Consumer Behaviors in Senegal
Analysis and Findings

May 2016
Mobile Money for the Poor - Senegal

- UNCDF, Finance Inclusive et Développement local
- Mobile Money for the Poor
  - Augmenter l’accès au services financiers via l’utilisation de technologie et agents
  - Programme démarré en mars 2012, Lancement au Sénégal en Avril 2015
- Programmes en Ouganda, au Malawi, au Libéria, en Zambie, au Laos, au Népal, au Sénégal et au Bénin
- Plusieurs donateurs, Programme Global (UNCDF, Sida, AusAID, Fondation Gates, Fondation MasterCard)
- Aligné avec les initiatives de UNDP et UNCDF dans les Pays les Moins Avancés (PMA), travaille de manière étroite avec les programmes conjoints UNCDF/UNDP de Finance Inclusive
Methodology
This report relies on data collected through mixed methods, both quantitative and qualitative.

**Quantitative survey conducted from 10/2015 to 2/2016 on a nationally representative sample of Senegalese adults aged 15+ (N=2,845)**

- Face-to-face interviews lasting, on average, 70 minutes using computer assisted data collection device
- The survey revolved around the following topics:
  - Basic demographics and poverty measurement (Grameen Progress Out of Poverty Index)
  - Access/use of mobile devices
  - Access/use of mobile money
  - Access/use of formal financial services (e.g., bank accounts)
  - Access/use of semi-formal and informal financial services (e.g., MFIs, cooperatives, village savings groups)
  - Financial literacy, numeracy** and preparedness
  - General financial behaviors and interests

**Qualitative study conducted through:**

Focus groups in Dakar and Kaolack (four groups each location, 6 to 8 participants each) and including:
- New DFS account holders
- Prospective DFS account holders
- OTC users
- Mixed gender and female-only groups

In-depth interviews: Dakar and Kaolack
- Two locations (16 per location)
- Types of consumers included:
  - New account holders
  - Prospective account holders
  - OTC users
  - Both genders

The study revolved around the following topics:
- Customer Adoption
- Gender-based Challenges
- OTC usage
Glossary

- **Access** – Access to a bank, NBFI or mobile money account; those with access have used the services either via their own account or via the account of another person.
- **Active account ownership** – A person has their own account, in their name, and has used it in the past 90 days.
- **Active account use** – A person has used an account in the past 90 days, even if they do not have an account in their name.
- **DFS access** – Access to a DFS account through one’s own account or someone else’s account.
- **Below the poverty line** – In this particular study, adults living on less than $2.50 per day, as classified by the Grameen PPI.
- **Cooperative** – Typically, a business or other professional organization that is owned and run jointly by its members, who share the profits or benefits. Cooperatives can release some of the profits/funds as loans to its members.
- **Credit-only nonbank financial institution** – A financial institution that only disperses loans to its customers.
- **Digital financial services (DFS)** – Financial services that are provided through an electronic platform (mobile phones, electronic cards, the internet, etc.).
- **Formal financial services** – Financial services that are regulated by a governing body.
- **Full-service nonbank financial institution** – Financial institution that offers its customers at least one of the following services: savings, money transfers, insurance or investment.
- **Grameen Progress out of Poverty Index (PPI)** – A poverty measurement tool from the Grameen Foundation wherein a set of country-specific questions are used to compute the likelihood that a household is living below the poverty line.
- **Informal financial services** – Financial services that are not regulated by any governing body.
- **Literacy** – Capacity to write, read and understand basic texts.
- **Microfinance institution (MFI)** – An organization that offers financial services to low-income populations. Almost all give loans to their members, and many offer insurance, deposit and other services.
- **Mobile money (MM)** – A service in which a mobile phone is used to access financial services.
- **Nonbank financial institution (NBFI)** – A financial organization that is not formally licensed as a bank or a mobile money provider, but whose activities are regulated by the central bank or another regulatory body within the respective country. Such financial institutions may include microfinance institutions (MFI), cooperatives, Post Office Savings Banks and village level semi-formal savings groups.
- **Numeracy** – Capacity to perform basic numeric operations.
- **OTC/Over the Counter money transfer services** – Third party money transfer services that do not require a registered financial account to complete the transaction. Instead, consumers use an agent directly to transfer money from one place to another.
- **Post Office Savings Bank** – A government-run bank that operates through local post offices.
- **SACCO** – Savings and credit cooperative which are user-owned financial intermediaries. Members typically have a common bond based upon geographic area, employer, community or other affiliation.
- **Unregistered user** – An individual who has ever used a bank, NBFI or mobile money service without a registered account of their own, including a mobile money agent’s account or the account of a family member or neighbor. This primarily refers to unregistered use of mobile money services.
- **Urban/rural** – Urban and rural persons are defined according to their residence in urban or rural areas as prescribed by the national bureau of statistics.
- **Village-level, semi-formal savings group** – A savings group, often tied to initial or ongoing support from an NGO, that requires members to regularly contribute to a group-managed fund and disburses loans based on pre-determined requirements and loan terms.
Structure of the report

A bird-eye view of Senegal financial landscape

Awareness is not Adoption

(Almost) ready

The Way Ahead

Desires and aspirations

The Role of Social Networks
Executive Summary
**Key Findings**

- Senegal features a broad and diverse financial landscape, in which people tend to use a combination of different financial institutions, both formal and informal, digital and nondigital.
  - The market is led by four digital financial providers; Wari, Joni Joni, (OTC), and Orange and Tigo, (MNOs)
  - Usage of DFS is growing: Over half of the surveyed sample (55%) has actively used a digital financial product. Most of them have used OTC Wari or Joni Joni.
  - New DFS users are primarily mobile money users. In general, it is mostly mobile money (and OTC) that are associated with digital financial services. Banks are not associated with digital financial services EVEN IF the consumer has an ATM card/Mobile access to the account.
  - Awareness of DFS is high but this does not necessarily translate in higher adoption, particularly in the case of mobile money.

- Social networks, including family and friends, are crucial to fulfil financial needs, allowing borrowing for basic consumption and trusted advice.

- The profile of the formally financially included Senegalese emerging from the findings is highly educated, urban and employed.

