**Chicken or Egg?**
Increasing Women Users in Digital Platforms

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UNCDF
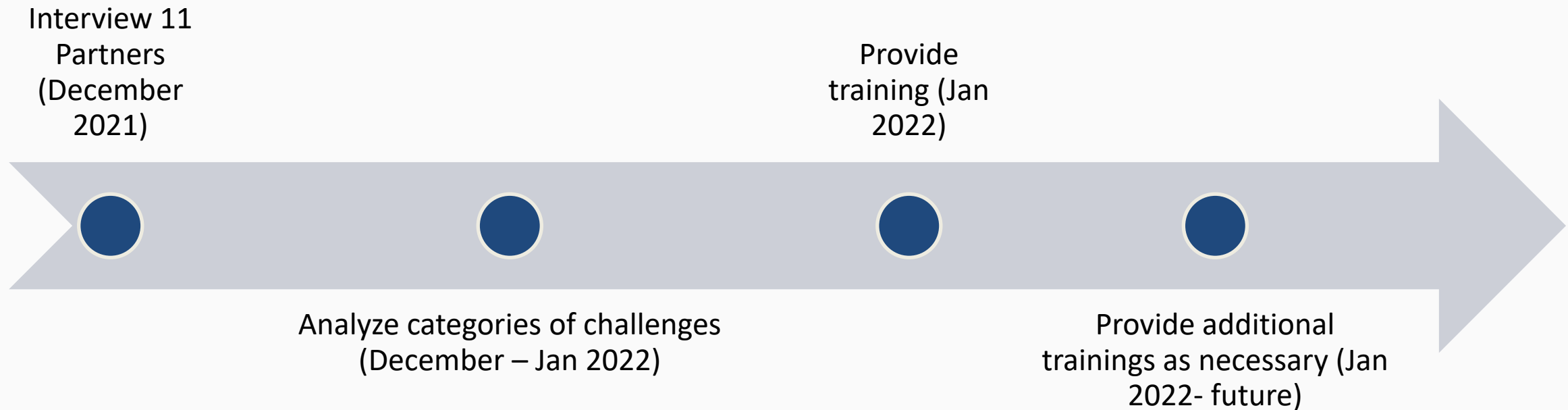Unlocking Public and Private
Finance for the Poor

# Agenda

- INTRODUCTION
- PROCESS SO FAR | WHAT ARE THE BUSINESS MODELS – PARTNER SPECTRUM?
- CHALLENGES AND SOLUTIONS
  1. COVID19 – Challenges & Mitigants
  2. User Journey Analysis
  3. Investing in Data and Iterative Testing
  4. Recruitment:
     a. Partnerships
     b. Informal Online Commerce (Facebook, Instagram, Whatsapp)
     c. Agent Networks
  5. 1st Generation vs 2nd Generation Challenges
  6. Trust (Especially with Digital Lending)
  7. Training vs. Lending Products
  8. Social & Cultural Norms
  9. Chicken & Egg: Supply Balancing Demand

# Introduction

- Private Sector Partners to UNCDF have sex-disaggregated targets
- Most Partners are NOT meeting their targets
- Purpose of Training: To provide data/evidenced backed solutions to challenges faced by private sector partners (Leveraging UNCDF Inclusive Digital Economies & Gender Playbook)
- What do we mean by "USER"? Some platforms are targeting women entrepreneurs only. Some platforms are targeting both women entrepreneurs as well as retail customers. Both, in some ways, are customers – but "USER" was an easier way to represent the theme we are discussing today
- INTERACTIVE FORMAT: GET READY TO VOTE, GET READY TO PARTICIPATE



INCLUSIVE DIGITAL ECONOMIES AN[D]
GENDER EQUALITY PLAYBOOK

UN
CDF

Unlocking Public and Private
Finance for the Poor

# Process so far:



Interview 11 Partners (December 2021)

Analyze categories of challenges (December – Jan 2022)

Provide training (Jan 2022)

