



WOMENLINK

*A Usability Research Report on
Digital Financial Services in the Philippines*

JULY 2018



**WELLS
FARGO**

TABLE OF CONTENTS

I.	Context: WomenLink and Digital Financial Services	2
I.1	Driving Digital Financial Services Usage Further	2
I.2	Women as an Opportunity to Increased Adoption	2
I.3	Understanding Current Barriers	3
II.	Usability Research Overview	4
II.1	Implementing Partners and Study Participants	4
II.2	Methodology: Usability Research Activities	6
III.	Study Findings	8
III.1	Usability Test Results	8
III.2	Other Barriers to DFS Uptake	10
IV.	Solution Recommendations	14
V.	Conclusion	18
	Notes and Sources	20
	Appendix	21

EXECUTIVE SUMMARY

In 2017, Grameen Foundation conducted a usability study funded by Wells Fargo to understand how the functionality of digital financial services, products and applications as perceived by low-income women affect the adoption and usage of such platforms. GF gathered 50 women constituents of partners Ahon sa Hirap, Inc., Central Visayas Information Sharing Foundation Inc., and Nationlink to conduct a usability testing of 6 DFS (digital financial services) currently available in the market. The study employed task performance tests using each platform followed by a focus group discussion to identify other non-product specific challenges that hinder women's adoption of DFS platforms. The study found five such barriers:

- Lack of trust in DFS combined with low levels of digital financial literacy and skills cause apprehension towards adoption.
- Limited range of transactions offered by DFS platforms due to lack of relevant merchants and commercial establishments accepting mobile money discourages regular usage of DFS.
- Weak and intermittent network connection in certain rural regions make DFS unreliable.
- Difficulty in setting up personal mobile accounts due to strict KYC (know your customer) and registration processes hinders DFS uptake especially for those without identification documentation.
- Insufficient tutorials on DFS interface and user experience is problematic for customers not used to navigating through smartphone applications.

Understanding these challenges provided insight on recommendations for value chain players to address persistent low-levels of DFS usage. Government-led action is key in developing sector infrastructure and regulation, as well as enhancing consumer awareness and understanding of how DFS platforms can play an enabling role in women's financial goals. Feedback from the women respondents were used to formulate product-specific recommendations for DFS developers to give an insight on their functional digital skills and their preferences as regards navigation, user interface and user experience of platforms.

I. Context: WomenLink and Digital Financial Services

I.1 Driving Digital Financial Services Usage Further

In line with its goal of strengthening the resilience of the poorest segments of the population, Grameen Foundation (GF) has been working towards advancing financial inclusion in the Philippines since 2014 as a vehicle to improve the economic status and uplift the financial lives of the unbanked.¹ In 2015, GF and partners worked towards establishing a network of micro and small neighborhood shops (such as sari-sari stores, thrift stores and computer shops) that provide digital financial services (DFS) at the barangay-level through the Community Agent Network Program (CAN). By leveraging mobile technology to provide financial services, the CAN Program laid the groundwork for a telco-agnostic infrastructure that can cater to remote villages, which have since been a challenge to reach due to the archipelagic nature of the country. Since then, many other digital platforms have been launched and Filipinos have now more options. However, infrastructure is only one side of the equation. The next step is toward fostering client adoption of these services so that the Filipino households are able to realize the economic value that these platforms can offer. In 2017, WomenLink Philippines was launched with the goal of understanding the barriers to adoption of existing DFS platforms among marginalized groups, specifically women. Building on the CAN Program, WomenLink aims to design, pilot and test how SMS can be used to deliver simple but actionable messages to women to deepen their understanding of DFS in an effort to galvanize uptake by new customers and drive more transactions by current ones.

I.2 Women as an Opportunity to Increased Adoption

While women are more financially excluded than men in many developing countries, the Philippines presents an antithetical case where the gender gap is in favor of women. According to the 2014 World Bank Global Findex, 37.9 percent of Filipino women own a formal account either at a financial institution or a mobile account, compared to 24.4 percent account ownership among men. In terms of financial product usage,



there is a 3.71 percentage point difference in borrowing from a formal institution and 2.26 percentage point difference in savings, both in favor of women. More adult females also receive (6.35 percentage point difference) and send (5.41 percentage point difference) domestic remittance in the past year. Women are also mostly at the receiving end of government cash transfers with 20.45 percent of the female population reported obtaining aid in the past 12 months as opposed to only 14.03 percent of males. These disparities make sense when viewed with a cultural lens.

Traditional Filipino households confer unto women the role of managing the household finances. Wives are given the authority to allocate the budget among the various needs of the family and they take charge in settling accounts such as paying school fees and utility bills.²

In terms of mobile usage, the gender gap in mobile phone ownership is -3 percent, indicating that in the Philippines, female ownership is 3 percentage points higher.³ More women use mobile phones to make transactions (bills payment and money remittance) albeit personal usage still remaining thin on the ground.⁴ With the instrumental role of women as home budget managers and their headway on mobile phone usage, driving DFS adoption by targeting women's increased uptake and usage presents a prospect worth exploring in the endeavor to reach the financially excluded households.

