



WOMENLINK



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WOMENLINK PHASE 2: EMPOWERING WOMEN THROUGH FINANCIAL INCLUSION IN THE PHILIPPINES

The Case of Grameen Foundation's WomenLink Program

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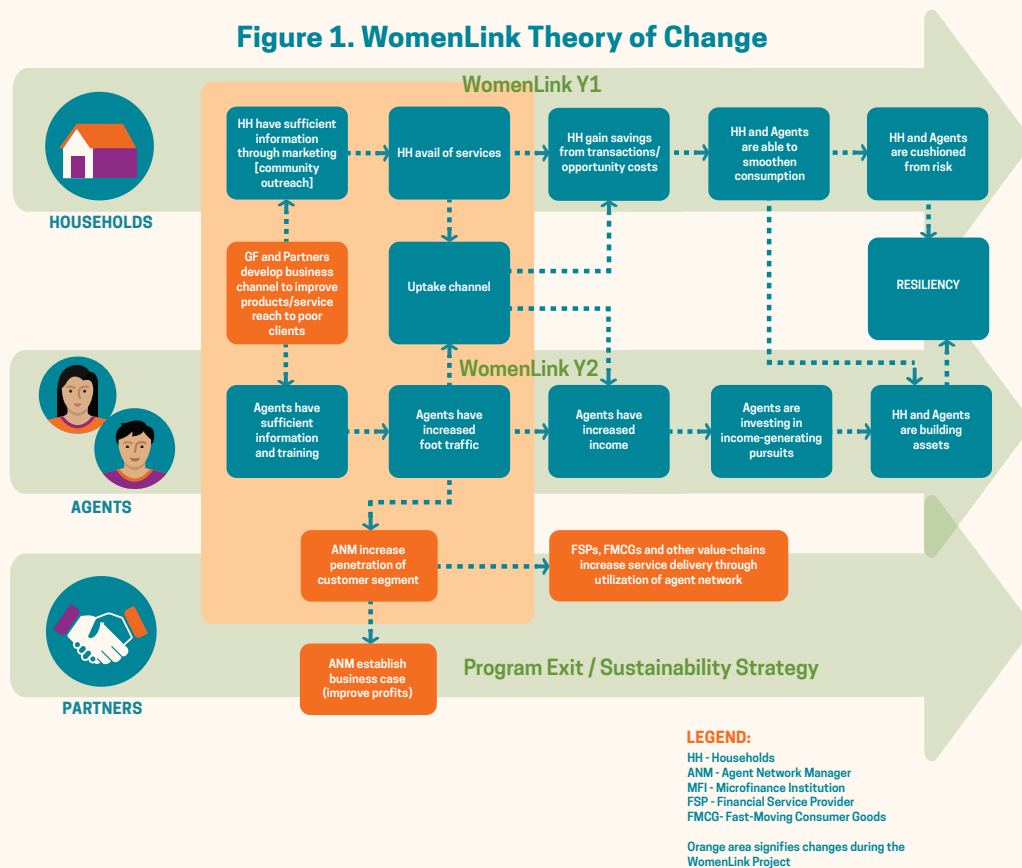
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I. Background

I.1 WomenLink Rationale

With the goal of reaching the financially unserved and underserved population to improve low-income households' resilience, the Womenlink Program in the Philippines is expanding the adoption and increasing the usage of digital financial services by women through digital financial education. Grameen Foundation (Grameen), with support from Wells Fargo, aims to optimize the delivery process of financial education by leveraging innovative technology solutions and partnerships with various stakeholders within the digital financial space. Womenlink builds on Grameen's other programs geared toward responding to the country's commitment to financial inclusion and empowering low-income households.



