

CONSUMER  
BEHAVIOUR  
RESEARCH



## GENDER CENTRALITY OF MOBILE FINANCIAL SERVICES IN BANGLADESH



## ABOUT THIS REPORT



## BACKGROUND

In 2017/18 the United Nations Capital Development Fund (UNCDF) undertook the first comprehensive review of micro-merchants in Bangladesh engaged in the retail sector, particularly in Fast Moving Consumer Goods (FMCG) operating mostly in rural areas.

The Landscape Assessment of Retail Micro-Merchants in Bangladesh showed that retail micro-merchants require access to financial services, and credit in particular. Nearly all retail micro-merchants have mobile phones and understand the benefits of mobile financial services (MFS), but only 30 percent use these services and of them few are female. The need for financial services is high and mobile penetration is high, yet use of MFS is low, especially among women micro-merchants. The UNCDF SHIFT SAARC programme in Bangladesh decided to investigate why this is so.

The programme commissioned MicroSave Consulting (MSC) to undertake consumer behaviour research to examine the gender centrality in digital financial services (DFS) in Bangladesh. DFS enables a customer to use a device (e.g. mobile phones, debit or credit electronic cards, Internet, agents) to make or receive payments and transfers and to store value electronically. The study focused only on MFS, a type of DFS, given this form of DFS is most prevalent in Bangladesh.

The findings are based on a qualitative survey with 76 respondents. It builds on a previously-conducted survey that provided numerical data allowing for statistical interpretation. By investigating the centrality of gender in DFS through qualitative research, the aim was to make sense of “how and why” women use DFS. This approach helped us to recognize patterns and build a meaningful picture of the drivers of DFS use among women, and make recommendations for policy and practice. Our findings are not generalizable; nonetheless, they paint a picture about reasons why women use DFS and provide a set of insights to shape thinking about addressing the gender gap. Overall, the report calls for more research about women and DFS.

## ACKNOWLEDGEMENTS

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## ABOUT UNCDF

UNCDF makes public and private finance work for the poor in the world's 47 least developed countries. With its capital mandate and instruments, UNCDF offers “last mile” finance models that unlock public and private resources, especially at the domestic level, to reduce poverty and support local economic development.

UNCDF's financing models work through two channels: financial inclusion that expands the opportunities for individuals, households and small businesses to participate in the local economy, providing them with the tools they need to climb out of poverty and manage their financial lives; and by showing how localized investments — through fiscal decentralization, innovative municipal finance and structured project finance — can drive public and private funding that underpins local economic expansion and sustainable development.

By strengthening how finance works for poor people at the household, small enterprise and local infrastructure levels, UNCDF contributes to the Sustainable Development Goals (SDGs), particularly Goal 1 on eradicating poverty and Goal 17 on the means of implementation. UNCDF also contributes to other SDGs by identifying those market segments where innovative financing models can have transformational impact in helping to reach the last mile and address exclusion and inequalities of access.

## **ABOUT MSC**

MicroSave Consulting (MSC) is a boutique consulting firm that has, for 20 years, pushed the world towards meaningful financial, social, and economic inclusion. With 11 offices around the globe, about 190 staff of different nationalities and varied expertise, we are proud to be working in over 50 developing countries. We partner with participants in financial services ecosystems to achieve sustainable performance improvements and unlock enduring value. Our clients include governments, donors, private sector corporations, and local businesses. We help our clients seize the digital opportunity, address the mass market, and future-proof their operations.

## **ABOUT UNCDF SHIFT SAARC IN BANGLADESH**

The Shaping Inclusive Finance Transformations (SHIFT) programme framework for the South Asian Association for Regional Cooperation (SAARC) countries is a regional market-facilitation initiative of UNCDF aiming to improve livelihoods and reduce poverty in SAARC countries by 2021. SHIFT SAARC seeks to stimulate investment, business innovations and regulatory reform to expand economic participation and opportunities for women and help small and growing businesses to be active agents in the formal economy.

SHIFT SAARC is currently implemented in Bangladesh where it has two major streams of work: 1) accelerating the uptake and usage of digital financial services (DFS) to respond to the needs for greater digital financial inclusion; and 2) enhancing the growth and competitiveness of retail micro-merchants through the “Merchants Development Driving Rural Markets” project. SHIFT SAARC does this through growing the awareness and demand for DFS through communication, advocacy and industry research. SHIFT SAARC also stimulates expansion of digital technologies for micro-merchant segments by encouraging innovation and linkages between retail and financial services industries.



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## LIST OF ABBREVIATIONS

CI	Cash-in
CO	Cash-out
DFCG	Digital Finance Consultative Group
DFS	Digital financial services
GRM	Grievance Resolution Mechanism
MFS	Mobile financial services
MSME	Micro, Small and Medium Enterprises
OTC	Over-the-counter mobile money transactions
P2P	Peer to Peer
RMG	Ready-made garments
USSD	Unstructured Supplementary Service Data

## DEFINITION OF DIGITAL FINANCIAL SERVICES

Digital Financial Services (DFS) refer to financial services provided to clients through alternative distribution channels that have developed over the past 10 to 15 years. Digital Financial Services enable a customer to use a device to make or receive payments and transfers and to store value electronically, through a variety of channels including:

- Mobile phones
- Internet
- Personal computers (PCs)
- Tablets
- Netbooks
- Point of Sale (POS) machines
- Financial services agents with other devices linked to digital platforms

DFS is broader than mobile financial services (MFS). MFS is the most prevalent form of DFS in Bangladesh.

## KEY RESEARCH FINDINGS

Through a positive deviance approach, **this consumer behaviour research re-examines DFS from a gender perspective by using a Gender Centrality Framework** developed by the research firm, MSC. The framework examines whether various programme and product design elements encourage or discourage women from using financial services (in this case, DFS). **The research focuses only on women who use mobile financial services (MFS).** It is an attempt to understand the compelling factors that motivate them to traverse the journey from being a non-user to an active user.

### **Women need to see the MFS value proposition: Volume/frequency of need, influencers and convenience are the three factors that motivate women to use MFS**

Women use MFS when they need to receive money (such as remittances) or when they need to send it. Family members and friends often influence women non-MFS users to start using MFS. Women who have had a positive experience with the convenience of MFS tend to use MFS. Several factors are critical in enabling the DFS ecosystem to meet the needs of women: demonstrate a clear value proposition to women about MFS, build trust in MFS among women, and offer MFS products that meet women's financial needs. Various factors including literacy, access to proof of identity, access to a mobile phone, household level power relations, relationships with agents, presence of influencers, product design and service delivery also affect the degree of usage. Providers need to take not one but all of these factors into account if they would like to serve women customers.

### **Women users know how to address common MFS barriers: Without greater services and product enhancements, however, women's use of MFS will be restricted**

Women users have learned how to address common barriers that result from language/literacy or the gender of the agent (nearly all are male). Women's transition path is highly dependent on communication. Constant marketing seems to work for women users. However, communication channels describing MFS benefits to women users are largely limited to agents and influencers. Also, certain important features of MFS are understood by only a few (e.g. savings feature). Access to information and knowledge is indispensable to promote MFS use. Currently this information is provided mostly by family members and agents, though not in sufficient quantity or frequency. Financial literacy in MFS/DFS would go a long way to improve understanding and appreciation for DFS and would be a great service and product enhancement benefiting female clients. Triggers and pathways work differently for different user segments.

### **Meeting financial needs drives MFS use among women: Understanding of women's financial needs when it comes to MFS is limited and huge gaps exist**

This research highlights the ways women use MFS and to what purpose. By focusing on women MFS users themselves, it makes an important contribution to existing research. This research has shown that financial services must meet needs of women consumers. That is, the simple convenience of MFS while critical is not sufficient for women to use MFS. There are four distinct types of MFS users among women: beginners, evolving users, advanced users and third-party users. Women do not seem to move easily from one stage to another (the advanced stage being the ideal stage). In effect, women users zig-zag from one user-stage to another. Consequently, the ecosystem of DFS in Bangladesh must identify ways and approaches to facilitate this shift from beginners to more advanced users of MFS if the sector is to see growth in the use of MFS by women.