- Current users do include individuals below the poverty line, though not to the same extent as those above the poverty line.
Recommendations

- Circumventing barriers will require sensitivity toward one’s life factors and aspirations
  - Interactions with DFS will have to consider low-education and literacy levels for building comfort and confidence in consumers. Simply put, if consumers can’t understand the process, they won’t partake in it.
  - What consumers currently know is not enough to prompt them to use DFS. They need more and new information that shows why a financial mechanism is relevant to them.
  - Consumers have a number of financial priorities that offer opportunity for recruitment and retention efforts. For instance, home building/improving, paying school fees, and even saving for future endeavors are important, and therefore can potentially pair with DFS to improve relevance of financial mechanisms for consumers.

- The lack of financially included leaves a wide open market, with sizable target audiences for uptake
  - Even with limits on literacy, there is substantial readiness in the population. The focus then becomes activating existing readiness, pairing it with a need or pain-point to bring in DFS users.
  - Senegal has a population of 15,129,000 (source: UN, 2015). 19.6% are under 25, and 27.5 are between 25 and 49. Most do not have a financial accounts. The preponderance of youth who are not yet financially included suggest appealing lifetime value in targeting the rising generation.
Opportunities & barriers

There are a number of factors in place for greater DFS uptake

- Two-thirds of the population (66.2%) live within 5KM of a mobile money, banking agent or a store or kiosk with over the counter services
- 72% of the population own a mobile phone, a key tool for DFS
- Almost 60% have experience using SMS, also a critical component for DFS uptake. This lags other countries, but still surpasses existing DFS usage
- Most of the population is numerate (97%) and has the required ID to open an account (95%).
- Mobile money is a known concept for 80% of the consumers
- There is keen interest in various financial services, including savings and payments products

Barriers pertain more to education, literacy, and, comfort with either informal or OTC financial mechanisms

- The population is largely uneducated, or hasn’t surpassed primary school. Only 29% have made it through or beyond secondary school
- Just over one-third (35%) are literate
- Existing efforts on behalf of mobile money providers have not imparted enough meaningful information to convert awareness to usage. Most of DFS is through a third-party mobile money provider (OTC). Very few have their own financial account. Just over half (52%) have used OTC services, and, 42% have used them without having an account. Far fewer have formal financial accounts (15%), and 11% have their own digital financial accounts.
- OTC offers a digital financial option to consumers, potentially diminishing the need for a full-service account. Similarly, there is usage and comfort with informal. Inertia is a strong force in perpetuating existing consumer behaviors even if there are better options for a consumer
- Rural areas tend to severely lag the population overall and will require more targeted attention
A bird-eye view of Senegal financial landscape
85% of Senegalese adults are financially excluded despite recent advances in financial inclusion

FINANCIALLY EXCLUDED SENEGALESE

85%

*For emphasis: financial inclusion only includes having an account in your own name. Does not take into consideration usage of digital financial services without an account.

Source: InterMedia Senegal Financial Inclusion Insights for MM4P, October 2015-February 2016 (N=2,845, 15+).
15% of Senegal adults are financially included

How are they included?

- 5% have a full-service NBFI account
- 8% have a full-service bank account
- 11% are digitally financially included
- 8% have a mobile money account

The different segments of financially included Senegalese can overlap. The same customer may have several accounts with different financial institutions (therefore excluding OTC users).
This rate is lower than in other African and South Asian countries

<table>
<thead>
<tr>
<th></th>
<th>Kenya</th>
<th>India</th>
<th>Tanzania</th>
<th>Bangladesh</th>
<th>Uganda</th>
<th>Nigeria</th>
<th>Indonesia</th>
<th>Benin</th>
<th>Senegal</th>
<th>Pakistan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial inclusion</td>
<td>69%</td>
<td>65%</td>
<td>62%</td>
<td>43%</td>
<td>39%</td>
<td>37%</td>
<td>24%</td>
<td>20%</td>
<td>15%</td>
<td>9%</td>
</tr>
<tr>
<td>Mobile money ownership</td>
<td>67%</td>
<td>65%</td>
<td>61%</td>
<td>9%</td>
<td>35%</td>
<td>1%</td>
<td>24%</td>
<td>9%</td>
<td>8%</td>
<td>1%</td>
</tr>
<tr>
<td>Full service NBFI ownership</td>
<td>11%</td>
<td>9%</td>
<td>1%</td>
<td>24%</td>
<td>6%</td>
<td>3%</td>
<td>3%</td>
<td>9%</td>
<td>4%</td>
<td>1%</td>
</tr>
<tr>
<td>Full service bank ownership</td>
<td>27%</td>
<td>63%</td>
<td>8%</td>
<td>19%</td>
<td>11%</td>
<td>37%</td>
<td>23%</td>
<td>8%</td>
<td>7%</td>
<td>7%</td>
</tr>
</tbody>
</table>

* Nigeria, Tanzania, Kenya, Indonesia, Uganda, Pakistan, India and Bangladesh statistics come from 2015 Financial Inclusion Insights survey data.

Source: InterMedia Senegal Financial Inclusion Insights for MM4P, October 2015-February 2016 (N=2,845, 15+).

• Shared market distinguishes Senegal from other FII countries
Inequalities along gender and urban/rural divide are significant

**Breakdown by gender**

FINANCIALLY EXCLUDED MEN

FINANCIAL EXCLUDED MEN: 79%

FINANCIALLY EXCLUDED WOMEN

FINANCIAL EXCLUDED WOMEN: 90%

**Breakdown by locality**

FINANCIALLY EXCLUDED URBAN POPULATION

FINANCIAL EXCLUDED URBAN POPULATION: 78%

FINANCIALLY EXCLUDED RURAL POPULATION

FINANCIAL EXCLUDED RURAL POPULATION: 91%

Source: InterMedia Senegal Financial Inclusion Insights for MM4P, October 2015-February 2016 (N=2,845, 15+).
The most financially included Senegalese are between aged 25 and 44.

**Financial inclusion by demographics**

(Shown: Percentage of adults, by demographic group)

Source: InterMedia Senegal Financial Inclusion Insights for MM4P, October 2015-February 2016 (N=2,845, 15+).
It also varies substantially across regions of Senegal, with the capital Dakar and Ziguinchor being the most financially included areas of the country.

