GSMA Conference in Nairobi – July 11th

Women and Mobile Savings Products:

India and the Philippines

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Agenda

- Project overview
- Top learnings
- Key success factors and conclusions

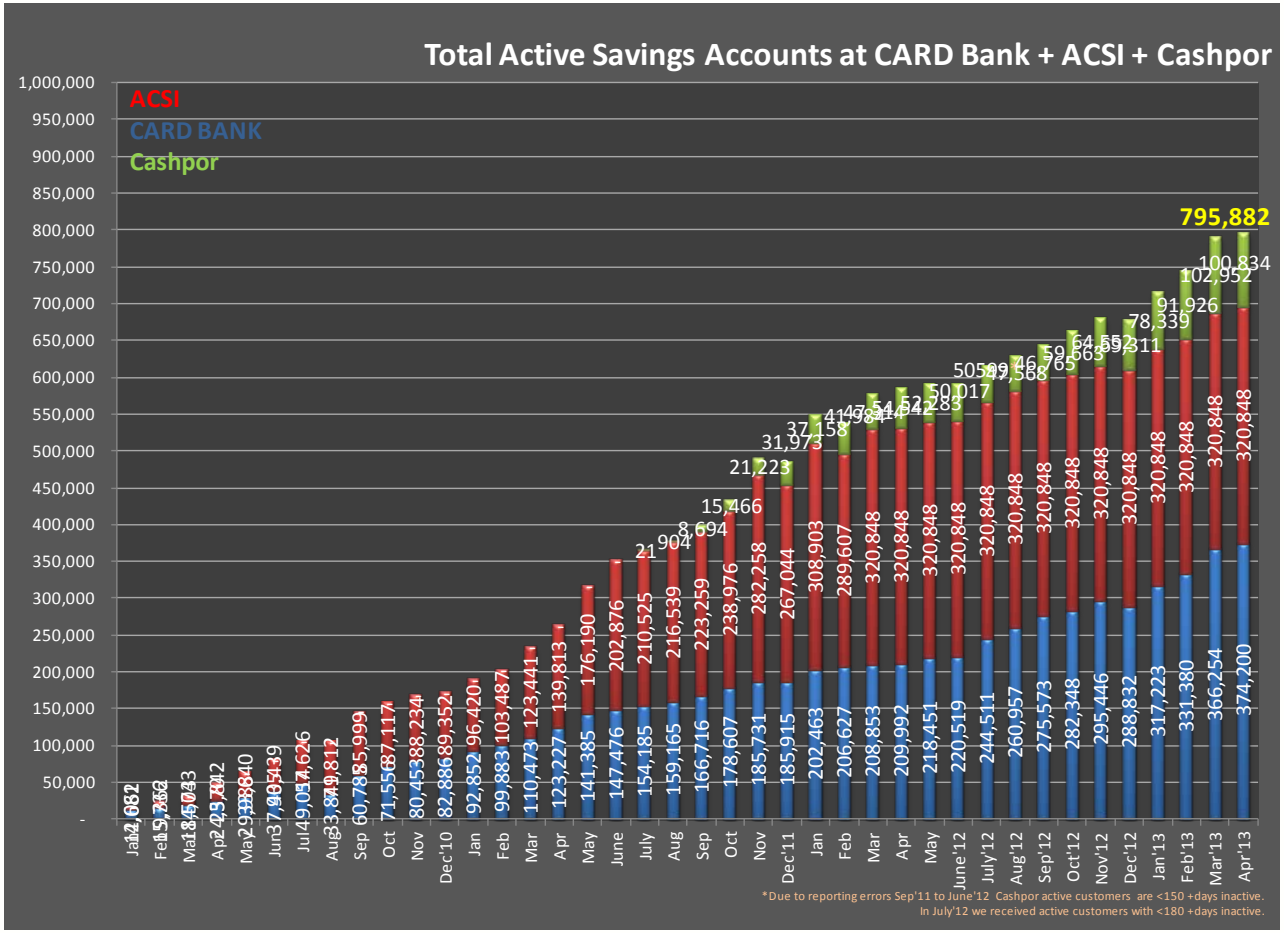
Introduction

- http://www.youtube.com/watch?feature=player_embedded&v=TG9NYaHuWa8#at=125
- Mobile penetration among women clients:
  - India client base: 40% own mobile phones, another 40% have access to a phone, 20% have no access
  - Philippines client base: 81% own mobile phones (another 2% have a SIM but no phone), most of the remainder have access to a phone in their household.

