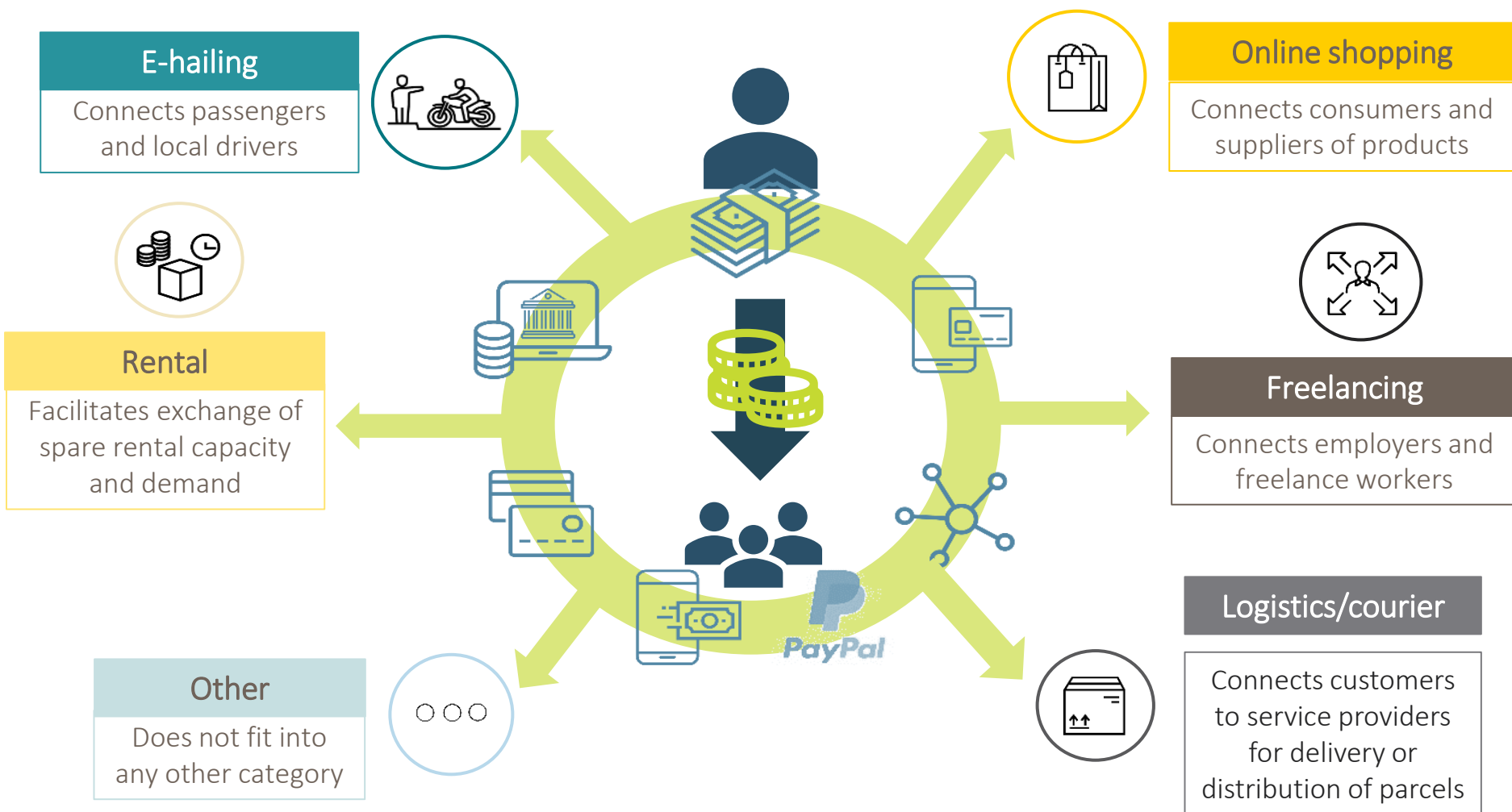


The potential of digital  
platforms as distributors of  
financial services in Rwanda,  
*with a deep dive into the financial  
needs of Yego e-hailing drivers*

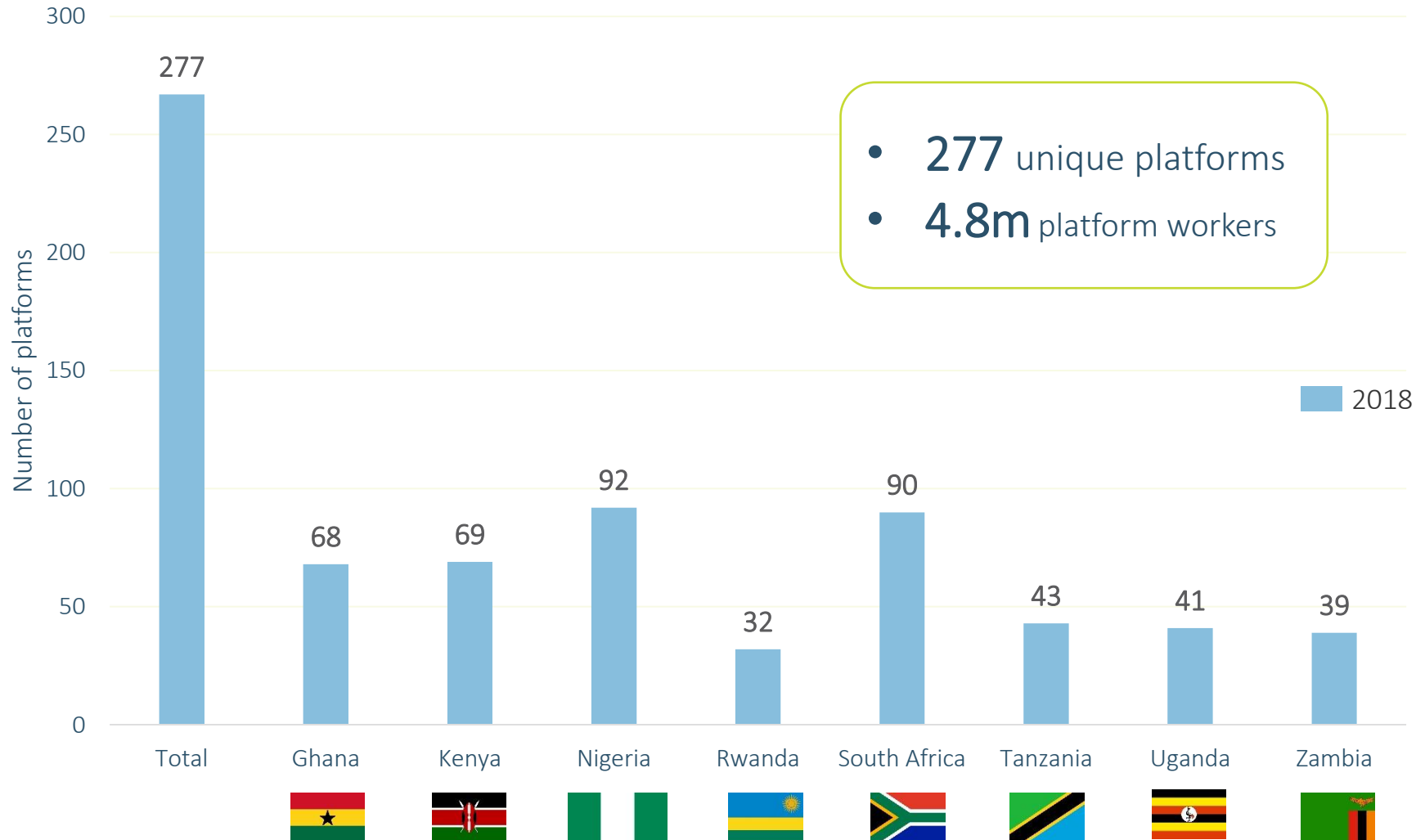
Kigali | February 2020



# Digital platforms as new economic actors shaping livelihoods

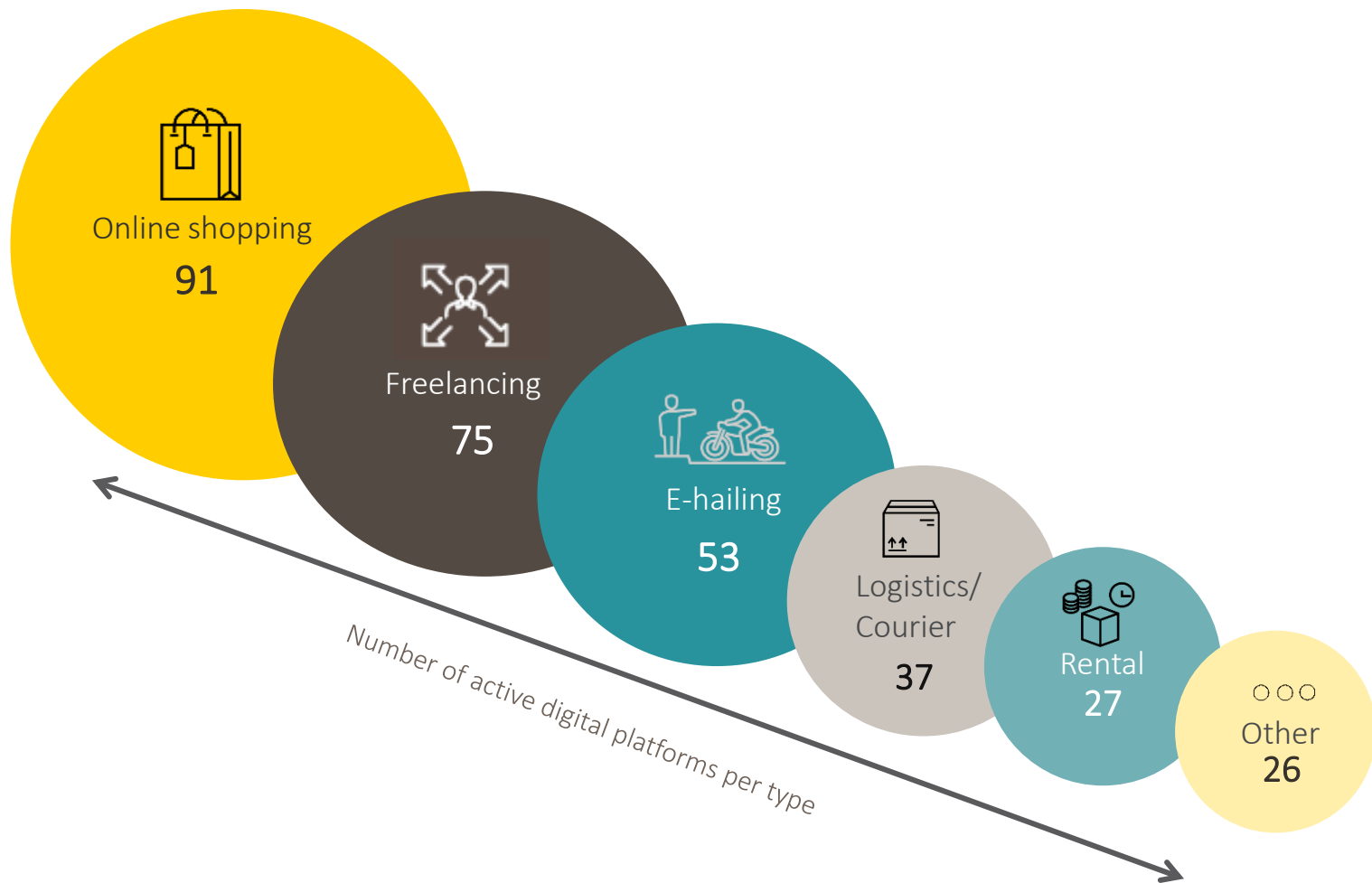


# Africa's digital platforms



Source: insight2impact (2018)

