

Client *Impact* Pathway

ABENA ADDAI | JANUARY 2023

AccessHolding

The Access2Access Programme was implemented as a partnership between AccessHolding and Mastercard Foundation from 2016 to 2022 in six network financial institutions (Liberia, Rwanda, Zambia, Madagascar, Nigeria, Tanzania). It sought to increase financial inclusion, improve livelihoods and grow businesses through better access to banking services that meet client needs more efficiently and profitably.

The programme was built around two main components: digitalisation and capacity building. The first component set up strong digital foundations in each AH Bank, including a secure and scalable IT infrastructure. Specific digital projects were implemented, which contributed to internal efficiency gains, reliable security management, better product design and greater outreach. A holistic approach to people development through a competency-based HR approach was the core of the second component. Research and knowledge sharing ran alongside the implementation of these two components.

Access2Access

AccessHolding



ACCESS MICROFINANCE HOLDING AG (AccessHolding) operates a network of Network Financial Institutions (NFIs) that offer responsible products and services tailored to the needs of small businesses and underserved parts of the population in developing and transition countries. In the long run, AccessHolding envisions an inclusive financial sector that improves people's livelihoods, drives local economic growth and job creation, and is built on equal rights and gender equality. An impact measurement framework tracks the progress towards our impact goals. AccessHolding's strategic management support includes broad-based capacity building through the AccessCampus corporate academy, comprehensive network-wide e-learning modules, and the steering of strategic projects in the areas of digitalization and technology.

The MASTERCARD FOUNDATION works with visionary organizations to enable young people in Africa and in Indigenous communities in Canada to access dignified and fulfilling work. It is one of the largest, private foundations in the world with a mission to advance learning and promote financial inclusion to create an inclusive and equitable world. The Foundation was created by Mastercard in 2006 as an independent organization with its own Board of Directors and management. For more information on the Foundation, please visit: www.mastercardfdn.org



Context

- A2A Digital Transformation Programme
- Client Impact Pathway
- The bank and its digital journey (eTumba)
- Methodology

Key Findings

- Client uptake and usage
- Changes in client behavior in transactions and Savings
- What impact does the use of eTumba have on customers, in their own words?
- Conclusions

Client Impact and Conclusion

To get a deeper insight of how eTumba has influenced the ability of clients to manage liquidity, to meet their goals and to create resilience, we asked each survey respondent what impact eTumba has had on his/her financial management. We wanted to hear in the clients' words whether using eTumba has positively or negatively affected their finances.

The proxies for measuring increase in resilience are the increased ability to save, improving income can be achieved by paying less for a services, improving financial management by keeping track of personal budget and managing bill payments.



A2A Digital Transformation Programme and Impact on MSME Business Growth

The [A2A digital transformation programme](#) is designed to introduce significant business efficiency and agility that provide banks with suitable tools and technologies to address the needs of customers. Providing customised digital financial solutions to micro, small and medium-sized enterprises (MSME) enables them to become drivers of economic growth.

Many studies have shown that the use of digital financial services as well as the more efficient delivery of these services can have a positive impact on enterprise growth, boost productivity, job creation and economic growth as defined in SDG 8.

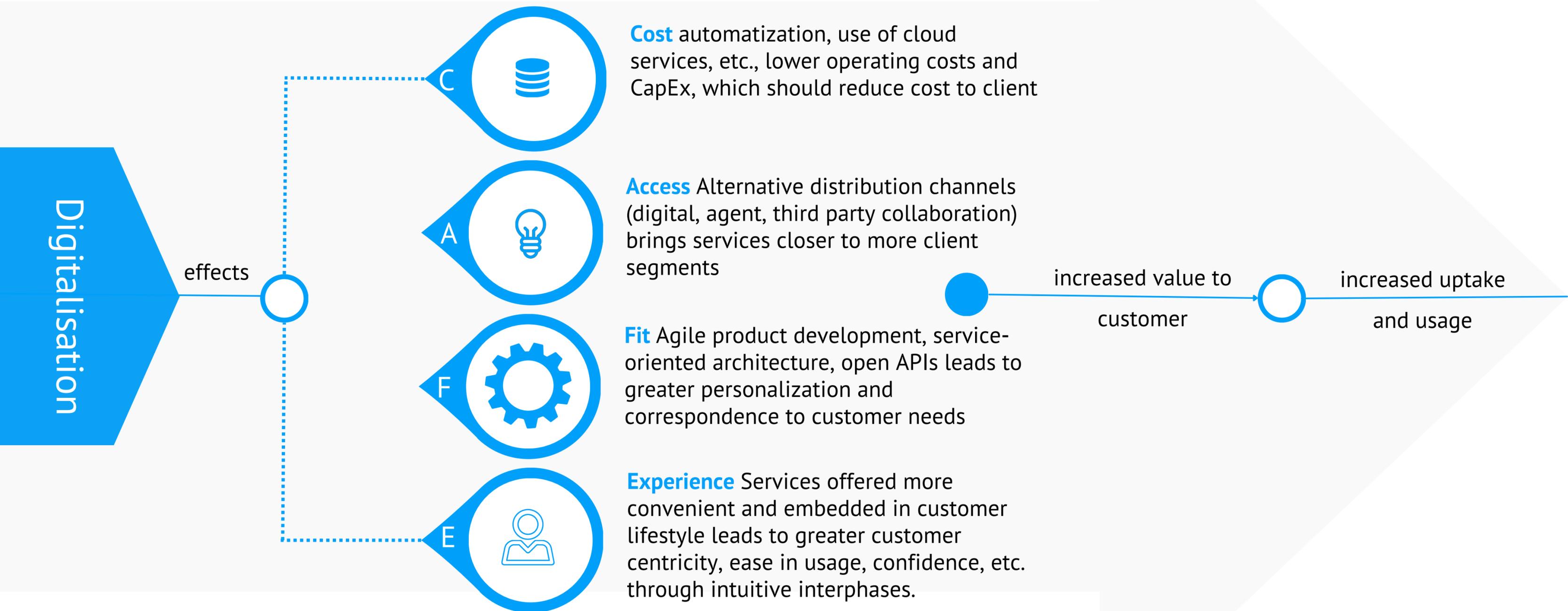
To understand the incremental benefits of our banks' MSME and low-income clients, we designed a framework which builds on a hypothesis developed by CGAP* and which explains how digitisation can increase customer value based on increased uptake and usage of a certain digital tool.

The hypotheses developed by CGAP determines whether a product or business model has the potential to deepen financial inclusion. This framework (CAFE framework) is based on the dimensions measuring cost, access, fit and experience and their relevance for customer uptake and usage of a service or product. Based on this hypothesis, we further developed a customer impact pathway that shows us how access and usage can impact on clients' productivity, job creation and economic growth.