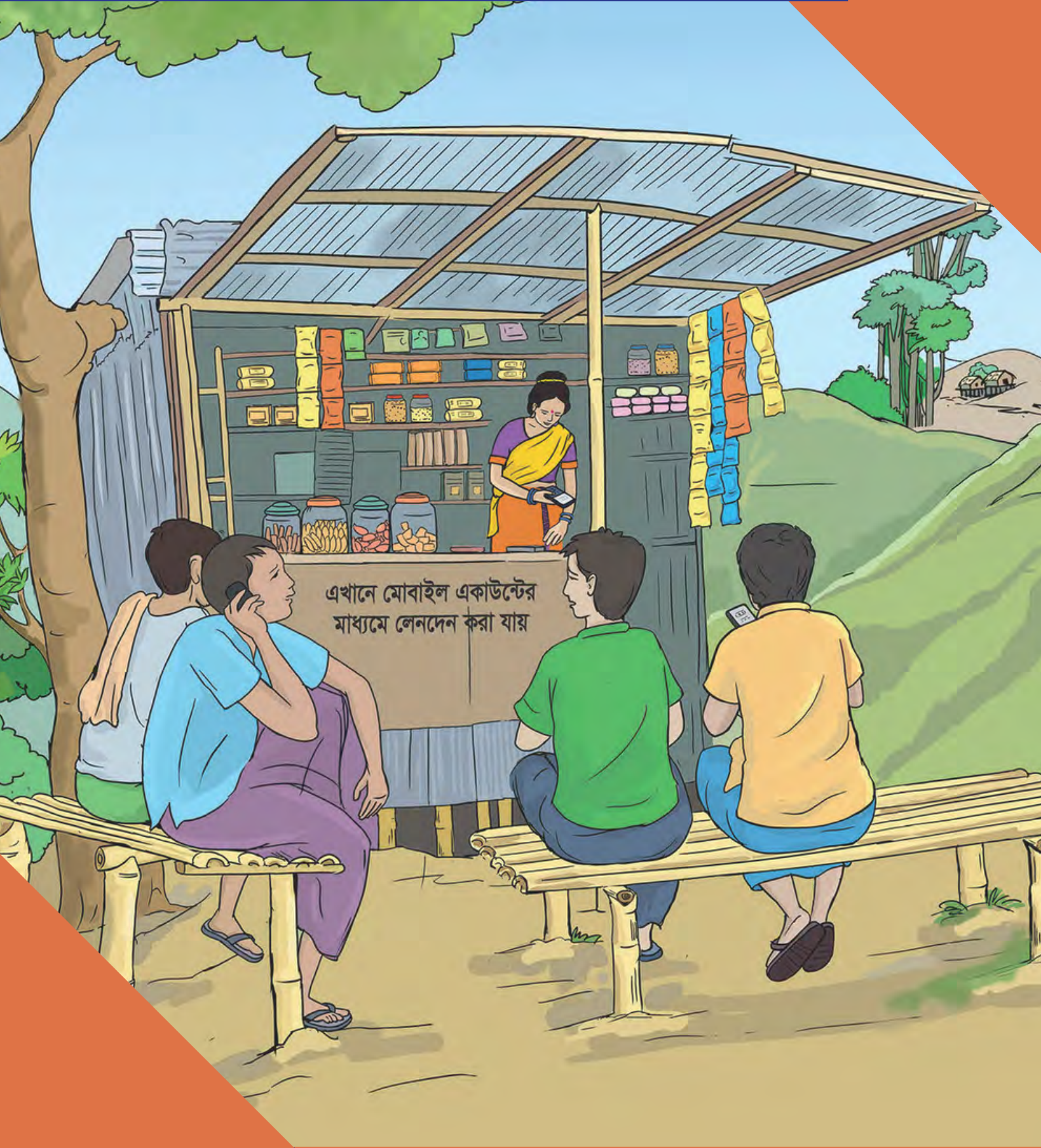
### **The "financial services space" is a new lens for viewing MFS use among women: Continuous improvement of theoretical propositions for gender centrality and women's access/use of MFS and all forms of DFS is critical to a better understanding of gender dynamics in DFS**

This research provides a theoretical proposition of a financial services space. It proposes that such a space consists of three factors or dimensions needed for women to use DFS: volume/frequency of need, convenience and influencers/motivation. It further proposes that women without financial services spaces are out of the purview of providers of mobile financial services. Therefore, to increase access to finance (and MFS in particular), the first step for both regulators and providers is to create the financial services space. Once this space has been established, they can expand access to and use of MFS.



## CHAPTER 1

### ABOUT THE RESEARCH





# WHY STUDY WOMEN USERS OF DFS

Bangladesh has pioneered many innovations in digital financial services, especially those available using mobile phones (mobile financial services). Despite success, there is a huge gender gap – a difference in access and use of services between women and men:



## Registered mobile financial services users

Gender is not necessarily a deterrent to access and use of financial services, but gender differences exist in the design and delivery of financial services. We need to recognize these differences, and identify enablers and barriers faced by women. Only when these are well understood can we develop suitable strategies and design products to meet the needs of women.

The aim is equitable access and uptake/use of all digital financial services by both women and men. When gaps in access are high, we tend to study the reasons gaps exist. For example, there are many studies highlighting impediments, barriers and challenges women face in accessing DFS in Bangladesh. These are meaningful studies that improve our understanding of the challenges. However, the research team found no studies that examine the current female users of DFS in Bangladesh. Looking more closely at these women can shed light on motivators and drivers of use, and consequently improve efforts to expand DFS to more women.

We spoke with women who use DFS. We call them “positive deviants”. Our questions:

1. WHO ARE THE WOMEN WHO USE DFS AND WHY?
2. WHAT TRIGGERS USE OF DFS AMONG WOMEN?
3. HOW DO THOSE TRIGGERS DIFFER FROM THOSE OF MEN?
4. WHAT FACTORS ENABLE AND CATALYSE USE OF DFS BY WOMEN?
5. WHY DO SOME WOMEN USE DFS AND OTHERS DO NOT?
6. HOW DOES DFS PRODUCT DESIGN INCORPORATE GENDER EQUALITY PRINCIPLES?

We examined mobile financial services (MFS) as these are the most prevalent of the DFS options in Bangladesh.

## RESEARCH METHODOLOGY

The qualitative research methods involved demand-side and supply-side review instead of :

### ON THE DEMAND SIDE

We undertook focus group discussions with women and men who are using MFS, and conducted both rapid interviews and in-depth interviews with women MFS users. We also undertook customer journey mapping.

### ON THE SUPPLY SIDE

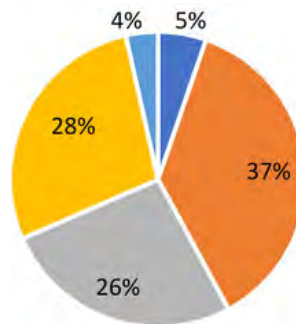
We interviewed MFS agents and directly observed interactions and transactions between agents and their customers. We also undertook stakeholder workshops with providers and regulators, and reviewed the existing literature on the topic.

The sampling method involved talking to women who are using MFS and learning from them. In total we spoke to 76 respondents: 57 women who use MFS, 8 men who use MFS and 11 agents (all of them are male) who offer MFS services. Because our study was qualitative and we were interested in understanding variation and patterns, we applied a purposive sampling approach using parameters such as customer segments and geography. Our final sample of respondents consisted of the following: 9 students, 6 employed women with higher income, 32 employed women with moderate to low income and 10 other women who use MFS. We talked to women living in urban areas, urban slums and rural areas.

