
# Financial Services for Gig Workers: Lessons on Getting Design and Delivery Right

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## Summary

Although gig work platforms provide a channel for offering financial services to underserved workers, innovators are realizing that despite their digital skills, the underserved platform-workers segment may still need a carefully designed balance of tech and touch to trust, understand and incorporate financial services into their lives. Crafting impactful products for workers still requires careful design, development, and piloting work. This brief features four examples of how industry leaders have created successful design and delivery solutions to provide financial services to platform workers.

Although informal workers in sectors like construction and agriculture still operate in cash and lack records of their work and earnings, platform workers in delivery and ride-hailing services find work online, create records of their work, and largely earn into digital accounts. This digitization of work and earnings foreshadows shifts we expect to see among other informal worker segments going forward.

For financial service providers, this behavior and context is a promising opportunity to serve users who have traditionally been out of reach. In addition to work data and digital earnings, these workers have further advantages: they are already onboarded into a digital world, can be reached via the platform's communication channels, and, importantly, they need financial services. CGAP's own research into the lives and livelihoods of platform workers notes a variety of financial service needs:

> "Workers face challenges that financial services could help them to overcome. To get started on a platform, workers must be able to purchase tools and skills, and sellers need capital to launch their businesses. As they establish themselves, they must be able to cover liquidity gaps and emergencies between jobs and sales while investing in skill building. They need to smooth their often-volatile incomes, build assets, and plan for the future. Throughout the various stages of platform work, workers and sellers must manage risks such as illness, injury, or income interruption, for which they may not have the benefits afforded by formal employment."

Platform work gives financial service providers a channel to serve workers who have demonstrated needs. Such offers may also contribute to the success of work platforms. Many platforms struggle with the retention of workers, most of whom work across multiple platforms, and many believe that providing financial services can increase loyalty and retention and potentially provide a valuable revenue stream.

Although financial service providers have the means, workers have a need for these services, and platforms have the incentive; burgeoning experience offering financial services to platform workers suggests similar challenges to serving other underserved workers. Even though platform channels can ease the journey to product-market fit, there is still careful design, development, and piloting work to be done. Platform workers have greater digital skills, but our experience suggests that they still need a carefully designed balance of tech and touch to trust, understand, and incorporate financial services into their lives. Furthermore, such service provision often implies complex partnerships and regulatory requirements, particularly given the need to share data, customer ownership, risk and revenue.

### Design Lessons for Offering Financial Services for Platform Workers

Early experience in the sector suggests that providers and platforms looking to provide platform workers with financial services should remember a few design and delivery insights:

- **Seamlessness, in the right context:** Embedded finance creates the opportunity to layer financial services on existing rails and transactions seamlessly. However, to deliver on the potential for seamlessness, those services also need to be relevant to that transaction or that worker interaction with the platform. For example, it may be easier to offer savings when a worker receives their wages, but perhaps harder to sell insurance when workers are buying airtime, especially if that sale requires additional effort.
- **Simplicity rules:** Although platforms provide a trusted channel of communication, that channel is crowded with information about work, working conditions, and a variety of offers, so communicating a clear and simple value proposition is still critical. Crafting a simple value proposition that resonates and that can be shared, is particularly necessary on overcrowded, low-touch platform communication channels.
- **Multidimensional tech and touch:** Tech and touch shouldn't be considered a linear spectrum, but rather a multidimensional configuration of strategies. The goal is to mimic the trust, engagement, and intuition created by in-person interactions via lower-cost, digital experiences.
- **Small, regular, automatic:** Workers seem to appreciate when contributions to financial services are nearly invisible, which is almost always accomplished by small, regular, automatic, and anticipated deductions at source. Given time inconsistency and hassle factors, workers appreciate when deductions are automatic, as long as they are small. Anecdotally, we also heard objections when drivers saw big deductions, or when deductions happened irregularly, or when they couldn't remember what the deduction was for. This can be solved by keeping deductions regular and predictable.

This paper focuses on the customer-facing aspects of these challenges, featuring four examples of how industry leaders have created value propositions, product features, and customer journeys to provide financial services to platform workers.

## Seamlessness in the right context

| Jumia's effort to provide healthcare to workers | |
|---|---|
| **Implementing partners** | Jumia, MeetingDoctors, Leadway |
| **Where** | Nigeria |
| **Product** | Telemedicine (doctor on the phone), hospicash insurance |
| **User** | MSE sellers on Jumia Marketplace and JForce agents |

Jumia, Africa's leading e-commerce platform, provides work to several segments of platform workers: those who sell on the Jumia marketplace, riders who deliver packages, and JForce agents who help end-consumers place orders in the field. Surveys with those workers indicated that health issues and challenges accessing care are both enormous sources of stress and disrupt work activities.

