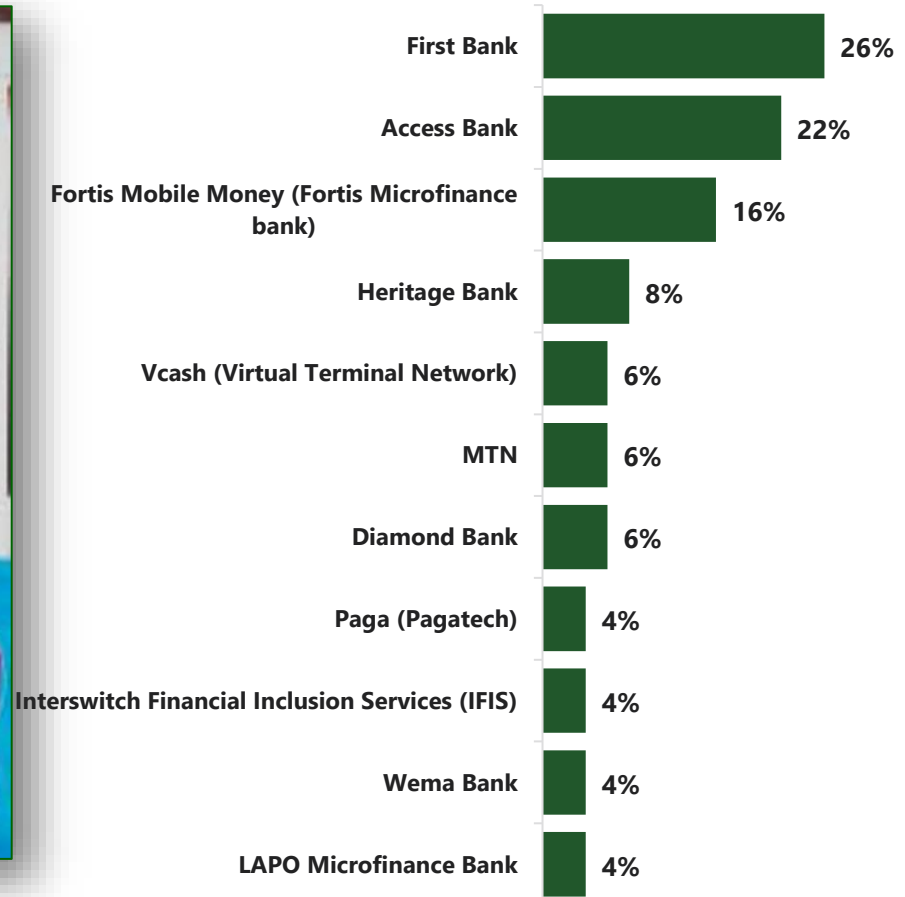
A4. For how long were you a financial service agent

D4. How long ago did you stop being a financial agent?