Provide additional trainings as necessary (Jan 2022- future)

Bangladesh (4), Cambodia (3), Indonesia (2), Nepal (1), Vietnam (1)

# WHAT ARE THE BUSINESS MODELS?

**AGRITECH**

**INSURTECH**

**SUPPLY CHAIN FINANCING**

**DIGITAL TOOLS FOR WOMEN MSMES**

**INVESTABILITY & DIGITAL/FINANCIAL LITERACY**

# CHALLENGES & SOLUTIONS

# Covid 19 impact + mitigants



Covid-19 Disproportionately Impacted Women

During the pandemic, women's sales dropped by

Philippines
↓ 27%

Indonesia
↓ 44%

Reversing this trend will be key to ensuring women can compete in the digital economy following the pandemic.

Covid has had the following negative impacts on partner targets

1. **Businesses have closed** (reducing the number of reachable population of users)
2. **Mobility-** Lockdown has prevented women from conducting businesses, and depending on the nature of lockdown, from logistics allowing for products to be created and delivered
3. Lockdown has **delayed the launch of projects/products**
4. All Businesses, but especially women businesses are **more risk averse** and do not want to take on debt
   a) Offer smaller amounts with more flexible payment terms
   b) Show (via video and word-of-mouth) COVID-related success stories with similar personas
5. All Businesses, but especially women businesses are **less likely to take on new (digital) forms of debt with new lenders (Trust issue)**
   a) Allow users to "test" lending platform with test user profiles and/or "fake money" so they do not have to worry about losing funds if they "push the wrong button"
   b) Assess the reasons behind the trust issue (e.g., previous bad experiences, reputation of such products from other providers, "whats the catch?" fear, or others)

# USER JOURNEY ANALYSIS

- Few partners have implemented an iterative feedback user journey analysis tool
- Center for Financial Inclusion gives an excellent guide on how to do

## The Customer Journey

Weeks

Travel to branch | Meet with representative | Wait to receive decision | Travel back to branch | Receive funds

