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Closing the Gender Gap: Opportunities for the Women's Mobile Financial Services Market in Bangladesh

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Abbreviations

AML	anti-money laundering
ATL	above-the-line
ATM	automated teller machine
BDT	Bangladeshi taka
BRAC	Building Resources Across Communities
BTL	below-the-line
BTRC	Bangladesh Telecom Regulatory Commission
CFT	combating the financing of terrorism
CICO	cash-in, cash-out
CSO	Civil Society Organization
CSR	corporate social responsibility
DBBL	Dutch-Bangla Bank Limited
FGD	focus group discussion
FI	financial institution
FII	Financial Inclusion Insights
FMCG	Fast-Moving Consumer Goods
HQ	headquarters
ID	identity card
IFC	International Finance Corporation
IFIC	International Finance Investment and Commerce Bank
IT	information technology
IVR	interactive voice response
KYC	know your customer
MFI	microfinance institution
MFS	mobile financial services
MI4ID	Market Insights for Innovations and Design
MIS	management information system
MNO	mobile network operator
NGO	nongovernmental organization
NMC	non-municipal center
OMC	other municipal center
OTC	over the counter
PA	potential agent
PIN	personal identification number
P2P	peer-to-peer
RHR	right-hand rule
RMG	ready-made garments
ROSCA	Rotating Savings and Credit Associations
SHG	self-help group
SMS	short messaging service
TALC	technology adoption lifecycle
UI	user interface
USSD	Unstructured Supplementary Service Data

Glossary of Terms

Dedicated agents	Agents whose only business is a mobile financial services (MFS) agency.
District HQ	Divisions are further divided into districts. District HQ is the administrative center.
Exclusive agents	Agents who work for a single MFS provider.
Hundi/hawala	Informal remittance.
Hawaladar	Informal remittance broker/agent.
Metro	Bangladesh has seven administrative divisions. Metro refers to the divisional headquarters (HQ).
Non-dedicated agents	Agents who have other income sources in addition to the MFS agency. They run other businesses from the same outlet or premises.
Non-exclusive agents	Agents who work for more than one MFS provider.
Pucca	Dwellings that are designed to be solid and permanent.
Samitis	Informal groups or networks.
Thana/upazilla	<i>Thanas</i> are the second-lowest tier of regional administration in Bangladesh. <i>Thana</i> HQ is the administrative center for the <i>thana</i> .
Village	A village is classified as a rural location, which does not fall into the categories of district HQ, metro, or <i>thana/upazilla</i> .

Executive Summary

Bangladesh's financial sector has undergone rapid growth and has embraced technology solutions to improve the financial inclusion of the general population. However, certain segments remain disproportionately unbanked and financial inclusion for women remains a challenge, with only 26 percent of women owning a bank account (Global Findex 2014). Formal financial institutions have limited reach in rural areas, which restricts the spread of basic financial services among the rural population. Given such constraints and high mobile penetration, mobile financial services (MFS) can be a powerful catalyst in the near future, to bridge the gap between financial institutions (FIs) and those with fewer financial means or access to bank branches. Here, MFS is defined as the use of a mobile phone to access financial services and execute financial transactions. This includes both transactional services (such as funds transfer and payments) and non-transactional services, such as viewing financial information on a user's mobile phone.

This report aims to catalyze the financial inclusion of financially underserved Bangladeshi women through improved MFS adoption. It contains extensive, in-depth research to understand the needs and requirements of women MFS users. The report consists of three distinct divisions :

1. *The women MFS market's potential in Bangladesh.* This division provides an extensive set of market data and analysis on overall women's market potential, and projected growth.
2. *Product preferences of female MFS users in Bangladesh.* This division identifies MFS product features that will appeal to women, and different segments of women users' product preferences.
3. *Market assessment for female agent acquisition.* This division offers a roadmap to help MFS providers build and expand a network of female agents.

Part 1. Size and Characteristics of the Women's Mobile Financial Services Market in Bangladesh

The data in this report was collected through a quantitative survey among 2000 female MFS users and 2000 female non-users across Bangladesh in 2016. The findings highlight the opportunities, problems, and challenges related to the financial inclusion of women through MFS adoption in the country .

Market Sizing

Data from the survey, as well as a 2015 Financial Inclusion Insights (FII) [tracker survey](#) by Intermedia indicates that as of 2016, 6 percent of all adult women in Bangladesh are registered MFS users. The number of registered female MFS users has grown at an annual rate of 100 percent from 2013 to 2015. However, this primarily can be attributed to a low base effect. The rate is expected to stabilize at 52 percent, which is slightly higher than the growth rate of registered male MFS users from 2013 to 2016.

Based on a growth rate of 52 percent, by 2020, the report projects that **33 percent** of all women (that is, **19.6 million** women) in Bangladesh will be registered MFS users. These projections are based on MFS providers undertaking a concerted strategy to target the female segment, and adjusting their marketing and internal incentives to expand their female client base. Detailed calculations and assumptions for these projections are provided in [Appendix A](#).

Some of IFC's recommendations addressed to service providers can lead to accelerated female MFS user registrations and enhance the registered female MFS user base. The recommendations that would have the highest impact in terms of enhancing the registered female user base include introducing a **digital credit** product and a **recurring deposit** product, and implementing partnerships with MFIs. Both these products have been developed by the research team in conjunction with service providers as part of this project and are detailed in part 2 of the report.

Next, an estimation is provided for potential market size with each of these interventions. Detailed calculations and assumptions are provided in [Appendix B](#).

The digital credit product addresses the need of young MFS users, comprised primarily of students living away from home. They receive funds from family members for monthly expenses. An emergency short-term loan for any exigencies could be a much-needed MFS-based product. If a digital credit product is introduced in 2017, MFS providers can potentially target a new segment that is equal to **10.80 percent** of all adult women in Bangladesh. This would translate to **6.2 million** additional registered users by 2020.

The recurring deposit product addresses the needs of women who operate their own MFS account or depend on over-the-counter (OTC) markets. It is difficult for this demographic to save cash at home. Such customers need to save at a safe place where they can earn interest, too. If a recurring deposit product is introduced in 2017, service providers can potentially target a new segment that comprises **22.90 percent** of all adult women in Bangladesh. This is equal to **13.2 million** additional registered users by 2020.

Expanding the current bouquet of products targeting female customers is key to increasing MFS use among women. However, such products need to be sustainable from a business aspect, as well. Both these products were developed after detailed discussions with service providers, keeping in mind the business aspects of offering these products to key segments. Partnering with MFIs can provide MFS service providers access to the MFI customer base and help drive customer acquisition. In 2017, MFS providers can potentially target a segment equal to **21.50 percent** of all adult women in Bangladesh. This translates to **12.5 million** additional registered users by 2020.

Use of MFS among women is low. The [2015 data from Intermedia](#) states that 45 percent of men in Bangladesh have used MFS at least once in the past when compared to 21 percent of women. As only 6 percent of women have registered MFS accounts, the majority of female users are accessing MFS through over-the-counter (OTC) transactions. An OTC transaction is when the user does not have their own account, but relies instead on the agent's account. If the user wants to transfer money, she will provide cash to the agent who will be asked to conduct the transaction from the agent's account on her behalf. This method is illegal under current regulations. The ultimate parties to the transaction are not recorded, so this presents Anti-Money Laundering/Countering Financing of Terrorism (AML/CFT) risks. In addition, the agent may overcharge for the transaction, or even steal the funds without the customer having legal recourse.

Women's primary purpose of MFS usage remains domestic money transfer, while the use of other products remains rare. Use is infrequent, with 60 percent of female users using MFS less than once a month. Female users have a median of 3 transactions in 6 months. However, usage patterns vary across locations, with users in metros reporting a median use of MFS 4 times in 6 months. The frequency of use is often unpredictable as well, with 40 percent of female respondents citing irregular use. The dominance of money transfer as a use case could explain the irregular usage-most female users did not have to transfer or receive funds on a more regular basis.

Non-users indicate that they have limited purposes for using MFS. A significant portion also cite lack of awareness as a reason for non-use.

MFS is reasonably accessible in Bangladesh. One kilometer is the median distance, and 7 minutes is the median time traveled by women to reach an agent outlet. However, in rural areas, the median time taken is marginally higher, at 10 minutes. 24 percent of users also indicate that they have to take public transportation to reach agent outlets, which indicates a potential to extend agent networks further into rural locations.

Agent Gender Preferences

There is a clear preference for female agents among women, with 52 percent of respondents indicating in the affirmative. Respondents believe that female agents would behave better and provide superior service.

However, despite this preference, most respondents (97 percent) visit male agents to conduct transactions. Less than 1 percent of all MFS agents in Bangladesh are female. This highlights the need to proactively recruit female agents.

The comfort level of female customers with female agents can be determined from the fact that customers who visited female agents reported a higher median number of transactions than those who visited male agents.

Access to Mobile Phones

Most women have access to mobile phones. 68 percent of respondents have their own mobile phones, while 28 percent have access to another person's mobile phone, often that of a family member. Only 4 percent of respondents do not have mobile phone access.

There are differences in mobile phone ownership based on key parameters. For instance, mobile penetration is highest in the metros (81 percent), and lowest in rural locations (67 percent). MFS users (80 percent) are significantly more likely to own mobile phones compared to non-users (64 percent). A significant proportion of MFS users (16 percent) had access to smartphones.

Mobile phones are still primarily used for voice calls, with less than half of all respondents reporting using them for other purposes. However, a significant portion is already using phones to watch movies and/or listen to music (32 percent) and for accessing the Internet (8 percent), highlighting an emerging sophistication in mobile phone use.

Access to Financial Services

32 percent of respondents report having access to formal financial services. However, access to finances varies significantly across locations.

22 percent of respondents indicate that they have savings accounts at banks, with deposits and withdrawals constituting the majority of transactions. Most respondents (95 percent) primarily access savings accounts at bank branches. Only 7 percent used automated teller machines (ATMs). ATM use is higher in the metros (17 percent) compared to rural areas (5 percent). Respondents who did not have a bank account show a lack of awareness of use cases and benefits of savings bank accounts, highlighting the need for financial capability-building.

Other financial service providers that respondents access include Rotating Savings and Credit Associations (ROSCAs; 8 percent) and MFIs (7 percent).

Financial Capability

Family and friends remain the primary source of financial information for women in Bangladesh, with 83 percent reporting that they receive information about finances from household members.

Only 4 percent of respondents had received formal financial literacy training. Those who received training were more likely to have bank accounts and performed more transactions compared to those who did not.

Our research yielded the following findings relating to the financial capability of women in Bangladesh:

- Only 16 percent of all women interviewed feel confident in their ability to make optimal financial decisions;
- Only 10 percent of female MFS users know how to change their personal identification numbers (PINs);
- Only 20 percent of female MFS users are aware of the fees and costs of the MFS service they use;
- Only 20 percent of female MFS users understand the terms and conditions of using MFS;
- Only 10 percent of female MFS users compared service providers before choosing one;
- Only 10 percent of female MFS users indicate that they are aware of their rights as users.

Perception and Experience of Risks




At 4 percent, only a minuscule proportion of respondents have experienced risks in MFS use. There is a significant difference between the incidence and magnitude of perceived and real risks in Bangladesh. Theft or robbery, which was the most commonly perceived risk (40 percent), was never experienced by any of the respondents or their acquaintances. On the other hand, most commonly occurring risk—loss of funds from transactions to wrong accounts (51 percent)—was not perceived to be a risk at all. This potentially points to a need for better customer education.





Formal channels of issue resolution, including call centers and bank branches, are used rarely. Most customers who did pursue grievance mechanisms raised the issues with their agents. 44 percent of those who face issues choose not to complain. This is attributable, potentially, to the fact that 69 percent of respondents believe that issues they raised in the past were not resolved within a reasonable timeframe.

Key Customer Segments

The team identified two key segmentation parameters based on data analysis: the respondent’s location and age.

Among segments by location, city dwellers and those from small towns are more likely to display sophisticated behavior with respect to mobile phone usage, financial services adoption, and MFS usage patterns. This points to the need for a refined user interface (UI) and a potential to introduce additional products and services. There is scope for additional financial education that focuses on rural women.

Key Segments—by Location		
City dwellers	Small towners	Rural women
		

Key Segments—by Age Group			
Millennials	Young adults	Middle-aged	Senior citizens
			

Among age group-based segments, millennials and young adults are more familiar with the use of mobile phones and smartphones. They may be targeted, therefore, using an interactive smartphone-based UI.

The key recommendations to ensure effective access to and usage of MFS for women in Bangladesh are summarized below:

I. Ensure accessibility

Agent network expansion in rural areas is key to ensuring an increased uptake of MFS.

- Have service providers focus on recruiting more female MFS agents, especially in rural areas .

II. Build adequate value propositions

Differences in segment profiles, their requirements, and current behavior outline the need for MFS providers to understand the gaps and deliver targeted solutions.

- Introduce additional financial products and services to engage proactively with key customer segments. Two such products (a digital credit product and a recurring deposit product) have been designed by IFC and detailed in the later sections of the report. The products have been designed on the basis of this report's demand side data along with input from MFS providers and Bangladesh Bank.
- Have service providers leverage existing smartphone capabilities in response to increasing levels of smartphone usage, especially in urban areas. MFS must be partially delinked from Unstructured Supplementary Service Data (USSD) dependence, to serve urban customer segments. USSD is a communication technology that allows even low basic or feature phones to provide applications outside calling and texting. However, the USSD user interface is inferior to smartphone apps.
- Improved UI design will drive growth, profitability, and a much-improved user experience.
- Build key partnerships with financial service providers to expand the female customer base. These may include banks and MFIs, both of which will provide access to savings and credit customers.
- Link savings bank accounts to MFS wallets, because there appears to be significant levels of savings bank account use and MFI penetration among young adults, middle-aged women, and senior citizens.
- Target pensions and micro-insurance to senior citizens, as senior citizens are active economically, but at the same time vulnerable to income shocks. There is substantial untapped potential in this area.

III. Enhance financial capability of current and potential customers

There are indications of limited financial capability among respondents, which highlights the need for financial capability-building.

- Start financial literacy campaigns that focus on MFS awareness and usage.
- Build knowledge partnerships with MFIs and other nongovernmental organizations (NGOs) to drive awareness.
- Have services providers run targeted below-the-line (BTL) campaigns for specific customer segments.
- Provide awareness about recourse mechanisms to both customers and agents via the means of physical collateral, in addition to awareness campaigns.

Part 2. Product Preferences of Female Mobile Financial Service Users in Bangladesh

The team carried out a total of 21 extensive focus group discussions with female MFS users, female non-users, and male users, to augment insights from the survey. The team also conducted in-depth interviews with 155 key MFS market stakeholders. The primary objective of this qualitative research was to discern the MFS product preferences of women in Bangladesh. It culminated in the second section of the report: “Product Preferences of Women Mobile Financial Service Users in Bangladesh,” which has the following aims:

1. Describe the needs and preferences of female MFS users in Bangladesh.
2. Bring out the issues and challenges that MFS users face.
3. Present the product preferences of different segments of female users.

Mobile phone use has seen a meteoric rise in Bangladesh, with an estimated 135 million subscribers currently. This is a 56 percent increase from 5 years ago, when the subscriber base was 86 million.** In keeping with the global trend, the use of smartphones is on the rise, with primary use cases being social networking and MFS, apart from making and receiving voice calls and text messages. Although the financial channels that respondents use still center around banks, MFS is also becoming more prominent. Informal remittance channels, such as *hundi** (*hawala* or informal remittance) and money courier services also are still being used by respondents, although their use is declining. The reported motivators for choosing MFS over traditional channels are savings in time, convenience, and availability.

Although a single provider (bKash) dominates the use of MFS in Bangladesh, other providers, such as Dutch-Bangla Bank Limited (DBBL) and SureCash have carved their own customer niche. A number of nuances drive the service-related needs and requirements of users, especially female users. These nuances and financial service needs among women offer an opportunity for providers in the Bangladeshi market to gain a client base from a significant customer segment—more than 50 million women between the ages of 15 and 55 years, according to the latest estimates.

*Refer to [appendix D](#).

**According to data from the Bangladesh Telecommunication Regulatory Commission (BTRC). Retrieved on Sept. 8, 2017. [http://www.btrc.gov.bd/telco/mobile?field_for_the_month_of_value\[value\]&page=6](http://www.btrc.gov.bd/telco/mobile?field_for_the_month_of_value[value]&page=6).

Persona Mapping of Women as Mobile Financial Services Users

This report details four distinct personas of women, to better understand the key segments of female users. These persons reflect customer segments that were identified after discussions with respondents, which explored their motivations, requirements, and preferences for financial products. These personas are:

1. *Fameeda*, a worker in the informal sector who finds MFS to be a convenient alternative to less-accessible formal financial services.
2. *Farzana*, a working professional, who uses MFS independently and for various services.
3. *Laboni*, a student who was introduced to MFS recently and seeks value-for-money, as well as offers and discounts.
4. *Razia Begum*, a homemaker who is dependent on the agent for MFS use, but wants to learn how to use it.

Customers' Issues and Challenges

The issues and challenges that women in these customer segments face are segregated into four functional areas:

1. *Product-level issues* that customers face while using MFS. These issues highlight instances where the product must be tailored specifically to fit a particular customer segment. These also include problems related to communication about the product and features to the target customer base.
2. *Operational issues* that deal with challenges that customers face while interacting with a distribution channel (MFS agents, ATMs, and so on), including challenges faced during transactions.
3. *Social issues* that highlight social biases and cultural obstacles impeding the uptake of MFS among female users.
4. *Fraudulence issues*, which are instances of fraud that women MFS users encounter, thereby affecting their perception of the service's reliability.

Part 3. Market Assessment for Acquiring Women as Agents

- The “Market Assessment for Acquiring Women as Agents” is the third key section of the report. This section is based on qualitative research, with 30 women MFS agents across 7 divisions, and is intended to provide a roadmap for MFS providers to on-board female agents as they expand their distribution networks. The sample of agents interviewed covered agents from both rural and urban areas.
- This qualitative research also leverages discussions with key stakeholders such as MFS providers, mobile network operators (MNOs), regulators, and other financial institutions.
- Based on the characteristics, motivations, and expectations of being MFS agents, two distinct agent types emerged from the field study. They are personified as:
 1. *Shahida*, who works as an agent but may not be registered as one. She finds MFS to be a lucrative business in rural areas and needs support from family and relatives.
 2. *Shikha*, who runs MFS operations on her own in an urban setup. She doesn't require operational or financial support from others in day-to-day operations.

Key Inhibitors as Identified by Female Agents

- To enable the entry of more women into the MFS agency business, it is important to understand the inhibitors that have been distilled from the research. Some of these factors often turn out to be stumbling blocks for providers who do not have a focused approach in acquiring and deploying female agents.
 - **Agent acquisition procedures**, which are currently beset by challenges of know your customer (KYC) documentation, as well as incomplete communication of the terms and conditions before registration as agents.
 - **Non-exclusivity of agent outlets** with a view to maximizing revenue by serving a number of providers, as well as providing a range of services to customers.
 - **Agents gaining awareness about local market conditions**, to facilitate them providing services demanded by customers.
 - **Commission and support** provided serve as key motivations for female agents. Female agents also noted the need for greater transparency.

Barriers that Women Agents Face

- While there are only a few female agents in the field, the issues and challenges that they face are partially similar to ones faced by their male counterparts. Based on interviews, existing female agents identified a few major barriers that they feel impede the entry of new female agents into this business. These are:
 - Established societal norms, which hinder the entry of women into business activities.
 - Initial working capital, which is difficult to procure, because often male relatives provide the funds, and they may doubt a woman's ability to run an agency.
 - A current need to train the agents and provide them marketing collateral from MFS providers.
 - Risks associated with owning an MFS agency, such as fraud, robbery, harassment, and other security-related concerns.
 - Liquidity challenges, including their own mobility, and managing emergency liquidity requirement situations.
 - Poor customer support from the MFS provider in terms of communication and transactional issues.

Female Agents' Perspective on Customer Preferences

- From a customer experience viewpoint, existing women agents have a keen understanding of the needs and preferences of women users, as well as the factors that affect the uptake of MFS among female customers. Existing MFS agents feel that the following features enable better uptake of MFS among female customers:
 - Strong branding and simple messaging for an easy-to-use service;
 - Free cash-in service, with no minimum balance required; and
 - Interoperability in sending money to a noncustomer on any mobile network.

- To be able to serve women customers better, women agents have identified the following points as key factors in improving uptake and delivering MFS better:
 - Effective distribution models for liquidity management;
 - Easy and quick customer registration;
 - Incentives for transactions conducted for women, such as higher commissions; and
 - Simple and transparent pricing at agent outlets.
- The team also identified certain barriers that deter women’s use of MFS. These barriers are grouped under three major heads—financial, societal, and behavioral. Women agents notice these barriers in their day-to-day operations. The agents suggest that providers have to be aware of these issues while designing new products, or while planning expansion strategies.

The Provider Perspective of Acquiring Women Agents

- A key point to remember is that women agents make up a minuscule portion of the entire agent network deployment in the country. MFS providers do not perceive a business case from investing to acquire women agents. Providers are cognizant of the differentiated success factors of, as well as barriers faced by, women agents. However, thin margins prevent their investments from addressing these needs. Providers rely on a few key areas while deciding on potential agents:
 - **Financial capability** of the potential agent to manage initial investments, as well as liquidity.
 - **Business acumen** to be able to make operational decisions, keeping in mind the agency’s profitability and sustainability.
 - **Local reputation** to ensure acceptability among the local populace, who comprise most of the agent’s customer base.
 - **Technical competence** for the agent to effectively deliver services to customers.

- Other factors that influence the decision to appoint a woman agent are alignment with business strategy and the presence of existing infrastructure. There is no special consideration for women agents while managing existing agent deployments. Providers treat all agents in the same manner, regardless of gender. This means that aspects such as training, monitoring, liquidity management, and marketing and branding are exactly the same for all agents, irrespective of gender. The only factor that could result in an agent's preferential treatment is business performance.

Why Are Women Agents Required?

- **Women form a significant part of the population.** Women consist of roughly half of Bangladesh's total population. This means that there is a massive potential customer base for MFS. Global research, corroborated by this study's findings, show that women would prefer to be served by women agents.
- **The ready-made garment (RMG) sector wage digitization.** Bangladesh's RMG sector employs around 4.2 million Bangladeshis, who are mainly women from low-income households. More than 80 percent of the labor force in the RMG sector is women. Women working in the RMG sector will benefit if MFS agent points are operated by women agents.
- **Experienced borrowers with business acumen.** Women comprise more than 93 percent of the microfinance sector's 19.98 million borrowers. Many MFIs have been contemplating a switch to digitizing cash loan repayments. This will require agent points to convert cash to digital money. Women agents will play a major role in the conversion process, considering that the majority of MFI customers are women.
- **High level of trust.** Often women are considered trusted members of their communities. Therefore, brands that are trying to gain entry to a new geographical area or market segment can use women effectively to communicate their message and product benefits.
- **Societal fabric.** Existing societal restrictions make it increasingly difficult for women to access financial products/services from male agents. From the perspective of the MFS provider, working with NGOs and other civil society organizations in this regard can be cost-effective. MFS providers can leverage the large network of women these NGOs have access to, for expanding the agency channel into new territories.

- MFS providers in Bangladesh do not have, as part of their business strategy, a focused approach to acquire women agents. However, to effectively serve female customers, it is imperative that MFS providers develop an acquisition strategy for onboard-capable female MFS agents. This process requires an operational roadmap, which can be built over four key steps that a provider must follow to successfully acquire women agents:
 - Identifying potential agents by **leveraging existing networks of women**. Such networks include members and group leaders of MFI and self-help groups (SHGs), who may be best placed to work as MFS agents.
 - Preliminarily **understanding the motivations and expectations of women** who wish to enter the business, which will reduce dormancy and churn.
 - **Assessing the capabilities** of potential women agents by first determining whether the applicants meet preliminary basic factors—after which the provider may use a more comprehensive selection criteria.
 - **Addressing training needs** with a well-developed and comprehensive training manual, with additional emphasis on training the trainers.

Conclusion

- The report's data and analysis aim to guide MFS providers' management teams in undertaking targeted actions to build a portfolio of female clients. The findings from the study reinforce key messages for the female MFS market:
 - The women MFS market in Bangladesh represents an enormous untapped opportunity for the financial sector, and it is poised for significant growth if MFS providers take targeted actions to address diverse user segments.
 - Offering banking products such as savings and credit would enhance the MFS value proposition for women and spur greater uptake.
 - The female agent network needs far greater expansion, as women agents represent the supply side of MFS.

Part 1.

Size and Characteristics of the
Women's Mobile Financial
Services Market in Bangladesh

Sectional Summary

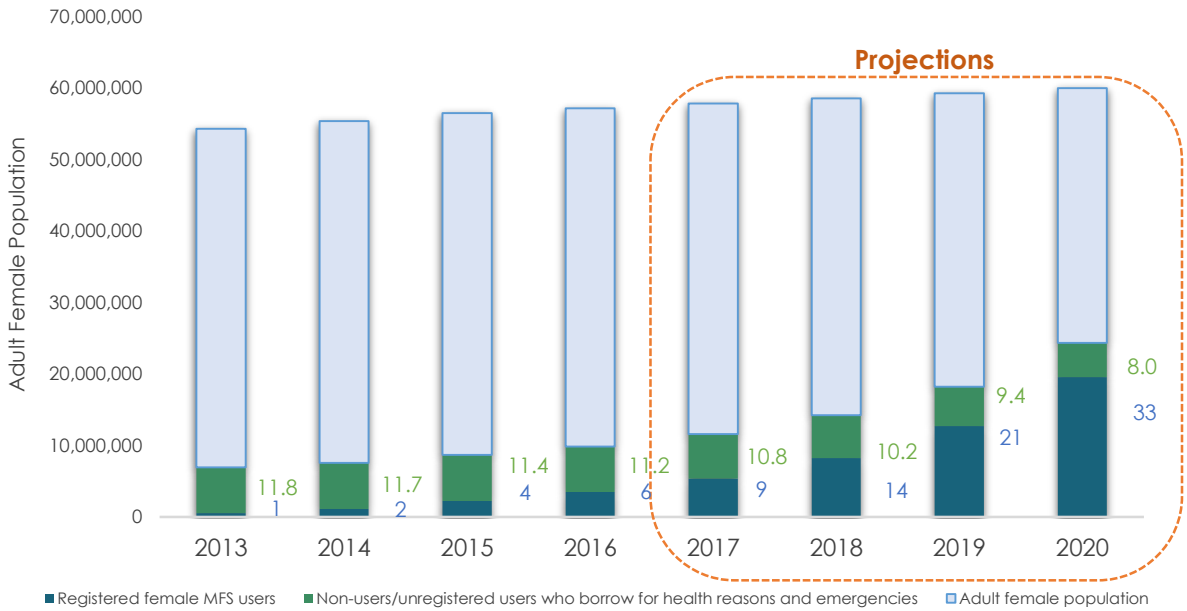
Size and characteristics of the women's mobile financial services market in Bangladesh

As part of this report, IFC conducted a quantitative survey with female users and non-users of MFS. The survey aimed to highlight the opportunities, problems, and challenges pertaining to the financial inclusion of women in Bangladesh through an increase in their MFS adoption. The survey was randomized, intending to be representative of both users and non-users, covering 2,000 MFS users and 2,000 non-users across Bangladesh. The sample was primarily rural, with 69 percent drawn from villages. Metro locations contributed 8 percent of the sample, other municipal centers (OMCs) 13 percent, and non-municipal centers 10 percent—in line with the country's population distribution. The survey covered aspects including demographics, access to mobile phones, access to finance, access to MFS, customer preferences on agent gender, financial literacy, and the risk perception of MFS.

This section of the report presents the survey findings. From the survey data and data from Intermedia's 2015 [FII tracker survey](#), the team estimate that by 2016, 6 percent of all adult women in Bangladesh were registered MFS users. The number of registered women MFS users has grown at an annual rate of 100 percent from 2013–2015. However, this is attributable, primarily, to a low base effect. The rate is expected to stabilize at 52 percent. Based on a growth rate of 52 percent, by 2020, **33 percent** of all adult women in Bangladesh will be registered MFS users. As of 2020, the total registered female user base is expected to be **19.6 million**. Detailed calculations and assumptions for these projections are provided in [appendix A](#).

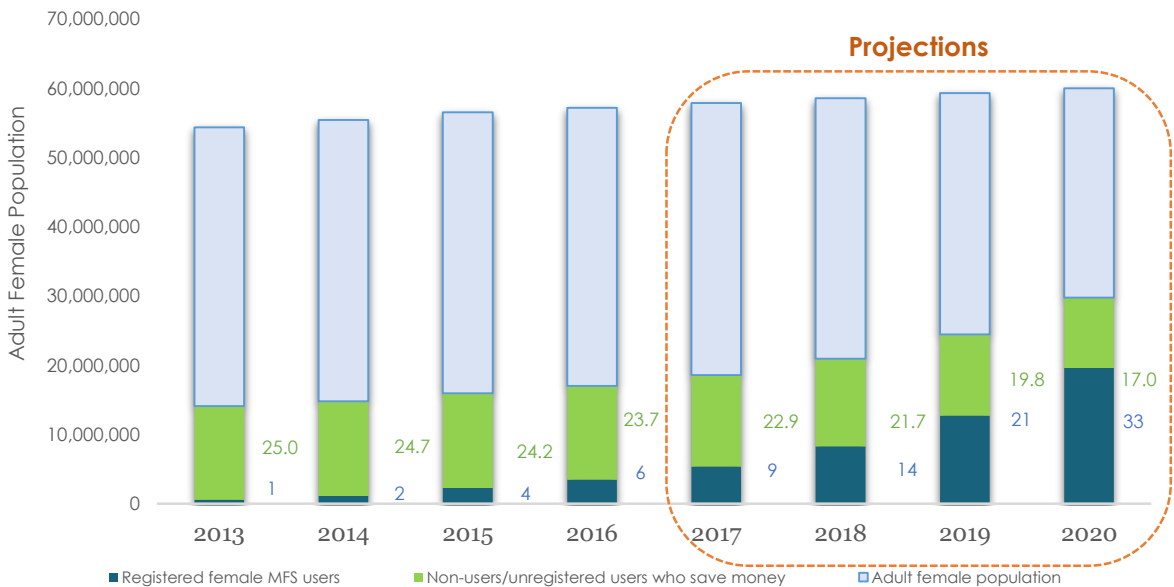
Some of the report's recommendations can lead to accelerated female MFS user registrations, and enhance the registered base of female MFS users. The recommendations that can have the highest effect on enhancing the registered female user base include introducing **a digital credit product**, introducing a **recurring deposit product**, and **implementing partnerships with MFIs**.

Potential Market Size With a Digital Credit Product (%)

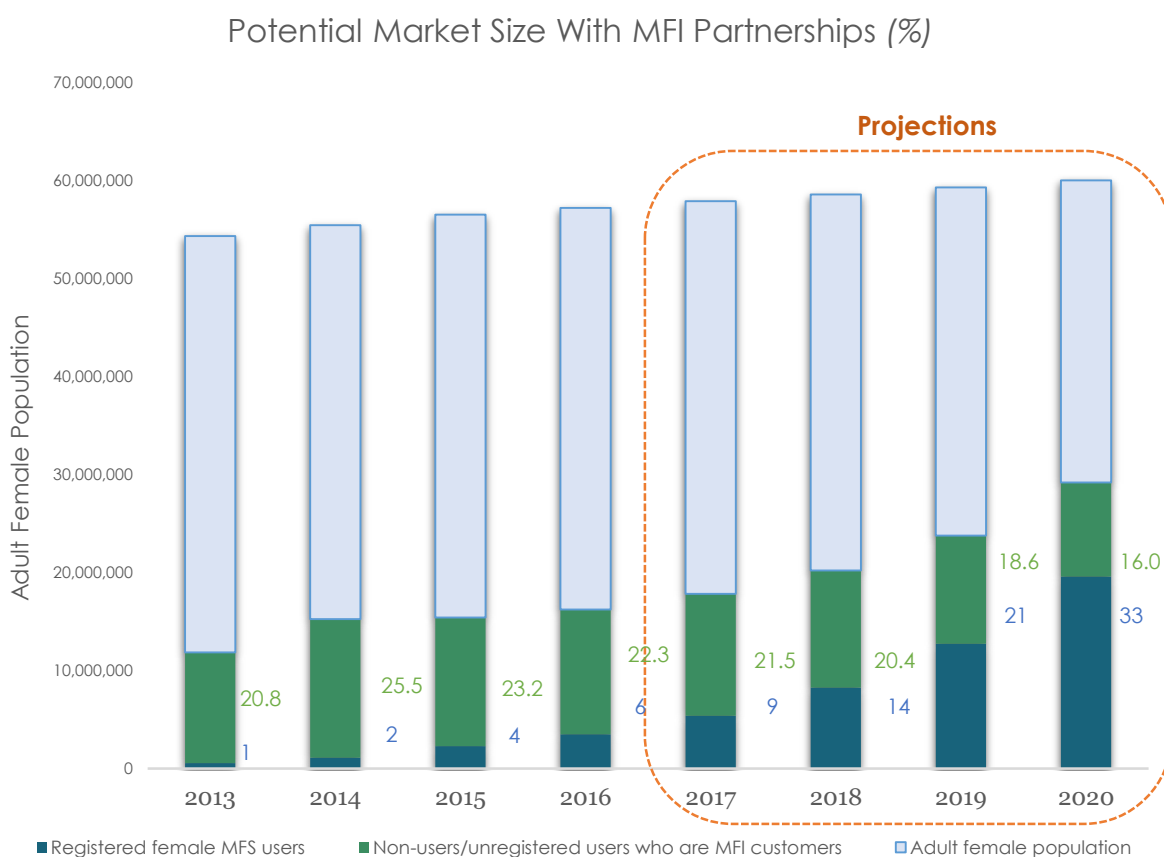


The digital credit product targets registered MFS users who require emergency credit. The World Bank Group’s [World Data Bank](#) indicates that in 2014, 11.9 percent of all adult women in Bangladesh availed credit to meet emergencies. This is the digital credit product’s target market, because it eases credit-related challenges for customers by providing credit on demand. Assuming an equal demand for emergency credit exists among registered female MFS users and others, if a digital credit product is introduced in 2017, service providers could potentially target a new segment equal to **10.80 percent** of all adult women in Bangladesh by 2020 (**6.2 million** additional registered users).

Potential Market Size With a Recurring Deposit Product (%)



The recurring deposit product targets registered MFS users who save money. The World Bank Group’s [World Data Bank](#) indicates that in 2014, 25.20 percent of all adult women in Bangladesh saved money. This is the recurring deposit product’s target market, because of its low deposit amounts and flexible product features. Assuming that savings behavior remains similar among registered female MFS users and others, introducing a recurring deposit product in 2017 would let service providers target a new segment equal to **22.90 percent** of all adult women in Bangladesh (**13.2 million** additional registered users) by 2020.



MFI’s are among the most popular financial service providers in Bangladesh. Intermedia’s [FII tracker surveys](#) state that 21 percent of all adult women in Bangladesh were MFI customers as of 2013. The proportion of adult women who are MFI customers was 26 percent in 2014 and 24 percent in 2015. For estimation purposes, in this report IFC assumes that the proportion of MFI users among adult women is 24 percent (which is the most recent estimate, as well as the average over the 2013–2015 period).

Partnering with MFIs can provide MFS service providers access to the MFI customer base and help in driving customer acquisition. Assuming there is an equal proportion of MFI customers among registered female MFS users and others, MFS providers can potentially target a segment equal to **21.50 percent** of all adult women in Bangladesh by 2020 (**12.5 million** additional registered users).

[Appendix B](#) provides detailed calculations and assumptions.



Section I.

Survey Design and Execution

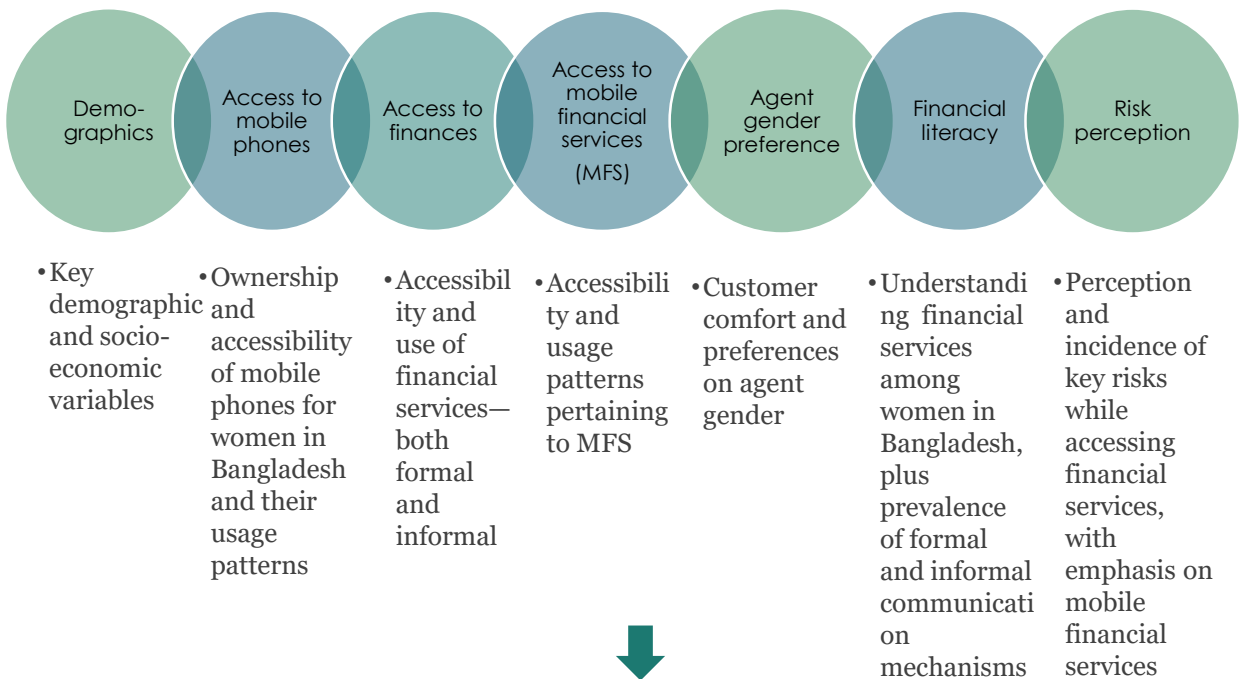
A Brief on the Research Objectives

Conducting a Comprehensive Study on the MFS Market for Women in Bangladesh.

The quantitative survey with women **users** and **non-users** of MFS highlights the opportunities, problems, and challenges pertaining to women's financial inclusion through MFS in Bangladesh.



Aspects Assessed



Identification and Analysis of Key Customer Segments



Recommendations to facilitate accessibility and use of MFS among women in Bangladesh.

Methodology

IFC conducted a survey with female users and non-users of MFS in Bangladesh. Data collection commenced in January 2016 and was completed in March 2016.

IFC used the random walk methodology to identify and interview respondents. The team randomly selected starting points and conducted 10 interviews from each starting point following the right-hand rule (RHR). For each starting point, the team had a target of interviewing at least 10 female MFS users, and 10 female MFS non-users. If the quota for one category was filled up, then the team followed the RHR for the rest of the interviews, but the interviews were done purposively.

Sampling Strategy

The survey design focused on ensuring nationwide representation. The team allocated the overall sample proportionately between the divisions in Bangladesh, based on the Preliminary National Census, 2011. The sample was further stratified among types of population centers—district HQ, OMCs, non municipal areas, and rural.

For statistical representation, the minimum sample size for each center type was 400. The team subsequently distributed the total sample size, estimated at 4,000 respondents, across different strata according to the proportion of population in each area within metro, other municipal areas, and non municipal areas. However, the sample size had to be adjusted with multiples of 10, because the team needed to consider 10 respondents for each starting point.

The proposed sample size has a built-in margin for a 10 percent nonresponse rate at the respondent level.

Sample Estimation Formula

$$n = D Z^2 p * q / E^2,$$

where

n is the required sample size,

D = design effect taken as **2**, to accord for variance due to a stratified sampling approach,

Z^2 = the squared z -score value corresponding to a significance level (99 percent),

p = the estimated proportion at the time of the first survey (50 percent),

$q = 1 - p$, and

E = the margin of error (3 percent).

The present sample estimation is based on a cross-sectional measurement approach, which provides a point-of-time estimate at a 99 percent significance level, 3 percent margin of error, and a design effect of 2 to accord for variance due to a stratified sampling approach. This sample will qualify for a baseline and lets the team measure a change of 5 percent or more in key indicators with 98 percent significance level and 80 percent power.

While calculating the survey's sample size, the team assumed 50 percent as the prevalence ratio between MFS users and non-users. The team estimated the sample size at the overall study level to provide valid study-level national estimates.

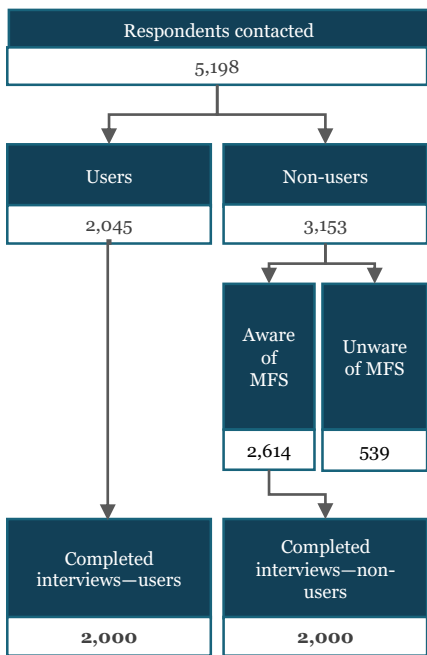
Data Reporting

The data reported are weighted according to the presence of users and non-users across Bangladesh. Intermedia's [FII tracker survey](#), which was conducted in August–September 2015, indicates that the user/non-user proportion among women is 21 and 79 percent, respectively.* In our sample, the proportion is 50-50. The user responses are weighted with 0.42 and non-user responses with 1.58 to weigh the data according to the current prevalence in Bangladesh.

* Intermedia's Financial Inclusion Insights survey conducts annual data collection to provide nationally representative statistics on financial inclusion indicators in a range of developing countries, including Bangladesh.

Sample Composition

Sample Profile by Mobile Financial Services Usage

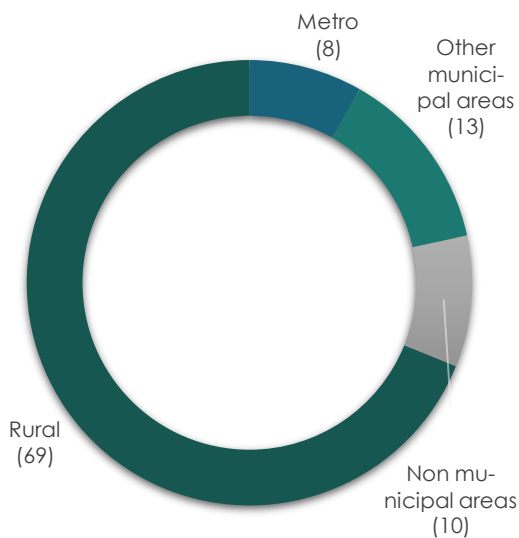


Sample Composition by Divisions* (%)



* The government of Bangladesh announced the creation of the Mymensingh division after the research began. Hence, data corresponding to the geographical location of Mymensingh is included within the data pertaining to Dhaka.]

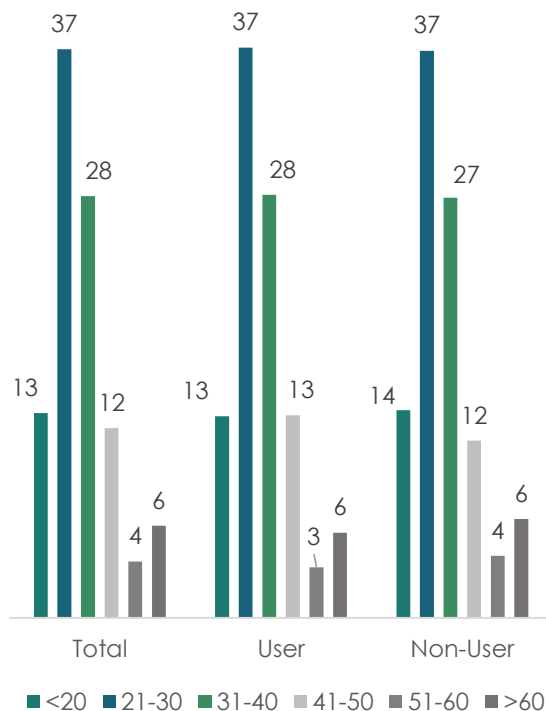
Sample Composition—by Location Type** (%)



Σ n = 4,000 (2,000 users and 2,000 non-users).

****Metros** are large cities which are the administrative hubs for the 7 Divisions. **Other municipal areas** are smaller towns which are primarily the District headquarters. **Non municipal areas** are even smaller towns which are referred to as *thanas* or non-municipal centres (NMCs) in Bangladesh. **Rural** refers to villages.