Through the program, Grameen set out to develop tools that would address both supply and demand sides of digital financial services (DFS). On the demand side, prospective clients belonging to low-income segments and living in locations far from traditional financial services access points are provided with knowledge on DFS and money management advice through short message service (SMS). The objective of the financial literacy program for women clients is to increase usage and uptake of DFS which is beneficial in increasing time and cost savings especially for those households in rural and remote areas. The SMS content takes into account the central role of women in every household and responds to the persistently low levels of financial literacy, frequent lack of familiarity and ease using digital phone applications. The platform aims to establish the relevance of financial services and DFS tools to women's common economic goals and family welfare concerns and then build on that understanding to show them how to access and utilize such services.

On the supply side, small business agents offering DFS products and services will receive agent professionalization education through digital learning platforms. The educational modules aim to raise the quality of customer service offered by the agents as well as equip them with additional knowledge on how to effectively manage their agency business.

I.2 WomenLink Philippines Phase I Results

The Womenlink program has a three-year implementation plan with two phases, targeted at enhancing financial knowledge and skills of DFS clients and agents.

The first phase of the program (December 2017 to December 2018) focused on the implementation of an SMS-based financial literacy program for DFS clients. By providing access to relevant and comprehensible financial information to women - who are culturally given the role of managing household finances - Grameen continues to foster financial education and DFS familiarity at the household level. DFS products and services have the potential to augment household savings and quality of life of women through the monetary and time efficiencies that the digital platform affords. Womenlink Phase 1 yielded the following positive outcomes¹:



- The practice of saving cash among the women in the program grew thirty percent (30%) and their average monthly savings grew one hundred forty two percent (142%). From being able to save PHP 711.85 a month, the women who received SMS financial advice are now saving an average of PHP1,012.50 monthly.
- Bills payments through agents other than utility service centers, typically found in marketplaces, increased by twenty five percent (25%). For instance, cooperative members were able to pay their bills through their cooperative agents, thus gaining savings from the convenience of conducting multiple transactions in one place within their community.
- There was a generally positive reception of the financial SMS messages with ninety-five percent (95%) of women reporting that the financial tips and reminders they received are relevant, and that they would apply what they learned in managing their finances. Moreover, ninety-eight percent (98%) said they would recommend the program to their friends and neighbors. This is an important outcome as word of mouth from trusted sources can provide a strong encouragement to try out new financial products and services.



Womenlink Phase 1 was geared towards establishing client trust through knowledge-building and the development of healthy money management habits - having the potential to improve the financial lives of low-income women and their households. The provision of SMS-based financial tips and reminders to clients will continue until the end of the three-year implementation of the program. To date, there are 42,899² women who continue to receive SMS advice from the program.

Agent Network in the Philippines

While improving clients' understanding and familiarity with DFS is the first step towards trial and uptake, widespread and pervasive usage of DFS needs to be realized if it is to have a lasting contribution to the financial lives of women and their households. Despite high mobile penetration in the Philippines³, agent-assisted transactions remain to be the most appropriate delivery approach to encourage usage of DFS for the financially excluded, as it eliminates certain barriers to transact. Solutions that require mobile phone ownership or those that work only on smartphones with data connection may leave behind a large segment of the population.⁴ Low-income individuals may also find complex Know-Your-Customer (KYC) requirements and procedures difficult to comply with, which discourages personal usage of e-wallets and online accounts. As of 2014, only five percent (5%) of women and only three percent (3%) of individuals from the bottom forty percent (40%) of the income scale have mobile money accounts.⁵ While personal mobile money account usage is still at nascent stages for the lower income segments, the growing network of agents can play a crucial role in bridging the current gap and laying the groundwork in catalyzing a more receptive attitude towards DFS in these market segments.