### Traditional

**vs**

### Digital

Minutes

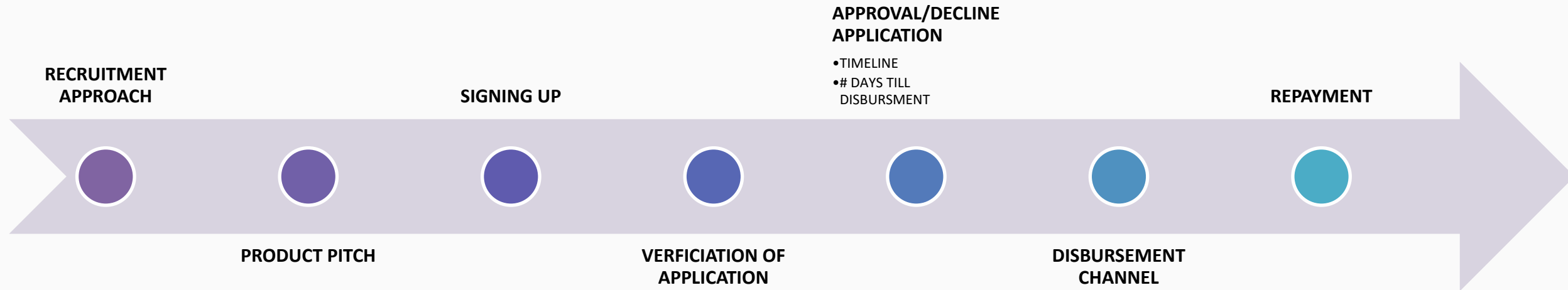Apply via mobile phone | Get approved and receive funds instantly
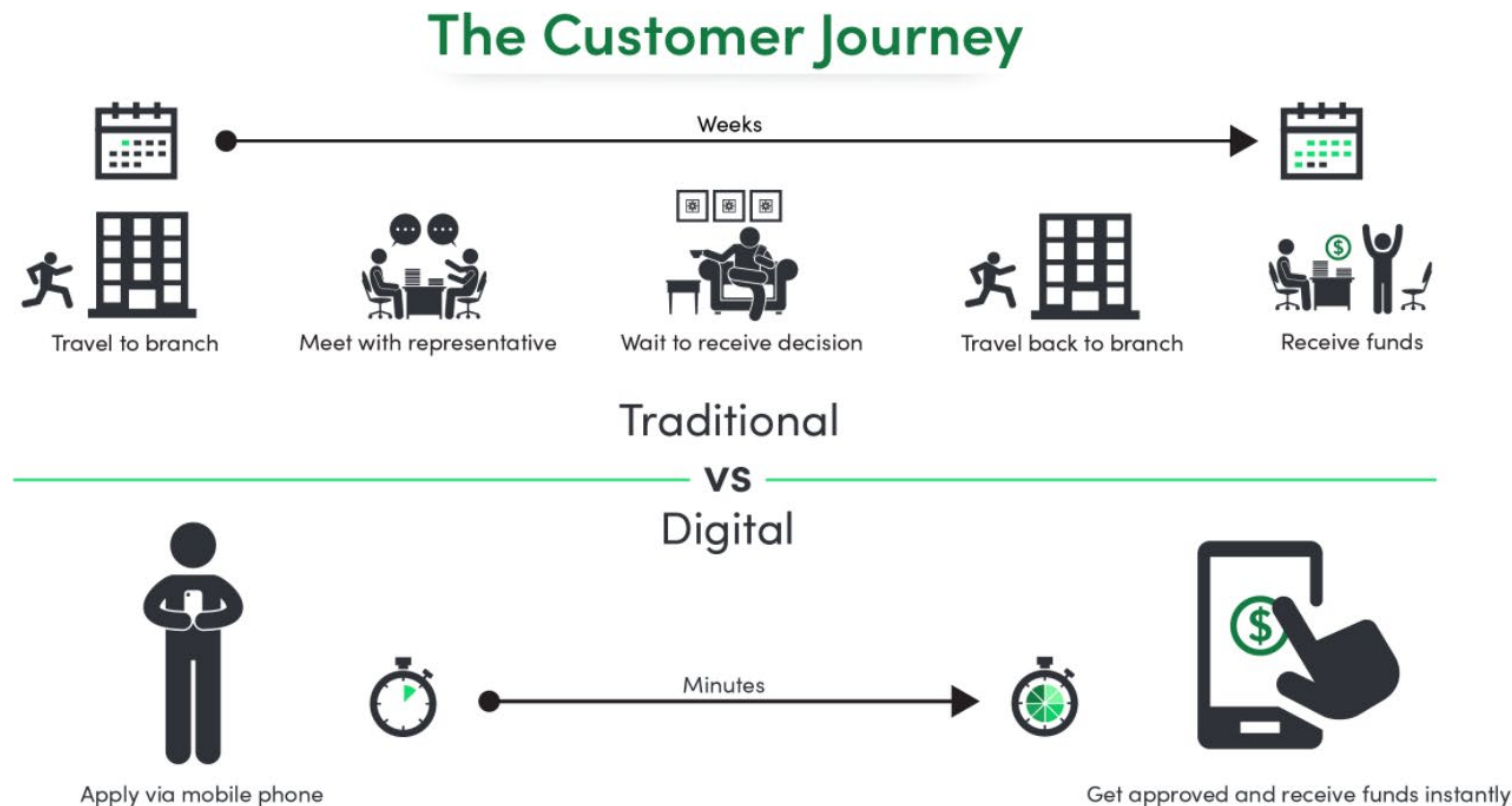
# USER JOURNEY ANALYSIS (continued)

