

Wooing Women

Banks roll out products with gender appeal

By Rosalind McLymont



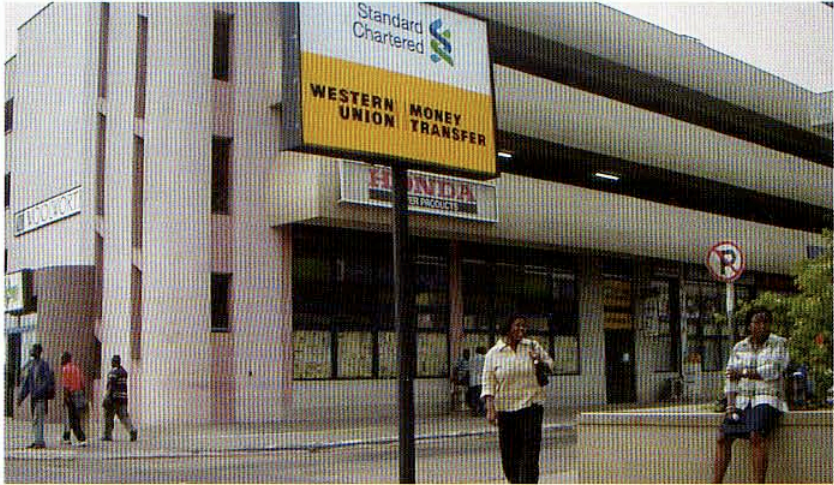
Joanne Thomas Yaccato, founder and president of Thomas Yaccato Group, a Canadian consultancy that helps companies attract the attention and loyalty of women consumers, recounts the story of Muni Shonibare. Shonibare owns a successful furniture company in Nigeria. Her clients include Shell, Texaco and the Abuja Hilton. With demand for her products high, she has considerable potential to increase earnings and create more jobs in the local economy.

“But something has always blocked her way,” Yaccato says. “Male bankers in Lagos simply did not want to finance a woman-owned business with ambitious expansion plans. She could not speak the language of finance well enough to convince them.”

Through a World Bank initiative, with support from Access Bank P.L.C., Nigeria’s largest bank, Shonibare received an \$800,000 five-year loan.

Women in Africa historically are no strangers to entrepreneurship—the “market women” of Ghana are legend—but they are grossly underrepresented in the formal banking system. That’s beginning to change. With competition intensifying in the banking industry all across the continent and word of women’s near-zero default rate on loans spreading, banks increasingly are wooing women as clients with gender-appealing products.

In Kenya, Standard Chartered Bank upped the ante by launching a second all-exclusive women’s product less than a year after it rolled out the Diva Club account, the banking industry’s first market segmentation in Kenya. The new product, the Diva Chamma account, came on stream in February and is designed for women who are pooling their money, such as women-only investment clubs, called chamas. Chama members who hold Diva Chamma accounts have access to “world-class investment



A branch of Standard Chartered Bank in Accra, Ghana

solutions” from Standard Chartered’s investment solutions experts.

Standard Chartered was no slouch between its Diva account launches. Once the Diva Club was a fait accompli, the bank partnered with the local Shell Oil Co. subsidiary to launch a Diva/Shell fuel card, which entitles Diva account holders to fuel discounts at any Shell gas station in the country.

Not to be outdone, the Nigerian government announced in February that it is expanding loan facilities for women under the Women’s Fund for Economic Empowerment, a revolving facility for women cooperatives in rural areas. The fund was established in partnership with the National Agricultural Cooperative and Rural Development Bank. The announcement was made at a forum organized by the Bank of Industry and the Ministry of Women Affairs, under the theme “Women and Access to Business Capital: Mitigating the Gender Gaps in Nigeria’s Emerging Market.” Evelyn Oputu, the Bank of Industry’s managing director and CEO, revealed that the bank has established a gender desk to provide assistance to women entrepreneurs.

Nigeria is aggressively encouraging women entrepreneurship development

through increased access to soft loans, technical support and market network. In 2006, the federal government launched a Business Development Fund for Women, a soft-loan scheme in partnership with the Bank of Industry that targets women entrepreneurs nationwide. Access Bank was one of the first banks to join the Gender Entrepreneurship Markets initiative, or GEM, created in 2004 by the International Finance Corp., the World Bank’s private sector arm. The initiative, which seeks to eliminate financial barriers that businesswomen face, hosts the secretariat of the Global Banking Alliance for Women, a consortium of financial institutions formed in 2000 to share global best practices in the delivery of financial services to women.

At the time Access Bank joined GEM, only 5 percent of lending from its entire small and medium-size enterprise portfolio went to women-owned businesses. The bank notes that the default rate in the women’s section of its portfolio is 0 percent, compared to 8.3 percent for its loan portfolio as a whole.

For companies going into Africa, the lesson is: Women make good customers. Treat them well and they will stay and tell their friends. **ENI**