Why a segmentation strategy matters for serving the women's market

Insights from Access Bank market research

Fiona Jarden and Anne Rappoldt

KIT Working Paper

2021:03

Female Headmistress - Ghana

Photo: Arne Hoel

Introduction

Financial Service Providers (FSP) are increasingly realising that needs and preferences differ across the female economy. Differences vary depending on women's age, class, ethnicity, marital status, religion, wealth, stage of business, profession, location and other socially defined characteristics and markers. These factors all influence and impact the way different women use and receive financial services.

Women are half the world's population, control a third of the world's wealth and represent the world's largest, fastest-growing market. Yet, they are chronically underserved and unserved in their access, use and benefit from financial services compared to men. One reason why women experience inequitable financial inclusion is that historically FSPs viewed women as a homogenous group and pursued 'a one size fits all approach' in design and delivery. Things, however, are changing.

Segmentation strategies are increasingly being used as a tool for banks to develop a more nuanced understanding of women's preferences and behaviours. Access Bank Plc is among those in the sector – including NatWest UK, Westpac Australia, BHD Leon Dominican Republic, and more– who have recognised the potential of the women's market and have placed a segmentation strategy at the heart of what they do.

Access Bank segments and serves the women's market through their "W" Initiative, launched in 2014 in Nigeria. The "W" Initiative seeks to offer a blend of existing banking products and services bundled to meet the present-day financial and lifestyle needs of women in identified sub-segments. Later, Access Bank extended the initiative to Ghana, Rwanda, Zambia, Mozambique, Sierra Leone and Gambia. Under the "W" Initiative, the bank prioritised three women's market segments based on key life stages (Access Bank, 2019).

Access Bank 'W' Initiative Women's Market Segments

The Young Professional	Women and Family	Women in Business
Young women between the ages of 21 and 35 who are professionally qualified and in full-time employment. They are individuals who are not engaged in any part-owned business (whether full-time or part-time). They are career-focused young women who are at the pre-family stage of their lives.	Often a mix of professionally qualified upper-middle-class to upper-class women (either married with children or not). They are often the high end of our female market with a turnover of about US$86,000[1] and above. They can either engaged in full or part-time professional employment or be engaged in running their own businesses.	Women who are managing their own micro, small or medium-sized enterprises (MSME), and who are responsible for making most of the business and financial decisions relating to their business. Women who own 50% or more of their business.[2]

In 2019, Access Bank PLC and FMO – the Dutch entrepreneurial development bank - commissioned the KIT Royal Tropical Institute (KIT) and Palladium to deliver a bundle of services to strengthen the "W" Initiative in four countries: Nigeria, Ghana, Rwanda and Zambia.[3] KIT conducted market research to identify the needs and preferences of the three "W" Initiative female market segments in Ghana, Rwanda and Zambia. For these three markets, the research applied KIT's Gender Transformative Framework for Women's Financial Inclusion – a multi-dimensional gender diagnostic tool – to provide Access Bank with a granular understanding of the segments' aspirations, behaviours, needs and preferences for financial, non-financial and digital services.

Based on the market research, this paper explores the following research questions:
1. What are the needs and preferences of specific women's market segments; and
2. How can a segmentation strategy support banks to better serve different women segments?

This paper is intended for financial institutions, donors and other practitioners interested in utilising segmentation as a tool for understanding and serving different women's market segments.
In this paper, we first discuss our methodology in Chapter 2. Chapter 3 discusses what a segmentation strategy is, why it is important and strategic to better serve the women's market, and how it can offer an approach to financial inclusion and empowerment.

Chapter 4 will present the findings from the three customer segments and reveal the unique experiences per market segment that influenced their financial needs and preferences. Chapters 5 presents our conclusion and recommendations to the sector.


Female Seed Company CEO - Zambia

Photo: CIMMYT

1. N36 Million in Nigeria, converted into USD.
2. Micro, small and medium sized enterprises are defined in line with the IFC MSME definition (IFC, 2021).
3. Access Bank recently concluded market research in Nigeria and therefore further market research in Nigeria was not included under this project.

Methodology

This paper, 'Why a Segmentation Strategy Matters for Serving the Women's Market', includes findings from market research KIT conducted with Access Bank "W" Initiative segments between 2019 – 2020. It highlights the research findings and includes KIT's institutional knowledge on segmenting the women's market to discuss how segmentation strategies support FSPs to understand and better serve different women's market segments.

To provide context, this paper starts with a desk review on what segmentation is, why it is relevant for tailoring value propositions to specific women's segments, and how it can offer an approach to financial inclusion and empowerment.

The market research KIT conducted for Access Bank was supported by both primary and secondary research. Primary data was collected through Focus Group Discussions (FGDs) and Key Informant Interviews (KIIs).

For the **FGDs**:
- KIT conducted FGDs with each customer segment. The purpose of the discussions was to understand women's aspirations, behaviours, needs and challenges in life and business and how this relates to their needs and preferences for financial, non-financial and digital products and services.
- Participants were grouped into FGDs according to the Access Bank "W" Initiative women's market segment criteria. The Women in Business segment was split into two different focus groups, with micro-entrepreneurs and small and medium-sized enterprises (SMEs) grouped separately. In addition, in Ghana, FGDs were conducted in three different locations.
- For all discussions, KIT conducted FGDs with clients and non-clients. Clients were selected from each subsidiary client list and initially invited to participate in the research via their relationship managers. With client consent, KIT researchers conducted further outreach to clients and organised the focus group discussions. Non-clients were recruited via relevant organisations working with the segments, such as the SME Ghana Awards, Rwanda Chamber of Women Entrepreneurs, Campaign for Female Education Zambia, and Restless Development Zambia and Young Women in Action Zambia.

