MicroSave Briefing Note # 118

Youth-Inclusive Financial Services (YIFS): Lessons & Key Considerations (Part II)

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Briefing Note 117 analysed the YIFS in the context of product, price, processes and physical evidence. This Note extends the analysis into an additional 4Ps of marketing.

Place

The girls were provided with a “Safe Space” to meet during group meetings. These were public or private places in the community, that were safe for girls to congregate and conduct their weekly group meetings. Here the girls were able to build social support networks by interacting with each other, while also being taught financial education (FE) and social and reproductive health (SRH). In Uganda, mentors, who were generally older women, opened up their homes for the girls to meet, while others met in their schools. In Kenya, community halls were most commonly used and were rented for the duration of the meeting.

People

The key players in the project implementation included: mentors, project officers, field officers, product champions.

Mentors: There were two types of mentors – financial mentors to help with the account transactions particularly withdrawals, and social mentors to facilitate group meetings and conduct trainings.

The criteria for the financial mentors differed depending on the financial institution (FI) and country. For instance, one of the institutions insisted that financial mentors needed to be parents or legal guardians, while some of the other FIs were more flexible and allowed the girls to select their own mentors. The financial mentors engaged with the girls on a voluntary basis.

The social mentors were recruited directly from the community or through community based organisations. They were paid a stipend of approximately $35 each per month from the programme funds and received intensive training from *MicroSave* and Population Council on handling groups, the account and conducting training. Retention of the social mentors was a challenge in some instances as many of them had alternative employment opportunities and others were not committed to the rigorous work involved.

Project Officers: Project officers from both *MicroSave* and the Population Council were instrumental in providing technical assistance to the FIs and ensuring the smooth running of the project in the community. *MicroSave* provided technical assistance in the areas of market research, product development and refinement and pilot testing; while the Population Council brought in their expertise in programmes for adolescent girls. Project officers’ work in the community included mobilisation of girls, training the girls and their mentors, and monitoring the programme to ensure it was running smoothly. They were also involved in the relationship management between all the partners in the project; and were instrumental in designing the FE curriculum and contextualising it for the Kenyan and Ugandan environments in order to suit the girls in the two countries. The project officers were supported and supervised by project managers from both Population Council and *MicroSave*.

Field Officers: The FIs, with support from the project funds, hired field officers to facilitate project implementation. Their roles included: facilitating account opening for the girls, monitoring the field activities and tracking product performance.

Product Champions: The product required different departments from the head office and the branches to work together on implementation and monitoring. All the departments were coordinated by a product champion. The product champions were youth-friendly, middle management staff members who were instrumental in coordinating all the day to day programme activities. They were at the centre of reporting on the project performance, as well as collecting and consolidating qualitative and quantitative information to enhance the product delivery. Support from top management coupled with the passion and enthusiasm of product champions, allowed the project to succeed. A few institutions however struggled to get reports and support from all the departments involved, causing some unnecessary delays.

An FI implementing such a programme needs to ensure buy-in across the whole institution for it to be successful. In particular, senior management’s involvement is vital to ensure that key decisions are made quickly, and thus the smooth execution of programme activities. Remuneration for all those involved should also be carefully considered.

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Promotion

The programme made a deliberate decision to put emphasis on continuous community marketing and awareness, as opposed to using mainstream media such as TV or radio. This took the shape of:

- Community meetings with parents, key stakeholders from schools, religious institutions and local leaders;
- Awareness walks with product branded banners and T-shirts;
- Local entertainment through popular artistes that the youth identify with; and
- Pitching tents at the local markets and personal selling.

These forums provided opportunities for awareness-building, to help explain what the account was all about and/or to provide FE sessions for all to see the value and need for such a product. This served to:

- Alleviate their initial fears and help them understand the features and benefits of the product and how to actually use it;
- Create ownership of the product by the community;
- Make it easier to get consent and approval for the girls' participation in savings and group activities; and
- Create an opportunity for FIs to cross-sell other products such as the junior accounts for the boys, and savings products for adults.

The FIs used this programme as a platform to cross-sell their adult products to the parents of the girls and other stakeholders in the community. This was done at the community forums with direct selling by the bank staff. The FE provided to the girls also had a trickledown effect to their parents. Once they saw the value that their young children derived from a savings account, particularly to cushion them against emergencies, help cater for their day to day needs and fulfil their future aspirations, parents began seeing the need to also have a savings account themselves.

Leveraging existing social structures in the community ensures that community buy in is achieved quicker and uptake follows soon after.

Positioning

The partner FIs were seen to cater for the less privileged members of society because they chose to work with this vulnerable target group. In addition, all the activities happened at the community level and thus the benefits were clear to all. Fraudulent pyramid schemes had increased community fear about interacting with any institution offering financial services, but the SSSVAG programmes' hard work helped allay such fears.

A well-designed programme with community involvement helps build trust and confidence which are critical for success.

Summary of Lessons & Key Considerations

- Understanding the needs of the target market and using a systematic approach to product development helps develop suitable products and increase chances of higher uptake.
- Successful adoption of YIFS by FIs is highly dependent on their institutional goals and objectives. Institutions with a strong profit focus and little or no social orientation will struggle to extend financial services to youth as the financial benefits take a long time to accrue.
- Integration of non-financial services helps empower youth and acts as a motivation for continued participation. Strategic partnerships are a good way to facilitate these.
- Physical branded items representing the product help the young people identify with the product and also act as a motivator.
- Buy-in across staff, particularly those to be involved in delivering the product, is critical to increase product uptake.
- Community involvement and community based marketing are more effective methods of building trust and confidence and enhancing participation, rather than mainstream marketing media.
- The legal framework governing financial services should be reviewed to better accommodate the youth.

Conclusion

Youth between 10 – 24 yrs of age constitute 1.77 billion (27% of the total global population).[1] This represents a huge potential market for FIs as they form the next wave of new clients. It is however important that appropriate products and policies are put in place for YIFS to succeed.

[1] Rachel Nugent, Population Reference Bureau, 2006