



*Diamond Bank Storms the Market:
A BETA Way to Save*

Balogun market in Lagos, Nigeria is a jostling, thriving hub of commercial activity, which draws shoppers and business people from all over West Africa to trade in cloth, jewelry and almost every other commodity imaginable. Businesses of all shapes and sizes are here, from street hawkers to foodstuff sellers to wealthy established traders. The commercial banks are also here, drawn by the hum of money in circulation, but they are the first to recognize that only a fraction of the business being done here passes through their accounts. The women and men who run businesses in this market are familiar with banks like Diamond Bank, which has four branches in this market, yet they do not see them as relevant or accessible. Even those who have accounts usually place most of their money in traditional, though more informal, financial tools. In Africa, and in many places in Nigeria, physical proximity to a branch is the most important barrier. However, in Balogun market, and in many urban areas across Nigeria, the distance is emotional instead of physical. Diamond Bank and Women’s World Banking, supported by Visa and EFINA, set out to close this gap by creating an innovative and relevant savings product that crosses the barriers preventing low-income Nigerians from accessing formal financial services.

IN PARTNERSHIP WITH

ENHANCING FINANCIAL INNOVATION & ACCESS (EFInA) is a financial sector development organization that promotes financial inclusion in Nigeria. Established in late 2007, our vision is to be the leader in facilitating an all-inclusive and growth-promoting financial system in Nigeria. EFInA is funded by the UK Government’s Department for International Development (DFID) and the Bill & Melinda Gates Foundation. EFInA focuses on four key pillars — Research, Innovation, Advocacy and Capacity Building. www.efina.org.ng

VISA INC is a global digital payments network that connects consumers, businesses, financial institutions, and governments in more than 200 countries and territories to fast, secure and reliable electronic payments. Visa operates one of the world’s most advanced processing networks—VisaNet—that is capable of handling more than 47,000 transaction messages a second. For more information about how Visa is working to improve lives and economies around the world, visit visa.com.

WOMEN’S WORLD BANKING is the global non-profit devoted to giving more low-income women access to the financial tools and resources essential to their security and prosperity. For more than 35 years we have worked with financial institutions to show them the benefit of investing in women as clients, and as leaders. We equip these institutions to meet women’s needs through authoritative market research, leadership training, sustainable financial products and consumer education.



Bridging the Gap

Diamond Bank PLC, which began operations in 1991, is a universal bank offering a range of banking products and services in retail, commercial, corporate and investment. The retail division of the bank was formally created in 2008 and has focused on serving consumers and micro and small businesses. As technology and the advent of mobile money drives down the cost of doing business with clients, Diamond Bank saw a tremendous business opportunity to drive additional growth through serving the under-banked and financially excluded. This market represents the majority of Nigerians—a higher percentage of whom are women. Working with Women's World Banking to deepen its understanding of this potential market, the bank identified entrepreneurs working near its many market branches as a target segment. The challenge was to deliver a product efficiently and at low cost, to ensure that it was commercially viable for the bank.

Nigeria presented an interesting backdrop for this project. The Central Bank of Nigeria (CBN) is actively promoting integration of the unbanked into the financial system, and also has taken steps to encourage a shift from cash to electronic systems such as debit cards and mobile money. CBN's regulatory structure has evolved significantly in recent years, moving beyond providing a framework for the struggling microfinance sector, to taking broader action to enable the kinds of changes that are needed to bring millions of unbanked Nigerians into the formal financial sector. In 2012 an estimated 64 percent of the population was unbanked and had never accessed any services or products provided by a financial institution.⁵ The number is higher for women: nearly 73 percent of all Nigerian women are unbanked. This number doesn't include the underbanked—those men and women who have had some interaction with a bank but are not consistently engaged. Many Nigerians may have accounts that they use only to send money to family members or on rare occasions when they have “extra” funds that they plan to invest later. In the meantime, they save regularly by putting aside small amounts of money to meet business or household needs. They rely on informal financial tools to manage their money while their accounts lie dormant, or worse, accumulate fees.

As Diamond Bank learned, it is not that Nigerians do not want to keep their money at a bank, but that they need more convenient services than banks have previously offered. While there is a segment of the population that doesn't want to engage with a bank, this isn't the case for most Nigerians—61 percent of the unbanked would like an account. Bridging this gap, and the gap Diamond Bank saw from its branches, requires a new model of simple, affordable and accessible products that meet the needs of low-income people. From the Women's World Banking perspective this was a chance to test whether a commercial, mainstream bank could adapt its business model to serve the millions living below the poverty line. From the perspective of Diamond Bank it was an opportunity to welcome and grow an entirely new customer base.

Women's World Banking has been working with institutions to offer savings products for a decade. In some cases this included supporting newly transformed financial institutions to introduce savings products for the first time, through the transition from a not-for-profit credit-provider to a full-service banking institution, while for others it was helping them to extend their outreach to low-income savers, increasing the amount or frequency with which women were saving. The partnership with Diamond Bank provided Women's World Banking an opportunity to adapt this expertise to ensure that women were part of the bank's growth strategy.

