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Survey of Women-Led Micro, Small and Medium Enterprises (MSMEs) in Jordan

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Contents

Disclaimer.....	1
Research Context.....	1
Research Objectives	2
Research Methodology & Sample	4
Quality Assurance Measures:	5
Executive Summary.....	6
Recommendations	10
Firmographics & Demographics.....	14
Demographics:	14
Firmographics:	15
Business Deep Dive	21
Financial Institutions Landscape.....	26
Borrowing, Credit Services & Other Funding Sources.....	33
Savings	39
Insurance	41
Attitudes Towards The Financial Sector	43
Seeking Financial Help.....	45
Capacity Building Trainings	46
Financial Institutions Perceptions	47
Financial Institutions Perceptions:.....	47
Banks and E-wallets Perceptions:	48
Bibliography	52

Table of Figures

Figure 1 Demographics	14
Figure 2 Firmographics.....	15
Figure 3 Firmographics.....	16
Figure 4 Impact of Gender	18
Figure 5 Employees Structure	19
Figure 6 Marketing.....	20
Figure 7 Challenges Faced by Businesses.....	22
Figure 8 Financial Health Overview	23
Figure 9 Funding Sources	24
Figure 10 Business Expenses.....	24
Figure 11 Cultural Barriers & Support.....	25
Figure 12 Banks & Micro Financial Institutions Awareness Levels	26
Figure 13 E-Wallets Awareness Levels.....	27
Figure 14 Islamic Banks & Micro Financial Institutions Awareness Levels	27
Figure 15 Financial Institutions Usage	29
Figure 16 Users Deep Dive	29
Figure 17 Financial Products Non-Users	30
Figure 18 Future Intentions	31
19 Satisfaction Levels.....	32
Figure 20 Loans Overview	33
Figure 21 Loans Deep Dive.....	34
Figure 22 Loan Source.....	35
Figure 23 Loans Selection Criteria.....	36
Figure 24 Loans Deep Dive & Future Intentions	37
Figure 25 Loans Future Intentions	38
<i>Figure 26 Saving Overview</i>	<i>40</i>
<i>Figure 27 Savings Account</i>	<i>40</i>
<i>Figure 28 Insurance Overview.....</i>	<i>41</i>
<i>Figure 29 Insurance Deep Dive.....</i>	<i>42</i>
<i>Figure 30 Attitudes Towards the Financial Sector</i>	<i>44</i>
<i>Figure 31 Financial Advice Sources</i>	<i>45</i>
Figure 32 Capacity Building.....	46
Figure 33 Islamic Banking Perceptions	48
Figure 34 Financial Institutions Perceptions	49
Figure 35 E-Wallets Perceptions	50

Research Context

The BMZ-financed GIZ project "I-FIN" in Jordan, running from December 2021 to July 2025, aims to enhance the legal framework, supply, and demand of innovative financial services for MSMEs, collaborating with the Central Bank of Jordan to improve access to credit and innovative financial services for growth-oriented enterprises.

The Innovative Approaches to Financial Inclusion of MSMEs in Jordan aims at improving access to finance for Women-led MSMEs (WMSME) through the GIZ implemented project "Innovative approaches to financial inclusion of MSMEs in Jordan (I-FIN)". I-FIN advises its political partner Central Bank of Jordan (CBJ) and builds capacity of financial service providers to make their financial products and services more women-friendly, as well as for building the capacity of the MSMEs to help them make more responsible financial decisions that meets their needs.

To be able to develop women-friendlier financial products/services, GIZ is working to conduct a demand-side market research study of financial inclusion of women-led MSMEs; this research will deep dive into the needs of women-led MSMEs digitalization challenges, opportunities, financial literacy, and access to financial challenges in terms of cultural barriers, women empowerment etc., to better serve Jordan's context and the project's goal.

Research Objectives

The study aims to generate an in-depth understanding of the specific financial barriers for growth-oriented female-led micro, small, and medium-sized enterprises (MSMEs) in Jordan. Especially given the fact that 58% of female business leaders believe that companies need more supportive programs from banks to improve financial literacy and management; on the other hand, only 48% of male business leaders believe so. Additionally, 54% of female business leaders believe that banks need to provide more tailored products and services for women-led SME's (Ipsos Bank Scape: Enterprises Edition, 2023).

The study objectives include:

- Understanding barriers to financial inclusion for female MSMEs and creating a comprehensive study that forms the foundation for future surveys, developing a time-series database owned by GIZ I-FIN on demand for, access to, utilization of, and quality of financial services.
- Understanding barriers that hinder the consideration and utilization of financial services which only women-led MSMEs face as well as providing recommendations to overcome them. As well as delving deeper into gender-related barriers, including legal, procedural, market competition, regulatory, social, and cultural norms, and several bias factors such

as credibility, competence, and knowledge which are related specifically to women-led businesses can be included.

- Providing comprehensive and up-to-date information about the demand for financial products and services by women-led MSMEs, particularly regarding demand patterns, access, utilization, and quality of both formal and informal financial services across various financial services providers (FSPs), including FinTech credit service providers, and product categories, as well as across different demographic and geographic segments.
- Assessing demand-side barriers to financial inclusion of female MSMEs related to legal and regulatory frameworks, financial infrastructure, FSPs and their services, as well as the potential for future financial service development.
- Formulating hypothesis which tackle specific women-led businesses, their challenges such as understanding the requirements when accessing a financial service provider, for example the requested requirement as a female beneficiary (guarantor, collateral requirements, etc.,)
- Since this study is focused only on female owners or leaders of such companies, then there will be a great focus on the impact and challenges faced by these companies from a gender perspective; the survey we will ask about barriers and difficulties faced by these businesses because they are females working in a male dominant industry.
- Investigate some major points of impact to WMSMEs such as support systems, financial technology adoption, work-life balance, training and skill development, success stories and future aspirations.

Research Methodology & Sample

For the quantitative effort, Ipsos conducted 222 face-to-face interviews - Computer Assisted Personal Interviews (CAPI) with female decision-makers within MSMEs (owner or senior manager of the business with good knowledge of the business' operations and finance. If the business is registered as a sole proprietorship, then the interview was conducted with the sole proprietor).

To begin with, Ipsos developed a questionnaire that was revised and approved by GiZ before fieldwork commencement. Then Ipsos utilized Kinz database to recruit the enterprises needed for this effort and relied on snowballing methodology to target unregistered businesses. As Kinz has a substantial database that contains accurate, up-to-date comprehensive business information for companies in Jordan. Having that said, the data that was extracted from Kinz was sorted per governorate, and then companies were selected from the database based on a systematic sampling strategy to meet the desired quotas shown in Table 1.

Table 1 Sample Quota

Sample Distribution		Sample Size	Formal	Informal
		200	60%	40%
Amman	56%	112	67	45
Irbid	20%	40	24	16
Zarqa	19%	38	23	15
Karak	5%	10	6	4

Quality Assurance Measures

- Daily team debriefs: Supervisors conducted daily debriefs with their enumerators to review challenges, allow for questions and clarifications, and provide feedback to the wider group.
- Quality control team conducted back-checks (i.e. call-backs) on 30% of completed surveys using a back-check tool developed by Ipsos. Back-check tools will include a subset of questions from the survey instrument with responses compared to the original survey.
- Quality control team conducted backchecks with 10% of attempted respondents who did not complete the survey, to verify that the respondent was contacted but did not participate.
- Accompaniment: Ipsos Supervisors accompanied their enumerators for 20% of completed interviews. All enumerators should be directly observed at least once during the first week of data collection. The supervisor must complete an accompaniment form developed by Ipsos.
- Supervisor spot-checks: Ipsos employees conducted spot-checks on each supervisor to ensure compliance with all tracking and data quality assurance duties. These spot-checks will cover 5% of each supervisor's days of fieldwork.

Executive Summary

The landscape of women-led micro, small, and medium enterprises (MSMEs) in Jordan presents a complex yet inspiring picture of resilience, ambition, and challenges. This report delves into the demographics, motivations, firmographics, financial challenges, and the utilization of financial products and services among these enterprises, shedding light on their unique needs and opportunities for growth.

Demographics, Firmographics and Motivations:

Among the women-led MSMEs surveyed, 46% reported that their business serves as the sole source of household income. This highlights the critical role these businesses play in sustaining families. Moreover, 44% of these women are the sole providers for their families, further highlighting the economic dependency on their entrepreneurial ventures. The primary motivation driving these women to start their businesses is financial independence, cited by 74% of respondents. Additionally, 39% were driven by the desire to transform their passion into a profitable venture, while 21% sought a better balance between their career and personal life.

Geographically, the distribution of these businesses is notably concentrated within the capital as per the distribution of businesses in the Kingdom, with 35% operating in East Amman and 19% in West Amman. While 22% of businesses operate in Irbid and 20% operate in Zarqa. In terms of operation mode, a majority (62%) run their businesses full-time, while 28% operate part-time, and 9% seasonally. As for the business registration status, 45% of these enterprises are registered as sole proprietorships, while 42% of the business are unregistered.

The demographics of primary business owners show that 41% are aged between 46 and 65, and 31% fall within the 36-45 age range. As for their educational attainment is nearly half (47%) of them have completed only secondary education. The majority of these owners are Jordanians (91%), with a small percentage (6%) being Syrians.

Moving on to the business types, 44% of MSMEs identified as private businesses, 36% as home-based, and 13% as family businesses. Operational longevity varies, with 38% having been in business for over a decade, 22% for 3-5 years, and 19% for 6-10 years. Notably, 66% of these businesses have plans for future growth.

Industry-wise, half of the businesses are in the professional, scientific, and technical sectors, while 14% operate in the food catering and productive kitchen sector. Gender appears to influence career choices, with 51% of women acknowledging its impact on their industry selection. However, 92% would not choose a different industry, indicating satisfaction with their current fields.

Most of these businesses (94%) are micro-businesses, employing between 1 to 4 employees, while 6% are classified as small businesses with 5-19 employees. Hiring practices reveal a reluctance to engage contractors or temporary employees, with 91% not employing any temporary staff. The nationality of employees mirrors the owners, with 90% being Jordanians and 8% Syrians.

Marketing strategies are heavily reliant on traditional methods, with 67% using word of mouth and 63% leveraging social media. Sales channels are diverse; 57% generate sales through social media or websites, while 41% rely on traditional methodologies.

Financial Challenges And Financial Deep Dive:

Financial challenges are a significant concern for these enterprises. As limited access to finance and investment capital is a primary issue for 23% of respondents, with financial instability and cash flow issues cited by 19%. In line with that, 18% of MSMEs strongly agree that their company

maintains a positive cash flow, and 10% strongly agree that they generate sufficient revenue to cover expenses.

Delving deeper into the funding sources for these businesses, they predominantly rely on personal savings (59%), followed by financial support from friends and family (36%), and bank loans (16%).

As for their Operational expenses are dominated by rent and lease payments (24%), followed by payroll and employee benefits. Utilities are the second most significant expense for 23% of businesses. Despite these financial burdens, 41% of female MSMEs do not face personal or cultural barriers, and 55% have found community support from family, friends, and neighbors.

Awareness levels, usage and perceptions of financial products and services:

Awareness and usage of financial products vary. However, 26% of female MSMEs do not recall any brands when asked which bank or financial institution comes to mind first. While 32% of businesses do not recall any e-wallet brands as top of mind and 49% of MSMEs do not recall any brands when asked about Islamic banks and microfinance institutions.

Despite that, Microfund for Women holds the highest share of mind of 34% and highest awareness level of 80%, while Bank al Etihad has 12% spontaneous awareness level and 76% overall awareness level. While Zain Cash harnesses a 33% top-of-mind awareness level and 78% overall awareness level.

As for Islamic banking, MSMEs are less likely to be aware of them as the Islamic Arab Bank holds a 10% share of mind and Jordan Islamic Bank having the highest unaided awareness at 11%.

Financial product usage is limited; 47% do not use any financial products, 37% use one, and 16% use more than one. Non-usage is often due to religious reasons (32%), lack of trust (21%), or self-financing (20%) and when it comes to e-wallets MSMEs do not utilize it due to clients not using them (30%) and lack of awareness on how to use them (27%). Despite this, partnership MSMEs and private companies are more likely to use financial products.

In line with the relatively low usage levels, 68% of female MSMEs expressing satisfaction with the corporate banking sector and 78% of Zain Cash users satisfied with the services offered. To improve satisfaction, 37% suggest reducing interest rates, and 17% advocate for facilitating the loan application process.

Awareness of savings and insurance products is low. While 70% are unaware of savings products, 31% are aware of insurance products but only 10% have insurance, 16% have current loans and 32% have had previous loans. However, 14% of businesses intend to take new loans, primarily for business expansion (75%) and equipment purchase (50%). When it comes to selecting a financial service provider, 30% mentioned interest rates as their most important criterion when selecting a loan provider, while 15% mentioned the repayment period. Additionally, 30% of MSMEs are aware of savings products and out of those who are aware 39% have a savings account. However, 53% of MSMEs participate in “Jamiyat”, a commonly used informal savings technique. Moreover, financial literacy and capacity-building initiatives engagement are limited, with only 14% of female MSMEs participating in training programs.

