



Dalberg

Global Segmentation Framework

August 2018

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Approach & Research

Existing approaches to segmentation that focus on demographic and contextual aspects give a powerful way to identify and market towards key consumers

Traditional segmentation approaches drive a strong market and product focus for FSPs...

Many FSPs segment the market using demographic and contextual aspects of the consumer:

- Age
- Gender
- Profession
- Location
- Education

This allows the FSP to design products and marketing approaches tailored to the broad needs and attributes of that segment, e.g.:

- Exciting marketing and cheap entry products for youth consumers
- Products supporting particular needs of women
- Specific products applicable only to farmers—e.g. crop insurance

...But despite their benefits, they can underserve some target consumers

- Evidence of failure from non-solution-led approaches
- While these variables are easy to identify, they can overlook important patterns which would help target consumers more effectively
- Few actors combine different types of variables to develop a more complete picture of their current and potential customer base
- They can lead actors to overlook high potential customers or misidentify their needs, and invest in products and channels that sometimes miss the mark
- To drive financial inclusion, a deeper understanding of BoP consumers—how they differ as a whole and within traditional segments—can help FSPs produce more effective market interventions

Better understanding currently excluded individuals and groups can help the private sector better target and provide tailored services, thereby expanding provision overall; it can also help development actors and policy makers

Better target
and design
marketing
efforts

Improve
product
strategy
and design

Enhance
loyalty and
promotional
campaigns

Improve
selection of
beneficiaries

Better tailor
interventions
to beneficiary
needs

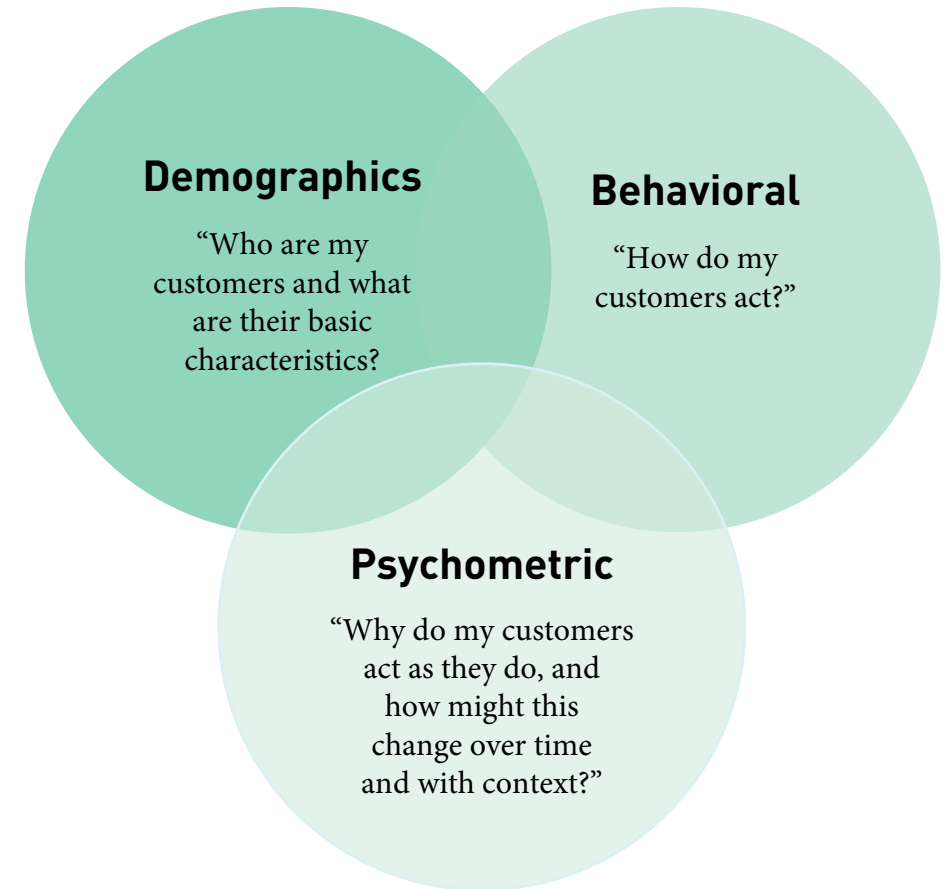
Benefits for financial service providers (FSPs)

Benefits for development actors and policy makers

We have developed a novel approach to segmentation that integrates contextual, behavioral, and psychometric variables

We integrated three variable types into our segmentation approach to expand the information about BoP consumers, strengthening typical approaches to segmentation

- We seek to improve the understanding of currently underserved groups, finding nuances and differences between people that may not be clear from their contexts alone
- Our aim is not to *replace* existing segmentations, but to *augment and strengthen* FSPs' current market approaches: allowing FSPs to better reach their target consumers in the BoP, and offer more suitable products to them

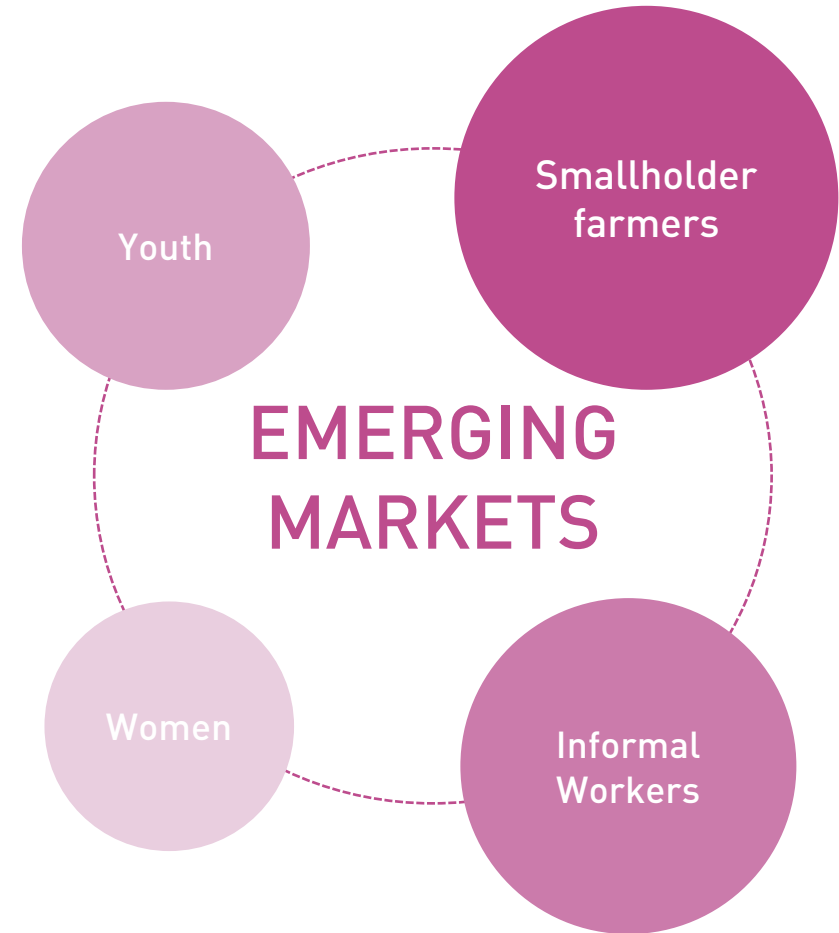


Overlaying an existing demographic segmentation with our approach can deliver rich insights into how increasing the customer uptake, use and retention of products

Overlaying a segmentation using behavioral and psychometric approaches with FSPs' existing segmentation strategies can unlock opportunities to drive market share— reaching people that a broad demographic approach to the market may not reach or energize

FSPs will likely find their targets distributed throughout our segments, though likely more concentrated in some of the segments – this will help identify similarities and differences of people within FSPs' target populations, especially among the BoP, leading to better product design and marketing

For example, an FSP targeting youth who had seen success with urban wealthy youth can understand where products and marketing approaches will and will not translate easily to BoP young people



Demographic segments reach deep into the BoP market

Our approach incorporates methods from multiple research and analysis methods, such as human centered design and behavioral science

Customer segmentation research and analysis process

**HCD insights and
participant profiles**

**Survey design and
implementation**

**Segmentation and
data analysis**

Desk research and stakeholder engagement

For the survey, we developed questions covering demographic, psychometric, and behavioral dimensions and topics

[1] These are non-exhaustive sets of topics [2] These are constructed in the data using combinations of questions on the topic. These questions are in the form of statements, which respondents react to [3] Drawn and adapted from major financial inclusion surveys such as Findex

Demographics

Selected Dimensions/Topics

Age
Gender
Household context
Education
Source/s and amount of income
Asset ownership

Example Questions

- What is your relationship to the household head?
- Do you own a feature phone?
If so, personally or with someone else?
- What is your primary source of income?
- Do you have a secondary source of income?
If so, what?

Behavioral

Selected Dimensions/Topics

How individuals:
Engage with the community
Manage their day-to-day lives
Seek advice
Respond to risk³
Manage their financial lives

Example Questions

- Please let me know where you find valuable and trustworthy information on financial matters
- How often do you, personally, send money using your mobile money account?
- Suppose somebody close to you gains a lot of wealth and decides to give you a gift. Please tell us how much you would spend on family, save in a bank, keep at home, spend on a future expense or spend on equipment

Psychometric

Selected Dimensions/Topics

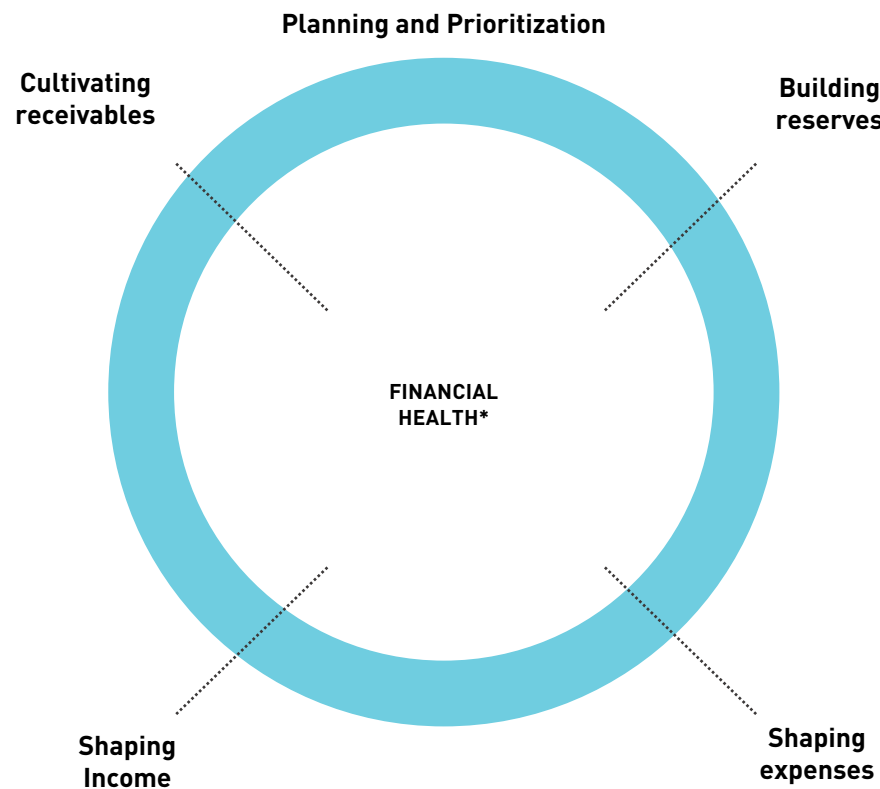
Self-efficacy
Conscientiousness
Trust in people
Respect for authority
Dependability
Safety of savings²

Example Questions

Example statements: Rate each of these statements on a scale of 1 to 5 with 1= strongly disagree, 2= disagree, 3=neutral, 4=agree and 5=strongly agree:

- You always return a favor. [Dependability]
- Most people can be trusted. [Trust]
- When I get what I want, it's usually because I worked hard for it [Locus of control]

To understand individuals' current financial health, we quantitatively and qualitatively examined their behavior along the five dimensions



*we believe people are financially healthy when the financial tools and strategies available enable them to manage day-to-day expenses, build financial reserves, and cultivate new opportunities

Planning and Prioritization ▷

Deliberately shaping income, building reserves, and cultivating receivables to achieve priorities

Building Reserves ▷

Building reserves by storing value in a manner that balance their unique needs for financial liquidity, security, and returns

Shaping Expenses ▷

Managing the size and timing of expenses to better meet needs and aspirations, and manipulating expense size and timing to better match expected income

Cultivating Receivables ▷

Cultivating access to financial resources a person can obtain, but does not currently hold; e.g., building reserves to establish credit, and making investments in social safety nets

Shaping Income ▷

Managing the size and timing of earnings, and improving income reliability to best meet need and aspirations

To analyze the psychometrics, we then combined questions to capture attitudes identified in the desk research and through the qualitative research

DUTIFULNESS AND OPENNESS

- Conscientiousness
- Dependability
- Openness
- Respect for authority

ATTITUDE TO FINANCIAL SERVICES

- Trust in banks
- Trust in social financial networks
- Perceived simplicity of financial services
- Attitude towards saving

COMMUNITY BONDS

- Trust in people
- Belief in community's willingness to offer support for education and business
- Perceived equality within the community

FINANCIAL HABITS

- Deliberateness
- Impulsivity
- Debt orientation

PERCEIVED CONTROL AND CONFIDENCE IN THE FUTURE

- Self-efficacy
- Locus of control
- Self-esteem
- Progress in the last 5 years
- View to the future

FSPs and development actors can use our research and our approach in various ways

▷ Illustrative use cases

FSPs

Rapid customer intelligence

Trial a short set of questions to determine the smallest set of questions that can reveal important user behaviors and attitudes for product design and uptake

Segment-aligned digital financial products

Develop products that speak to the needs and aspirations of the segments (e.g., by combining information on segments with a human centered design research sprint)

Data matching

Match our data with the call details records and transaction data of mobile network operators to learn how different segments are using an individual provider's products

Development Actors

Expansion of our research to other development sectors

Use our data and approach to understand better other areas of interest to development actors, such as entrepreneurship and health behaviors. Development actors may re-survey the individuals we met with, or use a new sample

Evaluating impact of development interventions

Use our approach to test the impact of development programs over time and how they are affecting individuals' context, behavior and attitudes

Country Overview

LAND AREA
(SQ MILES)

911

LIFE EXPECTANCY
AT BIRTH

58.3

MOBILE PENETRATION
(PER 100 PEOPLE)

83

TOTAL POPULATION
(MILLIONS)

198

GDP/CAPITA (PPP)
(IN USD)

\$6,030

Financial Inclusion

HAVE A BANK
ACCOUNT

49%

HAVE A MOBILE
MONEY ACCOUNT

8%

USE INFORMAL
FINANCIAL TOOLS

36%

Sample Demographics

MALE

52%

RURAL

57%

BELOW AGE 35

62%

Tech Usage

| | Low | Medium | High |
|--|-----|--------|------|
| | 43% | 17% | 40% |

Phone Ownership

| | Personally own | Common Property | Don't Own |
|--------------|----------------|-----------------|-----------|
| Basic phones | 69% | 9% | 23% |
| Smartphones | 37% | 10% | 53% |

Segment Wide Insights

▶ **Nigerians who talk to more people on the phone are financially healthier.** The more people a Nigerian talks to on the phone, the more likely they are to save more frequently, to borrow more frequently, to be able to raise emergency funding, to think of saving rather than spending a windfall, and to have lower income volatility.

▶ **Those with tertiary education are far more likely to have a mobile money account.** Although mobile money is not highly prevalent in Nigeria, over 28% of those with tertiary education use mobile money compared to 4% of those without tertiary education.

▶ **Knowing daily income in advance is linked to improved planning.** Those who say they know at the start of the day what their daily income will be have a higher likelihood of having a plan to manage their expenses—and of being able to pay their household bills.

▶ **Conscientiousness drives higher saving and lower borrowing.** Nigerians who rate higher on conscientiousness save more frequently with banks, family and informal groups; borrow less frequently; are more likely to invest and less likely to spend windfalls; are more likely to have a plan to manage their expenses; and are more likely to be able to pay their bills.

▶ **Rural residents are less likely to borrow overall.** Those in rural areas have a lower likelihood of borrowing overall, compared to urban residents.

▶ **Spouses mostly use informal financial mechanisms, and protect their own income.** Spouses are more likely than others to save with groups and borrow from family; if they receive a windfall they will allocate more of it to investing, and less of it to sharing with friends and family, than household heads or other dependents.

▶ **Singles act in the opposite way to spouses in these respects.** Singles have a lower likelihood of borrowing from groups, and allocate more of a windfall to spending on pleasure, than married Nigerians.

▶ **A large minority of informal group members do not borrow through them.** Of those Nigerians who participate in informal groups, 43% never borrow from them – whereas only 3% of them never save with them.

▶ **Nearly all Nigerians can call on at least one person to help with daily tasks while sick.** Just 6% of Nigerians can call on nobody to help with daily tasks while sick. Those who can call on more people tend to save more frequently and are more likely to have a plan to manage their expenses.



Vulnerable Believers

Lower middle-class to poor, religious, predominantly rural, with limited education. They use financial services infrequently and struggle to pay their bills. They have the lowest aspirations for the future, and are less open and consider themselves less dependable.

HOW MIGHT WE

Leverage religious institutions as a channel for financial information and support? Develop agricultural programs that allow this group to take control of their financial lives?



Resilient Savers

Primarily men, across all socio-economic groups, who are responsible for household financial decisions. Frequent savers through friends, family, and groups, they use their savings to manage emergencies. They are more impulsive than average.

HOW MIGHT WE

Develop products that have similar accessibility to cash based saving, but are more secure? Develop credit scoring techniques that capture the segment's strong financial behavior?



Dependent Individualists

Lower middle class, mostly female, with the second lowest level of education of all segments. The least impulsive segment, they rely on others to make financial decisions and for support during emergencies, yet have lower than average trust in both banks and social networks.

HOW MIGHT WE

Use their high livestock ownership as collateral for agricultural financing? Develop or extend agent networks sustainably that provide better access to formal financial services for the segment?



Digital Youth

Young, well educated, urban, and frequent users of digital technology. They are the wealthiest segment, but have high income volatility. They are most likely to perceive their community as unequal, and believe they can trust their community but not rely on the community to invest in their business.

HOW MIGHT WE

Develop and target products that help them lock away savings despite their volatile incomes? Develop smartphone based financial tools, and effectively market them to the segment?



Confident Optimists

Middle to upper class, young, well educated, and urban, with high self esteem and a positive view of the past and future. They are the most deliberate and open segment, with strong trust and belief in their community, and the largest users of mobile money.

HOW MIGHT WE

Develop marketing messages that speak to their hopes and belief in themselves? Leverage their openness, comfort with technology and wide social networks to use them as early adopters?



Skeptical Cultivators

Lower-middle class, rural, and older than average. They distrust banks and their broader community, and are most likely to trust only those they've known long. They have the lowest self-esteem but high self-confidence and sense of control. They struggle with planning but excel at savings.

HOW MIGHT WE

How might we develop a group based insurance product that integrates social interactions? How might we reach them through agricultural channels?

SEGMENT 1

Vulnerable Believers

Vulnerable Believers

12% OF THE POPULATION

Lower middle-class to poor, religious, predominantly rural, with limited education. They use financial services infrequently and struggle to pay their bills. They have the lowest aspirations for the future, and are less open and consider themselves less dependable.

Vulnerable believers are the least likely amongst segments to be satisfied with their lives over the last five years, and are the most likely to have **limited hopes** for the future. They are significantly **less open** and consider themselves **less dependable** than average Nigerians.

They're the most religious Nigerians, perhaps finding some relief from their hardships in **spiritual life**. Traditional religious restrictions on interest may be a deterrent to greater use of financial services.

They save and borrow less frequently than most Nigerians and are **vulnerable to economic shocks**, with the least ability to raise emergency funds of any segment. They also struggle to pay off bills.

Mostly lower middle-class to poor **rural women**, vulnerable believers have low levels of education and use digital technology infrequently. They are mainly located in the North West and North East geo-political zones.

Demographics

- + 63% female, 37% male
- + Slightly older (41% aged 35+)
- + Rural (70% rural, 30% urban)
- + 44% have only a primary education (and 30% only informal education)
- + 57% personally own land, and 27% access common land
- + Top income sources are farming (60%) and self-employment (20%)
- + Lowest income volatility

Behavior

- + Save and borrow less frequently overall than other Nigerians, and the least likely to have a bank account, but borrow frequently from family and friends
- + Struggle to pay household bills, and have the highest number of unpaid bills on average
- + The most likely to be neutral on whether they have a plan to manage expenses, perhaps reflecting the limited tools at their disposal

Psychometrics

- + Impulsive, scoring low on conscientiousness and dependability; they also have the lowest future expectations for themselves
- + Less open than average, also seeing financial services as complex – reflecting their low usage levels
- + Have the highest religious activity, and see more equality in their communities than average; they also have notably middling trust in people in their communities, neither strongly trusting nor strongly distrusting people



Aspirations

Given their struggles, the most striking aspiration is to be immediately secure and ease their situation – shown by their allocation of a windfall to paying debt, future expenses and keeping as cash; they would also spend more than average on pleasure.

A photograph of three women sitting side-by-side against a plain, light-colored wall. The woman on the left is wearing a patterned headscarf and a patterned top, resting her chin on her hand. The woman in the middle is wearing a patterned headscarf and a patterned top, looking down at her hands. The woman on the right is wearing a white and grey striped polo shirt and dark pants, with her arms crossed and glasses hanging from her shirt. The entire image has a teal overlay.

Wunmi

A VULNERABLE BELIEVER

“There is nobody I could turn to for help if something unexpected happened. When I need help I go to my pastors. They have the will and also gave me money.”



Demographics

Wunmi is a 45-year-old woman who works as a porter in Lagos. She grew up in Lagos as a Christian and converted when she married a Muslim man at the age of 25. Wunmi completed some high school but considers herself unskilled and works as a porter. She is the sole earner in her household and cares for her three sons and her ailing mother. She has no other family.

Journey

Wunmi's first job was as a food seller through which she supported her husband who until eight years ago was a commercial truck driver. Tragically, her house burned down in 2015 and her family lost all of their possessions and assets. "Before my house burned down I was perfectly happy. My husband was a commercial driver who made good money...the Nigerian economy was perfect." To make matters worse, at the time of the fire her husband had been out of work for years and to this day is unemployed. Wunmi turned to the church. A fellow parishioner came forward and offered her and the children space in her home, however there was no space for her husband. She meets her husband every day, but it has been difficult for the family and she wants to reunite.

She started working as a porter after her husband lost his job. She needed to earn more money to support the family. Though the work is back-breaking, she doesn't earn much per day, "as God provides". She makes just enough to keep her kids in school and support her husband and mom. On Sundays, Wunmi rests and goes to church. As a regular member, she has built good relationships within the church community and earned the goodwill of the Pastor who has provided financial support when her children have fallen ill. When in need of financial advice, she turns to her 'sisters' from the Church.



"Before my house burned down I was perfectly happy. My husband was a commercial driver. He made good money...the Nigerian economy was perfect."



Aspirations & Goals

Wunmi is a devout Christian and trusts in God to provide for her family. She also believes in the value of formal education and has ensured all of her children remain in school despite the family's hardships. Given the poor economy and as a hedge, she has also prioritized providing each of her children the opportunity to learn a vocational skill alongside their schooling. Her eldest child is learning to be a cobbler, the middle child a tailor, and the youngest a carpenter. Wunmi hopes she can give them "freedom" to "have a future" by buying the machinery and materials to start their own businesses. She also is saving to rent an apartment in the short term and buy a house in the long term. She believes that "in some time" she will be able to collect the 3-year advance needed for rent, although she isn't saving for it yet and has no concrete plans to do so. She also wants to open a provisions shop in her neighborhood because she feels it would enable her to work close to home, allowing her to both save on transportation costs and spend time with her children after school. Today she worries that, left unsupervised, they will fall victim to local gangs.

Financial Attitudes, Behaviors, and Tools

Wunmi dedicates her savings to plan for and meet her priority expenses. She uses a money guard at the church and a daily ROSCA to save for her kids education. She hopes the ROSCA can also kick start her apartment savings. Occasionally, she gives extra money to her eldest son to save in his bank account (she doesn't have her own and thinks it would be redundant). Wunmi also sends money every month to her mother in Kwara state for food and rent through a bus driver (she uses a mobile phone to book work, but doesn't know about mobile money). Given her volatile daily earnings, she struggles track and plan her finances more than a month out. She would like to start keeping a book because keeping it in her head is “not a good system. However, she worries, “If I wrote it down it would make me sad.” Though she is financially self-confident and trusts in God, she feels the pressure of being the sole provider for her family and is frustrated by the challenges she faces in planning her finances.



User Insights

MENTAL BLOCKS TO ACCOUNTING

Wunmi relies heavily on mental accounting to manage her day to day finances. Given the fact that her income is daily and sporadic and she provides for three households (her own, her mothers, and her husbands), her system of mental tabulation is ineffective.

Wunmi knows she should start keeping financial books and in fact wants to, however she fears putting her financial reality down on paper because it will “make [her] sad” to see her situation laid out clearly, despite the fact that given her circumstances she is managing very effectively and trusts in God.

VALUE & EQUITY OF RELIGIOUS INSTITUTIONS

Wunmi relies exclusively on the community she has built through her church for financial support and advice in times of need. They have come through time and time again—whether in response to her home burning down, her children’s illness, or through the provision of savings services.

Her trust in the church community is grounded not only in past positive experiences, but also in the sense of equality between church members and the duty and expectation that they help one another in times of need.

RECOVERING FROM FINANCIAL SHOCKS

Wunmi faced back to back financial shocks—first her husband lost his well-paying commercial trucking job, then her home burnt down and with it the family’s assets. She committed to backbreaking work as a porter to provide for the family and has been slowly working for two years to get the family back up on its feet.

Given the family’s needs, the unreliability of her income, and her lack of effective financial planning tools, she has struggled to rebuild, specifically to prioritize and make any savings or investments beyond her children’s formal and vocational education, despite aspiring re-establish a home and start a promising business.

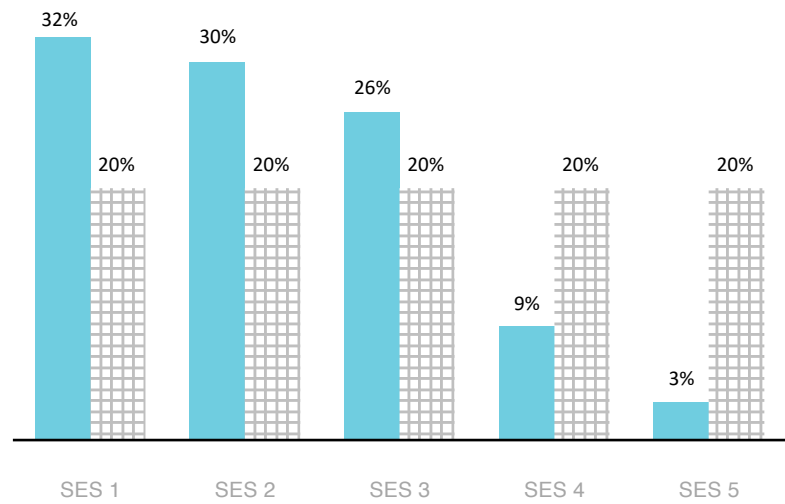
Vulnerable Believers

Demographics

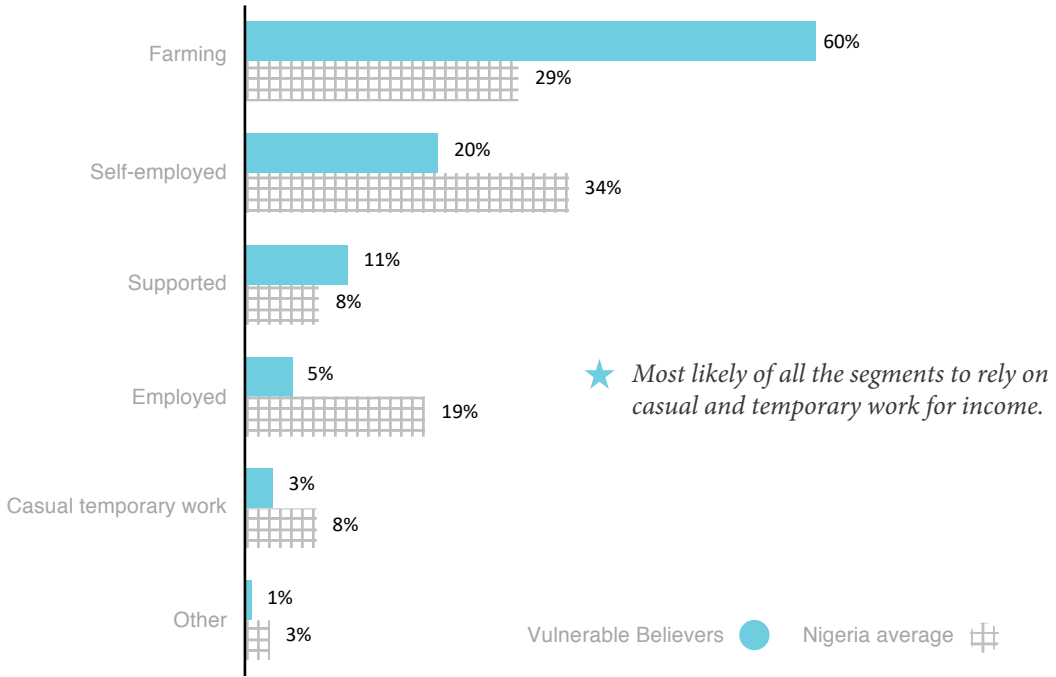
Socio-economic

Vulnerable believers, the least educated segment in Nigeria with three-quarters having at most primary education, are rural, mostly female, and often farmers. Though they are the poorest segment, they are also the second most likely to own property. 67% of vulnerable believers live in the North-West and North East geo-political zones, compared to 31% of all those surveyed.

