



Advancing Financial Inclusion

# Survey: Data in FSP decision-making Findings from six African countries

March 2018

In partnership with



## Authors

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Louise de Villiers and Rinelle Chetty, Client Insights

## About insight2impact

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insight2impact | i2i is a resource centre that aims to catalyse the provision and use of data by private and public-sector actors to improve financial inclusion through evidence-based, data-driven policies and client-centric product design.

i2i is funded by the Bill & Melinda Gates Foundation in partnership with The MasterCard Foundation.

### For more information:

Visit our website at [www.i2ifacility.org](http://www.i2ifacility.org).

Email Mari-Lise du Preez (Partnership Manager) at [mari-lise@i2ifacility.org](mailto:mari-lise@i2ifacility.org).

Call us on +27 21 913 9510.

Established by





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# Introduction

Insight2impact (i2i), FSD Africa and Oxford Policy Management (OPM), together with five financial sector deepening trusts (namely FSDK, FSDM, AFR, FSDT and FSDU) developed and implemented an online survey that sought to understand the ways in which financial service providers (FSPs) in six African countries collect, store and use data. It also asked the FSPs their attitudes towards data, their capacity for analysis, and their future data plans. A total of 18 questions were targeted towards senior management or staff who worked directly with data in each financial institution.

A total of 333 companies responded across six countries: Ghana, Kenya, Mozambique, Rwanda, Tanzania and Uganda. These FSPs were categorised into the following seven segments: banks (including commercial banks, post banks and government banks), SACCOs (including cooperatives and savings and loan associations), mobile money operators, microfinance institutions (MFI), insurance companies, fintechs and unregulated FSPs. The surveys began in July 2017 and closed in January 2018.

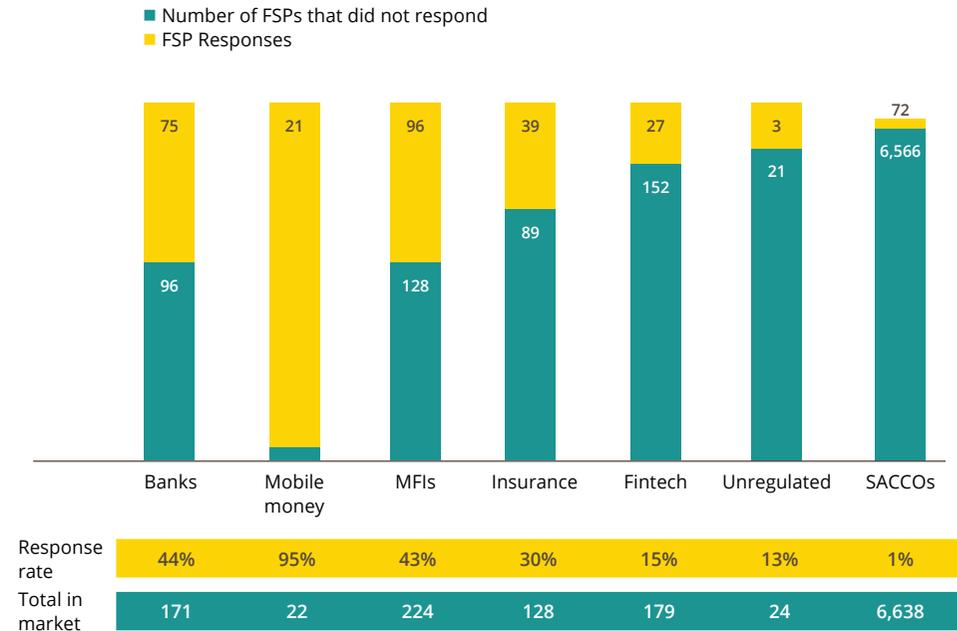
This information pack provides the survey responses aggregated across all countries. Sections 1 and 2 look at responses across all FSP types. Sections 3 to 7 disaggregate by FSP type, and the information per sector is provided. Finally, Section 8 compares across different FSP-type categories. In all instances, the data is presented along with the survey question.

# 1 Respondents at a glance

## Survey process and response rates

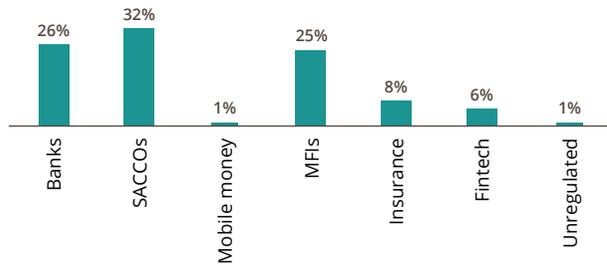
- The survey was rolled out to participants in each country (with the exception of Ghana – see below) using the online SurveyMonkey tool. This link was sent out to FSPs within the network of the FSD in each country. The survey also allowed for respondents to provide the name of someone in their organisation to answer the questions, to whom the survey would then be forwarded. FSD staff also collected responses by conducting in-person surveys, aimed at overcoming any barriers such as hardware or software.
- Survey responses were excluded from analysis if they were duplicates from the same organisation, if the organisation was not an FSP or if critical information was missing that did not allow us to identify the FSP (such as FSP type).
- The chart on the next page shows the **total number of FSPs** per type in the market, as identified by each FSD, and the number that responded and did not respond to the survey. **In total, 333 FSPs participated.**
- The majority of the sample are MFIs: Of the 224 identified in the market, 96 SACCOs participated in the survey and 128 did not.
- The six charts on the following page show the breakdown of FSP types as a percentage of the responses in each country. The samples from Ghana and Mozambique are unique in that:
  - Ghanaian responses were obtained in person at a data conference and hence reflect the views of FSPs who already are, or have positive expectations about, using data.
  - Mozambique responses are very small due to the extremely low number of FSPs in the market.

## Market sizes and responses

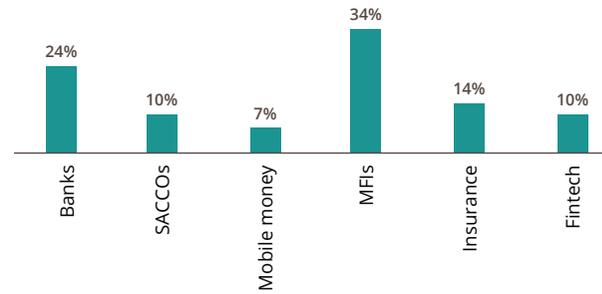


## Respondents at a glance

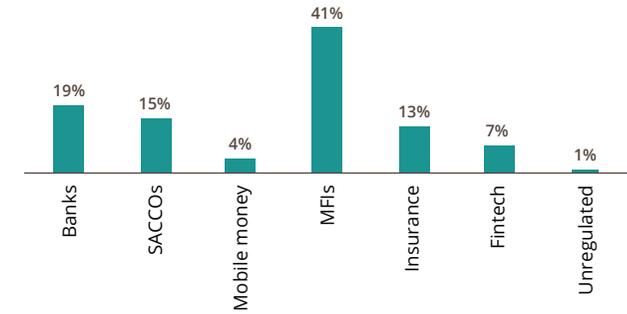
### Kenya



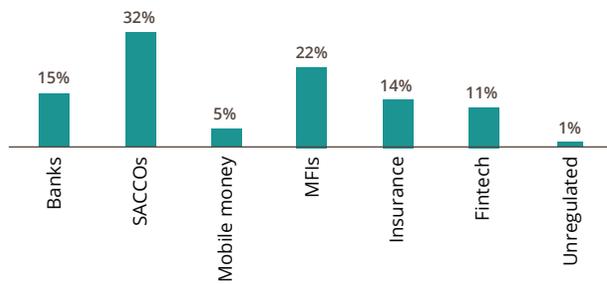
### Rwanda



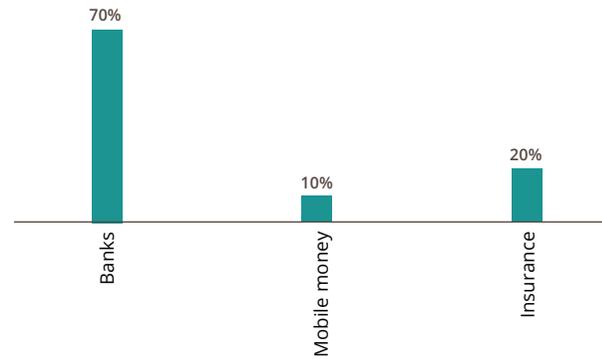
### Tanzania



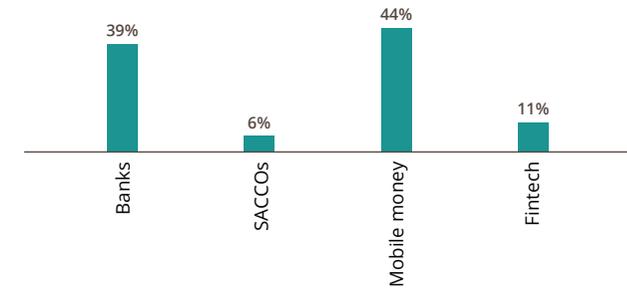
### Uganda



### Mozambique

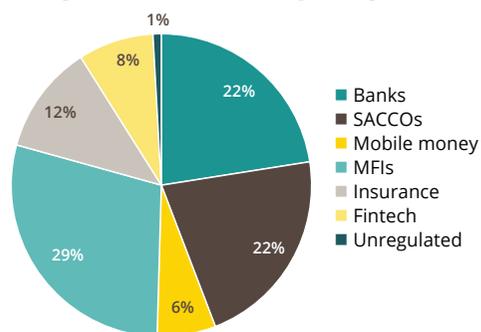


### Ghana



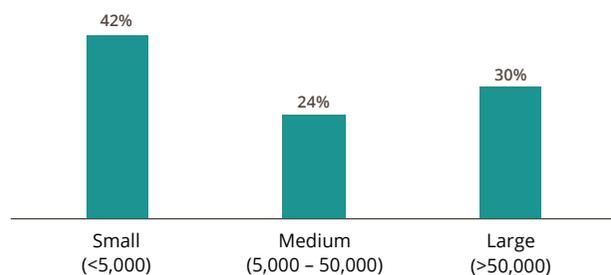


### Proportion of survey respondents by type



Of the **333** FSPs that participated, the **majority** of the respondents were **MFIs** (29%), followed by **banks** (22%) and **SACCOS** (22%).

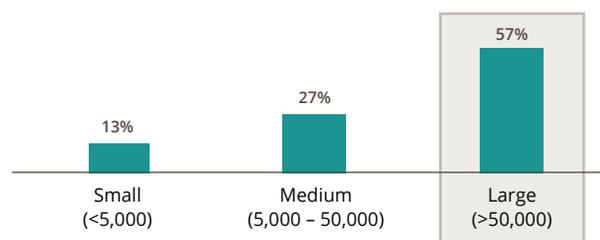
### Size of FSPs - all responses



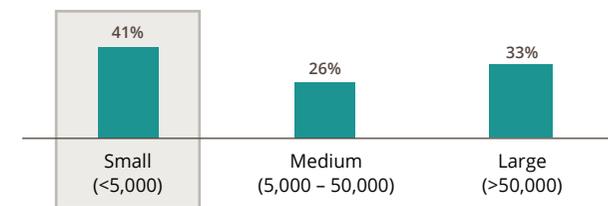
Company size is based on the **number of customers**. This chart shows the **breakdown** of all **FSPs** by size. Most FSPs in the sample reported less than 5,000 customers.

### Size of FSPs per type

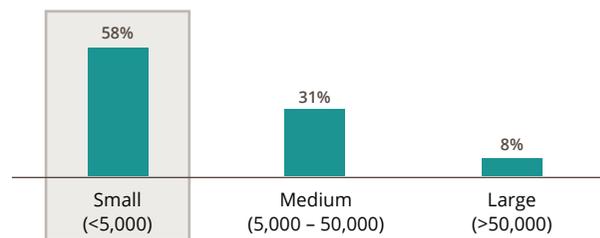
#### Banks



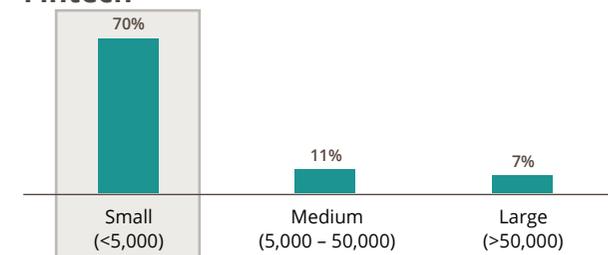
#### Insurance



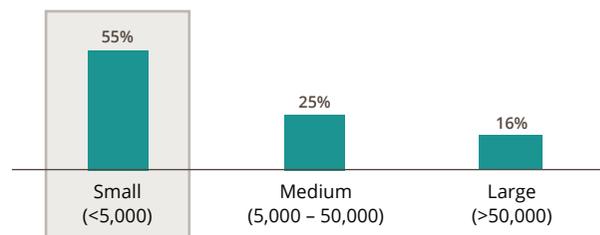
#### SACCOS



#### Fintech



#### MFIs

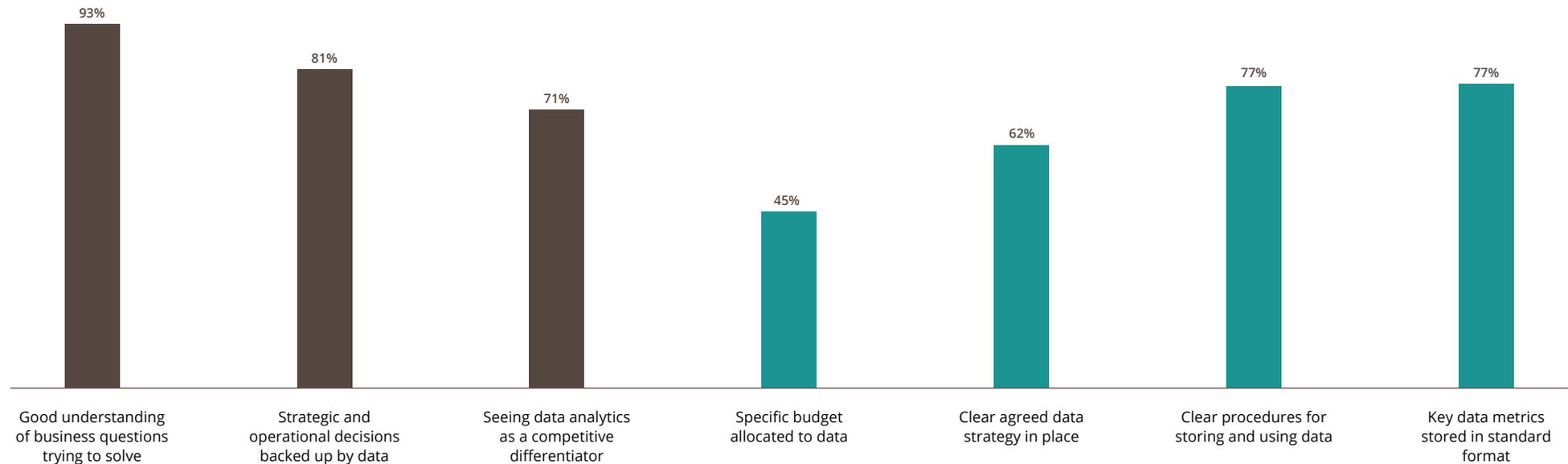


**Banks** are typically large in size, while the majority of **SACCOS, fintechs and MFIs** are small. Insurance providers in most countries are large or medium-sized, except in Tanzania, where they are small. This has skewed the sample for Insurance.