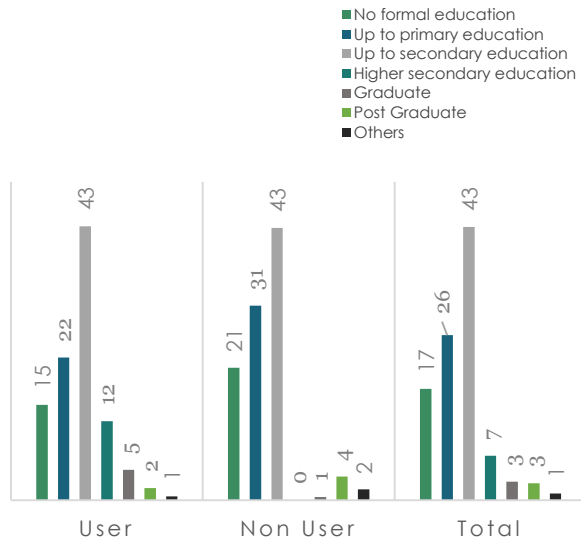
Sample Composition—by Age Group (%)



Σ n = 4,000 (2,000 users and 2,000 non-users).

The median age of respondents is **30** for both users and non-users.

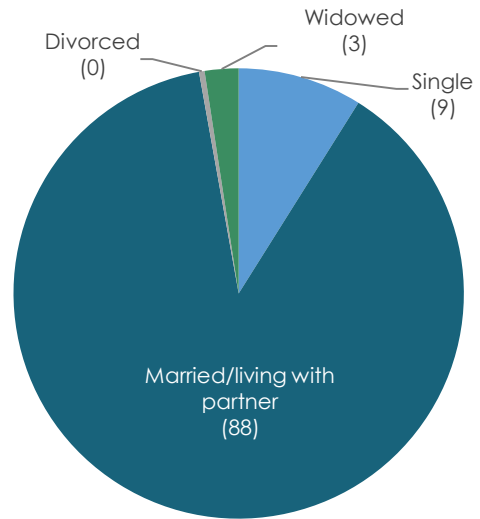
Sample Composition—by Level of Education (%)



Σ n = 4,000 (2,000 users and 2,000 non-users).

*Others consist of diploma holders and those who have undergone vocational training.

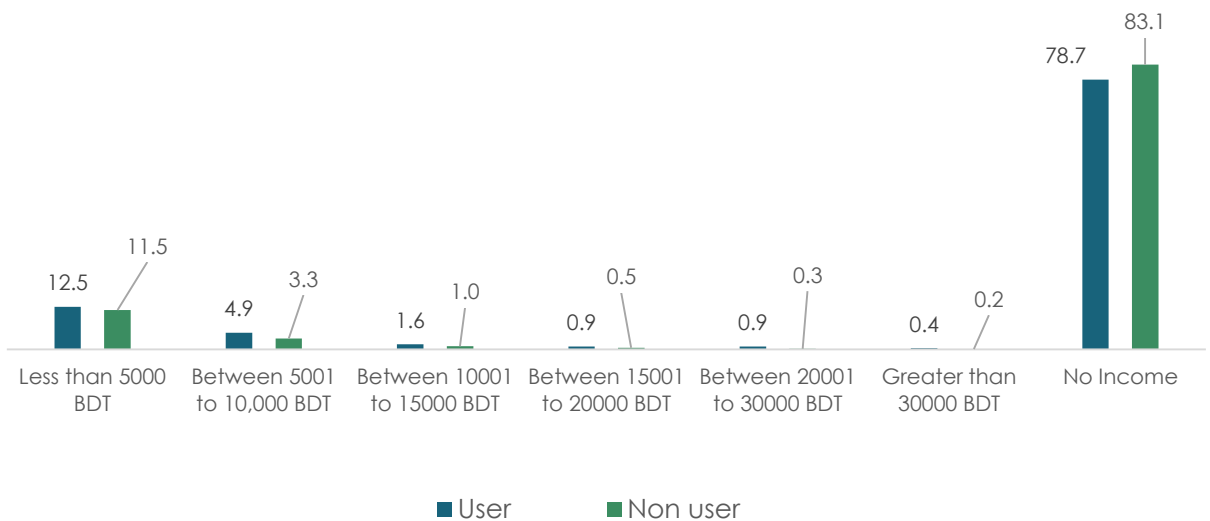
Sample Composition—by Marital Status (%)



Σ n = 4,000 (2,000 users and 2,000 non-users).

The sample composition across users and non-users is consistent with regard to marital status.

Sample Composition by Income of Respondent (%)



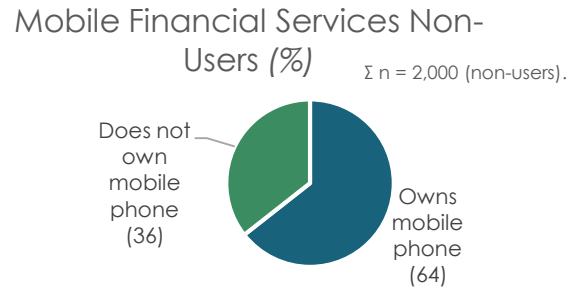
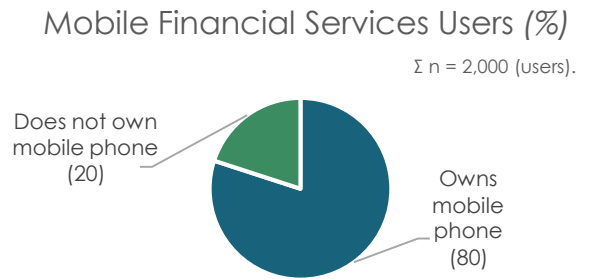
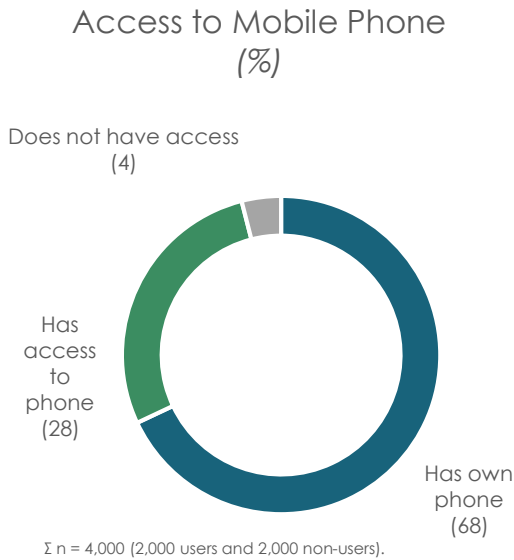
Σ n = 4,000 (2,000 users & 2,000 non-users)

Most respondents across users and non-users do not have an independent income source.

Section II.

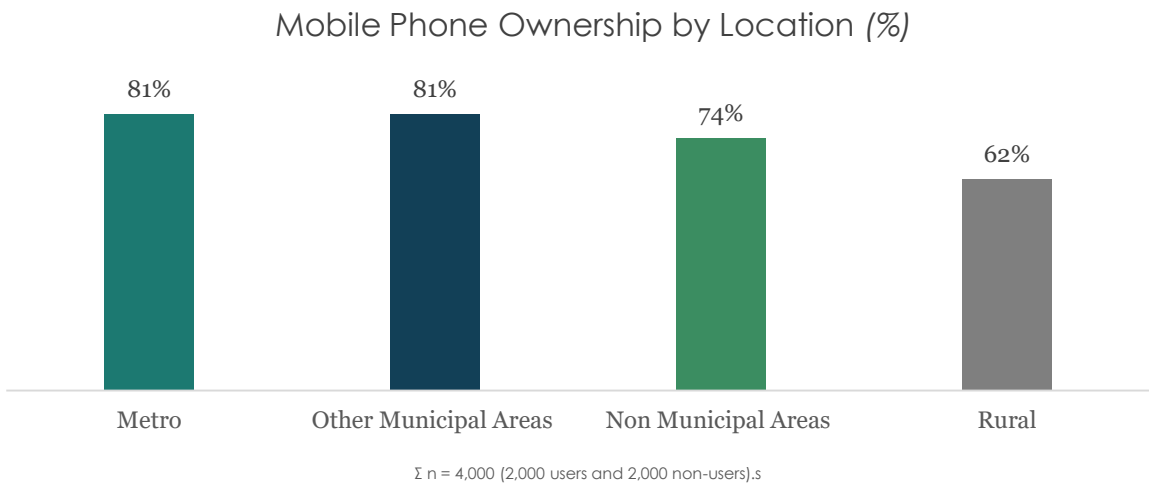
Access to Mobile Phones

Access to Mobile Phone



Most women own a mobile phone. 68 percent have their own phones. 28 percent of women have access to a mobile phone, which is usually owned by a household member. Among respondents, 4 percent have no mobile phone access.

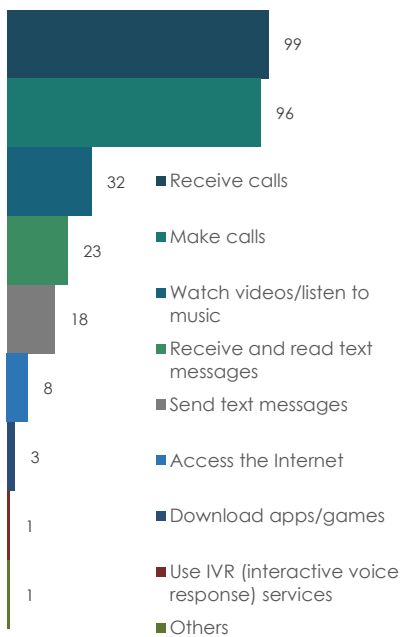
MFS users are 16 percent more likely to own a mobile phone when compared to non-users. 16 percent of respondents own a smartphone. MFS users have a higher rate of ownership (19 percent), compared with 15 percent among non-users.



Respondents in metro locations are 19 percent more likely to own mobile phones when compared to respondents in rural locations. 31 percent of respondents in metro locations have smartphones, as opposed to only 11 percent of rural respondents. This implies that a metro respondent is 20 percent more likely to own a smartphone.

Usage Patterns

Mobile Phones—Purposes of Use (%)



Σ n = 3,844 (1,950 users and 1,894 non-users). Multiple responses.

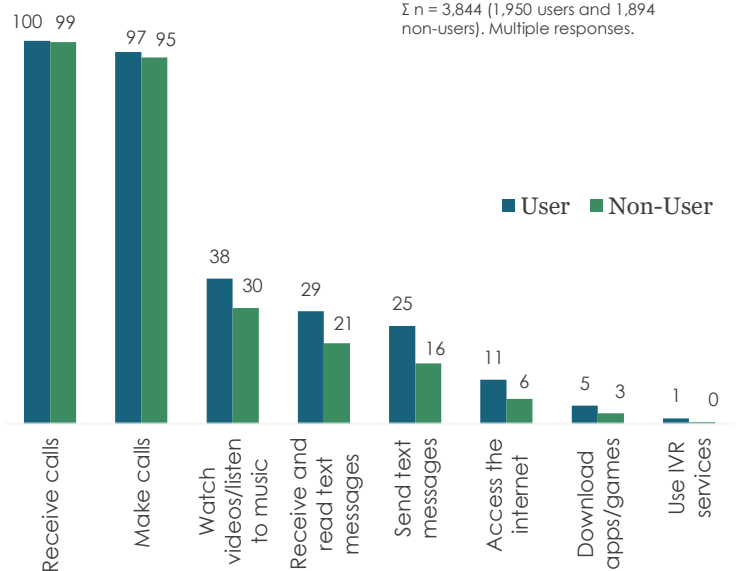
MFS users typically use mobile phones in more sophisticated manners compared to non-users. A MFS user is 8 percent more likely to use the phone to watch a video or listen to music, 8 percent more likely to receive and read text messages, 9 percent more likely to send text messages, and 5 percent more likely to access the Internet using their mobile phones when compared to non-users.

Mobile phone use is still primarily for voice calls. Less than half of all respondents report using their mobile phones for a purpose other than making or receiving calls. While 18 percent of respondents are comfortable with sending text messages, 23 percent are able to read the text messages they receive.

Less than 25 percent of respondents report using their phones for receiving and reading messages, and an even lower proportion (18 percent) use mobile phones to send messages. This may reflect the low literacy levels among women in Bangladesh (69.6 percent as of 2015, according to the [World DataBank](#)).

However, 32 percent of respondents use their phones for watching videos or listening to music. Moreover, 8 percent of the respondents already use their phones to access the Internet. This points to increased sophistication in the use of mobile phones and better awareness of mobile phone functionalities.

Purposes of Mobile Phone Usage (%)



Σ n = 3,844 (1,950 users and 1,894 non-users). Multiple responses.

Mobile phone penetration and usage patterns provide insights into the adoption of MFS. High mobile ownership among women indicates that there is potential for MFS providers to target women as a key customer segment.

More sophisticated mobile phone use among MFS users indicate that there is a scope to identify key characteristics of these users and provide more solutions that take advantage of their usage patterns. Higher than average smartphone penetration among women MFS users coupled with a high use of mobile phones to access the Internet points to the possibility of leveraging smartphone capabilities and mobile data to develop more user-centric UIs, products, and services.

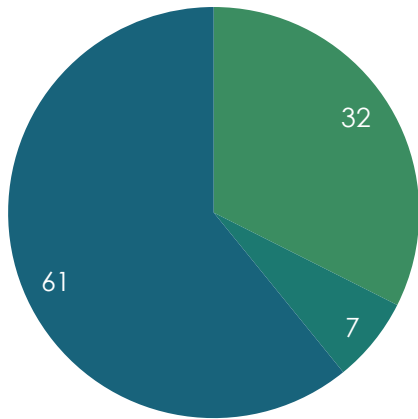


Section III.

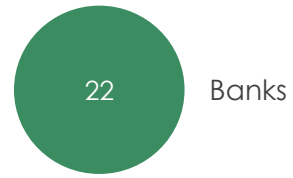
Access to Finance

Access to Financial Services

Access to Financial Services (%)



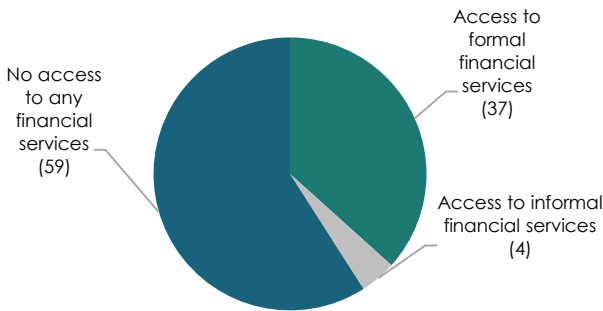
Access to formal financial services consist of:



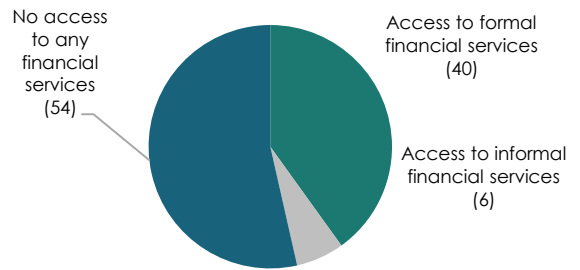
- Access to Formal Financial Services
- Access to Informal Financial Services
- No Access to Any Financial Services

Note: Figures do not add to 32 percent, because of overlaps and because they do not include MFS usage.

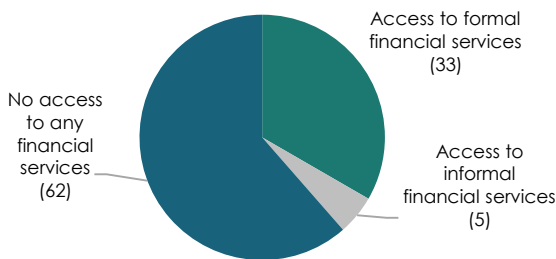
Access to Financial Services—Metro



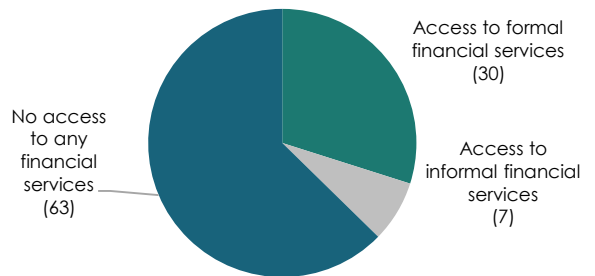
Access to Financial Services—Other Municipal Areas



Access to Financial Services—Non-Municipal Areas



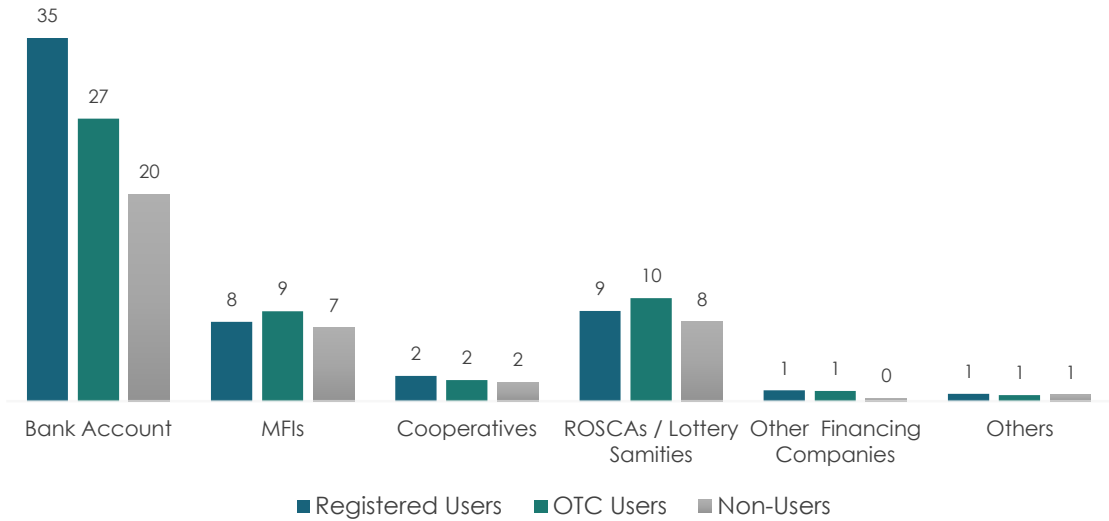
Access to Financial Services—Rural



Formal financial services include respondents who access MFS registered accounts, bank accounts, MFIs, and cooperatives – as these are regulated by a public entity charged with their oversight. Respondents who access only Rotating Savings and Credit Association (ROSCAs)/lottery *samitis*, money lenders, over-the-counter (OTC) MFS users or other unregulated financial access points are classified as having access to only informal financial services. ROSCAs/*Samitis*, are informal women’s groups or networks established for women’s social or economic cooperation. Access to formal financial services varies across types

of locations. Respondents in metros are 7 percent more likely to have access to formal financial services, and those in other municipal areas are 10 percent more likely than those in rural areas. Banks are the most popular financial service providers, with 22 percent of all respondents indicating that they have access to savings bank accounts.

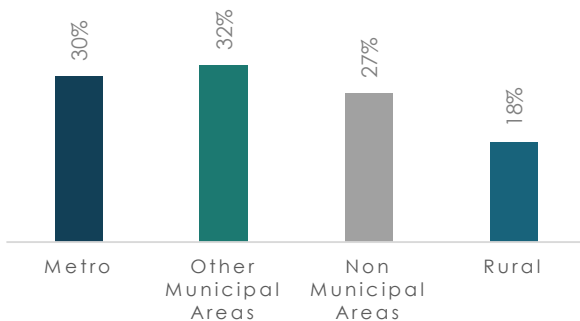
Financial Services Accessed by Registered MFS Users, OTC Users, and Non-Users (%)



A larger proportion of registered MFS users access bank accounts when compared to those who access MFS through OTC or non-users. Registered users are 15 percent more likely to have a bank account when compared to non-users and 8 percent more likely to have a bank account when compared to OTC users. This provides evidence that the existing MFS user base will benefit if they could access banking products directly from their MFS platform.

Access to Savings Bank Accounts

Ownership of bank accounts



Σ n = 4,000 (2,000 users and 2,000 non-users).

Respondents indicate that 22 percent have savings bank accounts. Account ownership varies significantly across locations. Respondents in metros are 12 percent more likely than those in rural locations to have savings bank accounts. MFS users (29 percent) are more likely than non-users (20 percent) to have savings bank accounts.

An additional 5 percent of respondents have access to savings bank accounts through someone else’s account, usually a household member.

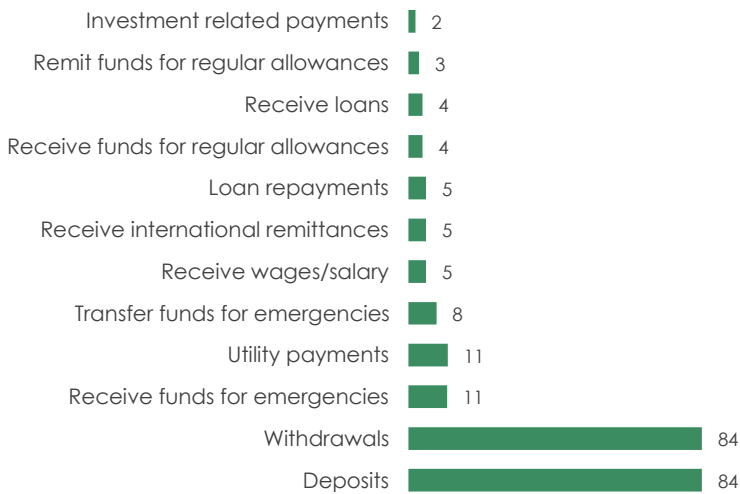
Respondents have a median of 1 savings bank account, while 16 percent had more than 1.

Respondents have used a savings bank account for a median of three years. Those in other municipal locations have been using the account for a median of four years.

The findings indicate that respondents use savings bank accounts fairly frequently. Of those with accounts, 57 percent use it on at least a monthly basis. Use frequency is high across all types of locations. However, respondents in metros use accounts more often. 62 percent of metro users access them at least monthly, compared to 57 percent of rural users.

Respondents primarily access their savings bank accounts at branches (95 percent). A small proportion (7 percent) use ATMs. ATM use is higher in metros (17 percent) compared to rural areas (5 percent). Only 2 percent of respondents use bank agents. However, this is almost exclusively in rural and non municipal areas.

Purpose of Bank Account Use (%)

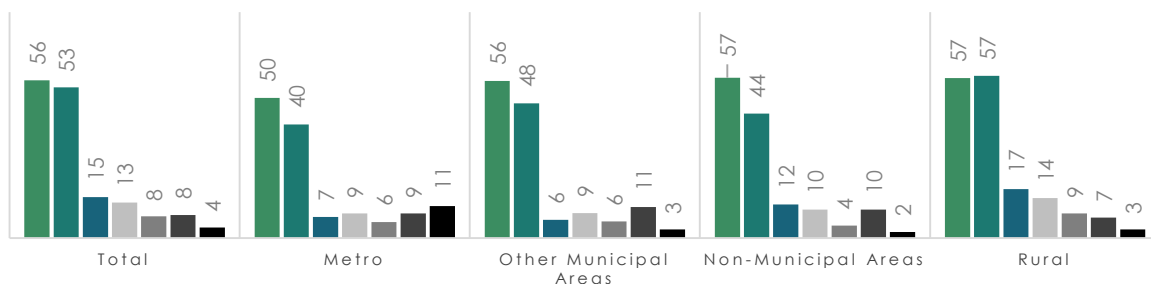


These bank accounts’ primary purpose is saving money. Most of the transactions in these accounts involve deposits and withdrawals. There are minor differences in terms of purposes for using savings accounts across locations.

Women in metros (19 percent) are more likely to use accounts for receiving emergency funds compared to those in rural areas (7 percent). Those in non municipal areas and other municipal areas (12 percent) are more likely to send emergency funds, compared to those in metros (8 percent) and rural areas (6 percent). Those in non municipal areas were also more likely to receive wages (13 percent) through accounts, compared to those in rural areas (2 percent) and metros (7 percent).

Reasons for Not Using Bank Accounts (%)

- Has no need for a bank account
- Does not have enough funds
- Not aware of bank account as an option
- Not aware of opening process
- Does not possess required documentation
- Someone else in the family has a bank account
- Others



Σ N = 3,041 (1,438 users and 1,603 non-users). Multiple responses.

*Others include lack of convenience, high account opening and maintenance fees, complicated registration processes, distance from bank branches, lack of trust in banks, waiting time, and lack of comfort in dealing with branch staff.

Most respondents without access to savings bank accounts expressed that they had no need for accounts or that they did not have enough money to deposit into savings bank accounts. Many respondents also cited lack of awareness as a reason for not having accounts.

Access to Other Financial Services

Other financial service providers that respondents accessed include MFIs, ROSCAs, and cooperatives. Key characteristics of these service providers are listed below:

Key Characteristics of Other Financial Service Providers			
Key characteristic	MFI	Rotating Savings and Credit Associations (ROSCAs)/lottery samitis	Cooperatives
Prevalence location	Rural	Nationwide, across all types of locations	Nationwide, across all types of locations
Products/services used	Primarily savings, but customers access credit, too	Primarily savings	Primarily savings, but customers access credit as well
Access mechanism	Transactions in-person	Transactions in-person	Transactions in-person
Frequency of use	Primarily weekly, but some also access monthly	Primarily weekly, but some also access monthly	Primarily weekly, but some also access monthly
Length of use	Median of 3 years	Median of 3 years	Median of 3 years

MFIs. 7 percent of respondents used MFIs. Rural respondents (8 percent) are more likely to use MFIs than those in metros (5 percent). Savings and credit are the primary purposes for use. 88 percent of MFI users report using them for savings and 37 percent report using them for credit. 63 percent of MFI users access them weekly and 30 percent use them monthly.

ROSCA/lottery samitis. 8 percent of respondents used ROSCAs. Its use is spread across all types of locations. Savings is the primary purpose for use. 98 percent of ROSCA users report using them for savings; 61 percent of ROSCA users report accessing them weekly and 34 percent use them monthly.

Cooperatives. Only 2 percent of respondents used cooperatives. Their use is spread across all types of locations. Savings and credit are the primary purposes for use. 93 percent of cooperative users access them for savings, and 29 percent use them for credit. 56 percent of cooperative users report accessing them weekly and 39 percent use them monthly.

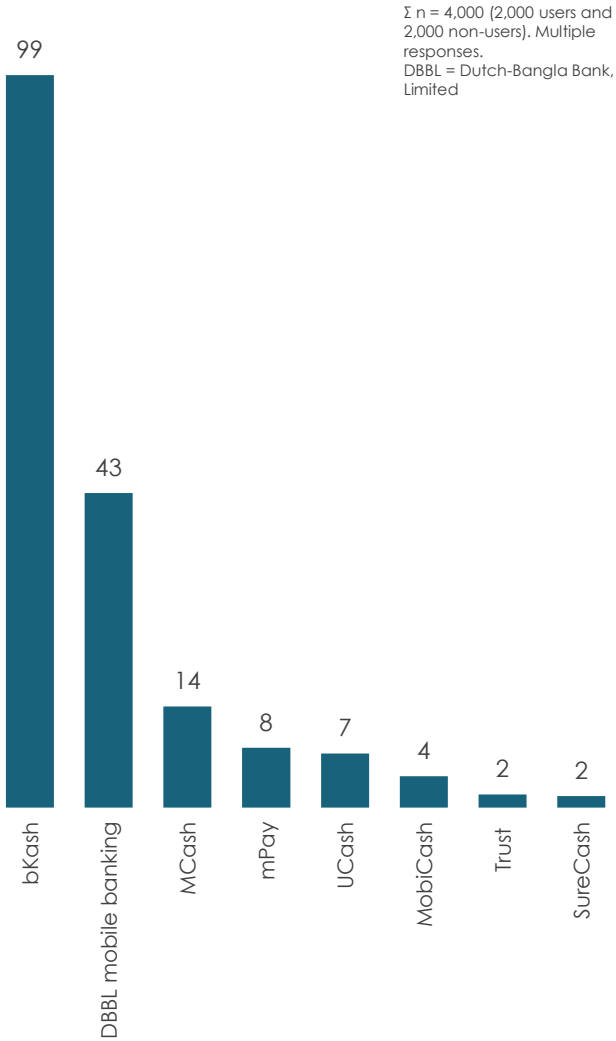


Section IV.

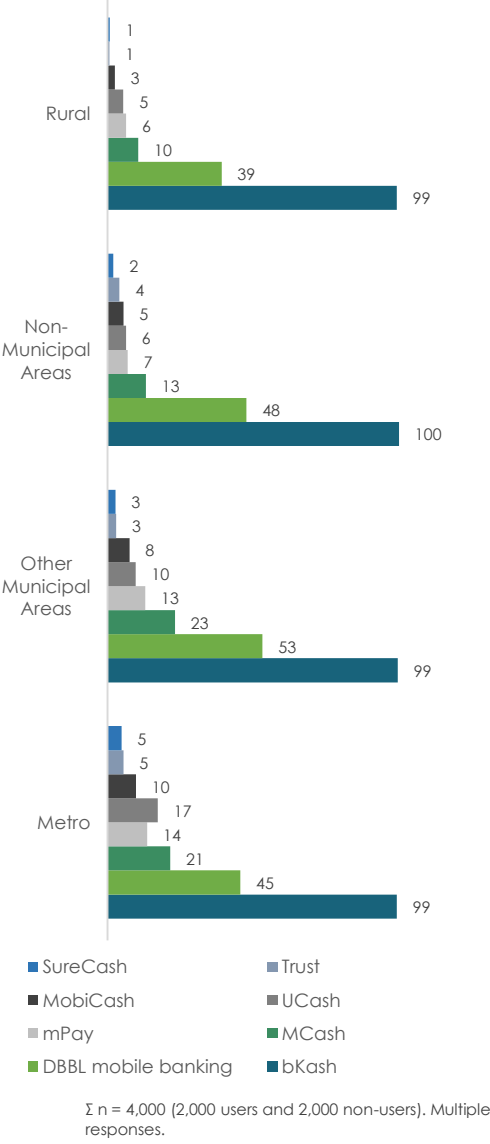
Access to Mobile Financial Services

Awareness of Mobile Financial Services

MFS Brand Awareness (%)



Brand Awareness—by Location (%)

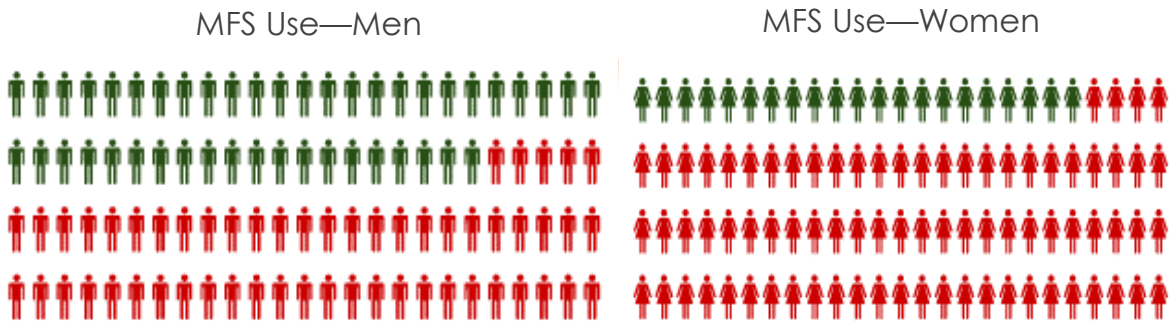


Women across Bangladesh universally recognize the brand bKash, even if they do not have a clear understanding of MFS. Less than half of respondents recognize the second most widely recognized service provider—Dutch Bangla Bank Limited (DBBL). There is some awareness of other brands in metros and other municipal areas. However, in non municipal areas, only a small proportion of respondents recognize other MFS brands.

Word of mouth plays a major role in spreading awareness. Among users, 84 percent heard about MFS from their household members, 41 percent from other relatives, and 30 percent from friends and acquaintances. However, advertising by service providers has been effective in spreading awareness. 53 percent heard about MFS through radio

and TV advertising. Print advertisements and billboards have been less effective. Only 9 percent and 11 percent of respondents, respectively, had heard about MFS through print and billboards.

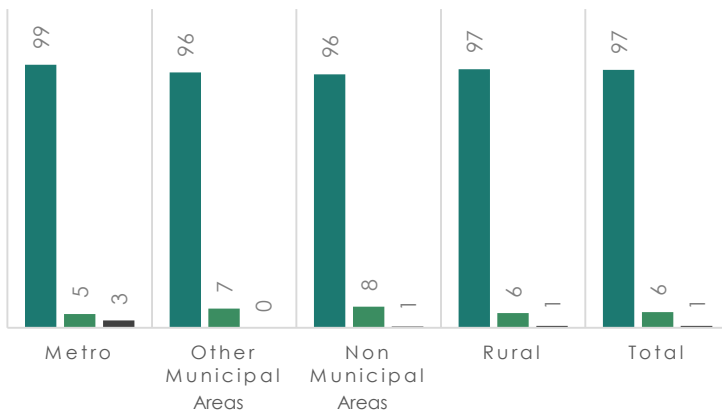
Use of Mobile Financial Services



45 percent of men in Bangladesh have used MFS at least once in the past when compared to 21 percent of women. Twelve percent of men are active users, with at least one transaction in 90 days, compared to 4 percent of women ([FII survey, Intermedia, 2015](#)).

MFS—Service Providers Used (%)

■ bKash ■ DBBL mobile banking ■ Others

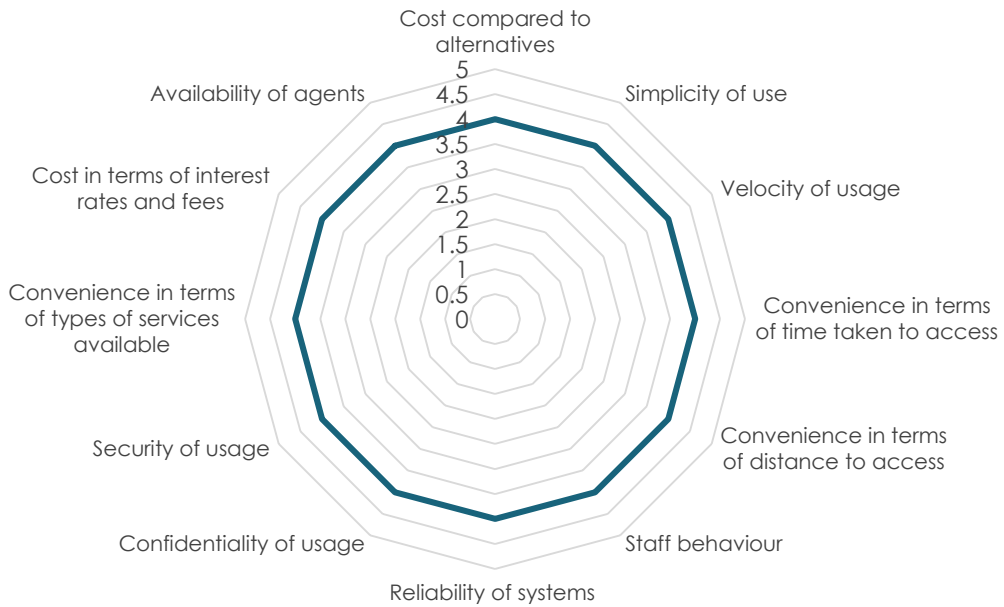


Σ n = 2,000 users. Multiple responses.

bKash is almost always the default option for female users in Bangladesh, with 97 percent of all users accessing the service. It has a near monopoly position, especially in metro areas, with 99 percent of metro users reporting that they use bKash. DBBL mobile banking is at a distant second position, with 6 percent of respondents reporting use. They reported insignificant use of other service providers.

Rating for Key Service Aspects of MFS

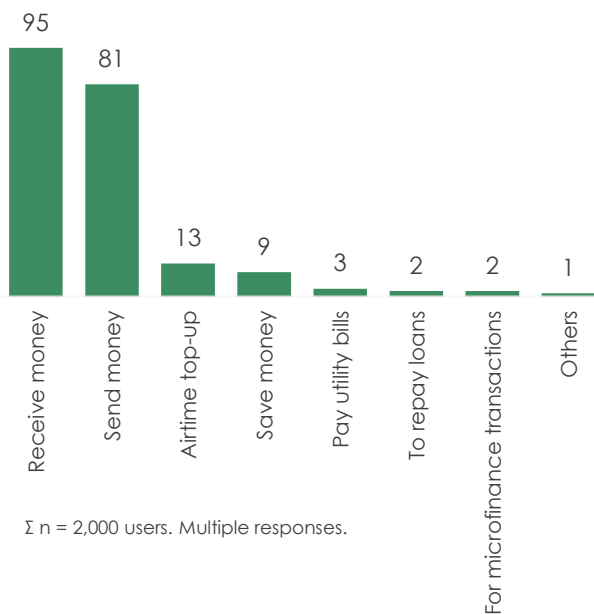
Σ n = 2,000 users. Multiple responses.
The best possible score is 5, and 0 is the worst.



MFS is rated high (a median score of 4 out of a possible 5) on all service related aspects. This rating is consistent across different types of locations. The only exception is other municipal areas where users provide a median score of 3 for “cost (in terms of fees).”

Usage Patterns

Services Used (%)



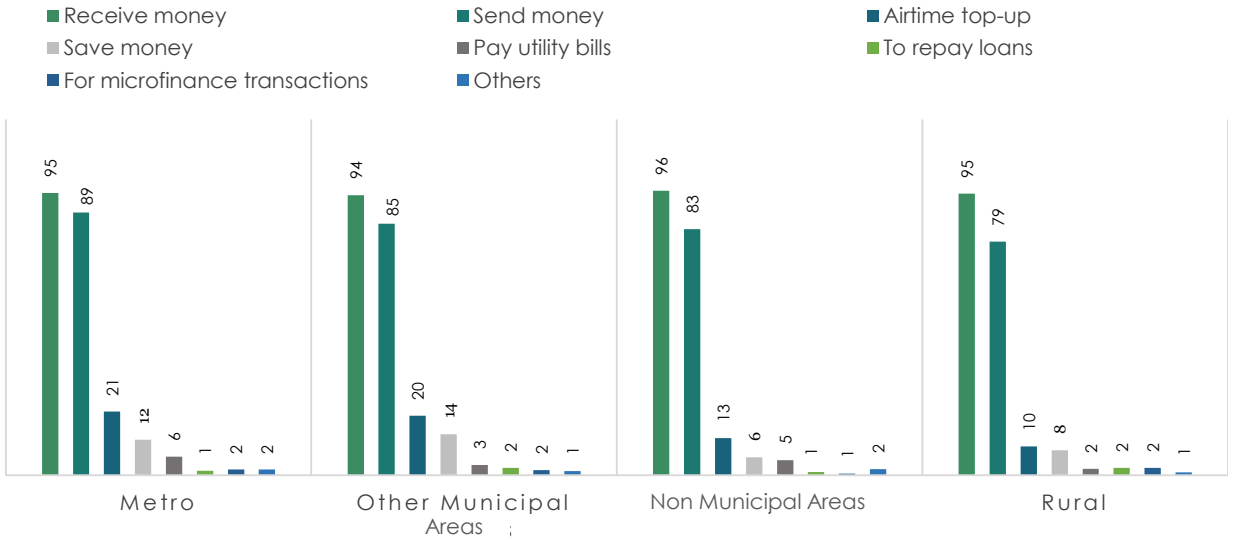
Σ n = 2,000 users. Multiple responses.

The primary purpose of MFS use remains domestic money transfer. However, usage sophistication is better in urban areas. A user in a metro is 19 percent more likely than a user in rural areas to use MFS for a purpose other than domestic money transfer. Services used other than domestic money transfer primarily include airtime top-up, informal savings in mobile wallets, and utility bill payments. Some women use MFS to repay informal loans, or to transfer money to MFI officers to repay MFI credit.

*Others include insurance premium payments, direct-to-home (DTH) recharge, and in-store payments.

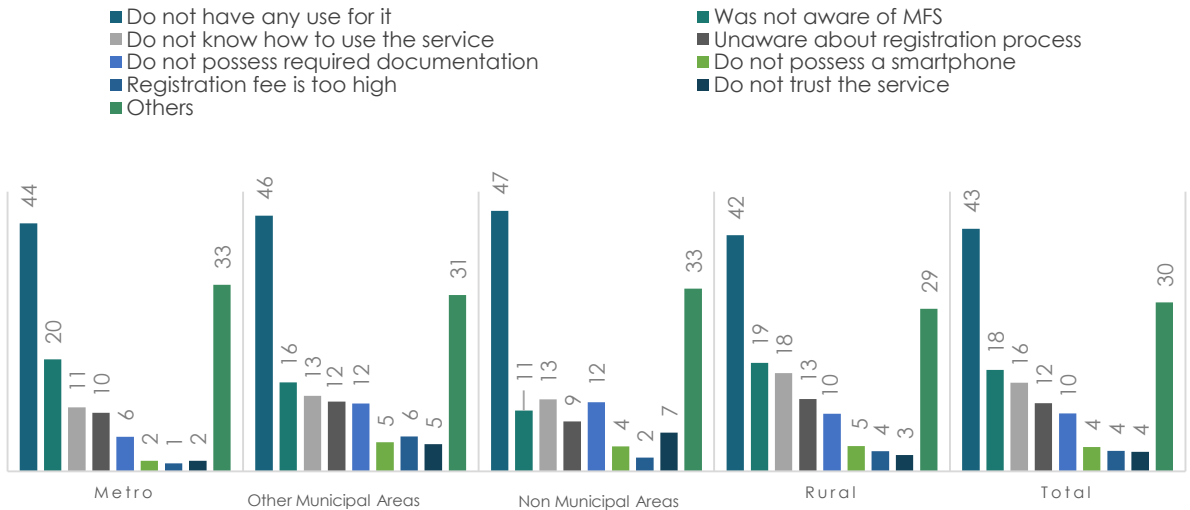
Services Used— by Location (%)

Σ n = 2,000 users. Multiple responses.



48 percent of all female MFS users have been using MFS for less than a year. Usage frequency is often unpredictable. 60 percent of users transact through MFS less than once a month. 40 percent of users indicate that they use MFS as and when the need arises, and that there is no fixed frequency of use. The median number of transactions by female MFS users over a 6 month timeframe is 3. Users in metro areas conduct a median of 4 transactions over a 6 month timeframe.

Reasons for Not Using Mobile Financial Services (%)

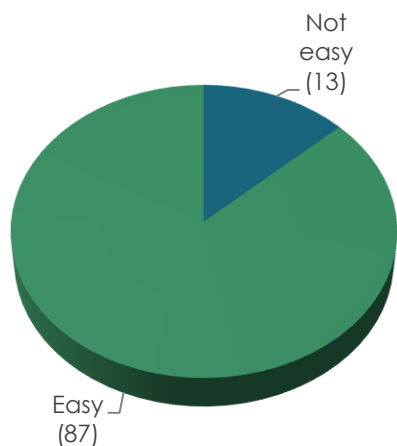


Σ n = 2,000 non-users. Multiple responses.

Most non-users indicate that they do not find MFS useful, pointing to a need for more diversified use cases and better communication of existing use cases. A significant portion also cite lack of awareness as a reason for non-use.

Accessibility of Mobile Financial Services

Ease of Reaching Agent Location (%)



Σ n = 2,000 users.

7 minutes is the median time taken for users to reach an agent outlet. In rural areas, the time taken is 10 minutes, while in metros, other municipal areas, and non municipal areas it is 5 minutes.*

1 kilometer is the median distance traveled by users to an agent outlet.

While the median distance traveled to reach agent locations is 1 km for all types of locations, in rural areas, 23 percent of users travel more than 2 km to reach an agent outlet. The time taken to reach an agent outlet in rural areas is high, as well.

81 % of users walk to an agent for availing services. In metros, 99% of users walk to agent outlets. In contrast, in rural locations, 24% of users have to take public transport to reach an agent outlet. This might explain why a higher proportion of rural users find it difficult to access agent locations.

Median Time Taken to Reach a Division's Agent Outlet (*in Minutes*)

Division	Metro	Other Municipal Areas	Non municipal Areas	Rural
Dhaka	6	7	5	8
Chittagong	7	6	9	12
Sylhet	8	6	13	14
Barisal	7	7	15	17
Rangpur	4	9	7	16
Rajshahi	6	9	7	15
Khulna	5	5	8	14

Σ n = 1,991 users; red indicates that the time taken is higher than the country's median (7 minutes).

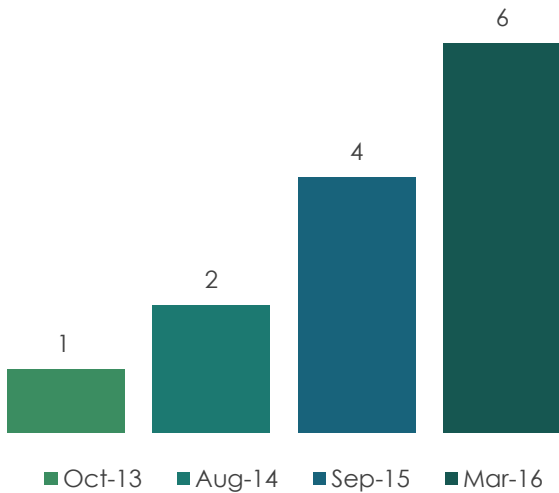
Agents are widespread and easily accessible in Bangladesh. However, the spread of access is not uniform across all divisions or type of locations.