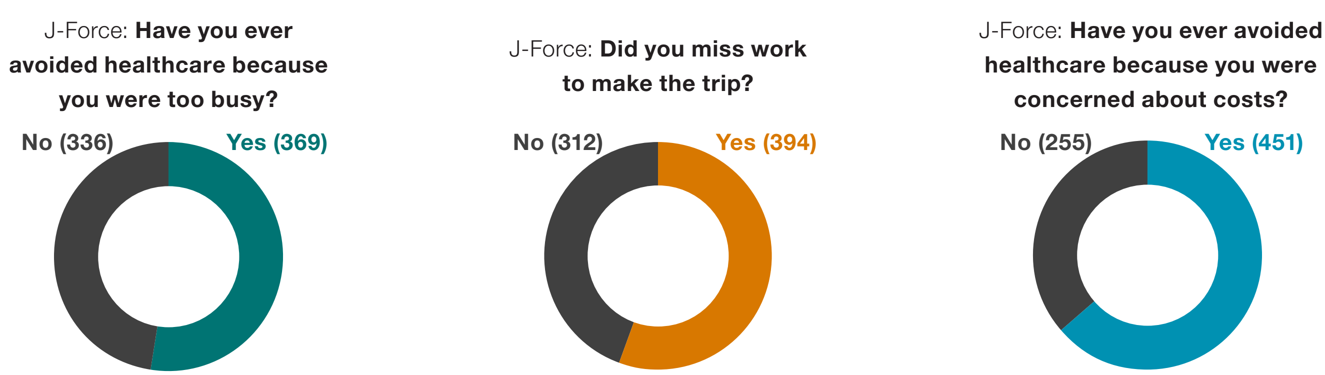
In response, Jumia partnered with MeetingDoctors and Leadway to provide micro and small sellers, JForce agents with access to doctors on the phone, and a hospicash insurance[1] policy. The bundle was provided to high-performing workers for three months for free, in the hope that they would recognize the benefits and be motivated to purchase the services via Jumia Marketplace at the end of the incentive period. The bundle was offered two times, in May and again in September of 2022.

Although the bundle was free, neither MeetingDoctors nor Leadway was able to onboard a significant number of users. Fewer than 10% for telemedicine and lower than 1% for insurance applied, both from a base of nearly 8,000 eligible users. Even after implementing a call center strategy making over 1,000 calls, fewer than 1% of eligible JForce agents activated their insurance policies. Telemedicine services had higher rates of uptake but never surpassed 10% of JForce agents or 3% of merchant sellers.

Low acquisition rates are common among new products and new consumer segments, especially for insurance products, but the team identified two underlying challenges to attaining product-market fit:

- **Low seamlessness:** Users accessing the telemedicine product clicked a link, which prompted them to download the MeetingDoctors app and automatically opened their account. Though it requires a separate download, the process was still more streamlined than

**Accessing healthcare is challenge for workers**




More than half of all worker segments report avoiding healthcare because of concerns about cost, through J-Force agents are most likely to be plagued by barriers to access. N = 706 active J-force agents who responded to a Jumia survey on healthcare needs in 2022.

1 An insurance plan that provides a fixed sum to the insured to meet miscellaneous expenses of hospitalization.

the Leadway onboarding process. In the Leadway case, local regulations require that users purchase, so the workers had to add the product to their carts, pay one naira, and then sign up using a code from Jumia. These additional steps and lack of automation proved to be a barrier to acquisition and severely limited uptake, especially considering the data required to down the additional app.

- **Irrelevant context:** Workers need healthcare. Our research with Jumia's platform workers found that 43% of sellers and 52% of JForce agents reported not having time to seek healthcare, and 52% of sellers and 64% of agents report costs as a barrier to access. While the need is widespread, it did not translate into broad uptake. Follow-up phone calls with workers suggest that relevance was a challenge: workers did not feel comfortable or natural accessing healthcare from an e-commerce website they associated with earning an income.

Many providers solve low acquisition rates like those experienced by Jumia, by increasing marketing spend, creating the well-known leaky bucket. However, the Jumia and CGAP teams realized that marketing spend could not overcome two underlying weaknesses in the offer and have gone back to the drawing board to design a more contextual and seamless offer.

