



INNOVATION AWARD

Advancing financial inclusion through data innovation

InvestXD: Putting women's investment needs at the centre

DataHack4FI Innovation Award Season 2
**Winner of the Women & Youth
focus prize for Ghana**

Targeting young women with an investment product

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Understanding drivers of usage for financial products and services is important for (long-term) savings, as few youth and young adults save, and even fewer do so through formal financial services institutions. There is also a significant gender gap, as is the case with other financial products. The low uptake and usage of formal savings products are largely due to the current offering simply not being attractive, user-friendly and flexible enough to meet young adults' needs. While many financial products are envisioned to be gender neutral in design, men and women do engage differently with financial products and services, and there is a need for the financial sector to acknowledge this in the design of their products.¹

InvestXD has developed a platform for long-term savings (in the form of investments) that targets young adults in Ghana. Through a mixed-method approach to analysing their unique collection of client data, they have uncovered specific investment preferences that women have, such as goal-setting. They are meeting these preferences in client-centric ways that deliberately play into the unique ways that women engage with financial services.²

The company: InvestXD

InvestXD was founded in 2017 by a Pan-African team – consisting of Richard Yao Baku (CEO) from Ghana, Andrew Nduati (CTO) from Kenya and Emmanuel Akin-Awokoya (CPO) from Nigeria. The founders met while enrolled at the Meltwater Entrepreneurial School of Technology (MEST), and the idea for InvestXD came forth from their own challenges when trying to invest.

"[W]e would go into town to visit different banks and financial institutions to understand their rates and make informed decisions. And boy, was this time-consuming! This does not factor [in] returning to the bank with the completed investment form and waiting in yet another queue to invest into your account."³

InvestXD's vision is to empower its customers with tools that enable them to take charge of their personal finances, and to make saving worthwhile for everyone by making it simple to do and highly rewarding. Its target market is young professionals in Ghana.

The challenge: Low uptake of investment products

The challenge as observed and experienced by InvestXD was that of an onerous and time-consuming investment process that was difficult to understand. This means that young adults in Ghana and elsewhere do not engage with formal, long-term investment products as much as they would like to. Young women face specific additional barriers, which contribute to a gender gap in the (already low) uptake of investment products.

1 Genesis Analytics. (2018). Exploring fintech solutions for women: Scoping paper. Johannesburg: Genesis Analytics.

2 Chetty, R., De Villiers, L., Dudar, B., & Smit, H. (2018). What can behavioural science tell us about the financial decisions of women? Evidence from a systematic review of behavioural interventions. Ottawa: IDRC.

3 InvestXD. (2017). The curious case of InvestXD and her founders. Retrieved on 23 July 2018 from <https://medium.com/@investXD/the-curious-case-of-investxd-and-her-founders-ab99720c104e>

The solution: Digital investment platform

The InvestXD platform provides clients with access to a variety of long-term and short-term investment products. At the time of writing, InvestXD had 11 investment products on its platform (one fixed deposit, one equity, one agricultural investment, six mutual funds and three unit trusts). They are also actively increasing this number, for instance by including the recent MTN IPO as an investment option.⁴ The minimum investment required is GHS20 (USD5), with monthly top-ups of GHS5 (USD1.25). InvestXD has done the legwork of

gathering and comparing the data on performance and cost of all investments included. This allows clients to easily select the most appropriate investment product for them by toggling the amount they would like to invest, and the preferred duration of the investment.

Additional value is provided through InvestXD's curated financial education content. Focusing both on the basics of saving and investing and on the specific products that are on offer through InvestXD, the learning platform guides users through case studies of individuals like them and through their investment journey.

