



1st for women

1ST FOR WOMEN, SOUTH AFRICA – THE CASE FOR INSURING WOMEN FOR A BETTER TOMORROW

Box 1.

1ST FOR WOMEN AT A GLANCE

- 1st for Women is part of Telesure Investment Holdings (TIH), which owns and operates several insurance brands in South Africa.
- TIH's workforce is 51 percent women and 49 percent men, and 43 percent of TIH's management team, and 45 percent of its board members are women.
- 1st for Women began as a motor insurer focused exclusively on women, but now it offers a range of non-life and life insurance policies, as well as value-added products designed for, and by, women.
- 1st for Women employs a direct-to-consumer model, driven mainly by a call center.
- In the 2017 Ask Afrika Orange Index Awards, 1st for Women won the award for Service Excellence in the Short-term Insurance category, and it was the runner-up for the same award in 2018.
- In the *Sunday Times* "top brands" surveys of 2016 and 2017, 1st for Women was one of the top five brands.
- In 2018, 1st for Women won two Orchid awards for its marketing campaigns. It also won an Orchid award in 2019 for its campaign, "16 Days of Activism for No Violence against Women and Children".

Source: 1st for Women

1. INTRODUCTION

1st for Women Insurance (1st for Women) was launched in 2004 to provide insurance solutions specifically designed for South African women—a first in the country. The company found that although South African women were purchasing insurance policies, these did not cater specifically to women's needs. To tap into this substantial market, 1st for Women decided to develop women-centric insurance products, rather than just repackage existing products.

IN PARTNERSHIP WITH



2. CHOOSING THE WOMEN'S MARKET IN SOUTH AFRICA

2.1. BUSINESS CASE FOR WOMEN'S INSURANCE IN SOUTH AFRICA

Insurance penetration^a in Africa is comparatively low, which makes the region a promising market. In 2016, African insurance premiums totaled \$60.7 billion, which was just 1.3 percent of global insurance premiums. This represented an insurance penetration rate of only 2.8 percent, which was lower than the emerging market rate of 3.2 percent, and substantially lower than the global rate of 6.1 percent.¹

However, South Africa's overall level of insurance penetration is in line with, or even above that of many mature markets, and it far exceeds the average in Africa. This is particularly the case with life insurance. In 2017, when measured by premiums to GDP, South Africa's penetration rate was 2.74 percent for non-life insurance, and 11.02 percent for life insurance.²

South Africa has the most developed telecommunications network in Africa, with growing access to the Internet and Wi-Fi services in public areas such as shopping malls and libraries. Ownership of mobile phones and mobile data usage is also higher than the African average. As a result, customers are comfortable buying insurance online or over the phone, which underlines the importance of call centers—a channel that 1st for Women uses successfully to sell its products.

For local insurers, South African women represent an important market due to their buying power. IFC estimates that by 2024, the South African market for women's insurance could be worth R12 billion (\$788 million). Growth will be driven by the life insurance sector, which is worth approximately R7 billion (\$473 million).^b

This opportunity is driven by several underlying factors—in particular, labor force participation and consumer spending. Of the women in the labor force, the majority are formally employed (87 percent).³ Compared to other African countries, South Africa's women are faring better, and gaining more visibility in the public sector and corporate leadership. Forty-two percent of the country's parliamentary seats and ministerial positions are held by women, and in the private sector, women occupy 34 percent of senior and middle management positions.

IFC estimates that by 2024, the South African market for women's insurance could be worth R12 billion (\$788 million). Growth will be driven by the life insurance sector, which is worth approximately R7 billion (\$473 million).

According to Nielsen, 60 percent of the primary purchasers within South African households are women.⁴ Due to this combination of buying power and influence, women drive the majority of consumer purchasing decisions in the country.

2.2. SPOTLIGHT ON WOMEN'S RISK-PROTECTION NEEDS

In South Africa, women's unique life, personal safety, and health concerns require tailored insurance solutions.

As South African women's life expectancy exceeds that of men by almost seven years,⁵ insurance policies that include savings as well as retirement components are an essential driver of insurance sector growth in the country.

Violent crime is widespread in South Africa and affects women and girls disproportionately.⁶ On average, three South African women are killed per day by their partners, and one out of every four women is a survivor of domestic violence. In 2016–17, reported crimes against women totaled 173,405 and in 2017–18, this number rose to 177,620—an increase of 2.4 percent.⁷ However, the incidence of violence against women is likely to be far greater, as many cases go unreported. Also, of the small number of cases that go to court, very few result in conviction.

South African women are disproportionately affected by HIV too. Of the 7.5 million adult South Africans living with HIV, 62.7 percent are women, and women's rate of infection is more than double that of men.⁸ Intimate partner violence has been identified as a key driver of HIV transmission in South Africa, and it is also a barrier to accessing HIV testing and counseling.⁹

The country's culture emphasizes the importance of a dignified funeral service, and women often play a leading role in arranging funerals and paying for them. Therefore, funeral cover is a popular insurance product, and it is likely to remain so, particularly for middle and lower-income populations.¹⁰

a The ratio of total insurance premiums to gross domestic product.

b IFC Women's Insurance Market Sizing estimate based on available projection data as of 10/1/2019.