> *"I have learned that the best way to make insurance relevant to platform sellers and workers is to understand their persona well and bundling the offering in the right way that brings instant gratification together with the long-term benefits of insurance. When all these elements are combined with the technology then true adoption might be possible."*
>
> —Abdellatif Olama, Chief Executive Officer of JumiaPay, the payment arm of a pan-African ecommerce company.

In contrast to Jumia's experience, Ola Insure in India has been able to offer ride-hailing driver insurance in a context-relevant, seamless, and automatic fashion. Ola offers health insurance as part of a care bundle with in-person doctor visits and claims assistance. Insurance claims can be made at those clinics as soon as users have accessed services covered by their policies. The two services work together in a way that provides more value and is more salient to drivers.

Furthermore, as drivers open their accounts and register for work on the platform, the insurance company onboard drivers in-person. This means that signing up for insurance is part of the sign-up process rather than a standalone activity, thereby creating seamlessness. Similar in-person efforts have worked for Turaco in Africa and Dvara Money in India, suggesting that touch is still critical to achieving user acquisition, particularly for insurance.

Ola Insurance also benefits from piggybacking on car coverage. The health bundle is offered as an extension to mandatory car insurance, which many drivers purchase when they are onboarded. As such, it seems relevant to the moment, not a random insurance offer.

Finally, payments for insurance happen automatically from drivers' wallets. They do not need to push or approve individual payments, a functionality enabled by UPI in India[2]. Notably, such automatic deductions are not permitted via mobile money provider MPesa, so providers in Kenya need to find other ways to provide automation.

Many drivers are young men who may not be concerned about health issues, however, they often have older parents or young children, for whom they would like extra protection. Ola Insure has also improved the value proposition of their coverage by allowing drivers to extend coverage to include their families.

2 Unified Payments Interface (UPI) is an instant real-time payment system developed by National Payments Corporation of India (NPCI) that allows users to send money to anyone with a bank account. The interface facilitates inter-bank peer-to-peer (P2P) and person-to-merchant (P2M) transactions, regardless of originator's and sender's specific banking relationship.

## Simplicity rules

| Britam's money-market product for LittleApp | |
|---|---|
| **Implementing partners** | LittleApp, Britam |
| **Where** | Kenya |
| **Product** | Savings account with minimum deposit (200 KSH), guaranteed interest (5%), and 50,000KSH life insurance policy |
| **User** | LittleApp drivers |

LittleApp is a ride hailing platform in Kenya that provides work to more than 20,000 drivers in Kenya. In an effort to provide outsized value to users, LittleApp partnered with Britam Insurance to provide ride insurance to protect riders, their belongings, the driver, and the car while working on a LittleApp job. The product was well received, reaching more than 100,000 policies within a short period, so both LittleApp and Britam saw the opportunity for further partnership.

The two partnered with CGAP to bring a Britam product, the Imarika Wallet, to LittleApp drivers. The Wallet was chosen because it meets the needs of so many drivers: with a KSH 200 minimum deposit, it delivers guaranteed 5% returns though closer to 13% on average in practice, and includes life insurance coverage of KSH 50,000. The product offers drivers access to insurance and investment products – financial services normally out of their reach. The product also meets operational needs since it had already been approved by the regulator and shows promising traction among other customer segments such as university students.

When the LittleApp team previewed the product with drivers, focus group members seemed positive about the product. However, when it was launched, the product saw little activity. In fact, during the first few weeks, less than 20 drivers signed up. Over the following months, the team tried various marketing strategies, each focused on the product's various benefits: insurance cover, high returns, access to the stock market, but drivers still didn't respond.

*"We had to work very hard with the insurance underwriters, because this [platform workers] is a traditionally risky segment. So, we had to relook at claim ratios, identify pockets that were relatively safer. Another big thing was repackaging the insurance into simpler bite sized options that the driver partner can understand and giving drivers free or subsidized options like free roadside assistance, so they can experience the benefit of the product. Also, as a large intermediary Ola can give the worker a positive claims experience, reduce complexities around copay etc. etc. So, it's a much more seamless experience for the driver if you buy it through the platform rather than buying on his own."*

—Pranshu Diwan,
Head of Ola Insure, the insurance arm of a ride-hailing company in India.

