Research Study on Gender Dynamics in Fintech Value Chains:

A convenient partnership between Women-led SMEs and the Latam Fintech sector

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Introduction

Micro, small and medium-sized enterprises (SMEs) represent 99.5% of companies in Latin America and the Caribbean and employ 60% of formal workers. One of the main challenges they face is obtaining funding. One in three SMEs reports restrictions in access to credit. The situation is worse for companies led by women.

Several factors explain the gender gap in access to financing. These can relate to the supply side (from traditional financing mechanisms) or to the demand side (from female entrepreneurs). Both sets of factors are related to each other and generate a vicious circle.

The ecosystem of Fintech companies aimed at SME financing has the potential to overcome these barriers. The use of a scoring and assessment mechanism that complements the use of credit history with other sources of information, its digital nature, and the possibility of providing financial training services can contribute to closing the gender gap in the financing of SMEs in the region.

This study seeks to analyze, from a gender perspective, the barriers that companies in Latin America face in the process of fundraising, as well as Fintech companies' perception of business opportunities linked to the development of financial and non-financial products aimed at SMEs led by women. To this end, a survey was carried out on 94 micro, small and medium-sized businesses in the region, focusing on those led by women. In addition, 28 Fintech companies that operate in peer-to-peer lending and invoice trading were surveyed. In parallel, an in-depth survey was carried out with 8 of them. Finally, four experts on Fintech and gender-lens financing were interviewed.

The document is organized as follows. The first section reviews the specialized literature and establishes the rationale of the study. A second section presents the results of the survey applied to SMEs. A third section presents the results of the survey of Fintech companies and the insights obtained from the in-depth interviews. A final section concludes with recommendations aimed at Fintech companies to exploit the SMEs market segment led by women.

Rationale

Micro, small and medium-sized enterprises (SMEs) are a strategic actor in the development of Latin America and the Caribbean. According to the United Nations Development Program, they represent 99.5% of the region's companies, employ 60% of formal workers and contribute to 25% of the regional GDP (López Calva, 2021). However, SMEs exhibit less productivity than large companies do. The latter have productivity levels up to 33 times higher than microenterprises and up to 6 times higher than small ones. For comparison, the value of these gaps in OECD countries are, respectively, 1.3 and 2.4(ECLAC, 2020).

One of the factors that explain these gaps are the barriers to obtaining funds. According to a report from the Andean Development Commission, credit to the private sector as a percentage of GDP barely reaches 50% in most countries in Latin America (for comparison, it is 92% in Europe and 186% in the United States)(CAF, 2023). One in three SMEs reports restrictions in access to credit, either because it was denied or because they were discouraged by a set of disadvantageous conditions (interest rate, insufficient amounts, among others) (CAF, 2023). 20% of SMEs in the region point out that financing is the main obstacle to their growth (World Bank, 2020). A report from the Inter-

American Development Bank also agrees with this: the financing gap between potential demand for SMEs and available supply is 500% (Herrera, 2020). The report also indicates that 31% of small and medium-sized businesses and 22% of microbusinesses saw their growth limited due to lack of access to financing (Herrera, 2020).

In Latin America and the Caribbean, the financing gap affects around 27 million SMEs. Many of these are trapped in what is called the missing middle, that is, they have financing needs that are too big to qualify for microcredits and too small or risky to access traditional financing (World Bank, 2017).

Financing barriers do not affect all SMEs homogeneously. They tend to be higher for younger ones – who generally lack collateral and credit history – and for those owned or led by women (CAF, 2023). This adds to a panorama that is already discouraging for women entrepreneurs in the region.

According to the Inter-American Development Bank, only 14% of companies are owned by women; the region's boards of directors have 15% female participation; and only 11% are led by a woman as CEO (IDB, 2021). In turn, insufficient access to capital was the main reason that women-led enterprises failed (IDB & ESADE, 2019). 73% of all women-led SMEs in Latin America and the Caribbean were unable to meet their funding needed to grow (IDB & ESADE, 2019). It is estimated that the financing gap for women-owned microenterprises reached USD 5 billion and for small and medium-sized businesses led by women it amounted to USD 93 billion (International Finance Corporation, 2017). According to the Global Accelerator Learning Initiative, startups founded solely by women received USD 66 for every USD 100 received by their male colleagues (Global Accelerator Learning Initiative, 2020). Furthermore, only 5% of Private Equity (PE) and Venture Capital funding in the region went to women-led enterprises (International Finance Corporation, 2017).

What are the reasons that explain this gender gap in access to financing for SMEs in the region? Specialized literature has divided them into two groups: those related to the supply and those related to the demand for financing.

Supply

The first reason that may be behind the financing gap is negative gender discrimination. In patriarchal societies such as Latin America, where enormous gender gaps persist in economic participation, business ventures led by women may be perceived by traditional financing mechanisms as riskier (Hess, 2020). Discrimination can be overt, or it can come from unconscious bias on the part of the financial institution. This can translate into asking businesswomen to be accompanied by their male partners (Hess, 2020) or to refer women to a microcredit institution without a deep analysis of their business plan (OXFAM, 2017). An Inter-American Development Bank study based on a randomized experiment in Chile found that, due to bad-taste gender discrimination, loans requested by women were 15% less likely to be approved than those requested by men, even when the applications were identical (Montoya, 2020).

Secondly, there is the absence of credit history or collateral that allows reducing the risk associated with the loan. SMEs led by women are overrepresented in the informal economy, so they do not have relevant administrative information that allows them to evaluate their previous financial behavior. A study by the Inter-American Development Bank and UN Women found that among public development banks, 78% stated that this was a very relevant problem for the provision of credit lines to women entrepreneurs. In turn, a low percentage of institutions surveyed declared that they accept non-traditional guarantees and use alternative credit rating mechanisms (IDB & UN Women, 2023).

Thirdly, there are difficulties in reaching rural or remote territories where entrepreneurs develop their companies. Although this affects men and women, it is necessary to consider other inequalities that operate to make it a greater problem for women. Firstly, they have less time since they devote more than twice as much time as men to unpaid care tasks (ECLAC, 2022). Secondly, there is also a digital gender gap, which reduces TICs-mediated reaching out strategies efficacy (Trigo & Valenzuela, 2022). 77% of public development banks noted this as a barrier to offering financial products to women-led SMEs (IDB & UN Women, 2023).

Finally, there are the barriers linked to administrative requirements. The bureaucratic complexities of obtaining a line of credit can discourage women who, in addition to being overrepresented as owners of informal businesses, also have less time to complete the different applications (CAF, 2018).

Demand

Among the barriers on the demand side, women entrepreneurs have less information available about their credit history and accounting, which are two of the main sources on which banking entities define the risk and acceptance of the application (Mayher, Azar, & Andrade, 2022). In addition, complementary inquiries are more costly for banks since the amounts requested by women are usually lower than those requested by their male colleagues, which reduces the cost-efficiency of the process for lending entities.

Secondly, it has been pointed out that women exhibit a greater aversion to risk and have less proclivity to get into debt. A CAF study for four Latin American countries (Brazil, Colombia, Ecuador and Peru) finds that women are less willing to take risks in making financial decisions. Only 32% are willing to risk their income compared to 43% of men. In Peru, the difference amounts to 16 percentage points (CAF, 2022).

A third argument has to do with the gaps in financial literacy between men and women. The CAF study indicates that there is a gender gap in the self-perception of the financial capabilities of men and women in the region. 17% of men consider that their financial knowledge is high or very high, compared to 13% of women. In turn, 29% of men think that their financial knowledge is low or very low, compared to 36% of women. The study also constructs a financial knowledge index that ranges from 0 to 7. On average, women achieve a score of 4.7 compared to 4.99 for men. A difference of 3 percentage points is also found in the self-perception of being over-indebted (CAF, 2022).

A fourth factor has to do with horizontal segregation. Women tend to have commercial and consumer-oriented businesses, which are smaller and less capital-intensive. Therefore, they require less external financing, which makes them less inclined to request financial products. This, in turn, reduces their future inclination to seek financing (given low sales volume and lack of credit history) (Carranza, Dhakal, & Love, 2018).

Finally, a fifth factor has to do with the differences in the use of time between men and women. As mentioned, women perform twice as much unpaid domestic work as men, which limits their availability of time to search for financial products, compare options, and learning about finance (Sen, 2023).

The set of factors associated with demand and supply operate to maintain the gender gap in access to financing for business activities in Latin America and the Caribbean. In the last decade, the Fintech ecosystem has been highlighted as a window of opportunity to accelerate women's participation in financial markets.

Around a third of Fintech companies in the region have a woman on the founding team compared to 7% of the global average. In Uruguay, for example, this proportion reaches 47%. In Latin America, 30% of the human resources of Fintech companies are women and 11% have equal human resources (with companies founded by women standing out) (CAF, 2022b). Fintech can contribute to reducing the barriers – both on the demand and supply sides – that SMEs led by women face in obtaining financing (UN Women, 2021). Among its advantages, we can point out:

- The use of assessment and scoring mechanisms that use information complementary to the credit history or the value of the collateral
- Being digital platforms, geographical barriers are not a problem as they are in traditional banking
- In general, they have fewer administrative requirements and make use of information available online, reducing the bureaucratic burden and time demand.
- Automation reduces the cost of the bureaucratic evaluation process, which facilitates assessment of applications for lower amounts
- They have the potential to provide financial services and non-financial services (such as financial education) through their platforms
- They can contribute to the generation of credit histories for women entrepreneurs, making it easier for them to access traditional financial products in the future.

