

The Role of Gender in Agent Banking

“This study utilizes a data set with 1.1 million transactions performed by 104,237 customers from a microfinance institution in the Democratic Republic of Congo, FINCA DRC, from 2017 to 2018... FINCA DRC is a subsidiary of FINCA international, an MFI operating in 23 countries worldwide which pursues women’s financial inclusion as part of its mission. FINCA DRC launched branchless banking in 2011 in an effort to expand outreach. FINCA’s network in the DRC has grown rapidly from 322 agents in 2014 to over 1,200 agents by April 2018, the end of this period of study. About 61% of the FINCA DRC customers are males. In addition, males comprise 77% of FINCA DRC agents.” (Chamboko et al., 2020).

The authors use a logistical and dyadic regression analysis to **study customer preferences for agent gender, transaction amounts, and agent gender preferences in markets with low female agent presence.** Though not studying an intervention, this report has implications for organizations wishing to pursue gender intentional agent networks.

The authors also assessed “whether the patterns found in FINCA DRC transactions also hold in Senegal, a more financially developed, slightly more gender equal, and a more stable, higher-income country than the DRC.” The authors test the patterns using data obtained from Baobab – a large MFI in Senegal.

Quick facts

Barriers addressed



Product & Service Quality

[Reliability and quality of in-person services >](#)
[Lack of products that meet women's needs >](#)
[Lack of products and services that create value >](#)



Human Resources

[Lack of female agents >](#)



Consumer Protection

[Potential \(or actual\) privacy violations >](#)

Segment focus

1 2 3 4

Customer Journey Relevance



Geography

Democratic Republic of the
Congo, Senegal

Key stakeholders involved

FINCA DRC, Baobab Senegal,
104,237 Customers (DRC), 98
customers (Senegal)

Sources

[Chamboko et al., 2020.](#)

The Role of Gender in Agent Banking

Key activities

- Analysis of sex-disaggregated customer transactions from FINCA DRC (1.1 million transactions) and Baobab Senegal (936 transactions)
- Empirical analysis on a) the likelihood of transacting with a female agent, and b) the transaction amount
- Logistic regression and dyadic regression analyses

Outcomes/results

According to Chamboko et al., this initiative had the following outcomes (2020):

- “Women are significantly more likely to transact with female agents (odds ratio 1.518, p-value=0.000) and this tendency increases both with the value of transactions and the customer’s balance. This pattern holds true in both the DRC and Senegal.”
- “Gender-based trust may be driving the observed gender homophily as female clients have a stronger tendency to use female agents for larger transactions. Larger amounts are riskier, and thus when the stakes are higher, female clients rely more heavily on female agents.”
- “Women are still more likely to transact with female agents even in locations where female agent presence is low.”
- “Both men and women transact higher average amounts at agents matching their gender (men US \$250 and women US \$221). When visiting agents of the opposite gender, the average female transaction declines to US \$133 (a 40% reduction) while transactions of males only show a 17% reduction (to US \$207).”
- “The underrepresentation of female agents may contribute to the persistent gender gap in financial access and usage.”

The Role of Gender in Agent Banking

Potential for scale/replicability

The paper demonstrates that the study can be replicated by including an additional analysis in Senegal, a market with different levels of financial inclusion, income, and gender equality than the DRC. Although this study uses data from microfinance institutions, additional analyses can be executed using data from other financial service providers, such as banks and mobile network operators. If obtaining sex-disaggregated customer transaction data from banks/microfinance institutions/mobile network operators is feasible, then this empirical model can be applied to determine agent gender preferences in additional markets. A potential roadblock to replicating this study would be the inability to collect enough sex-disaggregated data from financial service providers.

Recommendations from the research

The results of this empirical study indicate a strong link between agent gender and customer preference. FSPs looking to be more gender intentional in their agent networks should use this evaluation as evidence for why female agents are necessary.