Box 2.

RESEARCH-INFORMED DESIGN

1st for Women's goal is to become the insurer of choice for South African women by offering products and services that women want and need. Product design, therefore, is based on both qualitative and quantitative research. Below are some key findings:

- Products aimed at women must meet women's needs and cannot be generic products with "pink" packaging.
- Targeting women, rather than men, can yield higher returns.
- Women are more inclined to develop long-term relationships with brands. They also prefer companies that offer long-term solutions to their problems, and high-quality, after-sales service from someone they trust. However, this does not necessarily have to be a woman.
- Women like advertisements they can identify with, that are not patronizing, and are empathic and respectful. Messages focused on similarities, affiliation, and a win-win situation are popular with women, who tend to rely more on word-of-mouth recommendations, and identify with the person who is making the suggestion.
- For many women, the buying process matters as much as the product. Women are usually very busy, and they want a sales process that respects the demands on their time. They also want to be able to ask questions, receive clear answers, and they use both quantitative and qualitative information in making decisions.

Source: Marti Barletta. 2003. "Marketing to Women: How to Understand, Reach, and Increase Your Share of the World's Largest Market Segment." London: Dearborn Trade Publishing.

3. 1st FOR WOMEN'S APPROACH FOR SOUTH AFRICAN WOMEN

The risk profile of South African women highlights that they need insurance solutions that help them to feel safe and provide coverage for their assets and personal items. As already noted, in developing solutions that address women's challenges, 1st for Women relies heavily on market research, which helps the company to design, market, and sell its products to women using the following four approaches:



APPROACH 1: DIRECT-TO-CONSUMER MODEL

Traditionally, insurance companies have marketed their products through their distribution force, comprised primarily of agents. But given South Africa's widespread mobile phone and Internet usage, 1st for Women uses a different approach to reach women—one that relies on the company's website, its call center, and social media.

Since the company began, 1st for Women has focused on providing holistic value, rather than competing on price. Its direct-to-consumer model is similar to Direct Line in the United Kingdom (U.K.), which uses the company's call center to recruit customers.^c While women customers are able to transact their insurance purchases completely online, only 5 percent of new business is online from end-to-end.^d 1st for Women's customers primarily use the Internet to conduct research on pricing, but then make their purchase online or through the call center.

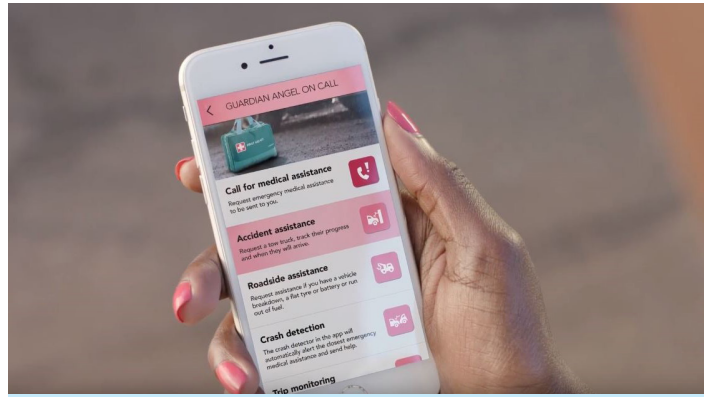
^c Direct Line was the first insurance company to sell motor insurance directly to customers in the U.K. Source: Superbrands. 2004. "Superbrands Case Studies: Direct Line." *campaign*, March 2004. <https://www.campaignlive.co.uk/article/superbrands-case-studies-direct-line/203781>

^d "End-to-end online" refers to the ability of customers to transact online from the beginning till the end of the sales process.

APPROACH 2: SOLUTIONS THAT FOCUS ON PAIN POINTS

1st for Women’s research has found that women typically place a higher value on services than they do on pure risk protection. Therefore, from the outset, 1st for Women has explicitly set out to address women’s unique physical, emotional, and financial concerns. For example, over 90 percent of 1st for Women’s motor customers have comprehensive insurance. To support this demand, 1st for Women launched the Guardian Angel app, which provides 24/7 roadside assistance in the event of an accident, including notifying the claims department, sending a tow truck, sending a person to wait with the driver, if required, and arranging medical assistance. (See Box 3)

1st for Women also offers solutions designed to protect women and their children. The All-Women Dread-Disease Cover protects women against woman-specific cancers, pregnancy complications, accidental HIV infection due to violent crime, and more, and also protects their children from cancer. 1st for Women’s HIV Testing and Treatment cover “Expo-Sure” ensures that women customers and their families have full access to confidential HIV testing and treatment, access to HIV/AIDS information, life-long phone-in advice, counseling for the victim and immediate family members after a sexual assault, and medication to prevent sexually transmitted diseases.