SMEs Survey Results

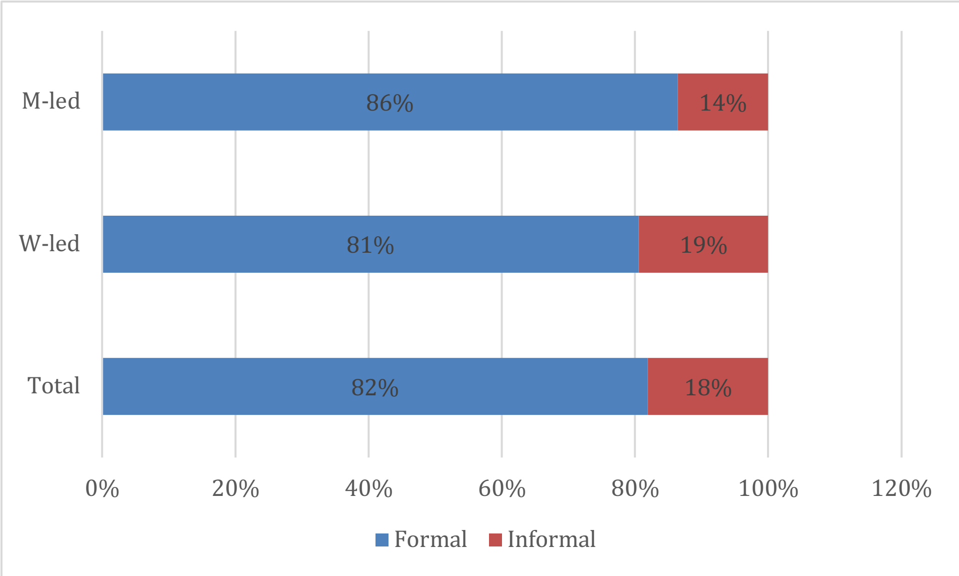
The survey was developed through an online platform during the month of March 2024. The link was distributed through formal and informal communication channels of business chambers, Pro Mujer's existing networks, and social media. The survey is exploratory and is not representative of the set of SMEs that exist in the region. There is an overrepresentation of companies led by women due to Pro Mujer's relationship with them and due to the interest in the study.

The definition of SMEs was based on the regulations in force in the countries where the surveyed companies are based. This regulation uses mixed criteria, which combine the number of employees with the amount of annual billing according to sector.

General characteristics of the companies

Of the valid surveys obtained, 77% of the companies were majority owned or led by women, while the remaining 22% were male owned.

Graphic1Formality by leadership gender



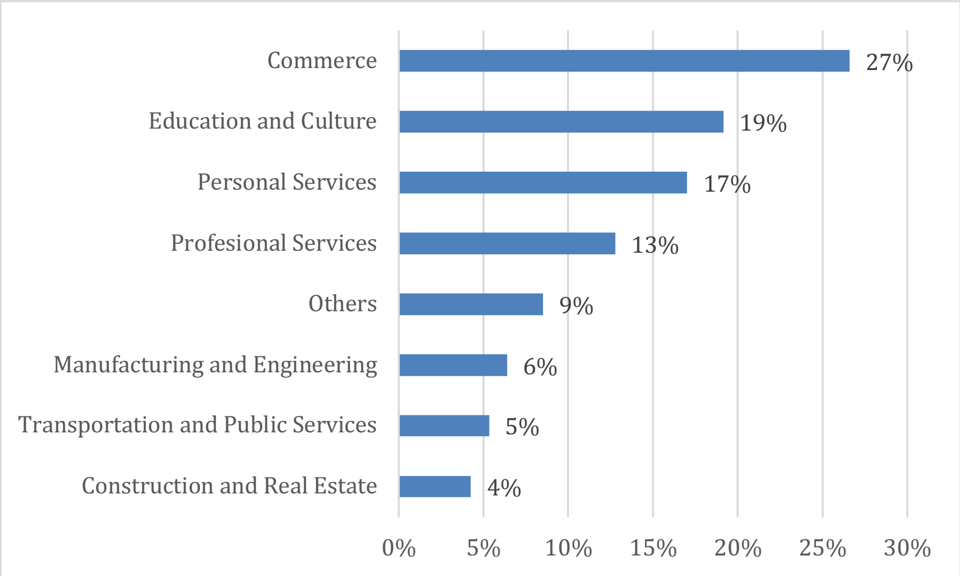
The majority of the companies surveyed were legally registered as such in line with countries' regulation frameworks. Women-led SMEs are slightly overrepresented among non-registered companies. Regarding the geographical distribution of the companies surveyed, the majority come from Peru, Argentina and Colombia.

Table 1 Geographical distribution of companies surveyed

Country	Percentage
Argentina	12.8%
Bolivia	4.3%
Chile	8.5%
Colombia	13.8%
Costa Rica	5.3%
Ecuador	6.4%
El Salvador	3.2%
Guatemala	7.4%
Honduras	3.2%
Mexico	7.4%
Nicaragua	1.1%
Panama	2.1%
Paraguay	3.2%
Peru	14.9%
Uruguay	6.4%
Total	100%

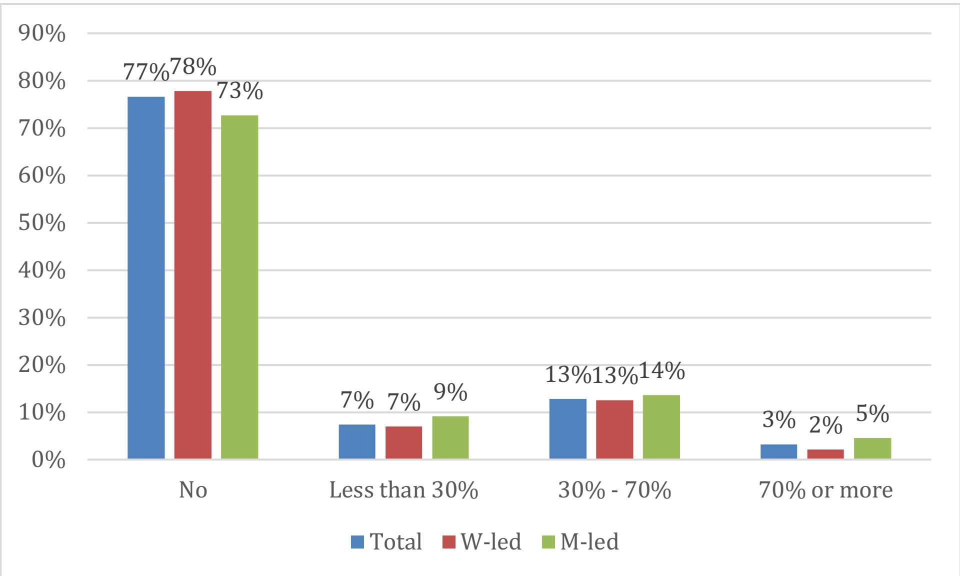
Most companies are dedicated to activities related to commerce (27%). Other relevant sectors are education and culture (19%) and personal services (17%).

Graphic2 SMEs by industry



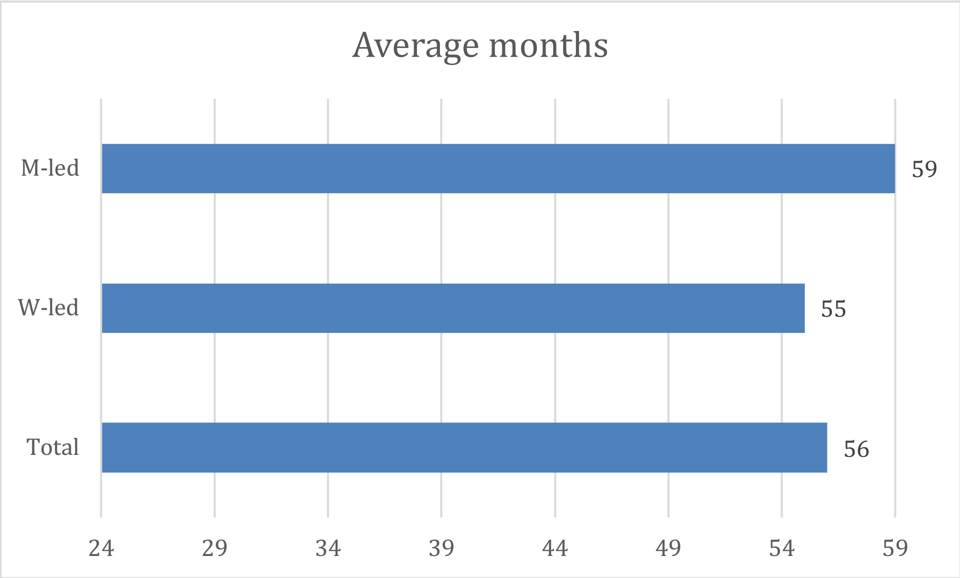
The companies were also consulted about their export profile. It is observed that only 23% export products or services, with a gap of 5 percentage points between SMEs led by women and men.

Graphic3Does your business export its products or services to other countries?



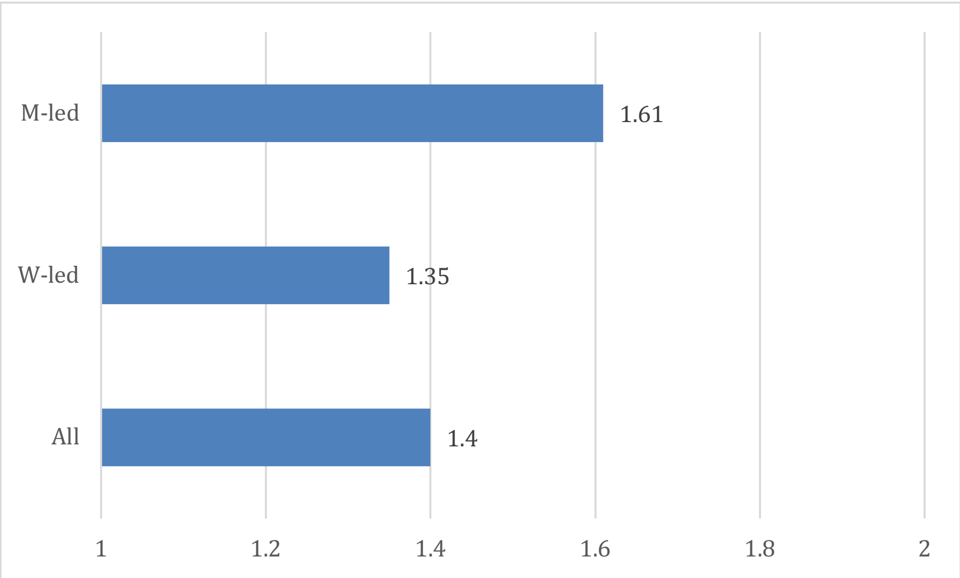
Regarding the maturity of the companies, the average number of months in operation is 56, with the average maturity of companies led by men being 4 months higher than that of women.