In the highlighted locations, customers have to travel a median distance that is higher than the country median to access an agent outlet. These locations might offer significant potential for more agent presence and agent network expansion.

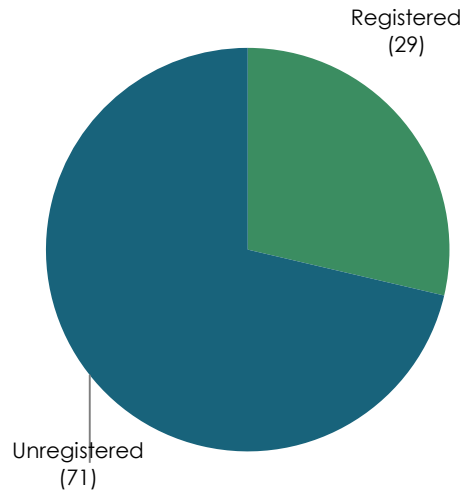
Registered Use vs. Agent-Assisted Use*

6% of women in Bangladesh have registered MFS accounts as of March 2016

Women in Bangladesh with Registered MFS Accounts (%)



Registration Status—MFS Users (%)



Σ n = 2,045 users.

Registration Status—by Location (%)

Registration status	Metro	Other municipal areas	Non municipal areas	Rural
Registered	33	37	33	25
Unregistered	67	63	67	75

Σ n = 2,045 users.

Most users have not registered for MFS wallets/accounts. Registration for MFS is even lower in rural locations.

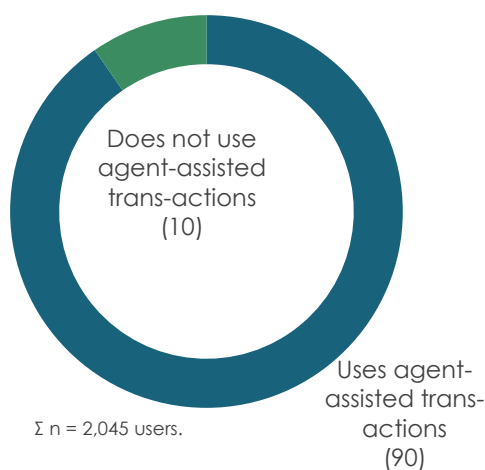
*Source: For data from October 2013 to September 2015, Financial Inclusion Insights (FII) Survey, Intermedia, [2013](#), [2014](#), and [2015](#). Figures for March 2016 are estimated based on FII survey 2015 and IFC's survey.

Prevalence of Agent-Assisted Transactions—by Location (%)

Registration status	Metro	Other municipal areas	Non municipal areas	Rural
Uses agent-assisted transactions	90	86	91	90
Does not use agent-assisted transactions	10	14	9	10

Σ n = 2,045 users.

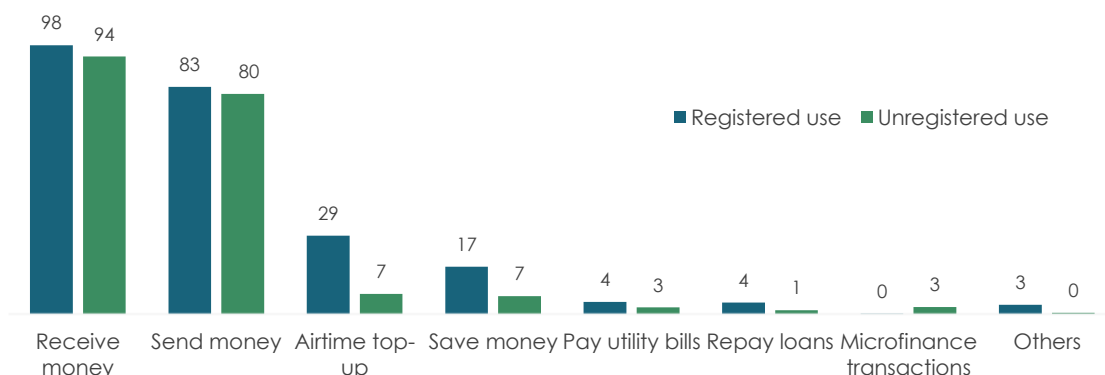
Prevalence of Agent-Assisted Transactions (%)



Most MFS use in Bangladesh continues to be agent-assisted, through agents' personal MFS wallets/accounts. This seems to be a broader indication of the ease of use of agents for conducting transactions, as well as the limited capacity for self-use among registered users.

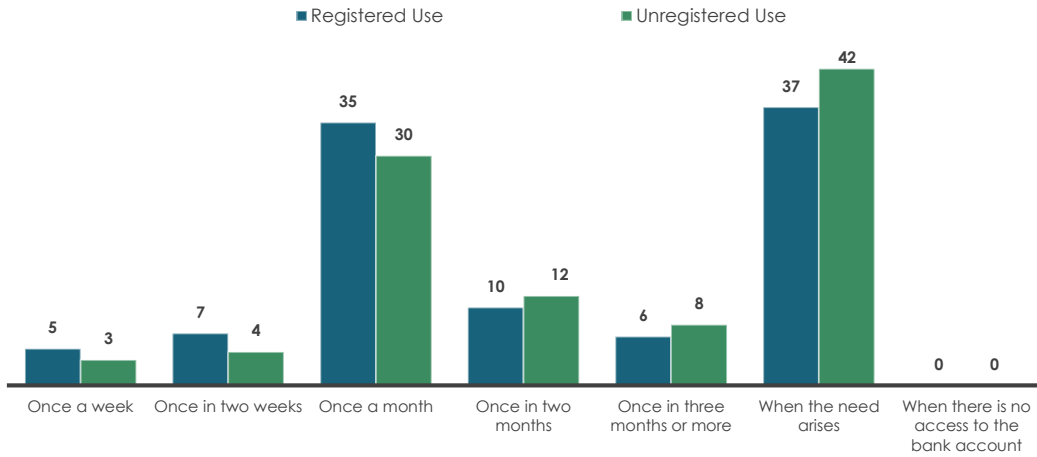
66% of registered customers also make use of agent-assisted transactions.

Services Used—Registered vs. Unregistered Use (%)



Σ n = 2,000 users (495 registered and 1,505 unregistered). Multiple responses

Frequency of Use—Registered vs. Unregistered Users (%)



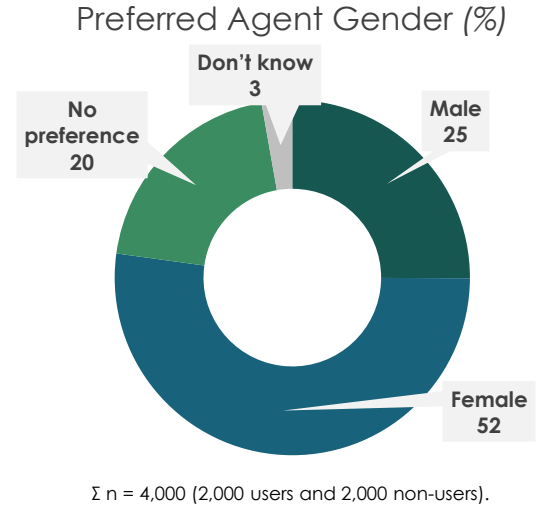
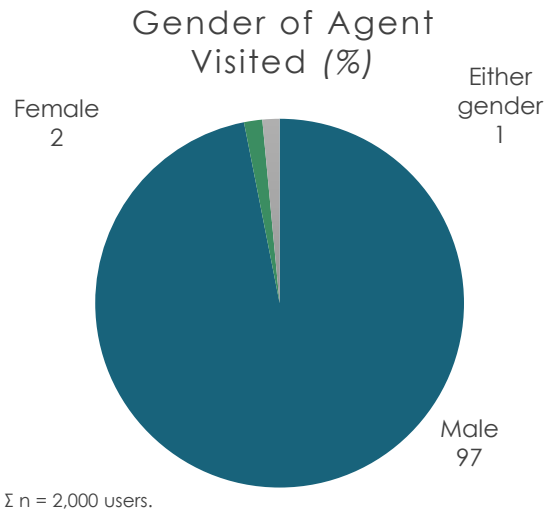
Σ n = 2,000 users (495 registered and 1,505 unregistered). Multiple responses

Registered users are more likely to use MFS for purposes other than domestic money transfer. A few unregistered users do indicate that they use MFS for savings, repaying loans, and microfinance transactions. While the data do not explain the reason for these transactions, this could point toward sending money to relatives for safekeeping (in case of savings), informal loans being repaid (in case of repaying loans), and informal agent-based collections of microfinance loans.

Section V.

Preferences for Agent Gender

Preferences for Agent Gender

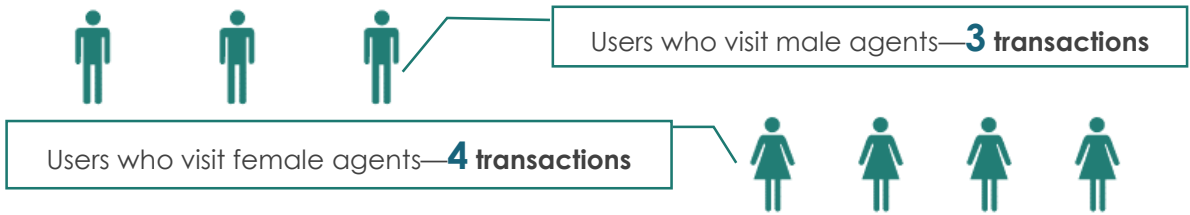


There is a clear preference for female agents among both users and non-users. Fifty-eight percent of users and 50 percent of non-users prefer female agents. However, despite a stated preference for female agents, the majority of female customers visit male agents for conducting transactions. This reflects the nation's low presence of female agents. The 2016 [Agent Network Accelerator Survey](#) by the Helix Institute of Digital Finance supports this inference, and points out that only 0.4 percent of MFS agents in Bangladesh are women.

Preferences for Agent Gender – by Location (%)				
Preferred agent gender	Metro	Other municipal areas	Non municipal areas	Rural
Male	34	34	24	23
Female	32	48	55	59
No preference	29	15	18	13
Do not know	5	3	3	4

There is little variation in agents' gender across the types of locations visited. Of the female customers, 99 percent visit male agents in metro locations, 98 percent in other municipal areas and non municipal areas, and 96 percent in rural areas. However, the comfort with agent gender varies substantially by location. Women in metros and other municipal areas do not show strong gender preferences, while female customers in non municipal areas and rural locations overwhelmingly prefer female agents.

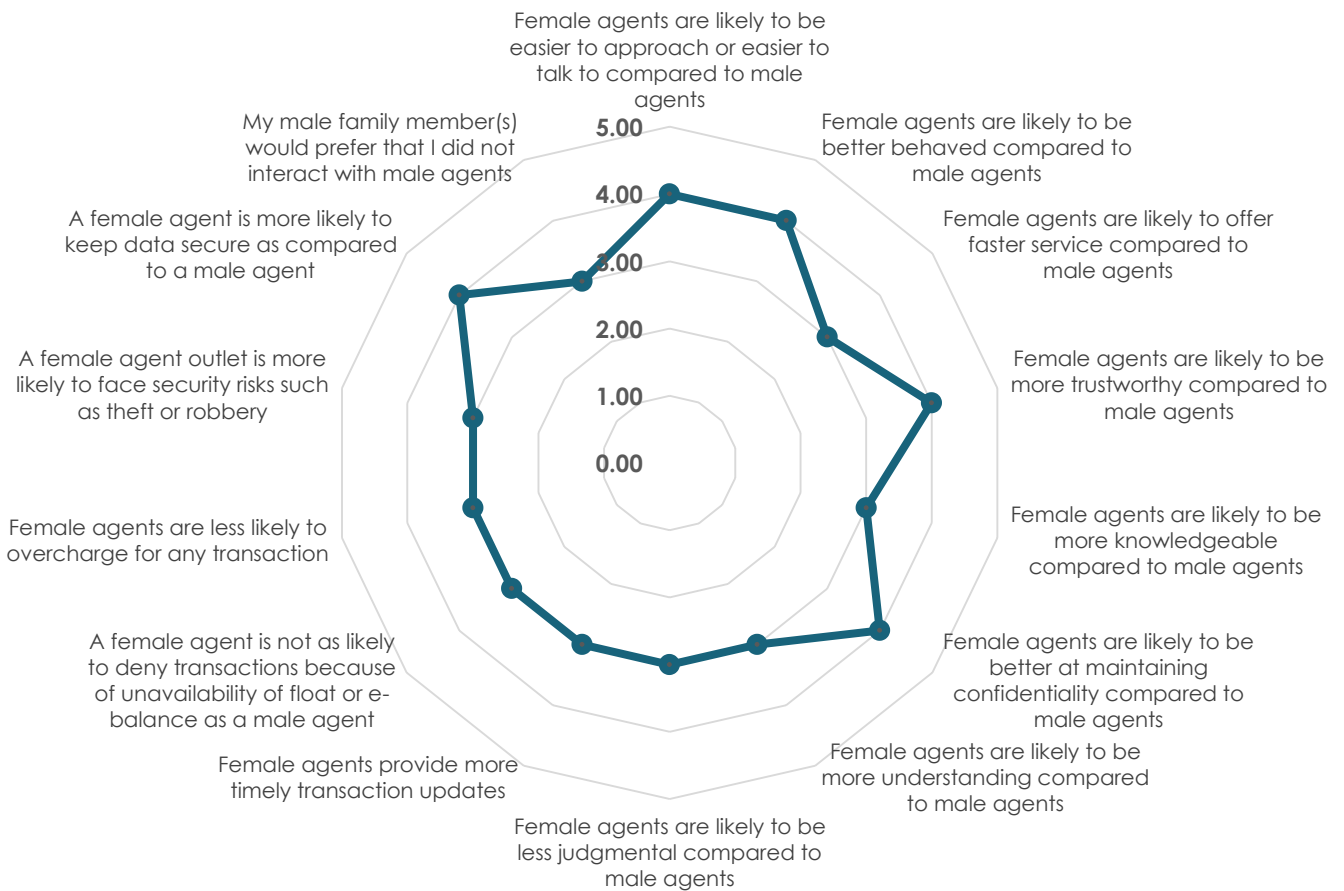
Median Number of Transactions in Six Months—By Agents' Gender



Customers who use female agents are likely to use MFS more often.

Confidence Levels Regarding Female Agents

Confidence levels regarding Female Agents



Σ n = 4,000 respondents (2,000 users and 2,000 non-users). The statement "My male family member(s) would prefer that I did not interact with male agents" was asked only to users.

Respondents believe that when compared to male agents, female agents were better behaved, easier to approach, more trustworthy, better at maintaining confidentiality, and could keep data secure. Respondents rate female agents at par with male agents on the

speed of service delivery, knowledge of service, ability to provide transaction updates, likelihood of transaction denials due to lack of float (liquidity problems), and security risks.

The study reveals a clear opportunity in terms of balancing the MFS agents' gender composition, especially in rural areas. There are some significant perceived advantages with female MFS agents. Moreover, female customers who use female agents also seem to have more transactions.



Section VI.

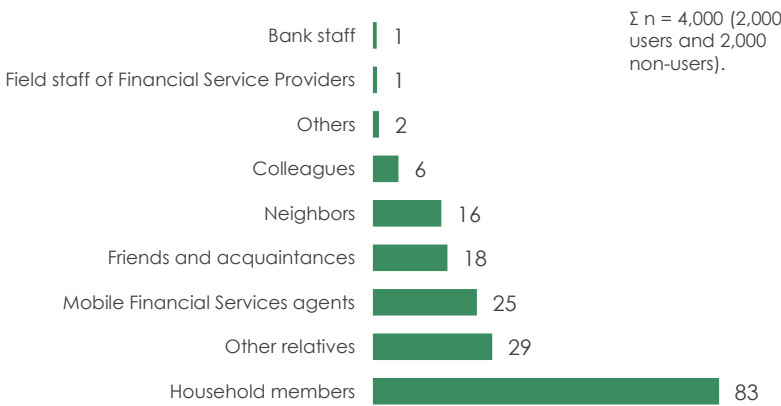
Financial Literacy

Sources of Financial Information

For women in Bangladesh, household members, family, and friends remain the primary source of financial information.

MFS agents are a source of information for 25 percent of respondents. Other formal channels of information dissemination, which include bank staff and field staff of financial service providers, remain insignificant as financial information sources.

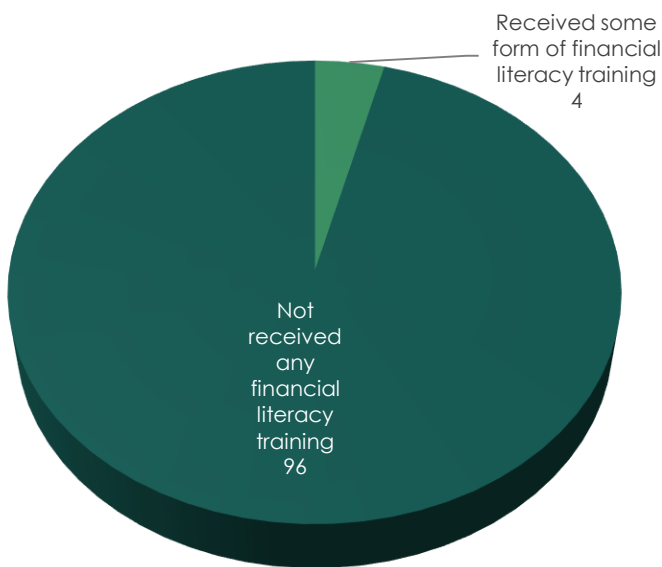
Financial Information Sources (%)



Location plays an important part with regard to the sources of information. Respondents in metros are 9 percent more likely to consider MFS agents as an information source when compared to those in rural areas.

Financial Literacy Training

Financial Literacy Training Status (%)



Among respondents who received financial literacy training, 29 percent reported having savings bank accounts, which is 7 percent more than those who did not receive the training. Those who received the training are more likely to use savings bank accounts in a more sophisticated manner. 15 percent of responses from those trained indicate that they use savings bank accounts for purposes

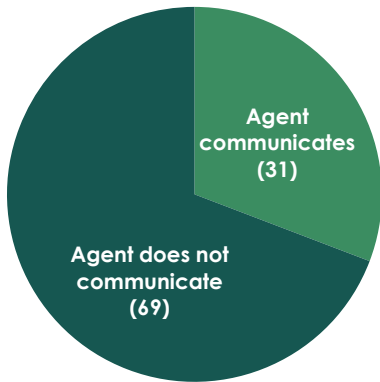
Σ n = 3,840 (2,000 users and 1,840 non-users).

other than simple deposit and withdrawal (when compared to the 7 percent who did not receive training), indicating the potential effect of financial literacy training.

Those who received training are also more likely to use ATMs, banking websites, and bank agents. Financial literacy training also has a bearing on the median number of MFS transactions that users conducted. Those who received the training conduct a median of 4 transactions in 6 months, compared to 3 transactions for those who did not receive the training.

Role of Communication by Agents

Agent Communication with Customers (%)



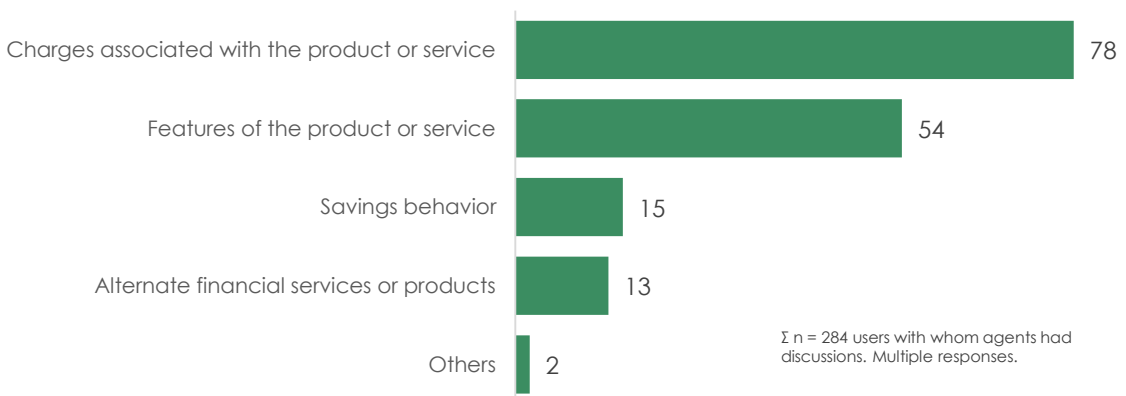
Σ n = 2,000 users.

Less than one-third of MFS users report that agents discuss financial services' details with them. This likely points to the fact that agents are largely focused on transactions and are less inclined to spend time explaining services.

The percentage of users in metros and other municipal areas (35 percent) who report that the agents conduct discussions with them is higher than those in non municipal centers (28 percent), and rural areas (30 percent).

Of the users who report discussions with agents, 50 percent of note that agents discuss the use of MFS at least once a month.

Topics Discussed by Agents (%)

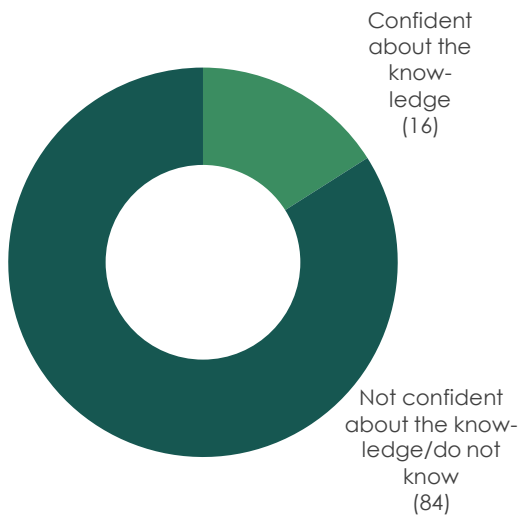


Σ n = 284 users with whom agents had discussions. Multiple responses.

The users report that among the agents who hold discussions, most talk about product or service charges, or basic product features. Users indicate that agents seldom discuss any aspects beyond these.

Women's Financial Capability in Bangladesh

Knowledge to Make Nuanced Financial Decisions (%)



Σ n =4,000 respondents.

Only 16 percent of respondents feel confident in their ability to make optimal financial decisions. The levels of confidence vary across salient parameters.

Location was not a significant factor influencing women's confidence in making financial decisions. Respondents in metros and rural areas were equally confident of their ability to make financial decisions (16 percent).

94% of respondents who received financial literacy training are likely to be confident, when compared to only 13 percent feeling confident if they did not receive training.

25% of users whose agents explained and discussed MFS with them are confident, compared to 20 percent whose agents did not.

Knowledge and Understanding of MFS

Only **10%** of users know how to change their PINs.

While awareness of the importance of PINs and how to change them is low across all types of locations, it is extremely low in rural areas (7 percent) when compared with metros (13 percent), other municipal areas (15 percent), or non municipal areas (18 percent). Awareness is higher when users underwent financial literacy training (50 percent), or when agents conducted discussions with customers (22 percent).

Only **20%** of users are aware of fees and costs of the MFS service they use.

Similarly, understanding on fees and costs is better when users have undergone financial literacy training (49 percent), or if the agents discuss MFS with customers (22 percent).

Only **18%** of users understand the terms and conditions of using MFS.

The practice of comparing service providers is low across all dimensions. However, those who received financial literacy training are 11 percent more likely to compare than those who did not. Users whose agents conducted discussions with them are 3 percent more likely to compare providers than those who did not. Users in metros were twice as likely to compare (15 percent) than those in rural areas (7 percent).

Only **10%** of users compared service providers before choosing a MFS service provider.

Confidence in using financial products is low across all categories of users. However, 18 percent of users in metros are confident of their awareness compared to 10 percent in rural areas. 41 percent of those who received financial literacy training indicate awareness of various financial products, as opposed to 7 percent of those who did not. Users whose agents conduct discussions are 4 percent more likely to be confident in their awareness.

Only **10%** of users indicate that they are aware of their rights as users.

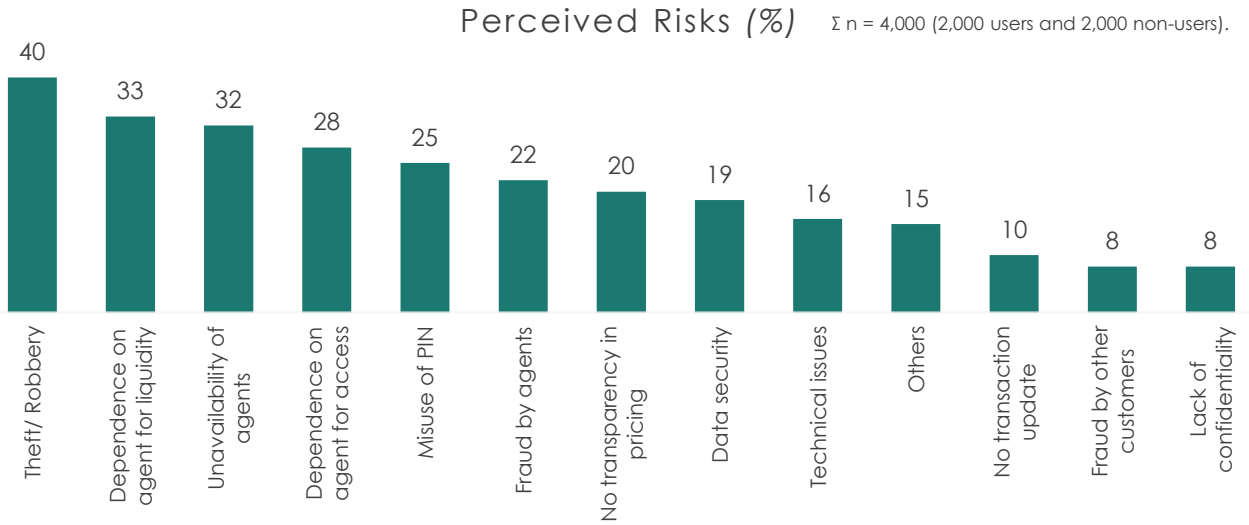
The present study signals some challenges in terms of women's awareness about using MFS. While awareness and knowledge on specific aspects of MFS are low across user profiles, financial literacy campaigns and communication by agents play a role in strengthening customers' awareness. Service providers need to capitalize on this to build user awareness and improve customer protection.

There is a need for specific financial literacy initiatives that focus on awareness and use of financial services to drive uptake. More literate and confident users conduct more transactions, and are influencers for MFS to their broader social network. As the social network is the primary source for information on MFS, word of mouth can form a powerful driver for female uptake.

Section VII.

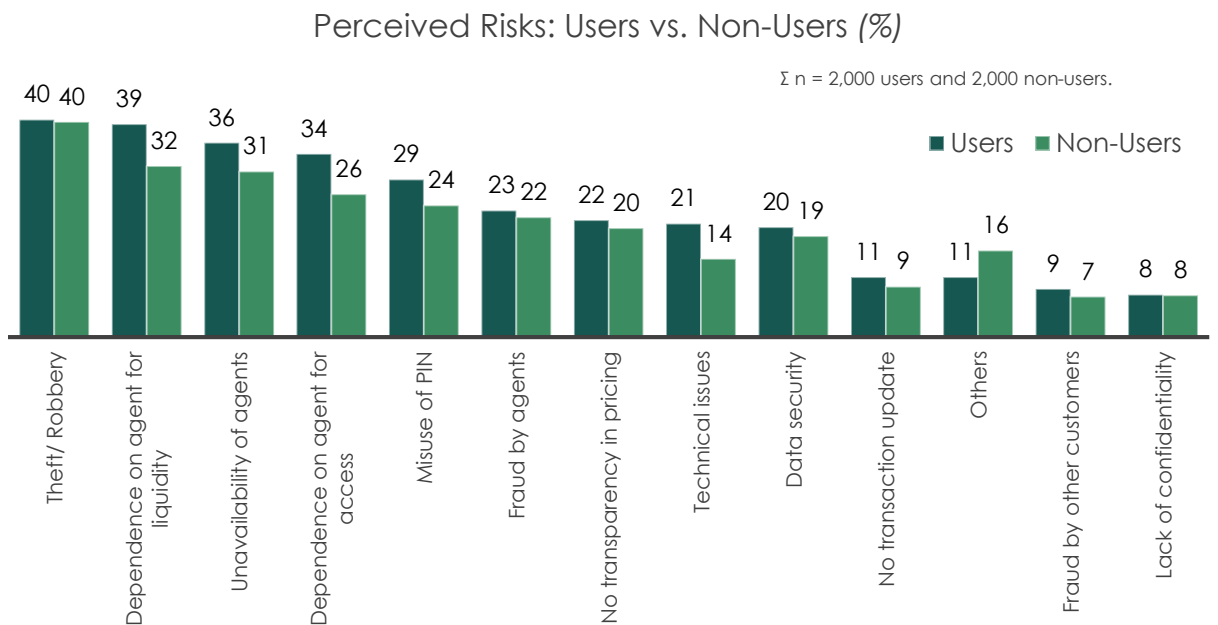
Risk Perception

Risk Perception



Perception of risks has been consistent in terms of order of priority across various locations. However, the magnitude showed variations.

A dependence on agents for liquidity is considered a lesser risk in metros (26 percent) when compared to rural areas (36 percent). Similarly, the unavailability of agents is considered a lesser risk in metros (27 percent) when compared to rural locations (31 percent). People’s dependence on agents for access was also a lesser concern in metros (22 percent) when compared to rural locations (30 percent). These findings point to the higher agent densities in metros, and a more sophisticated user base, that reduce dependence on individual agents.

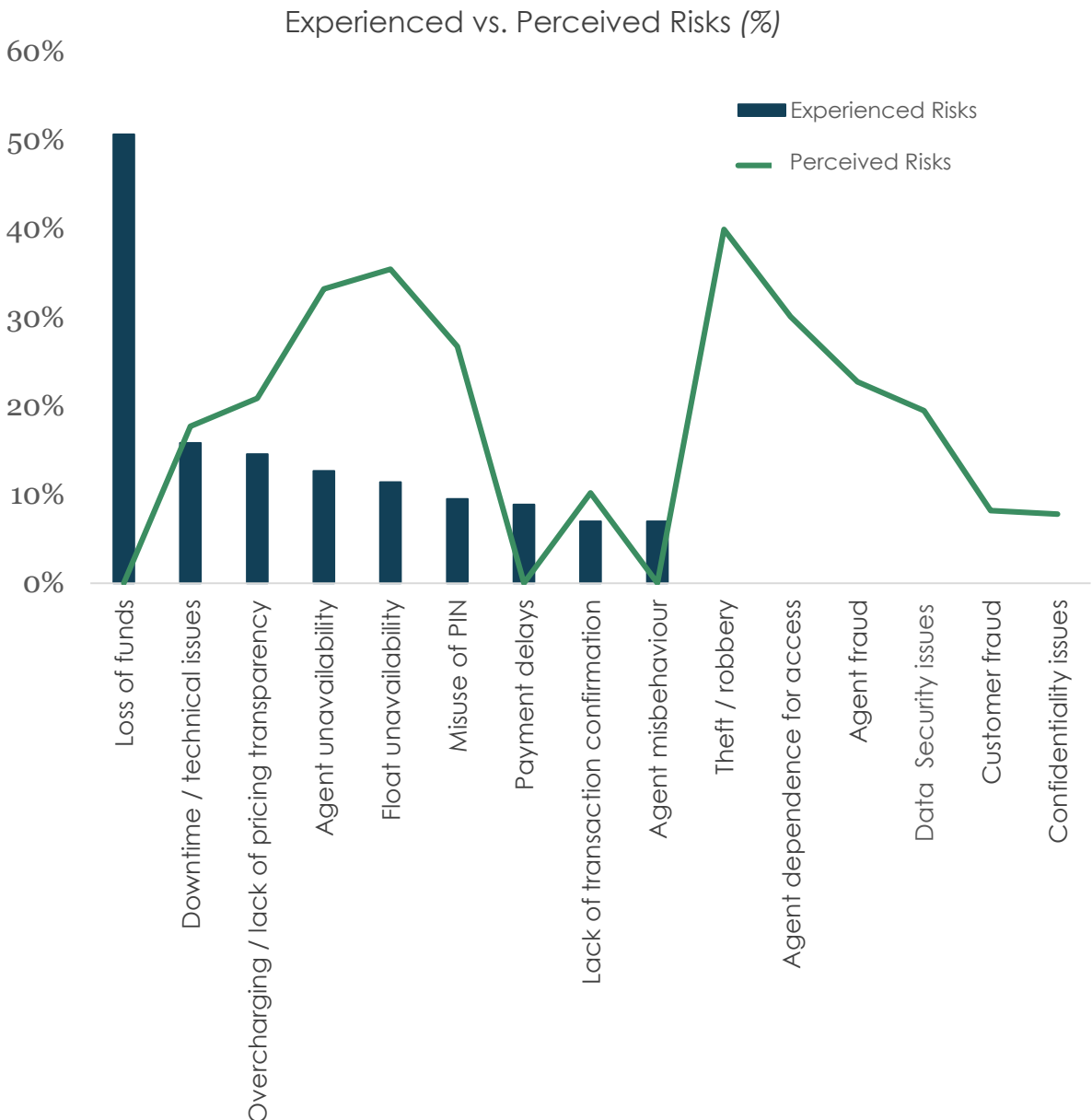


Risk perception is also largely consistent in terms of order of priority across users and non-users. However, there are some differences in magnitude that the experience of usage potentially guides. Users, for instance, rated dependence on agents for liquidity (39 percent), unavailability of agents (36 percent), and dependence on agents for access (34 percent) as higher risks than non-users (32 percent, 31 percent, and 26 percent, respectively). Users tend to identify PIN misuse as a risk more often (29 percent) than non-users do (24 percent). Users, perhaps driven by experience, also tend to rate technical issues (21 percent) as risks more than non-users (14 percent).

Perception vs. Reality

4% Only 4 percent of users have experienced any form of risks themselves. The experience of risks is higher in metros (7 percent) when compared to rural areas (3 percent).

2% Only 2 percent of respondents know someone else who experienced risks. Here again, in metro areas the likelihood of the respondent knowing someone who experienced risks (3 percent) was marginally higher than in rural areas (2 percent).

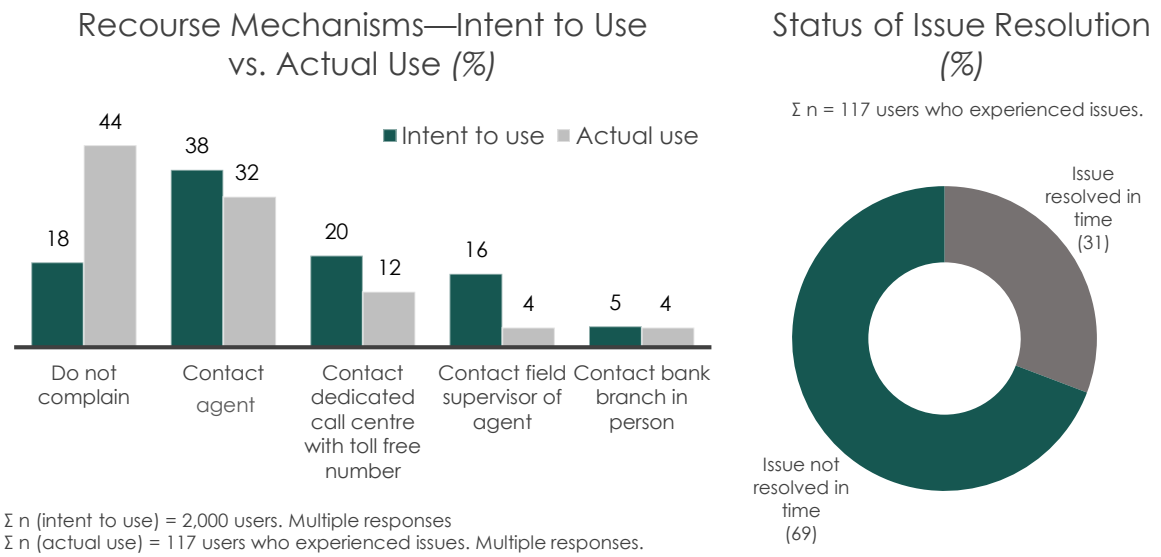


Σ n (experienced risks) = 158 users who experienced risks. Multiple responses.

Σ n (perceived risks) = 4,000 (2,000 users and 2,000 non-users). Multiple responses.

There is a significant difference between the incidence and magnitude of perceived and real risks in Bangladesh. None of the respondents or their acquaintances ever experienced theft or robbery to and from cashing out at agents/ATMs, which was the most commonly perceived risk (40 percent). On the other hand, respondents did not perceive the most commonly occurring risk—loss of funds from transactions to wrong accounts (51 percent)—to be a risk at all.

Recourse Mechanisms



With regard to formal channels of issue resolution, among respondents who face issues, only 12 percent used call centers, while 4 percent used bank branches. Most customers facing issues raise them with their agents. Among those who face issues, 44 percent choose not to complain. This can be attributed to 69 percent of respondents believing that issues they raised in the past were not resolved within a reasonable timeframe.

Most customers who faced issues or risks often did not change their usage patterns (74 percent). However, 15 percent did reduce their frequency of use, 5 percent reduced the amounts they transacted, and 6 percent stopped using MFS altogether.

Based on customer feedback, the incidence of risks and other detrimental issues seem extremely low in Bangladesh. For those who do face them, a lack of awareness on recourse mechanisms prevails. Service providers could improve recourse mechanisms.

There is also a mismatch with regard to perception versus actual risks, which calls for better customer communication, potentially driven by financial education campaigns.



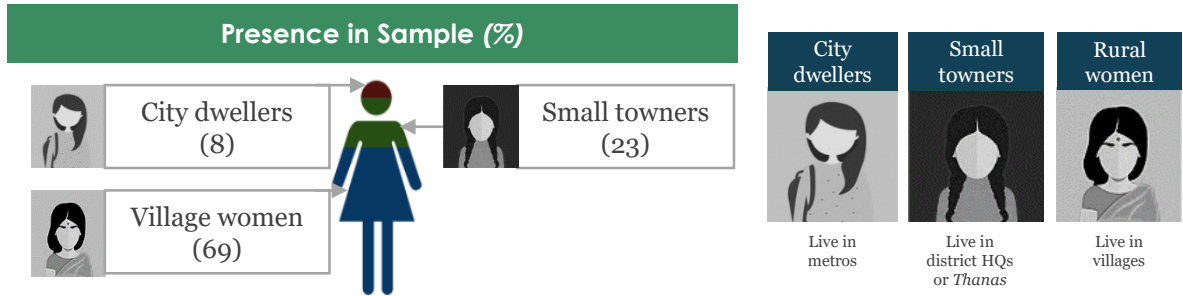
Section VIII.

Key Segments and Segment Behavior

Key Customer Segments and Segment Behavior

The team identified segmentation parameters based on the survey data analysis. Two key parameters were identified for segmentation—the respondent’s location and age.

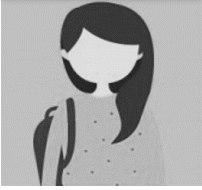
Segmentation—by Location



Key Segment Characteristics

Segment profile	City dwellers	Small towners	Rural women	Access to phones	City dwellers	Small towners	Rural women	
Likelihood of being unmarried				Mobile phone ownership				
Likelihood of living in a pucca house				Smartphone ownership				
Likelihood of having at least a basic education				Sophistication of phone use				
Likelihood of having an independent income source				Access to financial services				
Access to MFS				Access to savings bank accounts				
Likelihood of being an MFS user				Frequency of savings bank account use				
Length of use				Sophistication of savings bank account use				
Frequency of use				Use of non-branch channels for accessing savings bank accounts				
Primary purpose of use	Domestic money transfer	Domestic money transfer	Domestic money transfer	Access to financial service providers other than banks (excluding MFS)				
Sophistication of MFS use				Other major financial service providers used	ROSCA	ROSCA	MFI	
Financial capability				Rating rationale (%)				
Confidence in the ability to make financial decisions								
Nuanced knowledge of MFS				Very low <20	Low 20-40	Moderate 40-60	High 60-80	Very high >80

City dwellers



City dwellers are respondents who live in metros or divisional HQ of Bangladesh's seven divisions—Dhaka, Chittagong, Sylhet, Rangpur, Rajshahi, Barisal, and Khulna. City dwellers consist of eight percent of the sample, in line with the national population. Most are married, also in line with the sample age profile. However, when compared to other lo-

cational segments, city dwellers are more likely to be unmarried (15 percent). City dwellers also are more likely to have more comfortable accommodations, with 62 percent reporting that they at least live in a *pucca* house when compared to the sample average of 27 percent. Most are economically dependent on other household members—80 percent indicate that they have no independent income. A low proportion indicate that they are the primary income earner (7 percent), but this is still higher than the sample average (4 percent). They are also more likely to have a high level of education—diploma holder or graduate (12 percent) when compared to the sample average (6 percent).

City dwellers are more likely to have mobile phones (81 percent compared to a sample average of 68 percent) and smartphones (31 percent compared to a sample average of 16 percent). They also use phones in a sophisticated manner, with 35 percent sending text messages (sample average 18 percent), 41 percent receiving text messages (sample average 23 percent), and 18 percent accessing the Internet (sample average 8 percent).

A higher proportion of city dwellers have savings bank accounts (30 percent compared to the sample average of 22 percent) and 19 percent of city dwellers had more than 1 account. While the primary use of accounts is for savings, with deposits and withdrawals constituting the bulk of transactions across all locational segments, city dwellers are more likely to use accounts for money transfer. They also are more inclined to use nonbranch channels, with 17 percent using ATMs (compared to the sample average of 7 percent).

They are less likely to access financial services other than MFS and banks, with only 8 percent using other financial services (compared to a sample average of 18 percent). Those accessing other financial services primarily use ROSCAs/lottery samitis (43 percent).

City dwellers use MFS marginally more often (a median of 4 transactions in 6 months compared to the sample median of 3). The usage is primarily limited to domestic money transfer. However, city dwellers do use MFS more often for other purposes, such as recharging airtime (12 percent against a country average of 7 percent) and bill payment (8 percent against a country average of 3 percent).

They are more likely to understand MFS' terms and conditions (24 percent against a sample average of 18 percent), and are more likely to be familiar with fees and costs (23 percent against a sample average of 20 percent).



Small towners refer to respondents who live in district HQs or in *thana* locations. They constitute 23 percent of the sample, in line with the national population. Eighty-seven percent of small towners are married, in line with the sample proportion. They are more likely to be living in semi-*pucca* accommodations (54 percent) than huts (9 percent) or *pucca* accommodations (36 percent).

Most small towners (82 percent) are economically dependent on other household members, in line with the sample average (81 percent). The proportion who indicate that they are the primary income earner (4 percent) is in line with the sample average.

Small towners have higher-than-average mobile phone ownership (78 percent compared to a sample average of 68 percent) and smartphone ownership (20 percent compared to a sample average of 16 percent). They use phones primarily for making (98 percent) and receiving (100 percent) calls; their other phone uses are in line with the sample average.

A higher proportion of small towners have savings bank accounts (30 percent compared to the sample average of 22 percent). 18 percent have more than one account. While the primary use of accounts is for savings (in line with the behavior across the country), small towners are more likely to use accounts for receiving wages (9 percent) or to make loan repayments (8 percent).

They are less likely to access financial services other than MFS and banks, with only 15 percent reporting that they access other financial services (compared to a sample average of 18 percent). Those who access other financial services primarily use ROSCAs/lottery samitis (52 percent).

Small towners use MFS infrequently, in line with the sample median (3 transactions in 6 months), primarily for domestic money transfer. However, small towners do use MFS more often for airtime top-ups (10 percent against the sample average of 7 percent).

They are more likely to understand the terms and conditions of MFS use (21 percent against a sample average of 18 percent) and be familiar with fees and costs (23 percent against a sample average of 20 percent).

City dwellers and small towners are more likely to display sophisticated behavior with respect to mobile phone use, financial services adoption, and MFS usage patterns. There is a need to start introducing more sophisticated and user-friendly UIs, as well as additional products and services, to these segments.

Rural women



Rural women refer to the respondents who live in villages. They constitute 69 percent of the sample, in line with the national population. 89 percent of rural women are married, in line with the sample proportion. They are less likely to be living in *pucca* accommodations (18 percent) when compared with the sample average (27 percent).

Most (81 percent) are economically dependent on other household members, in line with the sample average. Respondents indicating that they are the primary income earner (3 percent) is marginally lower than the sample average (4 percent).

Rural women are less likely to own mobile phones (62 percent compared to a sample average of 68 percent) or smartphones (11 percent compared to a country average of 16 percent). They use their phones primarily for making (94 percent) and receiving (99 percent) calls. The use of mobile phones for other purposes is quite limited. Only 13 percent use their phones to send messages (compared to 18 percent for the sample); 18 percent use phones to receive and read messages (compared to 23 percent for the sample); and 5 percent use phones to access the Internet (compared to 8 percent for the country).

