GENDER-INTELLIGENT FINTECH DESIGN: HOW FINTECHS CAN CAPTURE THE FEMALE ECONOMY
ACKNOWLEDGEMENTS

This report is based on research with 31 fintechs, 15 subject matter experts, and 10 fintech investors. We would like to thank the research respondents for their time and contributions. The Financial Alliance would like to acknowledge Anna Gincherman, Shilpi Shastri, and Benedikt Wahler of ConsumerCentrix who conducted the research and the Alliance team who worked on this study: Inez Murray, Karyl Akilian, Rebecca Ruf, Carine Fersan, and Tessa Ruben. We also acknowledge our editor Ann Moline and Ernie Agtarap for his design.

About the Financial Alliance for Women

We’re the leading members’ network of financial organizations dedicated to championing the female economy — the world’s largest, fastest-growing market, and yet one that remains untapped. As a unique network with members operating in over 135 countries, we share the ambition of unlocking the full value of the female economy.

Everything we do is based on a win-win approach where financial organizations grow their businesses by accelerating women’s financial power.

From creating real and digital platforms where members can learn from each other’s on-the-ground experiences to publishing our own proprietary data and research to advocating for global policy change — we inspire and equip our members to design and refine women-centered products, services and strategies that will bring about a new paradigm for women’s financial experiences.

TABLE OF CONTENTS

Foreword 4
Executive Summary 5
Introduction 8
The Fintech Boom 10
The Gender Gap in Fintech Uptake 12
What’s Being Left on the Table: The Opportunity Cost for Fintechs 14
The Business Case for Gender-Intelligent Fintechs 16
Designing a Gender-Intelligent Fintech Sales Funnel 18
Stage 1: Awareness 19
Stage 2: Consideration 24
Stage 3: Approval 28
Stage 4: Usage 32
Stage 5: Loyalty 36
The Role of Investors 40
Conclusion 41
Participating Fintechs 42
Endnotes 45
The business case for serving women with better financial services is clear, with women expected to control over $216 trillion in wealth globally. Women make up 47 percent of the world's labor force and nearly 40 percent of the entrepreneurs around the world. But only 65 percent of women have a bank account, compared with 72 percent of men. The gender gap is three times greater when it comes to use of fintechs. This represents a massive unserved and underserved market, which fintechs are uniquely positioned to support.

The Alliance’s 2020 research, “How Fintechs Can Profit from the Multi-Trillion-Dollar Female Economy,” showed that fintechs are largely myopic about the women’s market. They don’t look at the opportunity, don’t size the market by sex, and don’t conduct market research into the women’s market when building their business models. In addition, they don’t disaggregate performance metrics by sex to understand how well they are doing with women customers. But for those fintechs in the study that do track performance indicators by sex the business case is compelling. Sixty-four percent of them found that female customers have similar or higher usage rates than men, while life-time value (LTV) is similar or higher for women.

This report follows on last years’ research by mapping out the sales funnels of a select set of fintechs. It quantifies the opportunity cost of not taking a gender-intelligent approach. It then lays out a map that fintechs can use to improve conversion rates of women through each stage of the funnel. The goal is to prompt fintechs and their investors to ask the right questions, in order to win the women’s market.

I thank the Financial Alliance for Women for this important piece of research. I hope it stimulates plenty of action.

Ann Cairns
Vice Chairman, Mastercard
Chair, Financial Alliance For Women
### Executive Summary

1. **Awareness**
   Most fintechs do not have a gender-based segmented approach to marketing. A gender-neutral approach doesn’t account for differences in women customer behaviors, their needs or their realities, making it more difficult to attract women customers to their platforms. Gender-differentiated marketing campaigns that appeal to women and motivate them to click are key. So, too, is building trust. Our research found that by attracting as many women as men to their site, fintechs could see up to a 12 percent increase in revenue.

2. **Consideration**
   Fintechs typically face high drop-off rates before sign up, in all verticals and across all customer segments. But women are much less likely to complete their registration than men. Many women customers drop off because the registration process is cumbersome and time-consuming. Moving women customers forward to the registration/sign-up stage requires a user-friendly process. It also requires demonstrating the value and relevance of the product or service offered. Our research found that by converting women at the same rate as men, revenue could increase by 70 percent.

3. **Approval**
   This additional stage is needed for fintechs in verticals such as credit and insurance, which require a qualifying step. At this stage, women customers are denied approval more often than men. It’s not because they are less creditworthy. In fact, some fintechs are finding that quite the opposite is true—women pay back loans at greater rates than men. Rather, it’s because underwriting algorithms that are used to make credit or insurance approval decisions may be embedded with unconscious bias. They might include criteria in which women are structurally disadvantaged but have no bearing on their performance as customers. Fintechs that have developed algorithms to exclude bias have seen an increase in the number of women customer approvals. Our research found that by actively engaging with registered female customers, monthly revenue could increase by 15 percent.

4. **Usage**
   Once women customers have signed up, the goal is to encourage activity. The drivers of women’s usage are different from those of men. Creating a sense of community, gamification—incenting and rewarding activity—and organic marketing, with user-generated content, have proven effective in encouraging more usage by female customers. Our research found that by actively engaging with registered female customers, monthly revenue could increase by 15 percent.

5. **Loyalty**
   At this final stage of the gender-intelligent sales funnel, focus is on creating positive experiences for female customers. Satisfied women customers are more loyal than men. They have higher net promoter scores. And, if the solution fits, they will purchase more in cross-sales than men. By leveraging the positive experiences of satisfied women customers, continuing to deliver strong service, and tapping into the power of female referrals, fintechs can accelerate their organic customer growth by 50 percent.