# E-hailing a prominent platform type in SSA

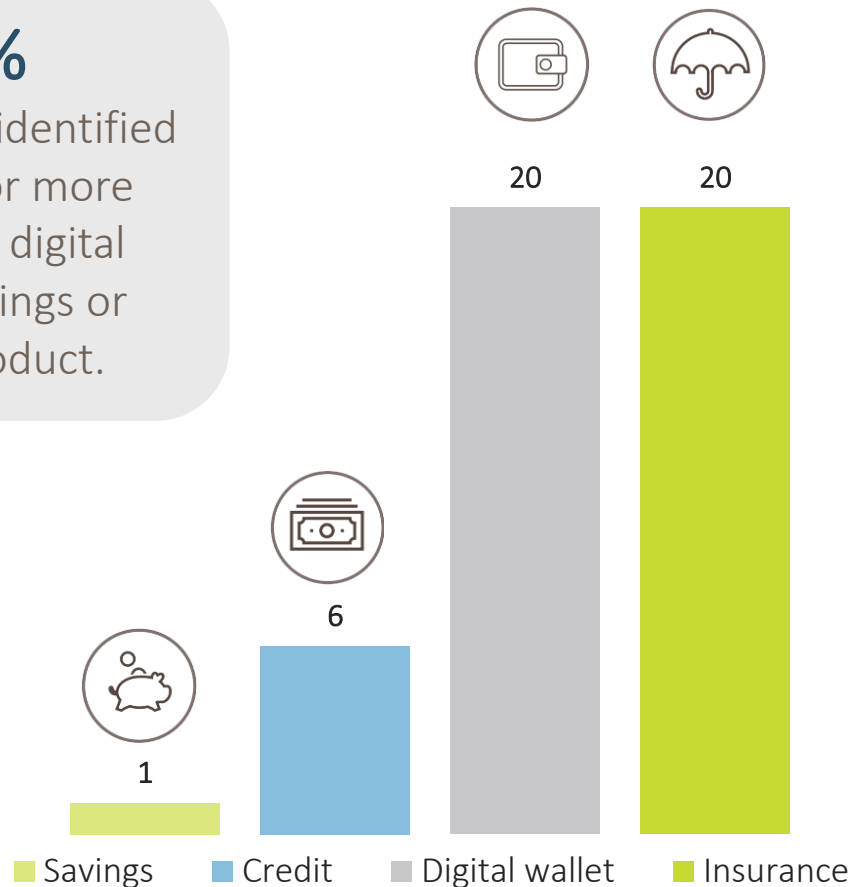


Source: insight2impact (2018)

# Platforms offering additional financial services

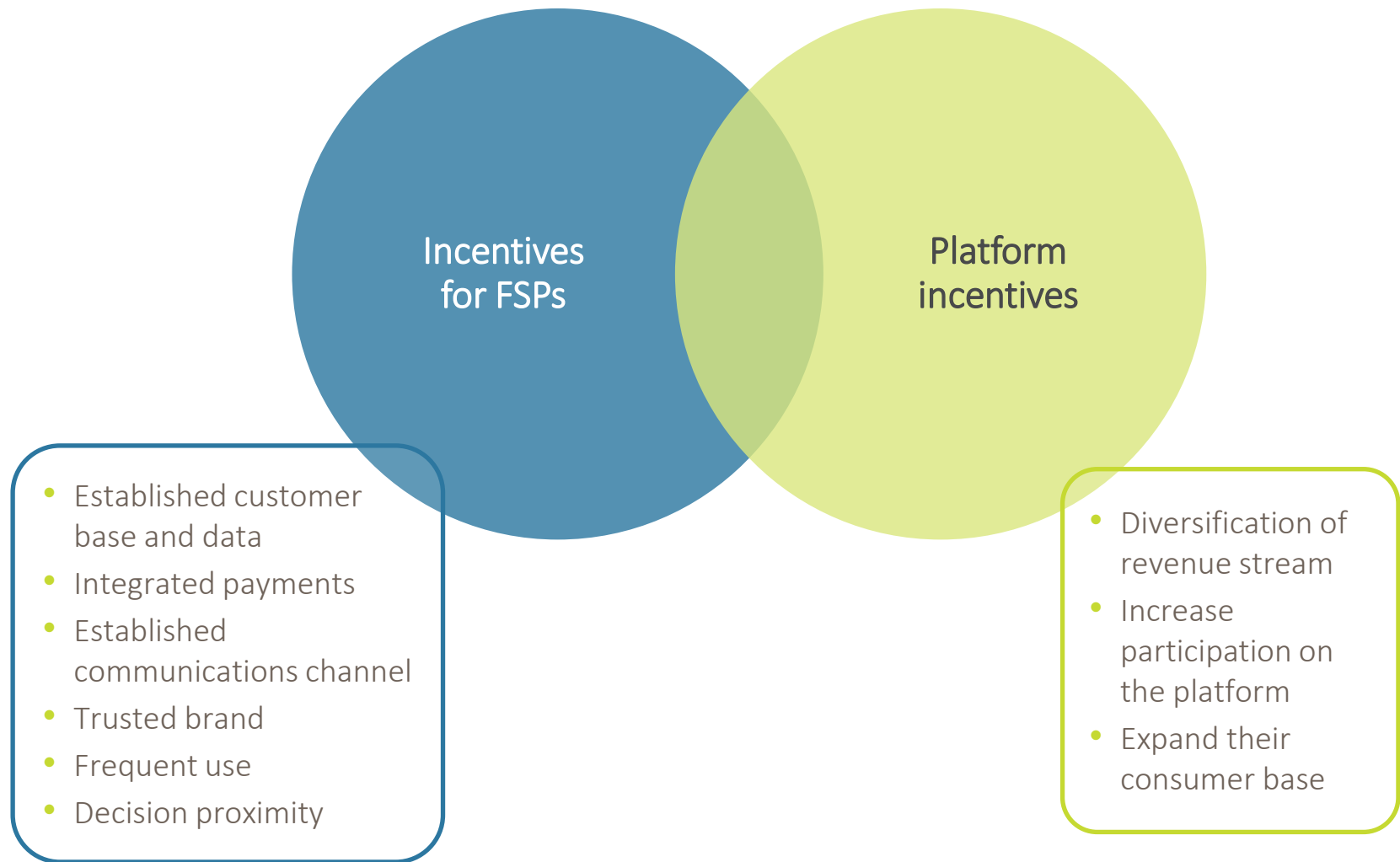
**15%**

of platforms identified offer one or more insurance, digital wallet, savings or credit product.



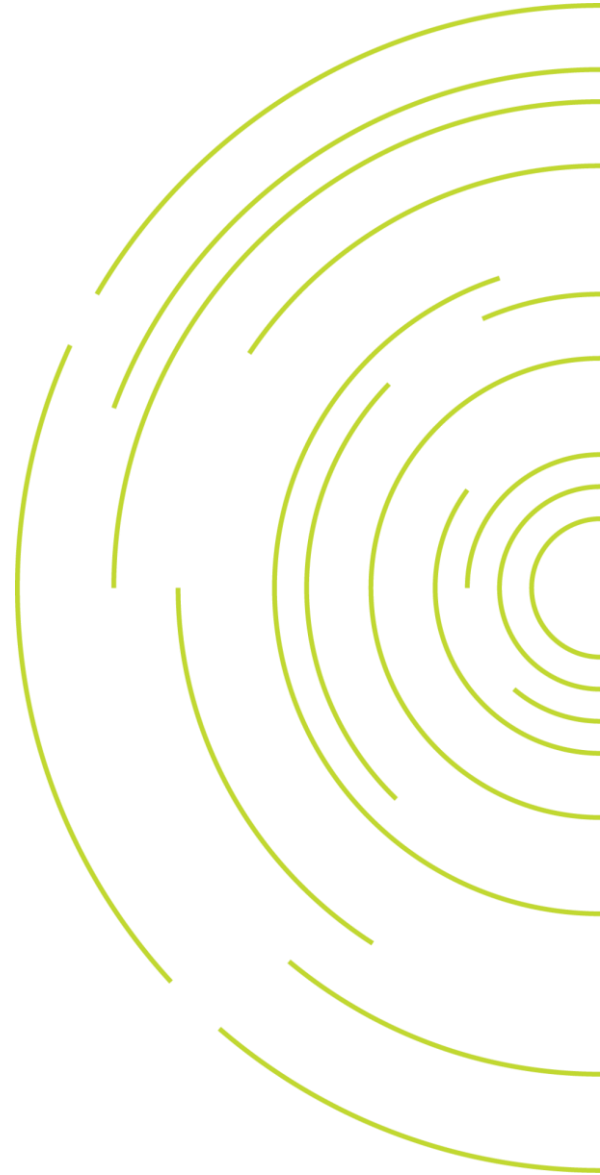
Source: insight2impact (2018)

# Clear incentives for FSPs and platforms to partner



# E-hailing case study:

## *Yego in Rwanda*



# Overview of Yego



## Participants

- Digital platform that connects cab and motorbike drivers to passengers
- Around 17,000 moto and 1,300 cab drivers in Kigali



## Activity

- Matching of drivers and customers through call centre or mobile app
- 1 million+ trips completed



## Value proposition

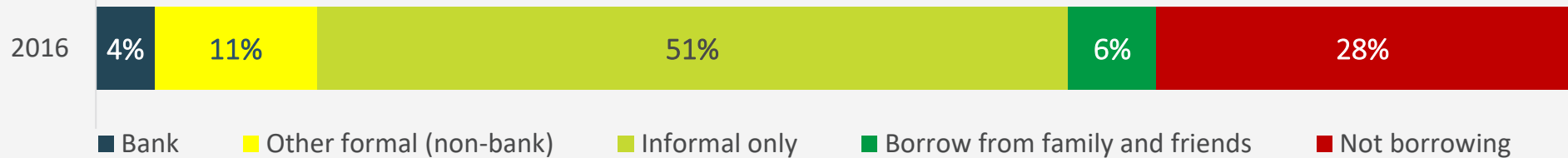
- Use of smartphone meter to get distance, fare and number of trip information
- Cash and digital forms of payments accepted
- Government mandated use of meters by cab drivers already and moto drivers by May 2020



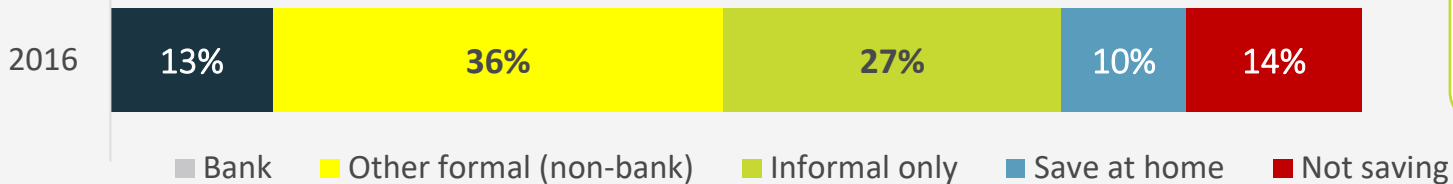
# Access to financial services in Rwanda