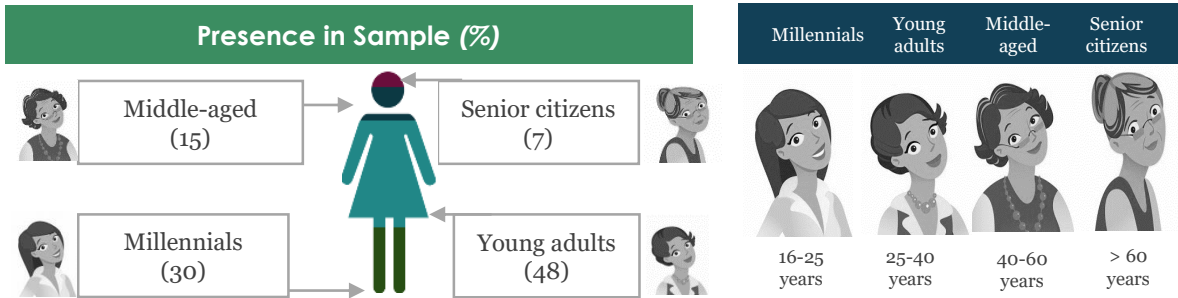
Only 18 percent of rural women have savings bank accounts compared to 22 percent of the sample. The primary use of accounts is for savings, which is in line with behavior across the country. Rural women are less likely to access accounts through ATMs (5 percent compared to 7 percent for the sample).

They are more likely to access financial services other than MFS and banks, with 21 percent reporting that they access other financial services (compared to a sample average of 18 percent). Those who access other financial services primarily use MFIs (44 percent).

Rural women use MFS infrequently, in line with the sample median (3 transactions in 6 months). They use MFS primarily for domestic money transfer—to receive money (94 percent). A significant proportion also uses MFS to send money (78 percent). MFS use for other purposes is limited. They are less likely to understand the terms and conditions of MFS use (16 percent against a sample average of 18 percent) and are less likely to be familiar with fees and costs (18 percent against a sample average of 20 percent).

There is considerable scope for additional financial education as well as handholding across all locational segments, with a focus on the rural population.

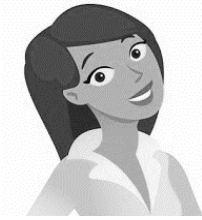
Segmentation—by Age Group



Key Segment Characteristics

Segment profile	Millennials	Young adults	Middle-aged	Senior citizens	Access to phones	Millennials	Young adults	Middle-aged	Senior citizens
Likelihood of being unmarried					Mobile phone ownership				
Likelihood of living in a pucca house					Smartphone ownership				
Likelihood of having at least a basic education					Sophistication of phone use				
Likelihood of having an independent income source					Access to financial services				
Access to MFS					Access to savings bank accounts				
Likelihood of being an MFS user					Frequency of savings bank account use				
Length of use					Sophistication of savings bank account use				
Frequency of use					Use of non branch channels for accessing savings bank accounts				
Primary purpose of use	Domestic money transfer	Domestic money transfer	Domestic money transfer	Domestic money transfer	Access to financial service providers other than banks (excluding MFS)				
Sophistication of MFS use					Other major financial service providers used	ROSCA	ROSCA & MFI	MFI	ROSCA
Financial capability					Rating rationale (%)				
Confidence in the ability to make financial decisions									
Nuanced knowledge of MFS					Very low	Low	Moderate	High	Very high
					<20	20-40	40-60	60-80	>80

Millennials



Millennials refer to respondents who are aged between 16 to 25 years, which is roughly 30 percent of respondents. Most are married. However, millennials are more likely to be unmarried (24 percent), because of their age profile when compared to the general sample (11 percent).

Twenty-five percent of millennials stay in *pucca* accommodations—in line with the overall sample (27 percent). 85 percent report that they have no income source, which is marginally higher than the sample at 81 percent. Only 1 percent indicate that they are the primary income earner, potentially because of the respondent's age. Millennials are much more likely than the sample to have at least a basic education. Only 3 percent indicate that they have no formal education when compared to 16 percent for the sample.

Millennials are marginally less likely to have mobile phones (64 percent compared to sample average of 68 percent), potentially because most would still be dependent on their parents. However, those who have mobile phones are more likely to have smartphones (25 percent) when compared to the overall sample (16 percent). They also use phones in a more sophisticated manner. 33 percent send text messages (the sample average is 18 percent), 38 percent receive and read text messages (sample average is 23 percent), 14 percent access the Internet (sample average is 8 percent), and 48 percent watch videos or listen to music (sample average is 32 percent).

A lower proportion of millennials have savings bank accounts (14 percent compared to sample average of 22 percent), potentially due to economic dependence on their households. Those who have accounts use them for savings, with deposits and withdrawals constituting the bulk of transactions. Use for other purposes is largely in line with sample averages. Millennials are less likely to access financial services other than MFS and banks, with only 14 percent reporting that they access other financial services (compared to a sample average of 18 percent). Those who access other financial services primarily use ROSCAs/lottery samitis (47 percent) and MFIs (33 percent).

Millennials use MFS marginally less often (43 percent use MFS at least monthly when compared to a sample average of 46 percent), primarily for domestic money transfer. However, millennials do use MFS for airtime top-ups (9 percent) marginally more than the sample average (7 percent). They are more likely to understand the terms and conditions of MFS use (21 percent against a sample average of 18 percent) and are more likely to be familiar with fees and costs (23 percent against a sample average of 20 percent).

Young adults refer to respondents who are between 25 and 40 years old. They constitute 48 percent of the sample. Ninety-six percent of young adults are married, and are marginally more likely to be living in *pucca* housing (29 percent) when compared to the sample (27 percent).

While most young adults are economically dependent on other household members, they are marginally more likely to have an independent income source (21 percent) when compared to the sample (19 percent).



The proportion of respondents who indicate that they are the primary income earner (4 percent) is in line with the sample average.

Young adults are more likely (73 percent) to own a mobile phone when compared to the sample (68 percent). However, most seem to have basic/feature phones with marginally lower (14 percent) smartphone ownership than the sample. They use their phones primarily for making and receiving calls. The use of mobile phones for other purposes is typically at a less-than-average level.

A higher proportion of young adults have savings bank accounts (25 percent compared to a sample average of 22 percent). The primary use of accounts is for savings, in line with the overall sample behavior. While they primarily access banking services over the counter, 9 percent use ATMs—marginally higher than 7 percent for the sample.

Young adults are more likely to access financial services other than MFS and banks, with 22 percent reporting that they access other financial services (compared to a sample average of 18 percent). Those who access other financial services primarily use ROSCAs/lottery samitis (45 percent) or MFIs (42 percent).

Their use of MFS is marginal, in line with the sample median (3 transactions in 6 months). Its use is primarily for domestic money transfer. MFS use for other purposes is in line with or marginally lower than the sample average.

Their confidence in making nuanced financial decisions (18 percent), understanding of terms and conditions (20 percent), and familiarity with fees and costs (20 percent) were marginally in line with the sample averages (16, 18, and 20 percent, respectively).

Middle-aged



Middle-aged women refer to women who are between 40 to 60 years old. They constitute 15 percent of the sample. Of middle-aged women, 93 percent are married and 6 percent are widowed. They are marginally more likely to be living in *pucca* accommodations (30 percent) when compared with the sample average (27 percent).

Among middle-aged respondents, 82 percent are economically dependent on other household members, in line with the sample average. The proportion of respondents (6 percent) who indicate that they are the primary income earner is marginally higher than the sample average (4 percent). They are also more likely not to have formal education (31 percent) when compared to the sample average (16 percent).

Their mobile phone ownership (67 percent) is in line with the sample average (68 percent). However, smartphone ownership is much lower (7 percent) than the sample average (16 percent). Middle-aged women use phones primarily for making (89 percent) and receiving (99 percent) calls. Using mobile phones for other purposes is quite limited. Only 6 percent use phones to send messages (compared to 18 percent for the sample), 10 percent use phones to receive and read messages (compared to 23 percent for the sample), 1 percent use phones to access the Internet (compared to 8 percent for the country), and 12 percent watch videos or listen to music (compare to 32 percent for the sample).

Middle-aged women are more likely to have savings bank accounts (29 percent) compared to the sample (22 percent). They are also more likely to have more than 1 account (21 percent) compared to the sample (16 percent). They have been using accounts longer (median of 5 years) when compared to the sample (median of 3 years). The primary use of accounts is for savings, in line with behavior across the country. However, middle-aged women have a marginally more diversified usage pattern. Seventeen percent use them to receive funds during an emergency (compared to 11 percent of the sample), 8 percent use them to receive salaries or wages (compared to 5 percent of the sample), and 6 percent use them to make loan repayments (compared to 5 percent of the sample). They predominantly use bank branches to access their accounts (96 percent) and are less likely to use ATMs (2 percent) than the sample (7 percent).

They are marginally more likely to access financial services other than MFS and banks, with 20 percent reporting that they access other financial services (compared to a sample average of 18 percent). Those who access other financial services primarily use MFIs (46 percent).

More often than not, middle-aged women are MFS users (54 percent) compared to the sample. They use MFS more frequently (4 transactions in 6 months) relative to the sample (3 transactions in 6 months). 50 percent indicate that they use MFS at least once a month when compared to 46 percent for the sample. The use is primarily for domestic money transfer. MFS use for other purposes is limited.

They are less likely to understand the terms and conditions of MFS use (13 percent against a sample average of 18 percent) and are less likely to be familiar with fees and costs (18 percent against a sample average of 20 percent).

Senior citizens



Senior citizens refer to respondents who were 60 years or older. They constitute 7 percent of the sample. 85 percent of senior citizens are married and 12 percent are widowed. They are much less likely to be living in *pucca* accommodations (19 percent) when compared with the sample average (27 percent).

Senior citizens are less likely to be formally educated, with 39 percent reporting no formal education compared to 16 percent for the sample. While most (77 percent) are economically dependent on other household members, more senior citizens are likely to be working than the sample average (19 percent). The proportion (10 percent) who are the primary income earner is significantly higher than the sample average (4 percent).

Senior citizens are less likely to own mobile phones (54 percent compared to a sample average of 68 percent) or smartphones (7 percent compared to a country average of 16 percent). They use phones primarily for making (88 percent) and receiving (98 percent) calls. Only 5 percent use phones to send or receive messages (relative to 18 percent and 23 percent, respectively, in the sample), 1 percent use phones to access the Internet (compared to 8 percent for the sample), and 13 percent use them to watch videos or listen to music (compared to 32 percent for the sample).

21 percent of senior citizens have savings bank accounts (in line with 22 percent for the sample) and 10 percent have more than 1 account. The frequency of use is marginally lower, with 46 percent using accounts at least monthly (compared to 57 percent for the sample). The primary use of accounts is for savings, in line with behavior across the country.

Use of accounts for other purposes is significantly low. Only 1 percent make utility bill payments through accounts (11 percent for the sample), 4 percent transfers funds during an emergency (8 percent for the sample), and none receive regular allowances (4 percent for the sample). Senior citizens use bank branches to access their accounts (96 percent) and are less likely to use ATMs (2 percent compared to 7 percent for the sample).

They are marginally less likely to access financial services other than MFS and banks, with 16 percent reporting that they access other financial services (compared to a sample average of 18 percent). Those who access other financial services primarily use ROSCAs (50 percent) and MFIs (41 percent).

Senior citizens use MFS infrequently, in line with the sample median (3 transactions in 6 months). They use it primarily for domestic money transfer—to receive money (92 percent). A significant portion also use MFS to send money (78 percent). MFS use for other purposes is low. However, 10 percent of senior citizens use MFS to save money (compared to 7 percent of the sample). They are less likely to be confident in their ability to make nuanced financial decisions (12 percent against a sample average of 16 percent), less likely to understand terms and conditions of MFS use (7 percent against a sample average of 18 percent), and less likely to be familiar with fees and costs (9 percent against a sample average of 20 percent).

It is possible to target millennials and young adults, who are more familiar with mobile phones and smartphone use, through interactive smartphone-based UIs. ROSCAs are popular across all age-based segments—which highlights the potential for digital credit and savings mechanisms. Significant levels of use of savings bank account and MFI penetration among young adults, middle-aged women, and senior citizens point to the possibility of linking savings bank accounts to MFS wallets and for partnerships with MFIs. Senior citizens seem to be economically active, but at the same time vulnerable to income shocks. There is substantial untapped potential for pensions or microinsurance to target toward senior citizens. Financial capability seems to be limited among middle-aged and senior citizens, which highlights the need for handholding and financial capability building.

Differences in segment profiles, their requirements, and current behaviors highlight the need for service providers to understand the gaps and deliver targeted solutions.

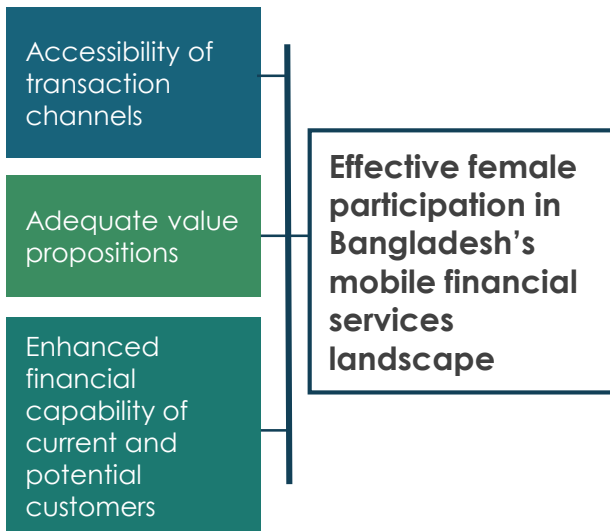


Section IX.

Recommendations

Recommendations

Bangladesh is widely considered a model for the adoption and growth of MFS. Although growth has been impressive, a gender imbalance exists in the nation's MFS landscape.



This scenario calls for concerted action from the sectoral stakeholders in the country.

The accompanying figure illustrates key components in ensuring equitable female participation in the evolving mobile financial services landscape in Bangladesh.

The key to ensuring women's effective participation in Bangladesh's MFS lies in three key components:

- Ensuring accessibility and availability of transaction channels;
- Building adequate value propositions; and
- Enhancing the financial capability of current and potential customers.

Ensuring Accessibility

MFS accessibility is relatively high in Bangladesh. For instance, the median time taken to reach an agent outlet is only 7 minutes and the median distance traveled is only 1 km.

However, in rural areas, agents' presence is not as widespread. The median time taken is 10 minutes and 24 percent of respondents must take public transport to reach an agent outlet. This points to a potential scope for **expanding agent networks in rural areas**.

Another aspect of accessibility is the gender preference with regard to agents. 52 percent of respondents preferred female agents and were more comfortable interacting with them. There are also some perceived advantages with female MFS agents with regard to trustworthiness, security of data, greater ease of approach, and a similar performance in service quality, and timeliness.

The study reveals a clear opportunity to drive uptake by establishing a reasonable presence of female agents across the country, especially in rural areas. However, only 2 percent used female agents, potentially due to the limited number of female agents in Bangladesh.

There is a need to understand the reasons behind the low prevalence of female agents across Bangladesh, and to identify ways in which more women may be recruited as agents to serve female customers. **Market research that is focused on female agent selection** can potentially play a role in identifying these aspects.

Once these aspects are identified, there is a need for **careful selection and appointment of more female agents** to facilitate access to MFS for women in Bangladesh.

Building Additional Value Propositions

At present, domestic money transfer is the primary use-case for female users in Bangladesh. While domestic money transfer remains a highly relevant use case, there is a need for expanding the basket of use cases and communicating about the expanded basket to potential customers. This can be seen from the response of non-users, where 43 percent responded that they have no use for MFS at present. While there are several options to consider, the ones highlighted in the remainder of the section should be a high priority for service providers in Bangladesh.

Additional Financial Products and Services

Bangladeshi MFS providers have a unique advantage, because often they are also banking entities that are permitted to offer financial products and services over their platforms. MFS have already seen widespread adoption over a domestic money transfer value proposition. Service providers can now move further ahead by offering other value-added products and services.

Digital credit coupled with data-driven credit scoring has seen significant adoptions in other markets like Kenya. Savings plus credit services like M-Shwari and KCB M-Pesa have seen widespread adoption in terms of the number of customers, savings balances accumulated, and credit disbursed while maintaining portfolio quality. Service providers in Bangladesh could potentially drive adoption and use of their MFS by offering digital credit products and services.

In Bangladesh, a need for systematic savings is another visible opportunity in financial services. The widespread adoption of ROSCAs in the country is indicative of the need for planned savings. **Recurring deposit products**, if offered, could potentially fulfill this need and help replicate real-life financial behavior in the digital world.

Microinsurance and **pensions** are other viable opportunities in Bangladesh. The percentage of economically active women is higher among senior citizens. A significant number (12 percent) are also widows. Microinsurance and pension schemes could be effective in tapping a latent demand. However, the regulatory framework for governing insurance and pensions would need to mature to allow MFS providers to participate meaningfully in this space.

Sectors that disproportionately employ women, such as the textile industry, have significant potential for **MFS wage disbursements**. The women in these sectors will benefit if MFS providers offer them wage disbursements bundled with other products, to build a more robust value proposition. By concentrating their efforts on key factories and firms, and by sensitizing the female staff on the mobile money value proposition, MFS providers can scale up their female registered user client base. With training and a relevant product portfolio, MFS providers can encourage these women to transact through the MFS platform or accrue MFS float balances instead of withdrawing their entire salaries in cash.

Partnerships with Financial Service Providers

22 percent of respondents have savings bank accounts and 7 percent use MFIs. There could be room for MFS providers to partner with banks and MFIs to enhance the accessibility of formal financial services to the target segment.

MFS wallets could effectively act as a gateway for customers to access banks or MFIs, by facilitating movement of money between MFS wallets and bank or MFI accounts. These partnerships could also extend to facilitating credit disbursements, loan repayments, and insurance premium collections through MFS agents.

Leveraging Smartphone Capabilities

Smartphone penetration is significant, at 16 percent of women. There are specific segments (including city dwellers, millennials, and young adults) where the penetration is even higher.

Smartphones offer significant opportunities for expansion, because they help delink MFS from USSD access. For bank-led players in Bangladesh, moving toward mobile apps instead of USSD menus could potentially lead to significant cost savings. USSD is necessary for the interim while smartphone penetration rises—however, this could be the right time to develop and begin deploying mobile apps as an additional delivery channel.

Smartphones also offer significant design advantages with regard to the UI. Given the literacy-related challenges, especially among the rural customers and senior citizens, there could be potential to design more intuitive UIs that are less text-heavy and are more usable to illiterate customers.

Enhancing the Financial Capability of Current and Potential Customers

Awareness of the MFS value proposition is low, despite a significant presence of MFS agents across Bangladesh and brand recognition. While conducting the survey, the team observed that awareness of basic aspects such as fees or terms and conditions are extremely low among women. One of the major reasons cited by non-users for not adopting MFS is lack of awareness. Additionally, there is a mismatch between perceived risks and actual risks.

Service providers have invested heavily in spreading brand awareness. Television and radio advertisements have played a significant role in this context.

At present, the scope of communication needs to enhance the customers' financial capability, and extend beyond basic brand and use-case awareness to a more detailed understanding of MFS products and services. There is a need to **develop financial literacy campaigns that focus on the awareness and use of MFS products**. Enhanced financial capability can lead to increased usage—users who gained financial literacy were more likely to use MFS frequently, for diverse scenarios.

One potential solution is to explore **partnerships with MFIs and other NGOs** to drive financial capability-building and to engage in awareness campaigns among the target segments. This would enable more pinpointed targeting and drive the required message oriented at specific segments. Investment in **BTL campaigns** based on agent locations can also drive localized messaging and targeted outreach.

There seems to also be a lack of awareness about the **recourse mechanisms** available to customers. 44 percent of customers who faced issues chose not to complain. This could be addressed by incorporating recourse mechanisms as an integral part of customer communication. Providers should rigorously enforce agents to display customer support numbers prominently.

Part 2.

Product Preferences of Female Mobile Financial Service Users in Bangladesh

Sectional Summary

Product Preferences of Female Mobile Financial Service Users in Bangladesh

The project team carried out extensive focus group discussions (FGDs) to augment insights from the survey. The team spoke to women MFS users, women non-users, male users, and conducted in-depth interviews with key MFS market stakeholders. In total, the team carried out 21 focus group discussions with 155 respondents. The primary objective of this qualitative research was to discern the MFS product preferences of women in Bangladesh. It culminated in the second section of the report, “Product Preferences of Women Mobile Financial Service Users in Bangladesh,” which aims to:

1. Describe the needs and preferences of women MFS users in Bangladesh;
2. Elucidate the issues and challenges that MFS users face;
3. Present the product preferences of various segments of women users.

Mobile phone use has seen a meteoric rise in Bangladesh, with an estimated 135 million subscribers currently. That is a 56 percent increase from 5 years ago, when there was a subscriber base of 86 million. In keeping with the global trend, the use of smartphones is on the rise, with primary use cases being social networking and MFS, apart from making and receiving voice calls and text messages. Although the financial channels that respondents use still center around banks, MFS also are becoming more prominent. Informal remittance channels, such as *hundi** (*hawala* or informal remittance) and money courier services are also still being used by respondents, although their use has been declining. The reported motivators for choosing MFS over traditional channels are savings in time, convenience, and availability.

MFS usage in Bangladesh is dominated by a single provider (bKash). Other providers, such as DBBL and SureCash also have carved niches with customers. There are, however, multiple nuances driving the service needs and requirements of users, especially women. These nuances and financial service needs among women offer an opportunity for providers in Bangladesh’s market to gain a foothold on a sizeable customer segment. This market’s size is at [50 million](#) women, aged between 15 and 55 years , according to the latest estimates.

*Refer to [appendix D](#).

The report expands upon four distinct personas to better understand the key segments of women users in detail. These personas reflect the different customer segments that were identified after detailed discussions with respondents, exploring their motivations, requirements, and preferences in terms of products and services. These personas are:

1. *Fameeda*, an informal sector worker who finds MFS to be a more convenient alternative to other formal financial services, which are less accessible.
2. *Farzana*, a working professional, who uses MFS independently and for various services.
3. *Laboni*, a student who recently has been introduced to MFS and seeks value-for-money as well as offers and discounts.
4. *Razia Begum*, a homemaker who is dependent on the agent for MFS operations, but wants to learn how to use it.

The issues and challenges that these women customer segments face have been segregated into four functional areas:

1. *Product-level issues*, which customers face while using MFS. These issues highlight instances where the product needs to be tailored specifically to fit a particular customer segment. These also include product and features-related communication to the target customer base.
2. *Operational issues*, which deal with challenges faced while interacting with the distribution channel (such as an agent), including challenges faced while transacting.
3. *Social issues*, highlighting the social biases and cultural obstacles that impede the uptake of MFS among women users.
4. *Issues linked to fraud*, dealing with the incidence of fraud that women users in MFS encounter, which affect the perception of trust in the channel and reliability of the service.

The team conceptualized two specific products, keeping in mind challenge areas, specific behaviors that women customer segments showcase, and an understanding of MFS' enablers. The team designed these product concepts with direct inputs from research respondents. The first, **a recurring deposit product**, looks at catering to users who have limited access to formal financial services. The second, **an emergency credit product**, seeks to provide very short-term, small, ticket-sized loans to MFS users for exigencies.



Section I.

Research Background

Research Objectives

The research field work and subsequent analysis sought to understand the needs and preferences of women MFS users in Bangladesh, and to identify MFS products that would appeal to women.

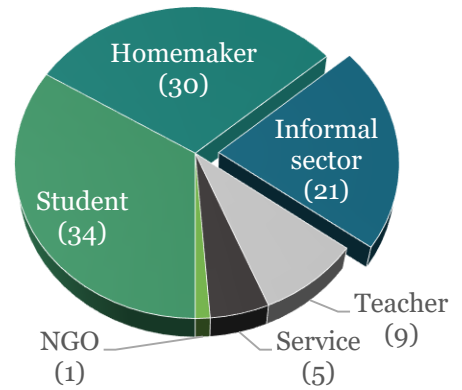
Methodology

The team conducted the primary research for this study using MicroSave’s Market Insights for Innovations and Design (MI4ID) approach through focus group discussions (FGDs) with women and men MFS users, as well as women MFS non-users. The research team recorded the viewpoints of key informants during interviews—including MFS providers, regulators, banks, and mobile network operators. These inputs include perspectives on MFS in Bangladesh, challenges, and access of MFS for women.



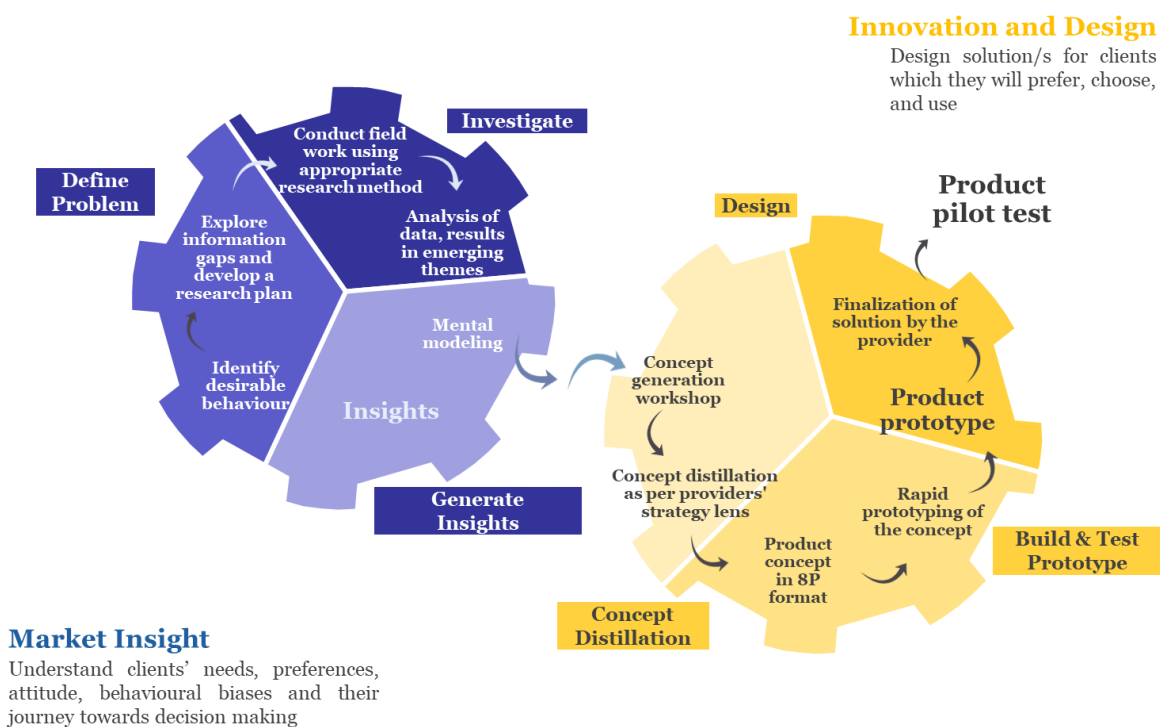
Primary Research				
Focus group discussions (FGDs) with women MFS users	FGDs with male MFS users	FGDs with women MFS non-users	Total	In-depth interviews with key informants
7	7	7	21 FGDs 155 respondents	11

Occupation of Women Respondents, Based on FGDs (%)



MicroSave specializes in carrying out market research and product development through its MI4ID approach. MI4ID is heavily based on behavioral economics and user-centric design approaches, coupled with MicroSave's decades-long experience in using qualitative consumer research in the domain of financial inclusion.

MI4ID Framework – Summary



A behavioral research process has three key steps: defining the problem, understanding the observed behavior, and analyzing information gathered through research to create solutions that trigger the desired behavior. In the MI4ID approach, the team also looks at the choices and actions from the context of MicroSave's experienced inference on clients' mental models around financial choices and preferences.

The results from this analysis culminate into insights on the customer's journey and experience with respect to products and services that they use. These insights lead to solution(s) through the use of tools, such as concept generation and rapid prototyping of solutions.

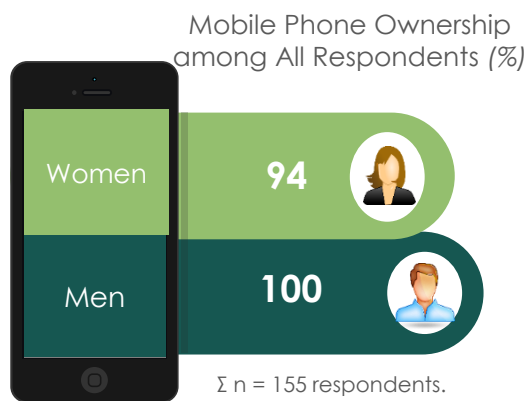
* More information on MicroSave's Market Insights for Innovations and Design (MI4ID) approach is available [here](#).

Section II.

Mobile Financial Services Usage Trends and Insights

Mobile Ownership

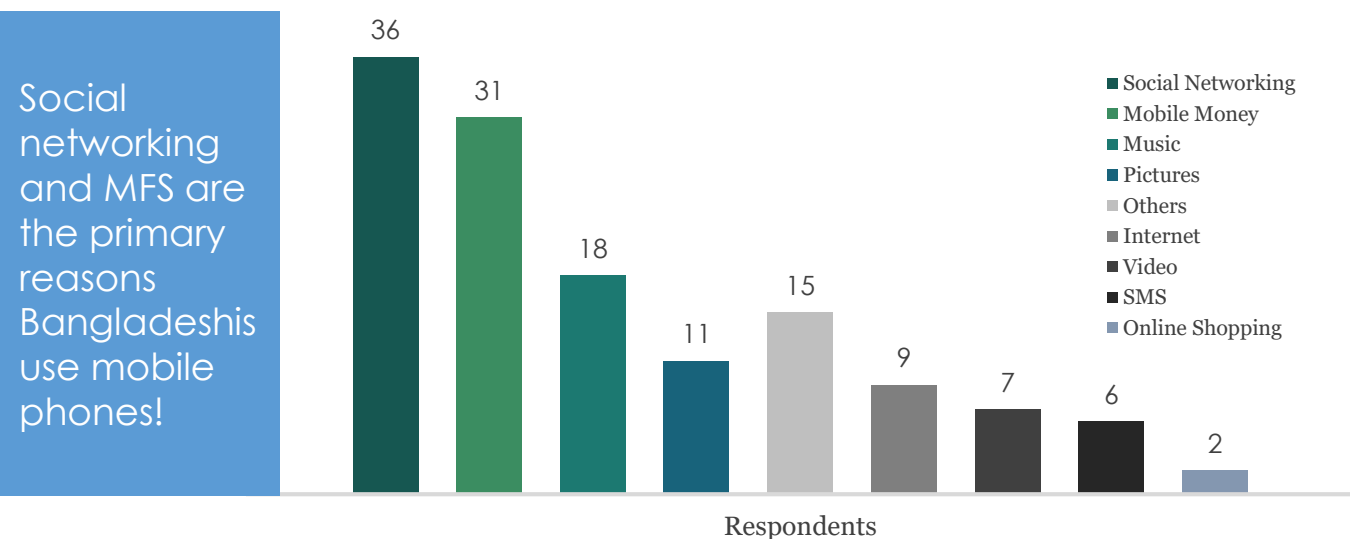
Mobile phones have brought a paradigm shift in the way technology is perceived and used in Bangladesh, especially in rural areas. With the increase in services and products that a mobile phone offers, the users—men and women alike—feel mobile phones have become a necessity.



The respondents from urban and rural areas, who participated in the primary qualitative research own at least a feature phone. Meanwhile, ownership of smartphones is also increasing. While 94 percent of women respondents owned a mobile phone, mobile phone ownership among rural women has been marginally less compared to urban women. Although women understand the basic use of a mobile phone, there are some women, especially the elderly in rural areas, who do not use a mobile phone because of their age or literacy level.

Uses of Mobile Phones

Mobile Phone Use across All Respondents*



Σ n = 155 respondents (multiple responses).
Female user FGDs and non-user FGDs; male user FGDs.

*All 155 respondents use mobile phones to make and receive calls, so these functions are not mentioned in the graph. The length of the bar represents the number of responses recorded in the qualitative research.

All users make and receive calls using mobile phones. Moreover, the widest use case is for MFS and social networking. Women users stated that MFS provides them an opportunity for self use while staying within the premises of their house.

It is interesting to note that women revealed their use of mobiles, smartphones, and data services for social networking and using apps, such as WhatsApp and Facebook. While this trend is more prominent in urban areas, rural women are not far behind in using smartphones and data to access the Internet.

Providers, too, have taken note of this trend, and plan to capitalize on it by introducing app-based services. They concur, however, that this may be an urban phenomenon and that only women who currently use MFS themselves without depending on an agent have the potential to use an app for the same services.

Divisions' Use of Mobile Phones

Predictably, users in urban areas have higher levels of technical literacy when it comes to using the various features of a mobile phone. Half of the respondents mentioned using mobile phones for SMS in urban areas, such as Dhaka. In places such as Rajshahi, Rangpur, and Sylhet, close to one-fifth of the respondents mentioned using mobile phones for SMS. While the use of social networking is prevalent in all the divisions, MFS shows regular use as well, with fairly even distribution across divisions.

MFS as a use case for mobile phones: Respondents in Rajshahi, Chittagong, and Khulna recorded higher levels of MFS use as compared to other divisions. Most respondents mention bKash and DBBL as the two most prominent players across all the divisions. Respondents were particularly vocal about MFS being more convenient than visiting a bank. They highlighted that in using MFS, they were able to avoid multiple hassles, such as waiting in queues, excessive documentation requirements, transportation time and costs, and potentially rude staff.

Another prominent use case of a mobile phone is its use for the purposes of information and entertainment. In non-metro divisions, such as Rajshahi, Rangpur, and Barisal, users listen to the radio and music with their phones. Women users place particular importance on this use, especially when occupied with household tasks. Providers, such as bKash, have been particularly successful in using radio as a marketing channel for their above-the-line (ATL) marketing activities in reaching the last mile.

Interestingly, respondents from Barisal and Rangpur share that they use a mobile phone for ordering goods online. However, respondents mainly do cash-on-delivery for goods and do not use MFS wallets for payments. This presents an opportunity for MFS providers to link their payment platforms to smaller e-commerce providers.

Overall, women MFS users elucidated that MFS providers have a definite opportunity to increase the uptake in MFS among women, provided there is more marketing of their products and promotions through delivery channels. They also believe that offering appropriate products will make a difference.



Bangladesh— Predominantly a Cash-on-Delivery Market

In Bangladesh, less than 1 percent of everyday purchases happen electronically,* whereas the global average is 16 percent. Of the e-commerce transactions in Bangladesh, 95 percent happen on a cash-on-delivery basis. E-commerce sites are not keen to accept payments through cards, because they have to pay a 3–4 percent fee to banks (cash-on-delivery does not incur this fee). This seriously impedes the growth of e-commerce transactions.

“My wife and mother use a phone for talking but not for MFS.”

—A male MFS user in Rangpur on the use of MFS by women

* Retrieved on Sept. 4, 2017 from <http://www.thedailystar.net/round-tables/payment-ecosystem-bangladesh-challenges-and-opportunities-213811>.

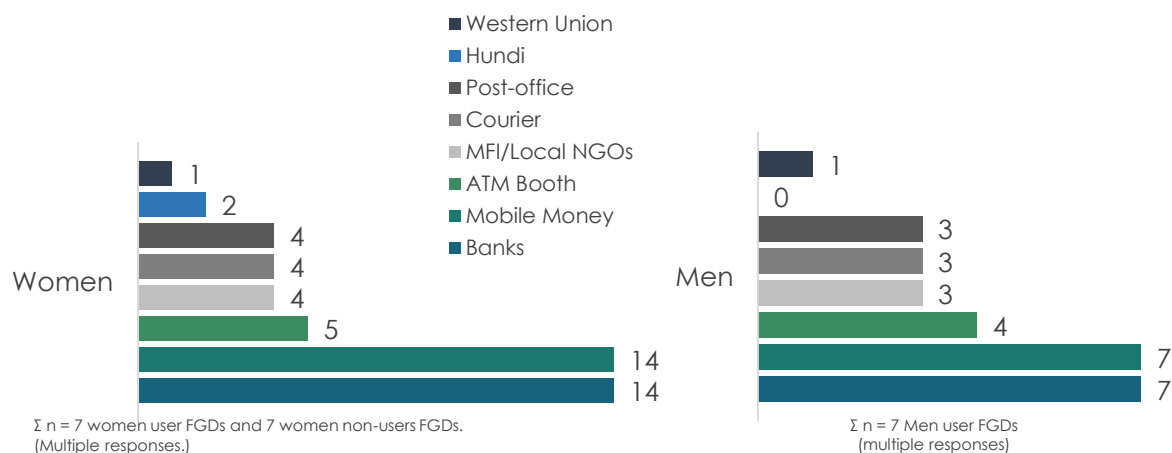
Access Points for Financial Services

Among respondents, women and men view banks and MFS as their primary sources of accessing financial services. Many women, especially in rural areas, continue to depend upon MFIs for their credit requirements. Women respondents opined that the products offered by banks or MFS providers are different from those offered by MFIs. MFS is used more from a transactional point of view (small scale pilots by MFIs in Bangladesh have started offering MFS for loan repayments and disbursements). Even women who do not access MFS because of social factors confirm that they have someone in their family who uses MFS.

In the case of men, the use of banks is more prevalent than MFS. Men in Bangladesh are allowed greater social freedom than women, translating into greater freedom in financial matters. Hence, for financial requirements, men are able to visit bank branches and interact with staff and other personnel. Post offices scattered throughout Bangladesh constitute another important medium of accessing financial services, especially for savings. Informal channels, such as courier services and hundi* are still popular methods of domestic remittances.

Although banks have set up ATMs across the country, women respondents mention that they are uncomfortable using these ATM booths. Respondents are not assertive in using ATMs, considering societal norms, such as traditionally male-dominated activities and gaps in financial literacy. In FGDs, respondents noted that MFS agents, on the other hand, provide a human interface, and are much more widespread and easily available.

Access Points for Financial Services, Based on the Responses in FGDs (%)

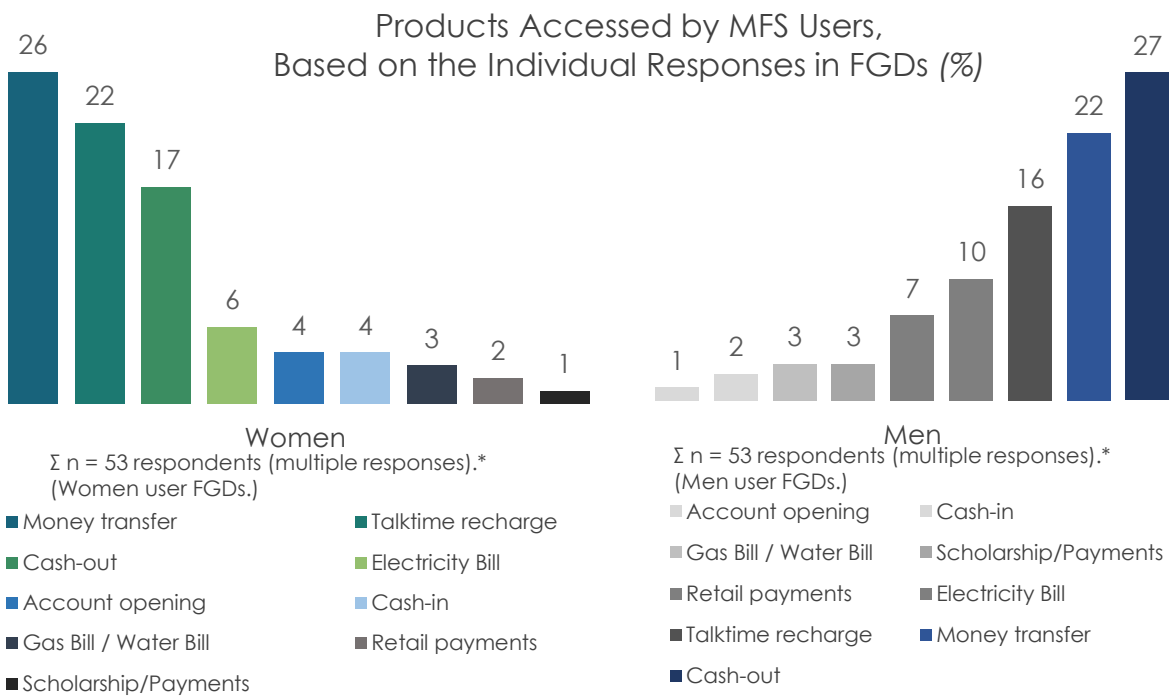


The length of the bar represents single occurrence of response recorded in FGDs.

*Refer to [appendix D](#).

Types of MFS Products Used

A majority of MFS users, women and men alike, have conducted cash-out and money transfer. Account opening, though a primary requirement to use MFS, is not used widely—with few respondents mentioning having an account. This underscores the widespread use of OTC services, as customers believe that MFS consists of just money transfer – and they do not see the value of opening accounts. Only 1 out of 8 women respondents have used MFS to pay for utility services on a regular basis, because the charges are less.



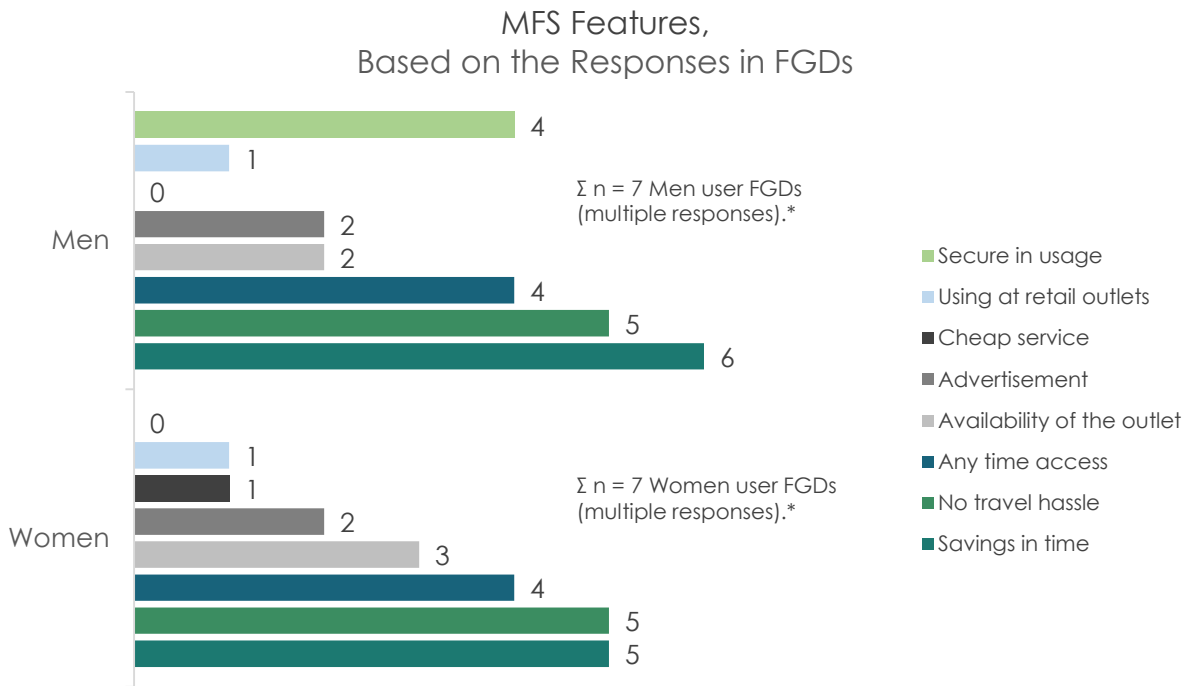
The length of the bar represents the response recorded in FGDs.

While SureCash offers a school fees payment service and DBBL offers scholarship transfers to children, only 1 percent of women MFS users have used these services. Only 3 percent of women use bKash to make retail payments using a mobile wallet, which is primarily an urban phenomenon.

Women users feel that various services/use cases in MFS have the capability to bring more women under the ambit of MFS. However, the providers would need to focus on increased marketing targeted toward women.

Features of Attraction

Savings in time and the reduction of hassle factors (travel and availability) are the most important attractors that pull users towards MFS from formal financial service providers, such as banks.



*The bar's length represents the occurrence of responses recorded in FGDs.

Women users feel that MFS services are cheaper compared to banking services, while male users believe the opposite is true. This discrepancy may be attributed to additional costs that women incur when using formal financial services toward individual transportation and refreshments (especially when accompanied by children), along with the opportunity cost of the time spent. On the contrary, men supplement their banking activities with other household or official work, which considerably reduces the opportunity cost. Male users also feel that MFS is not as secure, primarily because sometimes they do not trust the agent. They still prefer a regular bank account as a medium for storing funds.