HOW DO AGENTS OPERATE

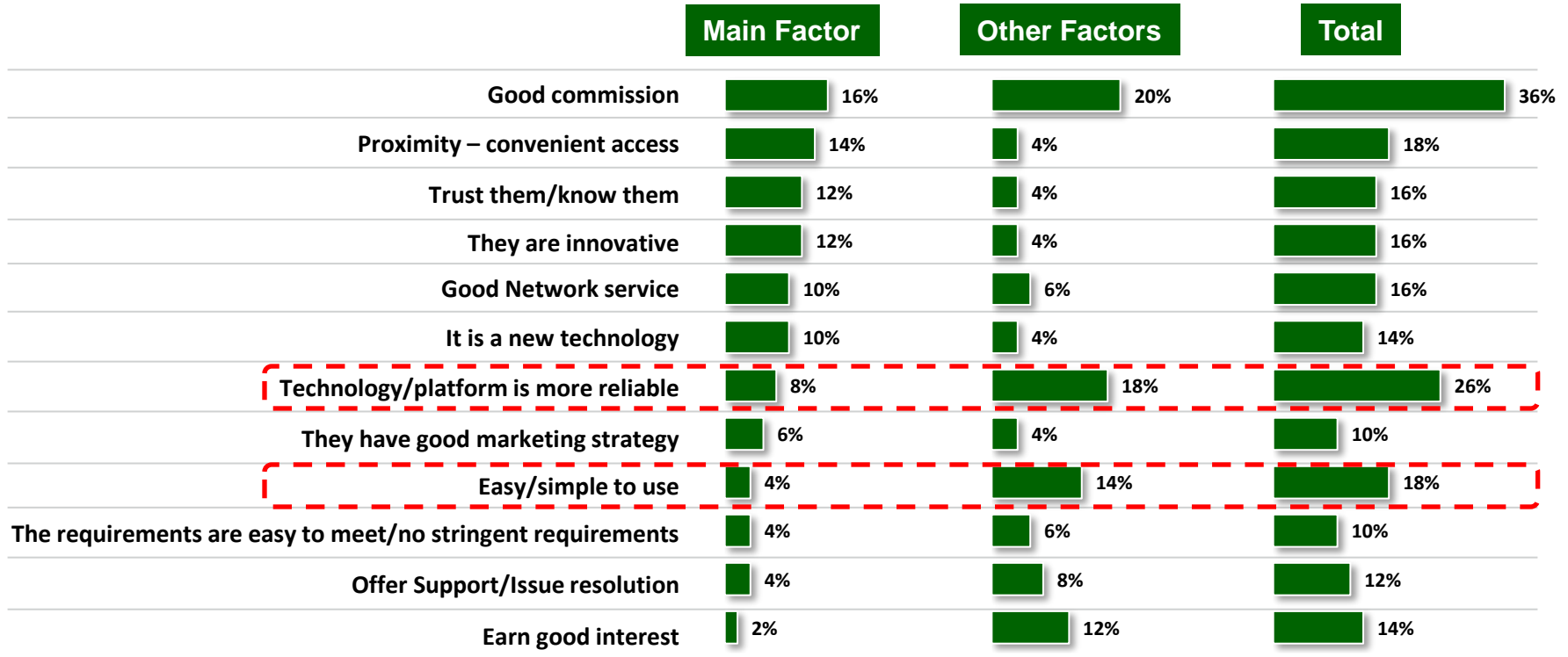
PRINCIPALS WORKED FOR (%)

Agents worked for different principals/service providers. Nevertheless, First Bank (First Monie), Access Bank (Access Money) and Fortis Mobile Money top the list of principals worked for.



DETERMINANTS OF PRINCIPAL CHOICE (%)

Good commission was the number one determinant for the choice of principal to work for. Other factors were reliability of platform, ease of usage, proximity to agents and trust.



Base: 51

A11a. What was the main factor you considered before registering with a Financial Service Provider as an agent?.

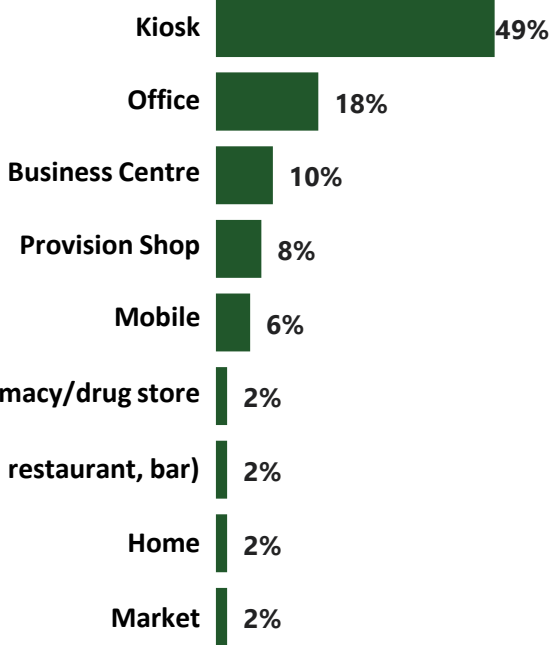
A11b. What other factors did you consider?

