

April 2023

## Case Study

*How financial services providers can benefit by serving low income women better and increase women's economic empowerment?*



# Foreword

This case study is one of a four-part series designed to explore the effectiveness of interventions across different sectors to increase women's economic empowerment. The series includes case studies on achieving women's economic empowerment through four of WIN's intervention areas: media, financial services, distribution and management tools and information.

Improving the way that financial services are designed and marketed to low income women can create benefits for both customers and financial services providers. This case study contains examples of successful interventions and captures lessons learned.

The **WIN Program** is a five-year initiative implemented by **TechnoServe** and financed by the **Embassy of Sweden in Mozambique**. Our objective is to economically empower women in Mozambique by enabling their participation in the economy. To do this, we support the private and public sector to trial and implement sustainable changes in the way that they approach women as staff or workers, potential customers, suppliers and business partners.

For further guidance, contact the Women IN Business team at:

## **TechnoServe Moçambique**

Av. Cahora Bassa 114 - Maputo - Mozambique

T. +258 21 498 437

E. [technoserve-mozambique@tns.org](mailto:technoserve-mozambique@tns.org)

F. [facebook.com/WomenInBusinessMozambique](https://www.facebook.com/WomenInBusinessMozambique)

***win-moz.org***





# Summary

Private and public sector companies can bring about positive social change by addressing the constraints that low-income women face. In particular, financial services companies are well positioned to help women increase their access to safer savings and credit and improve their financial management.

These changes can benefit women as micro-entrepreneurs and employees, while providing new markets and customers for financial services companies themselves.

This is why WIN has partnered with financial services providers to address women micro-entrepreneurs' time and mobility constraints, improve control and security of their finances, and increase their savings.

**This case study aims to share insights on how access to financial services can effectively increase women's economic empowerment, focusing on:**

01

Examples of financial services interventions implemented by WIN



02

Benefits for women and the private sector



03

Lessons learned



03

Key takeaways



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# The business case for financial service providers to invest in low income women

In Mozambique, women micro-entrepreneurs face more challenges than their male counterparts; for example, some experience time and mobility constraints due to family responsibilities, lower education levels and digital literacy and less control over their income and assets due to societal norms and expectations.

**By promoting women's economic empowerment, women micro-entrepreneurs can begin to overcome these barriers to establish and/or grow successful businesses.** One way of doing this is by expanding their access to the necessary services such as savings and loans - so they can increase their stock, sales, and incomes. When this is accompanied by better financial information, women micro-entrepreneurs gain more **confidence** and **safety** managing their businesses and money.

Women customers are a segment little explored by financial institutions but which offers a lot of potential. To reach that potential, financial institutions need to understand women's needs and preferences better, so they can design products and marketing strategies to reach them.





# Approaches tested by WIN

## WIN tested six different approaches to empower women through financial services

Partner	Intervention	Description
	<p>Digitising customer payments</p>	<ul style="list-style-type: none"> <li>▶ Migration from cash to mobile money (MM) loan repayments</li> <li>▶ Training women and (men) on how to use digital payment systems, increasing their control over income</li> </ul>
	<p>Financial education and business management skills</p>	<ul style="list-style-type: none"> <li>▶ Financial education programme redesigned to provide more financial literacy and business management skills to female (and male) customers. This review contributes to more women (and men) accessing and using loans in a productive way</li> </ul>
	<p>Product and Marketing Design</p>	<ul style="list-style-type: none"> <li>▶ Market research that resulted in product improvements and a marketing campaign more suitable to the target of micro-entrepreneurs (specifically women). This increased access and use of digital savings</li> </ul>
	<p>Market research and Financial literacy campaign</p>	<ul style="list-style-type: none"> <li>▶ Market research study to uncover the reasons of low usage of banking products and services in rural areas</li> <li>▶ Informing the content of a financial literacy radio program Pool for improvement/design of products and services more appropriate to the rural target audience</li> </ul>
	<p>Mobile money agent system</p>	<ul style="list-style-type: none"> <li>▶ Incentive system to encourage the recruitment of more women M-Pesa agents eligible to receive float (digital money)</li> </ul>
	<p>Financial and Digital Literacy</p>	<ul style="list-style-type: none"> <li>▶ Facilitation of a financial and digital literacy training to smallholder female (and male) farmers (SHF) in using M-Pesa. This enabled SHFs to increase access and use of mobile services</li> </ul>

# Digitising customer payments



When women are more financially and digitally enabled, they save time and increase control of income



## Partner

### AfricaWorks

AfricaWorks (AW) is a microfinance institution (MFI) operating in peri-urban and rural areas, serving mainly low-income customers. AW intentionally focuses on serving women, who comprise 57% of its 9,000 plus client base.