Research activities in numbers:

- 28 focus group discussions with 118 women from the different market segments
- 15 key informant interviews with ecosystem actors
- 23 interviews with 28 Access Bank staff from various departments.

For the **KIIs:**
- KIIs were held with ecosystem actors to gather additional insights on best practices and recommendations for Access Bank in each country. **Ecosystem actors** were e.g. government officials, chamber of commerce, women network organisations, NGOs, multilateral organisations – all active in the field of supporting women's financial inclusion, entrepreneurship or women's economic empowerment.
- KIIs were conducted with **Access Bank staff** across various departments to understand the bank's current offerings, practices, challenges and ambitions.


Small Shop Owner - Rwanda

Photo: Georgina Goodwin

Segmentation

What is a segmentation strategy?

According to KIT, a *segment* is a way of referring to a person's economic role and function in society, such as a producer, worker, entrepreneur or consumer and their unique intersecting characteristics.

A *segmentation* strategy is used by FSPs to specify who their target client is in order to tailor their value propositions to that segment. FSPs commonly 'segment' the women's market by economic criteria (i.e. business turnover, number of employees) or by demographic criteria (i.e. income, age, occupation). Often, FSPs will opt to use both criteria. A third approach involves taking a 'life moments segmentation strategy', which involves segmenting and serving the women's market throughout the most important moments in the lives of women (Financial Alliance for Women, 2019).

After segmenting the market, most segmentation strategies follow a similar path. As a next step, market research can be conducted to provide a granular understanding of customers lives, motivations and aspirations. This is essential information to develop and refine customer value propositions. Additional steps include developing profiles of customer segments using findings from market and other (i.e., quantitative) research, and designing and extending financial solutions specifically for customer needs. To achieve a deeper understanding and more nuanced segmentation, profiles can also be crafted into 'personas', which help reflect important demographic and social norms characteristics that influence how women use financial services (Bin-Humam & Post, 2020). A persona is developed from a range of different sources, pulling together common characteristics of similar people into an "archetype" through which a group can be understood (CGAP, 2020).

Why segment the women's market?

1. It makes clear business sense
A segmentation strategy unlocks new market opportunities for FSPs. According to the CGAP Customer-Centric Guide (2016), the business case for pursuing a segmentation strategy is as follows. It enables FSPs to expand the customer base and increase customer awareness; increase uptake of products and services and reduce dormancy; increase customer loyalty and lifetime value; and expansion through entering a new market or launching a new product or service.

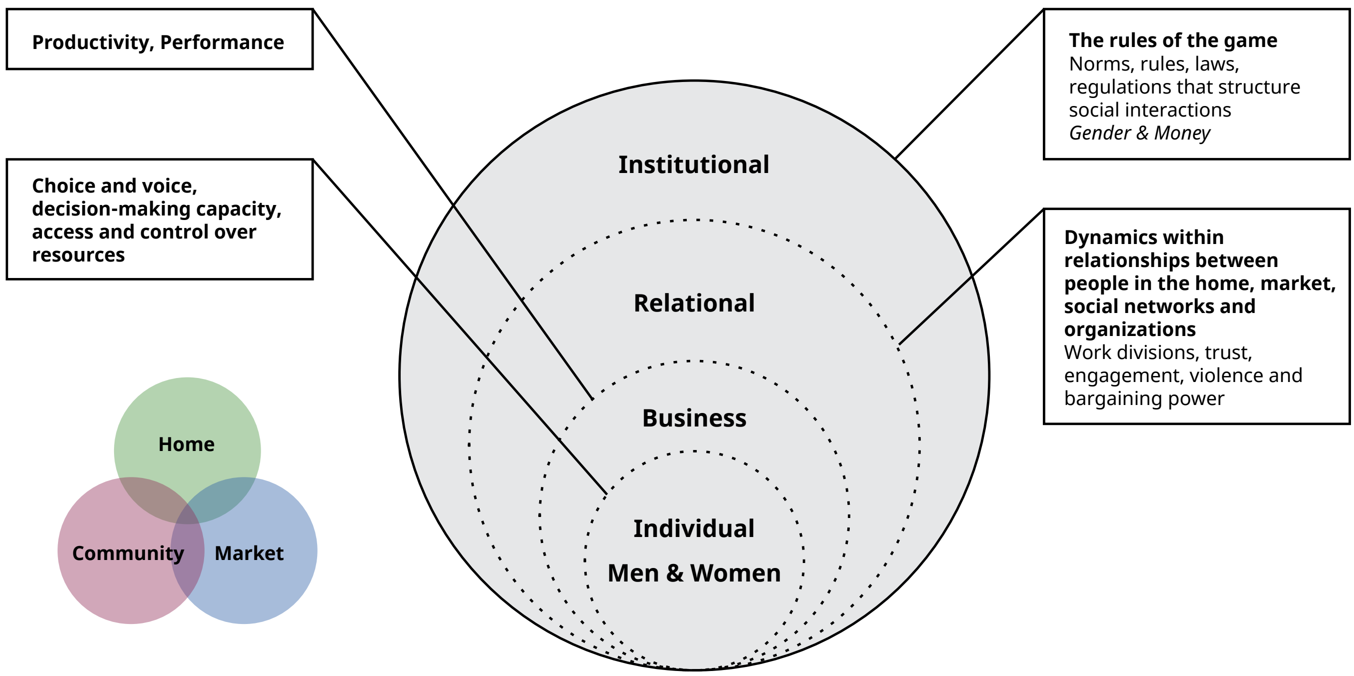
Though the CGAP Customer-Centric Guide does not have a specific gender lens, emerging research validates the business case for segmenting the women's market. For example, research by the Financial Alliance for Women concludes that women are stronger savers, more prudent borrowers, and more loyal customers than men. In 2019, the Financial Alliance for Women found through a survey of 26 member FSPs, that for the fifth consecutive year, women outpaced the market in customer, credit, and deposit growth. They also found women remain under-represented in all segments. According to Women's World Banking, a strategic shift toward customer-centric solutions for serving different segments, especially women, is essential to succeeding in a rapidly changing market. Understanding women's priorities allows FSPs to design products that serve the personal and business needs of women and provide growth for the institution (Women's World Banking, 2017). According to CGAP, organisations that create customer value see stronger sales growth, improved profits, impact on their bottom line (Coetzee, 2017). And organisations that put customers first outperform shareholder-focused companies on shareholder returns (Ellsworth, 2002).