# RESPONDENTS' CHARACTERISTICS

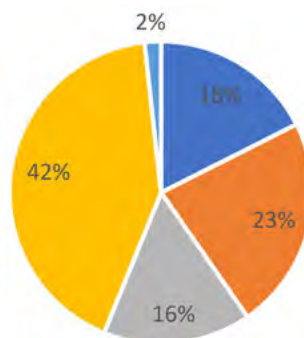
57 WOMEN WHO USE MFS

## AGE PROFILE



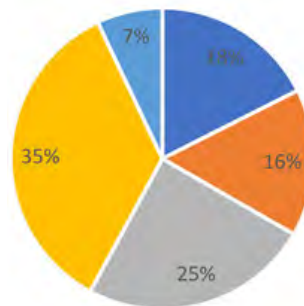
- Below 20
- In 20s
- In 30s
- In 40s
- In 50s

## EDUCATION PROFILE



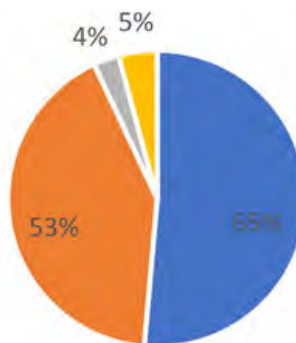
- Illiterate
- Upto Grade 5
- Between Grade 6-12
- Graduate/post-graduate
- Not disclosed

## OCCUPATION



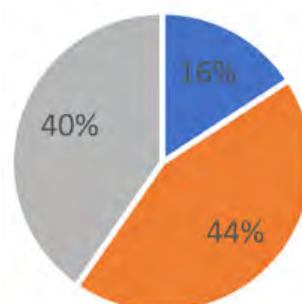
- Homemakers/other women not in paid work
- Student
- Working women- organized sector (service)
- Working women- unorganized sector (maid, RMG factory worker)
- MSME owner

## MOBILE OWNERSHIP



- Yes, owns smart phone
- Yes, owns feature phone
- No
- Did not disclose

## MODE OF USING MFS



- Financial app
- USSD\*
- Over-the-counter (OTC) mobile money transaction

\* Unstructured supplementary service data (USSD) is a communications service controlled by mobile network operators. It is accessed from any mobile phone dialing a number

IN BANGLADESH, DIGITAL FINANCIAL INCLUSION IS ON THE RISE, BUT THERE'S A LONG WAY TO GO-ESPECIALLY FOR WOMEN\*

159,453,001



Total estimated population in 2018

of which

78,502,090



Men

80,950,911



Women

67%



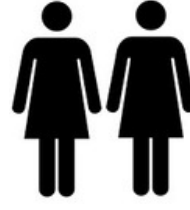
Population own a mobile phone

81%



Men

53%



Women

28%



Gender gap

20%



Registered bank account users

15%



Women

24%



Men

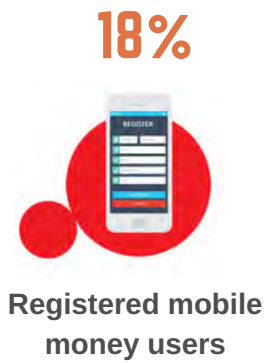
09%



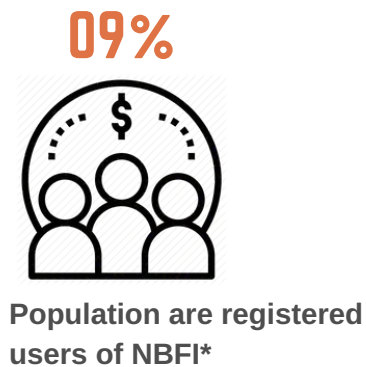
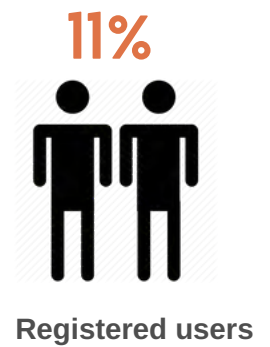
Gender gap

\* Financial Inclusion Insights (2018). Bangladesh Wave 5 report.  
[http://finclusion.org/uploads/file/bangladesh-wave-5-report\\_final\(1\).pdf](http://finclusion.org/uploads/file/bangladesh-wave-5-report_final(1).pdf)

Continued



of them



of which



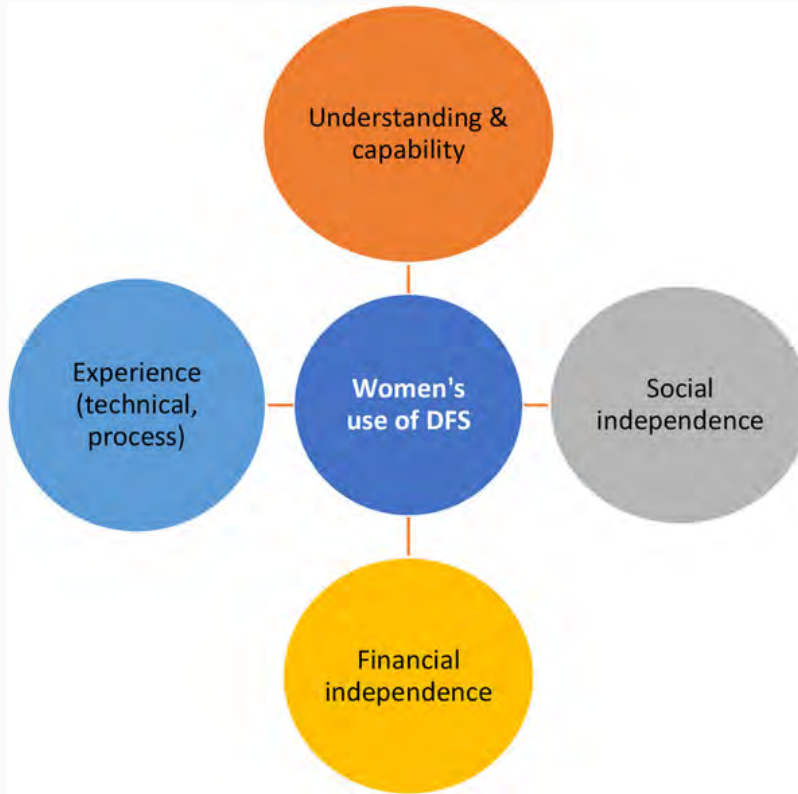
Among non-users of formal financial services



<sup>\*</sup> 9% of the population are registered users of nonbank financial institutions (NBF<sup>I</sup>) such as microfinance institutions (MFIs), cooperatives, Post Office savings banks, savings and credit cooperatives (SACCOs) and other NBF<sup>I</sup>

## GENDER CENTRALITY IN DFS

### Gender Centrality Framework



A Gender Centrality Framework for DFS was created by the research team at MSC, based on learning from existing gender frameworks such as the WEE, Harvard Framework, Moser Framework and Longwe Framework coupled with MSC's experience.

The various frameworks postulate theories of women's economic empowerment, and gender empowerment more broadly. Our framework borrows from the concept of economic empowerment, but it departs from the existing frameworks in that it specifically zeros-in on women who use digital financial services, MFS in specific.

