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Financial Information Seeking Behaviour Among Women Entrepreneurs in Huye City Market, Rwanda

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Abstract

Rationale of Study – The study interrogated the financial information-seeking behaviour of small-scale women entrepreneurs in Huye City, Rwanda – exploring their knowledge of microfinance institutions (MFIs), the financial services available to them; their accessibility and usage of financial information and, by extension financial services; the preferred communication channels for accessing financial information, and the existing financial information gaps amongst these women.

Methodology – Data was collected through a mini-survey with a semi-structured self-administered questionnaire targeting 128 women entrepreneurs. In-depth interviews and Focus Group Discussions generated qualitative data from 32 women entrepreneurs.

Findings – The findings revealed that most women entrepreneurs in the Huye City market overtly sought information on business credit services but were unaware of or had little information on MFIs that specifically target women and the financial services available for women entrepreneurs (35%). Hence, accessibility and use of these services were negligible (8%). Social networks were revealed as the key channels through which to receive and share information on MFIs and the services offered. However, other interpersonal and mass communication channels were equally valuable, such as visits by MFI experts, insider acquaintances, community audio towers, and billboards.

Implications – Overall, a significant gap in information about MFIs and financial services that specifically target women was evident amongst the respondents in this study. The informed few were reluctant to commit for fear of breaking the MFI's restrictive credit requirements. A multiplicity communication approach is recommended to enable as much MFI information as possible to reach women entrepreneurs.

Originality – This original research generated empirical data on financial information-seeking behaviour among women entrepreneurs in Huye City, Rwanda.

Keywords

Women entrepreneurs. Rwanda. MFIs. Information seeking. Financial needs.

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1 Introduction

In many developing countries, women mainly engage in low-income businesses due to low entry costs and low-return activities (de Haan, 2017). Such income-generating businesses for women are also considered too small to successfully eliminate the gender gap and deliver women out of poverty. Research, however, has demonstrated that microfinance institutions (MFIs) have been favourable to women borrowers, whereby credit programmes have enabled rural (and poor) women to access financial resources to expand their businesses and eventually contribute to their household income. This, it is argued, alleviates their positions in decision-making and accords them bargaining power, in addition to the expansion of social networks and improved freedom of mobility (Swain & Wallentin, 2009).

Knowledge and information about financial services are crucial elements towards sound decision-making. Similarly, having access to financial information is key in facilitating the growth of women's entrepreneurship and laypeople's literacy in financial matters. Therefore, information-seeking behaviour is foregrounded in this study as a cognitive process that involves people's identification of their information needs, seeking out relevant information from different sources, and evaluating and using the sets of information that satisfy their needs (Wilson, 1997). As such, financial information-seeking behaviour becomes necessary, particularly for micro-businesses with restricted access to credit – in this case, women entrepreneurs – who are often willing to save but are reluctant to invest even when they have a surplus (Athambawa et al., 2022). Bosumatari (2015) attributes financial insecurity among low-income people to a lack of information. He argues that since poor people believe that financial matters are complex, they are reluctant to seek financial information, which leads to information gaps and behavioural biases (Bosumatari, 2015). He contends further that, at times, many people accidentally receive financial information (supra).

This research draws on Rwanda, one of the fastest growing economies in sub-Saharan Africa, to interrogate the 'financial information seeking behaviour' of small-scale women entrepreneurs in Huye, in the country's Southern province. It explicitly explores women entrepreneurs' knowledge of microfinance institutions (MFIs) and the financial services available, their access to and use of financial information for businesses, their preferred communication channels for accessing financial information from the MFIs, and the existing financial information gaps amongst the study population. That information is key to human development. It is imperative to conduct an empirical study to establish the financial information-seeking behaviour of women entrepreneurs in a developing context like Rwanda. The

following research questions guide the research:

a) What is the financial information knowledge level and use of MFI services among small-scale women entrepreneurs in the Huye city market?
b) What sources of information about MFI services do women entrepreneurs in the Huye city market use?
c) How relevant and adequate is information about MFI services to women entrepreneurs?
d) How can the communication of information on MFI services be improved among women entrepreneurs?