I.3 Understanding Current Barriers

With mobile financial technology constantly innovating to deliver solutions to customers, the question of why DFS has persisted at low levels of adoption by low-income individuals need to be addressed if such solutions are to play a role in financial inclusion. The purpose of this usability research is to provide a deeper understanding of how mobile phone technology impacts women's ability to access financial services and consequently realize its advantages. This report is intended to check whether or not things have improved since 2014 when a GF report on mobile financial services usage in the Philippines was conducted. The case study was conducted to gain insights on how poor Filipino women use mobile phone and DFS, as well as the challenges they face in doing so.⁵ The study found three main barriers to usage:

- **Lack of product awareness** – Most women transact through agents and are unaware of the option to make transactions on their own devices, neither are they informed on various providers' services. Brand recognition of several major DFS providers is apparent but they admit to not knowing how to use such services.
- **Low-level financial literacy** – While mobile literacy is not an issue as majority of the participants are comfortable in using mobile phones, financial and DFS jargons are confusing, if not unfamiliar to them. Most DFS applications are in English and the struggle with certain unknown terms is reportedly experienced by participants irrespective of literacy level.
- **Navigation and syntax difficulty** – Upon facilitating a usability test of two DFS applications with participants, navigation mistakes were made such as pressing the wrong button, or mistyping values. They get lost in the various options and take time reading instructions, which often cause session timeouts that can be frustrating to users. Participants also expressed difficulty in remembering codes (such as agent or outlet codes).

At the end of the 2014 report, recommendations targeted both at the improvement of user interface of platforms and at the necessity to educate potential users in the applications were defined based on the aforementioned findings. Suggested solutions include using the local language and simplifying the terminology used, and client training on account opening and usage.

Through WomenLink, GF will use SMS to deliver targeted messages to encourage women to actively use DFS channels. Using SMS as the medium to increase awareness and understanding of DFS channels leverages on the texting culture of Filipinos who send some 1.4 billion text messages daily.⁶ This usability report aims to update the 2014 insights, which will be used to constructively inform the content design of the SMS campaign targeted at improving women's DFS usage. The report also intends to support the ongoing National Strategy for Financial Inclusion of the Philippine Central Bank by contributing in the growing body of knowledge on the local financial technology space shared among policyholders, third-party market players, and technology providers. Specifically, this report aims to inform the various industry players of the current gaps in usage as well as in the interface features and user experience offered by several major DFS platforms.

II. Usability Research Overview

II.1 Implementing Partners and Study Participants

GF engaged three partner organizations whose missions and programs are aligned with the objectives of WomenLink Philippines. These entities provide financial services to their constituency of low-income women and are proactive in seeking ways to alleviate the financial challenges these women face:

- **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 services such as medical assistance, disaster relief and rehabilitation projects.
- **Central Visayas Information Sharing Foundation Inc. (CVISnet)** is a public-private partnership project that aims to establish a one-stop shop Information and Website Portal for government, non-profit agencies and business organizations in Central Visayas. CVISnet partners with various organizations to deliver ICT services ranging from secure web hosting facilities and internet connection to disaster communications and e-governance for local government units, particularly at Barangay level. CVISnet is also a DigiPay master agent.
- **Nationlink** provides financial services and electronic banking to areas unpenetrated by commercial banks through a network of bottom-tier financial institution such as thrift banks, rural banks, cooperatives and accredited merchants or agents. Nationlink's suite of banking products include the provision of ATM terminals and POS devices, while services offered range from money remittance to mobile banking and e-commerce. Three of Nationlink's partner cooperatives were elected to be participants in this program: Agusan del Norte Teachers, Retirees, Employees and Community Cooperative (ANTRECCO) in Agusan and Surigao, Palompon Community Multi-Purpose Cooperative (PACCI) in Leyte, and Basey 1 District Multi-purpose Cooperative (B1DMPC) in Eastern Samar.

GF tapped into the existing network of partners to gather a pool of women participants to take part in the usability research. Nationlink enlisted women from its network of rural multi-purpose cooperatives from Basey 1, Samar and from Palompon, Leyte. Both areas are located in Eastern Visayas, which is identified as one of the regions with low banking penetration. Women groups from urban areas were gathered to gain insight on any behavior nuance in individuals living in locations with ready access to financial facilities. ASHI and CVISnet assembled urban groups from their women constituents from Antipolo City, Rizal and from Cebu City, Cebu.⁷

USABILITY RESEARCH PARTICIPANT PROFILE



50 Women Participants

Position in the Household Hierarchy

Household Head	41%
Spouse to Head	39%
Son or daughter to Head	12%
Other relative	8%

Occupation and Income Sources

Employees

- Cooperative staff, government employees, or self-employed micro entrepreneurs.
- Most women from this group either receive monthly salaries or rely on business income.

Housewives

- Most of these women are budget managers in charge of the income brought home by their spouses or children.
- Some have small businesses such sari-sari stores, while others ventures to intermittent jobs to pitch in some earnings.

Retirees

- Retired teachers or government employees
- Their main source of income are pension and remittance from family members. Some were able to start a small business, which augments their household income, and others serve as board members of cooperatives.

Primary concerns of the women revolve around the welfare of family members and financial security of the household:

- Safeguarding education of family members
- Trade-off between career-seeking and income security
- Maintaining good health
- Making ends meet on a daily basis

Mobile Phone Ownership



88% of participants reportedly have phones⁸
32 own Smartphones
10 own Basic Feature Phones

Types of information they want to receive

- Compensation-related news (salary increase, pension update) job opportunities
- Weather update, local and international news
- Cooperative updates and reminders

Financial Transactions Channels Used

68%	Agent-assisted Transactions
9%	Personal Mobile Accounts - Discontinued use (dormant accounts)
6%	Cooperative offered financial services (e.g. ATM savings accounts)
4%	Personal Mobile Accounts - Regular usage (active accounts)

Primary Sources of Information



- Peers during cooperative weekly gatherings and MFI center meetings for organization and community-related information
- Internet search engines and social media platforms via mobile devices for trending news
- Television and radio for reliable and accurate news broadcast

II.2 Methodology: Usability Research Activities

In 4 different locations, 8 engagement sessions were conducted, each having between 4 and 8 women taking part in the testing. GF conducted the usability testing for 2 weeks, from March 4 to 13. The sessions were comprised of three activities:

▪ Participant Screener

The screener is a survey consisting of 5 questions intended to determine whether a participant is a DFS user or not (See Appendix 1). The aim of these questions is to identify and group together users and non-users of DFS. By segregating the participants, differences, if any, between the 2 groups with regard to their depth of knowledge of financial products and services, and ability to successfully operate various DFS platforms are assessed during the focus group discussion. The women were individually queried on the following:

- 1) Ownership of a mobile device
- 2) Personal usage of DFS
- 3) Agent-assisted usage of DFS
- 4) DFS platforms used
- 5) Frequency of transactions

▪ Focus Group Discussion

After categorizing the women between users and non-users, a GF facilitator conducted a focus group discussion in order to gain qualitative insights into the socio-economic profile of the women and understand the role digital channels play in their financial lives. The FGD has 4 thematic sets of questions:

1) Disposition and Motivations – This section is designed to capture the priorities and aspirations that the participants have for themselves and for their families, as well as the challenges and concerns they face in the various social roles they have (i.e. parent, wife, employee, entrepreneur). These questions aim to paint a picture of the household economics and budget management methods of the participants, which help inform the basic framework of digital financial literacy SMS content.

2) Information Demand and Access – The Information Section is intended to gain understanding on the women's access to information essential in their daily lives. This section probes on the types of information that the women need and want, as well as the source from which they obtain these information. The participants were asked to give an account of their information-gathering behavior (i.e. how often they access information, method of acquiring information) and what they do with the information they gain.

3) SMS as Information Delivery Channel - The participants were asked a series of questions to gauge their level of comfort in receiving SMS containing information (such as NDRRMC notifications) and how they respond to these messages.⁹ The women's willingness to register as part of an SMS campaign that would send messages containing pertinent information and tips to their mobile phones was also probed. Questions about the types of information they are interested in, preferred frequency and schedule of message delivery were also asked.

4) DFS Usage Comfort, Comprehension and Convenience – The last section is directed at gaining understanding of the women’s awareness and exposure to digital financial platforms. Their impressions on several platforms were also solicited to get a sense of which product features participants find useful and which user interfaces they preferred. The queries also sought to elicit the difficulties the women experienced in transacting through digital channels, either on their own or through an agent. Lastly, the women’s level of comprehension on DFS processes and terminology, as well as their level of confidence in using financial applications were also elicited.

▪ **Facilitated Usability Test Session**

Still grouped into users and non-users, the participants underwent a DFS Usability Test Session facilitated by GF proctors. The usability tests were conducted to assess the women’s aptitude in making financial transactions using DFS applications. The women were asked to perform three types of transactions using a mobile financial application: pay a bill, send money, and buy airtime.

DFS Usability Test: The women were tasked to perform these three transactions on their own. Participants were randomly assigned a DFS application to use and were given a set of written navigational instructions to be followed step-by-step in order to successfully complete a transaction. The women’s knowledge or usage experience of specific applications did not factor into the assignment of DFS apps. The objective of the test is to measure the capacity of the women to intuitively navigate through unfamiliar but generally similar DFS interfaces. Apart from recording the participants’ task completion rates, observation of their behavior, comments, as well as errors during the process were also noted.

Post-test interview: To validate and provide depth to the observations made by the proctor, participants were asked about their experience in performing the test scenarios afterwards. A series of questions were asked, intended to collect an account of the participants’ feedback on the DFS application they used and the difficulties they encountered in using the platform. Both user interface and user experience were discussed to concretely identify which features contributed to the ease or struggle in using DFS.

Digital Financial Services Platforms Tested

GCash

GCash (Application and USSD)
by Globe Telecom

PayMaya

PayMaya by Smart
Communications, Inc.

coins.ph

Coins.ph App

**NATIONLINK
PAY|ALL®**

PAY ALL by Nationlink

digipay

Digipay by
FSG Technology Ventures, Inc.

These platforms were selected as part of the usability report because these give users two options on how to conduct transactions. Users can download these applications or access the platform via USSD codes to make transactions on their own and personally manage their mobile money accounts. These platforms also allow agents (or cash-in/out points) to make transactions on customers’ behalf which is ideal for customers who are not comfortable using their own accounts to transact. Moreover, these platforms collectively cater to a variety of users with each having a greater penetration in particular locations (i.e. Smart and Globe geographic reach are complementary in rural regions).

III. Study Findings

III.1 Usability Test Results

The data collected from the field test sessions were collated to present the following results showing the average time it takes for participants to finish each assigned task. All the women were able to successfully complete the tasks albeit at varying speed.

Overall, Users performed each task faster than Non-users. Non-user participants frequently asked questions from the facilitators, the nature of which are mostly queries to verify that they are doing the right thing. They generally have some idea of how to perform the tasks but they tend to hesitate to proceed on their own without confirmation from the facilitators. This costed them more time in completing the tasks. Most Users, on the other hand, exhibit more confidence in navigating the interface, even the ones using the assigned DFS application for the first time. Unlike their Non-user counterparts, they did not get deterred by unfamiliar menus and buttons, and they tried to independently accomplish the tasks.

Task Completion Rates per DFS Platform

Digital Financial Platform Tested	Non-user Average time in minutes			User Average time in minutes		
	Task 1 Buy Load	Task 2 Send Money	Task 3 Bills Payment	Task 1 Buy Load	Task 2 Send Money	Task 3 Bills Payment
GCASH MOBILE APPLICATION	4	3	3	2	1	2
GCASH USSD ¹⁰	4	3	3	-	-	-
PAYMAYA	4	4	3	3	2	1
DIGIPAY	3	4	3	2	3	2
PAY ALL	4	4	3	1	1	1
COINS MOBILE WALLET	2	3	2	2	3	2

Note: Each participant was given a sheet of paper containing detailed instructions to follow in order to accomplish the tasks with respect to the DFS platform assigned to them. The task completion rates above are conservative results as participants were provided with a step-by-step guide, without which task performance is expected to take longer to be completed.