We hypothesize that there are four dimensions which interplay and influence women's use of DFS (Annex A: Gender Centrality Framework Details). These dimensions are:

#### UNDERSTANDING AND CAPABILITY

How well women interact, understand and use digital financial services

#### EXPERIENCE

How well a woman interacts with products and services

#### SOCIAL INDEPENDENCE

Which social norms define use and how they influence use

#### FINANCIAL INDEPENDENCE

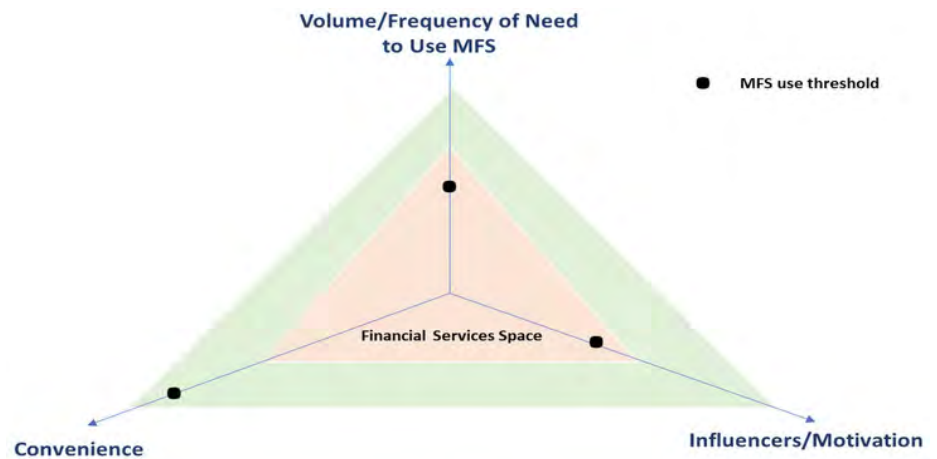
How ownership of financial resources influences use

We apply this framework for the first time to this investigation. We also use this investigation to further fine-tune and improve our framework.

## THE CONCEPT OF A FINANCIAL SERVICES SPACE

Regarding customer's behaviour with MFS, research revealed three factors at play that influence women: convenience, motivation and volume. Identification of these factors across our sample led us to coin the concept of a **"financial services space"**, which we applied to our analysis to help us understand women's use of MFS.

Imagine a three-dimensional (3D) space where each axis represents one of the three factors (red triangle). Now consider that these three factors expand in different directions, depending on women users of MFS. Based on the research findings, we hypothesize that these three factors form a financial services space. Each woman needs this "space" in order to use MFS: More space equals more use. The depth of the financial services space differs among users, and each user needs to reach a "threshold point" in either all three factors or at least one of the factors needs to be extra strong to move towards the use of MFS.



MSC, 2019

RESEARCH FINDINGS



## VOLUME, CONVENIENCE AND MOTIVATION INFLUENCE USE OF MFS

Women users of mobile financial services share three factors in common:

### FACTOR 1

#### VOLUME/FREQUENCY AND NEED

Women use MFS when they receive money (such as remittances and tuition fees) or send money (such as to parents or to pay student hostel fees). If they need to make these financial transactions, women use MFS on a regular basis.

### FACTOR 2

#### INFLUENCERS

(Peers/family can motivate women to use DFS)

In almost all instances, immediate family members and friends who use MFS play an important role in motivating women to open MFS accounts. In most cases, these influencers are men. When it comes to learning how to use MFS, it appears that women teach themselves primarily, as well as with support from other family members.

### FACTOR 3

#### CONVENIENCE

Women who have either experienced MFS or have felt a need to transact remotely buy-into and use MFS

**These three factors influence whether women use MFS. Ideally, a woman has to cross threshold point for these three factors to start using MFS.** However, not all factors necessarily need to be present for women to use MFS. We found that high threshold for at least one of these factors can also motivate women to use MFS. For example, friends or family can motivate a woman to use MFS and so she crosses a threshold point at the motivation axis but not the volume or convenience axis. **This suggests that marketing of MFS to women may need to tick all of the three factors so that future users can identify their need (factor) when making the decision to use MFS.**

The research was qualitative in nature and did not investigate the strength of the factor; therefore, we could not identify of one factor motivates women more than another. We only know that all three factors are present.



## MANY MFS USE-TRIGGERS FOR WOMEN OVERLAP WITH THOSE OF MEN

### TRIGGERS COMMON FOR MEN AND WOMEN

Women predominately use MFS to transfer and/or receive money conveniently. Men mainly use MFS for additional services such as business transactions and/or bill payment. While uses are more advanced among men, the triggers for use are similar across both groups. This suggests that MFS providers may start expanding to women first by promoting the ease of transferring and receiving money, and then by building on this convenience to offer additional products and services.

#### TRIGGERS COMMON FOR MEN AND WOMEN

- Sending and receiving remittance
- Receiving salary (mostly unorganized sector)
- Receiving payments from customers
- Motivated by friends, family and agents
- Convenience
- Peer pressure (e.g. "everyone has one")

### TRIGGERS COMMON TO WOMEN

#### TRIGGERS COMMON TO WOMEN

- Receiving remittance, e.g. for/from head of household for expenses
- Leveraging cash-back offers (in their mobile wallet) during shopping in selected shops
- Receiving education stipend: most government to people (G2P) programmes transfer money into a woman's account
- Receiving salary: e.g. BRAC school, maids, ready-made garment factories
- Owning a mobile wallet and using it for savings

