Flippify: Paving the way for young adults to achieve their financial goals

DataHack4FI Season 1 in-country winner for Ghana

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February 2018

An initiative of

Insight2Impact

Advancing Financial Inclusion

Traditional financial service providers struggle to provide suitable services for young adults in Ghana. Findex 2014[1] indicates that just under 50% of Ghanaian young adults save and that only 20% of those do so at a financial institution. According to Flippify's market research and experience, this is because the available service offerings are unattractive to young adults. The offerings do not flexibly enough allow for frequent contributions or don't allow for sufficiently small savings amounts. Young adults are thus at a disadvantage. They have limited opportunities to formally accumulate assets and accrue interest, and they don't build positive financial habits early on.

The Flippify application provides a solution for these young adults in the form of a tailored and flexible savings dashboard. Through a combination of low-value, short-term savings plans and the use of earmarking for separate savings goals, Flippify supports its users in improving their savings behaviour.

About the solution

Flippify is a Ghanaian fintech start-up that provides a web-based savings platform to young adults. The product on offer is a web application that allows young adults to save according to their individual needs, through personalised savings plans that can be utilised with any (formal) financial services account. By December 2017, Flippify had served just under 1,000 active users.[2] These users are mostly students aged between 20 and 27 years old.

The Flippify application provides an accessible way to save for various goals. Upon signing up for the platform, the user links their Flippify virtual wallet to any of their mobile or bank accounts at other financial institutions. The system then prompts the user to provide information on their savings goal and the period in which they wish to achieve that goal. Based on this information, Flippify generates automated savings proposals, suggesting various amounts at different time intervals. These intervals may be regular (monthly, weekly or daily) or irregular. The user selects how often they wish to set their chosen amount of money aside and from which linked account the amount must be pushed. They also give the savings goal a personalised name. Once submitted, savings contributions are processed automatically. See Figure 1 for an overview of the customer journey.

Figure 1: Creating a savings plan

Source: Flippify

One dashboard provides a complete view of all savings goals. The Flippify dashboard further facilitates a simple savings experience by making all information accessible via a single dashboard (see Figure 2 overleaf). There is no limit to the number of savings plans one can set up with Flippify, and one can also create group savings goals.

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1   Global Findex 2014
2   An active user is defined as someone who has opened an account and has at least one savings plan to which they contribute on schedule. This schedule is customised to each user's unique circumstances

Flippify is enhancing its product offering through mobile, partnerships and machine learning. Active expansion plans are being executed, with the release of Flippify's mobile application planned for 2018. Moreover, the team intends to make additional kinds of financial services available by linking insurance and credit products to their dashboard through partnerships with financial service providers. Another planned development for the application is the increased usage of data for improved savings plans. Despite the seemingly simple nature of the product, Flippify is already collecting a wealth of data on its users (see Table 1). This data can be analysed to better understand young adults' savings behaviours and preferences, which is valuable information in a context where very few young adults save in formal financial institutions. The next version of the Flippify application will apply machine learning to incorporate personalised savings suggestions based on these recorded variables. For example, users that do not reach their savings goals may receive suggestions for alternative savings plans. In addition to the data collected through engagements on Flippify's platform, relevant external data sources can gradually be incorporated into the machine learning process, leading to an ever more personalised savings experience.

Table 1: User data recorded by Flippify

- Age
- Gender
- Name
- Phone number
- Email address
- Number of accounts used (for saving)
- Type of accounts used
- Financial institution
- Number of savings goals
- Sizes and timelines of savings goals
- Size and frequency of planned savings contributions
- Size and frequency of actual savings contributions
- Interactions on the platform

Source: Author's own

How does Flippify contribute to financial inclusion?

Young adults are supported in developing successful financial habits. Flippify contributes to the financial inclusion of their users by helping them to build improved savings habits and financial decision-making skills. Users enjoy the benefits of increased asset accumulation and interest accrual over a longer period and are acquiring more experience in financial decision-making. This will benefit them at a later stage in their life, when larger financial considerations need to be made. These benefits are achieved through the combination of Flippify's key aspects: the earmarking of savings goals, and the practical flexibility of the savings plans.

Earmarking of savings for specific goals helps young adults to increase and improve their savings behaviour. The naming of savings goals on the Flippify application is an example of earmarking. Earmarking refers to either mentally accounting for certain amounts of money or labelling certain envelopes, pots or accounts as intended for a specific purpose. Earmarking has been shown to increase the savings regularity and amounts in various instances, with labelling showing a stronger effect than mental accounting.[3] Everybody applies mental accounting to their finances to some degree, but Flippify's labelling function strengthens this natural approach, amplifying its effect on users' savings. It is through this functionality that the platform has the greatest potential impact in terms of financial inclusion.

Tailored savings plans meet young adults' financial needs better than more traditional offerings. Flippify's application provides young adults with a suitable savings option at an earlier stage in life, whereas they might otherwise opt to only join the formal, interest-generating savings market later, when they feel financially ready.

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3   "What can behavioural science tell us about the financial decisions of women? Evidence from a systematic review of behavioural interventions", Smit et al, 2018 (forthcoming)

Figure 2: Dashboard showing active savings plans

Account Name	Target	Rule	Duration	Actions		
Sao Tome Vacation	GHS 10000	Day(s)	8 Months	Deposit	Withdraw	Balance
MSc MIS	GHS 10000	7 Day(s)	9 Months	Deposit	Withdraw	Balance
Land	GHS 400000	30 Day(s)	24 Months	Deposit	Withdraw	Balance

Source: Flippify

Examples of DataHack4FI's impact

The Flippify team are no strangers to entrepreneurship. Previously, they developed the solution LendingSquare, which is a web platform that allows lenders and borrowers to connect.[4] The concept for the Flippify application had already been generated when the DataHack4FI competition launched in Ghana, but it was the selection to the DataHack4FI finals that provided the stimulation to start developing it in earnest.

"I wasn't working on it until we got selected for the DataHack4FI, and then I really got serious about it."

– Emmanuel Mbalam, CEO

"Dumi and Nkosi [members of the insight2impact Applications Lab team] provided support throughout the process, so the progress we have made so far has, to a large extent, been a result of the DataHack4FI."

– Emmanuel Mbalam, CEO

Of the equity investors participating in Face the Gorillas[5] at the Transform Africa Summit 2017, two were very interested in exploring involvement in Flippify, after the official launch of their product.

"For me, I think Nkosi and Dumi have done a tremendous job following up and checking up on us. They made it clear that if we need help talking to financial institutions in the country that they are willing to help us. And the occasional email from them asking how we are doing... like, if you feel like you're slowing down with your work, then you get an email from them and it makes you speed up again."

– Emmanuel Mbalam, CEO

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4   Disrupt Africa, 2015, "Ghana's LendingSquare set for full launch, seeking funding", accessed January 29, 2018. Accessible at: http://disrupt-africa.com/2015/09/ghanas-lendingsquare-set-for-full-launch-seeking-funding/
5   Face the Gorillas is an African version of Shark Tank. See https://www.smartafrica.org/tas17/ftg