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

Targeting the women’s market doesn’t just mean promoting goods and services with women; it means understanding and serving women’s needs and preferences across market segments and age groups. 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 an internal return on investment (IRR) of 35 percent.

Challenges

Women perform important roles in the Dominican Republic. They make up 70 percent of all university graduates and are the primary financial providers in over half of 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 non-financial 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 distinct 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 the Bank to use human-centered design (HCD) methodology to transform insights from market research into concrete 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 non-financial 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 the innovative products include the Tarjeta Mujer (Woman’s Credit Card) and the Tarjeta Emprendedora (Woman Entrepreneur Credit Card), both of which come bundled with non-financial 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 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 lines are men, also interested in coverage for their children’s health and education.

- **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 inclusion. After one year, the Bank has received more than 130 nominations, and employees are interviewing and evaluating the nominees.

Promoting internal gender equality: BHD León’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 Bank’s senior managers are women. It also received National Certification for lactation centers it opened at two corporate sites. It was the first private entity in the country to ally itself with UN Women’s HeForShe initiative and is currently working to undergo the Economic Dividends for Gender Equality (EDGE) certification, the global standard for fair employment of men and women.

Business Case

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

Product innovation: BHD León has developed savings, credit and insurance products to meet the needs of the four segments within the women’s market. The Bank has extended beyond standard products by offering non-financial 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 Bank’s profitability and growth. The program produced an 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, the Bank’s credit portfolio grew 26 percent in commercial loans, 19 percent in car loans and 8 percent in consumer loans.

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.

Guillermo Villanueva
Resident Representative in the Dominican Republic, IFC

What IFC says

IFC’s Banking on Women program acts as a catalyst for partners and financial institutions to help them to profitably and sustainably serve women-owned businesses. Since launching the program in late 2010, IFC has made 38 investments in financial institutions with a cumulative committed portfolio of $1.15 billion.

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.
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