- It is important to understand the journey of a user from the user's perspective. Better if you can conduct a bit of analysis WITH users, to know what is going well and what could be better.
- One of the most important elements of this journey analysis for those of you with financing platforms is how long it takes for a user to know a decision has been made (loan made/declined), and how fast the payment is made.
- Important to know the difference between "expected" and "reality" – ask yourself, do you really know the reality? Several of you have said you haven't spoken to the on the ground users about their experience.
- If you could ask your users one question, what would that be? Please put answers in chat.
- Common customer journey challenges: Please put them in the Chat

# USER JOURNEY ANALYSIS (continued) (3/3)

## LETS PRACTICE DOING ONE

**RECRUITMENT APPROACH**

**SIGNING UP**

**APPROVAL/DECLINE APPLICATION**
- TIMELINE
- # DAYS TILL DISBURSMENT

**REPAYMENT**

**PRODUCT PITCH**

**VERFICIATION OF APPLICATION**

**DISBURSEMENT CHANNEL**

# Data, measurement and product development

- Do you actively collect sex-disaggregated data?
- Do you know the gender of your customers, users, women entrepreneurs, agents, and channel partners?
- Do you use data to iterate product development?

# Recruitment: Partnerships

- 7/11 partners are using partnerships as a recruitment strategy
- Partnerships (Financial Institutions, NGOs, Local Gov, Associations)
- Most of you rely on partnerships to reach and recruit women users.
- Consider the following:

  - What is the power structure between your intermediary partner and potential user?

  - Are representatives from the intermediary structure a woman or man?

  - What is the incentive structure for the intermediary partner to accurately and successfully recruit a potential user?

- What valuable potential partners might you be missing? Have you considered reaching out to FMCGs, Women's Groups and/or Civil Society organizations?
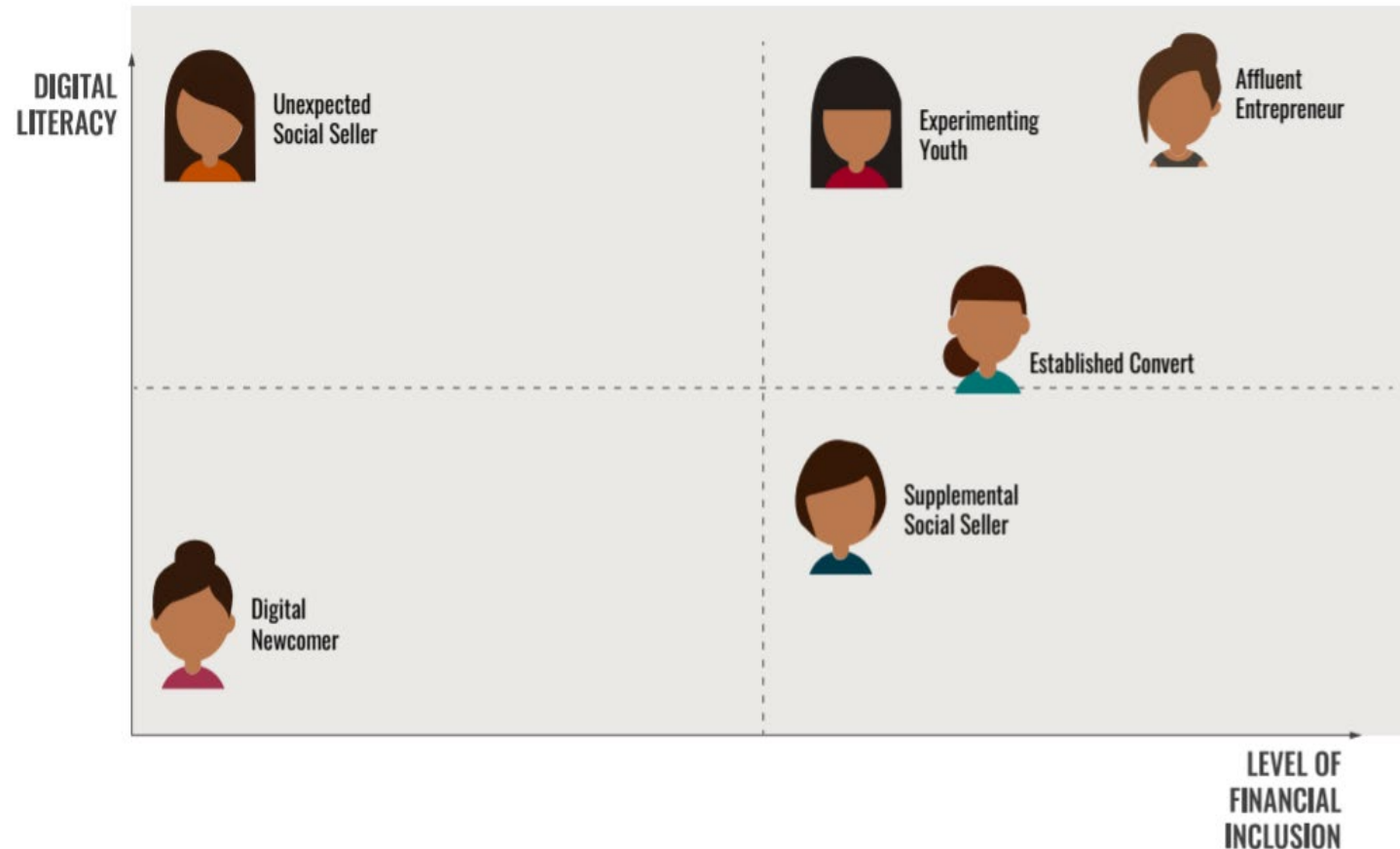
# Recruitment relying on (Informal online commerce (IOC):