Savings products provide a natural space for commercial banks and low-income customers to meet (maybe for the first time) and develop a relationship. For the bank, there is less risk in approaching a new market with a savings product than when extending credit. It doesn't require the bank to understand the cycles, risks, financing needs, and constraints of small market-based businesses. Among the customers there was demand for a convenient savings product, although many are also interested in borrowing. There is a strong savings culture in Lagos so the bank didn't need to convince customers to save, but that using a bank provided clear benefits.

⁵ EFINA *Access to Financial Services in Nigeria 2012 Survey Key Findings*, updated May 2013 www.efina.org

Pilot Overview

In March 2013, the BETA savings account rolled out in 21 of Diamond Bank's 240 branches. BETA (meaning "good" in pidgin English) can be opened in less than five minutes and has no minimum balance and no fees. The account is targeted at self-employed market women and men who want to save frequently (daily or weekly). Because we know that these customers, especially women, value convenience, the product is built around serving women in the market where they work. Agents, known as BETA Friends, visit a customer's business to open accounts and handle transactions, including deposit and withdrawal, using a mobile phone application.

38,600 accounts were opened during the six-month pilot, 40 percent of them belonging to women, exceeding the goal of 16,000 accounts. But opening an account means little if customers are not using it and remain among the ranks of the underbanked. BETA customers are using their account regularly: 74 percent of customers transact more than once a month, saving an aggregate \$1.5 million (US) in deposits in the first six months from the pilot launch. As the product moves from pilot stage to a bank-wide product offering there is an opportunity to reflect on successes, challenges and opportunities to bring more women into the formal banking sector.



BETA savings account program has been rolled out in 21 of Diamond Bank's 240 branches since March 2013.



BETA is targeted at self-employed market women and men who save either daily or weekly.



BETA is built around serving women in the market where they work.



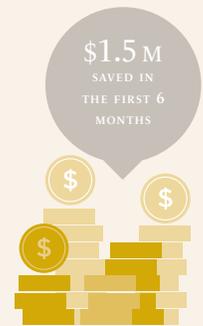
38,600 accounts opened during the 6 month pilot.



40% of accounts are women, exceeding the goal of 16,000 accounts.



74% of BETA clients transact more than once a month.



In the first 6 months since launch, clients have saved an aggregate of \$1.5 M (US).

Improving on Ajo

Low-income women, the target market, have existing savings options to meet their needs. In *ajo*, a savings collector comes daily and pays out monthly. Women use the payment as working capital or to smoothe cash flows when incomes are unpredictable. Savings groups, known as *adako*, are also convenient and help to accumulate larger sums—they collect from a group daily, weekly or monthly and pay a lump sum, rotating among members. Saving at home in the wardrobe or investing in extra stock for the business is also an option. These methods are easy, familiar, convenient, and have stood the test of time. What could Diamond Bank offer potential customers that these informal methods do not?

Our global research has shown consistently that women have specific savings needs. They are juggling scarce resources to meet day-to-day needs with an eye toward the future. They save against emergencies and toward goals such as education or business growth. As they move through their lives the savings goals change and they need financial products that support these evolving goals. Research with potential Diamond Bank clients confirmed this was true in Nigeria as well. It has one of the strongest savings cultures among all the countries we have worked; women in the markets put aside an average of 60 percent of their daily income in *ajo*, *adako* and other methods. According to the women we interviewed, money not put

aside easily “slips through your fingers” on daily needs, on little things for the kids, or small luxuries. Money in *ajos* is considered “parked” and is available as a lump sum only at the end of the month for a trip to the wholesaler, to restock the business or to pay school fees. School fees exert a particular pressure on women, who value investing in education for their children. While men are expected to pay for school fees, most often it is women who take all of the responsibility, adding to the financial pressure of running her own business. A Nigerian woman “engages in some form of work to support her husband and in some cases takes charge of the entire family responsibilities/ finances,” in order to succeed says Modupe Ladipo, Chief Executive Officer, of EFInA. “Society expects her to play all these roles perfectly otherwise she’s seen as a failure.”⁶⁷

What came across clearly in focus groups is that women are time poor—commute times of two hours or more each way in notoriously congested Lagos traffic are not uncommon, on top of juggling household duties and running a small business. It is not surprising they are unwilling to travel to a bank or to invest time waiting in line in a branch, turning instead to the *ajo*. Market research shows the maximum time they are willing to be away from their businesses is 10 to 15 minutes. To appeal to these potential customers, the bank knew it had to create a savings product that improves on their existing options.

BETA FEATURES

- No minimum balance
- No forms, ID or signature requirements
- No monthly fee or deposit fee
- Account opening and transactions in the market
- Starter pack with ATM card
- Interest paid on balances
- Reward scheme with cash prizes
- Pays 3.6% interest per annum



CONVENIENCE: the bank had to come to them; *ajo* provides doorstep service at their place of business; account opening also had to be easy, with no complicated document requirements or long forms.