Graphic4Company maturity in months



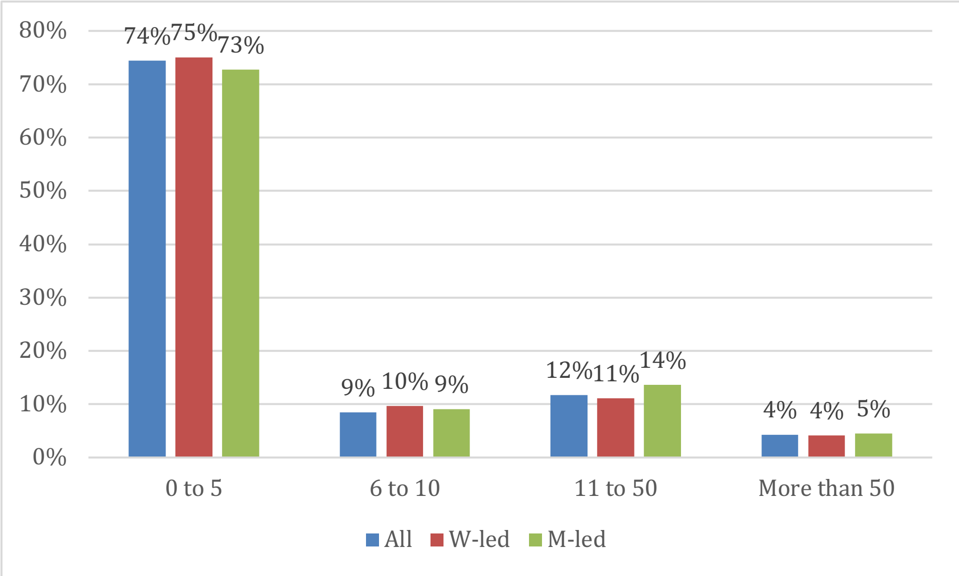
The average billing for the years 2021 and 2022 reached USD 1.94 million. A significant gap is observed in the average number of companies led by men and women, with the billing of the former being 19% higher.

Graphic5Average Annual Billing (2021-2022) in US Dollars



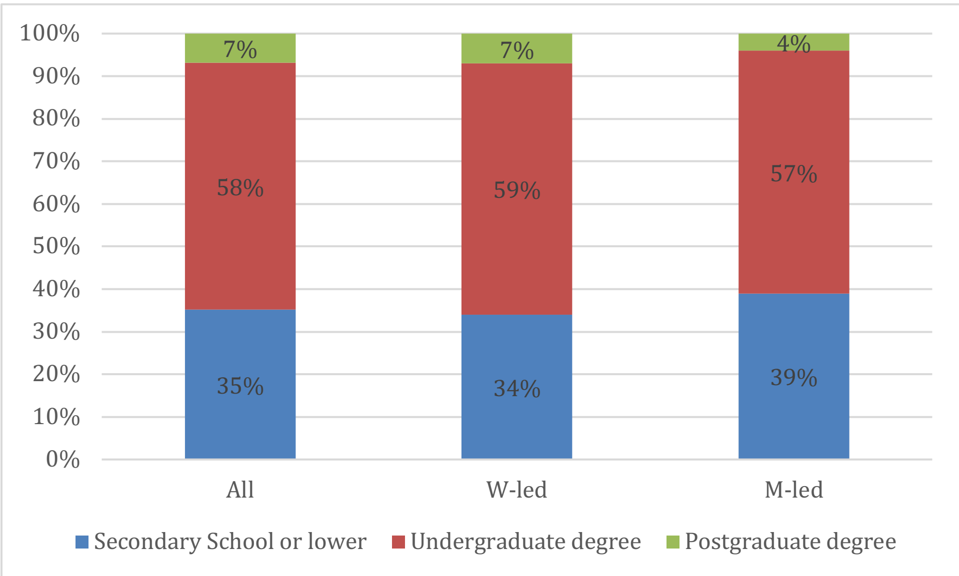
Regarding the number of employees, no significant differences were observed between companies led by women and men. The vast majority of the companies surveyed (74%) have less than 6 full-time employees. 65% of companies have a female CEO; 33% have a male CEO, and 2% preferred not to answer.

Graphic6Distribution of SMEs by number of full-time employees

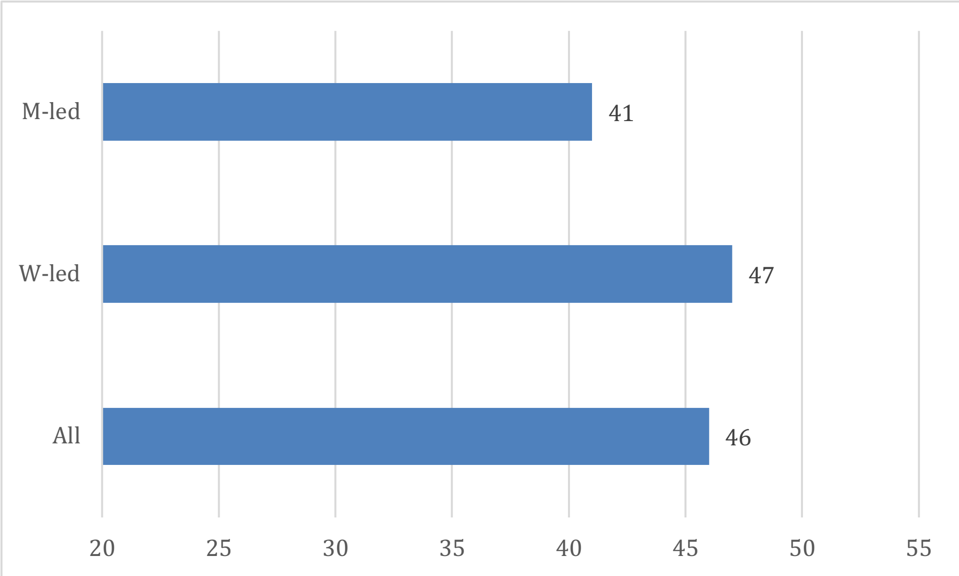


The majority of company CEOs have completed undergraduate studies (58%), and no significant differences are observed between companies led by women and men. On the other hand, among companies led by women the age of the CEO tends to be, on average, 6 years older than that of the average CEO of companies led by men. This is in line with the literature that indicates that women start businesses at an older age than men do.

Graphic7 Educational attainment of CEO



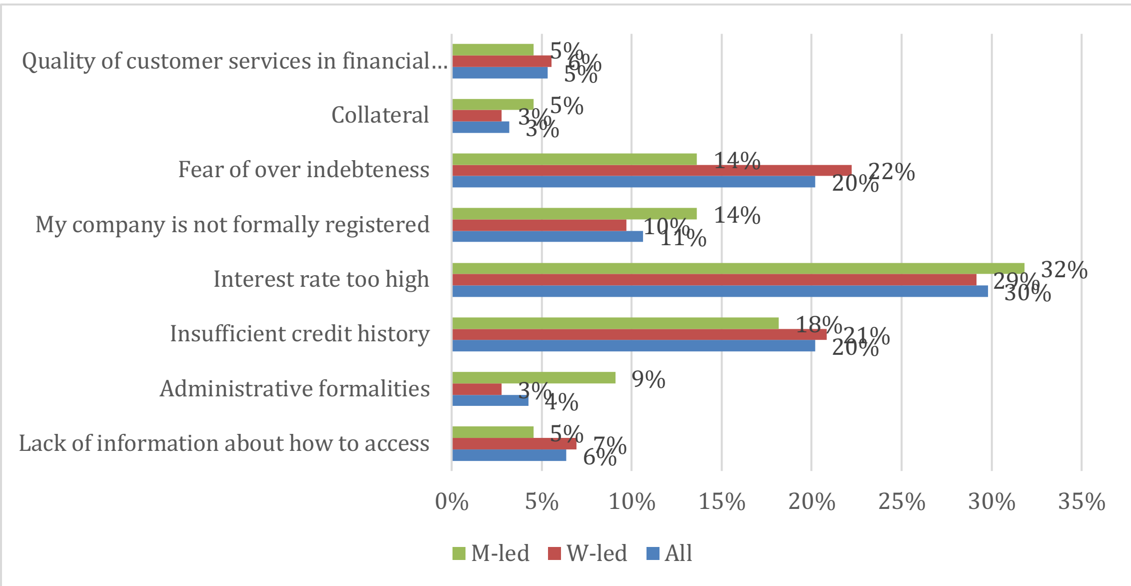
Graphic8 Average age of CEO, in years



Experience with traditional financing

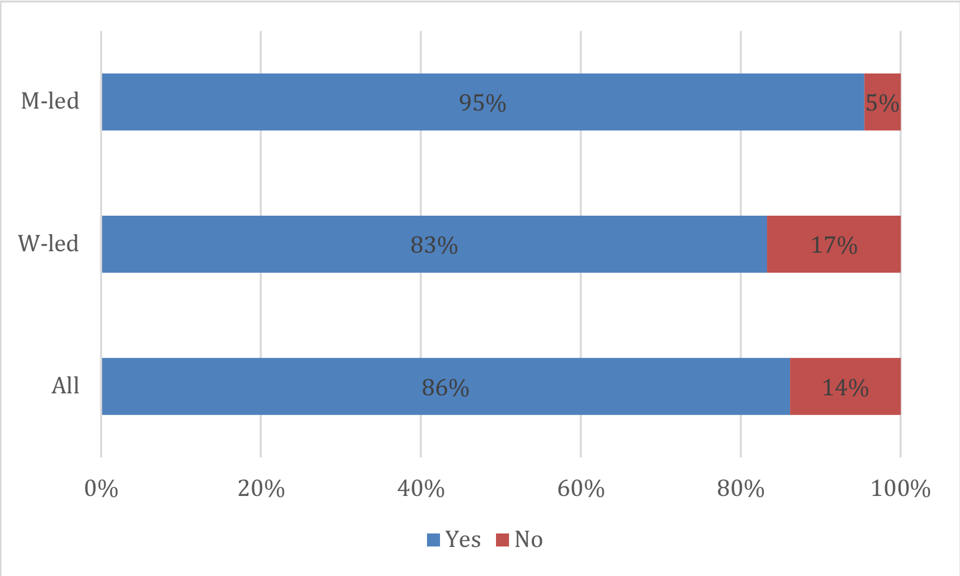
SMEs were asked about previous experience seeking financing through traditional sources and what barriers they encountered. On average, the top three barriers identified were 1) Too high interest rates (30%); 2) Lack of credit history (20%); and 3) Fear of over indebtedness (20%). However, differences were observed between companies led by women and those led by men. W-led enterprises showed greater concern than M-led enterprises for fear of over indebtedness (22% v 14%). Likewise, they also were more prone to indicate that insufficient credit history was a problem (21% v. 18%), as well as the lack of information about how to access financial products (7% v. 5%).