CONCENTRATED IN MIDDLE SOCIO-ECONOMIC CLASSES (SEC)

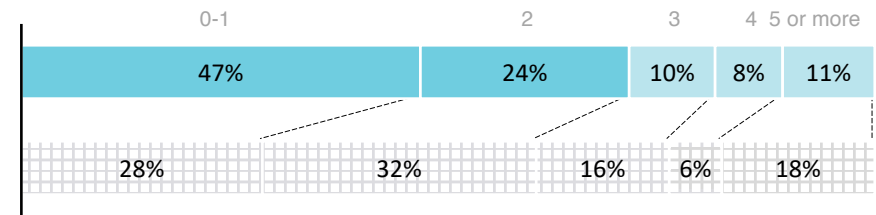


PRIMARY INCOME SOURCE



Social Network

Number Of People That Can Be Drawn On When Sick

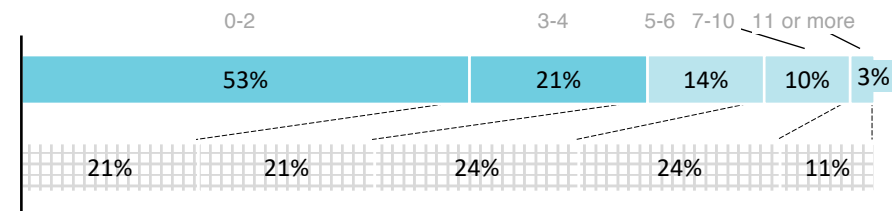


“I’m an only child. There is no one to help me...when I need help, I go to my pastor. He only helps regular church members.”

WUNMI, LAGOS, NIGERIA

△ Small social network leads to reliance on religious community

Using Your Phone, How Many People Do You Talk To In A Day?



Of all the segments, vulnerable believers speak to the fewest number of people on the phone and, likewise, can rely on the fewest number of people when sick. While their low phone usage may be a function of limited disposable income, their small support network stands out even for the poorer segments. Lack of a strong social network may contribute to this segment’s low capacity to respond to financial emergencies.

Vulnerable Believers ● Nigeria average ▤

Vulnerable Believers

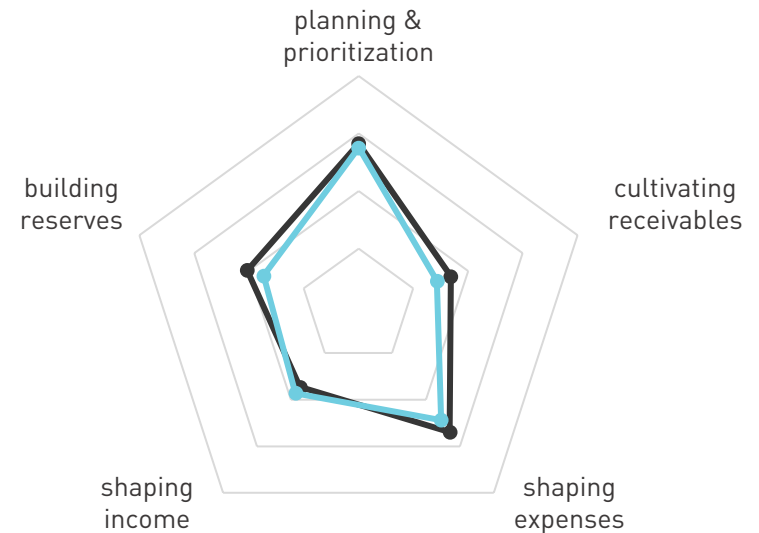
Behavior

Finances

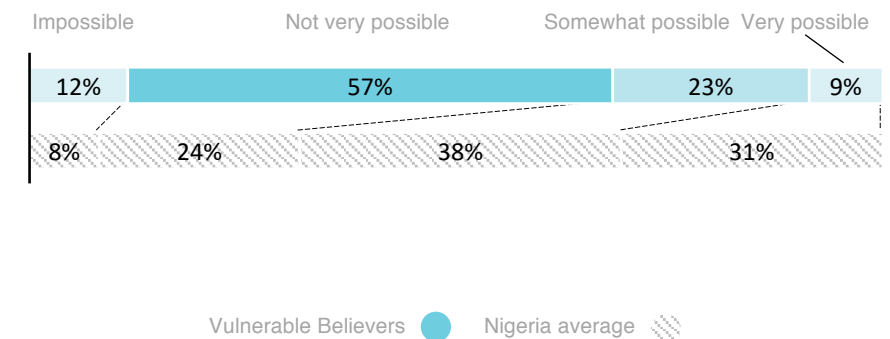
Vulnerable believers are the second least financially healthy of all Nigerian segments. They are the least likely to save or borrow, and have among the lowest ability to pay household bills. They do perform better than average in shaping income— though given their difficulties in paying bills, this may reflect a low level and diversity of income.

High rates of land and livestock ownership may help to compensate for their limited saving and borrowing. 57% of vulnerable believers own land and 53% own livestock, and both represent the second highest rate among segments—behind the skeptical cultivators. Despite these physical assets, vulnerable believers still have the lowest capacity to pay their household bills or to raise emergency funds. Liquidity may be a challenge with physical assets.

Economic and social factors may partly explain their vulnerability. As the poorest segment, vulnerable believers may feel they lack the necessary cash flow to save and invest. They also have the smallest social networks, which can be a critical tool for managing emergencies.



ABILITY TO RAISE EMERGENCY FUNDS



Finances

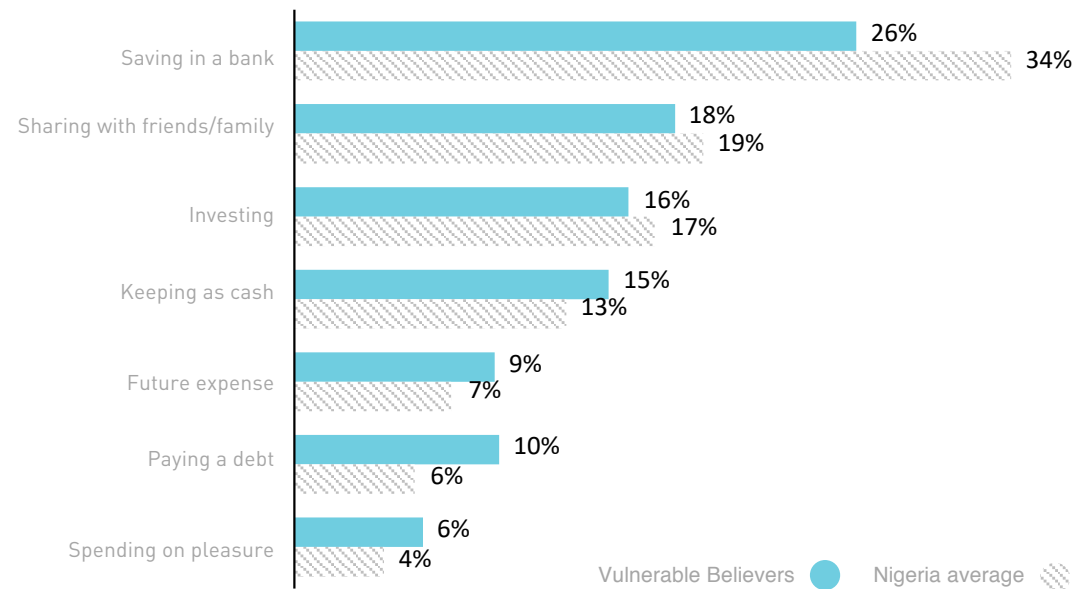
Despite careful management, vulnerable believers struggle to earn enough to make ends meet:

“We have financial challenges... my children are ashamed because they have no shoes.”

WUNMI, LAGOS, NIGERIA

Their challenges in shaping their expenses is reflected in their prioritization of 10% of a windfall to paying off a debt—over two-thirds higher than the national average, and the largest proportion of any segment, likely reflecting the informal borrowing tools they use and the need to maintain those relationships for future access to credit. Underlining their vulnerability, 55% of vulnerable believers did not agree they were “usually able to pay all the household bills”, and they have the highest number of unpaid bills on average.

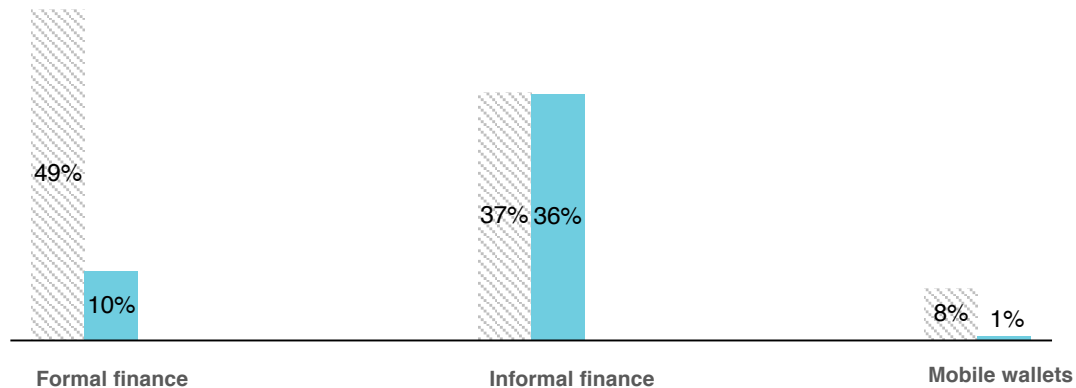
SPENDING A WINDFALL



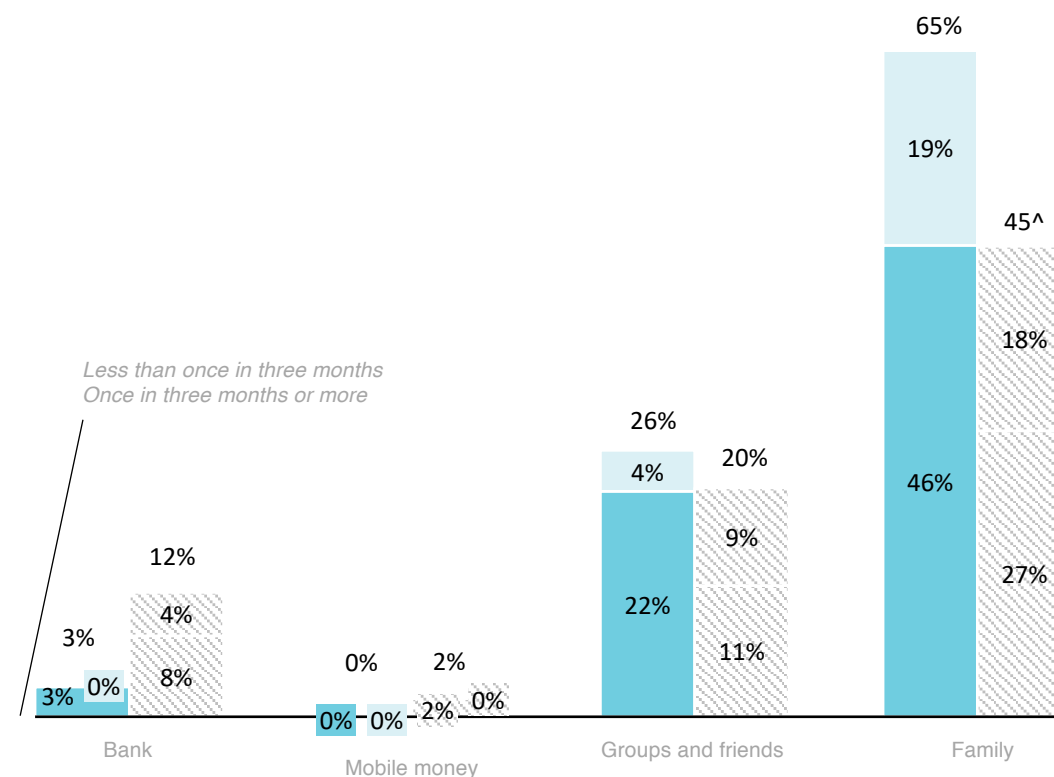
Finances

Vulnerable believers are unlikely to access or use formal financial services. Despite moderate levels of trust in banks, the segment has the lowest levels of formal account access— mostly using informal mechanisms. They are the segment most likely to borrow from family and informal groups at least monthly, and the least likely not to borrow from family at all; their informal saving is however below the country average.

INSTITUTION TYPES



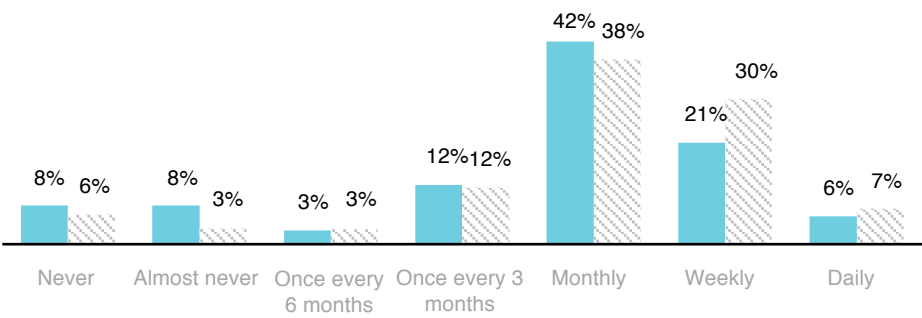
SOURCE OF BORROWING



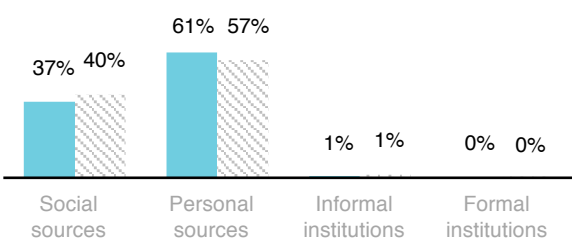
Finances

Vulnerable Believers ● Nigeria average ▨

SAVINGS



RESILIENCE



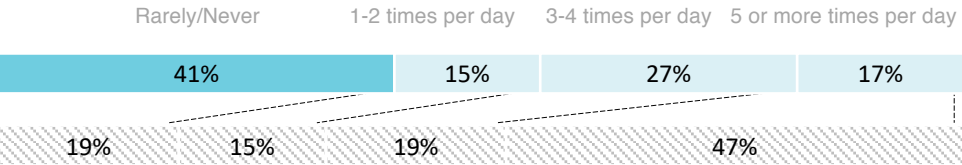
Technology

Vulnerable believers make limited use of mobile and digital technology. They are the least likely segment to own feature or smart phones and this is likely responsible for their their overwhelming low levels of phone usage—one-third of them do not use phones on a daily basis as compared to a national average 8%. Broadly, they are half as likely as others to use technology, scoring lowest on a technology usage index combining internet, computer, social media and phone usage.

“I have a feature phone. I use it to make calls to customers and relatives. I pay \$0.80 for 3 days of credit. My son tops it up for me.”

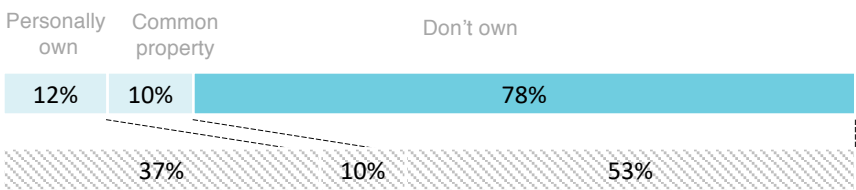
WUMI, LAGOS, NIGERIA
Mobile technology usage for basic services

PHONE USAGE

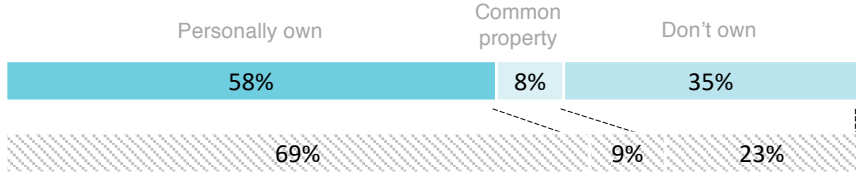


ACCESS TO PHONES

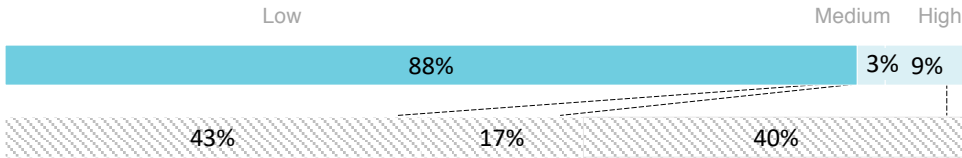
Smartphones



Basic phones



TECH USE FREQUENCY



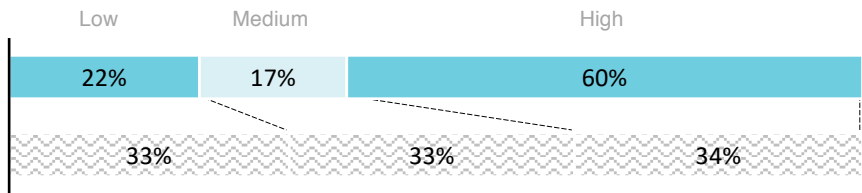
Vulnerable Believers

Psychometrics

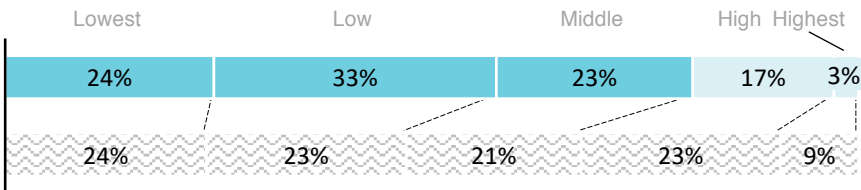
Personality

Vulnerable believers stand out as having the highest religious activity in Nigeria, as measured by how often they take part in religious services, and how often they pray or meditate. Churches and mosques may be effective communication channels to reach them.

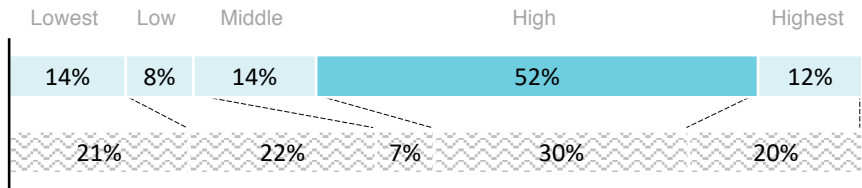
RELIGIOUS ACTIVITY



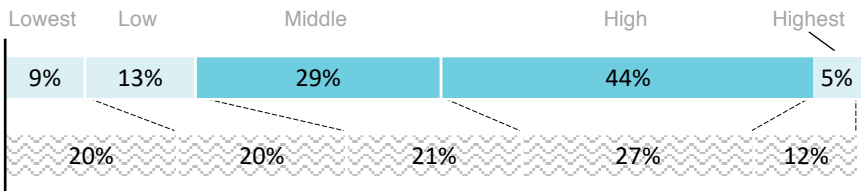
DEPENDABILITY



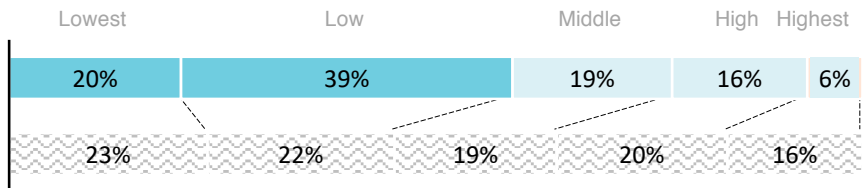
IMPULSIVITY



COMMUNITY EQUALITY



CONSCIENTIOUSNESS



Vulnerable Believers ● Nigeria average ▨

Personality

Vulnerable believers are impulsive, and score low on conscientiousness and dependability. Across Nigeria, individuals that have low levels of conscientiousness, like vulnerable believers, are less likely to save in banks, have a plan to manage their expenses, or be able to pay their bills.

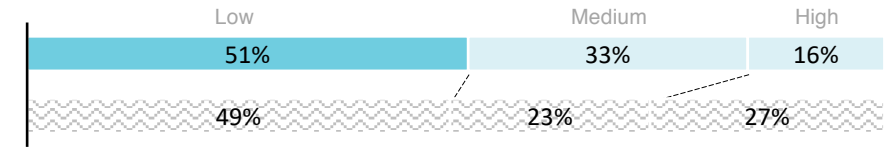
“I cannot keep an account of how I budget. As I work I get money and I spend it...this system is not so good. I thought about writing it down but it would make me unhappy.”

WUNMI, LAGOS, NIGERIA

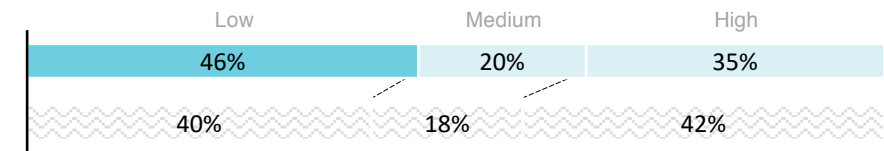
△ Few financial services exist to support financial planning for people with volatiles incomes

Vulnerable Believers ● Nigeria average ≈

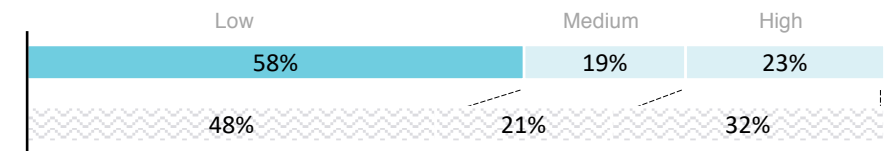
OPENNESS



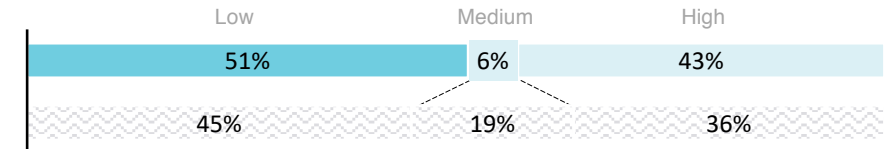
SELF-ESTEEM



LOCUS OF CONTROL



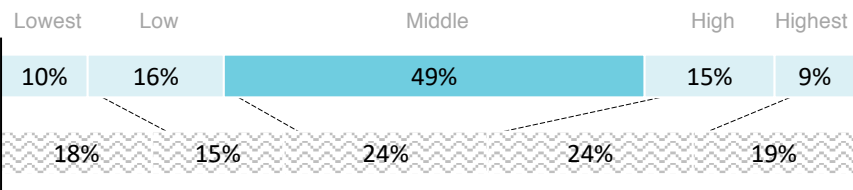
RESPECT FOR AUTHORITY



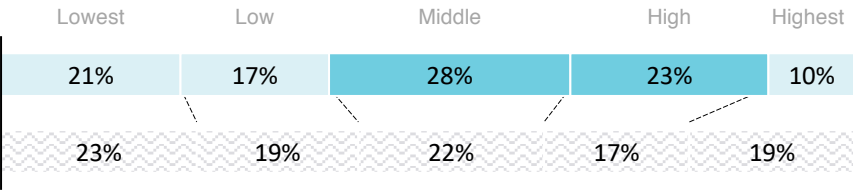
Beliefs

FSPs may focus on more low risk products that do not require **vulnerable believers to assume more debt** (especially if they are already holding debt), and could help them better manage their finances. Such products include financial planning tools, debt consolidation and automatic loan payments products. The segment also may be a target of development actors seeking to support more vulnerable groups.

TRUST IN PEOPLE



TRUST IN BANKS



Vulnerable Believers ● Nigeria average

Design Principles & Inspiration

How might we leverage religious institutions as a channel for financial information and support?

CREATE PRODUCTS AND SERVICES THAT:

- Support financial planning and disciplined savings
- Provide daily liquidity
- Support accumulation and leveraging of wealth in the form of assets like livestock and land
- Build financial connections and access to emergency support

How might we develop agricultural programs that allow this group to take control of their financial lives?

Engage through:

- Religious institutions, especially churches and mosques
- Agricultural extension services and input providers

SEGMENT 2

Resilient Savers

Resilient Savers

21% OF THE POPULATION

Primarily men, across all socio-economic groups, who are responsible for household financial decisions. Frequent savers through friends, family, and groups, they use their savings to manage emergencies. They are more impulsive than average.

Primarily **rural men** who are responsible for household financial decisions, resilient savers have **average education** levels and are distributed relatively equally across all socio-economic groups.

Resilient savers exhibit behaviors that contribute to their relatively strong financial health. They are particularly strong at building reserves, with **the highest savings frequency**, possibly due to diversified income— 68% are farmers but only 22% derive primary income from farming. They often have plans for managing their expenses and are able to stabilize their incomes.

While their formal savings frequency is only slightly above average, their frequency of **savings with family** notably surpasses other Nigerians. They call upon their savings when facing financial challenges and are confident in their ability to manage emergencies.

Resilient savers are psychologically similar to Nigerian averages. They tend not to score highly at extremes in psychometric measures, clustering around milder responses. An exception is their higher than average **respect for authority**, also evident in above-average trust in banks and social financial networks, which may suggest an underlying conservatism driving their financial planning and management.

Demographics

- + 26% female, 74% male
- + Middle aged (64% aged 25-44)
- + Rural (67% rural, 33% urban)
- + 77% have at least secondary education
- + 52% personally own land
- + Top income sources are self-employment (28%) and employment (28%)
- + Lower income volatility

Behavior

- + Enjoy diversified income—68% are farmers but only 22% derive primary income from farming
- + Save frequently – using banks slightly more than average, but saving with family significantly more than other Nigerians; they use their savings when facing financial challenges
- + More likely than average to plan how to manage their expenses

Psychometrics

- + Tend to be similar to the Nigerian average across psychometrics, and in general not score highly at extremes in psychometric measures—clustering around milder responses
- + High levels of respect for authority however, with above-average levels of trust in banks and social financial networks
- + Above average religious activity along with the above may reflect a conservatism in this segment

Aspirations

Their future expectations are relatively low, but they are slightly more likely than the average Nigerian to save a windfall in a bank, invest it, or keep it to pay a future expense—suggesting they do look forward to a potential better future, despite their relatively low locus of control meaning they doubt their own ability to bring it about.



A photograph of a smiling man with short dark hair, wearing a white t-shirt with a small star pattern. He is standing in front of a building with a corrugated metal roof and a window. The image has a teal overlay.

Yomi

A RESILIENT SAVER

“For my future, I want to employ people. I want great things. I want businesses, farms, buying and selling and land. I have big dreams.”



Demographics

Yomi, 25 years old, rents a home in Karimo, Abuja where he lives with two school-aged nieces whom he supports with occasional assistance from their mother, who lives back in their home city of Kano. Yomi has a farm on land that he rents on a 5 year lease back home. His businesses in Abuja—a phone accessory shop and work as an electrician and installing satellite dishes—together make up a little more than half of his income otherwise. He previously owed a home and some land, and another phone accessory shop, but they were bought without official title, and the government has recently reclaimed and demolished both sites.

Journey

The youngest of 11 children, Yomi has never felt comfortable being still. From a mother who works as a commodities trader, navigating market prices in corn oil and other items, to the broad range of professions undertaken by the ten siblings ahead of him, including textile workers, carpenters, barbers, shopkeepers, and a pastor, Yomi comes from a dynamic and age-diverse family.

Yomi's education runs up through a diploma in computer science, and it's an achievement in which he takes some pride. When he finished his secondary schooling, he knew he wanted to proceed to higher education, but he didn't want to rely on others to do it. So with a bit of land his father owned, Yomi started a farm to fund his scholarly pursuit. The gambit paid off, and the farm that paid his tuition continues to this day in another location – the land he leases from a friend back home. These days, he thinks of the land more as a backstop to his income as he works to grow his entrepreneurial endeavors in Abuja. He originally arrived in 2010, staying with a sister there and hustling for money. But he didn't much like it for a career, so he pursued.





“The guy I brought the land from made it clear to me that it was illegal and risky. Sometimes you just take the risk to do something.... I bought my land there because I wanted to be close to the shop.”

computer science, landing a job as a computer operator, then adding in satellite dish installation, saving dutifully until he had enough to make a move further into the city to open a phone accessory and CD shop. His brother who is a pastor introduced him to an MFI where he was able to open an account and use a loan to secure land and materials for his first shop in Karimo, Abuja. He then bought land in a sale he knew was risky and illegal, so that he could build a house near to his new shop. He supplemented his funds for start-up inventory with another loan, this time from an informal lender.

The shop was so successful, Yomi immediately saw the opportunity in opening a second one. Having paid off his initial loans, he went back to the informal lender to secure another loan with which he opened his second shop and employed a young man to run it. For years, this arrangement went well. Yomi earned enough money to save, as well as remit some of his earnings back home to his family, especially to help cover healthcare costs his father was incurring. It was during this period also that his two nieces moved in, which he says he didn't mind at all, and still doesn't.