**72%** of adults in Rwanda borrowed money (Finscope, 2016)

## Credit access strand

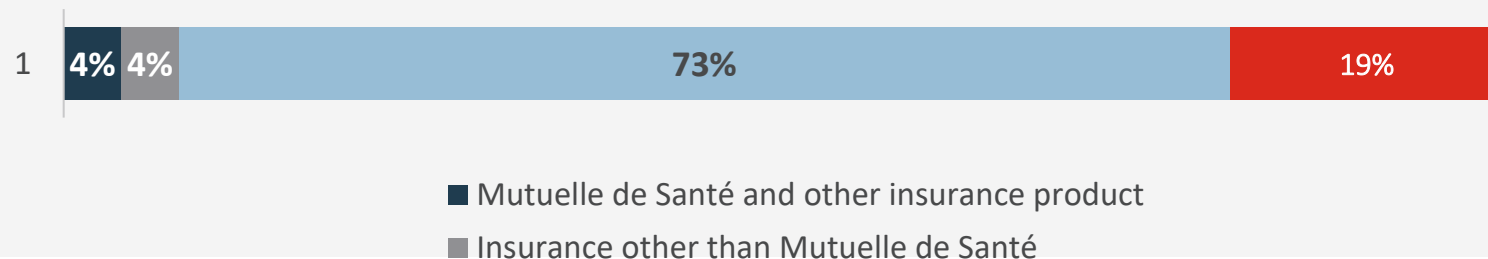


## Savings access strand



**86%** of adults in Rwanda saved money (Finscope, 2016)

## Insurance strand



# Methodology

## Phase 1

In-depth qualitative interviews with 15 moto drivers and 5 cab drivers

## Phase 2

Quantitative survey design, testing, refinement and rollout

- 86 moto drivers with meters out of 289 responded to survey
- 223 cab drivers with meters out of 993 responded

## Phase 3

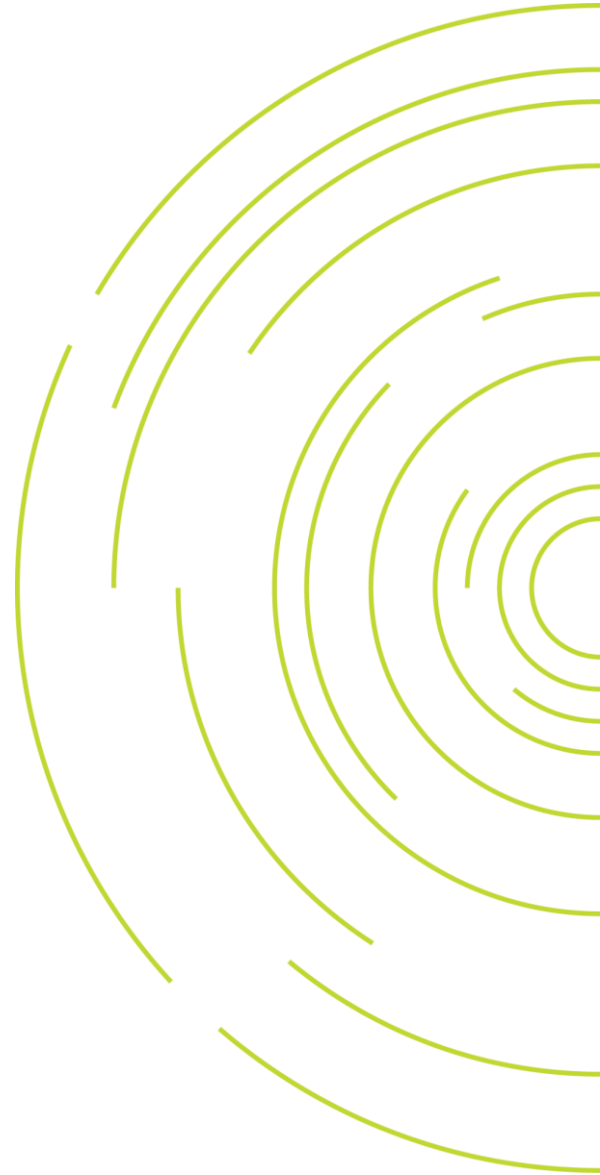
Analysis and synthesis of findings

## Phase 4

Partnership and product development

Phase 4 is not yet covered

E-hailing case study:  
*e-hailing platforms and financial  
services globally*



# Large global e-hailing market

**248** total platforms investigated globally, operating in

**110** countries worldwide and **14** countries in Africa



**223** cab-only  
hailing platforms



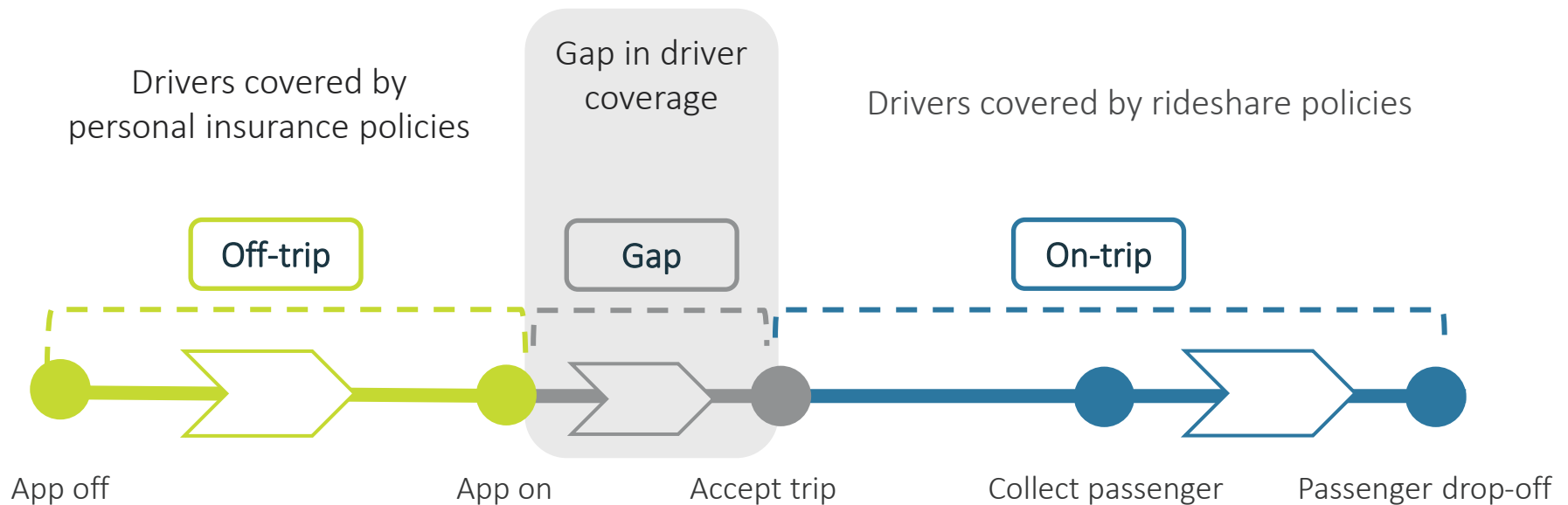
**24** platforms  
offering **both** cab  
and motorbike  
hailing



**1** motorbike only  
hailing platform

Source: insight2impact (2019)

# E-hailing ride cycle

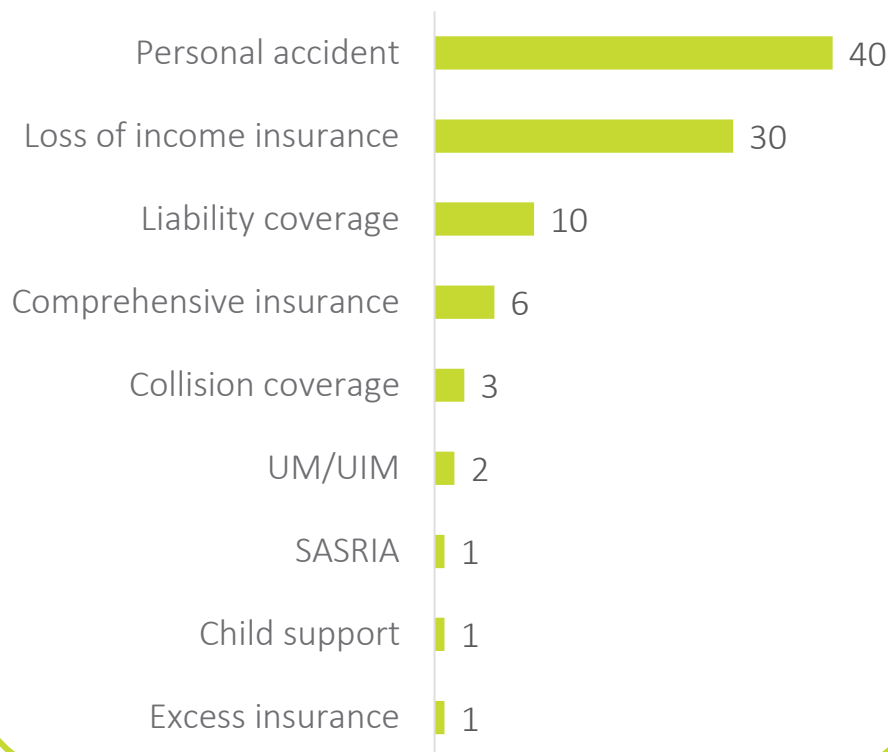


Source: insight2impact (2019)

# Some global e-hailing platforms are already offering financial services

25% of e-hailing platforms globally offered at least one type of financial service.

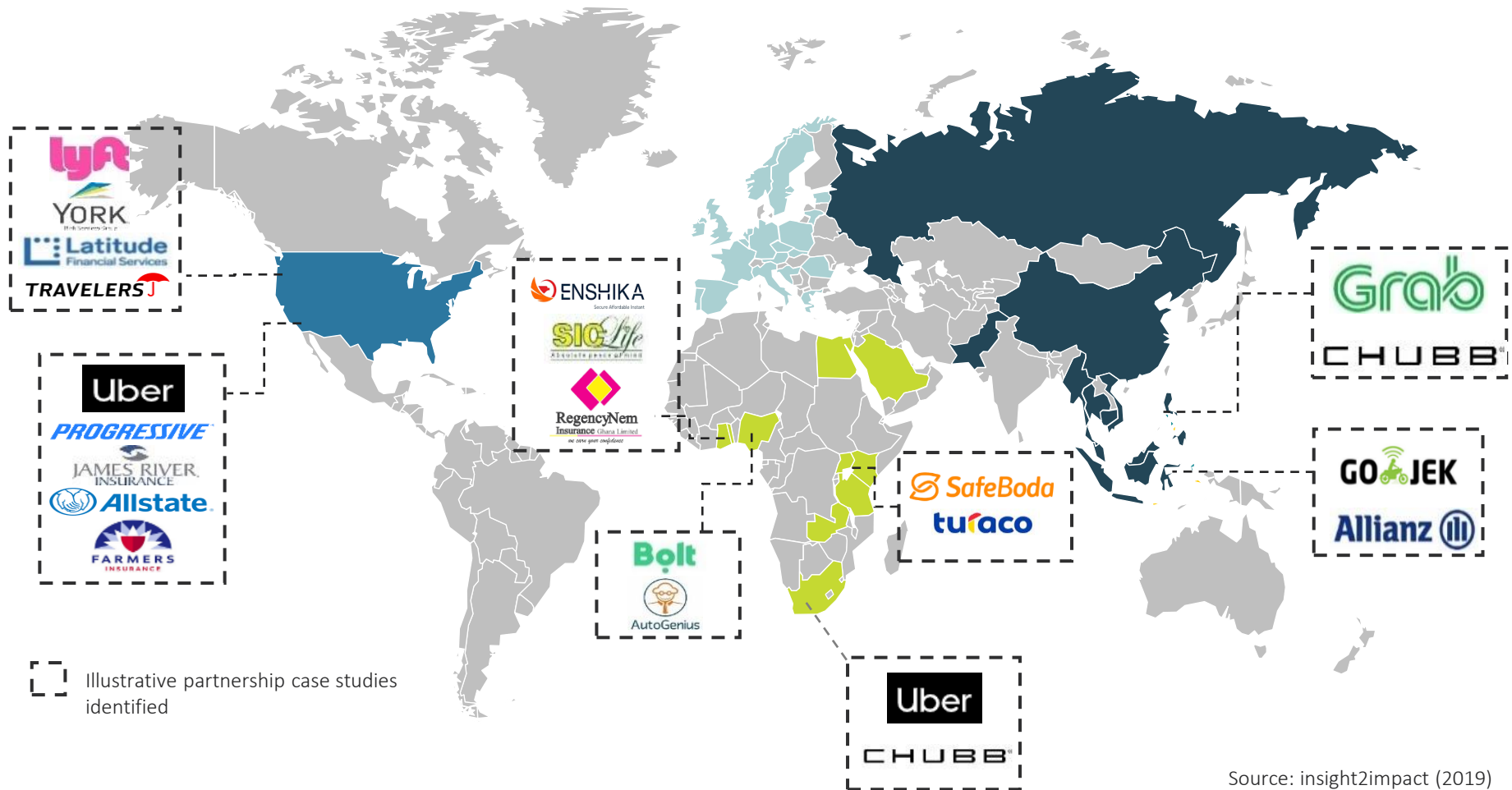
## Insurance products offered by platforms