# 2 Survey results

## Attitudes towards data

Q9: How does your organisation relate to the following statements?



**93%** of firms have a **good understanding of the business challenges they are trying to solve** with data, and **62%** already have an **agreed data strategy**. Furthermore, **45%** have a **specific budget allocated to data**.

Note: only agree *and strongly agree* responses shown

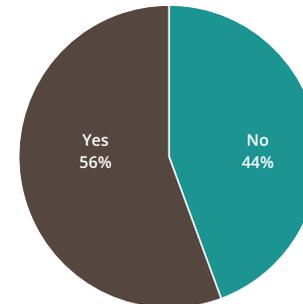
## Do organisations have a dedicated data analyst? Where does data analysis take place?

- Almost all FSPs (94%\*) indicated that they do the majority of their data analysis in-house, even though **only 56% have a dedicated data analyst**. This means that most of the data work is being done by non-expert staff. (See the graphs on next page.)
- Larger FSPs are more likely to have a dedicated data analyst. Most of the small FSPs that have a data analyst are fintechs. Other small FSPs in the sample typically do not have a data analyst.
- This question did not delve into the type of work that data analysts do. Other research has indicated that the person responsible for data analysis was also responsible for managing research projects, data collection and processing KPI data – which results in **limited time for insights generation**.

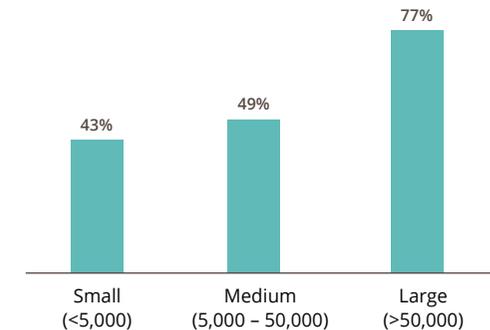
**Q6:** Where does the majority of your organisation's data analysis take place?

**Q7:** Does your organisation have (a) dedicated data analyst(s)?

### Dedicated data analyst



### Data analyst by FSP size



\*graph not shown

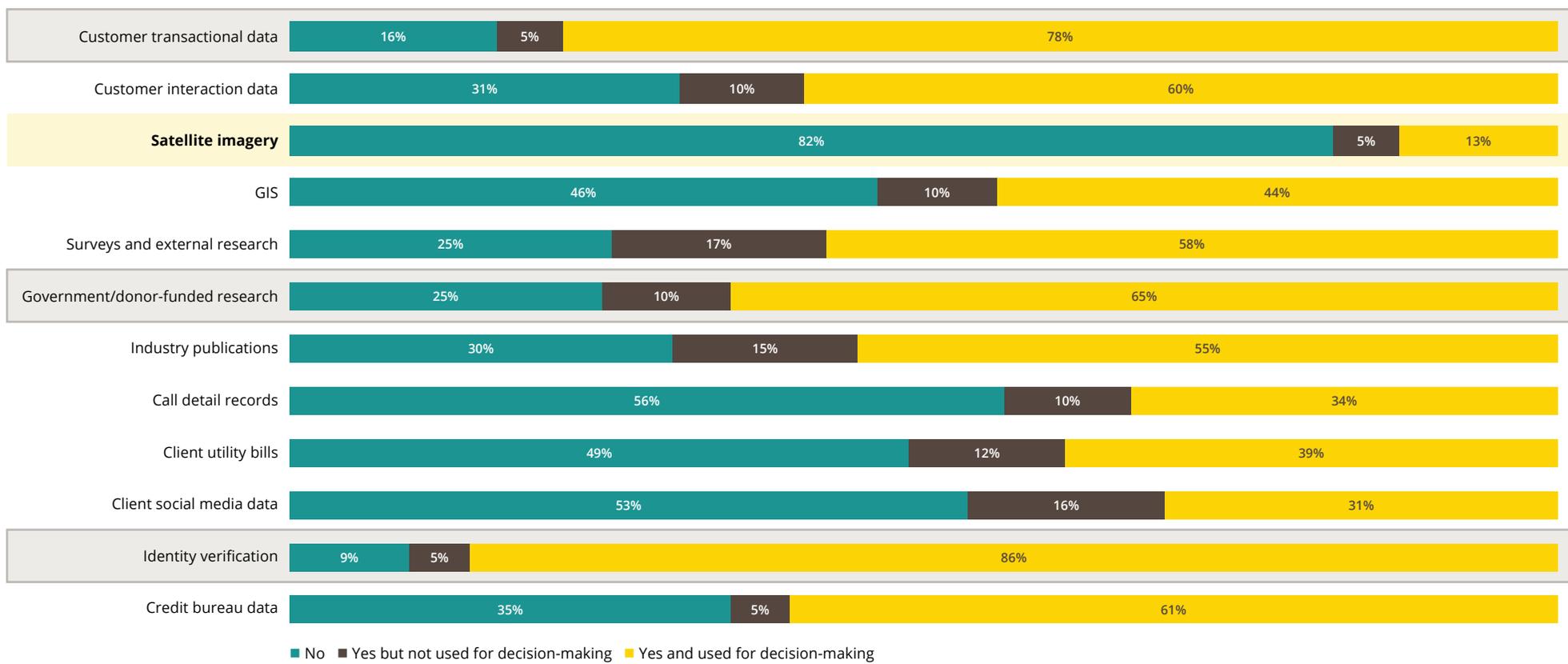


## Collection and use of data

**Q1:** Does your organisation collect and use any of the following data?

**Traditional data** sources are **typically used**; an **increasing number** of FSPs collect **client social media data** but **don't use it for decision-making purposes**; **satellite imagery** is by far the **least collected and used**.

### All responses



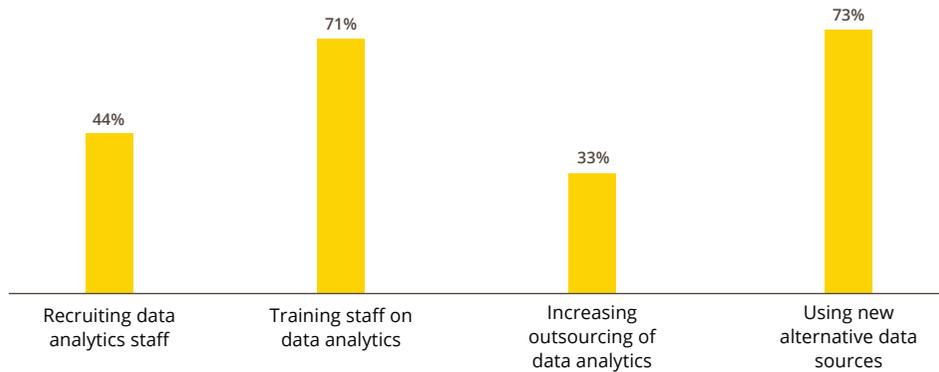


## Future data plans

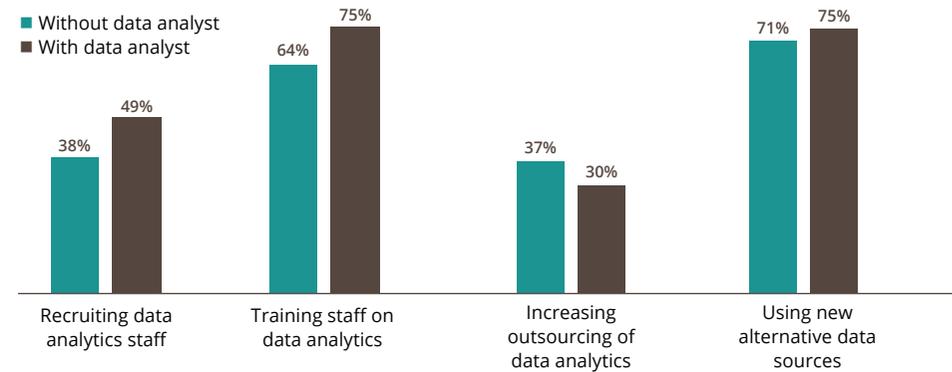
- FSPs will continue to rely on their existing staff to analyse the data, with **71%** indicating that they will be **training staff on data analytics**.
- A smaller number (**44%**) have plans to **recruit data analytics staff**, and only **33%** have plans to **increase outsourcing of data analytics**.
- **73%** of FSPs have plans to **use new alternative data sources**.
- Those that already have a **dedicated data analyst** are more likely to have future data plans in place for **recruitment, training and using new sources of data**.

**Q10:** Does your organisation have plans for any of the following?

### Future data plans



### Future data plans and presence of a data analyst



Note: only positive responses shown

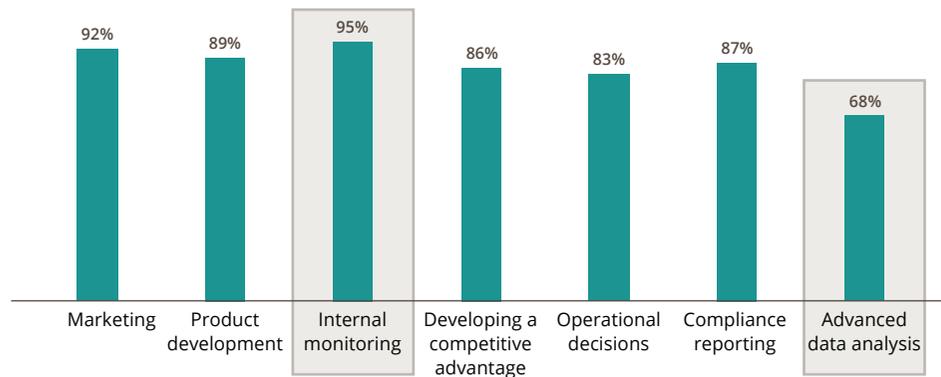


## Data uses

- Almost all firms (**95%**) currently use data for **internal monitoring purposes**, while only **two-thirds** report doing **advanced data analytics**.
- This trend is likely to continue as **all** firms reported **internal monitoring** as a priority area **over the next five years**, while only **20%** indicated **advanced analytics**.

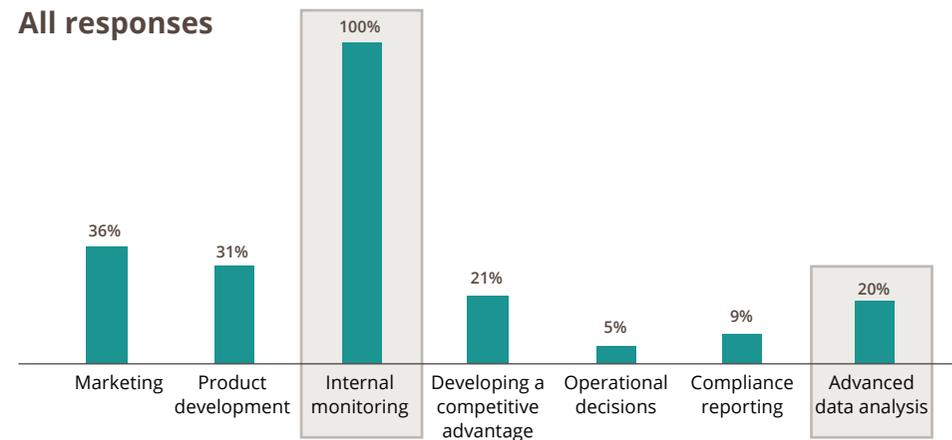
**Q4:** Does your organisation currently use data for any of the following?

### All responses



**Q11:** In what key areas is your organisation planning to enhance the use of data over the next five years? (please select 2)

### All responses



Notes: multiple responses | Respondents were asked to identify their top two priorities to enhance data use over the next five years.

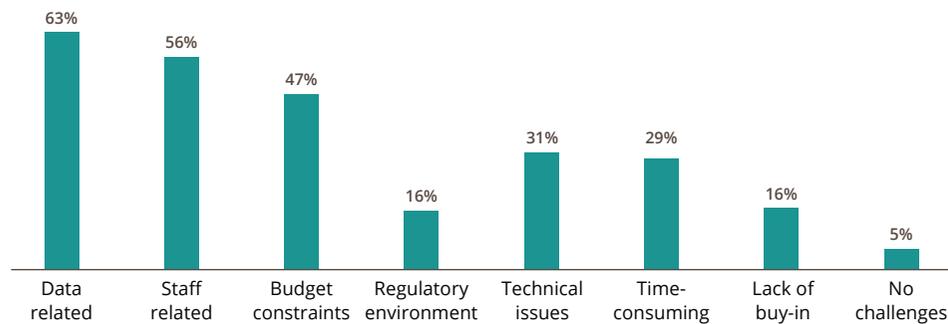


## Challenges faced

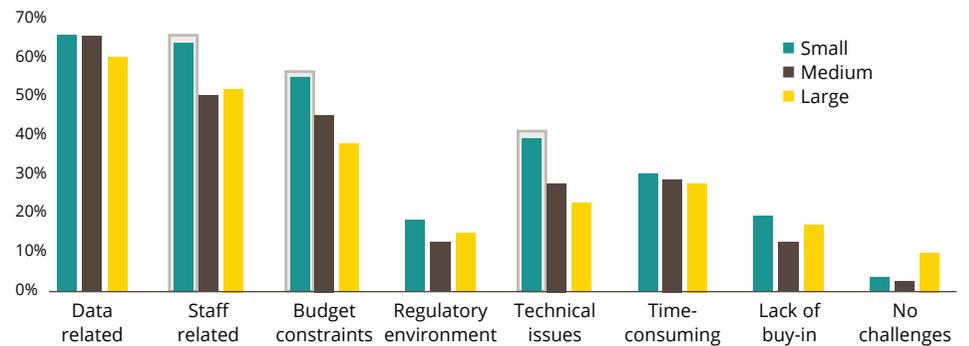
- **Data-related** (data not accessible, missing data, poor data quality and most recent data not available) **and staff-related challenges** (skills shortage and no dedicated data staff) are the two most commonly faced challenges.
- **Small firms** are much more likely than medium or large firms to report **staff challenges, budget constraints and technical issues**.
- Only **16%** of respondents see the **regulatory environment** as a challenge, and **5% do not face any challenges** at all.
- Data being **time-consuming** is equally experienced by firms of all sizes.