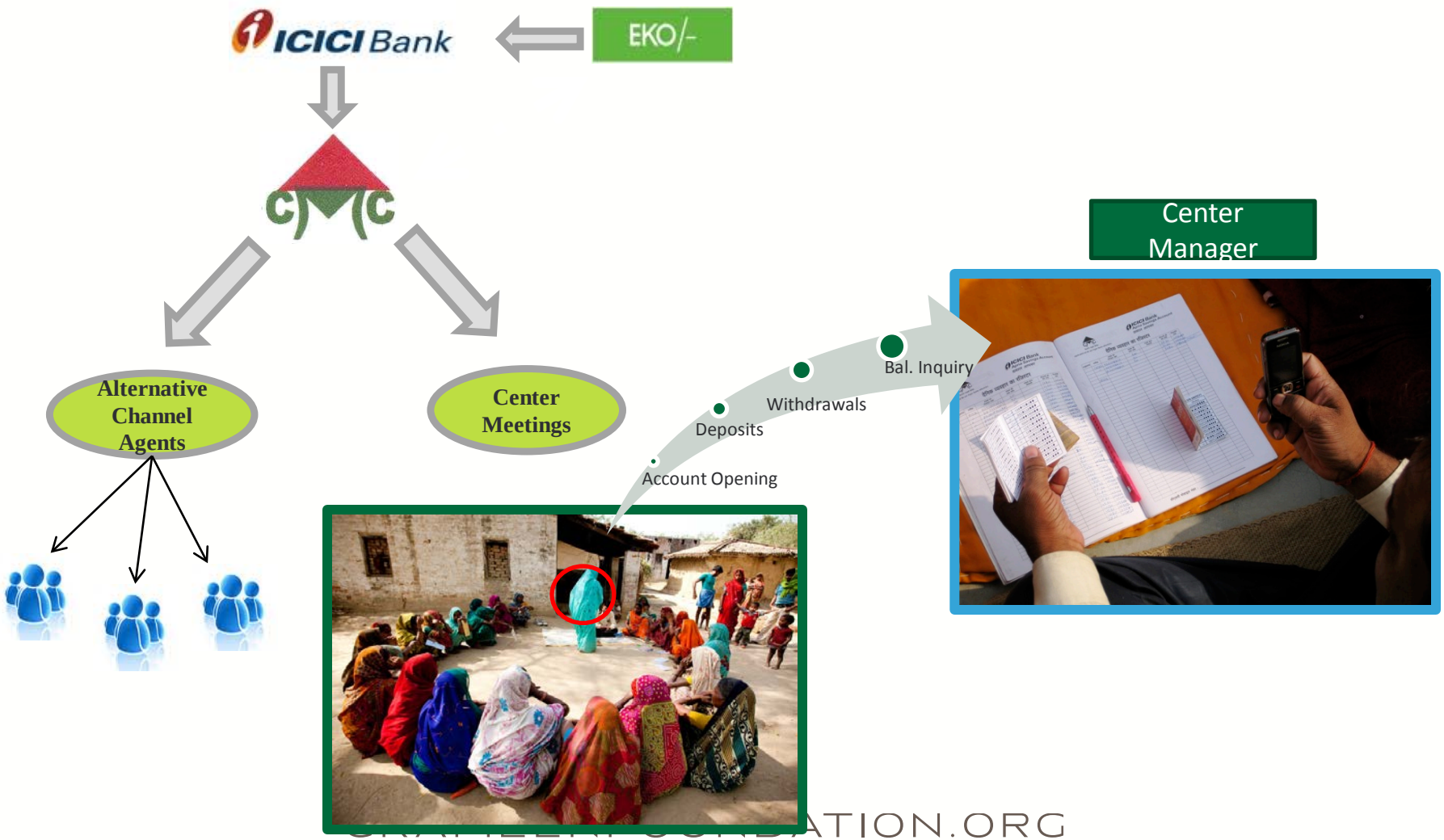
Microsavings Initiative

Scaling progress

- 800,000 clients are actively saving across 3 MFI's
- MFIs service 100% women for their credit business and ~75-80% for savings products.
- Both institutions are profitable and see savings products as an important part of their overall business model.



