

**Scale
2Save**

Driving formal savings: What works for low-income women



**Learning
paper**
November 2022



WSBI

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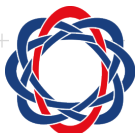
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01 Background

The Scale2Save programme created by the World Savings and Retail Banking Institute (WSBI) in 2016 in partnership with the Mastercard Foundation engaged Marketshare Associates (MSA) in 2021 to conduct intensive customer research in five countries of its operation: Cote d'Ivoire, Kenya, Morocco, Nigeria, and Uganda.

The customer research on Scale2Save partner's interventions used a segmentation approach to understand "what works for whom, when and why". MarketShare Associates (MSA)¹ conducts inclusive customer research that yields actionable insights on how to more effectively target and reach frequently excluded groups. In total, for this customer research, over 5 million data points were analyzed, and 1,016 quantitative surveys and 237 in-depth interviews were conducted across 5 countries in Africa. The customer research yielded several gender-specific insights regarding the types of savings products that female customers value and need. This brief summarizes these findings and showcases how various FSPs integrated customer-centricity in the design and delivery of their products to respond to women's specific needs.

02 Introduction

While financial inclusion is expanding globally, the gender gap in access to financial services and products persists. Throughout sub-Saharan Africa, women remain chronically underserved in their access, use, and benefit from financial products. According to the 2021 Global Findex survey, in sub-Saharan Africa, the gender gap in account ownership rose by 7% over the last decade². This is not driven by a lack of demand, but rather, by the lack of financial products that meet women's needs. A key contributing factor to this phenomenon is that, historically, Financial Service Providers (FSPs) have used a 'one size fits all' approach in design and delivery. Their products and services are often considered gender-neutral, but are, in fact, gender blind

and unintentionally neglect women's needs and realities.

To close the gender gap in financial inclusion and improve women's meaningful use of financial services, there is a clear need for FSPs to transition toward gender-aware strategies to build tailored products that create opportunities for women and lower barriers in their lives. Gender-inclusive products need to be designed with women's needs in mind. Yet, the real question remains: **What services do female customers value, prioritize and need?** This brief aims to contribute to the growing evidence base around this topic, building on findings from the Scale2Save Customer Research.

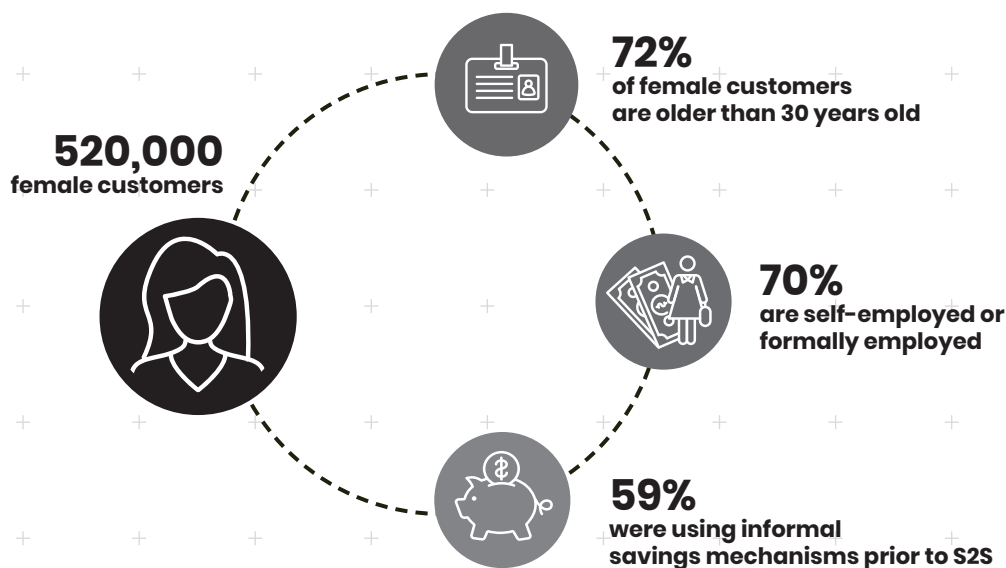
1. www.marketshareassociates.com

2. CGAP (2022), Findex 2021 Insights: Boosting Financial Inclusion in Africa, <https://www.cgap.org/blog/findex-2021-insights-boosting-financial-inclusion-africa>