FIGURE 10. **Personas by levels of digital literacy and financial inclusion**



- 4/11 partners are using IOC channels as part of their recruitment strategy
- Digital (Facebook, Instagram are the most focus)
- Different levels of engagement depending on their persona (see graphic based on CGAP Focus Note 2021)
- Consider adding this to your recruitment strategy
- One Pitfall with this: some women want to remain small
- What are your challenges with this recruiting method/channel? Please put it in the chat.

# Recruitment: Agent networks

- 6/11 partners rely on some form of an agent network to recruit, manage and retain women users as part of their platform
- Consider implementing an agent journey analysis – what are the success factors and "headaches"? What does the incentive structure look like (financial and non financial)?
- Similar to the "partnerships" consideration, items to consider:
  - How many of your agents directly interacting with potential and existing women users ARE WOMEN?
  - What is the gender power dynamic between the value chain of your agent network?
  - What tools and training do members of your agent value chain have in helping them uniquely recruit, manage and retain women users?
- Do you have feedback loops with their agents?

# 1st Generation vs 2nd generation challenges

- **<u>1st Generation Challenges: Women don't have access to phones or financial accounts</u>**
  - Understand the reason behind the challenge (affordability, availability, digital literacy, social and cultural norms)
  - Construct your product to help address underlying issue (if possible and within scope)
  - Engage in partnerships to help address those issues
- **<u>2nd Gen Challenges: Women have access to phones and accounts, but face different challenges</u>**
  - Trust for those that have been "burned  (fraud, backlash, non-transparent fee structure, etc)-": Building gender sensitive consumer protection into your products – e.g., what is your redress policy if something goes wrong for a customer?
  - 2nd Gen Digital literacy skills
  - Managing vs. "Detail Oriented work" – Social Norms