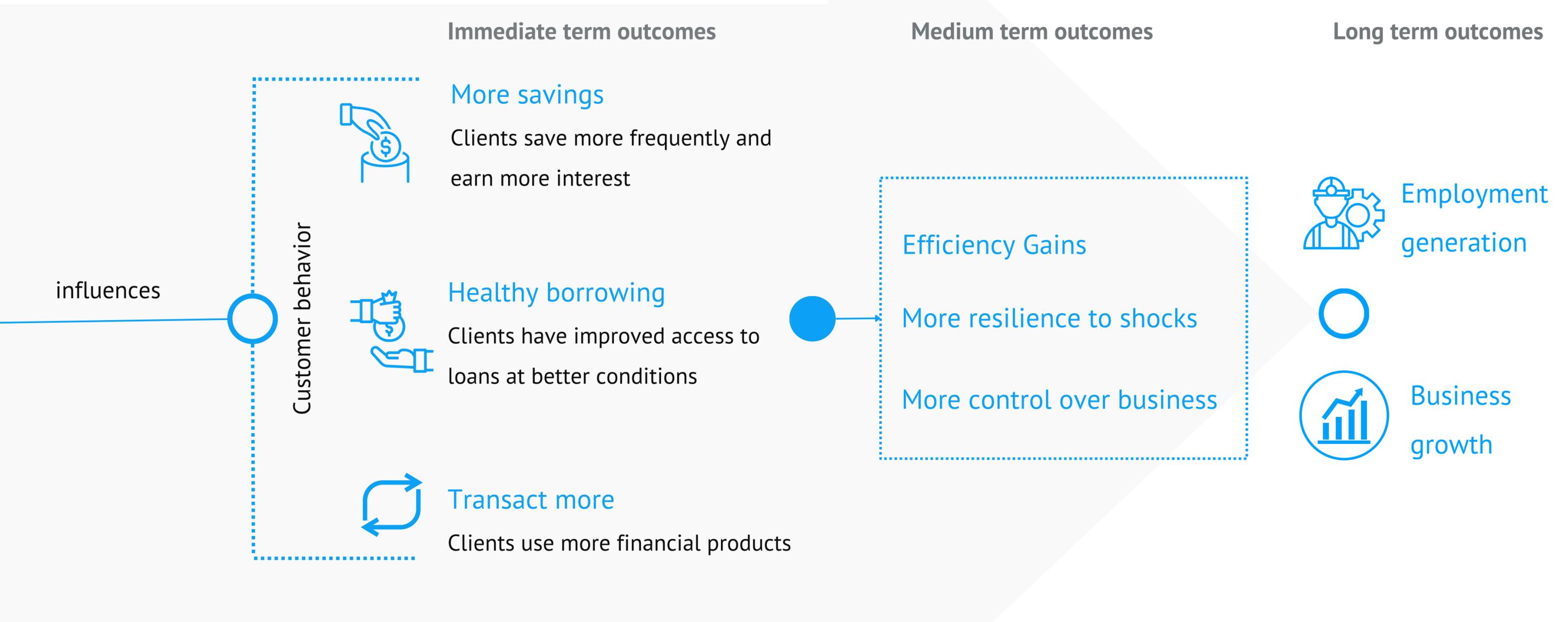
The client impact pathway explains how changes in customer behavior lead to immediate term outcome such as more savings, healthier borrowings and more transactions. This in turn leads to medium term outcomes which are reflected in increased capacity of the client to manage business and build resilience. In the long term this leads to employment generation and business growth.

<https://www.cgap.org/research/reading-deck/digital-banks-how-can-they-deepen-financial-inclusion>

Client Impact Pathway depicts effects of digitalization.....



.....to impact on customer outcome



Our Research Questions

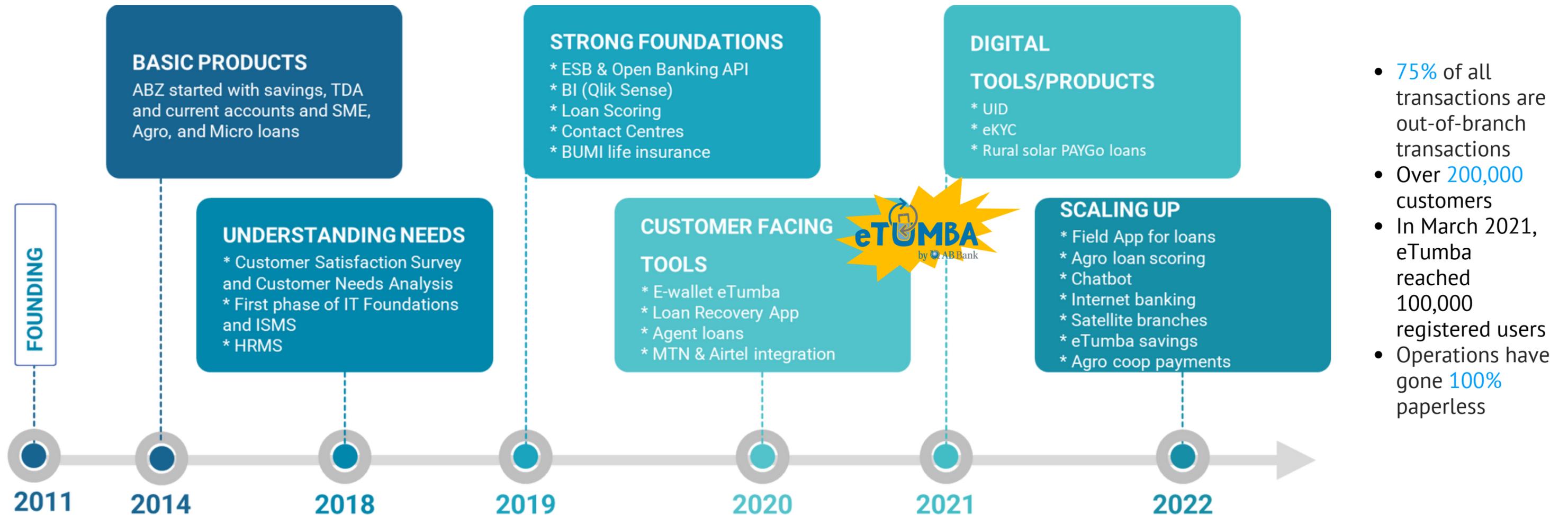
Over the six year period of the [A2A Programme \(2016-2022\)](#) the AccessHolding Network Banks have been working on building strong digital foundations and a robust scalable IT infrastructure. These foundations allowed for significant business efficiency and agility and provided banks with suitable tools and technologies to address the needs of customers, increase outreach and deepen financial inclusion.

The [aim of this research is to describe the potential of AccessHolding Banks to deepen financial inclusion in a way that improves the lives of low-income customers.](#)

The current research should be seen in line with the [End Term Evaluation of the A2A Programme](#). The ETE confirms that digitisation and organisational change has had a positive effect on banks' efficiency, better client experience (measured in increase in client satisfaction) as well as an improved working environment.

We [selected AB Bank Zambia for our case study](#). Created in 2011, AB Bank Zambia (ABZ) is a leader in providing financial services to SME and micro-entrepreneurs and has set industry standards in terms of speed, ease and quality of MSME banking. ABZ currently has 7 branches and employs 450 staff. ABZ offers low-income customers simple products at low prices, such as checking accounts, savings accounts, and debit cards – all through a distribution network that combines online and offline customer interaction based on its agent and branch network. In 2019 AB Bank Zambia introduced its own e-wallet.

AB Bank Zambia and its digitalization journey



ABZ's digital transformation started with understanding client needs, followed by establishing IT foundations, then setting up processes and accountability for digitalization projects. From 2019, they were able to add 4 customer channels and launch 5 new products. All these initiatives helped ABZ quickly recover from Covid-19 and expand outreach also into rural areas of Zambia, whilst keeping the focus on low income clients.

Methodology

Based on the client impact pathway which depicts our understanding of how we achieve impact through the digitisation of our banks, i.e. through the uptake and usage of digital financial services by our MSME and low-income clients, we [conducted a case study of one digital tool: eTumba](#).

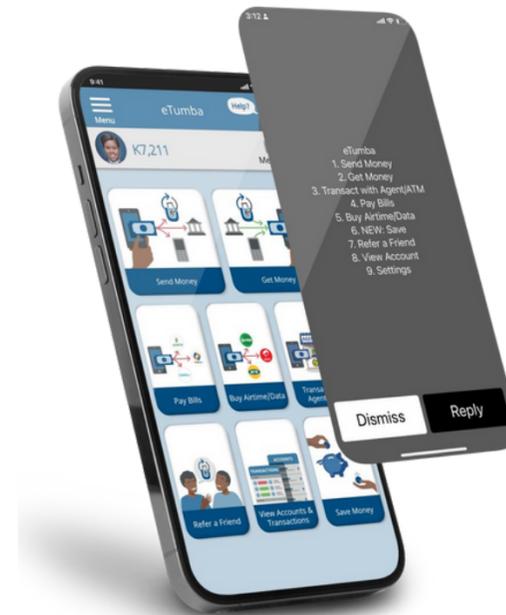
We analysed eTumba customers' behaviour by measuring:

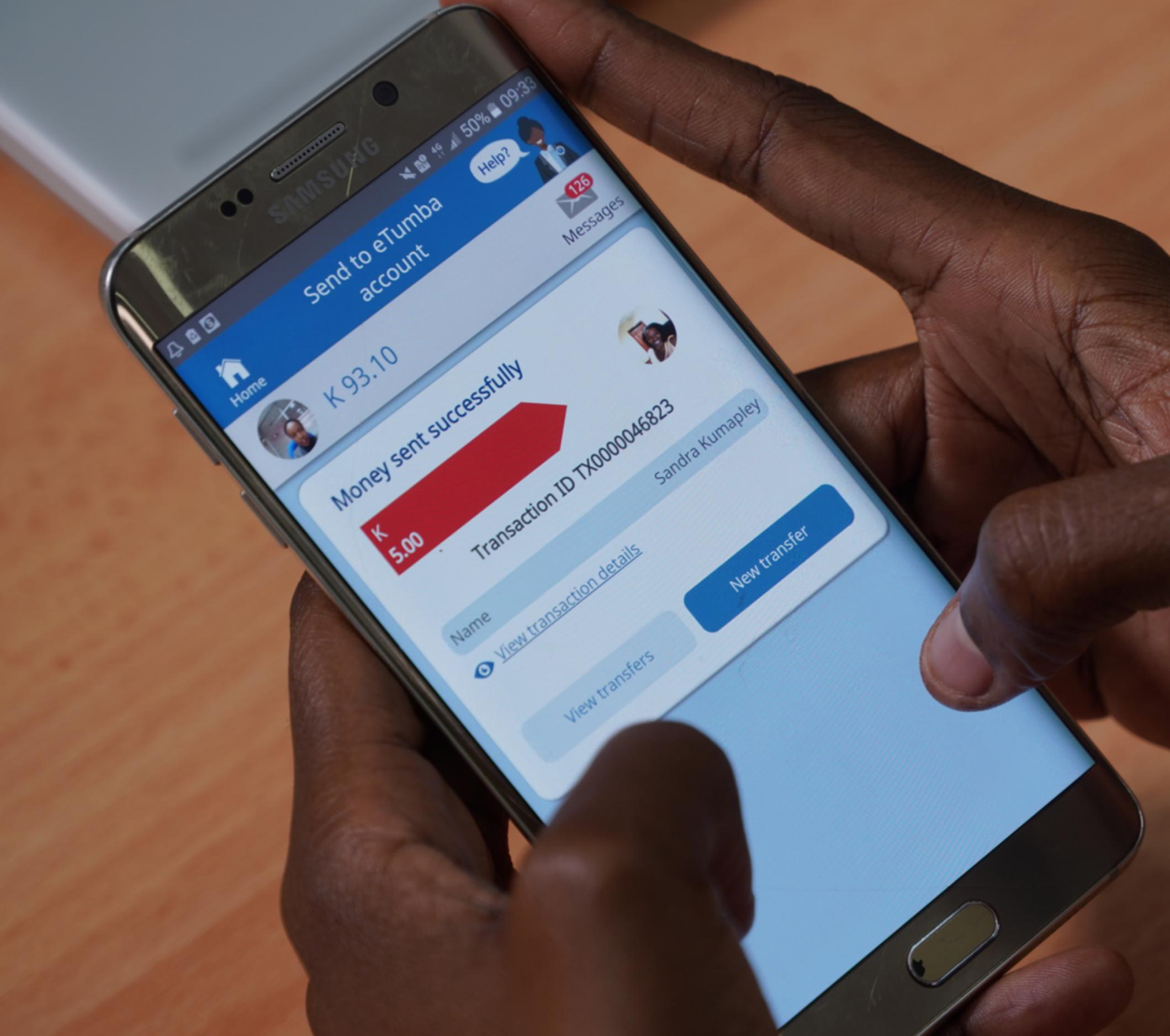
- [Client uptake and usage](#)
- [Changes in client behavior in transactions and Savings](#)
- [What impact does the use of eTumba have on customers, in their own words?](#)

We gathered information through life phone calls with 200 clients. For our quantitative analysis we also used data from the key data base on digital financial transactions of AB Bank Zambia clients. The telephone interviews were conducted in October 2022. Data from the banking system dates back to the introduction of out-of-branch transactions in 2019.

Main Features

- Instant self-registration via app or USSD
- Real-time fund transfers to other banks & mobile money providers
- Pay bills (Electricity, Water, TV) and buy airtime/data
- Cash in/out at more than 20,000 agents countrywide
- Cardless cash withdrawals at ATMs
- Request money from friends
- Refer Friends and receive a reward
- Receive instant notifications and SMS on account activity
- eTumba Savings, 10% p.a.





Client Impact Pathway

Key
Findings

Uptake and Usage

Firstly, it is important to understand who are the users of eTumba, what triggers uptake and the “why” of usage. We built on a usage conceptual model* : to unpack “the why”, the intention behind the behaviour of the customer must be understood.

The model classifies these intentions into four categories:

- transfer of value (e.g. transferring money to distant relatives)
- managing liquidity (short term credit to cover for a liquidity gap)
- resilience (improve ability to manage unexpected changes such as illness, business failure)
- meeting goals (growing business, education of children)

Secondly, we wanted to comprehend what influences long-term, **repeated usage**? The model not only aims at better understanding how people use different financial services and what determines their choice of financial service it also analyses usage patterns. Assuming that customers take up a service because they have a specific intention or need, it would be reasonable to assume that he/she will no longer require this service if the need no longer exists. Even if the need continues, a service will only be continued if the client is satisfied with the value he gets for his money (i.e. perceived value derived from product/service usage is positive). This perceived value is influenced by the client’s perception of the cost of the product, the customer experience with the bank and by factors external to the bank (such as offers and prices of the competition).

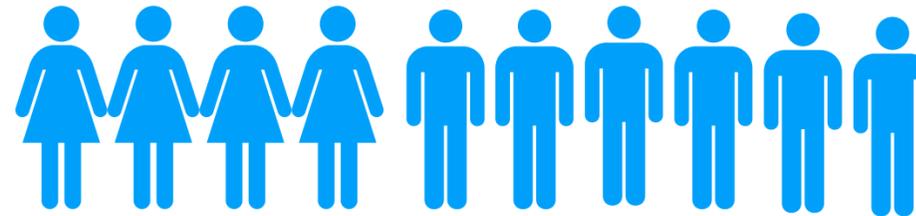
This together **will give valuable insights on how to drive uptake and usage of eTumba to achieve business objectives.**

*https://www.afiglobal.org/Measurement_framework/FinNeeds.php

Who are the users of eTumba ?