India: Cashpor



Cashpor Savings Program

- 100% of clients are women
- 94% live below $2.50/day PPP; 69% live below $1.25/day PPP
- Over 125,000 savings accounts opened; > 100,000 are active (trx in last 180 days)
- Savings Product Features:
  - Mobile-based
  - 4% p.a. interest rate
  - Basic vs. Premium Plan
    - Premium Plan = Opening Fee Rs.100 ($1.80), unlimited transactions
    - Basic Plan = no opening fee, deposit and withdrawals are Rs.2 ($0.04)

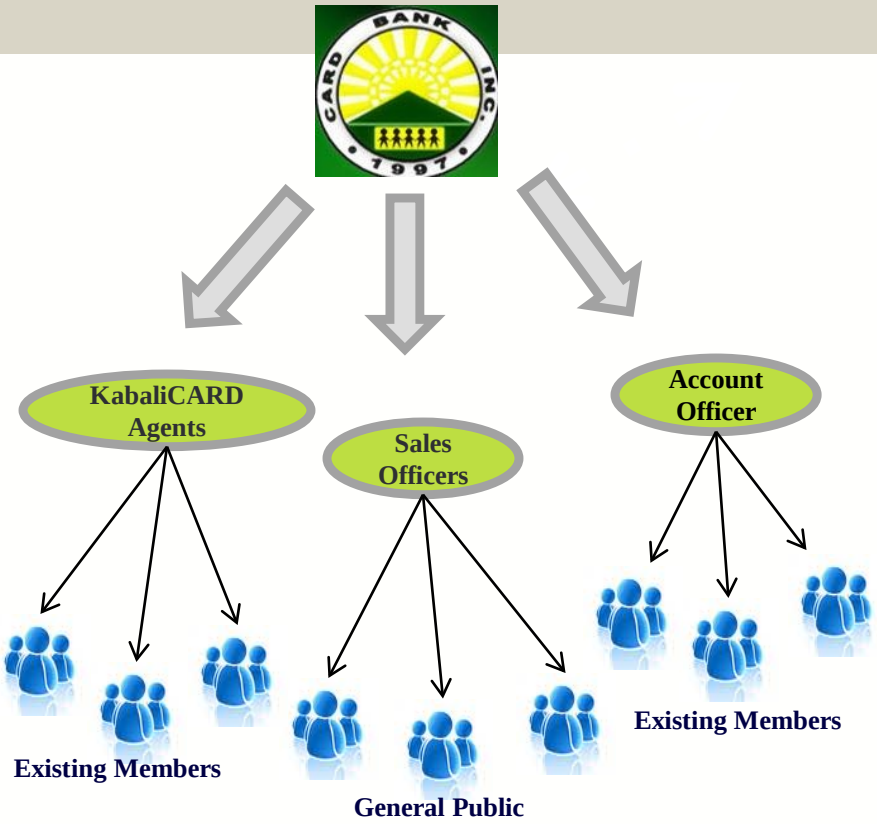
Cashpor Case Study:
"*Just because a woman owns a phone, it doesn't mean she knows how to use it*"

- 65 women interviewed : 23 own a phone; 22 have access to a phone; 20 women have no access
- Only 23 out of 65 women could use a phone independently
  - 13 of the 23 own their own phone; thus only 56% of those who own could use it independently
- Only 10 out of 45 women could check their savings balances on their own
- Almost none of the women could use the SMS feature prior to training
- 10 out of 22 women who borrow a phone have restricted access to it
- Almost all women who borrow a phone say the reason they don't own one themselves is lack of knowledge of how to use it – not the cost.