However in 2016, the government reclaimed the land where both his first and most profitable shop, as well as his home, stood, without compensation. “The guy I bought the land from made it clear to me

that it was illegal and risky. Sometimes you just take the risk to do something.... I bought my land there because I wanted to be close to the shop.” Around the same time, Yomi came down with typhoid fever and was unable to work his farm, leaving him suddenly without significant income for the year. He managed to stay afloat by working his other two side jobs—computer operator and satellite technician, but his shop earnings still haven’t recovered.

The second shop that is now his only shop is still worked by the young man he employs. Making his payroll is frequently a stretch, and he’d run the shop himself to save money except that he doesn’t live close enough to the location to make it feasible.

Aspirations & Goals

Yomi has his sights set on rebuilding what was lost, but with greater resilience: he wants his next shop to be built inside a shipping container. “I want to get a ‘container’ shop in the same location where I had my first shop that was demolished. That location was good. I sold a lot. The container would be good because if they want us to move again I can just pack my stuff easily and go.”

And although Yomi now knows all too well the risks of purchasing land without legal title, he is saving again (at one quarter his rate of





“I want to get a ‘container’ shop in the same location where I had my first shop. The container would be good because if they want us to move again I can just pack my stuff easily and go.”

savings before he lost his shop) so that he can build a home once more, in the area where he currently rents. He feels that paying rent is a loss when he could own outright. At present, Yomi places savings weekly into his bank savings account. He’s concerned that it’s too easy to spend from a bank savings account on a whim, so he’d like to increased and regularize his contributions to the ROSCA of which he’s a member—perhaps as much as two-thirds monthly what he’s paying into his bank savings. “I use a ROSCA where I contribute every month. But I want to make it compulsory with a ROSCA, because it is like a tax that you must pay! With a bank you can access and withdraw money whenever you want.” Using both formal and social savings tools, Yomi hopes to rebuild both his home and his business. And in doing so, Yomi will once again be doing well enough to easily support not only himself, but his family and employees as well.

“For my future, I want to employ people. I want great things. I want businesses, farms, buying and selling and land. I have big dreams.”

Financial Attitudes, Behaviors, and Tools

Yomi is relatively careful and conscientious in his financial life, although more so for his business ventures than for his personal

expenditures. In fact, he seems almost to view even his personal financial life through the prism of his entrepreneurial ambitions and needs.

“When I go to the market I write down what I need to get for my shop. I buy everything from one market for the CDs and another market for the phone accessories. For my business, I record everything daily. I record expenses, income, purchases, profits...”

Even so, he has multiple accounts at the bank: one is personal, and the other is for business. Notably, with his accounts with the MFI and with the informal lender, Yomi seems only to use credit as investment capital for business growth.

Between saving in the bank and the ROSCA, cultivating credit with the MFI and informal lender, maintaining economic activity across 4 different sectors, taking care to maintain his farming outside Abuja as an income-generating asset and secure in his computer science diploma and satellite tech certification, Yomi has built a broad base of stability. As such, he may take risks with his shops, for instance, but would be less eager to do so with elements of his economic life like his farming – cornerstones which keep him able to maneuver towards opportunities and tolerate loss, bouncing back into his ambition.



User Insights

RESILIENCE IN AN UNCERTAIN WORLD

Yomi has suffered setbacks that were so far beyond his control, they were essentially ‘acts of god.’ He lost both a home and a business to land rights challenges and government initiatives to reclaim land in his neighborhood and demolish what had been built there. Yet he rebounds. He seems to lose none of his aspirations, his goals, his vision for growth. His resilience seems remarkably intact, even as he acknowledges that building back his position, as he intends to do, will likely require he put himself right back into similar risk scenarios once again.

Resilient Savers have high self-esteem, yet low locus of control. The import of this correlation may manifest in both an increase in psychological resilience, as well as financial and economic strategies that further feed into that broad resilience and stability in the face of volatility. It’s also possible that their much higher rates of borrowing from family instead of banks, even though many save in banks, feed into that resilience strategy, accounting for their belief that they can and must move forward even while influential events will occur outside of their control.

SAVING, BORROWING, AND THE PERCEIVED COMPLEXITY OF BANKS

Yomi keeps much of his savings in his bank accounts, but prefers his social savings group for his long-term savings goals. He has secured formal and informal loans, but the informal channels are the only ones he chose to use again after paying the first round off. Many in Yomi’s segment view formal financial services as complex and overwhelmingly prefer to borrow from family or other social and informal channels, even as they show high trust in banks and lead with a preference to save windfalls in them.

Their perception of the complexity of formal tools, coupled with their high trust in the providers of those tools, may make their savings feel safeguarded behind a layer of ‘complexity’. However, the idea of being indebted to a complex institution in turn feels risky, certainly in view of their income fluctuations. Formal financial service providers may need to weigh their service design and marketing against this segment’s feelings towards cross-selling or shifting products and providers without an attendant shift in structure of communication and risk. Additionally, there may be opportunities for new market entrants to seize on this perception to differentiate themselves from others’ savings or credit products.

Resilient Savers

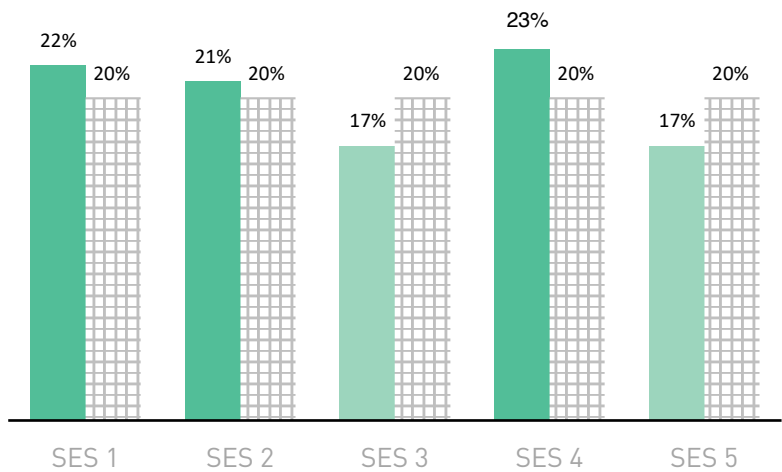
Demographics

Socio-economic

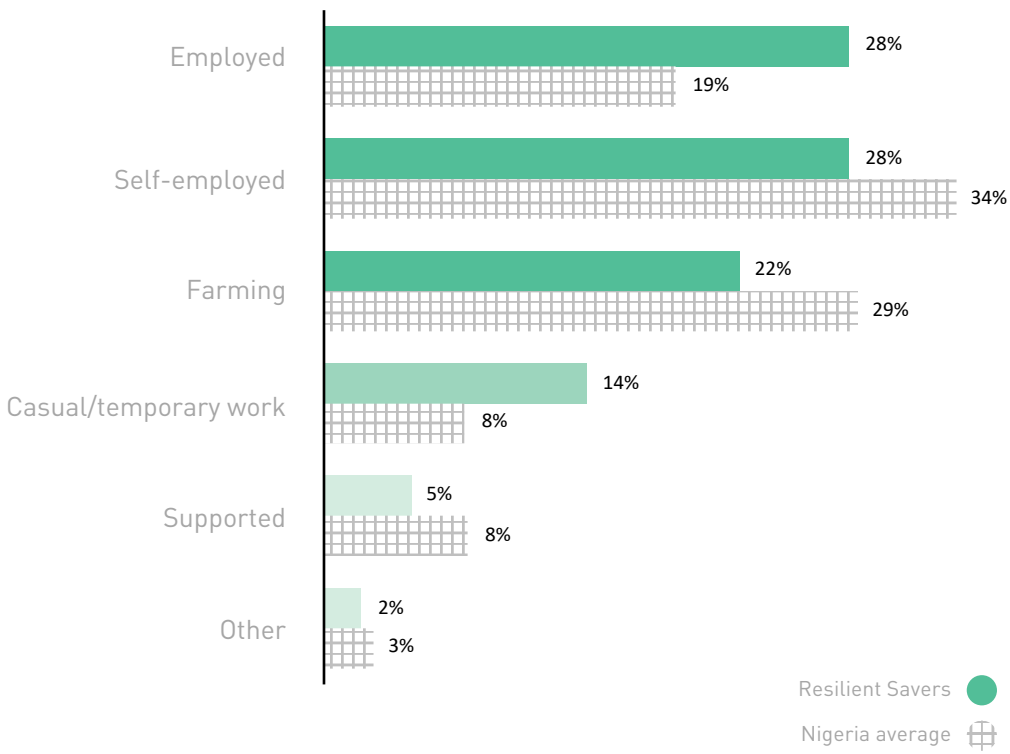
Resilient savers are generally moderately educated rural males. Unlike the two other primarily rural segments (vulnerable believers and skeptical cultivators), resilient savers earn their primary source of income outside of farming.

Almost 57% of resilient savers earn most income from self-employment and employment, which may help explain their relatively high levels of income stability.

CONCENTRATED IN MIDDLE SOCIO-ECONOMIC CLASSES (SEC)



PRIMARY INCOME SOURCE



Social Network

Resilient savers have a strong social network they can call on when sick, with about a quarter being able to count on five people or more. Their above-average trust in people may allow them to form strong social bonds with others who then provide support when needed.

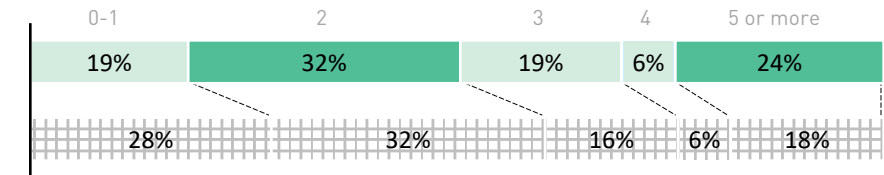
“I own the shop and also a farm and land. I was sick with typhoid in November 2016. I missed the harvest. My brothers were helping me out with the farm in Kano.”

YOMI, KARIMO, NIGERIA

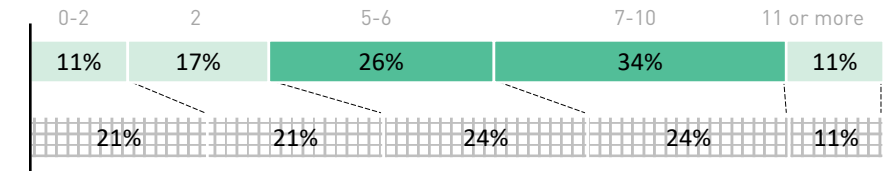
△ Where farming is an integral, but not central, element in a financial life, a strong social network may be helpful in balancing the needs and demands of a split economic life

SOCIAL NETWORK

Number of people that can be drawn on when sick



Using Your Phone, How Many People Do You Talk To In A Day?



Resilient Savers ●
Nigeria average ▦

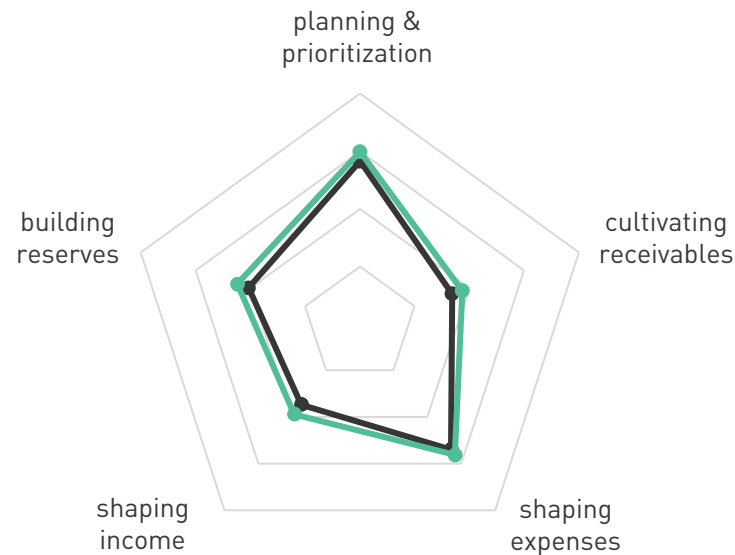
Resilient Savers

Behavior

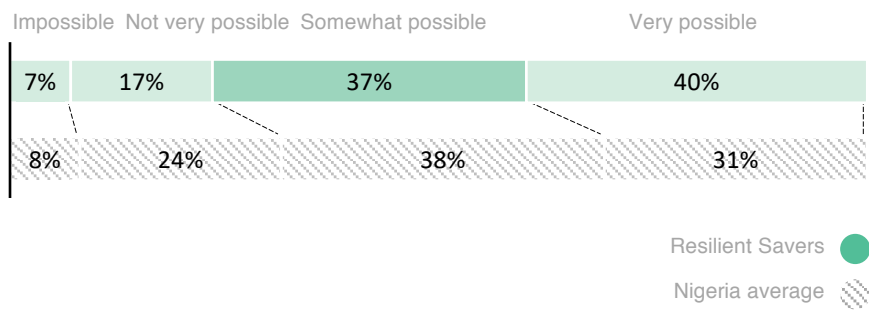
Finances

Resilient Savers have above-average financial health across all dimensions—and demonstrate the strongest financial behavior for rural-dominated segments. While their land and livestock ownership is the lowest of the rural segments, they save more than any other segment: 37% save on at least a quarterly basis. This likely serves to help explain their confidence in their ability to respond to a financial emergency: 65% of Resilient Savers say they would use their savings to raise emergency funds—the highest proportion of any segment.

The vast majority have plans to manage their expenses, and follow through on them. This leads to at least three-quarters agreeing or strongly agreeing they can pay all of their house-hold bills.



ABILITY TO RAISE EMERGENCY FUNDS



Finances

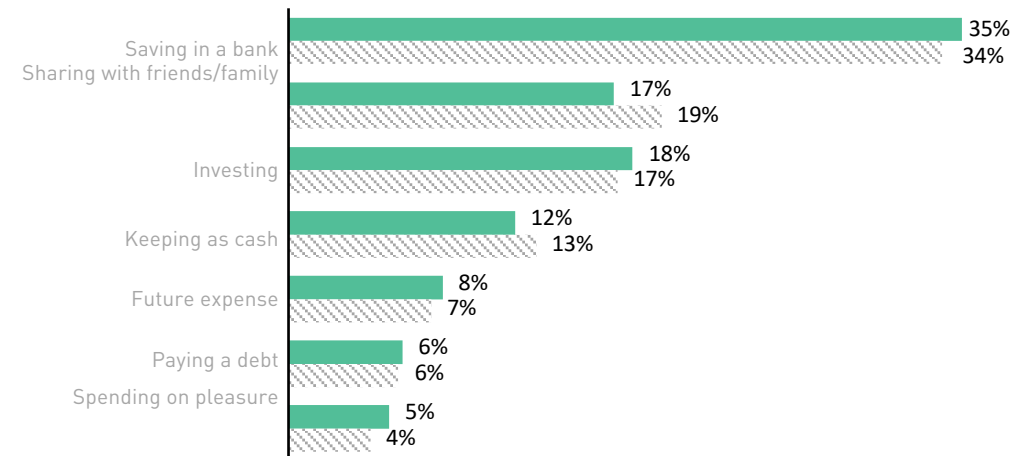
Despite their active financial lives, Resilient Savers still have slightly lower rates of formal banking and mobile money account ownership than Nigerians on average. Resilient Savers are almost twice as likely to save and borrow with family as they are with banks.

They are the most likely segment to save with family, with 38% doing so at least weekly. Although they are not otherwise notable users of informal channels: borrowing from family and use of informal groups for saving and borrowing are otherwise aligned with Nigerian averages.

Just under half of Resilient Savers have a bank account, yet those who do use banks save in them more frequently than those in other rural segments: more than three-quarters who save in banks do so at least monthly. This is all the more noteworthy given that only half live within 30 minutes of a bank – less than the 55% of Vulnerable Believers who also do.

Their allocation of a windfall is fairly consistent with Nigerians on average.

HOW DO THEY PRIORITIZE WINDFALL



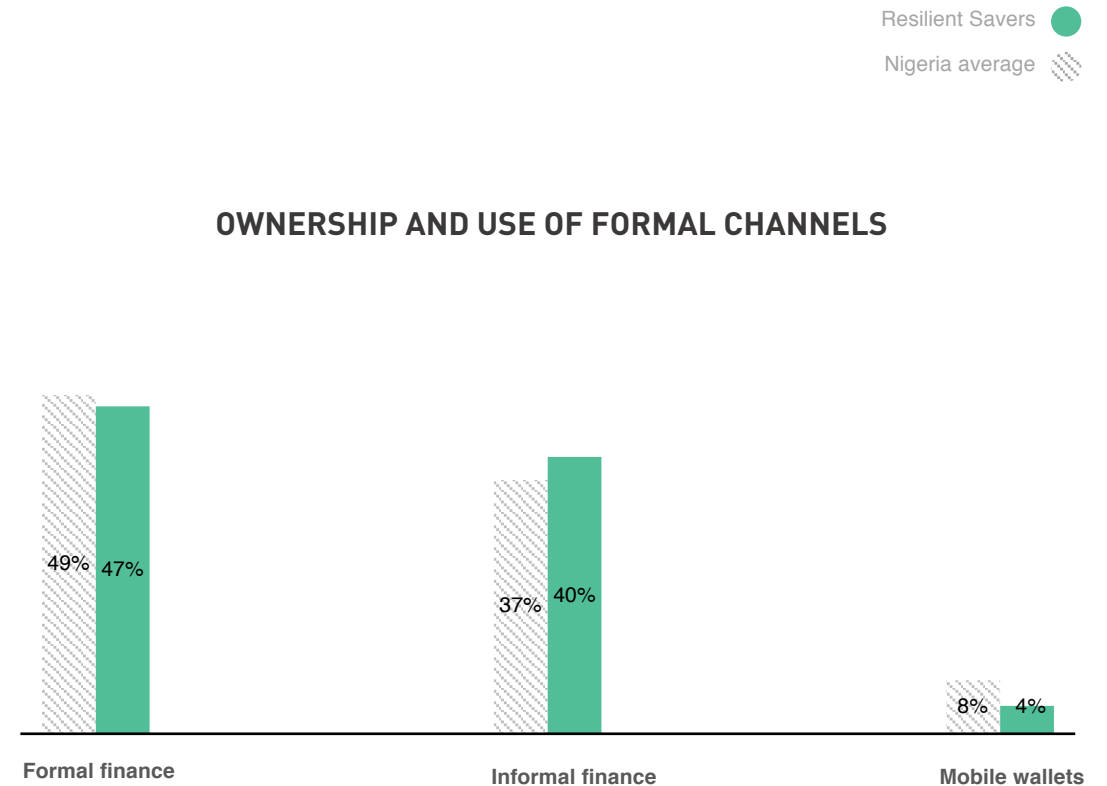
Finances

“I deposit profits to my bank account weekly. I have a separate account for my personal money and one for my business finances. I also use a ROSCA. I want to make it compulsory with the ROSCA, because it’s like a tax that you must pay! With a bank, you can access and withdraw money whenever you want.”

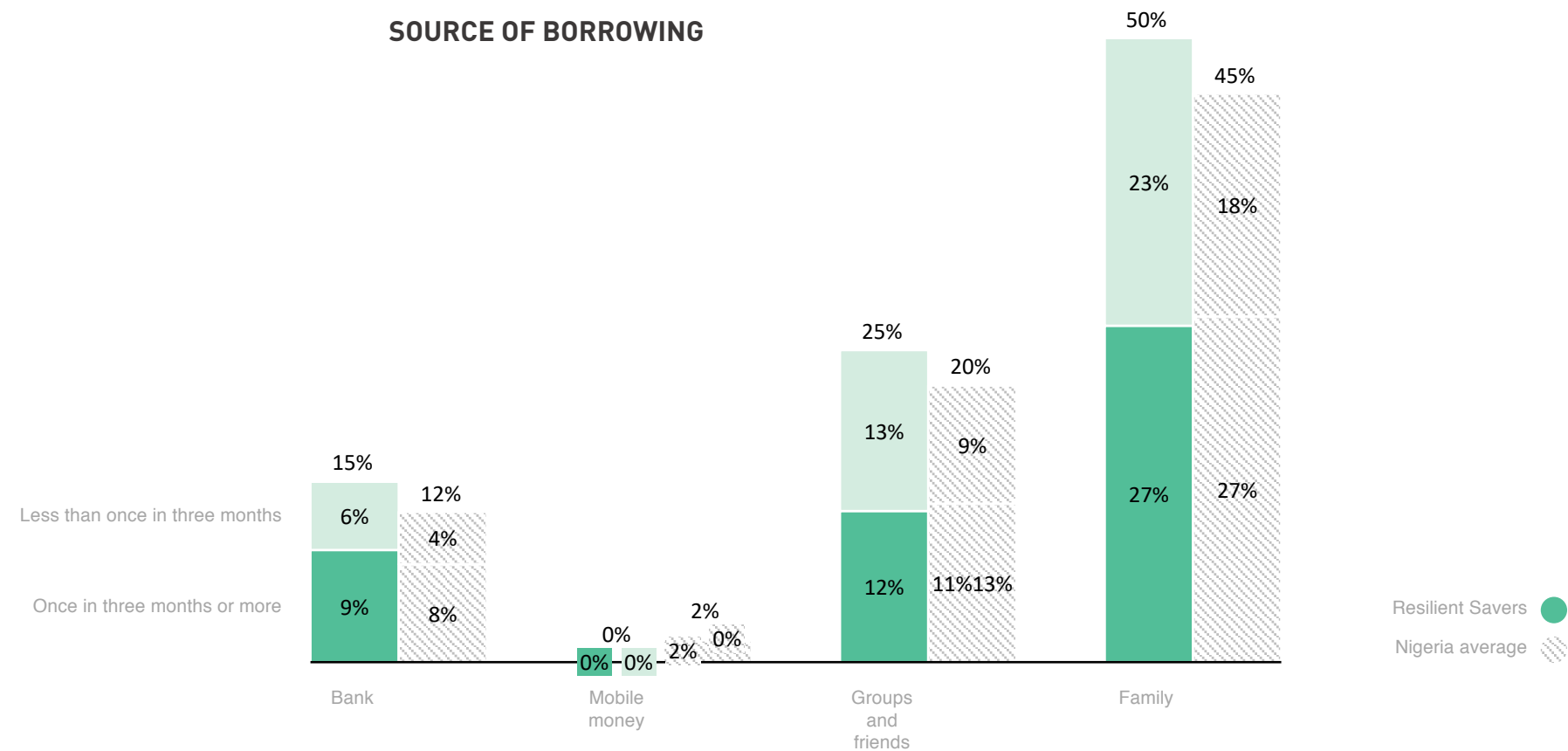
YOMI, KARIMO, NIGERIA

△ Even where many are formally included, social saving has a powerful pull. The segment may find formal channels to be discrete organizing tools, and social channels as more flexible mechanisms for accountability and motivation.

OWNERSHIP AND USE OF FORMAL CHANNELS



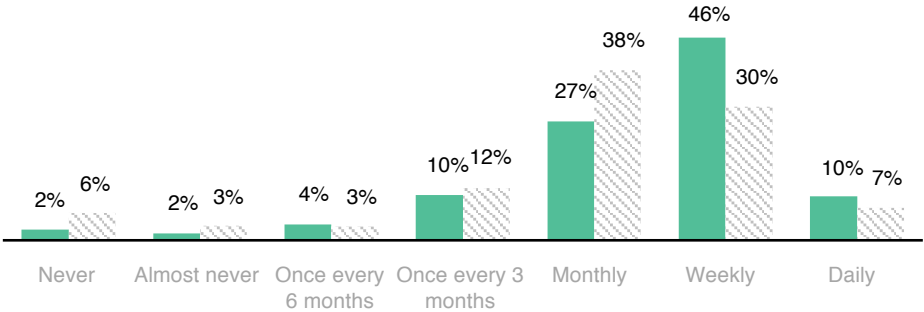
Finances



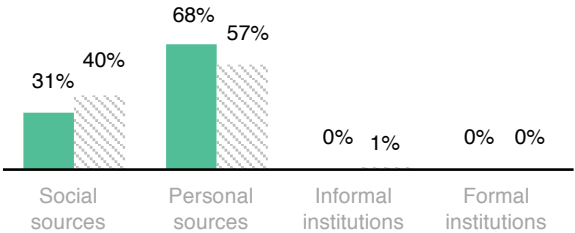
Finances

Resilient Savers ●
Nigeria average ▨

SAVINGS



RESILIENCE



Technology

Resilient Savers are frequent users of phones as well as of technology in general. Despite being older than average, they use their phones more frequently than all other segments except Digital Youth, the youngest and wealthiest segment.

After the Digital Youth and Confident Optimist segments, they have the highest overall digital technology usage and smartphone ownership. **For digital financial service providers, Resilient Savers might fit the profile of the “early majority” on an adoption curve, with the majority showing moderate to high usage.**

“When I finished my computing diploma. I was employed in 2012 as a computer operator. They like my performance so they hired me. Between 2012-2014 I worked as a satellite dish installer and a computer operator.”

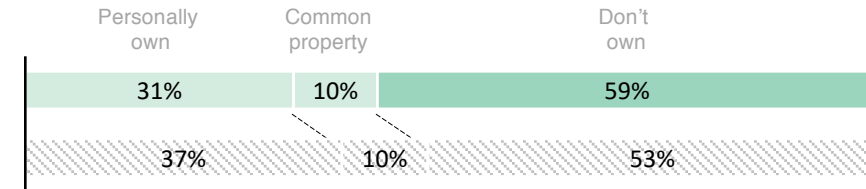
YOMI, KARIMO, NIGERIA

△ This segment perhaps arrives into markets already equipped with technological proficiency and an expectation of its economic and social normalcy, not as a curiosity. They even do it for a living. It may be useful to consider reaching them through digital channels, instead of introducing them to digital channels.

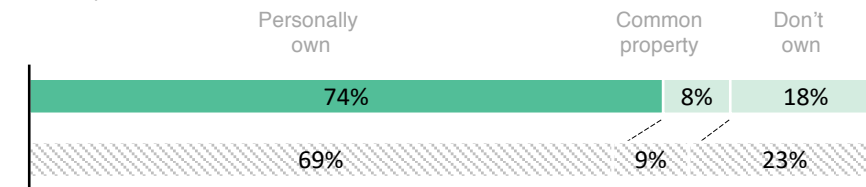
ACCESS TO PHONES

Smartphones

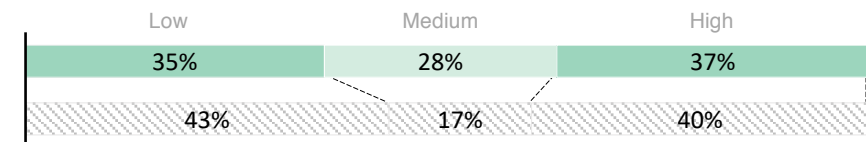
Resilient Savers ●
Nigeria average ▨



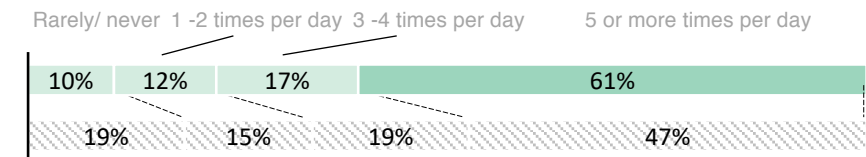
Basic phones



TECH USE FREQUENCY



PHONE USAGE



Resilient Savers

Psychometrics

Personality

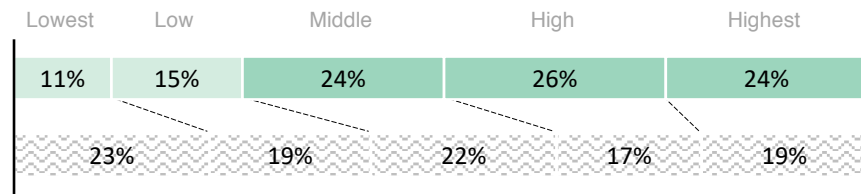
Resilient savers trust banks, but view financial services as complex. Nigerians in general are more likely to save with groups if they, like resilient savers, perceive financial services as complex. FSPs may consider simplifying the products they offer to resilient savers.

Resilient savers’ above average respect for authority and religious orientation may suggest a conservative approach underlying their behavior. Marketing for resilient savers may emphasize local traditions and social financial norms, and include famous spokespeople.

