

# Women's Agency Banking

*an untapped opportunity  
for financial institutions*

February 2020



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Business Solutions to Poverty



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# Executive Summary

By recruiting women agents, financial institutions in Mozambique can reach untapped markets and grow market share. However, currently financial institutions are more likely to recruit male over female banking agents, highlighting a clear opportunity.

Our research and experience suggests that more effectively engaging women in agency banking, starting with recruitment of women agents, makes commercial sense for financial institutions. This is because:

- 1 Women agents have proven to be active and effective at promoting bank services**
- 2 Women agents are well-positioned to reach women clients, a huge untapped market**
- 3 Women agents have unique strengths that will improve the banking network**

Therefore, financial institutions should focus efforts on more effectively engaging women banking agents in order to increase their reach and client base. To do this, we recommend that financial institutions:

- 1 Design a gendered recruitment strategy for women agents**
- 2 Optimize product design for women agents**
- 3 Create a more supportive environment for women agents**

*NOTE: These recommendations reflect findings from a survey conducted with 80 banking agents and 109 customers in Maputo and 10 focus group discussions in Maputo and Inhambane with women clients and banking agents in August 2019. Additionally, Letshego bank data from 2018 was used for some of the analyses.*



# Financial institutions can unlock access to finance in Mozambique through agency banking

Potential to expand financial services



**66%**  
Population is unbanked



**23%**  
Gender gap in access to finance and growing



**158**  
Districts without a bank branch

Mobile money shows promise



**20 million**  
Mobile phone subscribers



Only **6.6 million** have used mobile money services

5 Key Players in Agency Banking

Banks



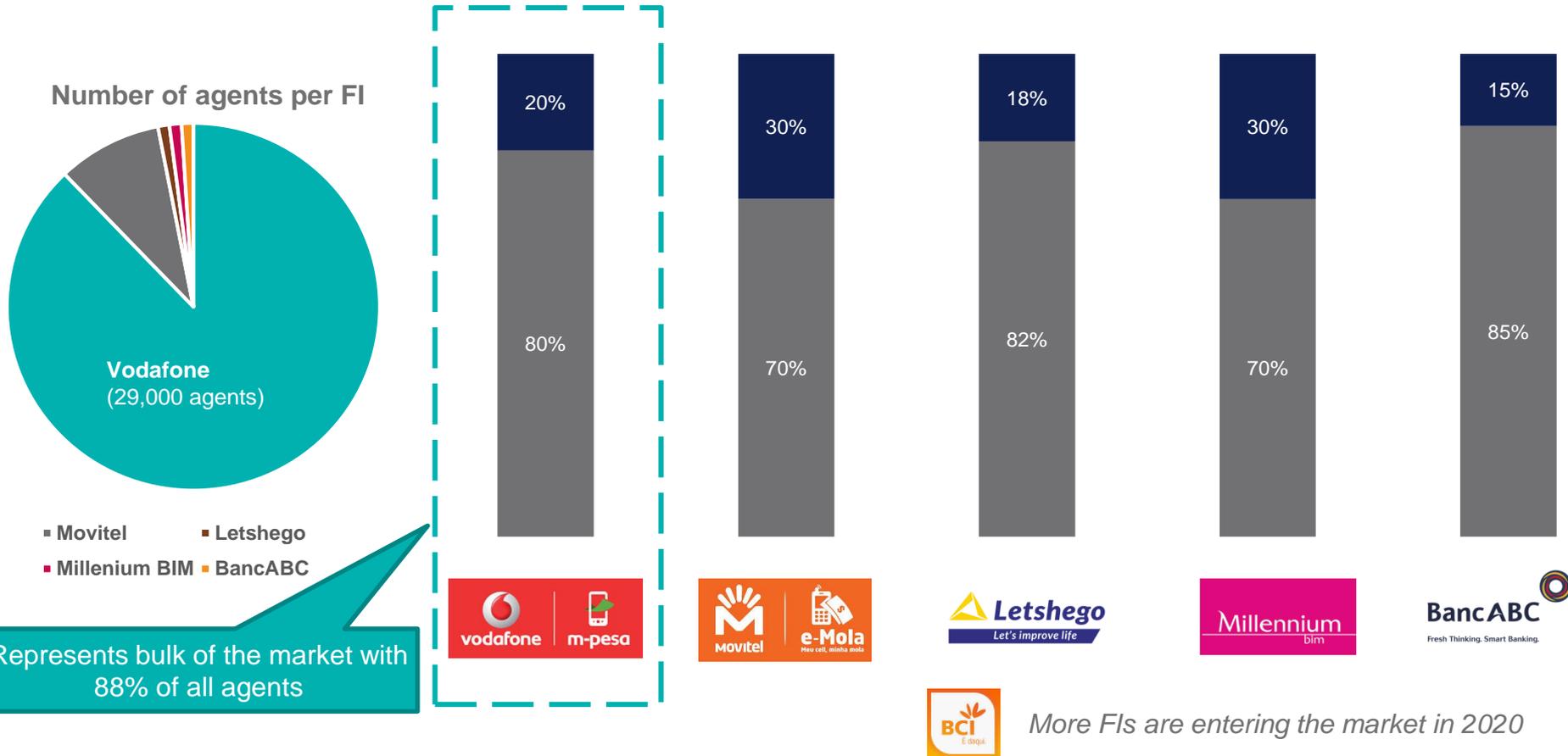
Mobile Network Operators



*\*BCI to start offering agency banking services soon*

# Financial institutions are more likely to recruit men over women agents, who represent an untapped market as service providers and clients

## Percentage of Women vs Men Agents by FI

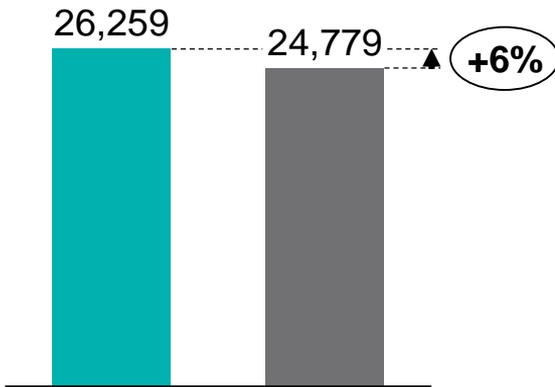


Represents bulk of the market with 88% of all agents

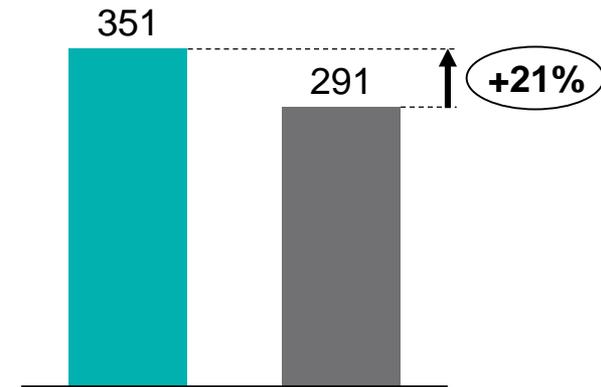
# Yet, investing in recruiting women agents makes commercial sense

If financial institutions were to recruit an equal number of men and women agents, then the number of women customers would increase by 6% and value of transactions per month by 21%

**New Women Customers  
#/per year**



**Value of Transactions/Month  
in Million MTZ**



With equal number of men and women agents (50:50 male: female agents)

Current Scenario (79:21 male :female agents)



# Why does recruiting women agents make commercial sense?

**1**

Women agents have proven to be active and effective at promoting bank services

**2**

Women agents are well-positioned to reach women clients, who are an untapped market

**3**

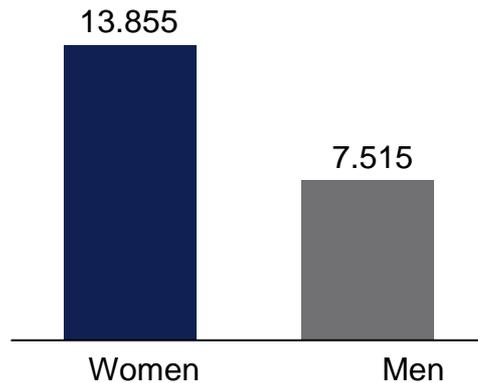
Women agents have unique strengths that will improve the banking network