BUSINESS OPERATIONS (%)

About 5 out of 10 agents operated the business from kiosks. Mobile phones were the most used technical devices In running the business.

Can mobile phones be given as incentives to reward agents for loyalty or to attract them?

Place of Operation

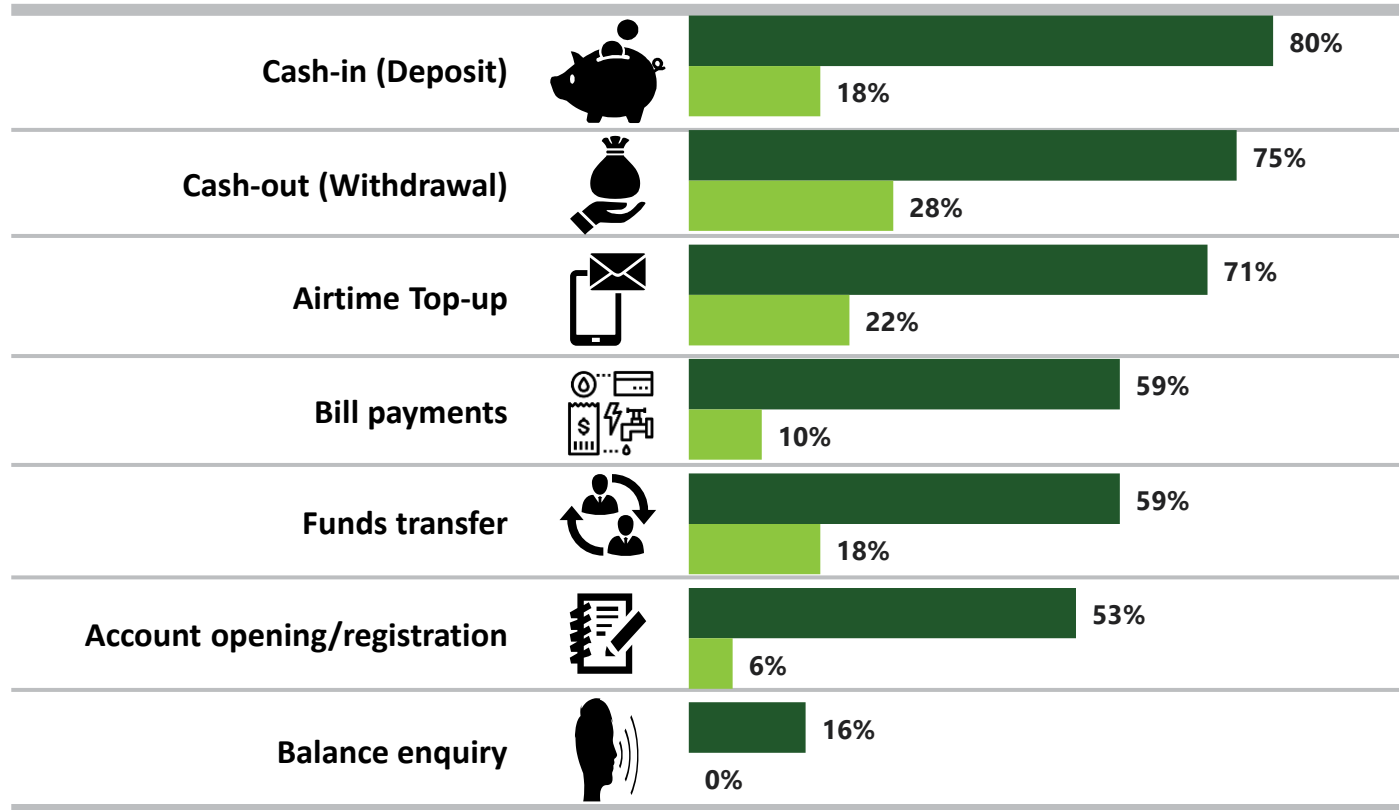


Devices Used



SERVICES OFFERED TO CUSTOMERS (%)

Cash withdrawals, airtime top-up and cash deposits were the most frequently patronised services.