AFFORDABILITY: the product had to be transparent about fees and accept very small deposits. Women used to paying a relatively high monthly fee for *ajo* worried about high or hidden fees from a bank, and they prefer to make small, regular deposits rather than storing money up for a larger deposit.

SECURE, CONFIDENTIAL AND FLEXIBLE: these were the differentiators that provided an opportunity for Diamond Bank. Focus groups liked the feature of depositing and withdrawing at any time, rather than having their savings stored over time with *ajo* or *adako*, although this made it harder for them to accumulate larger sums.

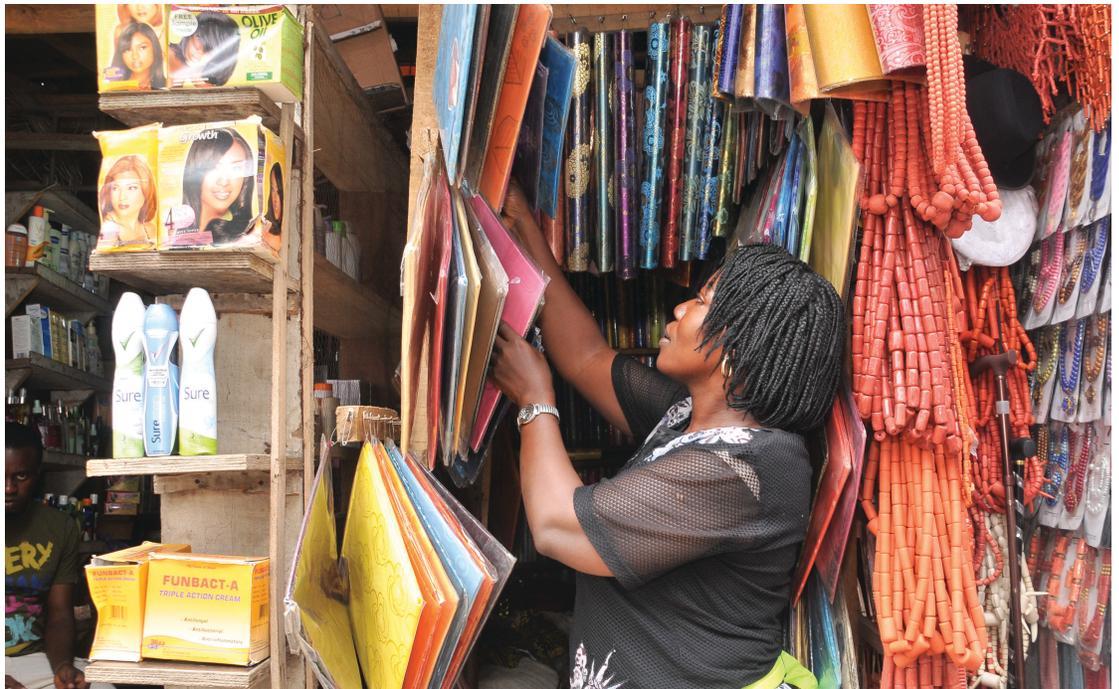
COMFORT WITH BANKS: lastly, banks had to be seen as relevant. Potential clients, while familiar with banks, did not see them as applicable to their lives. They don't see themselves as potential clients, often for good reason: many believed that the small amounts they save on a daily basis were not worth saving at a bank.

The product that was tested during the pilot phase encompassed all of these insights. Because Diamond Bank felt they would need to provide some additional incentives to convince this segment to change behavior and begin to save regularly at the bank, customer research explored two additional options.

ABILITY TO BORROW AGAINST YOUR SAVINGS:

Borrowing against your own savings was rejected outright as customers would prefer to just withdraw the funds. Nevertheless, access to loans was enticing: the bank would have to make the loan process simple and lend at least 2–3 times the customer's savings balance.

REWARD SCHEME: A weekly cash drawing to encourage customers to save regularly and build balances; this introduces an element that women like about *adako*—the feeling of winning. In *adako*, members draw for turns to receive the pool, which even though comprised of the woman's own savings, makes them feel a bit like they are winning a lottery.



Pilot Results

The target customers, market traders close to Diamond Bank branches, give BETA high ratings and uptake has been beyond expectations for the pilot. While some are ready to open the account on the spot and begin to save, others have adopted a wait-and-see approach. The first two months of the pilot were relatively slow but after month two, product uptake increased significantly.

The market traders wondered if the product was here to stay, if the bank was committed to providing regular service in the markets, and whether it would introduce fees. They had seen banks enter the market to collect deposits for a short time without providing ongoing service. They had also seen poorly capitalized microfinance banks come and go. We expect that as they get to know the bank and see that it is truly committed to

servicing them, product uptake will increase even further. Average balances were somewhat lower than projected (approximately \$30 USD vs. a desired \$65) but with a clear growth trend. Focus group data shows that most women do not “put all their eggs in one basket,” and as expected continue to split their savings between informal savings tools and BETA. As confidence in the product grows, BETA may attract a larger share of their wallet, boosting account balances. This will be critical to monitor moving forward as growth in account balances is critical for the business model, given the low fee structure. We expect the reward scheme will contribute to account growth as chances to win are tied to account balances. Its effect on the pilot results was limited as it was introduced later due to infrastructure delays.