In 2014, the Philippines ranked eighth in terms of mobile money capacity (which takes into account mobile infrastructures and agent networks, together with other indicators) among other developing countries with financial inclusion commitments. There are about 38 registered agent outlets available for every 100,000 adults in the country, with about 81 registered agents per 1,000 sq.km.⁶ By 2017, the country ranked among the top five in terms of mobile capacity with the implementation of the 2015 Financial Inclusion Strategy and National Retail Payment System underway.⁷ Agent-assisted solutions must go alongside financial inclusion efforts in order to build familiarity and earn client trust in the reliability of the system.⁸

Building trust and credibility through agent networks

For clients, the most compelling case for continuous DFS usage is a positive experience because this diminishes any wariness from the risks involved in transacting through DFS. Ensuring that quality service is delivered to clients requires investments by agent network owners and managers (ANMs) in capacity building training for their agents on critical topics, such as knowledge of products and services, efficient transaction processes, customer relationship management, liquidity management, and company and regulatory standard guidelines and protocols. Aside from capacity building training, agent service is also enhanced by functional and responsive support services for additional information, redress, and technology troubleshooting provided by ANMS. Equipping community agents with the vital tools to enable seamless delivery of client services will motivate both continued usage and increase in customer base, which consequently benefits not only the customers but also the agents as their business continues to grow.

Despite the growth of agent networks, there are various operational and utilization challenges in managing agent networks, one of them being agent inactivity. It is estimated that only about fifty five percent (55%) of registered mobile money agents are active (i.e. have facilitated at least one transaction in the last 30 days). Agent inactivity from providing services may be temporary or long term, and often this decision is due to the following challenges:

- **Lack of effective product and service marketing.** Some agents do not engage actively in marketing the DFS products and services they offer. Low DFS sales amounts and volumes discourages continued provision of service since the business has minimal viability, considering agents often have other sources of income (i.e. computer shops or general stores) to which they can allocate their resources. Product knowledge and skills to promote and cross-sell products is necessary to successfully boost marketing and grow their customer base.
- **Mismanagement of liquidity.** Agents often report difficulty in managing cash and e-money liquidity. There are days when demand for cash or e-money is high (such as during payday when remittances are often conducted, or during bills payment schedules) and the lack of information on when volumes would be high or low gives agents minimal capacity to prepare amounts to service these transactions. In such cases, agents have no option but to temporarily cease certain services when they find that they do not have sufficient funds to offer the full range of their services.
- **Unreliable internet connection and information and communication technology (ICT) support.** Unreliable ICT infrastructures can hinder business operations especially when agents use digital platforms that rely on internet or 3G connection. This issue is more pronounced in rural and remote areas where ICT infrastructures are unstable, not well established, and support systems or alternative workarounds are not in place.
- **Other reasons to cease activity.** Agent relocation or closing DFS services is not uncommon and is often due to personal reasons, as they have other competing priorities in the household and alternative business engagements.

II. Womenlink Phase 2: Agent Network Professionalization

II.1 Implementation Partners

The second phase of Womenlink aims to solidify client trust in the system by delivering high-quality service through the professionalization of DFS agents. Phase 2 will equip agents with the necessary knowledge and skills through the provision of online training materials and references to support them in delivering a seamless client experience. Grameen engaged three financial technology partners who have an existing network of women agents in urban, peri-urban and rural areas as implementing partners. Grameen also partnered with microfinance institutions that offer digital financial services to low-income women and households, as follows:

Ahon sa Hirap, Inc. (ASHI) is a non-stock, non-profit organization that provides non-collateralized loans, savings, and micro insurance to low-income women in rural barangays in Laguna, Rizal, South of Metro Manila, Quezon, Antique, Aklan and Capiz. Aside from microfinance products, ASHI also offers training services on leadership, micro-enterprise ventures, and financial literacy, as well as community welfare efforts such as medical assistance, disaster relief and rehabilitation projects. ASHI's loan disbursements and savings cash-out above PHP 1,000 are now 100% released through automated teller machine (ATM) facilities and money remittance platforms (Palawan and Cebuana Pawnshops).

St. Elizabeth Community Development Program (SECDEP) is a microfinance organization with operations in the province of Iloilo and Antique that provides financial and capability-building services to rural community members. SECDEP offers business loans and special loans for housing, education, agriculture, and emergency purposes. SECDEP currently has a client outreach of 13,600 across 39 municipalities. They make use of ATMs to disburse loans to their members. In 2016 to 2017, they also explored using the Digipay platforms for some of their members. Due to minimal usage and liquidity concerns, they decided to discontinue the service. Their engagement with WomenLink in 2019 signifies that they remain open to learning about new platforms and technology that will support their women members.