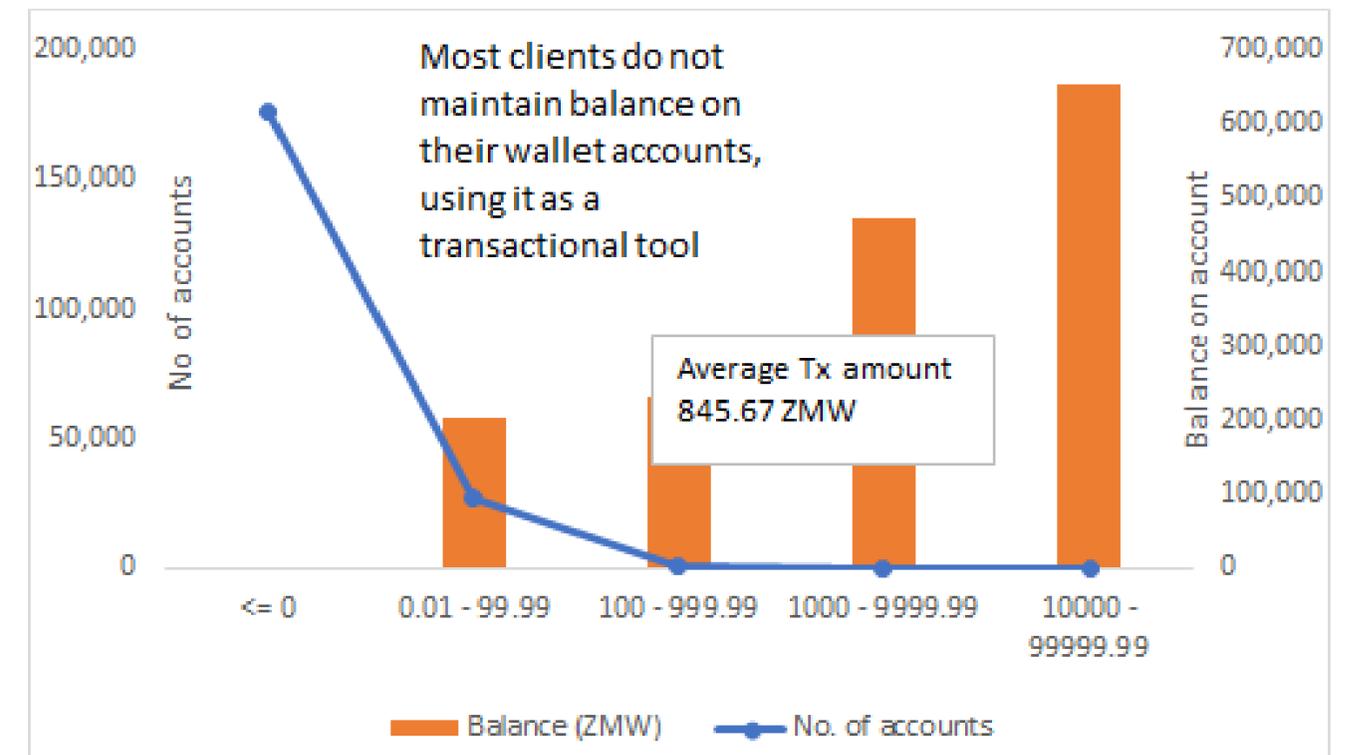
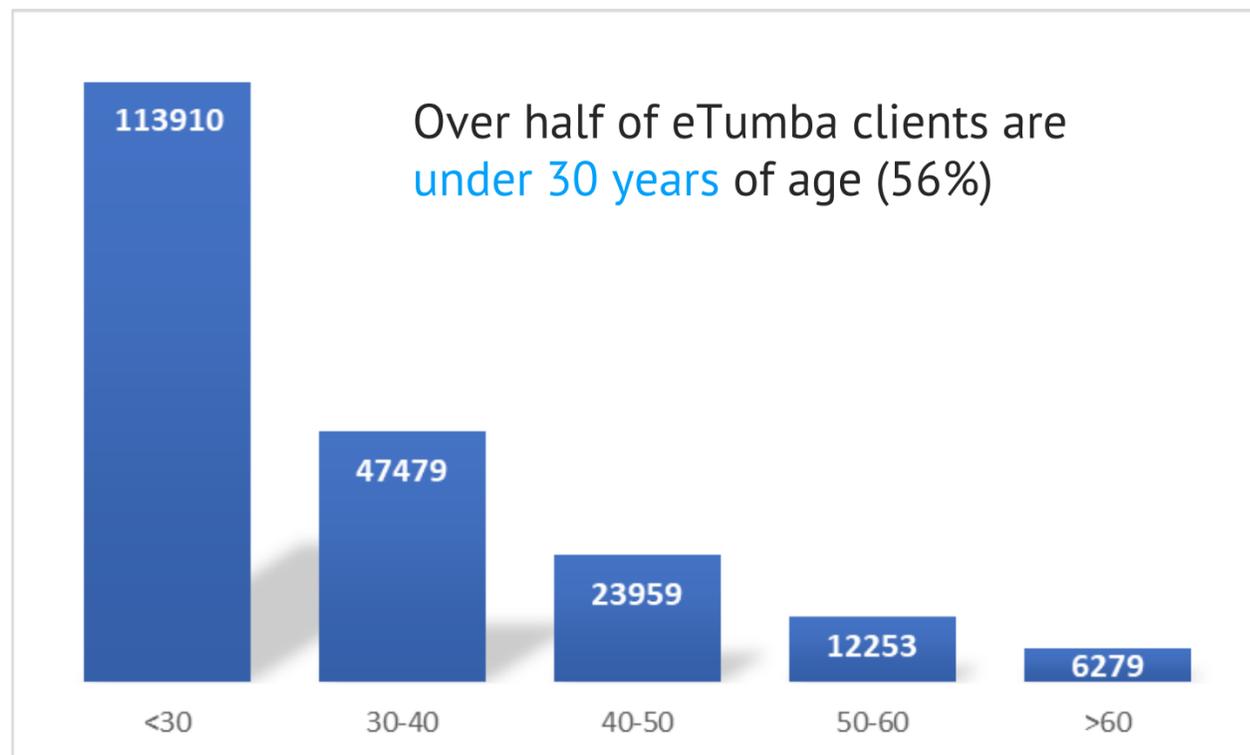
203,886 registered clients