RESEARCH FINDINGS

Women’s World Banking interviewed potential clients to better understand the ways in which women’s roles within poor households affect the allocation of time and money, and financial behaviors. Unique in the field, these studies with network members yielded striking insights into the ways men and women see themselves, and each other, as economic actors, and what those perceptions mean for financial services institutions seeking to provide savings.

GOAL

To understand women’s financial behavior: financial pressures, their savings propensity and goals, and their perceptions of the formal banking sector; and household money management strategies.

FINDINGS

There is a strong savings culture in Lagos—women in our research store up to 60 percent of their income in savings mechanisms like *ajo* and *adako*.

Savings is seen as the way to build a business, with ambivalence toward borrowing.

For women interviewed (market entrepreneurs) the most important savings goal is to build their business, second is school fees and investments in children’s education.

Men and women tend to keep finances separate; Within the household there is little transparency between husbands and wives on financial matters.

Women are generally responsible for paying school fees (even though men are expected to pay) and expenses related to the children.



Knowing your customer

Nigeria has a particularly enabling regulatory environment which made it possible to open a simplified account without requiring any ID, with limits on the account balance and transactions which were well within the amounts most BETA customers would want to deposit.

[Women] will ask about microfinance banks coming up and coming down again. Then they will not open the account. They will say come back. Not tomorrow — Tuesday! Then when you come, they will say, I'm busy, come again. They want to let another one do it first, see how they are doing it, making deposits, withdrawing! Then they will do it.—BETA FRIEND, STAFF FOCUS GROUP

A BETA account can be opened in fewer than five minutes because there are no forms to fill in and it only requires the person's name and personal details. The BETA Friend enters the customer information in an application on a simple mobile phone, takes a picture of the customer, and the account is opened. Each new customer receives a starter pack immediately with a debit card and PIN linked to the new account. The customer receives a welcome text message on her phone with an account number. This is a radical departure from Diamond Bank's usual procedure for opening a traditional bank account, which requires a visit to the branch, ID and proof of address or income, a lengthy form, and references from other Diamond Bank customers. Such requirements, which are standard for many banks, are onerous, time-consuming and often exclude low-income women who may not have formal ID, documents that show their address or prove their income, or know other bank customers.

Delivery Channels

To attract significant deposits, the bank would need to match and improve on the standard of doorstep services already offered in the market. Market traders build their savings by making small regular deposits. By facilitating bringing these deposits into the bank, Diamond Bank stood to benefit from customers saving actively and maintaining higher balances. Diamond Bank chose to introduce a multi-channel approach, so that customers could access their accounts through doorstep savings mobilizers (the BETA Friends), as well as through ATMs and branches. Diamond Bank also explored partnerships with newly established mobile money providers, which would enable customers to deposit and withdraw through their agents. This multi-channel approach would deliver the convenience that customers want, but as many would be opening their first bank account a key question was whether financial education would be needed to make customers comfortable using all channels.

BETA friends — The field agents, BETA Friends, are the embodiment of bringing the bank to the customer. These market-based sales agents are at the heart of the BETA value proposition and the success of the project depends on their effectiveness—regularity of BETA Friends' visits has been the primary driver of account activity and savings growth.

During the pilot 116 BETA Friends were trained and deployed. These sales agents, recruited through an outsourcing firm, participated in a training program developed for the project that includes Diamond Bank culture and values, sales skills, the product value proposition and account opening procedures. Most are between the ages of 28 and 35 and have prior sales experience. They have proven to be entrepreneurial: 89 percent have more than 200 customers, and the top performers average 455 customers. Friends are compensated on an incentive model based on account openings and a service incentive paid for accounts with regular transactions, as well as a percentage of balances on accounts. This model aligns incentives of customers, BETA Friends and Diamond Bank by encouraging BETA Friends to build a portfolio, but also to motivate their customers to save regularly and build balances. A challenge that emerged during the pilot is finding the right balance between acquisition of new customers, and promoting regular

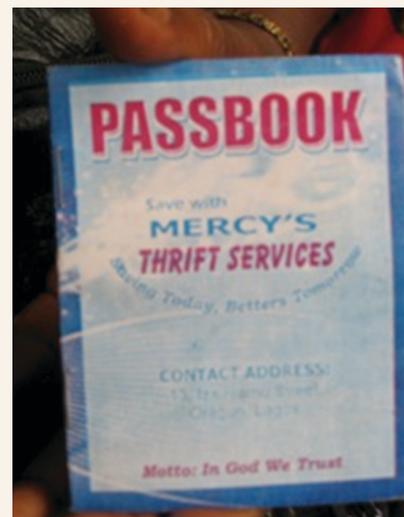
service to encourage balance growth. BETA Friends with larger portfolios often struggle to service their customers on a regular basis, which has led Diamond Bank to consider adjusting the incentive system to limit portfolio size but emphasize service and balance growth.