03

A profile of the studied customers

With support from Scale2Save, partner FSPs attracted 1.3 million customers through the development and delivery of low-balance savings products. Of these 1.3 million customers, women represent an estimated 40%, or approximately 520,000. The female customer base is largely driven by a few FSPs – including LAPO Microfinance Bank in Nigeria, BRAC in Uganda, and KPOSB in Kenya – who specifically targeted women as a focus market segment. Although women across FSPs’ customer base differed in many regards, the customer research identified several commonalities that help shed light on the types of female customers that may be most drawn to formal savings accounts.



Adult women (i.e., those over 30 years old) have greater access to savings account than young women. Legal restrictions, high unemployment rates, and negative stereotypes all affect youth’s ability to access financial products, and young women are typically at an even greater disadvantage. Despite concerted efforts by Scale2Save partners to encourage uptake among younger women, formal savings products were more attractive and accessible to adult women.

Employment and income-generation plays a key role in women’s uptake and use of savings account. Nearly 70% of Scale2Save partners’ female customer base identified as

either self-employed or formally employed, with the majority (52%) operating their own business. These rates are higher than national averages in Scale2Save target countries and confirms that women engaged in income-generating activities have a higher propensity to need and use savings accounts.

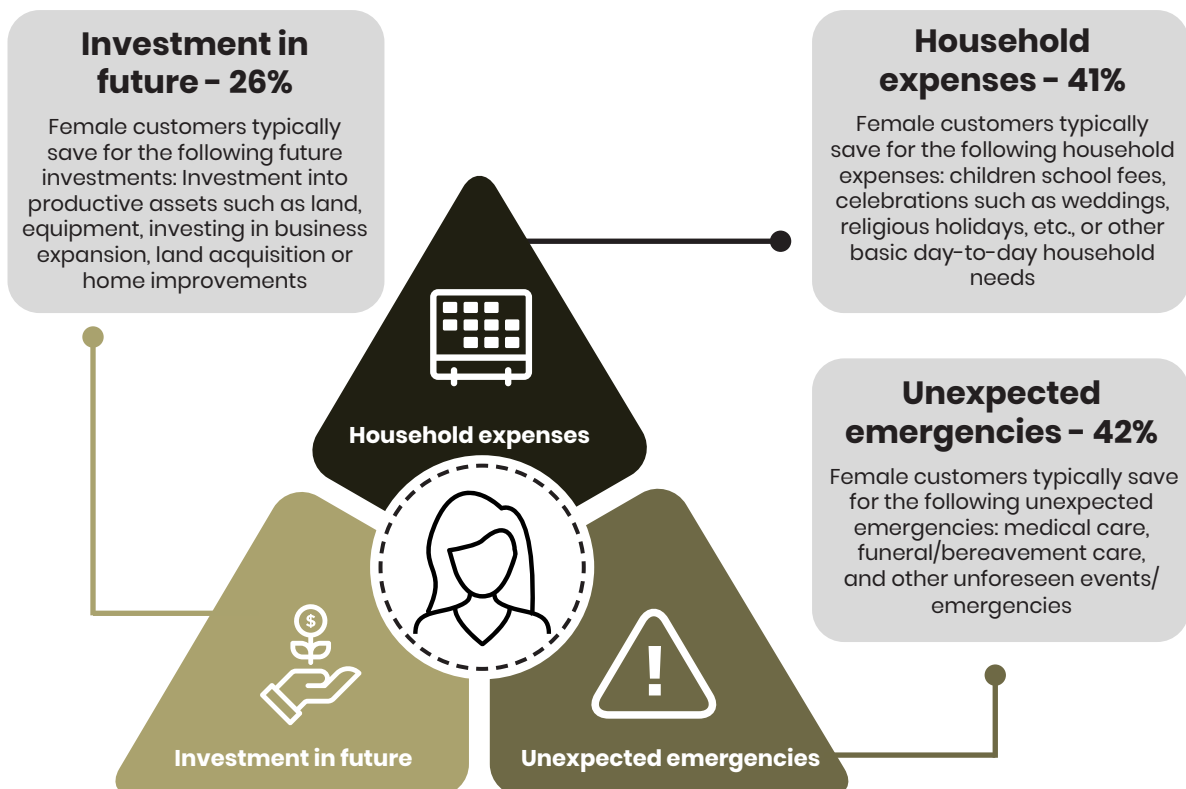
Most women customers were previously using informal savings mechanisms. Common informal savings mechanisms used by women include VSLA groups, cash at home, SACCOs, and money collectors. The use of these informal mechanisms was more pronounced among women as compared to men.

