

Unlocking the Potential:

Women and Mobile Financial Services in Emerging Markets





Executive Summary

Mobile financial services (MFS) are emerging rapidly in the developing world, with over 150 mobile money deployments live and over 110 more planned worldwide at present. Markets such as Tanzania, Bangladesh and Pakistan are realizing success and are potentially able to replicate the widespread adoption of Safaricom's M-PESA service in Kenya. Others are still works-in-progress, finding mass adoption and scale elusive.

Meanwhile, mobile operators, financial institutions, governments, and other service providers are figuring out how to build attractive and user-friendly services, distribution networks and marketing approaches to embed MFS into their national infrastructures with viable, long-term business models.

A consistently overlooked theme in these discussions has been women, including their wants and needs for and use of mobile financial services, as well as their critical role in the success of any mobile financial services deployment. This is not a surprise: as the GSMA mWomen Programme notes, there is a gender gap in terms of women's ownership and use of mobile services generally. Despite the proven role women's financial inclusion can play in advancing economic development and empowerment, and despite the role mobile might play (in 2012, an estimated 1.7 billion people had a mobile phone but not a bank account¹), the linkages between women's financial inclusion and mobile financial services thus far have not been illuminated and elevated for discussion.

The objective of this report is to connect these dots in the context of the developing world, based on findings and insights from the experience of women in five countries at different stages of MFS market development: Indonesia, Kenya, Pakistan, Papua New Guinea, and Tanzania.

Key Findings

Women in developing markets are an important potential customer base for mobile financial service providers. They are active household financial managers – in some ways more active than men. While men bring home more of the household income, women often contribute supplementary income and frequently are in charge of undertaking the large volume of small transactions needed to care for family, pay bills, send and receive money from distant family members, and save.

Women across all five countries in this study voiced their need for four key attributes in financial tools and services: convenience, reliability, security, and privacy. Stretched for time and responsible for both children's daily expenses and unanticipated household economic shocks (e.g., failed crops or illness), women are often risk-averse when it comes to money management. As a result, they value convenient, reliable, secure, and private financial tools.

MFS can better meet women's financial management needs than many of the formal and informal tools they use today. Mobile financial service providers should consider informal financial services mechanisms in their competitive analyses, since those that are deeply entrenched may create a barrier to customers' adoption of mobile financial services. Yet, when assessed against mobile financial services, informal mechanisms often fall short of meeting all of women's needs for convenience, reliability, security, and privacy.

Mobile operators can achieve scale and stability if they build and maintain the women's segment of the MFS market. Women are active consumers of financial services, with responsibilities for receiving and sending remittances, bill payments, money storage, and other financial management activities that mobile financial services are well-positioned to deliver. When their needs are met consistently, women can be very loyal and evangelizing customers, providing both scale and stability for core mobile financial services business. Furthermore, their role as chief recipients of government-to-person (G2P) payments means that service providers who can serve women may be better positioned to both provide the distribution of the emerging wave of such payments in the coming years and service the outgoing payments that women make with their G2P income.

¹ G20 Financial Inclusion Experts Group.

Agents are critical to meeting women's wants and needs and driving adoption of MFS. Building an effective, reliable agent network is one of the most important investments an MFS provider can make. Agents are on the front line, often integral to the very communities they serve and well known to the women within those communities. While advertising or family influence may get her to inquire about mobile financial services, a woman's understanding of the benefits, comfort with the technology and willingness to try MFS for critical financial transactions depend heavily on her agent's performance. Even if a friend or husband teaches her to use the service, if an agent doesn't have cash on hand during an emergency, a woman is unlikely to return.

There are significant, but not insurmountable, barriers to wider adoption of MFS. While the challenges vary by market, women tend to experience similar challenges to men in a more acute way. Barriers to adoption particular to women include:

- Above-the-line advertising traditionally focused on how men will use the service rather than women, using channels tailored to male audiences
- Low awareness and understanding of the availability, value and benefit of MFS
- Lack of knowledge and confidence in their ability to use MFS
- Concerns about the reliability and security of the service
- Perceived or real lack of nearby access to an agent
- Perceived or real registration challenges related to the lack of identification documentation

Mobile Financial Service providers have a number of opportunities to overcome barriers and realize the potential of the women's segment.