2 Literature Review

Growth and development in most sub-Saharan African nations are often measured by improved access to services, better living standards, and narrowing gender gaps in education, health, nutrition and social protection (UNESCO, 2021). A 2018 World Bank report on labour participation put Africa in the lead in having more women than men engaging in micro and small-scale enterprises. Sub-Saharan Africa's small, medium and micro-enterprises (SMMEs) comprise the most significant part of the informal economy. Abdullah & Quayes (2016) observed that SMMEs are relevant in enhancing the lives of women and the youth, who have historically benefitted from economic opportunities provided through additional capital investments leading to the growth and expansion of their businesses. These trends are consistent with microfinance institutions (MFIs) that increasingly target women borrowers – providing a pathway to alleviate poverty in their households.

While knowledge and information (on SMMEs and MFIs) are generally viewed as a propeller for development, women's participation in entrepreneurship is severely hampered by the lack of access to and use of financial information and, to some extent, education for business growth and progress (see UN, 2009; de Haan, 2017). Over time, financial information enables individuals and businesses to access and receive valuable and affordable financial products and services to meet their needs (World Bank, 2024). Unfortunately, sub-Saharan women, in particular, are trapped in an imbalance of less start-up capital in investment ventures, low labour force participation, and low levels of education (Bandiera et al., 2015). As Lind and Boomgaarden (2019) argued, educated people have greater access to information and a multiplicity of communication channels and are much more likely to benefit from it.

Given the role of information in creating awareness, the need for accurate and reliable information between financial institutions and their stakeholders is paramount. Financial information needs for women entrepreneurs include the financial services and/or

opportunities offered by MFIs and how and where to access them, including the requirements, e.g., collaterals and interest rates. Audited financial statements and corporate narratives or disclosures usually contain information on economic services, events, and effects (Glover, 2012). As broad sets of information are available to financial stakeholders, the contents of financial statements and corporate narratives may be difficult for women entrepreneurs to comprehend, given the existing gaps in knowledge and education (de Haan, 2017), among other impediments.

For many MFIs, communication between firms and all stakeholders is viewed as a sub-set of corporate communication, which also forms part of an overall harmonised communication strategy (Matter et al., 2009) in an organisation and is geared at creating favourable relationships with groups upon which the company depends. Matter et al. (2009), however, observed that this may not be attainable due to some loopholes that might exist in the communication process, including, among others, the lack of access to particular channels of information for information used by MFIs.

In the case of Rwanda, financial institutions endeavour to communicate through interpersonal channels (face-to-face dialogues, meetings and phone calls) in addition to newer communication platforms enabled by technological advancements, e.g., social media platforms. In other contexts, some financial information service providers have been underhanded or lacked professional communication skills – leading to poor service delivery or failure to recognise women entrepreneurs as potential customers (Matter et al., 2009). Cultural dynamics, particularly those related to patriarchism in developing contexts, can also cause barriers for women to access financial knowledge and information.

3 Theoretical Framework

This study is theoretically informed by Wilson's (1999) model of information-seeking behaviour, which outlines several influences on the information iterative aspects, of which two are most relevant to this undertaking. First, 'the individual's recognition of an information need is conceived as a prerequisite to start an information-seeking activity or behaviour - in this context, it is needed to start or grow one's business. Second, the 'stress or anxiety', which Wilson calls "activating factor and mechanisms" (1997, p. 558), is used to obtain the said information. These stimulants are also related to other factors, such as financial support or opportunities in the form of loans and grants. Wilson emphasises that motivation should be paramount to influence people's quest for information behaviour, which is usually sustained by the coping theory that bridges the determination of an information need, thereby embarking on the process to satisfy the need (Wilson, 1997).

The above influences on financial information-seeking behaviour are further explicated by three related theoretical concepts: ' risk/reward theory', 'social learning theory' and 'self-efficacy notion' (Wilson, 1997). As the name suggests, the risk/reward theory relates to an individual's perception of the likely gains or losses that might accrue from obtaining information, which is viewed as motivation to pursue or forego the seeking behaviour. One factor that can be used to explain this theory is the context or environment in which one makes such decisions, such as social, cultural and economic contexts. Both 'social learning' and 'self-efficacy' theories relate to an individual's conviction that their information-seeking activity will lead to success, hence the motivation for information-seeking behaviour. Wilson (1997) states that these intervening factors can support or hinder information seeking.

In the context of this study, these factors are similarly theorised as key stimulants in either facilitating the financial information-seeking behaviour of women entrepreneurs or suppressing it. The study proposes that different people can be challenged by other factors that may inspire or prevent one's access to information – either environmental or external – which may be introduced in information-seeking behaviour. Other relevant issues to this study relate to information source characteristics that may constitute a barrier to information seeking and processing, including, among others, accessibility, credibility and channel/s of communication. These are key in closing a gap in the literature on people's financial information-seeking behaviour, particularly in the global south and/or developing contexts.

