FINANCIAL INCLUSION INSIGHTS 2018
Côte d’Ivoire

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This report presents the key findings of the Financial Inclusion Insights survey in Côte d’Ivoire undertaken by CGAP.

Its purpose is to assess the extent and nature of access to and use of financial services in Côte d’Ivoire, with an emphasis on digital financial services including mobile money.

The survey and core analysis of the results were executed by InterMedia. Additional analytics and data visualization were conducted by Driven Data.


The survey consisted of interviews with 3,059 adults aged 15+ residing in households across the country. The results are nationally representative.
Access and Gaps

Mobile money is driving overall progress in financial inclusion
Financial inclusion has expanded
...thanks entirely to uptake of mobile money

Source: World Bank Findex
But access to traditional financial institutions is low

...and banks’ outreach is more than twice that of non-bank financial institutions (NBFIs)

Account with a financial service provider, 2017

- Bank account: 7%
- NBFI account: 3%

Source: CGAP Financial Inclusion Insights survey
The bulk of access is via mobile money
Only 2% of the financially included are not using mobile money

Source: CGAP Financial Inclusion Insights survey
Of formally included, nearly all use mobile money

The vast majority use only mobile money

Source: CGAP Financial Inclusion Insights survey
But most adults have yet to embark on the customer journey to financial inclusion

55% of adults have never used any formal financial service.

Just 6% of adults use mobile money services without an account.

Source: CGAP Financial Inclusion Insights survey

*Fewer than 50 observations
Exclusion remains high and uneven
Most of the population has never used a bank, formal NBFI or mobile money.

- 55% have never used any formal financial service
- Women are 45% more likely to be excluded than men
- People in rural areas are 60% more likely to be excluded
- The poor are twice as likely to be excluded as the non-poor

Source: CGAP Financial Inclusion Insights survey
Gender access gaps are significant
Women have markedly lower rates of access and use of financial services

2x as likely to have an account in a bank or formal non-bank financial institution

4x as likely to be an active user of a bank account

50% more likely to have never used a formal financial institution

2.5x as likely to use an informal non-bank financial institution

Source: World Bank Findex and CGAP Financial Inclusion Insights survey
This shows clearly in the access mix

Women are less likely to use all types of formal financial services

Source: CGAP Financial Inclusion Insights survey
Mobile money is equalizing access

Gender gaps on mobile money are falling, while those for financial institutions are growing.

Source: World Bank Findex
But gaps remain also on mobile money

Access to mobile financial services is less unequal, but by no means equal

65% more likely to have a mobile money account

85% more likely to be active users of mobile money

3x more likely to be unaware of mobile money providers

Source: World Bank Findex and CGAP Financial Inclusion Insights survey
Income gaps are also significant

Gaps between poorer and wealthier residents are significant

1.8\times \text{more likely to have never used a formal financial institution}

65\% \text{more likely to have an account in a bank or formal non-bank financial institution}

2.6\times \text{more likely to be an advanced user of a mobile money account}

Source: World Bank Findex and CGAP Financial Inclusion Insights survey
Poverty is the #1 reason for having no account

This holds for both bank and mobile money accounts

Bank

Lack of money to use the account: 66
Do not need one or have never thought of using one: 12
Lack of official identification or other required documents: 7
I do not understand how a bank account works: 4
Fees and expenses for owning an account are too high: 3

Mobile money

Fees and expenses for owning an account are too high: 3
Lack of money to use account: 33
Do not need to use mobile money: 18
Don't have the required ID or other documents: 11
Don't know what mobile money is used for: 8
Prefer to use cash: 6

Source: CGAP Financial Inclusion Insights survey
Mobile money is giving more poor people access

But the access gap on financial institution accounts is actually closing faster

Source: World Bank Findex
But mobile money access is still uneven

While it is substantially less unequal, access to mobile money is also not without gaps.

Source: CGAP Financial Inclusion Insights survey
More educated and numerate people have much higher rates of basic and advanced use.

* Financial numeracy: can read a one-digit number, identify a five-digit number, and mentally multiply a one-digit number by a four-digit number

Source: CGAP Financial Inclusion Insights survey
Education gaps are significant and growing for mobile money

Mobile money uptake takes off fast among the better educated, more slowly among others.