## Women agents transact more actively and in higher volumes

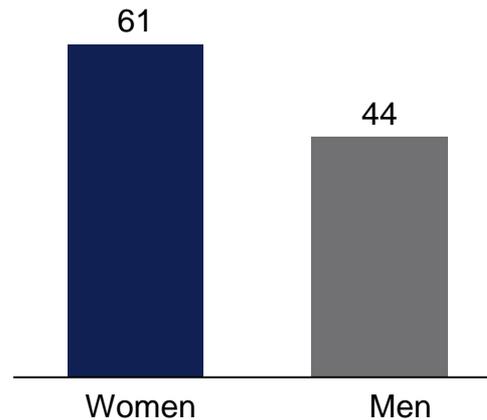
Women agents transact 2x the amount that men agents transact

Agent Transaction Amount, MZN/ month



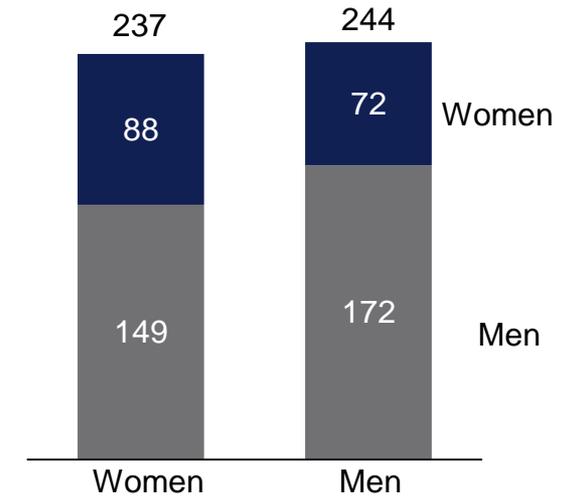
Women agents are 17% more active than men agents, increasing retention rates and the cost benefit for FIs

Active agents\*, %



Women agents recruit new clients at similar rates to men, and more women clients

New customer recruitment by sex, per 100 agent



Despite sometimes inferior location and restrictive opening hours, women agents generate more value and volume of transactions and can be just as effective at recruiting clients



## Women customers are a huge untapped market

2.3  
million

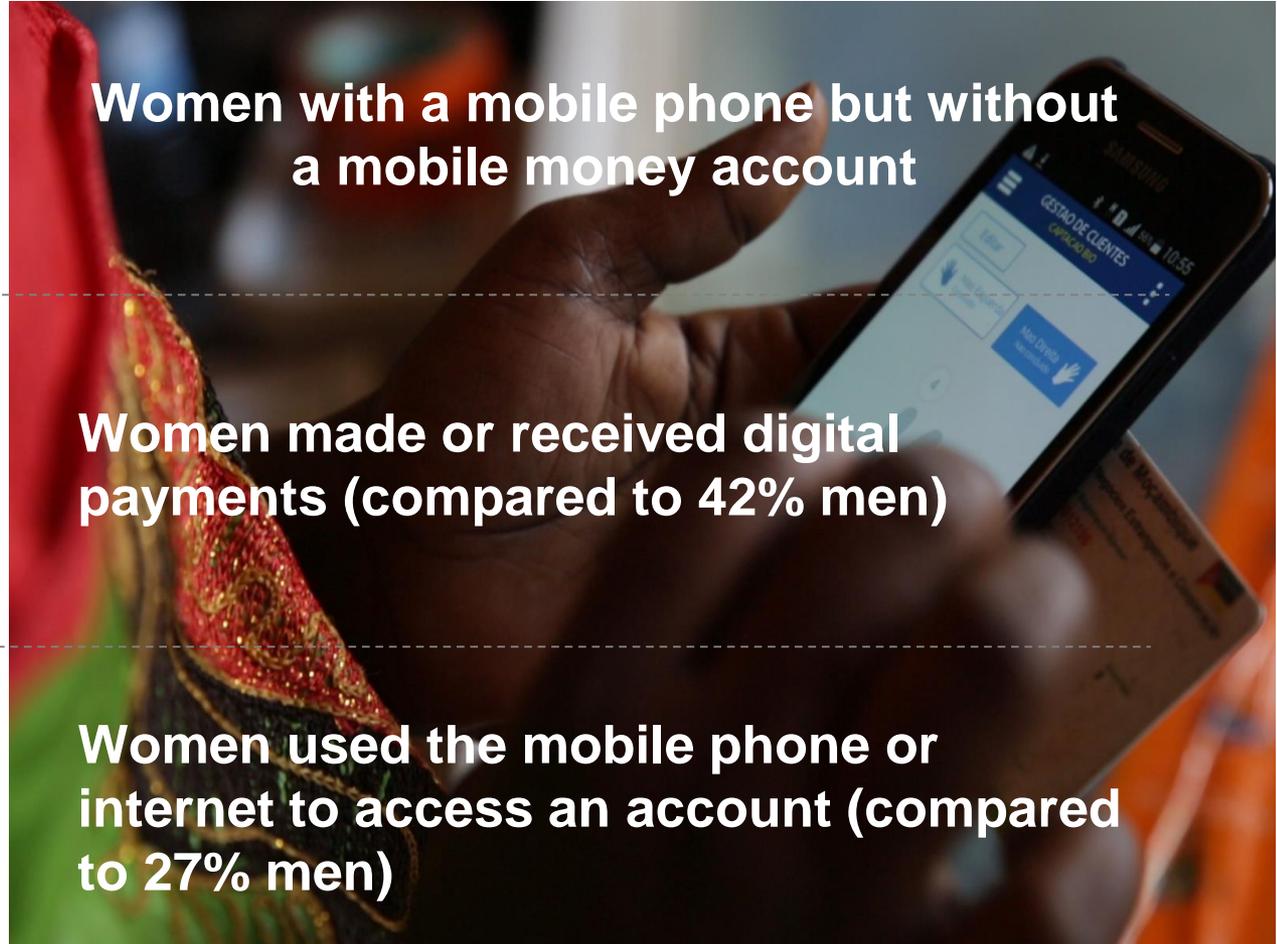
**Women with a mobile phone but without a mobile money account**