Next, the team offered fuel incentives, in which drivers were fully compensated for the minimum deposit in the form of fuel vouchers. That strategy had worked for other campaigns on the platform, so the team expected it would appeal to drivers. However, when fuel incentives were offered in addition to in-app marketing, the number of accounts grew by fewer than 15 accounts.

Throughout the initial months, LittleApp's call center regularly received questions about the function of the product and its various features. This led the team to believe that confusion about the product was limiting uptake.

In response, the team launched an in-person sales effort. To date, that acquisition strategy is showing the most promise, securing 173 accounts to date. Britam is incentivizing brand ambassadors to go into the field and sign-up users in person. Those ambassadors report that drivers need help understanding the product and want additional assurance that it is a good idea.

However, the ambassadors report that drivers are especially keen to know whether access to savings products will lead to access to loans: a common practice in Savings and Credit Cooperatives (SACCOs). They report that drivers are disappointed to find that they don't. In effect, they need more information, but also more motivation to engage with a savings product. In this case, insurance was presented as a perk of saving or investing, but that offer may seem less attractive than a loan which is the prevailing offer in-market.

More detailed explanations and higher-touch assurance from ambassadors has increased conversion rates, but this strategy is not scalable, especially given the high incentive rates provided to ambassadors. For the product to succeed, the team needs to find a digital marketing strategy that takes advantage of the promise of digital reach via the platform. This may mean going to market with a simpler, easier-to-understand product that fits drivers' expectations of a savings product. For now, the team is also experimenting with additional strategies: lower incentives for brand ambassadors, referrals, and above-the-line marketing to see if those provide additional levers.

> *"Product-market fit was a key challenge for this product, and simplicity was one of the features to improve. Another issue was drivers' pre-existing expectation that savings would be linked to access to credit."*
>
> **—Saurabh Sharma, Head of Emerging Customers of Britam, an insurance company in East Africa.**

To date, this experience suggests that financial products need to fit both the expectations and the needs of the target market. Assessing needs and gaps is important for establishing demand, but more is needed to achieve scalable acquisition. Simplicity and fit with market expectations are needed to ensure products are easily understood, which is key to onboarding users via lower-touch digital acquisition channels, particularly those who are new to these financial services. Though the Britam product was aimed at meeting savings needs, which were well documented prior to the pilot, drivers did not respond to a pure savings offer due to a lack of understanding and poor value relative to competitor products.

## Multi-dimensional tech and touch plus automation

| SafeBoda's winning combination | |
|---|---|
| **Implementing partners** | Safeboda |
| **Where** | Uganda |
| **Product** | Savings wallet (voluntary deposit, no interest) and Daily Saver (automatic deduction, no interest) |
| **User** | Safeboda drivers |

SafeBoda is a ride-hailing platform in Uganda that has provided consistent work to over 27,000 *boda* (motorcycle) drivers in Kampala. Unlike many platforms, SafeBoda has rich in-person engagement with drivers, including ongoing "service weeks," and through the SafeBoda Academy, where drivers can get guidance, purchase equipment, resolve issues, make enquiries, and learn about new products and services. SafeBoda also regularly utilizes driver ambassadors and focus group discussions to solicit drivers' input and gather their feedback.

In 2022, in response to demand from drivers, SafeBoda began efforts to develop a savings wallet to enable drivers to deduct from their earnings into a designated savings account. In partnership with CGAP, SafeBoda embarked on a design phase, orchestrating several focus group

*"The way our drivers get their information about using SafeBoda is by talking to fellow drivers or our staff; that's when they get comfortable. Even when we launched payment products, drivers would just see a new icon on the app and were too scared to even try. So, when we launch something new, it's important to have people on our side –whether in person or on WhatsApp– who are willing to take them through that last mile of experiencing the service and trusting that they can ask someone else for help and information. It does build trust and strengthens our brand. We thought it would just go digital. But we now know we need to continue to try and maintain that balance."*

**—Christian Wamambe,**
**VP, Payments and Financial Services,**
**SafeBoda, a ride-hailing company in Uganda.**

discussions. Those discussions revealed that drivers had many different profiles and many different expectations. Some drivers wanted locked savings, others wanted flexible accounts, and others were focused on balances. Overall, the team found that drivers had strong savings ambitions.

Based on those discussion, the team decided to orchestrate a gentle journey towards savings, starting first with an easy, flexible product and then rolling out additional features like automatic deductions and lock-ins. They first launched "regular saver," a flexible, voluntary product that allowed drivers to push earnings within their SafeBoda wallet into a savings account. Instead of "launching" the product, the team first rolled out the savings wallet to 11 driver ambassadors who provided feedback through focus group discussions during which they identified onboarding and registration challenges. Once the issues were fixed, the savings wallet was rolled out to the rest of the drivers.

