



# Demand analysis on remittances in West African Francophone countries: Côte d'Ivoire, Mali, and Senegal

Final report

October 2020



# Abbreviations

**DFS** Digital Financial Services

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**FDI** Foreign Direct Investment

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**FGD** Focus Group Discussion

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**FSP** Financial Service Provider

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**GDP** Gross Domestic Product

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**G2P** Government-to-Person

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**KYC** Know Your Customer

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**MFI** Microfinance Institution

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**MMO** Mobile Money Operator

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**MTO** Money Transfer Organization

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**ODA** Official Development Aid

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**OTC** Over-The-Counter

# Demand analysis on remittances

## Executive summary

Countries in West Africa offer opportunities to create cash-to-account services linked to demand-driven value-added services :

- There is an opportunity to create cash-to-account services linked to demand-driven value-added services, such as bill payments or asset building through partnerships, particularly in rural areas that receive a large portion of remittances.
- Migrants have been investing in their countries of origin and require both financial and non-financial support. Building awareness and increasing financial literacy efforts helps migrants to understand what products they and their families should invest in, which can strengthen the financial systems in both their home and host countries.
- Higher-income remitters seek entrepreneurship loans and housing or land loans to eventually return home. Existing products do not cater to these aspirational objectives.
- Permanent migrants seek solutions for family members in their country of origin for preventive healthcare, human capital investments, such as education, training or skill-building and financing entrepreneurship. The marketing messages for these types of services require refinement to increase uptake.
- Financial and digital literacy are barriers but mobile and interactive voice recognition (IVR) applications have emerged as a solution. The migrants needs support to facilitate the onboarding process and gain traction for usage of digital channels.

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# Demand analysis of remittances in West African markets



## Remitter profile and financial patterns

1. Demographics
2. Usage of mobile technology
3. Individual and household income and expenditure analysis, decision-making
4. Pattern of remittance transactions



## Knowledge, perceptions, and trust in financial services

1. Formal and informal financial services
2. Financial service providers
3. Product characteristics



## Usages of and preferences for financial services

1. Account ownership and classification
2. Savings, credit and insurance services
3. Mobile money and DFS
4. Customer journey



## Profile of recipients and their livelihoods

1. Demographics
2. Usage of mobile technology
3. Individual and household income and expenditure analysis, decision-making
4. Pattern of remittance transactions



## Knowledge, perceptions, and trust in financial services

1. Formal and informal financial services
2. Financial service providers
3. Product characteristics



## Usages and preferences for financial services

1. Account ownership and typology
2. Savings, credit, and insurance services
3. Cash vs. mobile money, DFS
4. Remittance money usage
5. Customer journey



## 7. Analysis of the market offer (FinTechs, MMO, MTO, and Banks)



## Gaps and opportunities

1. Financial needs
2. Motivations



## Prototyping products

1. Value proposition
2. Motivations



## Key research objectives



In partnership with Mastercard Foundation, MSC designed and conducted a research study in Côte d'Ivoire, France, Mali, and Senegal. The objectives of this study were to:



- Support DFS providers to identify success factors and pain points that hinder the use of remittances in formal financial services
- Provide strategic and operational recommendations to help DFS providers develop products and services to use remittances
- Deliver market insights on remittance product and services opportunities for DFS within leading markets in the West African Economic and Monetary Union (WAEMU)
- Develop prototypes of DFS that suit the needs of international money transfer remitters and receivers

# Reported payment practices by corridors

Despite having smartphones, senders in our study preferred agents due to ease of use

 >  Moneygram, Orange Money

 >  Orange Money, Western Union, Moneygram

 >  Tap Tap Send, Western Union, Ria, MoneyGram, informal, Orange Money, Wari

 >  Orange Money, informal, Wari

 >  Orange Money, informal, Wari



**“Simpler authentications would encourage people like me, there are too many steps, too many questions and it is not always smooth,”**  
**Ivorian sender in France**



The cost and the location of the agent on both sender and receiver sides influences the choice of payment corridor.

# Key insights and major barriers

Financial education needs to be linked to all of the opportunity areas, adapting to the evolution of the client

Opportunity area	Insights	Strategic recommendations
<b>Marketing and customer service</b>	<ul style="list-style-type: none"><li>• First-time users are influenced largely by other migrants and migrant associations through social proof</li><li>• Worth of mouth is a primary source of information for product discovery</li><li>• Loyalty is limited due to the price sensitivity of migrants</li><li>• Messaging needs to target the varying needs of migrants, which evolve based on the number of years since migration</li><li>• Improvements have been made on some platforms to address issues in transparency when a payment is in process but these enhancements remain invisible to many migrants</li><li>• Campaigns do not emphasize family and community support, which are core to culture</li></ul>	<ul style="list-style-type: none"><li>• Enhance below-the-line marketing activities within migrant associations in the sender and receiver locations to drive awareness and word-of-mouth</li><li>• Implement a strong relational marketing strategy to cultivate customer relationships that will lead to long-term satisfaction and brand loyalty</li><li>• Recruit migrants to collect funds, cross-sell, and educate fellow migrants for specific payment corridors</li><li>• Devise regional or market-specific strategies in the context of a broader global approach that recognizes the unique needs, character, and evolution of the payments space in each market or segment</li></ul>
<b>User experience</b>	<p>Sender: Speed and perception that this channel assures that the transfer will be delivered</p> <ul style="list-style-type: none"><li>• Lack of trust in financial institutions or a fear of them means that users cannot complete the registration process, which requires validation of documents by the bank for KYC purposes</li><li>• Remitters fear online services or have concerns that their data will be shared, or do both, especially when personal documents need to be uploaded</li></ul> <p>Receiver:</p> <ul style="list-style-type: none"><li>• If liquidity is an issue with a local agent, receivers recommend alternative solutions for future transfers, such as other formal or informal providers</li></ul>	<ul style="list-style-type: none"><li>• Implement thoughtfully designed user interfaces that provide a positive experience in terms of transparency, convenience, price, and speed backed with videos accessible via social networks</li><li>• Devise specific mechanisms to increase the approachability of digital services that utilize social media, vocal prompts, and videos</li><li>• Implement transparency tools to overcome concerns that the funds have been delivered, such as virtual tracking or confirmation updates</li></ul>
<b>Product offering</b>	<ul style="list-style-type: none"><li>• Receivers seek services that add value and save their time, such as recurring bills</li><li>• The product in question needs evolve with time in the host country and are influenced by both the receiver's own needs and their relationships with their family or community in their home country</li><li>• Building a home is a common aspirational goal for senders but a few services can cater to forward savings</li><li>• Some markets have shown a demand for for-purpose remittance products but these need to be marketed carefully, taking lessons from the products and services that have failed in this area</li></ul>	<ul style="list-style-type: none"><li>• Develop competitively priced integrated solutions that streamline the process</li><li>• Redefine processes and value propositions</li><li>• Build innovative strategic alliances, exploring non-traditional partners and partnership models for end-to-end payments</li><li>• Actively target payment flows related to health, insurance, and education</li></ul>

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Customer journey insights



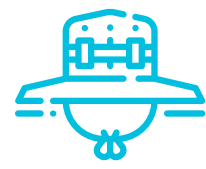
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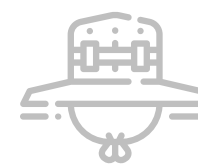
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# Remittances are on track to become the largest source of external financing for West African countries

In 2018, migrant workers and their families back home represented an industry worth USD 3.7 billion in remittances to Côte d'Ivoire, Mali, and Senegal<sup>1</sup>

Major remittance inflows originate from France, where the Malian, Ivorian, and Senegalese communities represent two-thirds of the West African Francophone population. Malians represent one of the largest share of inter-regional migrants in Côte d'Ivoire and Senegal.

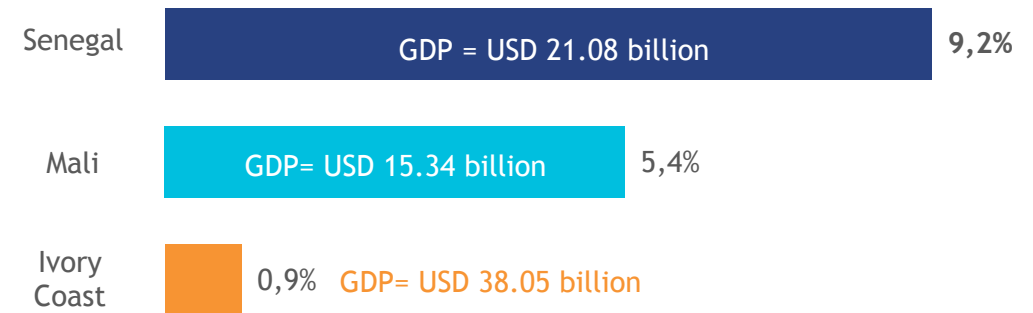


Remittances from France to Côte d'Ivoire, Mali, and Senegal represented a market of nearly USD 1,000 million in 2017.<sup>2</sup>

Remittances originating from Senegal and Côte d'Ivoire to Mali represented a market of USD 290 million in 2017.<sup>3</sup>

In Mali, in 2017, remittances from France (USD 250 million) exceeded ODA<sup>4</sup> and FDI<sup>5</sup> inflows, amounting to 47% of the total financial inflows.








## Remittances as a share of GDP in West African economies, 2017 (Percentage of USD Million)<sup>6</sup>



Through the provision of financial education and financial services at affordable costs, the financial inclusion of largely excluded populations helps the investment of remittances into productive activities. In turn, it benefits sustainable development in the communities of remittance recipients. According to IFAD estimates, over time, receivers can use between 20% to 30% of the remittances received for savings and investment.<sup>7</sup>

1. [World Bank remittance\(2018\)](#) 2. [World Bank remittance matrix\(2017\)](#) 3 Ibid. 4 [Official Development Assistance \(ODA\) flows for DAC and non-DAC members, 2016-2017](#) 5. [UNCTAD FDI inward stock, by region and economy, 1990-2018](#) 6. [World Bank GDP\(2017\)](#) 7. [The Use of Remittances and Financial Inclusion, GPFI \(2015\)](#)

# Comparison of service offerings of companies used by participants in the study

Company	Partners	Points of service	Services offered
 Western Union	Côte d'Ivoire: 17 financial institutions, La Poste Mali: 11 financial institutions Senegal: 15 financial institutions, La Poste	Côte d'Ivoire: 1,800 Mali: 900 Senegal: 3,000	Personal and corporate transfers, payroll services, marketplace services, hedging, prepaid cards
 MoneyGram	Côte d'Ivoire: 12 financial institutions, La Poste Mali: 15 financial institutions Senegal: 11 financial institutions	Côte d'Ivoire: 520 Mali: 398 Senegal: 936	Personal transfers, prepaid cards
 Orange Money	Côte d'Ivoire: 9 financial institutions, Orange Bank, 60,301 distributors Mali: 9 financial institutions, 52,600 distributors Senegal: 8 financial institutions, 2,000 active merchants	Côte d'Ivoire: 132,000 Mali: 102,000 Senegal: 40,000	Personal transfers, bill payments, airtime purchases, recharge account, P2P
 Ria	Côte d'Ivoire: 4 financial institutions Mali: 4 financial institutions Senegal: 4 financial institutions	Côte d'Ivoire: 20 Mali: 20 Senegal: 20	Personal transfers, receiving only in Côte d'Ivoire, Mali, and Senegal
 Taptap Send	Côte d'Ivoire: 3 commercial partners Mali: 1 commercial partner Senegal: 1 commercial partner	Côte d'Ivoire: partner with MTN, MOOV, Orange Mali: Partner with Wari Senegal: Partner with Wari	Personal transfers, receiving only in Côte d'Ivoire, Mali, and Senegal
 Money Express	Côte d'Ivoire: 4 financial institutions, 27 commercial partners Senegal: 4 financial institutions, 8 commercial partners	Côte d'Ivoire: 363 Senegal: 496	Personal transfers, airtime purchase, bill payments, prepaid card
 Wari	Côte d'Ivoire: 10 financial institutions, 5 commercial partners Mali: 7 financial institutions, 11 commercial partners Senegal: 12 financial institutions, 50 commercial partners	Côte d'Ivoire: not available on website Mali: not available on website Senegal: 3468	Personal transfers, bill payments, airtime purchases, bank deposits, recharge account, prepaid card, virtual card, USSD (only in Senegal)

Sources: providers websites, Orange Money

# Despite innovations by money transfer companies, the uptake of value-added services remains limited

Customers are attracted primarily to services that are low in cost and involve minimal hassle



## CHALLENGES

- Lack of awareness among many consumers about value-added services
- Cost of high-end, feature-rich handsets is beyond the buying power of most users
- Lack of bank accounts among several consumers
- Lack of technical ability (data) to assess remittance receivers
- Exclusive in-country partnerships reduce options for both sender and receivers
- Understanding the business case to financial institutions to work with remittance receivers
- Lack of coherent policies and regulations balanced with private sector initiatives