2. Segmentation strategies support gender transformative financial inclusion
Gender-transformative approaches offer a way to address the root causes of gender inequality and unequal power relations (Wong et al. 2019). Within the realm of financial inclusion, a gender-transformative approach also aspires to create equitable financial systems that enable everyone, regardless of their gender, to overcome supply- and demand-side constraints and improve their lives and livelihoods on equal terms (Singh, 2021).

The benefits of FSPs implementing a segmentation strategy can be particularly impactful and profound for different female customers, particularly when packaged with gender-responsive product design and delivery. For example, since women are not a homogenous group, an engendered market segmentation study would reveal that different segments (e.g., youth, entrepreneurs, farmers, migrants) experience various needs and constraints in accessing, using and benefiting from financial services (Vossenberg et al. 2018). The subsequent product design and service delivery would then reflect this gender analysis, integrating those gender-specific findings to design features. FSPs who invest in developing the gender capacity of their staff (i.e., through gender training) further ensures that service delivery is gender responsive. Altogether, this would increase the likelihood of financial products and services meeting the specific needs of specific female segments.

KIT's Gender Transformative Framework for Women's Financial Inclusion encourages FSPs seeking to serve the women's market to be conscious of and integrate the following four factors into their approach.

Figure 1: KIT's Gender Transformative Framework (Vossenberg et al., 2018).



Firstly, take into account there are four levels where different women may face constraints: individual level (e.g. decision-making capacity, access and control over resources, choice and voice), business level (e.g. productivity, performance), relational level (e.g. dynamics within relationships between people in the home, market, social networks and organisations – referring to elements such as trust, engagement, bargaining power, or violence), and the institutional level (socio-cultural norms, and formal regulatory frameworks, including policies, laws and bank regulations).

Secondly, when a product or service is introduced in the market, be aware it is introduced in a wider ecosystem of rules and inequalities that have an impact on women specifically. This ecosystem encompasses more than access to markets or financial institutions, but also includes social norms that influence women's role in the family, at home, and in the community. In other words, there are rules in society about money, business, work, care work, marriage, technology, or infrastructure - many of the constraints that female customers face originate from outside the financial sector.

Thirdly, know that constraints take place on both the demand- and supply-sides.

Demand-side constraints	Supply-side constraints
Unequal bargaining power in the household & market	Inappropriate product & service offerings
Concentration in informal & micro activities	Gender blind marketing
Limited time & mobility due to care work	Inappropriate distribution channels
Lack of assets for collateral	Restrictive account opening requirements
No formal identification	Inaccessible locations
No cell phone ownership	Non-gender sensitive client engagement
Limited financial & digital literacy	Limited trust and belief in women's business success
No trust in banks	
Limited access to (business) education	
No role models	
Powerless networks	

Source: Vossenberg et al. (2018).

Fourthly, any approach must be viewed through an intersectionality lens. This means to start by acknowledging that women are not homogenous groups and many intersecting factors in a women's life influence her status and decision-making power. A woman's or a girl's status and position in society are shaped by other intersecting context-specific factors. Factors include for example her age, ethnicity, marital status, class, wealth or religion. These intersecting factors shape her unique needs and inadvertently determine if and how different women can uptake financial products and services even within the same communities.

Can segmentation by itself offer a gender-transformative approach to financial inclusion?

Segmentation, in combination with gender-responsive product design and delivery, can support gender-transformative outcomes for women's financial inclusion. However, it can only go so far. A segmentation strategy does *contribute* to change but does not and cannot in itself *transform* all systematic structures that impede different women's segments inclusion across the multiple levels and different domains of her life. Segmentation is, therefore, an enabler toward gender-transformative outcomes by acquiring a deeper understanding of the underlying causes of gender inequality (such as social norms) and how they impact women's financial inclusion. It offers a good starting point to analyse how gender works at home, in markets and in cultural and regulatory systems that shape the lives of men and women and the power relations between them. This information is critical for market actors – such as banks and regulators – to create the gender-responsive policy and service design necessary for delivering tailored solutions that may be successful in overcoming *some*, but not *all*, constraints.


Small Business Owner - Nigeria

Photo: Tristan Baylly

Case study: Access Bank

This research revealed unique experiences per market segment that influenced their financial needs and preferences. KIT has analysed the shared experiences of each segment and translated them into the following 'persona profiles'. These personas in particular highlight critical challenges and aspirations experienced by each segment.