**Q8:** What challenges does your organisation face with collecting, storing and using data?

### All responses



### Challenges faced, by size of FSP



Note: multiple responses



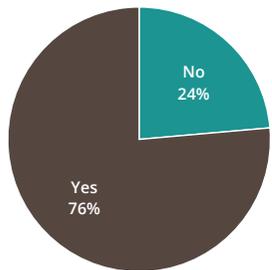
## Key takeaways

- **93%** of firms have a good understanding of the business challenges they are trying to solve with data. **45%** already have a specific budget allocated to data, and **56%** have a dedicated data analyst.
- Almost all firms do the majority of their data analysis in-house. This trend is likely to continue as **71%** have plans to train staff on data analytics and **44%** have plans to recruit data analytics staff.
- FSPs typically use traditional sources of data, such as transaction data or identification information, for decision-making. **73%** have future plans to supplement this with new alternative data sources. We already see firms collecting alternative data (social media, GIS, etc.) even if they are not yet using it.
- Data is currently mostly used for internal monitoring, although other data uses such as marketing and product development are also high. **68%** of firms report using advanced data analytics; however, this number is unlikely to grow significantly over the next five years, as only **20%** report this as a priority.
- Small firms are much more likely than large firms to report staff challenges, budget constraints and technical issues.

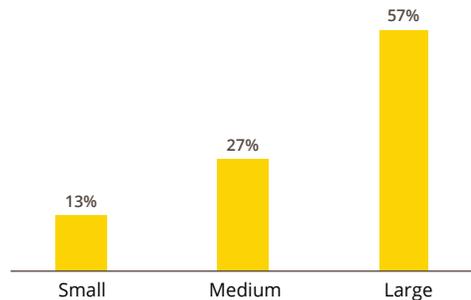
# 3 Banks

The following section looks at survey responses of banks only

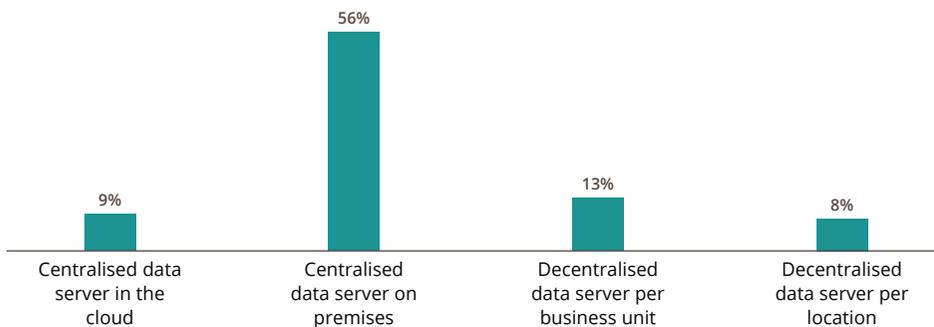
## Of the 75 respondents that were banks...



**76%** have a dedicated data analyst, and all indicated that the **majority of their data analysis takes place in-house.**



**57%** have more than **50,000 customers**



**56%** store their data in a **centralised server on the premises**

## Banks, and collection and use of data

**Q1:** Does your organisation collect and use any of the following data?

### Top three data sources used for decision-making per category

Most collected and used for decision-making	Collected but not used for decision-making	Least collected and not used for decision-making
Identity verification (KYC)	Client utility bills	Satellite imagery
Credit bureau data	Surveys and external research	Call detail records
Customer transactional data	Customer interaction data	Client social media data

### Banks are more likely to use data for...

- Product development
- Developing a competitive advantage
- Internal monitoring
- Compliance reporting
- Marketing

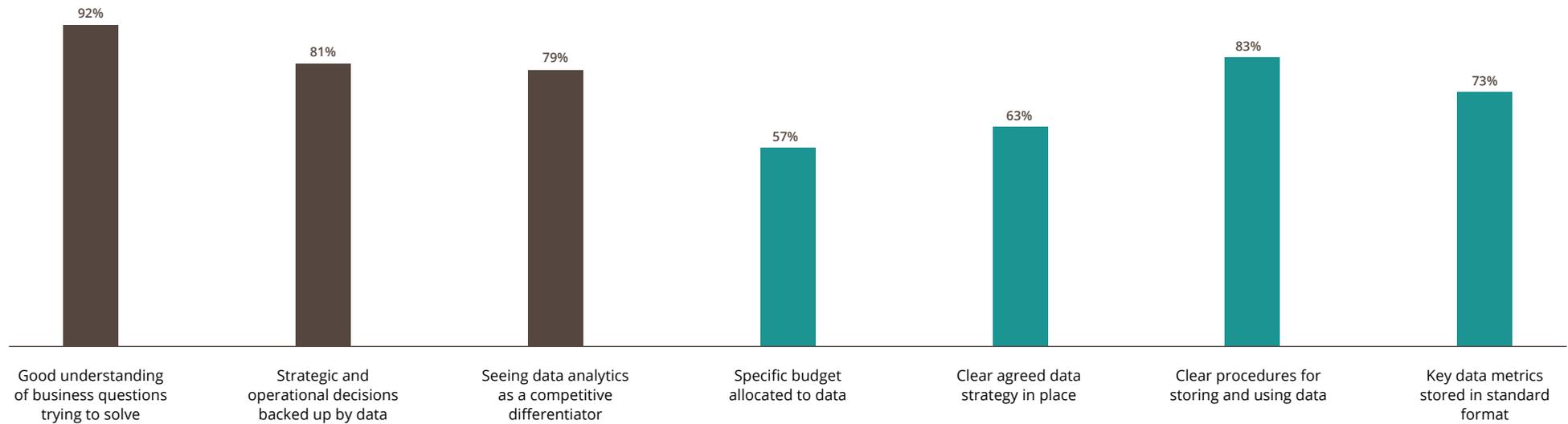
### ...than for

- Operational decisions
- Advanced data analysis



## Banks and attitudes towards data

Q9: How does your organisation relate to the following statements?



Most banks have a **positive attitude** towards data, **63%** already have an **agreed data strategy**, and **57%** have a **specific budget allocated to data**.

Note: only agree and strongly agree responses shown



## Banks and challenges faced in using data

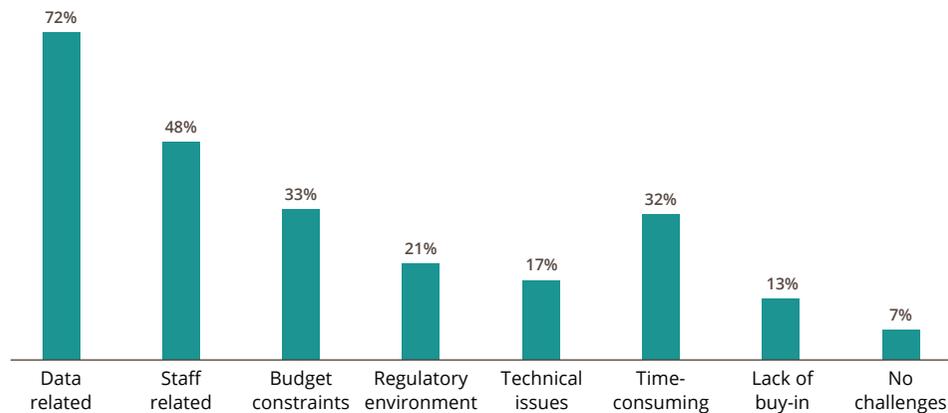
**Q8:** What challenges does your organisation face with collecting, storing and using data?

While banks are collecting and using a **wide variety of data** for different reasons, they still face **many challenges**.

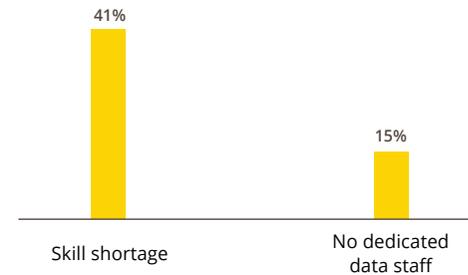
### Top three challenges in using data:

- 1 48% staff-related (skill shortage, no dedicated data staff)
- 2 72% data-related (data not accessible, missing data, poor data quality, most recent data not available)
- 3 33% budget constraints

### All challenges

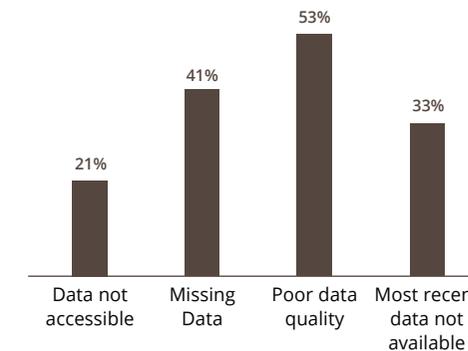


### Staff-related challenges



When specifically looking at the elements of staff challenges, a **skills shortage** rates much more highly than lack of data staff.

### Data-related challenges



For data-related challenges, **poor data quality** and **missing data** are the **two most cited challenges for banks**.

Note: multiple responses



## Banks and future plans for data use

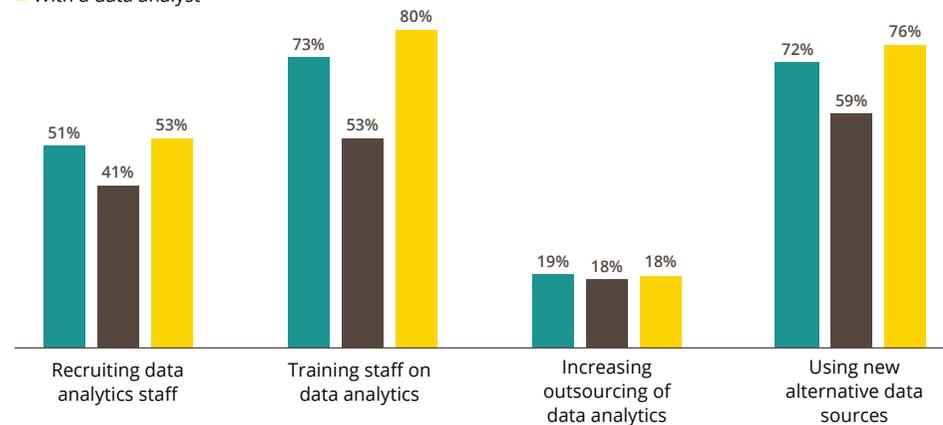
**Q10:** Does your organisation have plans for any of the following?

**Q11:** In which two key areas is your organisation planning to enhance the use of data over the next five years? (please select 2)

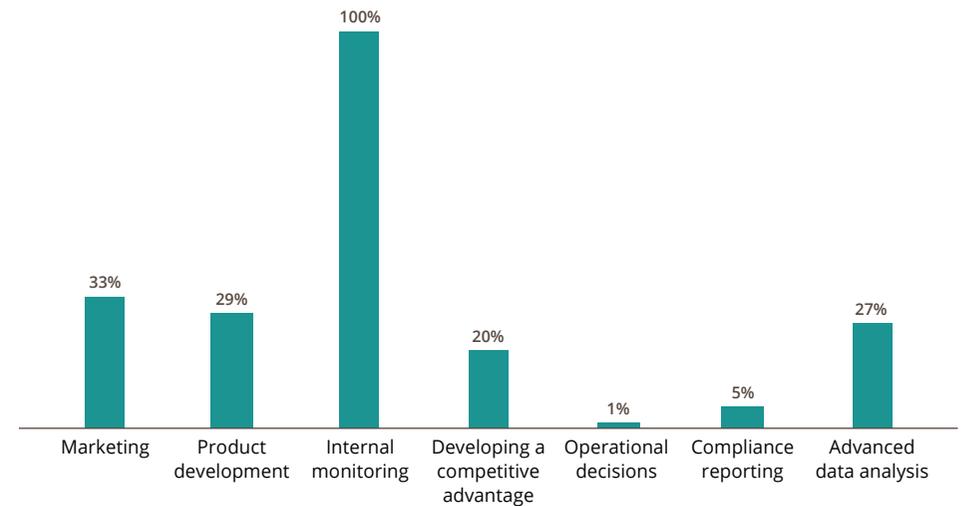
Banks have plans for **training staff** on data analytics and using **new alternative sources of data**. Banks plan to enhance the future use of data mostly for **internal monitoring purposes** and **advanced data analysis**. Those with dedicated data analysts are more likely to have future plans in place regarding data than those without.

### Future data plans

- All banks
- Without a data analyst
- With a data analyst



### Plans to enhance the future use of data



Note: only positive responses for Q10 shown. Q11 contains multiple responses



## Banks...

Banks are typically large (**57% have more than 50,000 customers**), and most have clear procedures for storing and using data (83%).

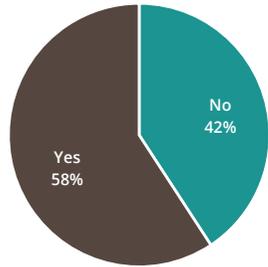
Despite this, **poor data quality** is still an issue (53%).

76% have a dedicated data analyst, yet a **skills shortage still exists** – as 73% indicate that they want to focus on training staff over the next five years.

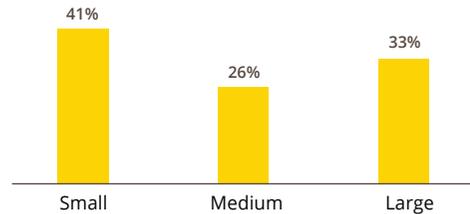
# 4 Insurance companies

The following section looks at survey responses of insurance companies only

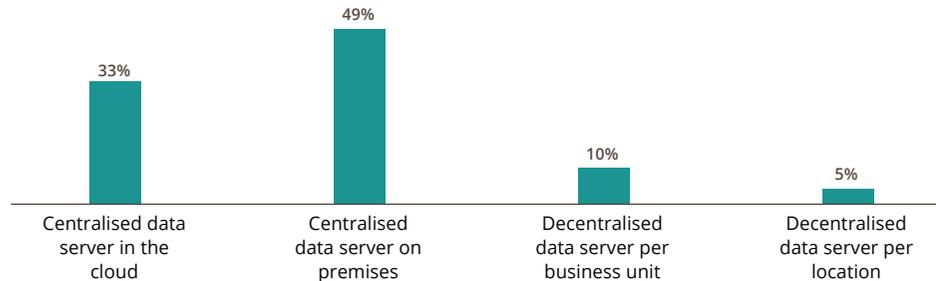
Of the 39 respondents that were insurance providers...



Almost **60%** of insurance providers have a **dedicated data analyst**, while **95%** report conducting the majority of their data **analysis in-house**.



The majority of the insurance providers have **fewer than 5,000 customers**.



Most insurance providers store data on a **centralised server on their premises and on the cloud**.

## Insurance companies and collection and use of data

Q1: Does your organisation collect and use any of the following data?

Top three data sources used for decision-making per category

Most collected and used for decision-making	Collected but not used for decision-making	Least collected and not used for decision-making
Identity verification (KYC)	Surveys and external research	Client utility bills
Government/donor-funded	Client social media	Credit bureau data
Industry publications	Call detail records	Satellite imagery

Insurance providers are more likely to use data for...