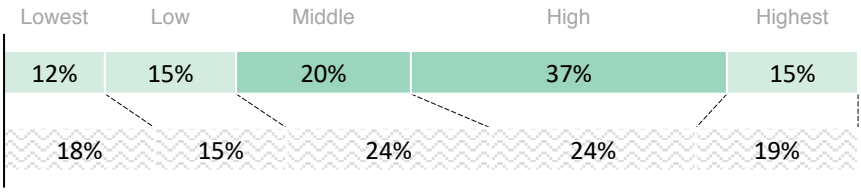
“My brother, the pastor put me in touch with the lady who loaned me the money, and suggested that I moved to the neighborhood.” **YOMI, KARIMO, NIGERIA**

△ The endorsement of an authority figure can be leveraged to unlock wide ranges of financial and economic activities: from credit channels to personal and business investment directions, as with this user who borrowed, moved, built a home and started a business through the knock-on effects of his older brother/pastor’s advice

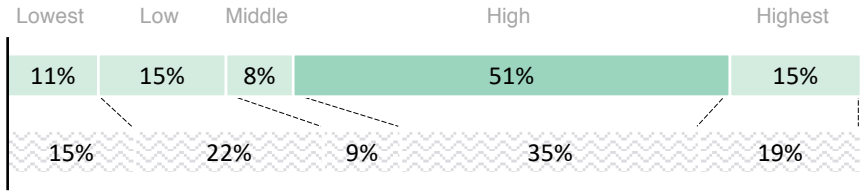
TRUST IN BANKS



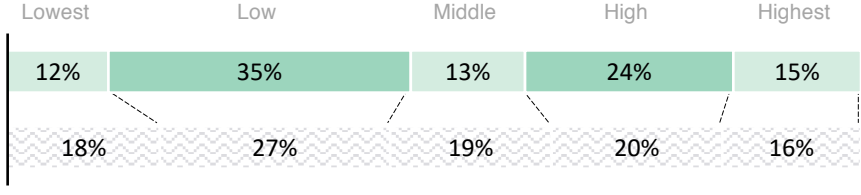
TRUST IN PEOPLE



PERCEIVED COMPLEXITY OF FINANCIAL SERVICES

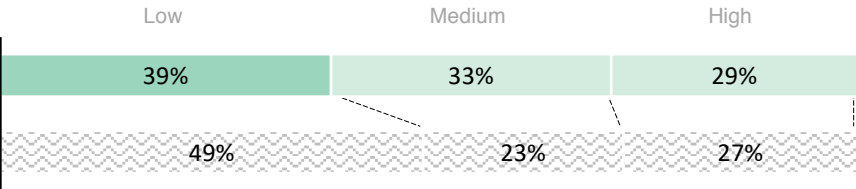


RESPECT FOR AUTHORITY FIGURES

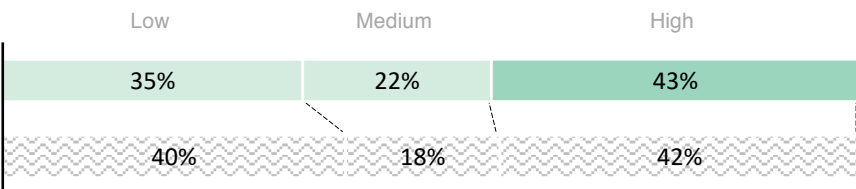


Personality

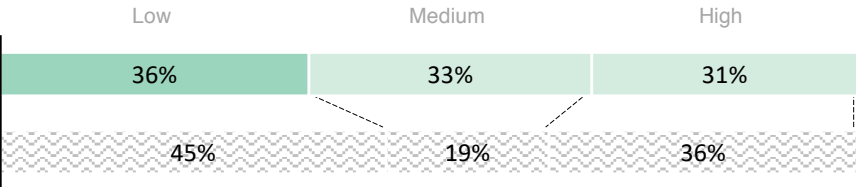
OPENNESS



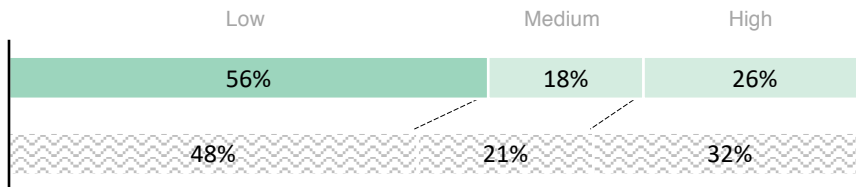
SELF-ESTEEM



CONSCIENTIOUSNESS



LOCUS OF CONTROL



Resilient Savers ●
Nigeria average ▨

Design Principles & Inspiration

How might we develop products that have similar accessibility to cash based saving, but are more secure?

CREATE PRODUCTS AND SERVICES THAT:

- Simplify the perceived complexity of financial services
- Support goal based and long term savings and investments

How might we develop credit scoring techniques that capture the segment's strong financial behavior?

ENGAGE THROUGH:

- Digital device (feature or smart phone)
- Social financial groups (especially family and friends)
- Emphasis on traditional household management role

SEGMENT 3

Dependent Individualists

Dependent Individualists

22% OF THE POPULATION

Lower middle class, mostly female, with the second lowest level of education of all segments. The least impulsive segment, they rely on others to make financial decisions and for support during emergencies, yet have lower than average trust in both banks and social networks.

Predominantly **young wives**, dependent individualists have low education levels, limited decision making authority in their households, and low socio-economic levels.

They have **less overall education** than most Nigerians and are the most likely segment to depend on others (spouses, family, and friends) as the primary source of their income.

Dependent individualists have the **weakest financial health** of all Nigerians – they face high income volatility and are less likely than others to save, plan for managing expenses, or cover household expenses.

Dependent individualists have limited financial access—they are the among least likely to **borrow or save** with formal and informal services – and may rely on others in financial matters. Development actors and FSPs might be able to provide basic products that improve their financial access.

Demographics

- + 71% female, 29% male
- + Young (33% aged 18-24, 30% aged 25-34)
- + Mostly rural (58% rural, 42% urban)
- + 15% have only informal education, while 69% have at least secondary education
- + Only 34% personally own land
- + Top income sources are self-employment (44%) and farming (26%)
- + Higher income volatility

Behavior

- + Most likely to depend on others (spouses, family and/or friends) as the primary source of their income
- + Among the least likely to save or borrow with formal and informal services, likely reflecting this reality
- + Face high income volatility, and are the least likely to have a plan for their expenses



Psychometrics

- + Strong belief in their own capabilities, with an above-average internal locus of control and sense of self-efficacy
- + Low levels of trust in banks, likely reflected in their low bank account ownership and usage
- + Lowest impulsivity while notably less reluctant to borrow than average, suggesting they could be potentially good customers to lend to where their circumstances allow

Aspirations

With relatively low trust in their community but dependence upon it, they look to invest in their community when they can – they would allocate more of a windfall to sharing with friends and family than other Nigerians, while investing and saving in a bank less. They have an average view of the future, but are the most likely to be dissatisfied with the past five years, suggesting opportunities to unlock stronger future aspirations if they see the right opportunities.



Amaka Nwibo

A DEPENDENT INDIVIDUALIST

“I want a stable life, don’t want to struggle for food. I can’t get all stability in life but I’d like to get some for my children to begin with and then slowly get more...”



Demographics

Amaka is 24 and grew up in a village in Ebonyi state with seven younger siblings. She had a child very early in her life at the age of 12 since then has had four more. She doesn't know the fathers of her children and now lives alone and apart from her family in a village in Anambra where she does odd jobs and occasional farming to support four of her children.

Journey

Amaka's family struggled to get by, rarely having enough food. Amaka, being the eldest, was responsible from a young age for providing for the household, but her kids often slept hungry. Desperate to change her situation, she saved money and one day, six years ago, left her home with two of her children to board a public bus. She didn't tell anyone and rode until she ran out of money for fare in Anambara. Broke, with no knowledge of where she was, she resolved to either "make it" or "perish" with her children."

At the bus stop a man asked her where she was going and when she told him that she didn't know he decided to help her as his wife was from Ebonyi as well. Amaka went to stay with the man and his family. However, the man had a mentally ill son who threatened to kill Amaka and her children. After a few days the man helped her find another home, the same one she stays in today. She doesn't pay rent as the owner of the house took pity on her condition when he saw the children. In January of 2017, Amaka gave birth to twins at the time her landlord told her she would have to leave so his son could take over the house.

Amaka has no assets, few skills, and limited ability to earn. This year she farmed two small plots. She didn't pay rent for the plots, but rather requested the farm owners allow her to use the land for free. Seeing her children, out of goodwill and pity they both allowed her to do so. Amaka said she is always on the lookout for dormant land. She often inquires about the owner and then requests and, at times, begs them to allow her to farm rent free. She also does odd jobs when she is not farming including house help, cleaning community spaces, or selling groundnuts, among others. She earns best in December when people hire a lot of help and uses most of her earnings to buy food reserves. With whatever is left, she buys for her children.





Aspirations & Goals

Amaka aspires to send her children to school one day and also for one of them to become a Doctor so that she can help the poor people like them and she has heard that Doctors earn good money. She also wants to be a 'big' trader because she thinks she would be successful. She had learnt trading in her home village. Given an option, Amaka would prefer putting all her money in trading rather than in a bank even though she might lose all of it. She reasoned that if she used the money to meet her immediate needs then she could live better for a few months but then would be back where she started. She would rather take her chance of trading and growing her money to establish a stable income and get out of her current desperate situation. Eventually, she wants to earn and save enough return home and take care of her family – she hasn't seen or spoken to them in six years.

Financial Attitudes, Behaviors, and Tools

As the sole breadwinner, Amaka struggles even to keep food on the table for her children. Desperation and hunger are always on her mind and she says she is not able to think or plan for the future. Her main focus is meeting the family's daily needs. Any extra money she makes she buys food to hold in reserve. Some days her landlord gives her food for the children. Amaka is not part of any informal financial groups and does not have a bank account. She feels banks are for people with 'big' money, like 140 USD (50,000 NGN), and that the minimum weekly deposits in the savings groups are too high for her to meet, though back in her village she was a part of one. When Amaka was a trader, she used to borrow money to buy and sell fish. Since leaving her home, she hasn't been able to borrow because she is seen as a "stranger."



Dependent Individualists

Demographics

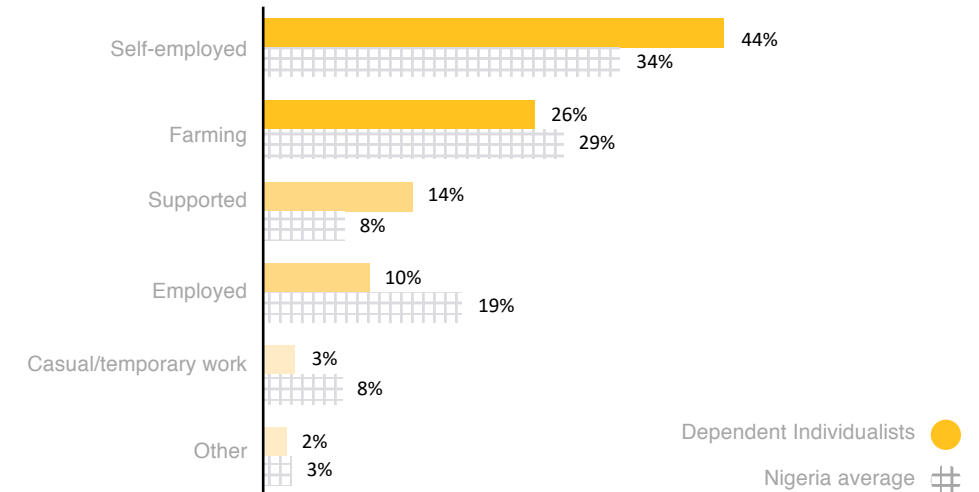
Socio-economic

Dependent individualists are mostly females, and tend to be young wives with low household decision making authority – less than a quarter are household heads. They are the most likely to be married and to depend on others for income; however most are self-employed or farmers. Dependent individualists have slightly below average education and socio-economic status. They are the least likely segment to own land.

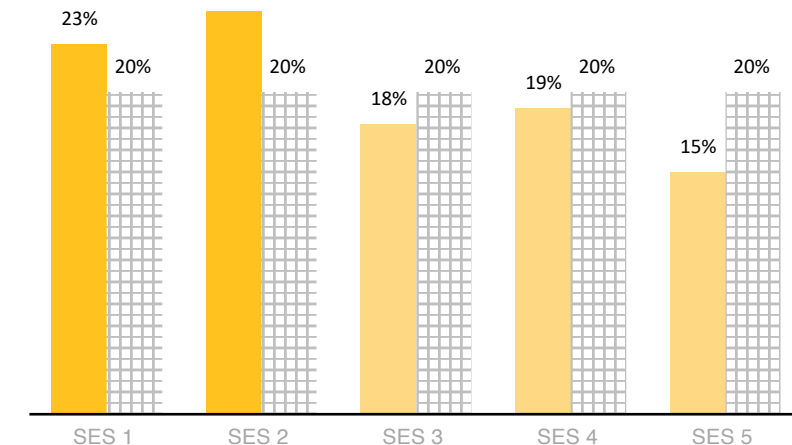
“The same man with whom I was staying helped me again to find me another house where I am staying even today.” AMAKA, OJINATO UGWUOBA, NIGERIA

△ Highly reliant on few people for substantial financial support

PRIMARY INCOME SOURCE



CONCENTRATED IN MIDDLE SOCIO-ECONOMIC CLASSES (SEC)



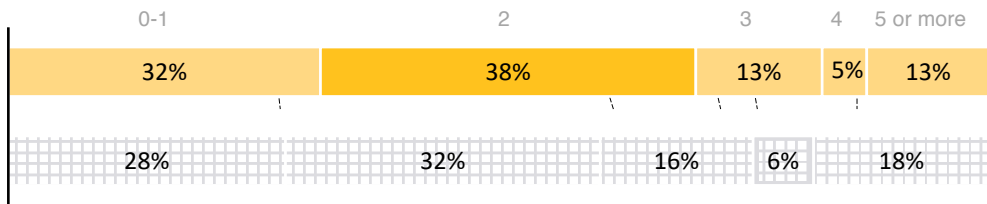
Social Network

Dependent individualists have limited social networks, and receive minimal support when sick. The number of people they contact daily, and that they can draw on when ill, are both the second lowest for all segments.

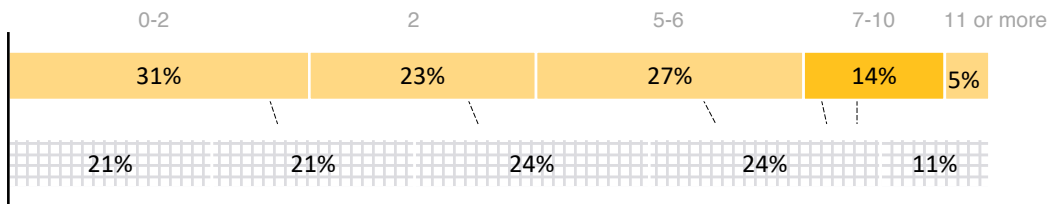
Dependent Individualists ●
Nigeria average ▨

SOCIAL NETWORK

Number of people that can be drawn on when sick



Number of people that can be drawn on when sick



Dependent Individualists

Behavior

Finances

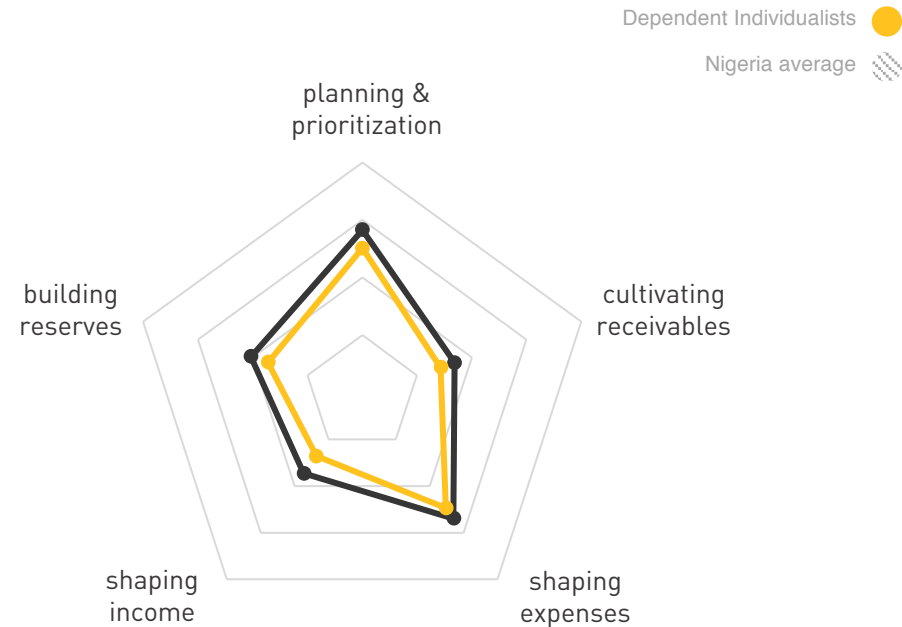
Dependent individualists **score below the Nigerian average on all aspects of financial health**, making them the least financially healthy segment. They are among the least frequent savers and less likely to plan for managing expenses, pay household bills or save. Dependent individualists have the second highest income volatility.

Three in ten dependent individualists find it difficult to raise emergency funds, perhaps due to their reliance on others for income. 60% of dependent individualists say that assistance from others would be the source of their emergency funding, the highest rate by far of any segment. For all segments, individuals that speak to few people on a daily basis, like dependent individualists, have less ability to raise funding during emergencies.

“Right now the problems are too large for me to think about planning... Whenever I get money, I buy food and store it”

AMAKA, OJINATO UGWUOBA, NIGERIA

△ Massive financial need, short planning horizons



ABILITY TO RAISE EMERGENCY FUNDS

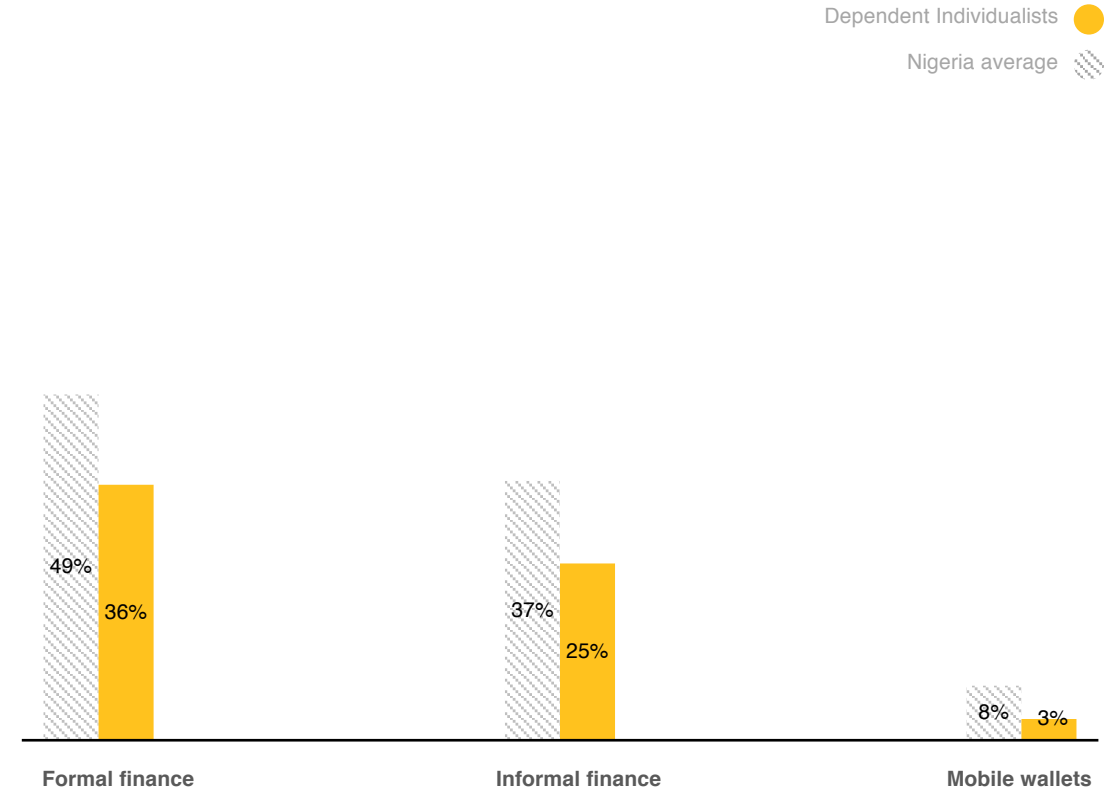
| Impossible | Not very possible | Somewhat possible | Very possible |
|------------|-------------------|-------------------|---------------|
| 10% | 20% | 47% | 23% |
| 8% | 24% | 38% | 31% |

Finances

Dependent individualists rarely use formal or informal financial services. Most do not open bank or mobile money accounts and their usage of both is well below average. They are also among the least likely to use informal channels: they are the cluster most likely never to use informal groups for saving or borrowing, and the most likely never to save with family. Given that two poorer segments have higher financial access, low income does not fully explain their behavior. Dependent individualists may be relying on their spouses for financial matters.

“I used to be part of a ‘meeting group’ (Rosca) in my village but here I don’t have the money to be part of one. In the village, they used to take 100 NGN weekly and if I didn’t have money some week, they were ok but here the money is more and I don’t have the time and money to be part of a meeting group.” AMAKA, OJINATO UGWUOBA, NIGERIA

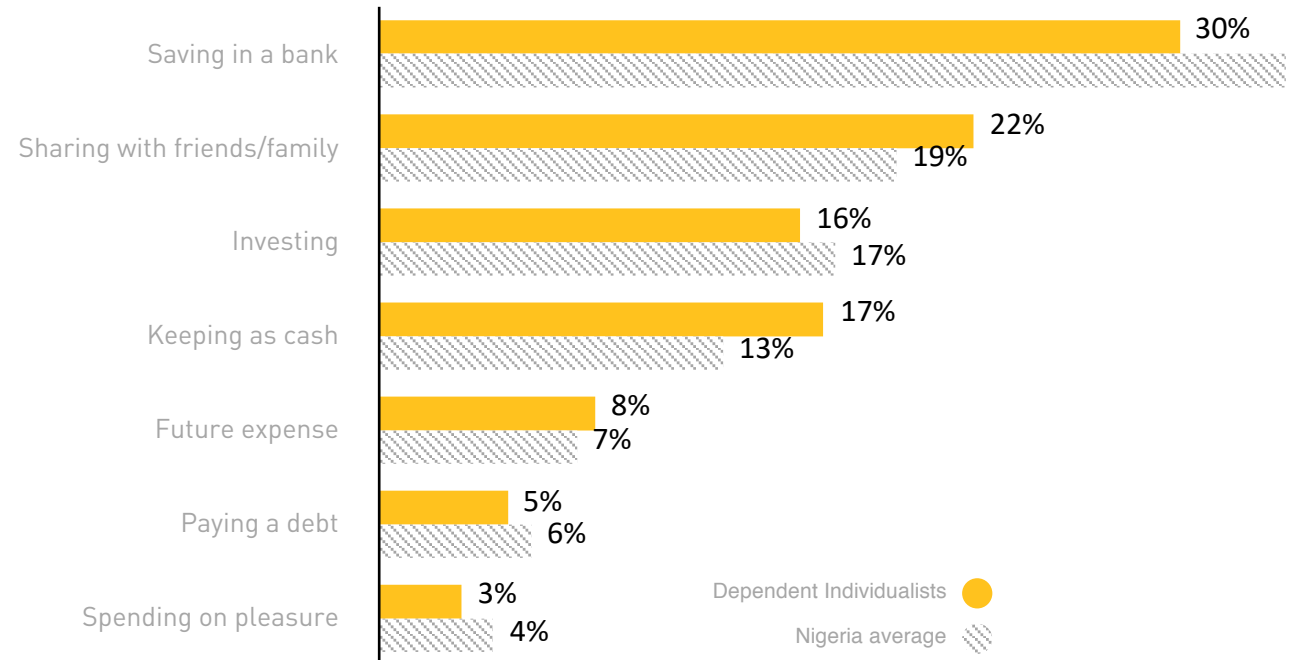
△ Lacking a sufficiently compelling use case for mobile money





Finances

Dependent individualists prefer to **share windfalls with friends** and are less likely to save windfalls in banks. This behavior is in line with their low trust in banks.

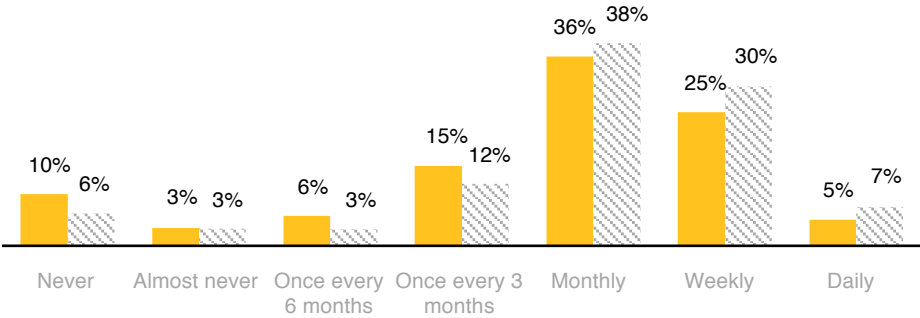
HOW DO THEY PRIORITIZE WINDFALL



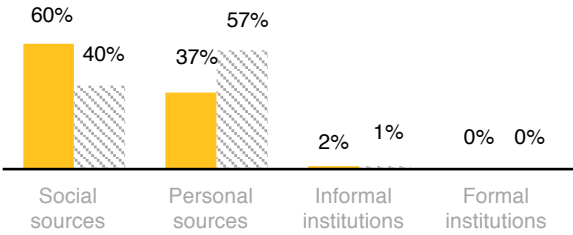
Finances

Dependent Individualists 
Nigeria average 

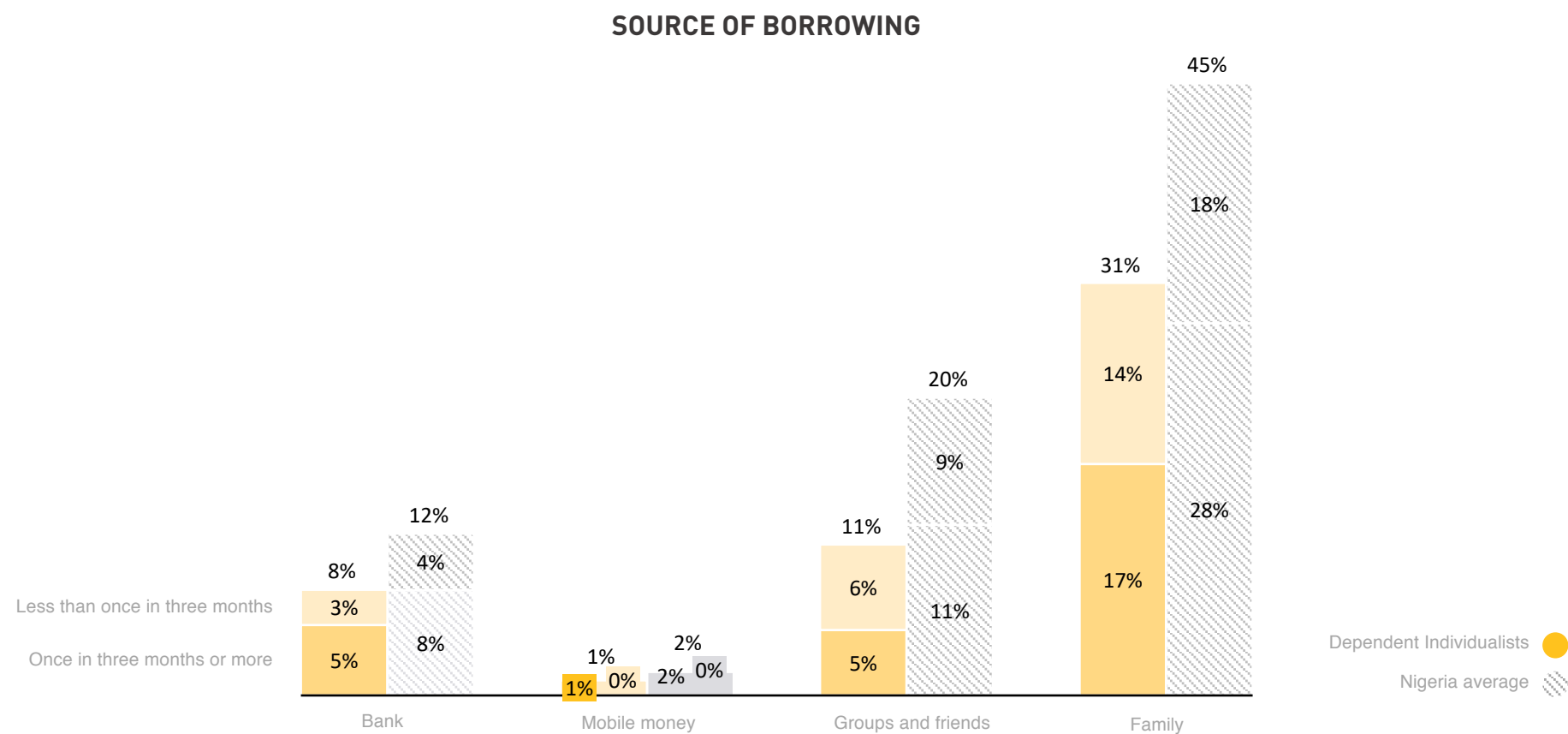
SAVINGS



RESILIENCE



Finances



Technology

Dependent individualists are less likely to own phones or use technology. They are notably less likely to own smartphones than average. On the other hand, they gain access to both feature phones and smartphones that are considered common property or owned by someone else in the household. Dependent individualists have the highest marriage rate (65%) of all the segments and are the least likely to be household heads, and so they may be relying on their spouses or family for their phones.