4 Study Context

Located in Rwanda's southern province, Huye City is one of the country's six secondary cities after the capital Kigali (Nsengiyumva, 2022). The latest Rwanda Population and Housing Census (2022) shows that the city has a population of 381,900, with 50.5% women and 49.5% men. The Census recorded a predominantly youthful population, about 61.42% aged below 30. Huye City comprises different settlement sites, including Karubanda, Agahenerezo, Matyazo, Gitwa, Cyarwa, Cyimana, Rango B and Gatobotobo. These sites have an average of 150 households (Uwizeye et al., 2014).

The Rwandan government has prioritised urbanisation to transform into a modern economy (Turok, 2019). One distinct feature of this urbanisation is the development of modern markets in each satellite city. As one of these cities, Huye City is economically characterised by small, medium, and micro-enterprises (SMMES), which not only boost the informal economy but also create the most significant impact on the survival of most

households (Nsengiyumva, 2022). Among the growing enterprises in the city market are shoe manufacturing and repair, carpentry, metalwork, tailoring, food processing, and jewellery sales (Jaganyi et al., 2018).

Several financial institutions, such as banks and MFIs, have also emerged to serve Huye residents and facilitate SMMEs' access to financial services. Four MFIs (Urwego, Duterimbere, BRAC and Umutanguha) dominate this market, focusing on women and youths. These MFIs run special programs to give credit and other services. Despite the presence of these MFIs in the city, it is not clear if the women entrepreneurs in the Huye city market are aware of the MFIs, and if they do, the nature of the information they have and the extent to which they use the MFI information. This is the focus of the current study.

5 Methodology

The study targeted women who operate in and near the Huye city market. Selection for inclusion was based on the criteria that they were operating from allocated stalls in or near the market, engaged in small-scale businesses on different merchandise clusters and had more than one year of operation in their businesses. Data was collected through a mixed-method approach involving a survey (through a semi-structured questionnaire), in-depth interviews and Focus Group Discussions (FGDs). According to the Huye city market representative, approximately 250 small traders operate in and around the market. Of these traders, about 180 (72%) are women.

Applying Yamane's formula (1967) (cited in Pessoa et al., 2019), the survey targeted a sample of 128 women entrepreneurs. Eight merchandise clusters were represented. These were: i) fruits and vegetables, ii) clothes, iii) home décor, iv) grains, v) beauty products, vi) stationery, vii) hardware, and viii) electrical/electronics. Sixteen women from each of the eight clusters were randomly approached and requested to participate in the self-administered survey voluntarily. In addition to the survey, in-depth interviews were conducted (one interviewee per cluster) to give more insights into the responses obtained from the survey.

Four FGDs were also conducted with eight members (32 women). These face-to-face discussions enabled data gathering that reflected the respondents' realities and the meanings associated with their close phenomena (see Pessoa et al., 2019).

6 Findings of the Study

The surveyed women entrepreneurs were mainly aged between 36 and 56 years and had average household sizes of six members, with forty-two (33%) female-headed households. Some women had spouses who supplemented the family income through casual jobs. In

addition, most women indicated they had attained primary education, with a few having secondary and college education. Twelve entrepreneurs (9%) had basic training in business skills. Regarding initial sources of business capital, about 67% relied on meagre savings (from crop and livestock farming activities) or contributions from family and friends. Many had also joined Ibimina (local saving schemes) to generate/supplement their business capital. Others had obtained merry-go-round loans in Intabwe ('step-by-step') to offset needs like school fees and medical expenses. One women's group started as a cultural promotion group and then graduated into a savings scheme, which later received substantial sponsorship.

The most common source of information for women entrepreneurs is radio, followed by mobile phones. Most women regularly listen to the radio, especially when they are at home. Only 39% of the study population had access to television.

Research Question 1: What is the level of financial information knowledge and use of MFI services amongst small-scale women entrepreneurs in the Huye city market?

Results from the current study showed that most women entrepreneurs in the Huye city market were not aware of the MFIs that provide financial services for women. Although some had heard about the main MFIs operating in Huye city, like BRAC, Duterimbere, Urwego, Umutanguha, EB Bank and ASA, they had little information on the services they offer for women. In the study sample, 35% had some knowledge of the MFIs (most had difficulties remembering the names of these institutions until hints related to financial support to women entrepreneurs were dropped. Out of these, a paltry 8% confirmed having sought more information about these institutions to secure business credit. Only a small number got the services. To most women entrepreneurs, knowledge about sources of finance for business was centred on Ibimina, where members joined (and left) depending on their enabling circumstances.