- Marketing
- Internal monitoring
- Operational decisions
- Product development

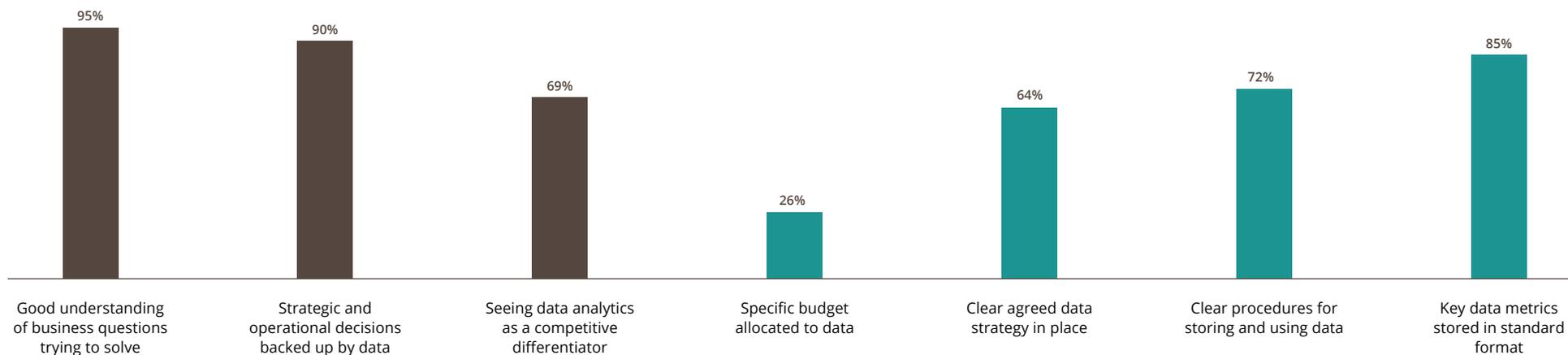
...than for

- Compliance reporting
- Developing a competitive advantage
- Advanced data analysis



## Insurance providers and attitudes towards data

Q9: How does your organisation relate to the following statements?



Most insurance companies have a **positive attitude** towards data, and **64%** already have an **agreed data strategy**; however, only **26%** have a **specific budget allocated to data**.

Note: only agree and strongly agree responses shown



## Insurance providers and challenges faced in using data

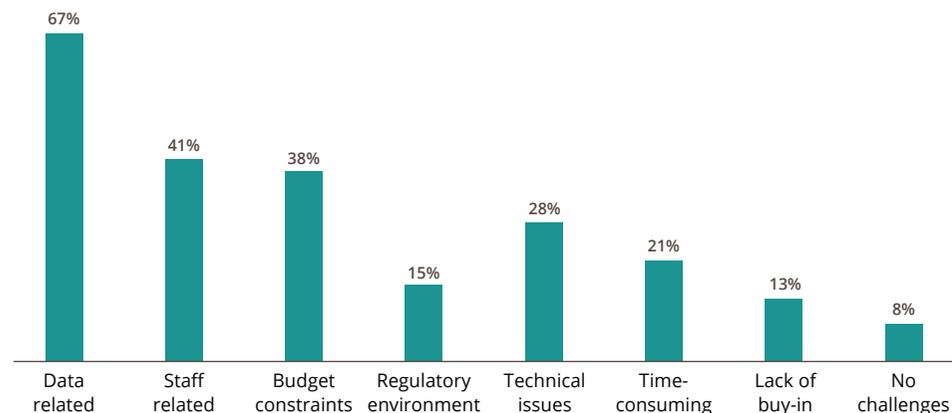
**Q8:** What challenges does your organisation face with collecting, storing and using data?

Insurance providers consistently face challenges relating to **data and staff**.

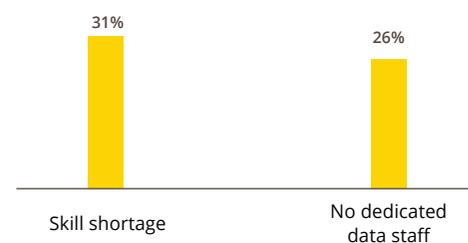
### Top three challenges in using data:

- 1 67% data-related (data not accessible, missing data, poor data quality, most recent data not available)
- 2 41% staff-related (skill shortage, no dedicated data staff)
- 3 38% budget constraints

### All challenges



### Staff-related challenges



Insurance providers mostly face difficulties in terms of **missing and poor quality data**.

### Data-related challenges



Note: multiple responses



## Insurance providers and future plans for data use

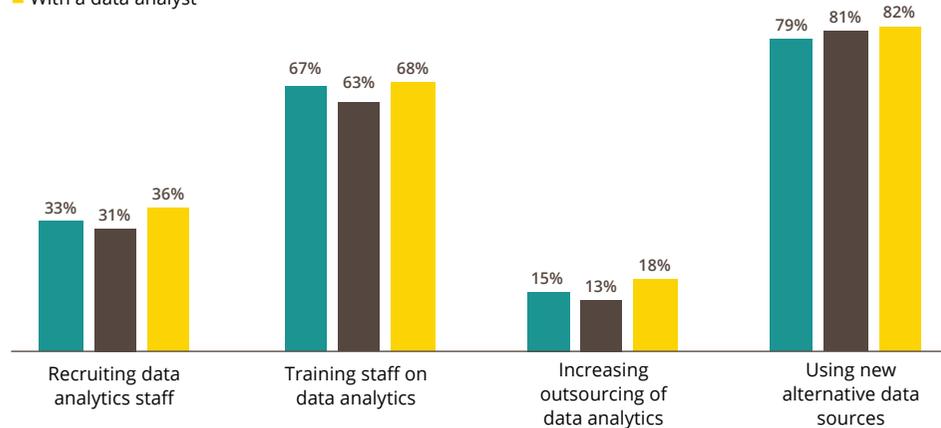
**Q10:** Does your organisation have plans for any of the following?

**Q11:** In which two key areas is your organisation planning to enhance the use of data over the next five years? (please select 2)

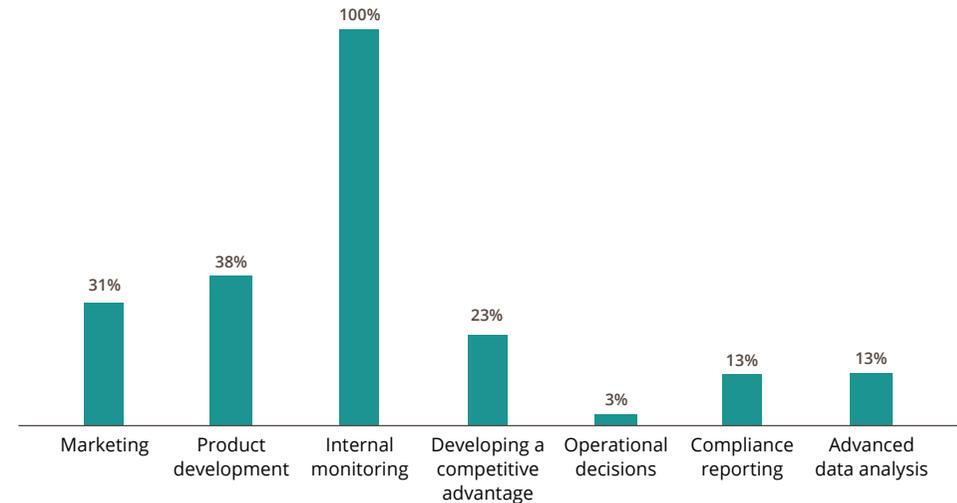
All insurance providers **prioritise internal monitoring**. Insurers with a data analyst generally have more future data plans in place than those without.

### Future data plans

■ All insurance  
 ■ Without a data analyst  
 ■ With a data analyst



### Future plans to enhance the use of data



Note: only positive responses for Q10 shown. Q11 contains multiple responses



## Insurance companies...

**Very few insurers** (26%) have a dedicated data budget, and 38% report **budget constraints** as a challenge.

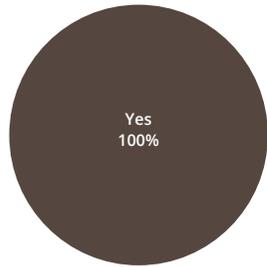
They mostly **store their data** on two sources: on the **premises** (49%) and in the **cloud** (33%).

67% report data (and specifically **missing data and poor data quality**) as a challenge.

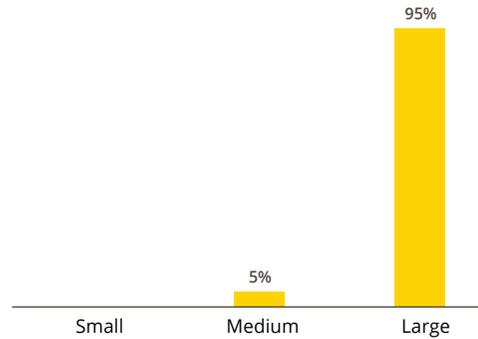
# 5 Mobile money operators

The following section looks at survey responses of mobile money operators only

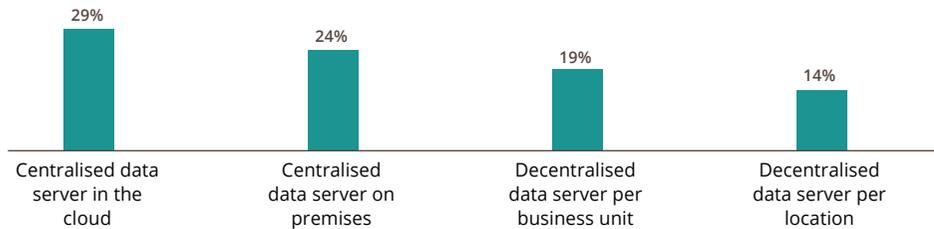
Of the 21 respondents that were mobile money operators...



All have a dedicated data analyst, and 90% indicated that their data analysis takes place in-house.



Almost all mobile money operators have more than 50,000 customers.



The distribution of where mobile money operators store data **varies greatly**, but a majority of **29% store data in the cloud**.

## Mobile money operators and collection and use of data

Q1: Does your organisation collect and use any of the following data?

### Top three data sources used for decision-making per category

Most collected and used for decision-making	Collected but not used for decision-making	Least collected and not used for decision-making
Surveys and external research	Client utility bills	Credit bureau data
GIS	Industry publications	Satellite imagery
Customer transactional data	Identity verification	Client social media data

### Mobile money operators are more likely to use data for...

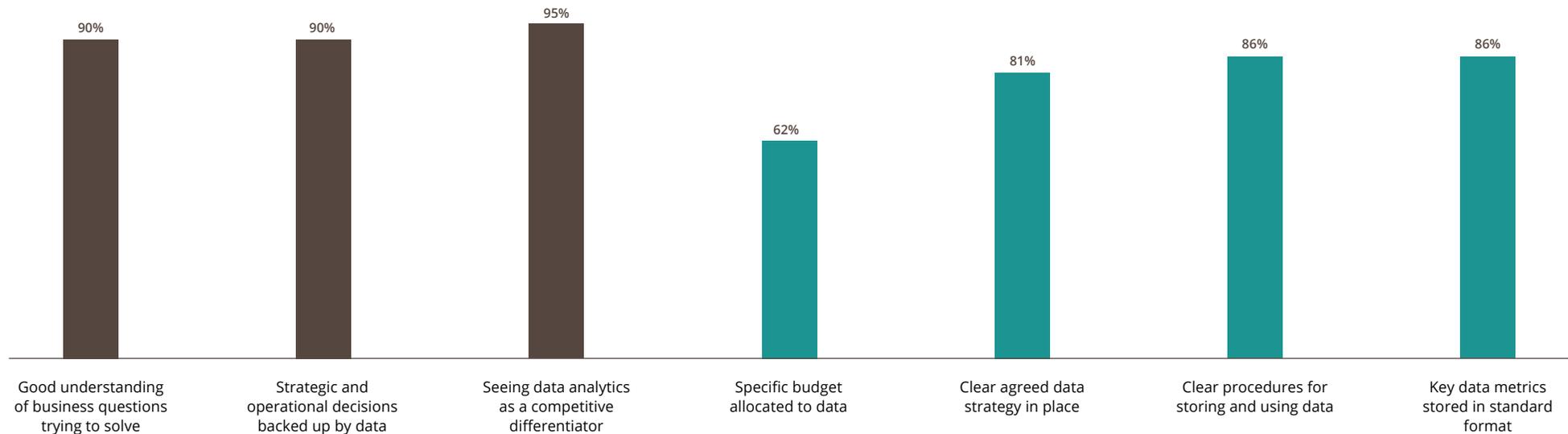
- Internal monitoring
- Developing a competitive advantage
- Operational decisions

### ...than for

- Product development
- Marketing
- Advanced data analysis
- Compliance reporting

## Mobile money operators and attitudes towards data

Q9: How does your organisation relate to the following statements?



Mobile money operators have a **very positive attitude** towards data, **81%** already have an **agreed data strategy** and **62%** have **a specific budget allocated to data**.

Note: only agree and strongly agree responses shown



## Mobile money operators and challenges faced in using data

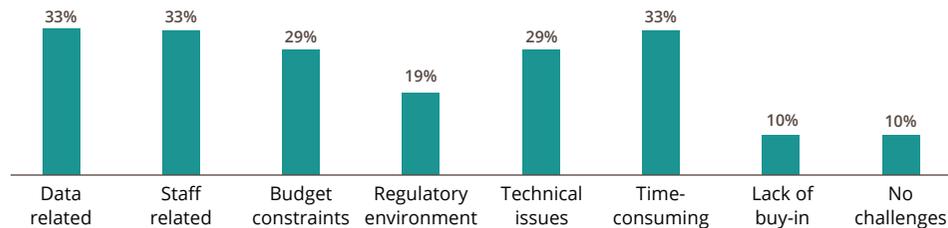
**Q8:** What challenges does your organisation face with collecting, storing and using data?

The majority of challenges faced by mobile money operators are **equally split across data-related challenges, staff-related challenges and data being time-consuming**. Overall, their levels are much lower for the problems they do experience.

### Top three challenges in using data:

- 1 Staff-related (skill shortage, no dedicated data staff)
- 2 Data-related (data not accessible, missing data, poor data quality, most recent data not available)
- 3 Time-consuming

### All challenges

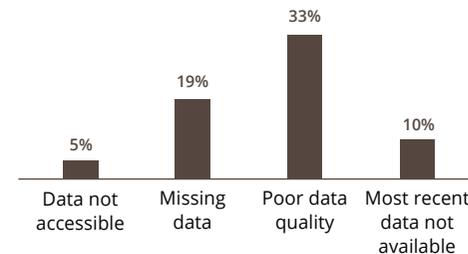


### Staff-related challenges



In terms of staff-related challenges, a **lack of staff skills** is prevalent among mobile money operators.