### The Role of Investors

Investors are flocking to fintechs at unprecedented levels. Venture capital investments in fintechs increased by nearly 200 percent in the second quarter of 2021 alone. But among those interviewed for this report, many said that they do not consider the extent of a fintech’s women’s market offerings or efforts to draw a female customer base in their investment due diligence. While some apply a gender lens, this lens is largely focused internally, on the gender balance of the fintech’s leadership and workforce. But even fintechs that have a strong commitment to women’s opportunity within their ranks are overlooking revenue opportunity if they do not take a gender-intelligent approach to fintech funnel design. Here is where investors could make a difference. By broadening their gender lens and asking the right questions, investors could help increase their investee companies’ footprint in the women’s market, thereby improving investees’ profitability—and their own returns.
INTRODUCTION

There is a strong and compelling business case for fintechs to serve the women’s market. Women are good savers and better credit risks than men. They are loyal and reliable customers, yielding lifetime value at levels equal to or higher than male customers. They also tend to refer friends and colleagues more frequently than men, provided they feel satisfied with services rendered.

But many fintechs have yet to take full advantage of the $216 trillion opportunity that the female economy represents and are leaving money on the table as a result. By contrast, those fintechs that have been successful in cultivating the women’s market have experienced bottom-line gains. They have done so by integrating gender-intelligent design throughout their sales funnels.

Our analysis of transaction data across more than 10 countries showed that women are better than men at repaying their loans, with lower NPLs.

— MO Technologies

While women are drawn to digital financial services, there are clear drop-offs in their uptake at the different stages of the sales funnel. For example, the platform will attract fewer women if it deploys one-size-fits-all marketing messaging rather than messages tailored to reflect women’s realities and needs. Even fewer women move on to sign up if the procedure is lengthy or if the language is off-putting. Fewer still get approved if there is unconscious bias in credit algorithms. Once signed up, women’s product usage needs to be nurtured. And their advocacy in the marketplace needs to be rewarded. Without a shift from gender-neutral to gender-intelligent design, more attrition than necessary will happen through each stage of the sales funnel.

To encourage fintechs to make this shift, the Alliance undertook research that explores gender-intelligent approaches fintechs have successfully adopted to cultivate the women’s market. A follow-up to the Alliance’s 2020 report, How Fintechs Can Profit from the Multi-Trillion-Dollar Female Economy, this qualitative research involved substantive interviews with:

31 fintechs across different verticals and regions
10 fintech investors, a mix of those with and without a gender lens in their investment strategy
15 subject matter experts

SPECIFICALLY, THE RESEARCH LOOKED AT:

- Sex-disaggregated conversion rates across fintech verticals at each stage of the sales funnel
- Possible causes for drop-off in conversion rates at each stage
- Effective approaches to convert women customers at each stage, based on experiences of participating fintechs
- Business value of gains achieved by implementing a gender-intelligent sales funnel
- Ways to measure impact of changes made, tied to stages of the sales funnel

The research findings confirm that fintechs can make significant business gains by developing an intentional focus on women throughout the stages of the sales funnel, especially at a time of rapid expansion in usage of digital services. The study highlights a compelling opportunity to cost-effectively convert more women from potential users to paying customers by making minor, stage-by-stage funnel adjustments. In this report, we show you how.
The covid-19 pandemic caused a transformation in consumer behavior, as public health restrictions limited people’s mobility and triggered a massive surge in the adoption and use of digital channels, including digital financial services. Investors have taken note and are making moves: In 2018, the sector attracted $128 billion in investments; in 2022 fintech investments are projected to reach $310 billion. Venture capital investments in fintechs increased by nearly 200 percent in the second quarter of 2021 alone.

Still, fintechs—and fintech investors—are not maximizing the available opportunities. That’s because women customers are being overlooked. There is a large gender gap in the use of fintech products and services, which holds across all verticals. And many fintech-focused investors have yet to prioritize gender or see the business case for gender lens investing, missing out on the potential to increase their returns.

### FAST FACTS

**INVESTMENTS**

- $30.8B in funding for VC-backed fintechs in Q2 of 2021, the largest funding quarter on record

**DIGITAL BANKING**

- 2.7B adults will use digital banking by 2024

**INSURTECH**

- 123% growth in the insurtech vertical over the next 5 years

**PAYMENTS**

- 49% average increase in use of payment apps across multiple countries, January–June 2020

**WEALTHTECH**

- 60% growth in use of digital investment platforms, January–June 2020

**E-COMMERCE**

- 58% of ecommerce revenues come from women

### FINTECH MEGATRENDS

**Megatrend 1**

Covid-19 accelerated e-commerce and digital financial services growth...

...but the fintech industry is leaving women behind.

**Megatrend 2**

Investments in fintech significantly increased in 2021...

... but gender lens in fintech investing lags.

**Megatrend 3**

Savvy fintechs are differentiating and capturing massive market opportunity...

... by integrating gender-intelligent design at every stage of their sales funnels.
THE GENDER GAP IN FINTECH UPTAKE

Most fintechs today take a gender-neutral approach to doing business. It’s a curious disconnect, particularly when it comes to product development, sales, and marketing, since virtually every selling methodology says to focus on the customer! Female customer behaviors, needs, and priorities are not the same as male customers, so why go with an approach that doesn’t factor in these differences?

The impact of the gender-neutral fintech sales funnel is clear: Women are 27.6 percent less likely to access fintech products and services.

Our goal is to democratize finance and offer our product to everyone, regardless of gender, income, or tech-savviness. In striving for this goal, we may have inadvertently overlooked unique differentiators in women customer behaviors.

– Fintech representative

FINTECHS

Fintechs may lack understanding of women customer segments, behaviors, or needs and launch gender-blind solutions that limit the use case for women.

User experience is not designed with women customers in mind, causing drop-off at all stages.

Early-stage fintechs target the young, urban male demographic, even though women can be early adopters if the solution is right and the approach is relevant.