Lastly, each financial institution has its own distinct brand perceptions among female MSMEs. Having said that, Microfund for Women is seen as offering female-friendly services, Arab Bank provides comfort with personalized service, and Bank al Etihad is noted for competitive rates and reliability. While Orange Money is seen as an e-wallet that provides women with equal treatment, offers comfort with personalized customer service, and builds assurance with a solid reputation. Whereas Zain Cash is perceived to ensure a sense of financial security, showing empathy by understanding business needs and presenting competitive rates on loans.

Recommendations

Based on the report findings it is recommended to....

Increasing MSMEs financial awareness:

Based on the findings of the study it is recommended to launch awareness campaigns to increase MSMEs knowledge about financial products and services. Especially when it comes to savings accounts, insurance products, e-wallets and Islamic Banks. Findings indicate that 47% of female MSMEs do not use any financial products, and a significant portion do not recall any brand names for banks, e-wallets, and Islamic financial institutions. This lack of awareness creates a critical gap that these campaigns can address.

It is also recommended for GiZ to collaborate with financial institutions like MicroFund for Women, which holds the highest awareness level at 80%, and Zain Cash, with a 78% overall awareness level to help in increasing awareness. These partnerships can potentially increase credibility and trust among women led MSMEs.

Moreover, it is recommended to shed a light on Islamic banking solutions through these awareness campaigns. As the study findings show that MSMEs have lower awareness of Islamic financial institutions. This might increase financial inclusion among female MSMEs given that 32% of them do not use financial products due to religious reasons. By emphasizing Sharia-compliant

financial services, financial institutions might appeal more to these women and thus potentially improving their financial inclusion.

Providing MSMSEs with tailored financial literacy workshops:

Additionally, based on the findings of the study, it is recommended for GiZ to facilitate tailored financial literacy workshops that address the unique financial needs and challenges faced by women-led MSMEs. These workshops could focus on basic financial management, budgeting, and cash flow management, and marketing techniques as well as utilizing ecommerce and social media to drive sales. Given that financial instability and limited access to finance are the most significant issues that these women face; whereby 23% of respondents citing access to capital as a primary concern and 19% highlighting cash flow issues. Workshops could also emphasize the benefits of financial service providers for MSMEs.

Having said that, it is recommended to ensure that workshops are interactive and practical in order to resonate with the women entrepreneurs. This can be done by incorporating real-life scenarios and hands-on activities. Furthermore, incorporating that with follow-up sessions or one-on-one consultations can provide ongoing support for these female MSMEs and this can better amplify the positive impact of the workshops.

Enhancing MSMEs access to diverse funding options:

Given that most MSMEs rely heavily on personal savings (59%) and financial support from friends and family (36%), while only 16% utilize bank loans, it is recommended to enhance MSMEs access to diverse funding options. This can be done through tactical workshops and campaigns that highlight various funding sources, including traditional and Islamic bank loans, microfinance, and venture capital.

To enhance MSMEs access to diverse options it is recommended to provide them with detailed information on accessing these funds, the application process, and eligibility criteria. Given that

37% of respondents suggest reducing interest rates and 17% advocate for simplifying the loan application process. By enhancing access to diverse funding sources, GIZ can help women-led MSMEs overcome financial challenges and unlock new growth opportunities.

Raising the communities awareness on the importance of women-led businesses:

Educating the community on the importance of women-led businesses is crucial for fostering broader support and understanding. According to the findings of this report, 46% of women-led MSMEs serve as the sole source of household income, highlighting their critical role in sustaining families. Moreover, 44% of these women are the sole providers, emphasizing the economic dependency on their entrepreneurial ventures. Having said that, it is recommended to implement awareness campaigns and community education programs that underscore how these businesses contribute to the local economy, create jobs, and promote gender equality. Especially that, 46% of MSMEs did not have their communities support when opening their business.

Such initiatives can be implemented through local community centers, social media, and collaboration with NGOs. By showcasing success stories and tangible benefits, these campaigns can change perceptions and encourage community support. For example, emphasizing how women-led businesses in the professional, scientific, and technical sectors (which represent half of these enterprises) contribute to innovation and growth can help shift societal views.

By fostering a supportive environment, these businesses can potentially thrive and ultimately benefiting the entire community.

Providing MSMEs with low-cost Insurance Programs:

Based on the findings of the study it is recommended to provide MSMEs with low-cost insurance programs. This can provide them with financial security and stability. Especially that the findings indicate that only 10% of these businesses currently have insurance, and awareness of insurance products is low at 31%. Also, given the financial challenges these enterprises face, such as limited access to finance (23%) and cash flow instability (19%), affordable insurance options can mitigate risks and protect against unforeseen events.

Low-cost insurance programs can cover essential aspects like health, property, and business interruption, ensuring that these enterprises can continue operations even during adverse conditions. Collaboration with insurance providers to develop tailored products that meet the specific needs of women-led MSMEs can enhance uptake. For instance, offering flexible payment options and simplified claim processes can make these programs more accessible.

Firmographics & Demographics

Demographics:

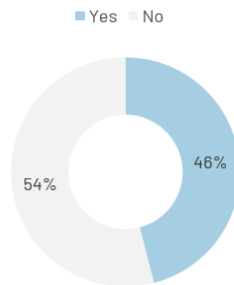
On an overall level, 46% of interviewed female decision-makers within the women-led micro, small, and medium enterprises mentioned that their business is the only source of income in their household, while 54% reported having other sources of income.

Additionally, 44% of these women are the sole providers for their families, whereas 56% share the household's financial responsibility with others.

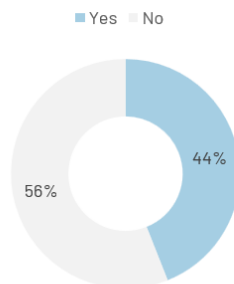
Moving on to the primary motivation for these women to open a business, the most common reason was to attain financial independence. This was followed by the desire to transform their passion into a profitable venture and to achieve a better balance between their career and personal life. Specifically, 74% of the women cited financial stability as a reason for starting their business, 39% mentioned turning their passion into a profitable business, and 21% aimed to achieve a better career-personal life balance. Furthermore, 19% started their business to have the freedom to make their own decisions and to create something of their own, as shown in Figure 1.

Figure 1 Demographics

Business is Only Source of Income



Sole Provider



Venture Inspirations



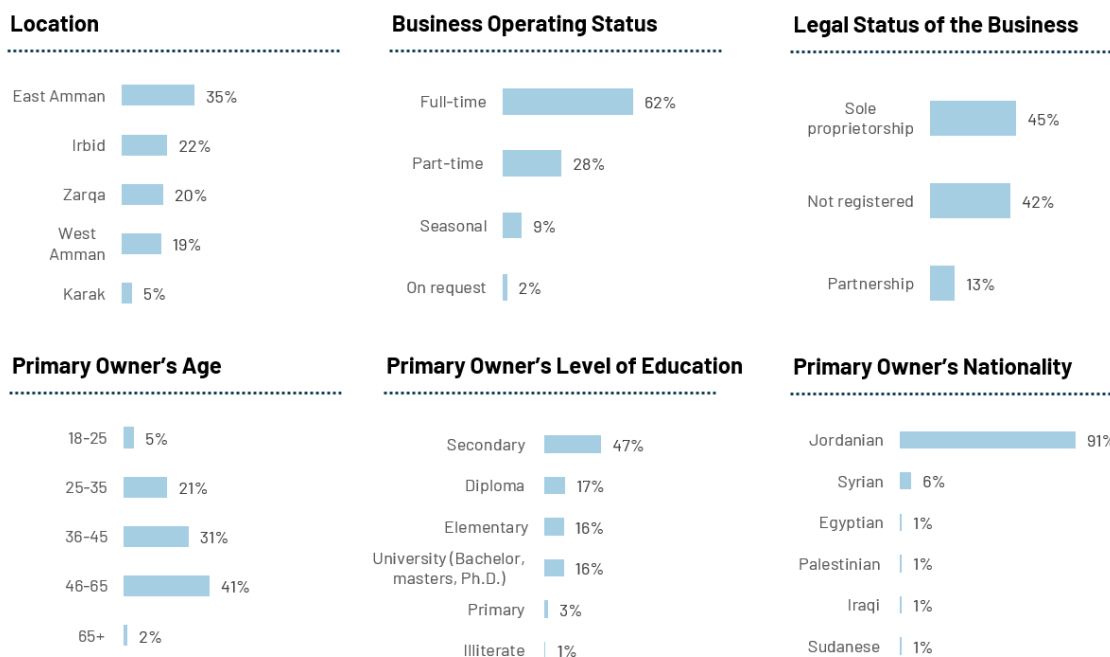
Question/s: Are you the sole provider for your family? Is your business the only income in the house? Why did you open your business?

Firmographics:

Roughly 50% of these women operate their businesses in Amman, with 35% in East Amman and 19% in West Amman. Additionally, 22% operate in Irbid, and 20% in Zarqa. Regarding the nature of their business operations, 62% run their businesses full-time, 28% part-time, and 9% seasonally. In terms of business registration, 45% of the businesses are registered as sole proprietorships, while 42% are not registered at all.

The businesses' primary owners (those owning the largest percentage of the business) tend to belong to older age groups: 41% are between the ages of 46 and 65, and 31% are between the ages of 36 and 45. Additionally, nearly half (47%) of the primary owners have completed only secondary education, and 17% have attained a diploma. As for their nationalities, 91% of them are Jordanians and 6% are Syrians as shown in figure 2.

Figure 2 Firmographics

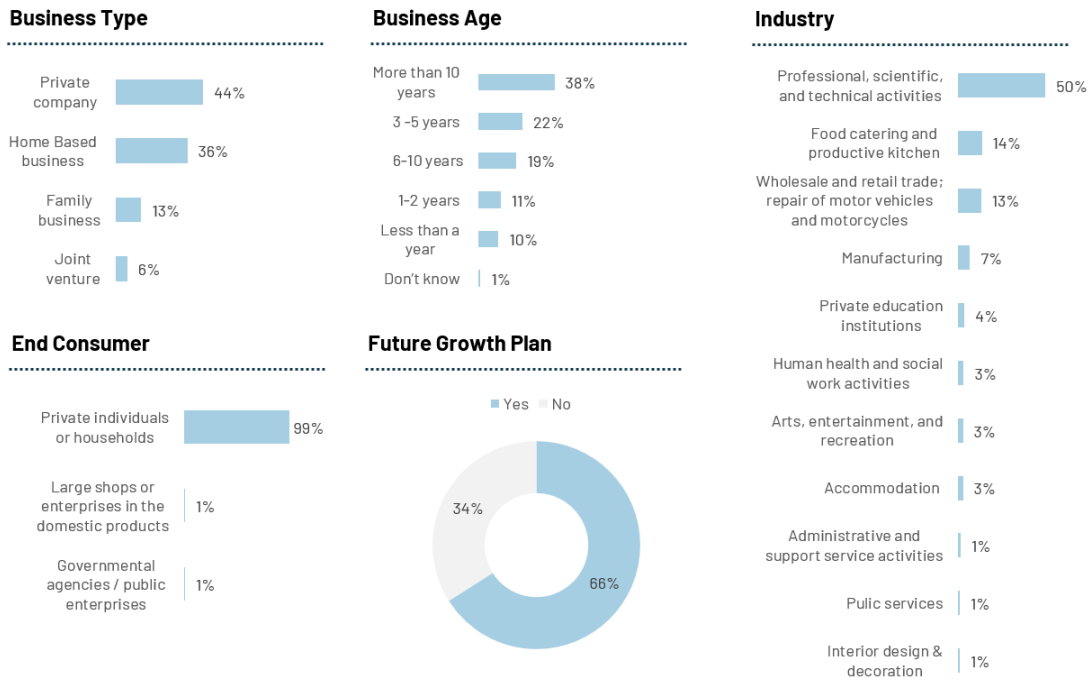


Question/s: City? Legal type of business? Business status: business is operating...? Primary owners' age? Primary owner's highest level of education? Nationality of the primary owner?

As for the type of business, 44% are private businesses, while 36% are home-based businesses and 13% are family businesses. Additionally, 38% of these businesses have been operating for more than 10 years, 22% have been operating for 3 to 5 years, and 19% have been operating for 6-10 years. While 10% are considered to be relatively new businesses as they have been operating for less than a year. Furthermore, 66% of these businesses have plans for future growth.

Half of these businesses are in the professional, scientific, and technical industry, while 14% are in the food catering and productive kitchen sector. Almost all (99%) of the businesses sell their products and services to private individuals or households and a small minority have a business-to-business (B2B) operational structure as shown in figure 3.

Figure 3 Firmographics



Question/s: Generic type of business? How long has the enterprise/business been in existence? Industry? Who does your enterprise/business normally sell its goods and/or services to?

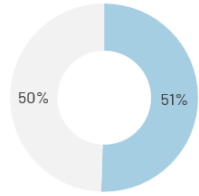
Generally, gender has an impact on women's career choices, with 51% of women mentioning that their gender has influenced their chosen industry. However, only 7% of women preferred to open a business in a different industry and 92% wouldn't have chosen a different industry to operate in.