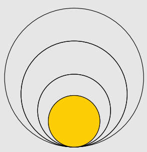
The 'Young Professional' Persona

The "W" Initiative criteria for Young Professional is a women aged 21-25, professionally qualified, career focused, in full-time employment or part-business owner.

She is ambitious and demands to be taken seriously by society and financial institutions. **She is already an entrepreneur or wants to be one**. She wants to shift away from being an employee and expresses strong desire to start her own business. She perceives employment as a temporary state before becoming a business owner. She is already **trying to mobilise funds** to start or grow a business. She is eager to **develop her capabilities as a businesswoman**, and highly values career development and business skills training. **She is planning for her future and thinks often about creating wealth**, including saving and investing.

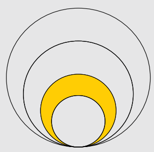
Pain Points

Individual



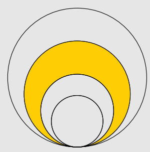
- Lack of assets for collateral, because assets are in their husband's name, they do not yet have assets, or the bank does not accept their assets as collateral
- Limited product awareness
- Lack of business skills
- Juggling a family and a business or career

Business



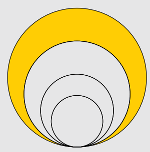
- Trapped in small business activities due to lack of capital
- Reliance on illegal money lenders

Relational



- Disrespectful treatment by society and banks and other institutions
- Low trust in banks
- Some prevalence of sexual harassment at work
- Limited professional network

Institutional



- Social norms dictate that young women should not be 'too out there'
- Social norms pressure women to choose between marriage and a career
- Restrictive bank policies include collateral requirements, lengthy loan processing times

What do Young Professionals value most from their bank and why?

1. Access to business skills training

Most young professionals have the ambition to start a business or improve their business. In support of their business vision, this segment reports a lack of business skills and overwhelmingly desire access to business skills training. They feel support from peers is not sufficient to grow because peers have a similar skill levels. **Desired training includes mentoring, information on access to markets, business plan writing, taxes, financial literacy, and bookkeeping. They also seek technical skills development in relation to their business idea i.e., photography, tailoring or design training.**

"It's not easy to start a business. Advertising, marketing, branding, outdoing the competition... we all need training on that" **– Takoradi Young professional, client**

2. Opportunities to accumulate wealth through savings and good rates

This segment was much more interested in saving for the future. This is because they are not all investing their funds in a business yet. More than any other segment, Young Professionals detest bank fees, which are viewed as draining their savings. Many have accounts at multiple banks to look for the lowest fees and best rates. **They most highly value a high-interest savings account and low or no-fee services.**

"We have account at multiple banks because we are looking for advantages from banks [such as] lower requirements [or] lower interest rates." **– Kigali Young Professional, non-client.**

3. Access to loans to start or grow a business

Many respondents were employed, though employment was perceived as a temporary state before becoming a business owner. These young professionals are trying to mobilise funds to start or grow their own business, but lack of access to a loan remains a challenge. A lack of collateral was cited as a major barrier. Factors included assets being in their husband's name, not yet having assets, or the bank not accepting their assets as collateral. Even if there is a formal agreement to share assets 50-50, they often still belong to the husband. Loan processing times were seen as inconsistent with meeting business demands. As an alternative source of capital, they rely on illegal money lenders, who have extremely high interest rates and can be aggressive. **This segment highly values loans with fast processing times and limited or alternative collateral requirements.**

"Most of the time, even if we share 50-50, we always feel that our property belongs more to our husbands." **– Kigali Young professional, non-client.**

4. To be treated respectfully as a professional

Young professionals are an ambitious, high potential segment. However, they report that age and gender-based barriers undermine their ability to do business. More than other segments, Young Professionals reported being treated disrespectfully, experiencing less status, lower salaries, and fewer opportunities. Some young professionals even mention that they experience sexual harassment at work. One respondent explained that while pitching an idea, she was told that her project would fail even if her idea was financed because she needs to prioritise getting married and starting a family. **This segment value being shown respect, having opportunities and being taken seriously as a professional by society and financial institutions.**

"Successful women are single because you are forced to choose between family and work" **– Lusaka Young Professional, non-client**

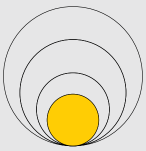
The 'Women and Family' Persona

The "W" Initiative criteria for 'Women and Family' was one who is professionally qualified, high- net income, often married with children and either a senior employee or business owner.

She **has more agency** compared to other W segments. She has an established business or career and knows how to run and operate a business. She is also family orientated, which society approves of, whilst also having elevated job and income status. She demands **the highest level of customer service** from her bank, with whom she expects regular contact. She prefers to **get her information directly from her bank**. If she has digital literacy skills, she strongly prefers online and secure services. Otherwise, she places a greater emphasis on her relationship manager to do her banking and keep her informed. In any case, **she hardly travels to the bank anymore**. She also experiences cultural gender barriers, but less than women from other segments. She can afford domestic workers and drivers, which relieves some time pressure.

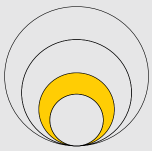
Pain Points

Individual



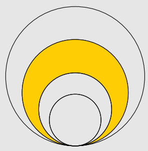
- Lack of confidence and knowledge on ways to invest
- Lack of assets for collateral, because title deeds are often not in their name
- Juggling a family and a business or career

Business



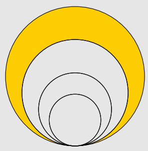
- Day-to-day business challenges, such as finding skilled labour, high costs of exporting, fluctuating exchange rates, finding packaging materials
- Competition in the market

Relational



- Concerns about safety and security of digital services
- Limited trust in banks for getting access to a facility (loans and overdraft)

Institutional



- Social norms allow for pursuing a career, as long as they take care of the family as well
- Restrictive bank policies include collateral requirements, and complex and lengthy loan processing times

Photo: Marcel Crozet/ILO

Small Business Owner - Rwanda

What do ‘Women and Family’ value most from their bank and why?