Graphic9Main barriers identified in traditional sources of funding



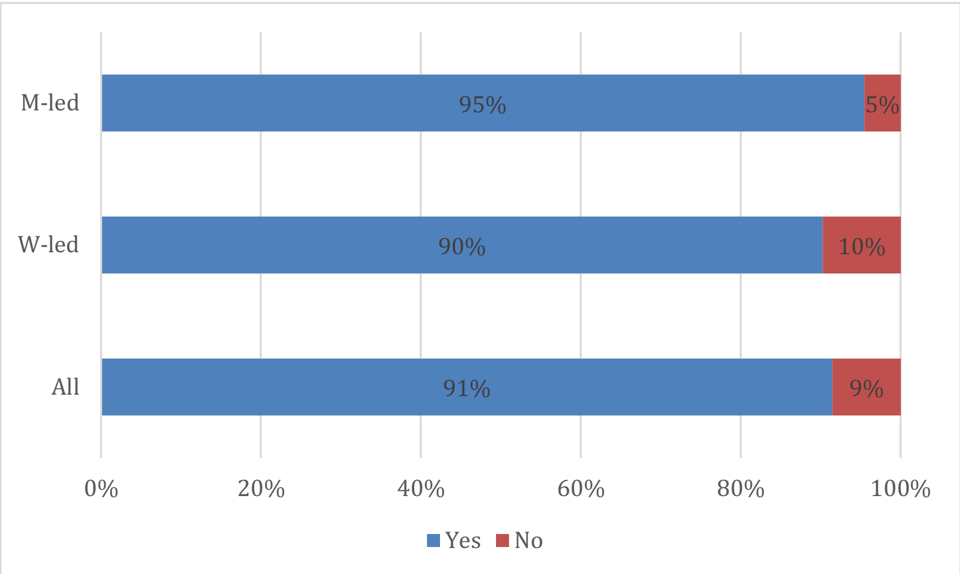
Companies led by women also reported less experience seeking financing for their activities. 17% indicated that they did not seek financing, compared to only 5% of companies led by men.

Graphic10Did you request for external funding in the last 2 years?



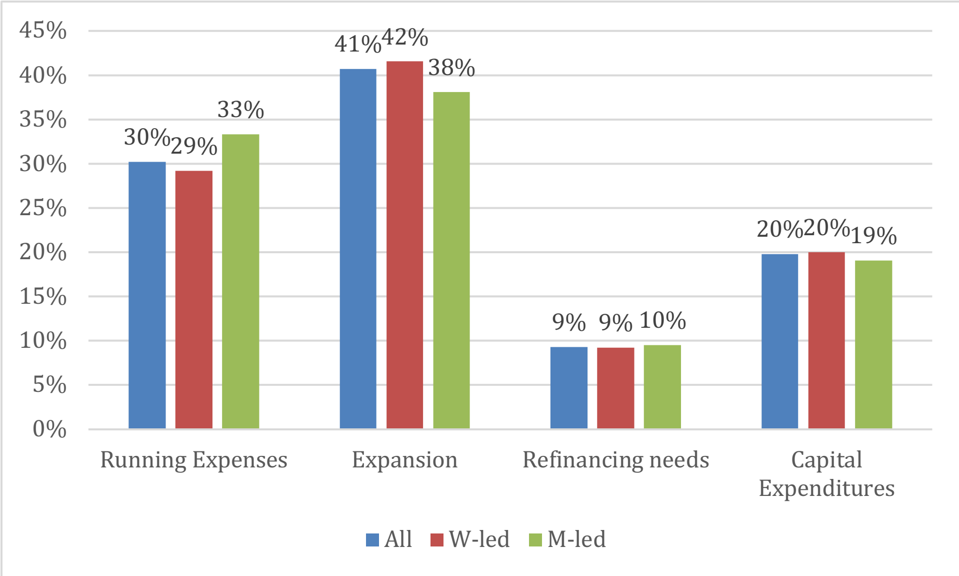
This trend was also observed regarding the prospect of seeking funding in the next 2 years. While 95% of M-led enterprises indicated that they would seek financing, only 90% of W-led enterprises did so.

Graphic11Do you have needs for funding in the next 2 years?



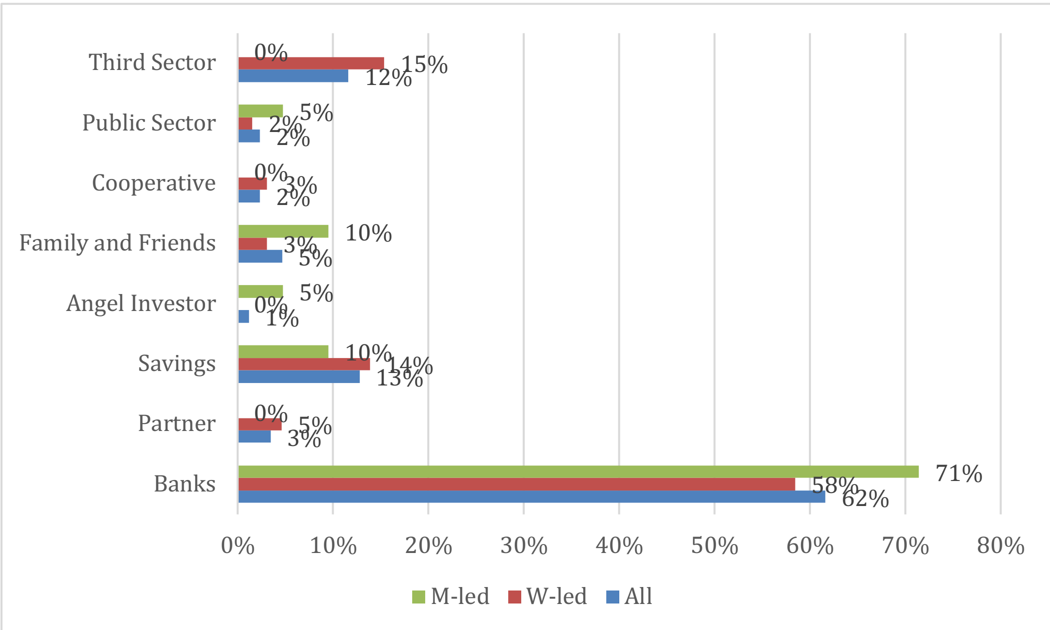
Among the companies that responded that they would be seeking financing, W-led enterprises will do so to expand or acquire capital goods to a greater extent than the M-led ones. M-led companies were more likely to indicate running expenses as the objective of additional funding.

Graphic12Purpose of future funding



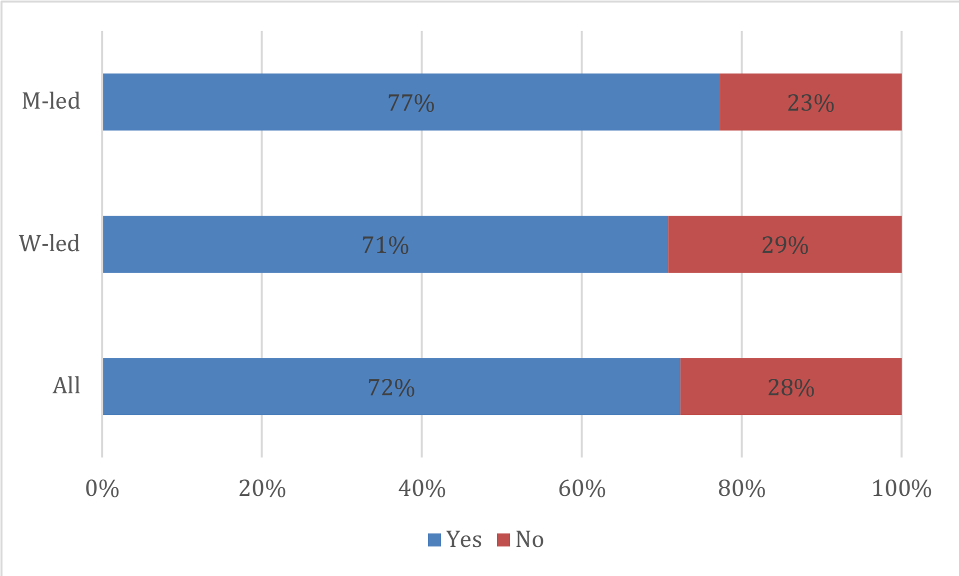
A very interesting fact is the source of future financing. In the case of the W-led enterprises, 15% responded that they would do it through the third sector and 14% that they would use personal savings compared to 0% and 10% of the M-led enterprises, respectively. In turn, the latter showed a greater willingness to turn to family and friends (10% v. 3%), and angel investors (5% v. 0%). W-led companies also showed a greater willingness to seek financing through their partner (5% v. 0%). Regarding traditional banking, although it was the option most chosen by both types of companies, a difference of 13 percentage points is observed: Only 58% of W-led enterprises indicated this option compared to 71% of M-led enterprises.

Graphic13Preferred source of future funding



The last question in this section was about awareness regarding Fintech companies for financing. As seen in graph 14, W-led enterprises indicated less familiarity with this potential source.

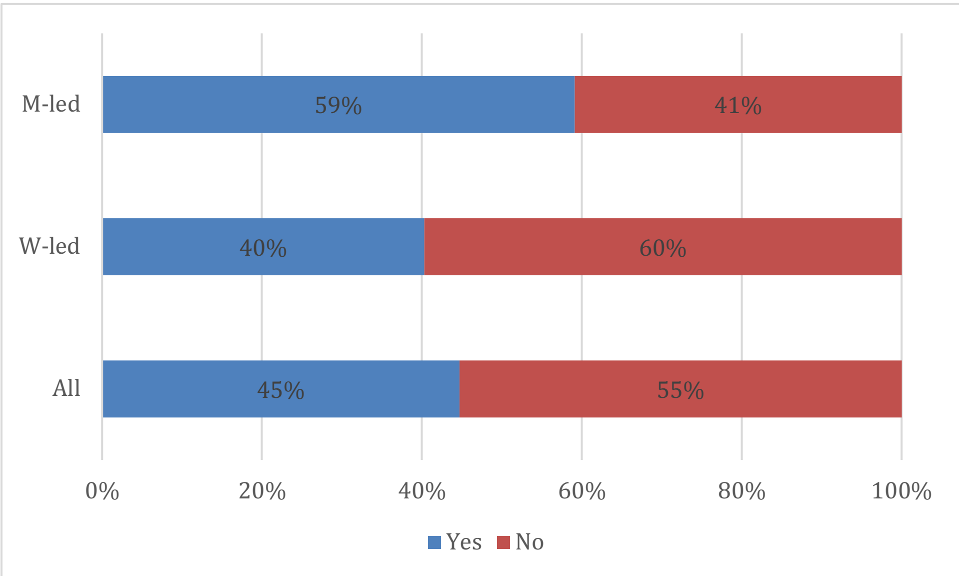
Graphic14Do you know Fintech companies aimed at funding SMEs like yours?