Additionally, 47% of businesswomen face challenges in integrating cultural expectations into their professional careers while 52% do not as shown in figure 4.

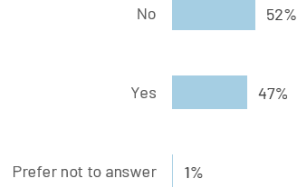
Figure 4 Impact of Gender

Gender's Impact on Business Industry

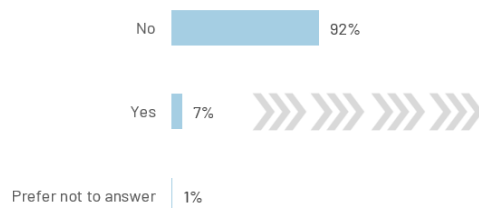
■ Gender impacted the chosen industry
 ■ Gender did not impact the chosen industry



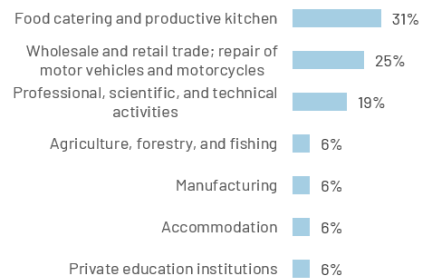
Challenges in Integrating Cultural Expectations



Different Industry Preference



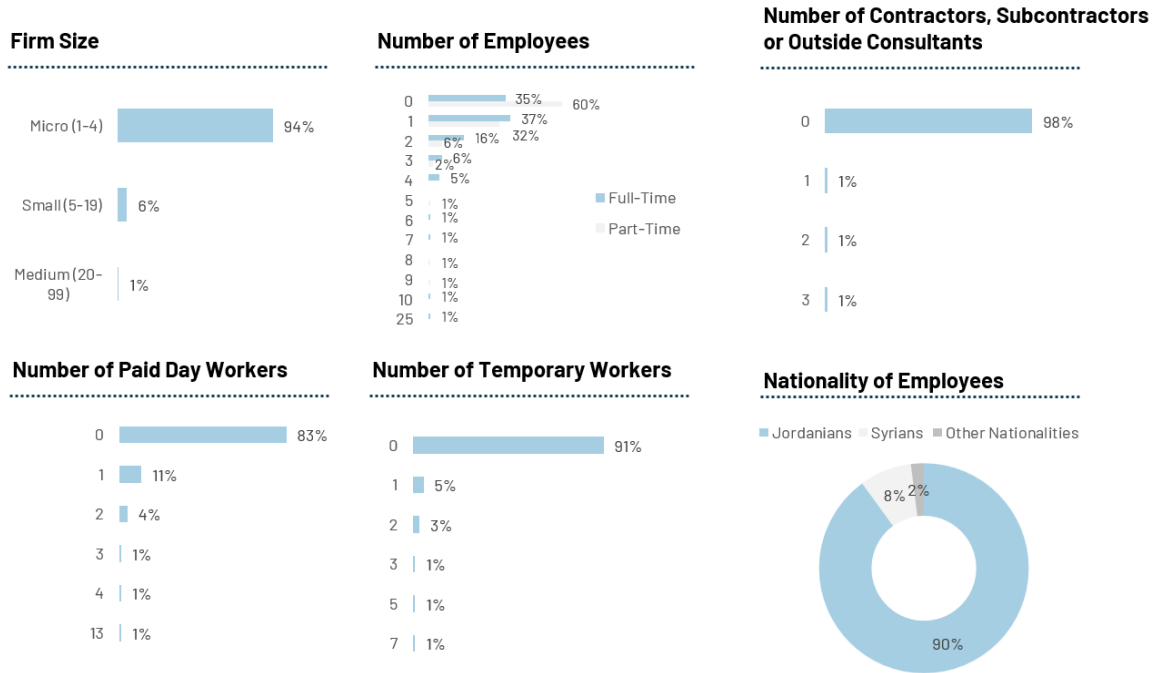
Preferred Industry*



Question/s: Did you choose (Insert industry) based on your gender? Did you want to open a different business but decided not to or you couldn't because of your gender? As a business woman, do you face challenges in integrating cultural expectations into your professional career?
 *Small Sample Size

Moving on to the employee structure, on an overall level, 94% of the interviewed MSMEs are considered micro-businesses, employing between 1 to 4 employees. While 6% are considered to be small with 5-19 employees. Additionally, these businesses rarely hire contractors, subcontractors, or outside consultants, with only 3% of businesses doing so and 83% do not hire any paid day workers. Also, 91% of businesses do not have any temporary employees. Having said that, 37% of businesses hire one full time employee and 32% hire one part-time employee. As for the nationality of employees, 90% are Jordanians and 8% are Syrians as shown in figure 5.

Figure 5 Employees Structure



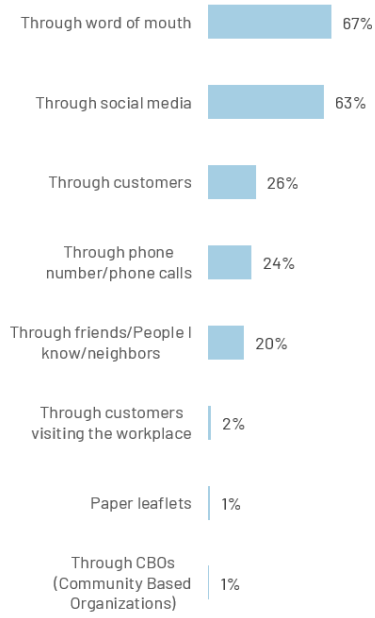
Question/s: Number of employees? Out of the total number of employees in your workplace, roughly what percentages are:

Generally, these businesses rely on social media and word of mouth to market their products and services. Specifically, 67% mentioned that they market their products and services through word of mouth, and 63% rely on social media for marketing purposes. Additionally, 26% of businesses rely on their customers to market their products and services for them.

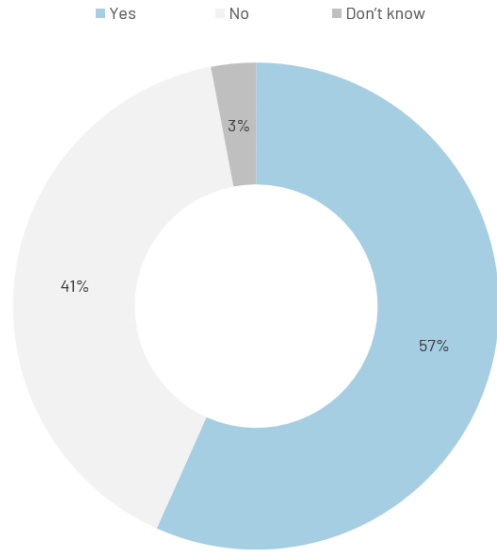
Out of those businesses that market their products and services through social media or a website, 57% generate sales through these channels and 41% generate sales through traditional methodologies as shown in figure 6.

Figure 6 Marketing

Marketing Method



Generate Sales Online



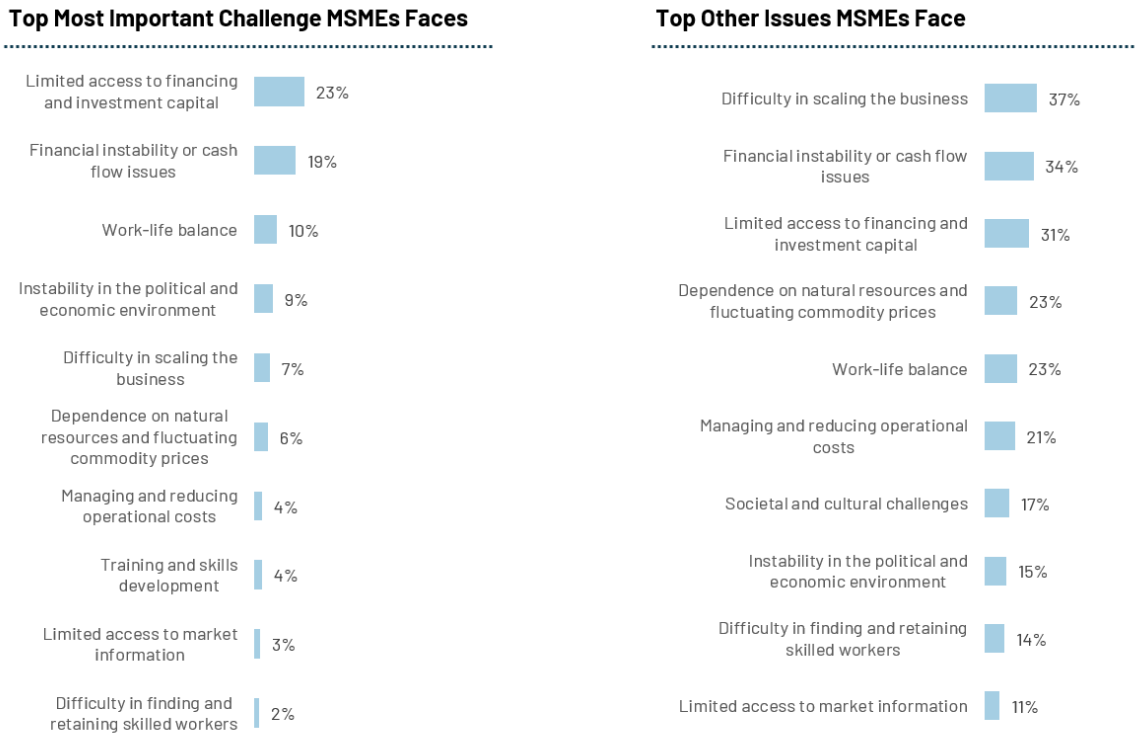
Question/s: How does your business market its products? Does your business generate sales or business leads through social media or through the website?

Business Deep Dive

In line with the overall economic situation in the country, generally, businesses struggle the most with financial challenges. They frequently mention limited access to finance and investment capital, as well as financial instability and cash flow issues, as their top concerns. Specifically, 23% of MSMEs consider limited access to financing and investment capital as their main concern, while 19% identify financial instability and cash flow issues as their primary issue. While 10% mention that their primary concern is regarding work-life balance.

Financial struggles are also among the most influential problems that businesses face. In fact, 34% of MSMEs consider financial instability and cash flow issues to be a significant impact on their operations. Additionally, 37% of businesses report facing challenges in scaling their operations and 31% mention limited access to financial and investment capital as shown in figure 7.

Figure 7 Challenges Faced by Businesses

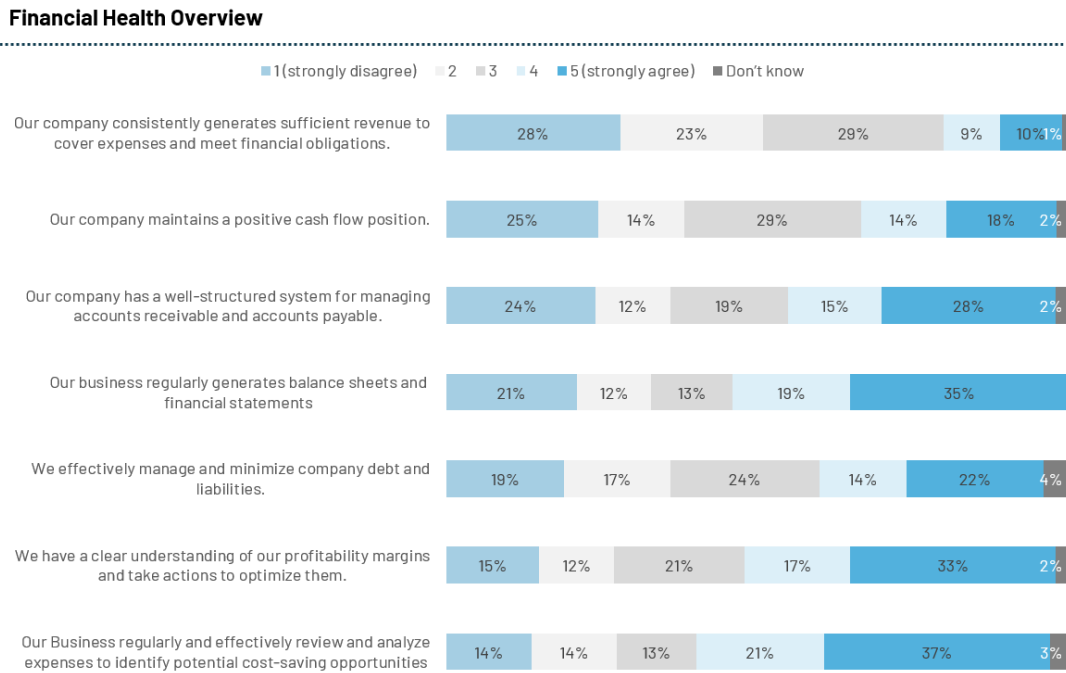


Question/s: What is the most important problem/challenge that your enterprise/company face? What other problems/challenges does your enterprise/company face?

In line with the overall struggles of businesses, 18% of them strongly agree that their company maintains a positive cash flow position and 25% strongly disagree. Also, only 10% of businesses strongly agree that they generate sufficient revenue to cover expenses and meet financial obligations and 28% strongly disagree to that.