<table>
<thead>
<tr>
<th>Region</th>
<th>%</th>
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<tbody>
<tr>
<td>Dakar</td>
<td>30%</td>
</tr>
<tr>
<td>Ziguinchor</td>
<td>21%</td>
</tr>
<tr>
<td>Thies</td>
<td>18%</td>
</tr>
<tr>
<td>Saint-Louis</td>
<td>14%</td>
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<tr>
<td>Kaffrine</td>
<td>13%</td>
</tr>
<tr>
<td>Kedougou</td>
<td>13%</td>
</tr>
<tr>
<td>Kolda</td>
<td>12%</td>
</tr>
<tr>
<td>Diourbel</td>
<td>8%</td>
</tr>
<tr>
<td>Kaolack</td>
<td>6%</td>
</tr>
<tr>
<td>Sedhiou</td>
<td>6%</td>
</tr>
<tr>
<td>Fatick</td>
<td>6%</td>
</tr>
<tr>
<td>Louga</td>
<td>4%</td>
</tr>
<tr>
<td>Matam</td>
<td>4%</td>
</tr>
<tr>
<td>Tambacounda</td>
<td>3%</td>
</tr>
</tbody>
</table>

Source: InterMedia Senegal Financial Inclusion Insights for MM4P, October 2015-February 2016 (N=2,845, 15+).
The Senegal financial landscape features a great variety of formal/informal and digital/non-digital financial services.

- **Banks**
- **Mobile Networks Operators/Mobile Money**
- **Non-banking Financial Institutions**
- **Third Party Providers/OTC Providers (mainly: Wari, Joni Joni, Money Express)**
- **Other Financial Services**
Over half of the adults have used formal financial services; informal use is limited

Financial services use
(Shown: Percentage of Senegalese adults, n=2,845)

44% Have not used formal financial services
56% Have used formal financial services (full service bank, NBFI, MM, OTC)

11% of Senegalese adults use both formal and informal services

at least 6% only use informal financial services

Those who only use informal services to fulfill their financial needs are predominantly married women under 35, living in rural areas and above poverty line (2.50 USD a day) and with primary education or less.

Source: InterMedia Senegal Financial Inclusion Insights for MM4P, October 2015-February 2016 (N=2,845, 15+).
Most formal financial service use is digital, through either MNO or Third Party Providers

**Digital users of financial services**
(Shown: Percentage of Senegalese adults, n=2,845)

- 1% Have not used digital financial services*
- 55%** Have used digital financial services
  [50% used in the past 90 days**]
- 11% Have a DFS account registered in their name

* Meaning, used bank and/or NBFI accounts that do not offer digital access

** Overlap between full-service financial and digital financial accounts and using OTC services

Source: InterMedia Senegal Financial Inclusion Insights for MM4P, October 2015-February 2016 (N=2,845, 15+).
Access to formal finance varies along the gender and urban/rural divide; geographic causes a bigger gap than gender

Breakdown by gender

MEN WHO HAVE USED FORMAL FINANCIAL SERVICES

59%

WOMEN WHO HAVE USED FORMAL FINANCIAL SERVICES

53%

Breakdown by locality

URBAN POPULATIONS WHO HAVE USED FORMAL FINANCIAL SERVICES

67%

RURAL POPULATIONS WHO HAVE USED FORMAL FINANCIAL SERVICES

46%
Adults between 25 and 44 are more likely to have used formal financial services

**Usage of formal financial services**
(Shown: Percentage of Senegalese adults by age)

Source: InterMedia Senegal Financial Inclusion Insights for MM4P, October 2015-February 2016 (N=2,845, 15+).
Bank accountholders typically are active users and tend to also use another form of financial services, including third party OTC providers.

**Full service bank account ownership**  
(Shown: Percentage of Senegalese adults)

- Have bank account, 7%
- Never used bank, 92%

**Active bank account use**  
(Shown: Percentage of bank account holders)

- 86% active bank account holders

- 82% have a bank account and have used OTC services
- 35% have a bank account and a mobile money account
- 24% have a bank account and an NBFI account

**Top uses of bank accounts**  
(Shown: Percentage of Senegalese adults)

- Deposit money
- Withdraw money
- Save money
- Receive wage
- Pay school fee

Source: InterMedia Senegal Financial Inclusion Insights for MM4P, October 2015-February 2016 (N=2,845, 15+).
There are four main players dominating the formal financial services marketplace

- MNO
- Third-party provider
- All digital financial services providers
According to estimates based on consumer perceptions, using third party providers far surpass usage of any other formal financial services.

<table>
<thead>
<tr>
<th>Mobile money</th>
<th>OTC</th>
<th>Bank</th>
<th>NBFI</th>
</tr>
</thead>
<tbody>
<tr>
<td>8%</td>
<td>52%</td>
<td>8%</td>
<td>5%</td>
</tr>
</tbody>
</table>

Tigo
- Mobile money
  - Porte-monnaie électronique
  - Dépôt, retrait (via agents)
  - Transfers d’argent (via mobile)
  - Paiements de facture (via mobile)
  - Achat crédit appel (via mobile)
- OTC
  - Transfers d’argent

Orange
- Mobile money
  - Porte-monnaie électronique
  - Dépôt, retrait (via agents)
  - Transfers d’argent (via mobile)
  - Paiements de facture (via mobile)
  - Achat crédit appel (via mobile)
- OTC (pas de comptes)
  - Transfers d’argent national/international (OTC)
  - Paiement de factures (OTC)
  - Achat de crédit d’appel (OTC)

W@ri
- OTC (pas de comptes)
  - Transfers d’argent (OTC)
  - Paiement de factures (OTC)
  - Achat de crédit d’appel (OTC)
- Carte prépayées
  - Dépôt, retrait (via agents)
  - Opérations DABs

Joni-Joni
- OTC (pas de comptes)
  - Transfers d’argent (OTC)
  - Paiement de factures (OTC)
  - Achat de crédit d’appel (OTC)
- Carte prépayées
  - Dépôt, retrait (via agents)
  - Opérations DABs

- Mobile Money (VitFe)
  - Porte-monnaie électronique
  - Dépôt, retrait (via agents)
  - Transfers d’argent (via mobile)
  - Paiement de facture (via mobile)

* Percentages shown for each mechanism are not exclusive of each other. There is overlap between groups due to consumers having more than form of access to digital finance. Reflects usage. Does not reflect account ownership.

Source: InterMedia Senegal Financial Inclusion Insights for MM4P, October 2015-February 2016 (N=2,845, 15+).
Low knowledge about mobile money/wallets along with discomfort with unassisted transactions perpetuates OTC use

OTC Users

- Do not know much about mobile money accounts
- Believe it to be costly
- Are generally satisfied by OTC money transfer
- Are also resistant to making unassisted transactions
- Therefore do not show a natural tendency to obtain a registered DFS account

OTC transactions do not *currently* prompt a desire for greater DFS access [mobile wallets] among all users
Why is OTC so popular?