Opportunity Kauswagan Remit (OK Remit) offers domestic and international remittance services accessibly and affordably to rural areas. It is supported by Opportunity International, a global coalition of organizations dedicated to using microfinance to provide opportunities for people in poverty to transform their lives in the Philippines, as well as by other microfinance institutions in the country – Alalay Sa Kaunlaran Inc. (ASKI) and Taytay Sa Kauswagan Inc. (TSKI).⁹ They also offer bills payment, top-up and ticketing services. Until 2018, OK Remit had 10 branches in Metro Manila, Bulacan, and Cavite that provided DFS services to clients.

Action.Able, Inc. provides IT Solutions in support of business operations. The company builds and operates mobile platforms that involve processing of various payment modes, including but not limited to credit and debit cards, Paypal, vouchers and mobile money. Through their main brand POSIBLE.NET, Action.Able aims to provide communities easy access to digital services.¹⁰ There are a total of 4,600 active agents who use the POSIBLE platform to deliver DFS services.

FSG Technology Ventures Inc. (FSG Tech) is a wholly-owned subsidiary of FSG Capital, Inc., an investment holding company based in the Philippines with business interests in consumer finance, distressed assets, electronics retail and financial advisory. FSG Tech's main asset is Digipay—a digital payments and financial services platform with a mobile wallet and an interoperable backend interface. The platform enables small and medium enterprises to perform essential financial transactions on their smartphones. There are about 11,000 Digipay agents in the country, with a utilization rate of approximately 50%.

II.2 Program Component

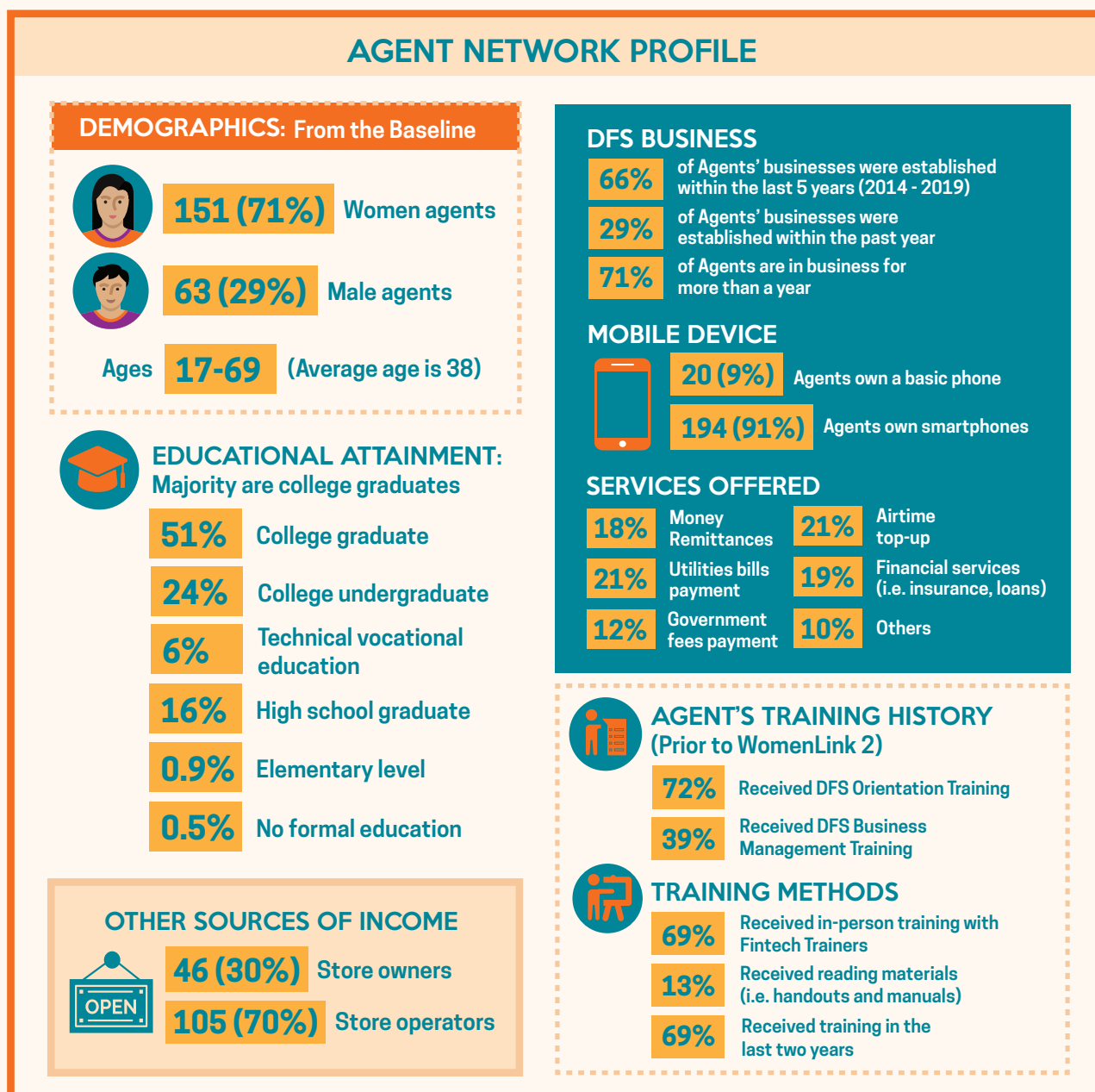
Building on lessons learned from the first year of the 2018 Womenlink program in the Philippines, Grameen is currently working to enhance digital financial literacy and uptake on both the supply side and the demand side. The second phase of the program has four main components:

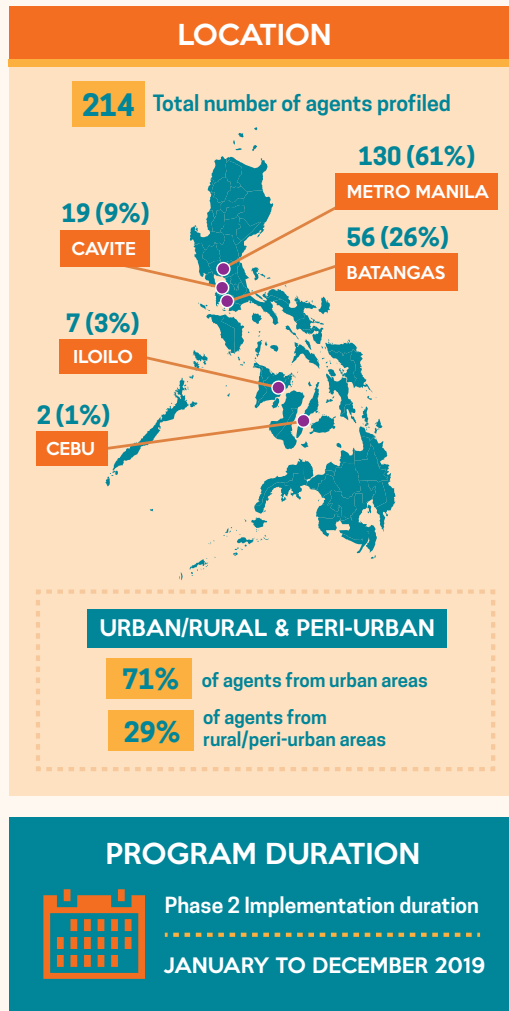
- **Content development for the Agent Toolkit.** Grameen conducted user interviews with DFS agents using the Human-Centered Design (HCD) approach in order to gain a deeper understanding of the most pressing needs and challenges they experience. Identifying agents' pain points in transacting through DFS platforms will inform the content of the modules specifically on standard operating procedure guidelines and processes for those needing support for specific issues. Agents were also asked about topics and ideas they are interested to learn, and skills they are keen to develop that would help them enhance their capacity to provide good service to their clients. During the HCD interview rounds, three agents were interviewed from rural areas, and 13 agents from urban and peri-urban areas. Moreover, implementing partners participated in a roundtable discussion to identify pain points in training and managing the agents. These insights were also integrated in the development of the DFS Agent Toolkit.
- **Agent training through online platforms.** Womenlink used two digital learning platforms to deliver agent training: Facebook and G-LEAP. Through Facebook groups, agents within the network of the implementing partners were given exclusive access to a collection of learning content that includes the Agent Toolkit, other external references for additional reading, modules and instructional videos. Within the group, members can see other agents and they communicate with one another. Forums and the messaging functionality within the platform also provides an avenue for members to discuss the module contents and exchange ideas and experiences that enrich the learning environment. G-LEAP is an e-learning mobile application developed by Grameen Foundation India and other partners. The app is designed to help various organizations (i.e. MFIs, cooperatives, or NGOs) provide training on digital financial products and services to agents and staff in a time-efficient and cost-effective way. Unlike Facebook, G-LEAP contents can be downloaded and accessed offline within the application, and also tracks each learners' progress and competencies. Both platforms contain the same set of learning materials but each has its own functionality. While Facebook allows for learning expansion through peer learning and discussion, G-LEAP enables a more immersive individual learning with quizzes and performance-tracking.
- **SMS-based financial literacy for agents.** To build on the success of using short but actionable messages in Phase 1 (client-focused financial education), Grameen complemented the online platforms in Phase 2 (agent-focused capacity-building) with an SMS-based campaign aligned with the Agent Toolkit content. Automated text messaging targeted at educating agents was co-developed with the program partners in order to provide supplemental finance and DFS-related material to reinforce learning.
- **Knowledge exchange sessions.** Grameen intends to contribute to industry learning within the digital financial space by taking part in knowledge-sharing events where various stakeholders and experts in the field converge to exchange ideas and insights. Grameen participated as a resource speaker to present learnings from the first phase of the Womenlink Program in various forums held by both private and public organizations. Conducting roundtable discussions with implementing partners, as well as other key stakeholders in the government and in civil society organizations with aligned interests were also conducted throughout the implementation of the program to explore areas of potential collaboration.