Despite that, 28% of businesses strongly agree that their company has a well-structured system for managing accounts receivable and accounts payable and 35% of businesses strongly agree that they regularly generate balance sheets and income statements. Also, 37% strongly agree that they regularly and effectively review and analyze expenses to identify potential cost-saving opportunities. While 22% strongly agree that they effectively manage and minimize company debt and liabilities and 33% strongly agree that they have a clear understanding of the profitability margins and take actions to optimize them as shown in figure 8.

Figure 8 Financial Health Overview

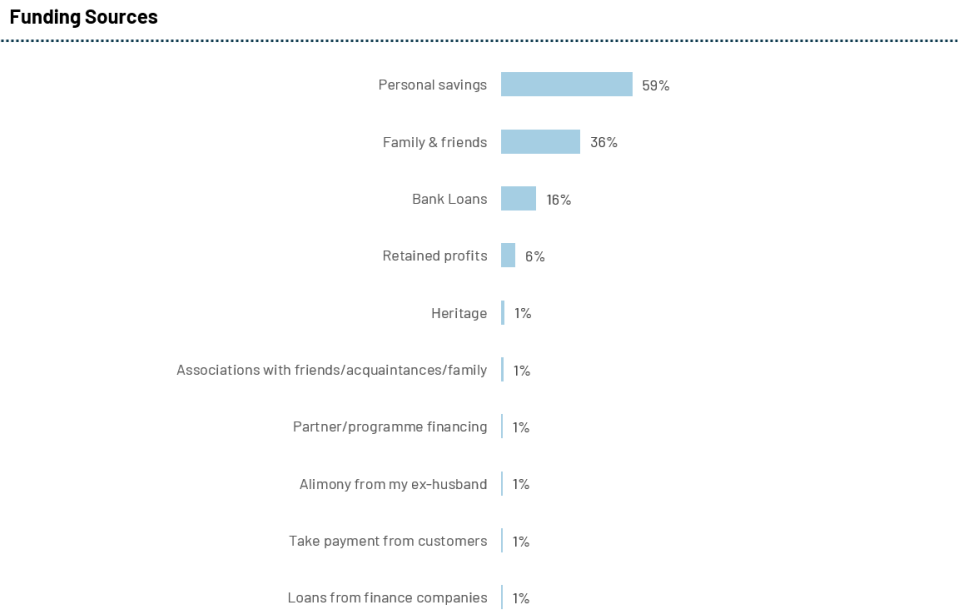


Question/s: Please rate the following statements on a scale of 1 (Strongly Disagree) to 5 (Strongly Agree), indicating how they reflect the financial health of your business.

As for their funding sources, MSMEs mostly rely on savings to fund their business. Specifically, 59% mention that they finance their company through personal savings, and 36% rely on friends and family. Only 16% of businesses mention that they finance their operations through bank loans as shown in figure 9.

However, it is important to note that 59% of Jordanian citizens mention that their current personal financial situation is weak in Q1 2024 and this figure has increased in comparison to Q4 2023 (Ipsos, 2024).

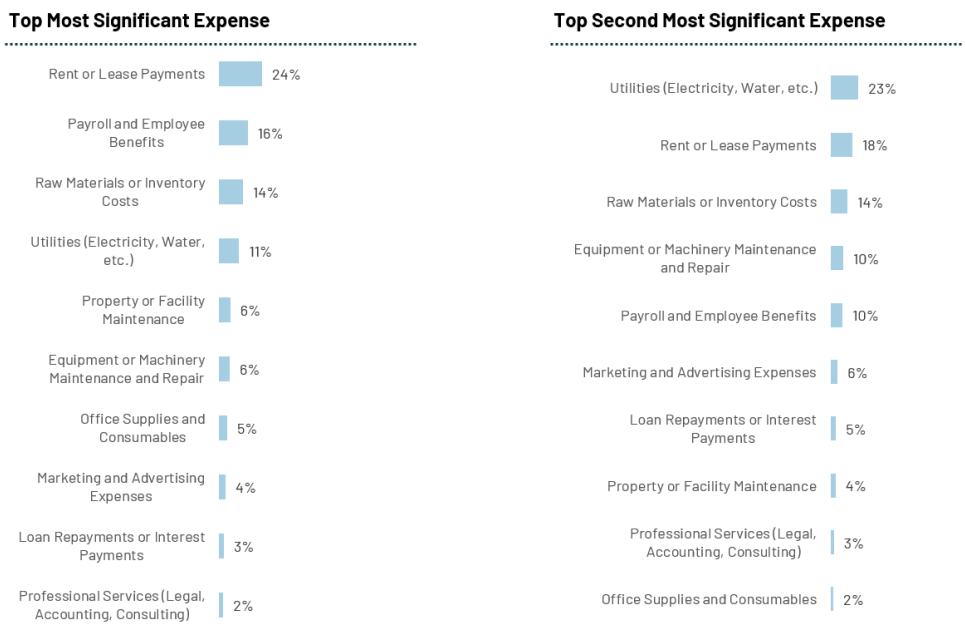
Figure 9 Funding Sources



Question/s: How do you finance your company?

When delving deeper into understanding the expenses of MSMEs, most MSMEs are burdened with operational expenses. As 24% mention that rent and lease payments are their most significant expense, followed by payroll and employee benefits. As for the second most significant expense, 23% of businesses mention utilities as shown in figure 10.

Figure 10 Business Expenses

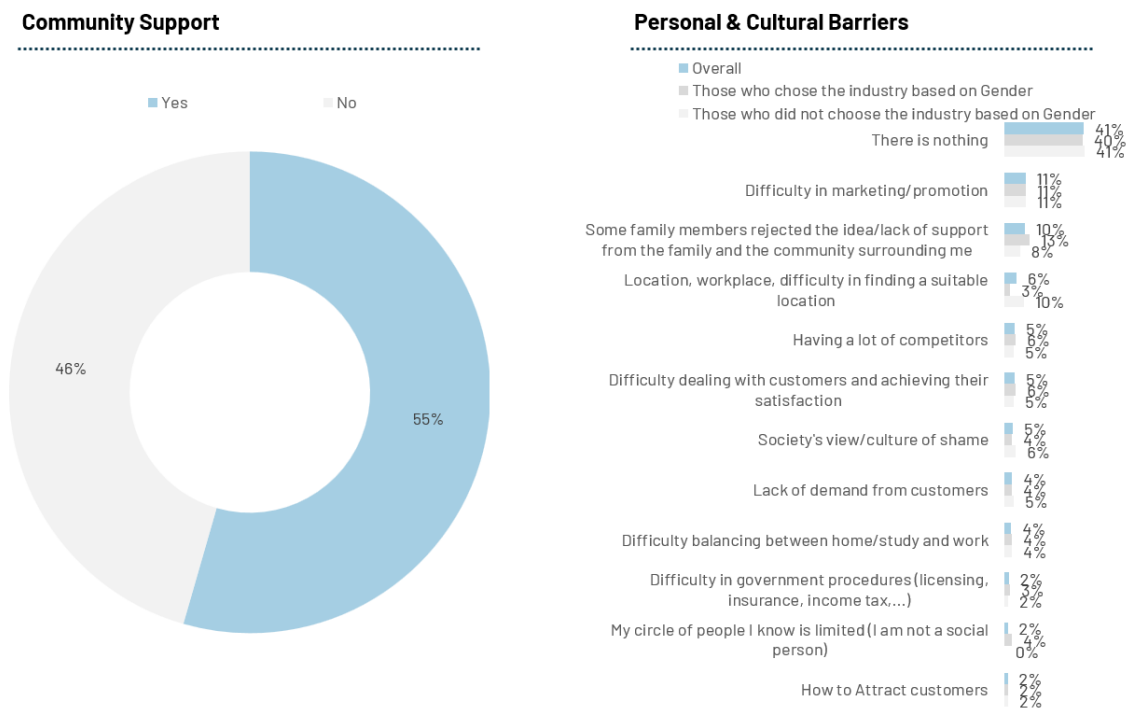


Question/s: Please rank the following expense categories in order of their significance to your company. Out of the top 5 expenses, please rank them from 1 to 5: with 5 being the highest and 1 being the lowest.

Additionally, 41% of female MSMEs mention that they do not face personal or cultural barriers. In line with that, 55% state that they have found support from the community, such as family, friends, and neighbors when opening their business.

However, 11% of businesses mentioned that they face difficulties in marketing and promoting their products and services as shown in figure 11.

Figure 11 Cultural Barriers & Support

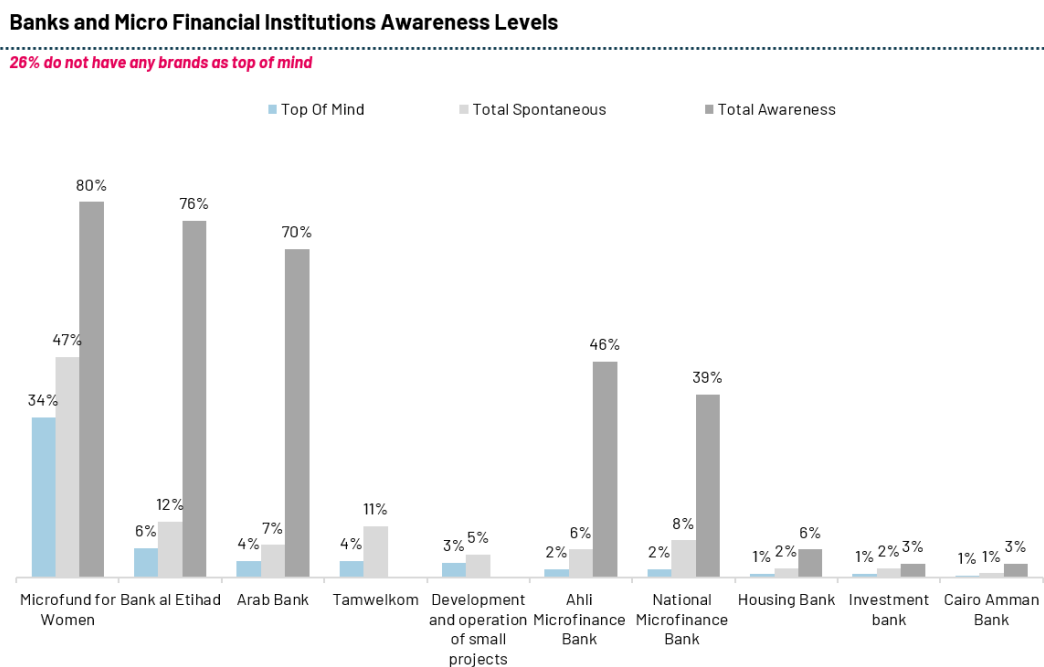


Question/s: Did you find support from surrounding people (such as family, friends, neighbors ..etc.) when opening business? What barriers in personal/cultural aspects did you face when opening and while running the business?

Financial Institutions Landscape

Generally, 26% of female MSMEs do not recall any brands when asked which bank or financial institution comes to mind first. However, Microfund for Women harnesses a 34% share of mind, with 80% of businesses being aware of it. Additionally, 12% of businesses are spontaneously aware of Bank al Etihad and 76% are aware of it as shown in figure 12.

Figure 12 Banks & Micro Financial Institutions Awareness Levels

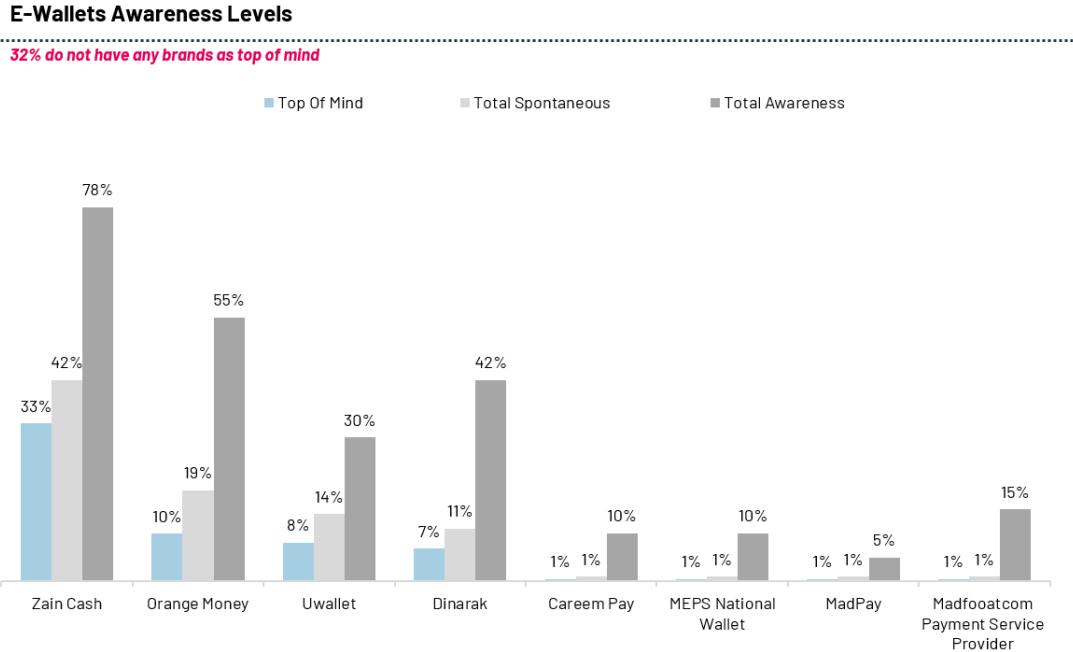


Question/s: When thinking about all banks & micro financial institutions that provide corporate/ business services to women in Jordan, which bank/financial institution comes to mind first?
Which of the following are you aware of?