- Consumers started using OTC primarily because they were aware of the service, and had to transfer money quickly. OTC offered a lower fee than mobile money accounts.

- Continued use comes from a combination of three factors:
  - Satisfaction with services meeting needs (money gets where it needs to go)
  - Comfort that a user feels with the service meeting needs (no mistakes because someone does it for you)
  - Best price in the market for a transfer

- Consumers are comforted by the agent interaction
  - They know that an agent will not err in the transaction
  - They fear that unassisted, they might make an error that results in them losing money

Limitations despite popularity:

- Some do not feel that their needs exceed what OTC gives them
- Others, would like to have an account, but feel that they can not attain one
Implications of popularity:

- Providers seeking to bring consumers into a registered account product should expect to have to:
  - Tell consumers why they need or what they can do with a registered account (to create the need)
  - Show consumers that they are qualified to use such a product
  - Build comfort and condition a user to be ready to make transactions independent of an agent
  - Ease fears about safety and security of money in a digital account
IMPORTANT: Users derive a great deal of comfort from the agent experience

- Agents minimize the chances of user-error, and ensure that the money transfer is successful
- Safety becomes stickiness factor for using OTC
- OTC fees for using an agent are perceived as less than unassisted transactions/wallet services
- Money is transferred faster and more reliably than an in-person transfer
- There is tangible proof of the transfer (confirmation text, receipt)
- The fee is manageable, and perceived as less than other services
Cash still has a critical significance in Senegal society

- Cash is widely used because:
  - There are no surcharges on cash transactions
  - It is often fast and easy for point of sale transactions
  - It requires no additional tools or knowledge
  - Other alternatives aren't as prominent as cash

- Use of formal financial services is in addition to, vs. a full replacement for cash

Targeted consumers are heavily entrenched in a cash ecosystem, even if they have a digital account
Cash does have its limits

• Advantages
  • No fees or surcharges
  • Fast and easy for point-of sale transactions
  • No dependence on technology
  • Know how to use it

• Limitations
  ✓ Theft
  ✓ Loss
  ✓ Physical requirements for transferring money
  ✓ Can be easily spent

There are suggestions of less dependency on cash with the use of a registered mobile money account

• Some new mobile money accountholders shared more comfort with being cashless than others

• They attributed their comfort to having used mobile money and experiencing the benefits of sending/receiving digitally, or even making payments digitally
The Senegalese repertoire of financial practices and institutions is rich and complex.

Senegalese people not only use, but make sense, of each institution in a unique way.
Consumers see advantages and limitations in financial services

<table>
<thead>
<tr>
<th>Advantages:</th>
<th>Cash</th>
<th>Tontines</th>
<th>OTC</th>
<th>Mobile money</th>
<th>Banks</th>
</tr>
</thead>
<tbody>
<tr>
<td>• No fees or surcharges</td>
<td>• Easy</td>
<td>• Easy</td>
<td>• Can make transactions at home, or closer to home</td>
<td>• Safe!</td>
<td></td>
</tr>
<tr>
<td>• Fast and easy for point-of-sale transactions</td>
<td>• Provides alternative to saving in the home</td>
<td>• In close proximity to the home</td>
<td>• Status! Signals economic stability, greater financial activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• No dependence on technology</td>
<td>• Know how to use it</td>
<td>• Satisfies need: transferring money quickly</td>
<td>• Agent assistance means no chance for error</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Know how to use it</td>
<td></td>
<td>• Agent assistance means no chance for error</td>
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</tbody>
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<table>
<thead>
<tr>
<th>Limitations:</th>
<th>Cash</th>
<th>Tontines</th>
<th>OTC</th>
<th>Mobile money</th>
<th>Banks</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Theft</td>
<td>• Theft</td>
<td>• Fees, though less than perceived mobile money fees</td>
<td>• Fees, which are perceived to be higher than OTC</td>
<td>• Have to make transactions in person and banks can be far away</td>
<td></td>
</tr>
<tr>
<td>• Loss</td>
<td>• Many had experienced losing money because the tontine administrator did not come back</td>
<td>• Less access to agent/have to make transactions yourself – room for error</td>
<td>• Less access to agent/have to make transactions yourself – room for error</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Physical requirements for transferring money</td>
<td>• Restricted access</td>
<td></td>
<td></td>
<td>• Have to withdraw money to pay bills</td>
<td></td>
</tr>
<tr>
<td>• Can be easily spent</td>
<td></td>
<td></td>
<td></td>
<td>• Deposit requirements</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Paperwork</td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>• Not open at convenient times</td>
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</tbody>
</table>
Awareness is not Adoption
Mobile money awareness does not convert to usage in a way that OTC awareness does

80% Aware of at least one mobile money provider

8% have used mobile money

91% Aware of at least one OTC/third-party provider

52% have used OTC/third-party provider

71.8% know of at least one mobile money provider, and have not used mobile money*

*Key RM indicator to watch
Source: InterMedia Senegal Financial Inclusion Insights for MM4P, October 2015-February 2016 (N=2,845, 15+).
Mobile money brand awareness is 10 times greater than mobile money use

- **80%** Aware of at least one mobile money provider
- **8%** Have used mobile money
- **69%** Aware of Orange
- **0.6%** Aware of Joni Joni*
- **76%** Aware of Tigo
- **46%** Aware of Tigo

Additional 2% of adults have used Orange without having their own account (friend/family member, agent)

Additional 0.3% adults have used Tigo without having their own account (friend/family member, agent)

71.8%** know of at least one mobile money provider, but have not used mobile money

*Awareness is of Joni Joni as a provider. Usage is of their Vitfe product only. The survey did not ask awareness of Vitfe

** Key RM indicator to watch

Source: InterMedia Senegal Financial Inclusion Insights for MM4P, October 2015-February 2016 (N=2,845, 15+).
Parts of Senegal lack mobile money awareness

80% Aware of at least one mobile money provider
8% have used mobile money

<table>
<thead>
<tr>
<th>Awareness by region</th>
<th>%</th>
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<tbody>
<tr>
<td>Dakar</td>
<td>95%</td>
</tr>
<tr>
<td>Ziguinchor</td>
<td>78%</td>
</tr>
<tr>
<td>Thies</td>
<td>94%</td>
</tr>
<tr>
<td>Kedougou</td>
<td>54%</td>
</tr>
<tr>
<td>Saint-Louis</td>
<td>80%</td>
</tr>
<tr>
<td>Kolda</td>
<td>55%</td>
</tr>
<tr>
<td>Kaffrine</td>
<td>40%</td>
</tr>
<tr>
<td>Diourbel</td>
<td>89%</td>
</tr>
<tr>
<td>Kaolack</td>
<td>81%</td>
</tr>
<tr>
<td>Sedhiou</td>
<td>70%</td>
</tr>
<tr>
<td>Fatick</td>
<td>73%</td>
</tr>
<tr>
<td>Louga</td>
<td>73%</td>
</tr>
<tr>
<td>Tambacounda</td>
<td>46%</td>
</tr>
<tr>
<td>Matam</td>
<td>72%</td>
</tr>
</tbody>
</table>

Source: InterMedia Senegal Financial Inclusion Insights for MM4P, October 2015-February 2016 (N=2,845, 15+).
Non-users of mobile money are aware of the service, indicating that awareness does not translate into use.