### Data-related challenges



In terms of data-related issues, **poor data quality** is experienced by a third of mobile money respondents. The second most common data challenge for mobile money FSPs is **missing data**.

Note: multiple responses



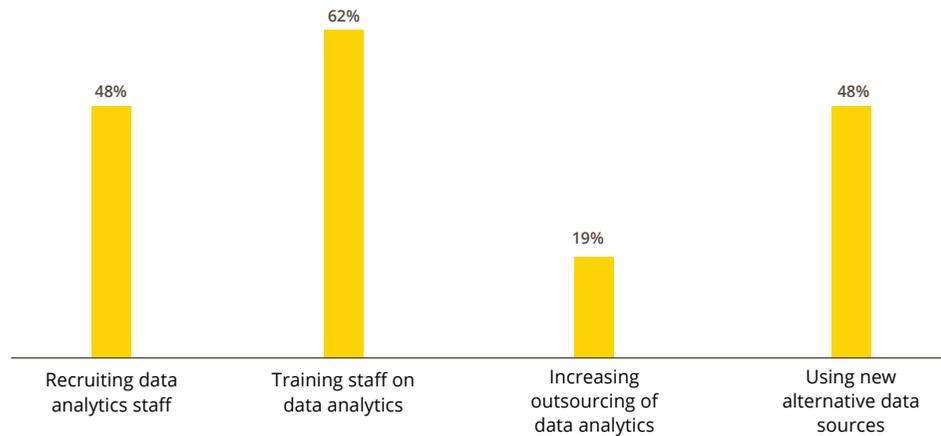
## Mobile money operators and future plans for data use

**Q10:** Does your organisation have plans for any of the following?

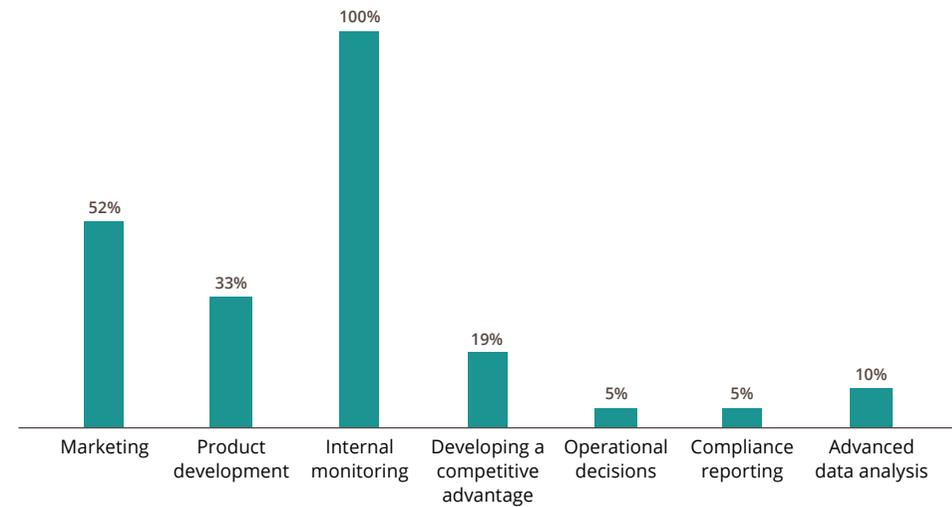
**Q11:** In which two key areas is your organisation planning to enhance the use of data over the next five years? (please select 2)

All mobile money operators plan to **prioritise internal monitoring** in the next five years. Half of the respondents also plan to **enhance data use for marketing** and a third for **product development**.

### Future data plans



### Future plans to enhance the use of data: mobile money



Note: only positive responses for Q10 shown. Q11 contains multiple responses



## Mobile money operators...

**All 21** mobile money operators reported having a **dedicated data analyst**.

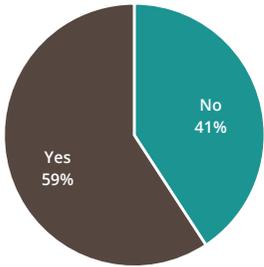
**All** of them also reported making use of **GIS data**.

In terms of challenges, they report **poor data quality** and **staff challenges** as well as data being **time-consuming**.

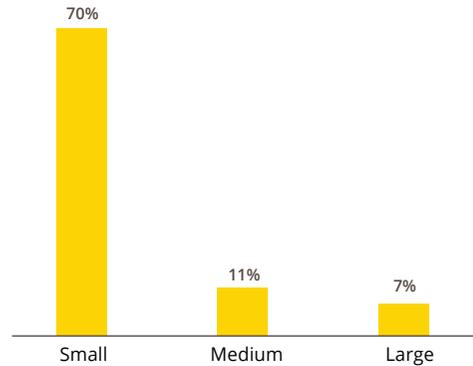
# 6 Fintechs

The following section looks at survey responses of fintechs only

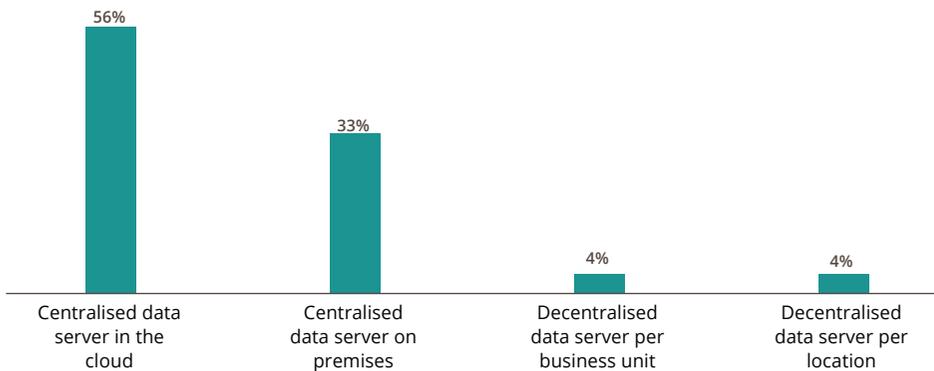
## Of the 27 respondents that were fintechs...



**60%** have a dedicated data analyst, and 96% indicated that the **majority of their data analysis takes place in-house.**



The majority have **fewer than 5,000 customers.**



The **majority** store their data in a **centralised server in the cloud.**

## Fintechs and collection and use of data

**Q1:** Does your organisation collect and use any of the following data?

### Top three data sources used for decision-making per category

Most collected and used for decision-making	Collected but not used for decision-making	Least collected and not used for decision-making
Identity verification	Client social media data	Client utility bills
Customer transactional data	Government/donor-funded	Call detail records
Surveys and external research	Industry publications	Satellite imagery

### Fintechs are more likely to use data for...

- Product development
- Marketing
- Developing a competitive advantage
- Internal monitoring

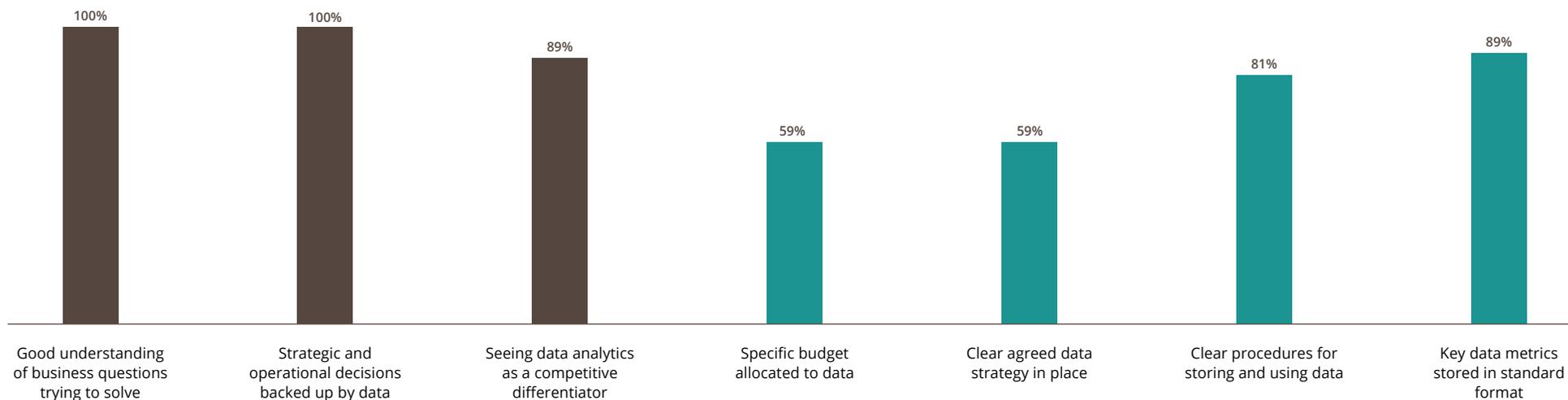
### ...than for

- Operational decisions
- Advanced data analysis
- Compliance reporting



## Fintechs and attitudes towards data

Q9: How does your organisation relate to the following statements?



Most fintechs have a **positive attitude** towards data, **59%** already have an **agreed data strategy** and **59%** have a **specific budget allocated to data**.

Note: only agree and strongly agree responses shown



## Fintechs and challenges faced in using data

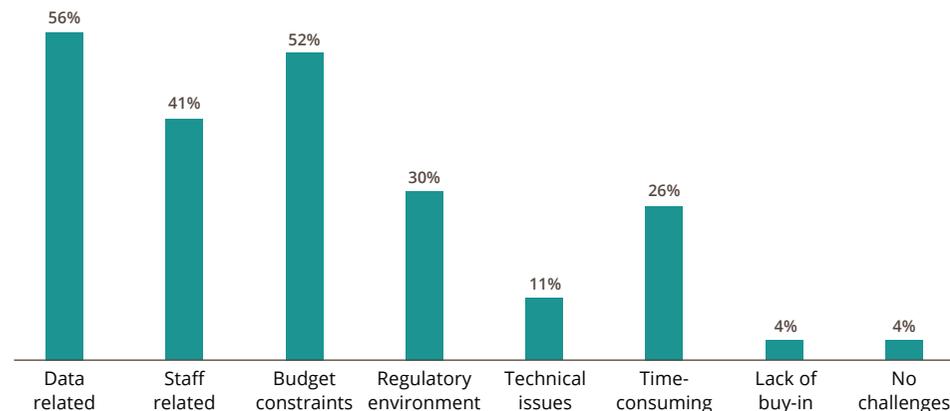
**Q8:** What challenges does your organisation face with collecting, storing and using data?

Most fintechs are experiencing **data-related challenges** and **budget constraints**.

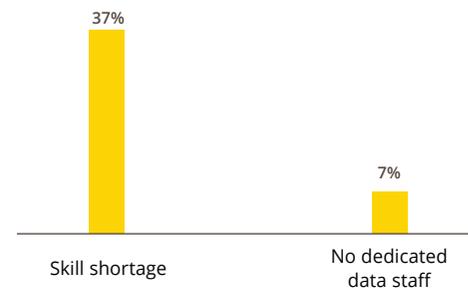
### Top three challenges in using data:

- 1 56% Data-related (data not accessible, missing data, poor data quality, most recent data not available)
- 2 52% Budget constraints
- 3 41% Staff-related (skills shortage, no dedicated data staff)

### All challenges

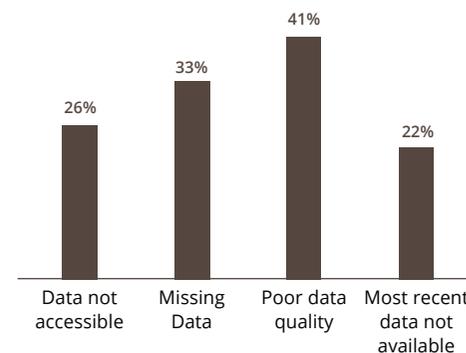


### Staff-related challenges



In terms of staff-related challenges, fintechs generally experienced a **lack of skills** more than not having dedicated data staff.

### Data-related challenges



Breaking down the data-related challenges category shows that most fintechs face challenges relating to **missing data and poor data quality**, rather than having the latest data available.

Note: multiple responses



## Fintechs and future plans for data use

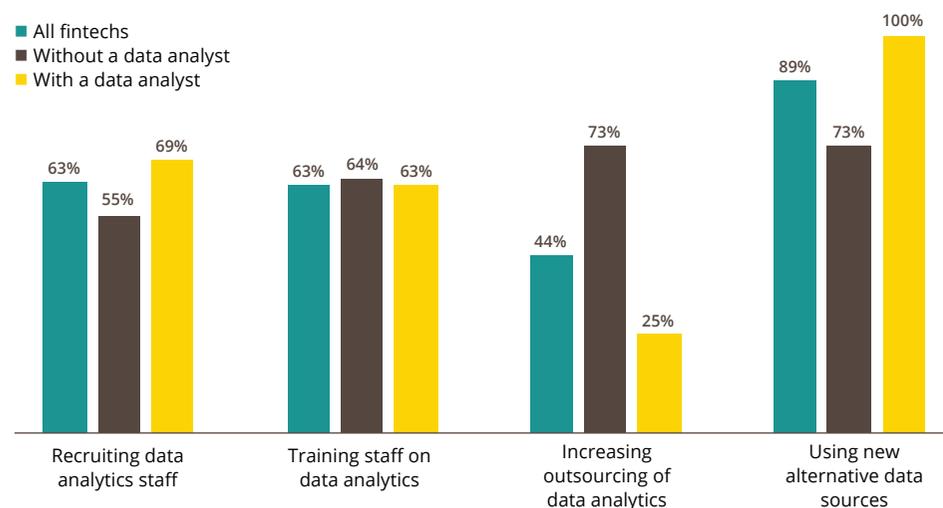
**Q10:** Does your organisation have plans for any of the following?

**Q11:** In which two key areas is your organisation planning to enhance the use of data over the next five years? (please select 2)

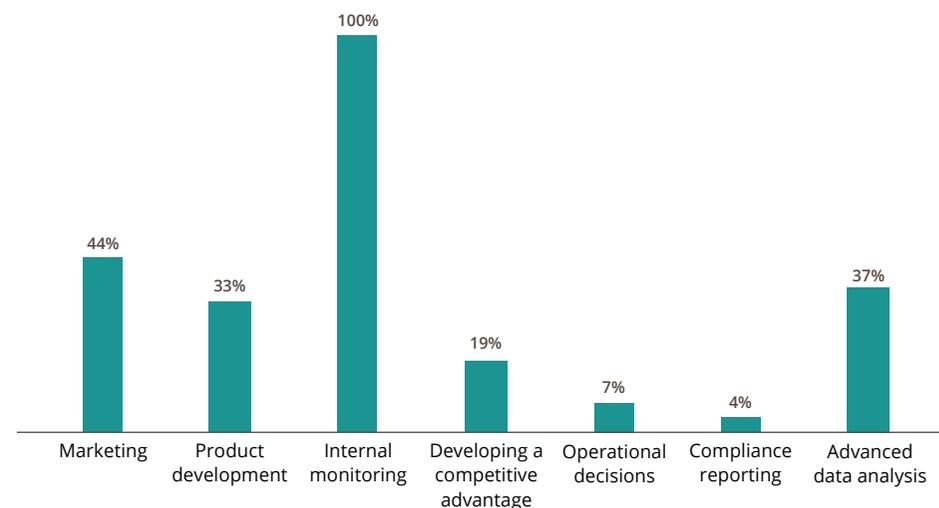
Fintechs in the sample: plan to use **alternative sources of data** and to use data for **internal monitoring**.