Direct experience with Fintech funding

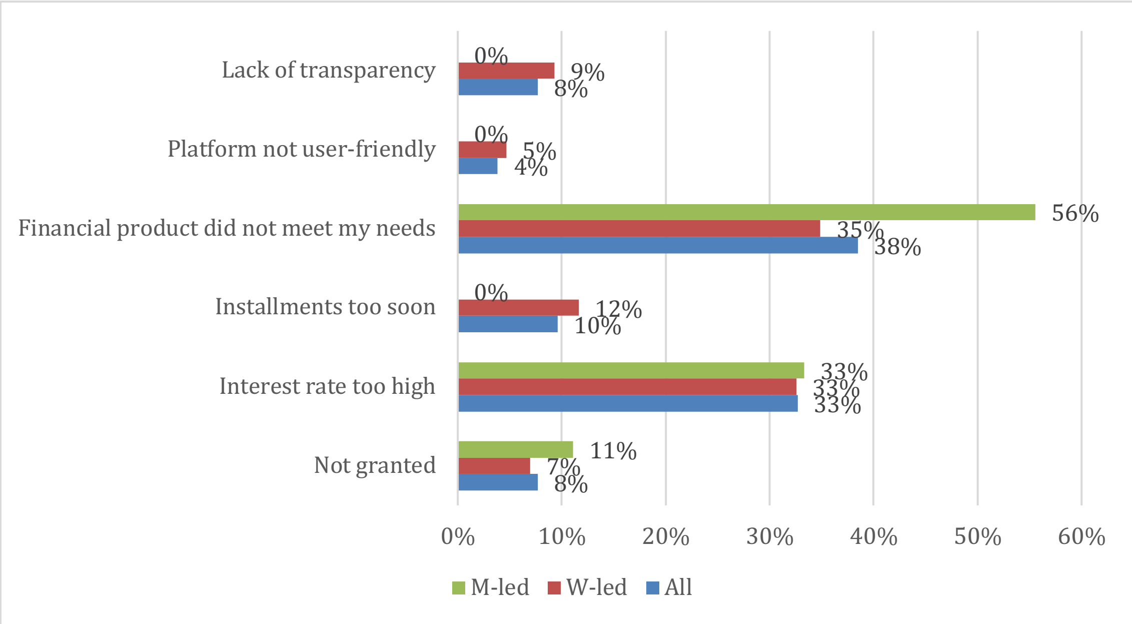
Next, the companies that indicated they knew about Fintechs were asked if they had had experience obtaining funds from this type of sources. 55% of companies did not have direct experience with financial services provided by Fintechs. Very notably, a gap of 19 percentage points is observed between W-led and M-led companies.

Graphic15Did you hire financial products form a Fintech company?



SMEs were consulted on the reasons for not obtaining funds from this source. The most recurring options were that 1) the financial products did not meet the needs (38%); 2) interest rates were too high (33%); and 3) repayment term was too short (10%). Relevant differences are observed between both types of companies, as shown in graph 16.

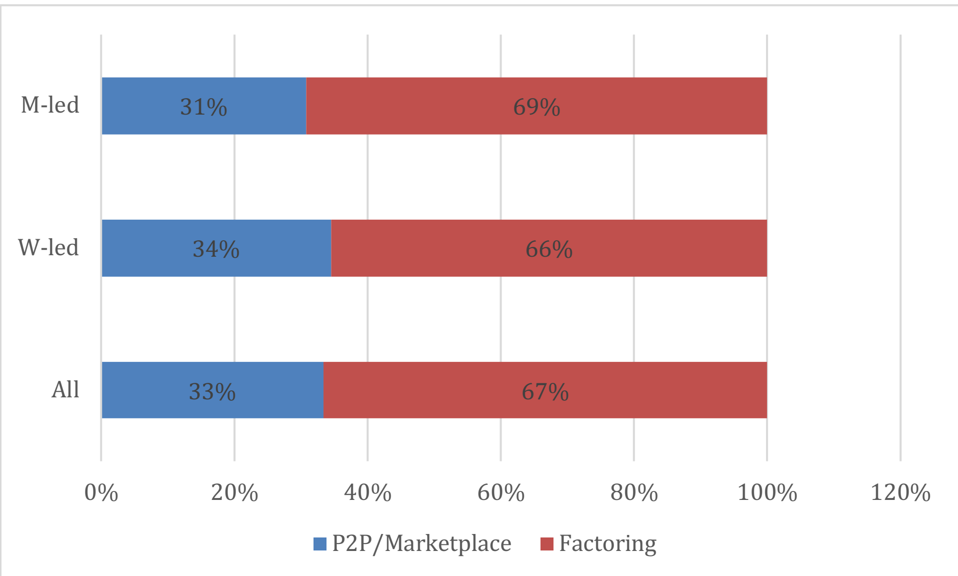
Graphic16Reasons for not acquiring a financial product provided by a Fintech company



Particularly relevant is the gap in the inadequacy of the financial product, probably related to the fact that companies led by men tend to request higher amounts than companies led by women. In turn, women-led companies cited a lack of transparency as a reason for not following the acquisition process, which may be an indication of digital or financial skills gaps. This should be read in conjunction with the worse assessment that women-led companies gave of the platform's friendliness. Another relevant difference is that the start of the repayment seemed too early to W-led enterprises to a greater extent than to M-led companies.

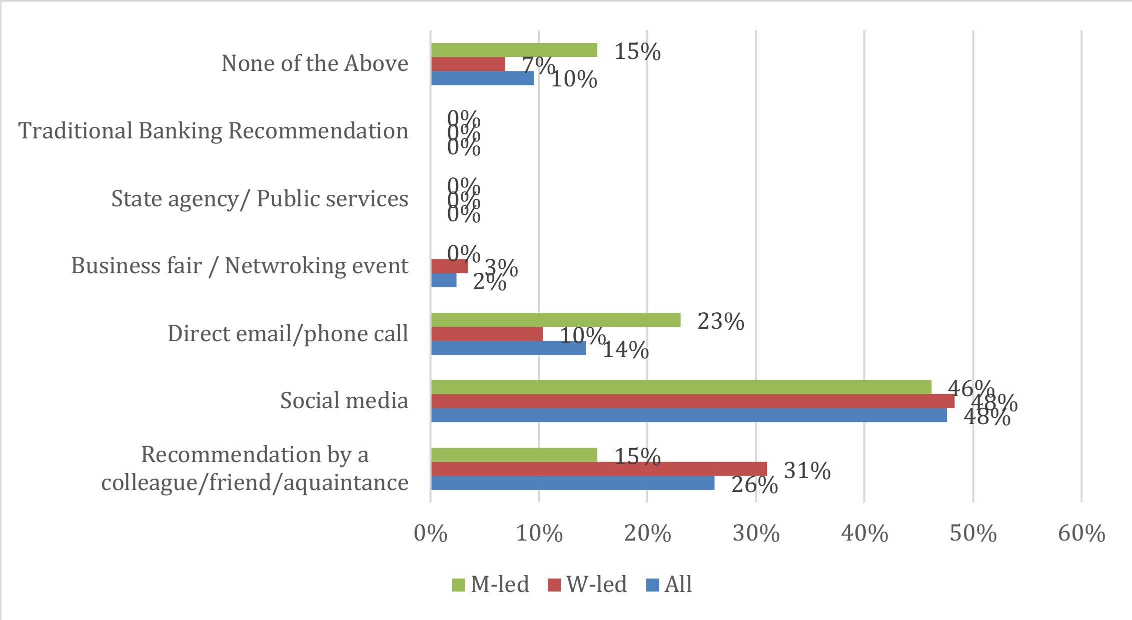
Regarding the type of Fintech used by those that did advance with the contracting of a financial product, the majority indicated invoice trading/factoring (67%), with no significant differences between W-led and M-led enterprises.

Graphic17Fintech vertical in which the financial product was acquired



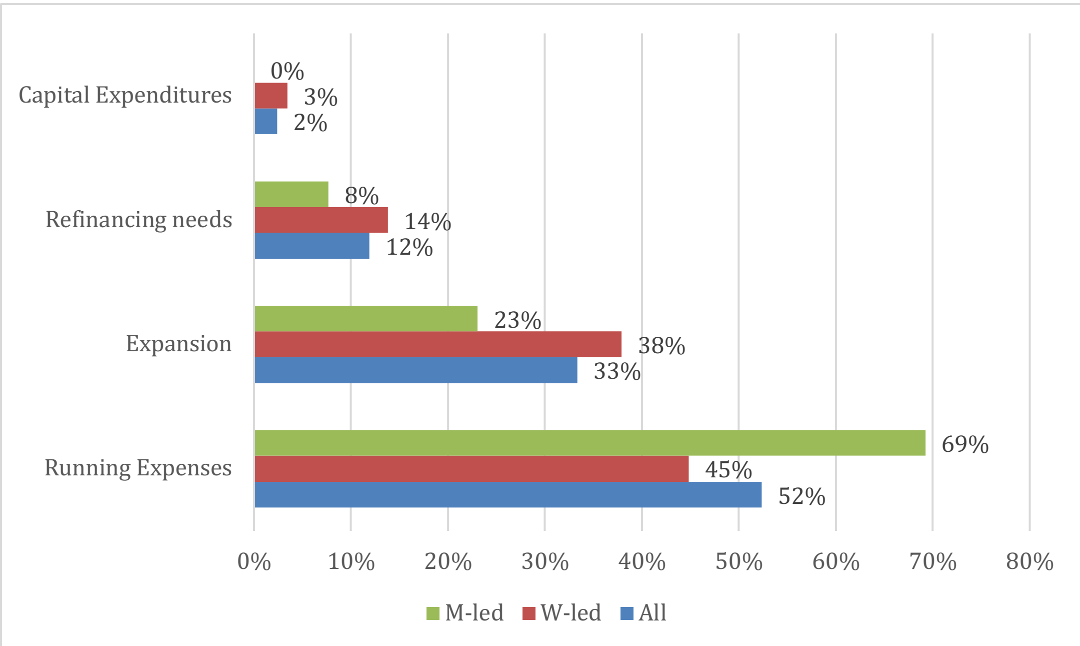
They were also asked about how they found out about these funding sources. Among both W-led and M-led enterprises, the most popular option was social media. However, a difference is observed regarding the prevalence of peer recommendations. 31% of W-led SMEs indicated that this is how they found out about the Fintech company, compared to only 15% of M-led enterprises. This may indicate that W-led companies rely more on peer recommendations as a risk-reducing mechanism for trying something new.