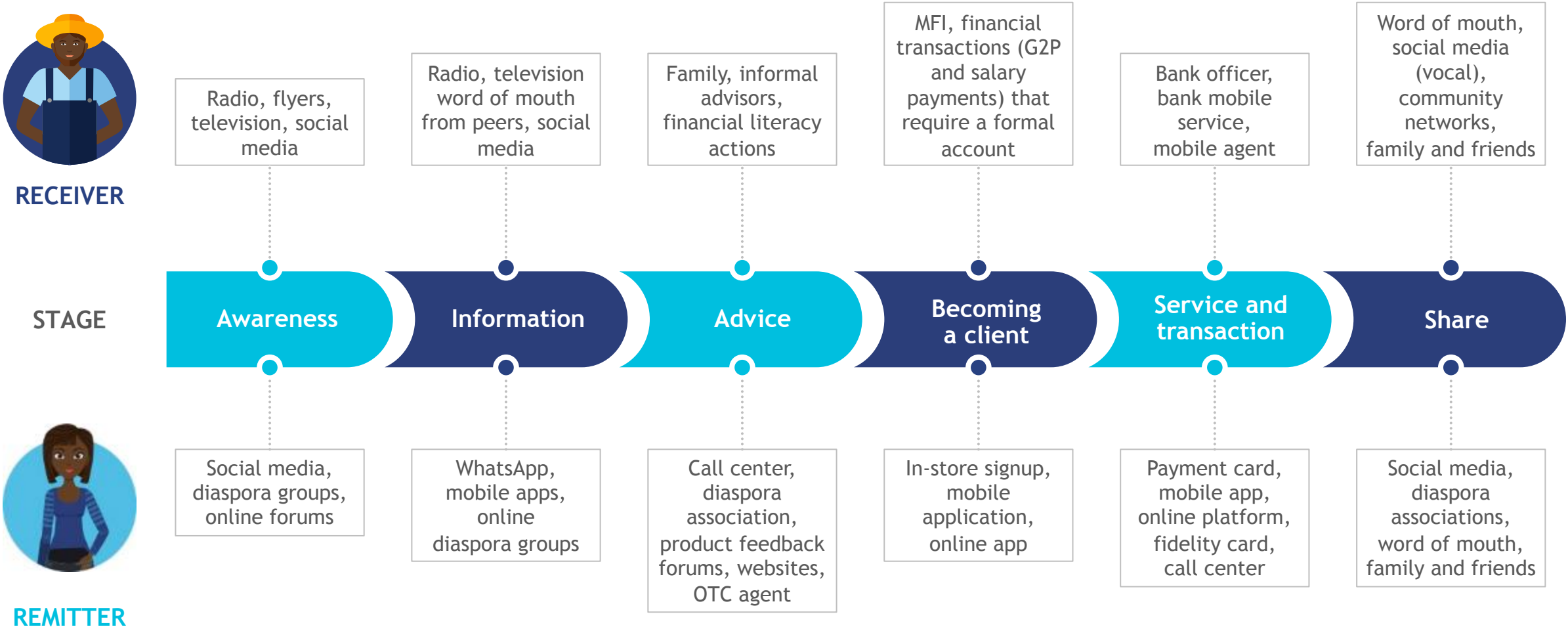


## POTENTIAL SOLUTIONS

- Promote digital literacy among migrants working with government or NGOs
- Improve customer support
- Expand payout locations going beyond banks and utilizing retailers and non-financial banks
- Provide incentives for recipients to utilize formal financial services
- Enable data access to lead to proportionate regulatory environments
- Concerted effort by policymakers and the private sector to develop tailored solutions

# From remittances to financial services: The customer journey

Remittance service providers, their networks, and platforms can serve as gateways to financial access, which in turn can be used to benefit those in vulnerable conditions



# Despite heavy investments in digital services, the use of digital channels remains low among remitters and receivers

## KEY CHALLENGES RELATED TO THE ADOPTION OF DIGITAL SERVICES



Low awareness



Data privacy



Digital literacy



OTC perceived to be faster than digital channels



Preference for human contact



Low level of education



Inability to download application



Consumer protection



Ease of use

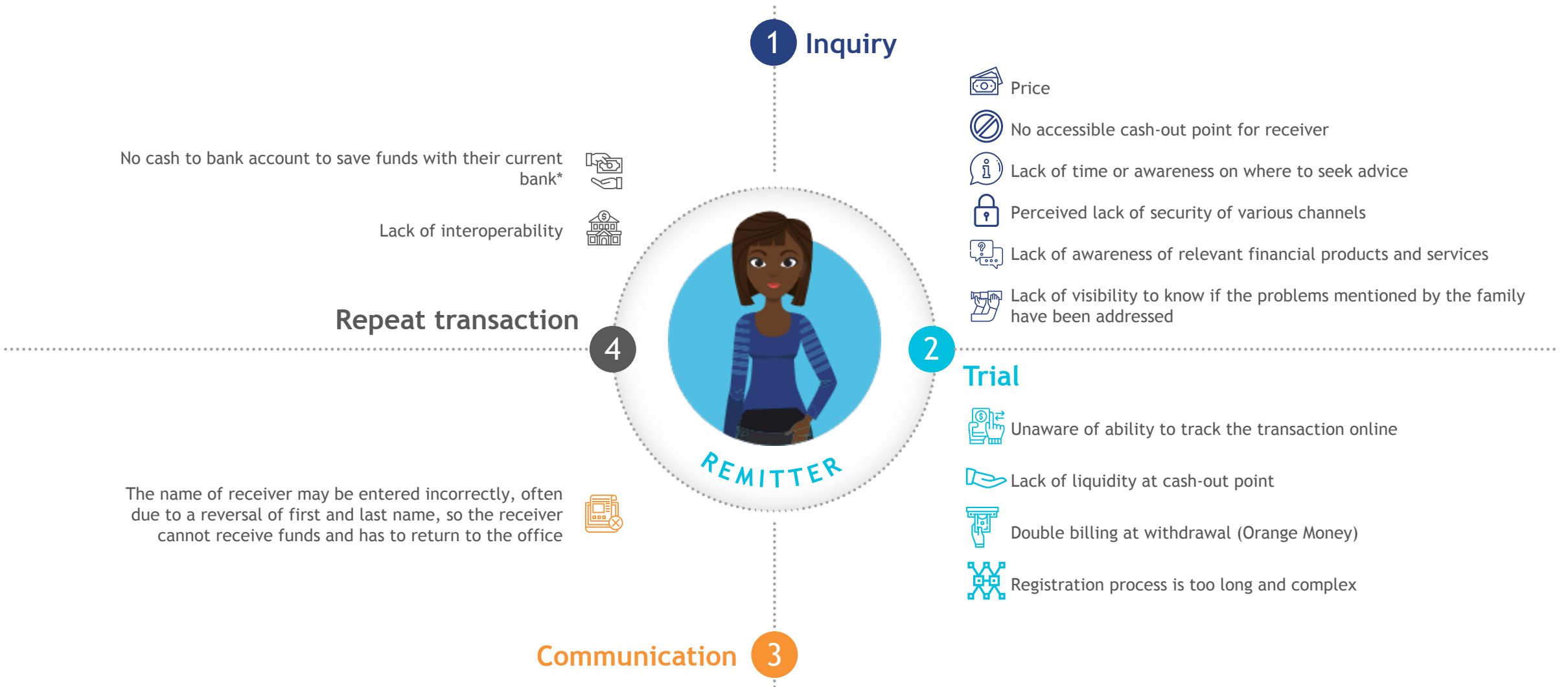


Among the migrants interviewed in France in our study, only 15.5% used digital channels, such as mobile app, mobile money, or bank transfer. The highest usage was seen among the Senegalese diaspora.

For Malian migrants who live in Dakar and Abidjan, more than two-thirds of our sample sent remittances via mobile money, due to the accessibility of the service in remote areas of Mali.

As migrants are price sensitive, providers need to highlight the cost advantage of using this channel.

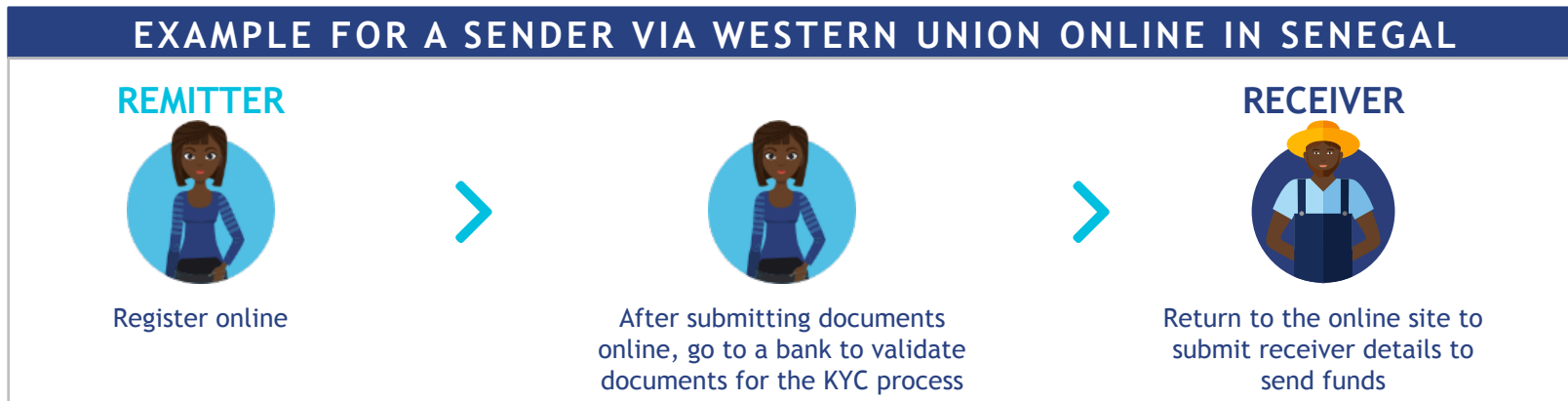
# Pain points for the sender in terms of customer experience



\* These types of services do exist within several corridors. However, migrants interviewed had little awareness of this

# OTC services are perceived to be quick and easy; the lack of eKYC in Côte d'Ivoire, Mali, and Senegal creates a greater burden on the sender's side

Senders have to get their ID physically validated, which adds additional time to the registration process



Time and cost are key drivers in the selection process and alternatives are perceived to be easier. Service providers should consider ways to ease customer pain points by:

Simplifying the account opening procedures: limit the registration steps and e-KYC requirements. See [Trulioo](#)

Creating one-stop solutions to receive salary and offer credit, savings, prepaid cards, and remittance services at a lower cost. See [Rewire](#)

# Specific mechanisms are needed to help users adopt and use remittances and value-added services

Interactive voice recognition (IVR) services that can help overcome literacy challenges and offer a human touch are needed to build confidence

## Solutions potentielles



Voice-based chatbots



Video customer service



Promotions via WhatsApp and Facebook



End-to-end transparency of transaction



Increasing awareness of ability to trace transactions end-to-end



Video content with real users

Providers need to keep in mind that on the receiver side, feature phones remain predominant

- Providers merely stating that the transfer will be secure or to show the SSL encryption will be inadequate. Adding an icon or brief text at the checkout area stating that all transactions are secure can be helpful.
- Customer recourse systems must be understood easily and accessible.
- Video content should be created that feature users and their customer journey.



# Remitter behaviors are not consistent with the pricing of MMOs or MTOs

Unless the remittance is done online, transfer costs are higher via Western Union than through Orange Money, despite the sending and receiving charges applied by Orange. On intra-regional transfers, Orange Money double-invoices both at the sender and receiver level.

Corridor	Transfer fees for a 100-Euro remittance via Orange Money <sup>1</sup>	Transfer fees for a 100-Euro remittance via Western Union using OTC <sup>2</sup>	Transfer fees for a 100-Euro digital remittance via Western Union <sup>3</sup>
France to Côte d'Ivoire and Mali	<ul style="list-style-type: none"> <li>• Sending costs: 2.7% of the amount sent</li> <li>• Withdrawal fee: 1.9%</li> <li>• Total fee: 4.6%</li> </ul>	<ul style="list-style-type: none"> <li>• Total fee: 10.0%</li> </ul>	<ul style="list-style-type: none"> <li>• Total fee: 4.9%</li> </ul>
Côte d'Ivoire to Mali	<ul style="list-style-type: none"> <li>• Sending costs: 4.6%</li> <li>• Withdrawal fee: 5.3%</li> <li>• Total fee: 9.9%</li> </ul>	<ul style="list-style-type: none"> <li>• Total fee: 4.6%</li> </ul>	<ul style="list-style-type: none"> <li>• Total fee: 1.8%</li> </ul>
Senegal to Mali	<ul style="list-style-type: none"> <li>• Sending costs: 4.6%</li> <li>• Withdrawal fee: 5.3%</li> <li>• Total fee: 9.9%</li> </ul>	<ul style="list-style-type: none"> <li>• Total fee: 4.6%</li> </ul>	<ul style="list-style-type: none"> <li>• Total fee: 1.8%</li> </ul>

For international transfers in the three countries, senders interviewed preferred Western Union despite its high transaction costs compared to Orange Money. On intra-regional transfers, Orange Money was the preferred channel despite its higher transfer fees compared to Western Union.

## What senders think about international transfers



“Orange is not necessarily cheaper because you have to pay the sending and receiving fees, Western Union is fine for me. With the large amounts I send, they are not expensive when I go to pay in an agency.”  
 “I use Western Union out of habit, but we also find its service everywhere for withdrawals, it is very practical.”