## Intervention

**Migrate from cash to mobile money loan repayments**, making repayment services more cost-effective and efficient for women who have busy schedules managing business and caretaking responsibilities (thereby addressing their lack of mobility and time constraints).

Design and implement a social performance management system to gather women client's feedback and tailor services for their benefit.

**~5.000 clients (~60% women) are currently repaying loans to AW using mobile money**

**85%**

of women clients feel that making loan repayments through mobile money is safer than cash

**73%**

of women clients believe that repaying with M-Pesa (vs. cash) has a positive impact on their business because they don't have to close their business and lose sales to go to loan repayment group meetings

**86%**

of women clients believe that M-Pesa repayments are more practical than cash repayments, because they can do repayments from anywhere without having to move



## Ways M-Pesa payments work for women

### Quicker:

No need to close businesses, repay instantly by phone

### Safer:

No need to travel from home with cash on person

### More control:

It's easier to control and save money meant for repayment of loans



# Financial education and business management skills



Better financial education of women contributes to greater confidence and better use of financial services



**Partner**

## Banco Futuro

Futuro mcb, SA is a microfinance bank based in Nampula, Northern Mozambique. The bank is focused on low-income customers (small individual entrepreneurs and groups).



**Intervention**

The project **redesigned and piloted Futuro's financial education program** to loan customers, with a special focus on rural and urban women entrepreneurs. The program focused on improving the loan officers' skills to deliver training in practical ways that meet women's needs - considering their context and literacy - as well as updating the training content to include financial literacy and business management skills).



## Ways in which Banco Futuro's training helped women

**More control:**  
Now I separate business money from personal money

**Increased savings:**  
I learned to save with a purpose in mind

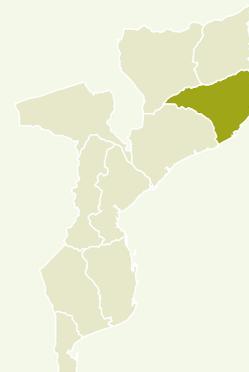
**More control:**  
I can better control my profit now

## 3,724 clients (65% women) trained in the new training program

**83%**  
of women trained report adoption of good management practices

**77%**  
of women trained report feeling more confident about growing/expanding business

**86%**  
of women trained report increasing in business performance  
**37%**  
report increasing in their income



# Product and marketing design

Better suited products combined with targeted communication for low-income women can increase the number of active customers



## Partner

### M-Pesa

M-Pesa is a mobile financial service that allows clients to transfer, deposit and withdraw money, pay bills as well as buy airtime (vouchers) and other different services, all from their mobile phone.

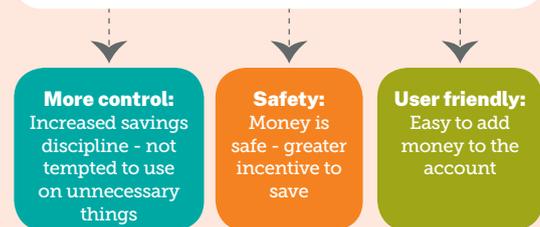


## Intervention

WIN conducted market research and made a series of recommendations to improve the Xitique product, a digital financial savings solution, to better suit the needs of potential women users. The main recommendations were being able to have flexible start dates and amounts to save. The product is based on the original Xitique, a local saving group model used predominantly by women in Mozambique. WIN also advised M-Pesa on how to **target communications for women micro-entrepreneurs** to promote better saving habits.



### Reasons for saving more money with Xitique from M-Pesa



### Increase from ~10k to over 110k active customers (46% women)

**71%**

of Xitique 1.0 women clients reported saving more money with Xitique 2.0 as a result of new features proposed by WIN

**56%**

of women clients reported increasing their business investments using their increased Xitique savings

**79%**

of women who used savings to invest in their business increased their incomes as a result



# Market research and Financial literacy campaign



Targeted support to women agents can increase their transactions and agent income



## Partner

### MOZA

Moza is a retail bank, operating in the Mozambican market for over 14 years. With the initiative “one district, one bank”, it installed branches in several remote districts of the country as a way to be closer to the population of these areas.