Among those who knew about MFIs, this knowledge was limited to business credit services. Some have heard about MFIs like Urwego, Duterimbere, and BRAC, but in a negative light. For example, one FGD1 participant who knew about Urwego said a friend told me that what they promise is not what they deliver. An FGD4 participant knew some MFIs worked with women but resented their lengthy procedures of giving credit'. Another entrepreneur knew about MFIs but was hesitant to take credit, which might lead to property loss in case of failure to pay the loan. One of them considered the MFIs as targeting the rich women only (FGD7). To one respondent, the interview opened her eyes to the possibility of approaching MFIs for

financial assistance: 'I did not know if such MFIs existed until now. I will try them out. One entrepreneur confirmed having known and benefited from MFI services but quit hearing that some people had 'adopted a habit of borrowing money and conveniently defaulting payment, making the rest of the group members bear the collateral burden'.

From the comments during FGDs, it was clear that most women entrepreneurs did not have adequate information about MFIs targeting women with financial products. Those with information were reluctant to commit for fear of failing to fulfil some of the MFI credit requirements, hence, being bound as collateral for defaulting members. Among the few women entrepreneurs who had information about MFI services, some used the information to get training, loans, savings and cash transfers. One entrepreneur observed that she joined an MFI to 'break from the bondage of exploitative commercial banks', reminiscing when banks took her hard-earned deposits but gave almost zero interest at the end of the year. In a positive new light, she added that most MFIs have now 'recognised and addressed' such issues. For this respondent, women entrepreneurs need adequate education and information about how MFIs can ensure their businesses do not stagnate or collapse altogether. She decried the wrong perception of some women colleagues who believe they are too young or old to take up loans from MFIs, indicating a gap in knowledge on the membership characteristics of entrepreneurs.

Research Question 2: What are the sources of information about MFI services among women entrepreneurs in the Huye city market?

The women entrepreneurs who were aware of the role of MFIs in financial inclusion efforts described various sources of information that create this awareness, as discussed below.

Social networks: Most women entrepreneurs (93%) cited their day-to-day discussions with each other at their workstations as the most significant source of information about the possibility of obtaining funds from MFIs. This information was mainly shared as chance knowledge-sharing between other discussion topics, especially when there were few customers. A FGD3 participant, a dealer in cosmetics products, extolled the role of interpersonal discussions at the workplace:

> *One of my colleagues, who operates a shop near mine, shared his experience of how their self-help group had grown and expanded their clothing business when they learned about the opportunity to obtain credit from BRAC and Urwego MFIs. I did not think this would happen, and I am working hard to join.*

To show the strength of the bond that exists in their social networks (for information sharing), one interviewee compared their interactions as a family where people freely share information and ideas about how to boost each other's businesses:

> *We do not hide information from each other. If one hears something that can help her colleague, we communicate over chats [discussions]. Some information may not help one but can help another, so we share.*

On the flip side, one entrepreneur was dissuaded from joining MFIs by a friend who always 'has up-to-date information' on them. The source underscored the strict conditions of membership entry and sometimes promises that are not always fulfilled.

Visits by MFI employees: Several women entrepreneurs also got to know about MFIs through meetings (chance or arranged) with employees of some MFIs who visit to market their products and services. One FGD2 participant mentioned that when a BRAC employee visited the market and talked about the MFI's services, entrepreneurs were allowed to ask questions and clarify undistinguishable issues they had heard about before. Another participant from the Terintabwe self-help group remembered a visit by Urwego and BRAC staff who encouraged them to join, leaving them with their institutional contacts in case they needed more information.

Other respondents who underscored the role of MFI visits mentioned how they followed up the visits of the employees - instead of them coming again (FGD1 participant), attended an open field session by BRAC staff, and became interested in signing up (FGD2 participant). How some people from Urwego and Duterimbere (the Agahenerezo) came to market their products, and some people opened some savings accounts 'until some colleagues, unfortunately, started 'robbing' us by defaulting on loans, thus obliging us to clear their debts before taking out our loans' (FGD2 participant).