04

A glance at women's savings goals and needs

Female customers' saving goals can be organized into three distinct categories: **household expenses, planned investment, and unexpected emergencies**. The customer research found that women customers primarily set money aside for unexpected emergencies (42%) and household expenses (41%), and to a lesser extent for

investments in the future (26%). Savings for day-to-day expenses and to weather unexpected adverse events are clear priorities for female customers, while longer-term investment-related savings for current and future goals are somewhat deprioritized as women, particularly low-income, need to cater to other short-term financial needs.



Driving formal savings: What works for low-income women

While these trends reflect women's savings goals more generally, their specific goals are largely influenced by a range of internal and external factors. Women's lifecycles and other socio-economic markers such as age, marital status, position in the household, class, and income level all have great bearing on what women chose to save for.

Women's economic status is often a determinant of their savings goals. Women with irregular incomes – particularly those who earn a few large lumps of money a year – have a more acute need to save for consumption smoothing. They often need to use savings to bridge gaps in income and fund day-to-day expenses.

In contrast, women with more financial stability through regular wages or salaried employment, are



more likely to save for future investments such as purchasing a plot of land or home improvements.

Beyond income, women's lifecycles influence their savings goals. The customer research data found that young women entering the workforce – faced with a range of uncertainties – are more inclined to save for unexpected emergencies. Conversely, middle aged women in 'motherhood' prioritize saving for their children's education and other important celebrations, including religious holidays and weddings. Lastly, older women are often focused on securing their children's and their own future and tend to save money to invest in productive assets such as land or in improving their homes.

While together these various factors influence women's savings decisions, other external factors can also impact savings. For example, the customer research found clear evidence that the effects of the COVID-19 pandemic have reinforced the importance of accumulating sufficient savings to cope with unexpected shocks and stressors resulting from reduced economic activity or temporary loss of income. Many Sscale2Save customers opened savings accounts during the COVID-19 pandemic, leading to an increase in savings accumulated to cope with eventual emergencies.

Lastly, the design of the savings product can considerably influence savings goals. Commitment or goal-based savings accounts that restrict access until reaching a specific date or balance are more likely to be used for long-term or specific goals, such as children's school fees. BRAC, for example, incentivized female micro-entrepreneurs – its target customer segment – to save toward a business-related investments.

55%

of LAPO female customers were saving toward their children's future. This was largely driven by the fact that LAPO's My Pikin & I savings account was designed to provide customers the opportunity to save towards the welfare of their children/dependents.

60%

of BRAC female customers reported having used their savings to expand their business and/or purchase supplies/equipment for this business.

Product value proposition that drives uptake and use among female customers

05

In examining drivers of uptake and use, the customer research identified five important factors that female customers consider when adopting formal savings products. These include place, price, people, security of savings, and product features

The customer research identified the following best practices employed by FSPs to respond to women’s needs and preferences; these include:

Above all, accessibility and proximity is key for women. Common impediments for low income women’s financial inclusion, such as limited mobility and time poverty, often preclude them from accessing core banking services. In Uganda, for example, it is estimated that over 20 percent of the adult population needs to travel at least an hour to access a bank branch³. To overcome access barriers typically associated with traditional brick and mortar delivery channels, Scale2Save partners introduced branchless banking models. This included establishing ‘banking points’ in easily accessible areas frequently visited by women or through doorstep services through which agents visit women at their homes or place or work to collect savings. Additionally, some FSPs also enabled access to savings account through mobile banking applications or USSD interfaced. The availability and proximity of these various delivery channels appear to be the most crucial enabler of women’s



usage of savings account, particularly in areas without bank’s physical presence. Nonetheless, as per Scale2Save’s [End Term Evaluation of the Scale2Save Programme report](#), a general observation was that despite banks investing in these alternative channels, uptake remains low with some customer segments, for example, the elderly, preferring to continue using the traditional brick and mortar branches.

