



Symposium on Financial Inclusion

The Client Journey Revisited: Insights from Recent Practice and Research

(Emcee) Roger Morier:

The first session this afternoon is dedicated to the client journey. We've touched on this topic several times in previous SoFIs, but we think it's so important we want to come back to it. We want to look at the client journey certainly with respect to financial services providers. Look at the client journey and look at some of the obstacles that clients encounter in that journey, in that five-stage journey. And also look at some of the solutions and some of the improvements that have taken place since we started talking to you in 2013, and what some of the FSPs have done to make that client journey easier for their clients.

So, in order to lead the panel on this, we have somebody with a lot of experience in this area who's been working in a number of functions dealing with the client journey with her clients and in her own institutions, as well.

Petronella Chigara-Dhitima is the Managing Director of Mustard Seed Advisory. Would you please welcome her to the stage, and her panel as well.

Petronella Chigara- Dhitima, Managing Director, Mustard Seed Advisory

So, welcome to this panel this afternoon. We're continuing this discussion on client centricity, specifically, as Roger said, we're forecasting on the client's journey. How are clients moving along their own journey and what are their experience, what are their barriers?

So, this afternoon, we're really privileged to have a very interesting panel.

I'll start off and talk a little bit about myself. I keep those two names together because one is a trade name, the other one is the constitutional name. According to our constitution, I cannot drop one of the names so I have to keep it to be constitutionally right.

I do work in the financial inclusion sector. I do consulting work. Most of my working life has been in this space and I enjoy what we do. We actually work with the two sides of the market: we work with the providers of financial solutions and we also work with the demand side, with the clients. We do financial literacy programs and few other problems. We're talking this morning with colleagues about digitizing SME's, small businesses, and introducing technologies that will make them more efficient.

In the company, most of our work is in Sub-Saharan Africa. So, we do understand the issues in the region. The panel that we have this afternoon is also drawn from people who have had lots

of experience in the Sub-Saharan Africa context. I will call the panel onto the stage and then I'll go back to the context about why we are talking about what we're talking about today.

Soren Heitmann is working with IFC. He is in charge of the Partnership for Financial Inclusion, which is a partnership between IFC and the Mastercard Foundation. Most of the work that he does is actually on the research side. Someone over coffee break this morning said, "let me introduce you to this cool guy who really loves research", and that's Soren. I know he loves research. He's data-driven, he's also into qualitative. And, he's going to share with us this afternoon some of the insights that they are getting from the research, the deep dive that they're doing in Sub-Saharan Africa for countries that they worked in. Welcome, Soren.

We have also on the panel Jennifer McDonald. Jennifer is working with Women's World Banking. Jennifer is the Director in charge of Product Development. And, she leads the digital practice. So, she has been working a lot with Women's World Banking, which has been working a lot with partnerships across Sub-Saharan Africa, and other continents, as well. But, she has lots of experience in many countries like Nigeria, Tanzania, Malawi, Mozambique. Working with MNOs, working with commercial banks and really trying to make sure that they are understanding how the customers are feeling along the journey and resolving some of the barriers that they are facing. That's Jennifer, welcome.

Adaeze Ume is working with Diamond Bank. This is the first time I have ever seen a title like that. Her title is Segment Head for Youth Propositions. And, as you guess, she is very youthful. They did the right thing. They brought the right person for this work. So, she is actually going to talk to us a lot about what Diamond Bank is doing in the youth space. She's going to talk about the products around women, as well.

Let me also mention that Jennifer McDonald and Adaeze, they are working together because Women's World Banking is actually also working with them on banks as one of their partners. The beauty about this panel is that it actually cuts across three segments of the client centrality ecosystem. So, we have IFC, investor TA. We also have Women's World Banking, who are representing technical assistance. And, we have Diamond Bank, who is the practitioner and the actual provider of financial services.

So, what we want to do this afternoon is almost like carry over from where we started off in the morning. There's been lots of discussions and lots of examples of what client centrality actually means in real practice. What we're simply doing this afternoon is presenting it from two perspectives: where we get insights from Soren from the study that they've done. And then, we get an opportunity to hear what the practitioners have actually been doing with it. Jennifer will talk about what has been happening in Malawi in terms of how they will be using some of these insights to actually respond to the clients. And, we go back to the discussion because our theme, our topic for this panel, is revisiting the client journey. So, we really want to go back and say, "what is this client journey?"

So, I'll ask them to put back the slides so we can go back to where we were in 2013. I was in that Symposium when there was this whole talk about the client journey. GSMA actually did a presentation. So, that's the client journey which we started off in 2013. When we present it like this, it looks very straightforward and very linear. But, during this panel, we're actually going to listen and share experiences about this client journey and how the clients are working through the journey, and the kind of barriers. We'll also hear whether it's this straightforward and whether it's this linear, we'll also hear those kinds of discussions and the challenges people are facing, or financial providers are facing, as they try to respond to clients who are moving along this journey.