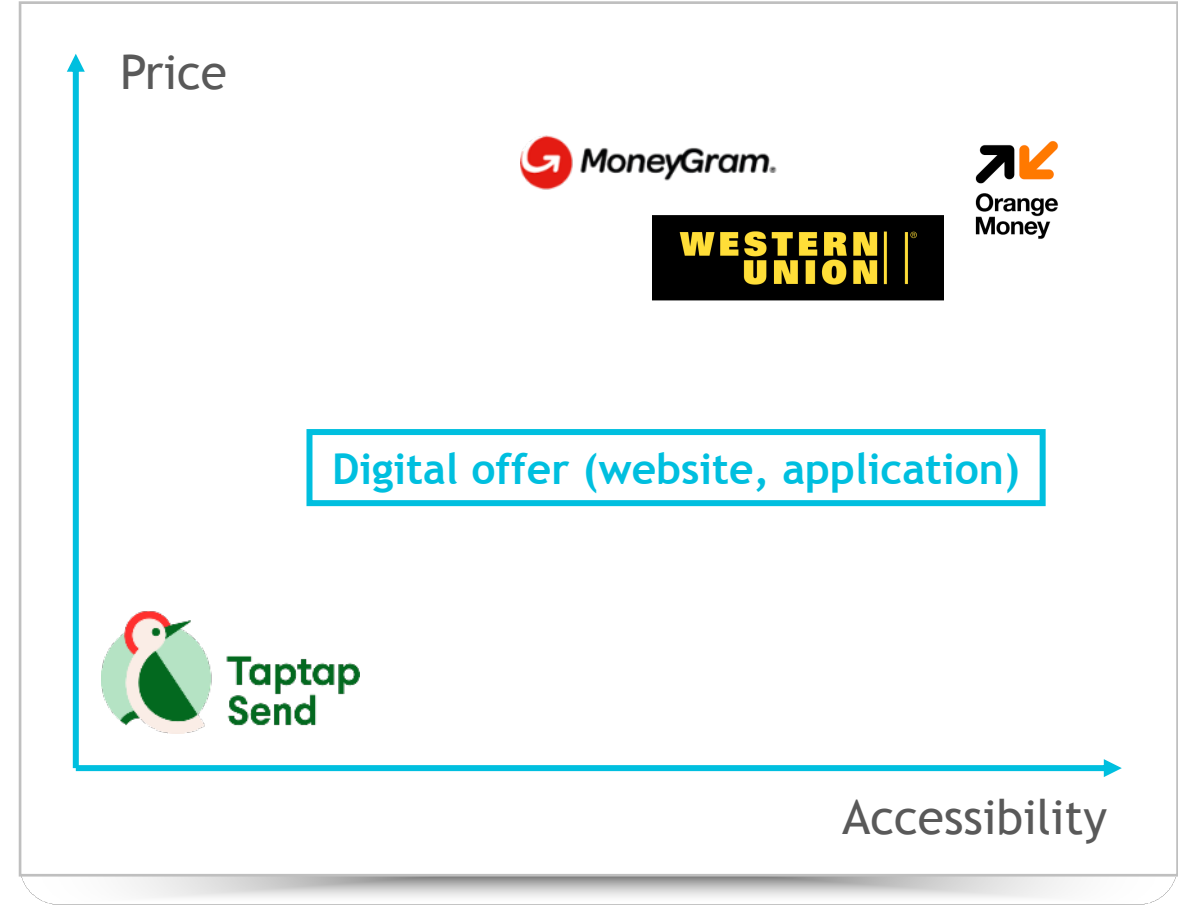
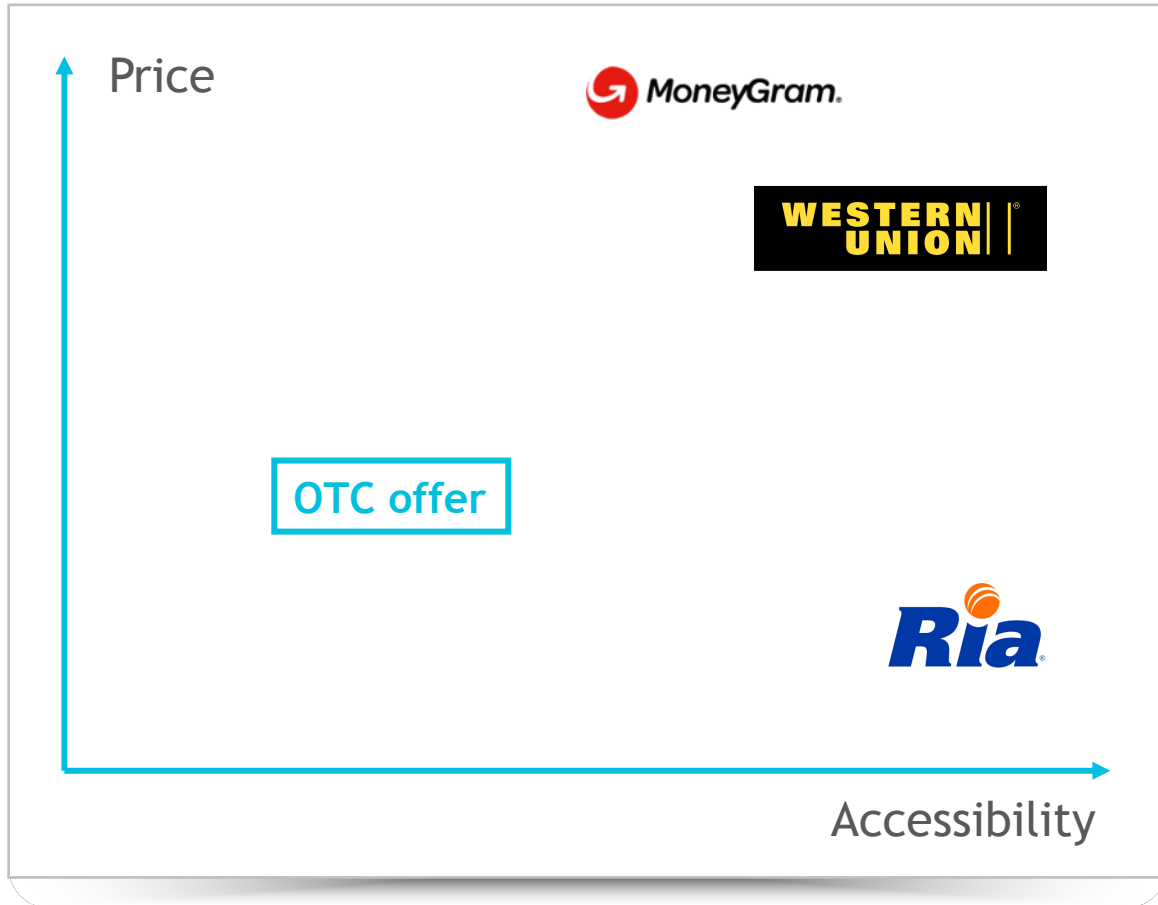
## What senders think about intra-regional transfers



“Orange Money service is accessible, convenient, and fast. As long as you have money in your account, you can complete the transaction unassisted. However, transfer costs to Mali are very high, thus as soon as a new, cheaper, and equally effective service in my village is created, I will be the first to adopt it.”

1. Orange Money websites in the respective countries; Two From agents in Paris, Dakar, et Abidjan 3. Westernunion.com

# FinTechs are more accessible in terms of price, although their access is still limited to a clientele of connected and educated remitters



# Informal practices are still common in Mali, which indicates that formal financial services providers do not yet address unmet needs

55% of remittances are informal.<sup>1</sup> Accessibility, convenience, and affordability are the key drivers but informality is also fueled by community-based and social linkages.

The remitters use informal channels to meet the following parameters:

- Send large sums of money discreetly without a cap on the maximum amount
- Hand over money to the beneficiary at home to remove the mobility constraint on the receiver's side
- Avail access to various informal financial services in the home country



“When I built my house, I sent large amounts of up to USD 11,000 through the informal household network of Malian workers.”

“I prefer to entrust my money to the village grocer. It is convenient for me and for him. Everyone trusts him and my home is secure. He even advances me money for my family when I need it. I also often send him money for two or three months, and he keeps it safely with himself.”

“My favorite service is via the Sama transport company because I work in the same yard as the company.”

1. Survey on remittances in Mali, BCEAO (2012)

## WHAT CAN PROVIDERS LEARN FROM INFORMAL PRACTICES?



The banker-shopkeeper is a key figure within a community and offers:

- Accounts and bookkeeping
- Cash-in and cash-out
- Cash advance
- Purchase
- Stored value without immediate withdrawal

Value proposition: Personalized, on-site, trustworthy financial services



Regional transport companies are important in the daily life of Malians due to the geography and economy of the country. Transport companies offer secure transfer through a bookkeeping system

Value proposition: Rapid, accessible, and affordable transfer service

# Pain points for the receiver in the customer experience



Providers should increase the support to their agent by:

- Implementing predictive data analytics to inform agents on future demand and help them manage their liquidity, coupled with physical rebalancing—see [GSMA /MSC | Distribution 2.0: The future of mobile money agent](#) and [PesaKit solution](#)
- Enhanced and regular training, much of which can be delivered over mobile devices—see [GSMA/MSC | Distribution 2.0: The future of mobile money agent](#)
- Regular agent monitoring with automated solutions, such as an SMS to agents that asks them to replenish when they reach a certain float threshold, and to send screenshots and photos of their outlets for physical rebalancing—see [GSMA/MSC | Distribution 2.0: The future of mobile money agent](#)
- Strategic alliances with lenders to help improve the liquidity management of agents—see [FINCA: Easing Access to Liquidity for Mobile Money Agents](#)
- Optimizing call center-based customer service, including measures, such as providing a dedicated line for agents—see [Customer Service Through Call Centers](#)
- Cost the potential for establishing agents (fixed or roaming) in these areas, and if profitable, set up mobile mini-branch units to offer cash-in-transit services through staff who travel from village to village with portable tablets to distribute remittances at the beginning of the month—see [Prime Bank, Bank on Wheels service](#)
- Offer working capital loans to transform small shopkeepers into cash-out points for remittances, and to avoid liquidity issues, create a financial solution for receivers to purchase goods directly from the shopkeeper—see [Tounkaranke-Code](#)

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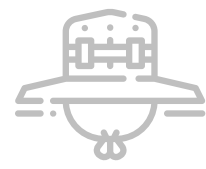
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# Remittances as a means of investment

Remitters want to support their loved ones, invest in real estate and business opportunities, participate in the local development of their community, and initiate social and sustainable businesses

## Build a house and buy land

- Initiate an individual house-building project
- Engage in long-term savings for a real estate investment
- Seek credit access in their host country or home country to finance a real-estate investment

## Become an entrepreneur in their country of origin

- Launch a company
- Invest in the family's business for a return on investment
- Invest in a lucrative business in the home country



## Invest in the local development of their community and country of origin in general

- Invest in community development projects, such as an annual contribution to a diaspora association
- Contribute to the investment needs of their community

## Invest in the financial autonomy of their loved ones

- Lend financial support to relatives for the launch of an economic activity
- Provide credit to support a relative's existing enterprise

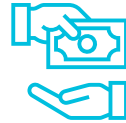
# The needs of receivers for relevant financial and non-financial services grow once primary needs are met

Remitters are concerned about improving the well-being of their recipients' households and both the sender and receiver need financial education



## PHYSICAL CAPITAL

“For several months, I send monthly remittances to my brother because I have bought land and my brother makes the payments because bank transfers are too costly.”



## BILL PAYMENTS (electricity, water, Internet, and cable)

“When the money comes, I pay the bills worth USD 25.5 on average every two months, and I make a few small purchases at the supermarket for the month.”



## HUMAN CAPITAL: EDUCATION

“I used the money I received the last time for the children's back-to-school period.”



## Investing in HEALTH can potentially lead to increases in productivity

“I receive USD 170 a month from my sister for the treatment of my mother, who suffered a stroke.”  
“For my mother who has high blood pressure, we spend USD 29.7 every month.”



Households that receive remittances tend to save more than households that do not, once basic needs have been met.

Around **57%** of receivers save a portion of their remittances but only **23%** do so in financial institutions.<sup>1</sup>

1. [The Use of Remittances and Financial Inclusion, GPF \(2015\)](#)

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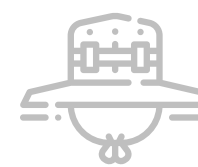
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# Meet the remitter personas



## Informal saver

Channel-agnostic  
based on price

This consistent sender seeks the most affordable channels. Although banked in his host country, the informal saver uses informal channels to send and manage funds at home to pay bills and store funds for investment or housing construction. He is an economic migrant who plans to return home after financial goals are met.



## Community contributor

Values  
human touch

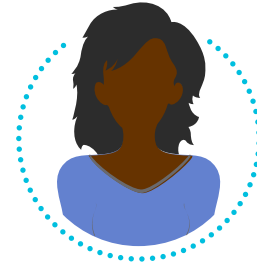
Due to a low level of literacy and financial education, the community contributor requires human support to use digital services but is a regular user of voice-based applications. He contributes to a pool of funds to assist his local village while also saving forward to build a home. He is a temporary migrant who has been in the host country for less than three years.



## Cash lover

Bargain  
hunter

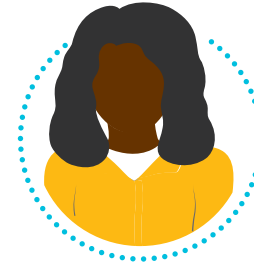
He is a regular remitter who uses digital payments for bills but reverts to informal services to ensure the lowest costs per transaction for larger amounts. Similar to the community contributor, he saves forward for longer-term goals. This persona is an economic migrant for 5-10 years.



## Human capital investor

Family-oriented, loyal to  
products

Wary of online purchases, the human capital investor sends regular payments to cover health and education needs. She values loyalty programs and does not seek alternatives to money transfer channels unless it is easier for the receiver. The human capital investor is a permanent migrant who has lived for more than 10 years in the host country.



## Social impact entrepreneur

Business savvy,  
tech wary

Banked in both host and home country, this well-educated, economic migrant seeks advice and opportunities to invest funds to benefit her family's well-being as well as her own entrepreneurial goals. The social impact entrepreneurs is attracted to services marketed to the diaspora.



## Juggling strategist

Tech savvy,  
first mover

Possessing multiple bank accounts, the juggling strategist is quick to adopt tools that save time and are easy to use. Due to transaction ceiling limitations he faces, he uses multiple tools and channels as workarounds, which makes it challenging to build a credit history.



## Ousmane

Age	36 years
Marital status	Married
Location	Urban
Education	None but literate
Profession	Station manager
Monthly income	USD 250
Method of transfer	Informal, MMO OTC, and MTO OTC
Monthly remittance	USD 43 - 110
Remittance targeted relatives	Wife, parents, siblings and extended family
Migrant status	Five years in Senegal



# The informal saver

## Remittance usage and goals

- Ousmane manages his family remotely by sending funds through a shopkeeper to pay for home maintenance.
- He mixes formal and informal services to meet his financial needs and goals. He sends separate funds for his local savings.
- He saves money to build capital to be invested in business activity or plans for a future home as well as in a **community development** project in his home country.
- He works extra hours to send more money as needed and sends funds for religious holidays.

## Knowledge, perceptions, and trust in financial services

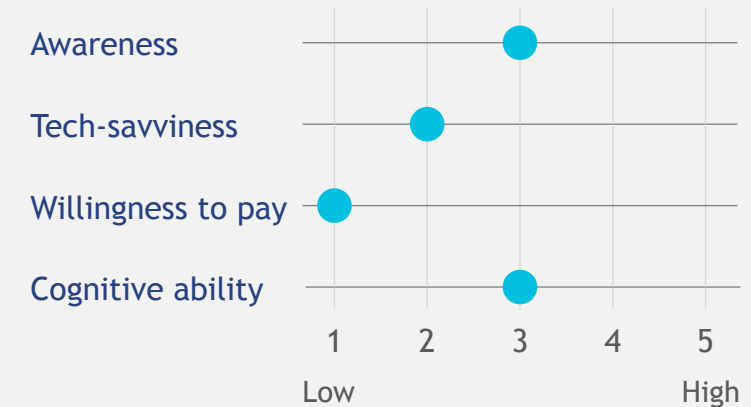
- Ousmane knows about FSPs but does not use them, because they do not have products that suit his needs. He uses Orange Money and Wari from time to time and uses informal solutions as they can be more **affordable**.
- He has an excellent understanding of transaction costs, operating modes, and reception mechanisms and is price sensitive.
- He trusts relatives and community figures to handle his finances locally.

## Usages and preferences for financial services

- Ousmane has a bank account in Senegal with a debit card and uses online payment exclusively to book airline tickets for annual trips home.
- He is not attached to any remittance provider because his choice is driven by the transaction **price**.
- He uses the shopkeeper located nearby his family house to manage his money via Orange Money. The shopkeeper serves as a financial advisor.