- 22% offered an insurance product
- 5% offered a credit product
- 2% offered a savings product

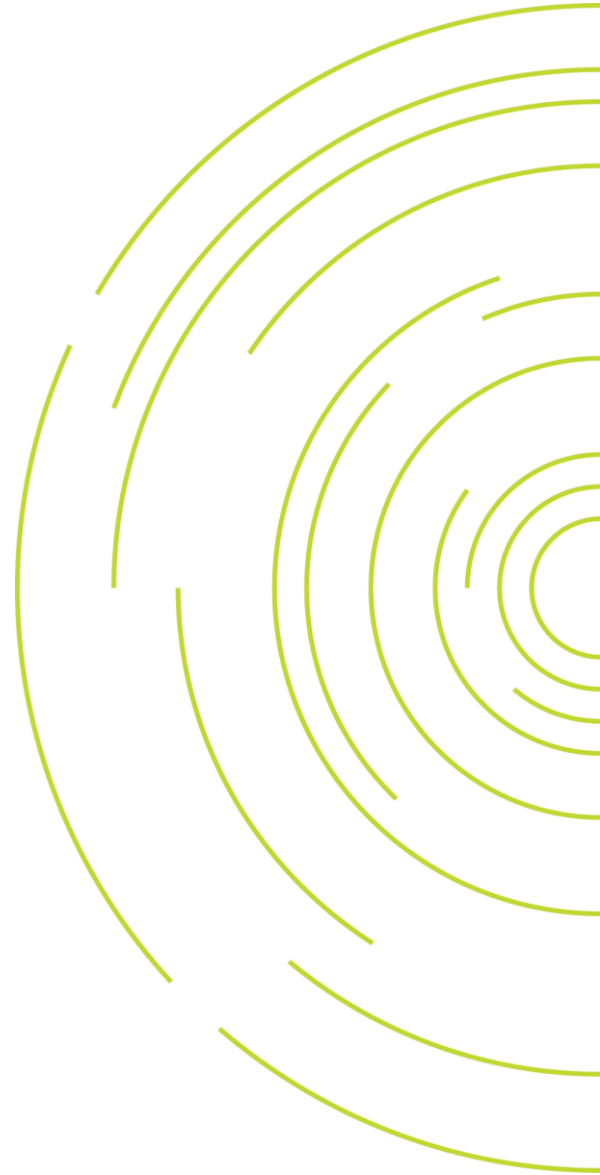
Source: insight2impact (2019)

# Some examples of financial products offered by e-hailing platforms



# E-hailing case study:

## *Yego consumer insights*





# Yego drivers

Good service, transparency and ease of payment as reasons for joining Yego



"I get to know the actual price of the distance we used and be able to show it to my client without them thinking I'm lying. It's also a system that makes it easy for passengers to pay faster and efficiently."

– Moto driver, 35



"The advantage with Yego is that with this new technology it's really an innovation and some customers who now are accustomed saying that it's better to use the meter, it's profitable for us."

– Moto driver, 39

"I chose Yego because they offer better services such as giving us the tools we need for work and paying for them in instalment if need be."

– Moto driver, 39

# Yego drivers

Participants married, youthful population with a large number of dependents



100% of both cab and moto drivers are male; 9% of moto drivers are youth (35 years or younger) compared to 36% of cab drivers.



58% of moto drivers and 61% of cab drivers are married.



65% of moto drivers and 68% of cab drivers have between three and six people that rely on their income.



24% of moto drivers and 39% of cab drivers have spouses or partners that earn an income.

# Additional sources of income

Drivers depend heavily on Yego as primary income source

“I have work outside Yego.”

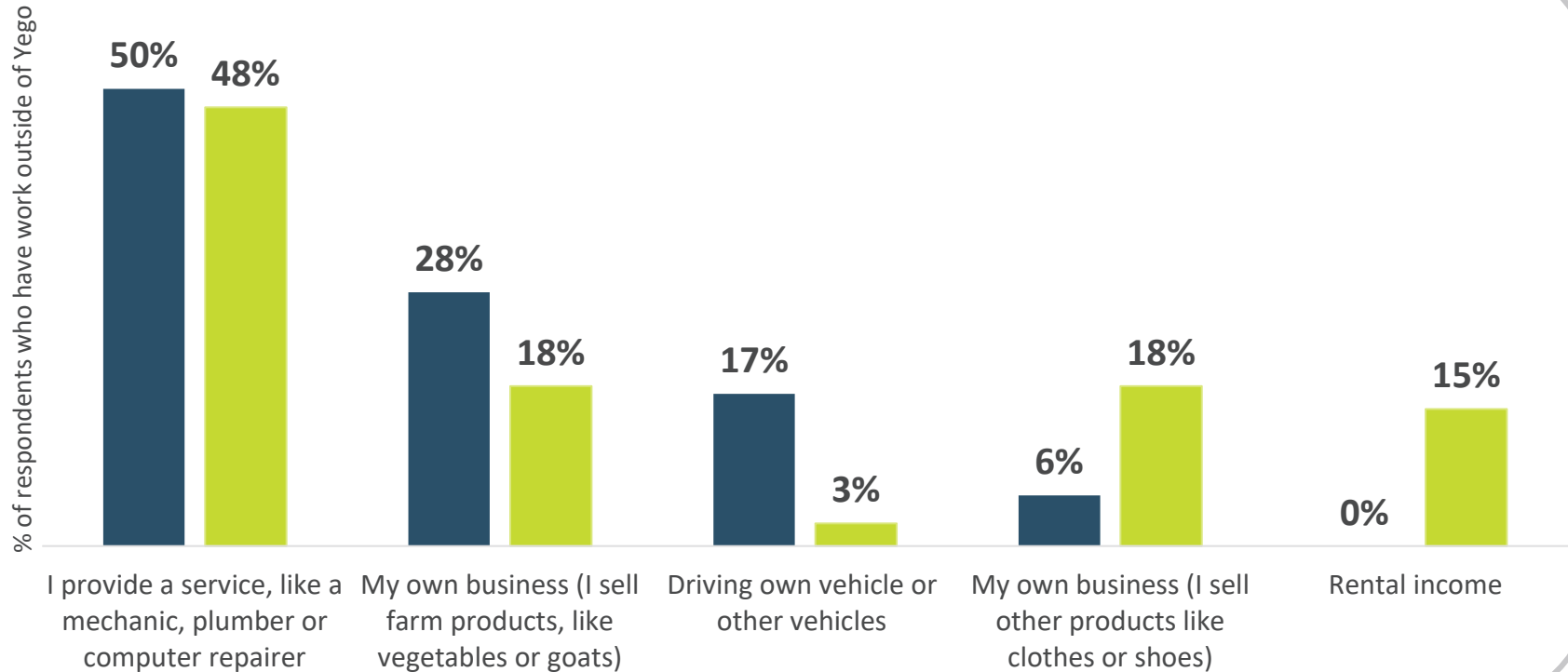
Moto drivers

21%

Cab drivers

17%

Note: n= 86 for moto drivers and 221 for cab drivers  
(2 cab drivers did not answer this question).