During the Post-Test Interview, users and non-users alike found financial terms to be confusing as some platforms use jargons that the participants are not familiar with. For instance, Coins.ph uses the term “remit money” instead of “send money” which is the more intuitive alternative participants know of. The participants also expressed difficulty reading the text and finding the right icons as they are too small. This was a concern across all 6 applications tested. They expressed preference for logos accompanying texts, and color-coded selections in order to make buttons easier to find. Participants who own basic feature phones struggled in following directional commands (i.e. scroll, swipe, click, and type) more than those who own or are used to smartphones. While participants also reported that going through the various menus, pages and selection options were confusing to them, they were well aware that the navigational challenges they experienced can be solved by getting used to the interface. The women were optimistic that given more time to explore the applications they would learn to make transactions with ease.

Common Usage Difficulties

DFS Platform Tested	Participant Errors and Comments
GCASH MOBILE APPLICATION	<ul style="list-style-type: none"> ▪ Icons and font size are too small ▪ List of previous transactions in the home screen is confusing ▪ List of billers is extensive; use of icons or logos is preferred
GCASH USSD	<ul style="list-style-type: none"> ▪ Font size is very small
PAYMAYA	<ul style="list-style-type: none"> ▪ Icons are too small ▪ Difficult to find the Profile Button where the transaction options are ▪ Error in keying-in amounts because values are expressed in two decimal places.
DIGIPAY	<ul style="list-style-type: none"> ▪ Icons are too small; use of different colored icons was suggested ▪ Difficulty in slide and scroll navigations
PAY ALL	<ul style="list-style-type: none"> ▪ Icons and font size are too small ▪ Difficulty in scrolling and navigating drop-down options ▪ Card numbers are too long (for Task 2: Send money)
COINS MOBILE WALLET	<ul style="list-style-type: none"> ▪ Icons are too small ▪ Difficulty in slide and scroll navigations

The results of the usability test identified specific issues in the application interface, user experience and functionalities encountered by first-time users of the DFS platforms tested. While these findings are valuable in the design of DFS applications, it is important to note that improving the usability alone does not necessarily result in customer adoption consequently. Driving the usage of digital financial channels requires an understanding of factors that keep demand latent, and issues in usability is just one factor. Other barriers to DFS uptake that were identified during the 2014 usability research surfaced as persistent challenges still in this study through the focus group discussions and the interviews conducted with the women participants.

III.2 Other Barriers to DFS Uptake

▪ Insufficient knowledge of financial products and services, and DFS channels

The primary concerns of the women revolve around ensuring the welfare of family members and financial security of the household. Their aspirations include ensuring that they can put their children through school and that they have a stable income source. Some want to start or expand their businesses to be able to meet the expenditure demands of the family. Health is also a growing concern, especially for the elderly and the breadwinners. However, despite their clear financial aspirations, the women's actions and dispositions tend to digress from the achievement of these goals. Some participants reported they do not save with banks or formal groups because they fear of losing their money. They opt instead

to save only at home by setting aside spare money in a cashbox, remarking the convenience of having it on hand when an unexpected need arises. Participants who are retired, while gravely concerned about their deteriorating health, said they would rather spend and enjoy the money than save or invest it. Lack of understanding of loan payment terms which lead to repayment problems were raised by those who have availed of credit from informal lenders, and those who avail easy access credit cards offered by bank agents. While financial services such as savings, payment and remittance,



credit, and insurance can become vehicles for the achievement of women's financial priorities, most of the women do not avail of such services because they do not fully grasp the value it can potentially bring them. They may have a vague notion of its benefits but it does not translate to actual usage because investing in these products and committing to these activities falls as their least priority among more immediate family needs.

Another reason why women do not regularly use DFS channels is because of their apprehension towards the unfamiliar channel. Encouraging uptake requires a certain level of trust in the technology to be built. The women's primary source of information on financial products and services are their peers who they regularly meet during center meetings or cooperative gatherings. They seek the endorsement of DFS platforms by trusted individuals in their community or cooperative, and they tend to rely on their more enterprising peers for feedback on their transaction experience. Still, there is a lack of readily available and comprehensible information on financial services as often cooperatives and cash-in/out points have sparing amount of resources to invest in appropriately educating members and marketing financial products. Product advertisements and current marketing schemes do little to establish a basic set of information on the value of DFS platforms to the women's daily lives. It also proves insufficient in dispelling the skepticism that some older women hold against these channels.

▪ Lack of incentive to use DFS channels regularly

When probed on DFS platforms, the women showed awareness of the various applications currently available in the market but confessed that they do not understand how these work. This prevents the women from taking advantage of the convenience and savings DFS can bring. Eleven women (22% of mobile phone owners) said they have used their phones to make financial transactions but most still prefer over the counter transactions over making and managing their own mobile accounts. Only



2 participants said they use their mobile accounts on a regular basis. Making transactions in town can be costly especially for those who live in remote villages. Still, the women said they do not mind spending time and money travelling to payment centers and banks primarily because the range of transactions available via DFS applications is limited. The women are disinclined to put in and maintain e-money in their accounts because there are very few merchants currently accepting it as payment. While e-money may be convenient to pay for

selected anticipated transactions such as bills payment, money transfer, and top-up, it cannot be used to purchase essential goods (e.g. groceries, medicine, and clothing) neither can it be used to pay for other important expenditures (e.g. fares, tuition fees, and loan payments). The monthly travel into town to settle all the various transactions in one day is preferred since the limited relevant use cases currently available via DFS does not totally eliminate the necessity of doing so. Even with existing use cases, application remains to be limited because some services and merchants are not locally relevant. This case is especially pronounced in rural areas for utilities payments as, often, regional and district utilities providers do not have the capacity to integrate digital payments into their operations. Hence, current roster of available utilities merchants on DFS platforms is limited to large, urban area-servicing, utility companies. Moreover, e-money cannot be readily used for unanticipated financial necessities and emergencies, which disincentivize the women from converting household funds to e-money.