## WHAT IS HIS DFS PROFILE?



“My wife does not know how to manage large sums, so I send USD 150 USD a month for household expenses to a shopkeeper whom I trust and he issues USD 5 per day to my wife and keeps the rest in his Orange Money account.”

“I do not understand why Orange Money charges money for withdrawals from my savings—USD 2 on my USD 42 in savings.”



## Djibril

Age 33 years

Marital status Married

Location Urban

Education Secondary school

Profession Maintenance

Monthly income USD 900

Method of transfer MTO OTC

Monthly remittance USD 330

Remittance targeted relatives Spouse, village

Migrant status Two years in France



# The community contributor

## Remittance usage and goals

- Djibril contributes USD 111 to an annual pool of funds with fellow diaspora from his village for a **community development** project, which is sent to a diaspora association
- He plans to build a new house for his family and sends advances for construction whenever can send funds
- He uses **voice** messages on social network apps regularly but often needs help from a family member to understand how to use a new application

## Knowledge, perceptions, and trust in financial services

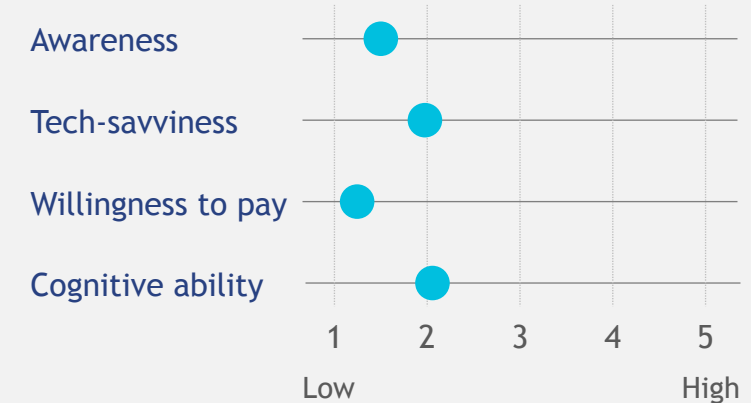
- He knows about traditional MTOs, recognizes the brand Orange Money, and knows it is heavily used in the home country
- He is unaware of offers of digital money transfers services and new offers by FinTechs
- He finds price to be the greatest influencer in his choice of service
- He was unbanked before he immigrated, and therefore needs **financial education**

## Usages and preferences for financial services

- He has a bank account in the host country and uses it to receive and withdraw his monthly salary
- He prefers cash-based transactions with a **human touch** and simple process
- **Price, quality of the network, and accessibility** for the receiver determine the choice of his remittance product.



## WHAT IS HIS DFS PROFILE?



“In any case, you need solidarity, otherwise things do not work. In the village, families that have someone abroad live better, they have food, and can access healthcare services. So if we can contribute to improve things, we should not hesitate to do so. Everyone wins.”



## Ibrahim

Age	32 years
Marital status	Married
Location	Urban
Education	High school
Profession	Fabric retailer
Monthly income	USD 675
Method of transfer	MMO mobile app, informal service
Monthly remittance	USD 168
Remittance targeted relatives	Family, siblings
Migrant status	Over five years, plans to return to Mali



# The Cash lover

## Remittance usage and goals

- Ibrahim uses his own funds for his children's education back home, sending USD 10 each month.
- He sends money for religious holidays, such as Ramadan, Tabaski, and Korite.
- He contributes to a pooled marriage fund for residents in his village, and invest in **community development** projects.
- He sends money for family emergencies.
- He saves informally at home to construct a house in his home country in the future.

## Knowledge, perceptions, and trust in financial services

- He prefers Orange Money for **privacy and speed** but he uses informal systems at a lower **cost** because of Orange's double billing.
- He has taken microfinance loans in the past on behalf of others using his land as collateral for amounts up to USD 3,700 and paid them off in two years.

## Usages and preferences for financial services

- He does not have any bank accounts. Instead, he has an m-money account and buys airtime, recharges electric bills, and saves on this account.
- He uses a shopkeeper in Mali who transacts between Senegal and Mali to send amounts larger than USD 60 due to costs. His family collects the funds at the shop.



## WHAT IS HIS DFS PROFILE?



“My wife is my financial advisor. I entrust my savings with her and she keeps it at home because I do not have a bank account. We Malians are used to informal savings—it is our culture. I managed to save USD 840 and plan to reach USD 5,000 to build a house in Mali and go back there permanently.”



Rachel

Age	50 years
Marital status	Divorced
Location	Urban
Education	High-school
Profession	Part-time school aide
Monthly income	USD 1,500
Method of transfer	MTO OTC, MMO app
Monthly remittance	USD 73 - 180
Remittance targeted relatives	Parents, siblings, and extended family
Migrant status	+10 years, no plans to return permanently



# The human capital investor

## Remittance usage and goals

- Rachel is **strongly devoted to her family**. She pays the university tuition of her nephew once a year and covers her mother’s health expenses, which often fluctuate, besides her mother’s food and rent in Côte d'Ivoire each month.
- She sends money every two months due to a decline in her monthly revenues.
- She pays USD 85 a month to provide health insurance for her mother.

## Knowledge, perceptions, and trust in financial services

- Rachel uses Western Union primarily and uses the 24-48 hour services to reduce her costs, but sometimes send via Orange Money through her sister’s wallet for a month as it is easier for her to receive at an Orange Money boutique, which provides a **human-touch** by assisting her in the transaction.
- She values **security** in her financial transactions.
- Her uptake of financial products is guided by her financial needs and **ease of use**.

## Usages and preferences for financial services

- Rachel has stayed with Western Union by habit and because of its loyalty program and recourse systems, even though she knows of cheaper services.
- She is financially included with bank accounts in both host and native country, besides an m-money account in France although she rarely uses it.
- She uses Internet financial services, such as the purchase of flight tickets and e-commerce. Yet she uses remittance services at an agency as she values **convenience and proximity** in the choice of her remittance product.



## WHAT IS HER DFS PROFILE?



“As a precaution, I prefer to go to the branch. I do not use my credit card on the Internet as it may be unsafe. I do not trust the websites I go to unless they have a lock icon, which is reassuring. I cannot go to this step on the money transfer site yet. In fact, I have never tried it before and I do not think about it too much.”



## Safiétou

Age	48 years
Marital status	Married
Location	Urban
Education	University
Profession	Part-time school aide
Monthly income	USD 2,400 - 2,900
Method of transfer	MTOs mobile app
Monthly remittance	USD 330 - 840
Remittance targeted relatives	Parents and siblings
Migrant status	More than 10 years in France, plans to return to Senegal eventually



# The social impact entrepreneur

## Remittance usage and goals

- Safiétou displays strong **family devotion**, uses her own funds to invest in the construction of her parents' house, and has been looking for opportunities, such as rental investments to earn profits and help her family.
- She supports her siblings with **financial investment** and **business advice** to engage in business to make a living.
- She wants to start a **technology business** initiative with a high social and environmental impact in her native country but lacks the guidance, funds, and network to do so.

## Knowledge, perceptions, and trust in financial services

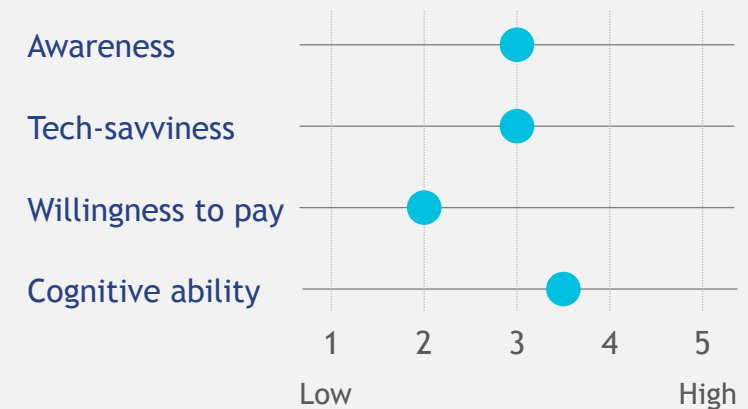
- She knows of traditional MTOs and their digital products (Western Union mobile app).
- The uptake of her financial products is guided by value for money.
- She does not trust DFS due to the perception of repeated fraud and does not believe the two factor authentication nor the padlock icon provides real security.

## Usages and preferences for financial services

- She has bank accounts in both host and native countries, and has an m-money account.
- She uses a range of digital services, such as mobile app and e-commerce. She values **proximity, speed, and price** in the choice of her remittance product. Sometimes, she resorts to bank transfers to avoid reaching her ceiling on credit card payments.
- She is attracted to financial products that are marketed for the diaspora.
- She has been seeking non-financial support in addition to financial support for local investments.



## WHAT IS HER DFS PROFILE?



"I would like to start a renewable energy business in my home country. The product will be coupled with a digital solution to create an energy management system. This product could address the energy needs of households and reduce the energy divide."



## Mohamadou

Age	30 years
Marital status	Married
Location	Urban
Education	University
Profession	Entrepreneur
Monthly income	USD 3,000
Method of transfer	FinTech, MTO application
Monthly remittance	USD 6,600
Remittance targeted relatives	Wife, sibling, and business partners
Migrant status	More than four years in France



# The juggling strategist

## Remittance usage and goals

- Mohamadou is attracted to the latest financial innovations that are **fast** and easy to understand and use.
- He sends large remittances each week as he manages multiple businesses between his home country and the host country. He has to deal constantly with transaction limits and needs a **financial management tool** to have a better overview of his financial flows.
- He invests in real estate and in business opportunities for him and his relatives.
- He works with multiple MTOs and banks that he borrows from, which is suboptimal and prevents him from building a credit history. He repays loans with funds from Senegal.

## Knowledge, perceptions, and trust in financial services

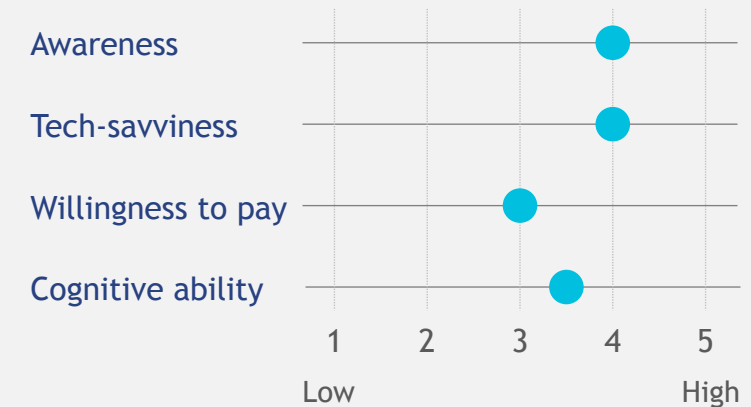
- He has comprehensive knowledge of FSPs, including both traditional and emerging MTOs
- He has an excellent understanding of transaction costs, operating modes, receiving options, and risk management

## Usages and preferences for financial services

- He uses varied DFS for transactions, such as mobile apps, neo-banks, and e-commerce. He values the speed, ease of use, and accessibility as a self-service product. He has four bank accounts in his home country and two in his host country.
- His **risk avoidance** strategy requires the use of temporary e-cards for online transactions to avoid fraud. He values dual authentication for higher security.
- He has a **nationalist bias** and prefers products and services from his home country.
- He uses business financing in his home country for complementary earnings.

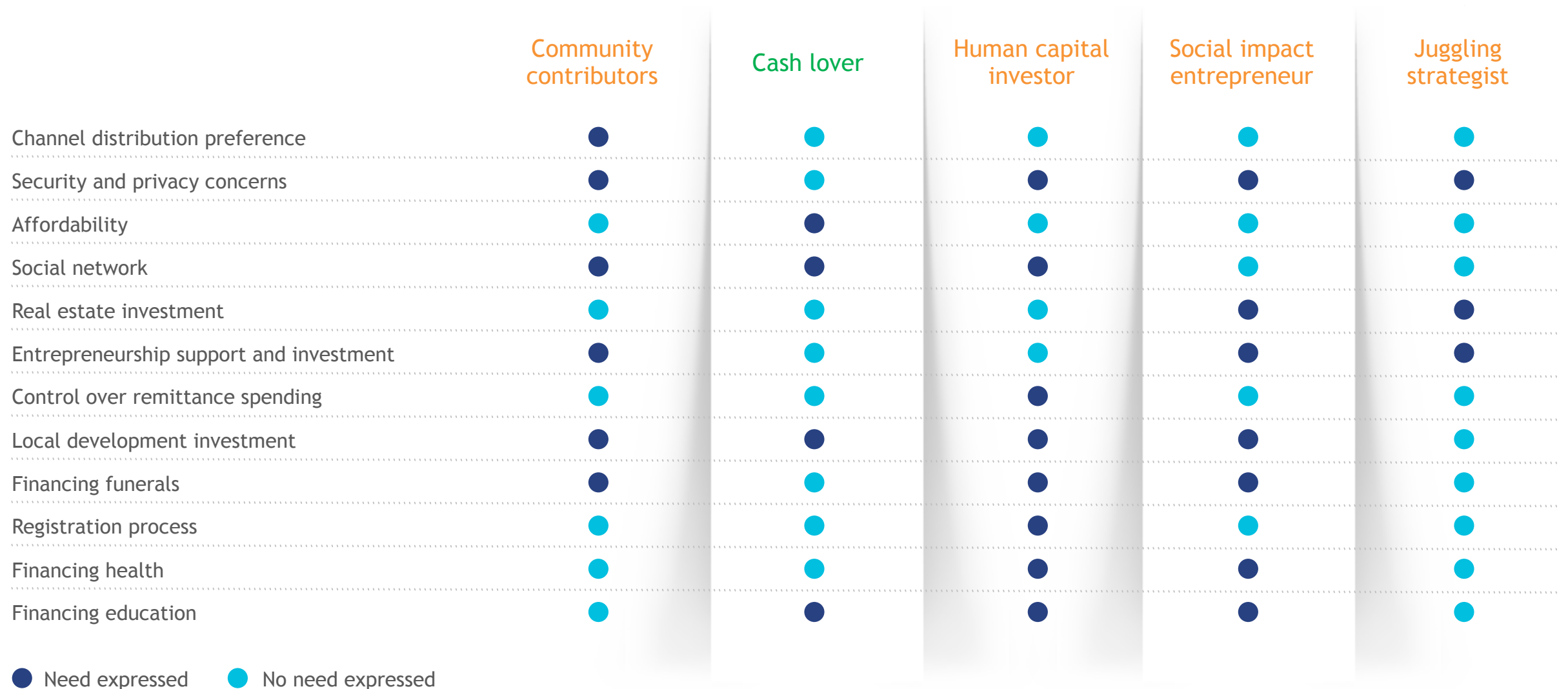


## WHAT IS HIS DFS PROFILE?



“For my business, I need to send a lot of money to Dakar to pay bills. I send more than USD 1,660 per week. So I reach the transaction limit very quickly and that poses a problem.”