## Intervention

Conducting a market study in 3 northern provinces to understand the barriers that women and men face in accessing and using banking services. The results of this study informed the most relevant themes to be addressed in a financial literacy radio program. At the same time the results are informing the bank of changes it must make to be closer to its target audience.



## Benefits of research and campaign

Understand the needs of your target

Take action to meet the target's needs

Inform the target audience about the bank's products and services

### Initial findings

**34%**  
of women do not have ID and are unable to open a bank account

**79%**  
of women and **65%**  
of men surveyed have no bank account

Approximately **54%**  
of women (and **75%**  
of men) use mobile money accounts

Illiteracy/Portuguese is a hindrance to accessing information



# Mobile money agent system



Targeted support to women agents can increase their transactions and agent income

**MZ NYELETI** CONSULTING



**Partner**

## MZ Nyeleti

A Mozambican start-up which acts as a M-Pesa super agent supporting M-Pesa agents in Inhambane with float (digital money). The company has been operational since 2013.



**Intervention**

Piloted an **incentive system for field staff to encourage them to recruit more women M-Pesa agents** to allow customers to cash in and out of their digital wallets. Teams were given gender training (click here for the link) to improve their ability to work with women agents. **The intervention also funded the provision of float**, which helps women agents to overcome barriers related to access to capital.



## Benefits of being a supported Agent:

**Support:**  
Always have someone to call for help

**Increased business:**  
Able to retain customers from M-Pesa business

**Increased income:**  
Also increases income of main business (spillover effects)

## 193 active agents supported by MZ Nyeleti

Increase of women agents from **18% to 28%** of Nyeleti's customer base

Women agents supported by MZ Nyeleti transact with more clients than those who are not

**86%** of women reported an increase in commissions as a result of float support



# Financial and digital literacy

Digital finance education helps women increase confidence and use digital financial services more effectively



**Partner**

## DADTCO

Dadtco Philafrica is a cassava processing company located in Inhambane that sources from smallholder farmers (SHF) and produces for export markets and the local beer brewing industry.



**Intervention**

WIN supported Dadtco in the facilitation of a financial and digital literacy training, using M-Pesa, to SHFs so that Dadtco could migrate from cash payments to digital payments. As a result, SHFs were expected to save more and/or safely secure their earnings in M-Pesa, allowing them have greater control over their money

Engie, a Solar Home System (SHS) provider, was also involved in the training campaign to explain and sell Solar Home Systems to the SHF so that they could charge their mobile phones to use M-Pesa.



## Ways M-Pesa improves control for women

### More control:

Can easily manage money anywhere; easier to follow a savings plans; and are less susceptible to thefts/scams

### Safer:

No need to travel or keep cash on person

## Women SHFs increased digital and financial literacy and control

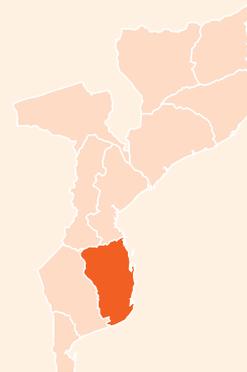
4,030 farmers trained, **57%** of whom were women

**63%** of women SHF trained reported their understanding of how to use M-Pesa has improved

The number of female SHFs using M-Pesa to save increased from **47% to 76%**.

**50%** of these women said they increased their savings amounts

**95%** of trained female SHFs who use M-Pesa to save money, feel their money is safer in M-Pesa vs. other saving methods



# How did women benefit from these interventions?

WIN's models and partnerships with the financial services providers helped empower women micro-entrepreneurs across many dimensions:

## Time & Mobility

With improved access to and use of financial services **4,136 customers (62% women)** have more time to spend in their businesses, with their families, or doing other activities



Mechanisms include digitising loans (so women are not required to travel to loan officer meetings), and providing agents digital float (so agents and customers do not have to travel so far to access money).

Mechanisms include better access to account statements, loan balances and use of mobile-accessed savings accounts.



## Control

**4,732 (60% women)** report feeling they had more control over their finances because of interventions that facilitated access to and use of financial services

## Security/ Safety

**6,257 (64% women)** feel safer and more secure when handling their finances



Mechanisms include digitisation of financial services so that women no longer have to carry cash and fear robbery.

Mechanisms include better financial education, enabling women to use technology more effectively and use of networks such as WhatsApp groups for women to share information as financial services users.



