

Senegal



"There are parents in Mauritania who send me mobile money transfers for their children's schooling." Serigne Mbacké Dia, agent in the centre of Podor.
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Improving Distribution of Digital Financial Services in Rural Areas

Research Highlight on Rural Agents in Senegal

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Authors

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Project overview

Partner:

IN•TOUCH

Objective:



Deploy
368 agents in
10 rural departments
of Senegal to contribute to
financial inclusion

Target departments:

Bambey, Fatick, Foundiougne,
Guinguinéo, Kaffrine, Kanel, Linguère,
Nioro du Rip, Podor and Velingara

Timeline:

February 2017–January 2019

Results:



364 InTouch agents
active in
8 departments
by the end of February 2019

An innovative solution but challenges to overcome

InTouch offers the concept of a 'one-stop shop,' which allows agents to carry out mobile money transactions for the main suppliers of the country (Expresso, Orange and Tigo), through an application, without having to change their SIM card or phone. In rural areas of Senegal where digital financial services are almost non-existent, the one-stop shop is a real innovation that can potentially change the face of financial inclusion. Some agents enlisted in the project were the first to provide digital financial services in their community.

However, this innovation faces significant challenges such as connectivity in these communities, which are often isolated, as well as difficulties in liquidity provision.

¹ Banque Centrale des Etats de l'Afrique de l'Ouest, *Rapport annuel sur la situation de l'Inclusion Financière dans l'UEMOA au cours de l'année 2017* (Dakar, December 2018).

Providing day-to-day support to agents: The key to success

With the support of UNCDF, the fintech launched its concept and continues to follow up on the agents' progress. The fintech provides day-to-day support to the agents through local branches that help them report issues faced in the field. In addition, the agents benefit from permanent support provided by sales representatives, again facilitated by the local branches, which are there for their needs and accompany them at each stage of their journey. This on-the-ground support aids in the effective resolution of difficulties encountered in rural areas.

There are five key aspects to the work of InTouch agents:

Recruitment and training: This process, provided by InTouch, is highly appreciated by agents, who are convinced of the comparative advantage of the application developed by InTouch and feel supported in its use.

Customer service: Although agents recognize the importance of customer service, there are some issues in this area that affect agents' performance, including difficulties with the network and Internet connectivity and with obtaining supplies.

Support and monitoring: In each deployment zone, a support team is set up to respond to the specific needs of the agents and to monitor their performance.

Personal and community development: InTouch agents are pioneers in their community, which grants them social status as their services meet the population's needs. However, their satisfaction at the personal level is mixed because they do not have the impression that they are accomplished or are receiving benefits to improve their life.

Throughout the project, InTouch implemented new measures and updated its application based on feedback from agents. In addition to the digital monitoring of agents, qualitative interviews and performance analyses carried out by the consulting firm PHB Development, mandated by UNCDF, enabled the fintech to streamline the agents' journey—particularly in regard to customer service. As a result, the fintech introduced new options such as electricity bill payments and money transfer services.

The relevance of mobile money in rural areas

The densification of the agent network in rural areas of Senegal has had a positive impact on the economic activities of villages:



Agents have reduced the cost of their customers doing business:
There is no longer a need for businesspeople to accompany their merchandise to receive payment in person.



Agents have reduced the cost of person-to-person transfers:
Customers save time and cost of transportation for business activities.



High-volume payments have been identified as a potential service:
The current payment process for farmers is inefficient (significant travel to receive money from the cooperative, cash shortage, etc.). Digitizing those payments could make life easier for farmers, while improving the volume of transactions among agents.



"I do not have to travel long distances to access mobile money services. My activity helped to meet a real need in my community." Maguette Tall, agent in the village of Tallene.

© PHB Development, 2018 Foundiougne, Senegal.

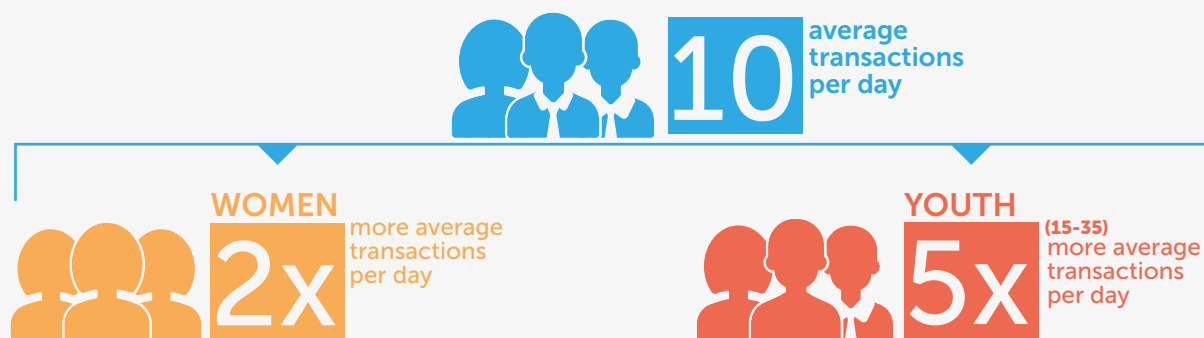
Encouraging results

During the qualitative survey, conducted between January and June 2018, transactions increased significantly as agents were installed with the one-stop shop. Other areas of research and results included the following:

1. Performance of all agents in Q1 and Q2 2018



2. Performance per day per agent in Q1 2018



3. Challenges and opportunities regarding agents

Challenges

- Unknown commission schedule
- Connectivity issues that drastically impact operations
- Poor liquidity supply (electronic money and cash)
- Inability to cancel or change transactions
- Inability to open accounts
- Lower compensation per transaction (after March 2018)²
- Difficult access to finance to grow their business

Opportunities

- Improvement of the agent monitoring system
- Availability of the sales team
- Addition of new services (Ria money transfer, Woyofal pre-payment service, bill payment, etc.)
- Expansion of the value proposition
- Development of a digital credit system
- Addition of financial partners for liquidity supply

² InTouch is a payment- and network-distribution aggregator, therefore its agents receive the same commissions from a mobile network operator as do conventional agents. As a result, when a mobile network operator decides to reduce the commissions of its agents, it has an impact on InTouch agents' incomes. The market-leading electronic money issuer Orange Finance Mobile Services recently reduced transaction fees, affecting the performance of InTouch agents.

Agent journey



"When I have a problem, I just call my sales representative who usually helps me find a solution." Awa Wade, agent in Niour du Rip.
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More information

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