Graphic18How did you get to know the Fintech company in which you acquired a financial product?



Regarding the reason for seeking funding, the majority pointed out the need to face running expenses, although with a difference of 24 percentage points between W-led and M-led companies.

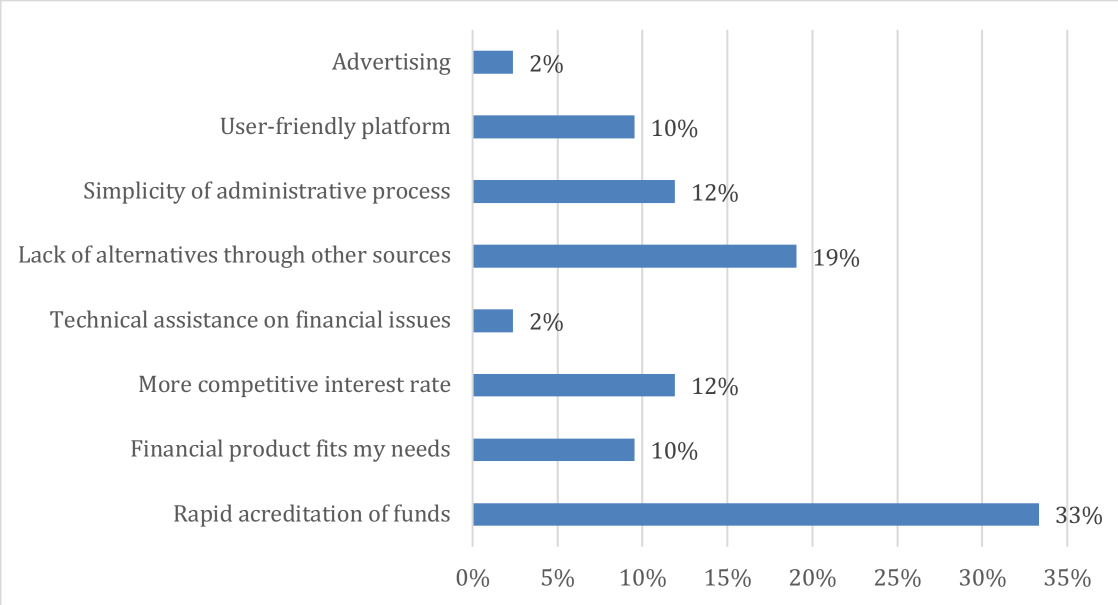
Graphic19Purpose of funding sought through Fintech services



Next question assessed the factors that most influenced the decision to acquire a financial product through a Fintech. Here it was not possible to make a distinction between W-led and M-led companies since, due to the number of responses, empty sets began to emerge in some categories.

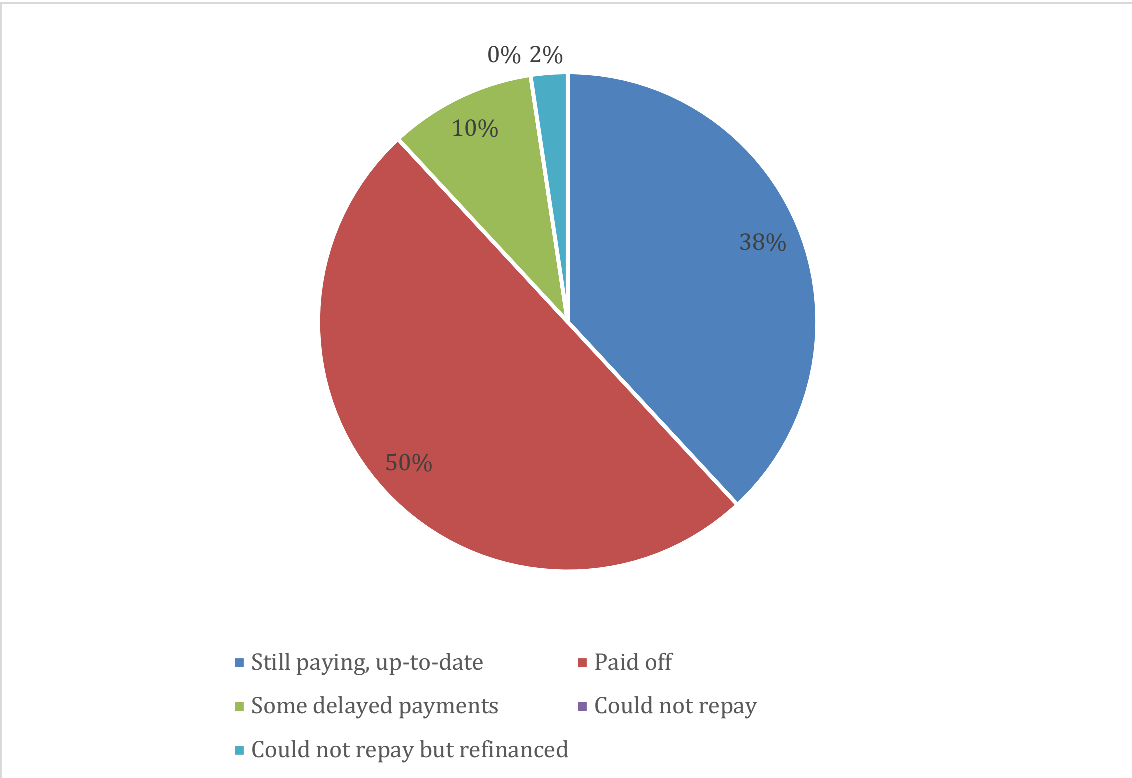
As can be seen, velocity of accreditation of funds, lack of alternatives, simplicity of the administrative process, and the interest rate were the four main vectors.

Graphic20Factors that influenced your decision to acquire a Fintech financial product

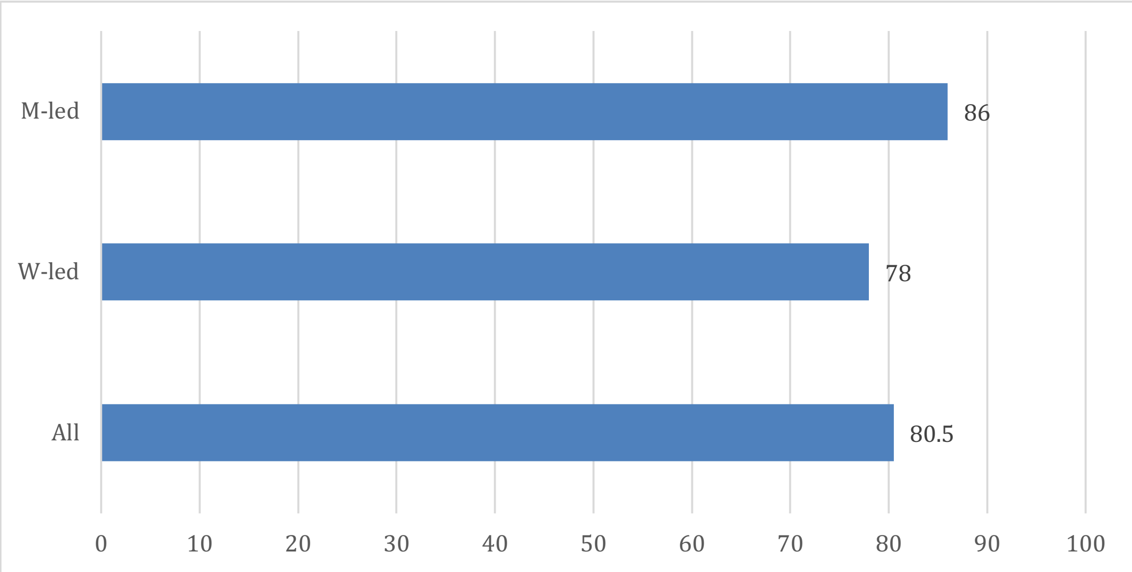


The majority of the companies surveyed that acquired financial products through Fintech companies did not show difficulties in repayment. Only 10% reported some delay, while 2% needed to refinance the debt.

Graphic21Status of financial product acquired



Finally, companies were asked to what extent they would recommend financial products offered by Fintech companies. The vast majority (80.5%) indicated that they would recommend it. Among W-led companies, however, that proportion was a little lower: only 78% would recommend it compared to 86% of M-led enterprises.

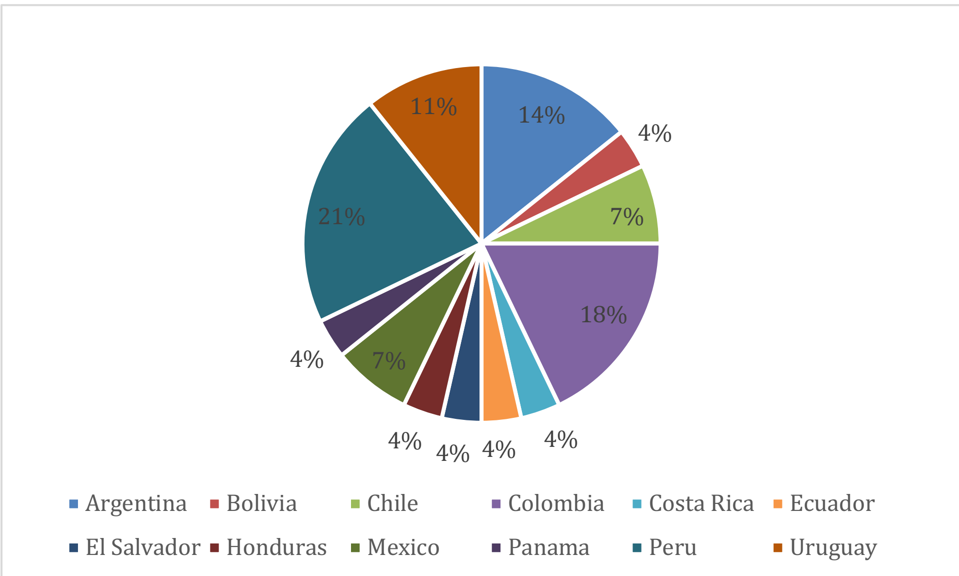


Fintech companies survey results

As mentioned, a survey to 28 Fintech companies was also conducted. Additionally, 8 of them were interviewed in depth to find out more about their business model, how they mainstream gender considerations in their operations, and how they implement corporate gender equality policies within their companies.