The dashboard features a navigation bar with 'MTN IPO', 'Investments', 'Learn', and 'About' links, along with 'Log In' and 'Open An Account' buttons. A filter section on the left allows users to set 'How much are you looking to invest?' (Deposit) and 'Duration' (6 months or years). The main area displays four investment cards:

- Gold Fund** (GOLD COAST): Year To Date 17.74%, Min. Deposit GHS 50, Fund Type: Equity.
- Heritage Fund** (FirstBanC): Year To Date 8.65%, Min. Deposit GHS 20, Fund Type: Equity.
- Fortune Fund** (SAS Finance Group): Year To Date 13.37%, Min. Deposit GHS 200, Fund Type: Equity.
- Income Haven Fund** (TTL Capital): Annualised Yield 26.01%, Min. Deposit GHS 50, Fund Type: Annual Money Market.

The page is titled 'Learn the basics about Savings and Investments' with the tagline 'BE THE SMART INVESTOR!'. A call to action states 'Be among the first 1000 to get the best investment rate!' with a 'Join Now' button. Below are two educational cards:

- Fixed Deposits: What are they?**: Includes terms used in a Fixed Deposits by investment institutions. (Read more)
- Types of FDs**: The types of Fixed Deposits that exist in the market. (Read more)

The slide is titled 'Fixed Deposits: What are they?' and features a case study titled 'Meet Edem'. The text reads: 'Edem is a worker who earns Ghs 1000 every month. He wants to invest Ghs 500 for 3 months at Piggybank which his friend recommended. Piggybank is giving his an interest rate of 24% p.a. Let's explain to Edem the terms in the fixed deposit mean.' (1/6)

At the bottom, there are social sharing options for 'Tweet' and 'Share', and navigation buttons for 'Prev' and 'Next'.

4 See www.investxd.com/mtn

The data: A client-centric approach to user research

During the DataHack4FI Innovation Award competition, InvestXD set out to better understand the experience of its different client segments. For this, it employed a mixed-method, data-driven approach. It used the following data resources for its in-depth customer insights:

- **Customer data and demographics.** From its database of customer information (including, among others, residential location, demographics and education), combined with the data on investments made by its customers, InvestXD gained insights about its customer profiles and usage trends.
- **Online user behaviour data.** Using Google Analytics and FullStory, the team analysed patterns of user behaviour on their website and app. From this they gained insights into their customers' general usage journey on the platform, as well as those pages or steps that specifically posed problems for customers.
- **Social media engagement data.** Using Twitter, bit.ly and Facebook Analytics, InvestXD analysed the engagements with their content on social media. This showed the team which topics sparked the most attention, and what type of questions individuals had about the different topics presented.
- **Market research.** Through customer calls and emails, the team analysed qualitative data about customer investment needs and challenges.

InvestXD benefited from using these data sources in conjunction with an exploratory data analysis approach. The team was able to understand differences in engagement and needs between client segments.

Moreover, the questions asked of the data were particularly client-centric, as opposed to dealing with questions around InvestXD's performance as an organisation. The DataHack4FI mentor encouraged the InvestXD team to move beyond understanding their own performance to actively seeking the customer's perspective. This led them to realise that there is a big difference between their male customers' experience and their female customers' experience.

The future: Adjustments to better meet women's investment needs

From their analysis, the InvestXD team gleaned certain key insights, which they are responding to with adjustments to their product. These adjustments speak to specific behavioural dynamics that have been confirmed by research, meaning that these changes are likely to have a significant impact on their number of female users and their investments on the platform. See Figure 1 for an overview.