41.3%

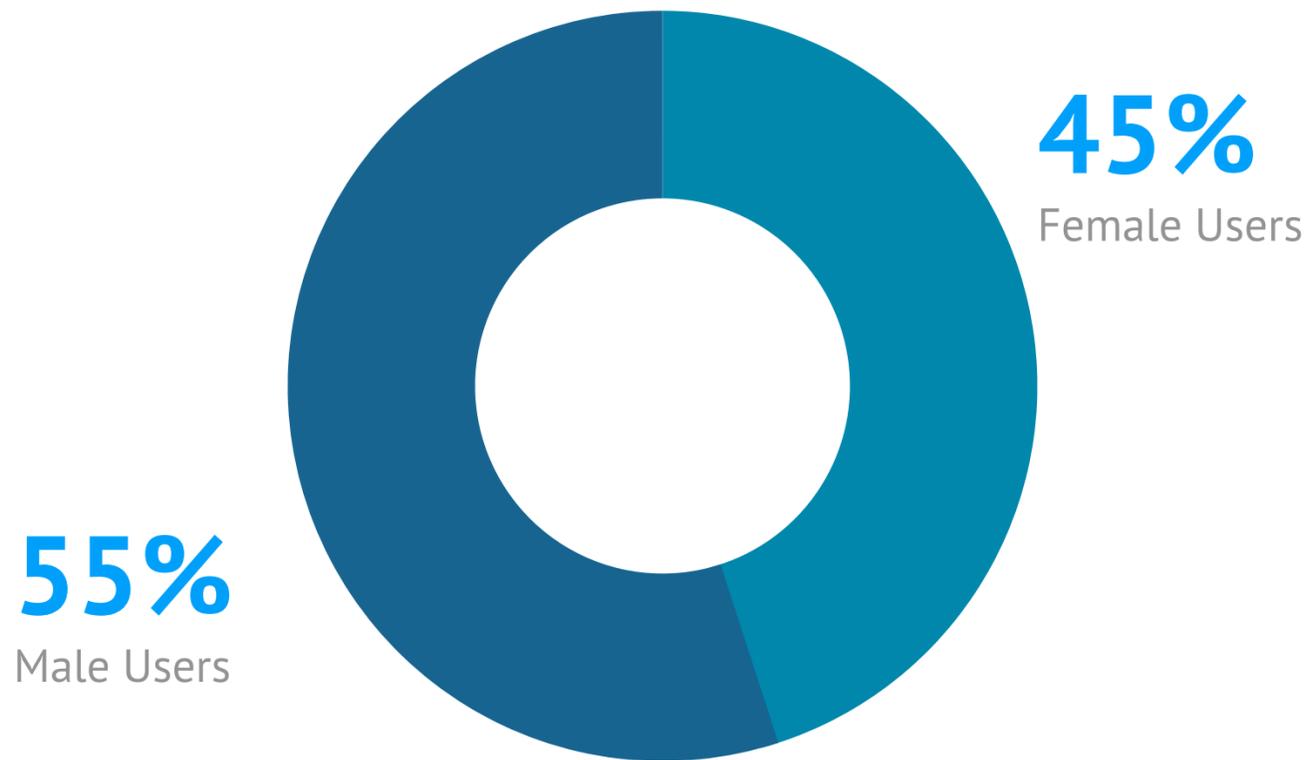


58.7%

45% active



Characteristics of Sample Clients



67.5% Linked with AB Bank Account

Have access to their bank account through eTumba

64% Active Users

State using eTumba at least once a month

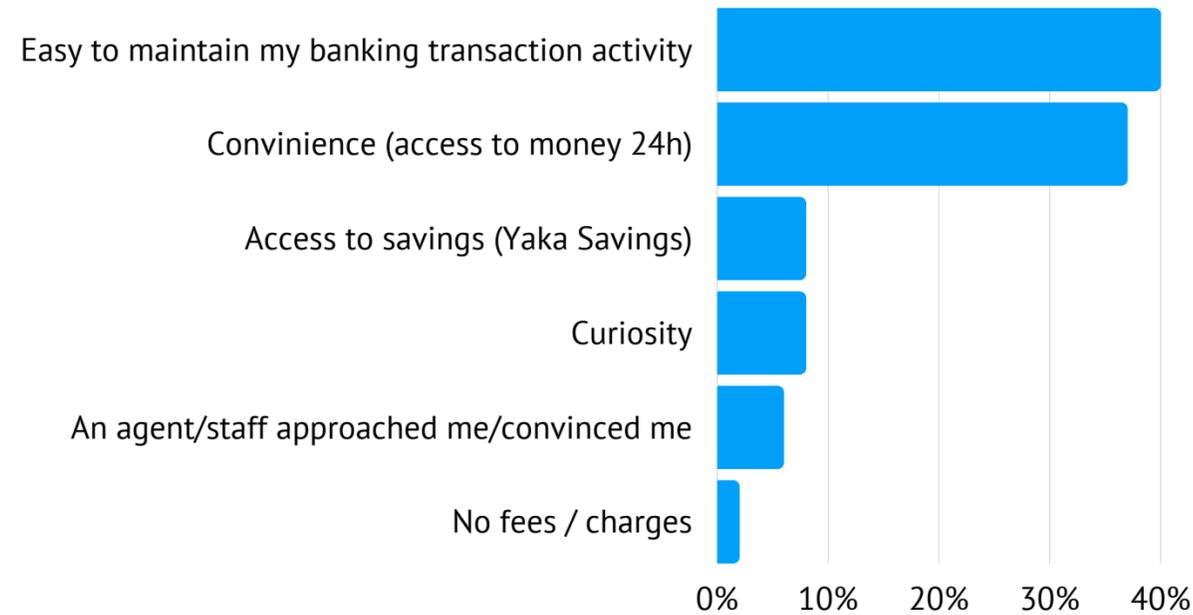
25% Registered but not using

Stopped using eTumba for now, but intend to use in future

75% Recommend usage

75% rated the likelihood to recommend eTumba to a friend or a family member with >8 on a scale from 1 to 10.

What triggers uptake and repeated usage?

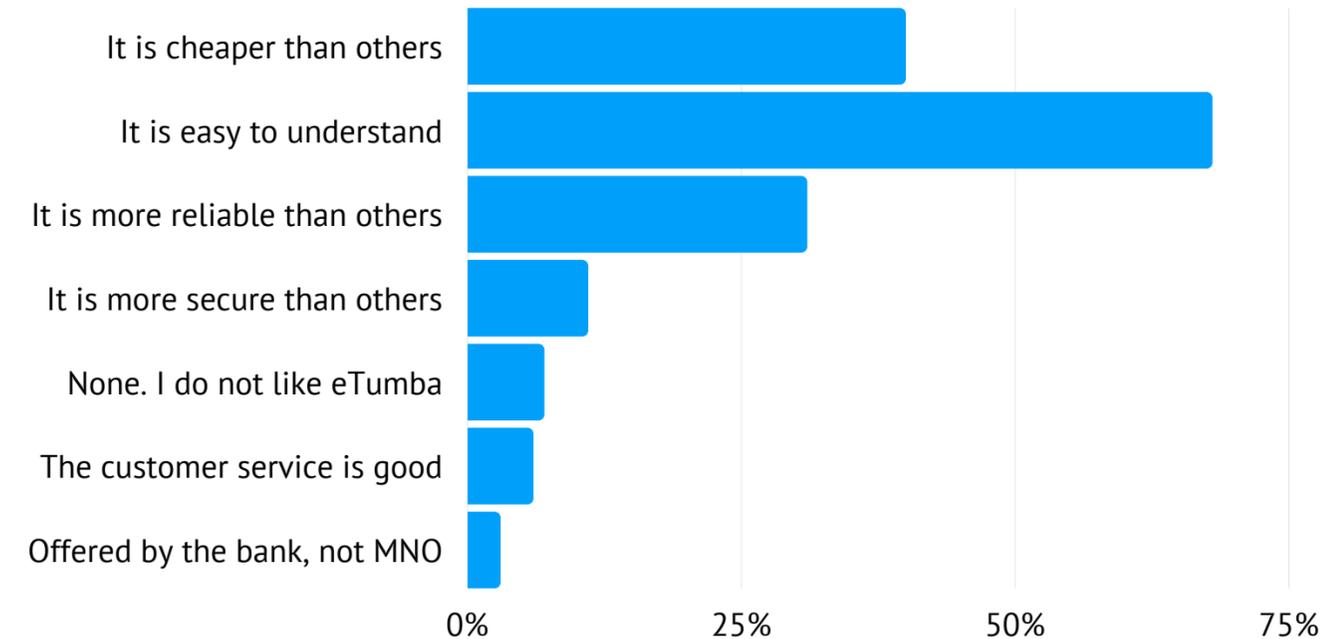


Based on their repeated usage, survey respondents were asked what they liked about the product.

Their response clearly shows that the **positive customer experience** – expressed as ease in usage (68% of respondents) is the most important factor.

As second main factor for repeated usage, clients identify it as cheaper and more reliable than other alternatives.

Overall **the majority of clients perceive a positive value of eTumba usage** influenced by the client's perception of the cost, customer experience with the bank and external factors such as prices of the competition.



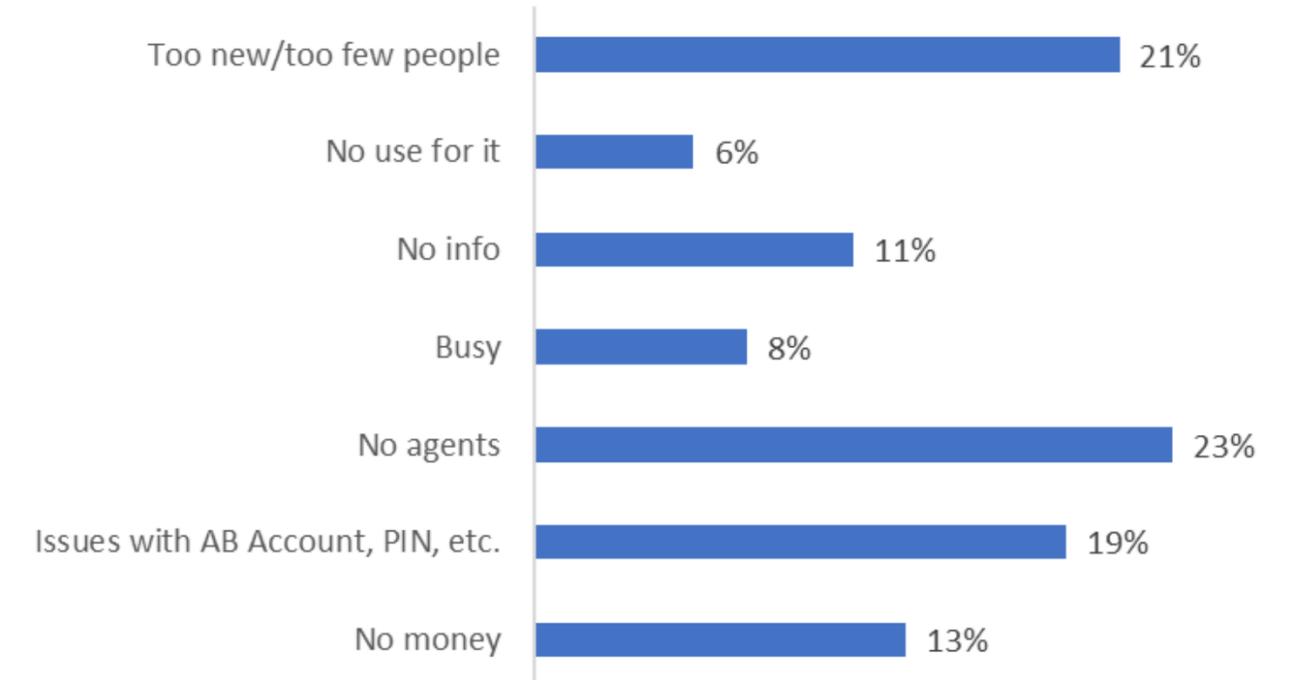
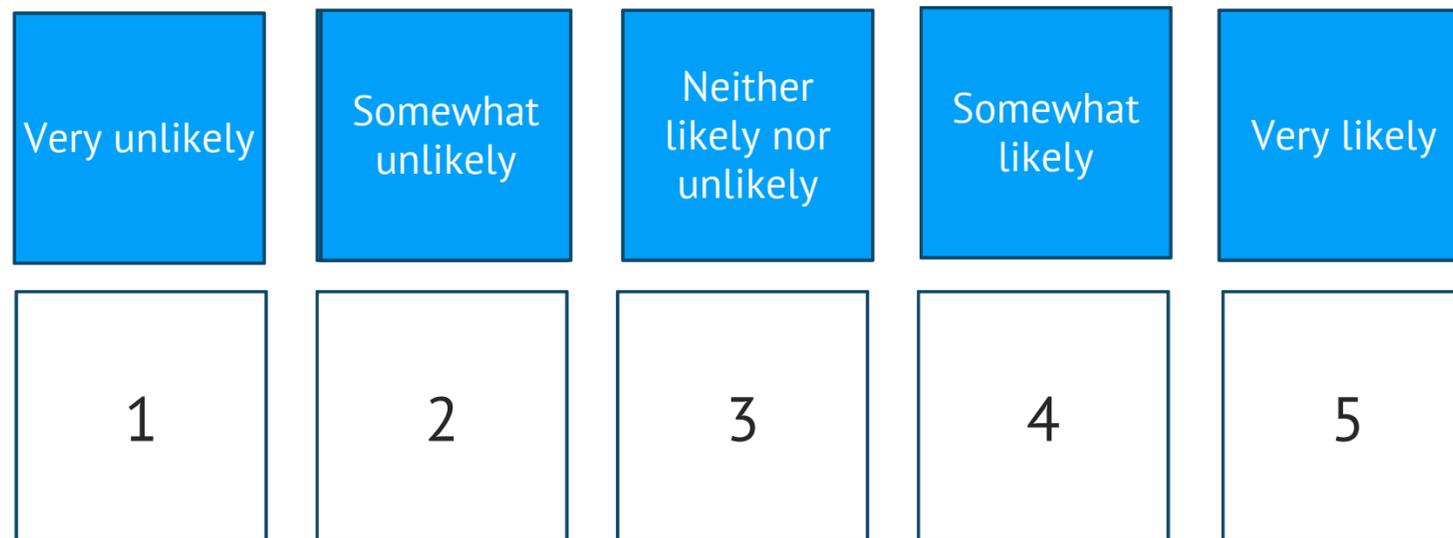
Survey respondents were asked for the main reason to start using eTumba and their reply shows that clients value the ease of usage, convenience and ease in access (77% of respondents).