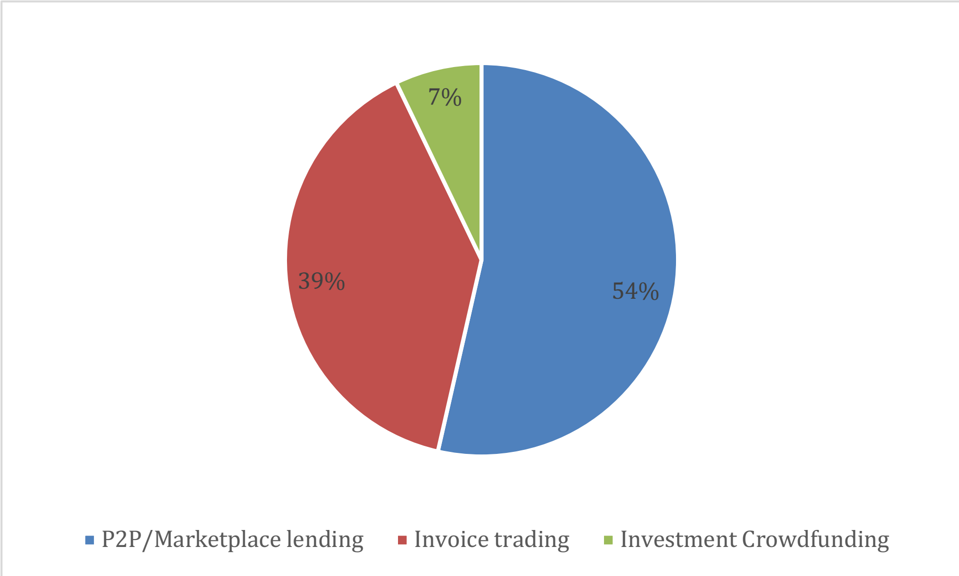
The majority of companies that responded to the survey are based in Peru (21%), Colombia (18%) and Argentina (14%).

Graphic22Geographical distribution of Fintech companies surveyed



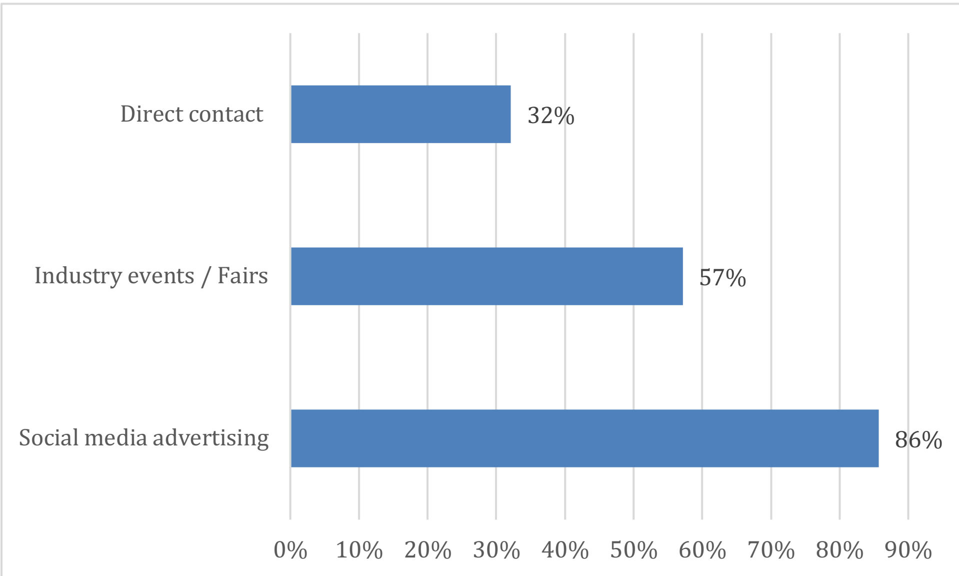
In turn, the majority is dedicated to peer-to-peer lending (54%) and invoice trading/factoring (39%), with 7% focusing on investment crowdfunding. 71.4% is dedicated exclusively to providing financial services to SMEs in the region. The remaining 28.6% also work with SMEs, but they also provide services to larger companies.

Graphic23Verticals of Fintech companies surveyed



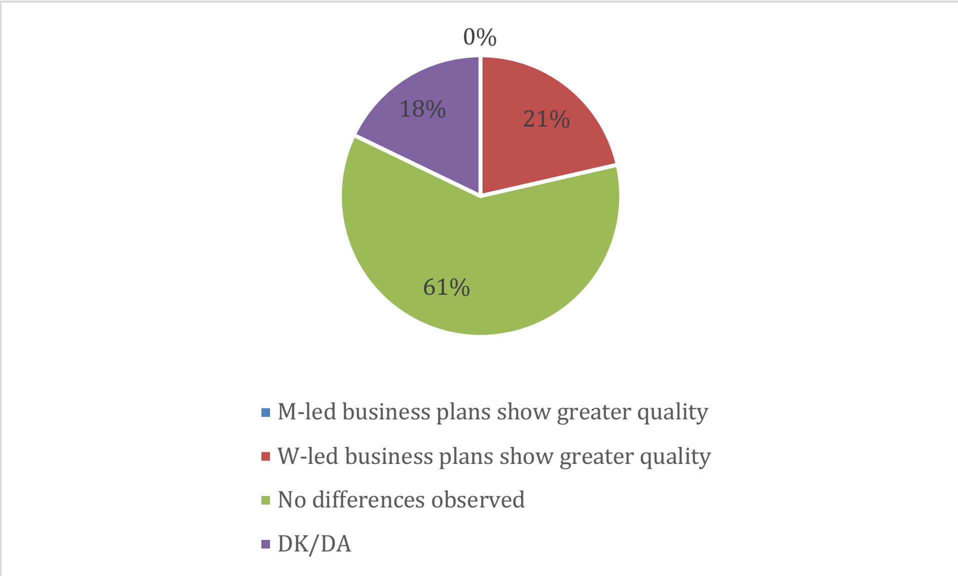
Fintech companies were consulted about their main marketing and sales channels. The majority use social media (86%) through paid advertising. 57% also participate in industry events and fairs. 32% contact SMEs directly through mailing campaigns and telephone calls.

Graphic24Marketing channels, non-exclusionary answers



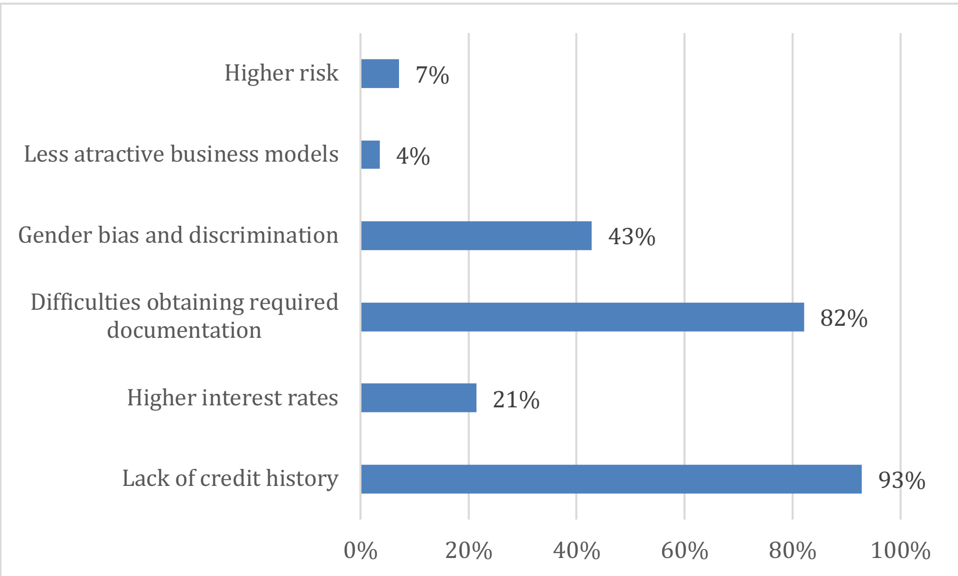
Companies were asked about their perception regarding the business plans of SMEs, and if they observed a difference in quality between those of W-led enterprises and M-led enterprises. The vast majority indicated that there are no differences (61%), while 21% stated that W-led enterprises show better quality business plans. An additional 18% chose not to respond, and none stated that M-led enterprises' business plans were of better quality. In turn, 79% agreed that companies led by women face greater barriers to obtaining financing through traditional sources.

