Scale
2Save

End Term Evaluation of the Scale2Save Programme

Abridged report
July 2022

WSBI

mastercard foundation

1.3 million more low-income women, farmers and youth are financially included on the African continent

Contents

Acronyms

Abbreviation	Meaning
ATL	Above The Line
BTL	Below The Line
BUBL	BRAC Uganda Bank Ltd
FSP	Financial Service Provider
KPOSB	Kenya Post Office Savings Bank
KYC	Know Your Customer
LBSA	Low Balance Savings Accounts
MFB	Microfinance Bank
MNO	Mobile Network Operator
NGO	Non-Governmental Organisation
S2S	Scale2Save
WSBI	World Savings and Retail Banking Institute

WSBI mastercard foundation

Introduction

The World Savings and Retail Banking Institute (WSBI) and the Mastercard Foundation engaged Genesis Analytics to conduct the end-term evaluation of the Scale2Save programme

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The purpose of the evaluation was to provide lessons learnt against key learning questions of the programme related to the supply-side. In addition, the evaluation also sought to highlight the impact as well as the likelihood of sustainability of the products developed under the programme. Learnings from the evaluation will be used to inform future efforts of increasing demand and supply for low balance savings accounts and for broader ecosystem learning.

Table 1. Evaluation questions and supply-side questions

How does the institutional model affect the ability to offer low balance savings accounts (LBSAs)?
What impact has the programme had on partner FSPs?
How has the Scale2Save programme contributed to the ecosystem?
What has been the value of partnerships in the delivery of LBSAs under the Scale2Save programme?
What is the combination of supply-side and demand-side drivers that emerge for LBSAs?
What factors impeded the ability of partner FSPs in the provision of LBSAs during the Scale2Save programme?
What factors influence the sustainability of LBSAs developed under the Scale2Save programme?

02 Overview of the Scale2Save program

While savings are key to building resilience for vulnerable individuals and households, there are often several challenges, for example a lack of trust in financial service providers or lengthy and complicated account opening processes that deter low balance savings customers[1]. Against this backdrop, in 2016, WSBI in partnership with the Mastercard Foundation began the implementation of the Scale2Save programme. The program was implemented in six countries (Uganda, Kenya, Nigeria, Morocco, and Cote D'Ivoire), where eight Financial Service Providers (FSPs) were supported to develop or improve on existing products suited to low balance savings account (LBSA) customers. WSBI provided both financial and technical support, the latter of which also included the provision of a change management coaching program which was aimed at capacitating bank staff on managing different types of change, e.g. transitioning from a credit only FSP to a deposit taking and credit offering one.

Table 2. Scale2Save FSP partners

Name of FSP	Country	Target segment
Advans	Côte d'Ivoire	Cocoa farmers
Barid Cash	Morocco	Government-to-Person payments beneficiaries
Kenya Post Office Savings Bank (KPOSB)	Kenya	Low-income customers with a focus on informal groups
LAPO MFB	Nigeria	Low-income customers with a focus on women/small traders
First City Monument Bank (FCMB)	Nigeria	Low-income customers with a focus on farmers
FINCA	Uganda	Low-income customers
Centenary Bank	Uganda	Low-income customers, youth and women
BRAC Uganda Bank Ltd (BUBL)	Uganda	Low-income customers with a focus on small-scale entrepreneurs

[1] ITAD, Savings count, Trends in access, use and the ecosystem of savings in sub-Saharan African. Available here

Performance and profitability of the products

On the whole, all the banks developed a cohort of products and services that were geared towards removing some of the barriers that have traditionally prevented low balance savings customers from accessing and utilising savings products.

The performance of each product varied across FSP and across countries. Performance was assessed on five key outcomes: number of accounts opened, outstanding deposits, average account activity rates, profitability status, and the performance of distribution channels. On the whole, none of the partner FSPs achieved or exceeded targets on all five indicators. A major observation is that while most banks exceeded the number of accounts open, activity rates often fell below set targets. This indicated that while banks were successful at incentivising customers to open up accounts, more is needed to combat the high dormancy rates observed across almost all partner FSPs. Reasons for low activity varied but some of the common cited ones include: fluctuation in disposable incomes to save, the COVID-19 pandemic and low financial and digital literacy.

Despite not meeting all outcome indicators, the majority of the products developed are currently profitable, a major success. Profitability is mainly driven by revenue from products, for example through transactional charges, or from investing activities. It is important to note however, that the profitability assessment of the product was solely based on the business case data provided by the partner FSPs.