INVESTORS

Investors—who are mostly male at the top—call the shots and unconscious bias may underpin their decisions.

Why women are 27.6% less likely to use fintech services than men

Despite a strong business case, it lacks visibility and the gender conversation rarely happens during discussions with potential investees.

Investors’ gender lens focuses on women’s representation in company leadership and staff, but not on women’s market offerings or the female customer base.

The gender gap in fintech usage is greater than the gender gaps for other financial and digital services.

<table>
<thead>
<tr>
<th>Mobile phone ownership</th>
<th>Formal account ownership</th>
<th>Smartphone ownership</th>
<th>Mobile internet usage</th>
<th>Fintech usage</th>
</tr>
</thead>
<tbody>
<tr>
<td>7.0%</td>
<td>9.7%</td>
<td>15.5%</td>
<td>15.5%</td>
<td>27.6%</td>
</tr>
</tbody>
</table>

Formal account data is global. All other statistics are for select countries.

The gender gap in fintech usage is greater than the gender gaps for other financial and digital services.
Fintechs face ever-present pressure to improve conversion rates and lower customer acquisition costs. But here’s the problem: Most fintechs are overlooking critical opportunities in their sales funnels, preventing them from leveraging their full potential and achieving better conversion ratios.

In a typical, four-or five-stage fintech sales funnel, (depending on vertical), there is no focus on women customers. This gender-neutral design causes female customer leakage at every stage, from awareness to consideration and sign up, to finalizing approvals (in verticals such as credit and insurance), and through to encouraging customer usage, repurchases and cross-selling. The result is that fintechs are losing out on ways to improve profitability.

The gender-neutral fintech sales funnel results in female customer leakage at every stage.
THE BUSINESS CASE FOR GENDER-INTELLIGENT FINTECHS

If we could show you how to drive up your conversion rates and lower your customer acquisition costs, would you be interested? Of course you would.

This study shows that by integrating a genuine and intentional focus on women customer segments at every stage of the sales funnel, fintechs could improve their conversion rates and reduce acquisition costs. They also can build a more loyal customer base that has been shown to produce higher lifetime value than their male customer base.

By increasing their female customer conversion rates to levels equal to male conversion rates across the sales funnel, our estimates show that fintechs could see up to a 70 percent increase in revenues.

A gender-intelligent sales funnel results in female customer gains at every stage.

<table>
<thead>
<tr>
<th>STAGES</th>
<th>Awareness</th>
<th>Consideration</th>
<th>Approval</th>
<th>Usage</th>
<th>Loyalty</th>
</tr>
</thead>
<tbody>
<tr>
<td>By attracting as many women as men, revenue could go up by 12%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>By converting women at the same rate as men, revenue could increase by 70%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>By removing bias in the credit algorithm, lending fintechs could increase gross margins by 20%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>By actively engaging with registered female customers, monthly revenue could increase by 15%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>By tapping into the power of female referrals, organic customer growth could accelerate by 50%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

DID YOU KNOW?

Women users are equally or more profitable than men across the fintech verticals.
DESIGNING A GENDER-INTELLIGENT FINTECH SALES FUNNEL

In the following sections we break down the funnel and show you how gender-intelligent design can help you achieve gains at every stage. We identify barriers to women’s uptake, offer concrete solutions, and spell out key metrics for sex-disaggregated analysis to measure progress. We also demonstrate the ways in which business-to-business fintechs help facilitate the female customer’s journey through the funnel stages.

Stage 1: Awareness

- Promote the brand
- Build awareness
- Establish credibility & trust
- Drive traffic to website & app store

The Awareness stage is all about bringing eyes to the platform. But what draws women’s attention isn’t the same as what attracts men. And women are not a homogenous group, meaning that fintechs must carefully tailor their campaigns to their market and segment. To date, however, most are not: In our 2020 quantitative survey of 168 fintechs, we found that 65 percent of fintechs do not have a gender-based segmented approach to marketing.

Smart marketing starts with understanding the nuances of the different customer segments and tailoring the messaging based on their realities and needs. This research showed that fintechs focused on gender-based segmentation with gender-differentiated marketing campaigns and relationship-building to establish trust are driving more female traffic to their platforms and converting more female customers to the next stage of the funnel.

DID YOU KNOW?

- Women are equally likely as men to become early adopters if the marketing speaks to them.
WHAT’S AT STAKE: The size of the gender-intelligent Awareness opportunity

By targeting women through marketing and boosting female clicks to 50 percent of total website traffic, Vital could generate 12 percent more revenue from every 10,000 leads.

Vital’s Funnel Conversion Ratios

WHAT’S AT STAKE: Continued...

65%

Juancho Te Presta’s women-centric marketing has yielded web & app traffic that is 65 percent female.

56%

56 percent of Afflores’ leads that convert in the Consideration stage are women, which Afflores attributes to its predominantly female sales force.

13:1

LXME’s female outreach and awareness-raising through its women-only Facebook community created a safe space and built trust, helping to reduce acquisition costs to less than $1 per customer and decision-making time to investment from 12 months to 3 months. These results are driving LXME’s business case for increasing the focus on women, with an LTV:CAC ratio estimated at 13:1.

50%

By tapping into the unbanked women’s segment, Nubank has built a strong and loyal customer base, including women SMEs: Nearly 50 percent of its female small business customers are first-time users of formal financial services.

FUNNEL BLOCKAGES: What’s preventing women’s conversion?

Unfamiliarity with brands: Fintech brands are new and unknown, so trust is an issue.

Lack of relatable imagery in marketing campaigns: Ads feature campaign storylines and images that do not resonate with women.

Irrelevant content: Women will tune out if the information provided does not relate to what they are looking for.

Concerns about cybersecurity: Research suggests that women are more concerned than men about the security of online commerce in general, and specifically about the security of digital financial services.