- 80% know at least one provider of mobile money.
- 72% know of mobile money providers, but do not use mobile money.
- 20% do not know any mobile money providers.
- 8% are users.

Source: InterMedia Senegal Financial Inclusion Insights for MM4P, October 2015-February 2016 (N=2,845, 15+).
Mobile network and agent system issues are negatively impacting the experience of many mobile money users.

8% used mobile money.

Issues experienced when using agents (Shown: mobile money users, n=222)

- GSM or mobile network was down: 54%
- Agent system was down: 33%
- Agent did not have enough cash or e-float: 24%
- It was very time consuming: 23%
- Agent was absent: 20%
- Agent refused to perform the transaction because I did not have an ID: 10%
Non-users either aren’t aware or aren’t within 5KM of a mobile money point of service

Aware of a MM agent within 5 KM from home

- **84%** MM user
- **63%** MM non-user

Aware of a POS in a retail store within 5 KM from home

- **76%** MM user
- **51%** MM non-user

Distance from ATM

- **65%** MM user
- **36%** MM non-user

*Source: InterMedia Senegal Financial Inclusion Insights for MM4P, October 2015-February 2016 (N=2,845, 15+).*
Barriers to adoption of mobile money include:

- NOT knowing where a mobile money agent is
- NOT having a personal connection/having been approached by an agent
- NOT knowing enough about how to use mobile money
- NOT knowing enough about product requirements, including fees and how the process works
- HAVING concerns about how mobile money functions

For prospective users, barriers are about awareness, not objection to services.

Perceived fees factor in heavily to using OTC instead of opening an account.
There are three factors that contributed most heavily to a consumer opening an DFS account

- **Presence:** Seeing signage/advertisements/provider representatives in the community

- **Agent appeal:** Having an agent directly approach a consumer and appeal to their interests in having an account

- **Promotions:** Offering consumers incentives for opening an account

Prompts consumers to explore their interest in a way to send money safely and securely. There is traction around mobile money as a business tool for shopkeepers, and a loan source.
After opening a DFS account, consumers use it for more diversified purposes

- Saving/storing for an emergency
- Bill pay
- Money Transfer
- Point of service payments
What are the drivers of customer adoption?

- New users began using a DFS account because they were recruited by an agent, heard advertisements and also had a need for sending money digitally.

- New users attribute agents for building their knowledge and ability to use DFS.

- That fees on mobile money accounts are lower than bank fees helps consumers.

- The concept of accessing financial services through a mobile phone is satisfying to new users.

- Prospective users:
  - Have not been approached by an agent about opening up a DFS account, have not been exposed to the advertisements about DFS providers (and if they have, it hasn’t resonated with them), they do not assume that they qualify or are equipped to use DFS.

- Are interested in using DFS. Specifically, for savings, bill pay, merchant payments, money transfer.

- Like cash:
  - Cash is easy, always there, incurs no fees, and even though it is vulnerable to theft/loss, prospective users generally are able to put those fears aside.
  - Demonizing cash and its limitations is not a useful way to illustrate the virtues of DFS, and is likely to create more fear or concern.
(Almost) Ready
Consumers lack two of the five key components for optimal DFS readiness

DFS Readiness
(Shown: Percentage of Senegalese adults, n=2,845)

- Have access to a mobile phone: 90%
- Numerate: 97% (7 + 6 = 13, 9 × 7 = 63)
- Have an ID: 95%
- Literate: 35%
- Beyond primary school education: 29%

Source: InterMedia Senegal Financial Inclusion Insights for MM4P, October 2015-February 2016 (N=2,845, 15+).
For comparison across Africa and Asia:

<table>
<thead>
<tr>
<th>Elements of DFS Readiness</th>
<th>(Shown: All adults in country)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2015/16:</strong></td>
<td>Senegal</td>
</tr>
<tr>
<td>Access to a phone</td>
<td>90%</td>
</tr>
<tr>
<td>Have national ID</td>
<td>95%</td>
</tr>
<tr>
<td>Literacy</td>
<td>35%</td>
</tr>
<tr>
<td>Numeracy</td>
<td>97%</td>
</tr>
<tr>
<td>Beyond Primary School Education</td>
<td>29%</td>
</tr>
</tbody>
</table>

- Literacy, low education attainment a greater issue for Senegal

* Nigeria, Tanzania, Kenya, Indonesia, Uganda, Pakistan, India and Bangladesh statistics come from 2015 Financial Inclusion Insights survey data.  
Source: InterMedia Senegal Financial Inclusion Insights for MM4P, October 2015-February 2016 (N=2,845, 15+).
Phone ownership is more of a barrier to DFS for rural, women because fewer have their own phones

Mobile phone ownership and access
(Shown: Percentage of Senegalese adults, n=2,845)

60% own a basic phone, 40% own a feature or smartphone

Demographics of mobile phone borrowers, owners
(Shown: Percentage of adults by group)

Borrowers

Owners

Male
Female

Male
Female

Urban
Rural

Urban
Rural

60% own a basic phone, 40% own a feature or smartphone

Consumers with greater mobile phone proficiency are more likely to have mobile money accounts or be financially included

Source: InterMedia Senegal Financial Inclusion Insights for MM4P, October 2015-February 2016 (N=2,845, 15+).
Consumers with greater mobile phone proficiency are more likely to have mobile money accounts or be financially included

2015: Have ever sent a text message (SMS)
(Shown: Percentage of Senegalese adults, n=2,845)

- 58% have sent an SMS (SMS capable, all adults)
- 42% have not sent an SMS (SMS incapable)
- 23% financially included
- 4% financially included

*As defined in the Financial Inclusion section
Source: InterMedia Senegal Financial Inclusion Insights for MM4P, October 2015-February 2016 (N=2,845, 15+).
Active use of Third Party varies along the gender and urban/rural divide