“People at my home don’t know where I am and I don’t have a mobile. I don’t have enough money so I haven’t gone back home”

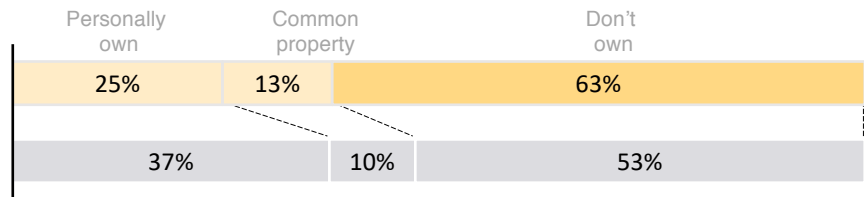
AMAKA, OJINATO UGWUOBA, NIGERIA

△ Limited ownership and use of mobile technology

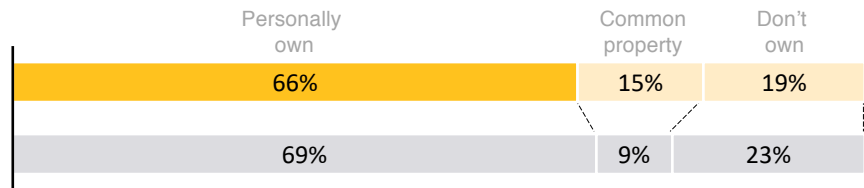
ACCESS TO PHONES

Smartphones

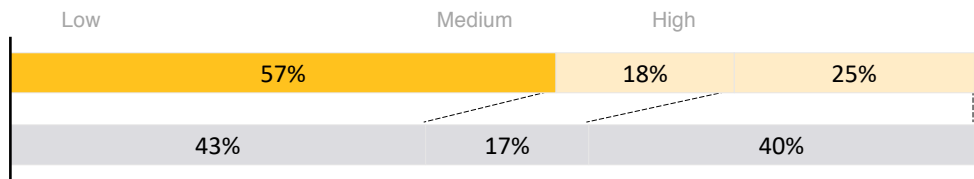
Dependent Individualists 
Nigeria average 



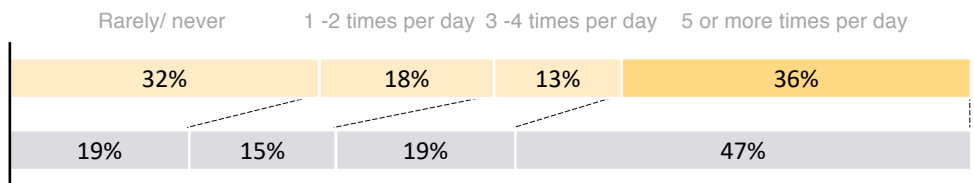
Basic phones



TECH USE FREQUENCY



PHONE USAGE



Dependent Individualists

Psychometrics

Personality

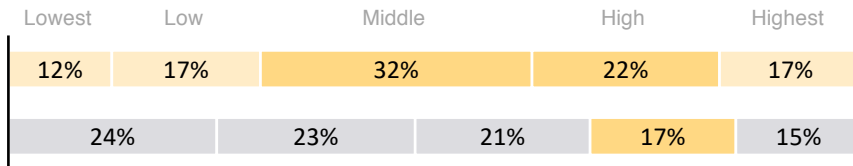
Despite being dependent on others financially, dependent individualists have a strong belief in their own capabilities.

The segment has an above average internal locus of control and sense of self-efficacy.

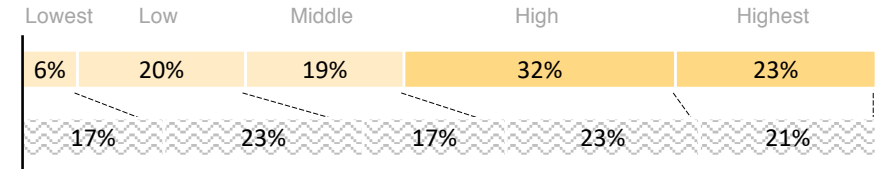
After vulnerable believers, dependent individualists have the second lowest level of trust in banks. This attitude may be reflected in their bank account ownership and usage, which is also is lower than all other segments except vulnerable believers.

However, there may be potential for formal financial institutions to serve dependent individualists in the future given their psychological features. Dependent individualists have the lowest impulsivity levels in Nigeria, and they are not reluctant to assume debt.

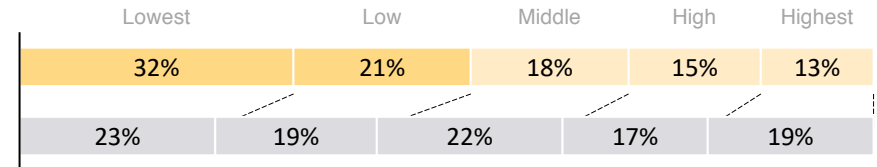
LOCUS OF CONTROL



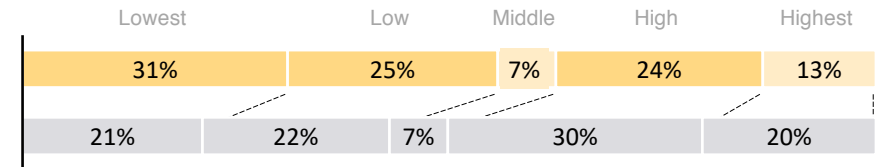
SELF-EFFICACY



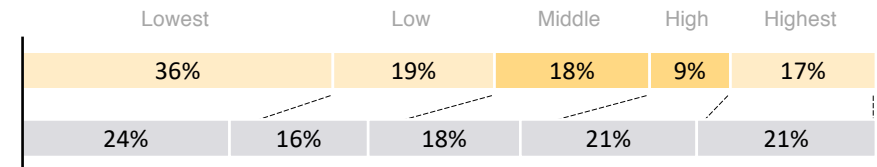
TRUST IN BANKS





IMPULSIVITY



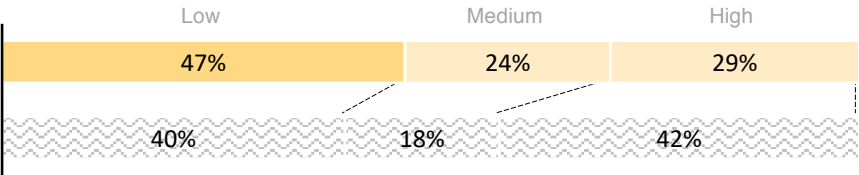
RELUCTANCE TO BORROW (DEBT ORIENTATION)



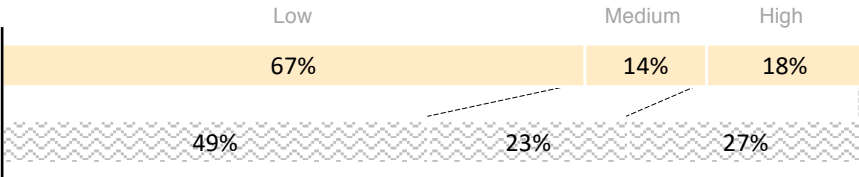
Personality

Dependent Individualists 
Nigeria average 

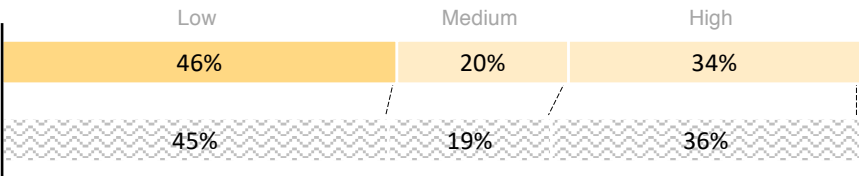
SELF-ESTEEM



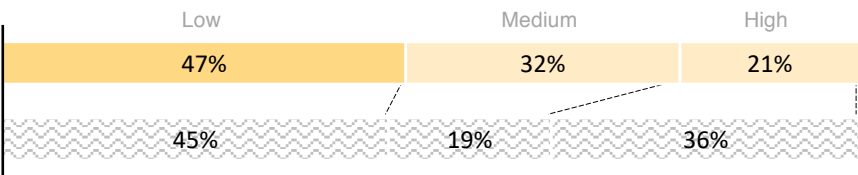
OPENNESS



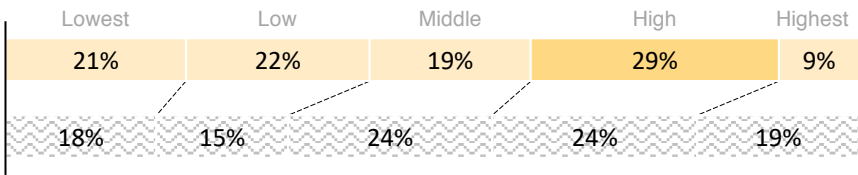
CONSCIENTIOUSNESS



RESPECT FOR AUTHORITY



TRUST IN PEOPLE



Design Principles & Inspiration

How might we encourage MNOs to incentivise and facilitate greater phone ownership and use by the segment?

CREATE PRODUCTS AND SERVICES THAT:

- Improve access to services
- Provide daily liquidity
- Support financial planning and disciplined savings
- Build financial confidence and autonomy
- Foster financial connections and access to emergency support

How might we develop an accessible micro-loan product for the MSMEs that this segment often run?

ENGAGE THROUGH:

- Spouses or immediate family
- Schools and universities
- Local merchants
- Direct appeal to their self confidence and feeling of control

SEGMENT 4

Digital Youth

Digital Youth

19% OF THE POPULATION

Young, well educated, urban, and frequent users of digital technology. They are the wealthiest segment, but have high income volatility. They are most likely to perceive their community as unequal, and believe they can trust their community but not rely on the community to invest in their business.

Well **educated** and **urban**, digital youth are the **youngest** and **wealthiest** segment, and the most likely to be single (63%).

They are **technology enthusiasts**—possibly owing to their high education (2nd highest) and openness to new concepts (2nd most open). However, their ownership and use of mobile money accounts is average for Nigerians, potentially suggesting an untapped opportunity.

Despite being the wealthiest segment, digital youth do not stand out as financially healthier than the average Nigerians. They have the highest **income volatility** of all Nigerians, perhaps due to their high rates of casual labor and self-employment.

They have high self-esteem and confidence in the future but are **distrustful of banks** – despite being the segment **most likely to have a bank account**.

Demographics

- + 40% female, 60% male
- + Young (69% aged 18-34)
- + Mostly urban (40% rural, 60% urban)
- + 25% have tertiary education, and another 67% up to secondary education
- + Only 36% personally own land
- + Top income sources are self-employment (45%) and employment (24%)
- + Highest income volatility

Behavior

- + Technology enthusiasts—possibly owing to their high education and openness to new concepts—however their ownership and use of mobile money accounts is average for Nigerians, potentially suggesting an untapped opportunity
- + 75% own bank accounts; save more frequently with banks than all but Confident Optimists; as likely to borrow as the average Nigerians, but do so less frequently
- + Least likely to borrow through informal groups, and second least likely to save with them
- + Highest income volatility, but are only somewhat more likely to have a plan to manage their expenses than average

Psychometrics

- + Confident in their future with high self-esteem, despite facing the highest number of emergencies—most likely to rely on working more to cope with an emergency
- + Untrusting of banks, but their high account ownership and usage suggests they recognize the utility that banks offer
- + Trusting of people, but with a nuanced view of their community—they believe they can trust their community but not rely on the community to invest in their business, and perceive high inequality in their community, which likely makes informal financial products less attractive

Aspirations

With high confidence in the future and self-esteem, they plan forward – they are more likely to save a windfall in a bank or invest it. Their low self-efficacy may lead them to constrain them in reaching their goals however advice from trusted advisors.



A portrait of a young man, Tosin Victory, smiling and wearing a white baseball cap with a black paw print design and a plaid shirt. The image is overlaid with a grid pattern and a semi-transparent orange filter.

Tosin Victory

A DIGITAL YOUTH

“I looked around and saw that customizing clothes could be good. I looked at some videos online to get ideas...I look at pictures for designs on the internet and calculated how to put them on walls.”



Demographics

Tosin (sche-gun) is 28 years old and single. He was originally born in Ogun state but moved to Lagos Island at a young age and was raised in Obalenda. Just before completing secondary school he moved to Orile with his mom and got a scholarship for a six-month program in portrait drawing (Passuma Arts Scholarship). He then joined Yaba Tech to complete his OND (ordinary national diploma, first 2 years of college). Today he runs his own fashion and interior design business, which he started with savings and earnings from an investment in land he made when he 16. He provides for his mother, a money guard in the community, and supports his girlfriend studies.

Journey

Tosin discovered his passion for art and design at a very young age and quickly used his skills to earn and save. As he started making drawings and wall murals for his school, his classmates took note and began paying him to do their art homework. For 7 years he saved his earnings in piggy banks. He filled 5, burying each when full for safe-keeping. Over 7 years he saved, and at some point, Tosin overheard his teachers and parents talking about their desires to invest in land. So in 2006 he dug up his piggy banks and bought a

in Aga for 250,000 NGN. He made sure to get papers for the property proving his ownership. He kept the property until 2010 when he sold it for 1.5 million NGN and opened a fixed savings account to deposit the earnings. He kept this a secret from everyone, only revealing it to his mom in 2011, explaining, “I kept the land and its sale a secret. I didn't tell anyone the only person that knew was my mum in 2011. I was afraid they would be jealous or take the land from me.”

Tosin went into the scholarship program hoping that there would be opportunities to build a base. He quickly learned there was no money in it and determined his chances would be better in customized clothing. He started his company in 2011, but struggled to sell his clothing. However, he caught a break in 2012 with a job that paid him 60,000 NGN and upped his notoriety. It enabled him to start his business and brand, pivoting to interior design, “I moved into the interior painting business, which was better. Fashion was not giving me as much money as it used to.” He divided his company into two enterprises, ‘Clothing Customization’ and ‘Painting and Engineering’. Interior design has been consistent, it took him most of 2012-2013 to build up the brand and business, which he did through word of mouth and social media (facebook, BBM, and now whatsapp). There was a pivotal point in 2016 he got a big high profile job that got him a lot of notoriety. Since then, he has seen significant business growth in his painting business.



“I kept the land and its sale a secret. I didn't tell anyone the only person that knew was my mum in 2011. I was afraid they would be jealous or take the land from me.”



Aspirations & Goals

Tosin top priority is to be financially stable while building his personal brand and growing his business while doing what he loves. He wants to be big, “I know this work is going to take me far. The next step is to be a boss of my own company. I've seen so many people make it and they come from the same place as me.” But he also values where he’s gotten, “I want to be stable first, because when you have stability you move on growth,” and is willing to take big risks. He said he doesn't want to touch the account until it reaches 7 million plus because he needs 6.5 million for the machinery to scale his business.

Financial Attitudes, Behaviors, and Tools

Tosin is both a patient entrepreneur and fastidious saver, “I don't want to touch my savings, as it stands 3.5 million is very neat. If I touch it I will keep going and I’ll end up looking at myself saying, ‘Ah! Money don't spoil!’” He even borrows from his mother to cover expenses when the working capital savings he keeps with her run dry. In addition to his fixed deposit account with First bank he also has a current account at GTB that he uses for business and personal expenses.

Tosin is financially and economically self-confident—he trusts in

himself and his judgement and rarely consults with others besides those closest to him: his mother, girlfriend, and brother. He told us that he would like to listen to them more, but his girlfriend doesn't believe in being involved in the financial decision making of a man, because if it fails everyone will blame her.

Trust is a major concern for Tosin as he believes that while people have the best intentions, life happens and they take care of themselves first. This is why he doesn't use ROSCAs, he knows that people fall short on cash, get robbed, pass away etc., and when this happens in ROSCA there is no recourse. Similarly, when it comes to advice, he feels people give it from the perspective of their own interests rather than his. Even though he hates asking people for money, he thinks if he asked for support, even his family, they would tell him that they have no money. With his family, this is especially true because they see him as the money man. “Now that my family think I have money it is very difficult for me to approach them and ask for money. Even if I did they would just tell me they don't have anything. They call me the rich man.”

He is completely against borrowing from formal providers because, “I wanted to borrow in the past, but in Nigeria people step on your neck for repayment. If you can't pay, you can be put in jail—why would I go for such things?” If he can't get it from his mom or older brother (a last resort) he has to deal with having no money and hope god will provide.



“I wanted to borrow in the past, but in Nigeria people step on your neck for repayment. If you can't pay, you can be put in jail.”

User Insights

PLANNING AND SAVING

Digital youth are strong planners and savers. They see themselves as conscientious, dependable, deliberate and have low impulsivity. They are strongly future and goal oriented. **Providers should take advantage of these traits by providing financial products and services that unlock their economic potential.**

UNIQUE YOUTH EXPERIENCES IN EVOLVING JOB MARKET

Together with Dependent Individualists, Digital Youth report feeling the least equal to their community, reflecting their **unique experience as digital natives in the job market** and the specific challenges and strategies they use to manage incomes volatile incomes and invest in businesses defined largely by free-lancing and entrepreneurialism.

Digital Youth

Demographics

Socio-Economic

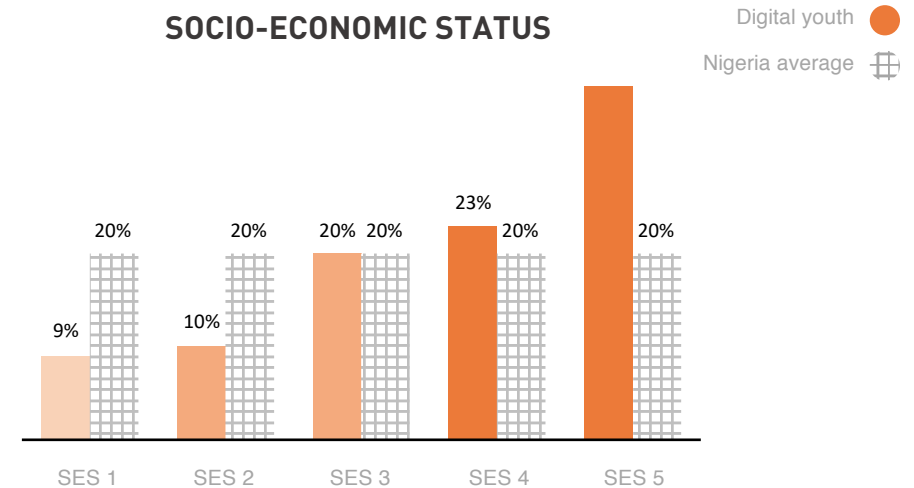
Relatively urban and highly educated, digital youth are the wealthiest segment. They are the youngest segment and the most likely to be self-employed and single. They also tend to live closest to banks.

They are the most social segment in terms of daily phone calls, but rely on fewer people for support when sick. Potentially, their wealth allows them to handle health issues independently. Given that 69% of the segment is 34 or under, they may also not have much experience calling on others when sick.

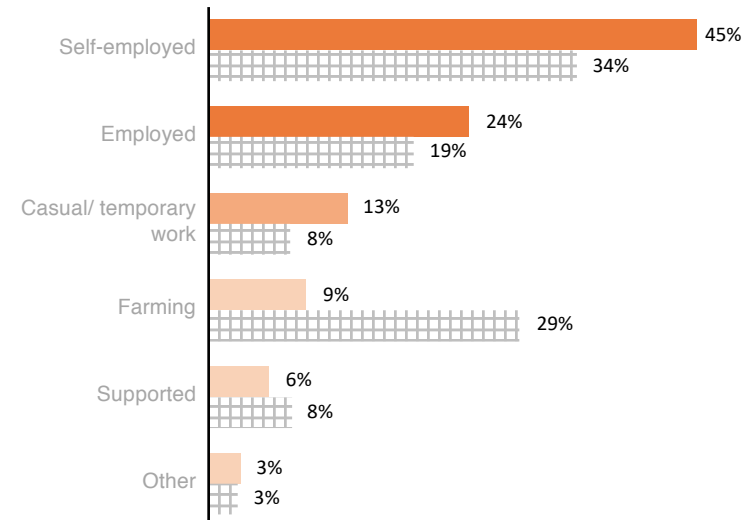
“If I desperately need money and I can't get it from my savings I know I can usually ask my mum, but she has to borrow it from her friends and she makes it very clear to me that this is not her money and I need to pay it back immediately. Now that my family thinks I have money it is very difficult for me to approach them and ask for money. Even if I did they would just tell me they don't have anything. They call me the rich man.” **TOSIN, EBUTTA META, NIGERIA**

△High social standing can come with steep financial costs

SOCIO-ECONOMIC STATUS

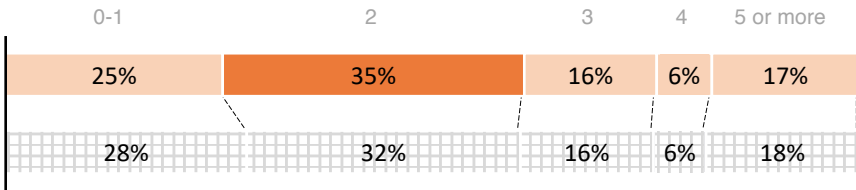


PRIMARY SOURCE OF INCOME

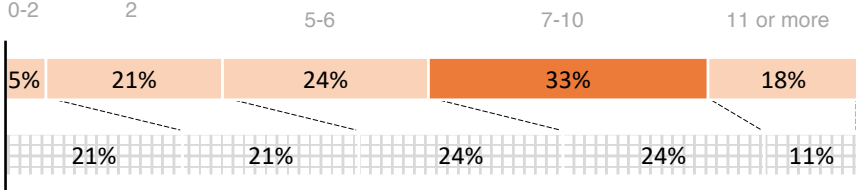


Social Network

NUMBER OF PEOPLE THAT CAN BE DRAWN ON WHEN SICK



USING YOUR PHONE, HOW MANY PEOPLE DO YOU TALK TO IN A DAY?



Digital youth ●
Nigeria average ▦

Digital Youth

Behavior

Finances

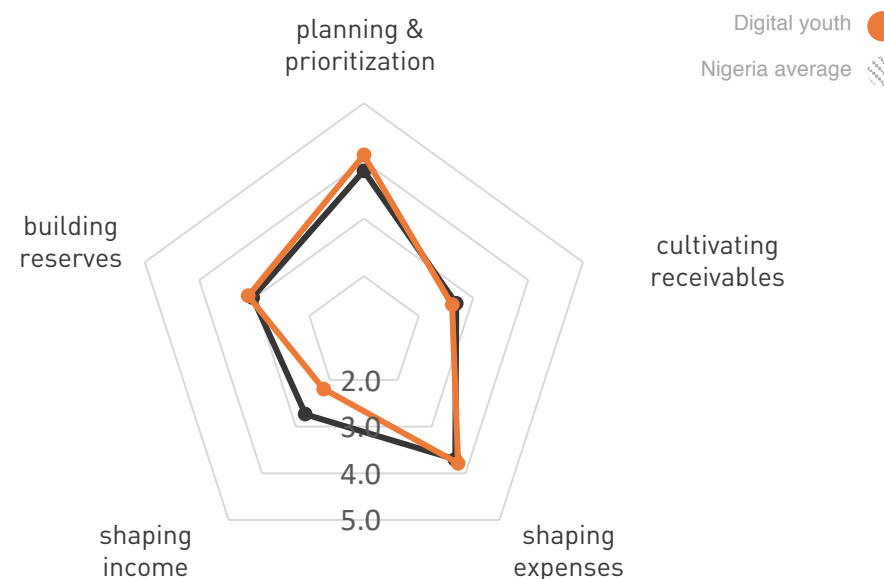
While digital youth are the wealthiest segment, their financial health is very close to the Nigerian average overall. While they are the second strongest planners, their income is highly volatile: almost three-quarters not earning similar amounts week to week, and almost as many not able to predict daily earnings at the start of the day – both the highest across the segments. Despite their wealth, this volatility likely contributes to them being slightly less able than the average Nigerian to pay their household bills.

Income volatility may affect their use of financial tools too – they are the most likely to save monthly but least likely to save weekly, and the second most likely never to borrow. They are also the most likely to strongly disagree that they could rely on their community to invest in their business.

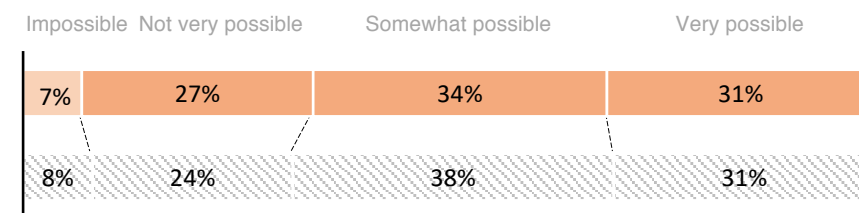
Digital youth may be particularly attracted to income-smoothing products, as well as products geared for individuals with fluctuating cash flows (e.g., flexible loan repayment products).

“I struggled to make money in 2010-2012. I couldn't even make enough to eat. At one point there was no work and no one recognized who I was. [Now] I can earn between 200,000 - 250,000 NGN to paint, sometimes it's as low as 10,000 NGN...It's really hard to say how much I make.” **TOSIN, EBUTTA META, NIGERIA**

△ Despite advantages, success for entrepreneurial digital youth requires discipline, patience, and the right tools in the face of likely struggle



ABILITY TO RAISE EMERGENCY FUNDS



Finances

Digital youth's uptake and usage of bank accounts are well above average. Digital youth prioritize savings in banks significantly higher than average Nigerians, though they distrust them, suggesting they feel that the benefits banks provide outweigh their negative opinions toward them. More than half save in a bank at least once a month. Conversely, they are the least likely to borrow through informal groups, and second least likely to save with them – while their trust in people in the community is significantly above average, they are also most likely to perceive inequality in their community – which may work against the attractiveness of informal groups.

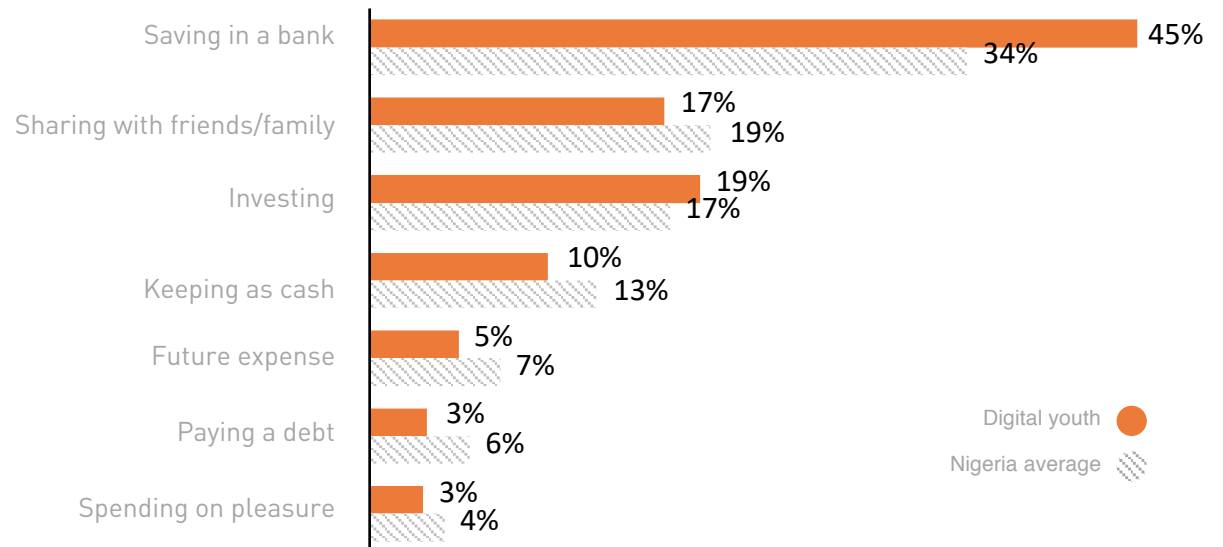
Despite their seeming openness to digital technology, digital youth own and use mobile money accounts the same rates as other Nigerians. Given the segment's seeming comfort with digital technology, confidence in the future, and strong self-esteem (see next page) it is unclear why their high usage of traditional banks has not translated into high usage of mobile money.

“I know about mobile money, but I don't use it. I don't have it on my phone. If I want to transfer I have to go to the bank. It affects me. I need to go to my bank and sign up for it.”