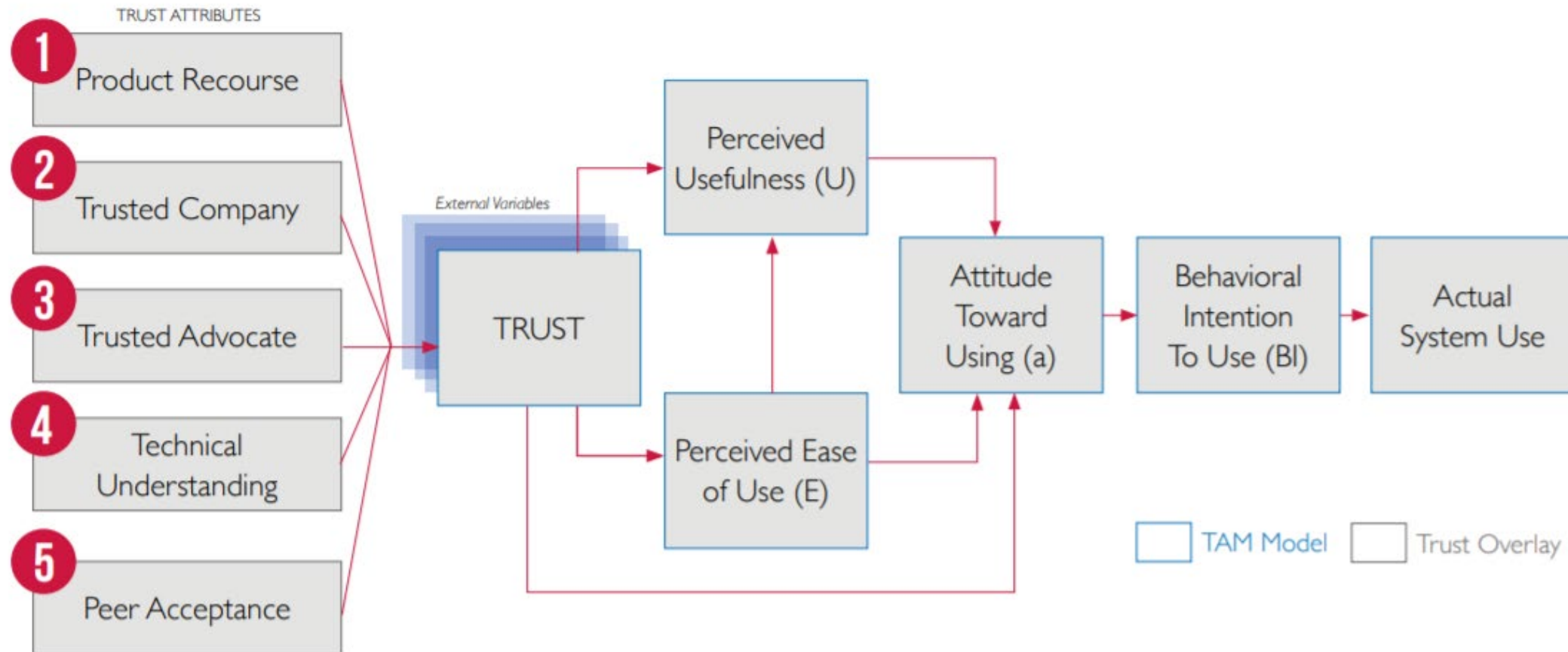# Trust (especially with digital lending) (1/3)



Figure 2: Trust and TAM for DFS (following Gefen et al. 2003), from Dahlberg et al. and SIA

# Trust (especially with digital lending) (2/3)

1. **Product Recourse:** understandable transaction reversal policies and accessible customer service representatives who can resolve service issues in a timely and cost-effective manner

2. **Trusted Company:** the reputation of the organization in the community in terms of its responsiveness, integrity, and public responses to any issues or allegations

3. **Trusted Advocate:** a trusted entity, such as an NGO, that can act as an intermediary and inject a layer of trust into the adoption decision process

4. **Technical Understanding:** comprehension of how to use the product, increased through training and one-on-one marketing techniques

5. **Peer Acceptance:** the influence of peers on the perception of a product; this influence is even greater among people whose peer networks are relatively restricted, since they have experience with smaller cohorts and, therefore, fewer overall inputs to weigh

*A CGAP Focus Note on risk in DFS cites two factors that limit understanding the Product Recourse*

- Unclear, costly, and time-consuming redressal procedures

- Limited agent capacity in customer service[44]

Let's Vote – how do you think your product does across these factors?