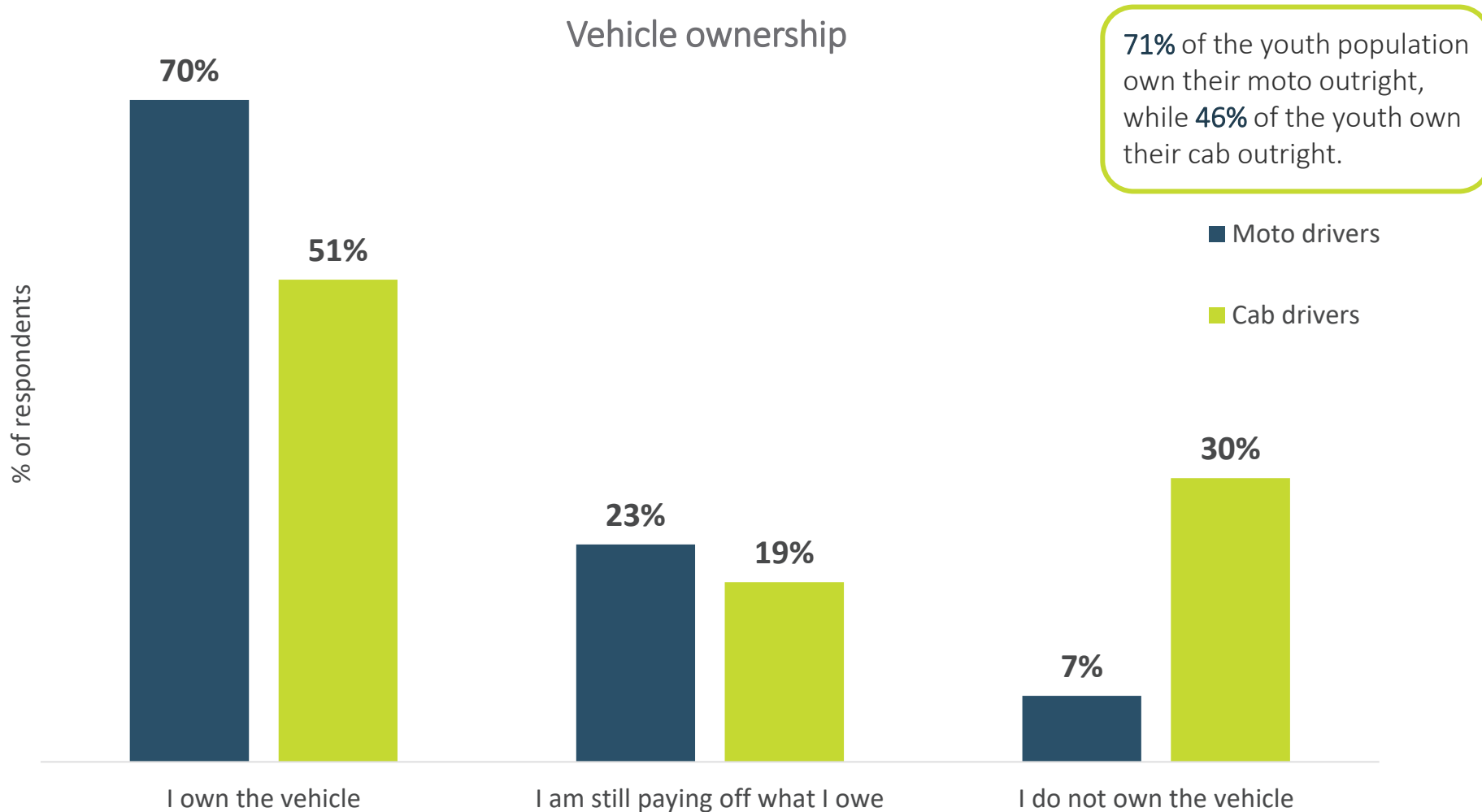


Note: multiple response question. n= 18 for moto drivers and 38 for cab drivers

# Vehicle ownership status among Yego drivers

High vehicle ownership , particularly by young moto drivers

## Vehicle ownership

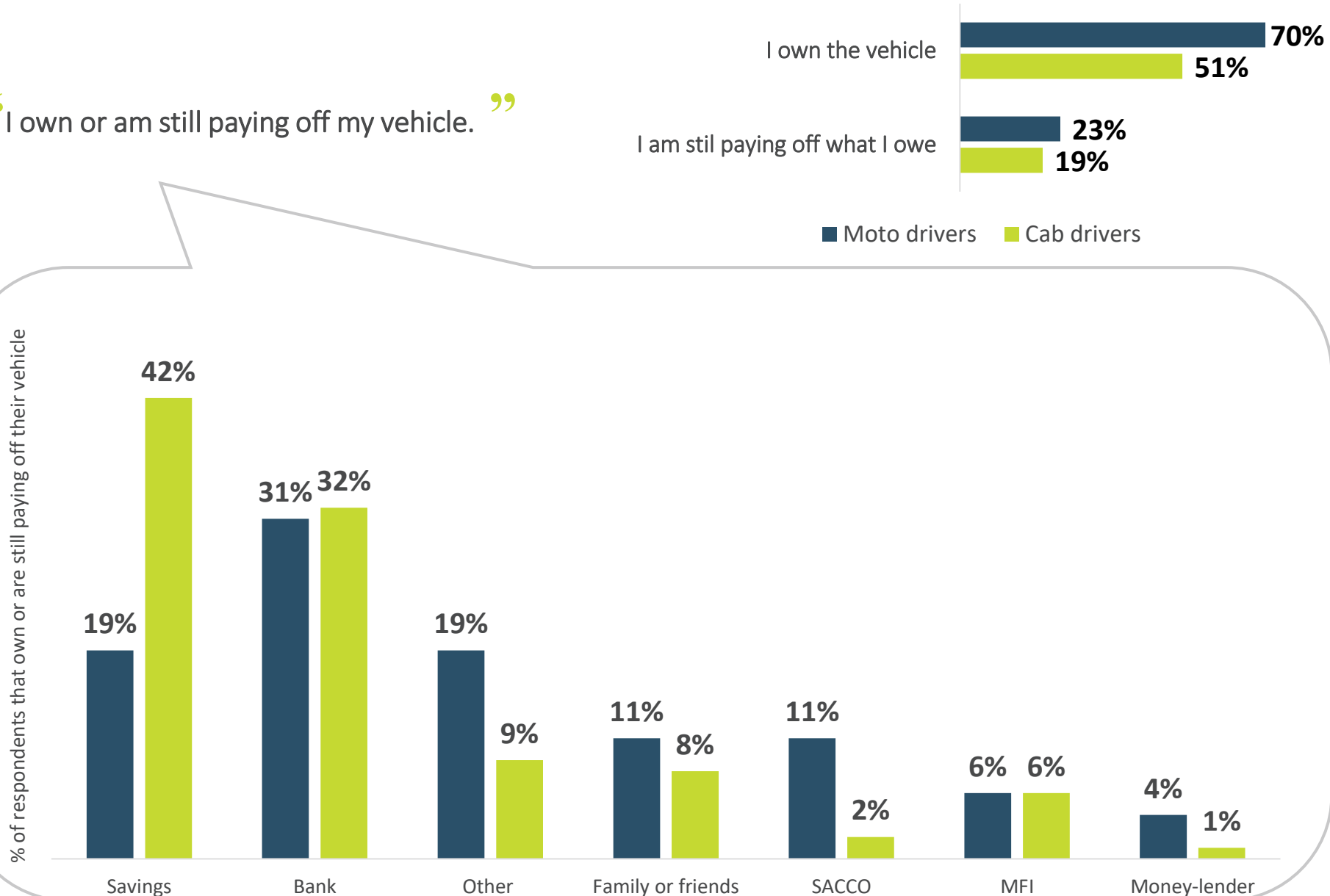


Note: n= 86 for moto drivers and 223 for cab drivers

# Source of funds for vehicle purchases

Credit from banks and savings used to purchase vehicles

“I own or am still paying off my vehicle.”

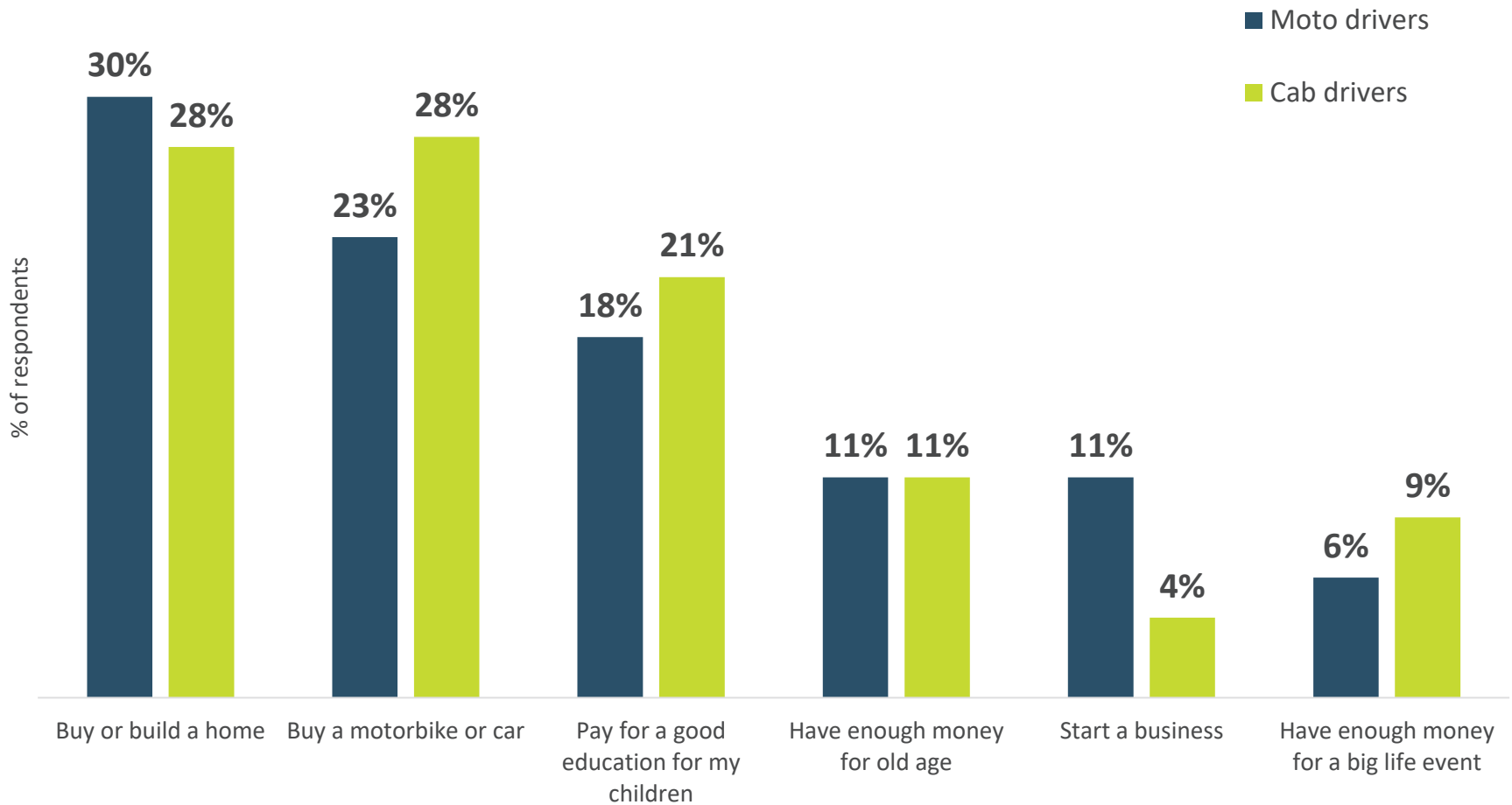


Note: multiple response question. n= 80 for moto drivers and 156 for cab drivers

# Financial goals of Yego drivers

Financial goals centering on asset ownership

Top two financial goals over next two years



Note: multiple response question. n= 86 for moto drivers and 223 for cab drivers

# Risks faced by Yego drivers

Vehicle repairs and medical costs: significant risks faced since joining platform

“I have faced a risk event since joining Yego”

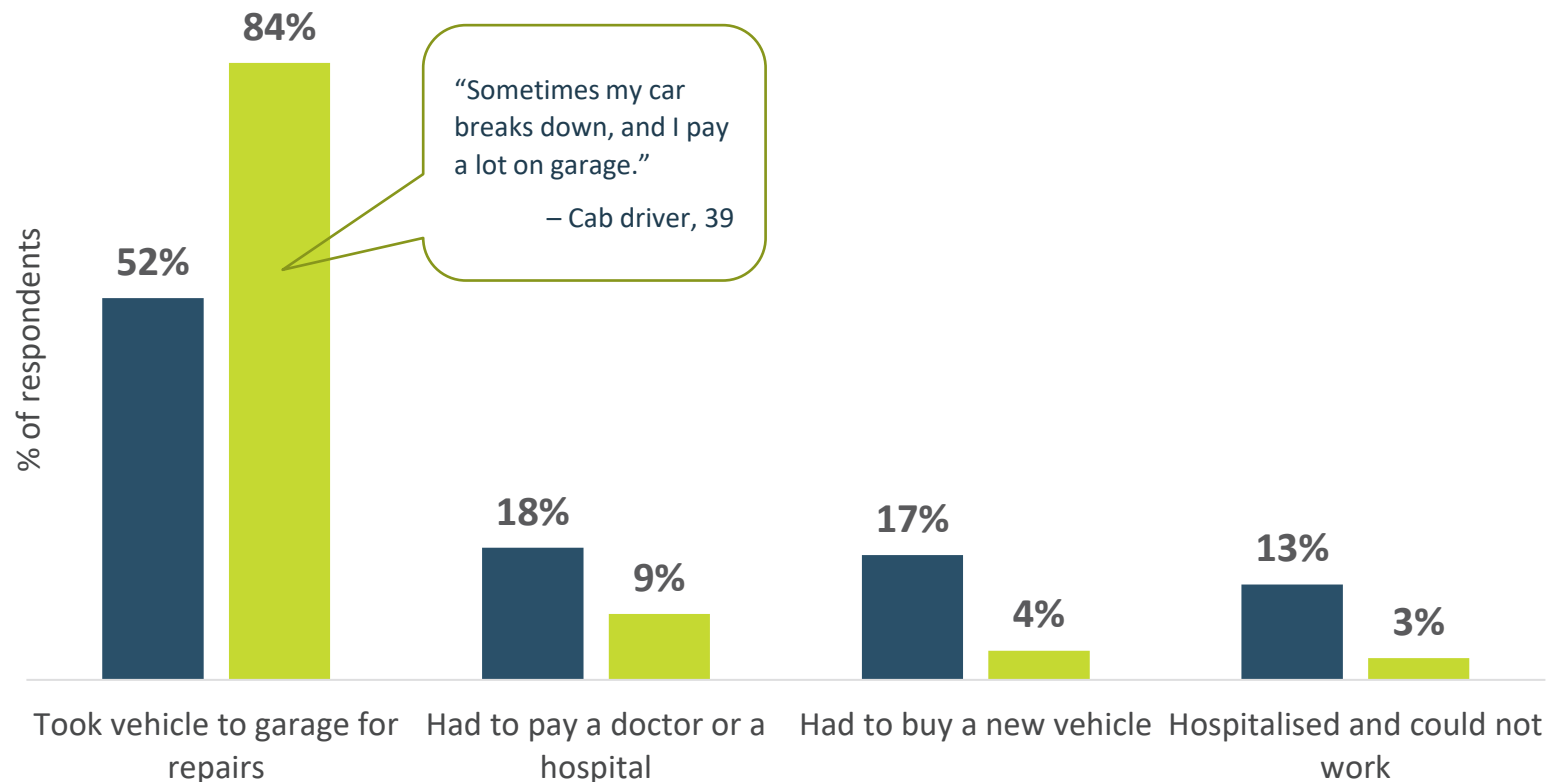
Moto drivers

94%

Cab drivers

89%

Note: n= 86 for moto drivers and 223 for cab drivers



Note: multiple response question. n= 81 for moto drivers and 198 for cab drivers

# Risks faced by Yego drivers

Vehicle damage, family responsibilities, illness and injury: the main reasons for loss of income