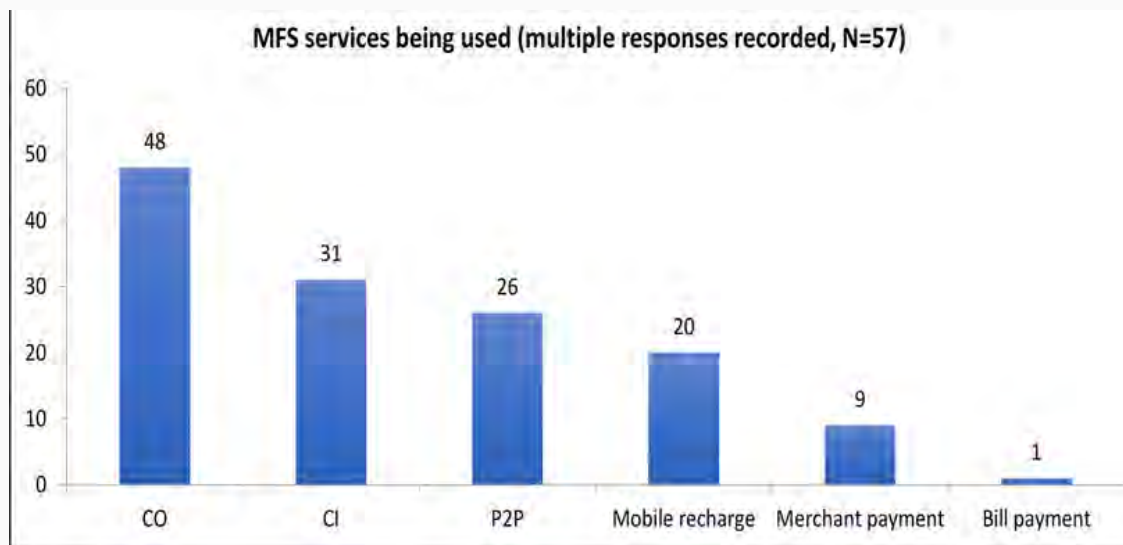
### TRIGGERS COMMON TO MEN

#### TRIGGERS COMMON TO MEN

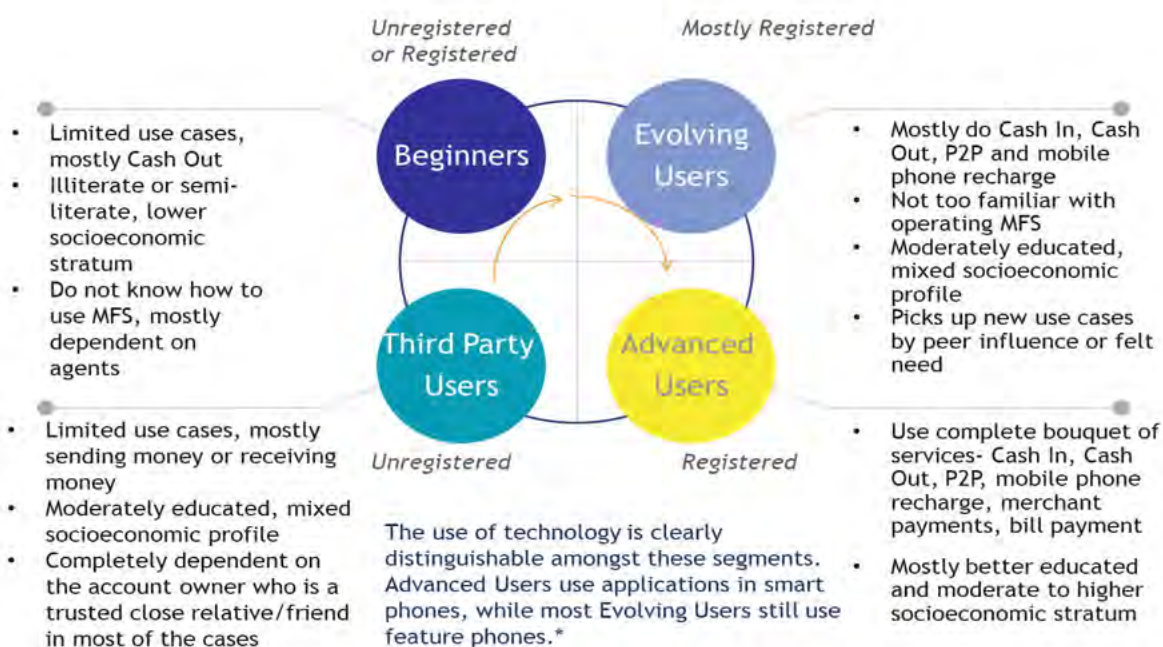
- Business purpose such as paying dealers or suppliers

The scope of research was limited and did not investigate all the reasons why women predominately use MFS to transfer and/or receive money. Possible explanations include a lack of availability of other services, or a lack of awareness among women users of the range of options.

## MFS USE BY WOMEN IS LIMITED TO CASH-IN, CASH-OUT AND P2P TRANSACTION

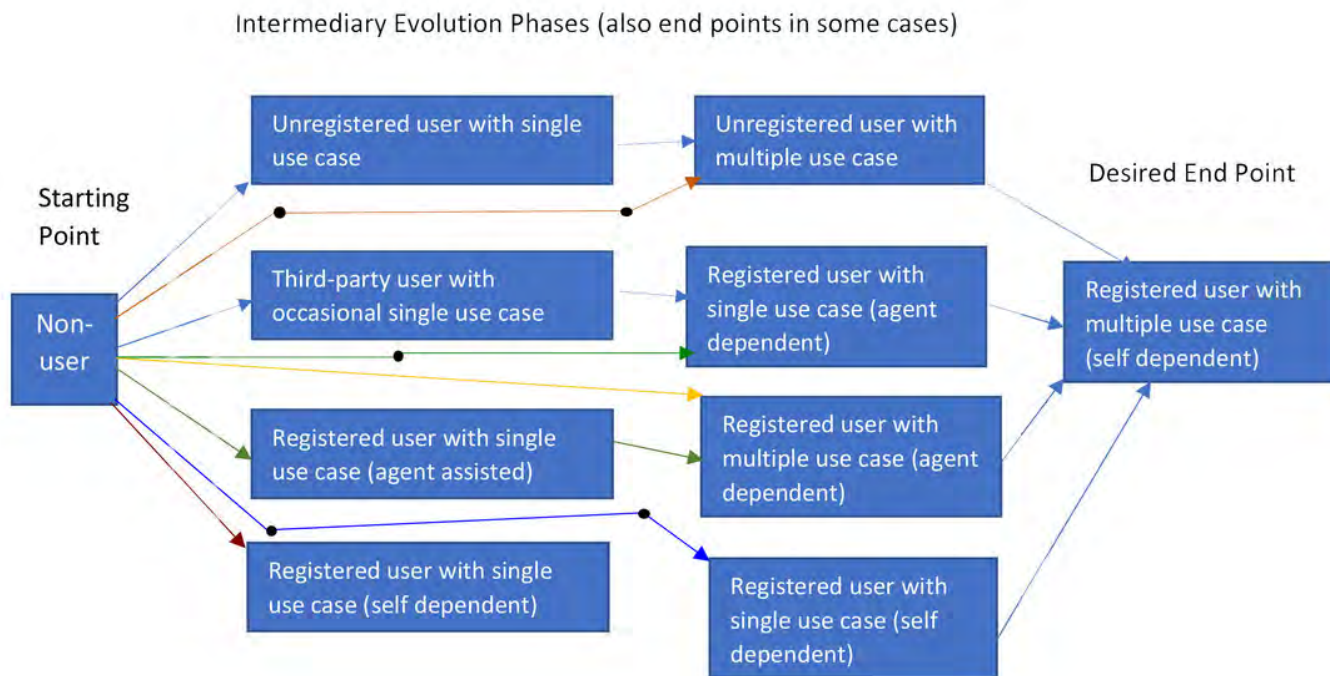


### 2.4 FOUR DISTINCT MFS USER TYPES AMONG WOMEN



## GRADUATION FROM ONE MFS USER-TYPE TO ANOTHER DOES NOT FOLLOW A FIXED PATTERN

The table illustrates common paths from non-users to users of MFS. Our findings suggest that there is no one fixed pattern.



### KEY TAKEAWAYS

1. Not all users graduate from one segment to another. Some never transition from the beginner stage.
2. The convenience of digital payment in the absence of cash drives a desire to shift to MFS use.
3. Retail incentives motivate and encourage MFS use.
4. Most beginners are unregistered and use OTC transactions only. However, they may evolve to a higher level of MFS use if the motivation, convenience or volume of transactions increases (as seen in previous examples).

*This suggests that the choice to use MFS is predominately driven by a need or a gap experienced by users as they engage in financial transactions. Therefore, MFS providers must first and foremost identify financial needs and gaps among women clients, and develop MFS products and services to address those gaps in order to expand MFS to women.*

## WOMEN'S MFS USE IS OFTEN AFFECTED BY: LITERACY LEVELS, PROOF OF IDENTITY, AND PHONE OWNERSHIP

### LITERACY LEVELS

#### LOW LEVEL OF LITERACY

and illiteracy are barriers for women wishing to become registered or advanced users of MFS

#### USE OF ENGLISH IN THE INTERFACE OF MOBILE WALLETS

hinders use among women, especially for beginners

### PROOF OF IDENTITY

#### LACK OF NID IS A CHALLENGE

Most of the MFS providers prefer the National Identity Card (NID-card) as the choice of ID for opening an account. Even when regulators allow for other ID alternatives, MFS providers often accept only NID as an officially valid document

#### LACK OF NID AFFECTS STUDENTS THE MOST

There is a year-long wait to obtain a NID card and an age limit of 18. Thus, not all students can open MFS accounts. Until they have NIDs of their own, students tend to use their parents NIDs to open MFS accounts (so most of their accounts are not in their names)

### ACCESS TO MOBILE PHONES

#### HOUSEHOLD MEMBERS IN RURAL AND URBAN-SLUMS AREAS OFTEN SHARE A PHONE

In such instances, men have greater access to phones compared with women. Therefore, women in these areas often tend to be third-party users or unregistered users of MFS

#### FAMILY MEMBERS OFTEN GIVE PHONES TO WOMEN TO USE

These findings suggest that MFS product design, for example, may need to consider introducing a Bangla interface for women. Also, regulators and providers should allow for broader proof of identity options for women

## PRODUCT FEATURES CAN HINDER THE ADVANCEMENT OF WOMEN USERS FROM ONE CUSTOMER SEGMENT TO ANOTHER

### TRANSACTION TIME-OUTS

#### TRANSACTION TIME-OUTS REDUCE CONVENIENCE OF MFS

The time window is often too short (90 seconds) to complete a transaction, causing time-outs for users. This is particularly hard for beginner and evolving users because they are still learning how to use MFS. To avoid these time-outs, users choose the OTC route even when they know how to use MFS.

### TRANSACTION LIMITS

#### TRANSACTION LIMITS REDUCE CONVENIENCE OF MFS

- Business owners who need to make higher-value transactions may find low MFS transaction limits inadequate to meet their business needs.
- Salaried employees find prescribed MFS limits inconvenient.
- Women remitting money to family members find the transaction limits too low.