Another interesting bit about the panel is that we actually have Punza in the room. Do you remember the morning talk about Punza? Roger introduced us this issue about Punza representing the client. So, Soren is actually going to be the voice of the client on this panel and he'll keep reminding us of what the clients are actually saying.

OK, to get us started and as we kick off, I'm not going to even say a word. I'm going to ask Soren to start sharing with us the findings, the study, this ethnographic study they did at IFC. What were some of the insights that they got?

Soren Heitmann, Operations Officer, Financial Institutions Group, IFC:

Ethnography, this is anthropology. This is the study of people, it's the study of culture. This study spent nine months of field work interviewing people in Cameroon, DRC, Senegal, and Zambia. The overall aim of the study was to give voice to the users and non-users of digital financial services. And, the conclusion of the study was a framework that synthesizes all of these voices into a set of questions that we can use in our own analysis to better understand the customer, understand their journey.

So, this is our framework, our tree. So, the top of the tree, it articulates 'trust'. And, trust is really how people are motivated to take up digital financial services, what drives or inhibits their decisions to really believe in the service and their proposition.

We decided to use the framework of a tree because it's natural, it's growing, it's organic. It's complex and not linear. Just in the way that culture and society is. They're not linear, they're complex, they're growing, they're dynamic. And, we thought it was a good metaphor for the ethnographic approach to really understanding what decisions people make and how they go about making them.

Let me just very quickly go through each of these bubbles and describe the framework and then we'll get into the customer experience more directly.

There are six elements. It starts at the bottom, at the roots.

'The historic roots of monetary transactions'. So, we're bringing new products into the market, but people are bringing their own personal histories and their cultural histories when they approach a new product.

'The mobility of people and money'. Is there a cultural norm of remittances? Of people traveling for work? Sending money home? Do they use intermediaries? Do they trust those intermediaries?

'Risk perceptions'. The perceptions and misperceptions of services and the risk that they bring really affect the trust of the service. Do they understand it well? Do they tell their friends, "I believe in this product", or do they say, "no, it will steal your money?" Whether it will or it won't is a little bit secondary to their own perceptions around those risks.

'Technology appropriation'. Clearly, how people use technology and relate to technology is important, but this also describes how technology can change the way social behaviour exists in social dynamics. Do people feel anxious or afraid that their social norms might be affected by the technology?

'Networks of belonging'. Do new products bring people closer together when they transact, or do new products take existing social relationships and pull them apart, which can also create fear and anxiety and reduce trust in products.

'Economic Hierarchy'. Within society, are people inspired by affluence and encouraged to grow their wealth? Or is the idea of creating wealth creating anxiety where they feel it might be taken outside of their normal zone of comfort.

So, I'd really like to highlight that the framework is designed to be used. So, here is the graphic, but really, it's a path for us when we're approaching customers and trying to understand their perceptions. It's a framework for asking these questions.

Again, let's get into the fun stuff. I'd really like to share some vignettes, some stories of the customers themselves. I don't have time to get into all of them, but I've picked three. Again, this is the voice of the user. So, you'll forgive me for reading directly and actually quoting them. This is their experience.

I'd like to start with the historic roots of monetary transactions with Mr. Kassian Emdee. He says,

"In the mid-1980s, most banks collapsed because of mismanagement and corruption in Cameroon. So how can I depend on Cameroonian banks again? Even the money transfer agencies, like Express Union and First Trust that also provide saving and loans schemes, I don't trust them. I only receive and send money".

So clearly, Mr. Emdee is very skeptical of the financial system. But knowing this, and asking this question, is there a way that we can approach the customer in a more trustful setting?

So, taking some of the research findings and stepping away from Cameroon and then Zambia, for example, we found that respondents were potentially more open to a value proposition from an international telecom precisely because the mobile network operator was an international firm and not associated with a national government and precisely because the telecom was not associated with the bank.

So, let's look at another bubble here. I'm going to move up to Number 4, 'Technological Appropriation'.

So, this is a quote by a policeman in Senegal who preferred to remain anonymous. He said,

"With the development of money transfers, whenever a family member asks for money, you can no longer claim that you can't give it to them because if you say that, the person will answer, 'well, you should send it by Wari or Joni-Joni'". [Laughter]

So, people in Senegal, how do they ask their friends and family for money? You can't say, "no" if you are a mother or a brother. This is rude, this is not socially acceptable. But what is socially acceptable is to give polite excuses. You say, "my car broke down. The road's washed out. It takes too long. It's so difficult".