Breakdown by gender

MALES WHO ARE ACTIVE THIRD PARTY OTC USERS
48%

FEMALES WHO ARE ACTIVE THIRD PARTY OTC USERS
47%

Breakdown by locality

URBAN POPULATION WHO ARE ACTIVE THIRD PARTY OTC USERS
59%

RURAL POPULATION WHO ARE ACTIVE THIRD PARTY OTC USERS
37%
Perceived need, readiness and lack of knowledge are the biggest barriers to mobile money account ownership

What is the main reason you do not use mobile money?
(Shown: Adults who do not have a registered mobile money account)

- Unaware nonuser (n=681)
- Aware nonuser (n=1,942)

Source: InterMedia Senegal Financial Inclusion Insights for MM4P, October 2015-February 2016 (N=2,845, 15+).
Urban adults are most likely to be active account holders; the urban-rural divide is the biggest gap in active financial account holdings

<table>
<thead>
<tr>
<th>Demographic</th>
<th>Active bank account holders</th>
<th>Active mobile-money account holders</th>
<th>Active NBFI account holders</th>
<th>All financial account holders</th>
</tr>
</thead>
<tbody>
<tr>
<td>Above poverty line (n=1,380)</td>
<td>5%</td>
<td>5%</td>
<td>3%</td>
<td>9%</td>
</tr>
<tr>
<td>Urban (n=1,182)</td>
<td>9%</td>
<td>11%</td>
<td>4%</td>
<td>19%</td>
</tr>
<tr>
<td>Males (n=1,303)</td>
<td>9%</td>
<td>9%</td>
<td>4%</td>
<td>17%</td>
</tr>
<tr>
<td>Total population (N=2,845)</td>
<td>6%</td>
<td>7%</td>
<td>3%</td>
<td>13%</td>
</tr>
<tr>
<td>Females (n=1,541)</td>
<td>4%</td>
<td>5%</td>
<td>3%</td>
<td>9%</td>
</tr>
<tr>
<td>Rural (n=1,663)</td>
<td>4%</td>
<td>3%</td>
<td>3%</td>
<td>7%</td>
</tr>
<tr>
<td>Below poverty line (n=1,294)</td>
<td>8%</td>
<td>9%</td>
<td>5%</td>
<td>17%</td>
</tr>
</tbody>
</table>
Rural Senegalese fall behind urbanites in readiness for DFS; mobile phone ownership and competency are barriers to overcome

Rural
(Shown: Percentage of Senegalese adults, N=2,845)

<table>
<thead>
<tr>
<th>DFS Readiness</th>
<th>Rural (n=1,663)</th>
<th>Urban (n=1,182)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Own mobile phone</td>
<td>64%</td>
<td>81%</td>
</tr>
<tr>
<td>Borrow mobile phone</td>
<td>22%</td>
<td>14%</td>
</tr>
<tr>
<td>Ever sent SMS</td>
<td>48%</td>
<td>69%</td>
</tr>
<tr>
<td>Advanced phone use</td>
<td>32%</td>
<td>56%</td>
</tr>
<tr>
<td>Literate</td>
<td>25%</td>
<td>47%</td>
</tr>
<tr>
<td>Numerate</td>
<td>96%</td>
<td>98%</td>
</tr>
</tbody>
</table>

Source: InterMedia Senegal Financial Inclusion Insights for MM4P, October 2015-February 2016 (N=2,845, 15+).
The Role of Social Networks
Borrowing is largely through informal channels, sometimes out of preference, and mostly for basic expenses.

Have borrowed money in the past 12 months
(Shown: Percentage of adults, N=2,845)

- Main source of loan/credit:
  - Family or friends: 29%
  - Shopkeeper lets you take credit: 12%
  - Buyer of crops/harvest: 4%
  - MFI: 3%
  - Bank: 3%
  - Informal money lender: 2%

Loan uses:
- Emergency expenses: 15%
- Medical expenses: 14%
- Routine purchases: 12%
- To boost business: 11%
- Utility bills: 8%
- Educational expenses: 8%

Top reasons for not borrowing from a bank are out of having access and preference for other means, including family and friends.

Source: InterMedia Senegal Financial Inclusion Insights for MM4P, October 2015-February 2016 (N=2,845, 15+).
Saving, when it happens, is largely informal.

Currently save money
(Shown: Percentage of adults, N=2,845)

38%

Sources for savings, of those who save
(n=1,102):
- At home: 48%
- ROSCA: 33%
- Other people (family, friends, shopkeepers): 27%
- Savings through buying something: 24%
- Bank: 16%
- MFI: 11%
- Mobile money account: 6%
- SACCO: 4%
- ASCA: .3%

17% save in 2 or more locations

Top reason for not saving at banks:
(among those who do not save with banks)
- Ability to save through other means: 10%
- Do not have enough money to save: 6%
- No formal financial institution close: 6%

Top reason for not saving with mobile money:
(among those who do not save with mobile money)
- Ability to save through other means: 16%
- Do not know how to open an account: 12%

Source: InterMedia Senegal Financial Inclusion Insights for MM4P, October 2015-February 2016 (N=2,845, 15+).
Senegalese turn to each other, not formal sources, for financial advice

90% of adults prefer relying on personal connections for financial advice over financial institutions, government and the media.

Source: InterMedia Senegal Financial Inclusion Insights for MM4P, October 2015-February 2016 (N=2,845, 15+).
Other options, combined with lack of funds as well as proximity to formal financial institutions, dissuade more formal saving.