TOSIN, EBUTTA META, NIGERIA

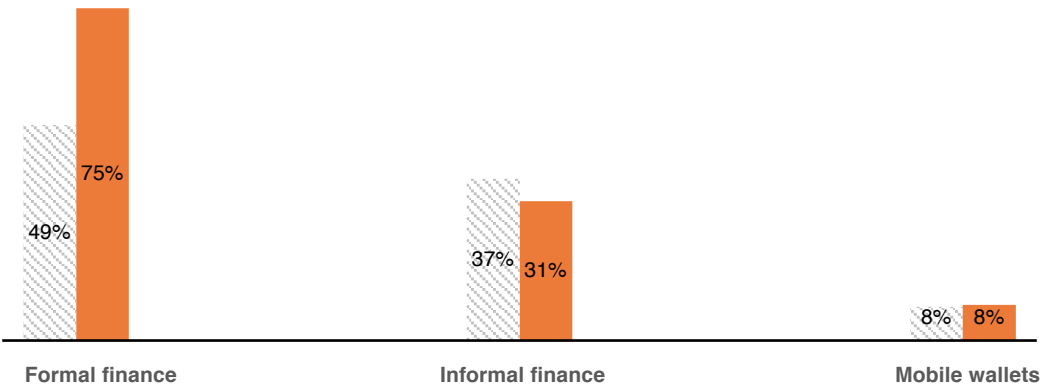
△ Financial habits are hard to change especially when they bring success, even for young, open minded, tech savvy Nigerians

HOW WINDFALL IS PRIORITIZED

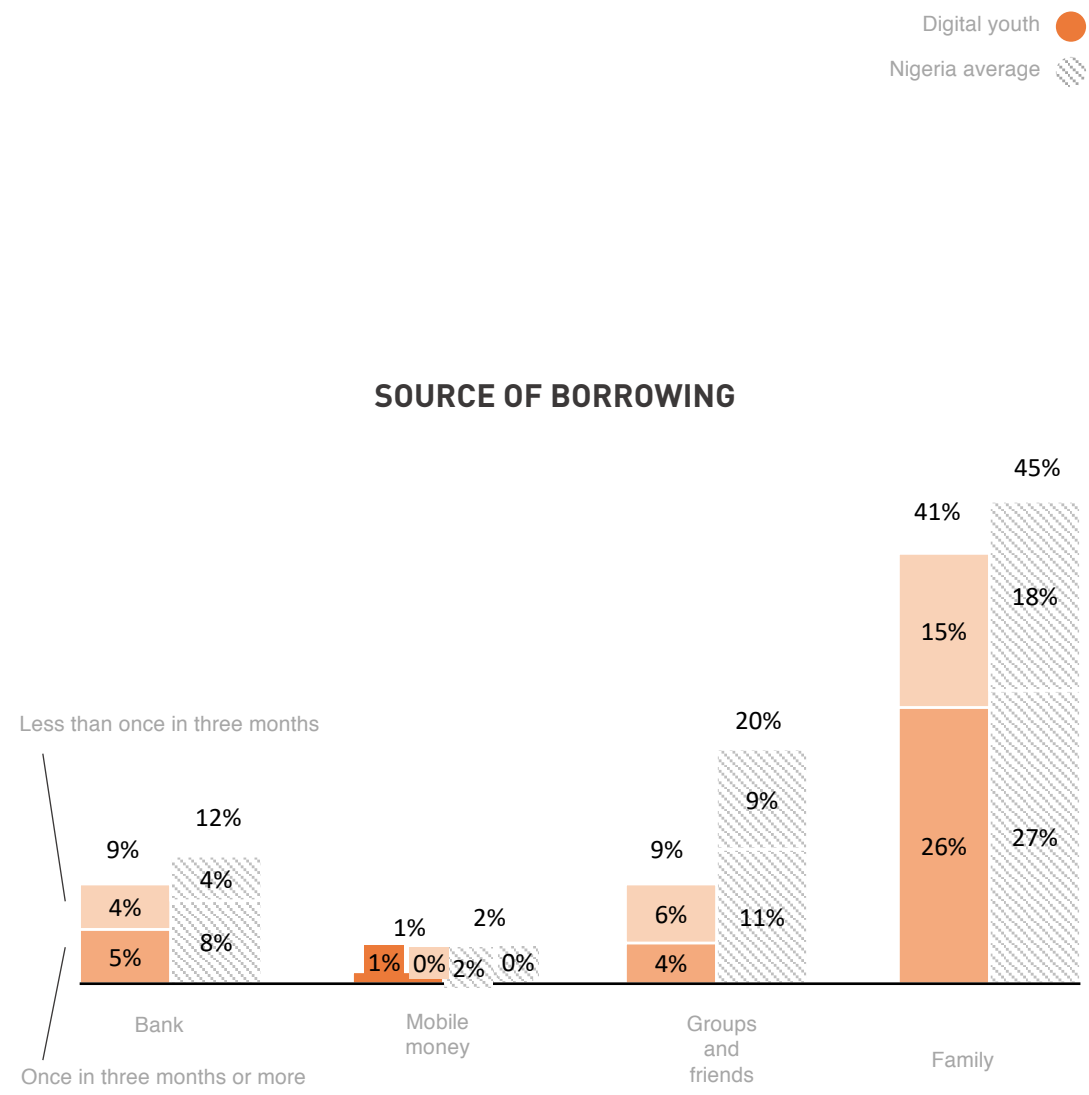


Finances


INSTITUTION TYPES



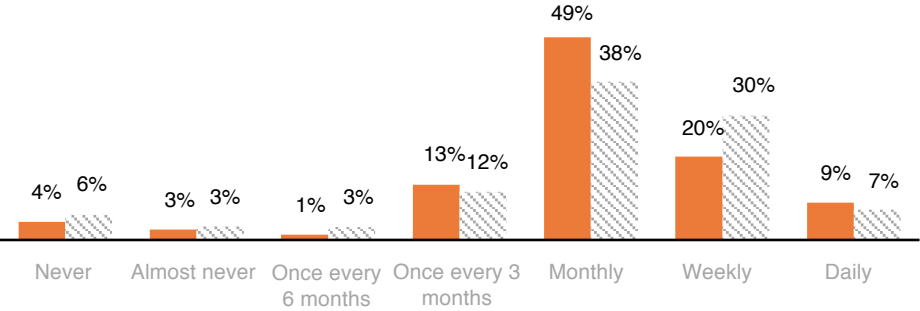
SOURCE OF BORROWING



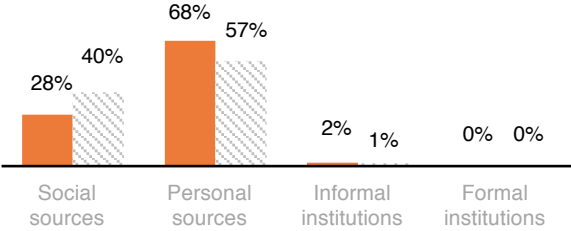
Finances

Digital youth 
Nigeria average 

SAVINGS



RESILIENCE



Technology

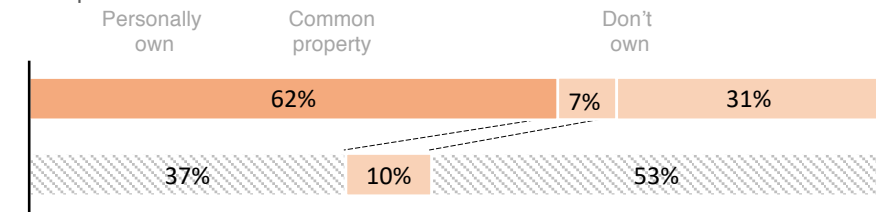
Digital youth have the highest of overall phone and digital technology usage. Their youth, high income status, and relatively advanced education likely all feed into a positive orientation toward technology. High self esteem and confidence in the future may also play into their embrace of technology (see “What do they think and believe”).)

“I use things like facebook and blackberry messenger a lot to publish my work. People comment a lot saying it's good and that drives me to work harder... I looked at pictures for designs on the internet and calculated how to put them on walls.” **TOSIN, EBUTTA META, NIGERIA**

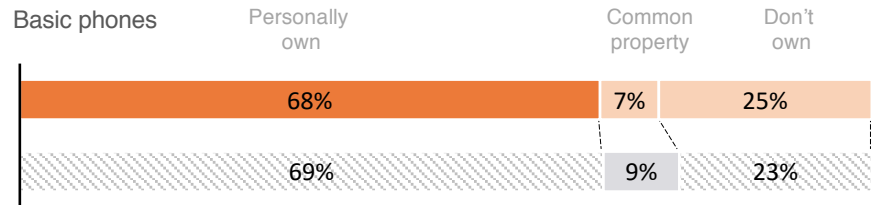
△ Engagement through internet and social media opens opportunities for digital youth to craft identity & brand, find inspiration & motivation, and build businesses

ACCESS TO PHONES

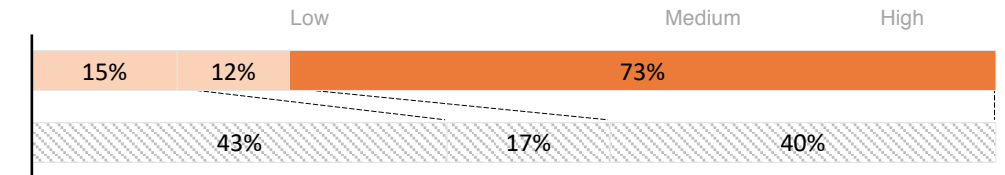
Smartphones



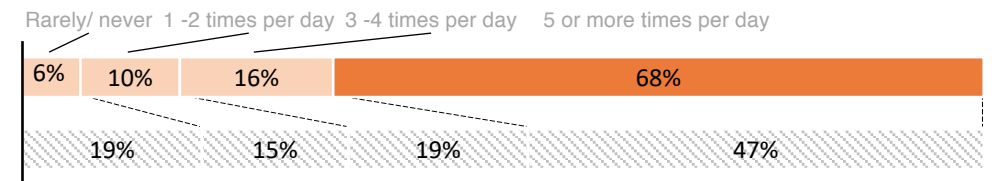
Basic phones



TECH USE FREQUENCY



PHONE USAGE



Digital Youth

Psychometrics

Personality

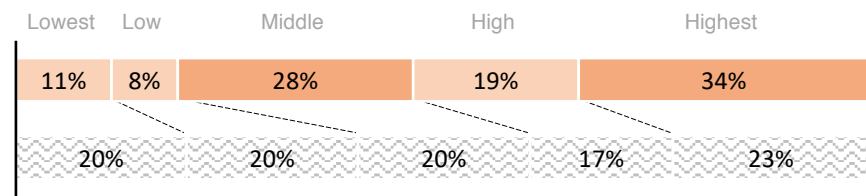
Digital youth are confident in their futures and have high self-esteem. They may neglect to manage their financial lives as actively as they could because their confidence, combined with their youth, makes them unconcerned about potential future financial needs.

Digital youth seem to take a nuanced approach to financial services. Although they do not trust banks, their high account ownership and usage suggests they recognize the utility that banks offer. They are most likely to perceive their community as unequal, and believe they can trust their community but not rely on the community to invest in their business. This likely makes informal financial products less attractive.

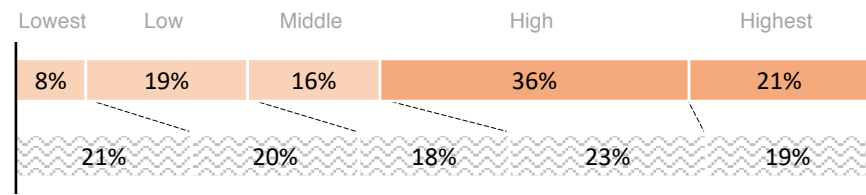
“I see people using ajos (ROSCAs) and when they get the money I am impressed but I don't bother because I have a fixed account and they are the same... [with] AjoS someone could die or get robbed and what can you do to recover your money?” **TOSIN, EBUTTA META, NIGERIA**

△ With more info at their finger tips, some digital youth carefully weigh the pros & cons of products and services

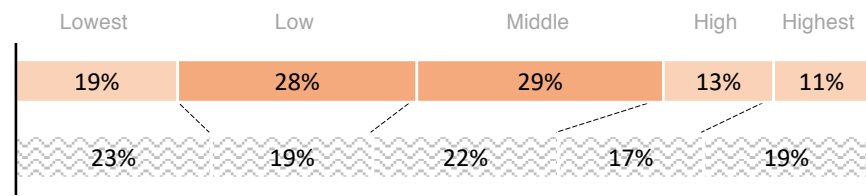
CONFIDENT IN THE FUTURE



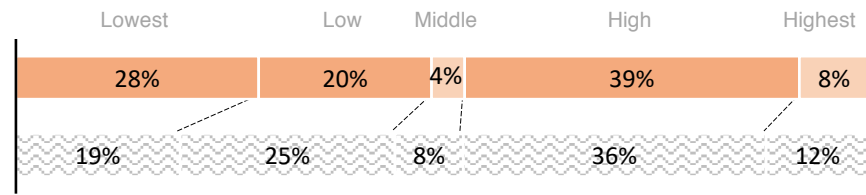
SELF-ESTEEM



TRUST IN BANKS



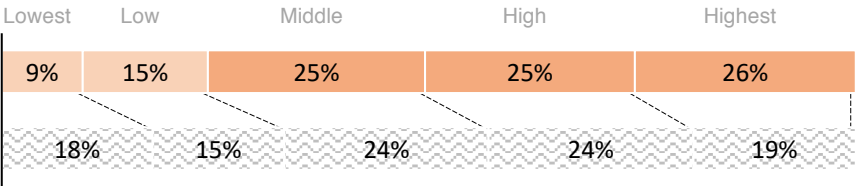
COMMUNITY SUPPORT



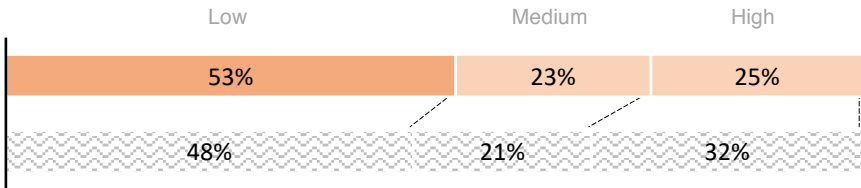
Personality

Digital youth 
Nigeria average 

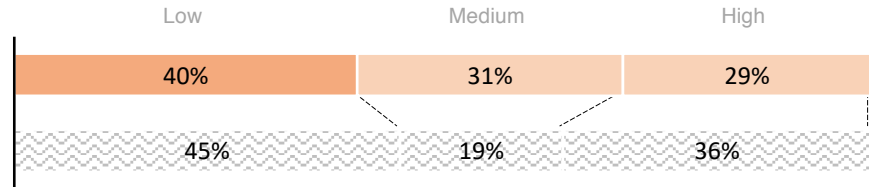
TRUST IN PEOPLE



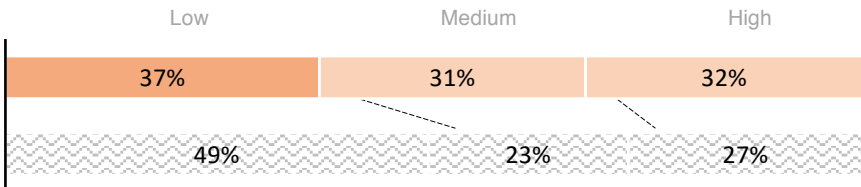
LOCUS OF CONTROL



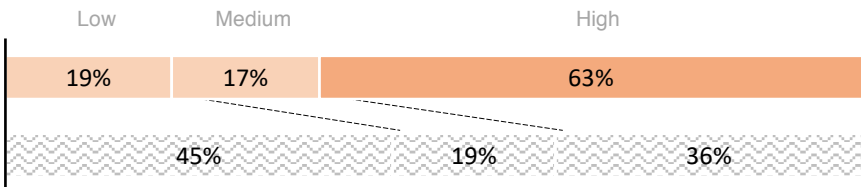
RESPECT FOR AUTHORITY



OPENNESS



CONSCIENTIOUSNESS



Design Principles & Inspiration

How might we develop and target products that help them lock away savings despite their volatile incomes?

CREATE PRODUCTS AND SERVICES THAT:

- Offer and emphasize the convenience of mobile
- Smooth income and improved liquidity for expenses
- Provide credit and savings options for people with volatile income
- Provide opportunity for financial privacy

How might we develop and market smartphone based financial tools?

ENGAGE THROUGH:

- Digital and social media
- Schools and universities
- Emphasis on building a better future

SEGMENT 5

Confident Optimists

Confident Optimists

14% OF THE POPULATION

Middle to upper class, younger, well educated, and urban, with high self-esteem and a positive view of the past and future. Confident Optimists are the most deliberate and open segment, with strong trust and belief in their community, and are the largest users of mobile money.

Highly **urban and educated**, confident optimists are the most likely segment to be formally employed.

They are frequent **users of technology**, speak to more people than most Nigerians, and are the most likely to own smartphones.

Confident optimists exhibit the strongest outcomes of the segments across each measure of financial health, and are the most assured in their ability to raise emergency funding. They have high **trust in banks** and their **communities**, and save through both.

As the name suggests, they are **confident in the future** and have the **highest levels of self-esteem** of all the segments.

Demographics

- + 56% female, 44% male
- + Younger (52% aged 25-34)
- + Urban (36% rural, 64% urban)
- + 36% have tertiary education, and another 56% up to secondary education – the best educated segment
- + 56% personally own land
- + Top income sources are self-employment (34%) and employment (30%)
- + Lowest income volatility

Behavior

- + Frequent users of new technology; most likely to own a smartphone and speak to more people on the phone than most Nigerians
- + Use the broadest range of savings channels, despite not being the most frequent savers (~half save monthly); high level of bank account ownership (75% have an account)
- + Frequent use of informal savings (second-highest users of informal savings and borrowing), and the most frequent use of mobile money
- + Borrow very frequently (14% borrow at least weekly)
- + Strongest planners, in terms of both making plans and sticking to them



Psychometrics

- + Have the highest confidence in the future, the highest self-esteem and the most openness to new experiences
- + Are highly dependable and deliberate
- + Agree that they can rely on their community to invest in their business more frequently than any other group, and have the highest trust in banks – making them attractive customers for both formal and informal financial providers

Aspirations

As the group with the strongest belief in their future, and with a strongly internal locus of control, confident optimists look forward to the future with optimism. They use a wide range of financial tools, formal and social – and this reflects how they would use a windfall overall, distributing it similarly to the average Nigerian, but with a little less kept in cash. They are both highly impulsive but also highly deliberate – highly debt oriented but, as the group with the lowest number of unpaid expenses, perhaps best able to approach life in such a way.



Ayomi Okoh

A CONFIDENT OPTIMIST

“[To start a business] you need money and to think very hard and plan what you will do. I’ve thought about starting a pedicure specialist place, one that doesn’t do manicures or anything else, but just pedicures. There’s nothing like that in Lagos.”



Demographics

Ayomi is a 21-year-old woman living with her aunt, uncle, and two cousins in a four bedroom flat in Orile, Lagos. She holds a high school degree, and works in retail at a local salon, but has big plans for the future towards which she is working and saving aggressively.

Journey

Ayomi moved from Imo state to Lagos when she was 8 years old for school. Her mother did not join, and she endured much hardship, bouncing around different extended family members until she settled with her aunt and uncle where she lived until she was 18. Growing up was very difficult and she struggled with school due the hardships. After failing secondary school for the third time, she decided it was time to work. For the past 3 years she has been working, first as a cleaner at spa, then selling second hand clothes, and now as sales at the same spa where she earns a healthy and consistent salary that is enabling her to build towards her goals.





“I want to build my skills. I want to be a specialist... one that doesn’t do manicures or anything else, but just pedicures.”

Aspirations & Goals

Ayomi changed jobs three times in search of one that suits her and pays enough to build her future. She told us that when she’s 25 or 26, she wants to have something to show for her hard work, “I’m thinking to go back to school, that’s why I save.” She has been considering university since she failed out of secondary school. When she took a job at the cleaners, she saw other women working while studying and realized it was possible. Now takes prep classes for college exams every month and plans to work while she’s studying so she can continue to save, which is important because she knows her expenses will be high during school and one day she hopes to start a business.

She sees business as the foundation of her future financial security—“Before then [old age] I will have gotten something to lean on. That’s why I say I want to learn my pedicure business and open a store.” She knows a business requires money, in addition to an idea and careful planning. Though college is her primary savings priority, she is taking concrete steps towards starting a business—she is exploring and assessing potential business opportunities, especially in the beauty and self-care industries, while also building her sales and pedicurist skills—“I want to build my skills. I want to be a specialist...one that doesn’t do manicures or anything else, but just pedicures. There’s nothing like that in Lagos.”

Financial Attitudes, Behaviors, and Tools

Ayomi's aunt and uncle let her stay rent free in the flat due to her difficult past. They also know that every month or two she sends significant money back home to her mother. When Ayomi quit high school, her aunt helped her find a job, tapping her networks to find her a salaried position as a cleaner at the spa. The job paid well and when Ayomi learned the salary she was shocked. She explained, "When they told me how much I'd earn I was so happy, I thought now I can open an account and save..."

The Spa opened her a deposit account for her with Diamond Bank to receive her salary. Initially she used this account for her spending and saving, but struggled with her spending, "If I have the money in my pocket and I see something I want, I buy it." After fully spending down her second monthly pay check, she opened a second account at First Bank. She initially planned to use this account for savings, but ended up using it as her spending account because it came with a debit card. Each month she calculates how much money she needs for her expenses and transfers the "spending money" from her Diamond deposit account to her First Bank account. Sometimes she uses her First Bank debit card for purchases, but she doesn't like doing that because "it is easier to spend [with card]." In fact, she prefers to do all her transactions in person or at the ATM as she finds this convenient and a good limitation on her impulses.

When Ayomi got a job as a sales agent at the spa, she started earning twice what she had as a cleaner. She immediately decided she would open a fixed deposit account to accelerate her savings. She has been saving for a year now.





While she earns a healthy regular salary and she doesn't have to pay rent, she struggles to make ends meet, especially towards the end of the month. This is due in part to her support for her mom and her rigorous savings strategy. In addition to depositing a variable amount into her fixed savings account, she deposits month with a contribution fund (ROSCA) with 3 colleagues at the spa. Though she saves most of her money in contribution fund, her fixed account is her most important as it holds her long-term savings for education. She often uses money saved in the contribution to raise deposits for her fixed account.

Sometimes, due to her rigorous and illiquid savings strategy, Ayomi goes hungry at the end of the month. This happens occasionally if she underestimates her expenses, splurges, or has unexpected financial needs. But more frequently, she runs into problems when her pay is late, which she says happens fairly often. She is trying to use her deposit account at Diamond Bank as a liquid savings account, but she rarely leaves money in it after allocating her monthly salary to her contribution, spending account, and fixed account. Moreover, Ayomi is reluctant to borrow when she faces cash shortfalls. She told us, “I don't like borrowing money. I wouldn't be comfortable when I saw the person, and when I got my [monthly] salary, it would fly out and cut what I want to do.”

“I don't like borrowing money. I wouldn't be comfortable when I saw the person, and when I got my [monthly] salary, it would fly out and cut what I want to do.”

User Insights

OPPORTUNITY: SAVINGS USE CASES FOR MOBILE MONEY

Robust smartphone usage may not readily translate into high rates of mobile money adoption and usage, especially where no or few obvious and ubiquitous use cases exist. Identifying the wrong use case for a target segment dilutes the services value proposition and muddies the messaging, which often fails to resonate with target customers, making it more difficult for them to know why they should use a service or what value to expect. Confident Optimists are both the heaviest users of mobile money and most frequent mobile savers, pointing to a clear use case. Moreover, they are future oriented, deliberate, and financially successful. Lacking a strong use case or clear value proposition, they are unlikely to integrate mobile money into their financial management toolkit.

OPPORTUNITY: FINANCIAL ACCOUNT MANAGEMENT APP

In Nigeria, high conscientiousness, self-esteem and an internal locus of control positively correlate with more frequent savings across more channels. Confident optimists score very low on conscientiousness and locus of control, perhaps because many are young, but very high on self-esteem. They are highly dependable and goal-oriented savers, and typically do so in banks on a monthly or weekly basis, albeit somewhat less frequently than the average Nigerian. Confident Optimists may find value in mobile money products that enable more effective customization and management of direct deposit, savings, and investment accounts, and enable the creation of virtual ROSCAs.

Confident Optimists

Demographics

Social Network

The most urban and educated segment, **confident optimists** are **slightly more likely to be female**. Over a third of them have tertiary education – the highest rate across all segments. They are the second wealthiest segment (after digital youth) and are almost as likely to be self-employed as to be formally employed.

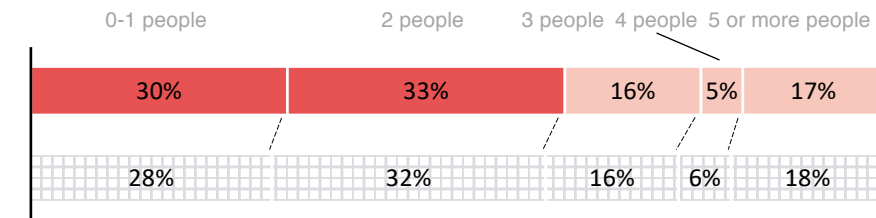
Like digital youth, confident optimists have broad networks but can call on support from fewer people when sick. Both of these segments may choose to use their financial resources, rather than social networks, when they are sick – while illnesses may be less severe or frequent because of their youth.

“I had someone who helped me find my first job; my aunt. I worked as a cleaner at a spa. The work was stressful, I was always feeling sick from the chemicals. After 5 months I quit. It took me a few months, but I found a new job. My aunt helped me again...” **AYOMI, ORILE, NIGERIA**

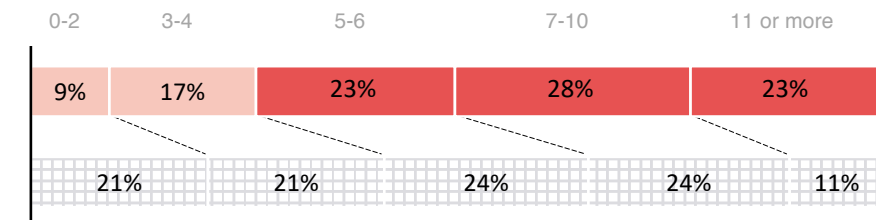
△ The quality of one's financial network is often more important than size, especially in individualistic communities with less robust social safety nets

Confident Optimists ●
Nigeria average ▣

NUMBER OF PEOPLE THAT CAN BE DRAWN ON WHEN SICK

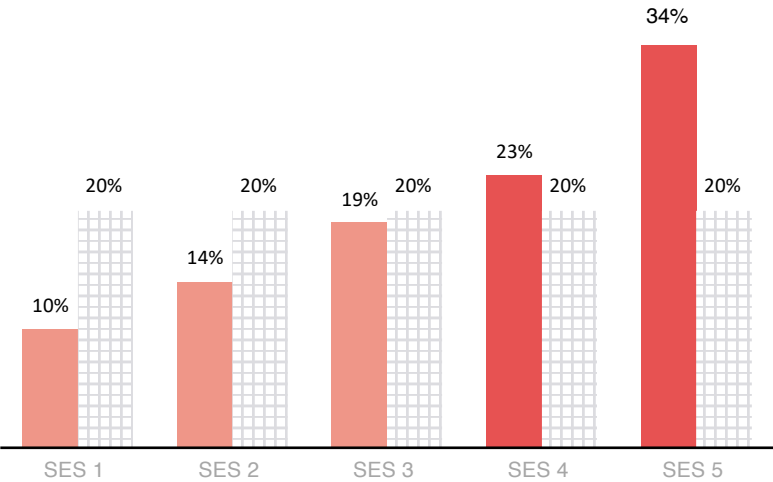


USING YOUR PHONE, HOW MANY PEOPLE DO YOU TALK TO IN A DAY?

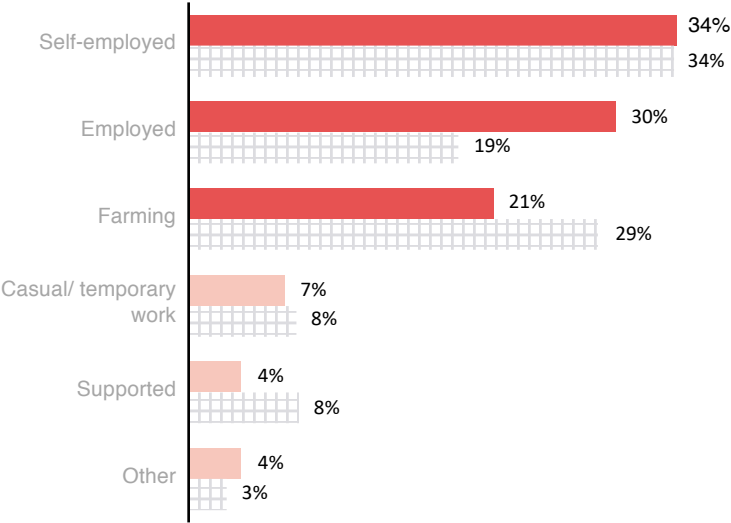


SOCIO-ECONOMIC

SOCIO-ECONOMIC STATUS



PRIMARY INCOME SOURCE



Confident Optimists ●
Nigeria average ▨

Confident Optimists

Behavior

Finances

Confident optimists demonstrate the strongest outcomes of the segments across each measure of financial health, making them the financially healthiest segment in Nigeria.

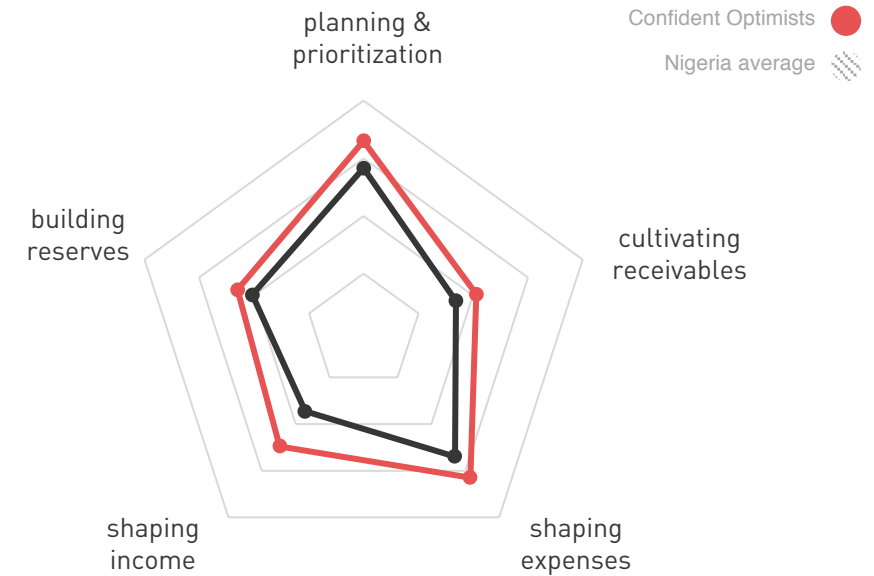
Being the segment with **the least income volatility** seems to give them space to manage their financial health effectively. They are by far the strongest planners, in terms of both making plans and sticking to them. Although not the most frequent savers (almost half saving monthly), they use the broadest range of savings channels—35% using 3 or more, against 13% of Nigerians on average.

They are also by far the most likely to agree that they can rely on their community to invest in their business.