Women trust other women. Having women ambassadors assist with opening new digital accounts gives our female customers more confidence in our brand.

– TymeBank
MEASURING SUCCESS:
Sex-disaggregated Awareness KPIs

While standard key performance indicators (KPIs) for this funnel stage should be used, they should be sex-disaggregated to understand the impact on women and sub-segments of women customers.

KPIs: Gender data to collect at the Awareness stage

- Number of ad views
- Number of website visits
- Number of app downloads
- Click-through rate (CTR)
- Cost per click (CPC)
- Cost per mille (CPM)
Stage 2: Consideration

- Build user interest
- Maximize product/need fit
- Capture & verify user information
- Maximize uptake

The Consideration stage is about moving the female user towards signing up. It’s a critical decision point for women, who are wondering: “Does this product or service meet my needs?” “How complicated is it to sign up?” Studies have shown that fintechs have less than 20 seconds to convince users to stay on their site—and that nearly 40 percent of all users drop off prior to sign-up because the registration process is too cumbersome and time-consuming. With more women dropping off than men. The result is that acquisition costs for female customers tend to be higher than the cost to acquire male customers.

Our research revealed that fintechs with landing pages that resonate with female users are succeeding in keeping them on their sites and that simplifying the registration process will drive more female sign-ups.

DID YOU KNOW?
Women’s web and app traffic is as high or higher than men’s, but women are more likely to drop out in the registration process than men.

WHAT’S AT STAKE: The size of the gender-intelligent Consideration opportunity

70% By simplifying its registration process and converting women at the same rate as men, Fintual could increase its revenue by 70 percent.

Male & Female Customer Acquisition Costs

<table>
<thead>
<tr>
<th>Stage</th>
<th>Acquisition costs for Men users</th>
<th>Acquisition costs for Women users</th>
</tr>
</thead>
<tbody>
<tr>
<td>INSTALL</td>
<td>$6.95</td>
<td>$5.33</td>
</tr>
<tr>
<td>REGISTER</td>
<td>$19.85</td>
<td>$22.99</td>
</tr>
<tr>
<td>ACTIVATION</td>
<td>$30.77</td>
<td>$38.46</td>
</tr>
</tbody>
</table>

22.6% of men complete the process
13.9% of women complete the process

Women set a higher bar on service quality. Friction and pain points in the user journey can drive more churn for women than men.

– Moka
We saw clear differences in men’s and women’s registration behavior. Men start completing the form right when they open it. But when women open it they scroll through the entire thing. And they say to themselves, ‘Wow, I need to fill in 30 frames!’ That’s when most of the women drop off.

— Kubo Financiero

### MEASURING SUCCESS: Sex-disaggregated Consideration KPIs

Sex-disaggregating KPIs at the Consideration stage will indicate the draw of the website or app, the attractiveness of the value proposition, and the user friendliness of the registration process to women.

### FUNNEL BLOCKAGES: What’s preventing women’s conversion?

- **Poorly designed landing page and user interface**: If the site doesn’t immediately attract interest, with relevant content and a product/service offer that speaks to their needs, women will not take the time to investigate further.
- **Cumbersome registration process**: If it takes too long, does not seem intuitive, asks too many questions, and includes too many complex and detailed documentation requirements, women are more likely to cancel out before completion.
- **Overly complex registration form language**: If forms include highly technical terminology, women users tend to drop off before completing the process.

### SOLUTIONS: Unblocking the Consideration stage

Gender-intelligent fintechs have identified ways to improve female conversion rates at the Consideration stage of the funnel. Here are some examples of approaches that have proven successful.

- **Streamlined registration form**
  - *Kubo Financiero* worked with the regulator to simplify the financial language required in its registration form and redesigned it for user-friendliness, increasing its female customer conversion rate by 14 percentage points and male conversion rates by 5 percent.

- **Multi-access sign-up**
  - *Zenda* enables registration through messaging apps to capture users who might not have an email address.

- **Financial education**
  - *SmartPurse* embedded financial education into its women’s solution set after finding out that women customers were looking for a safe place to learn and needed specialized financial advice. The fintech’s fee-for-service courses and digital money school have reached more than 9,000 women to date.

- **Customized product/service recommendations**
  - *Kaleidofin* and *LXME* deploy back-end algorithms to match user details with solutions that fit their personal profiles. Personalizing the user experience has improved conversion rates.

---

<table>
<thead>
<tr>
<th>KPIs: Gender data to collect at the Consideration stage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conversion ratio</td>
</tr>
<tr>
<td>Number of accounts opened</td>
</tr>
<tr>
<td>Number of product views</td>
</tr>
<tr>
<td>Number of pricing views</td>
</tr>
<tr>
<td>Number of completed registrations</td>
</tr>
<tr>
<td>Time spent per step in the registration</td>
</tr>
<tr>
<td>Customer acquisition cost (CAC)</td>
</tr>
</tbody>
</table>
Stage 3: Approval

- Finalize underwriting
- Decide on applicant approvals
- Maximize sales & balance risks
- Complete first transaction

The Approval stage applies to those fintechs requiring the additional qualifying step of underwriting, such as with credit or insurance. At this stage, the conversion rate for women shifts from the demand side to the supply side, since the approval decisions are up to the provider. This has proven problematic for women customers. That’s because the underwriting algorithms used to make credit or insurance decisions can perpetuate gender stereotypes and unconscious bias. Use of indicators such as income, type of employment, education, and bank account balances work against women, as structural barriers may have impeded women’s attainment relative to men’s. This creates negative bias in determining women’s actual creditworthiness. Since lower scores on these indicators affect credit and insurance decisions, more women are rejected, causing fintechs to lose out on a significant revenue opportunity.

This research revealed that by identifying and fixing unconscious biases in credit algorithms, fintechs can increase the number of loans and loan amounts to women, improving profit margins.