Insider acquaintances: A few women entrepreneurs learnt about MFI services through acquaintances already working at the MFIs. For example, an FGD3 participant confirmed having known the branch manager of one of the MFIs who readily 'gave all the convincing information I required to join the MFI'. Another respondent cited a relative in charge of credit services at a local MFI. It was evident that some women entrepreneurs trusted information coming from employee relatives as they trusted them to give accurate and helpful information. One woman confirmed this by saying, 'I trusted the information I got from my relative who works at the MFI, although some colleagues had initially discouraged me by saying that some MFIs do not keep their promise' (FGD1 participant). Others were sceptical about all this despite having contacts who work with MFIs and who could provide detailed information whenever needed: 'If I decided to join, I know what to do, but I am already in a financial self-help group and do want to be everywhere' (FGD2 participant).

For one woman entrepreneur, getting trusted information from an insider source made her

abandon her membership in a local bank, whose services were marked by 'erratic internet connections and below par customer care' (FGD4 participant). She also decried that the bank was not keen on giving its clients financial literacy training.

Community audio tower: In most Rwandan cities, audio towers, mostly stationed in markets and bus stops, are important communication channels. These towers mainly broadcast brief news updates, announcements, advertisements and entertainment. Among the surveyed women entrepreneurs, many confirmed being listeners of the audio transmissions. A few credited their knowledge of MFI services to announcements from the audio tower atop one of the buildings adjacent to the Huye city market. One FGD4 participant's interest in MFI services was piqued by an announcement about BRAC's credit services before deciding to try them:

> *As I sell fruits and vegetables, I listen to and pay attention to what people say on the radio. One time, I heard that BRAC offered small loans and savings services. I enquired further from colleagues, who advised me to visit BRAC and get the information so that we could know more. That is how I joined them.*

Despite the regular announcements from the audio tower, most entrepreneurs said they were passive listeners since they sometimes work in a chaotic and noisy environment as they serve customers. Some considered the audio towers to offer scanty information, forcing them to seek alternative information sources. Though the audio tower was considered a good medium, an FGD2 participant favoured her interactions with her colleagues, stating that 'the financial ideas and experiences are with the people, not the radio'. However, an announcement during this study confirmed that interested entrepreneurs are encouraged to visit the MFIs for more details and to register.

Billboards: As in many urban centres in Rwanda, billboards are a common feature of service and product advertising in Huye City. This study established that only a handful of women entrepreneurs became interested in MFI services like BRACs when they saw the adverts on the billboards near their homes or along the way to the market. One mentioned that her son helped her interpret the BRAC advert message, and they took a step to learn more about the MFI.

Research Question 3: How relevant and adequate is information about MFI services to women entrepreneurs?

Regarding the usefulness of financial information acquired from MFIs, only a handful of respondents (27%) confirmed registering for savings and credit facilities. One FGD respondent confirmed that knowing the financial information services offered by MFIs was just additional knowledge but did not sway her into moving out of her self-help group. Another respondent agreed that the

information on MFI is relevant but hesitated to register before consulting her spouse, indicating the power of patriarchism (Matter et al., 2009) and cultural dynamics in the global south and their impact on women's socio-political and economic empowerment.

MFI agents' visits helped many women gain more profound knowledge about the services offered. Although most respondents considered information from social networks relevant and adequate (since some had already registered), visits by MFI agents helped clarify information shared through social networks. The mass media were considered the least adequate since women listened to them passively. Being in other small self-help financial groups (at the village level) was seen to hinder some women from joining MFI services, mainly due to the perceived risks and commitment required.

Despite having access to different sources of information on MFI financial services, the main knowledge gaps cited included information about the types of loans they provide, entry and exit conditions, training opportunities to improve and/or maximise profits to boost loan repayments, security measures particularly on avoiding the payment for defaulting members, the rationale for stringent and sometimes unrealistic conditions for entry, flexibility in determining (and mutually agreed) payback terms, risks of joining the MFIs and how MFI services can be brought closer to the entrepreneurs (FGD participants 1, 3, 5, 2, and 7).

According to the respondents, the above information is not adequately revealed to women so they can make the right financial decisions. Some FGD participants had misgivings about inadequate information about MFIs thus: 'I would have boosted my Ingoboka loan, but I needed lots of information about how easy it is to enter or exit' (FGD4), 'the fact that I do not know what loans they give and its interest period, makes me keep off the MFIs' (FGD2 participant), 'I think all information relating to the MFIs should be out there in public through different channels of communication. Otherwise, no one has time to follow up for many hours in the offices' (FGD2) and 'they promised us 5% profit per year, but in the end, we got a negligible Rwf 600, despite the investment we made – I think we make money for them instead of us benefitting'(FGD3).