Women, however, appreciate the convenience that MFS has brought into their financial lives. Agent availability is widespread and it is not uncommon to have an MFS agent within walking distance from a woman's residence. This locational advantage has been a prime enabler for the uptake of MFS among women users.

* A detailed and in-depth explanation of these features in MFS is in section IV.

MFS Providers: Awareness and Usage

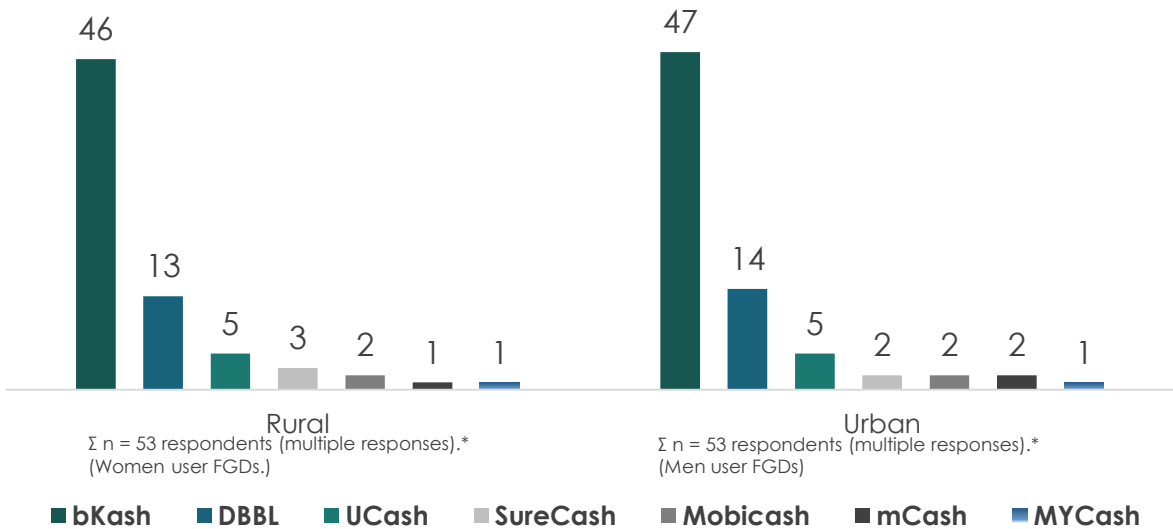
There are 20 MFS license holders currently operating in Bangladesh. Out of these, the respondents mentioned seven MFS providers that they were aware of, or whose services they have used themselves. bKash and DBBL are the two most widely used MFS providers, with bKash being almost universally known within the sample, especially among rural areas. Even women non-users cited having noticed their family member or relative use bKash.

A sharp focus on marketing, customer awareness, and a comprehensive nationwide branding exercise have led to bKash’s dominance in the market, with other providers struggling to keep up. The word “bKash” has now become synonymous for OTC money transfer in Bangladesh.

“Actually, when we say bKash, we mean sending money. There is not much difference between these two.”

—A male MFS user in Sylhet talking about his provider

Awareness about Providers,
Based on Individual Responses in FGDs



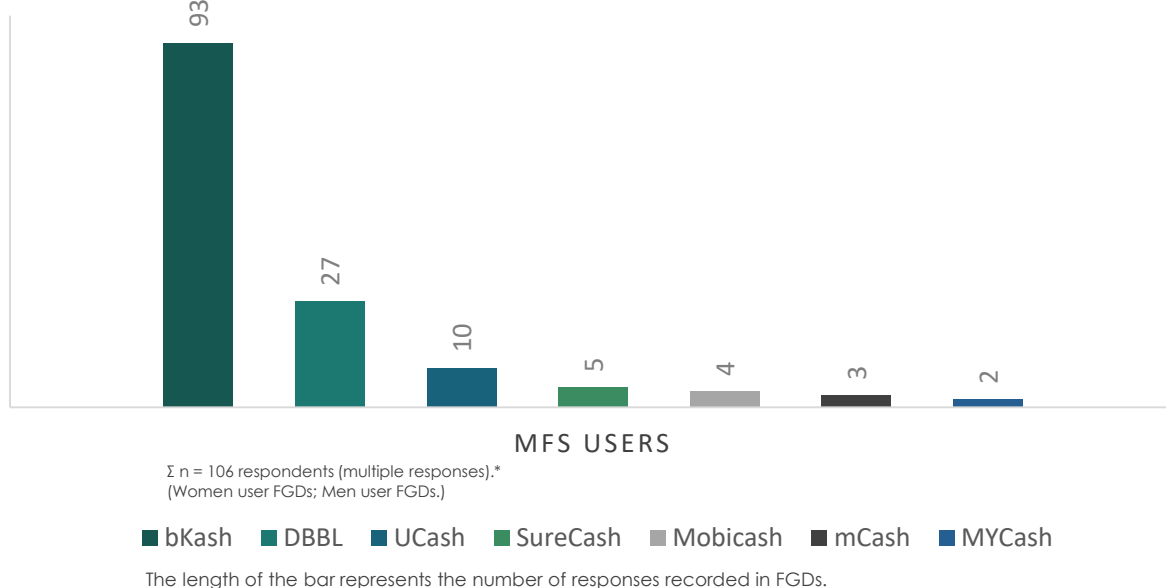
*The length of the bar represents the response recorded in FGDs.

DBBL’s recall among MFS users comes primarily from their [fast-track branches](#)* and their wide range of ATMs, although not directly connected to the MFS business. In fact, every respondent mentioned a lack of marketing and awareness efforts by MFS players, with the exception of bKash.

*Dutch-Bangla Bank Limited (DBBL) fast-track branches are branchless facilities that allow the customer to deposit cash and checks, withdraw, and requisition for a new account.

Even at the divisional level, bKash remains the market leader* by a huge margin, with DBBL at a distant second. Respondents also echo this perception. UCash, too, has a good presence, especially in the Barisal, Dhaka, and Khulna divisions, where 6 percent of respondents mention using UCash, mostly for the money transfer service. This may be attributed to an aggressive institutional promotional campaign, where UCash seeks to partner with local companies to offer its service to employees.

Awareness about Providers,
Based on the Individual Responses in FGDs



Despite low customer awareness, SureCash has good recall in certain customer segment groups, partly because of the fees payment service that they offer to college students and parents of schoolgoing children. Recently, SureCash has also partnered with Grameen Bank to pilot their MFI operations using the SureCash payment platform. Similarly, Mobicash offers banking services through its platform, however few users have availed these services. Other providers (apart from bKash) have lower charges for marquee services, such as money transfer, but are unable to gain a foothold in the market because of a lack of marketing and communications.

“Everywhere you look in Bangladesh, you will only see bKash. No other signboard is visible.”

—An MFS user in Dhaka

*bKash covers more than half the MFS market, based on the data from the [Helix Institute of Digital Finance](#).

Section III.

Segmentation of Customers

Persona Mapping

Persona mapping is the process of identifying certain customer segments based on their social interactions, economic decisions, and psychological profiling. The focus in the process is on identifying customer behavior in terms of how they make decisions, how do they prefer, choose, and use any financial service, while at the same time personalizing this segment. Persona mapping helps identify trends within user segments, while interactions with users and other empirical evidence captured on the field help identify the reasons behind these trends. Persona maps allow for a common, shared understanding of the user group and provide specific input into understanding human behavior and the contextual factors that influence behavior.

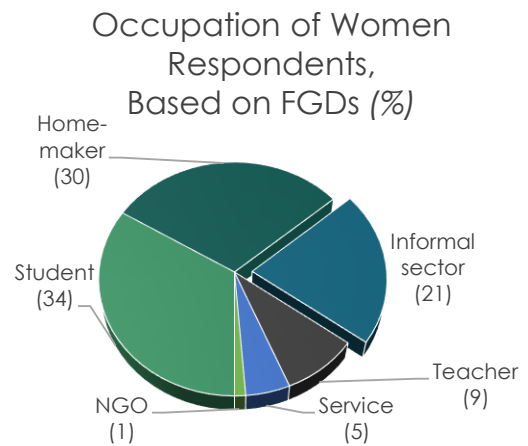
The research team created the persona maps for the study after analyzing the FGDs conducted across the country with various sets of women respondents, which included both users and non-users. The team also interacted with a few women users on a one-to-one basis for gleaning more information about their day-to-day financial activity, usage patterns of MFS and financial services, comfort levels, and capacity to transact with or without agents' assistance. The adjoining diagram captures this information.







These responses were bucketed and segregated, keeping in mind the different types of users, respondents' awareness levels, use-cases as defined by the respondent, and their interaction with the MFS agent.

The purpose behind creating these personas and the accompanying experience maps is to illustrate the needs, wants, expectations, and overall experience of people who use MFS.

For the purpose of this study, based on the respondents' occupations, the team has come up with four distinct personas of women. These personas are explained in detail in this section, including their product needs & requirements.* These have been accompanied by customer journey maps, which illustrate their introduction to the MFS product.



 <p>Fameeda Informal sector worker</p>	 <p>Farzana Working professional</p>	 <p>Laboni Student</p>	 <p>Razia Begum Homemaker</p>
<p>Finds MFS a more convenient alternative to less-accessible formal financial services</p>	<p>Uses MFS independently and for various services</p>	<p>Has been introduced to MFS recently and is looking for good deals</p>	<p>Is dependent on the agent for MFS use, but wants to learn how to use it</p>

*Based on the personas, product-needs in MFS are classified into five parameters:

1. Security of funds—safety of money in MFS.
2. Transaction velocity—speed of transaction completion.
3. Convenience—ease of using MFS.
4. Agent dependency—degree of dependency on the agent for access to MFS.
5. Low charge—affordable access to MFS.



Fameeda

Informal sector worker

Young and enterprising, Fameeda is involved in some form of income-generating activity in the informal sector, and is based in a semi-urban setting. She has limited access to formal financial services. MFS serves as a lifeline for her to save money and make transactions.

Key Characteristics and Motivations

- Between 25 and 45 years of age and is involved in income-generating activity in the informal sector.
- Married with two children.
- Educated up to the higher-secondary level.
- Can operate her own MFS account, but seeks the agent's assistance for transactions.
- Uses MFS mainly for storing funds, making certain payments, and sending money to family.
- Uses a basic phone, but can use USSD.
- Visits the agent for cash-in, cash-out and also money transfer transactions.

Aspects of Use*

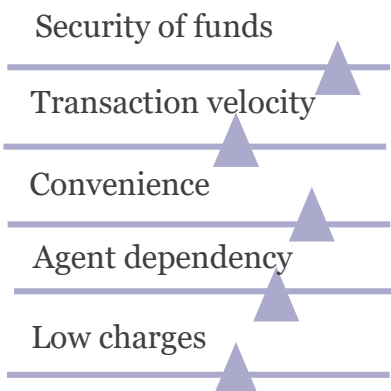
Confidence	★ ★ ★
Tech savviness	★ ★ ★
Awareness of product and features	★ ★
Frequency of visits to the agent	★ ★ ★ ★
Trust in the agent	★ ★ ★ ★

- Makes and receives calls
- Sends text messages
- Uses USSD to check balance

- Uses MFS for recharges
- Uses MFS to store funds
- Is aware of product features

Product Needs and Requirements

Fameeda is comfortable receiving payments via MFS and also stores funds in her MFS account. A savings product with higher rates of interest would be ideal for her to save money for certain occasions.



Quotable Quotes

"I would like to store money on my phone so that I can use it for future purposes without anyone else being able to touch it."

*The number of stars denotes the degree of use.

Customer Journey Map for Fameeda

STAGES	1. Enquiry	2. Trial	3. Trust Building	4. Repeat Transaction
STAGE DESCRIPTION	The enquiry phase begins with the need identification of storing funds for savings. Her co workers tell her about MFS, and she then looks for information about MFS from colleagues and marketing materials. She enquires about the availability of MFS in her vicinity and charges	Fameeda, who is now armed with some basic information about MFS, approaches the trial phase. Marketing collateral, feedback from peers, the success of a transaction, along with the time taken in the process, help her to begin to trust the MFS provider and the service itself.	In order to build trust levels, the customer expects communication from the provider about the status of the transaction. She shows these messages to her friends who recommended this service and compares the same. She does a quick cash out as well to check whether her money is accessible or not.	The transaction phase is evolved after positive experiences during the trial phase. These experiences are a result of success of previous transactions. The customer then starts seeing the value in other services and products.
THINKING What's going on in Fameeda's mind?	<ul style="list-style-type: none"> It will make saving money so much easier No one will be able to touch my money 	<ul style="list-style-type: none"> I'll take help from my friends and neighbors who've used this service before I hope no one will find out about this 	<ul style="list-style-type: none"> The transaction is completed quickly I better make sure I can access my money I receive a text message from the provider 	<ul style="list-style-type: none"> This process is simple and convenient My previous transactions were successful
DOING Relevant actions taking place	<ul style="list-style-type: none"> Talks to friends and colleagues Enquires about MFS, charges, products Asks 'how-to' questions at the agent outlet 	<ul style="list-style-type: none"> Visits an agent, which is either referred to by co workers or identified by looking at marketing materials Performs first transaction to try the service accompanied by a co worker 	<ul style="list-style-type: none"> Receives SMS communication from the provider on near real-time basis Confirms payment to payer and immediately does a cash out 	<ul style="list-style-type: none"> Performs repeated transactions with less worry Starts experimenting with other service features through the agent
FEELING Predominant mood of Fameeda	<ul style="list-style-type: none"> Questioning Curious 	<ul style="list-style-type: none"> Uncertain Hesitant 	<ul style="list-style-type: none"> Excited Convinced 	<ul style="list-style-type: none"> Confident Contented
Interaction with the agent	The agent provides the initial information about the product to Fameeda	The agent facilitates the trial transaction and Fameeda is absolutely dependent on the agent	Fameeda starts trusting the agent and is comfortable transacting in spite of minor issues	Fameeda's queries now evolve to more advanced services for which the agent needs to be well trained and aware

This map is a representation of Fameeda's journey from product awareness to regular use. The journey is triggered by identifying her need to use MFS to save money.



Farzana
Working woman

Outgoing and vocal about her needs and preferences when it comes to products and services. She is based in an urban setting. Financially independent, she is well-informed and makes educated choices when it comes to accessing financial services. Uses MFS for a range of activities.

Key Characteristics and Motivations

- Between 28 and 40 years of age and is employed in a private firm.
- Educated up to a graduate level and is comfortable in both vernacular and English languages.
- Married and has at least one child.
- Operates her own MFS account.
- Uses MFS for a whole range of activities, such as merchant payments and bill payments.
- Uses a smartphone.
- Visits the agent for cash-in and cash-out transactions, but not frequently.

Aspects of Use*

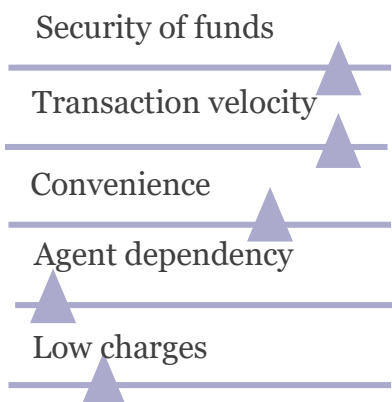
Confidence	★ ★ ★ ★
Tech savviness	★ ★ ★ ★ ★
Awareness of product and features	★ ★ ★ ★
Frequency of visit to the agent	★ ★
Trust in the agent	★ ★

- Makes and receives calls
- Sends text messages
- Uses USSD to check balance

- Uses MFS for recharges
- Uses MFS to store funds
- Is aware of product features

Product Needs and Requirements

Farzana requires different types of use cases offered through MFS. Transaction velocity is especially important to her. Because her confidence levels are high, she is more likely to experiment with different MFS products.



Quotable Quotes

"I wish I could use the service 24/7 so that I could transact whenever needed."

"I can use MFS for shopping without having to carry cash with me."

*The number of stars denotes the degree of use.

Customer Journey Map for Farzana

STAGES	1. Enquiry	2. Trial	3. Trust Building	4. Repeat Transaction
STAGE DESCRIPTION	The enquiry phase begins with the need identification of paying merchants and sending money. The potential customer then looks for information about MFS from colleagues and marketing materials. She enquires about availability of MFS and associated charges	The potential customer, who is now armed with some basic information about MFS, approaches the trial phase. Marketing collateral, feedback from colleagues, the success of a transaction, along with the time taken in the process, help the customer to begin to trust the MFS provider and the service itself.	The lack of knowledge about any grievance redressal mechanism makes this phase very critical for the customer. The customer expects proper communication from the provider about the status of the transaction. She shows these messages to her friends who recommended this service	The transaction phase is evolved after positive experiences during the trial phase. These experiences are a result of success of previous transactions. The customer then starts seeing the value in other service and product features as well.
THINKING What's going on in Farzana's mind?	<ul style="list-style-type: none"> It will make sending money much easier Can I trust that the money will be safely transacted? 	<ul style="list-style-type: none"> I'll take help from my friends who've used this service before I wonder what else I can use this for 	<ul style="list-style-type: none"> The transaction is completed quickly I receive a text message from the provider 	<ul style="list-style-type: none"> This process is simple and convenient I can use this for my shopping
DOING Relevant actions taking place	<ul style="list-style-type: none"> Talks to friends and colleagues Enquires about MFS, charges, products Asks 'how-to' questions 	<ul style="list-style-type: none"> Visits an agent, which is either referred to by friends, or identified by looking at marketing Performs first transaction to try the service with assistance from the agent or friends 	<ul style="list-style-type: none"> Receives SMS communication from the provider on near real-time basis Confirms payment by speaking to payee 	<ul style="list-style-type: none"> Performs repeated transactions with less worry Starts experimenting with other service features
FEELING Predominant mood of Farzana	<ul style="list-style-type: none"> Interested Curious 	<ul style="list-style-type: none"> Uncertain Inquisitive 	<ul style="list-style-type: none"> Excited Convinced 	<ul style="list-style-type: none"> Confident Assured
Interaction with the agent	The agent provides the initial information about the product to Farzana who verifies the same with friends	The agent facilitates the trial transaction and Fameeda relies more on friends and colleagues to guide her	Farzana becomes more confident of transacting without the agent's help	Farzana now is not at all dependent on the agent except for cash in and cash outs

This map is a representation of Farzana's journey from product awareness to regular use. The journey is triggered by identifying her need to use MFS for transactions, after hearing about it through peer groups or ATL communication by the provider.



Laboni
Student

Social and outgoing, Laboni knows about the best “deals” and rates when it comes to financial products and services. She is based in an urban setting. She typically receives money from parents or other family members for monthly expenses. She makes most of her payments through MFS.

Key Characteristics and Motivations

- About 21 years of age and lives away from home
- Studying at a graduate level and is comfortable in both vernacular and English languages
- She is not married and is dependent on her parents
- Operates her own MFS account
- Uses MFS mainly for recharges, withdrawing funds, and certain payments (such as fees)
- Uses a smartphone
- Visits the agent for cash-in and cash-out transactions only in time of need

Aspects of Use*

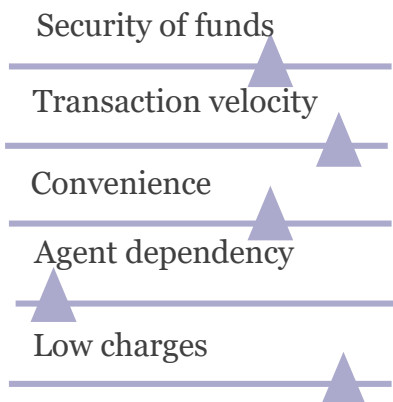
Confidence	★ ★ ★ ★
Tech savviness	★ ★ ★ ★ ★
Awareness of product and features	★ ★ ★ ★
Frequency of visit to the agent	★ ★
Trust in the agent	★ ★ ★

- Makes and receives calls
- Sends text messages
- Uses USSD to check balance

- Uses MFS for recharges
- Uses MFS to store funds
- Is aware of product features

Product Needs and Requirements

Laboni uses MFS to pay her college fees. She is always on the lookout for discounts and special schemes that she can use to her advantage. She probably would use an emergency credit facility.



Quotable Quotes

“I pay my college fees through MFS and the best part is that I get a discount as well.”

“I don’t like sharing my number with the agent and would rather do transactions myself.”

*The number of stars denotes the degree of use.

Customer Journey Map for Laboni

STAGES	1. Enquiry	2. Trial	3. Trust Building	4. Repeat Transaction
STAGE DESCRIPTION	The enquiry phase begins with the need identification of paying fees. The potential customer then looks for information about MFS from friends and classmates. She enquires about the availability of agent locations, charges to be paid, and pros and cons with respect to available alternatives.	The potential customer, who is now armed with some basic information about MFS, approaches the trial phase. Marketing materials, feedback from friends and classmates, the success of a transaction, along with the time taken in the process, help the customer to begin to trust the MFS provider and the service itself.	The lack of knowledge about any grievance redressal mechanism makes this phase very critical for the customer. The customer expects proper communication from the provider about the status of the transaction.	The transaction phase is evolved after positive experiences during the trial phase. These experiences are a result of success of previous transactions. The customer then starts seeing the value in other service and product features as well.
THINKING What's going on in Laboni's mind?	<ul style="list-style-type: none"> It will make paying fees much easier Can I trust that the money will be safely transacted? 	<ul style="list-style-type: none"> I'll take help from my friends who've used this service before I'm getting a discount on my payment 	<ul style="list-style-type: none"> The transaction is completed quickly I receive a text message from the provider 	<ul style="list-style-type: none"> My previous transactions were successful I can use this in emergencies too
DOING Relevant actions taking place	<ul style="list-style-type: none"> Talks to friends and classmates Enquires about MFS, agent location, charges, etc. 	<ul style="list-style-type: none"> Visits an agent, which is either referred to by MFS representatives or identified by looking at collateral Performs first transaction to try the service with assistance 	<ul style="list-style-type: none"> Receives SMS communication from the provider on near real-time basis Confirms payment by speaking to payee institution 	<ul style="list-style-type: none"> Performs repeated transactions with less worry Starts experimenting with other products
FEELING Predominant mood of Laboni	<ul style="list-style-type: none"> Comparing Curious 	<ul style="list-style-type: none"> Uncertain Apprehensive 	<ul style="list-style-type: none"> Excited Convinced 	<ul style="list-style-type: none"> Confident Assured
Interaction with the agent	Her friends provide the initial information about the product to Laboni	The agent facilitates the trial transaction and Laboni takes help from her friends	Laboni becomes more confident transacting by herself without the agent's assistance	Laboni is not dependent on the agent except for cash in and cash out

This map is a representation of Laboni's journey from product awareness to regular use. The journey is triggered by her identifying the need to use MFS for transactions.



Razia Begum
Homemaker

Typically shy and reticent, Razia relies on her male relatives for advice on financial products and services. She is dependent on her husband, who is often away from home on business, for their financial requirements. Based in a rural setting, she sees MFS as an avenue to save funds for certain occasions. She may not be a regular MFS user, but typically gets introduced to MFS as a method of receiving funds.

Key Characteristics and Motivations

- About 35 years of age and lives in an extended family with her husband and 3 children.
- Educated up to an intermediate level in the vernacular language.
- Uses MFS via an agent-assisted route, mainly to withdraw funds when required.
- Wants to use MFS on her phone, but does not understand the menus in English.
- Uses a basic phone.
- Visits the agent frequently for cash-in, cash-out, and money transfers, as well as solving queries.

Aspects of Use*

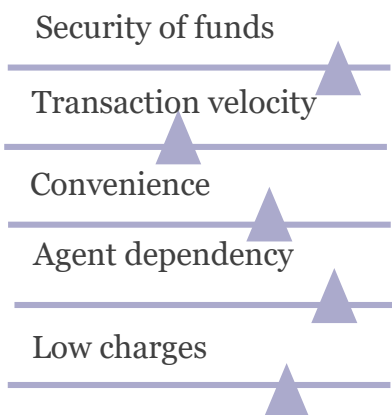
Confidence	★
Tech savviness	★ ★
Awareness of product and features	★ ★
Frequency of visit to the agent	★ ★ ★
Trust in the agent	★ ★ ★ ★

- Makes and receives calls
- Sends text messages
- Uses USSD to check balance

- Uses MFS for recharges
- Uses MFS to store funds
- Is aware of product features

Product Needs and Requirements

Razia requires a product that is easy to comprehend and is secure. Timeliness is not an issue for her, but security is of the utmost concern. A deposit product, which will enable her to store funds, would serve her purpose of building savings.

















Quotable Quotes

“My husband sends me money through MFS to run the household when he is on tour.”

“I cannot understand the screens, otherwise I would like to use MFS myself without visiting the agent.”

*The number of stars denotes the degree of use.

Customer Journey Map for Razia

STAGES	1. Enquiry	2. Trial	3. Trust Building	4. Repeat Transaction
STAGE DESCRIPTION	The enquiry phase begins with the need identification of receiving funds from her husband. Her husband tells her about the service and she then looks for information about MFS from colleagues and marketing collateral. She enquires about availability of MFS services and charges	The potential customer, who is now armed with some basic information about MFS, approaches the trial phase. Marketing collateral, feedback from colleagues, success of a transaction, along with the time taken in the process, help the customer to begin to trust the MFS provider and the service itself.	The lack of knowledge about any grievance redressal mechanism makes this phase very critical for the customer. The customer expects proper communication from the provider about the status of the transaction. She shows these messages to her family members who recommended this service	The transaction phase is evolved after positive experiences during the trial phase. These experiences are a result of success of previous transactions. The customer then starts seeing the value in other service and product features as well. However, she wishes the process of self use was simpler.
THINKING What's going on in Razia's mind?	 I need to find out more about this service  It will make receiving money much easier  Can I trust that the money will be safely transacted?	 I'll take help from my friends and neighbors who've used this service before  I hope my husband is right about this	 The transaction is completed quickly  I receive a text message from the provider	 I can ask for money anytime I need to  My previous transactions were successful  I wish I could use this without having to go to the agent
DOING Relevant actions taking place	<ul style="list-style-type: none"> Talks to friends and family Enquires about MFS, charges, products Asks 'how-to' questions 	<ul style="list-style-type: none"> Visits an agent, which is either referred to by friends or identified by looking at marketing materials Performs first transaction to try the service accompanied by family members 	<ul style="list-style-type: none"> Receives SMS communication from the provider on near real-time basis Confirms payment to payer and immediately does a cash out 	<ul style="list-style-type: none"> Performs repeated transactions with less worry Starts experimenting with other service features through the agent
FEELING Predominant mood of Razia	<ul style="list-style-type: none"> Frustrated with existing solutions Curious 	<ul style="list-style-type: none"> Uncertain Scared 	<ul style="list-style-type: none"> Excited Convinced 	<ul style="list-style-type: none"> Confident Dissatisfied
Interaction with the agent	 Razia does not ask the agent about all her apprehensions but rather addresses them to family and friends	 The agent facilitates the trial transaction and Razia is absolutely dependent on the agent	 Razia begins to trust the agent and is more comfortable while transacting	 Razia's queries now evolve to more advanced services for which the agent needs to be well trained and aware

This map is a representation of Razia Begum's journey from product awareness to regular use. The journey is triggered by her identifying the need to use MFS for transactions after her husband asks her to use the service.

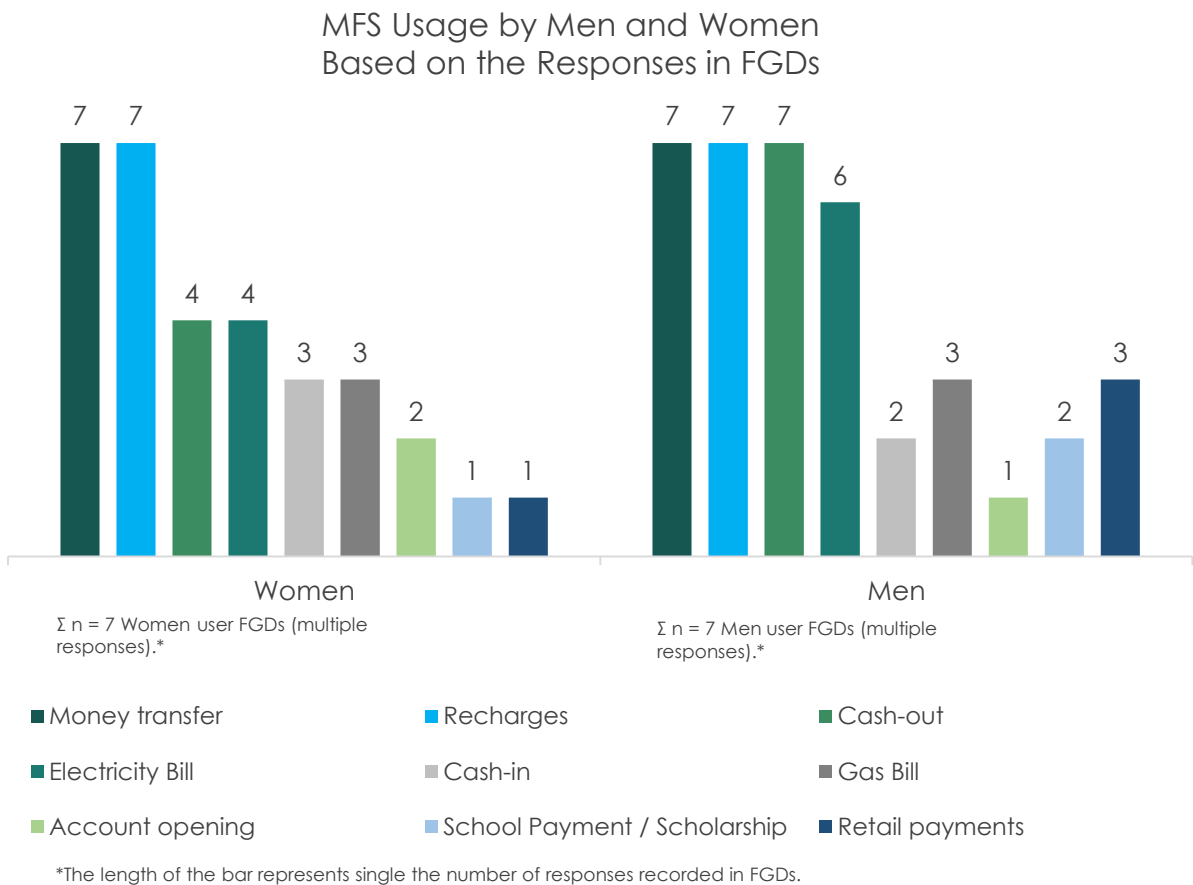


Section IV.

Women's Experience with Existing Products

Current Product Use Patterns

MFS addresses a number of challenges that women face by providing accessibility, protection, convenience, and privacy. During the field study, the team sought responses in rural and urban geographies from MFS users (both women and men) on the use of currently available services. While men were vocal about money transfer, mobile recharge, cash-out, and bill payment, women were particularly interested in money transfer and mobile recharge. Men's and women's use patterns for these products are depicted below.



Account Opening

Women MFS users are mostly influenced by their agent's or peer group's decisions. Because most of their family members and friends use a particular provider, the new user is certain to use the same provider (a network effect), so that she may transact with them easily. While most women prefer to own an MFS account, women like Razia Begum cited a preference to transact OTC. Such respondents mentioned that the ease of doing an OTC transaction disincentivizes users from opening an account.

A few other trends were observed while opening accounts:

- The process and time it takes to open an account also drives the user in selecting a particular provider over another. For instance, users felt opening a bKash account is faster and easier than a DBBL and UCash account.
- In some cases, the products' suitability drives the user to open the account. For instance, SureCash lets its users pay college admission fees. Because of this, students and their parents not only open a SureCash wallet, but also start using their mobile talk-time recharge product.

Cash-In

Stemming directly from the higher incidence of OTC use, the findings revealed that cash-in is not prominent among women users. Tech-savvy users like Farzana (who cash-in using net banking) say that, unlike other women users, they are not comfortable handing over their mobile phone or phone details to the agent for cash-in. However, women like Razia Begum usually share their account PIN with the agent for checking their account balance after completing a cash-in. Informed women such as Farzana do not subscribe to this practice, as they find this a risky proposition and fear that the agent may misuse their account or start some form of harassment.

Normally, women users like Farzana cash-in funds into their account to initiate transfer of money or provide a talk-time recharge to family members. Users like Razia also mentioned that a few agents charge unauthorized sums during cash-in, which deters them from using this product. Moreover, the women users of this category are not aware that the premium charged by the agent is not authorized by the service provider.

"If the cash-in cost is lowered by 50 percent, then we would be able to deposit more money in the account. Then I will not think too much while depositing money. So I won't need to keep cash money, no need to keep money in the bank."

—A male MFS user in Barisal, unaware that cash-in is free of cost

Cash-Out

Most of the women users are aware of the process of cash-out. They find cash withdrawals easier at an MFS outlet, rather than going to a bank or an ATM because of the absence of procedures, such as filling a form or waiting in a queue, besides other societal biases. Women feel that an agent's presence makes it easier for the recipient to receive cash without having to travel a long distance. They perceive that using a personal account is safe but slightly complicated. Customers know that in case their mobile phone is stolen, they would be able to withdraw money only when both the mobile phone and unique PIN are available again.

Users who are not literate also find this product useful. Women users like Fameeda and Razia Begum, do not have a personal account and find it comfortable to conduct OTC transactions (cash-out) at an agent outlet. This, according to them, is the biggest use case of MFS. However, users also felt that there are certain challenges when it comes to an agent-assisted transaction. These are discussed in detail in the section covering issues and challenges.

The respondents also use money transfer agencies, such as Western Union, other informal remittance channels, such as *hundi*,** and courier services, which charge more than MFS. Surprisingly, very few women users, especially in the urban areas, are aware that ATM booths also provide an option for cash-out. Most rural MFS users do not mention ATM booths. This is mainly because of agents' greater density* and visibility compared to ATMs.

“Once I had to withdraw BDT 100,000, so I went with a three-step process. I withdrew in installments of 40,000, 30,000, and 30,000 taka. If you have a personal account, then you can do it”

—A female MFS user in Sylhet

*Based on data from IMF's [Financial Access Survey, 2015](#), in Bangladesh there are 386 e-money agents compared to only 9 automated teller machines (ATMs) per 100,000 adults.

**Refer to [appendix D](#).

Sending Money

Money transfer is almost a daily requirement in households across Bangladesh. Family members, women, and men alike need to migrate to other cities, towns, and villages for earning livelihoods and education. Thus, for women like Laboni and Farzana, sending money using MFS becomes a regular necessity. This makes sending (or money transfer) the biggest use case for MFS, a statement that a large number of women correspondents echo.

Women users concur that self-initiated and agent-assisted (primarily OTC) are the two modes of money transfer they primarily use. However, there are certain challenges involved in agent-assisted money transfer, as agents charge a premium over the specified charge, which women feel is unfair. Besides, when a user wants to cash-out received funds, they may face service-denial because of closed agent outlets, connectivity problems, and issues related to liquidity. Hence, women feel that having a personal account is more secure and efficient. In the case of bKash, for instance, the team can use the BRAC Bank ATMs to withdraw money.

There are other informal channels that women use to receive money. Non-MFS users especially use these informal channels, such as hundi* and courier services, among others. They feel that these channels may be costlier than the usual MFS channels, but they have never faced any problems, nor have they heard of anyone facing any issues while using these channels.

“My paternal uncle sends me money from his account into my account. I can withdraw money when I wish.”

—A woman MFS user in Rangpur

*Refer to [appendix D](#).

Talk-Time Recharge

A sizeable number of women users who participated in the FGDs use MFS for talk-time recharge. The main advantage of using MFS for talk-time recharge is the fact that it can be done from the comfort of the home without having to venture out, and user can do it anytime. Bangladeshis usually use airtime recharge agents or scratch cards to top up prepaid mobile phone subscriptions.

When asked to determine what would further drive the use of MFS, women respondents expect to receive some added benefits, such as special discounts for women and students, when using MFS for services such as talk-time recharge. The general feeling is that this will motivate other women to create personal accounts and use MFS.

The only concern that women raise while using a mobile top-up service is related to recovering the money in case of transfer to an incorrect mobile number or debit caused by network failure. While non-users shared the same concern, they also expressed that the talk-time recharge will motivate them to adopt MFS. While they remain conscious of challenges, such as mobile literacy and understanding MFS, they feel they will be able to adapt to talk-time recharge in MFS with assistance from their family or nearby agents.

“You can recharge money on any number. But I wish they charged a lower fee for women and students for other services. “

—A woman MFS user in Dhaka, on the advantages of using MFS

Bill Payments

MFS providers have partnered with utility companies (electricity, gas and water providers) to provide bill collection services to their customers at their agent points. This product is also provided by banks.

Women like Fameeda and Razia Begum who share bill payments using MFS providers have saved a lot of time that would otherwise have been spent in queuing and travel. These were significant hurdles that they faced while previously making physical visits to banks or utility companies' collection centers.

Agents also feel that this service helps them cross-sell products to women, as normally it is the woman of the household who comes to pay bills. A few women MFS users and non-users opined that MFS providers charge more as compared to banks. They felt that MFS providers should align their charges to bank rates for the same services and, in some cases, lower the charges.

Apart from these utility bill payments, women users also use MFS for other day-to-day transactions, such as payments to retailers who accept MFS.

"I'm at the office but there's no balance on my phone. I can immediately load money through mobile banking. Then I can pay my gas bill and electricity bill using MFS."

—A male MFS user in rural Sylhet, on bill payment

The following table provides the indicative costs for popular transactions, which highlights the difference between when a user conducts a transaction herself and when she conducts the same transaction with an agent's help.

Popular transactions	Amount in Bangladeshi taka (BDT)	Charges for self-use (BDT)	Charges for agent-assisted route (BDT)
Sending money	10,000	5 (deducted from account balance)	Ranges from no charges to 10–50 taka
Cash-out at agent point	10,000	185 (deducted from account balance)	Ranges from 20–50 taka extra
Cash-out at automated teller machine (ATM)	10,000	200 (deducted from account balance)	N/A
Talk-time recharge	300	No charges	No charges
Utility payment	5,000	No charges	Ranges from 5–10 percent of the bill amount, and also depends on the payment's urgency



Case Study

DBBL's Scholarship Payment to Students

This is a unique product provided to students by their school under the DBBL scholarship program.

DBBL has tied up with schools across Bangladesh, where the school provides scholarship money to the students in their parents' DBBL account. The scholarship is awarded to meritorious students in need of financial aid.

There is a separate eligibility criterion for urban and rural students. Ninety percent of these scholarships are given to students from rural areas and 50 percent to female students.

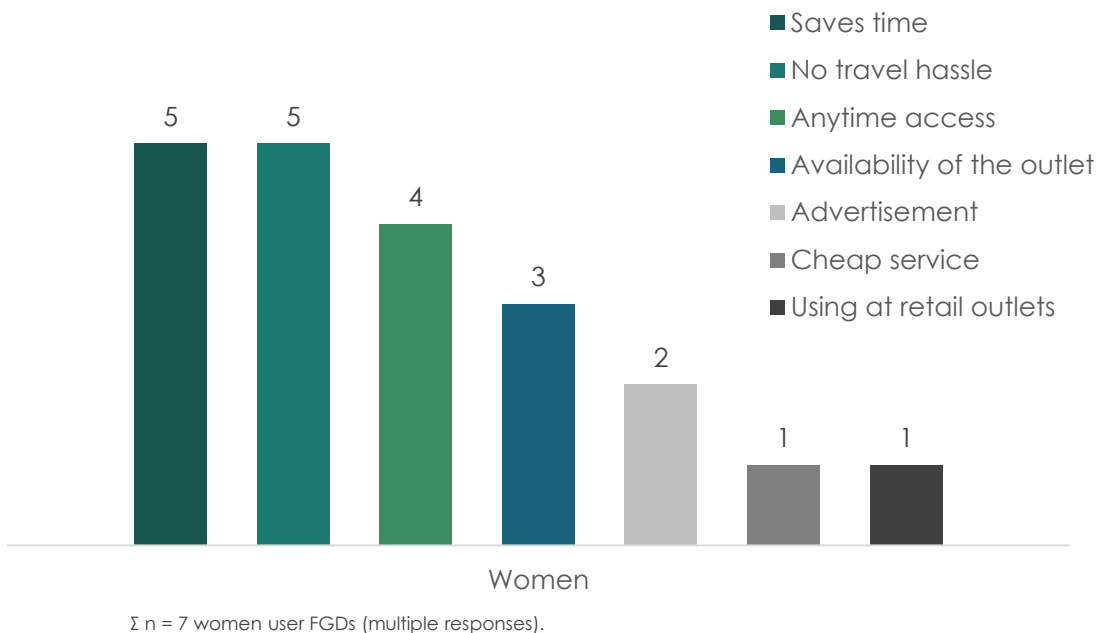
The scholarship awards are under different sections, such as monthly scholarships, annual grants for study materials, and annual grants for clothing. This is essentially given to undergraduate students.

The scholarship is sent from the school to the parents' DBBL mobile banking number. The parents accept it using the secret personal identification number (PIN) that the school provides. More than one scholarship can be availed on one DBBL mobile number. Thus, MFS can act as a bridge between parents, students, and schools in providing quality education, as well as supporting the students' future needs.

MFS Products' Enabling Features

There are certain key features that motivate women to access MFS. These drivers of MFS enhance the uptake of MFS products among women users and encourage women non-users to start using the service. This section details the key features of MFS products and services that act as motivators, encouraging uptake and regular use among women.

Key Motivators Determining MFS Use among Women, Based on FGDs



Saving Time

Women users are driven primarily by the fact that MFS helps them save time spent traveling, waiting in queues, and performing other operational activities. They prefer to operate their MFS account or visit an agent outlet rather than going to a bank for financial services, such as withdrawals of cash, cash deposit, or other transactions.

By depositing money in their MFS account, they are able to earn a small amount of interest that is similar to what the banks offer for current accounts. Users view this as a “win-win” situation that gives them the incentive to store more funds in their MFS accounts.

No Hassles during Travel

Almost a quarter of the women respondents felt that traveling a longer distance was a hassle to accessing financial services. Banks, especially in the rural areas, are located at some distance from customers' residences. Women find it challenging to leave their household duties and travel to a bank branch to spend considerable time in queues waiting for service. Women users feel that MFS conveniently brings financial products and services to their doorsteps. They can now save, recharge their mobile phone, or transfer money to their friends and relatives without venturing out of their house.

Anytime Access

Women MFS users feel that MFS accounts provide them the freedom to access multiple services, such as banking services, mobile recharge, merchant payments, and money transfer anytime and anywhere. Their dependence on male relatives has dwindled; they feel MFS has given them the privacy and freedom to make their own financial decisions.

"I can withdraw money using ATM at three in the morning in case of emergencies. So we can do the transaction anytime by bKash."

—A woman MFS user in Chittagong

Agent Outlets' Availability

Women MFS users feel that it is much simpler to transact with local agents, because they understand their context and financial needs better. Because of a dearth of ATM points in rural areas, it is the agents who assist women (especially rural women) to cash-out at outlets. Moreover, agents also help to build mobile financial literacy in rural areas.

Advertisement

A few women respondents feel that advertisements are an important factor that drives them, as well as other women, to use MFS. They compare their own experience at the MFS outlet with the experience broadcasted on a television advertisement. Women trust the brand advertised on television and feel that television is a good medium to disseminate information on MFS products and their benefits. This is a major reason why bKash is viewed as reliable and trustworthy. Its ATL marketing campaigns have resonated across customer segments and led to positive affirmation for the brand.



We have seen ads on TV on bKash, and agents have visited house to house to tell us about bKash, but the others had not come.

—A woman MFS user in Barisal

Preference and Rationale for Choice of Service Provider

Across all MFS providers, product offerings such as cash-in, cash-out (CICO) and mobile recharge are common. The following table shows the different rationales and preferences that women MFS user exhibited while selecting their service providers.

Provider*	Product offering	Enabling factors	Barriers to use
DBBL	Money transfer (domestic), scholarship payment, electricity and gas bill payment	<ul style="list-style-type: none"> • Large amount of money transfer (domestic) possible • Transaction charges for cash-in, cash-out (CICO) and money transfer are less compared to other providers 	<ul style="list-style-type: none"> • Very few MFS agents • Service denial because of liquidity issues • Marketing/publicity less visible • Network effect—few people use DBBL as compared to bKash
bKash	International remittance, mobile, electricity and gas bill payments	<ul style="list-style-type: none"> • MFS agents' maximum presence • Association with a BRAC Bank brings trust and confidence • Greater presence in rural areas • Peer-group reference and word of mouth lead to uptake 	<ul style="list-style-type: none"> • Fraudulent calls for money transfer • Unavailability of agent at outlet • Lack of withdrawal or deposit of funds above BDT 100,000
UCash	International remittance	<ul style="list-style-type: none"> • International money transfer among family members 	<ul style="list-style-type: none"> • Far less market presence • Limited customer awareness
SureCash	Education institution payment; electricity and gas bill payment	<ul style="list-style-type: none"> • Receive money from any bank in network • Partners with educational institutes for payments • Discounted rates for students' talk-time recharge 	<ul style="list-style-type: none"> • Far less market presence • Limited customer awareness
Mobicash	Bill payments; train ticket	<ul style="list-style-type: none"> • Trust in Grameenphone • International money transfer among family members 	<ul style="list-style-type: none"> • Far less presence in the market • Limited options (only bill payments and train tickets)

*Five providers were mentioned in women MFS user FGDs.