# The interests of remitter personae in financial products and services are linked to sending remittances





# How do the personas match the customer journey toward formal financial products?

The need for financial education is across the continuum of personas and evolves with client needs, especially since remitters also guide the financial behavior of their families in the home country

Creating financial products for each stage of the cycle

Group community savings funds, home country savings accounts, life insurance

Home building savings, mortgages, bonds, insurance beyond life insurance

Business loans, mortgages, digital credit, bonds, and insurance

REMITTER STAGE

Awareness

Information

Advice

Becoming a client

Service and transaction

Share



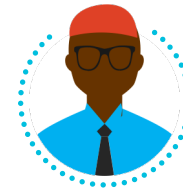
Informal saver



Community contributor



Cash lover



Juggling strategist



Social impact entrepreneur

Human capital investor



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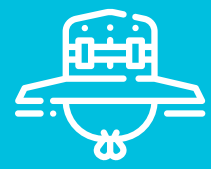
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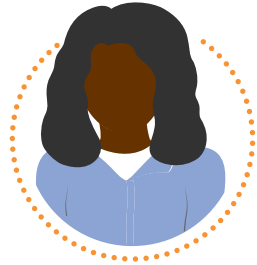
# Meet the receiver personas



## Value seeker

Mobile savvy,  
open to innovation

Heavily influenced by promotions, the value seeker is interested in integrated propositions around core needs but dislikes burdensome processes and unclear fees. He is suspicious of financial institutions.



## Financial stability seeker

Informal user  
due to proximity

The financial stability seeker has an account with both a financial institution and mobile money provider, invests in services that provide security for his family and business. Access is a generally the main constraint to adopt value-added services.



## Entrepreneurial woman

Time  
is money

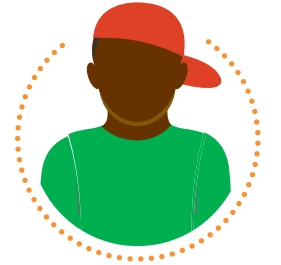
With a high level of awareness of options available derived from multiple media channels, the entrepreneurial woman seeks solutions that provide value by saving time and money to use her remittances productively.



## Quiet influencer

Ubiquitous,  
frequent user

Despite a low level of education and financial literacy, if this regular recipient of remittances does not have easy access, she will influence the remitter to seek alternative channels. The quiet influencer watches videos and uses vocal functionalities on her mobile device.



## Digital messenger

Tech savvy,  
promoter

A digital native, the digital messenger engages with others and provides guidance on how to use services. He manages money and borrows regularly through informal means.



Alex

Age	45 years
Marital status	Married
Household	8
Location	Rural
Education	High school
Profession	Farmer
Monthly income	USD 85
Remittance service	MTO in an agency
Monthly remittance	USD 100
Remitter	Siblings



# The value seeker

## Remittance usage and goals

- ▶ Alex is responsible for his family, in particular, for healthcare and funeral expenses of the elderly in his family. He has purchased insurance but does not understand the premiums nor the service charges.
- ▶ He is highly concerned about **security** while transacting and handling remittance money due to the potential of theft.
- ▶ He keeps cash in his mobile wallet while traveling to reduce risk.

## Knowledge, perceptions, and trust in financial services

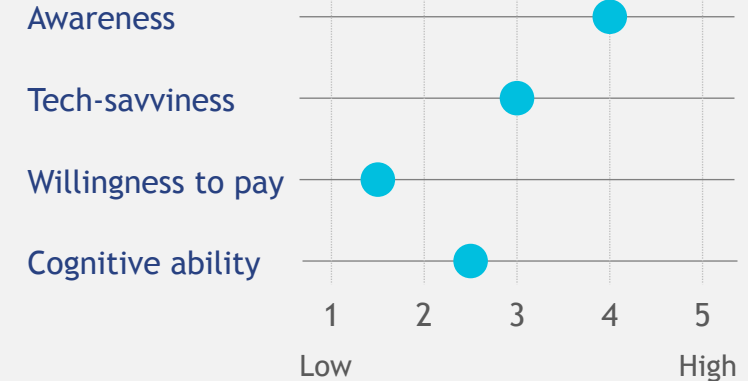
- ▶ Alex knows about MTOs and MMOs and their service offerings. He trusts them but has a limited **understanding** of the nano-credit and micro-savings products of MNOs.
- ▶ He is aware of traditional financial institutions and services but has a negative opinion of the maintenance fees and heavy administrative processes involved, which he does not understand.

## Usages and preferences for financial services

- ▶ Alex uses mobile money services extensively, such as pay bills, cash-in and cash-out, and airtime purchases. He values their **security, access, speed**. His behavior is influenced heavily by **bonuses** to pay bills.
- ▶ He is reluctant to use traditional financial services because he had a negative experience with maintenance fees, which reduced his savings.
- ▶ He is willing to adopt sophisticated DFS, such as e-commerce and digital loans but he lacks **financial education** to become a regular and creditworthy user.
- ▶ He seeks value-added remittance services that will foster **trust** with his relative, who is the remitter, and also lower his monthly financial burden of school fees, health expenses, and bill payments.

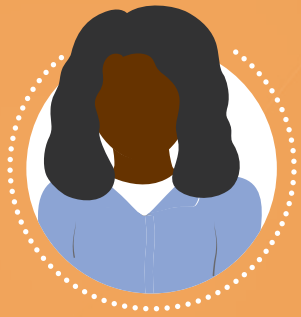


## WHAT IS HIS DFS PROFILE?



“My son studies in Abidjan, I usually give him cash to pay his school fees. He may use it for other purposes.

When I ask my brother in France to send me money to pay the school fees, he tends to doubt me and can get angry. If he could pay them remotely, that would solve all our problems.”



Sandrine

Age	45 years
Marital status	Married
Household	6
Location	Rural
Education	Secondary School
Profession	Street vendor
Monthly income	USD 50
Remittance service	MTO in agency
Monthly remittance	USD 84
Remitter	Siblings



# The entrepreneurial woman

## Remittance usage and goals

- Sandrine owns a business and knows how to manage it. She lacks the financial support to expand her business, despite seeking options for credit.
- She is smart and knows which financial product fits her needs, and what she has to do to cope with financial hardship.
- She uses remittances for food for her family, healthcare and expenses for her mother, and school fees.

## Knowledge, perceptions, and trust in financial services

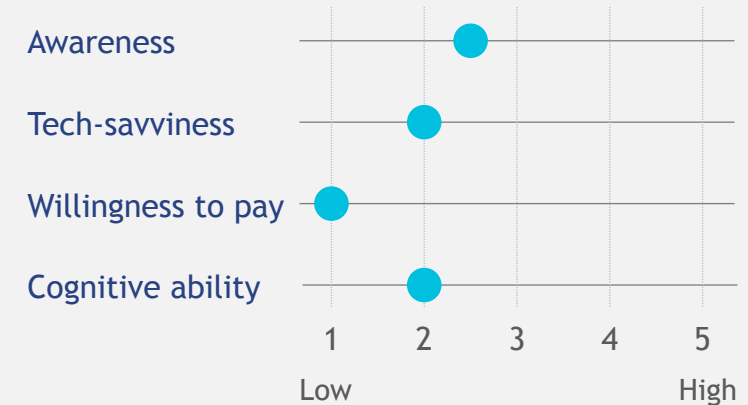
- Sandrine learns about services via television and radio.
- She is well-aware of traditional MTO services.
- She is aware of the remittance services of MMOs. She is enthusiastic about them since it is time-saving and accessible compared to MTOs. However, she has limited **understanding** and **awareness** of the credit or savings products of MMOs.
- She knows traditional financial institutions but does not **trust** them as she believes they are too expensive and deceitful with their hidden fees.

## Usages and preferences for financial services

- Sandrine uses mobile money services, such as pay bills, cash-in and cash-out, and airtime purchases comprehensively. She receives client payment on her mobile money account. She is influenced by **bonuses** and holds off purchasing until promotions are offered.
- She makes daily micro-savings that she invests in her business.
- She would adopt DFS, which would help her to **save time**, such as school fees and bill payments. However, she would not use it for cash-for-goods or e-commerce.
- She would prefer if her relatives who live abroad could pay directly for her health expenses, education tuition, school supplies, and bills.



## WHAT IS HER DFS PROFILE?



“Banks and MFIs offer loans to women. Orange Money and MTN must also do so. We have mobile-money accounts, where we deposit our money and the MMOs make it grow. In return, this money should help us in our business.”



Djimé

Age	42 years
Marital status	Polygamist
Household	Over 15 members
Location	Rural
Education	Secondary School
Profession	Farmer and cattle breeder
Monthly income	USD 170
Remittance service	Available and least expensive
Monthly remittance	USD 135-250
Remitter	Brother, children



# The financial stability seeker

## Remittance usage and goals

- Djimé uses the remittance money to cover the daily food expenses for his family, as well as the healthcare and education fees of his younger children.
- He works the land and sells his harvest in Mali and Senegal. He invests part of his benefits in cattle, which he perceives as a productive asset and a means of income-smoothing that he could sell in case of emergencies.
- He belongs to an association of producers that helps him understand where to get the best prices and find buyers.
- He is flexible and offers credits to his clients. However, he lacks the liquidity to purchase farming inputs, such as seeds and fertilizers, and thus depends on his brother for remittance. He needs **affordable** and **accessible** credit available at a cash-in and cash-out point near him.

## Knowledge, perceptions, and trust in financial services

- Djimé is aware of financial products, such as credit, savings, and insurance, and recognizes their value to expand his business and protect himself against risks, such as healthcare and financial loss.
- He is open to exploring DFS if there are access points nearby.

## Usages and preferences for financial services

- Djimé has an MFI and mobile money accounts and has a work accident insurance with an MFI.
- He receives remittance money mainly through MMOs and informal transport services.
- He is a regular user of mobile money services, such as cash-in, cash-out, and airtime purchases.
- He struggles to access funds quickly, due to distance to the cash-in and cash-out points. He values **proximity**, **reliability**, and **flexibility**.
- He saves and borrows money through the *tontine* weekly system and through his MFI account



## WHAT IS HIS DFS PROFILE?



“Remittances are essential to me, I use it to pay for my fertilizers and when I am sick, my healthcare. Otherwise, my only option is to sell my cattle.”



## Maramé

Age	45 years
Marital status	Polygamist
Household	More than 10 members
Location	Rural
Education	Illiterate
Profession	Informal self-worker
Monthly income	USD 50
Remittance service	Accessible and least expensive
Monthly remittance	USD 250-400
Remitter	Husband



# The quiet influencer

## Remittance usage and goals

- Maramé’s husband sends her a monthly remittance to cover the household expenses. She has no financial autonomy except for her small retailing business. She strives to expand the business but lacks credit and **financial education** to do so.
- She has a smartphone and manages to use it to communicate via WhatsApp and Facebook. She also uses **voice** messages with her loved ones and watches videos on YouTube and listens to radio content.
- She uses Wari to pay bills, as she often faces liquidity issues in her village.

## Knowledge, perceptions, and trust in financial services

- She knows all the categories of financial providers and even owns a mobile money account. Yet she lacks a comprehensive **understanding** of their service offerings. She has low **digital literacy** skills and had lost her access code when she opened the account, so she has never used it. She does not see value in the service so has never tried to get her code again.
- She has no negative perceptions about financial providers, nor does she mistrust them.

## Usages and preferences for financial services

- MTO and OTC bill payment services are her only access to financial services, although her village has MFIs.
- MTO **accessibility** is her main issue. She switches her MTO whenever she encounters a network breakdown or if the cash-out point has liquidity issues. She often travels 10km to access an MTO in the closest city.
- She prefers the OTC service as it offers **savings in terms of cost and time** for her.



## WHAT IS HER DFS PROFILE?



“Only Western Union operates in the village, it is at the level of Crédit Mutuel du Sénégal. Sometimes you can go to withdraw and they tell you that they do not have any money. Lack of liquidity is very common in the village, in addition to power cuts and connection problems. We then have to go to Louga, and pay for the transportation.”



Abdou

Age	25 years
Marital status	Single
Household	Less than 8 members
Location	Rural
Education	High-school
Profession	Self-employed
Monthly income	USD 100
Remittance service	Least expensive service
Monthly remittance	USD 250-340
Remitter	Siblings



# The digital messenger

## Remittance usage and goals

- Abdou is digitally literate and numerate. He is responsible for receiving family remittance money and his family’s digital financial transactions.
- He is **hyper-connected**, owns an individual laptop and smartphone, and uses them comprehensively. He is eager to adopt new DFS avenues, such as e-commerce.
- He is under the guardianship of his parents. His parents take all household decisions. Although he dispatches the remittance funds, he has no authority.
- He is an **entrepreneur** who has been running an e-business while at the university.

## Knowledge, perceptions, and trust in financial services

- Abdou trusts MTOs and MMOs and is aware of instances of fraud with MMOs.
- His perception of traditional financial institutions and MFIs is negative, based on lessons from his parents on the high interest rates and the risk associated with the need to repay on time.
- He acts as a guide to sensitize others on digital products and services and how to use them.

## Usages and preferences for financial services

- For Abdou, the remittance service chosen by the remitter should be the most accessible and least expensive.
- He uses his mobile money account comprehensively for cash-in and cash-out, airtime purchase, and micro-savings. His usage of mobile money services is highly influenced by **bonuses**.
- He considers MMOs to be a **convenient** and **secure** service that prevents him from spending too much money.
- He borrows money through informal means, such as from parents, suppliers, shop-keepers, and friends to invest in business activities because lending financial institutions, such as MFIs and banks lack **flexibility** in loan repayments.