### Future data plans

■ All fintechs  
■ Without a data analyst  
■ With a data analyst



### Future plans to enhance the use of data



Note: only positive responses for Q10 shown. Q11 contains multiple responses



## Fintechs...

Despite being small in size, **60%** have a **dedicated data analyst**.

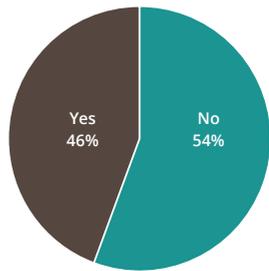
**56%** of fintechs make use of **centralised cloud storage**.

Every fintech reported that they have a **good understanding of the business questions** they are trying to solve and that their strategic decisions are backed up by data; however, **41%** still report **poor data quality** as a challenge.

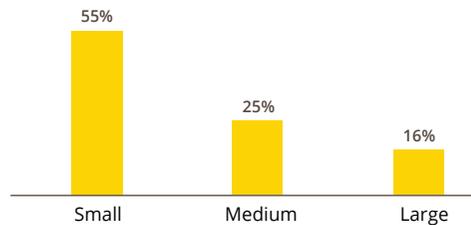
# 7 MFIs

The following section looks at survey responses of MFIs only

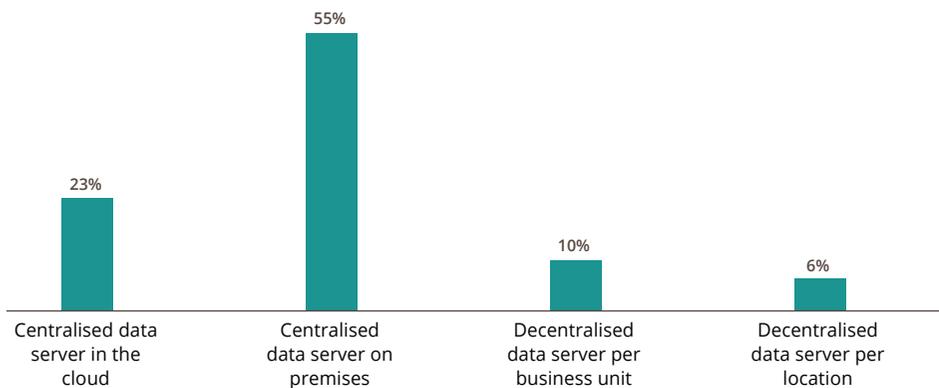
## Of the 96 respondents that were MFIs...



The **majority do not have a dedicated data analyst**, yet **93%** indicated that their **data analysis takes place in-house**.



**More than half** of MFI respondents have **fewer than 5,000 customers**.



**Most** MFIs store their data in a **centralised server on the premises**.

## MFIs and collection and use of data

**Q1:** Does your organisation collect and use any of the following data?

### Top three data sources used for decision-making per category

Most collected and used for decision-making	Collected but not used for decision-making	Least collected and not used for decision-making
Identity verification (KYC)	Client utility bills	Satellite imagery
Credit bureau data	Industry publications	Call detail records
Customer transactional data	Surveys and external research	Client social media data

### MFIs are more likely to use data for...

- Internal monitoring
- Product development
- Marketing

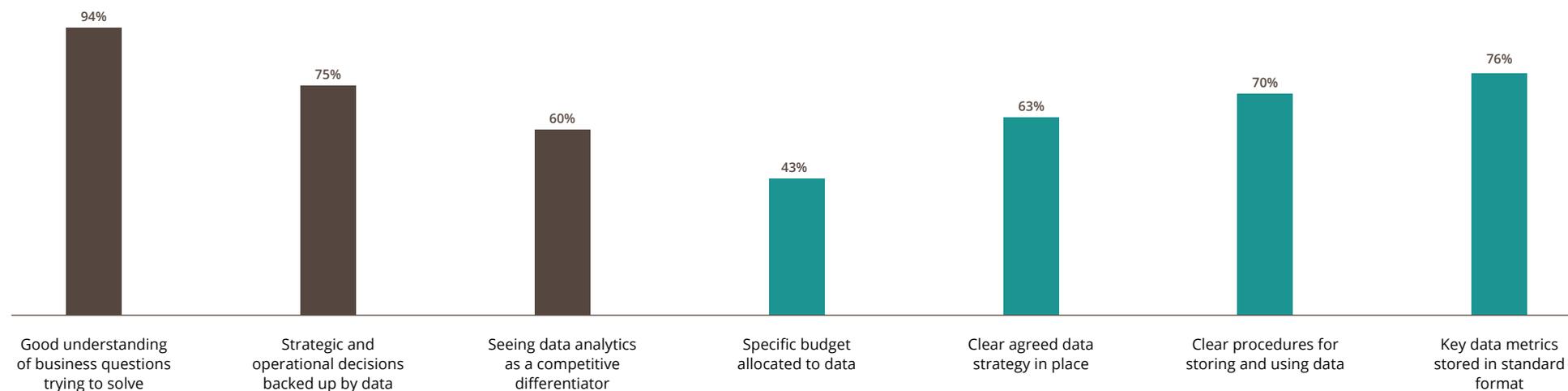
### ...than for

- Developing a competitive advantage
- Operational decisions
- Advanced data analysis
- Compliance reporting



## MFIs and attitudes towards data

Q9: How does your organisation relate to the following statements?



Most MFIs have a **positive attitude** towards data, **63%** already have an **agreed data strategy** and **43%** have a **specific budget allocated to data**.

Note: only agree and strongly agree responses shown



## MFIs and challenges faced in using data

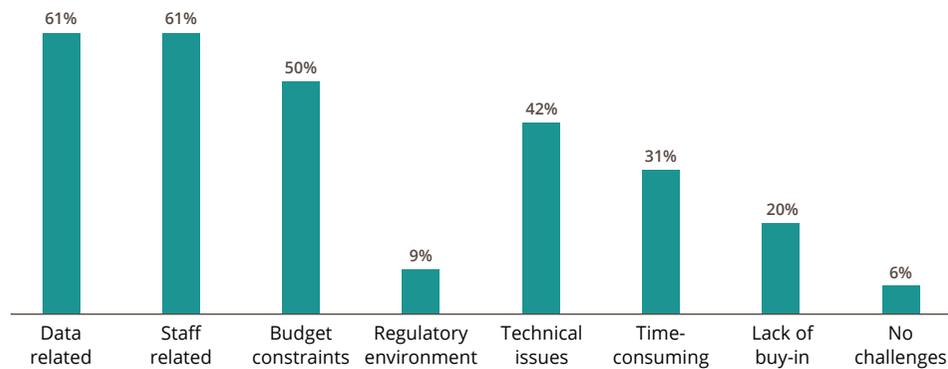
**Q8:** What challenges does your organisation face with collecting, storing and using data?

The majority of challenges faced by MFIs come equally from **data-related** and **staff-related issues**.

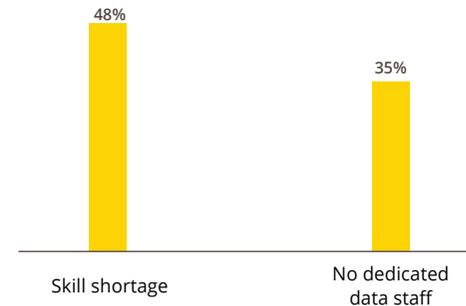
### Top two challenges in using data:

- 1 Staff-related (skill shortage, no dedicated data staff)
- 2 Data-related (data not accessible, missing data, poor data quality, most recent data not available)

### All challenges



### Staff-related challenges



In terms of staff-related challenges, a **lack of staff skills** is prevalent among microfinance institutions.

### Data-related challenges



In terms of data-related issues, **missing data** is experienced by 41% of MFI respondents, while **poor data quality** is experienced by a third of MFI respondents.

Note: multiple responses



## MFIs and future plans for data use

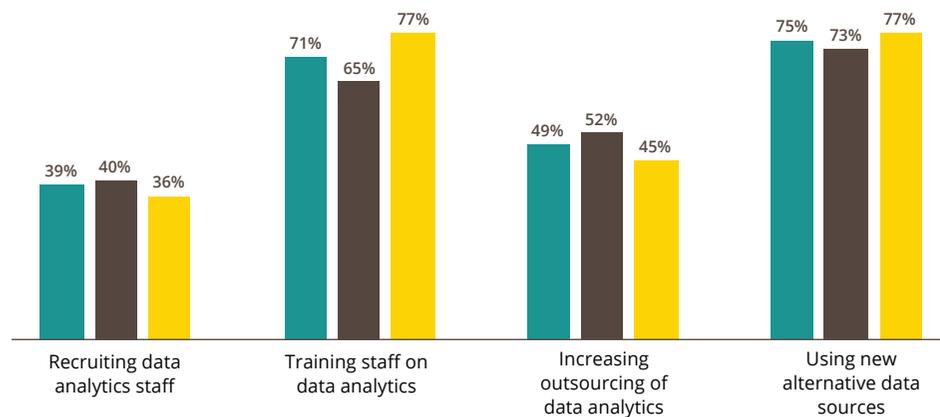
**Q10:** Does your organisation have plans for any of the following?

**Q11:** In which two key areas is your organisation planning to enhance the use of data over the next five years? (please select 2)

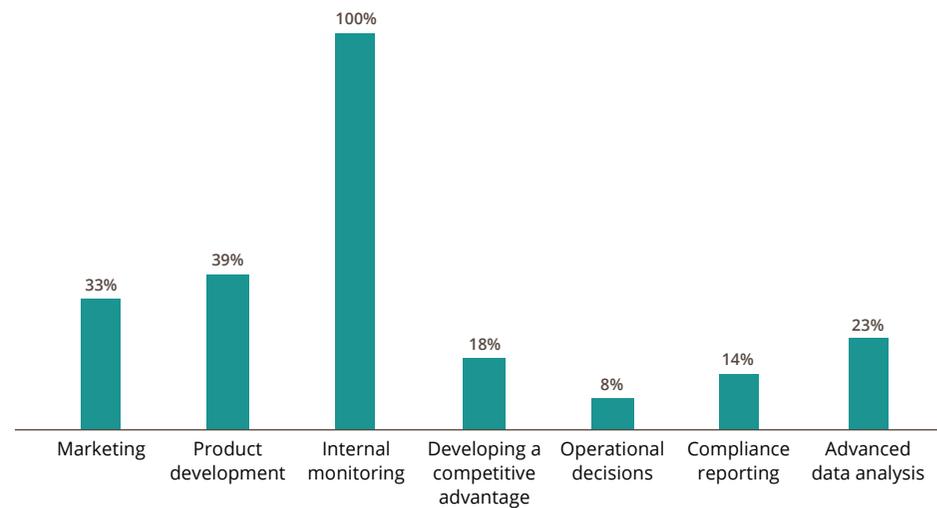
**A quarter** of MFI respondents plan to use **new alternative data channels** and plan to **train existing staff on data analytics**. This equates to **a third** of respondents who **have a data analyst**. All MFIs **prioritise internal monitoring**.

### Future data plans

■ All MFIs  
■ Without a data analyst  
■ With a data analyst



### Future plans to enhance the use of data



Note: only positive responses for Q10 shown. Q11 contains multiple responses



## MFIs...

They are typically small (55% have **fewer than 5,000 customers**), and only 56% have a dedicated data analyst.

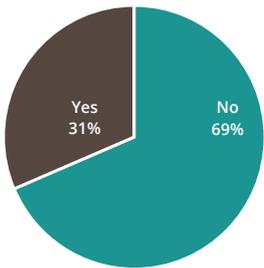
**Data- and staff-related issues** are experienced equally (61%), where a **shortage of skills** and **missing data** are the most prevalent.

**94%** have an **understanding of the business challenges** they are trying to solve with data, while **43%** have **allocated budget** specifically for data.

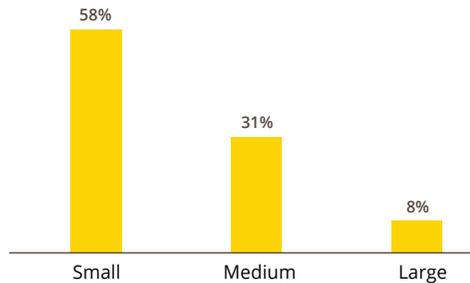
# 8 SACCOS

The following section looks at survey responses of SACCOS only

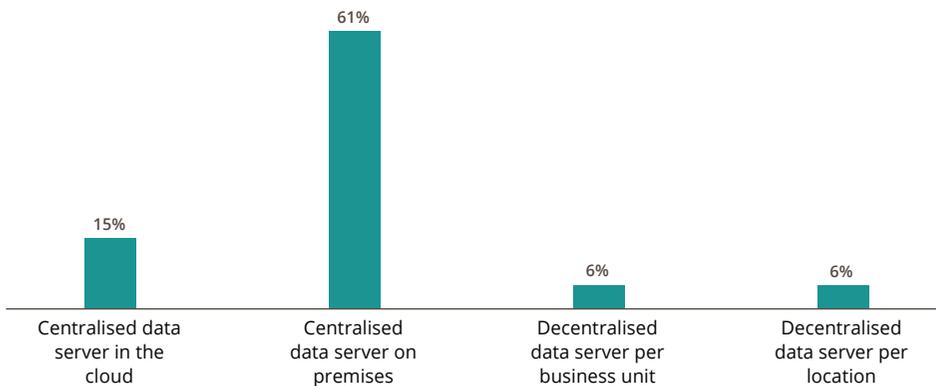
## Of the 72 respondents that were SACCOS...



The **majority do not have a dedicated data analyst**, but 94% indicated that the **majority of their data analysis takes place in-house**.



The majority are **small in size** and have **fewer than 5,000 customers**.



A majority of 61% have data stored on a **centralised server on their premises**.

## SACCOS and collection and use of data

Q1: Does your organisation collect and use any of the following data?