▪ Inability to gain personal access to DFS channels

Various factors affect the accessibility of DFS channels and most of these are supply-side barriers. Personal usage of DFS platforms that offer mobile wallets necessitate ownership of a smartphone. 32 out of the 50 participants own smartphones but regular usage tend to only revolve around the basic functionalities such as calls, messages and occasionally, internet connection for social media. The prospects of high mobile phone penetration is dampened by the uneven distribution of reliable network connection. Internet connection is very poor in Palompon, Leyte and in Antipolo, Rizal, which are highly urbanized areas, where users sometimes experience intermittent connection. Moreover, the women said that availing of broadband subscription is the least of their considerations when allocating their budget and they limit their internet usage to airtime package promos offered by network providers.

Another factor that restricts adoption of DFS platforms is the difficulty in setting up mobile accounts. Compliance with KYC (know your customer) registration processes can be prohibitive especially for those lacking the necessary identification credentials. Most of the participants from the MFI pool said they do not have valid IDs, which makes securing mobile accounts problematic. This is where the preference for alternative access points stems as pawnshops and remittance centers provides an easier option. Compared to formal banking institutions, NBFIs such as payment centers have less restrictive documentation procedures identification requirements.

Typical Registration Process for DFS Applications

Registration

1. Enroll a valid mobile number or e-mail address
2. Create an account password
3. Confirm the account through a verification code sent to the enrolled mobile number or e-mail
4. Provide basic personal information (i.e. full name, birthdate, address)

Pain points:

- Requires an active e-mail or a contact number accepted by the platform (for telco-exclusive applications) because this is where the verification code will be sent.
- Password requirement maybe too long and specific for users to remember (i.e. use of special characters, upper case, number, etc.)

Online Verification

5. Message the Fintech Provider through Facebook Messenger
6. Fill-out Comprehensive KYC Form:
 - a. Detailed Personal Information (i.e. full name, gender, marital status, nationality, date and place of birth)
 - b. Contact Details (i.e. mailing addresses, email address, mobile number, alternative accounts)
 - c. Employment Information (i.e. employment status, income source)
7. ID and Validation Information
 - a. Upload headshot photo
 - b. Upload front and back image of ID
 - c. Upload photo of specimen signature
 - d. Identify type of ID submitted and ID number
 - e. Complete video call with Verification Officer

Pain points:

- Requires stable data connection
- Requires smartphone ownership and technical capacity to use online applications and functions (i.e. initiate video call, upload photos)
- Longer waiting time for the verification of submitted form, which may take 2-3 days and follow-up may be necessary
- Requires valid ID with picture

On-site Verification (Outlet)

5. Go to the nearest verification outlet
6. Fill-out Comprehensive KYC form
 - a. Detailed Personal Information (i.e. full name, gender, marital status, nationality, date and place of birth)
 - b. Contact Details (i.e. mailing addresses, email address, mobile number, alternative accounts)
 - c. Employment Information (i.e. employment status, income source)
7. Present 1 Valid ID
8. Wait for account activation via SMS

Pain points:

- Requires valid ID with picture
- Personal appearance at an outlet is time-consuming
- Opportunity cost for travel

Creation of account is divided into 2 main processes: Registration and Verification. The Registration process will only require a valid ID or an e-mail account, and a condensed KYC form with basic identifying information such as the full name, birthdate and mailing address. The Verification process requires a more detailed KYC questionnaire to be completely accomplished. For most platforms, newly registered accounts can only make transactions to pay bills and top-up mobile phones. In order to unlock other options such as money transfer and mobile banking cash-in/cash-out, the account must successfully be verified. Maximum e-wallet capacity also varies. For non-verified accounts, fintechs usually issue a lower wallet cap and transaction limit.

Summary of Current Barriers to DFS Uptake:

1. Lack of trust in DFS combined with low levels of digital financial literacy and skills cause apprehension towards adoption.
2. Limited range of transactions offered by DFS platforms due to lack of merchants and commercial establishments accepting mobile money discourages regular usage of DFS.
3. Weak and intermittent network connection in certain rural regions make DFS unreliable at times.
4. Difficulty in setting up personal mobile accounts due to strict KYC and registration processes hinders DFS uptake especially for those without identification documentation.
5. Insufficient tutorials on DFS interface and user experience is problematic for customers not used to navigating through smartphone

IV. Solution Recommendations

Financial literacy through government-led outreach and massive information dissemination campaign. In order for technology uptake to happen, the women need to be able to realize the necessity of the product or service being offered. Providing information for a thorough understanding of how effective usage of financial instruments (i.e. savings, credit, payments and insurance) can play a vital enabling role in women's financial lives is the first step in driving adoption at the household level. Women need to be able to realize that financial services is valuable because it can help them achieve their economic goals and secure the welfare of the family.

This can be achieved by educating women on financial products and services, not merely providing them with facts and information, but also building their capacity to manage their funds economically and making decisions judiciously. Appropriately designed outreach programs that assist the current limitations of the women's knowledge and skills can help facilitate better financial literacy learning. Other practical



information such as procedures on how to obtain a valid ID so women can apply for financial and mobile accounts should also be included. However, outreach programs are often extremely resource-intensive, requiring time and money in the necessary development of appropriate training material and training of facilitators to effectively deliver the program to the participants. Alternative information dissemination channels play a crucial role in supplementing outreach programs especially in areas where logistical arrangements pose difficulties and where large participant count is targeted. SMS and social media are some such channels that can be used in order to widely disseminate basic information and acquaint women with financial services and DFS channels.