3. Bram Peters and Naomi De Groot, ‘The potential of Agency Banking in Uganda,’ 3 May 2017. Available from <http://www.unCDF.org/article/2084/the-potential-of-agency-banking-in-uganda>

“My preferred methods for accessing my account are through mobile banking or the bank agents. I use agents for about 80% of my transactions because the agent network is wide. Using these channels saves time and I can do banking when at home in the village; it helps me save on transport charges too.”

Centenary female customer

Cost and affordability are important factors for women when assessing savings products.

The cost of using formal financial products often puts banking out of reach for low-income female customers. In Nigeria, for example, a recent Enhancing Financial Innovation & Access (EFInA) survey identified affordability as the largest obstacle to financial inclusion⁴. To attract and retain female customers, Scale2Save partners introduced inexpensive savings products, typically characterized by no or low monthly maintenance fees and low opening balance requirements.

Beyond keeping transaction and maintenance costs at a minimum, the FSPs introduced financial incentives, such as interest on savings balances and other monetary benefits like scholarships for children upon reaching a balance milestone. This enabled FSPs to compete with informal savings

4. EFInA, EFInA Access to Financial Services in Nigeria, 2018 Survey.

https://www.efina.org.ng/wp-content/uploads/2019/01/A2F-2018-Key-Findings-11_01_19.pdf

mechanisms – which are almost exclusively non-remunerated – and encourage use among female customers. The ability to earn interest on savings is a key driver of account usage and helps offset costs incurred through transaction fees or transportation costs.

As per the Scale2Save report, [What constitutes a viable business model for small scale savings?](#) trust was the key driver that stood out for all Scale2Save partners. In particular after community embedded agents from Advans Microfinance Bank were trusted by the smallholder farmers in Ivory Coast; the business model of Lapo Microfinance Bank in Nigeria with proximity of agents and roving staff regularly visiting the markets and their clients built a relationship of trust with the rural low income women in Nigeria; and Centenary Bank in Uganda’s well established brand and wide agent network are trusted by the low-income population in the informal sector.



69%

of BRAC female customers found the product’s ‘pricing’ to be a key driver of uptake and use of the Wise Save account. For this product, BRAC offers no monthly maintenance charge, low opening balance, one free withdrawal (per quarter), no fees to deposit, and tiered interest rates, ranging from 3–6% based on account balance.

47%

of FCMB women customers – the majority of which were previously financial excluded – found that their savings are now more secure than they were before.

These findings were validated through the customer research which found that female customers greatly value a trusting relationship with a bank and its staff. Globally, women are less likely to be traditionally or financially literate than men, thereby requiring more support navigating financial products that may be new or unfamiliar to them. Women customers place greater importance on customer service than male customers, particularly first-time users of formal financial products. While women appreciate quick and convenient delivery channels, they prioritize those that enable face-to-face interactions and provide trust, information, and assistance. This is reflected in the higher proportion of female customers conducting transactions through bank branches and through agents. FSPs who invested in building trusting personal relationships with their female customers, providing ongoing support throughout their customer journey, contributed to higher rates of account usage, customer loyalty, and overall client satisfaction. As highlighted in the **Scale2Save End Term Evaluation of the Scale2Save Programme report** trusting relationships were important for older women in the sense that they were more likely to be influenced by friends and family when it came to opening up account.

Keeping savings in a formal account provides women customers with peace of mind. With growing incidences of theft and fraud, vulnerable women customers clients in Nigeria and other areas are turning to formal savings accounts to keep their savings safe. While the majority of informal savings mechanisms present security concerns, savings stored at home are especially susceptible to theft and misuse. In addition to being vulnerable to the outstretched hands of family friends, savings kept at home pose a constant temptation to spend. Consequently, women customers highly value the ‘security’ that formal savings account offer, reducing both incidences of theft and impulsive spending.