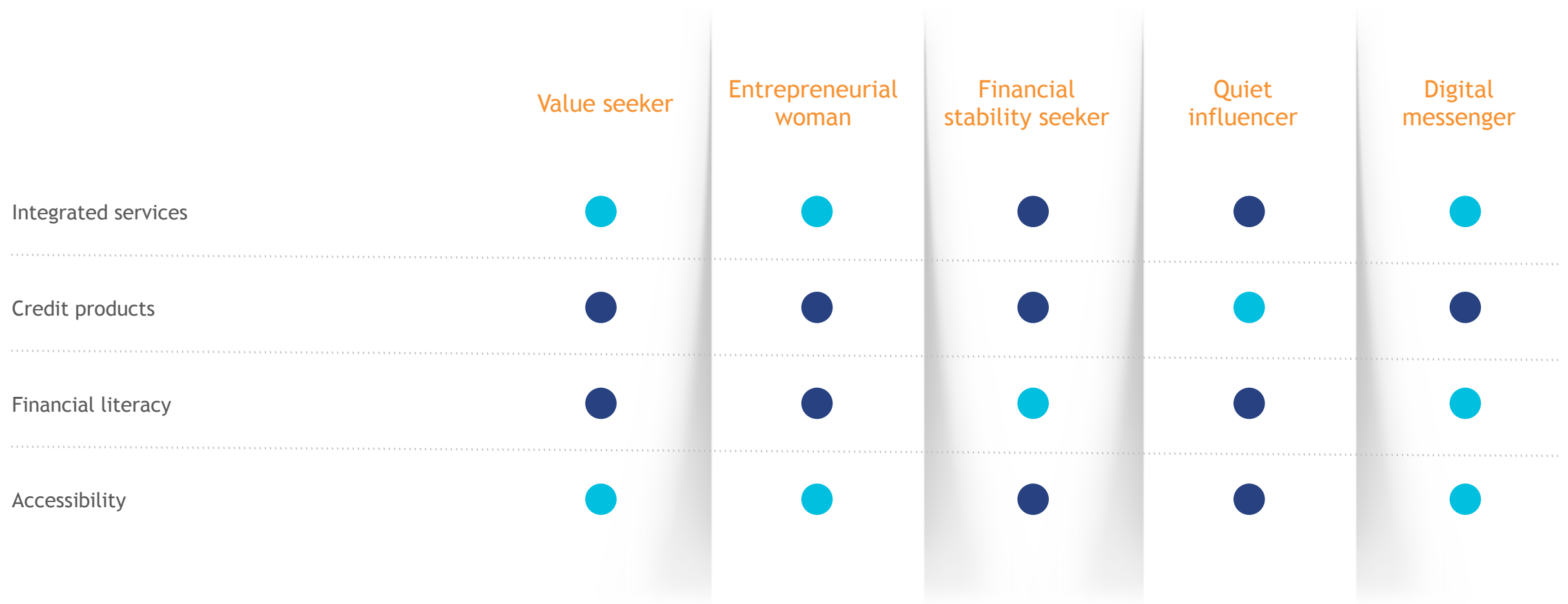
## WHAT IS HIS DFS PROFILE?



“Every month, my older brother sends me USD 337 via Ria for household expenses. He tells me what to buy with the money. I do all the shopping he asks me to do and I give the rest of the money to my father.”



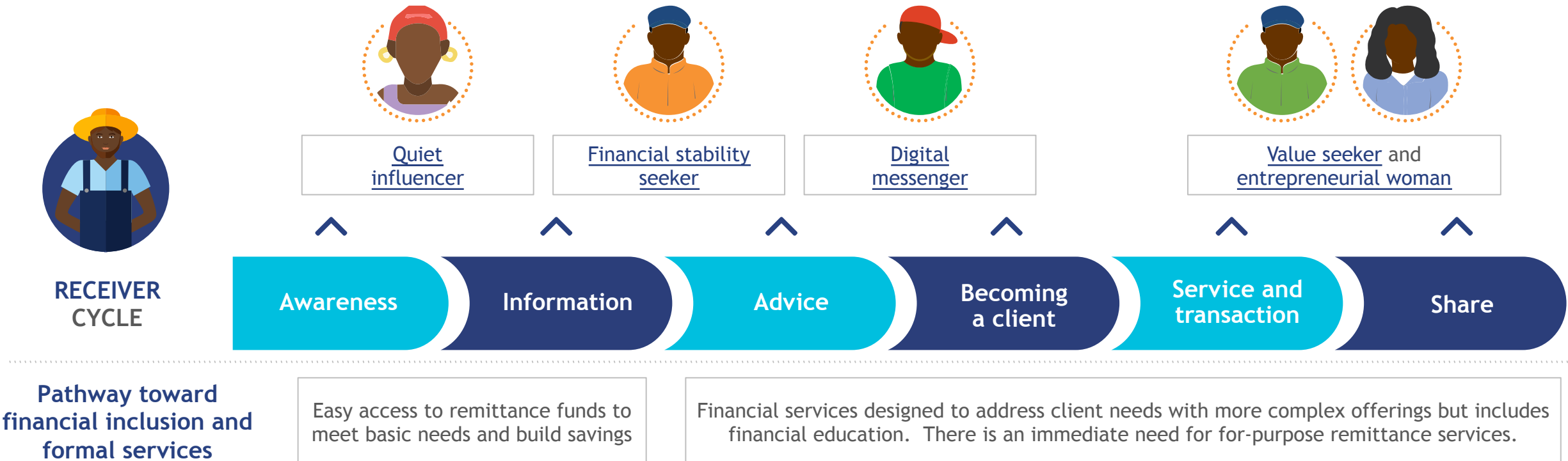
# The interests and needs of recipient personae in financial products and services linked to receiving remittances



● Need expressed    ● No need expressed

# How do the personas match to the customer journey toward formal financial products?

Each persona needs financial education to understand how to determine what products are designed to meet their needs and to make informed decisions



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Customer journey insights



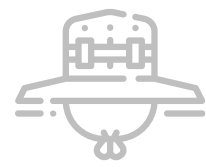
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## Recommendations **REMITTERS**



### Entrepreneurship support and investment



### Real estate investment

## INSIGHTS

Some remitters plan to start a business or invest in a promising venture in their home country. At the same time, some finance their sibling's entrepreneurial projects to help them to become financially independent.

They use multiple channels, which prevents the creation of true credit history.

(Community contributor, social impact entrepreneur, juggling strategist)

Middle- and high-income remitters seek to invest in long-term and quality real estate. They also seek trustworthy companies to oversee the investment process from the search of a property to construction work and maintenance upkeep. (Social impact entrepreneur, juggling strategist)

## RECOMMENDATIONS

- Providers should build partnerships with accelerator programs dedicated to the diaspora to assist remitters that are starting a business in their home country (See [Diaspora entrepreneurship](#)). They could build these partnerships by providing data on their remittance habits that would complement alternative data to facilitate access to credit.
- Financial providers could partner with FinTechs that source MSMEs in search of funds to support remitters that want to invest in promising ventures. See [Babyloan Mali](#) and [M&A FinTech](#).
- To finance the projects of family members, providers could build partnerships with FinTechs that provide digital education for SME and credit scoring to entrepreneurs for them to access loans. (See [Mosabi](#)) The loan can cover the cost of entrepreneurial guidance via the mobile app.
- Financial service providers should offer loans combined with value-added services by partnering with online platforms that offer real estate investments (See [Wizodia](#)). Then the remitter could pay loans and service providers through a single recurring remittance
- Financial services providers should consider offering [diaspora bonds](#) for real estate investment to promote jobs and economic growth in their communities.
- Remitters should provide online tools to calculate information, such as loan repayments, interest accumulation, and foreign exchange.

<sup>°</sup>Blue-text refers to the personae that illustrate the insight.

# Providers should seek opportunities to partner with entities addressing client needs

## Management of real estate projects in Africa from abroad

- The Wizodia app supports Africans living abroad with their home or other real estate construction projects.



- [Wizodia](#) provides users with real-time monitoring of the work related to the completion of construction projects. It relies on its network of local experts in construction and public works who coordinate the intervention of the various actors. The app covers obtaining the building permit, feasibility study, land acquisition, opening the construction site itself, etc.
- Such digital real estate intermediation platforms can offer services to migrants and “repats,” who are African executives who either trained or work abroad and wish to return to live in Africa and want to start or complete construction of a house before their return.
- Wizodia operates in Côte d'Ivoire, Cameroon, Togo, and Benin.

## Specific real estate investment opportunity for the diaspora through bond purchases

The Banque de l'Habitat du Senegal (BHS bank) in Senegal has partnered with the Regional Stock Exchange to **issue bonds that target the Senegalese diaspora.**

The objective is to finance the housing sector, which is one of the most expressed needs of members of the diaspora who wish to secure a house property in their country of origin.

The fundraising is intended to support:

- The commercialization of the housing projects already completed
- The financing of planned real-estate investments in priority geographical area, such as urban centers of Diamniadio and Lac Rose

With a unit value of USD 16,8, the bonds have a maturity of five years and offer an attractive 6.25% return rate, with a return on capital starting from the third year.

## Crowdfunding for entrepreneurship support

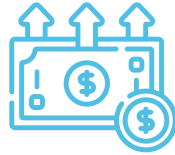
[Babyloan](#) is a crowdfunding platform based in France that lends money for microenterprises in Mali.

The minimum loan amount is USD 11 and the repayment cycle is monthly





## Recommendations **REMITTERS**



### Control over remittance spending

The objective of remitters is to improve their relative's wellbeing by ensuring the budget is allocated as needed. **(human capital investor)**

The messaging for these types of services need to be adapted to local needs as they can sometimes be construed as too patriarchal.



### Local development financing

Many remitters finance basic infrastructure for their villages, such as drinking water, electricity, road, healthcare center, and school. Some of them seek to invest in social impact projects. They save up in groups over a year prior to remitting the money. **(Cash lover, community contributor, human capital investor, social impact entrepreneur)**

## INSIGHTS

## RECOMMENDATIONS

Providers should offer the ability for remitters to purchase goods that match the needs of receivers, pay for utility bills (See [Niokobok](#)) and school fees (see [Public-Private partnership for school fees in Côte d'Ivoire](#)).

Providers should create interest-bearing savings account with a one-year holding period by fostering partnerships between diaspora associations. This would allow remitters to allocate a part of the remittance for selected local development projects (see [Tounkaranke code](#)) and crowdfunding platforms to finance a social impact project (see [Fiatope](#)) or invest in bitcoin (see [Afbt](#)).

\*Blue-text refers to the personae that illustrate the insight.

# Examples of investment services for remitters

## Purchase and home delivery of food products and remote payment of family bills

- **Niokobok** is a Senegalese start-up founded in 2012. This e-commerce website caters to the Senegalese diaspora and offers goods, household appliances, high tech products, material construction, and the option to pay for their relatives' bills online.



- Remitters can purchase airtime, reload electricity, and pay for electricity and water bills via credit card payments on the Niokobok website.

## Community project funding

**Tounkaranke-code** is based in Mali and specifically targets the Malian diaspora in Europe and North America.



In partnership with a bank and an MMO, Tounkaranke-code offers:

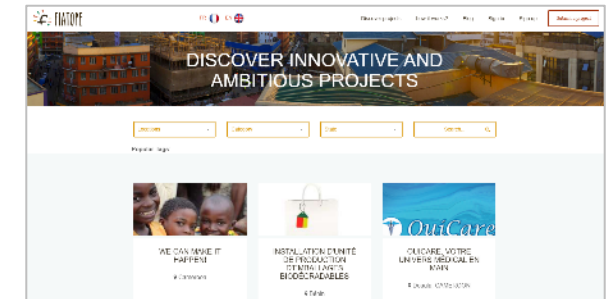
- International remittances
- Investment advisory services
- Purchase of goods in its community shop
- One percent of each purchase goes toward funding local community development projects, such as road infrastructure by buying:
  - Airtime purchase, Internet connection, Utility bill payments, Insurance premium payment, Construction material payment

Another objective of Tounkaranke-code is to strengthen the relationship between migrants and their community and develop media to keep migrants informed on the achievements and outcomes of the community projects.

## Investing remotely in social impact and SMEs

**Fiatope** is a crowdfunding platform based in France for the African diaspora who seek to support finance social impact projects across Africa by donation.

It offers online payment with mobile money for projects in Mali and Cameroon.





## Recommendations **REMITTERS**



### Financing funerals

## INSIGHTS

In Côte d'Ivoire, funerals represent a major financial burden for the receivers. Funerals require them to borrow money through informal channels and go into debt. Affordable life-insurance exists but receivers are unaware of the services or do not understand the terms and conditions. (Local investor, human capital investor, social impact entrepreneur)

## RECOMMENDATIONS

- Providers should market life-insurance products to remitters using easy-to-explain pictures and videos to explain the terms and conditions and offer distant payment options payable by migrant family members. See the [case study on Côte d'Ivoire](#) and [microinsurance life-insurance products](#) and the following slides

<sup>o</sup>Blue-text refers to the personae that illustrate the insight.



# In rural Côte d'Ivoire, funerals represent a financial burden for the low-income population

Receivers of remittance earn less than USD 100 per month. They have to rely on community solidarity, informal borrowing, and funding from remitters to cover the high costs of funerals for elders, which range between USD 420 and 840.

## FINDINGS

- Ivorians with low incomes lack the capabilities to understand the terms of insurance products. They do not value insurance companies or commercial banks. This is because they believe that these companies are not responsive enough to the urgency of their financial needs.
- Rural Ivorians tend to take informal loans from friends and shopkeepers, and rely on their family members for financial support.
- Remitters can send up to USD 500 to cover the funeral expenses.

- Affordable life-insurance products distributed by MFIs or involving MMOs have been deployed in Côte d'Ivoire. See the [case study on life insurance for details](#).
- Despite this, rural populations in the country exhibit poor awareness, negative perception of insurance companies, and low understanding of their terms.



“I lack sufficient education to understand how insurance works. Even if I do, I know there will always be a problem when it comes to activating it, the way it is like with banks.”



“Personally, I do not have enough income. If I have a death in my family, we will all contribute a little to cover the expenses. Even those who are in France, in Europe, everyone sends a little bit.”



“In the event of a death in the family, my aunt sends USD 340 to 500 to cover the expenses.”

# Financial institutions, MMOs, and insurance companies offer affordable life-insurance products for the rural population in Côte d'Ivoire

However, providers must simplify procedures and communication, and create the opportunity for remitters to pay for it

## YAKO-OBSÈQUES

- Benefits in kind: Body removal and conservation, coffin transportation covered from USD 169, USD 500, up to USD 842
- Benefits in cash: USD 50, USD 169, or USD 842 according to the subscription plan



“We have elderly people under our care. Given our low incomes, we have decided to avail Yako-Obsèques insurance. Tomorrow, if one of our parents dies, we will receive financial assistance.”