1. Highly responsive relationship managers

Compared to other “W” segments, this segment demands more from their bank, with whom they expect regular contact. They value an attentive relationship manager who responds to their banking needs. They prefer not to do on-site banking. They value mobile (home) service via their relationship manager. It is important to them to know with whom they are doing business, and therefore they like to have interactions with bank staff at various levels – including management. **They highly value personal attention through a responsive, reliable relationship manager who actively follows up with them to build and maintain the relationship.**

> ***“[I value] their customer service. You can call them any time, and they have somebody that can manage my account. I do everything through phone calls, and I can call them, and they help [find] solutions for your problems immediately.”*** **– Kigali Mass affluent family, client.**

2. Information on latest offerings and guidance on ways to invest

They want their relationship manager to provide the latest, up-to-date information on financial product offerings and investment opportunities. Being at the higher end of the female market, this segment is more interested in investment and information on the latest trend and technologies in the sector. **They value information and guidance from their relationship managers on ways to invest and grow their money.**

> ***“If you don’t have information, your business is not going well.”*** **– Kigali Mass affluent family, client.**

3. Further professionalise their business and leadership skills

This segment has the basic skills needed to run a business, such as book-keeping, accounting, developing a business plan but are interested to further professionalise and improve their management skills, leadership skills, marketing, or product developments skills. Some women face competition from men who have been active in the market for a longer period. **They are interested to further professionalise, remain competitive and grow their business and reputation in the sector.**

> ***“I want to learn to make my business more professional.”*** **– Kigali Mass affluent family, client.**

4. To be treated respectfully as a professional

This segment report an actual or perceived lack of access to a facility, which hampers their ability to cover short term business and lifestyle expenses and to capitalise on emerging business opportunities. Meeting collateral requirements was a major issue. They either did not own the asset, or the title deed was not in their name. Moreover, this segment lacks trust, confidence, and know-how to apply for a loan. More than half of all Ghanaian women interviewed either assumed they would be denied access to a facility and so did not try or were denied once and did not apply again. As an alternative, this segment actively participates in informal lending through village banking. **They value support from their relationship manager to access a facility with simplified and fast procedures, limited collateral requirements or alternatives for collateral.**

> ***“I needed money [and] the bank told me I meet the criteria. But it took 1-2 weeks, and so in the end I told them to cancel. We need the money quick.”*** **–Takoradi Women & Family, non-client**

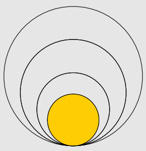
The 'Women in Business' Persona

The "W" Initiative criteria for 'Women and Business' was one who manages her own business and owns 50% or more of it, has 10-300 employees, or $100,000 – 15 million in assets or sales.

A 'Women in Business' is a self-made businesswoman **who works extremely hard** to make her business a success. She is very busy and juggles unpaid care duties alongside running her business. On average she wakes up at 5 am to do the chores, then runs her business and finishes with chores around 10 pm. She prefers to lead her business day-to-day rather than entrust it with a staff member, so she is always working. She is predominantly a trader, supplier or distributor **who transacts on a daily basis**, including taking deposits, paying suppliers, paying employees, and taking orders. She prefers financial services that are **time-saving, convenient, accessible, and fast** in order to meet her life and business needs. She is interested in training and development opportunities to **develop a market edge**.

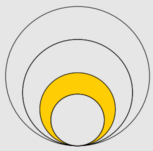
Pain Points

Individual



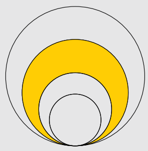
- Most time-poor of all segments, juggling family, household and business commitments
- Lack of assets for collateral
- Lack of business skills
- Lack of confidence in utilising bank services.

Business



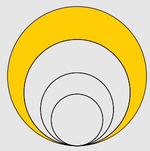
- Low level of trust in employees to run the business in their absence
- Long irregular working days
- Urgent cyclical business financing needs.

Relational



- Low trust in banks, perception that the bank is 'not for them'
- Feeling of being misunderstood, uninformed and pressured by bank staff.

Institutional



- Social norms dictate that they can run a business, as long as they take care of the family as well
- Restrictive bank policies include collateral requirements, lengthy loan approval processes, and perceived 'hidden' bank fees.

Water Seller - Ghana

Photo: Dominic Chavez

What do 'Women in Business' value most from their bank and why?