**Sources for savings**
(Shown: Percentage of adults who save, n=1,102)

<table>
<thead>
<tr>
<th>Source</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>At home</td>
<td>48%</td>
</tr>
<tr>
<td>ROSCA</td>
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</tr>
<tr>
<td>Other people (family, friends, shopkeepers)</td>
<td>27%</td>
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<td>Savings through buying something</td>
<td>24%</td>
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<td>Bank</td>
<td>16%</td>
</tr>
<tr>
<td>MFI</td>
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</tr>
<tr>
<td>Mobile money account</td>
<td>6%</td>
</tr>
<tr>
<td>SACCO</td>
<td>4%</td>
</tr>
<tr>
<td>ASCA</td>
<td>.3%</td>
</tr>
</tbody>
</table>

17% save in 2 or more locations

**Top reason for not saving at banks:**
(among those who do not save with banks)

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- Do not have enough money to save: 6%
- No formal financial institution close by: 6%

**Top reason for not saving with mobile money:**
(among those who do not save with mobile money)

- Ability to save through other means: 16%
- Do not know how to open an account: 12%

Source: InterMedia Senegal Financial Inclusion Insights for MM4P, October 2015-February 2016 (N=2,845, 15+).
The significance of social networks in financial behaviors has implications for the role of agents

Consumers can also envision various types of mobile money/DFS agents

- Mobile, mobile money/DFS agent
  - Bus, van or some form of mobile unit that comes to an area regularly for cash-in/cash-out or bill-pay

- Post office as an agent
  - Known entity in the community

- Shopkeepers serving as agents
  - Shopkeepers offer credit, informal savings options using merchandise as credit
  - Could be natural synergies

- Utility companies as agents or channels into an account
  - Already collecting money for services that are essential for individuals
Outreach options serve various purposes for consumers:

- **Mass media** (radio, tv, print and signs in public places) is the **most commonly mentioned outlet**, and tends to help consumers know something exists. It introduces an audience to the name, that it is in the community, and [hopefully] something relevant to the audience about the product [money transfer, low fees]

- **Town-hall style meetings** are **almost as frequently mentioned** and its purpose is to get a target audience closer to the concept, telling them more about it, why they should use it and how they can start. It is best when they can enroll at the moment, or know how to enroll shortly thereafter if they so choose

- **Community and leaders** are the **third most common suggestion**, and these are individuals that can carry the message about the concept in every day interactions with consumers, serve as an example of how it is done, and offer guidance if needed.

- **Door-to-door representatives of a provider** are **less mentioned**, but are appealing, particularly if the consumer has already heard about the concept once before

- **Employers, schools and electricity companies** are the **least commonly mentioned**, however are still appealing. They are just not top-of-mind. These channels are useful for getting a consumer to digitize a payment they already make, and thereby equip them for making more DFS interactions over time
Desires and Aspirations
There is a sincere desire to succeed in life, and have a place in society, but succeeding in life hinges on five main factors:

1. **Faith**: Everything in life comes from faith.
2. **Income**: Can they afford expenses, necessities, and maybe some non-essential items?
3. **Savings**: Can they manage if someone gets sick and either cannot work or requires medical care?
4. **Education for children**: Can they pay for their children’s or their own education so they can get access to better paying work?
5. **Having a homestead**: Can they provide shelter for their family?

Succeeding in life
Few Senegalese are truly satisfied with their current financial situation.

- 29% are comfortable taking on debt to accomplish their goals.
- 22% are satisfied with their present financial situation.
- 14% feel they have too much debt right now.
- 33% express two or more indicators of financial satisfaction.
- (85% express at least one).

Source: InterMedia Senegal Financial Inclusion Insights for MM4P, October 2015-February 2016 (N=2,845, 15+).
Buying a home is a top financial goal, and for many, above increasing earnings and paying school fees

<table>
<thead>
<tr>
<th>Financial Goal</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building or upgrading home</td>
<td>28%</td>
</tr>
<tr>
<td>Make more money</td>
<td>16%</td>
</tr>
<tr>
<td>Pay school fees</td>
<td>10%</td>
</tr>
<tr>
<td>Take care of relatives</td>
<td>7%</td>
</tr>
<tr>
<td>Growing your business</td>
<td>6%</td>
</tr>
<tr>
<td>Investing in the farm</td>
<td>5%</td>
</tr>
<tr>
<td>Buying a piece of land</td>
<td>4%</td>
</tr>
</tbody>
</table>

**Most important financial goals**
(Shown: Percentage of Senegalese adults, n=2,845)

- **1%** of adults have borrowed money to pay for school fees in the past year (from a formal or informal lender)
- **2%** have used a formal financial service account to pay school fees

Including above and below poverty populations (30% and 29%, respectively)

Presents DFS opportunity

Source: InterMedia Senegal Financial Inclusion Insights for MM4P, October 2015-February 2016 (N=2,845, 15+).
Interest in financial products is substantial, especially for bundled products and services

Loan that came with a bank account: 47% (Very important), 14% (Somewhat important)
Credit plan for school fees: 42% (Very important), 13% (Somewhat important)
Layaway plan for school fees: 42% (Very important), 14% (Somewhat important)
Loan that came with a mobile money account: 33% (Very important), 15% (Somewhat important)
Loan that came with an insurance plan: 37% (Very important), 15% (Somewhat important)
Pre paid card for receiving income: 34% (Very important), 14% (Somewhat important)
Prepaid card to make payments: 33% (Very important), 14% (Somewhat important)
Loan that came with a mobile money account2: 33% (Very important), 15% (Somewhat important)
Mobile money account that came with a smartphone: 30% (Very important), 14% (Somewhat important)

Source: InterMedia Senegal Financial Inclusion Insights for MM4P, October 2015-February 2016 (N=2,845, 15+).
Rural populations place a greater emphasis on access to credit and loans than do their urban counterparts.

**Interest in financial products**  
(Shown: Percentage of adults, by type of region)

- **Loan through a bank**  
  - Rural: 51%  
  - Urban: 41%

- **Layaway plan for school fees**  
  - Rural: 43%  
  - Urban: 38%

- **Credit plan for school fees**  
  - Rural: 43%  
  - Urban: 38%

- **Loan with an insurance plan**  
  - Rural: 38%  
  - Urban: 32%

- **Loan through mobile money**  
  - Rural: 35%  
  - Urban: 28%
Despite being on equal footing with men financially and intellectually, women are being excluded from the financial system.

- 4% Have bank accounts
- 23% Have NBFI accounts
- 6% Are Registered mm
- 90% Financially excluded

- 10% Have bank accounts
- 6% Have NBFI accounts
- 11% Are Registered mm
- 79% Financially excluded

Source: InterMedia Senegal Financial Inclusion Insights for MM4P, October 2015-February 2016 (N=2,845, 15+).
There is greater demand among women for all forms of financial services, mobile phones.

**Demand for financial services, mobile phones among those without**

(Shown: Percentage of adults, by gender)

<table>
<thead>
<tr>
<th>Service</th>
<th>Women</th>
<th>Men</th>
</tr>
</thead>
<tbody>
<tr>
<td>Savings account</td>
<td>75%</td>
<td>68%</td>
</tr>
<tr>
<td>Insurance</td>
<td>71%</td>
<td>69%</td>
</tr>
<tr>
<td>Business loans</td>
<td>65%</td>
<td>63%</td>
</tr>
<tr>
<td>Mobile money account</td>
<td>58%</td>
<td>55%</td>
</tr>
<tr>
<td>Bank account</td>
<td>55%</td>
<td>51%</td>
</tr>
<tr>
<td>Mobile phone</td>
<td>33%</td>
<td>19%</td>
</tr>
</tbody>
</table>

The primary reason for not having each of these items is “do not have enough money”, regardless of gender.