The high acceptance of eTumba can be attributed to its development process: eTumba was designed through an iterative process involving several rounds of user testing and explicitly addresses lower levels of literacy through its intuitive interphases.

It can therefore be concluded that uptake of eTumba is supported by the ease in usage as well as correspondence to the customer's lifestyle.

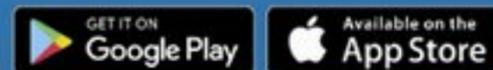
Why did clients stop using eTumba? How likely will they use it again?

One quarter (25%) of survey respondents state that they have stopped using eTumba. The main reason being that there were not enough agents to cash in/out (23% of respondents) and that it was too new and too few people were using it (21%). Many experienced technical problems with their account, PIN, etc (19%).



The majority of clients who stopped using eTumba, have suspended usage but have not permanently dropped-out. Respondents stated it as likely **(56%) that they will use eTumba again within the next six months**. We can therefore conclude that respondents see a value in eTumba but that the first steps in its developments (such as a low number of cash in/out points and agents) and the newness to the market led customers to a “wait and see” position. Only a small minority stated that that they did not find it useful or were no longer interested in using eTumba. (7%).

Transact with eTumba



Client Behaviour

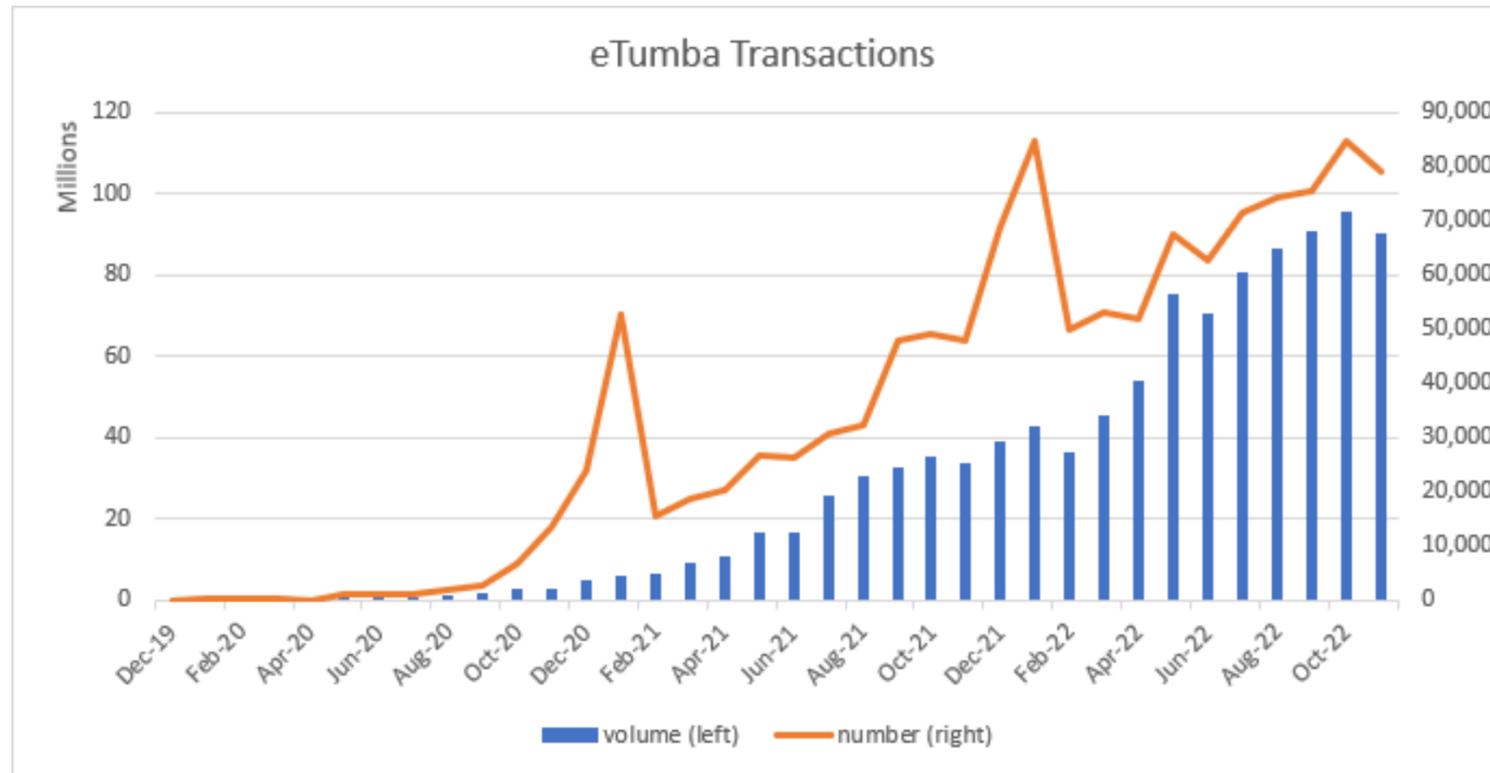
Customer behaviour reflects customer value. Changes in customer behaviour provide important signals about customer satisfaction with products, service and channels. We take a **look at client behaviour to understand whether eTumba is meeting clients' needs** i.e. how well it correspond to clients needs.

We asked survey respondents and looked at changes in the client data bas to understand their behaviour as an indication for value creation.