### Top three data sources used for decision-making per category

Most collected and used for decision-making	Collected but not used for decision-making	Least collected and not used for decision-making
Identity verification (KYC)	Client social media data	Satellite imagery
Government research	Customer interaction data	Client utility bills
Industry publications	Surveys and external research	Credit bureau data

### Insurance providers are more likely to use data for...

- Marketing
- Compliance reporting
- Internal monitoring

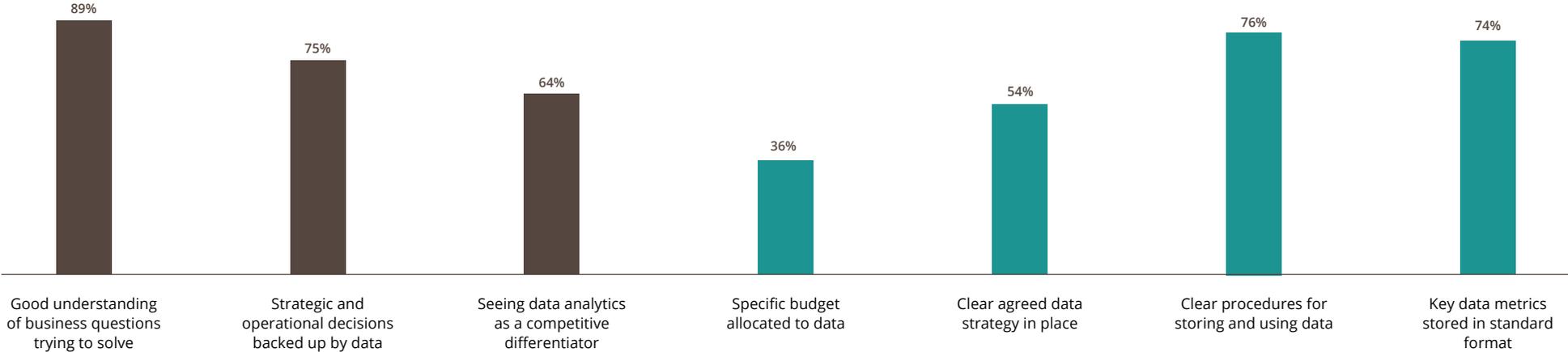
### ...than for

- Product development
- Operational decisions
- Developing a competitive advantage
- Advanced data analysis



## SACCOs and attitudes towards data

Q9: How does your organisation relate to the following statements?



Most SACCOs have a **positive attitude** towards data, and **54%** already have an **agreed data strategy**; however, only **36%** have a **specific budget allocated to data**.

Note: only *agree* and *strongly agree* responses shown



## SACCOs and challenges faced in using data

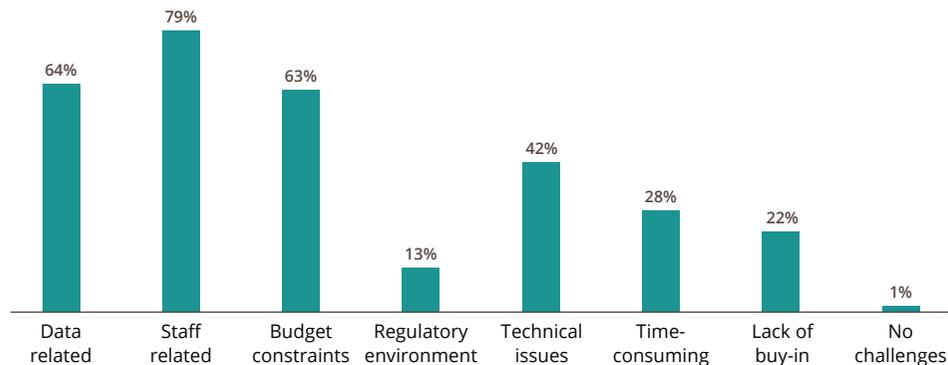
**Q8:** What challenges does your organisation face with collecting, storing and using data?

**Staff-related challenges** are very significant for SACCOs. Many also experience **data-related and budget constraints**. Although not in the top three, they also experience significant **technical issues**.

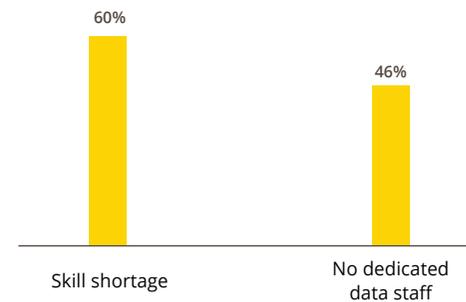
### Top three challenges in using data:

- 1 79% staff-related (skill shortage, no dedicated data staff)
- 2 64% data-related (data not accessible, missing data, poor data quality, most recent data not available)
- 3 63% budget constraints

### All challenges

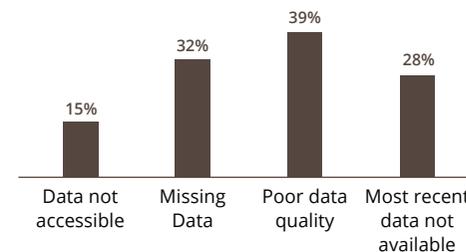


### Staff-related challenges



In terms of staff-related challenges, SACCOs face a **lack of skills**. In terms of data quality, they usually experience **poor data quality** issues.

### Data-related challenges



Note: multiple responses



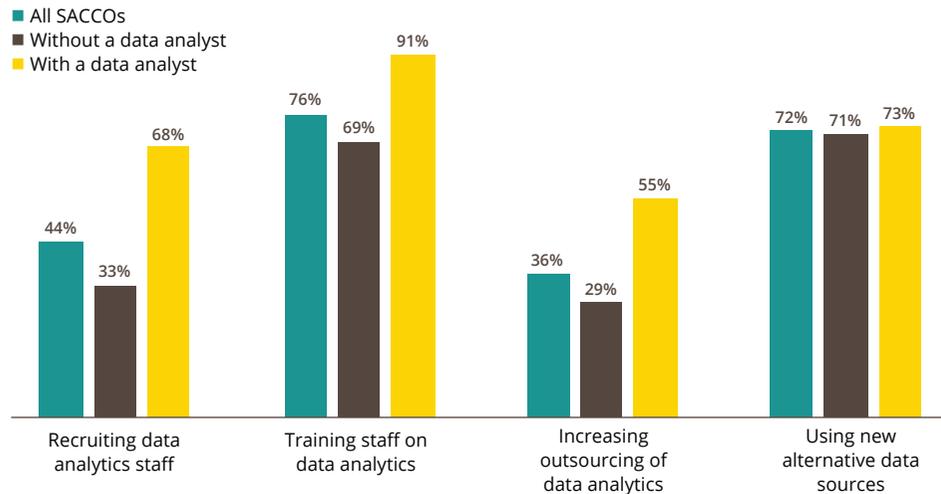
## SACCOs and future plans for data use

**Q10:** Does your organisation have plans for any of the following?

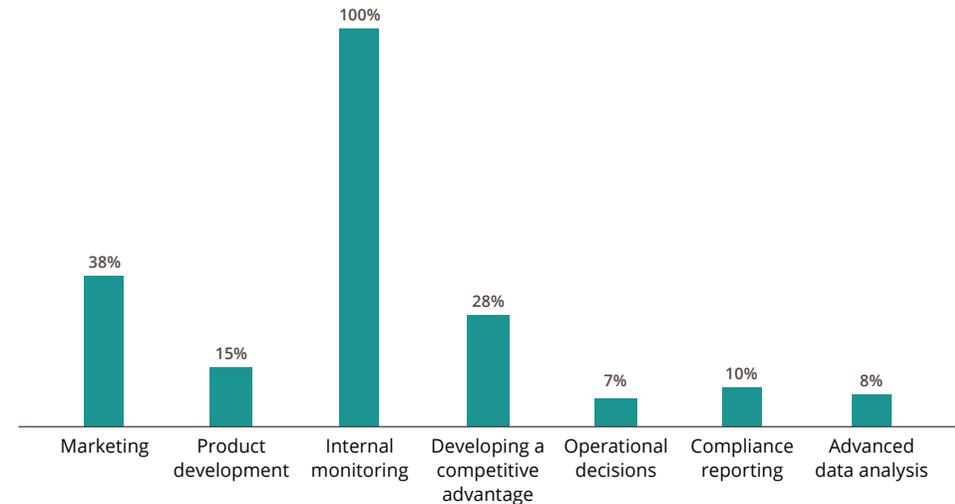
**Q11:** In which two key areas is your organisation planning to enhance the use of data over the next five years? (please select 2)

SACCOs' future focus is on **internal monitoring**. Interestingly, 66% of those that already have a dedicated data analyst have plans to recruit more data analytics staff. This speaks to the benefits that they are already getting and indicates that they want to get more value.

### Future data plans



### Future plans to enhance the use of data



Note: only positive responses for Q10 shown. Q11 contains multiple responses



## SACCOs...

**64%** of SACCOs recognise data as **providing a strategic competitive advantage**.

However, only **36%** have a **dedicated budget for data**.

**79%** of SACCOs face **staff challenges**, which comprise mostly **skills shortage** (60%) and, to a lesser extent, not having the **proper data staff** (46%).

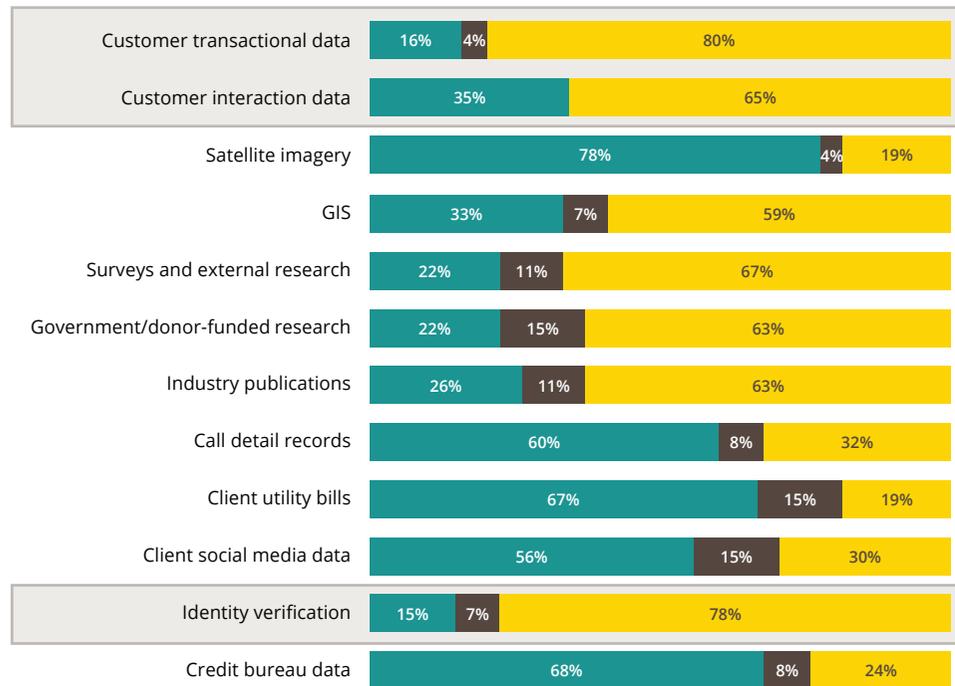
# 9 Comparison by FSP type

This section compares survey responses for each FSP type

## Collection and use of data by type of FSP

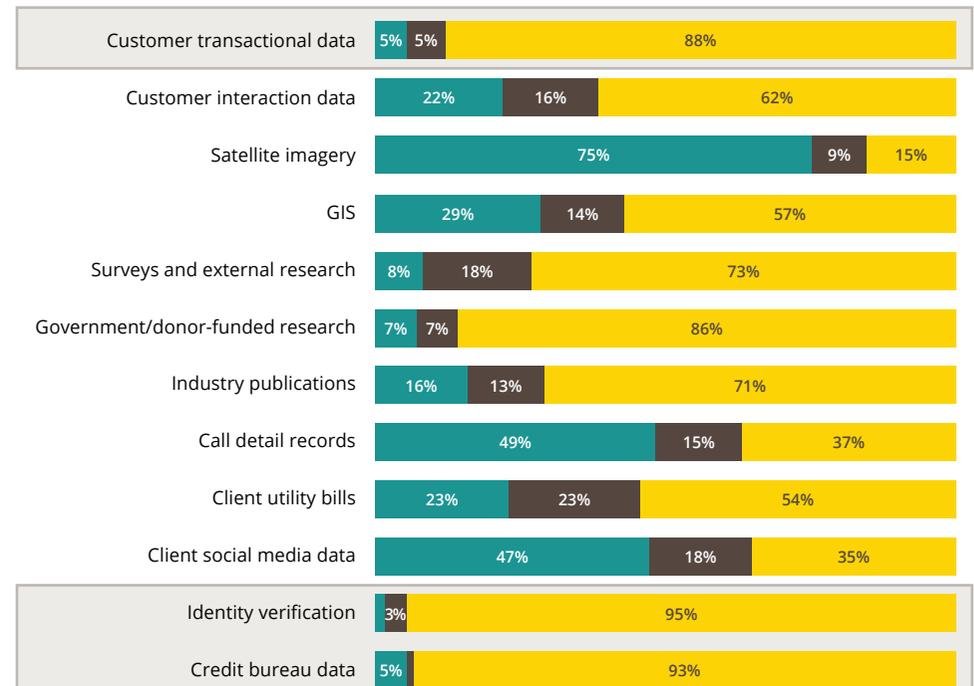
Q1: Does your organisation collect and use any of the following data?

### Fintechs



■ No ■ Yes but not used for decision-making ■ Yes and used for decision-making

### Banks



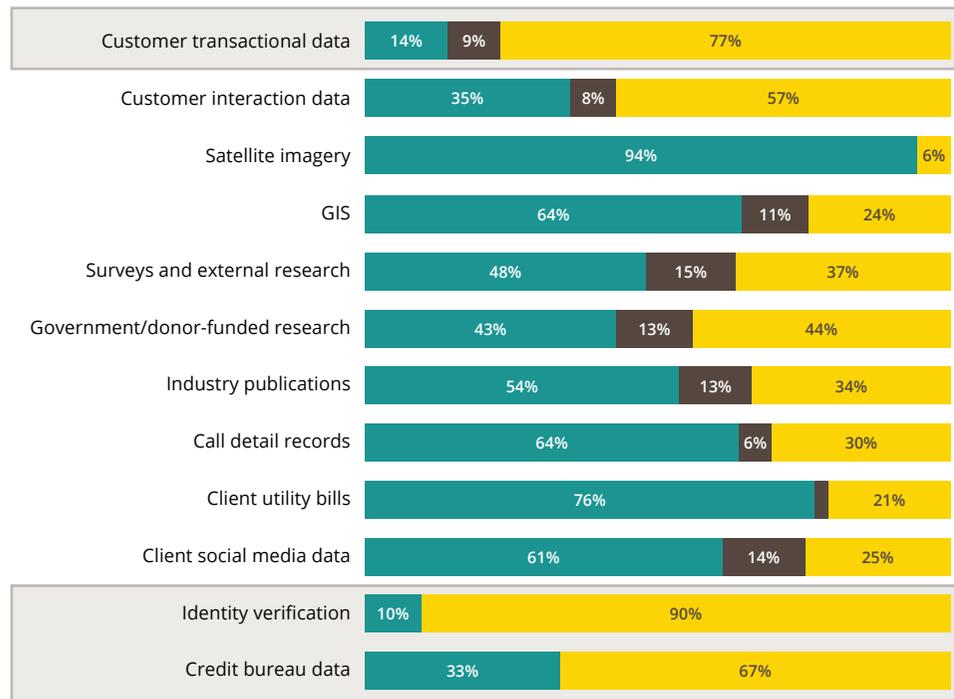
■ No ■ Yes but not used for decision-making ■ Yes and used for decision-making

A greater percentage of banks in the sample use more types of **data for decision-making** than fintechs. Fintechs **do not rely** on alternative data sources as much as would be expected.