### ASSURANCE OF PRIVACY

#### ASSURANCE OF PRIVACY IS IMPORTANT FOR WOMEN MFS USERS

Women users of MFS care about privacy more than men. Assurance of complete privacy is among their top priorities (e.g. phone number, transaction details, address)

**This finding suggests that product features such as time and value allowed (in line with traditional financial services) are very important to women MFS users. Also, MFS providers might want to review privacy approaches and see how privacy needed by women clients may be further enhanced.**

## TRUST IN MFS IS IMPORTANT TO WOMEN USERS

### FEAR OF LOSING MONEY

#### FEAR OF LOSING MONEY THROUGH FRAUDULENT TRANSACTIONS DETERS USE OF MFS

Women users are sensitive to negative news about MFS, especially to any news involving MFS fraud. Women users are afraid of losing money through MFS transactions. Thus, trust and reliability of services are high among their priorities

### HIGH LEVELS OF TRUST IN AGENTS

#### HIGH LEVELS OF TRUST IN AGENTS INCREASES USE OF MFS

- Women users tend to undertake MFS transactions only with agents in their localities who they know well.
- Women users tend to avoid using agents they do not know.
- Users have a high level of trust towards agents, especially users who are less educated and belong to rural, semi-urban and urban slum areas.

### LACK OF AWARENESS

#### LACK OF AWARENESS ABOUT GRIEVANCE RESOLUTION MECHANISMS (GRM) DETERS USE OF MFS

- The level of access to GRM differs among women. To resolve any problems, more affluent and literate urban women reach out to call centers whereas women in rural areas reach out to MFS agents. Different sub-segments of women have different needs, and different ways of accessing GRM.
- Awareness about GRM is low among women MFS users, which is also related to lack of MFS use. Women feel that if they have a problem with MFS, they have nowhere to turn. Customer service and grievance mechanisms are important to women.

**This finding suggests that trust in MFS needs to be earned and MFS providers must invest in client education especially focusing on the rights and responsibilities of MFS consumers. In actuality, a joint industry effort for a common MFS client protection would be needed.**

## HOUSEHOLD POWER RELATIONS PLAY A ROLE IN WOMEN'S ACCESS AND USE OF MFS

Women users of MFS we spoke to were typically heads of households, or de-facto heads of households (when husbands are migrants), and lived away from their immediate family. Consequently, they managed household finances and spending. More in-depth research is needed to understand the relationship between household power relations and MFS use, nonetheless this research highlights several relevant findings:

- Women who have control over their finances and spending tend to use MFS more than women without such control.
- Women with a greater role in a household decision making are more likely users of MFS and tend to show greater interest in MFS than other women who have a lesser role in household decision making.
- Family members motivate MFS use among women and play an important role in encouraging and teaching women how to use MFS.

### 2.10 WOMEN MFS USERS IN BANGLADESH DO NOT SEEM TO MIND TRANSACTING WITH MALE AGENTS

The MFS agent network is well-established in Bangladesh due to the omnipresence of small shops, the so-called “mudi dokans”. These small shops are primarily grocery stores, pharmacies, printing and photocopy stores, mobile phone and SIM card stores and the like. MFS services are usually add-on services for many shop-keepers. This vast network facilitates easy access to MFS across market segments.

Most small shops are run by men and, consequently, **99% of digital financial services agents in Bangladesh are men** (2016 Agent Network Accelerator Survey)

Our research found no evidence of women MFS users being uncomfortable with male agents. On the contrary, especially in rural areas, women we interviewed consider agents trustworthy

It is a well-documented and globally-accepted fact that women customers are more comfortable with female agents (see India needs more women correspondents agents). The issue is not that “men are untrustworthy” but women feel more comfortable with female agents.

*Our research scope was small and there are very few female agents in Bangladesh; therefore, it was not possible to ascertain whether the preference for female agents also holds true for women MFS users in Bangladesh. More research is needed to understand this in the context of Bangladesh.*



## CUSTOMER EXPERIENCES

### EXAMPLE A

#### CONVENIENCE OF DIGITAL PAYMENT IN ABSENCE OF CASH DRIVES DESIRE TO SHIFT TO MFS USE

Rokeya is a homemaker in a middle-income family in Dhaka. She opened an MFS account to receive her daughter's scholarship. Until recently, she used the account only for receiving the scholarship. When other parents would tell her that the scholarship had been credited, she would go to a trusted agent's outlet and withdraw the money. She conducted the transaction without agent's assistance (that is, without disclosing her PIN).

One day while shopping in a local market complex, Rokeya wanted to buy a pair of shoes, but realized that she was short of cash. The shopkeeper offered to take the payment through MFS. She could not do it because she was unfamiliar with the process of making a money transfer transaction through her MFS account. She also realized that she did not have any funds in her mobile wallet.

Short of cash, Rokeya was not able to purchase shoes on the spot. This inconvenience motivated Rokeya to take two steps: first, she decided to keep some cash in her mobile wallet and, second, she learned how to make a P2P transaction. Her cousin coached her on how to do this.

Rokeya now uses her mobile wallet regularly. She uses it to shop and to send money to her mother in the village. The convenience of instantly purchasing items she needs, coupled with the ability to receive her daughter's scholarship, influenced her decision to become a registered MFS user.

### EXAMPLE B

#### URGENT NEED TO SEND MONEY HIGHLIGHTS THE VALUE OF MFS

Ranu lives with her husband and children in a village in the Lohajang sub-district of Munshiganj district. She runs a small dressmaking business from her home and regularly sends money to her mother who lives in Netrokona district. She executes this transaction with help from a trusted agent in the local market. She does not have a mobile wallet of her own and conducts over-the-counter (OTC) transactions using the agent's account.

Ranu says that on many occasions she has felt a need to open an MFS account of her own, but as the moment would pass, she would lose the drive to open one. She relies on a trustworthy agent who can conduct transactions on her behalf, and this arrangement has been adequate to her needs.

One night Ranu received an urgent call from her mother, asking Ranu to send money for a medical emergency. By that time, all the shops in the market had closed. Ranu struggled to find an alternative and, eventually, with help from her husband, Ranu found someone who let her use his mobile wallet to send money to an agent in her mother's village. The next day, when the trusted agent heard about this incident, he encouraged Ranu to set up a mobile wallet of her own. Ranu opened an account of her own and has been using it to send money to her mother.



### EXAMPLE C

#### EARNING INTEREST ON BALANCE MOTIVATES USE

Yasmin is a mother of two young children and lives in a slum in Dhaka on remittance income that her husband sends from Malaysia. Her mother-in-law lives in the family's ancestral village outside Dhaka. Yasmin takes most household decisions and also does the shopping for household needs.

Yasmin has a bank account into which her husband remits money on a regular basis. Yasmin uses a mobile wallet to send money to her mother-in-law. Her husband suggested that she use this channel.

In the past, Yasmin frequently used an agent to make financial transactions. The agent often suggested that she keep money in her mobile wallet so that she could also use this account as a savings account. However, she never kept any balance in the wallet. At times, the agent also provided Yasmin with product flyers to inform her about MFS features and uses. But Yasmin's use of MFS remained limited to "cash-in" of funds into the wallet, to the extent needed to send money to her mother-in-law.

One day, after a couple of years of using MFS, Yasmin learned from the agent about the interest that MFS balances can earn. Consequently, to try this feature, Yasmin retained a small balance in her mobile wallet. When she received some interest on her balance, she was happy. She then decided to actively store money in the wallet.

### EXAMPLE D

#### FAMILY MEMBERS CAN INFLUENCE MFS USE

Sajida works as a human resources manager in one of the big conglomerates in Dhaka. She frequently used debit/credit cards but never used MFS. Her husband, who works with a private company, suggested that she open a mobile wallet so that she could, for example, make payments during the time she spent commuting to and from work, as well as to transfer money.