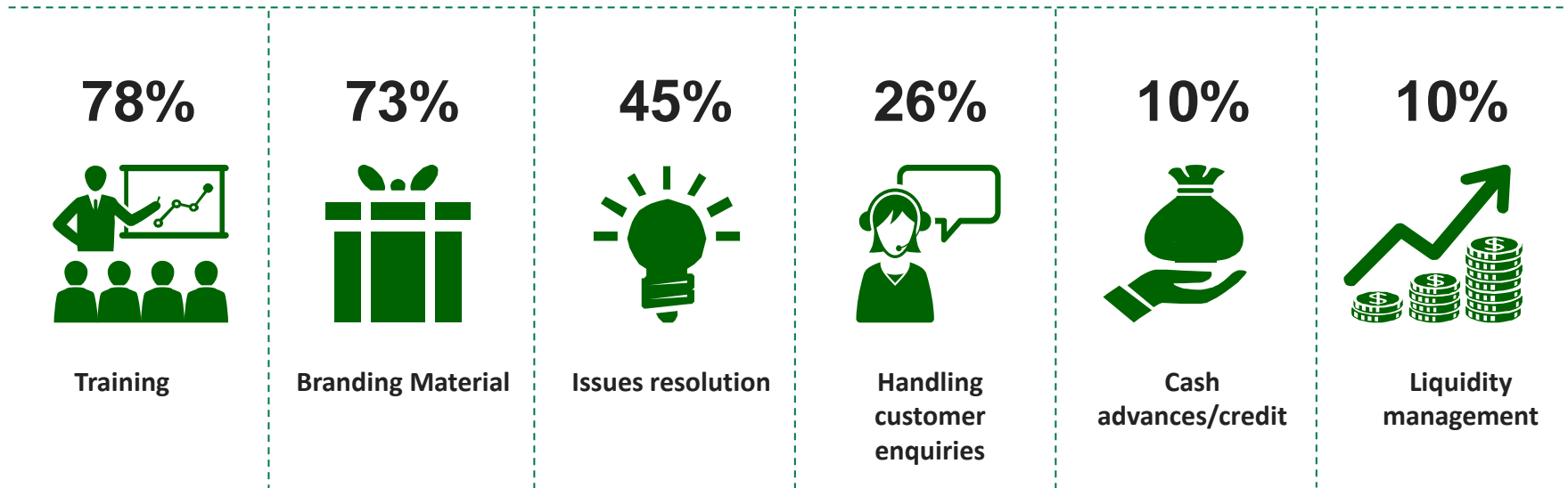


Aiding agents with cash liquidity is key as cash withdrawals is not the most offered service yet the most used by customers. Float management integrity could likely have been breached before they quit.