Section V.

Issues and Challenges

Women MFS users in Bangladesh face unique issues and challenges owing to the nation’s regulations, operational environment, and sociocultural context. During the course of field research, the team sought responses from male and female MFS users, as well as non-users and other key informants—such as providers, MNOs, and regulators. The responses centered on the actual and perceived challenges regarding MFS use. The team analyzed and segregated responses according to the main focus area of the reported challenges or problems. Subsequently, the issues and challenges—in the context of end customers—are broadly categorized into four categories:

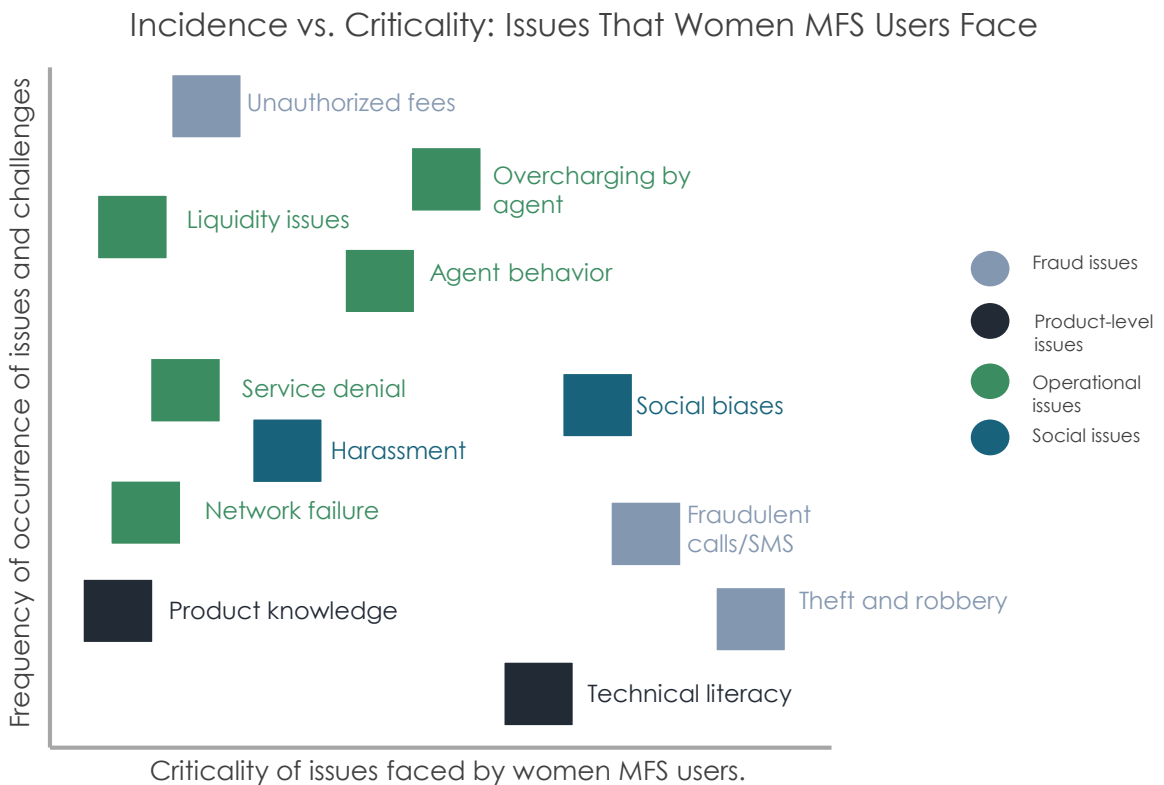
1. Product-level issues;
2. Operational issues;
3. Social issues; and
4. Issues linked to fraud.

Product-level issues are challenges that customers face while using MFS services, highlighting instances where the product needs to be tailored specifically to fit a particular customer segment. These also include communications about the product and features to the target customer base. The operational issues deal with the challenges that customers face while interacting and transacting with the channel. Social issues highlight the social biases and cultural obstacles that impede MFS’s uptake among users, especially self-use and OTC women customers. Various risks leading to incidents of fraud that women users face in MFS are considered. The following sections describe the issues in detail.

Issues and Challenges Faced by Women Using Mobile Financial Services			
Product	Operational	Social	Fraud
Insufficient product knowledge	Agent knowledge and behavior	Social biases	Risks of fraud
Affordability	Trust in channel	Security concerns	
Technical literacy requirements	Service denial	Harassment	
	Network downtime instances		
	Account opening process		

Mapping Common Issues' Criticality

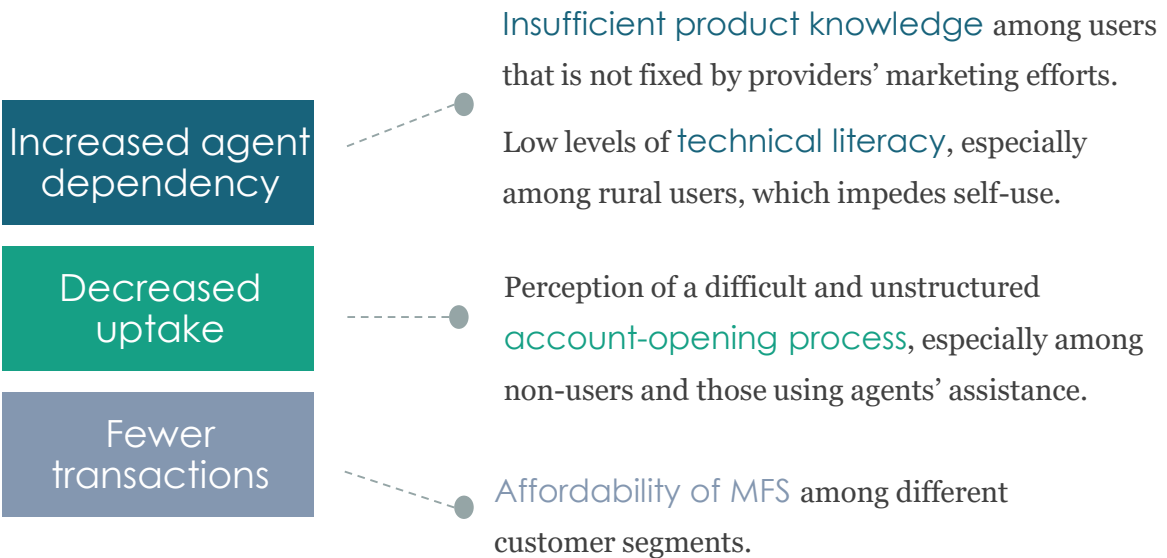
Supported by anecdotal evidence, detailed discussions with woman users pinpointed both the rates of incidence and critical nature of the issues that women face in their day-to-day use of MFS. The most common issues and challenges are mapped in the adjoining graphic. These issues' criticality has been mapped against their frequency to understand the specific factors that affect the uptake of MFS among women, and how often they cause impediments to using MFS within this segment.



While these issues have been discussed at length in the previous sections, it is important to understand the priority that users place on these barriers. Some barriers, such as service denial or network failure, are commonplace but do not majorly affect a customer's decision to use MFS. On the other hand, issues of technical literacy or fraudulent calls may not be common, but when they occur, they play a vital role in affecting users' inherent cognitive biases. These biases, such as confirmation bias, makes users tend to listen to information that confirms their preconceptions—in this case, that MFS are unreliable, or that agents are untrustworthy.

Product-Level Issues

It must be noted that MFS in Bangladesh is gradually seeing a paradigm shift as far as user understanding of the product is concerned. While MFS was initially viewed simply as an “easy money transfer service,” other products and service offerings are gradually becoming popular. The barriers faced by users have far-reaching effects in the MFS landscape.



Insufficient product knowledge

A common issue that respondents mentioned was that they do not have sufficient knowledge about the product’s features and services. Most customers still view MFS as a money transfer service and are unaware of other features. bKash is viewed as synonymous to money transfer, and customers are unaware of other features. While this deters the case for self-use among customers, often agents do not promote or inform customers about other product features. In urban locations (within and around the major cities), self-use is a common phenomenon. In rural areas, customers largely depend on agents for transactions.

Though providers attempt to communicate various product features and new services via marketing and communication strategies, the uptake of these is limited to customers who already have MFS accounts. The marketing does not reach those customers who depend on agents for conducting transactions (like Fameeda and Razia Begum).

Affordability

While the convenience of MFS cannot be contested, users feel that the charges levied are often too high. In fact, even among non-users, the perception was that the cost of MFS is too high when compared to the charges levied by banks. It is interesting to note, however, that the objections to high charges come mainly from customers who use MFS to transfer funds.

"I needed to send money urgently, so the agent asked me to pay a commission. Later my friends told me he should not have charged extra."

—An MFS user in Barisal, specifying a case of overcharging

This may be partly attributed to agents in rural areas, who charge an extra amount from customers for conducting transactions in the agent-assisted mode. For other transactions, such as utility bill payments and merchant payments, customers do not feel that the charges are prohibitive, but feel that they could be reduced further to encourage uptake.

Charges for agent-assisted transactions cost the customer more than prescribed charges for self-use. [The previous section](#) illustrates details of the comparative transaction costs.

Technical literacy

One of the major reasons customers balk at self-use of MFS is the fact that most users, especially in rural areas, are only familiar with using their phones for basic services, such as making and receiving phone calls. This is especially true in the case of women. Many urban and educated users prefer to have personal accounts. However, for users with lower levels of literacy and comfort with mobile phones, the agent-assisted route is the *de facto* method of accessing MFS.

Such users, who are either unaware of or are uncomfortable with accessing USSD services, are dependent on the agent for all transactions. The USSD menus are in English, which makes self-use more difficult and uncomfortable for such users (Fameeda and Razia Begum). As a result, they are more susceptible to various risks associated with agent-assisted transactions. Accessing services—such as merchant payments and other bill payments—involves understanding the on-screen content as well as menu navigation, which often compels customers to shy away from using the service for fear of accidentally losing money by selecting the wrong keys. These factors again put the onus on the agents to either educate the customer or to conduct transactions on their behalf.

The language barrier of using USSD menus in English hinders the uptake of MFS among users. This issue has been highlighted in the case study of Raheeda Begum, a homemaker from Sylhet. It is possible to overcome the linguistic barrier by experimenting with non-text menus based on graphics (icons) and voice menus, which can be delivered through a smartphone app.



Provider Speak

MFS providers depend on mobile network operators (MNOs) for the front-line platform offered to users in the form of USSD menus. Although Bangla language USSD services have been attempted, navigation issues stemming from character limits resulted in a less-than-satisfactory uptake among customers. MFS providers believe that because MNOs offer other value-added services via USSD, customer education regarding its use should be the MNOs' prerogative.

How USSD Menus in English Deter Self-Use

Raheeda Begum is a 33-year-old mother of two. She lives in Beani Bazaar (in Sylhet), where she manages a large household, consisting of her husband's extended family. A prolific user of MFS, she sends money every month to her younger sister, who studies at the junior college in Sunamganj. Her husband, a trader by profession, also sends her money through MFS to run the household while he is away on business for extended periods of time.

"I wish I didn't have to visit the agent for transactions, but what can I do, even if I try, I can't understand the screens," she laments, describing her inability to read the menus' content when accessing her MFS account through USSD. She mentions how she also tried to memorize the menus, but ended up making an erroneous transaction in which she sent money (meant for her younger sister) to someone else in Dhaka.

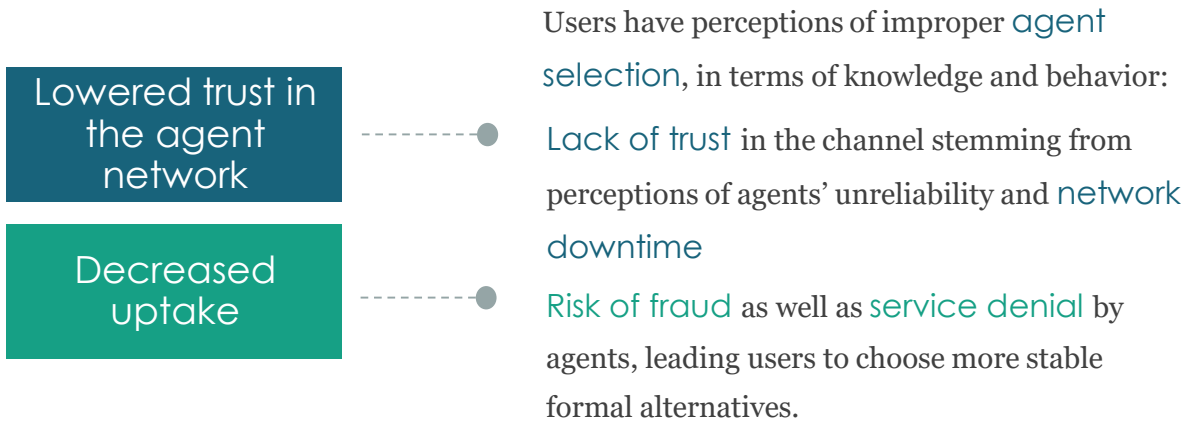
"I never got that money back, and only I am to blame, I can't even ask my husband to go and talk to the agent. If only the screens had Bangla, then there would be no problems." Although Raheeda has an intermediate-level education, the instruction was in Bangla. Her understanding of English is minimal and, as a result, she depends on a nearby agent for transactions.

The issue is pervasive among users who follow the agent-assisted route. While fully capable of using their phones to make calls, receive, and send text messages, vernacular users are impeded when it comes to using the English USSD interface that most providers offer.

Providers are also in a catch-22 situation when it comes to this predicament, *"If we were to change the language settings to Bangla, the character limit in USSD means that navigation of the menus in Bangla becomes nearly impossible, which will only add to frustration, not just for newcomers but also established users,"* says a representative of a leading MFS provider.

Operational Issues

For most MFS users, the first line of contact with any product or service is the agent. While agents are supportive in many cases, respondents have also expressed their dissatisfaction about dealing with agents.



Agent knowledge and behavior

Users feel that most agents are not well-equipped in terms of knowledge and behavioral aspects to serve customers effectively. Users seek information from agents about product features but feel that the explanations received fall short of expectations. Regular users believe that agents should have more knowledge about financial products and guide users when it comes to different products and services. However, this behavior may partly stem from the fact that agents are more comfortable keeping the customer dependent on the channel. This translates into more business for agents, because customers come to them for a variety of transactions rather than the simple CICO, giving them opportunities to charge higher than authorized fees.

In some cases, especially among women users, agents' behavior leaves much to be desired. Some agents are described as rude and condescending, and particularly unhelpful when dealing with customer complaints. Often, customers are unaware of any recourse mechanism other than contacting the agent. This leaves customers wondering if providers actually follow any form of guidelines while selecting agents.

Discussions with various providers revealed that their agent-selection criteria conform to existing "regulations." However, providers give more importance to the potential agent's ability to maximize business volume. While this may translate into short term business for providers, it lowers their priority for addressing customer experience.

“I don’t bother asking the agent anything, but rather rely on my friends and family members to guide me.”

—An MFS user in Chittagong, decrying the lack of agent support

Trust in the agent network

As mentioned previously, the agent network is the first point of contact for users when using MFS. However, a high number of respondents mention that they do not trust the agent when it comes to transactions.

This notion of unreliability and the consequent fear of being deceived stems from the belief that the agent does not have the customer’s best interests in mind, but rather, only views any transaction’s commission aspect. The users’ perception is that in most cases of fraud that users have experienced or heard about—such as losing cash while transacting, not receiving a confirmation message, or overcharging—the agent was an accomplice to the crimes carried out by professional fraudsters.

Respondents also mentioned the agents misusing PINs, on the pretext of helping customers with transactions. While bank branches are seen as more trustworthy and reliable, the usual problems of long queues and fixed working hours still act as barriers for women users. While the convenience of using agent outlets cannot be disputed, untoward instances such as the aforementioned leave some women users wary of agents.

“The agent always asked me for my PIN and I used to tell him. I only realized later that I should not share it with him.”

—An MFS user in Dhaka explaining an instance of operational misconduct

Service denial

At the time of cash-out, many users complain that agents refuse to initiate transactions. This may be a result of low liquidity, wherein the agent does not have the requisite funds (or liquidity reserves to service premium customers), or also because of service downtime. As a result, having a wide distribution network of agent outlets does not necessarily always aid customers, as customers face the hassle of having to locate an agent point that is willing to make a cash-out. This is especially troublesome for women, as they have limited mobility compared to men when it comes to having to search for an accessible agent point. The root of this problem is poor liquidity management at the agent outlet. Providers, however, are of the opinion that agents who are used to large transaction volumes seldom face this problem. It is only the nondedicated agents who have issues related to large cash-outs, because they seldom keep large sums of cash on hand.

“Whenever I have to withdraw my monthly expenses, I have to visit at least 4–5 agents before finding one who is willing to give me the cash.”

—A young out-of-station student in Sylhet describing her experience with large cash-out transactions

Network downtime

Sometimes, users face the issue of network downtime at crucial moments of their transactions. MFS providers claim that the fault lies with the MNOs. However, MNOs do not identify this as a problem and attribute it to normal downtime, which sometimes affects telephony customers, too. MNOs also feel that such interruption faced by users could be because of USSD session timeout in case customers spend a long time browsing menus. Admittedly, the problem is not too common, but it has affected a fair amount of users. This becomes a problem in times of emergencies, and the service then appears unreliable. In some cases, while the transfer of funds takes place, customers do not receive a confirmatory message, which adds to their confusion.

Account opening process

Users who wish to open an account with an MFS provider are required to provide a copy of their national ID, and passport-sized photographs. They visit the agent with their mobile phone and are required to fill out a form to open an account. While seemingly straightforward, the process seems to lay hurdles for many customers, especially in rural areas. Women users are hesitant to provide their mobile phones to agents in addition to other documents. Those who complete the account-opening process have remarked that it takes a long period of time to activate their accounts and requires constant follow-up visits to the agent counter. At times, these users are unsure whether the agent shares their phone numbers and personal details with other people, which could cause harassment in the future. The entire account-opening process takes between 3–5 days for the account to be fully operational.

A particular predicament for young women (partially fitting the personas of Laboni and Razia Begum) from more conservative communities is the requirement to submit photographs for opening an account. Agents employ a workaround in these cases, by registering the account in the name of a male relative and enabling young women to use MFS services. However, this method is not allowed according to Bangladesh's regulations, and makes the woman dependant on the male relative.



Provider Speak

For MNOs that partner with MFS providers, an existing customer base exists in the form of their mobile subscribers. However, the same problems that dogged the initial adoption of mobile phones and connections among women are affecting the uptake of MFS. Women are often not dissuaded from freely owning mobile phones by male relatives. Registering for a connection involves handing over photographs and copies of identity documents. In conservative communities, sharing a woman's documents is not banned, but it is frowned upon. As a result, connections are either registered in the name of men, or are used by women relatives under supervision. This legacy (which affected mobile subscriptions) continues in the MFS setting, hindering uptake among women.

Non-users of MFS perceive the account-opening process as cumbersome and worry that agents are not careful with the documents, which at times, gets misplaced. Respondents who do not use MFS disclosed their hesitation in providing photographs and other documents to agents. Unsurprisingly, they would not hesitate to provide the same documents to a bank branch for opening a savings account. This behavior stems from the perception of the bank as an institution that is safe, secure, and responsible. Customers, on the other hand, do not trust agents. As providers acquire more agents to expand their distribution channel, the quality of agents—that is, having an agent outlet which is perceived to be reliable, trustworthy, and secure—takes a backseat to channel expansion.

“Her brother has opened a SureCash account on his phone and she uses that for transactions. She wanted to open an account herself, but he refused, saying that troublemakers may try to contact her.”

—An agent in Sylhet describes a young woman user's difficulty

In some cases, agents do not promote account opening among customers. Although they have business targets for customer acquisition, respondents mention that they do not fully explain the product use and features to their customers, even if they register them. Some agent outlets deny opening accounts for customers, or do not replenish their stock of registration forms to hinder the registration process.

“Where is the time to explain how to use the service? And if I tell them everything, why will they come to me? Won't my business go down?”

—An agent in Chittagong, when asked about educating customers

Social Issues

Sociocultural dynamics play an important role in the uptake of MFS in Bangladesh. In the case of women, social norms are often absolute and binding, dictating not only ownership of an account, but the very access to MFS as well, severely affecting uptake.

Social biases at play

While access to MFS in Bangladesh is nationwide, largely because of the ubiquitous MFS agent network, women often are bound by familial pressures when seeking access to MFS. Many women now use bKash for cash-out, following a bandwagon effect. However, in more conservative communities, a woman's interaction with external actors, such as agents, is severely limited.

Rigid environments that reaffirm a woman's perceived traditional role (that of homemaker and with limited social interaction with the opposite gender, partially fitting the persona of Razia Begum), are often to blame. Social norms, which define a woman's role in the community, are a vital factor in the degree of independence granted to women to access MFS for themselves. This social proofing and positional bias that stems from traditionally divided roles and responsibilities binds the amount of freedom that women possess. As literacy levels rise and the proportion of women using MFS accounts grow, these social constraints will grow less stringent over time. Mobile phone proliferation has normalized women's access to them. The same can be expected for MFS over time.

Herding is a common cognitive bias that affects the uptake of MFS. Users discount their own beliefs (of convenience and use cases) about MFS and imitate others' views. Often their choices are influenced by the choices of family members and peers.

“I would use it before, but after marriage, I am not allowed to. None of the women in my husband’s family use it, either.”

—A woman MFS user in Chittagong, describing her gradual decrease in use of MFS



Provider Speak

MFS providers are unanimous in the view that social biases are the biggest barriers to MFS uptake among women. Through their operations, they acknowledge that in terms of acceptability of women using MFS, the country can be classified into two sections. The first is a more progressive western section consisting of Rajshahi, Rangpur, and Jessore. A comparatively more conservative eastern section, consisting of Chittagong and Sylhet, comprise the second section.

Religion also plays an important factor in the amount of freedom offered to women. While members of the minority Hindu community are more liberal when it comes to a woman’s activity, the Muslim community largely follows a more conservative approach, leaving the decision for letting women access MFS to male family members.

Security concerns

Users perceive agent outlets to be unsafe, especially in the case of cash-out transactions. Fueled by news reports of bKash agents and customers being mugged, customers' perceptions of conducting a cash-out transaction involving large amounts is one of the concerns.

Male relatives of women, especially in rural areas, accompany women MFS users if they are required to conduct a cash-out transaction. Even though agents offer flexible timings, most women customers prefer to visit the agent outlet during the day when other customers and bystanders are around. This gives rise to our next reported issue—harassment.

“I started receiving phone calls from unknown men after I visited a different agent outlet to use MFS. I had to deactivate that SIM.”

—A young women comments on her experience of facing harassment

Harassment of women users

Most women users have faced some form of harassment in the course of using MFS. The most common complaint is that of unwanted phone calls from unknown men. Often, because of the nature of agent outlets, there is a crowd. Some may note the phone numbers of women users and harass them later.

Some providers have taken certain steps to deal with this issue, such as providing a code for women customers to use with transactions, instead of having to share their phone numbers. Most users are, however, unaware of this option, and have admitted to a need for it. This practice has not been mainstreamed among all MFS providers, which further restricts uptake.

Issues Related to Fraud

Women users are particularly wary of the risk of fraud at the agent outlets. The most common issue they face in this regard is the agent misappropriating cash, which is more likely at outlets where OTC is prevalent. Many respondents have either faced this problem themselves or have heard of close friends and relatives being duped by agents. Agents take the money from customers meant for funds transfer and notify the customer that the transaction has taken place. However, customers do not receive any confirmation message at the time of cash-out, and then the agent at the receiving end denies the transaction.

Another risk that women users mention is the agent's misuse of the PIN numbers. In rural areas, customers often trust the agent blindly, going so far as asking the agent to change their PIN for them. Sometimes, the agents misuse this position of trust to withdraw funds from customer accounts.

Many users also have complained of messages offering grand prizes, such as cars and other luxury goods, redeemable on the payment of a nominal sum. Some customers fall for these fake offers and do not seek any recourse, as they are often ashamed of their naivety and do not wish to draw unwanted attention.

Though agents are expected to maintain tariff sheets at agent outlets, there is seldom any check for compliance, especially for non-exclusive and nondedicated agent outlets in rural areas. This leaves them the scope to charge unauthorized fees to clients, who may be not aware of the true costs of the service.

These factors erode trust among users and adversely impact the uptake of services. Illiterate customers, especially, find these risks hard to fathom and stick to tried-and-trusted traditional channels for remittances and for savings.

The section on customer recourse mechanism delves deeper into the course of action that users follow, along with the responses of agents and providers, when faced with fraud.



Case Study

MFS-Related Cases of Fraud

There are a number of cases of fraudulent activity, which seem almost astounding to any experienced user. Yet in reality, fraud affects many users of MFS who lack the privilege of education and are vulnerable to such activity.

Jiner Baadshah, loosely translates into King of Djinn, is a common fraud that affects mostly rural populations. Unsuspecting and susceptible rural users receive calls from a seemingly supernatural force known as *Jiner Baadshah*, who promises them great wealth or assures them of keeping loved ones safe from harm, upon payment of a token amount of money.

In some cases, the user learns of winning a lottery or a prize, such as a car or other luxury products. The calls or text messages come from numbers that are similar to provider numbers, which enhance their credibility. Users are asked to pay a deposit that ranges from BDT 2,000 to 5,000 as a processing fee to claim their prize. Needless to say, after customers send the money, the number is untraceable and the money is lost. Customers seldom take up these issues with the provider, because they are embarrassed about being seen as gullible. Surprisingly, this type of fraud prevails among urban, educated users, too. Fraudsters play on users' inherent biases, which make them fall for offers that are too good to be true.

In schemes that target mostly women, individuals receive calls from unknown numbers, citing a medical emergency, such as a family member being in an accident. The customer is asked to send funds immediately for admittance into a hospital. Although the customer tries to get in touch with the alleged accident victim, in some cases the call does not go through, making the scenario seem believable. The user then sends the funds immediately to the unknown number, which soon goes offline and becomes untraceable.

Users' Recourse Mechanisms

While providers have embedded customer-protection measures into MFS, there is a definite gap when it comes to accessing these practices. Specifically, in rural areas, users do not follow up with recourse mechanisms, primarily because do not have enough information on how to seek recourse and feel hesitant. This often leads to customers simply writing off any losses caused by untoward incidences. However, in urban and semiurban areas, there are two distinct courses of action that customers are either aware of or actually use: contact the agent point and contact service providers.

At the agent outlet

The first point of contact for any form of grievance mechanism is the agent. However, users have expressed their dissatisfaction with the agents' responses to customer complaints. While their primary source of information is the agent, users often believe that the agents themselves are unaware of any recourse mechanism. The high dependency on the agent translates into problems remaining unresolved until customers write off their losses.



Customers feel that agents become defensive and are rude when faced with complaints. While some agents make a note of customers' complaints, no action is taken. Also, agents often claim that they are not responsible for attending to customers' complaints. In some situations, agents direct complainants to the service provider via a customer center or to local field representatives. Providers confirm that agents do not receive any special training on grievance mechanisms. Providers contend that the marketing collateral that providers supply to the agent, which lists customer care numbers, suffice.

It must be noted, however, that most agents direct DBBL users to the nearest DBBL branch or fast-track outlet for the purpose of resolving issues.

Contacting the provider

While providers have recourse mechanisms in place for the customer to access, not many are aware of this channel to direct their complaints. Urban users are savvier and use established helpline numbers to voice their complaints. While few users are aware of bKash's helpline number, users of other providers (such as SureCash and DBBL) are unaware of any helpline facility. In some cases, DBBL customers with grievances visit their nearest branch for solutions.

In some cases, customers who wish to speak to a representative of the provider through a helpline number face two impediments. First, the user—who is illiterate and not tech-savvy—must navigate the interactive voice response (IVR) menu before reaching a representative. Second, the charges for such calls often become prohibitive.



In rural areas, these hurdles are often insurmountable, and users feel that they have no recourse. Most providers have set up service points where customers can directly speak to a company representative. However, these points are present only in urban and semi-urban areas, leaving rural customers with no recourse. Visiting these points incurs travel times and costs, which are often too high to justify the loss in the transaction amount.

Most users learn of these methods by contacting the provider only through agents or their friends and relatives. Providers have failed to initiate campaigns that proactively educate customers on recourse mechanisms. A senior executive from a leading MFS provider laments, “Our margins are already razor thin. How can we justify the added expenditure of customer education programs?”



Section VI.

Women's Product Preferences— Concepts

Recurring Deposit Product



This product addresses the needs of women, such as Fameeda and Razia Begum, who operate their own MFS account or depend on OTC. Women in this segment find it tough to save cash at home in a cupboard or a nest egg. These women need to save at a safe place where they can earn interest, too.



These women want to save for goals such as old age, children's education, or family emergencies. Their inherent requirement is to see their family happy, and they fulfill their duties as a wife, mother, sister, or as a daughter. Barriers targeted include social bias, security, and affordability.



Small enterprises



Pension savings



Education

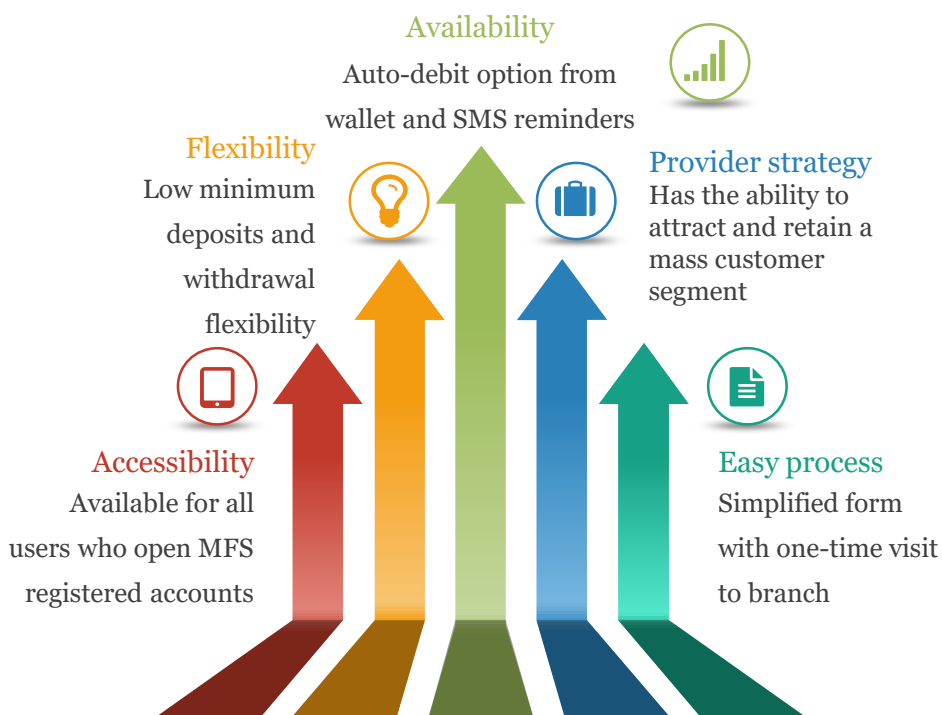


Family

Addressing Existing Product Gaps

This contractual/term deposit product will address three key requirements:

- SMS reminders to ensure timely savings;
- Transaction time and velocity, making sure the transaction is on time and quick; and
- Better interest rates compared to savings products and MFIs/NGOs.



- Competitive interest rates
- A pilot test may be conducted with an MFI/NGO focusing on women, to understand the product's uptake.

8 Ps of MFS	Features
Product*	<ul style="list-style-type: none"> • Purpose: Accumulating regular savings for a more secure future • Easy to transact: Available in the MFS product suite, with functionality to deposit directly from a wallet or savings account • Deposit amount: Minimum 200 BDT per transaction • Duration: 1 year to 5 years • Frequency of deposit: Fortnightly (for low deposits), Monthly, Quarterly (for higher deposits) • Option for standing instructions/auto-debit functionality from wallets or bank accounts to the recurring deposit (RD) account • Withdrawal functionality: Maximum of 20 percent of accumulated balance once in a year • Preapproved loans against deposits, up to a maximum of 75 percent of deposit amount • Auto-renewal functionality at the end of tenure • Other terms and conditions: Same as applicable in case of an existing deposit pension scheme (DPS) of the MFS providers' parent bank or partnering MFI
Price	<ul style="list-style-type: none"> • Competitive interest rate or option of profit sharing for Islamic banking • Interest or profit share credit frequency—monthly • Processing fee: Free • No penalties for delayed payments • A 1-month installment paid as bonus for on-time installments (applicable for tenures above 2 years, provided no partial withdrawals were availed)
Place	<ul style="list-style-type: none"> • Account opening by field officers, agents, or branch staff at customer locations, agent outlets, or bank branches • Self (USSD or app) • Agent outlet • Bank branches
Promotion	<ul style="list-style-type: none"> • Can be successfully promoted as a bundled product, along with an MFS-based salary disbursement to increase uptake • Focused awareness and acquisition campaigns for RMG workers • Customer literacy programs with dedicated agents • Incentivize women agents who promote and acquire customers Provide additional support to them for marketing the concept • Field-based or door-to-door campaigns for building awareness and acquiring customers • Distribute well-designed posters indicating the charges at the marketplace, and customer aggregation locations such as bus stops, marketplaces, and so forth • Plan a campaign to build confidence among women and drive customer acquisition through partners such as women-focused NGOs or MFIs • Promotional videos

*The prospective product, as per interaction with personas.

8 Ps of MFS	Features
People	<ul style="list-style-type: none"> • MFS field officers • Bank branch staff • Women MFS agents • MFI/NGO field officers (if tied up with an MFI/NGO)
Physical evidence	<ul style="list-style-type: none"> • Posters and other physical collateral for display in bank branches, ATMs, and agent outlets • Option to transfer money to recurring deposit to be provided in the MFS menu • The customer receives a confirmation SMS on completion of the transaction. The SMS should confirm the deposit, deposit amount, accumulated balance, and interest earned • SMS to customers on monthly interest credited to account • Provide a predefined number of balance checks or a ministatement functionality, free of cost
Positioning	<ul style="list-style-type: none"> • A savings product offered for a better tomorrow and a secure future. It will be savings for children’s education, marriage, emergencies, and for retirement age.
Process (indicative)	<ul style="list-style-type: none"> • Customer receives information through promotional channels • Demonstration of payment process through live demos and TV commercials • Customer registration by visiting the agent, by field staff visiting customer homes or workplaces, or at bank branches • Customer chooses tenure, deposit frequency, deposit amount, deposit mechanism (manual, auto-debit, and standing instructions), and nominee during registration • Automated SMS reminders sent a day prior to deposit date • Deposits to the product can be made manually from the wallet • For withdrawals prior to maturity, customers apply in person at bank branches. Have branch staff process withdrawals immediately • Make loan disbursement requests available online through a USSD/app menu. Approval and disbursement within 24 hours. (Structure loans as preapproved credit lines, so that disbursements can be made on demand.) • On maturity, inform the customer via SMS. Disburse matured amount into the customer’s wallet or account accessible via agents, ATMs, and bank branches • Provide auto-renewal option to customers on maturity • Feedback on the product received via agents, field staff, and customers

*The prospective product, as per interaction with personas.

Emergency Loan Product



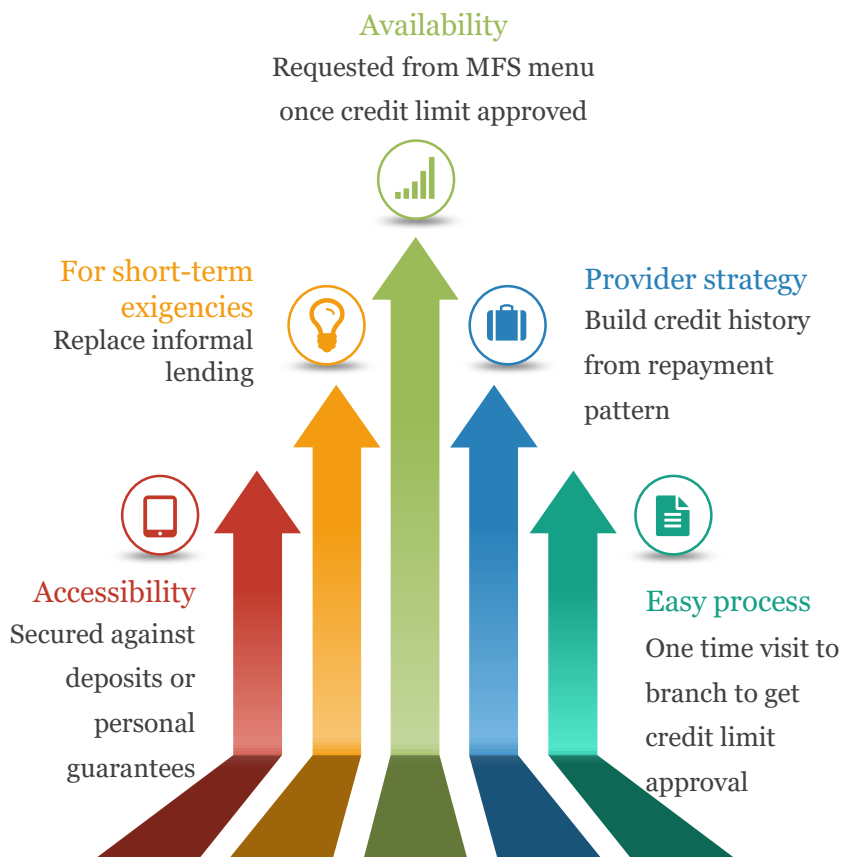
Primarily based on the persona of Laboni, the student,* this product addresses the need of a young outstation student. She receives funds from her family members as her monthly expense. By the end of the month, she usually consumes the funds in her wallet. An emergency short-term loan for any emergencies could be a much-needed MFS-based product.

Barriers targeted: Service denial, overcharge, and harassment



Addressing Existing Product Gaps

The existing MFS product portfolio does not provide any product on credit. However, a few telecom providers in Bangladesh do provide an “emergency balance” to their existing customers for talk-time and data usage. This service is well-appreciated, especially among younger users, such as students and young professionals.



- The loan amount can vary from BDT 1,000 to 5,000
- A pilot test can be done with users who already use MFS for payment of fees

*The product can be extended to other types of customers, especially in the informal sector, as detailed in the personas.

8 Ps of MFS	Features
Product*	<ul style="list-style-type: none"> • Purpose: Immediate requirement and emergencies • Easy to transact by self and loan disbursements on demand through a USSD/app menu • Loan structure: <ul style="list-style-type: none"> ○ A credit limit sanctioned to customers that can be drawn on demand by customers. Credit limit can be drawn multiple times by the customers within the tenure of the credit limit, provided there are no outstanding balances. ○ Option 1. An unsecured credit limit provided to customers in partnership with an MFI or by the bank on its own accord (following same approval process in place for unsecured personal loans/credit cards). ○ Option 2. Credit limit secured against financial collateral offered by the customer. Maximum loan limit to be equal to 75 percent of the value of collateral provided, subject to the maximum credit limit of BDT 5,000. • Loan eligibility: <ul style="list-style-type: none"> ○ Able to provide appropriate collateral ○ Able to proceed risk scoring in place for existing credit card/personal loan process ○ Should not be a defaulter with a bank or financial institution. • Credit limit: Between BDT 1,000 to 5,000 • Tenure of the credit limit: One year • Acceptable collateral (in case collateral is required): <ul style="list-style-type: none"> ○ DPS/term deposits of the customer or a guarantor known to the customer ○ Other financial security acceptable by the bank • Loan disbursement amount: Between BDT 1,000 to 5,000, subject to the maximum credit limit sanctioned • Loan disbursement frequency: On demand, provided there are no outstanding balances subject to a maximum of 12 disbursements within a year • Loan repayment frequency: Within two/three months from the date of disbursement. Loan can be repaid in full as a bullet payment or as multiple partial payments within one month of disbursement of the loan amount • Other terms and conditions: Same as applicable for personal and unsecured loans offered by the bank or MFI. • Transaction history can be built into a credit-scoring model for other products

*The prospective product, as per interaction with personas.

8 Ps of MFS	Features
Price	<ul style="list-style-type: none"> • Option 1 (for commercial banks): <ul style="list-style-type: none"> ✓ A competitive interest rate, deducted up front at the time of disbursement as a percentage of requested disbursement amount ✓ Processing fee: free • Option 2 (for Islamic Banks): <ul style="list-style-type: none"> ✓ A fixed service charge, charged at the time of disbursement, regardless of the requested disbursement amount
Place	<ul style="list-style-type: none"> • Application for the credit limit filled out at bank branches • Loan disbursement requests made by self over USSD or app • Loan repayments made by self over USSD or app
People	<ul style="list-style-type: none"> • MFS field officer (for promotion only) • MFI field staff (for promotion only) • Women MFS agents (for promotion only) • Borrower's guarantor or provider of collateral security (in case collateral is required and is offered by a friend, relative, or acquaintance) • Bank branch staff (for promotion, as well as for facilitating documentation and approval of credit limit)
Physical evidence	<ul style="list-style-type: none"> • Posters and other physical collateral to be displayed in bank branches, ATMs, and agent outlets • Loan agreement to be completed between the bank or MFI and the borrower • Option to demand disbursement and to repay the loan to be provided in the MFS menu • The customer receives a confirmation SMS on satisfactory completion of transactions—loan disbursement requests, disbursement approvals, after disbursements, and for loan repayments. • Transaction history in the USSD or the app • Transaction history provided to the subscribers' home address once a year
Positioning	<p>A loan product for meeting emergency requirements of women, including medical emergencies, payments at a retail shop, and so on for covering cash shortages.</p>

*The prospective product, as per interaction with persons.

8 Ps of MFS	Features
<p>Process (indicative)</p>	<ul style="list-style-type: none"> • Customer acquisition and sanction of the credit limit <ul style="list-style-type: none"> ○ Demonstration of the processes involved in applying for the credit limit, requesting for disbursements, and repayments to be made to potential clients. Terms and conditions to be explained. ○ The application for the credit limit is made at bank branches. This is a one-time process that will ensure completion of all documentation. Primary criteria for customer selection is an active valid mobile wallet. The borrower should not be a defaulter on loans availed from any financial institution. ○ In case collateral is requested, the customer (or the customer's guarantor or security provider) must provide adequate collateral. The credit limit sanctioned will be a maximum of 75 percent of the collateral provided. Physical collateral is not acceptable. ○ The credit limit will be approved by the bank based on meeting the eligibility requirements. Banks can decide to have additional parameters (including credit scoring), which will determine the customer's loan eligibility. • Loan disbursement <ul style="list-style-type: none"> ○ Customer can make the request for loan disbursement using the MFS menu (USSD or app) ○ The bank checks if there are any outstanding balances and if the collateral is adequate (in case collateral is required) ○ If there are no outstanding balances and if collateral is adequate, the bank approves the request, or else the request is rejected ○ The bank disburses the loan into the customer's mobile wallet within 24 hours of the request if the loan is approved ○ Service charges or interest will be deducted up front from the disbursement amount ○ The bank sends the customers an SMS confirmation of the disbursement/rejection • Loan repayment <ul style="list-style-type: none"> ○ Loan repayment must be made in full by the customer within two/three months of the disbursement date. ○ The loan can be repaid anytime, either in installments or in full as a bullet payment. ○ The bank provides confirmation SMS to the customer on receipt of repayment. ○ The bank provides reminder SMSs to the customer one week before the loan repayment date, as well as a day before the repayment date. ○ On expiry of the one-month period, the bank can block the wallet or account, as well as recoup the disbursement amount from the wallet, account, or financial collateral offered, after due notice to the customer and guarantor or security provider. • Renewal of credit limit <ul style="list-style-type: none"> ○ A week before expiry of the credit limit, the bank provides a reminder to the customer to renew the credit limit. ○ The credit limit could be enhanced upon satisfactory loan performance, based on wallet usage and loan behavior. • Customers can check their credit balance anytime using the USSD or app

*The prospective product, as per interaction with the persons.

Part 3.

Market Assessment for Acquiring Women as Agents

Sectional Summary

Market Assessment for Women Agent Acquisition

This section of the report is based on qualitative research with women MFS agents, and is intended to provide a roadmap to help MFS providers to recruit women MFS agents as they expand their distribution networks. The qualitative research consists of interviews with a sample of women agents across Bangladesh, as well as discussions with key stakeholders, such as MFS providers, MNOs, regulators, and other financial institutions. The sample covered women agents from all the seven divisions of the country (both rural and urban).

Based on characteristics, motivations, and expectations of being MFS agents, two distinct agent-types emerged from the field study. They are personified as follows:

1. *Shahida*, who works as an agent but may not be registered as one. She finds MFS to be a lucrative business in rural areas, and needs support from her family and relatives.
2. *Shikha*, who runs MFS operations on her own in an urban setup. She does not require operational or financial support from others in daily operations.