1. To feel valued and understood by her bank

Having a trusting relationship with their bank was appreciated above all else by MSMEs. They want to feel valued and understood by their bank. This segment sometimes feels misunderstood by banks and feel they are not making an effort to listen to them and try to understand their business. They want to be seen as partners based on values such as respect and trust. **They value personal attention and visits by the bank staff to make sure they understand their business, and support from relationship managers helps to develop a sense of trust.**

"When they explain things, we appreciate it, and then we can comply with them" **– Accra SME client**

2. Better communication and information on products and services

They appreciate it when bank staff spend time informing them on offerings and services. However, they often feel pressured or rushed by bank staff whilst doing their banking in the branch. While they sometimes have limited knowledge and information about products and costs involved for different services – such as account, payment, or transaction fees - they lack the confidence to raise questions or ask for clarifications. **They highly value staff that are sensitised to different communication styles of women and men, including the need to provide more information about products, services and associated bank fees and spend longer explaining loan terms and conditions.**

"We lack knowledge and information. Very few women go in the bank and make a general inquiry. There is a view that banks are only for big corporates but not for us. [...] Men have more experience and confidence. We need education and confidence boosting and hubs where we can exchange challenges and learn from each other." **- Kigali micro entrepreneurs, non-client.**

3. Fast and affordable services, including digital

MSMEs are predominantly traders, suppliers or distributors who transact daily, including taking deposits, paying suppliers, paying employees, and taking orders. They prefer products and services that accommodate their high volume of daily transactions – so services that are fast, dependable and cost-free. In addition, this segment is the most time-poor of all "W" segments. They tend to run their business alongside their family unpaid care duties and, therefore, their days are long and busy. They are highly frustrated by service delays, such as time to clear cheques/deposits, waiting times/queues in branches, mobile money service disruptions such as network issues, delays receiving ATM cards. **They appreciate time-saving solutions that help them avoid visiting the branch, including home service from their relationship managers. They highly value low-fee, accessible, convenient and fast services; and are more likely than other segments to utilise digital services.**

"I prefer loading money to my wallet because there is no charge. When I need to pay someone, I load it to their wallet." **- Kumasi micro-entrepreneur, non-client.**


Egg Seller - Rwanda

4. Access to fast, short-term loans

Most MSMEs are service providers, traders, suppliers or distributors whose very nature of doing business requires financing at key moments in the business cycle. However, they find it difficult to meet collateral requirements, which was their main constraint. Other issues included lack of guarantor, lack of literacy, issues with interpreting documentation or feeling too uninformed to make a decision. There was a perception amongst this segment that they would be denied access to a loan, and therefore they did not try. Underlying factors include having been denied in the past and lower financial literacy amongst this segment. Lengthy loan approval times were also deemed to be incompatible with their urgent, cyclical business financing needs. **They value access to short term loans or overdraft facilities, with fast and simple procedures and limited collateral requirements or alternatives for collateral.**

"Collateral should be more flexible and not that rigid. The standard they have cannot be met by small SMEs. Not everybody has assets. When somebody is applying for a loan, look at the cash flow and balance sheet." **- Lusaka SME, non-client**

5. Develop their business skills and capacity to give them a market edge.

Women in business are eager to develop their own capacities as businesswomen, in order to develop a market edge over their competitors. MSMEs reported having 'great products' but lack formal business training, which many feel limits their growth. This segment feels more isolated compared to other "W" segments, and, therefore, **values knowledge sharing opportunities that bring them together to learn from industry peers and networking opportunities. The business skills training in which they are most interested include accounting, marketing, branding, packaging, booking keeping, financial literacy, and writing business plans.**

"Information on access to markets would be helpful. Maybe it's good to diversify into other markets." **– Accra SME client**

Micro-entrepreneurs displayed some challenges, needs and preferences unique to SMEs and other segments.

1. **They experience strong competition and are often new in the business,** so they are very interested in services specifically for start-ups and eager to learn from others (peers, networking, mentors).
2. **Micro entrepreneurs have less experience from online banking services compared to SMEs**, which means that there is a lot to gain with services that already exist, given their busy schedules.
3. **This segment feels less confident about utilising bank services**. Respondents reported 'a lack of courage' to 'speak up' and 'ask more questions' whilst in the bank. They have less financial literacy than other segments. They would benefit from extra attention that can make them feel like the bank 'is for them too.'

"I've given up on seeking assistance from any bank. It's not a place for me." **- Kumasi non-client micro entrepreneur**


Women Weavers - Rwanda

Trends across segments and markets

The research revealed that women in Ghana, Rwanda and Zambia share four common experiences, regardless of their characteristics. Despite the overarching commonalities, there are distinct nuances in the challenges, needs and preferences for each segment. Therefore, simply serving women based on overarching similarities will not satisfy the needs and preferences of unique market segments.

The table below indicates four shared experiences across segments, as well as the specific nuances for the three "W" Initiative segments.

Shared experience	Young professional	Women and Family	Women in Business
Demand for loans Lack of collateral is a main and common barrier to access to loans, followed by long and complex loan approval procedures, and high interest rates.	She is mostly interested in start-up loans.	She is mostly interested in facilities (loans or overdraft) to cover short term business and lifestyle expenses, and to capitalise on emerging business opportunities.	She is mostly interested in fast and short-term loans to cover urgent, cyclical business financing needs.
Gender barriers to business and banking Lack of collateral and juggling of household and business responsibilities are common barriers.	She feels like she is not being taken seriously in a professional environment. She feels like she must choose between a successful career and marriage. She experiences issues at work such as little respect, low status, and sexual harassment.	Even though she experiences fewer cultural gender barriers than women from the other segments, lack of collateral remains an issue for access to capital. She juggles business commitments with being a homemaker and raising a family. She can afford domestic workers and drivers which relieves some time pressure.	She feels like is not being taken seriously by institutions as a businesswoman (e.g., refusing to stand up to greet, or being asking to get the director or her husband). She is most busy, time-poor, and juggles unpaid care duties alongside running her business.
What matters most goes beyond products only Across segments, women value better information and communication, relationships, trust and respect.	She wants to be treated with respect by institutions.	She highly values pro-active communication and frequent interaction with her relationship manager. She wants to know who she is doing business with and build a relationship with the bank staff – both relationship managers and the management team.	She prefers staff taking more time to explain terms and condition. She feels misunderstood and would like bank staff to make an effort to get to know them, their business, and their challenges. She wants to be seen as a partner.
Business skills development There is a strong desire to grow and learn across the segment.	She is eager to learn and interested to develop her skills to start a business (e.g., writing a business plan, networking, mentoring).	She is most interested to further professionalise the business (e.g., leadership and management skills, or advanced product development, marketing).	She is most interested in developing basic business skills (e.g., book-keeping, accounting, developing or strengthening a business plan, marketing).