As for e-wallets, 32% of businesses do not recall any brands as top of mind, while 33% think of Zain Cash when it comes to e-wallets. Zain Cash is salient among 78% of businesses and 42% are spontaneously aware of Zain Cash.

As for Orange money, 55% are aware of it; whereby it harnesses a 10% top-of-mind awareness and 19% spontaneous awareness as shown in figure 13.

Figure 13 E-Wallets Awareness Levels



Question/s: When thinking about all e-wallets that provide corporate/ business services to women in Jordan, which e-wallet comes to mind first? Which of the following are you aware of?

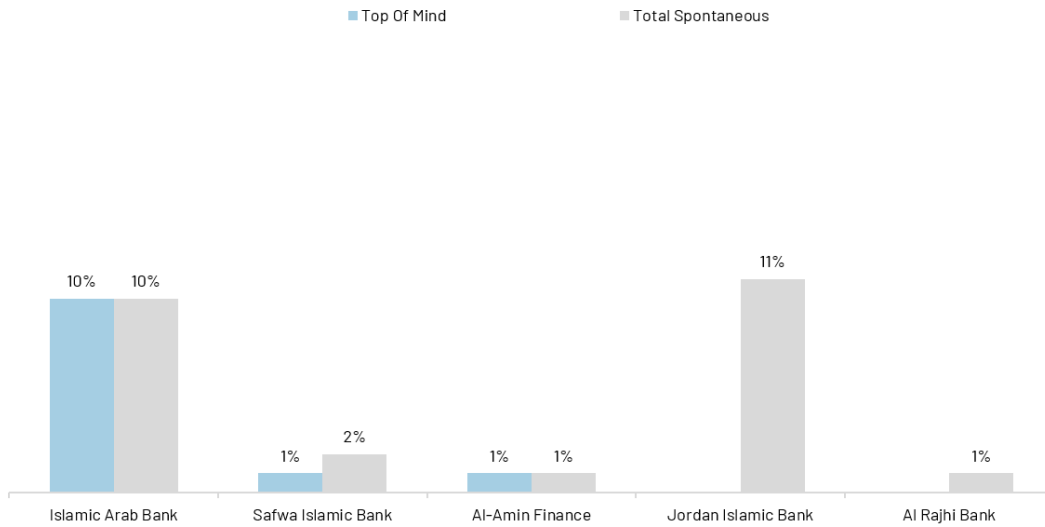
As for Islamic banks, 49% of MSMEs do not recall any brands when asked about Islamic banks and microfinance institutions.

The Islamic Arab Bank holds the highest share of mind at 10%, whereas Jordan Islamic Bank has the highest unaided awareness level at 11% as shown in figure 14.

Figure 14 Islamic Banks & Micro Financial Institutions Awareness Levels

Islamic Banks & Micro Financial Institutions Awareness Levels

49% do not have any brands as top of mind



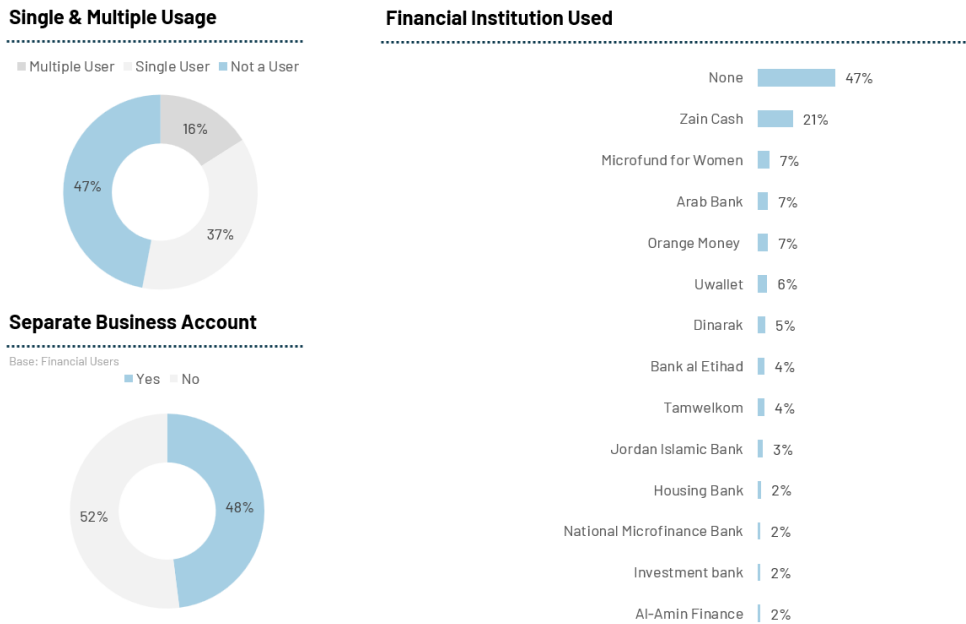
Question/s: When thinking about all Islamic banks & micro financial institutions that provide corporate/ business services to women in Jordan, which Islamic bank/financial institution comes to mind first? Which of the following are you aware of?

Moving on to the usage of financial products, 47% of MSMEs do not use any products. While 37% use one financial product product, and 16% use more than one product.

Out of those who use financial products, 48% keep separate business and personal accounts and 52% use the same account for both business and personal purposes.

The most commonly used financial product is Zain Cash, followed by Microfund for Women; whereby 21% mention that they use Zain Cash and 7% use Microfund for Women. Also, 7% of MSMEs use Arab Bank and Orange Money as shown in figure 15.

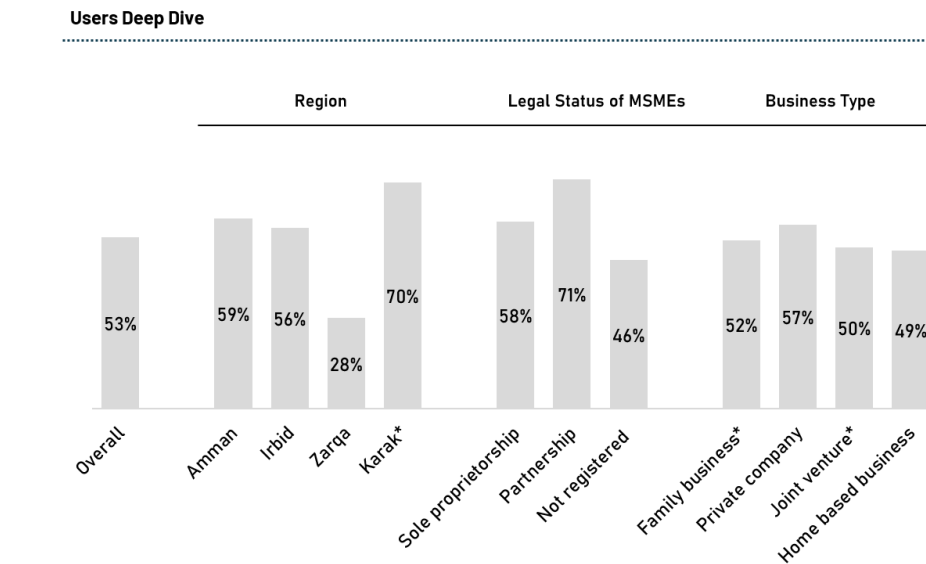
Figure 15 Financial Institutions Usage



Question/s: Which financial institution(s) does your company currently deal with? Do you keep your business account/s and personal account/s separate?

Delving deeper into user demographics, businesses in Amman and Irbid are more likely to use financial products compared to businesses in Zarqa. Additionally, partnerships are more likely to use financial products, with 71% of partnerships reporting the use of a financial product as shown in figure 16.

Figure 16 Users Deep Dive

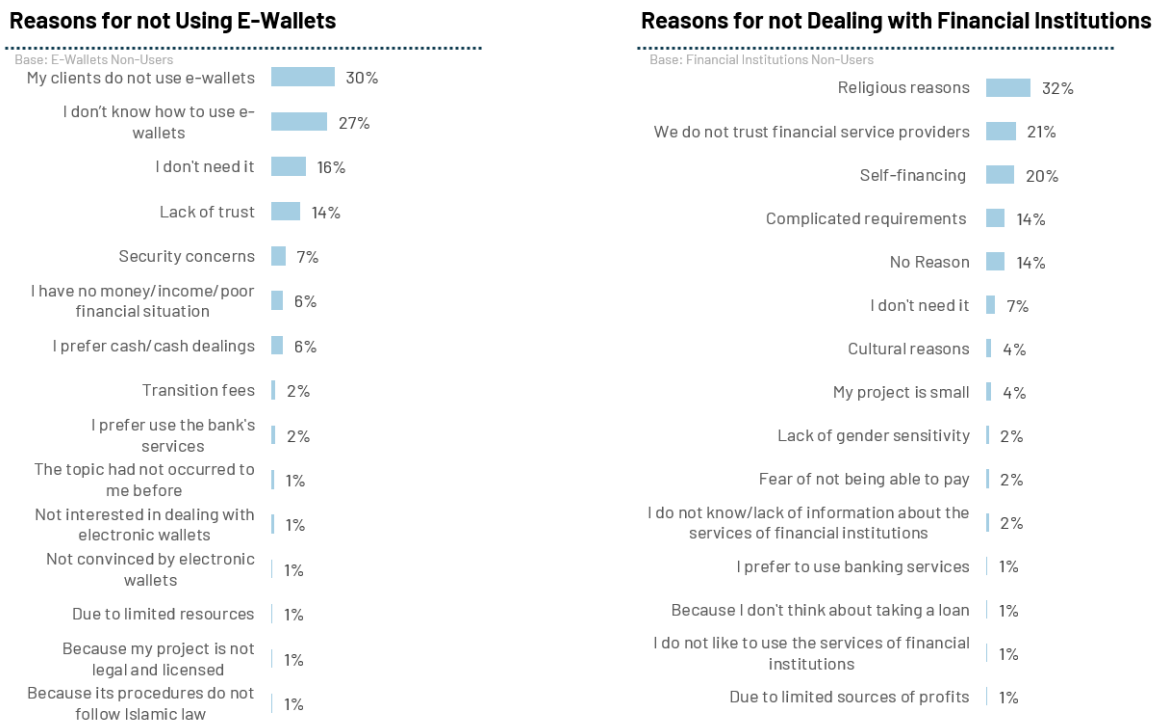


Question/s: Which financial institution(s) does your company currently deal with?
*Small Sample Size

As for non e-wallet users, 30% of them do not use e-wallets because their clients don't use them, and 27% don't know how to use them. While 16% mention that they don't need it and 14% do not trust e-wallets.

Regarding financial institutions in general, 32% do not use them due to religious reasons, and 21% do not trust financial service providers. Also, 20% mentioned that they do not use financial institutions due to self-financing, and 14% report that they don't use it due to complicated requirements as shown in figure 17.

Figure 17 Financial Products Non-Users

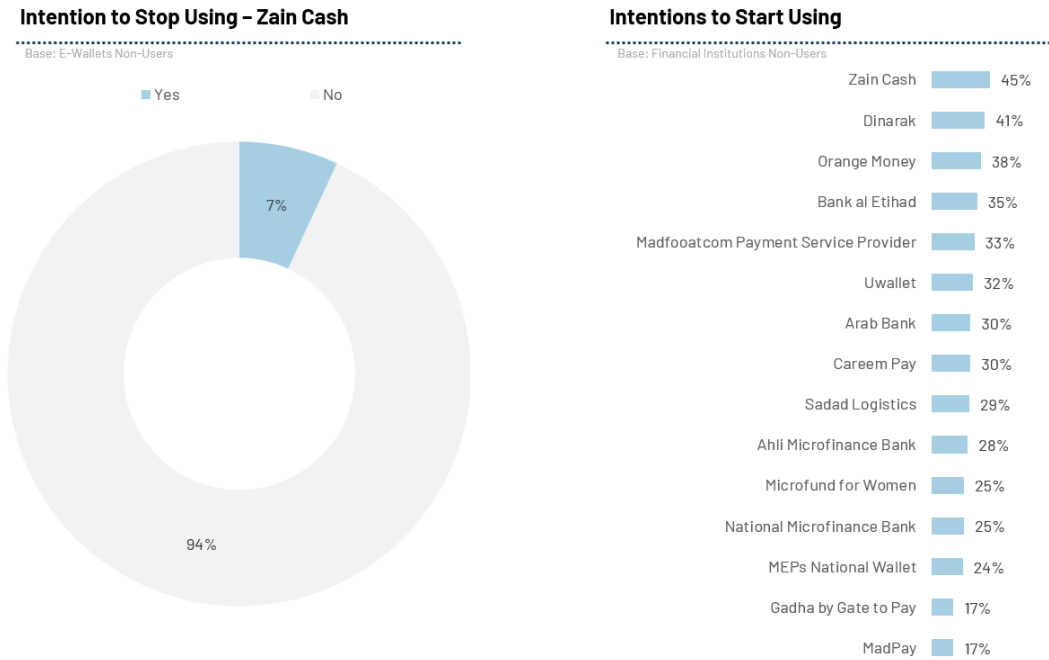


Question/s: Why doesn't your business have an e-wallet account? Why doesn't your company deal with a financial institution?