 Services offered
 Services patronised regularly

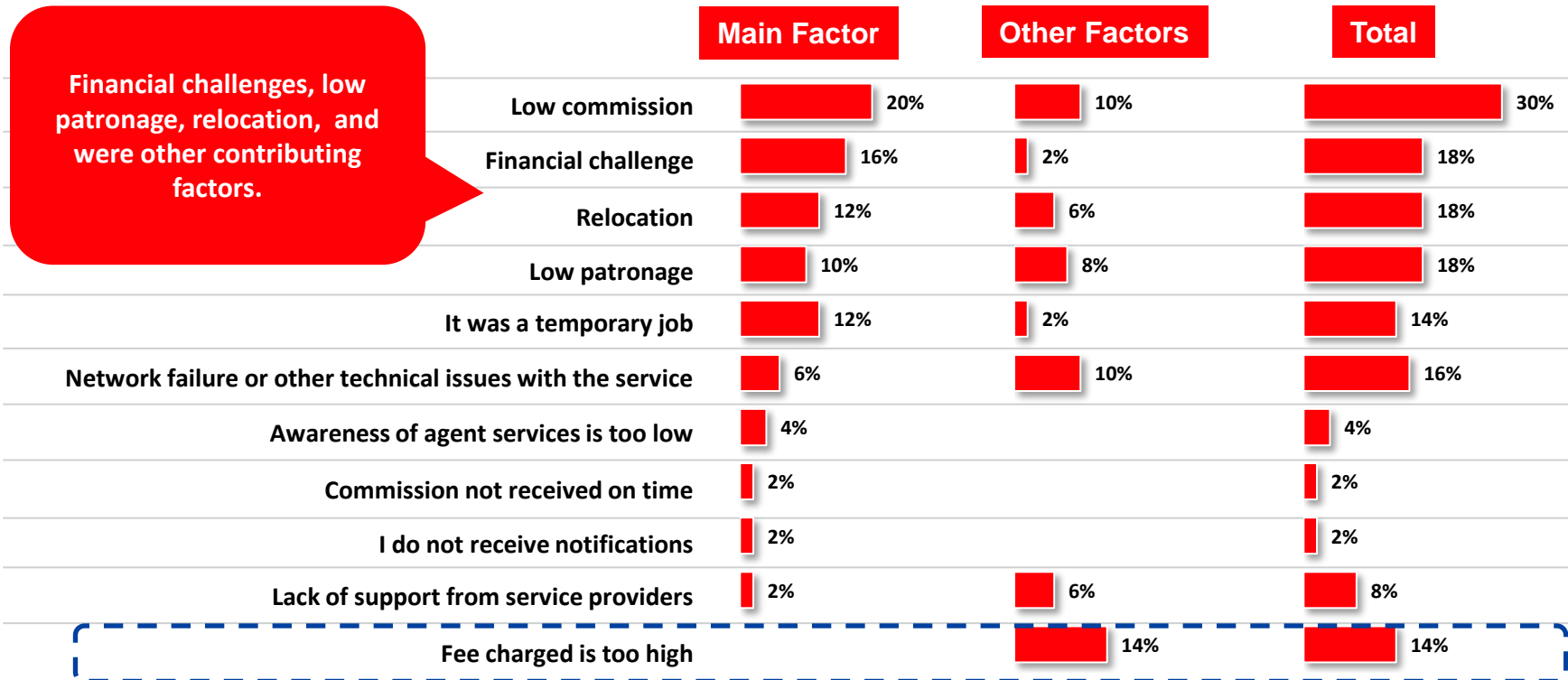
SUPPORT RECEIVED FROM PRINCIPALS (%)

Most of the lapsed agents received training and branding materials from the principals as support materials with only 10% being offered any cash advances or liquidity management which would most likely mean that some agents sometimes face cash flow problems.



REASON FOR EXIT (%)