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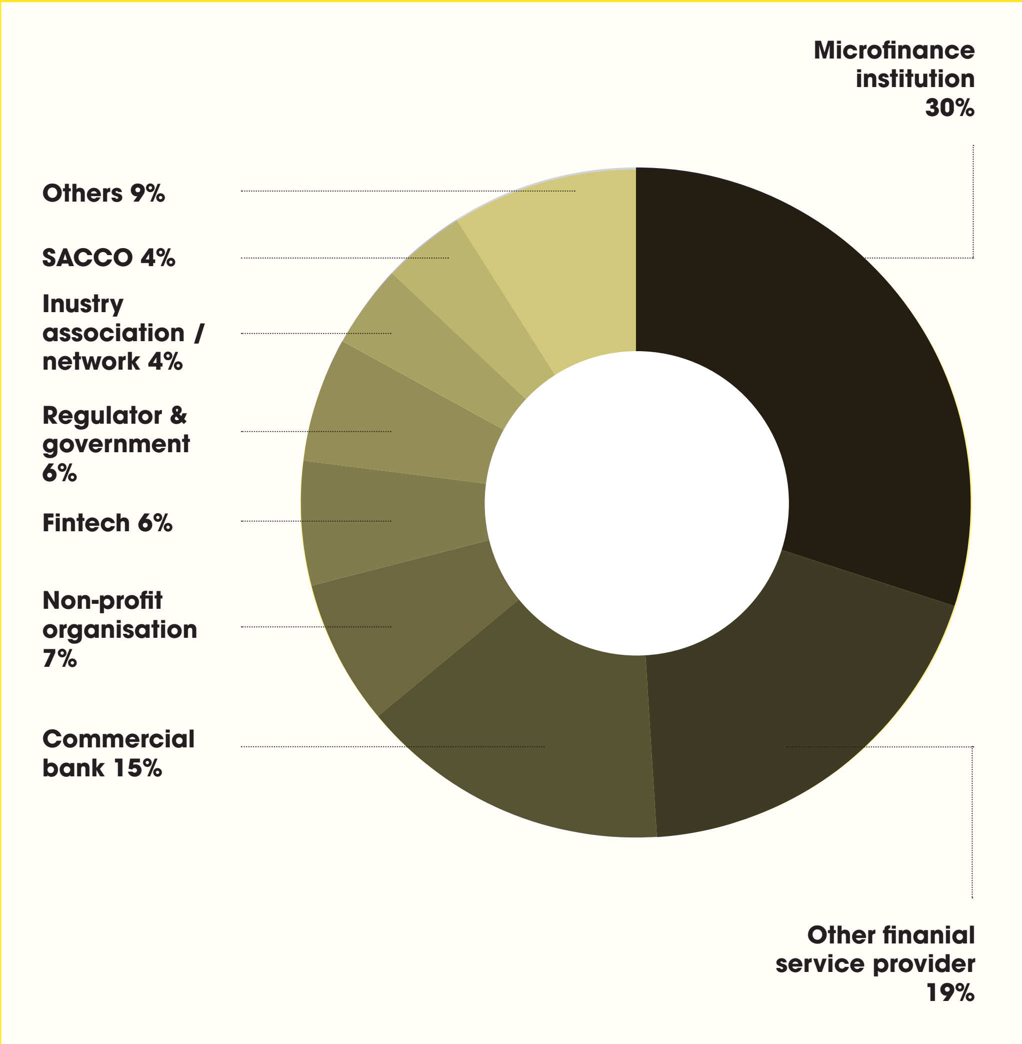
Evaluation approach and methods

The end-term evaluation of the Scale2Save programme was based on an evaluation framework that was informed by the programme's theory of change, the terms of reference (TOR) and the questions contained therein, and the programme's supply-side learning questions.

The evaluation employed a mixed methods approach relying on both secondary data and primary data collection methods. For secondary research document and data review, the evaluation relied on a range of programmatic data for example quarterly and annual reports, partner proposals to WSBI, and customer research reports inter alia. For primary data collection, the evaluation completed a total of 58 Key Informant Interviews comprising of 1) WSBI programme team, 2) The Mastercard Foundation, 3) Partner FSPs and 4) External stakeholders.

In addition to the above key data collection methods, the evaluation also attended knowledge sharing events that were held in Nigeria and Uganda with partner FSPs. Lastly, the evaluation also administered an anonymous online survey which was sent out to Scale2Save's mailing list via a mailer sent out by WSBI. The aim of the survey was to assess the impact of Scale2Save's learning products on the broader financial sector ecosystem.

Table 3: Online survey respondents by type



Limitations to data collection

There were a few non-substantial limitations faced during data collection. For example, the evaluation was unable to reach some key informants, especially third-party providers. In addition, despite the survey being sent out to over 500 receipts only about 10% of those responded. To mitigate against potential biases introduced by the above limitations, the evaluation triangulated different data sources to ensure that the data collected was consistent.

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How the institutional model affects the ability to offer LBSAs

Across all of the partner FSPs, the evaluation identified certain internal institutional factors that affected the ability of FSPs to successfully offer LBSAs.

- A **wide footprint and distribution network:** Given that the target customers are generally located in rural areas, a wide network (branches, mobile staff and agents) is important in ensuring that FSPs reach them effectively given low adoption of technology due to poor connectivity or low digital literacy

- An **existing 'social gene':** Most FSPs had a clear mandate of serving low-income, financially excluded populations. Thus, they had some knowledge of this segment and how to engage with it. Moreover, while all FSPs are working towards a viable business case, the existence of a social mandate helps to accept a certain level of loss at the beginning.

- A **flat organisational structure:** When developing new products for a new segment, it is critical for FSPs to communicate, take decisions and act effectively and timeously. A flat organisational structure is more likely to facilitate internal change processes.

- A **dedicated department**, or a **product champion** at a senior level: This helps to drive efforts within the business towards implementing new processes and developing, offering and selling new products.

- A **history and culture of credit-only FSPs:** More effort is needed to change both the internal culture within institutions, as well as the external perceptions amongst current/ potential customers to transition to a deposit taking FSP.

- The **absence of established digital systems:** Part of the delivery and improvement of savings products implies the expansion of the distribution channels, which require digital systems and solutions. FSPs lacking digital systems will require greater financial and technical support in order to upgrade their systems, in comparison to those FSPs that already have digital solutions in place.