Sajida's friends were already using MFS services. On several occasions she had asked them to make P2P transfers on her behalf to her relatives around the country.

Last year, as she was shopping, a shop owner asked if she had a mobile wallet. He explained that if a payment is made via a mobile wallet, a customer receives 10 to 30 percent cash-back for each purchase.

In Sajida's mind this was a motivating factor to have a registered mobile wallet. She later decided to become a registered mobile wallet user, and she now uses it for merchant payments in shops where she enjoys cash-back offers. Recently, she started using her mobile wallet to recharge her mobile phone account.

**FOUR KEY TAKEAWAYS  
WITH RECOMMENDATIONS**



## FOUR KEY TAKEAWAYS

- TAKEAWAY 1 :** Women need to see the MFS value proposition : Volume/frequency of need, influencers and convenience are the three factors that motivate women to use MFS
- TAKEAWAY 2 :** Meeting financial needs drives MFS use among women : Understanding of women's financial needs when it comes to MFS and other digital financial services is limited and huge gaps exist
- TAKEAWAY 3 :** Women users know how to address common MFS barriers : Without greater services and product enhancements, however, women's use of MFS will be restricted
- TAKEAWAY 4 :** The 'financial services space' is a new lens for viewing MFS use among women : Continuous improvement of theoretical propositions for gender centrality and women's access/use of MFS and all forms of DFS is critical to a better understanding of gender dynamics in DFS

**RECOMMENDATION 1**

**Focus on demonstrating the MFS value-proposition to women by showcasing how MFS meets their daily needs; for those women who see value, transition to MFS is inevitable**

Women use MFS when they need to receive money (such as remittances) or when they need to send it. Family members and friends often influence women non-MFS users to start using MFS. Those women who have had a positive experience with the convenience of MFS, tend to use MFS. A critical factor in enabling DFS ecosystem to meet the needs of women will have to consider demonstrating a clear value proposition to women about MFS, build trust in MFS among women as well as offer MFS products that meet women's financial needs. Different factors including literacy, access to ID proof and mobile phone, power relations, relationships with agent, presence of influencers, product design and service delivery etc. also affect the degree of usage. This suggests that providers need to take not one but all of these factors into account if they would like to serve women customers.

**IDENTIFY MFS CHAMPIONS**

Persons of trust have a large role to play in accelerating women's use of MFS. MFS providers could identify women leaders (e.g. women CEOs of leading financial institutions, women advocates) who could become national MFS champions and promote use of MFS among women. Such leaders would inspire confidence and trust among women to shift to greater use of MFS.

**MARKET MFS PRODUCTS TO WOMEN BY DEMONSTRATING A CLEAR VALUE PROPOSITION**

Insert "educational messages" within marketing products to increase understanding and knowledge about product types (e.g. deposit products).

**FIND INCENTIVES TO MOTIVATE MFS USE**

Discounts have worked in favour of women customers. These could include small value credits, better interest rates on savings, and discounts on cash-outs for women users. Experience shows that incentives (e.g. cash-back, free tickets to events) have acted as triggers for the opening of MFS accounts by women.

**PUSH FOR GREATER USE OF MFS FOR G2P**

G2P payments provide great use-cases and can motivate women to start using MFS and even to expand use beyond cash-in and cash-out

**FACILITATE DEVELOPMENT OF CLIENT PROTECTION STANDARDS**

for the industry so that consumer rights and responsibilities are clear to both genders as well as to providers. This will increase uptake of MFS among women

**FOR MFS PROVIDERS**

**FOR REGULATORS**

**RECOMMENDATION 2**

**Invest in greater market research to improve understanding of different sub-segments of women clients (business owners, employees, workers, youth, etc.) to inform both policy and practice**

**FOR MFS PROVIDERS**

This research highlights the ways women use MFS and to what purpose. By focusing on women MFS users themselves, it makes an important contribution to existing research. This research has shown that financial services must meet needs of women consumers. That is, the simple convenience of MFS while critical is not sufficient for women to use MFS. There are four distinct types of MFS users among women: beginners, evolving users, advanced users and third-party users. Women do not seem to move easily from one stage to another (the advanced stage being the ideal stage). In effect, women users zig-zag from one user-stage to another. Consequently, the ecosystem of digital financial services in Bangladesh must identify ways and approaches to facilitate this shift from beginners to more advanced users of MFS if the sector is to see growth in the use of MFS by women.

**IDENTIFY KEY USER SEGMENTS AMONG WOMEN**

such as students, working women with higher income, working women with moderate to low income, and other non-earning women including homemakers. Develop more nuanced segmentation to target specific user groups, identify particular market niches, and develop tailored products and use-differentiated marketing and outreach approaches

**FOCUS ON WOMEN MFS USERS**

While providers have expanded their MFS services, they have not specifically focused on women users

**INCREASE GENDER-DISAGGREGATED ANALYSIS**

to draw insights on women users' behaviour, identify trends of use and need, and take steps to reach these market segments. Use data analytics to improve product features

**MANDATE GENDER-DISAGGREGATED ANALYSIS****FOR REGULATORS****MANDATE GENDER-DISAGGREGATED ANALYSIS**

in financial inclusion and digital financial services space

**RECOMMENDATION 3**

Invest in communication, marketing and improving financial capabilities. Learning may be the key to converting unregistered to registered users

**FOR MFS PROVIDERS**

Women users have learned how to address common barriers that result from language/literacy or the gender of the agent (nearly all are male). Women's transition path is highly dependent on communication. Constant marketing seems to work for women users. However, communication channels describing MFS benefits to women users are largely limited to agents and influencers. Also, certain important features of MFS are understood by only a few (e.g. savings feature). Access to information and knowledge is indispensable to promote MFS use. Currently mostly family members and agents provide this information, though not in sufficient quantity or frequency. Financial literacy in MFS/DFS would go a long way to improve understanding and appreciation for DFS and would be a great service and product enhancement benefiting female clients. Triggers and pathways work differently for different user segments.

**DESIGN AND PILOT FINANCIAL CAPABILITY INTERVENTIONS**

in a limited geography and assess the outcomes, to identify whether and to what extent these efforts affected users. The content for financial capabilities will need to be tailor-designed

**TEST A BI-LINGUAL USER INTERFACE**

with mandatory USSD interface in Bangla to study changes in the interaction behaviour of users. This change could be measured in terms of an increase in enrolments, increase in transaction volumes, reduced customer complaints, etc.

**PROACTIVELY INCREASE THE NUMBER OF WOMEN AGENTS**

in limited areas to test whether presence and use of female agents changes behaviours among women customers and non-customers. As women shopkeepers are few, providers will have to identify other possible types of women agents

**UTILIZE THE BANGLADESH BANK'S WOMEN'S ENTREPRENEURSHIP FUND**

to pilot female MFS agents. Based on the results of such pilot tests, the industry (as a whole or through the Digital Finance Consultative Group, a representative industry body) may set a target of having at least a certain share of women agents in the network

**FOR REGULATORS****A NATIONALLY-REPRESENTATIVE SURVEY OF WOMEN MFS USERS**

will be a stepping-stone in the direction of reducing the gender gap. It will shed light on who the users are, why they use MFS and how the pathways of adoption and evolution work. It will help providers to start refining their strategy and focus

**RECOMMENDATION 4**

Future studies should continue to use the gender lens to understand MFS use among women. The gender centrality framework presented here can be further expanded and fine-tuned. Researchers can apply the financial services space further advance this theoretical concept

This research provides a theoretical proposition of a financial services space. It proposes that such a space consists of three factors or dimensions needed for women to use DFS: volume/frequency of need, convenience and influencers/motivation. It further proposes that women without financial services spaces are out of the purview of providers of mobile financial services. Therefore, to increase access to finance (and MFS in particular), the first step for both regulators and providers is to create the financial services space. Once this space has been established, they can expand access to and use of MFS.