Receiver in Daloa, Côte d'Ivoire

## IFO BY NSIA

- Payment of a premium of USD 421 in the event of the death of the subscriber or the insured
- Service offered to MTN Mobile Money customers
- Monthly contribution of USD 0.70

Moi-même, je grandis pas, je petit pas, voilà encore obsèques du vieux à organiser ?  
Tout ça, ça me fait gnannnnn !

Avec Ifo, cotise 1000 FCFA par mois et reçois jusqu'à 250 000 FCFA en cas de décès d'un proche.

Souscris à Ifo en tapant \*133\*128 # via le réseau MTN

See also: [BOKAMIN Obsèques](#) and [COOPEC Solidarité](#) products



## Recommendations REMITTERS



### Financing health



### Financing education

## INSIGHTS

Receivers rely 100% on remittance money to cover the health expenses of family members.

The elderly need preventive health care and cover against chronic illnesses. The costs can fluctuate monthly.

**(Human capital investor, Social impact entrepreneur)**

The rural populations in Mali and Côte d'Ivoire value education highly. Migrants either invest in or wish to invest in their relatives' human capital.

Migrant families welcome the payment of school fees remotely to save time and remitters. They want to ensure that their money is used for the right purpose **(human capital investor, social impact entrepreneur, cash lover)**

## RECOMMENDATIONS

- Providers should offer value-added services, such as health insurance products with comprehensive care management services, payable by remitters or via automatic transfer from their current account. See the [Susu](#) diaspora solution and the [Djoba-Cash](#) coupon-based system
- Expand public-private partnerships between governments, MMOs, MTOs, and FinTechs. Such partnerships will utilize diaspora remittances to finance social security reforms, such as Universal Health Coverage. See [SUNU-CMU](#) in Senegal for an example of this.
- Create or expand public-private partnerships between Ministries of Education and MMOs to MTOs to create distance payment solutions for education fees, material, and uniforms for relatives. The solution would also generate a report on the child's school attendance and performance. See [Concept 1](#) for details.
- Offer a credit product to finance private schooling of relatives in the home country. See [Educate](#) for details.

<sup>o</sup>Blue-text refers to the personae that illustrate the insight.

# Remittances as social insurance

As regular inflows, remittances can reinforce the capacity to resist external shocks and counterbalance income volatility and seasonality



Expenditure patterns of households that receive regular remittances differ from those who receive intermittent remittances



Women tend to keep a portion of the remittance for unexpected expenses, such as health



## OPPORTUNITIES FOR MICROINSURANCE

The main motivation of recipients is to assist with basic consumption and stabilize them. The potential for remittances to contribute to the well-being of beneficiaries increases when they are an additional, rather than the sole or primary, source of income.<sup>1</sup>

Remitters send payments to cover health expenditures and also purchase insurance coverage for loved ones. For lower-income households that rely heavily on remittances, insurance could be a way to cover gaps in ability to pay due to illness or loss of income of the remitter.

1. Amuedo-Dorantes, C. (2014). The good and the bad in remittance flows. *IZA World of Labor*

# Cash-to-goods services have evolved to meet the recurring and urgent financial needs of receivers but have yet to prove themselves

These types of services have not yet had a strong track record due to the lack of a viable business model and the low usage of online purchases in the receiver countries

It is still too early to make a call on their model, but the Djoba service has honed in on health needs.

- ▶ Djoba is a coupon-based system that the receiver can use instantly for food and health care expenses, airtime purchase, or insurance up to USD 1,100.
- ▶ In Côte d'Ivoire, thanks to a nationwide partner network, relatives of diaspora members can use this coupon-based system to access more than **1,500 health partners**, such as private clinics and drugstores and **160 supermarkets** across Côte d'Ivoire.



# Susu offers comprehensive and qualitative healthcare services to the relatives of diaspora members in West Africa

Diaspora solutions for investing in the wellbeing of family members in their home country



Founded by a diaspora member in France, [Susu](#) offers high-quality healthcare with multiple services:

- Home delivery of medicines to avoid counterfeits
- Chronic-disease management
- Medical treatment
- Preventive healthcare

Diaspora members subscribe online to a health-insurance plan for their relatives, and Susu handles the beneficiary care pathway completely.

Susu has been operating in Côte d'Ivoire since 2019.

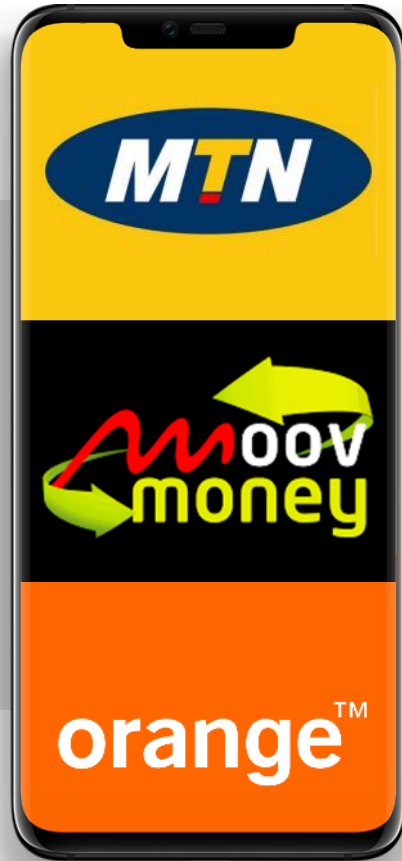


# Expanding P2G digital payment solutions to diaspora remitters

Secondary school fee payments in Côte d'Ivoire have been digitized, thanks to a successful private-public partnership between MMOs and the MoE



Increased transaction volumes for MMOs



## Success factors

- MoE investment in digital platforms and capabilities
- High level of collaboration between MMOs to offer a universal and accessible payments solution with a streamlined user experience
- Attractive and sustainable business model for all parties



MoE



Increased transparency



Reduction in costs and risks



The payments of school registration fees

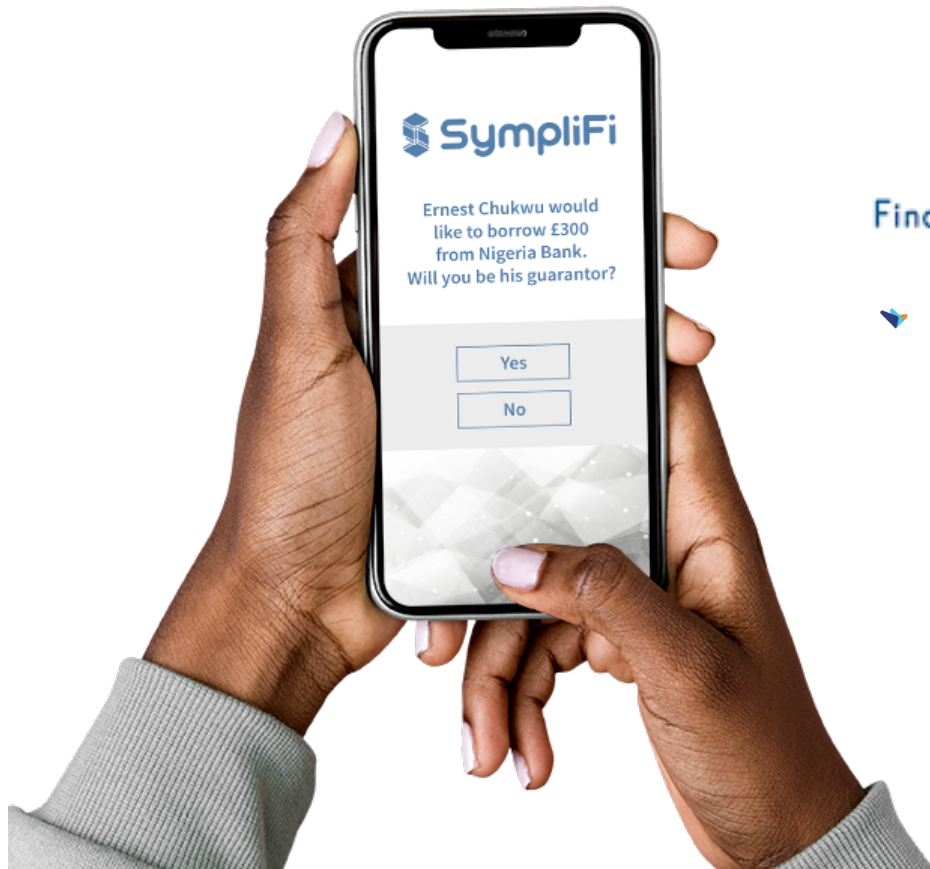
for 99% or

**1.5 million**

secondary students have been digitized

# Innovative FinTechs have improved access to financing well-being and human capital

SympliFI, a U.K.-based FinTech startup launched a platform for remitters to enable their families back home to easily access sustainable financial services for productive uses like entrepreneurship, education financing, savings, and healthcare



Financial Solutions Beyond Remittances

- SympliFi's digital platform connects the diaspora with a local financial institution in the home country to facilitate access to MSME credit and education loans.

**For now, SympliFI operates in Zimbabwe, Nigeria, and Tanzania**



- Instead of sending the money and incurring a transfer fee, the member of the diaspora can agree to guarantee the loan entirely or share with their family member
- 100% online process: The diaspora and the beneficiary in the home-country can complete the process over their mobile phone
- Build credit history: The beneficiary can start building valuable credit history
- The company has partnered with Educate, a Zimbabwe-based education FI, to enable Zimbabweans remitters in the U.K. to help their family gain access to affordable education loans
- SympliFI plans to expand its products to health insurance, savings and investment.





## Recommendations **REMITTERS**



### Financial education

## INSIGHTS

Remitters need financial education through all stages of migration be able to understand the financial products and services available and how best to select them. In turn, they also educate their families on what financial services are most appropriate for their financial needs. This then strengthens the financial systems both at home and in host countries. (Local investor, informal saver, community contributor, capital investor, social impact entrepreneur, strategic juggler)

## RECOMMENDATIONS

- Partner with entities that can provide tools via multiple channels to enhance learning.
- Customers need digital finance education to learn how to use products and services safely. Providers need to adapt communication campaigns on security concerns and data privacy and extend it to unregistered consumers. They need to inform the options and process of resolving grievances for customers.
- Migrants should provide informed consent to the use of their data. This would be based on information they have been given on why the data is being collected, what it will be used for, who it will be shared with.

<sup>°</sup>Blue-text refers to the personae that illustrate the insight.

# Partnership opportunities for SME capacity-building

## Digital financial education for SMEs

- Mosabi is a FinTech based in the USA that operates in, Mexico India, and Senegal. It empowers underserved populations in emerging markets with phone-based, business-focused e-learning.
- In partnership with a bank and an MFI, Mosabi provides alternative data based on the entrepreneur's learning behaviors to improve their credit scoring.



## Incubation program for diaspora entrepreneur

- Diaspora Entrepreneurship is an incubation program founded in Mali and designed for the diaspora in Mali, Senegal, Côte d'Ivoire, and Burkina Faso.
- In partnership with banks and incubators, Diaspora Entrepreneurship runs a three-week incubation program for diaspora members aged 18-45 years who are keen to develop innovative solutions in their home country. At the end of the incubation phase, the winner receives a guarantee of financing (up to USD 243,000) backed by banks.





## Recommendations RECEIVERS



### Credit products

Rural receivers mainly use informal financial services to save or borrow money for their flexibility in the repayment terms, and proximity for reimbursement.

Lack of understanding of fees drives negative perceptions of banks. Low-income Ivorian residents have higher confidence with MMOs than banks. (Value seeker, entrepreneurial woman, financial stability seeker, digital messenger)



### Financial literacy

In Senegal, rural women defaulted on their loans due to their low level of financial education, and their poor money and business management skills. (Quiet influencer)

In Côte d'Ivoire, low-income women and men do not understand the terms and conditions of their accounts, which leads to a lack of confidence in understanding the terms related to formal credit, savings, and insurance products. (Value seeker)

## INSIGHTS

## RECOMMENDATIONS

- Financial service providers must track remittance receipts to include them in credit-scoring and decisions, and propose remittance-based investment loans to receiver micro-entrepreneurs. See Crediremesa [Apoyo Integral](#) solution in El Salvador and [Koibanx](#).
- Providers could build partnerships with social network platforms to offer financial services, such as P2P and saving groups. See [Sama Money](#), [Wari](#), and [CassavaFinTech](#).
- Partner with low-cost peer-to-peer platforms to transfer from bank accounts. See [Transferwise](#), [CurrencyFair](#), and [Azimo](#).

- Build up the numeracy, digital, and management capacities of poorly educated and informal workers (See [Mosabi](#)). Provide new digital forms of content intended to be more accessible to migrant workers, such as comics, videos, podcasts, news alerts, or radio dramas that require limited internet bandwidth
- Integrate platforms with other information dissemination media, such as commercial and community radio programming
- Create a chatbot platform accessible on any mobile device that offers interactive educational content and brand ambassadors in rural villages, such as digitally literate semi-urban youth to deliver training on product usage (See [Arifu](#)).

°Blue-text refers to the personae that illustrate the insight.

# Connecting remittance flows to the credit-scoring system used by MMOs to provide microcredits and micro-savings products

In 2018, MTN Mobile Money Services launched **MoMo Kash** in Côte d'Ivoire in partnership with the Bridge Bank. This is a digital product for instant microcredit and micro-savings but awareness in rural areas is low. Alongside financial education and below the line marketing campaigns, these types of services can provide a bridge to formal financial services.

## ACCESS CONDITIONS

1. Have an MTN SIM card
2. Have an active MoMo Account (more than six months)
3. KYC and active utilization over six months

- **Microcredit** ranges from **USD 3 to USD 168** over 30 days with an interest rate of 1.25%
  - Setup cost varies from USD 0.40 to USD 5
  - Repayment flexible over 60 days after the loan disbursement
- **Micro-savings** range from **USD 0.80 and up** with an interest rate up to 7% and paid quarterly
- To date, this partnership has provided **USD 9.05 million** in loans



Table: MoMo Kash interest rates on savings

Min.	Max.	Annual interest rate
USD 0.80	USD 101	3.5%
USD 102	USD 506	4%
USD 507	USD 842	4.5%
USD 843	USD 3,370	5%
USD 3,371	Unlimited	7%

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Customer journey insights



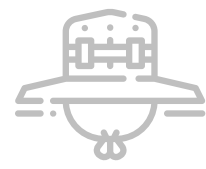
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Remittances and financial inclusion



03

Financial needs and aspirations of remitters



04

Financial needs and aspirations of receivers



05

Addressing financial needs



06

Prototypes



07

Appendices

# Concept 1: Remittance basket

## Bundling services for investment in human capital delivery



### KEY INSIGHTS

- Women migrants have a greater tendency to send funds specific to primary needs, education, and health
- Healthcare costs continue to increase as populations live longer
- Women migrants often send lower payments more frequently but face larger remittance fees
- Cash-to-goods services often fail due to the business model and the implied authoritative nature of the service



### QUESTIONS

- How can we design a product that serves a human capital investment on a regular and effective basis?
- How can we strengthen the bonds of trust between the sender and the receiver?
- How can we design a channel that fits into the remitter's habits?