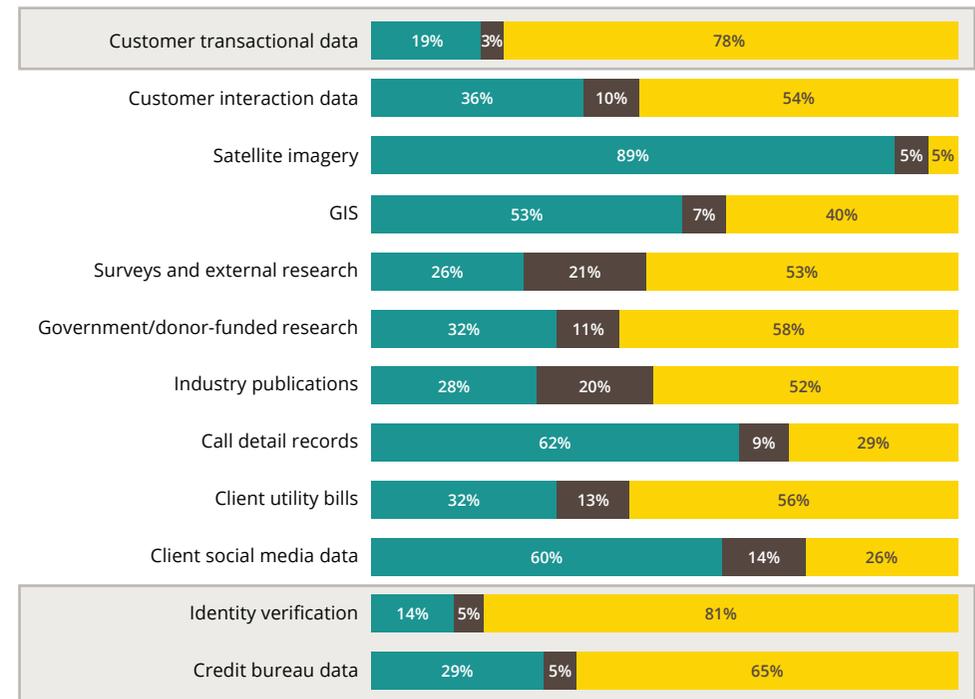
**Q1:** Does your organisation collect and use any of the following data?

### SACCOs



■ No ■ Yes but not used for decision-making ■ Yes and used for decision-making

### MFIs



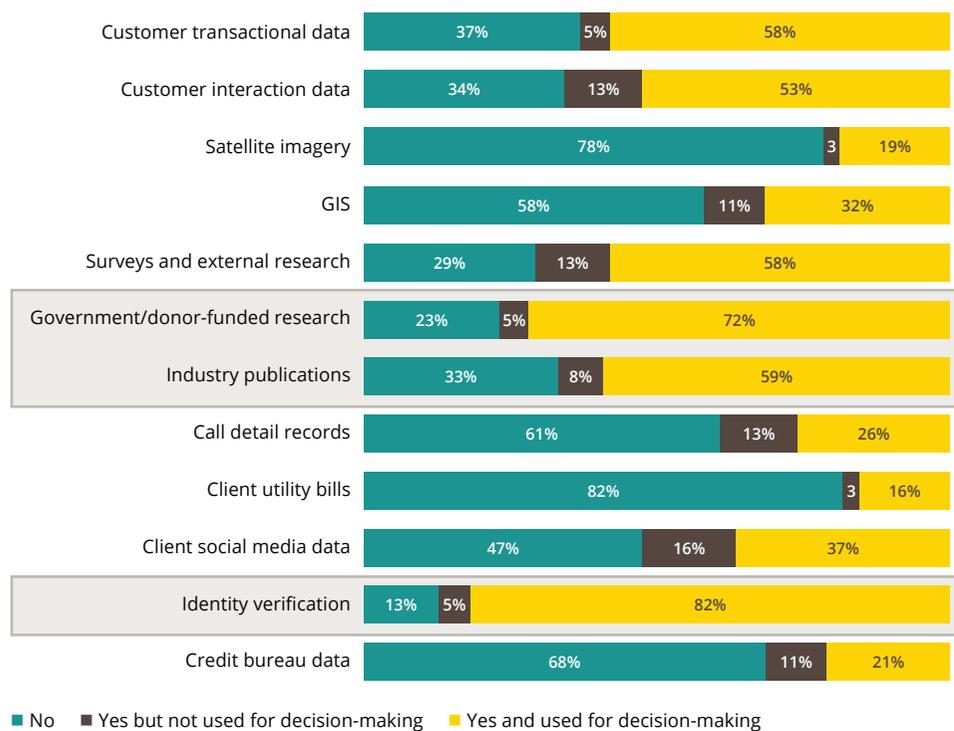
■ No ■ Yes but not used for decision-making ■ Yes and used for decision-making

Although SACCOs are typically larger than MFIs, **MFIs are more likely to have a data analyst** (63% vs 13%). They collect and use the same types of data sources.

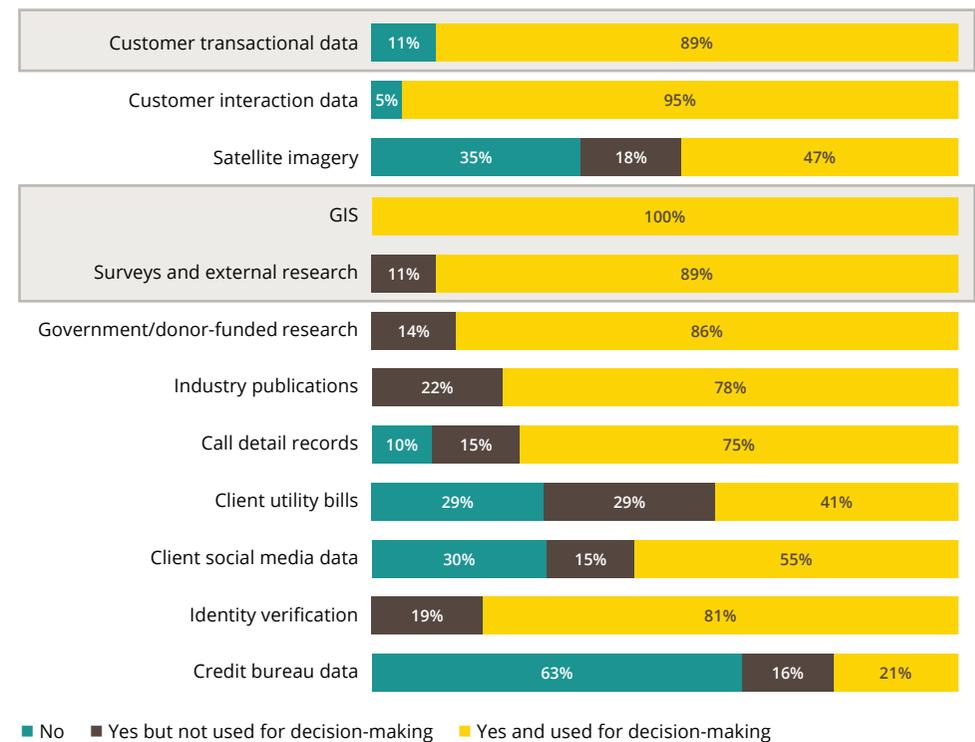


**Q1:** Does your organisation collect and use any of the following data?

### Insurance



### Mobile money



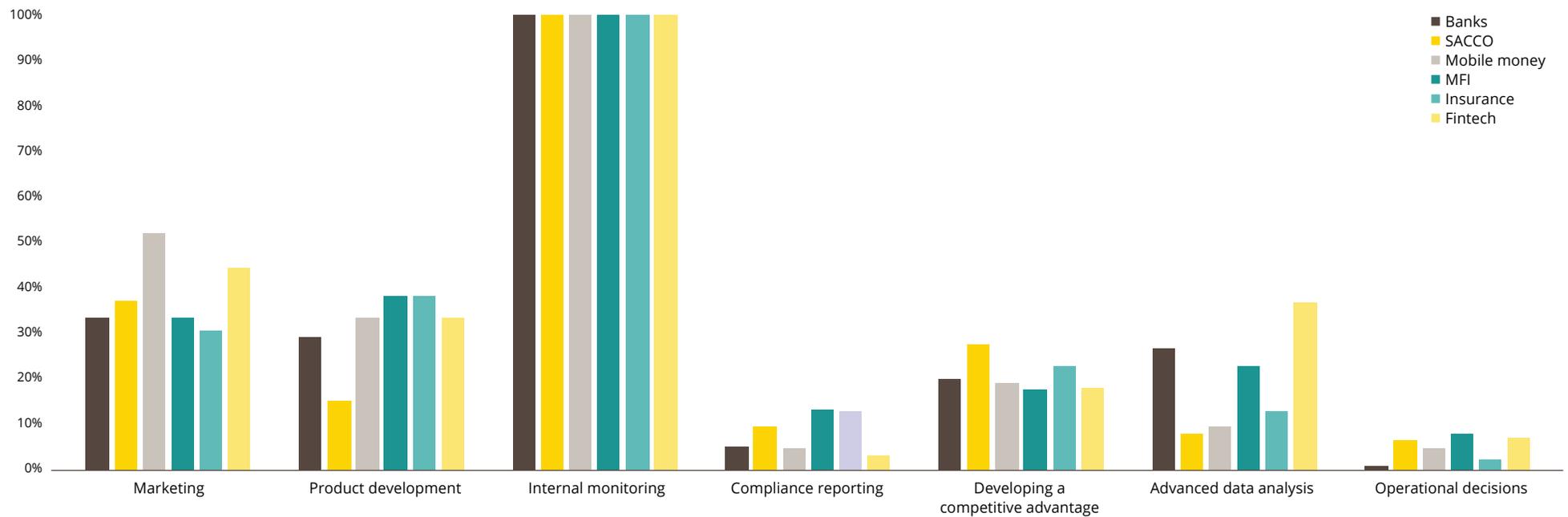
Insurance companies rely heavily on identity verification, government and donor-funded research, as well as industry publications, while mobile money operators make use of customer transactional data, survey data and GIS.



## Uses of data

**Q11:** In which two key areas is your organisation planning to enhance the use of data over the next five years? (please select 2)

### Type of FSP and future data usage



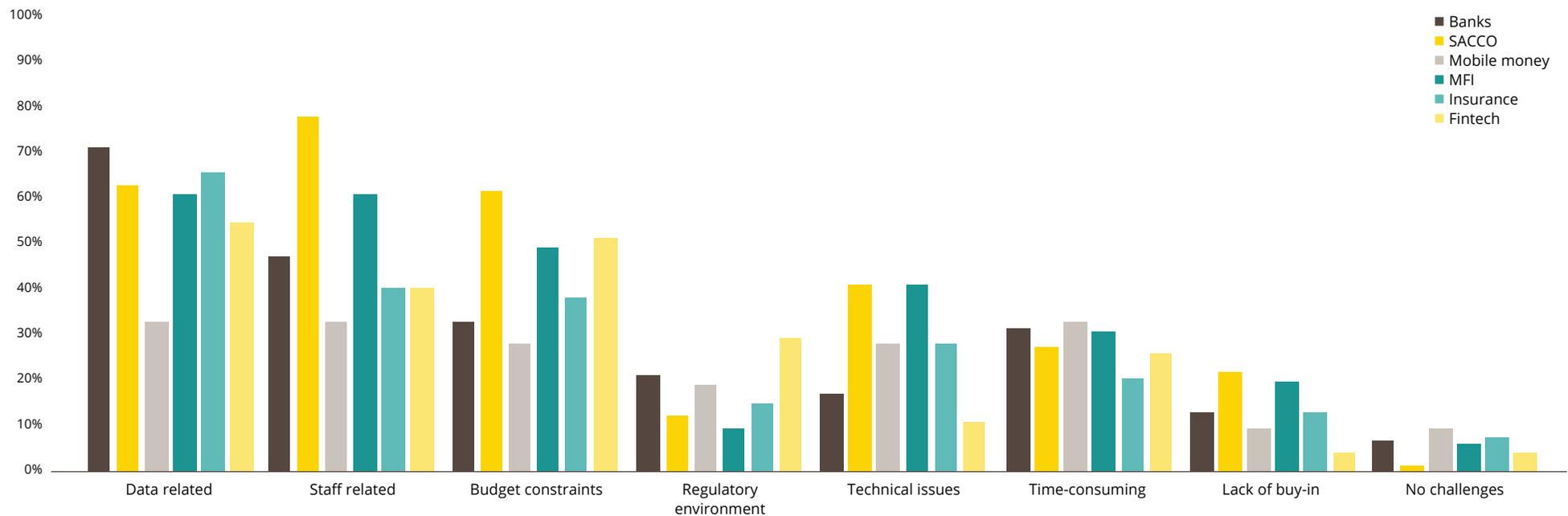
All FSP types plan to enhance the use of data for internal monitoring purposes. Fintechs are the more likely of all FSPs to use data for marketing and advanced data analysis in the future, while MFIs and insurance providers are more likely to use data for product development and compliance reporting.



## Challenges faced and type of FSP

Q8: What challenges does your organisation face with collecting, storing and using data?

### Challenges faced, by FSP type



SACCOs were the most likely of all FSP types to report **staff-related challenges and budget constraints**. Banks and mobile money operators put **less emphasis on budget constraints** being a challenge than any of the other FSP types, but rather find data to be time-consuming.

Note: multiple responses

## FSP-type conclusions

General trends across the FSP types are very similar; however, there are a few interesting differences. For example:

- **Mobile money operators** are the group with the highest score on seeing data analytics as a competitive differentiator (95%), and they all have a dedicated data analyst. They also report lower levels in terms of the challenges experienced, especially the key challenges of staff (33%), data (33%) and budget constraints (28%).
- **Fintechs** also report seeing data as a competitive differentiator (89%); however, they report higher levels in terms of the key challenges of staff (41%), data (56%) and budget constraints (52%).
- Regardless of firm size or type, the challenges faced by FSPs across the six countries are quite uniform.

# How to find us:

Get involved. Contact us.

Louise de Villiers  
louise@cenfri.org

+27 21 913 9510  
i2ifacility.org

Rinelle Chetty  
rinelle@cenfri.org

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