These three factors form a financial services space: volume/frequency of need, convenience and influencers/motivation. This is a hypothetical space each women needs in order to interest with MFS. More space equals more use. The depth of the financial services space differs among users, and each user needs to reach a “threshold point” in at least one of the three factors to move towards the use of MFS.

Looking at the gender gap through the lens of a financial services space offers more nuanced findings and goes beyond simply estimating the proportion of women who are currently using MFS.

**The current findings establish four distinct segments of women MFS users in Bangladesh (beginners, evolving users, advanced users and third-party users) and present a generic pattern of the behaviour of each segment.**

**BEGINNERS****EVOLVING USERS****ADVANCED USERS****THIRD-PARTY USERS**





## ANNEX A: LIST OF DOCUMENTS REFERRED TO DURING DESK RESEARCH

**Agency Banking: How Female Agents Make a Difference (Sahoo et al, MSC 2016)**

**Bangladesh Wave 5 Report: Fifth Annual FII Tracker Survey (Financial Inclusion Insights, Intermedia, June 2018)**

**Closing the Gender Gap: Opportunities for the Women's Mobile Financial Services Market in Bangladesh (MSC and IFC 2018)**

**Consumers' Attitudes towards Mobile Banking in Bangladesh (Md. Majedul Islam and Md. Enayet Hossain 2014)**

**Gender Analytical Frameworks and Tools (John Oti Amoah 2016)**

**Landscape Assessment of Retail Micro-merchants in Bangladesh (UNCDF, 2019)**

**Mobile Technologies and Digitized Data to Promote Access to Finance for Women in Agriculture (World Bank Group 2017)**

**Micro-Merchants Landscape in Bangladesh: Infosheet (UNCDF 2018)**

**Understanding Gender Dynamics in Agent Banking (Dhawan et al , MSC 2016)**

**Women's Employment in Bangladesh: Conundrums Amidst Progress (World Bank Group 2008)**

**Women Entrepreneurship Development in Bangladesh- Challenges and Prospects (Syed Moudud-UI-Huq, July 2013)**

## ANNEX B: DETAILS WITHIN THE GENDER CENTRALITY FRAMEWORK

The Gender Centrality Framework examines four dimensions of gender centrality. Each of dimensions is guided by a list of questions.

### UNDERSTANDING AND CAPABILITY

#### 1. UNDERSTANDING AND CAPABILITY

- How well do I understand MFS, its benefits, features and risks?
- How do I overcome fear of mistakes or monetary losses? Do I understand the process of grievance resolution?
- What restricts my use of MFS? What steps do I take to resolve/overcome these barriers?

### SOCIAL INDEPENDENCE

#### 2. SOCIAL INDEPENDENCE

- How does MFS impact my gender-based roles and responsibilities and vice versa?
- How does MFS impact gender power relations (household, social) and vice versa?
- Which personal traits of mine are useful while using MFS (ability to learn, curiosity, resourcefulness)?
- Why/why do I not proactively promote MFS amongst others in the social circle?
- What are the enabling factors for me in this practice of using MFS (availability of documents, social circle, socioeconomic factors)?
- What social norms restrict use of MFS? What steps do I take to resolve/overcome them?

### FINANCIAL INDEPENDENCE

#### 3. FINANCIAL INDEPENDENCE

##### How does MFS impact

- (i) Access to assets and control over finance and vice versa
- (ii) Economic decision making

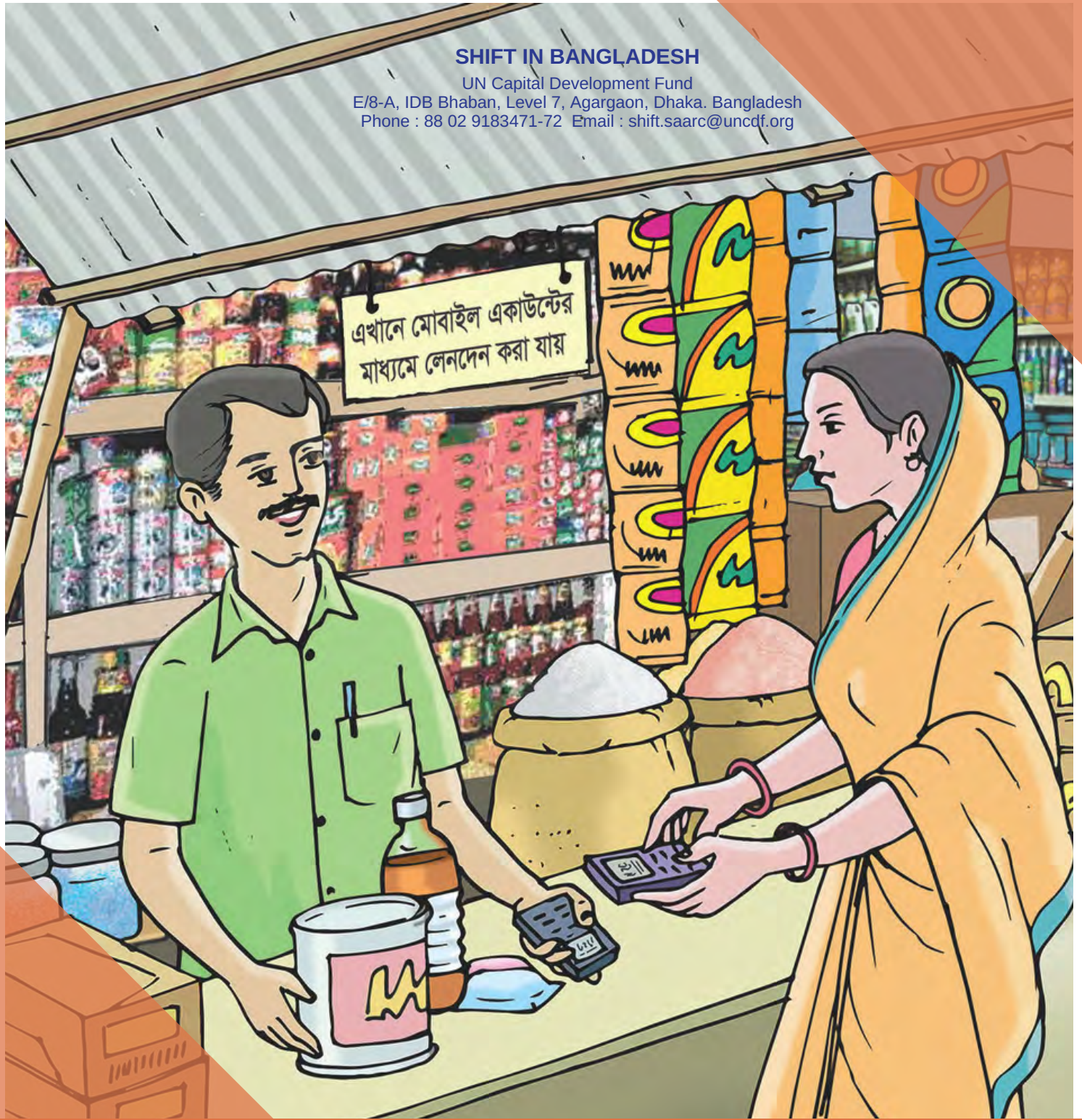
### EXPERIENCE (TECHNICAL, PROCESS)

#### 4. EXPERIENCE (TECHNICAL, PROCESS)

- What services does MFS provide for me?
- How have these services evolved over time?
- How important is user-experience of using MFS services (registration process, promotion, place, people)?
- How/why do my vulnerabilities around fraud, extortion and harassment impact use of MFS?
- Do there exist agent types which are not prohibitive, but rather women-friendly?
- Why doesn't MFS intimidate me, like other women? (technology, processes)
- How has my experience relating to the agent changed (confidence, skills, choices, decisions, guidance, etc.)?
- What product design features restricts use of MFS? What steps do I take to resolve/overcome them?

## SHIFT IN BANGLADESH

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