Outreach to promote DFS trust should ideally be a government-led initiative. Fintechs are often incapable of competing with the large telecommunications corporations in terms of advertising and market share. As the fintech space is still at a nascent phase, it would benefit to have an industry-wide regulatory body that is authorized to oversee and set a roadmap for the sustainability of the sector. Efforts to create guidelines for operations monitoring, shared support infrastructures, and a set of goals for financial and digital literacy, are essential in encouraging greater adoption not just by consumers but also by merchants. Grassroots awareness could be bolstered by leveraging community intermediaries such as MFIs, cooperatives, and leaders that the people personally know and trust in order to alleviate apprehension towards DFS channels and to motivate usage. Leveraging these institutions' authority and existing relationship with their constituents in educating women on financial services and DFS channels quickens the process of building credibility of and trust in these instruments.

Systematic and integrated transformation of ICT infrastructures through technology investments. The Philippines continue to lag behind other ASEAN-5 countries in terms of ICT services affordability.¹¹ Policy and regulation environment and ICT infrastructures are also weak compared to peer countries.

Infrastructure barriers such as weak internet connection and relatively costly data need to be improved to make DFS more accessible to more people, especially those in rural areas.¹² The poor internet connection in many financially excluded provinces make increased reliance on mobile financial services not feasible. Encouraging greater investment, both local and foreign, in transforming existing network infrastructure to have wider and stronger mobile network coverage, faster broadband connection, secure internet server and digital content, and lower cost of data is necessary for individuals and businesses to adopt and sustain usage of DFS channels. Other mobile delivery channels should also be explored to complement the gaps in the current technologies commercially available. USSD is one channel that presents an ideal alternative

for digital financial technology providers since it permits access to any type of mobile phone (smart phone and basic feature phone) and without the use of mobile data. Considering USSD to address network connectivity gaps and encouraging competition for USSD access to be offered more broadly can be pushed by regulatory and policymaking bodies to reach the most financially in need.

Build a conducive environment for e-commerce to thrive through policy and regulation. The value of DFS to low-income individuals is undermined by the limited number of use cases that is relevant to them on a daily basis. Aside from paying bills, buying airtime, and money remittance, households have other equally (if not more) important expenditures that are currently not payable via DFS channels. In order to achieve widespread usage of DFS by individual consumers, supply-side players of goods and services need to accept electronic payments and give consumers another transaction option other than cash. The government is already paving the way with various public agencies already accepting e-payments and electronic submission of documentation and requirements. Still, a stronger push for electronic transactions to be used by businesses, private entities as well as MSMEs is needed. Incentivizing businesses and individuals to use e-money and transact digitally (e.g. giving rebates, increasing convenience by streamlining transaction processes) is key in initiating a deliberate shift to cash lite operations. Efforts to relax stern practices where feasible has been underway as seen in easier registration processes for non-KYC accounts. However, these accounts still offer very few services (limited to balance inquiry, rebalancing, and airtime top-up). Making more DFS services available via non-KYC accounts, while still imposing reasonable monetary limits to safeguard against financial and business risks (i.e. money laundering) is key in increasing the value that these platforms bring.

It is imperative for government initiatives such as the National Retail Payment System led by the BSP, the National Broadband Plan by DOST, the APEC Boracay Action Agenda to Globalize MSMEs and the Philippines E-commerce Roadmap Initiative to be fully implemented in order to enhance the quality of business framework conditions and ease of making transactions. The success of these programs is hinged upon the commitment of various public, non-profit and private sector stakeholders. The government needs to proactively incentivize these players to work together to improve the DFS market and e-commerce environment.

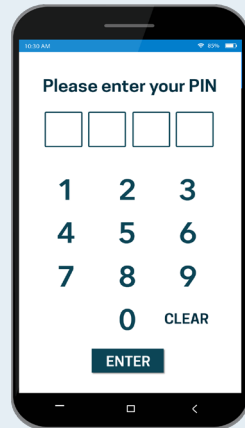
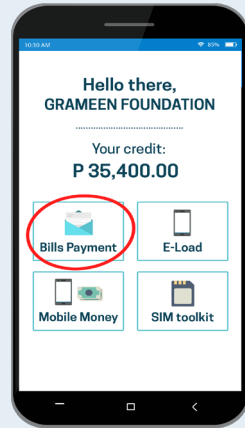
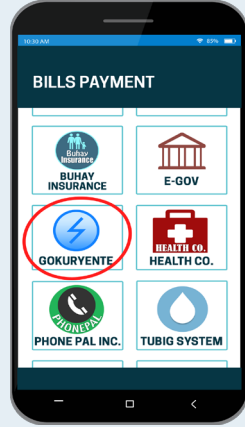


HCD-based DFS Interface and User Experience.

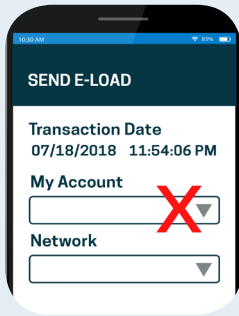

The difficulty in using DFS platforms is due in part to the lack of familiarity with the interface of the applications. This hurdle can be addressed by incorporating customer feedback in the improvement of the interface and the overall user experience offered by the DFS channels. Start-up tutorials should be set up to acquaint first-time users with the services, menus, and options available. Some of the DFS platforms tested had usage tutorials however, these were presented as a list that can be read through only once. This instructions list-type of tutorial

becomes problematic for those who are not well versed in DFS terminology as well as for the elderly who have difficulty remembering the steps. It is advisable to present these tutorials in a walk-through mode where a new user is provided specific instructions every step of the way. The walkthrough option should be made available for subsequent transactions to help users gain familiarity with the application. Moreover, directional commands (i.e. swipe, scroll, and click) should also be considered as part of the tutorials as not all users are well versed in smartphone application navigation. As in any new application, ease in using the DFS platforms can be achieved over sustained usage but these should be equipped with an initial hand-holding mechanisms to facilitate easier learning for new users. Other prevalent design preferences that emerged from the comments of the women participants are summarized below. These can help inform financial technology providers with design considerations to be integrated into the applications and channels they develop in order to make the usage experience of new users less difficult and confusing.