But, what our policeman friend is expressing is a fear that the technology itself will change the social dynamic and his ability to make excuses and deny requests to politely deny sending money in a socially acceptable way.

So, what does this mean for us? I'd like to make a hypothetical here and say, let's imagine that we're going to launch a product in Senegal and we want to do a market survey. And so, we go out and we ask our policeman friend and all of his friends. And, we say, "would you like to send money fast and easy?" Now, imagine that they're all responding to that. "Send money fast and easy?" "No. Everyone's going to be asking me for money and I'm going to be broke".

So, let's say you get the survey results back and you see a bunch of low scores and you wonder why are people giving low scores with such a great value proposition? The really important thing to recognize here from a research point of view is that what we're asking is, we're asking about the value proposition. But, the answers that we're receiving in this hypothetical are really about fears of technology and what that means in terms of how they might be using it.

My final point is to say that this is really why we need to look at cultural understanding when we go out and we do research.

Petronella Chigara-Dhitma:

Earlier on we were talking about the business case. This kind of talks to: what is the client seeing about what we're proposing? Is the value proposition making sense to them, or is it making sense more to us than to them? This, for me, was really mind-blowing. When Soren explained to me

his finding, I was like, 'I always thought that's what digital is all about'. And, to think about it, yes, from a social perspective. It may even affect how much they can save because now they can't put money aside because all of it goes because digital is so fast.

So, what I would like to do is to hear from Jennifer. Jennifer is going to take us through a case study. What have they done in Malawi and in Nigeria is kind of a response to some insights which are insights similar to what Soren did. Jennifer, if you can just take us through how you responded to some of these insights and created something that has a value proposition, that makes sense to the client, and also to your business.

Jennifer McDonald, Director of Product Development, Women's World Banking:

I think at the beginning of the panel you said, "the client journey is not linear". So, the client journey is not linear. If we think about what will be our best chance to move our clients along from taking that first step on the journey to getting to the point where they're so excited about it that they're going to bring all of their friends onto the platform. The best chance that we have at that is by building in those moments along the way where we can listen to them and understand their issues and hopefully address them so we can help them along the way.

What I'd like hearing about the stories from Soren's research was that idea of products being 'not for me', and that's something we've seen in a lot of our work. These issues are quite important, especially for women because, as I'm sure many people have seen, the power of word of mouth when women bring their friends onboard is really powerful. But women are also much more likely to go and tell their whole community if you get it wrong. So, once you've abused their trust, then you'll see the impact on the bottom line straight away.

So, I'd like to talk to you about Pafupi Savings, which is a proposition that we developed with NBS Bank in Malawi. This was a program that was supported by UNCDF MicroLead and Mastercard Foundation. The job was to find a saving solution that would help the bank reach to rural areas, especially focusing on how they would be able to serve women.

When we went out to do the customer research and we listened to women about what issues they had, we found, unlike some of the panels this morning, women were actually really excited about the idea of having a bank account. They truly believed that if they had a bank account, they could put aside just small amounts of money that would let them plan for the future and achieve the goals that they had for themselves and their families.

It was hard to get a bank account in Malawi because, where they stayed, there weren't any banks. You'd have to take transport, you'd have to pay for transport to go into town in order to get the bank account. It just wasn't worth it for the small amounts that they had to save. Anyway, they were pretty convinced that banks weren't interested in those small deposits that they would be able to make.

Also, anyone who had even a little exposure to a bank account knew that if you were going to leave a small amount of money in a bank account, the fees the banks charge would quickly eat up your money.

So, these were really strong perceptions that clients had. And so, when we designed the product together with NBS Bank, which was just a very simple savings account with an agency banking solution, we really focused on drilling down on those key benefits that would message directly against those preconceptions that clients had about why banks had never been for them in the past.

So, first of all it was the name of the product. It's called, 'Pafupi', which in Chichewa means 'close to you'. Pafupi is an account that's close to you because the bank also puts together a team of direct sales agents that would be moving around in the communities to open the account. You wouldn't have to go into a bank branch to open it. You could open it instantly right there. And then, after that, you'd be able to transact right there in your community or in the trading town nearby using agents.

We also message that no amount was too small, so that those small savings that you have, even 200 kwachas, you can go and deposit, which is about 50 cents.

Finally, it was affordable because you'd be earning interest on the account and also you wouldn't have those monthly fees that made having a bank account expensive.

So, this product went to market and when we went out to do research afterwards, after the launch, to hear what clients thought, we were amazed. In group after group after group, the women repeated back exactly these benefits to us as the reason why they were really excited about having the account. And they illustrated it with examples from their own lives.