Cashpor Case Study:
Findings

- Phones are treated as household commodities
  - While the primary male income earner is typically the registered owner of the phone, most family members have some access to the phone
- Household financial management was very complex
  - Many of the women reported having multiple bank accounts and informal savings (such as money in a shoebox) at home. In general, poor women keep some savings at home hidden from their husbands.
- Women use the phone primarily to make phone calls to family members
- Technology (incl. back-end processes like mobile KYC)
  - Affected women's willingness to take up and confidence in the savings services

Philippines: CARD Bank



- Delivery Channels offering savings services:
  - Mobile using KabaliCARD CICO agents
  - Bank branches
  - Withdrawal through ATMs
  - Deposit via center meetings
  - Doorstep Deposit Pickup







CARD Bank Savings Program

- Product Features
  - Mobile-based for deposits and withdrawals using a mobile wallet tied to savings product.
  - Doorstep deposit pickup via SMS requests (on demand or regular scheduled pickups)
  - Account opening minimum deposit of PHP100 (US$2.50) (dropped from PHP 1000)
  - Minimum of PHP500 (US$12.50) to earn interest
  - 1.5% p.a. interest rate
  - ATM no fees for withdrawal

CARD Bank
Context

- Although CARD Bank targets mostly women (75%), 25% of savers are male

- 47% of CARD Bank's customers live below the $2.50 PPP poverty line (measured using PPI)

CARD Bank

The question: Does gender and poverty level have an effect on the amount saved?

		Total average savings	
Poverty levels	Poorest	PHP	1,555
	Mid	PHP	1,919
	Less Poor	PHP	2,762

		Total average savings	
Gender	Female	PHP	2,986
	Male	PHP	1,164

		Gender	
		F	M
Poverty levels	Poorest	PHP 2,107	PHP 876
	Mid	PHP 2,774	PHP 1,038
	Less Poor	PHP 4,208	PHP 1,577

- On average poorer customers save less than less poor ones.
- Interestingly, women at CARD Bank save substantially more than males – almost 3x as much
- When displaying average savings balances across gender and poverty level ,both trends are still clear.

CARD Bank

Some surprising mobile literacy findings

- Experienced mobile users tended to have *more* errors with keywords, at least initially, than the inexperienced users

- Older users were *less* likely to make mistakes in mobile financial services transactions than younger users

Mobile preferred, but particularly by younger borrowers who attended more training

	Total	Preference		Member Status		Age		Education Level		Training Attended	
		Prefer MFS	Prefer Old	Borrow-ers	Savers	Younger	Older	Lower Educ	Higher Educ	Less Training	More Training
BASE	*169*	*131*	*38*	*95*	*74*	*135*	*34*	*47*	*121*	*52*	*117*
Overall Preference	78			86↑	66	83↑	56	72	79	62	85↑
Keywords	85	98↑	42	96↑	72	87	76	79	88	71	91↑
Transaction Messages	91	100↑	58	98↑	81	95↑	74	83	93↑	83	94↑
Fees	72	83↑	34	77	66	74	65	81	69	52	81↑
Load	67	81↑	21	73	61	70	56	72	65	52	74↑

LEGEND:

or Overall Preference
blue # majority prefer MFS
red # majority prefer old system
black # no preference

For Attributes
blue # majority satisfied
red # majority dissatisfied
black # no preference

Between Subgroups (e.g. Borrowers vs Savers)
↑ For Overall Preference: a greater proportion prefer MFS
For Attributes: a greater proportion are satisfied
based on significance tests at 95% confidence level

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Not everything appreciated about MFS is monetary…

I could be away for hours just to get my loan release. Walk, take a tricycle, wait for a jeep, ride the jeep to wait some more at the unit, commute back home… But now I don't even have to deal with the hassle of making sure someone watches the house while I'm gone.

Some of our members have been held up before on their way to the unit, since it's far and the road doesn't have many houses along it. They'll be much safer now that they can just deposit and withdraw nearby.

Key Conclusions

- The level of comfort and confidence women have in the mobile phone drives uptake and usage of financial products – and thus the business model
  - Comfort and confidence derive from access to a “trusted intermediary”; ongoing training; and peers to learn from.

- Business model: CARD and Cashpor have developed profitable, scaled business models servicing mostly women with credit, savings, insurance and remittances
  - Our data shows that women tend to be more active savers than men
  - Women historically have proven to be better credit risks than men

Open Questions & Next Research

- For women who are not currently using mobile financial services (where available), what is preventing them?
- What role does the user interface play in women's adoption and usage of mobile financial services?
- What interventions reduce women's propensity to hand over their phones to agents to conduct transactions?
- How do variations in agent models drive different levels of uptake and usage?