- **Strong presence/brand in the market:** FSPs which are renowned and trusted as deposit takers are well positioned to appeal to the target customers, who value reputation and trust.

05 The impact the programme has had on partner FSPs

Overall, the evaluation found that the programme enabled partner FSPs to overcome a lack of technical capabilities as well as investment capital, which inhibited their ability to innovate, seed new product ideas, train staff in evolving client-centric business practices, or simply fuel growth. Support/inputs provided by the Scale2Save team include:

- Tailored support and solutions to FSPs based on their needs and requirements. Partner FSPs benefited from the Scale2Save team's deep expertise in the provision of digital financial services, payment channels, go-to-market strategies and knowledge of international best practices. In addition, the team demonstrated an understanding of the FSPs context related challenges. Moreover, WSBI's team linked FSPs to their network of relevant institutions and service providers.

- FSPs had the opportunity to learn from each other through in-person and virtual peer-to-peer interactions. These activities had the potential to drive knowledge and experience sharing between FSPs, allowing them to explore potential solutions to common challenges.

- WSBI offered extensive support to help FSPs design and develop quality products for their target audience. FSPs were also supported to conduct market research and develop a customer-centric approach.

- WSBI supported with the provision of financial education training, a key success factor considering FSP's target segment. As some FSPs were targeting particularly excluded populations with low education levels and little to no understanding of financial products, they had to provide adapted educational tools alongside their financial products.

- FSPs received financial and technical support to market and sell their products better. The low-income population can be tough to understand and penetrate, requiring FSPs to continuously learn how to better market their products. Some FSPs received funding to hire marketing consultants, develop marketing campaigns, recruit and train agents on the field.

- WSBI staff provided continuous support to FSPs on the development of their business case. The team helped FSPs to establish, adjust and review their business cases, with the objective of creating viable business cases to serve the target segment.

- Partner FSPs were encouraged to consolidate and diversify their registration and delivery channels to better cater to their rural areas, where they usually have fewer access points. Specifically, partner FSPs got the opportunity to develop digital onboarding tools and mobile banking applications, recruit and deploy roving agents, and expand or create agent networks.

- WSBI accompanied almost all FSPs on a change management process. This support was key as FSPs were implementing strategic changes. WSBI helped FSPs refine their strategy, conduct baseline studies, develop toolkits, and hire change management consultants. These changes also required staff buy-in to the programme, which was mostly achieved across FSPs. The impact of the change management cannot be totally assessed to date, although it is important to recognise that much progress has been made.

The combination of the above technical and financial support allowed partner FSPs to achieve a wide range of outcomes based on the programmes' objectives. The programme helped FSPs to overcome obstacles that would have been prohibitive without the Scale2Save team's constant support. Although many FSPs did not meet targets and product usage remains low (for various reasons), they have been able to make progress in a particularly difficult to reach segment.

- **Increased product uptake thanks to easier and quicker onboarding processes.** All FSPs developed digital onboarding tools which significantly reduced the length of the process, and allowed remote onboarding. Another important factor was the deployment of roving agents. Their ability to travel to the customers removed the burden on customers of travelling to a branch and built trust with a segment that usually values in-person interactions. In addition, most FSPs introduced simplified Know Your Customer (KYC) requirements.

- **Increased product usage through the diversification of delivery channels.** FSPs made an effort to integrate mobile banking, which enabled customers to transact directly using the FSPs' mobile application or through mobile money agents. In addition, they worked on the creation or expansion of agent networks as well as the recruitment of merchants accepting mobile payments. However, the agency network has had mixed performance since branches remain the preferred channel for most customers due to various factors including difficulties using mobile banking, fees associated with transacting through different channels, trust issues, the limited size of the agent network or low awareness around the availability of alternative channels.

- **Adoption of a customer-centric approach led to better service and better product design.** Customer centricity was a key component of the programme. It impacted product design and FSPs organisations to serve the customer's interest. The outcomes of the customer-centric approach are discussed below:

  - **FSPs implemented a change management process, involving staff.** Overall, most staff were receptive and have become client-centric in their thinking and customer service. Still, in some instance, FSPs encountered some level of reluctance to change and had to put more efforts into the process.

  - **A refined understanding of the target customers.** FSPs had the opportunity to conduct market research to refine their understanding of their target customers (i.e., their needs and their financial behaviours). The research was informed by two main sources: WSBI staff and their deep understanding of the low-income segment and country contexts, and direct feedback from customers. This element was even more important for some FSPs who had only recently transitioned to savings activities

  - **Dealing with the low-income segment led FSPs to identify financial education as a key success factor.** The FSPs that provided financial education and marketed the importance of savings accounts indicated deriving significant value from this activity. It helped to create a favourable image of themselves amongst the target, which led to greater product uptake and usage. Amongst these FSPs, financial education has become a commonplace component of efforts and they have reported planning to continue such efforts.

  - **Implementation of a streamlined feedback collection, analysis, and product adjustment processes.** Employees were trained on the importance of customer feedback during the change management process. Formal processes for feedback collection, reporting and escalation processes have been put in place as part of the programme, enabling

FSPs to design relevant, context-specific products that provided value to the end users. However, in some instances, these processes need adjustments and more efforts to ensure effective implementation.

- **At least some partner FSPs have recognised the value of customer feedback as well as the importance of being flexible to adjust their offering.** There are several examples of product adjustments following customer feedback, showing that some of the FSPs have learned how to adapt and adjust their product to market realities.