Box 3. GUARDIAN ANGEL ON CALL

The 1st for Women Guardian Angel app uses smart drive-detection technology that automatically switches on when the motorist starts driving. It detects an accident, and also gauges its severity based on an intricate and unique algorithm. In a severe accident, the app automatically notifies the call center, which immediately alerts medical responders.

To date, the app has been downloaded by 40 percent of the company’s customers, and every month, it responds to over 200 requests for accident or breakdown assistance.

GUARDIAN ANGEL LIFESTYLE ASSISTANCE

VALUE-ADDED SERVICES THAT RESPOND TO WOMEN’S NEEDS AND CHALLENGES.

1st for Women’s benefits are designed to help women feel safer on the road and at home, and also to make their lives easier.



DATA AND FINANCIAL RESULTS FOR 1ST FOR WOMEN



**R936 MILLION
(\$63.1 MILLION)**

Gross Written Premiums from non-life and life insurance in the year ending June 2018.



**7.1%
Y-o-Y**

(Year-on-Year) Growth in new policyholders^e



**R90 MILLION
(\$6 MILLION)^f**

Raised by 1st for Women Foundation from 2005 – 2019^g



**OVER 90,000
WOMEN**

Helped by 1st for Women Foundation from 2005 – 2019^h

1st for Women also provides solutions to meet the needs of women entrepreneurs. To address the \$5.63 billion finance gap that women small business owners' face,¹¹ in partnership with a leading lender, 1st for Women offers loans of up to R250,000 (about \$17,000) for 12 to 60 months. Although these “white labelled”ⁱ personal loans are unsecured, borrowers' repayment rates are on par with the industry norm.

APPROACH 3: AN EVOLVING APPROACH TO MARKETING AND BRANDING

1st for Women uses market research not only to develop innovative products for women (versus adjusting generic ones), but the company's research also underlies its thought-provoking marketing campaigns. For example, the company conducted an advertising campaign that featured the “battle of the sexes”; however, after assessing the results, 1st for Women launched a new campaign that spoke to women's evolving needs.

1st for Women's Senior Manager, Casey Rousseau, says, “Our research highlighted a revised female code—a shift from the struggle for female independence and dominance to the right to personal identity and choice. It's no longer about being better than men or the differences between the sexes. Rather, it's about gender acceptance and greater independence on women's own terms. It's all about redefining women and their multiple, integrated roles and supporting them to be the best that they can be.”

^e Nearly all policyholders are women, but men make up a portion of the customers as the benefits and solutions resonate with them, or they access the Guardian Angel on Call service, which can be shared with up to five family members or friends.

^f FX rate of R14.8455 to \$1, source: South African Reserve Bank, FX Date 1/31/20

^g 1st for Women contributes a portion of its premiums to the 1st for Women Foundation to combat violence against women.

^h Same as above.

ⁱ “White labelled” products or services are ones that are sold under a brand name that differs from that of the supplier.

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It's no longer about being better than men or the differences between the sexes... It's all about redefining women and their multiple, integrated roles and supporting them to be the best that they can be.

- Casey Rousseau, Senior Manager, 1st for Women Insurance

APPROACH 4: SOCIAL IMPACT

In 2005, 1st for Women launched the 1st for Women Foundation and surveyed its customers to determine which causes they would like to support. By a wide margin, the top two choices were addressing the abuse of women and educating women about cervical cancer.





In 2015, 1st for Women conducted a second customer survey to determine if these two causes still resonate with its women customers. Based on the results, the company decided to focus on abuse of women, which has reached epidemic proportions in South Africa. The insurer also launched *For Women*, a platform that links all of the efforts to fight women’s abuse so that South African women can find the right help quickly. This site features all of the public, private, and non-profit organizations that are addressing violence against women. *For Women* also enables South African individuals and corporations to easily connect with the organizations that need their financial help.

4. LESSONS LEARNED FROM 1ST FOR WOMEN

1st for Women’s approach and its success demonstrate the importance of conducting research to understand women’s needs before launching products for them. The company has learned that if a product resonates with customers, and it is marketed well, success will follow. As already noted, success in serving the women’s market cannot be achieved by just “pink washing” existing products.

Initially, 1st for Women found it difficult to assess women’s share of the insurance market because sex-disaggregated data were not publicly available. This need for reliable data led the company to conduct its own research.

Another key insight that 1st for Women has gained from its research is that South African women want to be well-informed before they make a purchase. As a result, company’s sales consultants are trained to give callers as much information as they need, and this support for well-informed decision-making pays off in callers purchasing the company’s products.

Other insights include:

- It is important to understand women customers and their problems well, and then use these insights to inform all aspects of the insurance business.
- Women adapt and evolve to their continually-changing circumstances. To remain relevant, companies need to keep up with these changes.

ENDNOTES

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ABOUT IFC

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