We analysed:

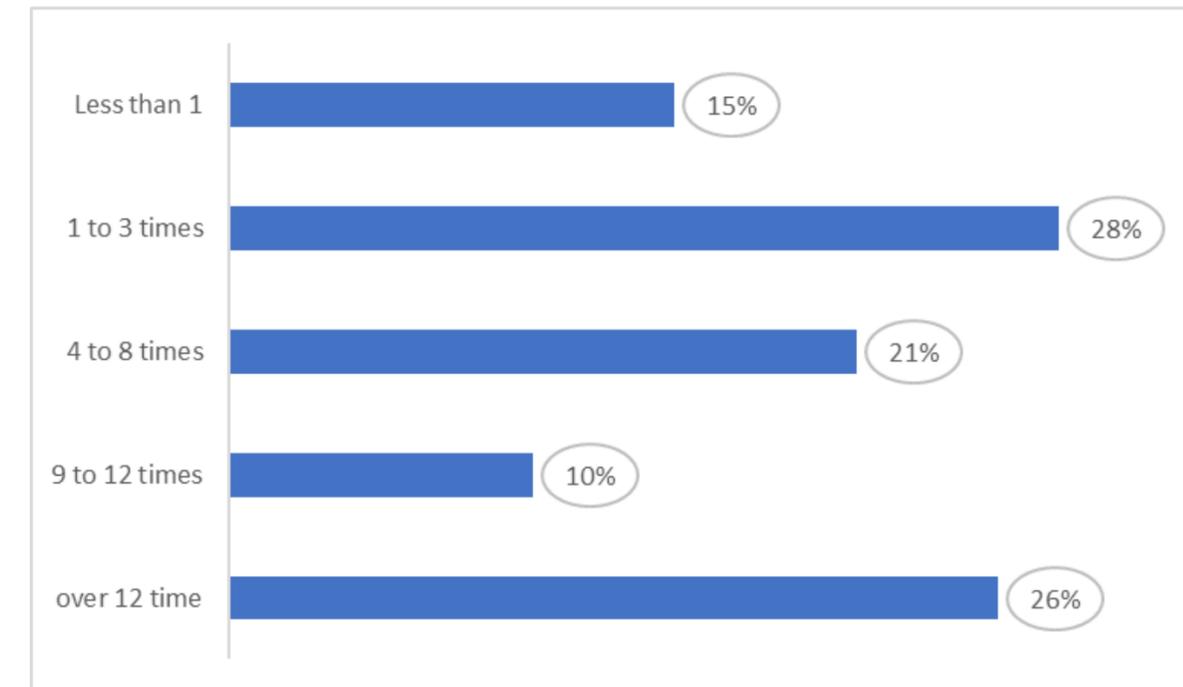
- Client growth
- Transactions
- Savings

How many transactions are clients performing and is the number and volume increasing ?



The number and the volume of transactions on eTumba has steadily been increasing. Users are young (majority under 30 years) and nearly 60% of eTumba clients are male. We can assume that they belong to the tech savvy population and would probably be considered early innovators or early adapters (see product adoption curve of Everett Rogers). By guiding these clients and training them on using eTumba, they can become internal champions, seeing that the wallet is constantly adding on new features.

Number of uses per month

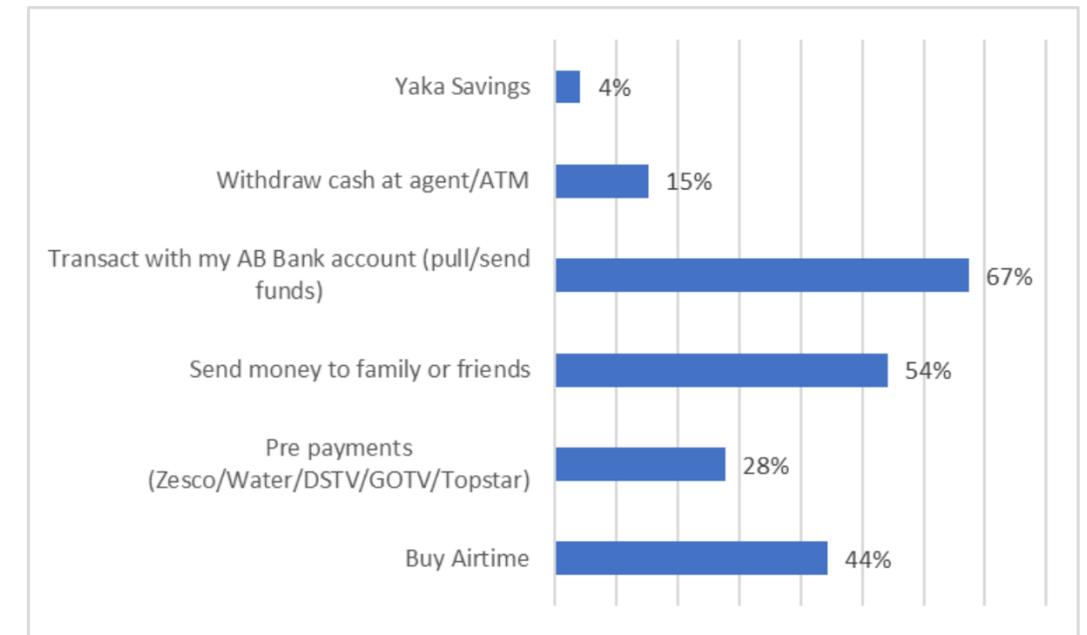


The majority (57%) of sample respondents can be considered regular users as they transact on eTumba more than four times a month. Nearly one in four respondents (26%) say they transact on eTumba on average 3 times a week (over 12 times a month).

What kind and how many transactions does the average customer perform?

Survey respondents stated that they mainly use eTumba as a means to [remotely access their account with AB Bank \(67%\)](#). This is confirmed by the total client population, where 50% of transaction volume accounts for transactions to and from the AB Bank account which corresponds to 33% of all transactions.

The second main usage is to [send money to family or friends \(54% of survey respondents\)](#), which accounts for just over 40% of the total volume of all transactions on eTumba. Whilst buying airtime is mentioned as third most important usage of eTumba, the transaction volume is very low, accounting for just 1% of total volume. Overall, an [increase in amount per transaction](#) can be noted up from ZMW 699.37 in June 2022 (YTD) to ZMW 845.67 in November 2022 (YTD).

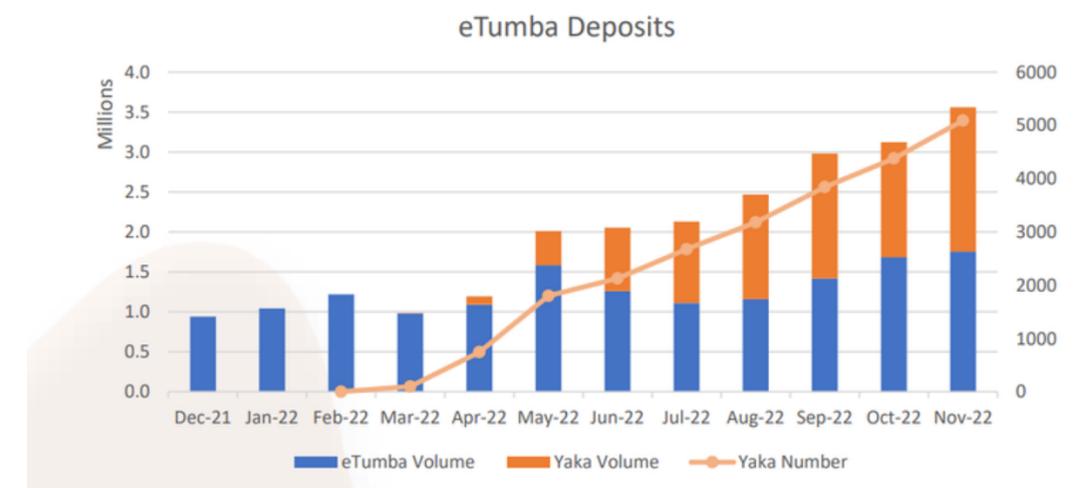


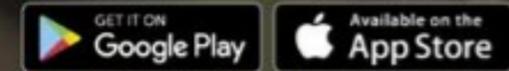
Are deposits growing?

Is the Yaka account being accepted and used?

Whilst half (48%) of respondents state that they feel informed about new services available on eTumba, 30% of respondents know and have heard about the Yaka account. The Yaka savings account was introduced on eTumba in February 2022 and currently has just over 5,000 savings accounts. It already shows that the savings accounts are driving the deposit volume on eTumba.

Whilst the number of depositors has shown a steep development, existing clients need to be better informed about the new savings account.