- **Improvement of data gathering and monitoring methods.** FSPs were requested to enter all data into a performance tracker that monitored performance of their products, distribution channels, and customers' behaviour. The performance data was also integrated into the partners' business cases. Still, there remains room for further improvement in data collection, reporting and analysis as in several instances, data was found to be inaccurate or missing.

- **Increased customer base.** The launch of new products led to an increased customer base, although activity rates remain low.

- **Increased revenues and profits.** As FSPs limited transaction fees for most transactions in order to encourage usage, non-interest income has generally been low. However, some FSPs were able to on-lend deposits at high margins. Additionally, some FSPs were able to derive revenue from bundled products, such as insurance and loans.

- **Lower reliance on external financing.** Some FSPs have been able to use the deposits to complement their borrowing, which has since decreased as a result.

The programme helped FSPs to overcome obstacles that would have been prohibitive without the Scale2Save team's constant support.

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How the Scale2Save programme has contributed to the ecosystem

One of the Scale2Save programme's key activities was the communication of learning to stakeholders in the financial services sector. As part of these activities, it was expected that the Scale2Save programme would contribute to strategy changes among WSBI members and the broader FI ecosystem, and a supportive ecosystem with a favourable regulatory environment for partner banks.

The evaluation found that WSBI took the time to build relationships with local stakeholders and disseminate emerging findings to external stakeholders, particularly those in the policymaking and ecosystem aggregator spheres, through a broad range of communication channels, including its website, social media, newsletters, learning briefs, and workshops, to disseminate learning from the programme to the ecosystem.

Furthermore, WSBI organised learning events in Nigeria and Uganda. WSBI leveraged partnerships with ecosystem players to manage the learning events. The learning events brought together non-partner FSPs and partner FSPs to share findings from the program.

The COVID-19 pandemic led to various difficulties for financial institutions, such as reduced customer savings and increased lending risk. The evaluation also found that WSBI adapted the information shared during the programme to become relevant/contextual to challenges experienced by partner FSPs brought on by COVID-19.

Overall, there is a feeling amongst the participating FSPs and the ecosystem players that the research products were comprehensive, detailed, and added to industry knowledge based on the survey results. There is also some indication that FSPs that did not participate in the programme may increasingly be aware, thanks to the research products and learning events, of both the opportunity and effective strategies of reaching low-balance savings customers due to the Scale2Save programme.

Some of the evidence that demonstrates that Scale2Save had a positive impact on the ecosystem is shown below through direct quotes from the administered survey and survey results:

"Out of the knowledge from the various seminars I attended, our organization has come up with a loan product where clients will be paying very small instalments on a daily basis"

"We had many pages of the loan application form, but after attending the Scale2Save workshop, we reduced them to a level that is beneficial to both the institution and the members. The cost of stationery is also envisaged to reduce."

"A clear indication for us is to be more intentional in understanding the needs of the target audience (preferably through primary research as data is mostly limited) to better serve them"

"We have been able to profile our customers. The scale2save program really opened our eyes to so many things we were overlooking before as an organisation. Looking forward to more of it."

Survey results

96% of respondents cited that the insight shared by Scale2Save was at least useful, and 68% said it was extremely useful. Furthermore, 94% of respondents agree that the learning shared contributed to their understanding of how to develop better financial solutions for low-income customers. It is important to note, that 64% of all the respondents were financial institutions and therefore would inherently find more value from the learnings shared by Scale2Save.

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07

The value of partnerships in the delivery of LBSAs under the Scale2Save programme

As part of the programme, FSPs partnered with Mobile Network Operators (MNOs), non-bank FSPs (NFSP), Non-Governmental Organisations (NGOs), retailers, value chain actors, and public institutions. The evaluation found that there are numerous benefits to partnering as described in the following table.

Table 4. Different types of partners and benefits for FSPs

Partner	Main benefits for the FSPs
MNOs	• Increased access for customers • Expanded delivery channels • Lower cost of scaling • Supported growth in the customer base
Insurance companies	• Improved customer value proposition of the LBSAs • Increased usage of the accounts through collection of premiums and distribution of claims
NGOs	• Helped source new clients • Helped with financial literacy and awareness building • Reduced cost of onboarding
Other FSPs (to share agent network)	• Enhance delivery channels cost effectively • Enhance access for FSP customers • Increase revenues through more transactions on an agent network
Value-chain actors (specifically in the agriculture sector)	• Value chain actors can be a source of new clients and increase outreach e.g., agriculture cooperatives can source new farmer clients for an FSP given their strong connections with farmers • Value chain actors can enhance delivery channels by being agents for FSPs
Government/public institutions	• Partnering with government can increase trust in the products as they can actively market the product for an FSP • It can accelerate account opening and deposit mobilisation (especially for government transfer recipients) • Partnering with government to digitise government service payments (e.g. utility bills) can increase revenues and improve the value proposition of LBSAs
Merchants	• Can be used as sales and servicing points therefore increasing access for FSP customers and reducing costs for the FSP (low-cost delivery) • Can be a source of deposits for the FSP i.e., through merchant transactions/collections • Are a useful partnership to increase product attractiveness and retain funds within the FSP's ecosystem i.e., customers will be less likely to withdraw cash if they can make the same payments digitally at merchants

While all these partnerships do generate benefits for the FSPs and the partners, they also come with challenges such as misaligned incentives and pricing (revenue sharing), poor digital integration due to technology and system issues, issues with communication and many other reasons further highlighted in the report.