DFS Application Interface Design Considerations for New Users

Elements	Ideal Design	Sample DFS Interface
Log-in security	Shorter password requirement or an alternate 4-digit PIN	
Home Screen	Clean and straightforward Home Screen that displays all the transaction services available; including other information elements such as transaction history or ads may be beneficial to regular users but a crowded Home Screen can overwhelm and confuse first-time users	
Text Fields and Icons	<p>Bold and big fonts accompanied by relevant and intuitive icons (option to modify the size of fonts and icons should be available)</p> <p>Color-coding transaction options is preferred</p>	
Financial Jargon	Use simple terms and easily understood instructions, and avoid the use of financial jargon	
List of Billers and Merchants	List of billers and merchants should be strategically grouped to avoid scrolling through long lists; use of biller and merchants logos can help users locate what they need quicker.	

DFS Application Interface Design Considerations for New Users

Elements	Ideal Design	Sample DFS Interface
Input Element	Avoid dropdown functionality. Use a selection presenting all previously entered account number as a list to choose from.	
Navigational Components	Use simple navigation components like “next” or “continue” buttons. Avoid navigational elements such as scrolling and slide commands because non-smartphone users find this difficult to follow.	<div>  <p>VS</p>  </div>
Notifications and Transactions History	Information about rebates, discounts, transactions history, and new features should have a separate tab or section (refrain from putting notifications in Home Screen)	

V. Conclusion

Since the 2014 Grameen Foundation usability report, the fintech space has continuously grown and products available in the market have upgraded to encompass more use cases and merchants. Platforms have evolved to feature more sophisticated interfaces and greater functionalities in smartphone DFS applications. However, many of the barriers that were identified then remain to be a formidable set of challenges faced by industry players today. Persistent low levels of digital financial literacy and product awareness hinder uptake while the lack of relevant use cases and merchants discourage continued usage of the platforms. While improving the user-friendliness of platforms in terms of product interface and user experience can potentially alleviate the apprehension in using DFS, it will not be sufficient to drive mass adoption and usage. A national campaign to address the sector's infrastructural and regulatory needs, the customer's lack of trust in and nescience on the value of DFS, and the widespread commercial acceptance of mobile money in various industries, is vital to ensure the sustainability of the fintech industry.

Acknowledgments

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NOTES AND SOURCES

[1] First Grameen Foundation financial inclusion engagement was with Cardbank where GF conducted a regular independent performance review of its mobile financial services. This includes development of performance indicators, process review and updating and validation of business case and financial models.

[2] From World Bank Global Findex 2014 - 49.45% of adult females reported are in charge of paying the school fees of the children compared with only 31.19% of adult males handling school fees. More women are also responsible for paying utility bills as 62% said they were the ones who paid the bills in the past year while only 48.09% of males reported to do the same.

Source: <http://datatopics.worldbank.org/financialinclusion/country/philippines>

[3] From GSMA Mobile Gender Gap Report 2018

Source: https://www.gsma.com/mobilefordevelopment/wp-content/uploads/2018/03/GSMA_The_Mobile_Gender_Gap_Report_2018_Final_210218.pdf

[4] From World Bank Global Findex 2014

Source: <http://datatopics.worldbank.org/financialinclusion/country/philippines>

[5] From Use of Mobile Financial Services Among Poor Women in Rural India and Philippines Report by Grameen Foundation and InterMedia published in February 2014. A video

Source: <https://grameenfoundation.org/resource/use-mobile-financial-services-among-poor-women>

[6] Source: From RP Department of Information and Communications Technology

<http://www.dict.gov.ph/connecting-the-modern-pinoy-world-telecommunication-and-information-society-day/>

[7] Ahon Sa Hirap (ASHI) a microfinance institution that offers carefully designed loan products to ensure that members can easily pay it back. ASHI encourages credit discipline among its members to alleviate their dignity. As an MFI, ASHI offers an array of services. This includes loan for income generating activities, savings products for personal funding, microinsurance, and assistance for SSS and Philhealth enrolments.

[8] These figures represent personal ownership of mobile phones.

[9] National Disaster Risk Reduction and Management Council (NDRRMC) is consortium of public, private and non-profit organizations, responsible for the protection and welfare of Filipinos during disasters or emergencies.

Source: <http://www.un-spider.org/links-and-resources/institutions/philippines-national-disaster-risk-reduction-and-management-council-ndrrmc>

[10] Non-DFS users were made to test GCash's USSD feature to look into their capacity to use an alternative DFS channel that does not run on digital applications and require smartphone ownership. USSD was tested in test session areas where there is low data network.

[11] From the Department of Information and Communication Technology's National Broadband Plan: Building Infostrutures for a Digital Nation (2017)

Source: <http://www.dict.gov.ph/wp-content/uploads/2017/06/National-Broadband-Plan.pdf>

[12] According to the National Broadband Plan, Philippines has continuously been outperformed by ASEAN-5 counterparts in terms of broadband speed since the first quarter of 2016 with an average internet speed of roughly less than 5mbps compared to Malaysia averaging about 7mbps and Thailand with speed reaching more than 15mbps in the first quarter of 2017. Based on the International Telecommunications Union's 2016 Measuring the Information Society Report, PH entry-level broadband prices as a percent of average monthly Gross National Income per Capita lies at 7.35%, beyond the 5% affordability threshold set by the UN Broadband Commission.