## Confidence

**3,521 (58% women)** are more confident about the use of their finances

## Information

Through WIN's interventions **22,421 clients (57% women)** have more access to information on financial services, which can contribute to increased use

Mechanisms include marketing and training campaigns that contribute to greater access to information of financial services (such as the available products and services, how to use and access them and the terms and conditions)



Mechanisms include better access to account statements, loan balances and use of mobile-accessed savings accounts.

## Income or Assets/Savings

**5,529 (49% women)** reported that they have more income and assets due to the use of financial services



## Participation

**7,789 (56% women)** reported that they use financial services more

Mechanisms include digitalisation of financial services so that women use them





### Control

I have more control [when using M-Pesa's Xitique], because in the traditional savings group if you don't have the amount for making the contribution you have to pay a fine and in M-Pesa's Xitique it is up to me to decide when to make contributions

– Xitique focus group participant, Nampula

### Security

Repaying loans using mobile money is very good because I am no longer at risk of being robbed.

– AfricaWorks client, Mozambique

### Time and Mobility

I don't need to abandon my main business in order to have access to loans.

– MZ Nyeleti agent, Inhambane

### Confidence

I have been using forums with other women mobile money agents to share successes about being an agent and how to best manage this business.

– MZ Nyeleti agent, Inhambane



# Win-win gains for women micro-entrepreneurs and the private sector

## Why invest in expanding gender inclusive financial services?

**01** Companies who invest in designing financial services and products for this target market **improve their bottom line.**

**02** Gender-responsive and socially-responsible businesses tend **to attract new customer segments**, making these interventions mutually advantageous for the companies and the entrepreneurs.



# Private sector wins



## Financial services providers benefited from expanded and diversified networks and client base

Partner	Benefits at customer level	Improved performance
	<ul style="list-style-type: none"> <li>▶ Customer base grew 18% for women and 29% for men</li> <li>▶ Business revenue growth increase of 33% (31% for women-owned business and 35% for men-owned businesses)</li> </ul>	<ul style="list-style-type: none"> <li>▶ Reduction in costs</li> <li>▶ Increased efficiency</li> <li>▶ Improved data collection and analysis methods</li> <li>▶ Improved approach to customers</li> </ul>
	<ul style="list-style-type: none"> <li>▶ Reduced the default rate to 0% for the customers receiving the new training vs. 0.5% without training</li> </ul>	<ul style="list-style-type: none"> <li>▶ Loan officers more knowledgeable about financial education and better serve customers who in turn increase their use of BF's services</li> </ul>
	<ul style="list-style-type: none"> <li>▶ Increase of active customers from ~10k to ~110k</li> </ul>	<ul style="list-style-type: none"> <li>▶ Better understanding of the needs of the target market</li> </ul>
	<ul style="list-style-type: none"> <li>▶ Potential increased customer base acquired through the radio campaign</li> </ul>	<ul style="list-style-type: none"> <li>▶ Greater understanding of needs and perceptions of potential customer base - has a basis to improve products, services and communication</li> </ul>
	<ul style="list-style-type: none"> <li>▶ 38% increase in the number of agents working with MZ Nyeleti (28% increase of women agents)</li> </ul>	<ul style="list-style-type: none"> <li>▶ Increase in the number of agents using MZ Nyeleti's services increased by 37%, and more than doubled for women agents</li> </ul>
	<ul style="list-style-type: none"> <li>▶ Improved digital financial knowledge of customers</li> </ul>	<ul style="list-style-type: none"> <li>▶ Expected reduction of payment costs and increased security (once system is running)</li> </ul>
<p><b>Partners more interested in creating solutions for low-income women</b></p>		
<p><b>Women's economic empowerment</b></p>		

# Lessons learned

## – researching the segment

The first step in reaching more women through financial services is to research the segment effectively. All programs should start with an in-depth review of what women want and need from their financial services providers.

### Conduct market research prior to launch and again once the product has been released

1

Companies that systematically disaggregate their market research data into different segments (gender, rural/urban, age, etc) will better understand trends and differences between men and women.

2

Market research can provide vital information on what different types of customers (i.e. women, youth, urban vs. rural) are looking for as well as feedback on the features of the product that customers like and dislike. This helps to improve future product iterations to meet the needs of all customers (including women).

3

It may be necessary to adjust the product (e.g. access requirements, withdrawal rules) to take into account the specific needs and preferences of women clients.