BETA Friends quickly became the most used method of depositing: 94 percent of deposits were made through a Friend. Customers want and expect daily service so that they can deposit any cash they have. This drove performance above targets on several measures: 74 percent of account holders transact at least once a month and 30 percent at least once a week. This reliance on BETA friends brought some challenges that had to be addressed during the pilot. If a BETA Friend visited less frequently, account balances were smaller, as customers would spend extra cash on additional stock or deposit it in informal financial tools rather than holding it to deposit at Diamond Bank.

As the transaction frequency is relatively high, it emerged during the pilot that sales activities should be concentrated in areas close to the branches, with customers in clusters. This will ensure regular service for customers, and make it easier for BETA Friends to manage their daily routine, which includes returning to the branch to offload cash as often as four times per day. Regular visits also helped to build trust among customers and dispel fears that Diamond Bank did not intend to provide a longer-term service.

Another key success factor for BETA was its online, real-time mobile system, which provides free text message alerts to customers at account opening and to confirm each transaction. The alerts are liked by customers, who say that they build trust in the system and show that BETA is a service offered by and with the backing of a bank. However, the mobile system also presented some real challenges. Mobile infrastructure in Nigeria has many gaps, even in urban areas like Lagos. Network downtime is common and text messages are often delayed, sometimes for up to 12 hours. When mobile networks were down, BETA Friends were not able to open accounts or process transactions. These delays can create anxiety among customers who may quickly become suspicious of the BETA Friend. Both customers and BETA Friends wanted paper receipts, in addition to the text alerts, as physical

THE FACE OF THE COMPETITION: MERCY'S THRIFT SERVICE



Informal mechanisms, especially savings collectors, are the main competition for savings in the bustling markets of Lagos. Known as *ajo*, or daily contribution scheme, savings collectors provide a valued service. They are usually small businesses or private individuals like Mercy, MD of Mercy's Thrift Service who visit customers every day to collect a regular fixed deposit. Savings can be withdrawn at the end of the month, or rolled over for a subsequent month. No interest is paid, and in fact, a monthly charge equivalent to one day's savings deposit is collected. In Women's World Banking's research in Lagos, more than half of the traders we interviewed saved with *ajo*. They see it as a convenient way to save because the savings collector comes to them, it provides savings discipline, and additionally many collectors offer advances on customers' savings starting from the 10th day of the month.

While stories about collectors running away are rare, customers are all too aware that their money may be lost if the collector gets sick or has an accident. Savings collectors set the standard of convenience. To attract their deposits, a bank would need to be just as convenient and also offer something more. BETA achieved this by offering the convenience of traditional savings methods with the security of a bank. In addition, it offered something that Mercy's Thrift Service cannot offer—access to your money anytime without charge, through the ATM network. While *ajo* like Mercy's Thrift Service are competitors now, in the future they could also become partners and Diamond Bank is exploring ways to work with them in certain markets.

proof of the transaction. Also, many customers leave their phones at nearby shops to charge and don't want to save their text alerts as proof of transactions, to keep their account information safe from prying eyes. Diamond Bank is studying technological solutions to resolve the connectivity challenge and respond to customers' requests for physical receipts.

Mobile—Diamond Bank's channels strategy evolved from the original vision of partnering with mobile money firms, to investing in its own platform to manage the new savings business. Diamond Bank's retail team understood that setting up and managing a network of agents requires significant investment. They planned to leverage the capacity of mobile money partners, and selected two firms from the seventeen that received mobile money licenses in Nigeria. Several factors played into the bank's decision to change course and invest instead in its own platform:

SAVINGS STRATEGIES

	AJO	ADAKO	BETA SAVINGS
FREQUENCY OF DEPOSIT	Daily deposits	Collects daily, weekly or monthly	BETA Friends come daily or every few days
ACCESS TO SAVINGS	Generally pays at the end of the month; can rollover for 2–3 months	Depends on number of people in group and slot	24/7 access with ATM
COST	1 day's savings per month	No cost	No fees
PURPOSE	Save to smooth monthly cash flow for next month's working capital	Save to build up lump sums for school fees and investments; Best option to accumulate a lump sum	Save daily earnings in BETA, deposits and withdrawals with the purpose of accumulating savings
ADVANTAGES	Easy, familiar, stood the test of time, convenient, can get an advance if needed, 'forces' regular savings, savings are locked away	Easy, familiar, stood the test of time, convenient, savings are locked away, 'forces' regular savings, helps accumulate lump sums, can design for your own needs	Convenient, very easy account opening procedure with minimal requirements, encourages regular savings, flexible deposit amounts
DISADVANTAGES	Can run off, cannot give varying amounts	Can break up, unpredictable timing of receiving slot, have to save with other people	New and untried
COMPETITION	Several individual <i>ajo</i> collectors working in each market, e-wallets are the direct competition of the future		<i>Ajo</i> and <i>adako</i>

CONNECTION TO CUSTOMERS — In many partnership models, the mobile money provider holds the customer information and account, rather than the bank. Diamond Bank believed in the long-term future of this market and decided it wanted to have a direct connection to its customers rather than relinquishing customer data to a partner.