Sources:

- <http://www.dict.gov.ph/wp-content/uploads/2017/06/National-Broadband-Plan.pdf>
- <https://www.itu.int/en/ITU-D/Statistics/Documents/publications/misr2016/MISR2016-w4.pdf>

APPENDIX

Actor and Area Identification				
Audience	Client of WomenLink implementation partners About 20 women household members			
Population Category	50% urban and 50% rural			
Digital Service	Over-the-counter vs Self-service Digital Platforms			
OTC Platforms	Posible, Bayad Center, Nationlink			
Self Service Platforms	GCash, PayMaya, Coins, Digipay			
Topic Area	Objectives	Discussion Points		
SCREENER				
Determine the usage of digital financial platforms: The screener is the tool that will determine whether a certain participant is qualified to join the FGD. Experience on using digital financial platforms is the main qualification to participate in the FGD.	To determine and segregate participants on usage and aptitude of digital financial platforms	Do you own a cellphone or a tablet?		
		Do you use your cellphone for any financial transaction?		
		If not, do you go to certain platform to do financial transaction?		
		What digital financial platforms do you transact with?		
		A	- POSIBLE	
		B	- Bayad Center	
		C	- Nationlink	
		D	- GCash	
		E	- Paymaya	
		F	- Coins.ph	
		G	- Digipay	
		How often do you make a transaction?		
		A	Daily - once	
		B	Daily –Several times (at least 3x)	
		C	Weekly-Once	
		D	Weekly-several times (at least 3x)	
E	Monthly-once			
F	Monthly-several times (at least 3x)			
G	Occasionally (less than once a month)			
H	Never			
TRIADS				
Based from the results of the screening, an FGD will be conducted in groups of three (ideally) to form a triad. The groups are determined through their level of usage and aptitude to use a digital financial service/platform				
Notes for Moderator		Follow the sequence of the questions in this form Items in Italics: are instructions for the moderator Items in regular font: are questions to the group		
Moderator Welcome remarks and Introduction (5 Mins)		Purpose of Interview No wrong/right answers, not have to agree all the time, informal set-up EVERYONE will be given a chance to air out opinions. EVERYONE should share her opinions. Other concerns: confidentiality, tape recorder, etc.		
Focus Group Discussion				
INTRODUCTION		What is your name? Where do you live? How many are you in the family? How many kids? What is the household's source of income?		
	DISPOSITION	Probe on economic challenges (everyday sustenance, payment of goods, children's education, livelihood pain points) How would you describe your life right now? Compared to 5 years ago? What are the things that make you happy? sad? What are the things that you worry about? Fears? What are your concerns/ Priorities at the moment? How do you cope during difficult times? How do you see yourself 5 years from now? What are your dreams and aspirations for self and family?		
		Respondent behavior towards accessing information (10 mins)	Which channels (top 3) are the most widely used to gain information? What kinds of information are you usually interested in? How often do they access information from it? What do they do with this information?	
			Respondent behavior towards potential reception of SMS messaging (10 mins)	Have you received updates or information via SMS/text messages before? How was your experience with it? Have you had any issues with it? Do you read the texts sent to you or do you just erase it outright? Would you want to receive FREE information via SMS? How often would you want to receive SMS information? What time of the day would you want to receive this information? On what dates would you like to receive the SMS message (twice a month) Do you know about digital financial platforms? What do you know about them? (Probe on their knowledge of the platform and their corresponding experience) How were you able to know about digital financial platforms? What are the features that you liked and did not like? (Explain general financial platform features) Do you know the cost it entails to do a transaction? (Probe on other cost incurred to do a transaction)
Respondent comfort and convenience in the uptake of digital financial service (10 mins)				How were you able to sign up to a digital financial service provider? (Probe and cross-check on the signing up experience between OTC and Self-service platforms) Are you confident in using a digital financial app? How confident are you? Do you understand the terms used in the digital financial platforms? Are there any particular terms and features that you don't understand? In the case of OTC transactions, do you trust the agent that he/she understands the process of your transaction? What would you prefer? OTC or self-service? Why?
	Facilitated Usability Sessions (Self-service)			
	Respondents' knowledge and aptitude to use a digital platform (30 mins)	Gauge client's usage aptitude and adaptability; determine gaps that will be essential for SMS content development		Explain usability session mechanics. Participant will read scenarios aloud and begin working on the scenarios while they think aloud
			SCENARIOS	
Sending of money				
Bills payment				
Buy load				
Take note of participants behavior, comments, errors, and completion (success or failure) on each task				
Observation (OTC)				
Respondent knowledge and aptitude to use a digital platform (30 mins)	Gauge client's usage aptitude and adaptability; determine gaps that will be essential for SMS content development	Explain usability session mechanics. Participant will read scenarios aloud and begin working on the scenarios while they think aloud Involve available agent (PLAN A: role play if agent is unavailable)		
		SCENARIOS		
		Sending of money		
		Bills payment		
Buy load				
Take note of participants behavior, comments, errors, and completion (success or failure) on each task				
Facilitated Usability Sessions and Observation Review				
Respondent knowledge and aptitude to use a digital platform (30 mins)	Gauge client's usage aptitude and adaptability; determine gaps that will be essential for SMS content development	How did it go? What is the easiest/hardest step to comply? What are the things you didn't like while doing the tasks? What are the things that you liked while doing the tasks? What are the things the platforms need to improve? What would you prefer? OTC or self-service? Why?		