As for MSMEs future intentions, 7% of Zain Cash users mentioned that they are planning to stop using the service in the near future.

However, 45% of non-users mentioned that they would consider starting to use Zain Cash if it offered services tailored to female MSMEs and 41% mentioned that they would consider using Dinarak if they offered tailored products as shown in figure 18.

Figure 18 Future Intentions



Question/s: Is your company planning to stop dealing with the financial institutions it uses in the near future? Is your company planning to start dealing with (brand name) in the near future if they started offering services tailored for female MSMEs?

Moving on to the satisfaction levels, overall, 68% of female MSMEs are not satisfied with the corporate banking sector in Jordan. Among Zain Cash users, 78% are satisfied with the services offered and 13% are not satisfied.

To improve satisfaction among female MSMEs, 37% suggest reducing or eliminating interest rates and 17% suggest facilitating the loan application process; whereby loan facilitation process includes lower interest rates, not requesting sponsors and business registration documents as shown in figure 19.



Following the interest system according to Islamic guidelines and not complicating procedures, such as obligating us to secure a government sponsor, for example.



Simplify procedures by reducing the extensive paperwork requirements, such as requiring authorization letters from the business owner or agency to the employee.

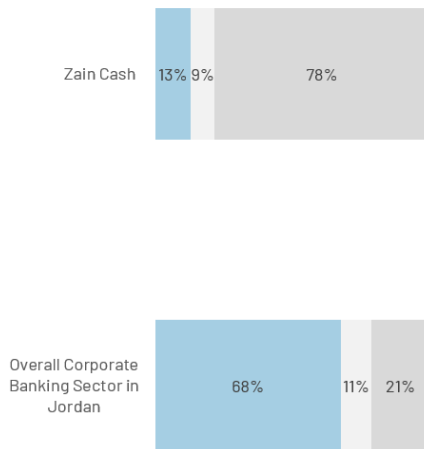
Figure

19 Satisfaction Levels

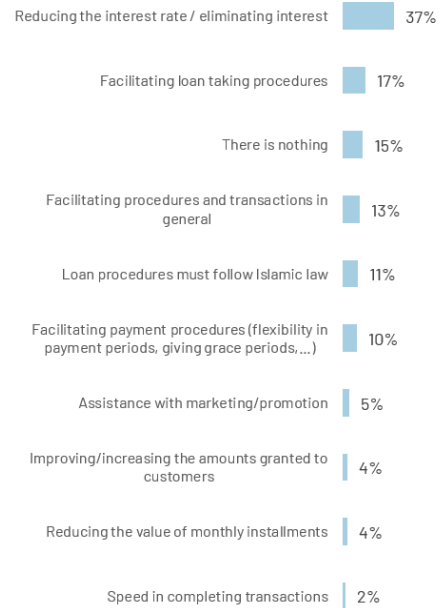
Satisfaction Levels

Base: Zain Cash Users

■ Not Satisfied (1-5) ■ Neutral(6-7) ■ Satisfied (8-10)



Suggestions To Improve Satisfaction Levels

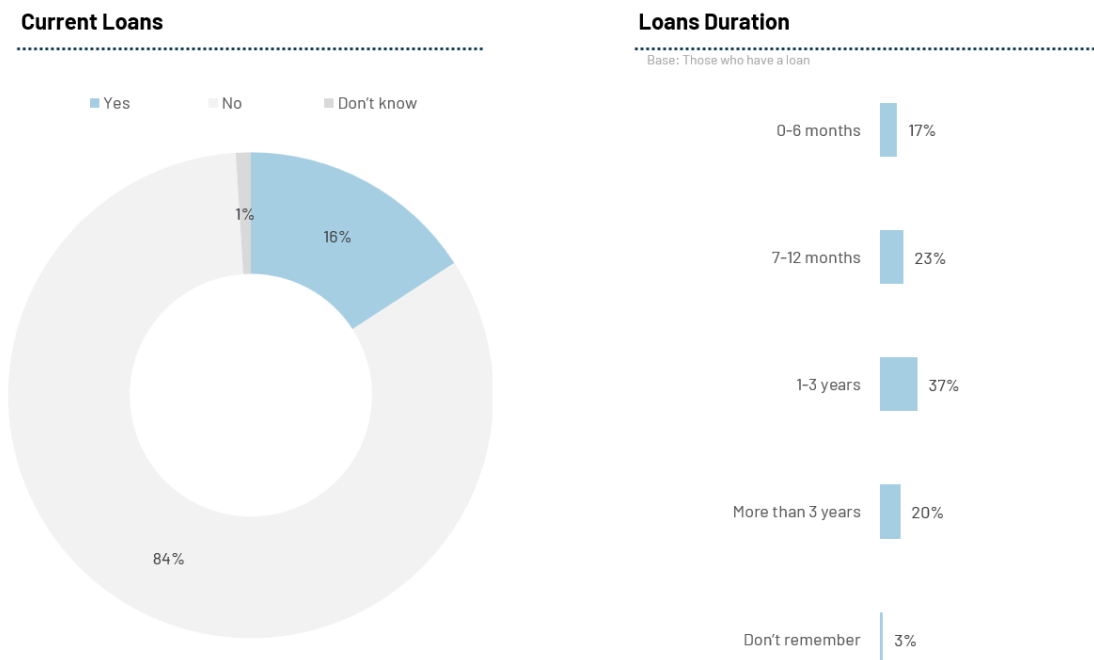


Question/s: On a scale of 1 to 10, whereby 1 is least satisfied and 10 is most satisfied, how satisfied are you with ____? What steps do you think financial institutions could take to improve your overall experience and retain your business or encourage you to start dealing with them?

Borrowing, Credit Services & Other Funding Sources

Generally, 16% of MSMEs have current loans, while 84% do not have any current loans. Among those who have a current loan, 23% have had it for 7-12 months, 37% for 1-3 years, and 17% have obtained a loan very recently (0-6 months) as shown in figure 20.

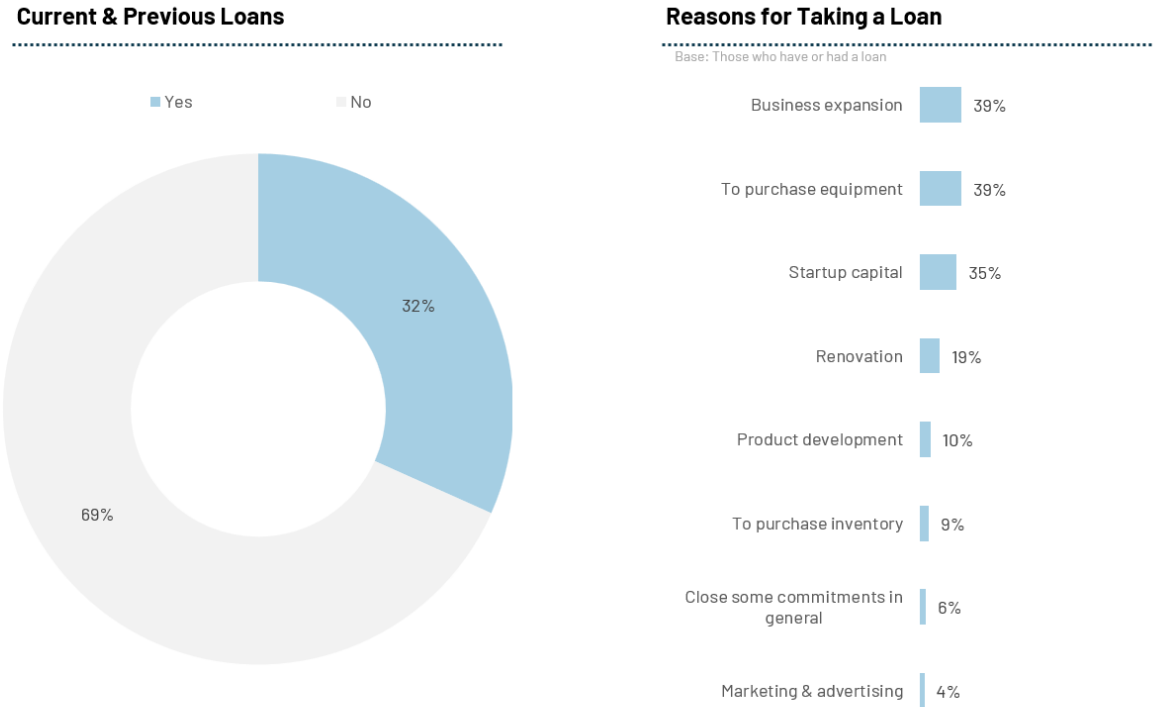
Figure 20 Loans Overview



Question/s: Does your business currently have any loans? When did your business take the loan?

In addition to that, 32% of businesses currently have or have taken a loan in the past. Among them, 39% have taken the loan to expand the business or to purchase equipment. Additionally, 35% have taken the loan as startup capital as shown in figure 21.

Figure 21 Loans Deep Dive

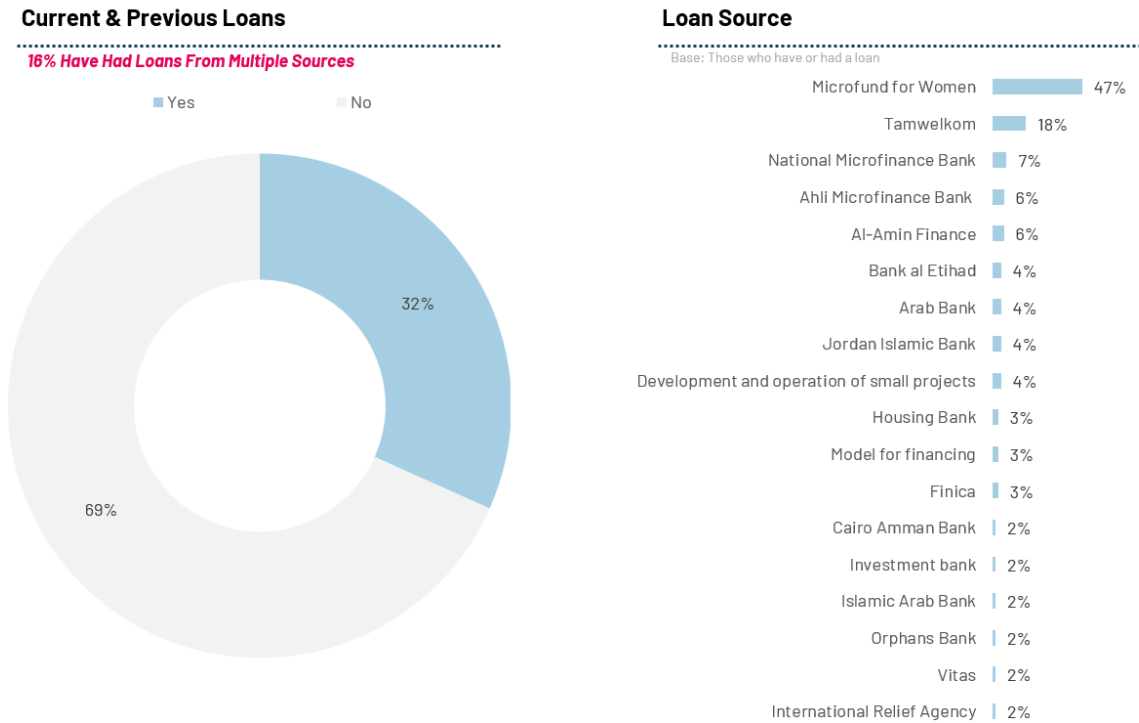


Question/s: Has your business taken out any loans since it was established? Why did your business take a loan?

As for the source of the loan, 16% of those who currently have or have had previous loans have loans from multiple sources.

Microfund for Women is the most common loan provider, with 47% mentioning that they have loans from them. Additionally, 18% mentioned that they have taken a loan from Tamweelkom. While 7% mentioned that they took their loan from the National Microfinance Bank as shown in figure 22.