USER EXPERIENCE — Savings is based on trust. If customers struggle to find an agent to take their deposits or if transactions fail, this would undermine trust in BETA. Mobile money is nascent in Nigeria, with systems and distribution networks still being developed. At the time of pilot launch, Diamond Bank's external partners were not yet able to offer agent locations near the pilot branches and quality of user experience was still uneven. By investing in its own platform and in BETA Friends rather than relying on partners, Diamond Bank could ensure a high-quality user experience.

CHANNELS WORKING TOGETHER — Diamond Bank's team believed it would be important for their customers to be able to use a range of channels to ensure quality service. By relying on partners to host their accounts, its customers would be tied to a single mobile money partner. Nigeria intends to develop an interoperable network so customers can use different providers, but this will take some time to create. Diamond Bank chose to be a hub that could connect to different services rather than having its customers sign up with another provider.

COST-BENEFIT — Women's World Banking worked with Diamond Bank to develop a financial model to evaluate various channels. It demonstrated that investing in internal capacity was a viable option that could be more cost-effective and generate higher deposit balances than relying only on partners.

ATM and debit cards — Diamond Bank wanted to offer its customers debit cards and access to ATMs along with the service provided by BETA Friends. It chose to invest in an IT platform that would allow it to issue cards, connect to the ATM network, and enable the bank to connect to mobile money providers in the future. The solution Diamond Bank chose was a Nigerian cloud-based branchless banking platform, which met its requirements to run the pilot.

The role of the branch — One of the challenges commercial banks often face when expanding their outreach to low-income clients is a fear of the branches being overrun and increasing branch congestion. Defining the role of branches was an area of internal discussion and debate for Diamond Bank. On one hand, if the bank was investing in other, more convenient channels that customers could use, did the branches have to be involved at all? On the other, being able to visit the branch would build trust and confidence in the system among customers. During the pilot it became clear that customers didn't want to come to the branch to transact—having to transact at the branch was a key reason that they were not saving at a bank. However, they did want there to be a place to go in case of a problem, but were not interested in having to queue for transactions nor spend the money and time to get to the branch. If the bank offers other well-designed channels they will generally choose to use those, as was the case during this pilot where only 6 percent of transactions took place in branches. Diamond Bank involved the branches in the pilot, but nonetheless faced some challenges with service quality when customers did use the branch. Some staff weren't fully aware or supportive of BETA, or were unaware of processes such as how to replace a new BETA card, or needed to refer a BETA customer to another teller who could process their transaction. Customers became confused about whether they could use the branch and this led to doubts about whether BETA was a full-service offering. With engagement of regional and branch managers to explain the account internally and ensure that staff understood that BETA customers deserved the same high standard of service as any other Diamond Bank customer, problems were easily resolved. It was a good reminder that while branches may be a back-up channel, it can quickly turn into a liability if gaps in service quality cause customers to view the product as a second-class account.

I have been wanting to have an account with Diamond for a long time, but people scared me that you [need] a lot of money. I didn't even try to find out. But I still had that ambition.—BETA CUSTOMER

Marketing

The marketing campaign for BETA was built on a few simple ideas meant to create awareness, appeal to women, position the bank as safe and convenient and ultimately to drive activity: account openings and deposits. To reach clients, the communications plan needed to be based on simple messages, translated into a local language such as Pidgin English, and closely tied to visuals to overcome any literacy issues.

Customer research following the pilot demonstrated that the messages resonated with customers, and that they retained them. The visuals effectively communicated the key messages, as customers who were unable to read the messages in Pidgin English could look at them and take away the messages: “no stress, no trouble; no fees, can save small amounts; and rewards and joy.” The product brochure used a market woman as the face of the campaign and this led customers to identify with the product as something that was for them. During the research it emerged that Pidgin English was more comfortable and commonly used by certain ethnic groups than by others. Because it is challenging to design brochures in multiple languages, and also given the low literacy levels of many customers, in the future the marketing team will increase the use of visuals and reduce the amount of text on brochures even further.

Marketing materials were distributed via leafleting in the market by sales teams, market storms and a road show. The road show was an eight-day event traveling from market to market, and the market storms were follow-on local events. Both featured music and entertainment to create excitement about the product while BETA Friends mingled with potential clients and explained the product, opening accounts on the spot. The road shows were seen as a way to show customers that there is a bank behind the Friends and it gave customers an opportunity to ask questions about the product or how to use ATMs or debit cards. While road shows generated excitement about the product and may be an effective tool in launching a new product, they were less effective in driving growth for a product such as BETA because many of those attracted to market road shows are shoppers or other people from outside the catchment area of the branch. The most effective strategies for promoting BETA are those that are localized, like market storms, and put the role of BETA Friends at the center, to explain and open the account, and then to provide service going forward. Indeed, BETA Friends ranked market storms as the most effective tool for generating customers.