Conclusion

Research question: What are the needs and preferences of specific women's market segments?

The research has revealed what "W" Initiative segments value most from their bank in Ghana, Rwanda and Zambia. The following insights offer the opportunity and entry points for Access Bank, FSPs and other actors to extend customised financial, non-financial and digital products and services for these segments.

Young Professionals value:
- Access to business skills training
- Opportunities to accumulate wealth through savings and good rates
- Access to loans to start or grow a business
- Being treated respectfully as a professional, which they feel society often does not.

Women and Family value:
- Highly responsive relationship managers
- Information on latest offerings and guidance on ways to invest
- Opportunities to further professionalise their business and leadership skills
- Access to a facility (loans and overdraft) facilitated by her relationship manager.

Women in Business value:
- Feeling valued and understood by their bank
- Better communication and information on products and services
- Fast and affordable services, including digital
- Access to fast, short-term loans
- Developing their business skills and capacity to give them a market edge.

Findings also revealed micro-entrepreneurs (a sub-segment within Women in Business) experienced challenges, barriers, and preferences unique to their sub-segment:
- With the least confidence of all segments to engage with the bank and the least awareness of products and services on offer (including digital), they require tailored attention
- They highly value peer support and connecting with other entrepreneurs.

Research question: How can a segmentation strategy support financial service providers to better serve different women segments?

This Access Bank case study reveals the power of a segmentation strategy to better serve the female economy. Segmentation enabled Access Bank to specify who their target clients are, and an engendered market study supported the bank to develop an understanding of their clients' needs.

Women are not a homogenous group, and personas developed for each "W" Initiative segment showcased how needs and preferences were influenced by their unique segment characteristics, such as age, gender, stage of business and location. The case study findings also revealed that constraints to women's financial inclusion not only originate from within the financial sector, but also at home, the community, the market and in cultural and regulatory systems that shape their lives. Taken together, these factors heavily influence and impact the way different women use and receive financial services and are critical insights for FSPs to take into account when strengthening customer value propositions.


Small Shop Owner - Ghana

Photo: WorldBank - Arne Hoel

Segmentation can be further strengthened by ensuring the application of economic and demographic segment definitions and criteria relevant to national contexts. KIT advocates the best approach is to apply criteria developed by a reputable national institution from the FSP country of origin. This will help reflect the realities of local business contexts.

A segmentation strategy alone is not the silver bullet towards financial inclusion or empowerment. While a segmentation strategy can contribute to change, it does not and cannot in itself transform all systematic structures that impede different women's segments inclusion across the multiple levels and different domains of their lives. Approaches need to be complemented with gender-responsive, customer-centric product and service design and delivery. Understanding your customers is the first step, but offerings and their delivery mechanisms need to be tailored to overcome some of the customer-specific constraints. FSPs also need to invest in increasing the gender capacity of their staff, for service delivery to be more gender-responsive. Therefore, gender-responsive service design, delivery and training are essential for strengthening the customer value proposition. In addition, data collection and analysis are needed to monitor the performance and impact of different products and services, and demonstrate the business case (e.g., in terms of client satisfaction, loyalty, cross-selling).

KEY RECOMMENDATIONS

The case study offers powerful learnings for FSPs and other actors. Based on our findings, KIT proposes the following four recommendations to those actors considering implementing or strengthening future segmentation strategies to serve the women's market:

1. **Segment the female market**, considering economic, demographic and life-cycle criteria, ideally adapted to country-specific contexts
2. **Conduct engendered market research** to understand segment-specific needs and preferences. Ensure you apply a gender framework to the research, such as the KIT Gender Transformative Framework for Women's Financial Inclusion. This will ensure all domains that affect women's financial inclusion are analysed including constraints that originate from within the financial sector, but also at home, the community, the market and in social/cultural and regulatory systems
3. **Develop a tailored customer value proposition** by translating market research findings into customer-centric, gender-responsive product and service development and delivery mechanisms
4. **Conduct gender sensitivity training** to build the gender capacity of staff to better understand and serve different female segments.

Female Business Owner - Ghana

Acknowledgements

We would especially like to thank consultants Marie Kporwodu (Ghana), Désiré Mushumba (Rwanda), and Mary Namukoko (Zambia) for coordinating and co-facilitating discussions with participating women segments. We would also like to thank Access Bank staff Matilda Asante-Asiedu (Ghana), Naa Abeka Sikafo Mettle-Nunoo (Ghana), Josephine Eva Arthur (Ghana), Charity Ahadzie (Ghana), Nadine Rutabayiro (Rwanda), Audrey Nishimwe (Rwanda), Elan Haloba (Zambia) and Veronica Chisenga Musukwa (Zambia) for providing inputs for this market study component. In addition, we would like to thank Lucia Wegner and Luz Martinez for their important contributions in the market research design. Your support is highly appreciated.