Thanks to the improvements and the endorsements of the ambassadors, over 250 drivers signed up within three weeks of the savings wallet launch. But this early momentum plateaued quickly, even with additional marketing and ambassador efforts.

Next, the team launched "daily saver," an account that automatically sweeps certain amounts on days when driver earnings exceed a threshold. In launching the second wallet, SafeBoda also removed minimum account balances. While the account was slow to gain traction, within a month 300 drivers were using it, and many users switched from the regular saver to the daily account. Those drivers report that automation was the key feature that motivated them to open an account; they wanted the savings to happen without them even realizing. Given the earlier experience, SafeBoda launched an in-person ambassador effort to keep up acquisition momentum and avoid plateaus. To date, that strategy has been working and over 1,500 drivers are now savings with SafeBoda.

In all, higher-touch engagement together with no-pain features such as automation and a no-minimum deposit, were critical to onboarding, together with demand-based feedback from drivers. SafeBoda has leveraged traditional markets like in-app messaging, social media and text messaging to describe the savings wallet, outline the registration requirements, and highlight the benefits of savings. In parallel, the team has also leveraged in-person service weeks, focus groups, and targeted phone calls to understand drivers' needs and build trust in the product. These listening exercises made the teams realize that automation –a function drivers hadn't especially highlighted during design phases– was the key to a winning value proposition.

## Pulling it altogether, slowly

| ABALOBI's simple, automatic, high-touch product | |
|---|---|
| **Implementing partners** | ABALOBI |
| **Where** | South Africa |
| **Product** | Automatic 2-15% deduction from earnings deposited into savings account at users' bank of choice |
| **User** | ABALOBI fishers and quality control workers |

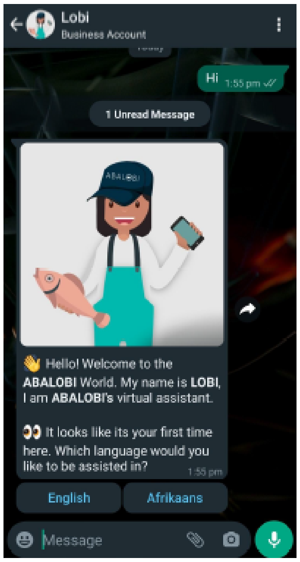
ABALOBI, a market facilitator for small-scale fishers in South Africa, prioritized simplicity when designing their savings product. The CGAP pilot to offer savings to ABALOBI workers featured high rates of acquisition and usage but has started out at a low scale. The savings pilot started with months of research and design work, interviewing fishers to understand their savings behaviors and needs. From there, the team launched a staggered rollout: starting with 14 fishers, incorporating their feedback, and then growing the pilot group to nearly 40 over the following months. The small-scale process has allowed for a high-touch, highly iterative process.

ABALOBI implements a suite of longitudinal-type of household surveys, all collected through ABALOBI technology, which enabled the team to identify that fishers needed a way to save and smooth income. In addition, data collected by BFA Global for the ABALOBI team showed that income volatility is a critical challenge for traditional fishers given unpredictable fishing seasons and expensive tools and equipment. For example, only 21% of fishers surveyed report having a stable income.

In response to this finding, the ABALOBI team considered a few financial products to help fishers manage their incomes. A simple approach was to automatically transfer a set amount from each earnings period into a dedicated bank account to help fishers accumulate savings. While helpful, the team was concerned that deducting from earnings during periods of low income would accentuate, rather than ameliorate, income volatility. Another approach ABALOBI considered was to orchestrate sweeps above certain income thresholds so fishers would save when earnings were high and avoid deductions when earnings were low. While the second approach was more sensitive to needs and leveraged earnings data from the ABALOBI platform, the team worried it would be hard to communicate this type of savings mechanism to fishers and for them to understand. Ultimately, ABALOBI chose an intermediate approach that balanced simplicity with sensitivity to earnings fluctuations: deducting a percentage from each earnings transaction towards a savings contribution. As a starter savings product, ABALOBI decided simplicity was the highest priority.