DID YOU KNOW?

Women users are as creditworthy as men and have the same or lower credit risk.

Kubo Financiero’s Conversion Ratios

For every 10 male loan applications, Kubo Financiero’s algorithm approves only 8 women’s loan applications. By fixing the bias in its credit algorithm, the company could potentially increase its gross profit margin by 20 percent.

A multi-year review of transaction data from 4 million customers by B2B fintech Impact Credit Solutions revealed that female SME customers have lower default rates than male SME customers.
MEASURING SUCCESS:

Sex-disaggregated Approval KPIs

To build a gender-intelligent sales funnel and gain insight into women’s uptake, credit and insurance fintechs should disaggregate their standard metrics by channel and sex.

KPIs: Gender data to collect at the Sign Up stage

- Conversion ratio/approval rate
- Number of approved registrations
- Customer acquisition cost (CAC)

Our sex-disaggregated analysis of the outstanding loan portfolio shows a 16 percentage point differential in credit recovery rates, with women performing much better than men.

– BFree

FUNNEL BLOCKAGES:

What’s preventing women’s conversion?

Credit algorithms that reject more women than men: Unconscious bias embedded in the algorithms works against women, reducing their chances of approval.

Misperceptions about the nature of insurance: Insurtechs reported that many women incorrectly believe that insurance is expensive, the process is cumbersome, and the products are not relevant to them.

SOLUTIONS: Unblocking the Approval stage

Here are some examples of how gender-intelligent credit and insurance fintechs are reducing the gender gaps in their conversion rates at the Approval stage.

Differentiated credit algorithms

By weighting traditional scorecard variables differently for male and female applicants—for example, by assigning lower weight to women’s indicators that are irrelevant to creditworthiness, such as experience in the financial sector—Juancho Te Presta found that women have 50 percent lower credit risk than men, leading to better approval rates for women.

Retrained AI-powered technology

Eticas helps banks identify vulnerabilities and bias in the algorithms and provides insights on improving efficiencies and making better business decisions by retraining AI-powered technology with fairer and more equitable source data and content.

Customized product design

Mambu’s API-driven SaaS platform lets its B2B and B2C partners configure products to meet end user needs and behaviors within minutes. By working with Mambu’s platform to target women, one large microfinance institution cut its loan transaction time in half and improved its financial sustainability by 60 percent.

Payment plans for premiums

Vital breaks up premium payments to make insurance more affordable, which has attracted more female customers.

Rapid insurance quotes

Jenny Life provides instant quotes for basic insurance products that do not require extensive underwriting processes, which has reduced the risk of drop-off and helped convert more users, 80 percent of whom are women.

Simplified insurance offerings

Micro Insurance Company partners with large intermediaries to design simple, entry-level products that require a one-click registration process, increasing low-income women’s access to insurance.

Retrained AI-powered technology

Eticas helps banks identify vulnerabilities and bias in the algorithms and provides insights on improving efficiencies and making better business decisions by retraining AI-powered technology with fairer and more equitable source data and content.

Rapid insurance quotes

Jenny Life provides instant quotes for basic insurance products that do not require extensive underwriting processes, which has reduced the risk of drop-off and helped convert more users, 80 percent of whom are women.

Simplified insurance offerings

Micro Insurance Company partners with large intermediaries to design simple, entry-level products that require a one-click registration process, increasing low-income women’s access to insurance.

Women are disproportionately affected by algorithms and AI systems that do not work well.

– Eticas Consulting

We have a monthly subscription model, which is more affordable for customers. It makes it easier for them to make a decision.

– Vital
Stage 4: Usage

- Drive transactions & product usage
- Maintain high customer activity levels
- Create positive customer experiences
- Build trust

Success with women at the Usage stage hinges on fintechs’ ability to “delight” their female customers: creating positive experiences to maintain high customer activity levels and incentivizing and rewarding customers for these behaviors. As with the other funnel stages, what triggers more women’s usage is different than the drivers of men’s usage.

This research revealed that female customer activity on fintech platforms is typically lower than male customer activity. But by developing women-oriented customer cultivation approaches, fintechs can generate more activity from women customers, thereby increasing average revenue per user.

DID YOU KNOW?

Women customers provide more cross-selling and repeat purchase opportunities for fintechs than men do.

WHAT’S AT STAKE: The size of the gender-intelligent Usage opportunity

15%

JazzCash’s female customers are less active on its payment platform than male customers. By engaging more with its registered female customers and closing the gender gap in activity rates, JazzCash could expand its total monthly revenue by 15 percent.

JazzCash: User Activity and Transaction Frequency

Women users are 30.5% less active and transact 34.4% less frequently than men.
We look at segment trends week by week and work with our data scientists to identify behaviors within that segment. We then create specific messaging around these trends. In combination with [differentiated] product design, this has had an impact on women customers’ activity.

— TymeBank

**KPIs: Gender data to collect at the Usage stage**

We look at segment trends week by week and work with our data scientists to identify behaviors within that segment. We then create specific messaging around these trends. In combination with [differentiated] product design, this has had an impact on women customers’ activity.

— TymeBank

**MEASURING SUCCESS: Sex-disaggregated Usage KPIs**

Sex-disaggregating average revenue per user (ARPU) and equivalent usage indicators play an important role in driving the business case for focusing on women customer segments. Other KPIs will depend on the specific vertical. All will help to develop a better understanding of women customers’ financial behaviors, which, in turn can help drive new product development and innovation.