"Did you know with this account, you can even save 200 kwachas? That's great for me because I used to have to spend 600 kwachas to go into town, and that's the only way I would be able to have a bank account. So, this way it helps me save". So, we thought this was great.

It went to rollout. It was going to national rollout being offered all across Malawi. And, sometime later, we decided to check in and do some research. We were doing some new product development. And, what we heard in those focus groups was very different from what we heard in the first set.

The clients had gone from being kind of psycho-fans of this account and being very excited about the benefit, to not really being able to articulate what was good about it. In fact, when we asked them, are there any benefits to this account? They said, "we're not sure. They said if you open this account, they might give you a chitenje, a wrap, and that chitenje does not come. So, we're not very happy with the bank right now". So, that person is definitely not going to go out and be promoting the account to anybody else. And, it also has a direct impact on active use of the account and dormancy.

So, when we looked at that, we realized that the bank had actually gone through some cost-cutting measures and decided that instead of doing the training directly from head office of new sales staff, that the old sales staff would be able to do on-the-job training with the new ones. So, we had methods dilution and it had an immediate impact on the uptake and usage of the account.

The other factor that we uncovered in that research won't be a surprise to anyone. As they say in Malawi, "savings and agent banking goes together like nshima and relish" or maybe since we're here in Ghana, we should say, "fufu and goat soup". The two things go together. So, anywhere where we didn't have reliable, available agents, it had a direct impact on the usage of the account.

So, those are some of the things that we learned with Pafupi.

I'd like to also just speak briefly about a similar program that we developed with Diamond Bank. We're here on the panel with Diamond Bank. Similarly, we went out to develop a simple savings account targeting a very different market segment. They're probably not two more different markets in the world than rural Malawi and urban markets in Nigeria; those are really different environments and yet we found some of the same things.

Certainly, there wasn't the same distance issue. Nobody had to pay money to go and bank. In fact, the banks might only be just a few steps away from where they were trading. The customers had a really strong perception that banks didn't have anything to offer them. They knew about banks and banks were not relevant.

Also, with this product, we really worked with the bank on developing the proposition that was going to work for customers. And, the thing that made the difference for them was to build on the informal savings mechanisms that are so common here in West Africa and were really commonly being used in the market. So, the bank setup its own direct banking channel. So, they have, at this point, about 1,200 people employed all across Nigeria, who are moving around in the markets to open accounts and then to do doorstep banking for customers. And, that's proved to be a very strong proposition for the bank.

We continue to work with the bank on developing the proposition so it will have additional product features. In particular, we had support from UK Aid through FSD Africa. We've been working with the bank to continue to develop it with additional savings while it's a self-service channel and digital credit coming soon.

Since we have Diamond Bank on the panel, I'd love to hear from Adaeze about how Diamond Bank set off on this financial inclusion journey and also about her speciality, which is youth banking.

Adaeze Ume, Segment Head, Youth Propositions, Diamond Bank Pic

For us, at the Diamond Bank, our foray into the financial inclusion segment started some time back in 2013. At the time, the FINDEX reports were quite compelling, it went to 6.3% of the Nigerian population was financially excluded. So, we looked at our market at the time and worked with Women's World Banking to actually have better customer insights. And, we realized that a lot of these customers were actually very economically active though playing very heavily in the informal sector.

We saw men and women who claimed to be very very time-poor. They wouldn't leave their business premises for a second to leave for any bank for fear of loss of business revenues.

We saw people who had real confidence issues because they had been underserved for a long time and, all of a sudden, banks were focusing on them. Most of them went, "since when did we become the sweet spot?" So, that skepticism was really palpable at the time.

We also found that communication was key because of what we've learned from the mainstream banking.

So, at the time, we looked at all that and said, "look, if we must serve this segment then something has to give". Then, there was that strong institutional shift taking the bank to them, and that led us to the establishment of the Better Friends Distribution Channel framework, which, as Jennifer said, we've gotten up to 1,200 friends. They're actually on-site to provide banking services, making deposits, having customers do the withdrawal. But, most importantly, having that human interaction because they have to manage the objections.

They have to manage the kickbacks so we had to get them to be financially included. So, that also made us very strategic with the name. The name is actually "Better Value Proposition". It's actually the pigeon translation for 'something better'. The acceptance has been very good. When we look at the fact that, in four years, in that segment alone, we've been able to acquire 510,000 clients. And of this number, about 40,000 have gone on to take additional products on committed savings. They're doing a lot of activity in that segment and have about 37% human representation there. So, that's it for Better.