From the discussions, inadequate information about the MFIs for women's financial inclusion has led to consequences like premature exit from the MFI, fear to venture into the MFI services, reputational damage of some of the MFIs who did not fulfil their promises of giving friendly terms and preference of some entrepreneurs to stick to the traditional self-help approaches to financial mobilisation, where, the entry and exit conditions are more relaxed. Studies such as

Bosumatari's (2015) underscore the need for service providers to provide adequate information to enable beneficiaries to make timely and rational decisions.

Research Question 4: How can the communication of information about MFI services be improved?

The study has also highlighted some communication gaps that contribute to the women entrepreneurs' low or no uptake of the services offered by the different MFIs in the Huye city market. Although interpersonal channels of communication like social networks, meetings and discussions at the marketplace were lauded as critical in the women's financial decision-making, most preferred a broader approach to disseminating the financial information services of the MFIs, as discussed below.

Frequent timed meetings with the MFIs' employees: Although some MFI agents' marketing activities were lauded, more frequent and timed meetings with the beneficiaries were urged to create a lasting impact. The marketing agents were urged to organise sessions at convenient times or periods where the women entrepreneurs would have adequate opportunities (out of their daily market obligations) to obtain desired information. Although some women had other sources of financial information (like mass media and social networks), there was a feeling that the MFIs needed to maintain a regular presence in the market. A FGD1 participant drew parallels between her daily routine and how MFIs should be reaching out:

> *Just as I wake up early to look for merchandise and bring it to the customers on time, Urwego, BRAC, and others should also be driven by the need to give us enough information to attract customers for their financial services.*

This view was underscored by an interviewee thus:

> *I have heard of Duterimbere, but being a rural businesswoman, I have been waiting for them to come and market themselves to us. Only the big banks make regular visits, but these have higher interest. If they [MFIs] visit me, I might be inspired to quit agriculture for business.*

Some reasons were given for requesting the field extension services rather than other means of communication like radio and telephones: 'Radio adverts are ok but not convincing – MFIs have to come and convince those who do not have time to listen to radios' (FGD3 participant), 'I am on social media, but this cannot give me all the financial information I need about MFI services' (FGD4 participant) and 'Instead of us wasting time looking for the information, they can send their employees to come down and persuade us, like during *Umuganda* (community work) day (FGD2 participant).

Communicating through market representatives: A few women entrepreneurs have appointed representatives at the market to look out for and communicate financial information to others. Although others did not outright reject this approach, one woman

cautioned that 'some Rwandans are self-centred and will not inform us about good opportunities like these'; hence, members must carefully select people with integrity and the interest of all at heart.

More MFI content through audio towers and radio stations: Most women entrepreneurs considered themselves regular radio listeners and had heard of MFIs on the audio towers adjacent to the market. Some entrepreneurs suggested that due to the audio towers' proximity to the market, more content on MFIs (announcements, advertisements, shows, etc.) could be targeted to those who might listen to get as many details as possible. Some MFIs in the city were considered lax in their promotion campaigns. In the opinion of one entrepreneur, such MFIs ride on their name (and reputation) and forget that not every woman coming from the village to find a living in the city knows about them. She reiterated suggested the need to 'speak up' and 'be heard' on Huye radio stations and other channels. (FGD1 participant)

Open door communication policy with the MFI managers: The study results showed discontent with some women entrepreneurs who had secured the services of some MFIs – wrought by delays in receiving credit, stringent conditions of repayment, low profit/interest on savings, contradicting information between outreach agents and actual services given among others. Most entrepreneurs called for candid and open communication with the MFIs to ensure that customers' needs are met well. One entrepreneur suggested that there should be a way through which customers can openly discuss their financial situations with the MFIs to allow for a flexible savings, credit and repayment model. She lamented a situation where she was asked to seek the signature of her 'estranged' husband, yet they were not living together:

> *I was told my husband should sign the loan form, yet we do not have peace with each other. How will he pay if I fail? We need to find a better way of solving such cases. (FGD1 participant)*

Another case demonstrated how some MFIs were 'insensitive' to the plight of borrowers when they insisted on paying back even when they had developed chronic conditions that incapacitated their ability to earn income. In addition, MFIs were urged to candidly own up when they could not meet their end of the bargain, for example, if the promised rate of earnings from savings fell below par, when terms of engagement with the customers changed mid-way (the introduction of withdrawal charges) and when their outreach efforts fell short of communication expectations. Information privacy was cited as an issue, especially when some MFIs insisted on taking photos every time one applied for credit. One woman entrepreneur wondered where the many photos they took were used and if their privacy was assured.