*Source: InterMedia Senegal Financial Inclusion Insights for MM4P, October 2015-February 2016 (N=2,845, 15+).*
There are also challenges for women that require specific imperatives to foster greater DFS

<table>
<thead>
<tr>
<th>Gender-based challenge</th>
<th>Imperative</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Difficulty managing time and finances</td>
<td>• Appeal to a woman’s needs, illustrating how DFS helps in life. Remember, one MFI was credited with “helping make women’s lives better.”</td>
</tr>
<tr>
<td>2. Resourcefulness might lead more to informal use of financial services</td>
<td>• DFS has to appear as resourceful as she is, and offer her greater access/flexibility than an informal</td>
</tr>
<tr>
<td>3. Likes cash, and struggles to understand DFS</td>
<td>• Do not demonize cash. Instead, show how DFS emanates many of the positives associated with cash, and/or helps protect your cash</td>
</tr>
<tr>
<td>4. Stage in life could make product adoption more difficult</td>
<td>• Proactively try to capture her attention and equip her with an account prior to marriage; consider targeted stage in life initiatives.</td>
</tr>
<tr>
<td>5. Three personas of financial management; independent, co-decide, restricted</td>
<td>• Do not assume all women are restricted from accessing financial mechanisms</td>
</tr>
<tr>
<td>6 and 7. Keeping accounts private in the home, keeping amount in accounts private at home</td>
<td>• Equip her with privacy-protecting elements on her account (biometrics, KYC requirements)</td>
</tr>
</tbody>
</table>
The Way Ahead
DFS accounts may be a consumer’s first account

Many prospective users currently rely upon:
- Cash
- Tontine
- OTC
- Nothing else

Consumers need:
- Money transfer options
- Secure savings options
- Bill pay and merchant payment options
- Line of credit

Consumers would LIKE:
- To have a way of doing these things without having to physically be present at a financial institution to do them

Opportunity
### Market sizing: Targeting potential new DFS users in Senegal

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
<th>Share of Senegalese Adults</th>
<th>Number of People</th>
</tr>
</thead>
<tbody>
<tr>
<td>Women without a formal financial account</td>
<td>49% of Senegalese adults</td>
<td>3.8 million people</td>
<td></td>
</tr>
<tr>
<td>Youth (15-24 year olds) without a formal financial account</td>
<td>30% of Senegalese adults</td>
<td>2.3 million people</td>
<td></td>
</tr>
<tr>
<td>OTC users without a formal financial account</td>
<td>40% of Senegalese adults</td>
<td>3.1 million people</td>
<td></td>
</tr>
<tr>
<td>Literate/numerate without a formal financial account</td>
<td>26% of Senegalese adults are literate; 82% are numerate</td>
<td>2 million people &amp; 6.4 million people, respectively</td>
<td></td>
</tr>
<tr>
<td>Phone owners without a formal financial account</td>
<td>57% of Senegalese adults</td>
<td>4.5 million people</td>
<td></td>
</tr>
<tr>
<td>Those who prioritize home building and upgrading who are without an account</td>
<td>23% of Senegalese adults</td>
<td>1.8 million people</td>
<td></td>
</tr>
<tr>
<td>Those who prioritize paying school fees who are without an account</td>
<td>9% of Senegalese adults</td>
<td>0.7 million people</td>
<td></td>
</tr>
<tr>
<td>Beyond-basic-phone owners without an account</td>
<td>29% of Senegalese adults</td>
<td>2.3 million people</td>
<td></td>
</tr>
<tr>
<td>Those aware of POS w/in 5 km who are without an account</td>
<td>56% of Senegalese adults</td>
<td>4.4 million people</td>
<td></td>
</tr>
</tbody>
</table>

Insights

- Senegal’s diverse and competitive DFS marketplace still leaves consumers with sizable, unmet financial needs
- The population shows strong signs of DFS readiness despite lack of formal financial inclusion
- Demographics such as gender, urbanity and age matter for encouraging DFS uptake
- Lack of information channels and heavy dependence on peer groups pose challenges for increasing awareness knowledge
- Consumer aspirations may pose opportunities for building a digital ecosystem
- Capturing the OTC market may require similar recruitment strategies as the population at large
- OTC users fail to see the relevance, need, or attainability of a registered account and have become accustomed to their choice in financial access.
- Moving them to a full-service provider, will likely require a “double jump”:
  - First, they will have to jump to a different type of account;
  - Second, they will likely have to jump to a different provider
Seven components for customer adoption of DFS accounts:

1. Offer a meaningful value proposition that educates consumers on how a product is designed for them
2. Employ person-to-person communications channels
3. Build core digital competencies, such as text messaging
4. Foster digital user interfaces that consider limited literacy, education
5. Offer one-on-one support that mirrors an agent-consumer relationship
6. Intercept existing consumer ecosystems with digital options (home development, school fees, agriculture)
7. Remember: Consumers likely want financial tools, but feel they are out of reach
Digital financial services may also address current pain points in financial management

<table>
<thead>
<tr>
<th>PAIN POINT</th>
<th>DFS USE CASE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Daily income is typically unstable and unpredictable</td>
<td>Digital accounts connected to savings can facilitate <em>income smoothing</em></td>
</tr>
<tr>
<td>It is difficult to save small amounts consistently over time</td>
<td>DFS particularly suited to <em>daily savings of small amounts</em></td>
</tr>
<tr>
<td>Small businesses need cash infusions to grow and provide more income</td>
<td>DFS connected to <em>MFI loans</em> make access easier and convenient</td>
</tr>
<tr>
<td>Cash savings are not secure from theft, destruction and temptation</td>
<td>DFS provide inherently <em>secure savings</em> mechanisms</td>
</tr>
<tr>
<td>Savings with groups requires reliance on potentially untrustworthy individuals</td>
<td>DFS provides <em>trustworthy</em> transactions</td>
</tr>
<tr>
<td>Need to quickly, easily transact with individuals in other areas of Senegal</td>
<td>DFS furnishes fast transactions to send/receive money to anyone, anywhere</td>
</tr>
</tbody>
</table>
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