



Gender intentional value proposition design

A great deal of donor funding is available to banks in Africa to enable them to unlock funding to small and medium enterprises, especially those owned and run by women. The Consultative Group to Assist the Poor (CGAP) estimates that \$58 billion was committed to financial inclusion programming in 2020, a quarter of which was in Sub-Saharan Africa.¹ Much of this consists of concessional lines of credit and guarantee programmes to banks. It is linked with technical assistance to support banks in a practical manner with their efforts to serve SMEs and women in particular.

Technical assistance can support banks to better serve their women customers through customer value proposition (CVP) design. Can value propositions targeting women be designed in a gender intentional way that avoids creating “pink products”? We certainly believe they can.

At Genesis, we have a long history of supporting commercial banks with their CVP strategies. More recently, we have been working closely with development finance institutions (DFIs) such as the African Development Bank, the Gates Foundation, CGAP, the International Finance Corporation and the Mastercard Foundation to understand the financial inclusion landscape for women in markets across the continent.

Working at the intersection of the development and private sectors, we have established some useful steps for commercial banks hoping to either tap into or better serve this important segment of customers.



Step 1 | Integrate a gender lens into CVP design


Can value propositions targeting women be designed in a gender intentional way that avoids creating “pink products”? We certainly believe they can.

Assessing each component of the marketing mix with women in mind can produce meaningful insights into how one can design a gender intentional CVP. A gender intentional CVP is grounded in the segment’s key needs, their value drivers, and the main pain points they experience. A gender intentional CVP requires segmentation to account for intersectionality, and the fact that women are not a homogeneous group. In other words, some barriers are more prevalent for some sub-groups of women than others.

Behaviour-centred design where women are included in the design process is essential. Gender intentionality can be ensured by conducting primary research (focus group discussions or in-depth interviews) with women themselves. We work to incorporate and centre women across the components, and at each stage of the CVP design. We focus on three dimensions of behaviour including capability, opportunity and motivation.

The table below lists five areas to be considered:

#	Value Proposition Components	What we know about women	How Genesis leverages this into CVP design
1	<p>Product</p> 	<p>Research suggests that women's financial product needs differ from those of men. We know that:</p> <ul style="list-style-type: none"> • Women are more risk averse and less eager to borrow from formal financial institutions due to their financial responsibility for their families and fear of losing collateral.² This affects their demand for insurance and investment products as they tend to have smaller businesses that expand slowly over time and operate in sectors that require little initial capital, such as retail and services. • Women-owned businesses tend to need loans with a longer tenure. • Women tend to have less control over resources. Loans paid out via mobile money and not cash can help protect the funds from being used by other decision-makers.³ • Women don't typically own fixed assets but rather movable assets. • Cash flow-based lending may be more appropriate for women. • Women are more likely to leave the labour market early or have employment gaps to raise children. This affects their savings and pension fund contributions. The gender pension gap, or the difference in retirement income that men and women receive, averages 26% across OECD countries.⁴ 	<p>Considerations for product design:</p> <ul style="list-style-type: none"> • Given that women are less likely to take on credit, how do we design a liability strategy so that we can cross-sell credit to them responsibly? • Given their risk aversion, is there a way to cross-sell insurance effectively? • Do our existing products meet the needs of women? • In what ways can our products be exclusionary? • What would be attractive product attributes to women? • Do we design a product for women or find ways of making our mainstream products more accessible? • Do we need to design lending products that consider movable collateral/cash flow-based lending? • How do we disburse loans in a way that protects women's privacy and ownership over resources?
2	<p>Price</p> 	<ul style="list-style-type: none"> • Research shows that women customers tend to be more price sensitive and that they often tend to repay loans more diligently than men. Studies suggest that a higher percentage of female clients in microfinance institutions are associated with lower portfolio risk, fewer write-offs, and fewer provisions.⁵ 	<p>Considerations for pricing:</p> <ul style="list-style-type: none"> • How should women's repayment behaviour inform our credit scoring models? • Should minimum deposit requirements be lower for savings accounts that target women? • Is bundle pricing or per transaction pricing more attractive to women from a value-for-money perspective?