So, moving onto youth segment, my habitat where I belong. At the time, in 2014, when we looked at the micro economy, it was discovered that Nigeria has the highest youth population in Africa, that's about 60% of the population in the youth segment. That was very compelling. And then the bank also had to decide on what's the business case here? Clearly, the long-term cost proposition is relatively low if you consider affluent segments where you can have about 2,000 clients in a month. Youth banking, you're looking at 16,000 clients. So, we knew that it was important to begin to build them as a pipeline to the other segments of the retail bank. At Diamond Bank today we're running at a client size of about 16 million. At the time when we were looking at the statistics, we were only doing two million.

So, when we looked at this whole thing. We worked with Women's World Bank again to look real deep inside of the market segment. And, clearly, we found that prior to what we were doing

before, we had only a Diamond CD product to serve them. It was adequate but not sufficient because we clearly saw that it was a multi-sided market. We saw women as the key player there. We saw parents who were eager to actually save for their children but never had structured means of saving money for them. We also had the teens themselves who wanted to be financially in control of their money. They say the challenge is affordability and access points, because the distances to the banks were far away.

We also saw the students who actually had affordability challenges, financially literacy challenges, as well as having very strong aspiration as to how to get workplace-ready because of the huge unemployment rates. They saw that as a major problem for them.

So, having looked at the deep customer insights, we were able to say, look, for us to make that product market feat in this segment, we had to establish something similar to an endowment plan for the parents. So, they are actually able to have a structured means of saving every month. At the end of the 12-month period, they would get what I'll call a "13-month bonus", which is like 20% of what they do on their monthly installments. So, they were very committed to savings. And then, to actually add an additional perk for them, we noticed that during the summer periods, most of them didn't know what to do with their children because they had about two months vacation. The reason why we went into strategic partnerships with Center for Tech who would actually teach the children how to code, as well as came up with fun finance games to actually keep them busy.

So, these things have actually helped to address some financial literacy of those younger children who are between the ages of 0 to 12.

In our transition strategy, or trying to look at the entire segment, I would like to also mention that we took a three-step, multi-generational suite of products approach, so that once you're 0-12 you're actually still running a minor account. And then, when you are 13-17 you're having a 'Cool-Teens' added to you. And, once you're 18 years when you're in school, you can actually take up the S.W.A.G. account. By the way, S.W.A.G. means 'Students With A Goal'.

So, for the Cool-Teens what we've done for them? The issue of affordability clearly was a problem. Take, for instance, we give them a debit card for free and lowered their opening balance to as low as 500 naira. So, when you go to a typical bank of about 1,000 naira, that is a minimum opening balance, you will have it at Diamond Bank for only about 500 naira.

Then, we also developed an 'Adopt a School' initiative where each branch outlet was required to actually adopt a school and nurture them, grow them in financial literacy, and that has actually helped.

We're also have online competition contests to actually get them involved and begin to build their financial capability. So have we done with the students and also partnered with some organizations to actually give them CV writing skills, as well do some series on how to start with what you have. So, the whole idea is that, in the value chain or in that whole process of trying to

grow, right from 0-12, 13-17, we're looking at each life stage need so that we can actually optimize their long-term economic opportunities.

So, having said that, what has been the impact? In less than four years, we've actually had 770,000 clients in our book in each segment. We have 270 schools that we are nurturing with the Adopt a School strategy. It's only the youth segment that you have the gender parity quite close up. I'm talking about 48-49% in gender distribution.

And then, you'd ask, "what is the next big thing for us at Diamond Bank?" This month, actually, we'll be launching a special online community for our Cool-Teens. It's actually a youth portal that is a fine banking system. We'll be using a point system, badges, contests, competitions on an online platform to actually have them learn transactional savings accounts as well as digital means of learning financial literacy. So, you'll have animations or financial literacy stories. You'll have games as well as comics. So, it's so engaging. Yesterday, I had some adults there for a long time just to tell you how it takes.

So, the whole idea is that if we're actually able to engage them on that platform with real transactional accounts, and plus all those non-financial services doing the financial literacy, I think we'll be doing a good job of giving them that very good long-term economic opportunity.

Petronella Chigara-Dhitima:

Wow, this is very interesting. Let's give a round of applause for the panelists. *[Applause]* Very interesting examples of success stories. Before we went to lunch, we had that question about "what are you doing?" He asked what are the stories of what's being done.

What I want to do is just give Soren a minute to finish off part of his story. Then, I'll ask one question to the panelists and turn it over to you. In fact, I have prizes for those who ask questions. So, get ready.

Soren Heitmann:

I'm happy to share one more story and it is about 'not for me'. I think it's also important that, there's a lot of consistency across all of the research in terms of the customer journey and the customer voice. This is from Mr. Lacelli from Zambia, and it pertains to our economic hierarchy category.