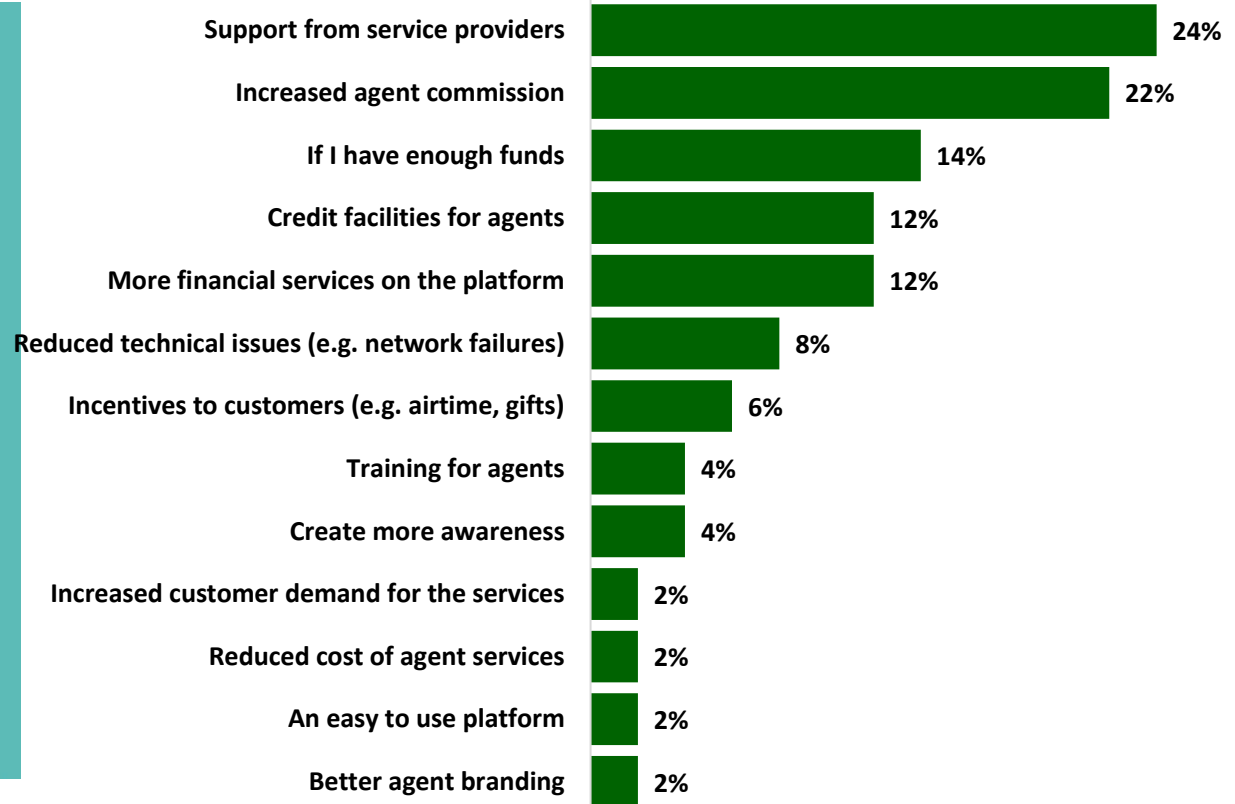
Low commission was the number one reason for exiting the business. This is unsurprising as about 6 out of 10 (63%) became agents to make additional income.