Graphic25Perceived quality of business plans



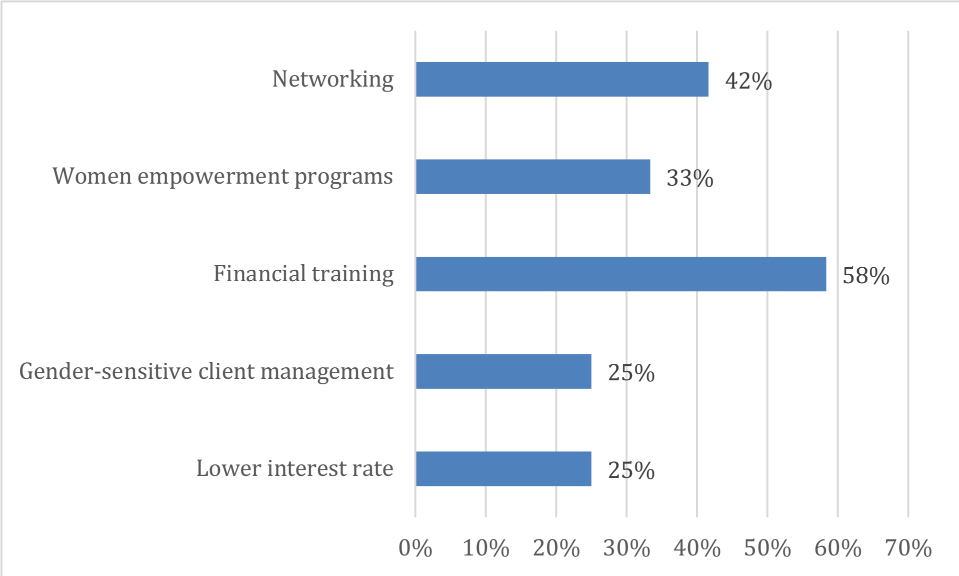
When asked about what differential barriers W-led enterprises faced, the majority indicated that the lack of credit history was the main one. During the in-depth interviews, they elaborated on the greater participation of companies led by women in the informal economy, which makes accounting, financial and administrative records difficult, key elements for the decisions made by traditional sources of financing. 82% of Fintech companies surveyed also noted that administrative overload acted as a barrier, and that the request for documentation discouraged women entrepreneurs from the process.

Graphic26Main barriers that W-led enterprises face when seeking funding from traditional sources



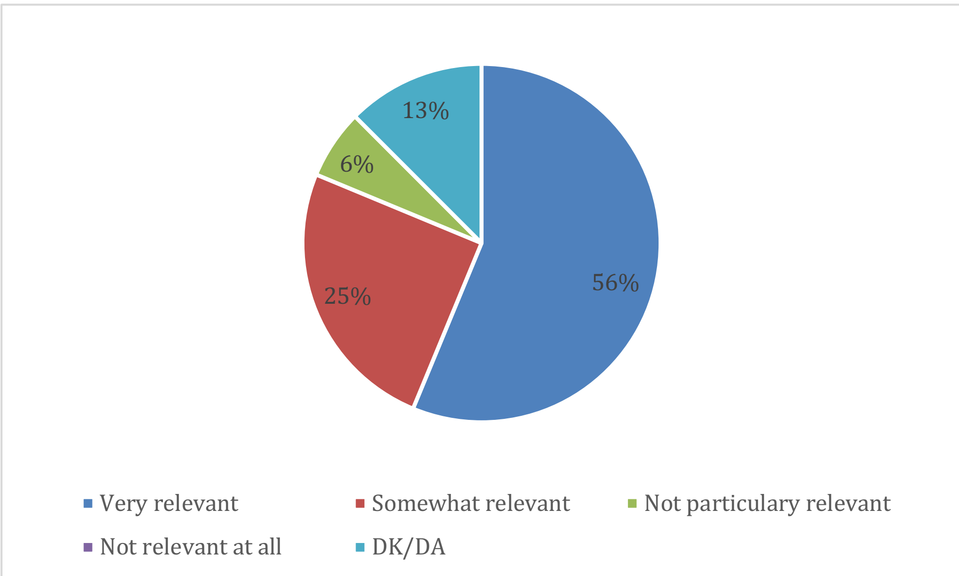
In turn, 79% of surveyed companies stated that they had sex-disaggregated data on ownership or leadership of enterprises they served. However, during in-depth interviews, only two firms stated that they use this data for business intelligence. On average, W-led companies acquired 42% of financial products sold by Fintechs with sex-disaggregated data on ownership and leadership. Although only 32% of surveyed Fintech companies have a specific outreach strategy directed to women-led SMES, 43% stated that they have specific business verticals aimed at women-led SMEs. Graphic 27 summarizes the content of such strategies.

Graphic27Business verticals specifically targeted at women-led SMEs by Fintech firms surveyed



Next, they were asked if they thought it was relevant to advance or deepen business verticals that, in addition to providing financing, combine networking, empowerment, and financial education actions, among others. Among those who responded, 56% considered it very relevant. 25% considered it somewhat relevant. 6% stated it was not particularly relevant and 13% preferred not to answer.

Graphic28Relevance of moving forward or deepening business verticals aimed at W-led SMEs



Finally, there were a series of questions related to gender equality within Fintech companies. Only 37% of companies surveyed were majority owned or led by a woman. On average, women held 46% of senior leadership. Finally, only 44% of companies had a corporate gender policy, with the majority aimed at preventing sexual harassment and granting work flexibility schemes.

Insights from in-depth interviews with Fintech companies

As mentioned, 8 of the Fintech companies surveyed were invited for an in-depth interview. This subsection presents insights derived from these interviews, organized in five thematic dimensions.

Obstacles faced by women-led SMEs in obtaining financing

During interviews, Fintech companies mentioned a number of barriers that women-led enterprises face when seeking financing through traditional sources. Firstly, the criteria that banks use to measure risk and define the interest rate. These criteria usually put greater weight on issues such as maturity, sales volume, and volatility of billing. In general, they require a maturity that companies do not always have or, given the high incidence of informality, cannot demonstrate. At the same time, they tend to be very demanding with sales volume to reduce the risks of default.

Secondly, another obstacle referred was the complexity and duration of the process. In general, companies go to banks in search of financing and find themselves with a very complex bureaucratic set of steps that requires documentation that they do not always have. Furthermore, the period between the first consultation and the approval of the line of credit is often perceived as too long, which acts as a discouragement.

Elements that SMEs value in Fintech

Firstly, Fintech companies interviewed indicated that their clients valued the speed with which the credit granting process was carried out. This allowed them to have the resources in an adequate period to be able to carry out the activities for which they requested the funds, in addition to providing them with liquidity during exceptional situations.

A second valued element is the simplicity of the procedure, especially compared to that of traditional banking. Companies valued that most actions can be done through a mobile application or an online platform. They also highlighted that clients appreciate that documentation requirements are much more flexible and easier to comply with.

Thirdly, Fintech companies indicated that another factor that their clients value is the integration of different services, financial and non-financial, within a single accessible and easy-to-use platform. These complementary services – which include financial education modules, business management strategies, accounting registration applications, among others – allow the functioning of client companies to improve.

Business intelligence and segmentation

Another critical topic that emerged in the interviews is the use of data to do business intelligence that allows for more innovative decisions than those of traditional banking. A central element of the business models of the Fintech companies interviewed is the use of alternative data sources that allow deepening the risk assessment and expanding the universe of potential clients.

Unlike traditional banking, most Fintech companies indicated that they valued the business idea and expected performance of potential clients more than their sales volume or their maturity. This allowed them to have clients who, otherwise, would never have accessed credit. Some of the Fintech companies interviewed indicated that between 35% and 42% of their clients were first-time users of financial products.

Data was also cited as a critical factor in segmenting the SMEs market they serve. This allows them to design specific products for different needs, depending on the level of maturity of the companies and their experience in credit markets.

Particularities of the behavior of companies led by women

The companies interviewed agreed that the behaviors of women entrepreneurs have certain particularities. Firstly, women are more conservative when it comes to seeking funding. One of the people interviewed mentioned that women perceive debt as something bad, as a vulnerability to which they only submit when they are in extreme need. Another interviewee pointed out that although her company received the same number of queries from men and women, the latter were less likely to acquire the financial service. In short, Fintechs agreed that women tend to see debt more as a matter of necessity than as an opportunity to expand their business.

The second difference observed, in line with what the specialized literature indicates, is that women are more responsible regarding the repayment. They are less likely to incur in debt arrears of default.

Non-financial products

Finally, interviewees stated that the provision of non-financial services was an element that allowed improving access and use of financial services. Virtual platforms offer training courses in financial education, networking activities, business training, and accounting record-keeping software, among other things. The combination between lines of credit, invoice trading and non-financial services is one of the things that, according to Fintechs, SMEs that access their products value most

Key takeaways for Fintechs

This last section of the document concludes with a series of takeaways aimed at Fintech companies. They source from the findings of the SMEs survey, the Fintech survey, and the in-depth interviews with Fintechs and experts.

- ➔ **Understanding Women-led SMEs as a business opportunity**. In Latin America and the Caribbean, a financing gap persists for SMEs. This is exacerbated for companies led by women. Reversing this gap is essential to advance substantive gender equality, but it is also good business. It is important that Fintech companies understand the need to develop strategies and products specifically aimed at this sector more as a mechanism to expand their operations than as an activity linked to corporate social responsibility. Women entrepreneurs are more reliable clients and show higher repayment rates.

- ➔ **Collect data and make use of the information**. One of the main advantages that the Fintech ecosystem has compared to traditional banking is its use of innovative data sources. This allows them to build scoring algorithms that are less restrictive for assessing potential clients. However, there is still much more that can be done in this dimension. It is essential to have data about how women entrepreneurs experience the process of seeking financing through Fintech platforms. It is key to identify critical nodes where the process is interrupted, or businesswomen give up before acquiring the product. This data, in turn, can serve to improve different dimensions of operations: from the friendliness of online platforms to the quality of the information provided.

- **Gender-blind is not gender-sensitive**. Something that emerged from the interviews with Fintechs is that, although they had disaggregated data on the gender of credit line applicants, they stated that it was not a relevant dimension for scoring. Almost all of the people interviewed said that what was important was the strength of the business and not the gender of the person. This is something that happens frequently: with the argument of avoiding discrimination, companies point out that gender does not matter. However, given the greater responsibility of women to timely pay off debts, gender could have an impact on the risk perceived and, consequently, on the interest rate. Consequently, and with the aim of expanding the universe of companies that acquire financial products, Fintech companies could consider having differential rates for companies led by women given their higher repayment rate.

- **Offer of non-financial products**. As noted above, women exhibit a lower index of financial competencies and are more risk averse. A good practice for Fintech companies could be to combine the supply of financial products with non-financial products that enhance financial education and with the consolidation of businesswomen networks.

- **Gender-sensitive marketing strategies**. The SMEs survey revealed that there are certain differences in how companies led by women and led by men get to know the Fintech ecosystem. A relevant one is that women-led enterprises rely more in the recommendations of their peers to approach this source of financing. Therefore, it would be interesting to create sales channels through business networks. It is also possible to offer rewards to companies that refer financial products to others, such as discounts, preferential access to non-financial services, or tailored advising. Likewise, it is recommended to review communication strategies to naturalize the figure of the businesswoman as a target for advertising. Representations portrayed in the context of marketing campaigns matter as much as the language that is used, the messages that are prioritized, and the media channels that are chosen.

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