“I prefer to come to the Branch to withdraw my funds because it gives me an opportunity to meet and talk to the branch manager. They also inspire me to meet my savings goals and provide advice on how I can do this.”

LAPO female customer

“I struggle to read or write, so when I am withdrawing money, I rely on the bank staff to help me. They are always willing to assist me, and this has made me appreciate this bank so much.”

Centenary female customer



73%

of LAPO women customers opened their savings account through a roving agent. LAPO deployed roving agents to sensitize and onboard clients directly in their communities. This approach proved successful in mitigating women's time and mobility constraints, while also building trust with a customer segment that values person-to-person interactions.

Women customers also often equate security with confidentiality and privacy and find that keeping savings in an account enables them to have greater control over how they manage their money, without inquiries or demands from relatives and friends.

Women customers value simplified account opening processes and interoperability with other financial services and products.

Recognizing that an important step in facilitating financial inclusion for traditionally excluded groups is making financial products more accessible, Scale2Save FSPs eased the account opening process by bringing the bank to customers' doorstep. More specifically, they adapted their onboarding system to meet the needs of female customers by reducing the length of the process, simplifying Know Your Customer (KYC) requirements, and digitalizing the process to enable customers to open a savings account right from their home or place of work. This helped overcome many of the physical barriers that prevent women from opening accounts, and significantly contribute to uptake of savings products.

To incentivize female customers to transition from their existing saving mechanisms to formal financial products, these need to provide value add, such as the ability to meet women's various financial needs. Female customers appreciate savings products that can integrate with other payment or banking services such as airtime purchase, G2P and P2P transfers, bill pay,

and merchant payments, more so than male customers. Although male customers clearly value financial products that provide convenience, in some contexts, women are in charge of household budgeting and finances and thus may seek such product features. Additionally, the ability to leverage savings accounts to access credit appears especially important to female customers.



06

The importance of customer centricity in designing financial products and services

Women – as a customer segment – clearly appreciate savings products that are affordable, accessible, reliable, and safe. However, certain types of women customers value certain aspects of a product’s value proposition more so than others; **women’s needs and preferences for savings products vary based on a range of factors including where they live and work, their level of trust and financial literacy, and their age.** While it may not always be possible to design products that meet the specific needs of all women, where possible, customer-centricity and smart design can bring substantial benefits to FSPs and customers, alike. This was demonstrated through the experiences of Scale2Save FSP partners who specifically designed savings products with women’s needs in mind. By carefully crafting the customer experience for women, FSPs considerably

amplified the adoption of formal savings products, thus significantly expanding their customer base while also contributing to financial inclusion for a traditionally excluded customer segment, such as women. For example, although agent banking has seen phenomenal growth in many african countries, certain customer segments, especially elderly women, prefer to continue to use the traditional brick and mortar branches. Trust is also a key driver for a sustainable business and in the case of women, many of whom lack financial and digital literacy, having basic zero entry level products helps them become familiar with financial products. Furthermore, this should be accompanied by financial and digital literacy courses to support women on their financial journey. Price increases linked to products’ graduation also have to be dealt with in a very transparent matter.

By carefully crafting the customer experience for women, FSPs considerably amplified the adoption of formal savings products, thus significantly expanding their customer base while also contributing to financial inclusion for a traditionally excluded customer segment, such as women

Annex: About the partners

About the WSBI and the Scale2Save programme

WSBI created in 2016 a new programme in partnership with the Mastercard Foundation “to establish the viability of low balance savings accounts and use of customer-centric approaches to address barriers faced in access, usage and affordability of savings services”.