DIAL
*888#

Buy airtime and data
free of charge



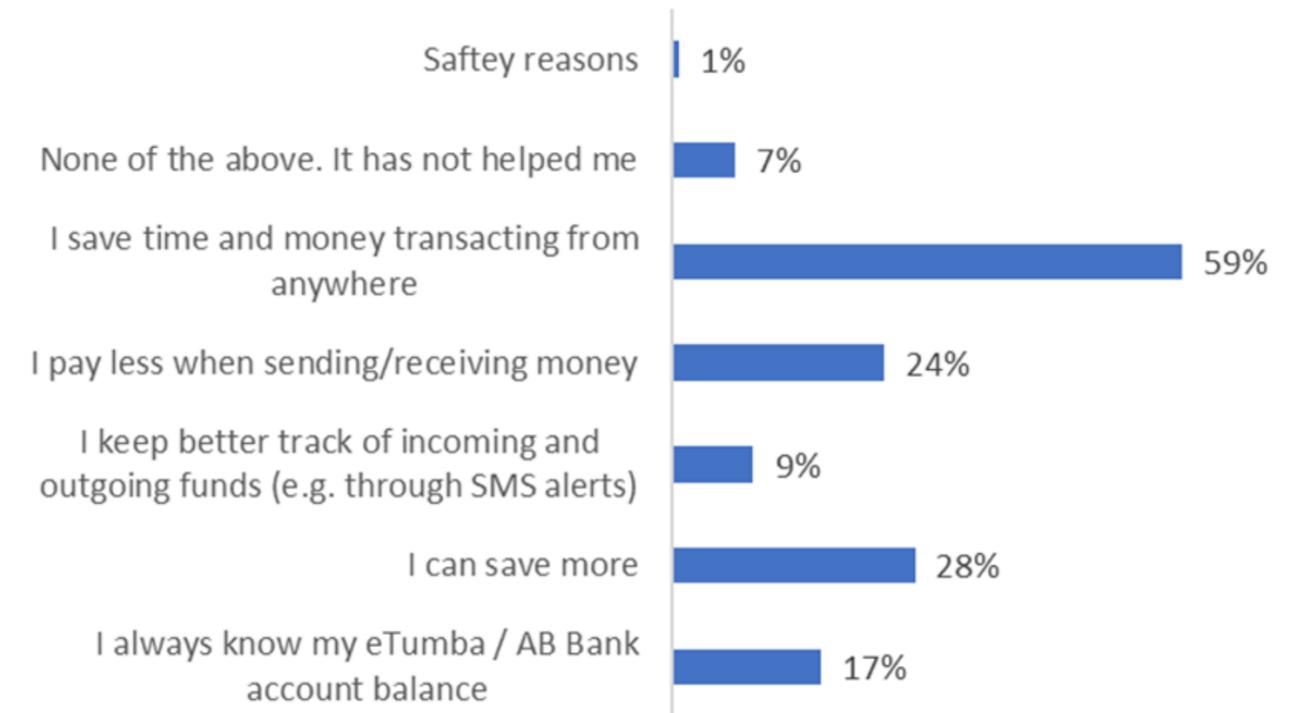
Client Impact and Conclusion

To get a deeper insight of how eTumba has influenced the ability of clients to manage liquidity, to meet their goals and to create resilience, we asked each survey respondent what impact eTumba has had on his/her financial management. We wanted to hear in the clients' words whether using eTumba has positively or negatively affected their finances.

The proxies for measuring increase in resilience are the increased ability to save, improving income can be achieved by paying less for a services, improving financial management by keeping track of personal budget and managing bill payments.

How has eTumba helped improve clients' finances?

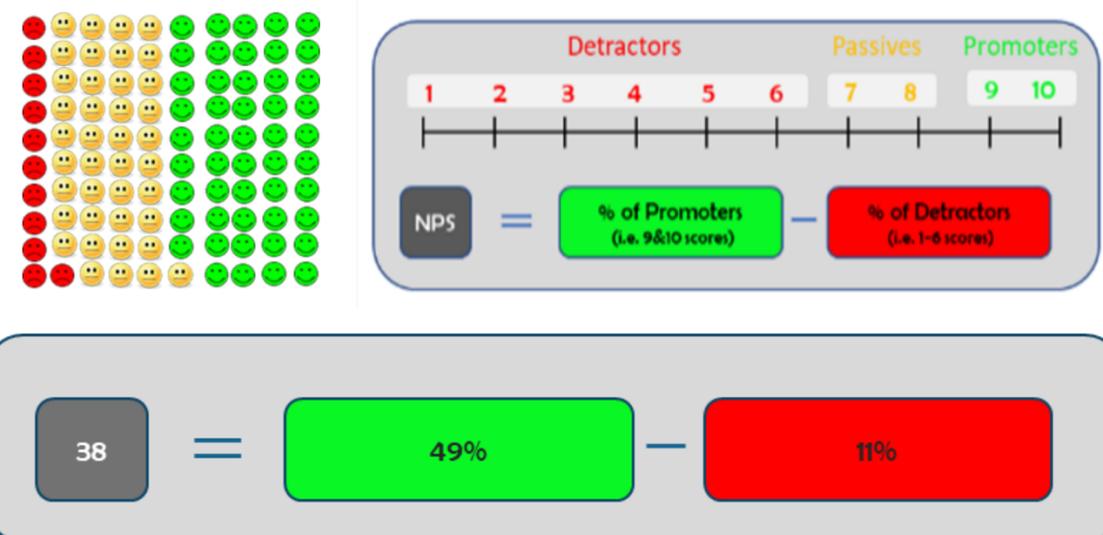
The majority of survey respondents particularly valued the fact that the wallet saves time and cuts costs (59% and 24% respectively). Clients stated that with eTumba they pay less when sending and receiving money. Respondents also stated that eTumba helps them in increasing their savings (28%). Managing and keeping track of transactions on their eTumba and AB Bank account was mentioned as an important improvement in their financial management. Only 7% of respondents that had not helped them improve their finances.



How likely would survey respondents recommend eTumba to friends and family?

Given a scale from 1 to 10 (1 = very unlikely and 10=very likely), 49% of respondents replied that they would very likely recommend (scale 9 and 10) recommend eTumba (**promoters**), whilst 11% would (scale 6 and below) not recommend eTumba (**detractors**). There is a large middle (**passives**) of 39% of respondents that would neither speak in favor nor against eTumba.

Overall, the NPS is 38. Whilst any score above 0 can be considered as good; industry standard for financials services is considered to be around 40.

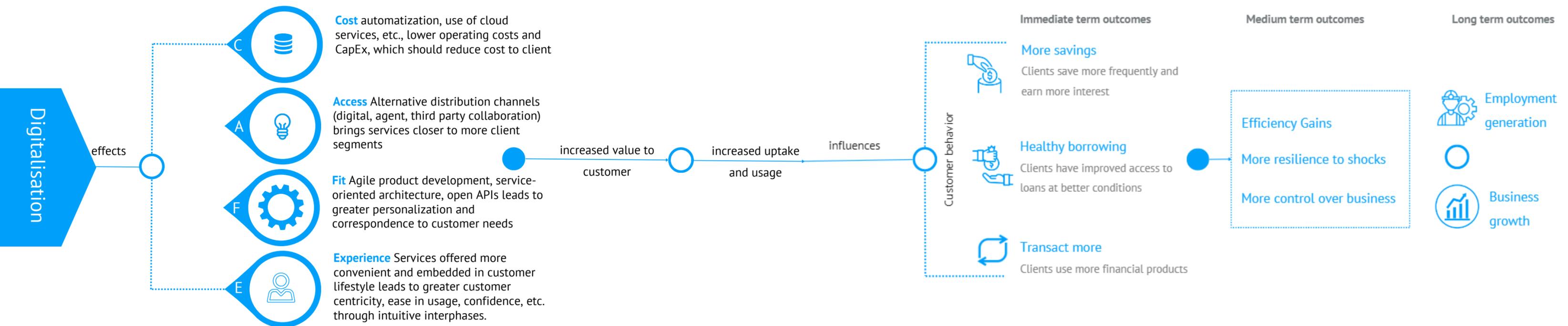


Conclusions regarding our hypothesis and the client impact pathway

Our research findings support our overall hypothesis that the [digitisation of our network banks](#) has the potential to deepen financial inclusion. We gained insights on how eTumba has helped clients save resources (time and costs) and has offered new products and services which are relevant to improving the lives of low-income customers and which meet their needs and expectations.

Client Impact Pathway depicts effects of digitalization.....

.....to impact on customer outcome



Conclusions regarding our hypothesis and areas for improvement

Our findings also revealed [areas for improvement](#). We directly asked survey respondents about their suggestions for improvements of eTumba.

Just under half of all survey respondents (88 clients) gave suggestions. Of these 22% explicitly stated that there were no improvements to be made. 38 clients (43%) see a need for [improvement of network connections and system down time](#).

10 clients (11%) would like to see [more agents, booths and ATMs](#) available for cash in/out transactions. 9 clients (10%) see a need to improve the information on the product, sensitize clients on the usage and motivate for and frequent usage.



*always***Accessible***le*