

CASE STUDY

CHALLENGES TO DELIVERING FINANCIAL SERVICES FOR RURAL YOUTH



Summary

Typical rural financial systems are a combination of formal, semi-formal, and informal institutions.

As a result, rural youth face severe challenges in protecting financial stability and growth due to many reasons; such as lower financial literacy levels, economic shocks, inadequate technology and similar negative factors.

Tech Venturas was successful in helping a local bank in Uganda to address youth concerns of financial exclusivity through their innovative FinTech solutions.

Tech Venturas helped the bank to boost the financial inclusivity rate of the community by offering a range of credit and financial services powered by a versatile innovative mobile platform that allows users to download the app with the tap of a finger.

Challenges to delivering financial services for rural youth

Overcoming Lack of Access

In terms of digitalization, young individuals in rural Uganda have limited or no access to financial services or digital banking opportunities. This is seen to be a major factor contributing to the low economic development and stability of Uganda.

Illiteracy & Traditional Socio-cultural Factors

Ugandan rural youth have limited access to digital tools, financial services, and internet connectivity due to poor literacy rates penetrating across many communities. This negative trend has impacted the livelihoods of young individuals leading to serious consequences such as poverty, destitution, and distress.

The Negative Perception of Financial Services

There is a combination of factors that leads to poor perception. In rural villages, young individuals' ideologies have contributed to a perception that makes them believe financial services are not a necessity to thrive and move forward. In some instances, youth are under an impression that they might not require financial services to conduct businesses or for personal purposes. In rural Uganda, youth lack interest in financial services and mention that they do not find financial services useful.

Solution, Goals and Strategies

Digitalization is a major enabler to boost youth financial inclusion. Increased access to the internet connection and advanced mobile digital applications will increase the efficiency of the Ugandan youth population. Financial services such as mobile banking, online applications, payment applications, mobile wallets, in-app purchases will boost the productivity of young entrepreneurs and corporate activities due to increased convenience.

Leveraging Mobile Adoption

In the past few years, mobile cellular subscriptions and the percentage of individuals using the internet have increased at a much higher rate in comparison to accessing financial services, bringing opportunities for financial service providers and Fintech companies to reach financially excluded populations through digital financial services.

Smartphones offer the potential for more sophisticated digital financial services and products such as mobile money and accounts, mobile payments, mobile savings, or digital credit.

Scalable FinTech as a Solution

With the advent of Fintech startups in Uganda, Tech Venturas has developed multi-versatile online finance mobile platforms to the local community banks inculcating various technological applications such as Flutter, open-source technologies and various other models to facilitate digital financial services to increase digital inclusivity in Uganda.

The multi-functional mobile application platform included online digital banking facilities, from digital individual bank account processing, biometric verifications, liveness detection selfie, and the entire banking applications and processes can be conducted virtually through the app.

The core solution concepts that were developed to drive financial digitalization includes;

Cloud Computing

Cloud computing has developed a contemporary competitive advantage for this organization, who now leverages and utilizes fintech solutions, putting them way ahead of the competition. Tech Venturas takes clients through the cloud transformation journey progressively to choose the best cloud platforms and technologies.

Digital Transformation

Tech Venturas has considered every specific detail inculcated into the product development lifecycle generated for the local community bank to foster an effective digital fully-functional mobile platform.

Tech Venturas has taken a qualitative approach to every aspect of the project -- from the requirement document to every single line of code written, to the live deployment and through the lifetime of the solution.

Open Source and Micro Services based architecture

Micro Services based architecture and open source technologies were incorporated into the banking mobile-based platform to create a noticeable paradigm shift from large enterprise networks to the adoption of open source technologies.

This platform has helped the bank to offer a range of contemporary financial services to young individuals who come from vulnerable communities and underprivileged backgrounds.

Delivering Competitive Sustainable Advantages

Digital financial inclusion provides competitive advantages to boost corporate business and young entrepreneurs in Uganda to contribute towards economic development immensely. Fintech solutions will offer concrete and significant solutions to advance the digital financial industry in Uganda leading to various positive outcomes.

There are many strategic advantages that communities derive as a result of implementing inclusive financial solutions;

1. The promotion of a digitalized approach towards financial inclusion leads to empowering young entrepreneurs.
2. A great balance of technological innovation towards digital financial inclusion fosters technological and economic growth in the country.
3. Secured customer privacy and robust security frameworks are implemented, which leads to protecting consumers from scams and manipulations.
4. Fintech solutions increase the rate of digital and financial literacy and awareness across the country.
5. Fintech digital solutions facilitate customer identification processes for new digital financial services.
6. Lower costs, high-speed digital banking, increased convenience and intense security, can eventually lead to an increase in the level of efficiency of operations.

Fintech Solutions offer communities and business provision to high-quality digital financial services. Moreover, it will help to empower underserved and vulnerable populations.

Financial Inclusion for rural youth has a profound and significant effect on Uganda's financial and economic sector, impacting previous traditional financial models with new precise easily accessible financial business models, processes, or products, leading to improved financial service accessibility across the country.

Choose Tech Venturas

Tech Venturas is an innovative tech services provider. We make sure that we stand out in the industry with our innovative product technologies alongside a great user experience. Tech Ventura's specialised product research team is equipped with the latest tools and frameworks in the market to ensure a qualitative approach to get your product to market.