27%

**Women made or received digital payments (compared to 42% men)**

17%

**Women used the mobile phone or internet to access an account (compared to 27% men)**





### Women customers trust other women for financial advice

- **Women customers are less likely to ask for financial advice**; 21% women compared to 8% men never ask for financial advice
- When they do seek financial advice, **they prefer asking another woman**



### Potential women customers often visit women-owned businesses

- Most interviewed women agents owned a grocery shop; other women agents owned businesses such as salons and restaurants
- Women customers **tend to visit businesses typically owned by women** (e.g. salons); Men-run businesses (bars, mechanic shop) **attract fewer women** customers

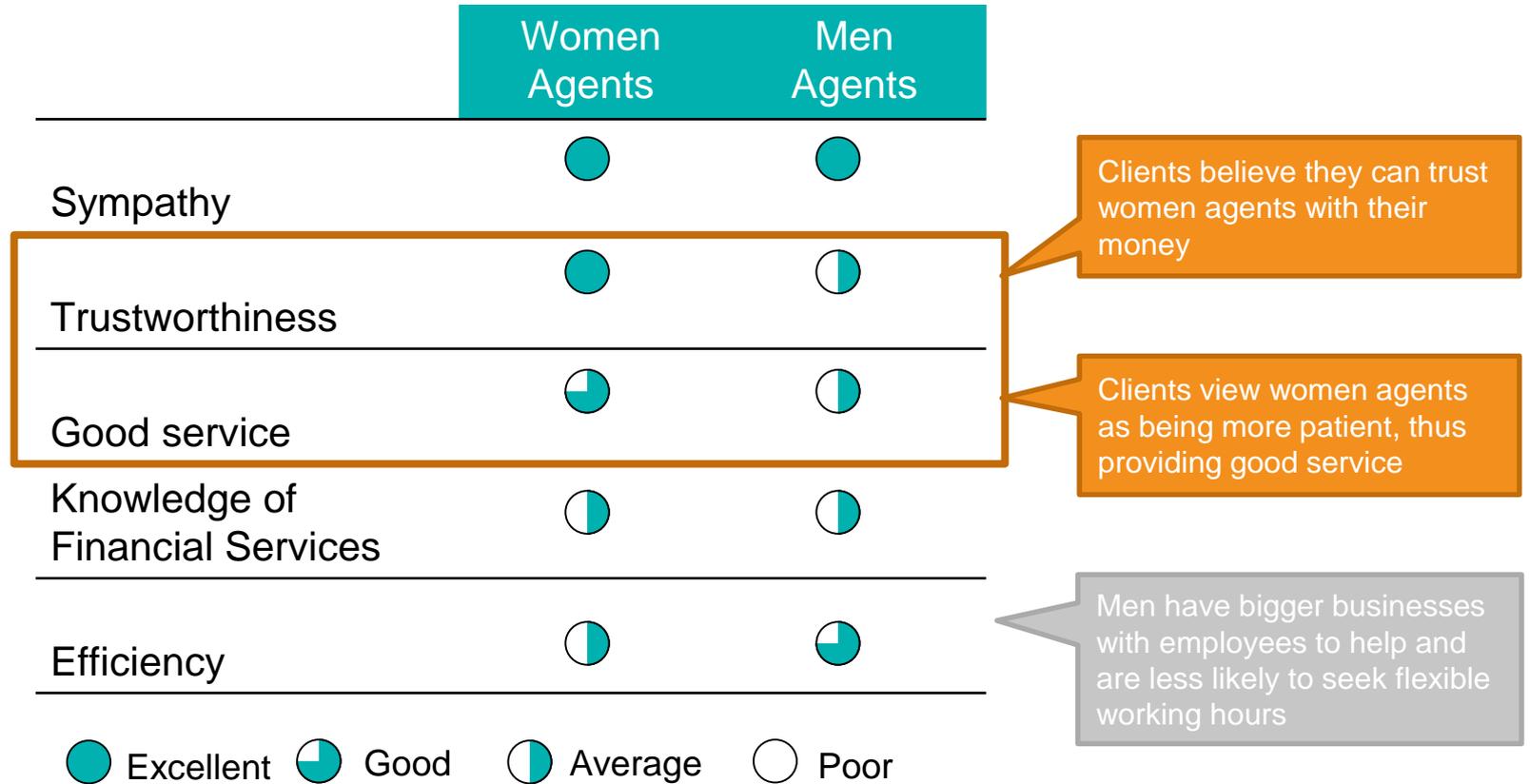


### Women agents are keen to recruit women customers

- **Women agents actively look to recruit women clients**; 27% of women agents said that they strongly preferred to recruit women customers.
- 25% of women agents said that they feel **more comfortable approaching clients of the same gender** compared to 10% men



## Women agents bring different strengths to the agent-banking business that help them to **better serve** and **retain clients**



## Trustworthiness

*“Most clients trust me with their money and do not need to come to here. They call me, and I do the transactions for them. I believe my good care, being friendly with them, the little chats here and there is how I build that trust.”*

- Rosa, agent in Maputo

## Good service

*“While men may have some technical abilities, the fact that women take their time with the clients makes them better agents.”*

- Maria, agent in Inhambane

## Customer retention

*“Although I get one-time customers, most of my customers are returning clients, who come once and return for the customer care I provide. My main customers are my neighbors, people who have become friends. They know they can transact with me and if something goes wrong, we fix it together.”*

- Isabel, agent in Maputo

# What can financial institutions do to recruit more women agents?

**1**

Design a gendered recruitment strategy for women agents