08

The combination of supply-side and demand-side drivers that emerge for LBSAs

This section explores the combination of supply and demand side drivers that influenced the uptake and usage of the products. On the whole, to maximize their reach, partners capitalized on Product, Promotion, Price, Place, People, Process, and Physical evidence to target and reach their target customers. Customers found different elements of the marketing mix useful in encouraging them to take up the products developed and offered by the partners.

- **Product:** Across the board, partners paid special attention to develop products that: directly responded to the needs of their customers, for example, safety; removed particular barriers that have traditionally prevented access for the target customer segment, for example, cost; and that were convenient and easily accessible. Customer data confirmed that customers valued several of these aspects especially the easy onboarding process. However, while many of the FSPs embedded bundled products such as loans or insurance products, the uptake of these remains low.

- **Price:** Given that price was deemed one of the key barriers to access and use the savings products, several of the FSPs provided products with financial incentives, for example, reduced or no monthly ledger fees interest on savings.

- **Promotion:** Partners relied on a combination of Above the Line Marketing (for example, using television) as well as Below the Line Marketing (for example, roving agents) Techniques. These marketing techniques were used to educate customers on the importance of savings as well as promote the uptake and usage of the products developed. On the whole, different customer segments were influenced differently. For example, while older women were more likely to be influenced by friends and family in opening up accounts, youth were more likely to be reached by other techniques such as roving agents and social media adverts.

- **People**: People were deemed critical to the promotion and uptake of the products. As such, banks relied on internal bank staff, bank agents, and some even hired roving agents to promote and help potential customers open up their accounts. Training the personnel was critical and as such a key investment for many of the FSPs. The ability of staff to not only provide tailored services to customers but also go out and meet customers was deemed key to the success of the uptake and usage of the accounts. Customer data validated the importance of people in facilitation uptake and usage of the products. Friendly customer care and service and the trust that customers had in the bank were key drivers of uptake and usage.

- **Place:** On the whole, banks invested quite heavily in alternative channels, for example, agency banking and the use of agents, with the goal of bringing the bank and its products ‘closer’ to the people. However, a general observation was that despite banks investing in these alternative channels, uptake remains low with some customer segments for example, the elderly, preferring to continue using the traditional brick and mortar branches. Partner FSPs, however, believe that as customers get used to these alternative channels, uptake will also increase.

- **Process:** The main intention of product features such as reduced KYC account and the use of alternative channels such as agents was to make the process of accessing and using the accounts easier. On the whole, customers valued the easy account opening process and many were motivated to open up accounts as a result. However, the digital aspects of accounts remain under-utilized.

- **Physical evidence:** banks relied on providing SMS alerts, receipts, and branding, as the main physical evidence features. There was no reported customer data on this.

09

Factors that impeded the ability of partner FSPs in the provision of LBSAs during the Scale2Save programme

The Scale2Save programme and partner FSPs faced several challenges in developing and deploying LBSAs to their target segments during the programme's implementation. The challenges resulted from external factors (beyond the programme's or FSP's control) and internal factors (internal to the programme and the FSPs). These factors contributed to the delay in the programme's roll-out and activities, impacting results against targets. It is important to note that as the challenges (internal and external) persist within FSPs, they may continue to affect the partner FSP's ability to continue offering the products developed under the Scale2Save programme.

From an external perspective, the factors include the COVID-19 Pandemic; reliance on third-party suppliers for technical support/technology, restrictive national regulations; political instability; low smartphone penetration rate; poor network connectivity; lack of interoperability; low literacy and digital literacy levels; and increased competition.

From an internal perspective, the factors include high management and staff turnover within partner FSPs, FSP employee resistance to change; slow programme implementation; mispricing of some products; high training costs; and limited management capacity.

10 Factors influencing the sustainability of LBSAs developed under the Scale2Save programme

Factors supporting sustainability

The evaluation found that WSBI put in place a range of factors to influence the program's sustainability. Such factors include the change management process, taking an embedded approach to maximise the likelihood of sustainability by creating ownership and empowerment within participating FSPs. Furthermore, Scale2Save was designed to be relevant and flexible to the needs and interests of its partner FSPs. Another factor suggesting sustainability is that non-target groups use products developed under the Scale2Save program.

From an FSP standpoint, sustained funding and allocation of human resources for the Scale2Save products will rely on management support. However, FSPs have shown a vested interest in profitability and see the low-income segments they target as a source of future revenue. Hence, they invested resources to scale the Scale2Save products beyond the program's scope.

Factors detracting from sustainability

If not resolved, some challenges could threaten the sustainability of the products developed under the Scale2Save program.

The **internal factors** include lack of funding to sustain the Scale2Save products, reliance on third-party service providers, cybercrime and fraudulent activities, account dormancy, and low transaction volumes. The **external factors** include regulation and policies, poor connectivity, especially in rural areas for products targeted at the rural market, political crisis, lack of interoperability, and rising competition.

11 Lessons learnt for FSPs

Product lessons

- **Partnerships are vital in extending financial services to unbanked or underbanked segments, assisting FSPs in scaling and enhancing product value proposition.** As has been shown across the document, partnerships have an important role to play in expanding the reach and value proposition of LBSAs. From the research, customers value being able to access their accounts through multiple channels, the ability to push and pull payments between their mobile wallets and bank accounts, the additional value of insurance and value chain products. In cases where regulations restrict an FSP to for example, use agency banking, using shared agent infrastructure can overcome this challenge as was seen in the case of FINCA and Centenary Bank in Uganda.