It is important to understand the key success factors gleaned from the research to enable entry of more women into the MFS agency business. Some of these factors often turn out to be stumbling blocks for providers, as they usually lack a focused approach to acquiring and deploying women agents. The team's research identified agent-recruitment procedures, non-exclusivity, local market awareness, and adequate commissions and support as key factors leading to successful deployment. The research also identified the barriers to entry for women into the MFS agency business. These include societal norms, access to working capital, training needs, security risks, liquidity challenges, and providers' suboptimal levels of customer support.

The research comprehensively examined the providers' perspective in acquiring women agents. Based on discussions and interactions with key staff from MFS providers, the team identified a few key factors that providers use to determine agent recruitment. These include financial capability, business acumen, local reputation, and technical competence.

Other factors influencing a decision to appoint a woman agent are alignment with the business strategy and existing infrastructure. It is interesting to note that while managing existing agent

deployments, there are no special considerations for women agents. All agents are treated the same, regardless of gender. This means that aspects such as training, monitoring, liquidity management, and marketing and branding are exactly the same for all agents.

Field-level research, as well as interactions with stakeholders, such as customers (male and female), providers, and other agents, comprehensively documented the requirement for employing women agents. Women form a large chunk of Bangladesh's population, and respondents have demonstrated an interest in being served by women agents. Women agents are perceived to be trustworthy and also contribute toward overcoming social biases. MFS is heavily focused on customer service and relies on excellent customer relations. MFS providers must take advantage of the inherent qualities of women, which not only create an enabling environment for the use of MFS, but also positively impact MFS providers' business.

MFS providers in Bangladesh do not have a focused approach to recruit women agents as part of their business strategy. However, to effectively serve the women who form a key segment of customers, it is imperative that providers now look at an acquisition strategy to obtain capable women as MFS agents. It requires an operational roadmap built over four key steps that a provider must follow to successfully acquire women agents:

- Identify potential agents by leveraging existing networks of women, such as members and group leaders of MFI groups and SHGs, who may be best-placed to work as MFS agents.
- Understand the motivations and expectations of women wishing to enter this business from the beginning, to keep dormancy and churn at bay.
- Assess the capabilities of potential women agents by first determining whether the applicants meet preliminary basic factors, after which a more comprehensive selection criteria can be used.
- Address training needs with a well-developed and comprehensive training manual, especially for women agents. Additionally, there needs to be a focus on training the trainers.



Section I.

Research Background

Research Objectives

This section of the report aims to help providers on two fronts:

To identify how women agents can best serve existing women MFS users, and increase adoption among female non-users. This includes understanding how agents can determine the services that appeal to women customers, and the barriers that women customers face in adopting registered MFS accounts.

To enable MFS providers to devise comprehensive strategies for understanding the risks and challenges facing existing and potential women agents. This includes leveraging their existing MFS agent networks, as well as building a more robust women MFS agent network.

Methodology and Composition

The primary research for this study consisted of personal interviews with women MFS agents across all seven divisions of Bangladesh. Through these interviews, the research team sought relevant input from women agents. The agents shared details of the key benefits and barriers they face, in addition to the challenges faced by women users. They also mentioned the support they seek from MFS providers to improve the state of MFS for women in Bangladesh. The research team sought and recorded key informants' viewpoints during interviews—from MFS providers, MNOs, regulators, and other institutions, such as MFIs and NGOs. These interviews sought practical, on-the-ground challenges faced by women agents, reasons for the low uptake of MFS among women, the role of women agents in addressing this low uptake, and strategies to acquire women agents.

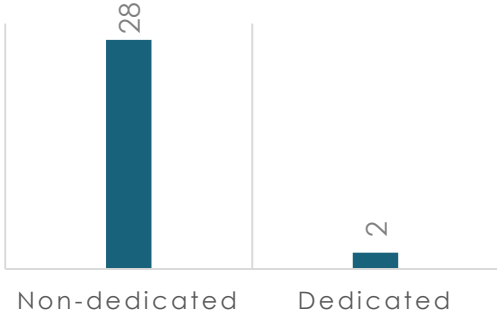
Primary research		Location of women MFS agents		
Interviews with women MFS agents	In-depth interviews with key informants	Rural	Non-metro	Metro
30	11	06	16	08

The selection of women agents for the field interviews was purposive. The researchers took field support from selected MFS providers and MFI to reach out to the women MFS agents for the study.

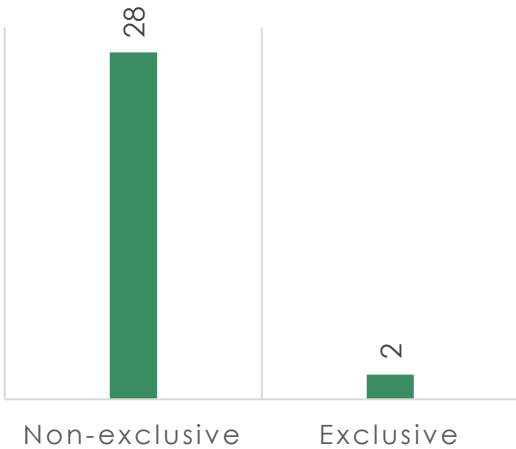
Sample Composition

The majority of women MFS agents are non-dedicated and non-exclusive. They are engaged in other business activities, such as grocery shops, selling jewelry, clothes, and airtime as well. Most agents serve at least 2 or 3 MFS providers.

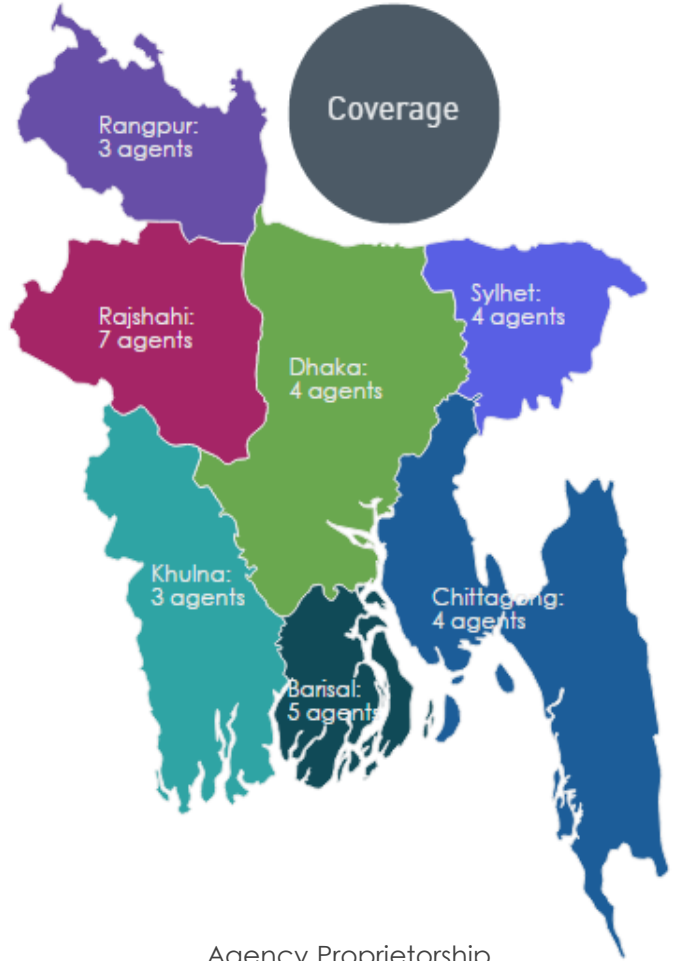
Composition by Type of Women MFS Agents



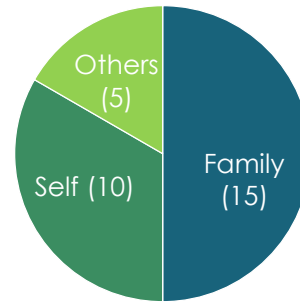
Composition by Exclusivity of Women MFS Agents



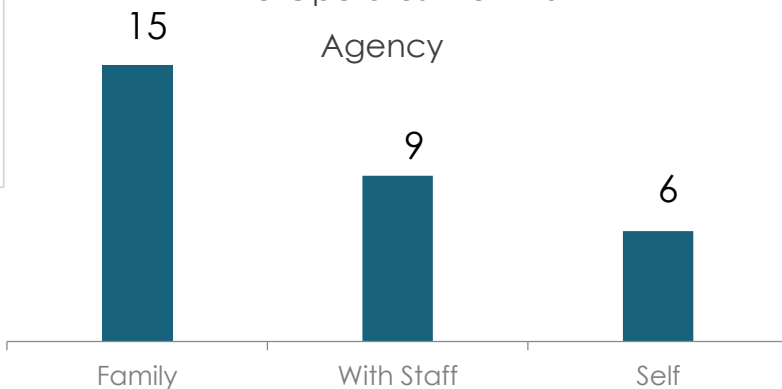
Composition by Division



Agency Proprietorship



Who Operates the MFS Agency



***Exclusivity** is defined by the number of MFS providers an agent provides services for. A **non-exclusive** agent means the agents provides MFS service for more than one MFS provider.



Section II.

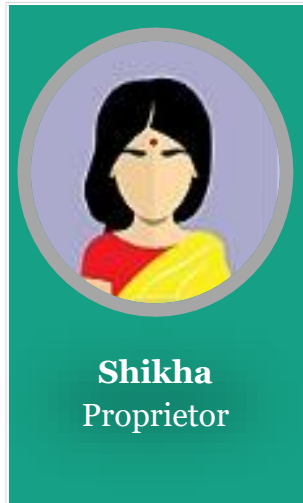
Outlining Women Agents' Business Operations

Types of Women Agents—Personas

The research team held discussions with different women MFS agents and identified two distinct types of women agents.*



Works as an agent, is not registered as one. Finds MFS a lucrative business in rural areas and needs support.



Runs MFS operations on her own in an urban setup. She does not require support from family or staff in day-to-day operations.

The **ownership** of an MFS outlet is the key differentiator among types of women agents

Shahida acts more as an associate, while Shikha makes key decisions, such as initial capital, selecting provider(s), and handling operating procedures.

These personas are classified based on whether they own the agency outlet. Shahida works as an agent and may be familiar with the agency business, but the outlet is not registered in her name. Shikha is a proprietor and owns the agency. She is in charge of decisions, such as initial capital and liquidity investments. Both personas are different in terms of their family background, their day-to-day operations of MFS, their motivation(s) as an agent, their business characteristics, and their expectations from MFS.

*These personas are illustrations of actual women MFS agents who were interviewed as part of the research study.



Shahida
Jhalokati,
Barisal rural

Middle-aged and enterprising, Shahida works as an entrepreneur. Her family’s collective income is enough to support their present expenses, but not their future expenses (such as education, and children’s marriages). She wants to support her husband for a better future for their family.

Key Characteristics

- Between 35 and 50 years of age, married and stays with her family in a rural area
- Proactive and has high self-esteem
- Has been involved in some type of income-generating activity
- Educated up to a secondary school level
- Believes in women’s capabilities
- Provides MFS in a general store run by her husband
- Non-dedicated and exclusive

Business Motivation*

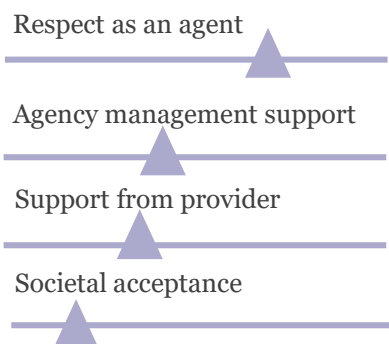
Self-esteem	★ ★
Awareness of products and features	★ ★ ★
Tech savviness	★ ★
Income satisfaction	★ ★ ★

- | | |
|--|---|
| <input checked="" type="checkbox"/> Trained by provider | <input checked="" type="checkbox"/> Customer management |
| <input checked="" type="checkbox"/> Manages liquidity requirement | <input checked="" type="checkbox"/> New customer acquisition |
| <input checked="" type="checkbox"/> Is aware of all product features | <input checked="" type="checkbox"/> Needs support in operations |

Expectation from MFS

Shahida is comfortable providing MFS to customers in her locality. She has limited customers and is able to manage liquidity. She requires initial training for recruiting and wants to understand the process of acquiring new customers.

Present Levels of Motivational and Operational Success Factors



Quotable Quotes

“Mobile financial services has not only given me respect and dignity, but also a medium of livelihood to support my family.”

*The number of stars denotes the degree of use.



Shikha
Mirpur,
Dhaka.

An independent middle-aged woman, Shikha is the family’s breadwinner. She wants to provide a good future to her children. Shikha is confident, well-educated, and has worked in private enterprises before starting her own MFS outlet.

Key Characteristics

- Between 35 and 50 years of age; lives in metro
- Has worked in established organizations
- Is a graduate
- Good market awareness
- Has non-conservative beliefs
- Non-dedicated and non-exclusive
- Owns her own business
- Societal acceptance

Business Motivation*

Self-esteem	★ ★ ★ ★
Awareness of products and features	★ ★ ★
Tech savviness	★ ★ ★
Income satisfaction	★ ★

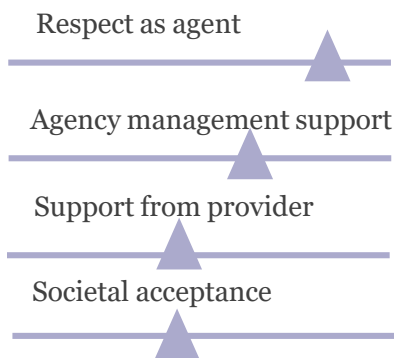
- ☑ Trained by provider
- ☑ Manages liquidity requirement
- ☑ Is aware of all product features

- ☑ Customer management
- ☑ New customer acquisition
- ☑ Needs support in operations

Expectation from MFS

Shikha has a high customer footfall, and she has recruited staff to serve and manage customers. She wants new products, especially for women, and believes in the importance of women’s role in society. She expects better remuneration from the provider.

Present Levels of Motivational and Operational Success Factors



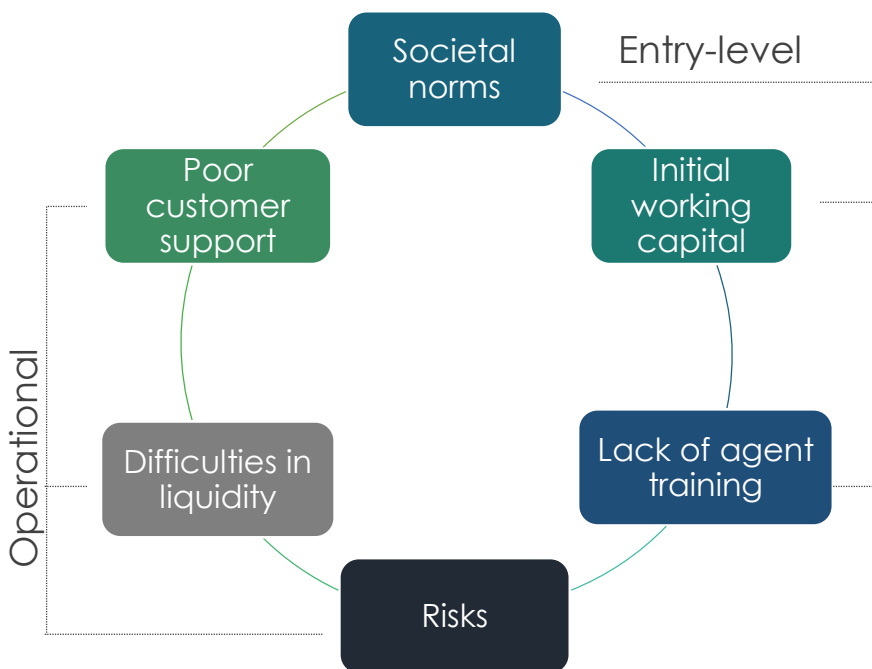
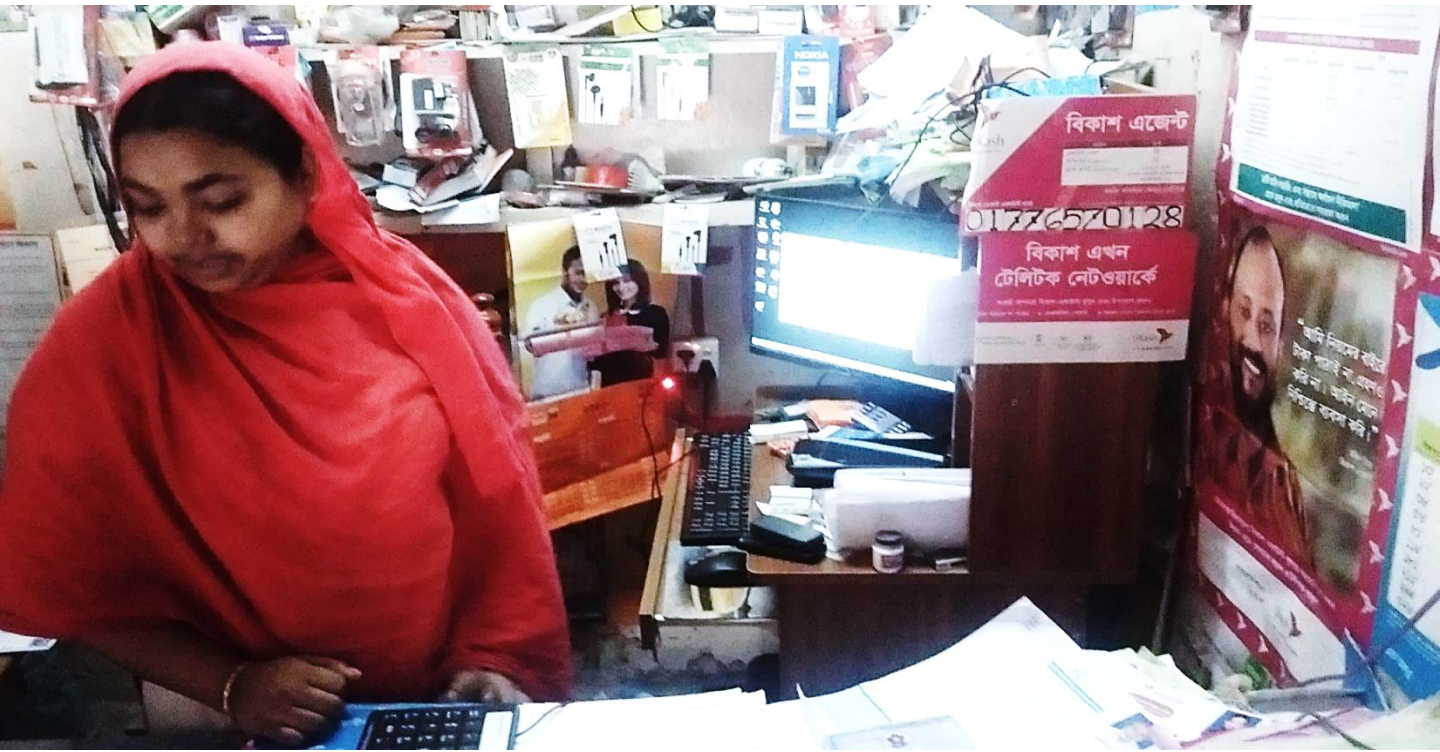
Quotable Quotes

“Women are no more just the household custodians, but are breadwinners for their family.”

*The number of stars denotes the degree of use.

Barriers for Women as Mobile Financial Services Agents

While there is unquestionable interest in acquiring women MFS agents, there are certain roadblocks that make MFS sustainability a challenge for women. Our discussions with women agents revealed that the following barriers must be overcome to enable and further women agents' success in offering MFS. These 6 barriers are classified into 2 types: entry-level and operational barriers.



Women agents mention six key areas of concern that impede their ability to provide MFS

Societal Norms

Society and its norms are the first of the entry-level barriers for women agents. Acceptance (as well as success) of women agents depend on social perceptions. Social norms play a pivotal role for women compared to their male counterparts. Traditionally in South Asia, women are looked upon more as household custodians than breadwinners. In these cultures, it is believed that men have the key responsibility of earning a living for the household. This is the general social phenomena seen across Bangladesh. To overcome these challenges, the following key steps can be taken to help women MFS agents succeed:



Family can motivate and support the idea of women working for a living.

- Rural communities in Bangladesh are mostly gender-segregated societies. From the study, the team learned that men prefer that their wives or female family members transact at a woman agent outlet, particularly when it requires any form of physical interaction between the customer and agent (for example, taking the customer's fingerprints). Similarly, women customers also prefer women agents visiting their households to offer doorstep banking services if required.
- Rather than religious beliefs or gender, a woman's business acumen and competency define her capability as an MFS agent. These should be developed through outreach programs by government or civil society organizations in addition to actions by MFS providers.

"It is difficult for society to understand why a wife has to work, when her husband already has a job."

—A woman MFS agent in Barisal

Women agents are best placed to drive uptake among potential women users.



Case Study

“Family support is important in the case of women MFS agents.”

Support from Family Builds Confidence in Women MFS Agents

Jasmin is a 45-year-old woman and belongs to the town of Bogra in Rajshahi division. She is a proactive woman who manages a grocery shop. Jasmin is also a member of an NGO that makes handicrafts and sells them across India and Bangladesh. She has owned the shop for 8 years and has been offering MFS for 6 years. Her husband is an equal partner with her. She says, ***“If we receive support from our own family, then nothing can stop a woman from achieving success.”***

Jasmin initially faced some problem managing customers. “I never expected so much demand at my shop. In the first month as an agent, I faced some challenges linked to timely service. But now, I have overcome all these challenges,” she says proudly.

Her outlet's location is next to the town clinic. As a result, many customers come for cash withdrawals and transfers to be paid at the clinic. In a day, she conducts transactions to the volume of USD 1,250. She provides MFS services using bKash, DBBL, and IFIC Mobile Banking. While she understands the risk of running an MFS that involves a lot of cash, she says, ***“My husband has been my pillar of strength.*** He has never opposed my ideas, he respects them and helps me implement them.”

To become successful MFS agents, it is important for women who are in a situation similar as Jasmin to receive support from their families.

Working Capital

Arranging for the initial working capital is tough for all MFS agents. While women agents are no exception, they also face additional barriers because of their gender. Their major challenge is to identify, approach, and convince their financial sources (family or financial service providers) to deliver the much-needed initial capital to start the MFS business.

“Lack of initial liquidity is the biggest challenge for denial of service and losing customer confidence.”

—A woman MFS agent in Chittagongl

Initial working capital

- According to social norms, women seen as financially dependent on men. While they are considered to be more inclined to save than men, they typically still need the approval of a male household member to invest the money that they have saved.
- Women agents like Shahida will seek the advice and approval of male family members before arranging initial working capital. Thus, support from family becomes an essential factor at the inception stage of an MFS business.
- For newly recruited agents, it is a significant challenge. An absence of liquidity leads to denial of service, further adding to a poor customer experience for these women agents.

Field staff of MFS providers do not differentiate between agents on the basis of gender.

“I treat all agents, women and men, equal. My job is to fulfil the requirement of all the agents. There is no bias based on gender, I am here to do my job.”

—Field staff of a service provider

Agent Training

Training remains a key component for women-operated agency outlets to be successful. However, all women agents express their inhibition toward attending training with other male agents. While existing social norms do not encourage a woman to attend training with men, the providers need to break this perception. The existing barriers in training are as follows:

- **Initial comprehensive training.** A common issue that women agents like Shahida face is insufficient knowledge about the product features and services. Most women agents still view MFS as a money transfer service and are unaware of other features of MFS. In the absence of comprehensive training, women lack the confidence to explain MFS to their customers. Initial training should educate women on KYC, anti-money laundering/combating the financing of terrorism (AML/CFT) regulations, and MFS products/benefits, and soft skills/customer interaction.
- **Refresher training.** From inception, the provider should routinely check on women agents' operations, much like Shikha, and subsequently assess the refresher training needs.
- **Manual.** Absence of a training manual often acts as an impediment for agents. MFS providers need to ensure that a manual is provided to new women agents that can act as a ready reference document. This manual will be useful for newly recruited women agents to understand MFS, troubleshoot, and manage the MFS business.

On-the-job training: Agents like Shahida are willing to attend trainings conducted by the field staff of MFS at their outlet or at a nearby agent outlet. They feel such trainings help them not only understand regular operations, but also discuss their day-to-day challenges with fellow agents. According to them, on-the-job training is the best way to approach any new business.

Homogenous groups: Similar to women agents in other agency-led businesses, sessions on enhanced capacity-building and training need to be prepared for women MFS agents. These training sessions should help women agents be comfortable and receptive, and clarify their doubts without hesitation. Such sessions can build their confidence in handling MFS and its operations.

Type of risk	Risk for women agents	Risk mitigation
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Fraud & robbery

Women agents like Shahida and Shikha have experienced information theft and misappropriation of assets.

Women agents' confidential information and accounts are misused by fraudsters to channel funds to third-party accounts, thereby exposing them to risk.

Providers, too, agree that an agent's poor understanding in KYC and AML/CFT leaves them vulnerable to fraudsters (by using fake IDs and/or counterfeit money).

- Providers may insist on **women agents attending training** on KYC and AML/CFT. It is essential for agents like Shahida, who are new and have less experience in risk mitigation.
- Providers may create a separate **cyber cell or forensic department** that handles issues concerning the creation of fake IDs, hacking of accounts, and other information technology (IT) security issues.**
- Providers may offer a 24 x 7 **call center for agents**, to systematically track agent queries till resolution.
- There can be a separate troubleshooting cell that designs "**safety**" **tools for women agents** (for example, to help women agents block incoming calls to their agent SIM, or report annoying unwanted calls).
- The providers can **train agents on identifying counterfeit currency notes** and how to report them.**

"A spam caller was identified as a bKash staff who duped me of BDT 10,000."
 —A women MFS agent in Dhaka

Agents also report fraudulent behavior from some customers. A few women agents mentioned cases of customers handing in counterfeit notes.

** A few of these mitigation strategies are also applicable for male agents.

Type of risk

Risk for women agents

Risk mitigation

Harassment as women

Women agents are skeptical about sharing their agent number. They complain of receiving unwanted phone calls from unknown men. Because of the nature of their business, they need to share their MFS account number, but some miscreants jot the phone numbers and start making fake calls and sending untoward messages.

Shikha has faced harassment while interacting with aggressive male customers. Male customers tend to ignore her advice and try to force their opinions during financial transactions.

Women agents are more conscious while handling cash. The general perception is women are easy targets for theft and can be overpowered easily to steal cash, as compared to men. It is necessary for women agents to remain alert when handling cash.

Women agents prefer that **male staff or a family member assist** them in case of an argument with a male customer.

Women agents ask for the **incoming calls on MFS mobile numbers to be barred**. This may substantially reduce the chances of harassment and receiving unwanted calls.

When women agents are alone, they prefer **denying service to male customers** who become aggressive. If required, they ask for support from neighboring shops.

Most women, especially in urban and semi-urban areas, should be staff members while carrying cash from banks or distributor locations.

As a precautionary measure, women can be introduced and connected to local law enforcement authorities so that they can raise issues with them should they arise.

Security concerns

Liquidity Management

Women agents face challenges similar to their male counterparts when it comes to liquidity. The agents interviewed have a liquidity requirement amounting to an average of USD 700 per day, liquid cash and e-money combined. The major challenge remains in maintaining a sufficient balance between cash and e-money. While women agents are no exception to this, they face additional barriers because of their gender:

Mobility

- Women agents, who are often not allowed to travel alone outside their village, require help and support from male family members to fulfill some of their business responsibilities.
- In a few cases, family members also prohibit women agents from visiting fellow agent outlets or distributors for rebalancing, because of security concerns.
- With restrictions in operating hours and confined mobility, women agents often find it difficult to rebalance at an ATM booth.

Lack of support for liquidity

- As compared to women agents, it is easier for male agents to build informal rapport and liaise with bank officials, who, in Bangladesh, are predominantly men.
- Women agents like Shikha expressed their difficulty in approaching neighboring shopkeepers and agents for liquidity. They feel that it requires a lot of socializing on their part to build that trust and experience, which is not viewed in a positive light in their society.
- Women agents postpone transactions in case of insufficient liquidity. While existing customers do return, new customers prefer visiting other agents. This has repercussions regarding customers' impressions of the women agents, as well as the MFS brand.

Providers may consider optimizing the schedule of their roving liquidity managers, to provide priority services to women agents (at least for the better-performing ones).

Rural vs. urban

- For agents like Shahida, who are located in rural and non-metro areas, balancing between cash and e-money is difficult. The agent faces challenges in liquidity, because banks and agent outlets are not easily accessible. There remain other hassles as well, such as traveling and opportunity cost. The providers thus need to contribute additional support to such agents in rural areas.
- In the case of agents like Shikha in urban areas, the providers have a number of field staff who can quickly provide e-money or cash to replenish depleted funds or float. Such urban agents are, therefore, rarely forced to deny service to customers. The liquidity requirements should be fulfilled based on the business requirement and not on the agency's geographical location.*



- Providers can consider providing a liquidity planning tool for women agents based on time, demand frequency, and minimum expected transaction.
- Providers should facilitate agents to maintain good terms with the local distributor or bank branch.
- Providers should leverage other distribution networks, such as Fast-Moving Consumer Goods (FMCG), for managing liquidity.

"Cash-in takes place from 1st to 10th of the month and cash-out happens mostly from the 25th to 30th of the month. At the start of the month, customers send money or pay their utility bill. At the end of the month, they withdraw money for household requirements."

—A women MFS agent in Sylhet

* This factor is also applicable to male agents.

Poor customer support

A woman's access to mobile and, subsequently, mobile-based technology, is greatly driven by existing societal beliefs. Most women agents accepted that they may not be as acquainted with technology as men are. However, they face operational challenges in MFS that are similar to ones faced by male agents. Women agents complained about delays in receiving transaction SMSs and operational issues such as incomplete information about the receiver or sender via SMS. They indicated that call center representatives were often unable to resolve technical problems for missing transactions or address queries on the transaction status, network downtime, and so on.

Well-equipped call center. The general perception regarding MFS call centers is negative. Women agents feel that they do not add value to the experience of MFS for customers as well as agents.

While agents are well-aware of the existence of call centers and their contact number, they have reservations about the capability of call center representatives. It is important to raise the representatives' capacity to provide viable solutions to the customers and agents. Another pain point is that making calls to call centers is expensive. Toll-free numbers may be helpful in this scenario.

Alternative support channel. The agents are satisfied with the solutions that the field staff and their local office managers provide on their visit to the agent outlet. Especially in urban areas, where the frequency of staff visits is higher, the women agents entrust (and depend on) these support staff to address technological challenges. The same level of service must be provided in rural areas, where women require more support in technology.

“When the banks are closed, then the call centers are also closed. Nobody picks up our call.”

—An MFS user in Khulna

Technical support. The agents compared the technical support received in MFS with the call centers of MNOs, such as Robi, Grameenphone, and Banglalink. They expressed astonishment about MFS call centers' incapacibilities in resolving their issues.

Gender. Female agents opine that male agents are more determined when obtaining resolutions for their technical issues. The male agents have a good working relationship with the provider staff, and their own knowledge of mobile technology helps them in getting through with technical solutions.

A separate cell phone for agents might help to resolve IT-related issues, such as with incorrect SMS transactions, SIM cards locking, and so forth.





MFS as a Medium to Stand Against Prohibitive Social Norms

Ferdausi is a postgraduate student in Economics. She lives in Jessore (semiurban) in the Khulna division. Her husband owns a mobile accessory shop in the local market. She is unemployed. She says, “It is difficult to get a job in Bangladesh, even after getting a postgraduate degree. I tried at many places near Jessore, but they would reject me because I am a woman. Hence, I decided to help my husband.” On her husband's persuasion, Ferdausi decided to join him at their shop and provide MFS services. She believes this is the best way she can support her family and do justice to her education.

Currently, she provides bKash, DBBL, and Mobicash services. She says, “It is important to serve the customer on time, as he or she is the king. They trust us for providing them a seamless service.” She is confident that once a customer visits her outlet, she ensures that the customer becomes a regular there.

Ferdausi's journey has not been comfortable. She remembers, “There was a theft of BDT 500,000 at my outlet. I did raise the issue with the local authorities, but it was ignored. Till now, the thief has not been caught and we lost the entire money. ” She concludes that a woman's voice is never heard in Bangladesh. Therefore, if women are to take up MFS or start an agency, support from providers is a definite requirement.

“There are a lot of social challenges that women have to face. It is difficult for women to start the business even if they receive training. So, if the providers want more women to be a part of their industry, they should devise a strategy to target women agents, bring them at par with male agents, and support them in daily operations.”

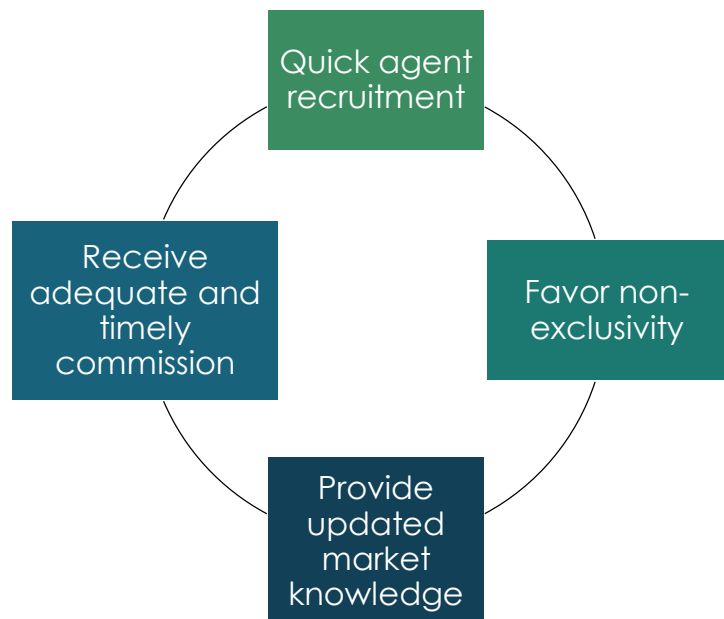
Ferdausi considers herself fortunate that her family has supported her in becoming an MFS agent. This support has given her the strength to stand against social odds, and emerge as a successful MFS agent.

Drivers of Mobile Financial Services—for Women Agents

There are more than 500,000 MFS agents in Bangladesh (including double counting of non-exclusive agents).¹ The MFS agent distribution network is the largest financial services access channel, even larger than MFIs, banks, post offices, and ATMs combined.² This clearly suggests that MFS has the power to reach those who are unbanked or underbanked and bring them in the ambit of the financial system. However, MFS users stand merely at 33 percent of the population, and only 21 percent of the female population has ever used MFS.³ The reasons for low uptake of MFS among women in Bangladesh were discussed in the [previous section](#) on product preferences of women MFS users. This section deliberates on the status of women agents in MFS in Bangladesh, along with their perspective on MFS and customers.

In a recent study conducted by [The Helix Institute of Digital Finance](#) in Bangladesh, out of the total agent sample interviewed, less than 1 percent were women. Traditionally, the design of financial services has been based on the preferences and needs of male customers, even if this was not a conscious decision from the bank, financial institution, or MFS provider. The needs of women has not been considered actively. However, this study shows that the same financial services that cater to the needs of men can also appeal to women, but require customization based on market input. Thus, this section discusses the factors motivating women agents, challenges in the drivers, and best practices that women agents follow.

Key Factors That Drive MFS and Benefit Both Male and Female Agents



1,3. Source: [FII Survey, Wave III, Intermedia](#), 2016 and [Bangladesh Bank](#) (includes multiple countings of agents).

2. Source: [FSP Maps](#).

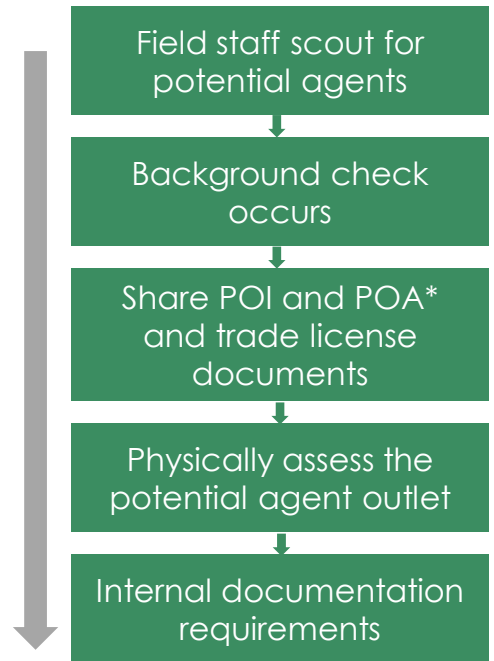
Acquiring agents quickly

The recruitment process of an agent comprises agent assessment to understand the agent's capacity, collecting required KYC documents, and ensuring the minimum working capital required for running daily operations. Women agents revealed that the recruitment process differs from provider to provider.

Women agents agree that providers should demand a thorough background check. However, they feel that a quick turnaround time in document collection and an easier verification process will decrease the number of application withdrawals that currently occur.

The agents mention that the process takes more than 20 working days for completion for bKash.

DBBL are able to register an agent in 15 days.



Challenges

Field staff. The delay in collection of KYC documents delays the registration process

Terms and conditions. There are no clear explanations for the prerequisite requirements, such as minimum working capital. This leaves a gap in the understanding of women agents, which leads to postregistration surprises.



Best Practices

Field staff scout for potential agents (even women)

Emphasis is on collecting KYC documents

“Provider field staff approached my brother, not me, to collect information about me for becoming an agent.”

—A women MFS agent in Barisal

*Proof of identity and proof of address.

Favoring non-exclusivity

Almost all the women agents interviewed favored providing MFS services from multiple MFS providers. Agents' nonexclusivity broadens the range of services available to customers and also provides agents with the opportunity to increase their income. It also reduces the monopoly of any single player and creates a healthy competition among players. In the study, there were sporadic occurrences of agents who used single MFS providers. Such agents either operated as a minibranch of a particular MFS provider or the customer demand sufficed the agents' need to work with a single MFS provider. bKash women agents are ubiquitous,¹ followed by other providers. Moreover, delivering MFS is convenient and provides agents with an opportunity to serve more customers, increase customer footfall, cross-sell services and, thus, increase their daily revenue and earnings.

Challenges

First mover advantage: It is observed that the provider who acquires the agent first remains as the priority service provider for that agent. This makes it difficult for other providers to create an impact on the agent. The agents become inactive on other providers' platforms that they enrolled in later. Hence, it is imperative for MFS providers who join later to provide additional "value" to the agents in terms of agent servicing (liquidity support, commission structure, and grievance mechanisms) and product offerings.



Best Practices

Diverse product availability

Customer-centric agent outlet and increased customer footfall

"A bKash agent referred me to DBBL field staff, who approached me to register as their agent."

—A women MFS agent in Rangpur



Case Study

MFS, a Primary Source of Income for Women

Shikha is a 37-year-old divorcée. She lives with her father and daughter at Mirpur, in Dhaka. Her daughter is in high school, while her father is a retired government employee.

At an early age, she became the sole breadwinner for her family. Initially, she worked at a school, before joining an MFI as a field officer. The work required intensive traveling. While she was good at her work, constant travel made it difficult for her to manage her family. She decided to leave the job and start something on her own.

She knew of bKash and its benefits from outlets around her house. She was confident that **working on her own terms as an MFS agent** would provide her the much-needed time to take care of her elderly father and shape the future of her daughter. Hence, she decided to become a bKash agent. That was three years ago.

Once she became a bKash agent, other providers started approaching her. Today, she is an agent with bKash, DBBL, SureCash, IFIC, Mycash, and the recently registered Trust Bank. **She owns a shop and has recruited two staff members, whom she has trained.** Besides MFS, she also provides mobile accessories. As of now, per-month customer footfall at her outlet is 500 and per-day turnover is USD 1,250.

Initially, Shikha did face challenges related to training and adoption of technology, but it took her six months to overcome them. In her day-to-day operations, **she has learned the tricks of the trade.** The field staff of MFS providers confide that Shikha is their top-performing agent who brings good business to them and, hence, they provide priority service to her.

While Shikha has a male-dominated customer segment, she feels that women also should use MFS and derive its benefits. Her message for fellow women is **to overcome the social barriers and leverage MFS as a primary source of income.**

Providing updated market knowledge

To grow in the MFS business, women agents agree to stay current changes in the market. They need to be aware of customer demands and adapt products accordingly. Women agents are well-aware of the products offered by different providers, and the requirements of various customer segments within their area of operation. If the market demands a school fee payment facility, they enroll as SureCash agents. If gas bill collection provision is required, the agent enrolls as an IFIC agent. A few agents shared that they seek DBBL's services simply because customers are unable to withdraw cash less than BDT 500 from the ATM booth.

While agents leverage different MFS providers to select from, based on their income and service received from providers, they do not compromise on customers' needs. Agents quickly adapt to market changes, yet they are keenly aware of the challenges that different MFS providers bring. For instance, bKash had a stringent, manual process for opening new customer accounts. But bKash recently updated to an account-opening process that uses biometrics, and agents have been quick to adopt it. Similarly, although commissions from Mobicash and DBBL are better, agents provide bKash because of its high demand. Thus, women agents prioritize market needs and adapt.

Challenges

Training. Lack of training for women agents by MFS providers on changes in the market and technology.

Provider issues. Lack of provider support compels the agent to stop promoting the provider and lose business.

Targeted awareness. Providers need to find a balance between outreach and awareness. Differentiated strategies must be adapted for increasing customer outreach (rural versus urban, woman versus man, and so on).



Best Practices

Update according to the technology advancement

Intensive ATL activities for general awareness

"bKash has started biometric-assisted account opening to reduce hassles in opening a new account for customers."

—Service provider field staff

Receiving adequate and timely commission

Women agents feel that commissions should be released on time. They are ready to settle for lower commissions per transaction, provided they receive enough quantity of customers (economies of scale). As an example, they said that even though the commission per transaction for bKash is low, they still receive a good amount because of the large volume of transactions. Despite other providers offering a higher commission per transaction, fewer customers use their services. Hence, agents don't mind working for bKash, even if the commission per transaction is low. Women agents also feel that MFS providers who are able to attract a large customer base should have a good system of customer support. Both agents and providers believe that customers will readily come forward and use their services if the charges to the customers are low. Women agents also feel that on-demand products should be backed by adequate marketing and support. As bKash has exceptional promotional campaigns, women agents are bound to provide bKash's services, as customers place their confidence in bKash,

Women agents like Shahida admit that MFS provides them additional income that helps them support their family. An agent, who is also a student, opined that she has joined this line of business to support her daily expenses.

Challenges

Location costs. The demand and cost of providing MFS (for agents) might differ across rural and urban locations. While the demand in urban areas is high, the cost of providing services is even higher.

Low motivation of women agents. Women agents feel that there are no incremental registration benefits for acquiring women customers. They feel that higher commissions for acquiring women customers increases the MFS business' sustainability.

Transparency. Women agents are unsure whether commissions are paid on time, because there is no clear process for tracking them. Providers should communicate the commission process to agents effectively.



Best Practices

Agents need to assess the services of the MFS provider they wish to be associated with, depending on the needs of the market

Women agents receive details on commission earned from the provider helpline



MFS Brings Women Reputation, Respect, and Remuneration

Shahida, 42, stays with her husband and three daughters at Jhalokati upazilla in Barisal. Prior to becoming an MFS agent, she worked as a group leader for an insurance company. Though satisfied with the work, the income was insufficient to save enough money for her family's future. Her husband worked at a cooperative society, but their combined earnings could not cover their children's' education and household emergencies. Thus, Shahida decided to support her husband, which began her entrepreneurial journey.

Shahida opened an independent insurance office. This gave her the confidence to handle cash and manage customers on her own. There was **substantial growth in her reputation** in her *upazilla*. But what was **missing was respect** from society. That was when she saw an opportunity to become a bKash agent, as there were few agents in the vicinity.

She became a bKash agent three years ago and, today, she is also an agent for DBBL. The daily customer footfall is around 50, which is high considering the geographic location of her outlet. Her transaction volume amounts to around USD 500 per day. She says, “I open at least 17 new women MFS accounts in a month. I have monthly targets that I need to achieve to **earn benefits in the form of incentives and gifts from the provider.**”

Shahida says, “If we teach women how to use MFS by giving more time to a woman customer, they can surely understand its benefit and get motivated to use it themselves on their mobile phones.” She is also a member of a local MFI, where she shares her experience of MFS and its benefits.

Shahida is satisfied with the confidence and trust that her women customers place in her. She is thankful to MFS for providing her with the **opportunity to live with dignity and respect in a society** where it is difficult for women to work outside their homes.