1. Do your users understand or trust your product recourse system? How do you know this?
2. Do you have a trusted advocate? How do you know they are trusted?
3. Do users have a technical understanding of the product?

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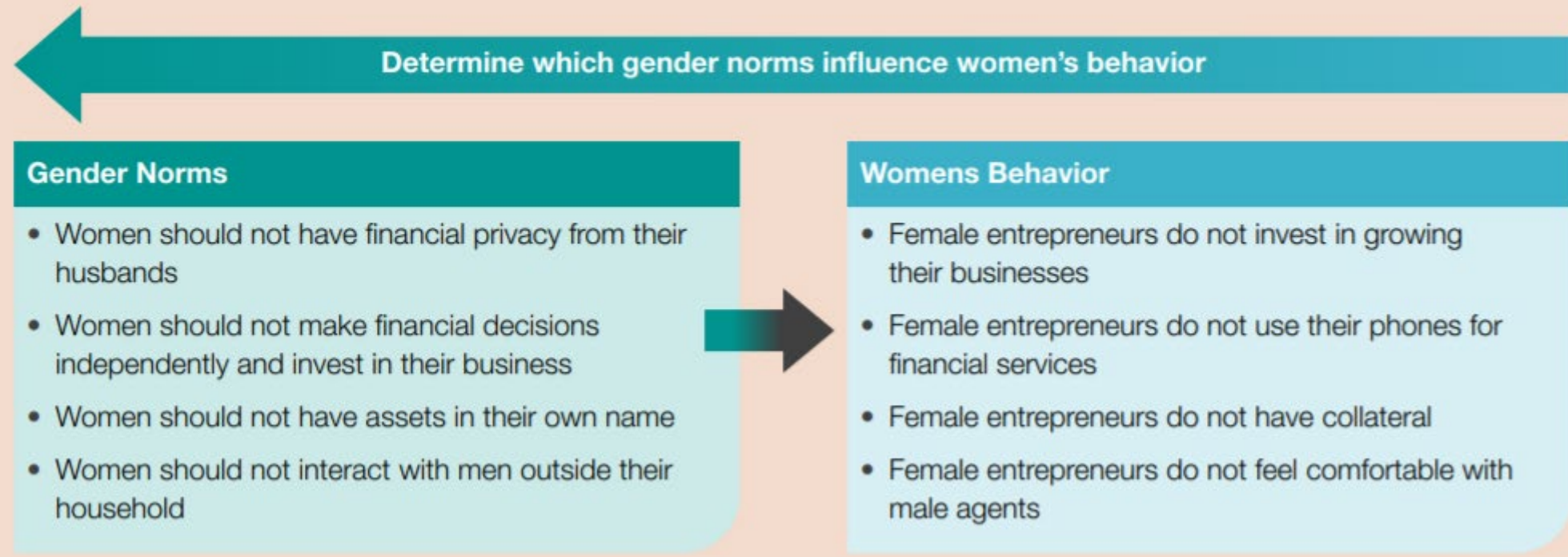
# Training vs lending products

- Most projects are starting with Digital and/or Financial Literacy training and then gradually introducing digital lending products.
- Consider making the lending product a stronger part of the recruitment process and introducing it earlier in the user journey. Given that the digital lending product addresses a real problem for women, it might accelerate their understanding of how and why they should use it.
- Research – training has to be applicable, and almost immediately.
- See best practices in embedding product usage into training (videos along the way, etc)

# Social & cultural norms:
# What is it & Why is it important? (1/4)

FIGURE 5. **Understanding the link between gender norms and women's behaviors**

Determine which gender norms influence women's behavior

**Gender Norms**

- Women should not have financial privacy from their husbands
- Women should not make financial decisions independently and invest in their business
- Women should not have assets in their own name
- Women should not interact with men outside their household

