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GENDER-SMART BUSINESS SOLUTIONS

BANCO BHD LEÓN USES WOMEN-CENTERED DESIGN TO GROW ITS MARKET IN THE DOMINICAN REPUBLIC



IFC

International
Finance Corporation
WORLD BANK GROUP

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Project Overview

Marketing to women isn't just about promoting goods and services to them. It requires an understanding of women's needs, as well as preferences, across various market segments. Working with IFC, Banco BHD León (BHDL) identified four specific segments of female customers who had unmet needs and could help grow the financial services sector in the Dominican Republic. Based on this knowledge, BHDL was able to create a new women's business line, yielding a return of 35 percent.

Challenges

Women make up 70 percent of all university graduates and are the primary financial providers in over half of all households. Nevertheless, demand for financing among women and women-owned businesses is largely unmet. Banks sometimes lack knowledge of their female clients and have limited capacity to develop flexible channels and products suited to women's needs, preferences, and behaviors. To address these issues, IFC's Banking on Women (BOW) program partnered with BHDL, one of the largest banks in the country, to achieve its goal of becoming the nation's bank of choice for women.

Gender-Smart Solutions

With IFC, BHDL defined the specific needs of segments within the women's market. This enabled the bank to design and market targeted financial and nonfinancial services to better serve each segment. The services are marketed under the bank's *Mujer Mujer* ("Woman Woman")

program; BHDL created them by using the processes described below:

- **Analyzing women's needs:** The bank's gender-smart solutions are grounded in user-centric market research, which recorded women's financial, social, and personal needs. With IFC, BHDL identified four groups of women customers: small and medium enterprise (SME) owners, independent professionals, salaried employees, and heads of household.
- **Designing for women:** The World Bank's Innovation Accelerator worked with IFC and BHDL to use human-centered design (HCD) methodology to transform insights from market research into products and services. The project team identified services that would differentiate BHDL's offerings from its competitors and meet women's preferences by bundling specific sets of nonfinancial services along with key product offerings. These services address women's concerns of saving time; promoting individual and family well-being, including education and health; and growing their businesses.

Examples of innovative products include the *Tarjeta Mujer* (Woman's Credit Card) and the *Tarjeta Emprendedora* (Woman Entrepreneur Credit Card), both of which come bundled with nonfinancial services. The *Tarjeta Mujer*, for example, includes insurance coverage for illnesses such as breast and ovarian cancers, as well as plumbing and locksmith services. The *Tarjeta Emprendedora* includes comprehensive technical assistance in areas such

WOMEN-CENTERED DESIGN

The partners applied Human Centered Design (HCD) principles to gain insights on how to best serve women and to develop a targeted customer value proposition (CVP). HCD is a methodology that puts the user of a product front and center and ends with new solutions that are tailor made to suit her needs. By focusing on women's specific needs and preferences, BHDL and IFC have applied an innovative, women-centered design approach. This process identified that, along with gaps in access to financial services, women entrepreneurs also faced gaps in health care and other services. HCD enabled the bank to pilot an innovative offering to draw in more clients while also addressing women's needs.

as accounting, taxation, law, and labor law—among other benefits.

- **Marketing to women:** Campaigns highlighted women's needs, aspirations, and satisfaction with the new offerings. Advertisements included empowering messages and depictions of women achieving their goals and advancing in the areas they identified as important, such as their children's education and reaching more business prospects. In less than a year, more than 30,000 customers have benefited from insurance and assistance policies tailored to women's needs. Many customers for the new policies are men, who are also interested in coverage for their children's health and education.

MUJER MUJER INITIAL RESULTS

- IRR: 35 percent
- Individual ROA: 20 percent
- Small Business ROA: 14 percent
- Medium Business ROA: 12 percent
- Commercial Loan Growth: 26 percent
- Car Loan Growth: 19 percent
- Consumer Loan Growth: 8 percent

■ **Recognizing women:** In 2015, the bank launched a nationally recognized awards program: Women Who Change the World. By rewarding women who solve social challenges in their communities, BHDL demonstrates its commitment to gender equality. After one year, BHDL has received more than 130 nominations, and employees are interviewing and evaluating the nominees.

■ **Promoting internal gender equality:** BHDL's efforts to establish itself as the bank of choice for women in the Dominican Republic are supported by internal measures to close gaps between male and female employees. These include validating equal pay for men and women, monitoring of hiring and promotion by gender, and providing gender-sensitivity trainings.

Today, 64 percent of the BHDL's senior managers are women. To improve the working conditions for women, BHDL opened lactation centers at two of its offices. It was the first private entity in the country to sign onto the UN Women's *HeForShe* initiative.

Business Case

By targeting women's needs and preferences, BHDL was able to innovate, become more profitable, and receive public recognition.

■ **Product innovation:** BHDL has developed savings, credit, and insurance products to meet the needs of the four segments within the women's market. BHDL has extended its standard products by offering nonfinancial services, such as legal assistance via the *Tarjeta Mujer* and *Tarjeta Emprendedora*. Both cards have proved to be a draw for women consumers.

■ **Profitability and growth:** Within its first year, *Mujer Mujer* contributed to BHDL's profitability and growth. The program produced an internal rate of return (IRR) of over 35 percent, along with a return on assets (ROA) of 20 percent for individuals, 14 percent for small enterprises, and 12 percent for medium-sized businesses. In addition, between December 2015 and July 2016, BHDL's credit portfolio grew 26 percent in commercial loans, 19 percent in car loans, and 8 percent in consumer loans.

IFC AND BANKING ON WOMEN (BOW)

IFC's BOW program plays a catalyzing role for partners and financial institutions by helping them to profitably and sustainably serve women-owned businesses. Since the launch of BOW in late 2010, IFC has made over 40 investments in financial institutions with a cumulative committed portfolio of over \$1.4 billion.

■ **Public recognition:** BHDL has received local and international awards for promoting women's financial services. The Global Banking Alliance for Women conferred its 2015 Women's Market Champion award on BHDL. It was also recognized by the president of the Dominican Republic for its initiative, Women Who Change the World.

PUTTING THE BUSINESS CASE INTO ACTION WITH IFC

Recognizing that equality of economic opportunity between women and men drives productivity, profitability, and performance, IFC's Gender Secretariat helps clients achieve gender-smart solutions to their business challenges. We work with clients to better manage talent in their workforce and supply chains and to design products that tap the earning potential of the women's market. Our motivating force is the knowledge that when companies and people—no matter their gender—can reach their full potential, families, communities, and economies can achieve sustainable growth and prosperity.

What BHDL says

Hiring IFC to advise us in the development of our Women's Program was definitely a key success factor. Women are playing an increasing role in household and business decisions. Banks that recognize this and serve women effectively will have a competitive advantage for the future, motivate their own teams, and contribute to their country's development.

Steven Puig

CEO, Banco BHD León

What BHDL clients say

Women have real economic power. What the bank is doing for us is important. We want to advance and to make use of financial products and services that provide real solutions for us.

Violeta Díaz

Banco BHD León Client

What IFC says

Not all female customers are the same. IFC's work with Banco BHD León demonstrates how companies can benefit from taking a nuanced approach to the women's market.


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