<p>3</p>	<p>Promotion</p> 	<ul style="list-style-type: none"> • Research shows that women tend to want more information before making decisions about financial products.⁶ Their need for reassurance about the reliability, security and privacy of financial services pushes for a higher level of engagement to try novel ways of managing their hard-won financial resources.⁷ • Additionally, most above-the-line campaigns tend to be tailored to men despite women wanting to be represented in marketing material. 	<p>Considerations for promotion:</p> <ul style="list-style-type: none"> • What kind of marketing resonates with women? • Are we providing enough information in our marketing materials such as brochures? • Should we run awareness campaigns by partnering with industry associations and trade bodies that target women? How do we leverage the “messenger effect” to ensure behaviour is changed? • Should our branch and relationship managers actively reach out to women by finding public databases of women entrepreneurs from associations? • What kind of framing and nudges would make our marketing resonate more with women?
<p>4</p>	<p>Place (Channel)</p> 	<ul style="list-style-type: none"> • Research has found that women prefer to engage with women mobile money agents as it creates a sense of privacy. Women agents provide more information, and the practice overcomes gender norms in some societies that restrict women from engaging with men outside of their household. Research from the DRC shows that women are not only more likely to transact but also likely to transact larger amounts.⁸ • A great deal of research has also been done on the mobility challenges that women face as they are often tied to their homes doing unpaid care work or tied to their businesses that tend to be micro and small with fewer employees to manage things while they step out. 	<p>Considerations for channel:</p> <ul style="list-style-type: none"> • How do we best serve women where they are? • How do we grow female representation in our agent network and sales staff such as branch managers? • How do we amend our trading hours to be inclusive so that women are better able to reach physical infrastructure touch points at times that are convenient for them?
<p>5</p>	<p>Process</p> 	<ul style="list-style-type: none"> • Research has shown that Know Your Customer (i) requirements can often be exclusionary as women tend to have lower levels of ID ownership: in surveyed Low Income Countries, 44% of women do not have an ID (vs. 28% of men).⁹ • Credit scoring processes can be biased against women if data sources used tend to have more information on men than they do on women. 	<p>Considerations for process:</p> <ul style="list-style-type: none"> • How should our credit scoring processes take account of gender in an intentional way? • Should we partner with fintechs that leverage alternative data sources for credit scoring in order to reach women? • Should we consider biometrics in our KYC process to onboard women more easily? • Should our staff training include content on understanding and serving women to develop the gender intelligence of staff? • Should our HR processes be adapted to ensure more women are hired?

Step 2 | Designing a robust monitoring framework

Monitoring is more than collecting sex disaggregated data! Being intentional about indicator identification and robust in the application of reporting requirements ensures meaningful service to women.

Banks need to refine a set of indicators and monitor these closely and consistently to ensure a gender-responsive approach to serving women. Sex disaggregated indicators help to answer questions such as those below. And a behavioural lens can help to extract qualitative nuances that may not be captured by the quantitative data:

- Are more women taking up products with the bank? (Customer numbers)
- Are women with accounts tending to transact more? (Transaction data)
- Are women accessing finance? (Loan book, declines vs. approvals of loan, collateral sufficiency in applications)
- Are women's default rates lower than those of men and are they more attractive loan customers? (Gender disaggregated loan performance data)
- Are women taking up non-financial services/business development services and are these useful to them? (Customer numbers, feedback surveys)
- Are businesses growing or being started as a result of these non-financial services/business development services? (Feedback surveys)

Collecting the above (with the exception of feedback surveys) requires a **management information system** that needs to be programmed to collect relevant data in a timely and accurate manner. Analysis of this data should be prioritised, as should the incorporation of insights into value proposition refinement.

These insights can then be used to inform programme iteration and development, and can be included in training programmes. For example, developing the gender intelligence of staff using this data and insight can help address biases such as the perception that women are a riskier segment with higher non-performing loans.

Step 3 | Design a relevant and accessible proposition beyond financial services

Non-financial services targeting women can include advisory, education, networking opportunities and tools for digitalisation.

Research has shown that women don't get access to information and advice from their existing networks in the same way that men do.¹⁰ Many women are still not able to access or own a mobile phone due to social or cultural constraints and are only expected to engage mainly with other women.¹¹ Women also tend to be thin-file customers, lacking the necessary paperwork to apply for loans — an issue that is often more challenging for women due to the informal nature of their businesses. Education can go a long way in supporting women with digitalisation of their records. Women could also benefit from advice on how to put forward movable collateral for a loan application as they are much more likely to own this than fixed assets.¹²

Women need tailored non-financial and business development services. Behavioural science can be leveraged to identify behaviours at the individual level (conscious and subconscious) and at the community, family, cultural and political level. This approach can then identify which influences carry more weight, which are malleable and where interventions can have the most impact. This allows for the tailored selection of training, education, advisory and so on.

How can we help banks and DFI partners?

- We have experience with supporting commercial banks with value proposition design and strategy.
- We have capabilities around primary research such as conducting focus group discussions and in-depth interviews.
- We are skilled in developing monitoring frameworks with robust indicators aligned to logically formulated intentions. These foundations allow banks to leverage technology systems to support agile value proposition design and testing.

- We also have a dedicated **behaviour- and human-centred** design unit. By blending these two structured and scientific approaches, we are able to develop evidence-based products and services that are grounded in an understanding of the conscious and unconscious drivers of specific behaviour. At the same time, we can maximise likelihood of uptake of these. This enables a meaningful contribution to the financial inclusion of women on the continent.

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