**KPIs: Gender data to collect at the Usage stage**

- Total active users
- Average revenue per user (ARPU)
- Retention rate
- Churn rate
- Gross margin
- Lifetime value (LTV)

**All verticals**

<table>
<thead>
<tr>
<th>KPI</th>
<th>Credit/Lending</th>
<th>Insurance</th>
<th>Investment</th>
<th>Savings</th>
<th>Payments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total active users</td>
<td>Average loan size</td>
<td>Average gross premium</td>
<td>Assets under management (AUM)</td>
<td>Monthly average balance</td>
<td>Monthly or daily active users</td>
</tr>
<tr>
<td>Average revenue per user (ARPU)</td>
<td>Portfolio at risk (PAR)</td>
<td>Non-performing loans (NPLs)</td>
<td></td>
<td>Total transactions (deposits &amp; withdrawals)</td>
<td>Average number of transactions</td>
</tr>
<tr>
<td>Retention rate</td>
<td>Claims ratio</td>
<td>Claims frequency</td>
<td></td>
<td></td>
<td>Average transaction amount</td>
</tr>
<tr>
<td>Churn rate</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Average transaction value</td>
</tr>
<tr>
<td>Gross margin</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lifetime value (LTV)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**SOLUTIONS: Unblocking the Usage stage**

Here are some examples of ways in which gender-intelligent fintechs have succeeded in improving women’s conversion rates at the Usage stage.

- **Superior customer service**
  - Carbon provides instant refunds and rapid resolution of complaints. Nubank’s customer service team personalizes their outreach to mark important customer life moments. The human element overcomes hesitancy, increases confidence, and builds loyalty.

- **Human interaction**
  - Wing Bank and Wave Money’s high touch models rely on their female agent networks to build trust, educate, and motivate women customers to act.

- **Trend-spotting through sex-disaggregated data analysis**
  - TymeBank builds targeted messaging around trending transactions to boost customer activity. The result has been an uptick in activity among women customers and an increase in average revenue per user.

- **Building customer communities**
  - LXME posts about money management and smart investment strategies and encourages users to share their own views and tips, increasing engagement and trust.

- **Gender-sensitive privacy safeguards**
  - After female customers expressed concern about potential harassment from cash-in and cash-out agents who could access their cell phone numbers, Nagad gives women a separate 16-digit unique number that they can use instead of their phone numbers for transactions with the agents.

- **Gamification and rewards to incentivize desired user behavior**
  - World Remit rewards users for transacting through their platform. Even though women’s transaction amounts are lower than men’s, women earn more rewards, since they are more frequent users of the fintech’s products than men and revenues are based on number of transactions.
Stage 5: Loyalty

- Encourage referrals
- Encourage repurchases
- Encourage cross-sales

At the final stage of the gender-intelligent fintech sales funnel, emphasis is on becoming the platform of choice for female customers through positive post-transaction customer engagement. Because satisfied women customers are far more loyal than men, there’s a significant opportunity to maximize lifetime value, as female customers return time and again for repurchases and cross-sales. In addition, they represent a strong source for new customers, since women rely more on word-of-mouth recommendations from colleagues and friends than men do. And, in building a loyal female customer base, there is the added benefit of increasing women’s access to finance.

This research showed that by leveraging the positive experiences of satisfied women customers and continuing to deliver strong service and value, fintechs can increase the lifetime value of existing users, reduce customer acquisition costs, and add to their female customer base.

WHAT’S AT STAKE: The size of the gender-intelligent Loyalty opportunity

The average women’s portfolio of assets under management at Fintual is estimated at more than twice the size of the average men’s portfolio.

By increasing retention of female customers to nearly double the industry average, Jenny Life has increased the LTV potential of female customers to almost double the market average.

50% By tapping into the power of female referrals, Carbon could see a 50 percent increase in organic customer growth.

Carbon’s Referral Rates:

<table>
<thead>
<tr>
<th>% of customers who refer others</th>
</tr>
</thead>
<tbody>
<tr>
<td>Women customers are 30% more likely to provide referrals than men</td>
</tr>
</tbody>
</table>

Women users provide more referral opportunities for fintechs than men do.

DID YOU KNOW?
Konfío and IDB Invest’s Development Effectiveness Division launched a study to measure the impact of Konfío’s credit solution on client economic performance. We found that among our clients, female-owned businesses increased their client bases by 10.2 percent and their suppliers by 8.7 percent, while male-owned businesses grew their client bases by 7.6 percent and their suppliers by 4.1 percent.

– Konfío

We make it a point to use a gender lens in all of our analysis of performance across the sales funnel. If there’s a problem with uptake, usually it goes back to a design flaw. Once you fix that, then the women’s segment performance is actually quite good.

– JUMO

**Funnel Blockages:**

**What’s preventing women’s conversion?**

Lack of enthusiasm for new product offerings: To turn one-time purchasers into active repeat customers and brand advocates, women customers want a reason to feel excited about the products. It’s not just about meeting their needs. It’s also about generating buzz.

Ineffective new product marketing: If the messaging doesn’t convey a sense of excitement or if it fails to make the case for buying, female customers will tune out and move on.

Poor customer service/negative initial experience: Women customers will not become repeat purchasers if they do not have a positive experience the first time, and will tell many more people of their negative experience than men will. For instance, Westpac found that dissatisfied women customers will tell 46 other people, while dissatisfied men will tell 9 other people.

**Solutions: Unblocking the Loyalty stage**

Gender-intelligent fintechs have used a number of approaches to increase the amount of female customer activity on their platforms, encourage referrals, and create brand advocates. Here are some examples.

**Behavior-based, female-centric referral messaging**

**JazzCash** explicitly encourages women to refer their mothers, daughters, and women friends and colleagues, which has increased women’s referral rates by 60 percent with no detrimental impact on men’s referral rates.

**Value-added services to reach overlooked female customer segments**

**B2B fintech AID:Tech** develop blockchain-based digital identities and financial solutions for partners to enable direct delivery of remittances, cash, and vouchers to low-income beneficiaries, the majority of whom are women.