> *"This small pilot has been very smooth sailing with regards to our relationship with fishers. There was no real friction or push back that ABALOBI was venturing into financial services. It was welcomed, even expected. The question now is, where do we go from here. How do we build, even scale on this experience?"*
>
> **—Serge Raemaekers,**
> **Co-founder of ABALOBI,**
> **a digital platform for fishers in South Africa.**

As part of the co-design process, the ABALOBI team also spent weeks interviewing fishers and fish workers to understand their current savings behaviors. A large proportion of these fishers were "saving" using a secondary bank account, usually situated farther away from their location, and more difficult to access. Rather than have fishers introduce a new savings product themselves, ABALOBI designed a product to build on that behavior, splitting earnings between their regular and secondary bank accounts. This avoided the need to introduce new accounts, features, and behaviors, creating seamlessness by building on the fishers' existing savings behaviors rather than by introducing new ones.




The team also investigated how much fishers were saving. Most fishers who indicated that they saved a portion of their income noted that they saved between 1-10% of their income from fishing activities, but less than 10% of the time. As such ABALOBI started the savings pilot by only offering to deduct a small percentage of income chosen by the fishers themselves. The amounts were deliberately kept lower than the percentages reported by fishers, to make the saving process feel painless and effortless. In addition to simplicity and automation, the team also integrated numerous touchpoints along the user journey to help fishers sign up and use the product. The team designed a simple WhatsApp chatbot so that fishers could learn about the savings product feature, sign up to use it, make queries, and receive savings tips. Research at ABALOBI found that fishers were using the chatbot for tips and queries, but few signed up for the savings product via that channel. The team hypothesizes that fishers aren't accustomed to WhatsApp in that way, in connection to signing up for financial products, but that this functionality could be critical as the product scales up. For fishers unable or uncomfortable using the chatbot, the team leveraged ABALOBI coaches, a community of members employed through the platform, to collect a range of data such as onboarding information and surveys, to conduct interviews, and to follow up with fishers. The ABALOBI coaches were provided with tablets to walk fishers through the process of signing up for the savings pilot via the chatbot or assisting them with sign up via an Airtable form.

In all, two-thirds of the first cohort of fishers who were offered and were eligible for the savings product used it consistently. At an average savings rate of 11%, those fishers deposited a total of almost R13,000 which is roughly $750 into their secondary accounts via more than 250 payments over four months. None have paused savings contributions or opted out of the pilot, and over one-third chose to increase their savings percentage when offered the option. Going forward, ABALOBI is considering how to scale the product to their full community of fishers.

## Improving the opportunity for platform-based finance

Platform work seems to be an effective channel for getting underserved people the digital financial services they need. The digital rails already in place for work can be usefully leveraged to place financial services within a context that workers are familiar with. But even though these rails are valuable and promise more opportunities going forward, they are not sufficient in and of themselves, especially for savings and insurance services. For this segment, the lack of trust and experience with formal finance means that to get them onboarded and through the journey of using the products, providers must focus efforts on delivering good experiences, messaging clearly and building trust. That often includes some degree of in-person and traditional outreach via agents, referrals, and more.

These factors should not be interpreted as a failure of the platform ecosystem to be a channel for financial services. Instead, it should be considered a reminder of the importance of getting the balance between tech-and-touch right for serving this segment.

> *"Before meeting my peers [at a CGAP convening] I was concerned we were doing financial services for workers wrong. But talking to them at this point in our journey has made me realize that we are not wrong, but that getting this right is just very hard. But though it is hard, opportunities to get this right do exist through this digital ecosystem."*
>
> —Nick Calothi,
> Chief Information Officer of ABALOBI,
> a digital platform for fishers in South Africa.

The Tech-and-touch balance is a challenge that our sector has been wrestling with for many years, and these experiences demonstrate that thoughtful design is only the first step in getting to the right product. Each of these experiences demonstrate that careful design should be combined with agile *beta* launches. Such launches are particularly easy to roll-out on the platform ecosystem with a small cohort of platform workers and can ease implementation glitches to better prepare providers for scale. Launching an agile approach with a smaller group of trusted users, who are willing to overlook glitches and provide copious feedback, can ease the product development process. When providers are paying close attention to this feedback and can adjust quickly in response, the journey to product-market fit can be faster and leaner.

This is a clear win-win opportunity for platforms to serve as a channel for financial service providers to reach low-income workers with volatile income flows. Yet more work is needed to develop winning products for platform workers: work that is likely to contribute to building valuable products for a range of informal workers going forward. Funders, looking to contribute to this space, will be well placed to advise and support platforms in developing such products, accelerating the financial access provided by platforms to facilitate product innovation for financial health.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