Figure 22 Loan Source



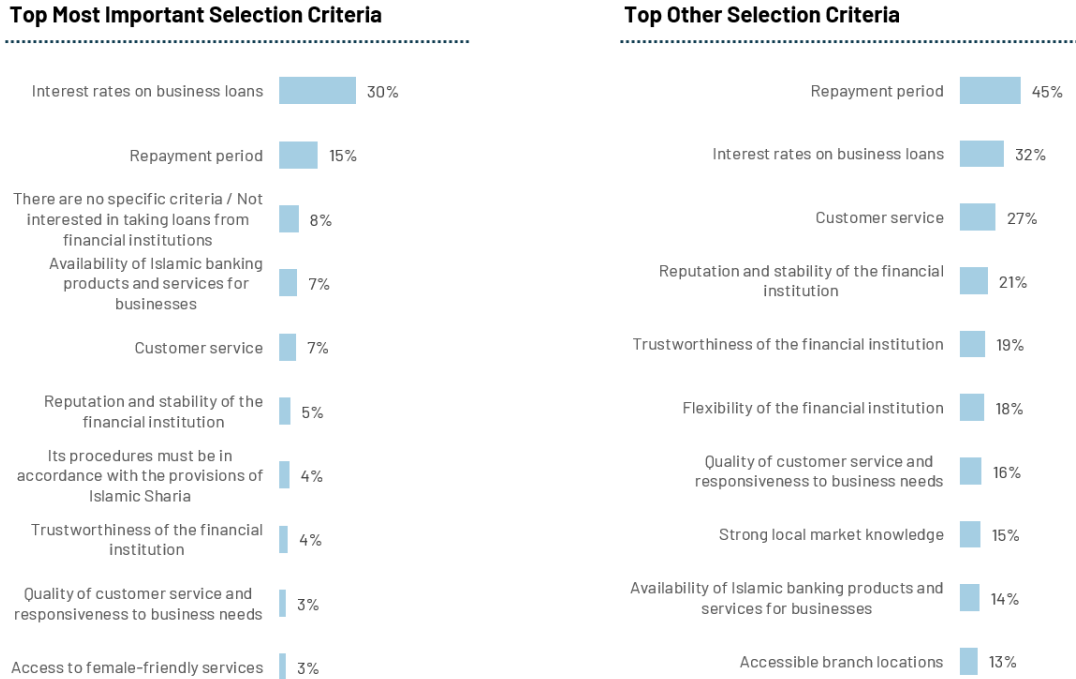
Question/s: Has your business taken out any loans since it was established? Why did your business take a loan?

As for the key criteria for selecting a financial service provider for business loans, MSMEs mostly consider the interest rates, repayment period, and the availability of Islamic banking products and services.

Having said that, 30% mentioned interest rates as their most important criterion when selecting a loan provider, while 15% mentioned the repayment period.

As for other criteria, 45% mentioned a combination of the repayment period, interest rates, and customer service as shown in figure 23.

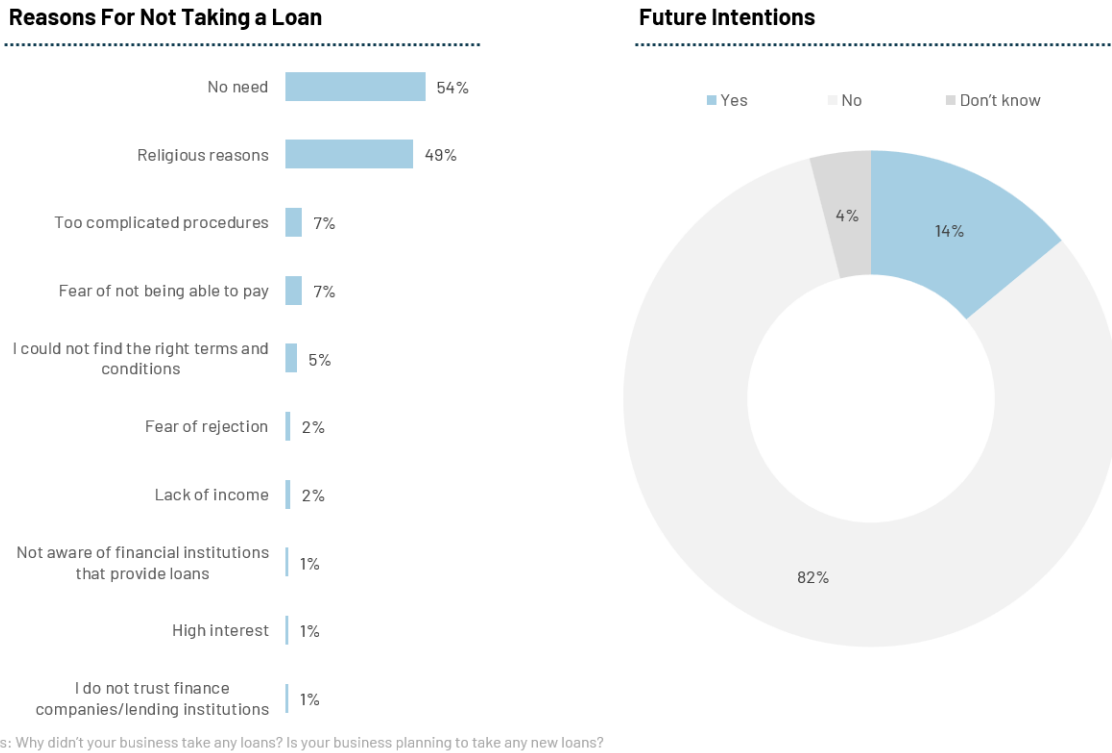
Figure 23 Loans Selection Criteria



Question/s: What is the most important criteria that your company considers when deciding on which financial service provider to take a loan from? What other criteria does your company considers when deciding on which financial service provider to take a loan from?

Generally, 54% of those who do not have a loan mentioned that they do not need one, and 49% cited religious reasons for not having loans. Also, 7% mentioned that they do not have loans due to complicated procedures and due to the dear of not being able to pay. Regardless, 14% of MSMEs intend to take new loans in the future and 82% are not willing to take loans as shown in figure 24.

Figure 24 Loans Deep Dive & Future Intentions

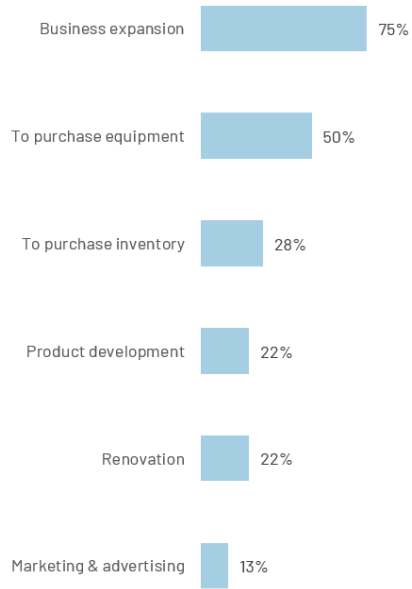


Among those who intend to take a loan in the future, 75% mention that it is for business expansion purposes, while 50% mention that it is to purchase equipment.

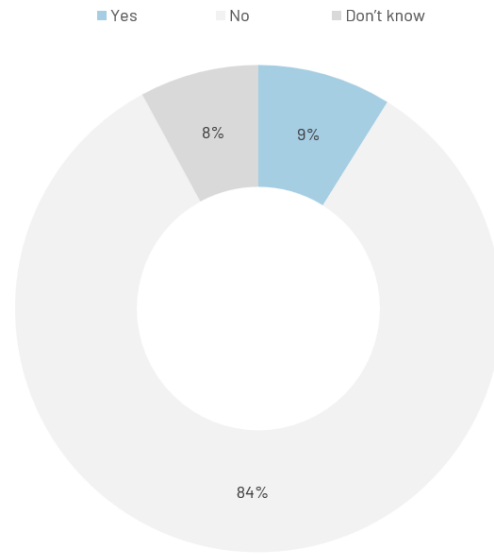
Generally, 9% of MSMEs have observed gender-specific biases or discrimination in the lending practices of financial institutions towards women entrepreneurs as shown in figure 25.

Figure 25 Loans Future Intentions

Reasons For Taking a Future Loan



Gender Biases or Discrimination



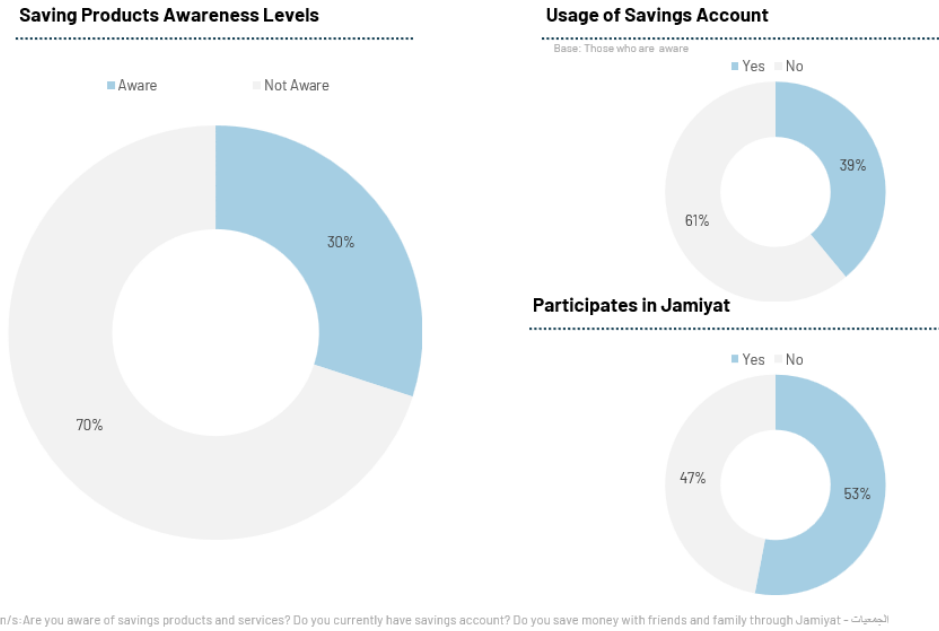
Question/s: Why is your business planning to take any new loans? Have you observed any gender-specific biases or discrimination in the lending practices of financial institutions towards women entrepreneurs

Savings

Moving on to savings products, a significant portion of female MSMEs (70%) are not aware of these products while 30% are aware of it, Among those who are aware, 39% have a savings account while more than half (61%) of them mention that they do not have a savings account.

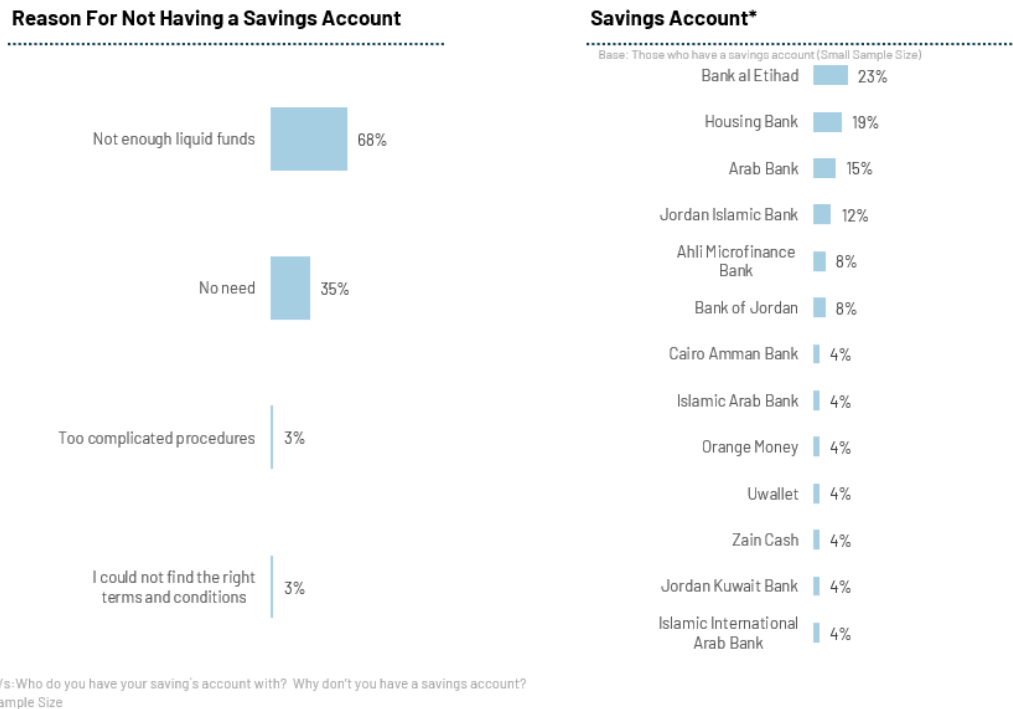
However, 53% of them participate in "Jamiyat", a savings approach commonly used in Jordan. In this system, a group of people (usually close friends and family members) join together to form a group. Each person contributes a predetermined amount of money each month, and each month, the collected amount from the whole group is given to one member of the group and this ends when everyone in the group has collected the amount. While 47% do not participate in Jamiyat as shown in figure 26.

Figure 26 Saving Overview



Among those who do not have a savings account, 68% mentioned a lack of sufficient liquid funds, and 35% felt that there was no need for a savings account as shown in figure 27.