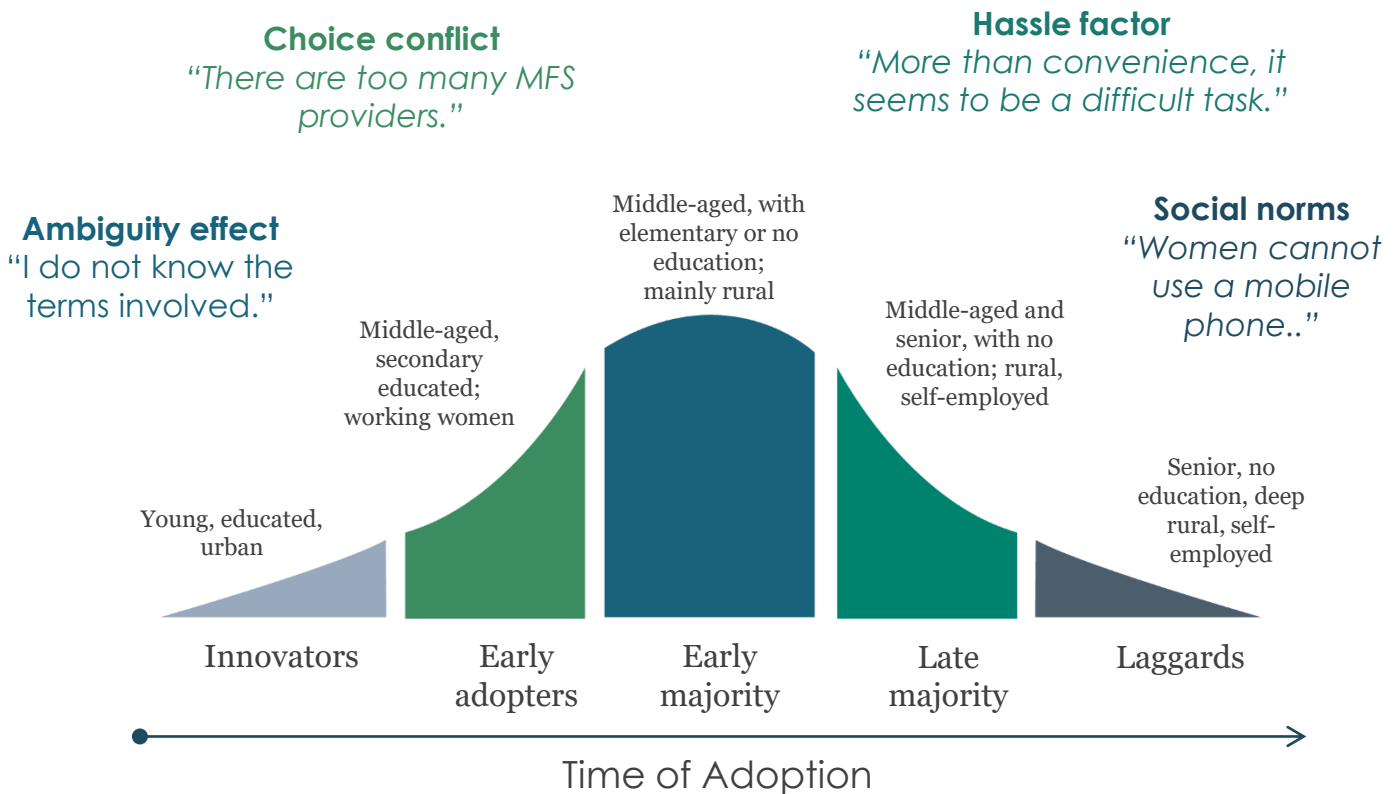
Section III.

Women Mobile Financial Service Users— Women Agents' Perspective

Customers' Experience with Using Mobile Financial Services

There are many reasons why MFS has not met the expectations of women customers, regardless of its effectiveness in Bangladesh on a national scale. Often, the main success criteria considered for MFS is its rate of adoption among users. However, in looking at the uptake of MFS among women, it reflects the opposite image. Women agents feel that MFS offerings do not attract significant numbers of women users. In some instances, there is a strong uptake by users at the onset, but the growth deteriorates shortly thereafter. This type of growth scenario is the most difficult, because the surge in users builds excitement but is ultimately misleading. In this study, the women agents share why some features of MFS are increasingly popular among women, while some eventually stagnate.

Based on technologist Geoffrey Moore's technology adoption lifecycle (TALC), various segments of women MFS customers and users can be classified into five categories of MFS adopters. The categories that women agents feel MFS providers should pursue to increase the adoption are the early adopters and early majority. Middle-aged women, especially in rural areas, offer a huge potential target market for MFS. The following shows customer descriptions and behavioral biases.



Barriers to Product Uptake among Women Customers

Women agents such as Shahida and Shikha shared insights on the critical barriers that women customers and users face while accessing MFS. While most of the barriers for women customers have been presented in our previous report on *Product Preferences of Women in MFS*, it is evident that most of the challenges that women face occur at the inception stage of the MFS lifecycle. These barriers limit women customers' ability to use MFS.

Financial, social, and behavioral barriers gravitate MFS uptake among different types of women customers, as mentioned below. While the lack of access to finances is in itself a barrier, it cannot be looked at in isolation from other barriers that heavily impact women. Education, domestic responsibilities, and familial support are a few barriers that are socially driven. In behavioral biases, agents indicate that women lack confidence and are more risk-averse as compared to men.



Financial barriers

- Lack of access to financial services
- Financial education
- Control over financial resources at home

Social barriers

- Domestic responsibilities
- Family support
- Social network
- Sexual harassment
- Education

Behavioral barriers

- Hassle factors
- Ambiguity effect
- Lack of confidence
- Attitude toward risk

Features That Make Mobile Financial Services Attractive

Women agents shared the following features of MFS that could appeal to women customers and enable them to overcome various financial, social, and behavioral barriers.. While they do apply to male users as well, they may disproportionately affect the female market where usage levels and experience with MFS is lower.

- 1** Strong branding that targets women and offers simple messaging for an easy-to-use service. This might increase family support and provide more confidence to women in using MFS.
- 2** Frequent and consistent monitoring of women MFS agents might help with imparting good financial knowledge and building women MFS users' confidence.
- 3** Effective distribution for liquidity management for women agents might help in removing the ambiguity in the minds of women MFS users.
- 4** Easy and quick customer registration, which might help more women break their social barrier and come forward to enroll in and access MFS.
- 5** Simple and transparent pricing at the agent outlet might build the confidence of women users and non-users in accessing MFS. This may also help enhance family support, because the woman user is more aware of the service that she accesses.
- 6** Free cash-in, with no minimum balance required, will increase the number of women who access financial services.
- 7** Interoperability in sending money to noncustomers across any MFS platform helps women users reach out to others without being dependent on a single provider.

Appeal of Products and Services by Segment

Over the past few years in Bangladesh, the MFS industry's performance has seen a three-tiered change, with a group of fast-growing new services, a group of widely available existing services, and a group of new services that is struggling to gain traction. The third group, which includes utility bill payment, school fees payment, and salary disbursement, has shown more demand among women users compared to the existing primary services such as peer-to-peer (P2P), CICO, and money transfer.

While the newer services show higher levels of adoption (and acceptability) among women customers, the primary services introduced earlier are also growing at a steady pace. This shows that growth trends of the products offered can undergo changes at different lifecycle moments. In particular, it demonstrates that women customers can successfully take up MFS after an initial period of reluctance in adoption. This development shows it is possible for an initially sluggish MFS service to grow rapidly later.

Women have gained confidence in MFS through the use of primary services, such as CICO and P2P, and may adopt new services such as utility bill and school fee payments. Because payments traditionally are seen as the responsibilities of male family members, the uptake of these services by women will help in breaking social norms, too.

MFS comprises three segments based on service availability. These are mainstream services, widely used but not yet mainstream services, and marginal services.

Mainstream services	Widely used	Marginal services
Peer-to-peer (P2P) transfer	Salary disbursement	Gas or water bill payment
CICO	School fee payment	Merchant payment
Airtime top-up	Motor vehicle registration fees and taxes	
Electricity bills		



Section IV.

Strategy for Acquiring Women as Agents

Providers' Perspective on Women Agents

Along with the rise of MFS in Bangladesh, there is an increase in the number of MFS agents deployed by various providers across the country. As part of the research study, the team held discussions with providers.* The aim was to understand providers' strategy, if any, on acquiring and maintaining agents as part of their MFS distribution channel (with a focus on women agents).

The research indicates that MFS providers have no strategic focus on acquiring and deploying women agents. Providers maintain that they follow criteria provided by the Bangladesh Bank while selecting potential agents (male or female). The [guidelines](#), however, do not specify explicit selection criteria for agents. Instead, they mention points for consideration, such as technical competence, financial soundness, business reputation, and the ability to meet commitments under adverse conditions.

"We have no special criteria for women agents. For us, an agent is the same, irrespective of gender."

—A leading MFS provider specifying that there is no gender-based differentiation when it comes to selecting agents

This results in individual providers following an internal set of criteria to identify and select agents, as well as managing deployment. Some providers also refer to the Bangladesh Bank [guidelines](#) on agent banking for all agents that they choose, without considering the nuances of gender.

"We understand the issues that they face, but with such thin margins, we cannot afford to spend more on addressing the needs of women agents."

—An MFS provider describes the company's compunctions while addressing the gender parity of women agents

*Please refer to the [appendixes](#) to see a detailed list of stakeholders interviewed as part of the study.

Agent Acquisition

Individual providers have varied strategies when it comes to agent selection. Such strategies differ in terms of geography (whether the agent will operate in an urban or a rural area), in terms of population (estimated footfall at the proposed agent outlet), and other key considerations. However, there are certain parameters that remain constant for all providers, irrespective of geography, population, or other considerations. The stakeholders interviewed stated that the following criteria are essential to identifying a potential agent:

- Financial capability;
- Business acumen;
- Local reputation; and
- Technical competence.

Financial capability

As far as providers are concerned, a potential agent must be able to service the needs of any customer by maintaining a sufficient e-float as well as a sizeable cash balance, and also be able to infuse invest capital in setting up the business.

Bangladesh Bank's [guidelines](#) on MFS refer to the potential agents:

“Educated individuals capable of handling IT-based financial services, agents of insurance companies, owners of pharmacies, chain shops, and petrol pumps/gas stations.

1. Competence to implement and support the proposed activities;
2. Financial soundness and cash-handling capability;
3. Ability to meet commitments under adverse conditions;
4. Business reputation;
5. Ability to offer technology-based financial services;
6. Security and internal control, audit coverage, and reporting and monitoring capacity.
7. Loan defaulter or a convicted person cannot apply for agencyship.”

MFS providers feel that in general, women depend on male relatives for the capital requirement to start an agency for MFS. While they balk at registering newcomers as agents for this reason, women who run existing establishments are considered on an equal footing as men, subject to the fulfillment of other criteria. As a result, providers look at women who are small business owners or most commonly existing airtime-recharge agents who are familiar with the operations of e-float. New women entrepreneurs, on the other hand, find it difficult to gain traction with providers.

Business acumen

To be eligible for selection as an agent, a potential applicant must display business acumen, especially in being able to attract customers and manage day-to-day agency operations.

Providers acknowledge that although many women own and run their own small business setups, it is men who own and operate most retail outlets. They feel that most women entrepreneurs do yet not showcase the skills required to manage technology and handle customers together. While a woman managing a tea stall is a common sight, women managing mobile-recharge outlets are rare. There are certain other establishments that are mostly run by women, such as small eateries and vegetable stalls in market areas. Though these have high customer footfall as well as a regular clientele, providers perceive that the women running these businesses do not possess the technical competence to offer MFS. Providers note that while they can provide a certain amount of training to new women agents, from a business perspective it makes more sense to continue with existing business owners who have the displayed ability to manage technology-related solutions.

“I didn’t receive the license as I did not have an existing business. It was finally granted in my uncle’s name, since he has a shop, though I manage the entire day-to-day running.”

—A woman agent in Beanie Bazaar, bemoaning the agent-selection process

Local reputation

An agent for any MFS provider represents the primary touchpoint for customers interacting with both the service as well as the brand. An ideal agent is one who is well-known and respected among his or her neighbors and by others in the local population. Field staff of MFS providers often conduct a thorough background check and speak to as many local people as possible to gauge the potential agent’s personal and professional reputation. In case of any negative feedback, the applicant is asked to clarify on the points of contention. If his or her response is not satisfactory, the application is rejected.

Potential women agents often score well on this aspect of the selection criteria. However, in conservative areas and among conservative communities, the process of assessing a woman applicant's local standing leads to certain societal issues. Some community members, especially elderly men, do not appreciate the fact that a woman is being considered for agency ownership. They attempt to dissuade her by speaking to her male relatives and other family members. As a result, providers prefer approaching and seeking applications only from potential male agents.

“A woman's job is to look after the family, business is not for her. She won't be able to manage customers and all.”

—A male agent in Habiganj opines against recruiting woman agents

Technical competence

Providers prioritize a potential agent's technical competence over formal educational qualifications. Mostly, tech-savvy small business owners who demonstrate the ability to use smartphones and laptops are preferred, as they are found to be more adaptive to changes in technology as well as products and product features that are offered through mobile phones. They also explain MFS services better to new customers.

As far as providers are concerned, lack of technical competence is the biggest hurdle to appointing a woman agent. Women agents often feel hesitant and field staff believe that they take longer to become comfortable at offering MFS to customers. While well-educated and technically competent women do exist, most seek other employment opportunities that are steadier and salaried, compared to an agency business. In some cases, the agency may be registered in the name of a woman, but male employees or relatives run it.

“If a person is able to use a mobile phone for advanced functions and understands the business, then they can easily become an agent, provided they fulfil other criteria.”

—An MFS provider, describing the need for technical competence among potential agents

Other considerations

Apart from the four key areas detailed out in the previous slide, providers must consider multiple other parameters while appointing an agent. At times, it is a question of business requirements or expansion strategies in a particular area, when providers concentrate on acquiring agents in the shortest possible time. In such a scenario, it is easier to attain male agents based solely on availability.

In other instances, providers require their agents to play an active role in customer mobilization. They, thus rely on male agents who have greater mobility and social access compared to women.

Providers also place emphasis on the existing infrastructure for the purpose of having a physical agent counter, where customers will be able to transact freely without any difficulty. They simply do not find too many outlets managed by women that have the adequate infrastructure.

“The current regulatory environment is still unstable, and until we have a definitive set of guidelines, we are just consolidating our existing strategies and not focusing on women per se.”

—An MFS provider describes the current challenges in the MFS environment in Bangladesh

Agent Network Management

Because providers do not have a differentiated agent-selection strategy for women agents, the deployment of agents in the field—including the day-to-day aspects of monitoring an agent network—do not differ when it comes to the agent’s gender.

Providers do not deliver additional training or support the women agents selected. Providers’ initial handholding support is the same for all agents. Some providers acknowledge that in some cases women agents may need more support during the initial phase of setting up the MFS business. Others, however, opine that the agent-selection criteria ensures that new agents have some basic levels of understanding of the business, which is then improved by the spot-training that field staff provide.

There are instances of agents being brought in to attend a classroom-based training session, but these are few and far in between. There are two primary reasons for this:

1. Often agents are non-dedicated and have businesses other than providing MFS. Taking a day off to attend a training session results in an opportunity cost and loss in earnings, which few business owners are willing to bear.
2. These classroom-based sessions are held mostly when new products or services are launched, with the invitees being established agents, who providers feel can generate the most revenue in the form of increased transactions.

“I was hoping to get some material that I could refer to while starting out, but nothing was provided. Instead, I had to take the help of nearby agents to clarify my questions.”

*—A woman MFS agent in Barisal,
bemoaning the lack of a formal training system*

Overall, no customized training is provided to new women agents, which may be required, especially on acquiring new agents and customers.

Liquidity management

Liquidity management support from the provider is also common for all types of agents. The only differentiator in this aspect is the agents' transaction volume. Agent outlets with high customer footfall and a larger number of transactions often merit more than two visits a day by the distributor's or provider's field staff. This is particularly true for the destination points (receiving ends) of remittances, which involve higher amounts of cash-out, and require agents to manage their liquidity well to ensure that there is no service denial to the customer.

"Agents who need additional support for liquidity are provided the same as long as their business volumes justify multiple visits of field staff for rebalancing."

—An MFS provider commenting on additional liquidity support for agents

Some better-performing agents are also given extremely short-term credit as an e-float. This process, however, is based on the personal relationship between the agent and distributor and is not a normal business practice.

Agent monitoring

Providers conduct agent monitoring on two levels: the *corporate level*, based on management information system (MIS) data on transaction numbers and volume; and the *operational level*, based on field staff's physical visits. Providers do not offer any special monitoring for women agents. Also, providers cannot provide details of women agents easily, because women constitute a minuscule portion of their total agent base. Many agent outlets run by women are registered in the name of male relatives, which makes it harder for providers to ascertain whether a woman is running the operations. Only granular-level field staff are aware of the actual scenario in the market when it comes to the agency's day-to-day operations.

"We have the details of the agency, including transaction numbers and volume. However, only our field staff can help determine if a woman is running the counter."

—An MFS provider, commenting about the lack of information regarding agent gender

Marketing and communication

As far as marketing and communication efforts are concerned, the situation remains the same. Providers do not differentiate between agent outlets run by women in terms of marketing collateral or branding activity. While a large number of women use MFS and many have expressed a need for women agents, providers are content to maintain the current status quo of having a sizeable majority of male agents in their distribution network. If agent outlets are identified and advertised on the basis of an agent's gender, providers feel that it may make the outlet more susceptible to risks of robbery. The outlets may be seen as easier targets for criminals, because the women running such agencies potentially could be overpowered.

“If we advertise an agent outlet that is run by a woman, it may just have adverse effects in terms of security, especially in rural areas. We can't then be responsible for providing security services to the agent outlet as well, can we?”

—An MFS provider, commenting on the lack of differentiated marketing for women agents

Risks from a Provider's Perspective

Risk management is vital to the commercial success of any business organization. For MFS providers, effective risk management of their agent network underlies sustainable growth, because it protects the crucial assets of reputation and profitability. Discussions with providers revealed that the approach to identifying risks depends on the local market context, organizational structure, and product offering. Broadly, the perceived risks that providers face can be segregated into:

- *Business risks*, which affect the macro environment and includes regulatory concerns;
- *Operational risks*, which deal with transaction procedures and includes the risk of fraud; and
- *Security risks*, which are more of a more physical concern, especially in the case of managing women agents.

Business risks

A recurring refrain of providers in the market is that the business models adapted for the MFS market in Bangladesh have a long gestation period until profitability. Providers who have entered the MFS space must allow at least 6 to 7 years before their investments in infrastructure and distribution result in profits. These issues are present irrespective of agents' gender. **In the current scenario, firms are under constant pressure to work with limited budgets and feel that any additional investments in terms of focusing on women agents exclusively may hamper their already threatened bottom lines.** This risk of a loss in profitability is critical to providers, who are pressurized to protect their margins.

With the current regulatory stalemate over draft [guidelines](#), MFS providers are unsure about the potential direction of the MFS landscape in Bangladesh, especially regarding MFS ownership. The strategy adopted by players to counter the unstable regulatory environment is to wait and watch market developments without making any changes to the current mode of operations. The risk of a drastic change in regulations with the introduction of new permissible partnerships has stymied any proactive measures by providers to plan agent expansion, vertically and horizontally.

Operational risks

Providers are aware that the business dependence of having a large agent network brings a multitude of operational and transactional risks. During discussions, providers highlighted the following risks as most relevant to their current operations:

- Agents may be susceptible to fraud, especially when it comes to cash-out transactions. Text messages similar to provider messages are used to initiate cash-out transactions, and the agent may be unable to distinguish a genuine message from a fraudulent one.
- Even during cash-in, unscrupulous customers request the reversal of transactions, which were successful but are reported to the agent as unsuccessful. The agents may return the cash to the customers without verifying the details first.
- In case a stringent monitoring system is not in place, agents also may split transactions to earn higher commissions, without leaving patterns that could be used to detect such activity.
- Because customers, especially in rural areas, depend wholly on the agent and at times share their PIN with them, this may result in fraudulent transactions with the agent siphoning away customer funds.
- OTC transactions also hold an inherent risk, because the sender or receiver is unknown. While providers have instructions for agents to write down the details of the sender and receiver and keep a copy of the national ID, few follow the process.
- The agent may not possess funds to facilitate a cash-out or e-float to facilitate a cash-in transaction. Inadequate liquidity management at the agent outlet could then lead to service denial to the customer.

While there are other risks that may affect the uptake of MFS among customers and delivery of MFS by agents, providers identify these key risks as most crucial to their business operations. They monitor such risks either through MIS data at corporate offices or from physical visits by provider staff. Relevant support to mitigate these risks is a topmost priority for providers.

Women agents are perceived to be more susceptible to issues of fraud, as providers feel that their levels of technical competence are lower compared to male counterparts. It must be noted, however, that providers also felt that women agents may decrease the risk of money being pilfered or of split transactions. In this regard, a notion exists that women are inherently more trustworthy than men and are less likely to engage in this activity.

Security risks for women agents

Providers are of the opinion that having women agents may pose security threats to the agent outlet. Criminals may try to rob the agent outlet if they are certain a lone woman is operating it. In some areas, higher customer footfall is seen in the evenings. As a result, the outlet may be susceptible to the risks of theft or burglary.

“We’ve advised our field staff to ensure that if a woman agent operates in a remote area, she should have a male employee or be accompanied by a male relative, especially during evening hours.”

—An MFS provider explaining the mitigation of security risks

Key Takeaways



Business considerations undermine social requirements

Providers recognize the differentiated needs of women agents, but they feel that their thin margins do not allow investments to address these needs. They do not perceive the business case of investing in female agents.



There is little or no gender differentiation in operational strategy

Providers seldom differentiate between male and female agents when it comes to field operations.

While managing existing agent deployments, there is no special consideration for women agents

Existing agents are treated the same regardless of gender. This means that aspects such as training, monitoring, liquidity management, and marketing and branding are exactly the same for all agents.

The only factor that could result in a differentiated preferential treatment of agents is business performance. High-performing agents are given special consideration in terms of provider support.

Because of security concerns, sometimes providers do not wish to highlight an agent outlet run by a woman.

Providers rely on a few key areas while deciding on potential agents

Providers have a set of key criteria for choosing agents. These primary drivers for agent acquisition are:

- Financial capability;
- Business acumen;
- Local reputation; and
- Technical competence.

Other factors that play a role in solidifying a decision to appoint an agent are alignment with business strategy and existing infrastructure.

Providers feel that women agents are more susceptible to the usual MFS risks

Providers have three areas of concern when it comes to managing risks:

1. *Business risks*, which affect the macro environment and include regulatory concerns and are agent gender-agnostic.
2. *Operational risks*, which deal with transactional procedures and includes the risk of fraud to which women agents are perceived to be more susceptible.
3. *Security risks*, which are of a more physical concern, especially in the case of managing women agents.

Resources

For a list of registered NGOs in Bangladesh, please click [here](#).

For a list of registered MFIs in Bangladesh please click [here](#).

For a note on how cross-selling benefits institutions such as MFIs, please click [here](#). These benefits can be used to persuade organizations such as MFIs to consider using MFS agents. The median monthly revenue for MFS agents is USD 77 (or more than BDT 6,000). This income stream can serve the interests of NGOs or MFIs working to economically empower women.

Women form a significant portion of the population:

Women consist of roughly half of Bangladesh's total population. This means that the potential customer base for MFS is huge, with research showing that women would prefer to be served by women agents.

Women are significant participants in the labor force:

[World Bank data](#) shows that the participation of adult women (15+ years age) in the Bangladesh's labor force was 58 percent in 2014 and has been increasing. The majority of adult women in Bangladesh are occupied in some form of income-generating activity. The personas of Farzana and Fameeda are a case in point. However, with multiple barriers of entry, women are not yet part of the inclusion that digital finance offers. These customer personas can be of particular interest to MFS providers, because women are enterprising by nature and fairly comfortable in dealing with money.

There is great untapped potential as RMG sector wages become digitized:

Bangladesh's exports industry alone comprised USD 31.2 billion in FY 2014–2015, 81.69 percent of which was made up of RMG. The RMG sector provides employment to around 4.2 million Bangladeshis, mainly women from low-income families. Digitizing RMG worker wages is a major initiative, and various MFS players across Bangladesh and players such as DBBL have made significant inroads. However, there is still a huge scope that is left untapped. These RMG workers would greatly benefit from CICO points manned by women agents (mainly because of the aforementioned social barriers).

Women are experienced borrowers with business acumen:

As per June 2014 data from Bangladesh's [Microcredit Regulatory Authority](#), the microfinance sector had outstanding loans of USD 3.5 billion disbursed to 19.98 million

borrowers. Over 93 percent of these borrowers are women. Currently, most of the weekly, fortnightly, and monthly loan repayments happen in cash.

This has its own challenges of cash-carrying risk and operational inefficiencies. Many MFIs contemplate switching over to digitizing cash loan repayments. This will require agent points to convert cash to digital money. Women agents will play a major role in this, considering that the majority of MFI customers are women. Hence, this is a huge untapped market opportunity.

Women foster a high level of trust:

Women are often highly trusted members of their respective communities. Therefore, brands that are trying to gain entry to a new geographical area or market segment can use women effectively to communicate their brand message as well as product benefits.

Socially, customers see women as more accessible and patient:

As mentioned earlier, in most regions of Bangladesh, men and women live gender-segregated lives outside of their family homes. This makes it more difficult for women to access financial products and services from male agents. MFS providers can consider including women agents in their MFS channel by working in partnership with local NGOs or MFIs, because the latter often have access to a large network of women. From the perspective of MFS providers, working with these existing groups is a cost-effective way of expanding the agency channel into new territories.

MFS are heavily focused on customer service and rely on excellent customer relations. For example, MFS agents must explain various product options to consumers, build relationships with regular customers, and engage in a friendly manner with casual shoppers. A general perception is that women are more patient and therefore willing to take the time to explain a complex product. They are seen as being better at selling to both men and women in most markets. MFS providers must take advantage of these inherent qualities, which would not only create an enabling environment for MFS usage, but will also have a positive impact on the business of MFS providers.

Why Should Providers Have More Women Agents?

MFS providers in Bangladesh do not have a focused approach for acquiring women agents as part of their business strategy. However, providers must now look at initiating an acquisition strategy to obtain capable women agents, to effectively serve a key customer segment—that is, women. This section presents an operational roadmap to providers that are willing to invest in gender parity for their distribution network.



Identifying potential agents

It is crucial to utilize existing networks of women who may be best placed to work as MFS agents

Civil Society Organizations (CSOs) and NGOs play a crucial role in mobilizing women for livelihood generation. There are wide networks of women, such as MFI groups, SHGs, and local samitis that help finance income-generating activities for women.

Providers must **build new partnerships and engage with CSOs and NGOs**

MFS providers must tap into these networks to help kick-start women entrepreneurs, showcasing the agency business as an alternative income-generating activity that women may choose to pursue in addition to other livelihood activities. Joining the “value chain” of MFS can be an empowering experience for women. Providing MFS services (by becoming an MFS agent) is a good business proposition for women who are able to juggle household and community responsibilities. An added advantage of targeting women from these networks is access to the ready-made customer base that exists in the form of peers and group members.

While initiatives targeting the inclusion of women agents are often seen as a restriction to corporate social responsibility (CSR) activity, these initiatives have the potential to be commercially viable and self-sustaining. The existing mindset regarding initiatives targeting women as a CSR activity needs to change.

Present MFS as a viable **entrepreneurial activity** to educated women

Providers must reach out to women to join the agency business. For this, they must target women in vocational institutes and polytechnic colleges proffering an MFS agency as a viable side business or an entrepreneurial opportunity. A dedicated marketing effort for this recruitment can be carried out with little added cost to existing marketing efforts. Most institutes have dedicated career cells, which would be able to better mobilize those students who are interested in pursuing MFS as a viable business opportunity.



Understanding expectations

Providers must understand the motivations and expectations of potential women agents

Apart from financial considerations, women may have other motivations for expressing interest in setting up an MFS agency. These may include societal motivations, such as greater respect among peers or improved social standing.

Understand the **expectations and motivations** of potential women agents

Providers must understand the mindset as well as the expectations and motivations that potential women agents have from the agency business. A thorough market assessment through behavioral-driven research may be imperative to understand the benefits that women agents hope to derive from the MFS business. Then this knowledge can be used to design retention and incentive schemes, and play a direct role in customer acquisition.



Assessing capabilities

There are two levels of capacity assessment that need to take place to assess the capability of potential women agents. The first level is a basic 10-point checklist that looks at decisive preliminary basic factors for consideration of a potential woman agent. The second level is a more in-depth assessment that can be used to score the potential agent on a scale to determine levels of support and monitoring required if the potential agent is selected.

Use a **first-level check** to identify suitable agents and a **second-level analysis** to get them on board

Appendix E presents the basic checklist that providers may follow while identifying women agents, and appendix F details the comprehensive criteria that MFS providers can use to support women agents.



Addressing training needs

Field staff need to assess the training needs of potential agents first. Then a comprehensive training manual must be developed to encapsulate all possible areas in which newly acquired agents may need further support. Providers must prioritize training of trainers, which enables seamless delivery of training to new agents at scale.

Develop and use a **training manual**, updating it continuously. **Training of trainers** is a must

Getting women agents up and running is a matter of research, adaptation, and careful pilot-testing before setting up a roadmap for acquisition and deployment.

Conclusion

Bangladesh is a vibrant MFS market with a limited number of women who actively conduct MFS transactions. This research aims to bring out the needs of women, and the barriers they face, with regard to MFS. A more comprehensive analysis by breaking down the women segments into four distinct personas clearly reflects the motivations, requirements, and preferences of women customers in terms of products and services. This shows that each of these personas face specific challenges while accessing MFS, which have been grouped into different categories—product-level issues, operational issues, social issues, and fraud issues.

The research suggests two MFS products that can appeal to women MFS users. The first is a recurring deposit product that looks at catering to users with limited access to formal financial services. The second, an emergency credit product, seeks to provide extremely short-term, small ticket-sized loans to MFS users for exigencies.

This research also makes an attempt to highlight women agents' role in improving the uptake of MFS among women. Service providers will have to take notice of the key factors required for women MFS agents' success. Women agents face considerable challenges in providing MFS to women customers, which needs to be alleviated. The report also speaks of certain enabling features that MFS providers must deliver for a successful uptake of services. Some of these include strong branding of services, interoperability, effective distribution, and agent support.

MFS providers need to consciously focus on having more women agents. The report highlights reasons to support this—a significant participation of women in the labor force, huge potential in the RMG sector (which predominantly employs women), and the high level of trust and experience of women with microfinance. This report provides MFS providers with a compelling argument to establish more women agents, which will lead to an increased uptake of MFS among women customers. One way is to identify existing networks of women that MFS providers could leverage as MFS agents.



Appendixes

Appendix A. Calculations and Assumptions for Estimating the Market Size of Registered Female MFS Users in Bangladesh

N ^o	Particulars	2013	2014	2015	2016	2017	2018	2019	2020
1	Adult population of Bangladesh	109.21	111.46	113.63	114.99	116.37	117.77	119.18	120.61
2	Annual population growth rate (%)	1.20							
3	Adult female population	54.33	55.41	56.51	57.19	57.87	58.57	59.27	59.98
4	Percentage of Bangladeshi women with MFS wallets	1	2	4	6	9	14	21	33
5	Annual growth rate in the percentage of Bangladeshi women with MFS wallets		100	100	52	52	52	52	52
6	Registered female MFS users	0.54	1.1	2.26	3.48	5.36	8.26	12.71	19.57

Assumptions

- Data on the adult population of Bangladesh was obtained from the Gender Statistics Database of World Bank's [World Data Bank](#) for the years 2013, 2014, and 2015. The team obtained the annual population growth rate from the same source. The team based the estimate of the adult population for the years 2016–2020 on the population data for 2013–2015 and the population growth rate.
- Data on the adult female population of Bangladesh was obtained from the Gender Statistics Database of World Bank's [World Data Bank](#) for the years 2013, 2014, and 2015. The team obtained the annual population growth rate from the same source. The team based the estimate of the adult female population for the years 2016–2020 on the population data for 2013–2015 and the population growth rate.
- Data on the percentage of Bangladeshi women with mobile wallets was obtained from Intermedia's [FII tracker surveys](#) for the years 2013, 2014, and 2015. For 2016, the team used the data from the survey, (which indicated that 29 percent of all female MFS users were registered users), and a data point from Intermedia's 2015 survey (which cited that 21 percent of women in Bangladesh were MFS users) to estimate the percentage of Bangladeshi women with registered mobile wallets.
- The team believe that the current growth rates of registered female MFS users are inflated because of the low-base effect. The team believe that it will normalize to equal the growth rates of registered male MFS users—which is 52 percent, as per Intermedia's [FII tracker surveys](#) for the years 2013, 2014, and 2015. The team used this rate to estimate the percentage of Bangladeshi women with registered mobile wallets from 2017–2020.
- The team calculated the number of registered female MFS users based on the percentage of Bangladeshi women with registered mobile wallets and the adult female population.

Appendix B. Calculations and Assumptions for Estimating Potential Market Size of Registered Female MFS Users in Bangladesh after Recommended Interventions

Calculations and Assumptions for the Digital Credit Product(in Millions)

N°	Particulars	2013	2014	2015	2016	2017	2018	2019	2020
1	Percentage of Bangladeshi women who have borrowed money for health, medical purposes, or emergencies	11.90							
2	Number of Bangladeshi women who have borrowed money for health, medical purposes, or emergencies	6.46	6.59	6.72	6.80	6.89	6.97	7.05	7.14
3	Number of Bangladeshi women who have borrowed money for health, medical purposes, or emergencies and are registered MFS users	0.06	0.13	0.27	0.41	0.64	0.98	1.51	2.33
4	Number of additional women who can be targeted with the digital credit product	6.40	6.46	6.46	6.39	6.25	5.99	5.54	4.81

Assumptions

- The team assumed that users of the digital credit product will be those who are looking to avail credit for medical or emergency purposes.
- Data on the percentage of Bangladeshi women who have borrowed money for health, medical purposes, or emergencies was obtained from the Gender Statistics Database of World Bank's [World Data Bank](#) for the year 2014. The team have assumed that this percentage will remain constant across years.
- The team estimated the number of Bangladeshi women who have borrowed money for health, medical purposes, or emergencies based on: a) the adult female population calculated in [appendix A](#); and b) the percentage of Bangladeshi women who have borrowed money for health, medical purposes, or emergencies.
- The team assumed that the percentage of Bangladeshi women who have borrowed money for health, medical purposes, or emergencies would remain the same across registered female MFS users and non-users.
- The number of Bangladeshi women who have borrowed money for health, medical purposes, or emergencies and are registered MFS users was estimated based on: a) the number of registered female MFS users calculated in [appendix A](#); and b) the percentage of Bangladeshi women who have borrowed money for health, medical, purposes, or emergencies.
- The number of additional women who can be potentially targeted with the digital credit product was calculated based on: a) the total number of Bangladeshi women who have borrowed money for health, medical purposes, or emergencies and b) the number of registered female MFS users who have borrowed money for health, medical purposes, or emergencies.

Calculations and Assumptions for the Recurring Deposit Product (in Millions)

N ^o	Particulars	2013	2014	2015	2016	2017	2018	2019	2020
1	Percentage of Bangladeshi women who have saved money	25.20							
2	Number of Bangladeshi women who have saved money	13.69	13.96	14.24	14.41	14.58	14.76	14.94	15.12
3	Number of Bangladeshi women who saved money and are registered MFS users	0.14	0.28	0.57	0.88	1.35	2.08	3.20	4.93
4	Number of additional women who can be targeted with the recurring deposit product	13.55	13.68	13.67	13.53	13.23	12.68	11.73	10.18

Assumptions

- The team assumed that users of the recurring deposit product will be those who already save money.
- Data on the percentage of Bangladeshi women who saved money was obtained from the Gender Statistics Database of World Bank's [World Data Bank](#) for the year 2014. The team assumed that this percentage will remain constant across years.
- The number of Bangladeshi women who saved money was estimated based on: a) the adult female population calculated in [appendix A](#); and b) the percentage of Bangladeshi women who saved money.
- The team assumed that the percentage of Bangladeshi women who saved money would remain the same across registered female MFS users and others.
- The number of Bangladeshi women who saved money and are registered MFS users was estimated based on: a) the number of registered female MFS users calculated in [appendix A](#); and b) the percentage of Bangladeshi women who saved money.
- The number of additional women who can be targeted with the recurring deposit product was calculated based on: a) the total number of Bangladeshi women who saved money; and b) the number of registered female MFS users who saved money.

Calculations and Assumptions for MFI Partnerships (in Millions)

N°	Particulars	2013	2014	2015	2016	2017	2018	2019	2020
1	Percentage of Bangladeshi women who use MFIs	21	26	24	24	24	24	24	24
2	Number of Bangladeshi women who use MFIs	11.40	14.41	13.68	13.57	13.74	13.90	14.07	14.24
3	Number of Bangladeshi women who use MFIs and are registered MFS users	0.11	0.29	0.55	0.83	1.27	1.96	3.02	4.65
4	Number of additional women who can be targeted with MFI partnerships	11.29	14.12	13.13	12.75	12.46	11.94	11.05	9.59

Assumptions

- Data on the percentage of Bangladeshi women who use MFIs was obtained from Intermedia's [FII tracker surveys](#) for the years 2013, 2014, and 2015. The team calculated the average percentage, which was 24 percent (which was also the latest available number). The team assumed that this percentage would be constant across projection years, since Bangladesh is a matured microfinance market.
- The number of Bangladeshi women who use MFIs was estimated based on the adult female population calculated in [appendix A](#) and the percentage of Bangladeshi women who use MFIs.
- The team assumed that the percentage of Bangladeshi women who use MFIs would remain the same across registered female MFS users and others.
- The number of Bangladeshi women who use MFIs and are registered MFS users was estimated based on the number of registered female MFS users calculated in [appendix A](#) and the percentage of Bangladeshi women who use MFIs.
- The number of additional women who can be targeted with MFI partnerships was calculated based on the total number of Bangladeshi women who use MFIs and the number of registered female MFS users who use MFIs.

Appendix C. Key Informant Interviews

List of institutions for key informant interviews

1	Airtel Bangladesh Ltd.
2	Bangladesh Bank
3	Banglalink Digital Communications Ltd.
4	bKash Ltd.
5	BURO Bangladesh
6	Dutch Bangla Bank Ltd.
7	Grameenphone
8	Islami Bank Bangladesh Ltd.
9	ONE Bank Ltd.
10	Progoti Systems Ltd.
11	Robi Axiata Ltd.
12	Teletalk Bangladesh Ltd.

Appendix D. Informal Remittance Channels

Hundi or Hawala

Hundi or *hawala* is prevalent as an informal process of sending remittance in Bangladesh. The most popular reasons behind the preference for a hundi system is minimal transaction charges, its fast delivery, and the opportunity to maintain confidentiality.

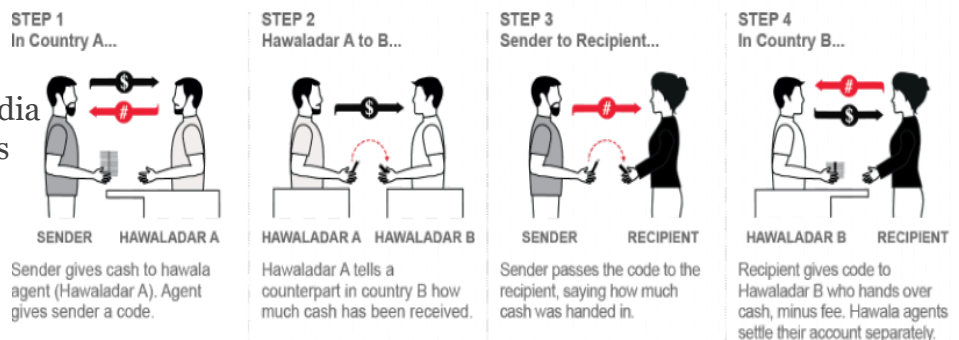
How It Works

Hundi is a system of transferring value without actually transferring money from one place to another. Hundi payment works on the basis of trust. Hence, the money does not hit the official payment channels at any point in time.

Hundi works when one person wants to send money to another person from one place to another. The sender goes to *hundi agent* (the *hawaladar*), gives him money, and tells him a secret password. The sender communicates the same password to the receiver via telephone. The hundi agent at the sending point tells the amount as well as the password to his other representative at the receiving location (where money is to be transferred). Now the receiver has to go to the hundi agent at the receiving end and speak the same password and amount. He gets the cash from the agent if the password and amount match. Hence, money has not moved from the sending end to the receiving end. The agents settle their accounts separately.

How hawala works

Hawala is a legal but informal means of transferring money across the globe.



Source: Financial Action Task Force (FATF).

Money Couriers

Money couriers also are used to send money to friends and relatives. There are people who act as money couriers who transport money on behalf of a migrant worker from the country of residence to the country of origin. In some cases, domestic money couriers also exist.

Appendix E. Preliminary Basic-Level Checklist

Providers must use a basic checklist to identify a potential agent's (PA's) suitability. The following criteria are vital in a first-level check:

N°	Key points of consideration	Mandatory response
1	Is the PA the owner/key operator of an existing business or a member of a wide network of women (such as a self-help group or a samiti)?	Yes
2	Does the PA have access to infrastructure (such as counter space)?	Yes
3	Is the PA willing to invest time, money, and resources in the business?	Yes
4	Is the PA a loan defaulter of any financial institution?	No
5	Are there prior instances of fraud recorded against the PA?	No
6	Are there any serious security issues in the locality in which the PA will serve?	No
7	There should be positive feedback from NGOs, CSOs, other channel staff, or reliable references, such as teachers with whom the PA is associated.	Yes
8	Five positive references from persons belonging to the same locality as the PA.	Yes
9	Does the PA have access to a mobile phone and can she use it competently?	Yes
10	Is the PA literate and able to understand the business aspects of the MFS agency?	Yes

Appendix F. Comprehensive Criteria

After a preliminary checklist is completed and the PA fulfills all qualifying criteria, it is important to assess the potential agent in terms of a scoring mechanism, to understand the levels of support and monitoring needed. The criteria to be used may include the following:

Preliminary details		
1	What is the PA's age?	Based on other implementations, agents aged between 25–35 years generally perform better than others. They are willing to take risks and are also fairly mature. Agents aged more than 35 are more experienced but risk-averse, so they take time to start a new business. In contrast, agents less than 25 years old are willing to take risks, but do not have enough experience managing a business.
2	What is the PA's highest educational qualification?	Agents who are better educated generally perform better than others. However, postgraduate agents are more prone to attrition.
3	For how long has she been in business?	Agents with more than 10 years of experience are generally not open to starting new businesses.
4	Is the PA an existing airtime-recharge agent?	If the agent is already an existing telecom agent, this will provide a head start in terms of the understanding of the business model. These agents will also have an established customer base of airtime customers that can be converted to MFS customers.
5	Is the PA a local domicile in the locality of operation?	If the agent is a domicile in the area of operations, it helps customers trust the agent and conduct transactions. It also helps the agents make new customers and gain customer loyalty from existing customers.

Property ownership		
6	Are the proposed business premises owned or rented?	Ownership of property becomes critical in instilling a trust factor among users of MFS. This is even more essential in low-income groups, where the customers are more circumspect in conducting money-related transactions with an agent.
7	Does the PA live within 2 km from her shop?	The agent must be within easy reach of her proposed business premises, so as to maintain regular operating hours and be on hand in case of any emergencies.
8	Where is the shop of the PA located?	The premises should ideally be located in an area which has a natural high footfall of customers, such as a market area or a shopping complex.

Business specifications

9	What is the area of the proposed outlet?	Any shop with a service area of more than 100 square feet is sufficient for this business. A shop with an area in excess of 500 square feet is likely to have larger volumes of sales and higher returns. Therefore, the concerned establishment owner might not be interested in getting engaged in the MFS business.
10	Will the outlet be in the vicinity of MFI clients, SHG members, or factory workers?	It will be a definite advantage if the agent location has a large potential customer base nearby.
11	What is the visibility of the outlet?	The shop's visibility becomes important in terms of attracting customers. It also plays a key part in the customer experience of the overall business transaction.
12	What is the PA's core livelihood activity?	The type of business outlet impacts customers' trust. In addition, the business type also determines the target customer segment, the ability to pull an additional set of customers, and the MFS pitch. If the agent is already an agent of other similar businesses, then she already has existing experience and knowledge that can be leveraged.
13	How much can she invest (e-float and cash) in the agency?	Ability to invest in liquidity is an important aspect for fulfilling MFA transactions. Because the focus is on cash-in and cash-out (CICO), the potential agents' capability to invest cash for withdrawals is an essential factor.
14	What will be the potential footfall at the PA's proposed business premises?	The amount of footfall at the agent outlet determines the number of customers she can manage. Also, it must be noted that very high customer footfall means the agent may not be able to address customer needs, while a low footfall would mean that there is little value proposition in terms of volume for the agent.
15	For how long will the outlet be open every day?	One of the main objectives of MFS is to increase the access periods for customers. Retailers who keep their shop open for longer duration would thus incur more benefit for the customer than any shop that is open for shorter periods.
16	Can the PAs handle rebalancing by themselves?	If the agent's presence is in an urban area, it will be an asset for MFS providers if the agent can rebalance liquidity without much physical support from the distributor. In case of rural areas, the agent location must fall under the distribution staff's area of operation.

Access to liquidity

17	How far is the bank branch from the proposed outlet?	A bank in the vicinity will be helpful in agents managing liquidity, and also increases the chances of acquiring customers.
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References

18	How is the reputation of the PA in the locality?	The agent's credibility and reputation in her locality will provide confidence in the agent's overall personality. The agent's reputation will drive business to the agent.
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