**2**

Optimize product design for women agents

**3**

Create a more supportive environment for women agents



## Financial institutions can recruit more women agents by designing and implementing a strategy with “her” in mind



### Know your agent

- Gather gender-disaggregated data at all levels; ensure that gender is captured during data collection
- Analyze gender-disaggregated data in order to understand the needs, behavior and expectations of potential men and women agents



### Set targets

- Set explicit targets to recruit women agents and ensure all staff know the targets
- Monitor and update progress on targets
- Make a public commitment to reach targets on women’s recruitment



### Train staff

- Train staff on how to identify, approach, and interact with potential women and men agents
- Train staff on how and when to use gender-mainstreaming tools
- Train staff on how to engage spouses and community leaders during recruitment



### Market to her

- Develop strategic marketing to target women’s sources of information (e.g. TV, radio and informal networks)
- Develop easy to understand communication material for women who typically have lower levels of education (e.g. greater use of visuals and less text-heavy)



## Financial institutions can optimize their agency banking technology for increased use by women agents

Women agents consistently found the agent banking mobile application challenging to use, thus **preventing them from successfully serving clients.**

Many women agents **asked their younger, often male, family members or employees** to conduct the transactions for them.



By designing mobile applications to be more **user-friendly for women agents\***, financial institutions would help empower women agents to become better service providers

A mobile app that is more user-friendly to women will also be more user-friendly to men

\* Taking into account low digital skills and literacy levels



Agent mobile app could add features such as providing daily and monthly statement of transactions and commissions to motivate women agents to transact more and have control over their performance.