Consistent message on different channels: Some entrepreneurs lamented receiving contradictory information from some MFI outreach agents (which did not corroborate the information they got when they visited the offices). One entrepreneur quipped: 'Some agents will tell you what you want to hear on the telephone when the reality on the ground is different' (FGD1 participant), suggesting that outreach agents require appropriate communication and customer care training to provide the right message in the right way. One young female entrepreneur wondered why all updated information could not be uploaded on the MFI's website or shared on social media platforms for those with internet access!

Addressing negative perceptions on MFI services: Despite overwhelming evidence about the role of MFIs in ensuring financial inclusion of the poorest women entrepreneurs globally, results from this study showed some level of ignorance (or resistance) among a few women entrepreneurs who were MFI-averse. They considered such institutions with comments like: 'They target rich women only', 'They are beyond my level', 'They are high profile and may require a lot from a poor person like me' and 'MFIs can make you lose everything if you fail to pay their loans'. In this last comment, one entrepreneur was cryptic:

> *I hear that when you take credit and fail to pay it back, everything in your family is sold to recover the money, so joining such MFIs is to be cursed. (FGD4 participant)*

7 Discussion

This study was the first attempt to identify the knowledge and use of MFI information services among women entrepreneurs in the Huye city market. It highlighted that although most women entrepreneurs in Huye city have joined local saving groups (ibimina), they have little knowledge and use of the financial information offered by MFIs like Duterimbere, Urwego, and BRAC. Therefore, they barely use these services. Those who know about these services attribute important sources of information like social networks (especially colleagues at the market), meetings with MFI outreach agents, and messages from the audio tower in the market to their decision-making to subscribe to the MFI services. In line with the results, empirical studies indicate that interpersonal communication channels are the most effective form of business decision-making among entrepreneurs because such channels allow for interpersonal interactions with the service provider, therefore seeking clarification (Ogunleye, 2017; de Haan, 2017).

As seen from this study, entrepreneurs can sometimes develop negative attitudes towards MFI information if they are not ready or able to join (Athambwa et al., 2022). For example, as much as the entrepreneurs may recognise the need for financial information to expand their businesses, the stress and anxiety (Wilson, 1997) related to the inability to pay back the credit may distort their views on such

MFI information (Ogunleye, 2017). Just like some entrepreneurs do not trust their colleagues to provide complete financial information, scholars believe that some entrepreneurs make irrational investment decisions based on misinformation, half-truths or outright lies from others (Abdullah & Quayes, 2016). In addition, some entrepreneurs who fear losing their investments have put their trust in 'safe information sources' (Hendriks, 2019), which resonate with their beliefs about their investment decisions. In this study, most women entrepreneurs considered the social networks of those who had joined MFIs safer and more trustworthy than information from the media or some MFI agents.

Scholars have urged MFIs and other stakeholders to study their beneficiaries' information behaviour and attitudes to communicate the correct information best (Ogato, 2013). In the era of fake news, service providers need to be at the forefront in scanning the information environment of their beneficiaries to help them instantly address cases of misinformation, disinformation and even the deliberate distortion of information by some people in the information dissemination process. The present study has shown that when MFIs do not regularly visit the women's sites of work to market their services, it depicts them as non-communicative and passive.

The digital transformations in media and communication have deterred some women from accessing knowledge and information on the financial opportunities available to them. As Jjuuko and Njuguna (2019) contended, the digital inclusion and empowerment of women in the country remain constrained, particularly by sociocultural values, among other impediments. Potential borrowers are sometimes unaware of the products and services provided by MFIs and commercial banks, indicating a gap in knowledge of financial services (Weber & Ahmad, 2014).

The level of knowledge of the MFI services showed mixed results. Considerable knowledge gaps were cited as contributing to the low uptake of the MFI services among women entrepreneurs. These include inadequate information about the MFIs in Huye City, the services offered, risks involved in entry and exit, and the possibility of negotiating mutually agreed terms depending on the individual circumstances of the entrepreneurs, among others. These information gaps align with studies considering rational financial decision-making underpinned by accurate, adequate, and relevant information among many business people (Ogunleye, 2017). It was also evident that some women entrepreneurs had a low opinion of MFIs, given their levels of poverty. Most did not consider the MFIs as options to remove themselves from this poverty by boosting their businesses. They saw the

institutions as high profile and out of reach for them.