“Since joining Yego, I have been unable to work for more than three consecutive days”

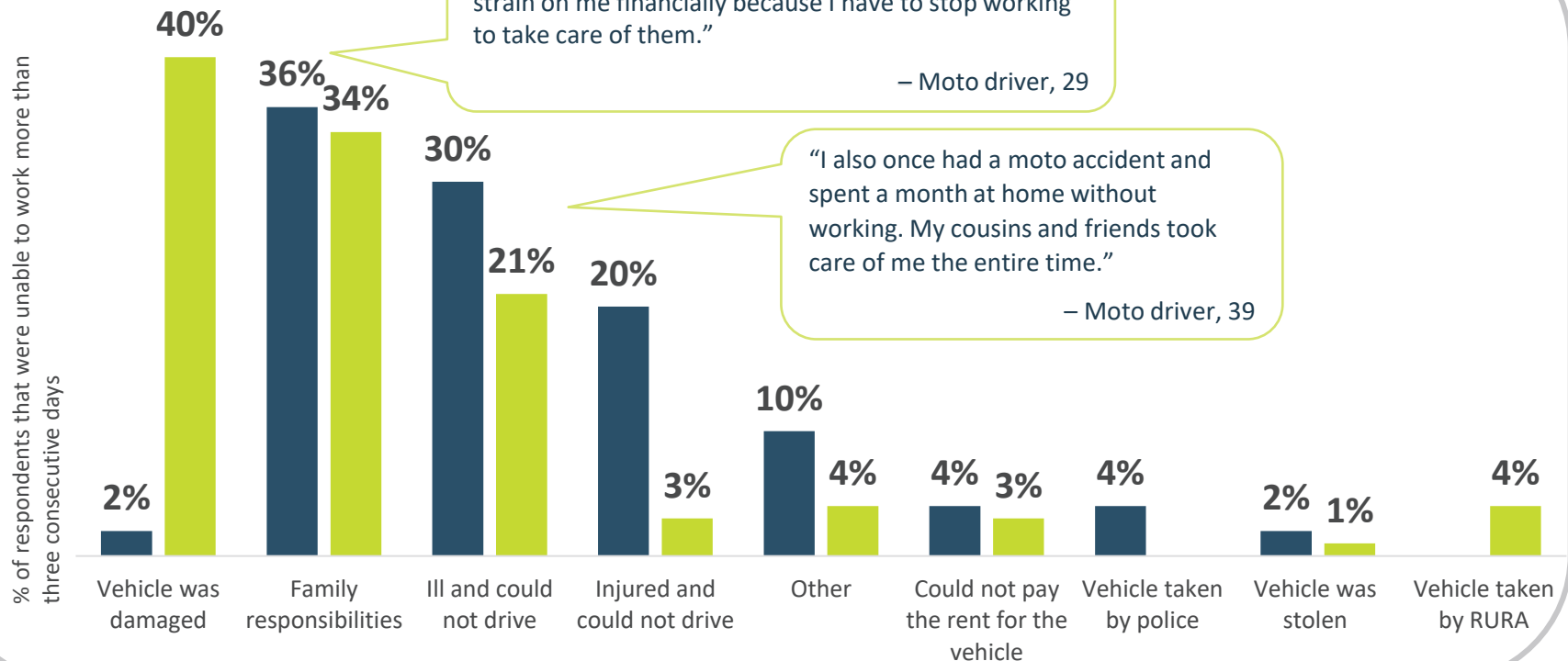
Moto drivers

58%

Cab drivers

52%

Note: n= 86 for moto drivers and 223 for cab drivers



Note: multiple response question. n= 50 for moto drivers and 115 for cab drivers



# Risks faced by Yego drivers

Accidents cited as a frequent occurrence among drivers

“I have been in an accident”

Moto drivers

38%

Cab drivers

20%

Note: n= 86 for moto drivers and 223 for cab drivers

% of respondents that have been involved  
in an accident

53%

7%

22%

80%

25%

13%

Me

No-one

Someone else

Note: multiple response question. n= 33 for moto drivers and 45 for cab drivers

# Risks faced by Yego drivers

Vehicle theft a concern for platform workers, but Yego is helping to mitigate this

**8%** of moto drivers and **3%** of cab drivers have had their vehicles stolen before.



"I've told you that when I began this business they stole my moto, thieves surprised me one day..."

- Moto driver, 32



"It's because they have GPS, your moto cannot be stolen...."

- Moto driver, 38

"I'm also worried that my bike might get stolen because it has happened to me before. I was still paying for that bike and now I'm on a second loan for the one I have now"

- Moto driver, 31

# Financial service usage by Yego drivers

Low reported uptake of insurance

“I have some kind of insurance coverage”

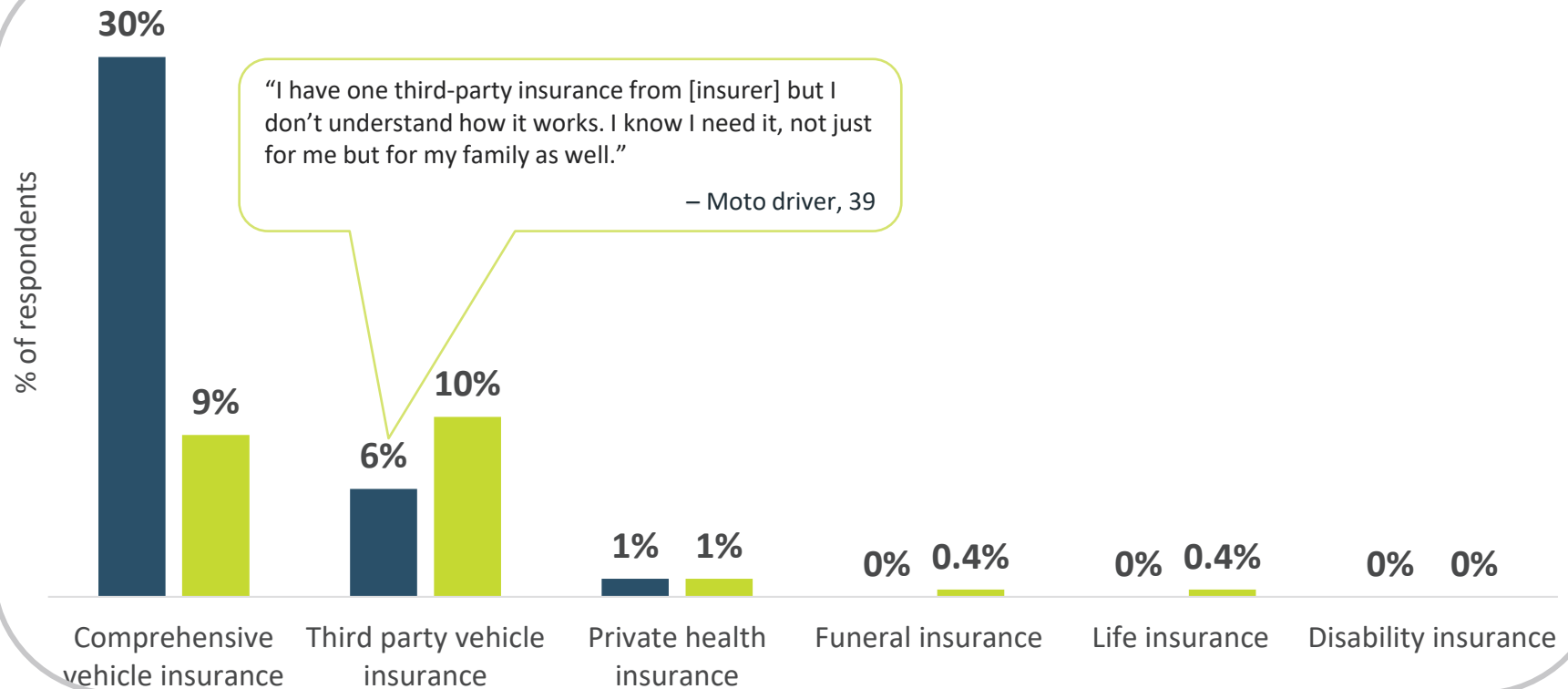
Moto drivers

37%

Cab drivers

20%

Note: n= 86 for moto drivers and 223 for cab drivers



Note: multiple response question. n= 32 for moto drivers and 45 for cab drivers

# Financial service usage by Yego drivers

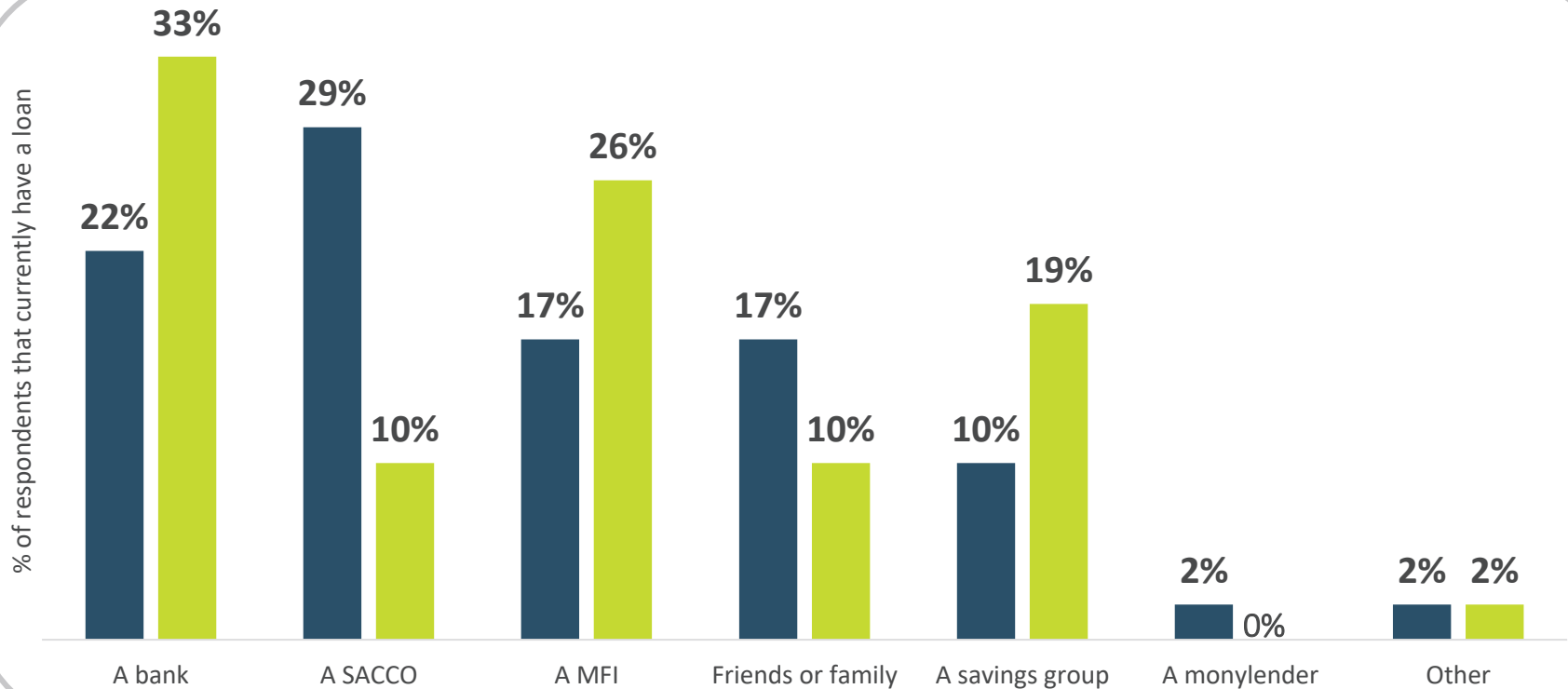
Many drivers have loans, mostly from formal sources

“I currently have a loan.”