4

Programs can conduct market research in-house, through market research companies or dedicated consultants.

5

Separate focus groups with women and men are a useful complement to large scale surveys, and help understand what is driving customer preferences.

# Lessons learned – reaching women through women

WIN's experience shows time and again that employing women - on sales teams, in agent networks and as part of marketing and communications - is necessary to be able to reach more women customers

## Recruiting women to the sales network is critical to reaching more women customers

1

Women financial services agents/promoters transact as much as men, and sell more to other women.

2

However, there are some barriers - e.g. women find it harder to put up initial float and have security concerns regarding managing cash. In Mozambique, they are also less likely to be in the most trafficked area like markets and major bus stops.

3

Financial services providers can help women overcome these hurdles (e.g., by adjusting their requirements and looking more actively for women) so they can become effective agents and promoters and help to reach more women customers.

### Sharing experiences among women can be highly effective

Agents can encourage and exchange experiences and tips on business management. An effective way to do this is messaging groups (e.g. Whatsapp) or pairing of experienced and less experienced agents.

### Use of role models is an effective marketing strategy for women

Using role models in marketing campaigns is very effective for reaching female audiences. Role models can be real or fictitious, must be relatable yet inspire the audience to achieve their dreams, and someone who can be trusted. The role model has to mean something to the audience!

# Lessons learned – digitalisation

Technology can be a game-changer for women as it instantly increases control over income, reduces time and makes financial management more secure.

## Different tactics are needed for helping women access digital services in rural and urban areas

1

Women in both rural and urban areas can increase use of formal financial services through digitisation - mobile money wallets have been particularly effective for women due to lower access requirements and the ease and convenience of cash in/out (versus banks).

2

In urban areas, literacy levels are often higher, agents are more prevalent and migrating women to digital services is already more advanced.

3

In rural areas, digital financial services may need to be supplemented with other mechanisms and approaches (e.g. group savings) since smartphones are less prevalent.

### Digitalisation can help mitigate economic disruptions

Recent events such as COVID and even civil conflict have particularly impacted the financial sector in Mozambique due to its reliance on cash. However, this can be overcome through digitisation.

### Easy access to float/cash allows women to transact more

WIN's experience shows that women agents can particularly benefit from better access to float, which in turn allows them to serve more women customers with cash in /cash out services. This is because they are, on average, more capital constrained.

# Lessons learned – financial education

Practical ways to invest in financial education to reach underserved customer segments.

## Integrating financial education within a marketing strategy can be cost-effective

1

It can be advantageous for a company to invest in education about its services and products to reach new markets and customers. However, in-depth training is very expensive. Instead, use existing marketing and communications channels - or loan officer activities - to educate customers.

2

Where companies do invest in training their agents and customers, cost-effective methods are recommended, for example, pairing or grouping women to share business tips and motivate each other, or using digital means to such as WhatsApp groups, where appropriate.

### There is a case for coordinated financial education across the sector

Mass campaigns on financial education need to be funded by public services, donor-led programs, or through coordinated action. The benefits of broad financial education are shared between all financial actors.

### Financial education and communication needs to take into account literacy levels

The lowest income customer segments are usually more likely to be illiterate. This needs to be taken into account during the design, marketing and communication of a financial services product. Consider using audiovisual materials, infographics, and pictures to reach the most underserved segments

# Key Takeaways

1

Investing in the expansion of financial services for women micro-entrepreneurs is a win-win for the private sector and the customer

2

Increased access to formal financial services helps women customers increase their savings and their control over their money

3

By doing market research specifically on women, and disaggregating customer data by gender, financial institutions can better understand this audience

4

Using a gender lens in the design and marketing of financial products increases the chance that they are accessible to and used by women

5

Embedded services - such as training, targeted float, and more informative communications - are an effective way of helping women use financial services

6

Financial education can be made more inclusive of women by considering how women access the materials, and making women more represented



For more information, please visit:

**[www.win-moz.org](http://www.win-moz.org)**



**TechnoServe**

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Connect with us:

[technoserve-mozambique@tns.org](mailto:technoserve-mozambique@tns.org)  
[facebook.com/WomenInBusinessMozambique](https://facebook.com/WomenInBusinessMozambique)  
[win-moz.org](http://win-moz.org)  
+258 21 498 437

**TechnoServe Moçambique**

Av. Cahora Bassa 114 - Maputo - Mozambique