The foregoing indicates a gap in how financial services are communicated to women entrepreneurs. Scholars consider communication key in informing and persuading successful entrepreneurs to uptake MFI services (Abdullah & Quayes, 2016). As suggested in this study, a combination of communication channels is critical to enable as much MFI information as possible to reach women entrepreneurs. This includes strengthening the way MFI outreach services are planned and delivered to women entrepreneurs, optimal use of the available channels like audio tower and social networks to disseminate adequate and relevant financial messages to the women, crafting ways of fighting misinformation by opening up channels at the MFI and entrepreneur level (regular updates, use of online channels, etc.).

8 Conclusion

The study explored the financial-seeking behaviour of women entrepreneurs in the Huye city market, Rwanda. Despite the growing number of MFIs in the city, results showed a lacklustre adoption of MFI financial services attributed to a lack of (adequate) information on the MFIs and their services, misinformation through social networks and the fear of taking credit risks. The majority of women belong to this category. A few entrepreneurs were well-informed and, therefore, actively took up financial services offered by the MFIs. Many entrepreneurs considered the MFI sensitisation efforts lacking in message consistency, credibility (e.g., promising services without delivery), persistence in marketing, and timing of their visits (when the women were too busy or unavailable). More information about MFI services was shared through social networks than formal channels like the community audio tower, billboard advertisements and mobile phones. The study concludes that if MFIs could address the above information and communication gaps, more women entrepreneurs would join the financial inclusion bracket and be able to appreciate and enjoy the growth of their businesses through these MFIs.

9 Recommendations

Arising from the study findings, the following recommendations are given:

- MFIs must persistently identify and address the financial information needs of women entrepreneurs. Many women entrepreneurs in Rwanda do not have adequate knowledge of the services offered, accusing the MFIs of inadequate outreach.
- To address the wrong timing of outreach services and inadequate messages, MFIs should leverage channels such as social networks and the market audio tower to package messages for the women.
- Regular, purposeful, and timely meetups with the women and disseminating

messages through the audio tower would conveniently reach out to women at their workstations.

- Developing a critical mass of opinion shapers in the women's social networks would also strengthen credible MFI message sharing among the women.
- Constant scanning of the environment and change in attitudes regarding MFI services to ward off misinformation and the spread of fake news about MFI services. MFIs should constantly ensure that the information they share is not distorted. In case this happens, prompt correction through appropriate channels should be made.
- MFIs should ensure transparency to foster trust and address issues related to suspicion when rules of engagement are changed mid-way (e.g., terms of credit) and when the quality of services contradicts the messages of quality they received during outreach. Several respondents raised these fears.

In a nutshell, the MFIs need to demonstrate readiness to actively reach out and share information about their services in a client-friendly manner. In addition, they should candidly address the fears and misgivings of the entrepreneurs about taking up MFI services. The results of this study paint a picture of 'non-communicating' MFIs. Additional inquiry could interrogate the communication preparedness of these MFIs – the way they craft messages for their outreach, how outreach agents are prepared to communicate the MFI messages, the place and role of feedback mechanisms, as well as how communication can be used to break through the attitude/cultural barriers regarding MFI services uptake.

10 Implications of the Study

The study findings were an important addition to the knowledge of women entrepreneurs' perceptions and behaviour regarding using MFI information and services towards their financial inclusion in business. Although Rwanda has made strides in the socio-economic empowerment of women (a fact underscored by the rapid growth of women entrepreneurs across the different sectors of the economy), the results of this study point to low knowledge and use of MFI services. This has important implications for policy, theory and practice. Many women entrepreneurs in the Huye city market are largely excluded from the MFI services due to a lack of information, inadequate knowledge or misinformation. Identifying effective communication practices to bridge the financial exclusion would help rope the women entrepreneurs onto the bank bandwagon. This behoves MFIs to design policies and practices that employ different communication and outreach strategies to mobilise entrepreneurs to take advantage of the services offered to help grow their businesses. Results also present an opportunity for MFIs to leverage the available channels or networks of information sharing to identify and package information for the different

needs of the entrepreneurs. MFIs are sensitised to move out of their 'ivory towers' and have constant and meaningful engagement with the entrepreneurs through channels of communication that are accessible, credible and convenient to the women.

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