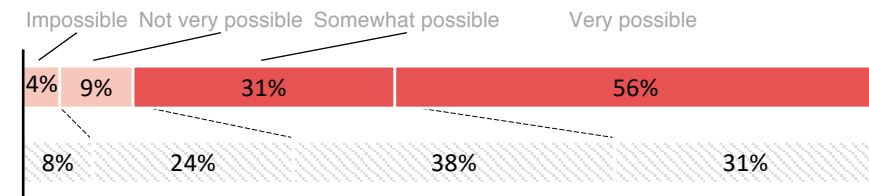
Despite relying on fewer people when ill, confident optimists have the highest ability to raise emergency funds. The combination of their wealth and stable incomes, their large social networks, and their dependability may help explain their ability to raise emergency funds.

“I try not to spend on things that are unnecessary, I plan what I’m going to spend...I don’t carry cash or I will spend it all. Sometimes I use the [debit] card to pay, but it’s easy to spend more with a card...I calculate how much I’ll need each month and take it out my Diamond Bank account [direct deposit] and put what I’ll need in my First Bank [spending account].” **AYOMI, ORILE, NIGERIA**

△ Careful management of income and expenses not only enables more disciplined savings through formal and informal accounts, but also enables some confident optimists to manage effectively with slim cash reserves



ABILITY TO RAISE EMERGENCY FUNDS



Finances

Confident optimists have the same rate of bank account ownership as digital youth and slightly higher savings frequency. This behavior might be due to such factors as their education, youth, socio-economic status, and formal employment status. However, they still make frequent use of informal savings groups, including being the second-highest users of informal savings and borrowing, suggesting potential scope for formalization. They are however the most likely segment never to borrow from family.

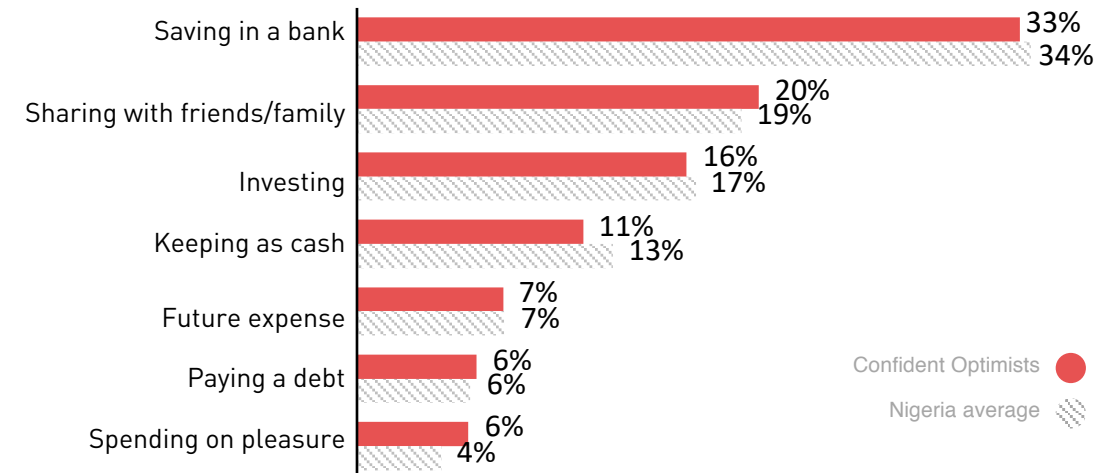
Confident optimists are the most frequent users of mobile money – by a large margin. Their high rate of smartphone ownership may make digital transactions easier, or correlate with more technological openness – they are open to new experiences, a potential driver of mobile money adoption.

“When I get the salary, I move part of it into my [Zenith] fixed deposit account. I have 3 bank accounts. I used one for saving and one for expenses... the other I just receive my salary. Sometimes I leave some extra money behind in it in case my pay is late, but I don't do that often...”

AYOMI, ORILE, NIGERIA

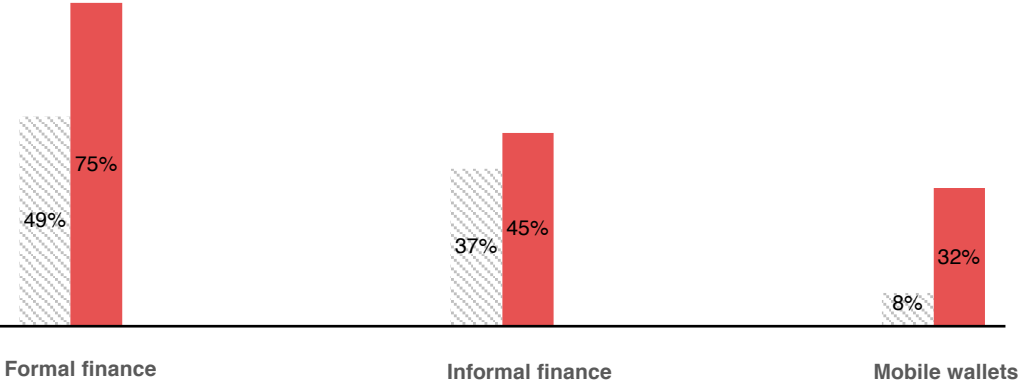
△ Multiple accounts enable salary earners to allocate their money to different sets of financial strategies while taking advantage of the unique value and features of each offering, but it comes with transaction costs

HOW DO THEY PRIORITIZE WINDFALL

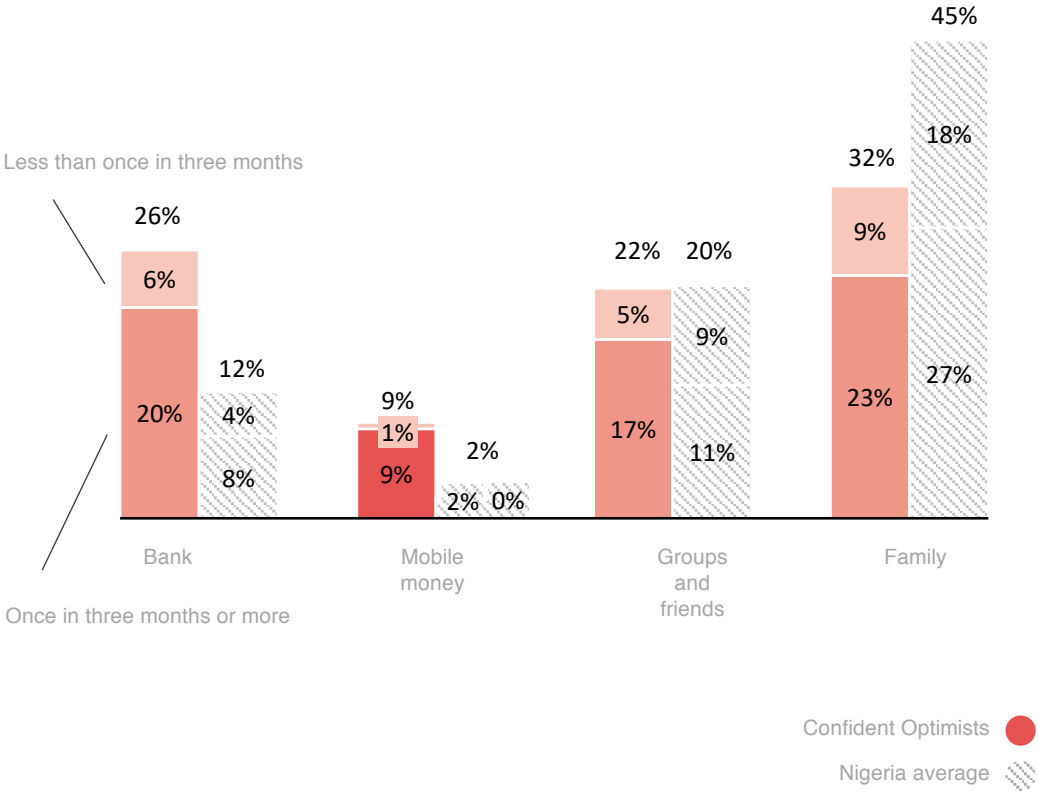


Finances

INSTITUTION TYPES

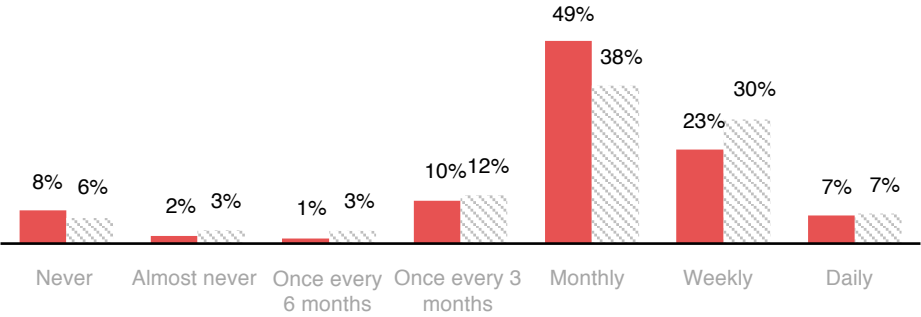


SOURCE OF BORROWING

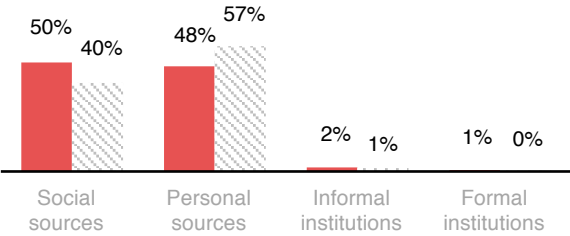


Finances

SAVINGS



RESILIENCE



Confident Optimists ●
Nigeria average ▨

Technology

As might be expected based on their income and education levels, **confident optimists are above average users of phones and digital technology**. Digital youth have higher overall rates of digital usage, and both digital youth and resilient savers use their phones more often.

Confident optimists are the most likely segment to own smartphones. Their openness, self-esteem, and confidence in the future may play into their embrace of this technology (see “What do they think and believe?”)

“It’s my first smartphone, I got it earlier this year...I read news, look at friends, celebrities, sometimes look things up. I know how to use it very well—Facebook, Instagram, Snapchat, the browser, WhatsApp... I know about the (mobile banking) apps but I haven’t downloaded them. I prefer going into the bank because it near where I work.”

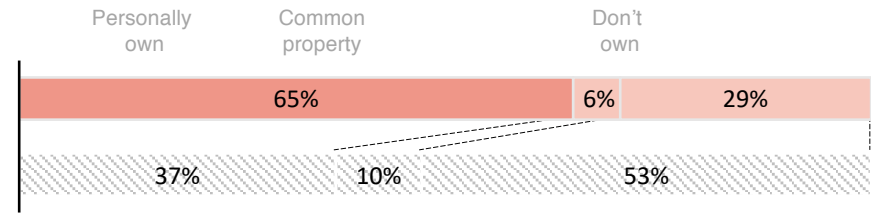
AYOMI, ORILE, NIGERIA

△ Robust mobile usage may not translate into mobile money adoption, especially where convenience and ease are not differentiators or seen as risks to disciplined habits

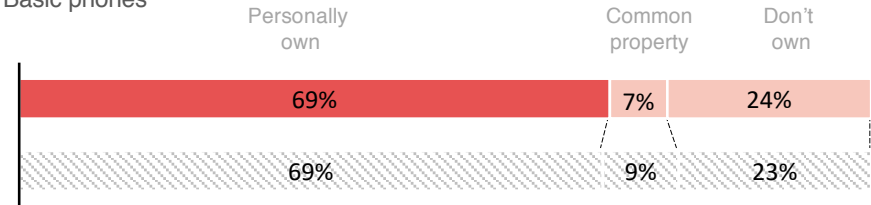
ACCESS TO PHONES

Smartphones

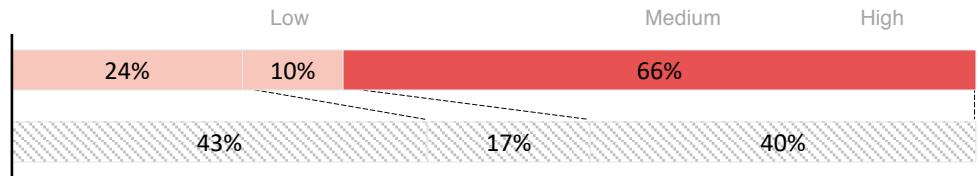
Confident Optimists ●
Nigeria average ▨



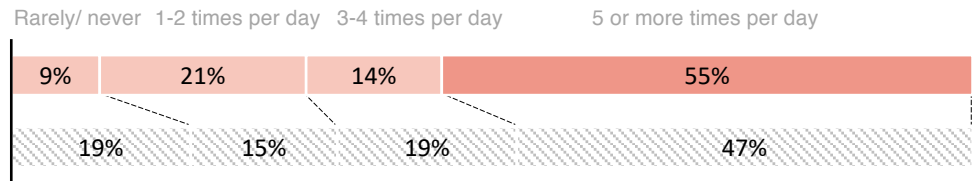
Basic phones



TECH USE FREQUENCY



PHONE USAGE



Confident Optimists

Psychometrics

Personality

Confident optimists have the highest confidence in the future, and the highest rates of self-esteem and openness to new experiences. Across all segments, individuals that have high confidence in the future are more likely to have a plan to manage their expenses and to be able to pay their bills. Individuals with high self esteem save more often.

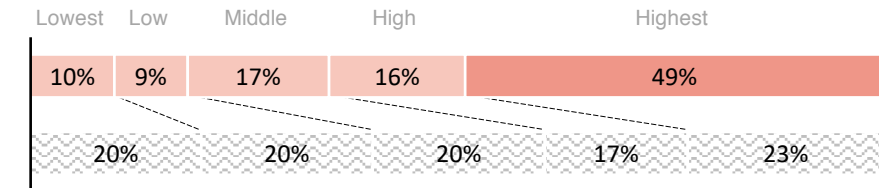
These characteristics of confident optimists suggest that they would be an attractive test group for FSPs to target when launching new products that may be too unfamiliar or intimidating for other segments.

“I don’t really see a time [in my future] where I will need to change my approach [to financial management]...I feel I am pretty good with my money, I’ve gotten better.” **AYOMI, ORILE, NIGERIA**

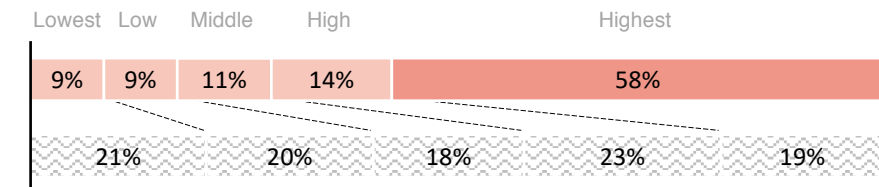
△ While high confidence in the future positively correlates with financial planning, it may require careful messaging especially where providers are trying to drive adoption of services that require new financial behaviors, strategies, and user experiences

Confident Optimists ●
Nigeria average 🌀

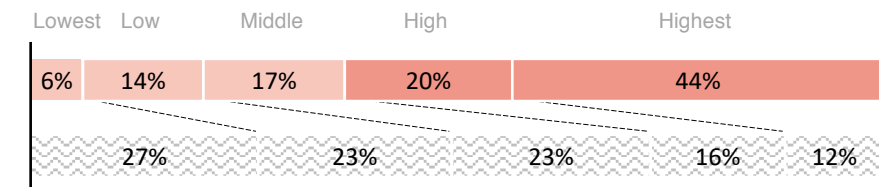
CONFIDENCE IN THE FUTURE



SELF-ESTEEM



OPENNESS



Personality

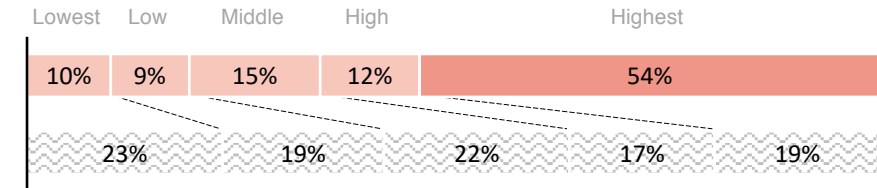
Confident optimists also have the highest trust in banks, are highly dependable and are goal-oriented savers. Although the digital youth segment is slightly wealthier, these positive psychological traits may make confident optimists the most natural customers for FSPs to target as “low hanging fruit.”

“I’m saving to go to university. I want to go to school...I don’t know how much it will cost, but I know where I want to go, and I plan to visit and find out about the charges and cost...” AYOMI, ORILE, NIGERIA

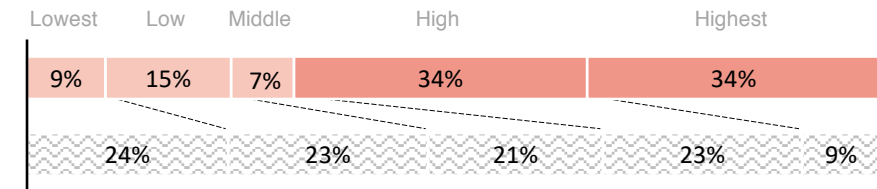
△ Confident optimists are both future and goal oriented, as their needs change over time, so will their financial goals and strategies evolve

Confident Optimists ●
Nigeria average 🇳🇬

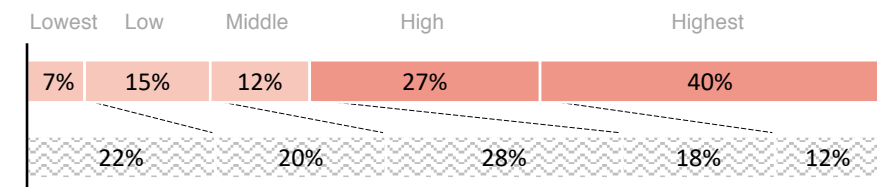
TRUST IN BANKS




DEPENDABILITY



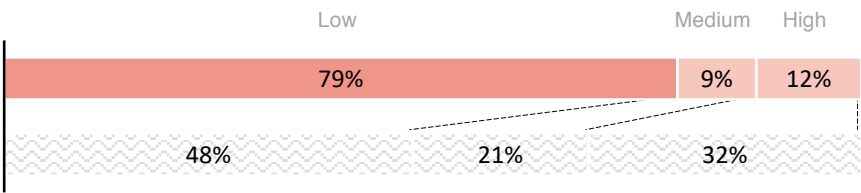
DELIBERATENESS



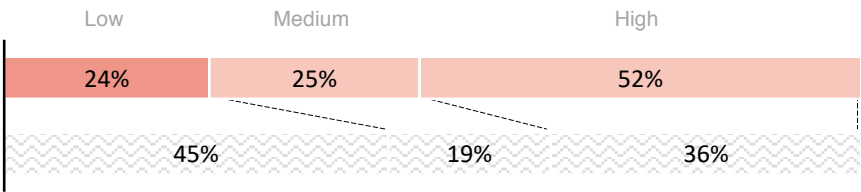
Personality

Confident Optimists ●
Nigeria average 

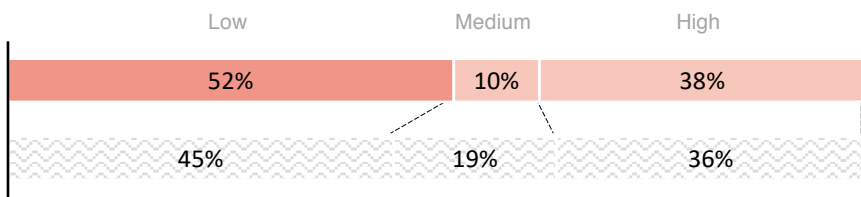
LOCUS OF CONTROL



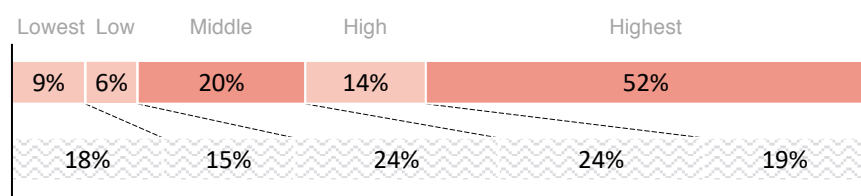
RESPECT FOR AUTHORITY



CONSCIENTIOUSNESS



TRUST IN PEOPLE



Design Principles & Inspiration

How might we develop marketing messages that speak to their hopes and belief in themselves?

CREATE PRODUCTS AND SERVICES THAT:

- Leverage strong planning and savings behaviour to support achievement of financial goals
- Offer credit options drawing on their healthy reserves, dependability and trust in banks

How might we leverage their openness, comfort with technology and wide social networks to use them as early adopters?

ENGAGE THROUGH:

- Digital devices (feature or smart phone)
- Formal sector employers
- Schools and universities

SEGMENT 6

Skeptical Cultivators

Skeptical Cultivators

12% OF THE POPULATION

Lower-middle class rural, and older than average. They are the least trusting of banks and their community, and most likely to trust only those they've had long relationships with; they have the lowest self-esteem among segments but the highest self-confidence and sense of control. They struggle with planning but excel at savings, and often own land and livestock.

Overwhelmingly rural, skeptical cultivators tend to be **older men** who **make financial decisions** for their households. Many of them are **farmers**, and they are the most likely to **own land** and livestock in Nigeria

Skeptical cultivators **struggle with planning** and shaping expenses compared to the Nigeria average, but are slightly **frequent of savers**, likely keeping a significant amount of their financial reserves in the form of **livestock**.

They **invest in social networks** and can draw on many more people than average when ill. However, they face more **difficulty raising emergency funds**, and would look to savings to do so, perhaps due to the limited wealth of their community limiting monetary value of their network.

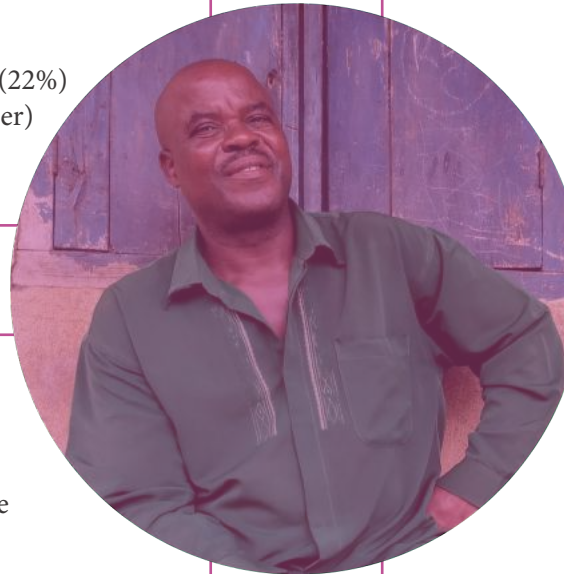
They are **skeptical of banks** and other people, but are **confident** in their own ability to handle challenges and control their lives. Their distrust of banks may in part derive from unfamiliarity— they are the segment that **lives farthest from banks**.

Demographics

- + 35% female, 65% male
- + Older (58% aged 35+)
- + Rural (73% rural, 27% urban)
- + 66% have at least secondary education, while 12% have only informal education
- + 71% personally own land
- + Top income sources are farming (55%) and self-employment (22%)
- + Lower middle-class, 2nd lowest SES, but half are SES3 or higher)
- + Lower than average income volatility

Behavior

- + Typically financial decisions for their household as a whole
- + Save more frequently than average—over half save at least weekly—mostly through informal channels; most frequent savers through informal groups (27% at least once a week); however least likely of rural segments to save with family
- + Own livestock (over half do) and land (71% do, with a further 16% accessing common land) more commonly than any other segment—suggesting they keep a significant proportion of their reserves in physical assets
- + Less likely to have a plan than average, and least likely to follow through on plans than any other segment



Psychometrics

- + Believe, more than other segments, in their ability to handle challenges – yet have low confidence that they will be in a better place in the future
- + Have a strongly-focused internal locus of control, suggesting they may blame themselves for perceived shortcomings – their self-esteem is the lowest of any segment.
- + Trust people in their communities, banks and social financial networks the least of any segment, as well as seeing themselves as the least dependable, conscientious, and open

Aspirations

Although they have the second-most negative view of their future after the Vulnerable Believers, they, and show overall low levels of trust, they nevertheless invest in their social networks (allocating significantly more of a windfall to friends and family than the average) and have a large number of people to fall back on. The oldest segment (25% over 45, against just 16% of Nigerians as a whole), their aspirations are likely modest and centered on their own lives.

A man and a woman are sitting on a wooden bench against a wall. The man is on the left, wearing a green long-sleeved shirt and light-colored shorts, smiling at the camera. The woman is on the right, wearing a white short-sleeved shirt and a blue patterned skirt with a red sash, looking towards the camera. The background features a wooden shutter with some faint markings and a textured wall. The entire image has a reddish-pink tint.

Chigozieh

A SKEPTICAL CULTIVATOR

“I was in the hospital for a month and two weeks due to my motorbike accident. People gave me a lot of money, and overall the expense came out to a lot.”



Demographics

Anayao is a 50 year old man from Anambra. He is married and though he doesn't have any children, he financially supports 5 other people in his family. Chigozie did not finish primary school, but instead received vocational training in masonry. His wife has a college degree and until recently worked as a teacher. Together they earn a living by farming 3 plots of land they rent in their village, a skill Chigozie learned as a child.

Journey

Chigozie grew up with many siblings in a village. His family was poor and they couldn't provide, so his mother sent him to stay with a distant relative when he was a teenager. His relatives could not afford his school fees and so he dropped out, but they did provide him with food and shelter, and supported him to visit frequently with his family. They also taught him masonry. He started working as a mason and eventually left his relatives and moved to his current village when masonry work dried up. Upon resettling, he gained access to some farmland and started cultivating—Chigozie learned farming from helping his family as a child. This helped him subsidize his erratic earning from mason work. Over time, masonry work disappeared in his new village as well.

Today Chigozie primarily farms, but his harvests and earnings are inconsistent. His wife has a university degree and used to work as a school teacher, but she quit recently as they felt her income was not enough and her time would be better spent helping to improve the farm, which has struggled. Last year Chigozie's crops were run over by cattle, so this year he is farming in new land.

A few years ago, Chigozie had a major motorbike accident that severely injured his leg. He spent almost a year in hospital receiving treatment, through which he exhausted his savings. This was a major financial





setback for Chigozie and caused deep personal frustrations. He still suffers, frequently experiencing severe pain in his leg, limiting his ability to work. He also stopped using his motorbike for travel, which has further reduced his mobility and increased his transport expenses.

Aspirations & Goals

Both Chigozie and his wife dream of building a home in their native village. They can't agree on how much money they will need to save to build it, but Chigozie argues he can use his masonry skills to build it, so they will save a lot of money. They hope to rent out the home and use the earnings to invest in the farm. Chigozie feels he understands the farming business and is only lacking the capital. Though they currently have no savings, he hopes he will find masonry work soon to start saving. If he cannot find masonry jobs, he plans to start a hardware store, but that will also require upfront investment. Chigozie also dreams of buying a new and modern car and enjoying a the good life. He currently lives with his wife on rent and they have two rooms. One for them and the other for relatives who visit frequently. Chigozie had mixed feelings about going back to his native village, he wants to build a house there but also feels that the villagers insult him and each other very often.

Financial Attitudes, Behaviors, and Tools

Chigozie has a joint bank account with his wife but no longer uses it. He opened the bank account because everyone in the village was opening it. He used it for a many years and was building health savings up until his accident, which cost him everything. He also joined a savings group in his village, but has not been struggled to save consistently due to his fluctuating income. He is also part of a village community fund where the member villagers contribute a small amount every month to be used for festivities and helping the needy in emergency. Chigozie frequently supports many of his relatives back in his native village. He regularly sends 2000 to 4000 NGN amount and ration to his two sisters. He also provided monetary and ration support to extended family as and when needed. Due to his helping nature, when he had met with an accident, many relatives and villagers had helped him.



User Insights

DESPITE CULTIVATING A DEEP SOCIAL SAFETY NET, FINANCIAL SHOCKS CAN EASILY OVERWHELM

Skeptical Cultivators like Chigozie build and maintain large social networks through continued engagement and investment. These networks can provide critical support in times of emergencies; however, they are usually homogenous – people within them are often from similar socio-economic backgrounds. Given that most skeptical cultivators are in lower socio-economic quintiles, the money they can raise from their network is limited, meaning they must rely on their savings or liquidating assets to cover outsized costs, like those that accrue with expensive medical treatments. Costly emergencies, which happen at some point in most people's lives, can easily wipe out the accumulated wealth of people like Chigozie, derailing their plans and investments in the future.

OPPORTUNITY: GROUP INSURANCE PRODUCTS THAT INTEGRATE SOCIAL INTERACTIONS

Skeptical cultivators like Chigozie understand the concept of insurance and actively invest in their social safety net, which provides them some coverage. Financial products or services that recognize and enhance the value that skeptical cultivators see in social insurance might not only appeal to these potential customers, but also enable them to build their savings and invest in their dreams.