- **Tailored financial products that meet the customer's unique needs can contribute to customer acquisition.** For example, in the case of Advans in Côte d'Ivoire, the FSP created value for farmers by matching loan repayments to the timing of the harvest and at the same time providing access to credit during the planting seasons when farmer revenues were low. This tailoring helped farmers in managing their cashflows and at the same time overcome shocks.

- **Cross-selling/bundling deposit and lending products are important to build a viable business case.** Based on the findings, banks that were able to offer microcredit in addition to the LBSAs or were able to deploy low-balance deposits into other lending products tended to be more profitable. For example, FCMB launched FastCash loans post the launch of the Easy Account. This enabled FCMB to diversify revenues from transactions case of Advans, the micro-school loan performed beyond expectation, driving account uptake, activity rates and deposit. Despite the importance of bundled products it is still important to ensure that these bundles are indeed what customers want through research-based decision-making.

- **Building a payments ecosystem in addition to offering deposit accounts helps to retain customers and drive activity rates.** In the example of Barid Cash, the FSP offered its clients the ability to make purchases from merchants and make bill payments. This in turn was highly valued by customers and led to increased transactions. Building the payments ecosystem ensures that money circulates within the FSP's ecosystem, and more revenues can be generated.

- **More emphasis can be placed on the unique needs of women.** Social norms constrain women's demand for financial services. Often women are not expected or encouraged to have financial independence. Sometimes they have mobility constraints that make it difficult to engage with financial institutions. Additionally, women have less access to technology, and with mobile phones being touted as the latest game-changer that could radicalise rates of financial inclusion, the gender gap risks increasing if women are not specifically targeted. Relatively lower financial education, when compared to men, can also limit women from gaining access to and benefitting from financial services. Utilising agents that are known and trusted by the target group and by promoting savings accounts by offering advice on how saving in a formal financial institution will ensure that money is not preyed upon by family members, or "slip through their fingers", if it is stored at home.

- **Financial literacy is important in addition to financial services.** Financial literacy has been cited as an important factor in driving account uptake and usage. Therefore, FSPs can focus on delivering financial literacy through partnerships with various development organisations or by exploring other cost-effective methods to enhance financial education e.g. partnering with NGOs and industry associations.

- **In line with best practice, customer research should become an integral part of product development (data-driven decision-making).** This will promote the customer's voice and needs to be incorporated into the design and development of products that are fit for purpose, as a proactive approach. FSPs could explore leveraging KYC data more effectively such as gender, age and location among other factors.

- **Piloting is an important process in improving product outcomes:** Pilot testing provides valuable insights into how customers feel about new products. It enables companies to promptly fix usability issues and design flaws and collect first-hand feedback on their product's performance and value to its users. This is particularly true for LAPO which refined its communication strategy during the pilot phase and also changed its insurance offering from fire insurance to health insurance.

Channel/placement/distribution lessons

- **Leveraging existing platforms to reach targeted low-balance savings customers can be particularly successful.** KPOSB demonstrated that implementing financial education through schools (with an existing partner) was particularly effective – logistical burdens were alleviated, and the youth were able to focus on the topic at hand. In addition, KPOSB was able to work with NGOs to enhance account opening and awareness-raising. Advans' partnerships with cocoa cooperatives helped the FSP to better reach the target customers and introduce their products from a trusted entity.

- **The provision of omni-channel access is important to ensure usage and activity.** Even though the low-income segment may appear homogeneous, customers live in different locations, have differing access to smart devices, have varying levels of trust and have varying levels of general and financial literacy. Still, a common trend is that the low-income segment values in-person interactions, which explains the preference for branches and the success of roving agents. Furthermore, digital channels across many FSPs are still unstable due to unreliable providers, lower network connectivity and therefore it is critical that customers can access their funds and transact using multiple channels such as branches and agents.

- **Agents (including roving agents) are important for account opening and customer servicing in hard-to-reach areas.** While this might be an apparent finding, its importance cannot be understated as many small FSPs struggle to acquire customers with their limited branch networks. Agents provide a cost-effective channel for opening accounts, teaching customers how to use products, building trust and allowing customers to transact among other benefits.

Promotion lessons

- **Focusing on customer activity in addition to customer acquisition is important to ensure sustainability.** From the evaluation, low activity rates were a common phenomenon across the FSPs. Since unused savings accounts do not generate revenues for the FSPs, it is key to encourage charged transactions. Future efforts around boosting customer activity rates e.g., loyalty schemes, rewards, marketing campaigns and other mechanisms could be deployed.

- **Below the line marketing is important in driving uptake and usage.** In several cases, it was noted that COVID-19 led to reduced physical customer activation events which in turn led to lower numbers of accounts opened. Therefore, this is an important indicator that these events are important in opening accounts and also driving activity.

- **Future promotional activities, banks may need to take into account the types of promotional materials and avenues that are most likely to reach specific target customers.** As seen from the data above, while young people were more likely to be influenced by ATL marketing strategies including social media, older women were more likely to be influenced by close friends and family. To ensure reach, intentionality should be paid to these nuances.