He says,

"Bank accounts are prestigious and it would be nice to have one, but we are just not the right class. The banks require so many papers to fill just to open an account. You also find that the buildings themselves are intimidating with those flashy windows. I passed through one bank where you can't even be served unless you press a machine for a ticket. That told me that this is really not for someone like me".

Mr. Lacelli's customer journey literally takes him past these intimidating windows and when he finds he's able to go in the doors, he has another barrier and he goes out. But, this is actually a happy story. And, it's a happy story because Mr. Lacelli goes on to explain, in this particular interview, that he is a very avid agency banking customer. He likes agency banking, and he likes agency banking because it's informal. And, I think this is really the point to drive home here, is that the informality is actually the value proposition, or at least a core part of that value proposition. I think the challenge for us in this case is to ask ourselves, 'how can we give Mr. Lacelli increasingly formalized products in a way that doesn't create a boundary where he feels intimidated by that formality?'

Just to close on the ethnographic research on this framework, I think that this structure of being able to ask questions and look at these issues, to understand these dynamics and these barriers, also helps us to find solutions.

Petronella Chigara-Dhitima:

And, it's interesting actually that they say, 'agency banking is informal'. But it's also a social aspect around it because the agents are typically from the community so you have this social connection, which is also something very interesting.

Turning it over to the two practitioners, if we talk about the experiences in Malawi. I know Jennifer, your experience has cut across different countries. In the morning, we talked about 'if this thing was so easy, everybody would be doing it'. So, it means that something has to give in or something has to change with the institution.

So, if you can just, one minute each, give us one change, one thing that has to change for us to respond better to the customers. Jennifer. One minute to respond. Give us an example of a big change that you went through.

Jennifer McDonald:

I'll speak to the best case from Nigeria. Research has consistently shown as we're developing new products that the customers say this is a great product. 'Whatever more you bring to us, will be welcomed. Please, that friend, that person who's coming to collect my savings, that person must always be there. So, don't let that one go'.

So, it's very much that figure of that's a friend at the heart of everything that Diamond Bank has done. Even though it's digital finance, it has a human face and that's a really important part. So, when we design a new marketing scheme, when we offer a new loan, I think the example from Denis from Microcred this morning of, you offer a digital loan, you think I should send out an SMS about it so the customer knows? Immediately, they call their person that they know to find out whether it's really something for me that they should check out. That's something that we really built into all of the product development work with Diamond Bank.

Petronella Chigara-Dhitima:

Great example.

Adaeze Ume:

For me, I think it would put it around more of what we did for the standing order. So, we ran an initial campaign to ask the customers, 'why is the optic of the committed savings low?' And then, we realized it was a case of a lack of awareness. So, this time last year, we had about 13,000 customers who were on the dedicated savings plan. So, when we improved the communication, used all the outlets, used women months, like March 8th. We ran a special campaign around that to actually encourage the women. It was so overwhelming that as of now we have 56,000 subscriptions of a standing order. And then, in the distribution of 60/40 in favour of women. So, this is a clear case of we acted on customer insight and we got the results.

Petronella Chigara-Dhitima:

One thing that Adaeze mentioned earlier on when we were having a chat was that they actually have an army of people that go out because the susu savings collection for those familiar with West Africa, you literally go stall-to-stall and collect money. And they said, "but Diamond Bank never used to be like that". So, it means it is its own structure, the whole HR the way the incentive is structured. The way they train people. They have to think about this army of 1,200 people who were not on their payroll before but who they had to engage and that meant something had to give. So, lots of examples of changes.

I had a second question, but I want to open up to the audience so that people can ask questions. Remember, I've got prizes.

Stephen Mukweli, PostBank Uganda Limited:

I want to thank all the panelists. Those are very good lessons to share.

I have a quick question for Adaeze. I looked at your app yesterday. I was impressed. You have given a very rosy picture, along with the great points along the way that you experienced as you launched this product.

Number 2. How did the competition, or how had the competition reacted to your product?

Number 3. How have you protected your ideas from being replicated by other competitors?

Petronella Chigara-Dhitima:

Those are many questions. While you're writing them out, is there somebody else with a question for a different panelist, not Adaeze. So, we will allow a second question while Adaeze is working out all the solutions to the three questions. Then, we'll come back to you.

Female Audience Member:

I would just like to ask Soren a little bit more about your population that you surveyed in the four countries. Did you choose them randomly? Did you choose representatives from different types of geographical locations? Users of services? Informal savings groups? Savings groups? The question is more about the methodology.

And then, what are you going to do with that information, and is it online?

Petronella Chigara-Dhitima:

Adaeze, are you ready?

Adaeze Ume:

Yes, I'm ready.