II.3 Implementation Details and Baseline results

An agent baseline survey was completed on July 31, 2019 with 214 agents with valid interviews. The agent pool was divided into a control group receiving training through SMS only, and two treatment groups, receiving toolkit content through SMS + G-LEAP or SMS + Facebook social media. The implementation of the learning modules will continue in 2020 and endline interviews will be conducted between May and June 2020.

Figure 2. Agent Network Profile from the Baseline Survey





Eighty five percent (85%) of those interviewed agents were interested in receiving additional training. The topics agents are keen to learn are (1) skills to improve marketing and increase sales, (2) skills to manage their business and liquidity, and (3) skills to increase their understanding of the DFS device’s features.

Womenlink 2 Agent Professionalization Program Progress

Three hundred seventy nine (379) agents enrolled as of October 2019 (no additional enrollments or Facebook Group member requests received from November to December).

Figure 3. WomenLink Y2 Agent Professionalization Program Progress

| E-LEARNING PLATFORM | G-LEAP+SMS (launched in 8/27/19) | Facebook Group+SMS (launched in 8/12/19) | SMS Only (launched in Action.Able - Aug 30 Digipay - Sept 9) | Facebook only | TOTAL |
|---------------------|----------------------------------|--|--|---------------|------------|
| | 6 | 24 | 53 | 9 | 92 |
| | 5 | 15 | 204 | 63 | 287 |
| TOTAL | 11 | 39 | 257 | 72 | 379 |

II.3 Agent Toolkit

Empirical research has shown that trained agents perform better in terms of transaction volumes which consequently results in higher agent network provider-level profitability.¹¹ Moreover, the combination of inception (within the first three months of starting business) and refresher trainings produce well-informed agents who perform better in the face of competition. Well-trained agents display mobile money product knowledge, as well as a higher degree of compliance (i.e. redress handling, displaying of rates, call center numbers, and certificate of business from provider) that customers look for and value in a DFS agent.¹²