- **Security, convenience, and easy access to cash should be actively marketed by FSPs as these were identified as value drivers for customers.** Scale2Save's projects are addressing customers' concerns about the security of their funds through digitising savings groups' funds. Advans product, for example, digitalises payment from cooperatives to farmers, ensuring less physical money is put at risk. Scale2Save partners are also ensuring convenience through agent networks (both roving and stationary) and digitisation, and easy access to funds through agents equipped to provide cash-in and cash-out services.

Scale2Save's projects are addressing customers' concerns about the security of their funds through digitising savings groups' funds

Pricing lessons

- **Behaviourally, tailored pricing is important in driving channel usage and helping FSPs lower costs.** As observed in several instances, clients tended to transact at branches despite the availability of agents. This was primarily driven by transactions in the branches being free and agents charging for transactions. Optimising pricing across channels to ensure uptake of digital or less costly channels for the bank would likely lead to better financial outcomes for the FSPs.

Physical evidence lessons

- **Physical evidence and people in the marketing mix are important in overcoming trust issues that customers face.** Lack of trust remains an issue amongst some customers, therefore the use of SMSs to confirm transactions, the use of roving agents, branding and signage, deposit slips and other items are important to increasing trust and usage of products. For example, in the case of FCMB and Centenary Bank, the brands of the bank increased trust across the target segments. In Côte d'Ivoire, the MFI sector has been poorly regulated which led to some abuse; Advans had to work harder than MFIs in other markets to gain the trust of farmers.

People/organisational structure lessons

- **Senior leadership buy-in and a social organisational gene is a key driver for success.** As discussed earlier in the report, FSPs that had a social mandate and an interest in financial inclusion indicated that they would continue offering the product and also saw the long-term benefits of serving low-income and underpenetrated segments.

- **Dedicated product/department champions are essential in ensuring the implementation and success of the products developed.** A product champion is a person who takes an excessive interest in seeing that a particular process or product is fully developed and marketed.[2] They can create ownership and implement key actions. For instance, in Nigeria, FCMB leveraged product champions during its change management process to permeate the importance of financial inclusion and low-savings accounts products across the bank.

[2] The American Marketing Association - Available here

Lessons learnt for implementers

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- Financial education and literacy is key to driving uptake and should be included in the implementation and design of low balance savings products.

- Partnering with financial institutions that have similar objectives, including an inherent 'social' gene, contributes to the successful achievement of outcomes.

- Sufficient time and resources committed for piloting with each FSP are key factors. In the case of the Scale2Save programme, a pilot with each FSP enabled WSBI to co-create the products and services, understand successes and challenges and develop fit for purpose products.

- Strong and regular engagement with national policy stakeholders in the design and implementation of a programme is likely to strengthen the potential for market systems change. WSBI's engagements particularly in Nigeria and Uganda are expected to influence national financial inclusion policies. Additionally, partnering with local development agencies and other implementers such as the Financial Sector Deepening (FSD) Network and national development agencies for learning events, and FSP support could reduce duplication of efforts where possible.

- Lessons could have been shared more widely across FSP subsidiaries to replicate successes and achieve great ecosystem impact. Future programmes can influence ecosystem impact at not only the distinct countries of partner FSPs, but also across other countries given that some of the partner FSPs are part of larger bank networks/subsidiaries of Pan-African banks that operate in more than one country in sub-Saharan Africa.

- Streamlining the reporting process could reduce the administrative effort required of FSPs: FSPs mentioned that the reporting processes are cumbersome and tedious compared to similar programmes. Simplicity makes reporting easier to execute, with fewer steps required to achieve the same result. WSBI can adopt automated/digital channels to collect monitoring data from FSPs instead of manually collected documents or spreadsheets. The use of the PowerBI tool was a good example of such automation in displaying results.

- Flexibility during the programme: The evaluation found that WSBI adapted programme management to the situation and needs of the FSPs – an improvement from the mid-term evaluation. For instance, WSBI extended the project timeline due to the impact of the pandemic on programme implementation.

- Technical assistance (including change management support) are equally if not more important to financial support. As discussed in several instances, technical assistance is highly valued by FSPs and important to achieving intended results. Institutions that are undergoing business and operating model transitions need a lot of training, culture and change management support. Financial support alone in many cases is not sufficient to achieve results. Therefore, future programmes should aim to provide both aspects.

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Lessons learnt for donors

Donors still have a role to play in driving the roll-out of LBSAs. The difficult business case for LBSAs still acts as a barrier for commercial banks and FSPs entering this market. As such, the private sector still requires an external 'push' for example, through the support of donors/policy makers, in order to serve the low-income market with formal savings products. As a result, donor organisations will continue to play an important role in driving the low-balance savings agenda until such time that the evidence base is built, but should reflect carefully in what ways. The role of such organisations entails either building on LBSAs' evidence base that supports the correlation between LBSAs and developmental outcomes in order to influence policy, or subsidising banks until such time as the business case is proven in order to create a private sector shift.

Policymakers play an important role in consolidating and sharing best practices and are an important partner. Much can be learned from the experiences of FSPs that have already been active in LBSAs. Their successes, but also their setbacks and failures, can be used to develop best practices and to understand the circumstances leading to a strong business case. Practitioners highlighted the value of reciprocal information sharing; many were interested in hearing about other practitioners' products and responses to challenges, such as marketing in schools.