Called Scale2Save, the programme is set against a backdrop of problems such as high poverty rates and financial exclusion in sub-Saharan Africa, as well as low formal savings rates. FSPs have a poor understanding of the market savings potential of people in various low-income segments. A notable, but not the only, example is that of young adults living in someone else’s home. The needs of customers and potential customers – and how much customers can afford to pay to meet those needs – are not well reflected in FSPs’ business models, customer interfaces and interactions. The resulting poor customer experience gives rise to extremely high rates of bank account dormancy and inactivity. This is a significant cost for FSPs and undermines potentially sustainable business cases to deliver accessible financial services to people in these segments.

The Scale2Save programme’s core activities are to:

- Provide banks with technical assistance to develop savings services valued by low-income customers. WSBI works with nine banks to develop and deliver savings products that not only increase access to financial services but also drive ongoing use of those services. The banks are located in Cote d’Ivoire, Kenya, Morocco, Nigeria, Senegal and Uganda. A bank in Tanzania acts as a knowledge partner.
- Conduct research and share lessons between partner banks. WSBI publishes the annual report Savings and Retail Banking in Africa to facilitate peer learning and the spread of knowledge. The institute also researches new pricing models to help establish a business case for low-balance savings and conducts household research to contribute to the knowledge base on cash flows in households.
- Communicate learnings to the wider sector. WSBI has developed and carried out a targeted communications strategy to spread the knowledge created by the project to key stakeholders.
- Monitor and evaluate the programme. WSBI monitors project progress at partner banks and oversees mid-term and final project evaluations.

Learn more about Scale2Save at www.wsbi-esbg.org/scale2save or on Twitter at @scale2save

About the World Savings and Retail Banking Institute

Founded in 1924, WSBI is an international banking association committed to help savings and retail banks thrive. To do this, it represents the interests of 6,760 banks on all continents. As a worldwide organization, WSBI focuses on international regulatory issues that affect the savings and retail banking industry. It supports the aims of the G20 in achieving sustainable, inclusive, and balanced growth, and job creation, whether in industrialized or less developed countries. Supporting a diversified range of financial services to meet customer need, WSBI favours an inclusive form of globalisation that is just and fair. It supports international efforts to advance financial access and financial usage for everyone.

The association has members in some 80 countries in the Americas, Africa, Asia, and Europe. These members are either individual financial institutions or associations of retail banks. All members share three features: they are active in the retail banking segment, have a strong regional presence and show a responsible attitude towards business and society. The total assets of all member banks amount to more than \$16,000 billion, non-bank deposits to nearly US\$9,000 billion. Serving some 1.7 billion customers, WSBI members are committed to further unleash the promise of sustainable, responsible 21st century banking. Learn more at www.wsbi-esbg.org on Twitter at @wsbi_esbg.

WSBI and financial inclusion: A brief history

WSBI's financial inclusion journey dates back to 1924 with the inauguration of the first World Savings Day and has continued over the decades. In 2003 WSBI published research that revealed an estimated 1.4 billion low-cost/low-balance savings accounts worldwide, of which 1.1 billion accounts were managed by WSBI's member banks. Following further research, the institute launched its programme "WSBI Doubling Savings Accounts" in 2008 and concluded it successfully in 2016. Building on extensive learning, WSBI has now set out on its next stage in the journey through the Scale2Save programme.