A challenge for Diamond Bank was to shift their marketing approach from using banking language to language that would resonate with their new customers. Women's World Banking and Diamond Bank worked on the campaign materials, reviewing versions of the materials together to reduce text to a minimum and replace standard bank terms with simpler and more accessible language. The Diamond Bank team went to the market to test language with consumers, asking market women how they would want to tell a friend about withdrawing or depositing money. This led to changes like using "put money" instead of "deposit," "take money" in place of "withdrawal," and "secret number" over "10-digit customer ID." Early versions of the materials included phrases like "BETA Banking" or "A BETA Way to Bank," which all agreed would not work for a customer segment that knew about banks and banking, but believed that it was not for them. This led Diamond Bank to replace these slogans with "A BETA Way to Save Money" and the tagline "BETA don land" ("BETA has arrived" in Pidgin English).⁵

CORE BENEFITS

Convenience

Affordability

Rewards

KEY MESSAGE: PIDGIN

No wahala

E no cost

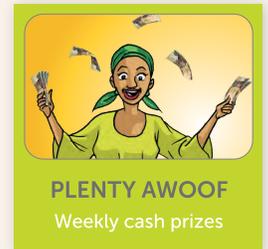
Plenty awoof

KEY MESSAGE: ENGLISH

No hassle

No cost

Big bonanza



REASON TO BELIEVE

We come to you, you don't even need to leave your shop, the BETA Friend will take your money and can give it to you when you need it.

No minimum balance, no deposit too small, no monthly fees, no fee to put money, no fee to take money from ATM

Weekly cash prizes, save more for more chances to win

⁵ The Consultative Group to Assist the Poor has published findings on this topic from research done in Mexico: <http://www.cgap.org/blog/why-don%E2%80%99t-low-income-mexicans-use-formal-savings-products>

Product Education

Research showed that the market entrepreneurs in Nigeria are financially sophisticated, understand the benefits of savings and have strategies for saving small sums regularly for a range of well-defined goals. They don't need to be taught to save, as it's something they are already actively doing. However, they do need to learn about the role a bank could play and how it could meet their needs differently, and they need to have some specific questions answered to gain confidence in saving at a bank. For instance, one woman who looked at the balance in her account and saw a small increase after interest was credited to her account remarked that she did not know why the bank was paying her a 'storage fee' to keep her money.

There may be few women in the world as time-poor as market women in Lagos, so classroom-based financial education classes that would take more time out of an already busy day were not a viable approach. Around the world, Women's World Banking has found that the most effective approach to financial education for women is to make it concrete and actionable and relevant to their lives.

Financial education for BETA aimed to build a client's comfort level with using BETA as part of her portfolio so that it feels as convenient and affordable as her current savings methods. BETA Friends used whatever channels were available to provide information the client needed and address whatever gaps in knowledge she might have. This included making sure she understood the product attributes, was comfortable using the ATM, knew how to identify a BETA Friend and avoid imposters, and could check her balance. BETA Friends used a sales tool to ensure that they explained the key points when opening a new account, designed as a flip book with attractive visuals on one side and key messages on the other to guide the BETA Friend through the sales pitch. A mini-brochure with tips and call center details was also distributed with the ATM card.

The project also experimented with financial education sessions delivered to small groups of women in the market, known as BETA Talks. These were one-hour sessions that conveyed very simple, practical messages to groups of 20 people, facilitated by a third-party education provider. Taking into consideration the hectic schedule of the market traders, BETA Talks were scheduled at convenient locations near the market and timed to coincide with weekly market clean-up days, when markets are closed until mid-morning to allow street cleaning and garbage collection. BETA Friends were present so that participants could open an account at the end of the session. Conversion rates at BETA Talks were higher than expected, 22 percent of participants opened an account, but those accounts were more likely to be unfunded or linger with a low balance (34 percent were unfunded, vs. less than 22 percent overall for BETA accounts). During the pilot more than 700 people participated in BETA Talks, 81 percent of whom were women. Follow-up focus groups showed that women retained the savings messages and wanted more information, particularly on how to use the ATM or their PIN. While BETA Talks were effective, they were costly and in a country as large as Nigeria may prove difficult to scale. Going forward, Diamond Bank plans to explore having branch staff coordinate BETA Talks and provide training to BETA Friends so that they can facilitate the sessions directly rather than using external providers.





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What Does it Take to Serve Women?