**Support in times of crisis**

**JUMO** continued to serve their customers during the covid-19 pandemic by maintaining loan disbursements and waiving penalties, helping to increase customer loyalty and satisfaction.

**Female leaders as influencers and brand ambassadors**

**Cuenc** breaks the stereotype of male-dominated fintech culture by advancing women in its management ranks and prominently featuring its women leaders as company representatives in public-facing events, which has helped attract a loyal and active female customer base.

**New cross-sale products that appeal to women**

**TymeBank** introduced products with strong appeal for women—life and funeral insurance. Women constitute more than half of their life and funeral insurance customers.

**Value-added services to reach overlooked female customer segments**

**B2B fintech AID:Tech** develops blockchain-based digital identities and financial solutions for partners to enable direct delivery of remittances, cash, and vouchers to low-income beneficiaries, the majority of whom are women.

**Support in times of crisis**

**JUMO** continued to serve their customers during the covid-19 pandemic by maintaining loan disbursements and waiving penalties, helping to increase customer loyalty and satisfaction.

**Female leaders as influencers and brand ambassadors**

**Cuenc** breaks the stereotype of male-dominated fintech culture by advancing women in its management ranks and prominently featuring its women leaders as company representatives in public-facing events, which has helped attract a loyal and active female customer base.

**New cross-sale products that appeal to women**

**TymeBank** introduced products with strong appeal for women—life and funeral insurance. Women constitute more than half of their life and funeral insurance customers.

**KPIs:**

**Gender data to collect at the Loyalty stage**

- Referral rate
- Net promoter score
- Percent of customers acquired through referral
- Referral CAC
- Rate of repurchase/cross-sales
- LTV

We make it a point to use a gender lens in all of our analysis of performance across the sales funnel. If there’s a problem with uptake, usually it goes back to a design flaw. Once you fix that, then the women’s segment performance is actually quite good.

– JUMO

**Measuring Success:**

**Sex-disaggregated Loyalty KPIs**

Sex-disaggregated metrics at this stage will provide visibility on the impact of a strong and satisfied female customer base. They will help to deepen the company’s penetration into the vast and growing female economy.

**Solutions:**

**Unblocking the Loyalty stage**

Gender-intelligent fintechs have used a number of approaches to increase the amount of female customer activity on their platforms, encourage referrals, and create brand advocates. Here are some examples.
THE ROLE OF INVESTORS

The research found that fintech investors are still early stage in their gender lens investment thesis. While some have started to look at gender balance in founding or leadership teams, very few are looking at gender balance of potential investees’ customer bases. Impact investors are leading the way, driving progress by creating pathways for interested fintechs through blended finance, advisory services, and financial incentives, such as a decrease in the interest rate or reduced investor payback on meeting certain goals. Others are advocating for including gender metrics as part of their environmental, social, and governance (ESG) criteria for investee companies. However, among the investors interviewed, many indicated that they needed more evidence of the business case. This research clearly shows the value of focusing on women customers through gender-intelligent fintech design.

The Gender Inclusive Fintech Fund will support inclusive fintechs that provide financial products and services tailored for women and girls in emerging economies, as well as those fintechs that are women-owned and led. This integrated approach is intentional and enables a wider breadth of impact.

— Roots of Impact

CONCLUSION

By applying a gender lens and asking the right questions, investors and fintechs alike can facilitate a heightened focus on women customers. For investors, this means conducting holistic gender due diligence, looking internally at the gender balance of investees’ founders and leaders, and externally at the gender composition of their customer bases. For fintechs, this means designing a sales funnel that facilitates women customers’ journeys and improves conversion rates. To do so requires disaggregating KPIs by sex at each stage of the funnel, asking why gender gaps exist, and developing solutions. Following these simple steps to designing a gender-intelligent sales model will help fintechs capture the female economy, improving revenue and profitability while advancing women’s financial inclusion.
**PARTICIPATING FINTECHS**

<table>
<thead>
<tr>
<th>FINTECH</th>
<th>COUNTRY</th>
<th>REGION</th>
<th>TYPE</th>
<th>WEBSITE ADDRESS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aflore</td>
<td>Nigeria</td>
<td>B2C/2B</td>
<td>Credit</td>
<td>aflore.co</td>
</tr>
<tr>
<td>BFree</td>
<td>Nigeria</td>
<td>B2C/2B</td>
<td>Credit</td>
<td>bfreeafrica.com</td>
</tr>
<tr>
<td>Fawry</td>
<td>Egypt</td>
<td>B2C/2B</td>
<td>Payments</td>
<td>fawry.com</td>
</tr>
<tr>
<td>Fintual</td>
<td>Chile, Mexico</td>
<td>B2C/2B</td>
<td>Wealthtech</td>
<td>fintual.cl</td>
</tr>
<tr>
<td>Impact Credit</td>
<td>South East Asia</td>
<td>B2B</td>
<td>Credit</td>
<td>impactcredit.solutions</td>
</tr>
<tr>
<td>JazzCash</td>
<td>Pakistan</td>
<td>B2C/2B</td>
<td>Payments</td>
<td>jazzcash.com.pk</td>
</tr>
<tr>
<td>Jenny Life</td>
<td>USA</td>
<td>B2C/2B</td>
<td>Insurtech</td>
<td>jennylife.com</td>
</tr>
<tr>
<td>Juango Te Presta</td>
<td>Colombia</td>
<td>B2C/2B</td>
<td>Credit</td>
<td>juanchotepresta.com</td>
</tr>
<tr>
<td>Konfio</td>
<td>Mexico</td>
<td>B2C/2B</td>
<td>Challenger Bank</td>
<td>konfio.com</td>
</tr>
<tr>
<td>Kubo Financiero</td>
<td>Mexico</td>
<td>B2C/2B</td>
<td>Challenger Bank</td>
<td>kubofinanciero.com</td>
</tr>
<tr>
<td>LXME</td>
<td>India</td>
<td>B2C/2B</td>
<td>Wealthtech</td>
<td>lxme.in</td>
</tr>
<tr>
<td>Mambu</td>
<td>Global</td>
<td>B2B</td>
<td>Banking platform</td>
<td>mambu.com</td>
</tr>
</tbody>
</table>