We would like to thank Bimpe Gisanrin (Access Bank Nigeria), Sandra Orgu (Access Bank Nigeria), Ifeoluwa Oluwatosin Oyeyipo (Access Bank Nigeria), Maria Vitores (KIT Royal Tropical Institute) and Nisha Singh (CGAP) for valuable comments and reviews of the paper. Lastly, we would like to thank Tristan Bayly for support in editing and lay-out formatting.

References

Access Bank (2019). About the W-Community. [online]. Available at https://thewcommunity.com/about-us/. Accessed 30.04.2021

Bin-Humam & Post, 2020. Personas Show How Social Norms Impact Women's Financial Inclusion. Available at: https://www.cgap.org/blog/personas-show-how-social-norms-impact-womens-financial-inclusion. Accessed 24.01.2021

Central Statistical Office (CSO) [Zambia], Ministry of Health (MOH) [Zambia], and ICF International. 2014. Zambia Demographic and Health Survey 2013-14. Rockville, Maryland, USA: Central Statistical Office, Ministry of Health, and ICF International

CGAP (2020). Persona and Social Norm Overlay: Design Template. Unpacking how social norms impact women's ability to interact with financial services. [online]. Available at https://www.findevgateway.org/slide-deck/2020/11/persona-and-social-norm-overlay-design-template. Accessed 24 January 2020.

Coetzee, G. 2017. Customer-Centric Guide. Executive Summary. [online]. Available at: https://customersguide.cgap.org/sites/customersguide.cgap.org/files/resource/2018/07/CGAP%20C-CGuide-FinalLowRes_Web.pdf Accessed 20.01.2021

Demirgüç-Kunt, Asli, Leora Klapper, Dorothe Singer, Saniya Ansar, and Jake Hess. 2018. The Global Findex Database 2017: Measuring Financial Inclusion and the Fintech Revolution. World Bank: Washington, DC.

Ellsworth, R. 2002. Leading with Purpose: The New Corporate Realities. Stanford, Calif. Stanford Business Books.

Financial Alliance for Women. 2019. Alliance In Brief: Life Moments. A Strategy for Serving Women Throughout Their Lives. [online] Available at: https://financialallianceforwomen.org/download/alliance-inbrief-life-moments/. Accessed 24.01.2021

Financial Alliance for Women, 2019. The Economics of Banking on Women: 2019 edition. [online] Available at: https://financialallianceforwomen.org/download/the-economics-of-banking-on-women-2019-edition/. Accessed 16.01.2020

FinEquity, 2020. FinEquity 2020 and Beyond. [online]. Available at https://www.findevgateway.org/blog/2020/11/finequity2020-and-beyond. Accessed 24.1.2021

Ghana Statistical Service (GSS), Ghana Health Service (GHS), and ICF International. 2015. Ghana Demographic and Health Survey 2014. Rockville, Maryland, USA: GSS, GHS, and ICF International.

International Finance Corporation, 2017. MSME Finance Gap Report. Assessment of the shortfalls and opportunities in financing micro, small and medium enterprises in emerging markets. Washington, D.C.

International Finance Corporation (2021). IFC's Definition of Targeted Sectors. [online]. Available at: https://www.ifc.org/wps/wcm/connect/industry_ext_content/ifc_external_corporate_site/financial+institutions/priorities/ifcs+definitions+of+targeted+sectors. Accessed 06.05.2021

National Institute of Statistics of Rwanda (NISR) [Rwanda], Ministry of Health (MOH) [Rwanda], and ICF International. 2015. Rwanda Demographic and Health Survey 2014-15. Rockville, Maryland, USA: NISR, MOH, and ICF International.

Singh, N. 2021. Gender-Transformative Solutions during the COVID era and beyond. [online] Available at https://www.findevgateway.org/blog/2021/01/gender-transformative-solutions-during-covid-era-and-beyond. Accessed 24.1.2021

Vossenberg, S., Rappoldt, A., and D'Anjou, J. 2018. Beyond Access. Exploring gender-transformative approaches to financial inclusion. KIT Royal Tropical Institute, International Development Research Centre and the MasterCard Lab for Financial Inclusion.

Women's World Banking, 2017. Customer centricity: Gather women-centric insights to drive innovative design. [online]. Available at: https://www.womensworldbanking.org/wp-content/uploads/2017/10/WWB_BestPractices_CustomerCentricity2017.pdf Accessed 20.01.2021

Wong, F., Vos, A., Pyburn, R., and Newton, J. (2019). Implementing Gender Transformative Approaches in Agriculture. A Discussion Paper for the European Commission. KIT Royal Tropical Institute and CGIAR Collaborative Platform for Gender Research.

The KIT Working Paper Series shares the results of work undertaken with development practitioners, researchers and policymakers by KIT and its partners. We welcome your feedback. Readers are encouraged to reproduce, share and quote this paper, provided acknowledgement is given to KIT.

Correct citation: Jarden, F. & Rappoldt, A. (2021). Why a segmentation strategy matters for serving the women's market. Insights from Access Bank market research. KIT Working paper series. KIT Working Paper 2021:03

For more on our work in financial inclusion visit: https://www.kit.nl/financial-inclusion/

Contact

KIT Royal Tropical Institute
P.O. Box 95001
1090 HA Amsterdam
The Netherlands

Visiting Address
Mauritskade 64
1092 AD Amsterdam
The Netherlands

www.kit.nl
info@kit.nl
T: +31 (0)20 56 88 711

Follow us on social media
100KIT
KIT Royal Tropical Institute
KIT Royal Tropical Institute

Cover Photo: Cross-border Trader - World Bank
Layout: Tristan Bayly