**Any Account**
- 2014: 30%
- 2017: 53%
  - Secondary education or more: +23%
  - Primary education or less: -23%

**Mobile Money Account**
- 2014: 10%
- 2017: 49%
  - Secondary education or more: +39%
  - Primary education or less: -39%

**Financial Institution Account**
- 2014: 20%
- 2017: 15%
  - Secondary education or more: -37%
  - Primary education or less: +27%

*Source: World Bank Findex*
Age discrepancies are also very clear

Though it’s not the youngest who tend to use mobile money more

Active use is highest among 32-44 year olds

People above 44 years are much more likely to be unaware

Source: CGAP Financial Inclusion Insights survey
Use and financial health

What benefits are people getting from financial access?
Ivoirians use mobile money frequently
Activity rates of registered mobile money users are very high

90% were active in the past 30 days
Half were active in the past 7 days

Source: CGAP Financial Inclusion Insights survey
...but still largely for basic services

Mobile money accounts are used for sending or keeping money safe

Source: CGAP Financial Inclusion Insights survey

*Fewer than 50 observations
Over-the-counter mobile money use is fairly low

The vast majority of mobile money users transact with an account

Source: CGAP Financial Inclusion Insights survey
Mobile money use is geographically concentrated

A high share of users are in Abidjan or Yamoussoukro

Source: CGAP Financial Inclusion Insights survey
Savings behavior is strong but informal
Mobile money has become the second most common form of saving

Three in four are saving money

Cash kept at home is still the most common way to save

- At home, in cash: 84%
- Mobile money account: 27%
- Tontine: 16%
- Other people (family, friends, collectors, etc.): 12%
- Bank: 6%
- Buying agricultural inputs, livestock, or other assets: 5%
- ASCA/VSLA, or other village savings group: 4%
- Other assets such as gold: 3%
- MFI: 3%

Source: CGAP Financial Inclusion Insights survey
Access to formal credit is still very low
There was no digital credit product on mobile money at the time of the survey

Only 1 in 3 have ever borrowed outside of their household

At the time of the survey, only 2% had an ongoing loan with a bank, a formal or informal NBFI.

Source: CGAP Financial Inclusion Insights survey
Digital credit products appeal to people
The majority of Ivoirians would be happy to use a digital credit product

6 in 10 would use digital credit if it was available

Factors that would influence decision to take digital credit

- Interest rates: 90%
- Fees: 86%
- Repayment plan: 85%
- Speed of getting the loan: 85%
- Size of loan: 83%
- Trust in provider: 77%
- Convenience: 76%
- Privacy of loans: 75%

Source: CGAP Financial Inclusion Insights survey
People are willing to pay for access
Willingness to pay for a CFA 100,000 digital credit at different maturity

Source: CGAP Financial Inclusion Insights survey
Access to insurance is extremely low
Medical insurance is the most common

Less than 1 in 10 people have insurance cover

- Medical: 6%
- Life: 2%
- Vehicle: 2%
- Retirement: 0.90%
- House: 0.50%
- Others: 2%

Source: CGAP Financial Inclusion Insights survey
Protecting customers
What issues do people face when using financial services?
What issues are customers having?

Convenience is the banks’ biggest issue

System down is common—more so for banks

Cash issues are about the same

Banks do worse on unclear fees

Source: CGAP Financial Inclusion Insights survey
A few issues have gender biases

Men seem to find it harder to contact mobile money support

Women struggle more with technology

Men complain more about unexpected fees

Source: CGAP Financial Inclusion Insights survey
There is also an educational pattern

MM Issue Frequency by Education

- **Agent Float Cash Availability**
- **Service System Downtime**
- **Agent System Downtime**
- **Difficulty Contacting Support**
- **Others Stealing Money**
- **Unclear Fees**
- **Difficulty Operating Phone**
- **Sending To Wrong Number**
- **Fraud Victim**
- **Phone Malfunction**

**Source**: CGAP Financial Inclusion Insights survey

- **2.5x more likely to struggle with using phone**
- **2x more likely to send to wrong recipient**
Yet very few people lodge complaints