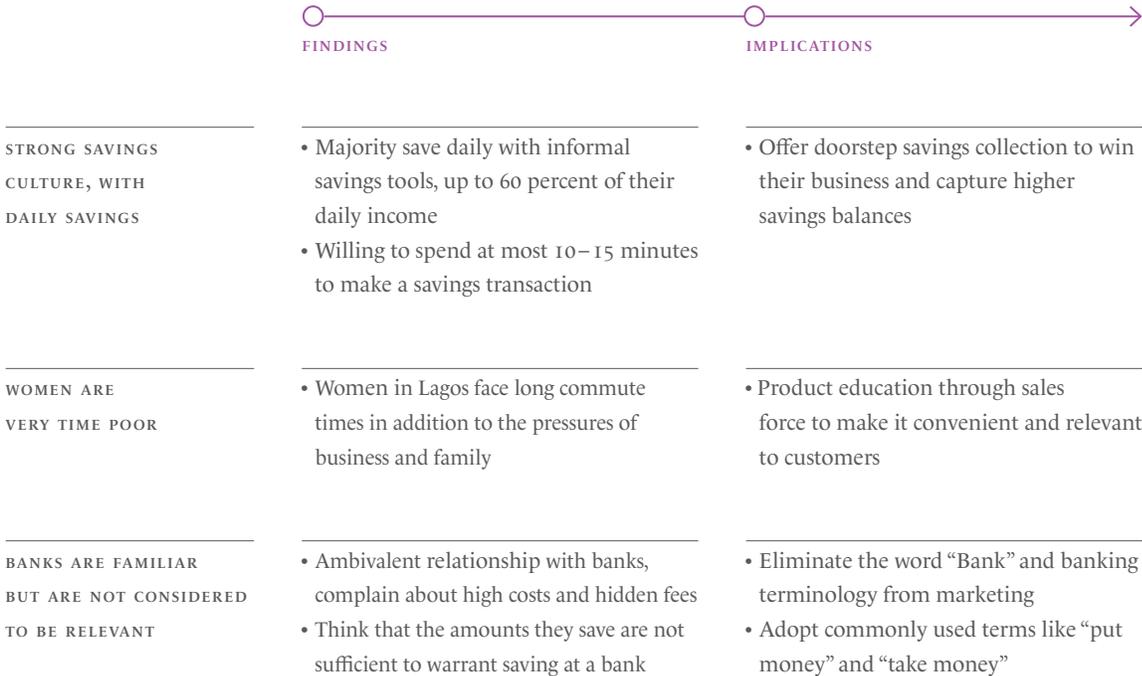
Women’s World Banking believes that to reach women it is key to segment by gender during product design, to target them specifically, to develop the business case for serving them and to monitor results. Women have different preferences and uses for financial services than men. They consume different media, may not be attracted to the features that appeal to men, and make decisions differently, often consulting friends or family members before trying a new service. A product designed for women will often also attract men, but the converse is usually not true.

Diamond Bank’s BETA Savings was designed explicitly to reach women, without alienating men, but following the pilot only 40 percent of account-holders are women. Why? The Diamond Bank sales team found it was more challenging to convince women than men to open the account. Men would decide to try the account after a brief explanation from a BETA Friend. Women, on the other hand, had questions and wanted to check the information with other sources before entrusting their savings to a BETA Friend.

Decades of Women’s World Banking research has shown that women require more information from financial service providers and are more deliberative. It is more difficult to convince them to open an account and try a new way of saving like BETA. However, they are strong and active savers once convinced. While men are more likely to treat the account as a transactional account, regularly depositing and withdrawing, women more often save to accumulate balances and withdraw less frequently. Monitoring savings behavior over time, Diamond Bank expects to see women’s deposits become an increasingly important part of the portfolio.

Because it takes more time to convince women to open an account, yet seeing potential for them to be active savers, Diamond Bank introduced a bonus scheme called “Focus on Women” which pays BETA Friends a higher incentive for opening accounts for women and a higher percentage on balances in their accounts. With this measure, within a few weeks accounts opened for women increased from 32 to 50 percent of new accounts. Diamond Bank signaled to its staff its commitment to serve women, and compensated them for the extra effort required to persuade women to try BETA.

FINDINGS AND IMPLICATIONS: BETA



Next Steps

The BETA savings program has in fact proven its place in the line-up of Diamond Bank product offerings. For any successful product launch, commitment throughout the institution is key. Diamond Bank was willing to provide the budget, the team and the resources to ensure that the pilot could succeed. There are reputational risks for a well-known commercial bank piloting a new product to a new market and the bank needed to be sure that staff and systems could facilitate this growth. It developed a detailed scenario analysis with Women's World Banking to ensure that project targets were sufficient to ensure long-term sustainability. With few revenue drivers such as fees, the business case currently rests on growing account balances as funds for on-lending, and in the next phase on cross-selling credit and other revenue-generating products. True enough, customers have expressed a desire for full-service banking account with third party deposits and transfer payments and would like accounts that will reward them for larger savings balances.

[BETA] will save the stress of going to a bank. The money I got since morning, you can save immediately, it's much more easier than going to the bank.—BETA CUSTOMER

Diamond is currently rolling out BETA savings to the national network where it will be offered in more than 100 branches located in or near markets. The bank will also work to meet additional customer requests including linking BETA to other savings products and developing a loan product to BETA customers. Due to the success of the BETA pilot, Diamond is also working with Women's World Banking to further develop its youth savings portfolio.

For Diamond, reaching a new market segment that was literally at its doorstep has required a shift in the channels, marketing and education that normally accompany a new product introduction. However, as Diamond Bank has discovered through the pilot, a valuable market awaits the financial institution willing to take a new look at a previously untapped segment.

Women's World Banking will use what it learned in Nigeria to work with commercial banks in Malawi and Tanzania to develop innovative savings products for low-income women.





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