On the Dream Deal, actually, it's a product we're going to launch this month. But, the initial takeover, the initial building challenges, we noticed that, for instance, the girls had challenges with operating them. But, those barriers, those challenges, we got a lot of support from Women's World Bank because they made us go to particular schools for the focus group sessions to actually get the feedback. So, if you notice on the app, you could see places like 'touch here'. Those are deliberate reaction or deliberate points or buttons put there to speak to that customer. And those things came mostly from girls. So, in terms of having to react to challenges that we're seeing, I think those focus group sessions would help us incorporate all the feedback in the portal. So, that's why you had a seamless experience with it yesterday.

Then, have we had competition? Yes. In fact, after launch, a number of banks have launched their product. But here is the thinking: Nigeria has a huge population, a big one. It's in the interest of the clients that we have more competition serving them. I'm thinking about 60% of 80 million. So, whatever the competition is really, it's never anywhere close to the gap or close to the challenges at hand. So, for now, it's okay.

The last one is around have we protected the bank? Yes. Customer centricity is very, very key to us. Back in the day, you would see banks that would not have a full customer information display on their website. No way. All the product and services are on our website. If you need to copy them that's fine. The space is big enough for everybody. That's my reaction to that.

Jennifer McDonald:

The other thing is there are certain things that are very easy to copy, things like product features and so on. But, then you look at the key elements of how it's being delivered. So, in the case of the youth proposition where you're combining that suite of products with now the youth portal engagement as well as the non-financial services, that's kind of the secret sauce that's harder to take and just move to another one. I mean, similarly, the same proposition that was designed in Nigeria, we learned from that experience and then went on to partner with our friends from NMB in Tanzania. Stephen Adili is also here. The Wajibu proposition was launched and, even before the press release, the name had been taken by another competitor and they were talking about. They haven't achieved what that bank has achieved because they really thought about how it's going to be delivered, which is a really differentiated thing then just a simple thing as the name or the product features, which are easier to copy and paste.

Soren Heitmann:

So, there was a question on ethnographic research around methodology of the population and how we intend to use it.

First of all, again, the countries of analysis are Cameroon, Senegal, DRC, and Zambia. We were trying to look at differences across anglophones and francophones. The high-level response there is actually not much, at least not categorically different. And then, within each country, two cities were selected; one very urban usually a capital city, and then either peri-urban or rural, depending on the context.

So, for anthropological research in the so-called 'thick description', it's really about getting out and knowing people, spending time with them, living with them, going to their houses quite literally. It's not a huge population. I don't know in total but maybe 200 or 300 people in total. Various methods were used. Focus groups quite specifically. Individual, we call them 'profiling'. Soliciting people to actually literally go to their house and learn about their job a little bit and learn about their use of services. And then, 'ad hoc' discussions. Even chatting with somebody on the bus or going to marketplaces and soliciting input from this point of view.

Again, it was nine months in each country. And, there is a research team through a local university anthropology department, that was going out and conducting these research studies. And, I think it is important, the longitudinal aspect of it and actually really getting to know people is important.

One of the feedbacks that came back from the researchers is that over the course of time in getting to know people, sometimes people would confess. "Actually, you know that thing I told you a few months ago? It's not really true". Because so many customers, they're used to mystery shoppers. They're used to agent inquiries. They're used to visits from everybody like us that wants to know stuff. After a while, agents are like, "yeah, yeah. They want to know this, tell them that. They'll be happy. They'll go away". Some of our anthropological researchers, they encountered that. "Oh, this is another mystery shopper coming knocking on my door. Tell them I love the service. It's great". But then, over a few months, they realize it was actually very different and we get a very different perspective.

Petronella Chigara-Dhitima:

Very interesting that you would even look at the way people actually live their social lives and really learn as you live with them then and just fly through, extract information and go.

Sharon D'Onofrio, SEEP Network:

This is about the research. I'm Sharon D'Onofrio from the SEEP Network.

I want to understand better the insight you described where people don't necessarily want money that's easy to transfer. So, how do you take that insight and design a product? What would be the response from a provider's point of view of using that insight? And, do you have an example?

Soren Heitmann:

Your question relates to the previous question about using their research. The study is forthcoming. Literally, we're publishing any day now. So, it's going to be on our website. I think Mastercard might also be available to distribute it.

In terms of how you actually use insight. The framework itself, again, it's just bubbles, but as bubbles of inquiry. I think the important thing to realize here is that each bubble can be a driver or a barrier. It's about getting into the context and understanding it.

So, in the research paper itself, we've actually tried to aggregate it at a national level to try and understand markets. Basically, we categorize those as certain factors of barrier or driver. When you look at that more holistically you get a picture of how readily people are likely to trust a product or trust a proposition.