**PARTICIPATING FINTECHS**

<table>
<thead>
<tr>
<th>FINTECH</th>
<th>COUNTRY</th>
<th>REGION</th>
<th>TYPE</th>
<th>WEBSITE ADDRESS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aflore</td>
<td>Nigeria</td>
<td>B2C/2B</td>
<td>Credit</td>
<td>aflore.co</td>
</tr>
<tr>
<td>BFree</td>
<td>Nigeria</td>
<td>B2C/2B</td>
<td>Credit</td>
<td>bfreeafrica.com</td>
</tr>
<tr>
<td>Fawry</td>
<td>Egypt</td>
<td>B2C/2B</td>
<td>Payments</td>
<td>fawry.com</td>
</tr>
<tr>
<td>Fintual</td>
<td>Chile, Mexico</td>
<td>B2C/2B</td>
<td>Wealthtech</td>
<td>fintual.cl</td>
</tr>
<tr>
<td>Impact Credit</td>
<td>South East Asia</td>
<td>B2B</td>
<td>Credit</td>
<td>impactcredit.solutions</td>
</tr>
<tr>
<td>JazzCash</td>
<td>Pakistan</td>
<td>B2C/2B</td>
<td>Payments</td>
<td>jazzcash.com.pk</td>
</tr>
<tr>
<td>Jenny Life</td>
<td>USA</td>
<td>B2C/2B</td>
<td>Insurtech</td>
<td>jennylife.com</td>
</tr>
<tr>
<td>Juango Te Presta</td>
<td>Colombia</td>
<td>B2C/2B</td>
<td>Credit</td>
<td>juanchotepresta.com</td>
</tr>
<tr>
<td>Konfio</td>
<td>Mexico</td>
<td>B2C/2B</td>
<td>Challenger Bank</td>
<td>konfio.com</td>
</tr>
<tr>
<td>Kubo Financiero</td>
<td>Mexico</td>
<td>B2C/2B</td>
<td>Challenger Bank</td>
<td>kubofinanciero.com</td>
</tr>
<tr>
<td>LXME</td>
<td>India</td>
<td>B2C/2B</td>
<td>Wealthtech</td>
<td>lxme.in</td>
</tr>
<tr>
<td>Mambu</td>
<td>Global</td>
<td>B2B</td>
<td>Banking platform</td>
<td>mambu.com</td>
</tr>
</tbody>
</table>

**GENDER-INTELLIGENT FINTECH DESIGN: HOW FINTECHS CAN CAPTURE THE FEMALE ECONOMY**

The company provides its customers with 24/7 access to credit, manage, and monetize their digital identity metadata. The company also helps financial institutions invest in data-driven models to estimate income level, enabling customers in under-banked segments to use financial planning and wealth management principles.
GENDER-INTELLIGENT FINTECH DESIGN: HOW FINTECHS CAN CAPTURE THE FEMALE ECONOMY

PARTICIPATING FINTECHS

**Moka**
- Country: Bangladesh
- Type: B2C/B2B/C
- Vertical: Payment
- Website: moka.com

**Nagad**
- Country: Bangladesh
- Type: B2C/B2B/C
- Vertical: Payments
- Website: nagad.com.bd

**Nubank**
- Country: Brazil
- Type: B2C/B2B/C
- Vertical: Payment
- Website: nubank.com.br

**SmartPurse**
- Country: England
- Type: B2C/B2B/C
- Vertical: Edtech
- Website: smartpurse.me

**Tymebank**
- Country: South Africa
- Type: B2C/B2B/C
- Vertical: Digital Bank
- Website: tymebank.co.za

**WaveMoney**
- Country: Myanmar
- Type: B2C/B2B/C
- Vertical: Payments
- Website: waveMoney.com.mm

**Wing**
- Country: Cambodia
- Type: B2C/B2B/C
- Vertical: Payment
- Website: wingmoney.com

**Zendala**
- Country: Mexico
- Type: B2C/B2B/C
- Vertical: Insurtech
- Website: zendala.co

Acronyms and Abbreviations

AI: Artificial Intelligence
ARP: Average Revenue Per User
B2B: Business to Business
B2C: Business to Consumer
CAC: Customer Acquisition Cost
LTV: Lifetime Value
NPL: Non-Performing Loan
VC: Venture Capital

Endnotes

3. For example, women’s use of investment platforms has far outpaced men’s use within the last year, due in large part to the emergence of user-friendly, low-cost platforms that have taken the mystery out of the investment process. See Darbyshire, Madison. “Women Don’t Need Men in Signing Up to Investment Platforms.” Financial Times. December 1, 2020.
7. CB Insights.
16. Chen et al.
17. A gender gap is defined as a disparity between women and men in levels of participation, access, rights, remuneration, or benefits. The gender gap can be calculated in different ways. For this report, we have taken the same approach as GSMA, estimating the gender gap as the relative difference in women’s and men’s ownership/use, rather than the absolute difference. This helps to highlight how far behind women are in comparison to men. The gender gap in ownership or use (%) is calculated as:

   \[
   \text{Gender Gap} = \left( \frac{\text{Male Access} - \text{Female Access}}{\text{Male Access}} \right) \times 100
   \]

   where Male Access is the percentage of the total male population and Female Access is the percentage of the total female population.

GENDER-INTELLIGENT FINTECH DESIGN: HOW FINTECHS CAN CAPTURE THE FEMALE ECONOMY

Financial Alliance for Women © 2021