**Womens Behavior**

- Female entrepreneurs do not invest in growing their businesses
- Female entrepreneurs do not use their phones for financial services
- Female entrepreneurs do not have collateral
- Female entrepreneurs do not feel comfortable with male agents

# Social & cultural norms: Diagnosing (2/4)

**Deconstruction of a sample gender norm from diagnostic undertaken in Egypt**

**Gender norm**
Women should not make financial decisions independently.

**Behavior**
Women do not borrow to invest in their businesses.

**Key influencers**
Husbands, Mother-in Laws, family.

**Expectations**
What men and women think.

- **Men:** Most men interviewed believe that women should not make financial decisions independently as this could threaten a man's position as the key financial decision makers within the household.

- **Women:** Women are split on the issue. Older/ conservative women agree that women should always consult with their husbands or families before making any financial decisions. Younger/ liberal/ single women agree that women should be allowed to make some/most financial decisions independently.

**Perceived prevalence of the norm**
Men and women see the norm as extremely prevalent and strongly rooted in Egyptian culture that women should always consult with their families before making any decisions, including financial decisions.

**Sanctions and consequences of breaking the norm**

- Men perceive women who make independent financial decisions as stubborn and uncooperative, and this can lead to disagreements or even divorce.

- The community views such women as troublemakers and the husband or parents of these women may be subject to ridicule for not being able to control them.

**Opportunities and norm flexibility**

- Sanctions for breaking this norm are less severe if the financial decision is deemed to be low risk and/ or high reward.

- When there is a high level of trust between the woman and her husband or family, she may be allowed to make some financial decisions independently.

# Social & cultural norms: Products/Platforms present opportunity for change – Interventions (3/4)

| | |
|---|---|
| Leverage Partnerships | Identify Champions |
| Support Capacity Building | Engage Gatekeepers |

# Social & cultural norms: Products/Platforms present opportunity for change (4/4)

**TEB in Turkey created a positive narrative about women's entrepreneurship**

In Turkey more than 20 million working-age women are not actively participating in the workforce, largely because of gender norms that assign care of the home and family to women. This unequal distribution of unpaid work also acts as a barrier to women taking up entrepreneurial ventures and is hard to challenge for fear of social retribution.

Türk Ekonomi Bankası (TEB) wanted to grow its market share and at the same time shift perceptions about women's roles in the country by developing a suite of financial and non-financial services that were promoted to women through a social media campaign about women's entrepreneurship. In 2018, TEB ran a social media research campaign around International Women's Day using the popular Turkish phrase "Elalem ne der?" ("What would people say?") to explore people's perceptions about the role of women.

Thousands of people used the hashtag on twitter to share their own story and describe experiences and beliefs about how the prevailing mindset limited women's entrepreneurial potential. Based on these responses, TEB launched a national campaign to challenge perceptions about the roles that women do and can play in the economy. It created a film featuring ambitious women speaking of business expansion plans, only to be met with cynicism from family, friends, and business partners. However, the women persevered and turned to TEB for support. The film was widely shared through social media platforms including Facebook, Twitter, and YouTube and challenged women to "listen to their hearts instead of what others say." The film reached a reported 33 million people through a combination of TV ads and social media.

Source: Bin-Human (2019); and interview with TEB staff

# Chicken & Egg Dilemmas for platforms

- 3/11 Partners struggle with this issue.

- Many women in IOC (Informal Online Commerce) jointly sell online and "in person". One strategy is to encourage women entrepreneurs to onboard their network of customers

# Useful references

1. Business Her Own Way: Creating Livelihoods Through Online Commerce, CGAP
2. Women And E-commerce In Southeast Asia, IFC
3. THE ROLE OF TRUST In Increasing Women's Access To Finance Through Digital Technologies, USAID
4. Technical Guide: ADDRESSING GENDER NORMS TO INCREASE FINANCIAL INCLUSION: Design For Impact, CGAP
5. Inclusive Digital Economies & Gender Playbook, UNCDF

# Question & Answer

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