What is the inclusion impact of digitally native business models?

Findings from fresh demand-side research
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How Fintech Is Unbundling Banking And What That Means For Financial Inclusion

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The market structure itself may grow more modular

**Balance sheet layer.**
Provision of capital, risk management and balance sheet risk, at the wholesale or retail level.

**Product layer.**
Design and manufacture of individual financial products and services.

**Customer relationship layer.**
Customer acquisition, sales, servicing and permanent primary interface.

**Distribution layer.**
Physical touch points for distributing products and serving customers.
Different players will play different roles

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We think this can help on all four key barriers to inclusion:

- **Cost**
- **Access**
- **Fit**
- **Experience**
We interviewed >1,500 customers across 5 countries

The countries
• India
• Indonesia
• Philippines
• South Africa
• Vietnam

The companies
• Grab
• Kaleidofin
• TymeBank

Source: CGAP and 60db
Can and do these business models expand financial access?
Companies vary in terms of their customer base

- Kaleidofin
- Grab Indonesia
- Grab Philippines
- Tyme Bank

Legend:
- Low-income users
- Female users
Customers broadly say this is the first time they access such services and they could not easily find an alternative.
Can and do customers see genuine value in the services offered?
Many customers report various aspects of financial health have improved thanks to the services they are accessing.

- **Kaleidofin**: Savings balances improved
- **Grab Indonesia**: Savings balances improved, Ability to raise emergency funds improved
- **Grab Philippines**: Savings balances improved, Ability to raise emergency funds improved, Ability to manage finances improved
- **Tyme Bank**: Savings balances improved, Ability to raise emergency funds improved, Ability to manage finances improved
A majority of customers say their ability to meet financial goals and overall quality of life have improved as a result.
Are women and men seeing similar access and value from the services?
Fairly small gender differences on financial access, with the exception of Grab Indonesia
Men are generally more likely to say their ability to manage their finances has improved, except for Tyme Bank.
No systematic gender gaps in responses on financial stress or quality of life
For more, please see CGAP.com/fintech