Information and knowledge dissemination needs to be carefully considered and take into account the variety of audiences, in particular, the audiences in developing countries – both practitioners and policy makers. A rigorous upfront stakeholder mapping exercise determining the audiences' information needs will help to inform the research objectives, information dissemination channels and packaging. Importantly, stakeholders are interested in a variety of information and research products, such as design and implementation learnings, and do not need to wait until the final 'academically sound' reports are finalised. Early and frequent information serves to engage the stakeholders in the discussions, building momentum that will hopefully be sustained after a particular intervention. Therefore, it is important that donors continue to work with policymakers for the following reasons:

- To influence financial inclusion policies
- To ensure learnings are disseminated
- To ensure that future programmes take into account national financial inclusion policies

Donors can better incorporate the mainstreaming of gender through their programming. This can be achieved through the following:

- At a strategic level, the programme should consider gender throughout its strategy and not just at the activity or output levels. Gender outcomes should be clearly articulated in the programme's vision, incorporated throughout the programme's theory of change and results management framework, and worked down into all aspects of the programme design.

- FSPs should be encouraged to collect gender-disaggregated data, not merely as a tick-box exercise, but rather should encourage FSPs to make use of the data. Programming should therefore focus on building the business case for using gender-disaggregated data. This could include capacity building/TA or research such as market sizing and opportunity analysis for female customers, encouraging providers to make use of their data to tap into latent opportunities, or using the data to show providers where women are desirable clients to attract. In addition, as programming matures to specific DFS use cases, there is scope for the programme to focus on use cases and sectors that are known to have a livelihood impact on women in particular, such as digital education and healthcare payments.

Donors have an active role in lobbying regulators to ease regulations to scale innovative products and to lower costs of data/internet, reduce taxes and improve national identification systems. These factors can greatly inhibit the impact of financial inclusion programmes and therefore donors should aim to support the development of these infrastructure related issues to ensure greater impact.

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Annexes

About the World Savings and Retail Banking Institute

Founded in 1924, WSBI is an international banking association committed to help savings and retail banks thrive. To do this, it represents the interests of 6,760 banks on all continents. As a worldwide organization, WSBI focuses on international regulatory issues that affect the savings and retail banking industry. It supports the aims of the G20 in achieving sustainable, inclusive, and balanced growth, and job creation, whether in industrialized or less developed countries. Supporting a diversified range of financial services to meet customer need, WSBI favours an inclusive form of globalisation that is just and fair. It supports international efforts to advance financial access and financial usage for everyone.

The association has members in some 80 countries in the Americas, Africa, Asia, and Europe. These members are either individual financial institutions or associations of retail banks. All members share three features: they are active in the retail banking segment, have a strong regional presence and show a responsible attitude towards business and society. The total assets of all member banks amount to more than $16,000 billion, non-bank deposits to nearly US$9,000 billion. Serving some 1.7 billion customers, WSBI members are committed to further unleash the promise of sustainable, responsible 21stcentury banking. Learn more at www.wsbi-esbg.org on Twitter at @wsbi_esbg.

WSBI and financial inclusion: A brief history
WSBI's financial inclusion journey dates back to 1924 with the inauguration of the first World Savings Day and has continued over the decades. In 2003 WSBI published research that revealed an estimated 1.4 billion low-cost/low-balance savings accounts worldwide, of which 1.1 billion accounts were managed by WSBI's member banks. Following further research, the institute launched its programme "WSBI Doubling Savings Accounts" in 2008 and concluded it successfully in 2016. Building on extensive learning, WSBI has now set out on its next stage in the journey through the Scale2Save programme.

About the Mastercard Foundation

The Mastercard Foundation seeks a world where everyone can learn and prosper. The Foundation's work is guided by its mission to advance learning and promote financial inclusion for people living in poverty. One of the largest foundations in the world, it works almost exclusively in Africa. It was created in 2006 by Mastercard International and operates independently under the governance of its own Board of Directors. The Foundation has offices in Toronto, Canada and in Kigali, Rwanda. Visit www.mastercardfdn.org for more information and to sign up for the Foundation's newsletter. Follow the Foundation at @MastercardFdn on Twitter.

About Genesis Analytics

Founded in 1998, Genesis is an African advisory firm with global reach. Headquartered in South Africa, we have established offices in Kenya, Nigeria, UK and Côte d'Ivoire, with additional representatives in Ethiopia and Zimbabwe, and support projects across Anglophone and Francophone Africa. We have worked in 90 countries, including 42 countries in Africa.

We have expertise in behavioural sciences; competition economics and regulation; climate finance; the digital economy and regulation; economic impact assessment; financial services strategy; human development; monitoring, evaluation and learning; public health and financing; shared value and corporate impact; and youth employment. Some of our best work has been through combining our complementary areas of expertise to find fresh solutions.

This study was led by our Evaluation for Development (E4D) and Financial Services Strategy (FSS) teams. E4D works to maximise the social and economic impact of development efforts. As a trusted provider of monitoring, evaluation and learning (MEL) services we combine our deeply rooted understanding of the African context with our extensive experience in qualitative and quantitative monitoring and evaluation (M&E) methods to assess progress, measure value creation, and facilitate internal and external learning. Our FSS team works with leading financial institutions to address their challenges, unlock value for their stakeholders and shape the future of the industry. Our team understands the evolving technology and market structures, economics and regulatory trends across all segments of the financial services sector. Our distinct approach is characterised by deep specialisation and rigorous analysis based on a strong economics foundation.

www.wsbi-esbg.org/scale2save

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