Confident Optimists

Demographics

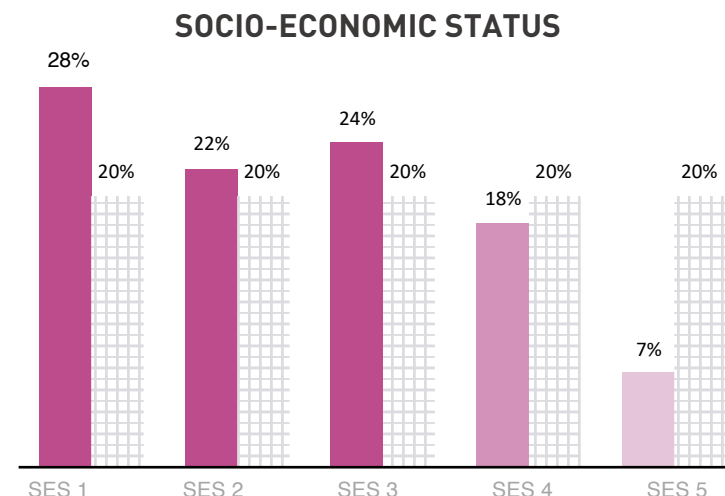
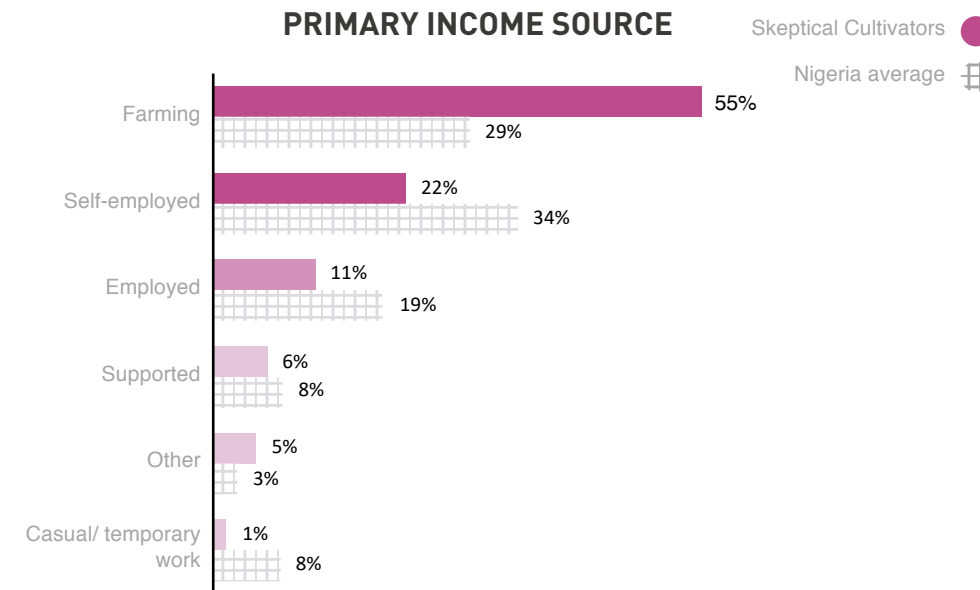
Socio-economic

Skeptical Cultivators are located in rural areas and are the second poorest segment, after vulnerable believers. In contrast to vulnerable believers, they are more likely to be male, own land, and make their households' financial decisions.

Despite speaking to fewer people on the phone than average, skeptical cultivators have the most people they can call on for support for when sick of any segment, except Resilient Savers. This may be a function of their older age. They invest in social networks and can draw on many more people than average when ill. However, they face more difficulty raising emergency funds, and would look to savings to do so, perhaps due to the limited wealth of their community limiting how much financial support they can actually draw from people.

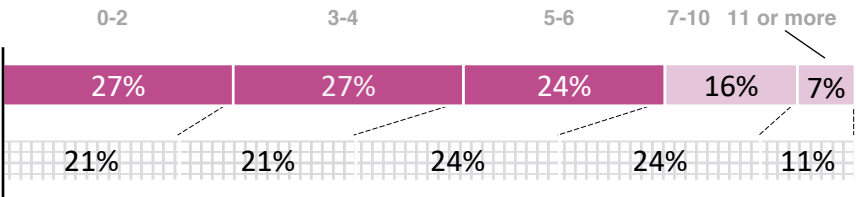
“I have people who come to visit me, so I have two rooms. I also send money to many siblings and other relatives.” **CHIGOZIE, ANAMBRA, NIGERIA**

△ The ability to draw upon many relatives as resources may mean one is frequently considered a resource as well.

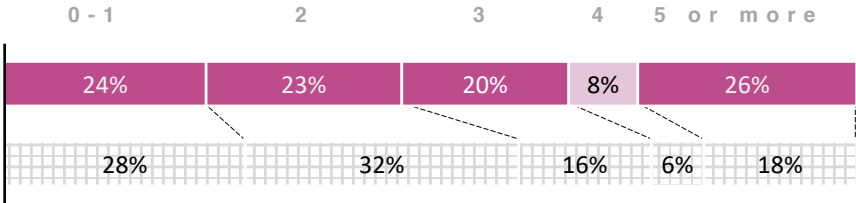


Social Network

USING YOUR PHONE, HOW MANY PEOPLE DO YOU TALK TO IN A DAY?



NUMBER OF PEOPLE THAT CAN BE DRAWN ON WHEN SICK



Skeptical Cultivators ●
Nigeria average 🇳🇮

Confident Optimists

Behavior

Finances

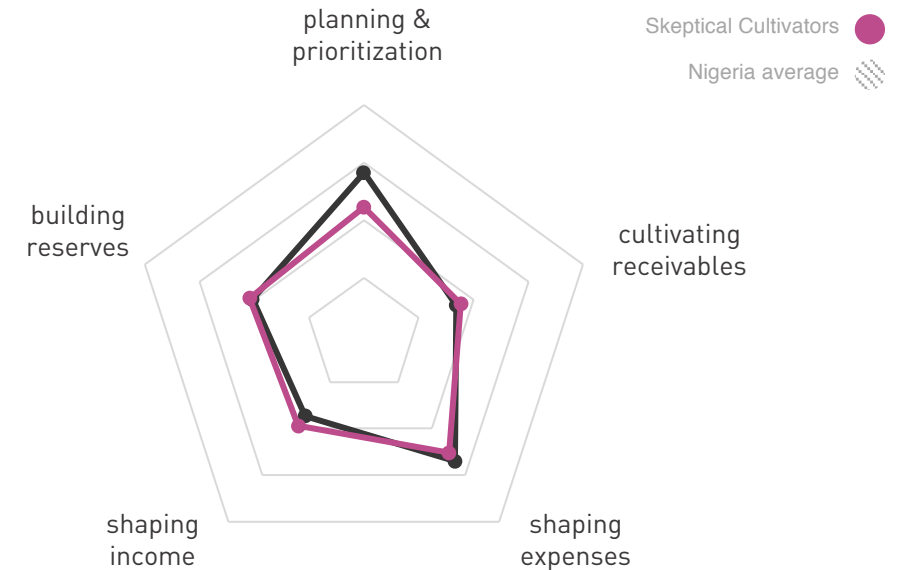
Skeptical cultivators have mixed financial health: slightly above average in building reserves, shaping income and cultivating receivables, but the poorest planners. They are the most frequent savers through informal groups, but the least likely to make plans and follow through with them.

Skeptical cultivators have the second lowest ability to raise emergency funds, yet taking their physical (land and livestock) asset ownership into account may reduce the actual impact of this. Their relatively low ability to raise emergency funds may also be partially attributable to the wealth of those around them – they are the second most likely to use savings for emergency funding, and most likely to use informal sources (though still at a very low level).

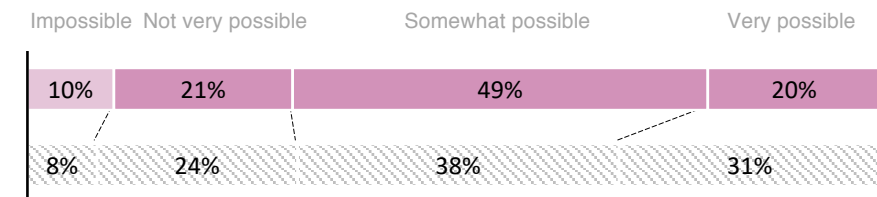
“I joined a group in the village that’s for celebrations or if someone needs to borrow. If your contributions are regular and complete, you can borrow. I never borrowed, but I asked for help once when I was in the hospital and they it gave me.”

CHIGOZIE, ANAMBRA, NIGERIA

△ Some social / informal financial tools seem to operate fluidly on the spectrum between emergency funding and informal borrowing, creating a kind of generalized insurance in the absence of more specific planning.



ABILITY TO RAISE EMERGENCY FUNDS



Finances

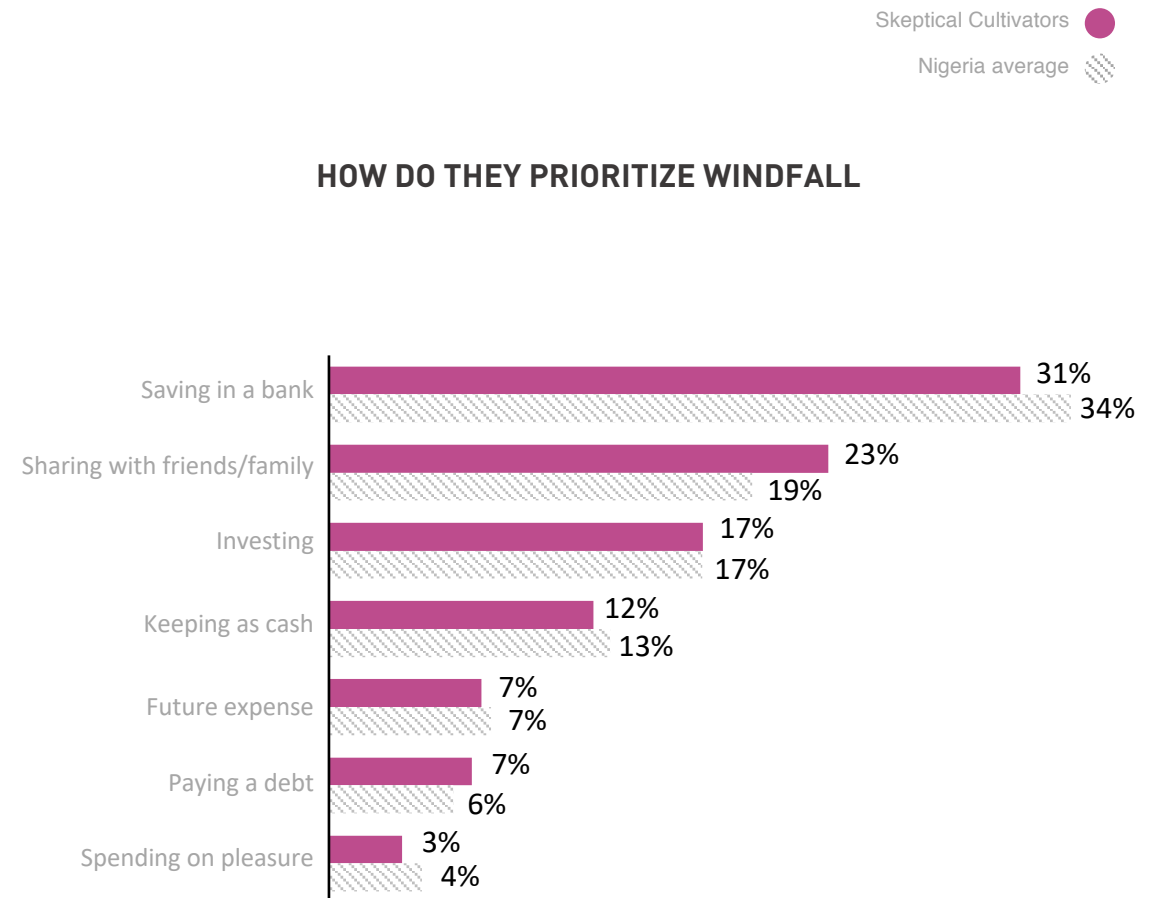
Skeptical cultivators access formal channels less often than informal channels. Distance from FSPs is likely a barrier for skeptical cultivators to access formal services as it takes them 67% more time to reach banks than average. Considering this and their low digital literacy, agent networks are crucial for serving them. Meanwhile they are the most frequent savers through informal groups (27% at least once a week), but the least likely of the rural segments to save with family; they are also the most likely to borrow using informal groups (51% do), and the second most likely to borrow from family (61% do).

When offered a windfall, skeptical cultivators are disinclined to save it in a bank and more likely to share it friends/family compared to all Nigerians. Less than one-fifth of skeptical cultivators believe banks are trustworthy, so this behavior is in line with expectations. Skeptical cultivators' high expectations of community support might encourage them to reciprocally share windfalls with family and friends.

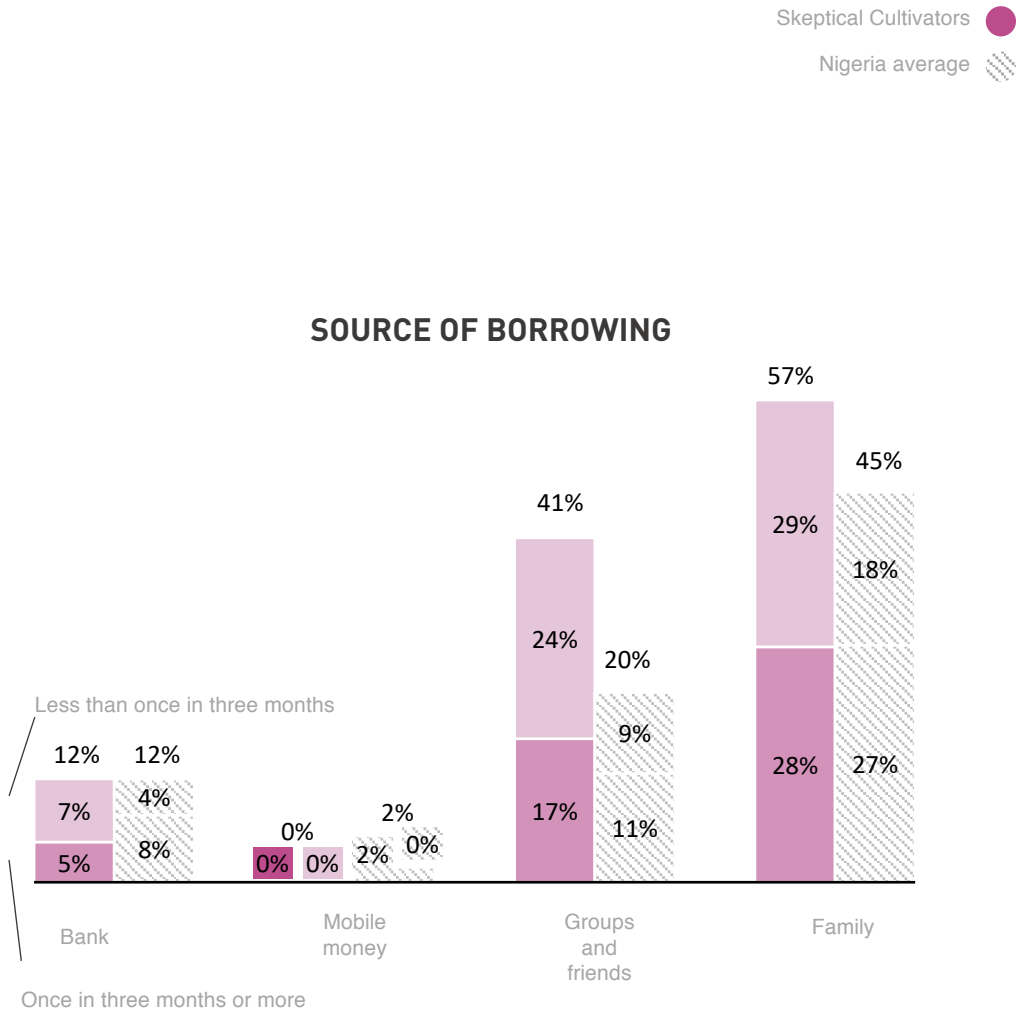
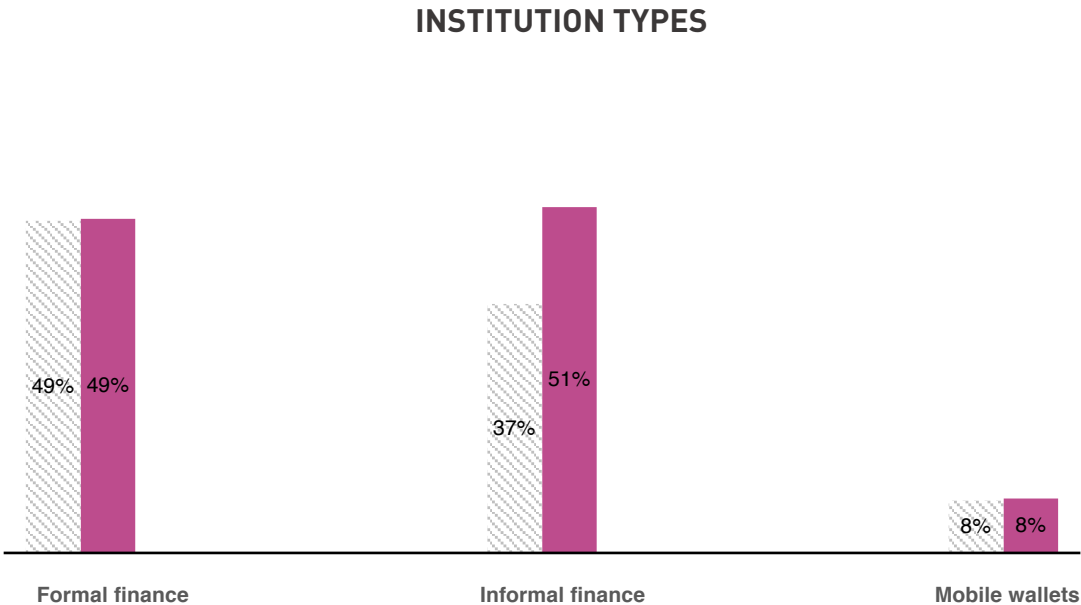
“Like a lot of people, my wife and I went to open our joint account when the bank opened 10 years ago. My wife operated it when there was work as a mason with money coming in. And my savings group’s chairman goes to the bank and handles all that. I never go, don’t know what happens in the bank.” **CHIGOZIE, ANAMBRA, NIGERIA**

△ Even when Skeptical Cultivators are banked, they might not be meaningfully involved in banking, creating a banking-by-proxy scenario that weakens formal ties, particularly in windfalls or emergencies.

HOW DO THEY PRIORITIZE WINDFALL



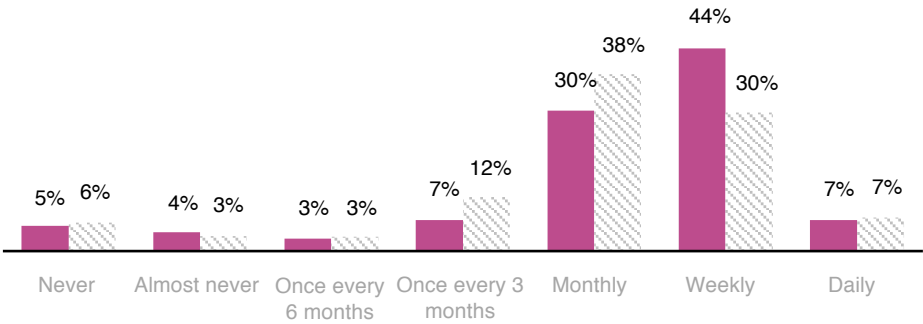
Finances



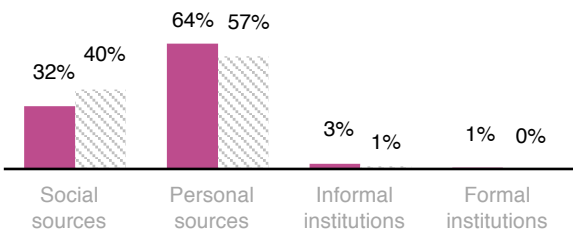
Finances

Skeptical Cultivators ●
Nigeria average ▨

SAVINGS



RESILIENCE



Technology

Unsurprisingly given their age and wealth level, skeptical cultivators are much more likely to use feature phones than smart phones, and are not major users of digital technology overall. Almost three quarters of skeptical cultivators own feature phones, while under a quarter own smart phones. The segment is more likely to prefer financial products that do not require a high level of digital literacy.

Their networks are likely to be cultivated face-to-face rather than using technology solutions.

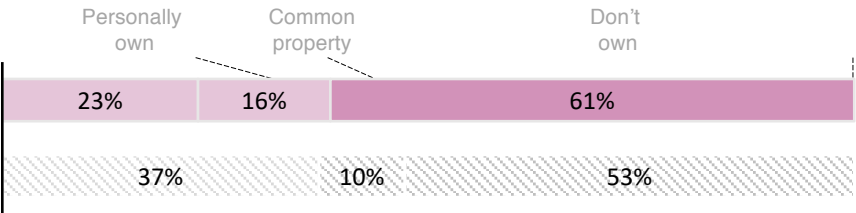
“I make contributions in the village, in the church, relatives collect money here and there. There are so many people I have to help who I can’t always help, and that pains me. If I count them, there are maybe 30 dependents in the village.” **CHIGOZIE, ANAMBRA, NIGERIA**

△ While Skeptical Cultivators’ social connections and feature phone (or better) ownership would seem to make them prime candidates to reap the efficiencies of mobile money, their behavior and preferences suggest formal channels have yet to successfully position their products and services to fit with this segment’s highly social financial lives where high-touch transactions are preferred over low.

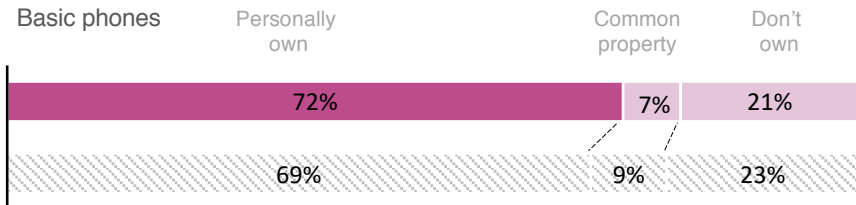
ACCESS TO PHONES

Smartphones

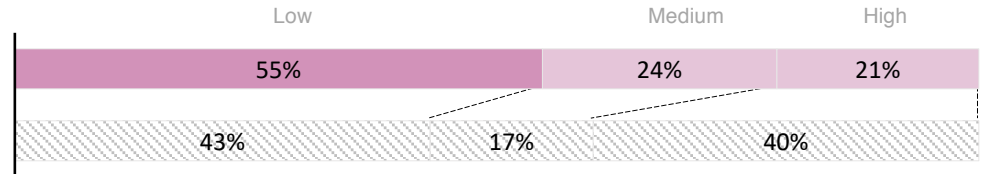
Skeptical Cultivators ●
Nigeria average ▨



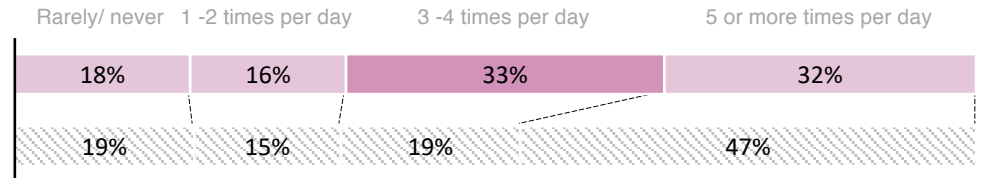
Basic phones



TECH USE FREQUENCY



PHONE USAGE



Confident Optimists

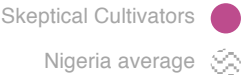
Psychometrics

Personality

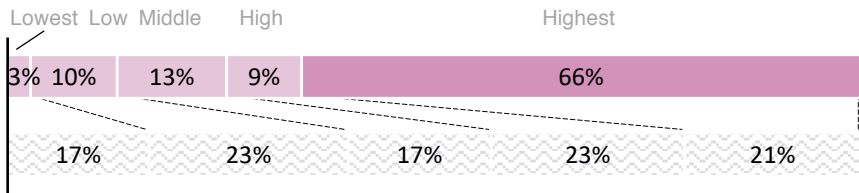
Skeptical cultivators believe, more than other segments, in their ability to handle challenges and in their control over their lives, yet have low confidence that they will be in a better place in the future. Given their internal locus of control, they may blame themselves for perceived shortcomings. Perhaps reflecting their dissatisfaction, they have the lowest self esteem by far of all segments.

“Last year I was sick and cattle destroyed part of my crops. So this year I am farming in different locations where cattle don’t run around.” CHIGOZIE, ANAMBRA, NIGERIA

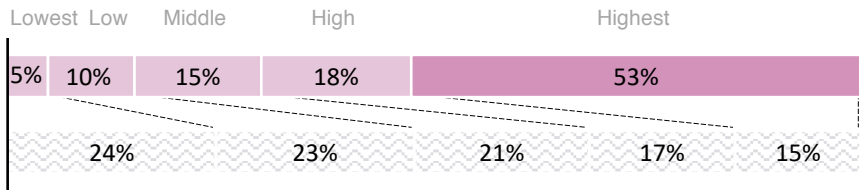
Δ Skeptical Cultivators’ outlook can be viewed as pragmatic, reflecting a customer based who views themselves as ready to invest their efforts where they can work to create a return. There may be an opportunity to appeal to and partner with this essential self-efficacy.



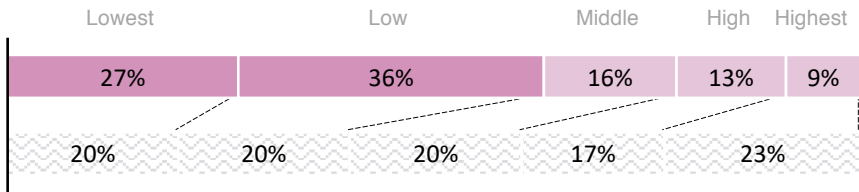
SELF-EFFICACY



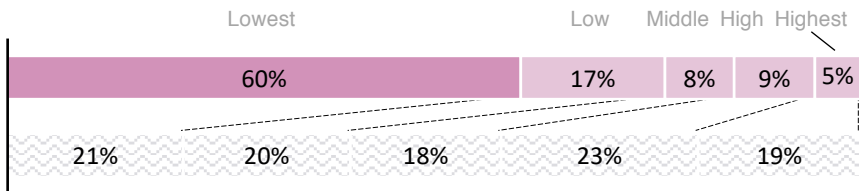
LOCUS OF CONTROL



CONFIDENCE IN THE FUTURE

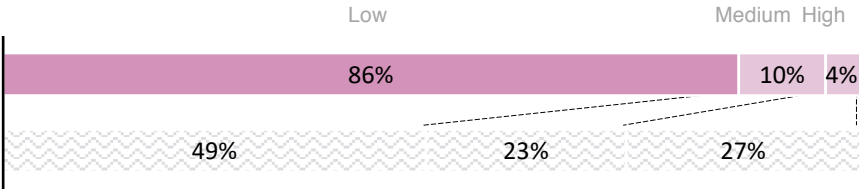


SELF-ESTEEM

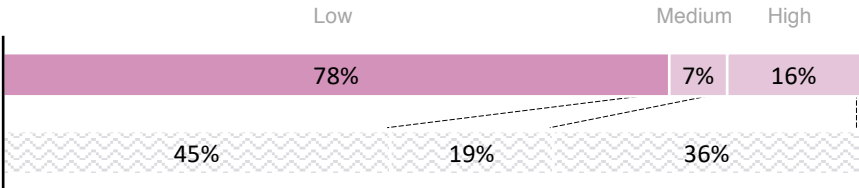


Personality

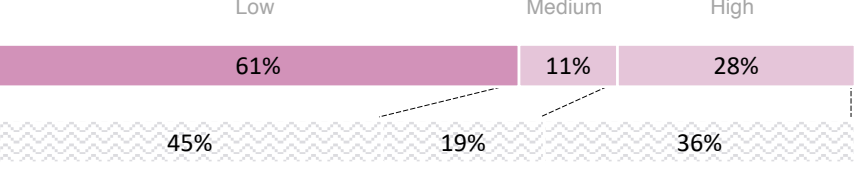
OPENNESS



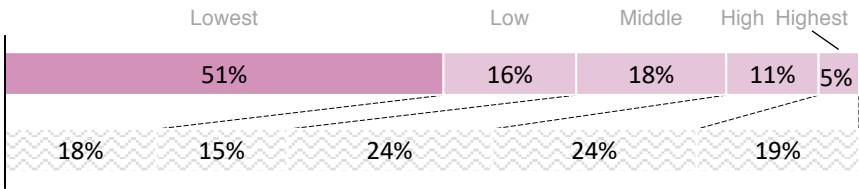
CONSCIENTIOUSNESS



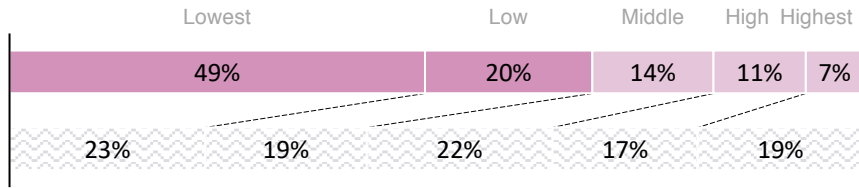
RESPECT FOR AUTHORITY





TRUST IN PEOPLE



TRUST IN BANKS



Skeptical Cultivators 
Nigeria average 

Design Principles & Inspiration

How might we develop group based insurance product that integrates social interactions?

CREATE PRODUCTS AND SERVICES THAT:

- Model on existing insurance behaviours and strategies through social networks
- Deliver benefits beyond insurance for selected use cases
- Emphasize “taking control” and providing for family and friends

How might we reach them through through social and agricultural channels that pervade their networks?

ENGAGE THROUGH:

- Religious leaders and institutions
- Community leaders
- Agricultural aggregators and farm supply vendors
- Relatives, close friends, and neighbors, especially those in social financial groups