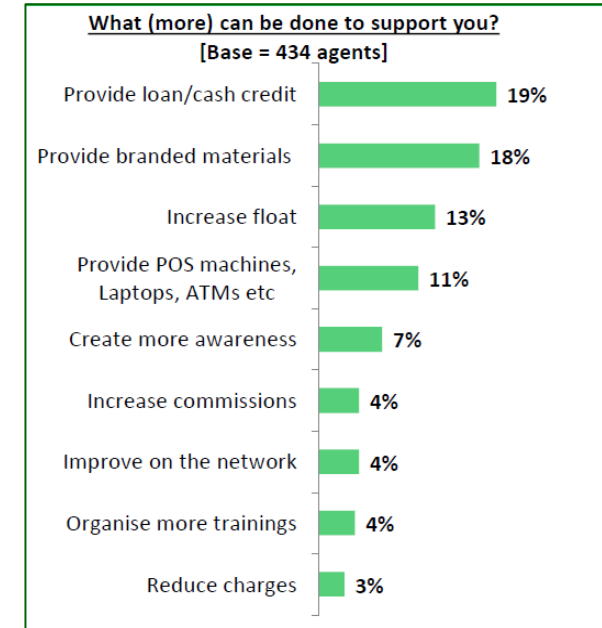
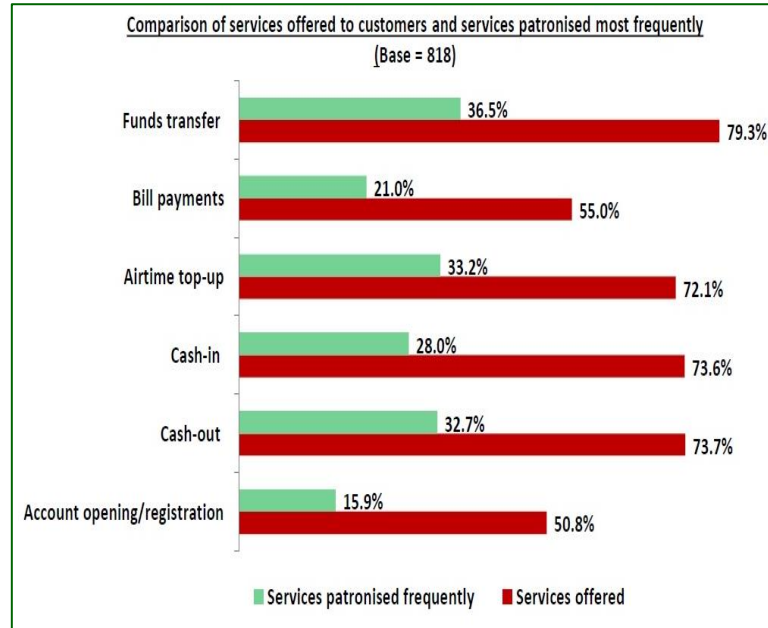
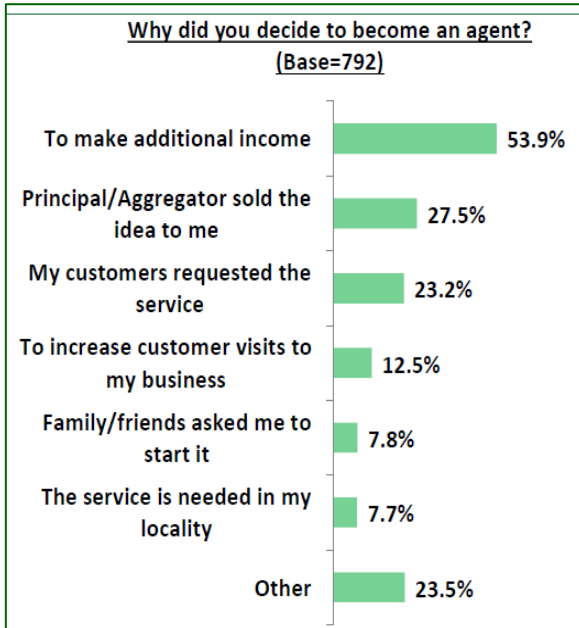
AGENTS RE-ENLISTMENT

DETERMINANTS OF RE-ENLISTMENT AS AGENTS (%)

Support from service providers (through trainings, credit facilities, incentives), increased commissions is key to winning back lapsed agents.



This is inline with active agents in the 2017 survey complained about and requested more of