Share of customers who filed complaints about problems encountered

Banks

- 12% (Yes)
- 3% (No)
- N/A

Mobile money

- 3% (Yes)

4x as many bank users complain

97% of mobile money users don’t complain about issues

Source: CGAP Financial Inclusion Insights survey
It’s not hard to see why few complain

Customer reported level of resolution of complaints filed

- **Banks**
  - 63% completely resolved
  - 21% partly resolved
  - 15% not resolved

- **Mobile money**
  - 42% completely resolved
  - 34% partly resolved
  - 25% not resolved

2/3 of bank complaints go unresolved
59% of mobile money users get complaints at least partly resolved

Source: CGAP Financial Inclusion Insights survey
Looking forward
What can we expect for financial inclusion?
Phone uptake is considerable

Half of adults have either a smartphones or a feature phone

Source: CGAP Financial Inclusion Insights survey
...and geographically widespread
Though there are clear patterns in where people have more advanced phones

Source: CGAP Financial Inclusion Insights survey
This is linked to network coverage
But substantial numbers of people have phones even in areas without coverage

30% of people in areas with no coverage still have phones
However mobile phone ownership is unequal

Gaps exit for women, rural and people living below the poverty line

Source: CGAP Financial Inclusion Insights survey
The drivers of MM uptake are fairly clear
Income, gender, urbanity matters — but less so than numeracy and digital skills

Source: CGAP Financial Inclusion Insights survey
These factors may become an obstacle
SIM and phone access are high, but basic digital skills more limited

- Necessary ID: 70%
- Mobile phone access: 87%
- Own a SIM card: 78%
- Ability to send and receive text messages: 51%
- Financial literacy: 33%
- Financial numeracy: 54%

Source: CGAP Financial Inclusion Insights survey
Exploring a definition of basic enablers for digital financial services use

ID excludes the most customers: Only 70% of adults have a valid ID.

54% of adults have all basic prerequisites for MM use

Graph shows shares of the population who have various combinations of basic enablers:

- **SIM Card**: a SIM with any provider
- **Valid ID**: has valid form of national ID for opening MM account
- **Minimum phone skills**: reported at least “a little ability” to use mobile phone for calling, which was the skill with the greatest association with mobile money use.

*Valid ID includes: CNI, attestation d'identité, passport, driver’s license, consular card, military/police ID

Source: CGAP Financial Inclusion Insights survey
This lets us define the addressable market
…and to identify which are the key factors limiting that market

Phone + SIM card
Phone + Valid ID
Phone + Min phone skills

ID is the most common issue, excluding 17% of adults who have all three other enablers
52% of adults are included in the addressable market

76% of adults have a phone

Source: CGAP Financial Inclusion Insights survey
Half of the addressable market is still not using mobile money

52% of the population currently composes the addressable market; nearly 46% of those people are not currently active users of mobile money.

**MM Market Eligibility**

- **3 (23%)**
- **2 (8%)**
- **1 (12%)**
- **0 (5%)**

6 million people from the addressable market are already MM users. 5 million remain for mobile money providers to pursue.

**Addressable Market**

- **54%**
- **46%**

Share of adults who have 1 or more basic enablers of use

Source: CGAP Financial Inclusion Insights survey
We can locate this market on the map
The distribution of the unaddressed primary market presents a policy question

Providers will likely focus where a larger number of potential clients live.

Policy makers will want a broader effort. How should they support that?

Source: CGAP Financial Inclusion Insights survey
We can further segment this market by the key drivers of use …which lets us identify the primary market that providers can convert easiest.

Only 15% of the unaddressed market has none of these traits.

Source: CGAP Financial Inclusion Insights survey

* Percentages are of unaddressed market (5 million people or 24% of all adults)
This narrows the geographical scope further

PERCENT OF UNADDRESSED MARKET WHICH HAS 3 OR MORE DRIVERS OF USE

Gray = survey sample < 30

PERCENT OF LOCAL PRIMARY MARKET THAT IS STILL UNADDRESSED

Gray = survey sample < 30

Source: CGAP Financial Inclusion Insights survey
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