Moto drivers 48%

Cab drivers 39%

Note: n= 86 for moto drivers and 223 for cab drivers

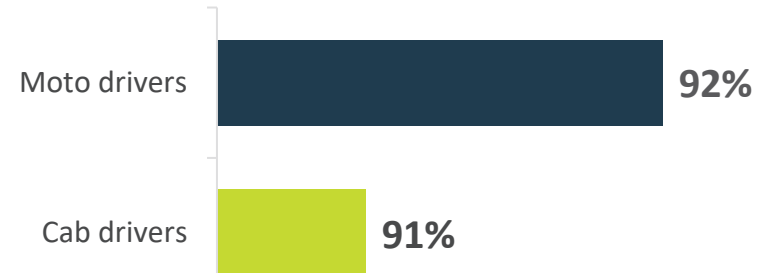


Note: multiple response question. n= 41 for moto drivers and 87 for cab drivers

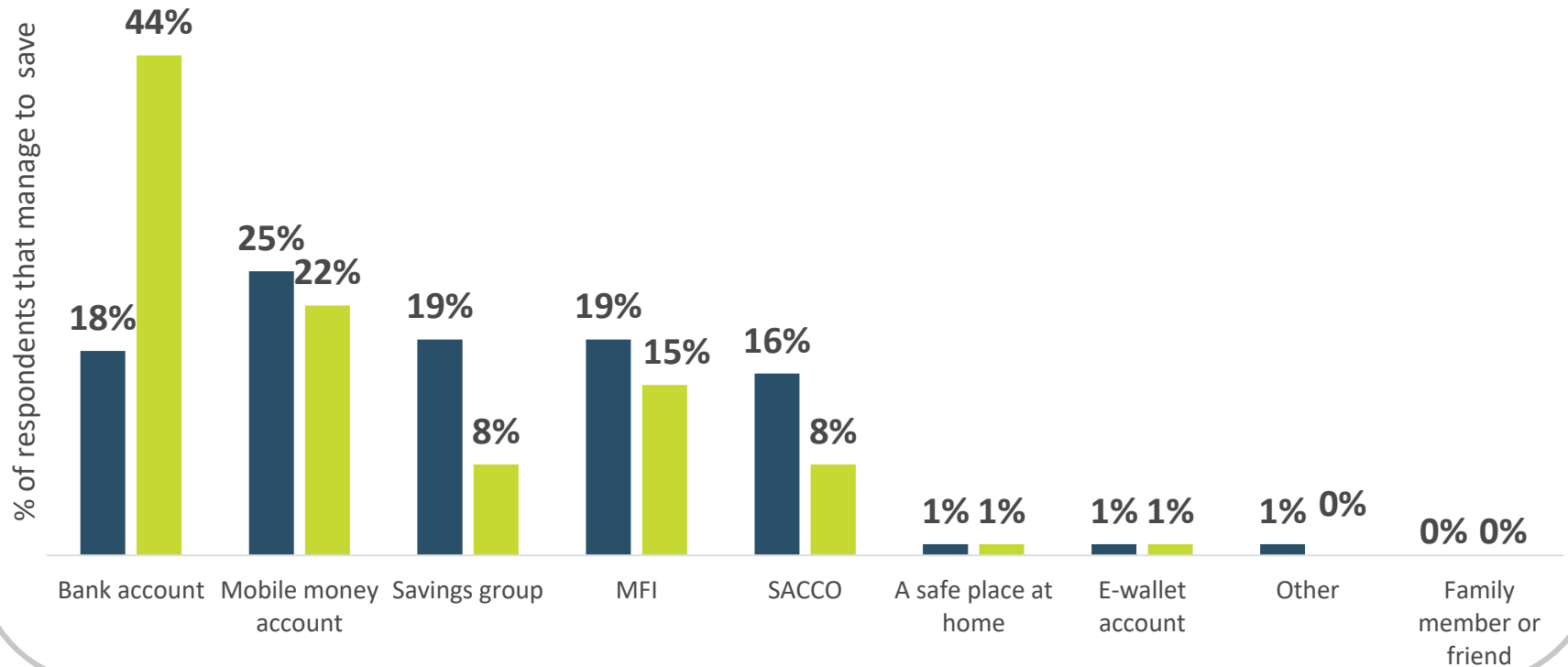
# Financial service usage by Yego drivers

High savings rates using banks and mobile-money accounts

“I manage to save.”



Note: n= 86 for moto drivers and 223 for cab drivers



Note: multiple response question. n= 79 for moto drivers and 204 for cab drivers

# Appetite for insurance product from Yego

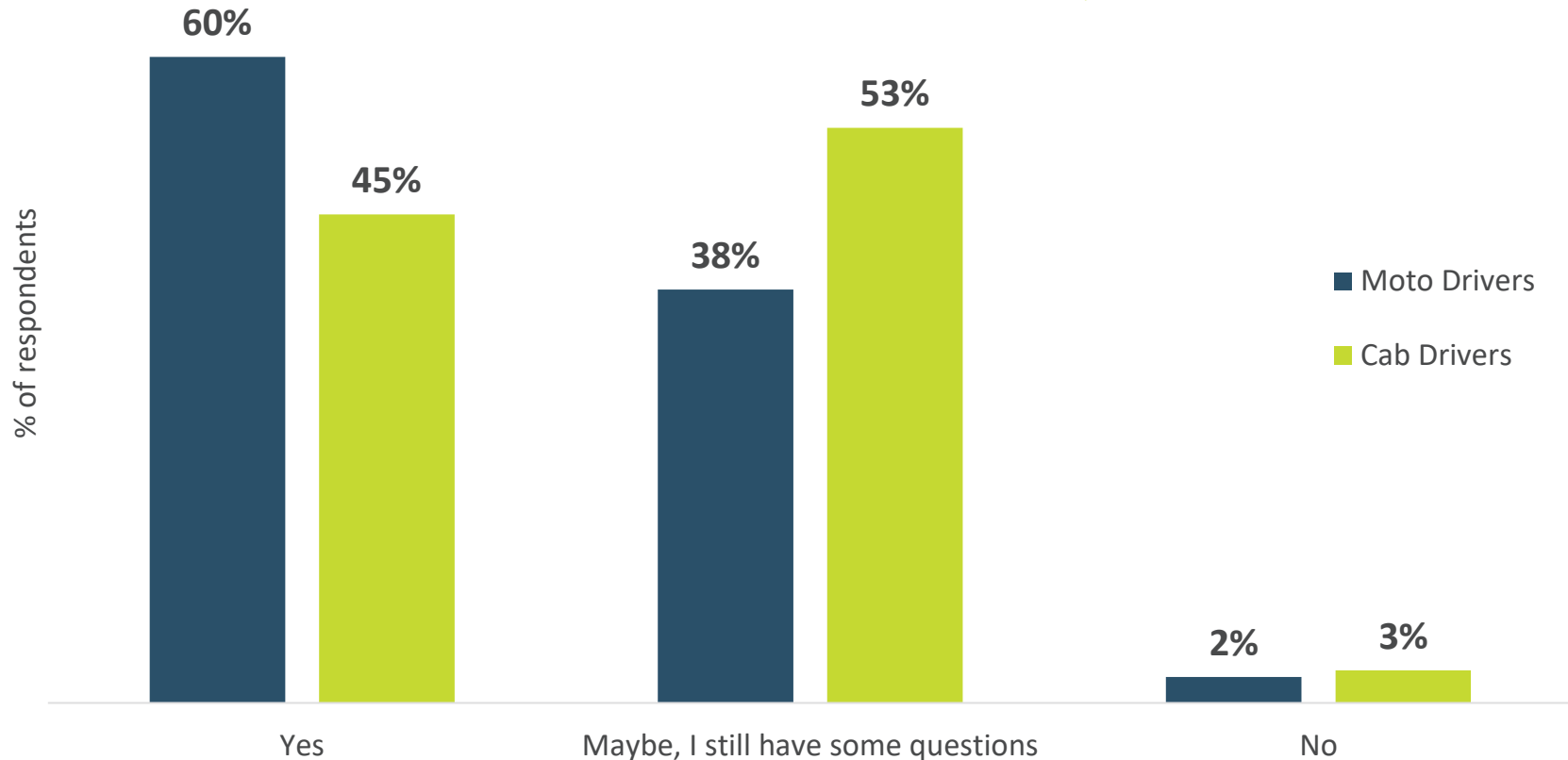
Drivers generally receptive to Yego offering insurance products

"I'm aware that being a motorcycle driver is risky, if it happens that Yego offers us a better insurance than [insurer], which is beneficial for us, I will be the first to integrate, even if I had to work 24h to be able to benefit from it."

– Moto driver, 39

"I don't believe Yego would do something like that. They already take enough money from us. However, if they did, I would compare their offer with the insurance that I already have."

– Cab driver, 39



Note: n = 84 moto drivers (2 moto drives did not answer this question) and 219 for cab drivers (3 cab drivers did not answer this question)

# Appetite for credit product from Yego

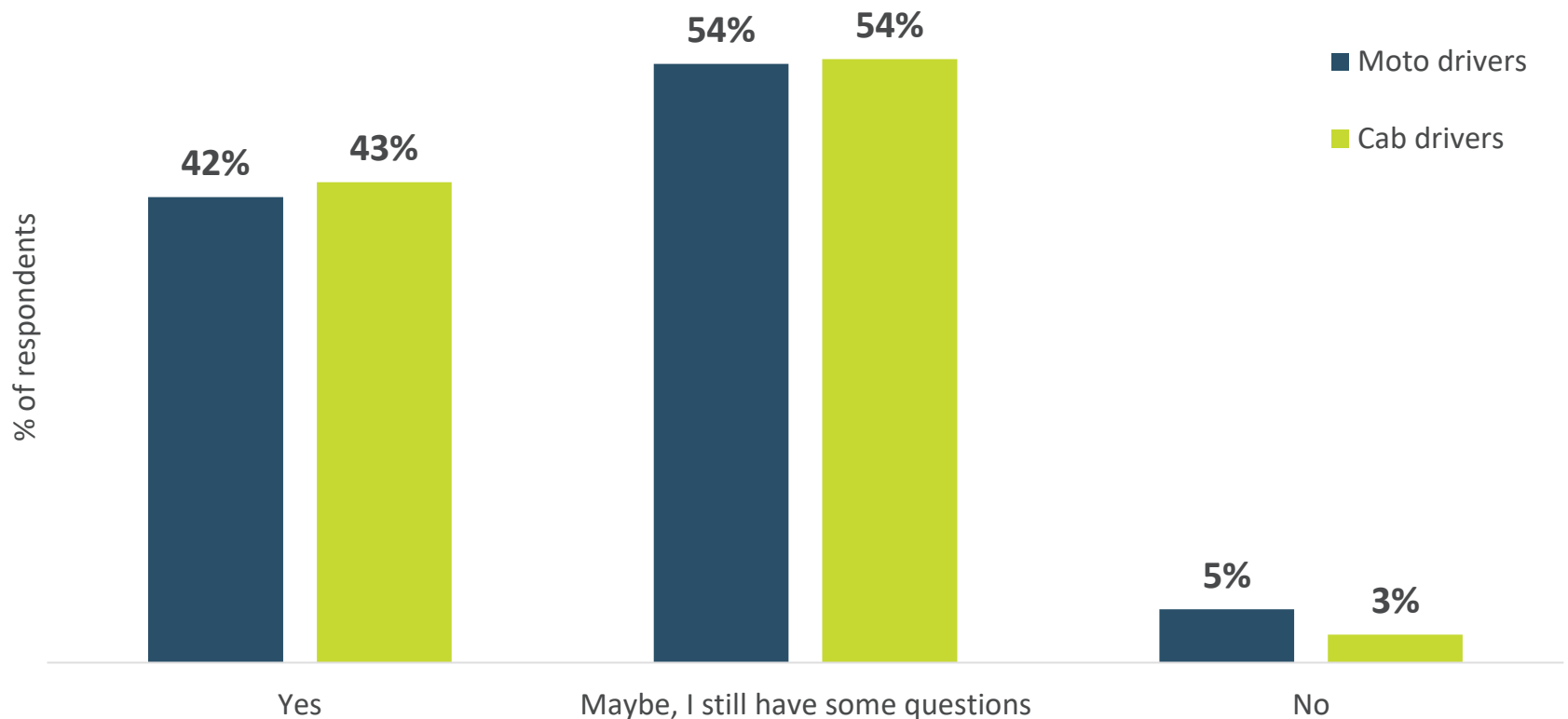
Positivity among drivers about credit from Yego, with questions remaining.