- **Invest in research to understand and better serve both women and men in their markets.** Most MFS providers do not fully understand or even quantify the women's segments of their core mobile business. There is an additional layer of complexity for operators who enter the financial services space, which is fundamentally different from other mobile services in terms of customer behavior and needs. While a number of similarities emerged across the countries in this study, material differences also emerged, both across and within markets and segments. Providers will be more likely to create services customers want and need if they are equipped with relevant consumer insights research on how to market to and serve women's segments for mobile and mobile financial services.
 - **Create effective awareness and education programs.** As the household member who is responsible for balancing priorities and handling financial emergencies, women tend to be more cautious than men. They may require more information – via channels they already use – about how a service will meet their needs and how to use the service before trialling it. MFS providers need to tailor their above-the-line awareness campaigns to reflect women's needs for convenience, reliability, security, and privacy – and they need to invest even more deeply in below-the-line marketing, training and deploying agents who will help build awareness, and, more importantly, help educate women on the value and use of these life-enhancing tools.
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- **Encourage and incentivize trial use.** In all four markets, a meaningful number of men and women who are aware of mobile financial services fail to try them. The good news is that, with the exception of Pakistan, where general awareness is the chief barrier to adoption, many of the non-users already suspect they want to use these services. Once users trial the service, they tend to adopt it for regular use. Providers should consider incentive schemes for agents and/or customers to encourage trial and on-going use of MFS.
- **Extend access and improve branding of agents.** Trust of and loyalty to an MFS agent can make or break a woman's commitment to a brand.² Yet a key issue for any MFS provider is low density of agents. This can be particularly burdensome for women who are time-poor and often tied to the home and children. For example, in Tanzania, 26% of women relative to 19% of men wanting a mobile money account cite "agents are far away" as the main reason for not trialling the service.
- **Streamline registration.** In Kenya, identification cards are a key barrier. In fact, 35% of Kenyan women interested in trying MFS cited a lack of identification or other documents as their main reason for not opening an account, in contrast to 18% of Kenyan men. Yet, 87% of men and 85% of women surveyed actually own an identification card. Therefore, it is important to better promote what is needed for registration, not only to encourage higher demand but also to streamline the registration process for time-poor women who are solely responsible for all household chores and a good share of household financial management.
- **Increase usage among regular users.** Across the four study countries, most male and female customers who trial the service tend to become regular users. However, simple adoption isn't the end of the journey; the next giant leap is to encourage users to increase the types of mobile financial services they use, to increase value to customers as well as the service provider.
- **Deliver convenience, reliability, security, and privacy consistently.** MFS providers can't lose sight of what attracted women customers in the first place: women who are risk averse or otherwise slow to adopt may not stick with a service if their early experiences are disappointing or unreliable. Maintaining high service quality levels is as important as building them in the first place.

There's a potential virtuous circle between mobile financial services and mobile access for women. Of those surveyed, 34% of women in Tanzania, 13% of women in Kenya and 10% of women in Papua New Guinea who say they want to try MFS cite the lack of a phone as the main reason for not having done so.³ At the same time, prior GSMA mWomen research indicates that lack of perceived value is one barrier to women's use of mobile.⁴ If mobile financial services offer a clear, perceived value to women, they are likely to use the service plus become more active subscribers, with greater willingness to try new tools. MFS providers who choose to offer women relevant products will have the opportunity to improve both their core and mobile financial service businesses, as well as to impact women's lives at scale.

Meeting women's wants and needs likely will enhance a service provider's offering for the entire market. Service providers don't need to create an entirely different set of services, distribution channels or brands for women. Rather, if service providers are able to tailor their marketing, services, customer care, and agent networks to meet women's needs for convenience, reliability, security, and privacy, men in these markets also are likely to become more loyal customers. Agents who are welcoming, service-oriented, well-trained, and fully equipped to educate and serve new customers are likely to encourage greater adoption and usage across all segments.

² Valentyna Melnyk, Stijn M.J. van Osselaer and Tammo H.A. Bijmolt. Are Women More Loyal Customers Than Men? Gender Differences in Loyalty to Firms and Individual Service Providers. *AMA Journal of Marketing*. 2009.

³ Data for Pakistan isn't available, as only 1% of women in Pakistan who have not tried MFS wish to, hence data on mobile phones as a barrier was not meaningful.

⁴ GSMA and the Cherie Blair Foundation for Women. *Women & Mobile: A Global Opportunity*. 2010.