Financial institutions can address some of the needs that women agents have reported in order to create a more supportive environment



**Training and onboarding support on agent banking technology and financial literacy**



**Access to marketing materials & client outreach strategies**



**On-going support & troubleshooting, including call centers/hotlines**



**Increased security and fraud detection systems**



**Access to community & networks of other agents**

Note: Addressing these needs will benefit all agents, male or female





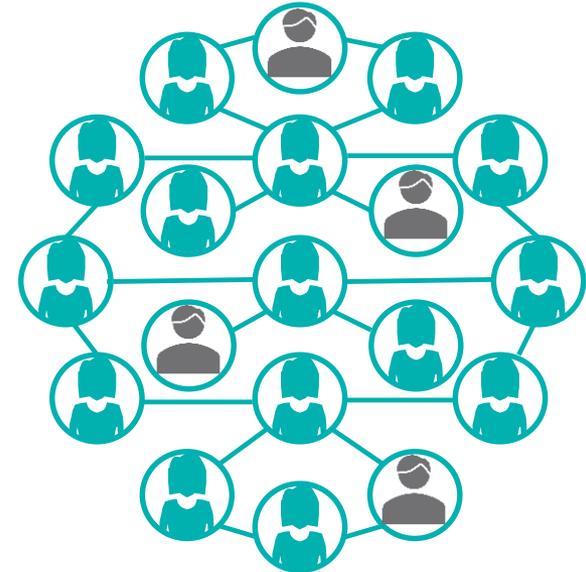
Access to  
community &  
networks of  
other agents

## Building a strong community & network of agents can be a particularly powerful and low-cost way to empower women agents

### AGENT NETWORKS

Building networks of agents can help to connect women agents to each other and even to men agents. This will encourage dialogue between them so they can share tips and tools for success. This may include:

- *Creating opportunities for networking with both male and female agents to promote the exchange of ideas and cross-learning*
- *Setting up coaching opportunities with successful women agents*
- *Organizing events where women can speak about their experiences safely*
- *Developing a women's leadership program to identify, encourage and develop emerging women leaders*
- *Providing technical and soft skills that build their self-confidence (e.g. marketing and promotion)*



Women tend to copy other women; therefore the success of one woman agent will have a ripple effect, incentivizing other women to do the same.



Training and  
on-boarding  
support

Providing thorough training on agent banking technology and financial literacy (related to product) can increase efficacy of women agents



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### BWC approach for women agents

Identify and mobilize women entrepreneurs with potential to become agents

Train women on business & financial literacy and agency banking in 5 month course

Provide one-on-one coaching support during the course and aftercare support to selected participants after graduation

### BWC Modules:

1

*Financial Education*

2

*Merchandizing and Customer Service*

3

*Financial Management- Record-keeping*

4

*Financial Management- Profit & Loss calculation*

5

*Business Women*

6

*Stock and Supplier Management*

7

*Business Investment*

8

*Agency Banking*





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**Results from the program in 2018 demonstrate that women have improved their businesses and agent banking performance with the right training**

<b>Increased revenue</b>	<i>Business women report a 59% increase in revenue</i>
<b>Improved business practices</b>	<i>Adoption of good business practices increased from 4% to 96%</i>
<b>Greater confidence</b>	<i>Business women reporting higher levels of confidence increased from 65% to 87%</i>
<b>Improved access to finance</b>	<i>Business women who save using a bank account increased from 80% to 100%</i>
<b>Increased savings</b>	<i>Business women reported a 29% increase of value of formal savings</i>



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**Success story: Olivia Massurula is the second top performing bank agent nationally for BancABC.**

Olivia owns a mini-grocery shop called Gemeos Falsos in Zona Verde, Maputo and is an agent with BancABC, Letshego and M-Pesa. After attending the BWC program, she has expanded her business and become the second top performing agent nationally at BancABC. In a year, her average daily sales increased by 240%.

Key to success: Improvements in customer service; investing in her shop to attract more customers and sell more products.



A woman with a joyful expression is the central focus, wearing a light green headscarf and a dark green dress with intricate gold and white patterns. She is seated within a rustic wooden structure, possibly a market stall or a traditional building, with a background of dense, natural-looking branches and leaves. The lighting is warm and directional, highlighting her face and the texture of her clothing. In the bottom right corner, there is a blurred red shape, likely a hand or part of another person's clothing.

# ***SHE IS CAPABLE***

[Watch the video here.](#)