“As I told you, at SACCO we are offered credits, and this is very fast, one day I asked for a credit in the morning, the same evening I had money, so if Yego wants to do something better yet, I would start with Yego as soon as possible.”

– Moto driver, 32

“As for the loan, I would take it if the interest rate is low. I don’t really trust those services, there’s always a catch.”.

– Cab driver, 39



Note: n = 84 moto drivers (2 moto drives did not answer this question) and 219 for cab drivers (3 cab drivers did not answer this question)

# Appetite for savings product from Yego

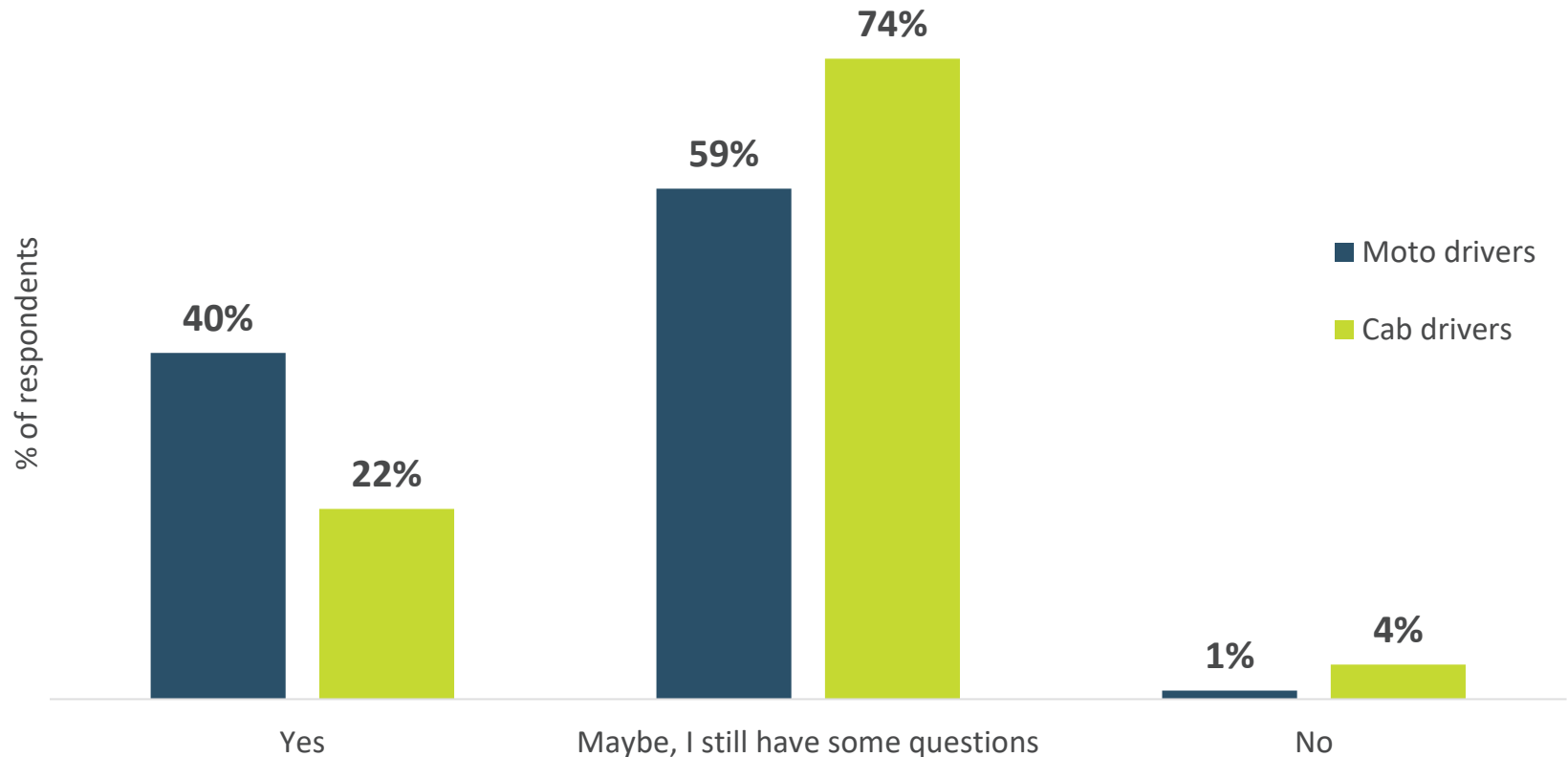
Drivers less receptive to savings products from Yego than other financial services.

“...If Yego offers us a better opportunity than other banks to offer us better, I would be very pleased.”

– Moto driver, 32

“... [I would] rather have this at Yego because Yego understand how taxi drivers live more than banks...”

– Cab driver, 39

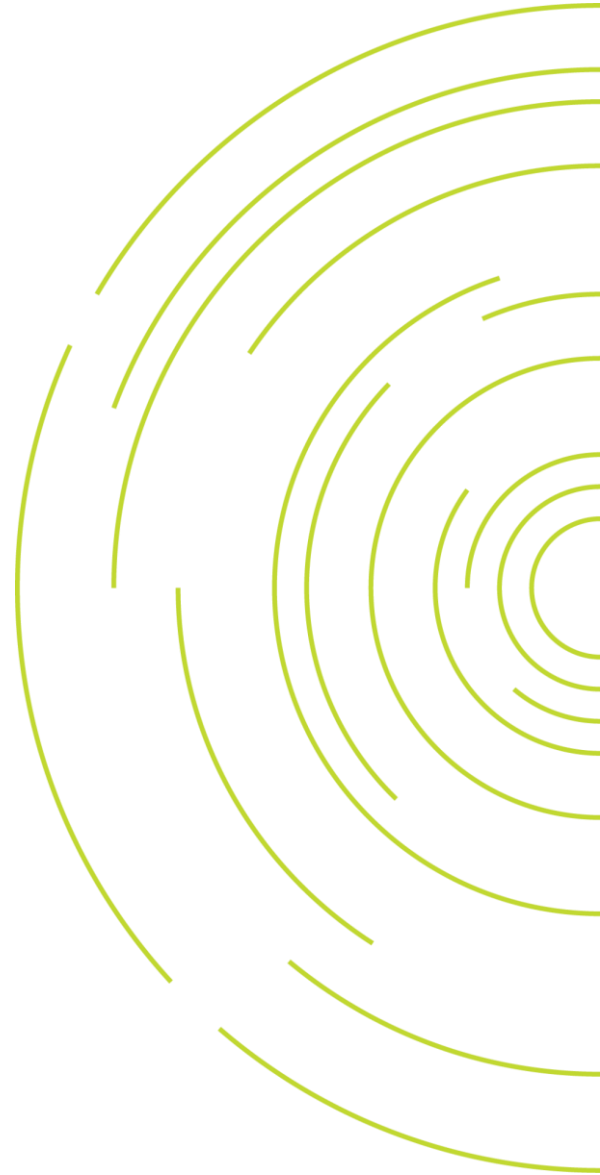


Note: n = 84 moto drivers (2 moto drives did not answer this question) and 219 for cab drivers (3 cab drivers did not answer this question)





## Breakaway product ideation session



# Credit

## Design a credit product for drivers

- What financial needs or goals of drivers can be met by credit?
- How much credit could drivers reasonably pay back and over what period?
- How would drivers pay back the credit?
- What additional information would be necessary to provide drivers with credit?

# Savings

## Design a savings product for drivers

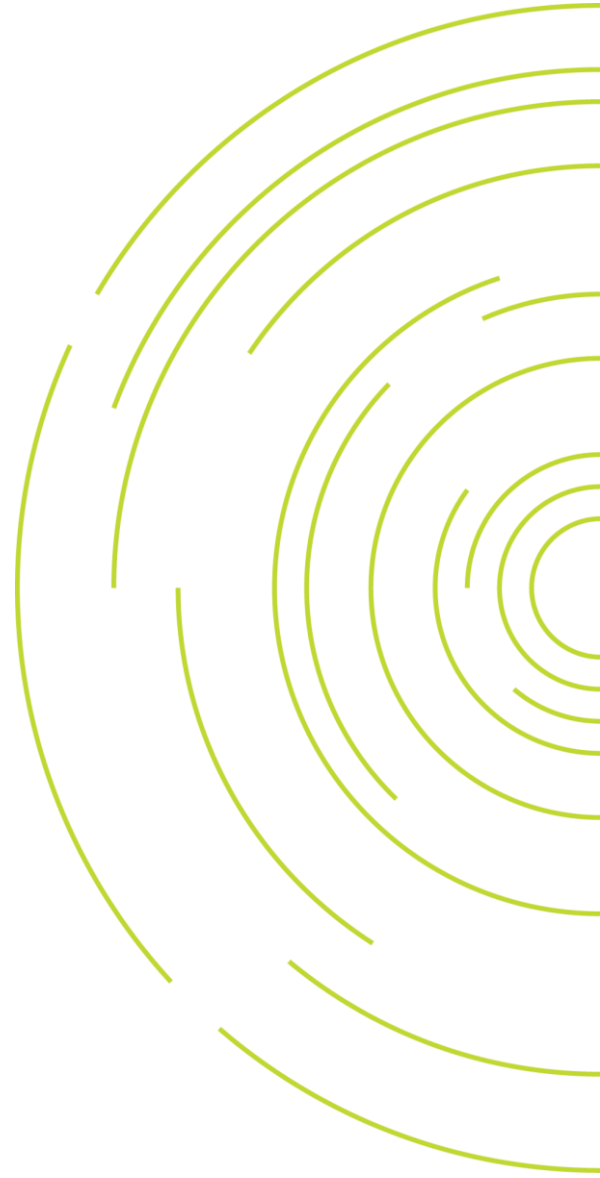
- What financial needs and goals of drivers can be reasonably met by savings?
- Are these short-term, medium-term or long-term savings goals?
- How would drivers contribute to their savings?
- How would they access their savings?
- What type of interest would drivers expect from their savings?

# Insurance

Design an insurance product for drivers

- For what type of risks do drivers need insurance products?
- How would they be enrolled in the product?
- How would they pay for the insurance product?
- What is a reasonable amount to charge for the product?
- How much of the risk would the insurance product cover?
- How would they claim?

# Yego: Future looking



# Financial service product opportunities

## Insurance products



**Personal  
accident**



**Income  
replacement**



**Life or funeral  
insurance**



**Comprehensive  
insurance**

## Credit products



**Working  
capital credit**



**Credit for asset  
purchases**

## Saving products



**Targeted  
savings product**

# Thank you

## Please engage with us:

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