### CONCEPT

- Bundle key services through a multi-channel digital payment service: Internet, app and OTC to pay healthcare expenses, school fees at a discounted price due to bulk purchases (**convenience, ease of use**)
- Send student performance and doctor monitoring reports to the remitter (**family devotion**)
- Allow payments to be made in advance or grouped to reduce the transaction costs (**price**)

Human capital investor



Entrepreneurial woman

# Concept 2: Data miner

Analyzing data of MTO clients to design better products and services



## KEY INSIGHTS

- Financial institutions have existing partnerships with MTOs but do not know much about the clients who send or collect funds.
- Economic migrants seek to build a future back in their home country for themselves and their families by buying land, or by investing in house construction or business activities.
- Family members who do not migrate and set up their own small business back home need financial and non-financial support to scale up—yet they lack skillsets.



## QUESTIONS

- How can we turn data on remittance into insights to design products and services better for remittance clients?
- How can we interact with customers to provide personalized and valued services?



## CONCEPT

- The objective of the tool is to help banks with existing MTO partners to analyze data to target client needs better for product development (**Understanding, accessibility, financial management tool**)
- The tool analyses the financial behaviors of remitters and receivers, such as frequency, amount, corridor, and beneficiaries, through their distribution channels (**Financial management tool**)
- The tool will help create incentives to encourage savings, such as lottery in lieu of interest for minimum deposits based on a percentage of each remittance or working capital loan based on the frequency or volume of remittances—each tied to financial and business education activities (**Financial education**)

Juggling strategist



Quiet influencer



# Concept 3: Digital youth pool

Entrepreneurial fund to on-lend to youth leveraging technology to grow their business



## KEY INSIGHTS

- Youth have entrepreneurial mindsets but lack access to capital.
- They are often digital-savvy and use digital tools to enhance knowledge.
- They know how to receive remittances



## QUESTIONS

- How can we design a product that prepares the youth better for entrepreneurship and eventual access to credit?
- How can we utilize the remittances that people receive to facilitate access to financial products?



## CONCEPT

- The pool of funds targets tech-savvy migrants who are interested in supporting job creation and autonomy in the home country (**Business advice, Technology business investment**)
- The fund is a loan guarantee adapted for youth who need to follow a business and financial education course through their smartphone, earning badges for completing modules (**Connected, Entrepreneur, Flexibility**)
- The badges earned can be applied as points to access credit. Those with high scores can be assigned a migrant mentor for virtual support (**Business advice**)

Social impact entrepreneur



Digital messenger



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01

Customer journey insights



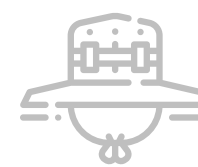
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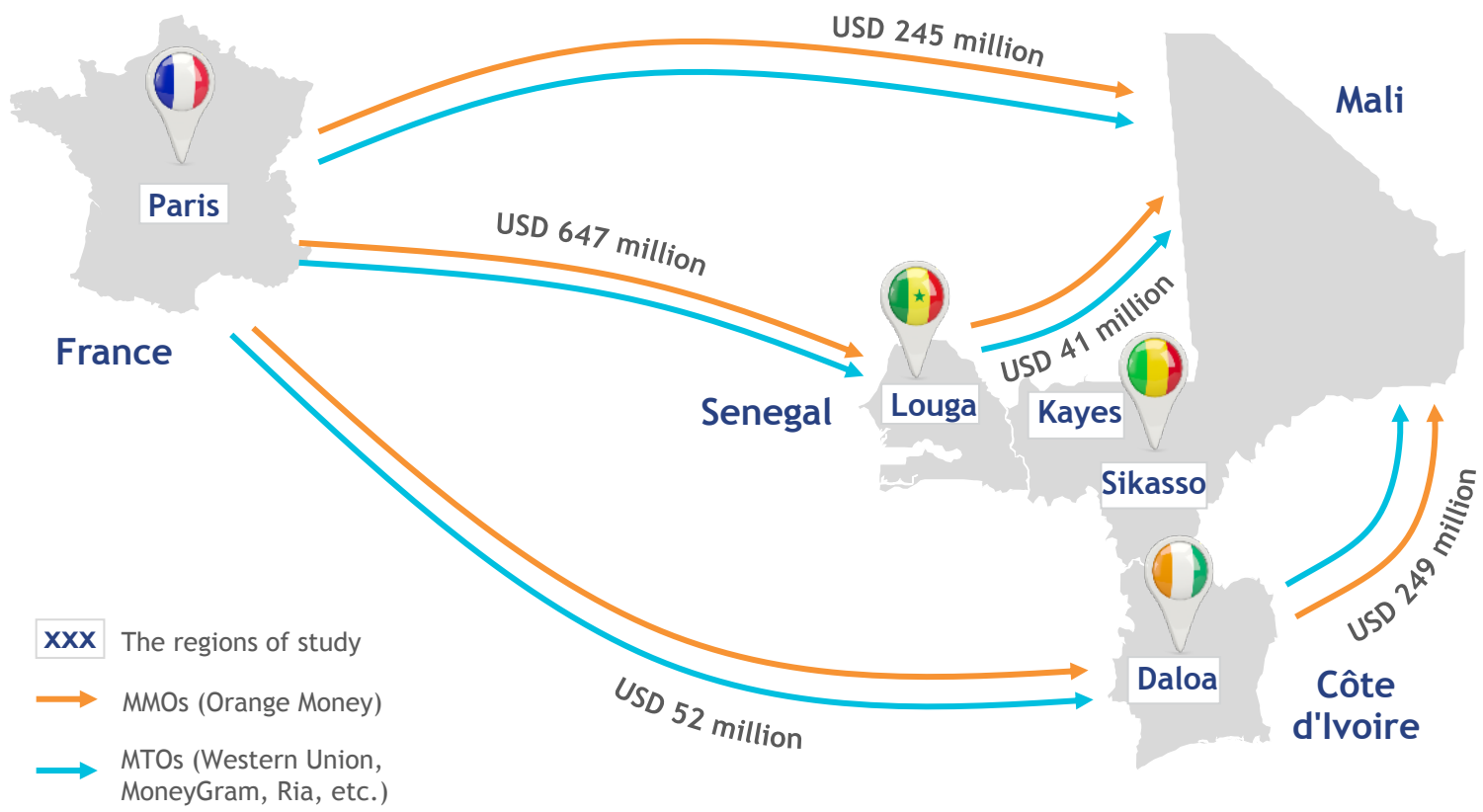


07

Appendices

# The money transfer corridors studied

Most remittance inflows to the region originate from France, except for Mali where most remittances come from Côte d'Ivoire, followed by France. In Senegal and Mali, remittances represent an important part of external financing.



XXX The regions of study  
 → MMOs (Orange Money)  
 → MTOs (Western Union, MoneyGram, Ria, etc.)

1. FIDA (2015), Cartographie et zones de migrations et des entreprises Rurales soutenues par les Sénégalais 2. OIM (2017), Profiling Report of Ivorian Migrants 3. IRD (2014) Le Mali contemporain, Migrations et transferts: un état des lieux

FinTechs, such as Wari, Taptap Send, Worldremit, and Wave, among others are present in at least one of these corridors.

- Paris** Paris has the highest population of immigrants among the three target countries.
- Louga** Louga is the third-largest rural population in the country and the fourth region in terms of remittance inflows, accounting for 11,9% of remittance inflows in Senegal. 30% of Louga's rural population depends on international remittances.<sup>1</sup>
- Daloa** Daloa, county seat of the Sassandra-Marahoué region, is the second-largest city after Abidjan from where returning migrants originate.<sup>2</sup>
- Kayes** Kayes and Sikasso are the two regions with the highest proportion of international migrants. 27.5% of the population of Kayes are international migrants and 60.3% migrate to France.<sup>3</sup>
- Sikasso** International migration from the Sikasso region is 22,6% of the population, of which 45.3% migrate to Côte d'Ivoire.<sup>3</sup>

# Study design

## Research methods and sample size per corridor

Corridor	Senders of remittances		Receivers of remittances	
	Individual interviews		Focus group discussions (FGDs)	
	Research methods		Research methods	
France to Senegal	Paris: 15 individual interviews with Senegalese migrants	Louga (Senegal)	<ul style="list-style-type: none"> <li>Two FGDs with women over 30 years old</li> <li>Two FGDs with men over 30 years old</li> <li>Two mixed FGDs with participants under 30 years old</li> </ul>	
France to Côte d'Ivoire	Paris: 15 individual interviews with Ivorian migrants	Daloa (Côte d'Ivoire)	<ul style="list-style-type: none"> <li>One FGD with women over 30 years old</li> <li>One FGD with men over 30 years old</li> <li>One mixed FGD with participants under 30 years old</li> </ul>	
France to Mali	Paris: 15 individual interviews with Malian migrants	Kayes (Mali)	<ul style="list-style-type: none"> <li>One FGD with women (seven participants) over 30 years old</li> <li>One FGD with men (nine participants) over 30 years old</li> <li>Two mixed FGDs with participants under 30 years old</li> </ul>	
Côte d'Ivoire to Mali	Abidjan: 15 individual interviews with Malian migrants	Sikasso (Mali)	<ul style="list-style-type: none"> <li>One FGD with women over 30 years old</li> <li>One FGD with men over 30 years old</li> <li>One mixed FGD with participants over 30 years old</li> <li>One mixed FGD with participants under 30 years old</li> </ul>	
Senegal to Mali	Dakar: 15 individual interviews with Malian migrants			

# MSC is recognized as the world's local expert in economic, social, and financial inclusion



International financial, social, economic inclusion consulting firm with **20+** years of experience



**180+** staff in **11** offices around the world



Projects in **~65** developing countries

## Our impact so far

**550+**  
clients

**>850**  
publications

Assisted development of digital G2P services used by **875 million+** people

Implemented **>850 DFS** projects

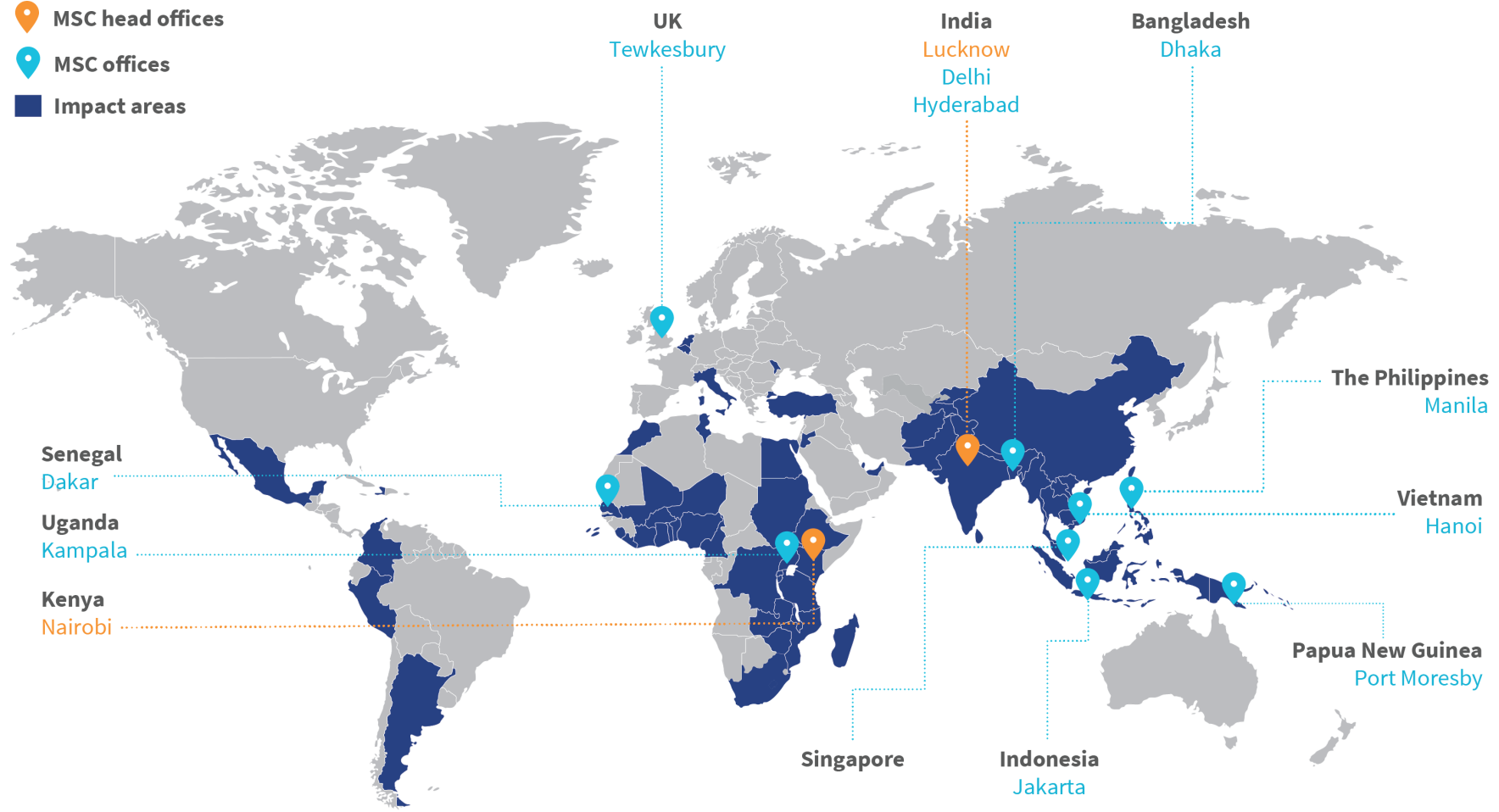
Developed **275+ FI products** and channels now used by **55 million+** people

Trained **9,000+** leading FI specialists globally

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