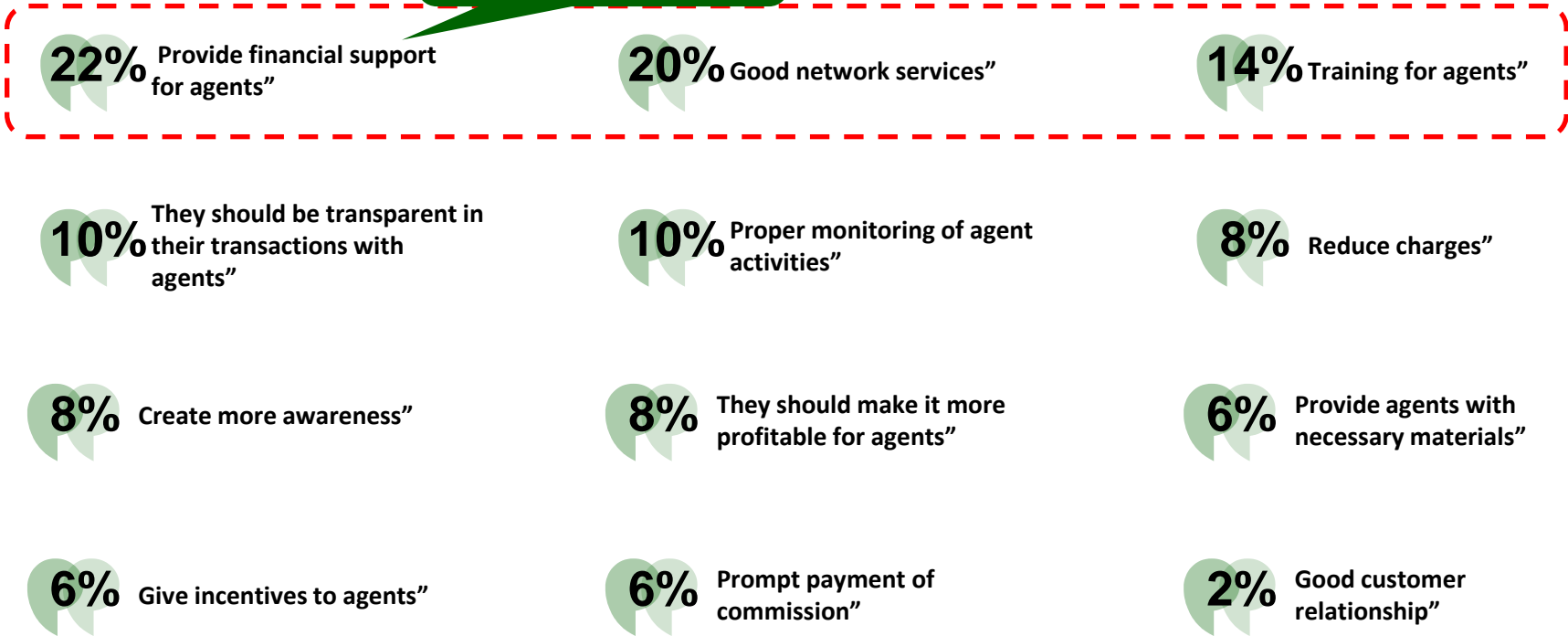


- The most common reason why agents decided to provide the services is to make additional income.
- The service most commonly offered by the agents surveyed was funds transfer, which is offered by 79.3% of them.
- The agents recommend that customer awareness programs, provision of credit and branding materials to agents will promote the utilisation of agent services.

EXPECTATIONS FROM SERVICE PROVIDERS (%)

Financial support, good network services and training top the list of expectations from principals/service providers.

only 10% received financial support from principals





SUMMARY & RECOMMENDATIONS

SUMMMARY

Overview of Lapsed Agents

Most of the agents (63%) initially joined the business to make extra income.

They were mostly in the business for about 1 to 3 years with majority exiting the business over one year ago.

Cash deposit, withdrawal, airtime top-up, bill payments were the major services offered to customers.

The agents operated from kiosks and worked for several principals dominated by First Monie and Access Money. Good commission was the number one determinant for choice of principal.

Reasons for Exiting the Business

Low commission from principals/service providers was the major reason for leaving the business. This is unsurprising given that additional income is the major reason for becoming an agent.

Other top reasons for exiting the business center around finance; personal financial challenges, low patronage resulting in lower revenue and high charges from principals/providers.

This underlines the importance of cash float management system and ensuring the agents are stable financially

Potential Re-enlistment

Unsurprisingly, support from principals and increased commission will go a long way in winning back lapsed agents.

Support expected from principals is mostly on financial aid and trainings.

It is interesting to note that only 10% (about 1 out of 10) claimed to receive any form of financial support from principals/service providers.

With consumers driving the need for cash withdrawals the agents need to have liquidity

RECOMMENDATIONS

- Relooking the commissions and incentives being offered to the agents is important to increasing re-enrolment as they are interested in making extra income as agents.
- While training and branding is important to agents, financial support and float management is also key to winning back lapsed agents.
- Stakeholders and principals are expected to do more, the two biggest ones are amongst the top 3 biggest banks in Nigeria hence expectations must be even higher.
- Increasing customer awareness of agents and services offered is key to addressing the issue of low patronage which will ultimately address revenue for all stakeholders.

Visit www.efina.org.ng for:

- More results from the EFInA - Lapsed Financial Services Agent Survey, including in-depth analysis on topics such as women, youth, remittances, digital finance, etc.
- Results of additional studies on topics such as financial service agents, microinsurance, mobile money, financial services regulation, etc.
- To submit a data request, visit www.efina.org.ng

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