In terms of actually using it and getting it operationalized, what we're doing is we're taking the results of this and give it in our own surveys. So, I made the point about how in a quantitative survey you just ask questions. Do you like fast and easy money? Yes or No. Yeah. Of course, everybody is going to say, 'yes'. You may not really think that. "When I use it, the technology is this" or "actually, I don't trust banks so I never go there". They actually face barriers. So, we're trying to incorporate these meta questions into actual structured surveys so we get better market insight.

Jennifer McDonald:

What you hear from customers can be immediately turned into what you highlight when you do your marketing. A lot of people of marketing like, what's on the flyer, but it's actually what people tell your customers about your product. So, if they've said it's not a priority for them then it's going to be way down the list about what you're talking about. If fast is not important. Okay, that's not the first thing you talk about. So, you just immediately turn it into how you message when you speak to the client.

There is an example of a mobile money product that led with a 'send me money' button and it didn't go well. None of the users that would adopt that would want that kind of functionality available, that lots of people could ask them for money.

Petronella Chigara-Dhitima:

Jennifer, you're talking about creating a value proposition that really makes sense to the customer, but also making sense to us. So, in this case, that would not be the key selling point.

Charity Chikumbi, Financial Sector Deepening Zambia:

I'm Charity from Zambia. I'm interested in the discussion on agency banking because as FSD being market facilitators, we've been trying to support agency banking in the rural area. But, you know the demographics of Zambia. From what Adaeze gave, the moving about and the service provider getting to the customer, how feasible is that cost-wise? What is the business case for it? What

can we do to help the bank achieve the business objective? What about the cost terms? If you could shed more light.

Secondly, regulation. In Zambia, we find that when the banks go into the market, for them to setup an agency they have different requirements as against the MNOs and the third parties. How is the regulation in Nigeria? How supportive is it for putting agents everywhere? What are the KYC issues? How can we go back and share with the banks that are thriving so much to succeed in agency banking?

Petronella Chigara-Dhitima:

Charity, you just opened a whole session on regulations and how do we make this whole digital landscape even a level playing field? So, there's lots of issues. I hope people here can also pick up some of these topics for other discussions even outside of this.

I will allow Adaeze a minute to respond. She might not even do it justice because she only has a minute.

Adaeze Ume:

So, in a nutshell, those concerns are real. They are real, which is why, like the earlier session said, "there has to be that strategic understanding of where we are in need", and it must be in the long-term. Because sometimes you suffer, especially from the pressure of short-termism. So, if you're looking at investment in that segment, you have to have that long-term outlook because they're heavy costs. They are a heavy investment with respect to making those outlets actually available to the customer or moving closer to the customer. So, clearly a business call has to be made from a strategic level.

Then in terms of regulatory. Yes, it's also a concern, which is why, sometime for us, in Nigeria, the National Financial Inclusion Strategy, which was launched in 2012, was supportive of that whole ecosystem. Because sometimes you would need the support of the regulators because some wide stream decisions or adoption has to make sense. In Nigeria right now, the bank verification number has just been introduced. That has actually reduced progress that started. Because the machine for enrollment are not mobile, so it's a concern. The happy thing is that because the government is part of the financial inclusion drivers, they're looking into it, but these are concerns and they are real.

Petronella Chigara-Dhitima:

So, as we wrap up. I just wanted to highlight a few key issues.

Obviously, this debate or this discussion has not ended. There were lots of questions that you could see in the audience. But, really these were just snippets of what has been done elsewhere and what are some of the issues and challenges that are people are facing and some are success stories.

And, we clearly see that journey for the client is not linear. There are lots of indirections. We heard from the panelists about going back to the customers and continuing to engage even after you have on-boarded them. So, that whole issue raised in the morning, 'acquire', 'train' and 'retain'. So, during that process, to make sure that you keep engaging and talking to them and really understanding what are some of the new issues that they're coming up with.

And that there has to be change within the institutions. I think that's part of what makes it a bit difficult. Client centricity will require some kind of change, whether it's culture, whether it's in staffing, retraining people. There are lots of issues they couldn't share, which we talked about in our discussions, about the changes that the institutions have to go through.

Lastly, the big issue is what was laid out in the morning. The issue about customer value, but not just the customer value. Gerhard was talking about customer value but it's actually this whole overlap. Where is the overlap between the customer value and the business case for the institution which will make it a real win-win? Because if the institution is not winning in the proposition they're never going to do it. I think we've got a few snippets into that.

Because we have two days, you can actually engage any of the panelists and continue this discussion and continue to explore some of the issues which we didn't clear this afternoon. A round of applause for the panelists. [Applause] And, anybody who asked questions, come for your prizes.