The traditional way of training agents is through orientation seminar gatherings and workshops. Mass training of agents entails substantial costs for providers to organize and implement. Participating agents also incur some costs as they have to spare expense to travel to and from the venue and allocate some allowance for the day's activities. Reaching agents from farther locations also becomes a challenge as rural areas often do not have a large enough number of agents to justify the training costs to be incurred in conducting events in remote communities. Hence, these mass trainings tend to focus in urban and peri-urban areas. These costs, operational, and logistics challenges of mass orientation seminars can limit the learning opportunities for agents in remote areas who cater to communities often underserved or unserved by DFS and other financial services.

To address these barriers, Womenlink developed an Agent Toolkit consisting of a 6-part learning module intended to instruct agents on DFS business management, client relationship management, product knowledge and marketing techniques, and standard operating procedures. The program leveraged existing e-learning platforms as an avenue to increase access to essential DFS knowledge content that can be used both as an orientation and refresher course.

Figure 4. WomenLink Agent Professionalization Modules



II.4 Initial Insights from Program Implementation

1. Learning is motivated by the social aspect of the learning platforms. The social aspect of learning proves to be an important motivator for agents to sign-up to learning platforms and to read the modules. One of the primary considerations of agents in joining social learning groups and/or downloading learning applications is the feedback they get from their peers who have tried it. They



seek reviews from their friends and neighbors and the insight they get allows them to gauge whether or not the learning content and the platform (Facebook Group or G-LEAP) is relevant to them. There is a preference to sign up to the Facebook social learning group because it allows them to actively engage with other agents in the online community, conversing on DFS business-related topics. While both Facebook and G-LEAP offer the functionality to interact with other learners, agents are more proactive in using Facebook's group messaging tool because it provides greater visibility and information on who they're communicating with. Moreover, the familiarity with Facebook's interface reduces the apprehension in

usage. For those interested in specific types of information, or those who have a specific query, the group chats allow for a quick and simple way to obtain the information they need from peers. Leveraging social incentives and recognition can potentially encourage greater usage of the agent learning modules.

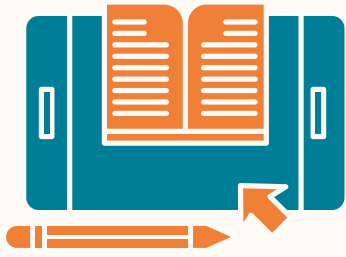
2. Expanding the content beyond the agent toolkit by focusing on new products and troubleshooting basics.

Agents have different information needs and have varying time allocation for learning. Those who have been operating a DFS business for years have less tendency to access modules that include basic DFS information that they already know from previous training orientations or from personal learning gained through business experience. More experienced agents are interested in information on how they can improve their business such as marketing strategies and information on new products and services that they can offer. Across interviews conducted, agents reported needing assistance on resolving technical difficulties. Information



on basic troubleshooting and an SOP for technical difficulties is currently not included in the agent tool kit and the only recourse is to contact the financial technology provider for customer support. Adding these types of information in the agent learning modules can promote sustained usage of the learning tools while catering to more specialized information needs of agents.

III. Next Steps: Womenlink 2020 Priorities



- 1 Review and refine agents access to the e-learning platforms and implementation of monitoring and evaluation activities.



- 2 Data analysis and knowledge-sharing activities with program partners and other stakeholders.



- 3 Continued implementation of SMS-based financial education messages and DFS marketing messages to agents.



- 4 Development of a viable business case for a social enterprise as a pathway to the program's sustainability.

[1] Grameen Foundation. (2019, April 1). Philippines WomenLink Report. Retrieved January 8, 2020, from <https://grameenfoundation.org/partners/resources/philippines-womenlink-report?keywords=womenlink%20philippines&categories=>

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[6] Ibid.

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