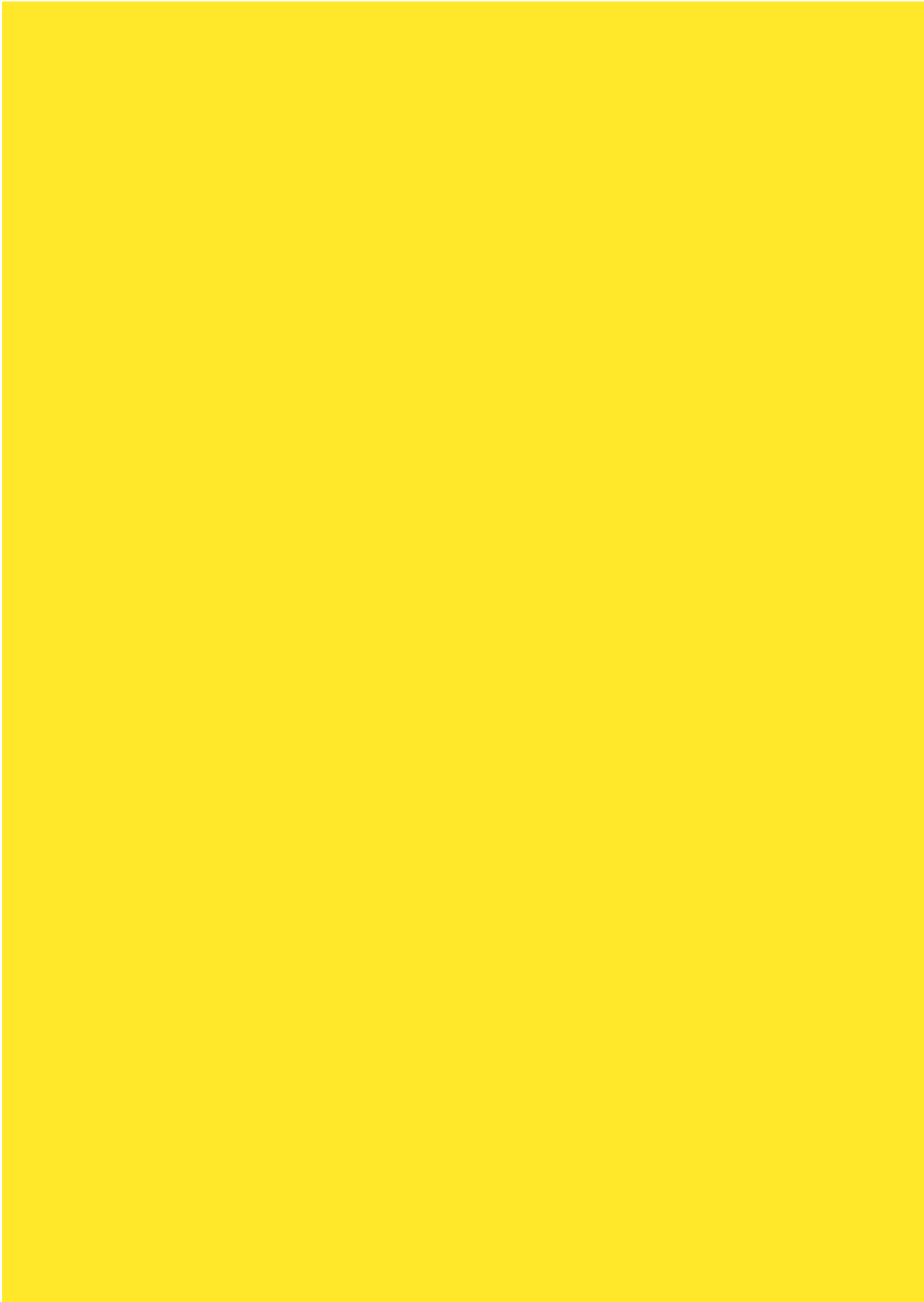
About the Mastercard Foundation

The Mastercard Foundation works with visionary organizations to enable young people in Africa and in Indigenous communities in Canada to access dignified and fulfilling work. It is one of the largest private foundations in the world with a mission to advance learning and promote financial inclusion to create an inclusive and equitable world. It was established in 2006 through the generosity of Mastercard when it became a public company. The Foundation is an independent organization, and its policies, operations, and program decisions are determined by its own Board of Directors and senior leadership team. It is a registered Canadian charity with offices in Toronto, Kigali, Accra, Nairobi, Kampala, Lagos, Dakar, and Addis Ababa.

For more information on the Foundation, please visit: www.mastercardfdn.org

About MarketShare Associates

MarketShare Associates (MSA) is a global firm of creative facilitators, strategists, economists and experienced research and data nerds who believe that both public and private institutions should contribute to social transformation. MSA offers public sector decision makers access to a new generation of market and social insights for forecasting and measuring human behavior and social outcomes. MSA works with governments, development agencies and donors that operate as market facilitators and catalysts to improve market and empower people to take advantage of economic opportunities across Latin America, Africa and Asia. MSA work to achieve impact across three key practice areas: results measurement and evaluation, market systems facilitation, and economic empowerment.



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