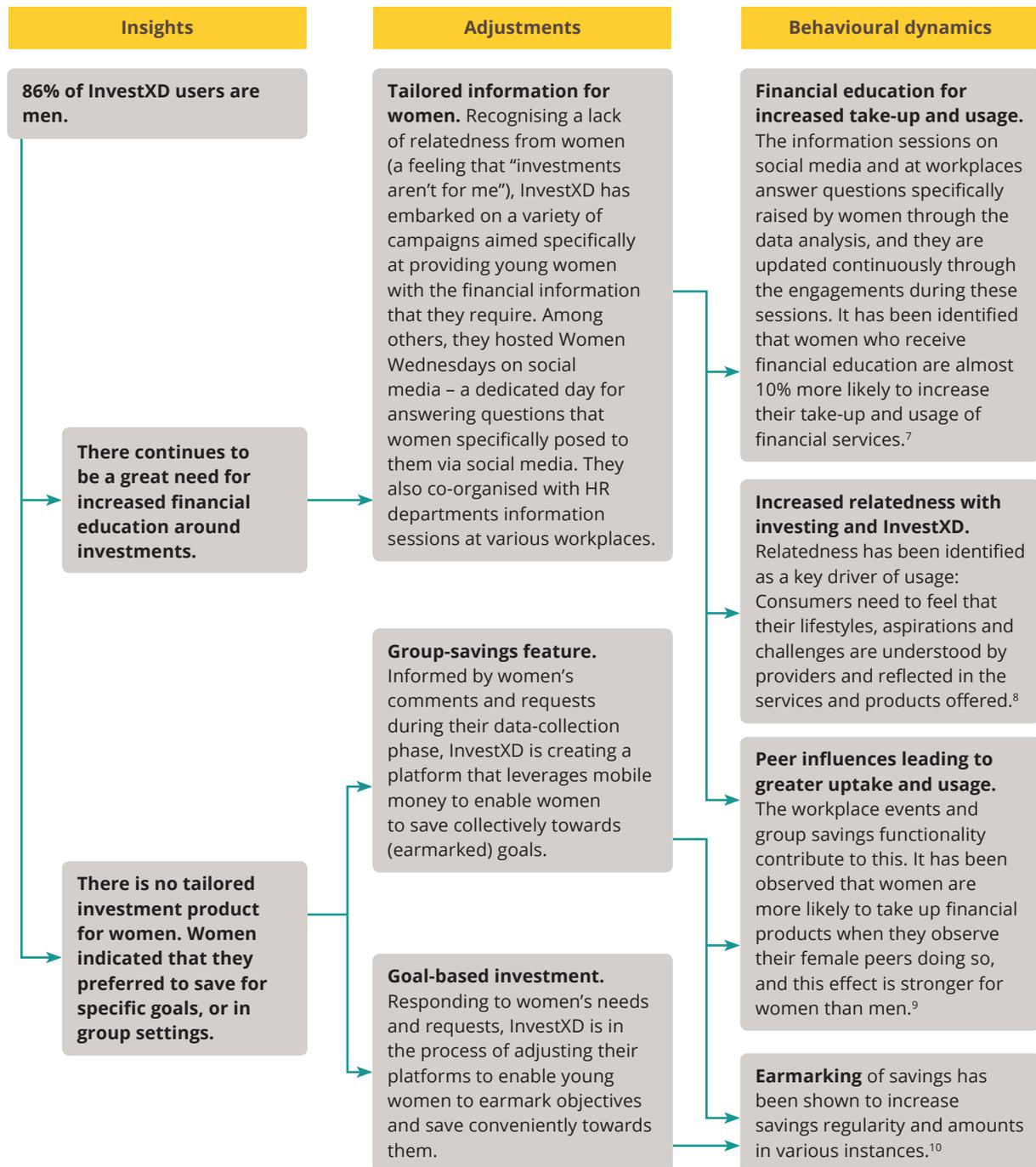


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Figure 1: InvestXD adjustments to better meet women’s investment needs



7 Chetty et al. (2018), p. 20.

8 Rinehart, K., Makuvaza, L., Gray, J., & Hougaard, C. (2018). Why are financial services not used more? A conceptual framework for drivers of financial service usage. Cape Town: insight2impact.

9 Chetty et al. (2018), p 22.

10 Ibid.

This case study is part of the DataHack4FI Innovation Award competition Season 2 series. It describes the solution as developed by the tech startup and its partnered data fellows during the competition. The competition brings together data enthusiasts and financial service providers to promote the use of data-driven decision-making in financial inclusion. Find out more about the competition at datahack4fi.org.

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