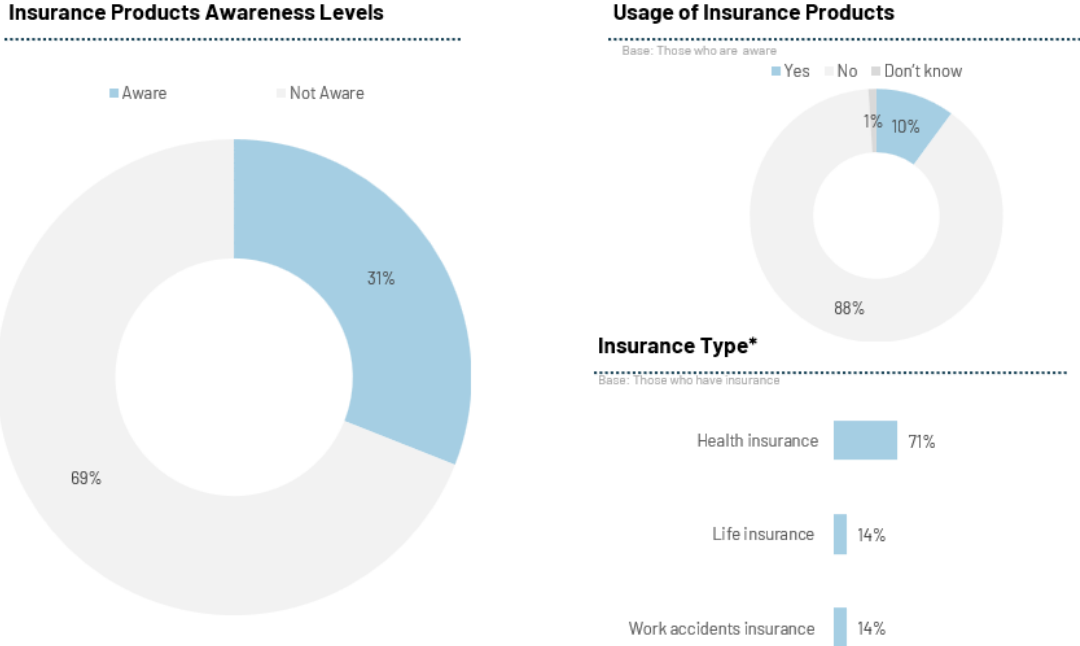
Figure 27 Savings Account



Insurance

Generally, 31% of MSMEs are aware of insurance products and out of those who are aware, only 10% have an insurance as shown in figure 28.

Figure 28 Insurance Overview

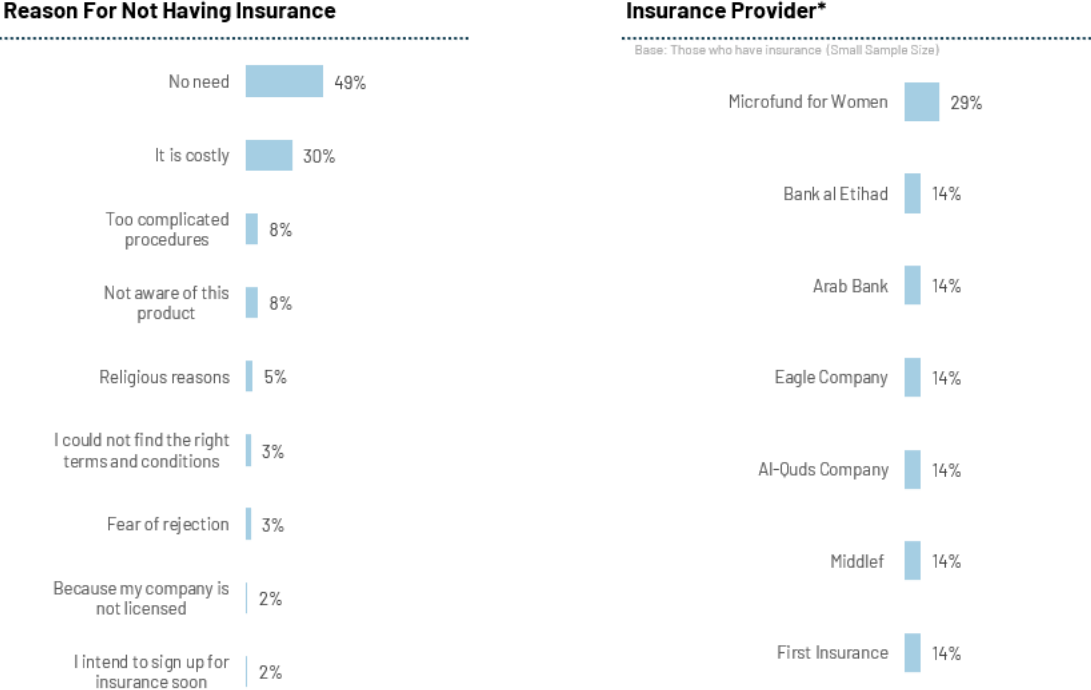


Question/s: Are you aware of insurance products and services? Do you currently have any business insurance? What sort of insurance does your business have?

* Small Sample Size

Among those who do not have an insurance, 49% believe that there is no need and 30% mentioned that it is costly. While 8% mention that their do not have an insurance due to the complicated procedures as shown in figure 29.

Figure 29 Insurance Deep Dive



Question/s: Who do you have your insurance with? Why don't you have a business insurance?
 * Small Sample Size

Attitudes Towards The Financial Sector

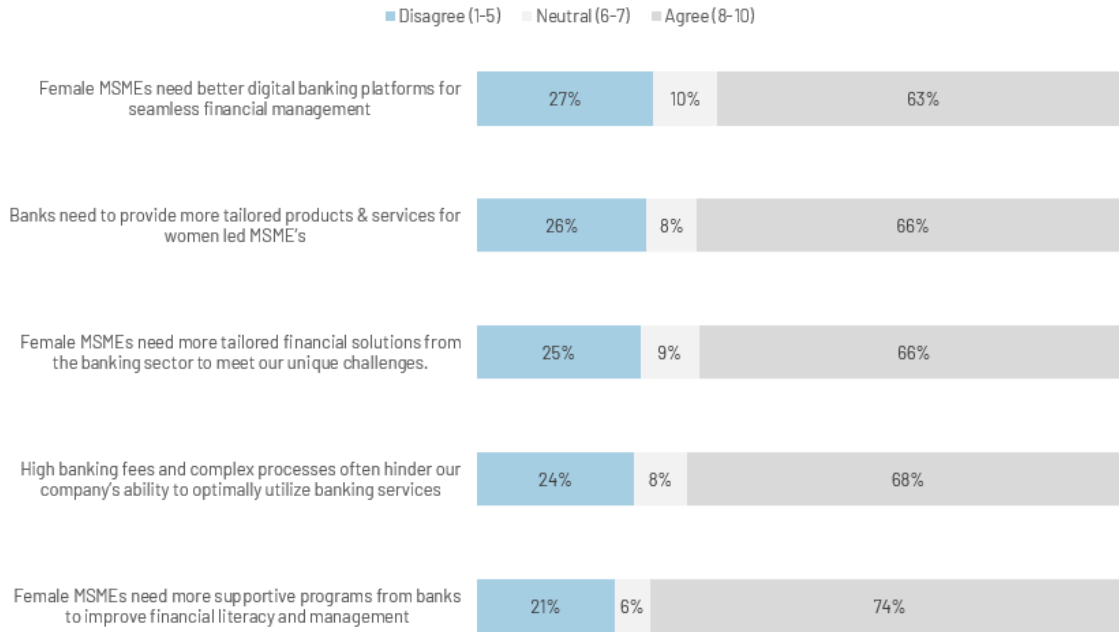
Generally, more than half of the female MSMEs agree that there is a need for improvement in the financial sector. Specifically, 63% agree that female MSMEs need better digital banking platforms for seamless financial management, and 66% believe that banks need to provide more tailored products and services for women-led MSMEs.

Additionally, 66% agree that female MSMEs require more tailored financial solutions from the banking sector to meet their unique challenges.

Furthermore, 68% agree that high banking fees and complex processes often hinder their ability to optimally utilize banking services, and 74% agree that female MSMEs need more supportive programs from banks to improve financial literacy and management as shown in figure 30.

Figure 30 Attitudes Towards the Financial Sector

Attitudes Towards the Financial Sector

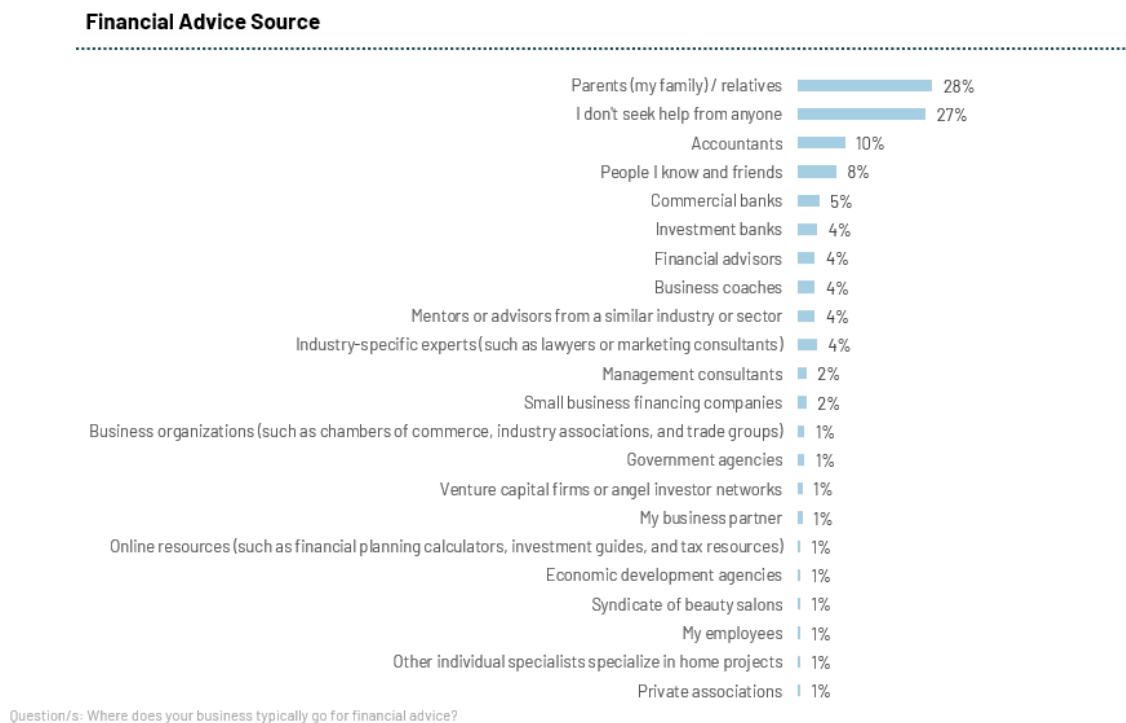


Question/s: From a scale of 1 to 10, whereby 1 means strongly disagree and 10 means strongly agree, how much do you agree with the following statements.

Seeking Financial Help

When it comes to financial advice, female MSMEs tend to mostly resort to their parents, family, and relatives, with 28% mentioning that they do so. Additionally, 27% say that they do not seek help from anyone, and 10% resort to accountants as shown in figure 31.

Figure 31 Financial Advice Sources

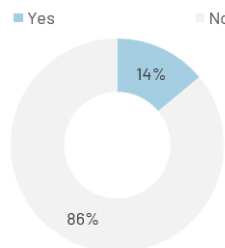


Capacity Building Trainings

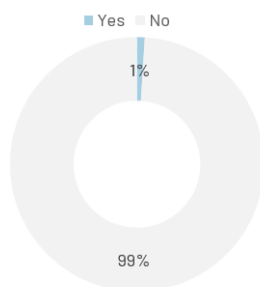
Generally, 14% of female MSMEs have participated in capacity-building training programs. Among those who participated, 36% do not remember the name of the program, 10% have taken a marketing course, and 7% have attended a financial accounting course. Additionally, only 1% of participants are beneficiaries of the DISK program.

Figure 32 Capacity Building

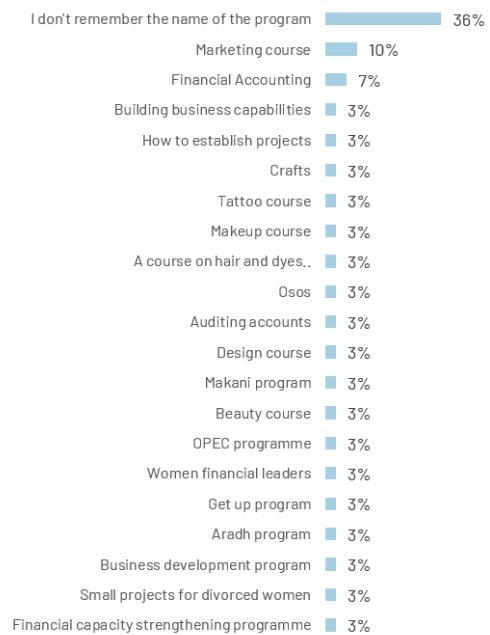
Participated in Capacity Building Trainings



DISK Beneficiary



Capacity Building Program



Question/s: Have you participated in any financial capacity building trainings before? Which programs did you participate in? Are you a DISK beneficiary?

* Small Sample Size

Financial Institutions Perceptions

Financial Institutions Perceptions:

Despite relatively lower awareness levels regarding Islamic financial institutions, 36% of female MSMEs perceive them as entities that strengthen financial stability, while 30% believe they are similar to other financial institutions. Additionally, 28% view them as institutions that prohibit paying interest (Riba) as shown in figure 33.

Figure 33 Islamic Banking Perceptions

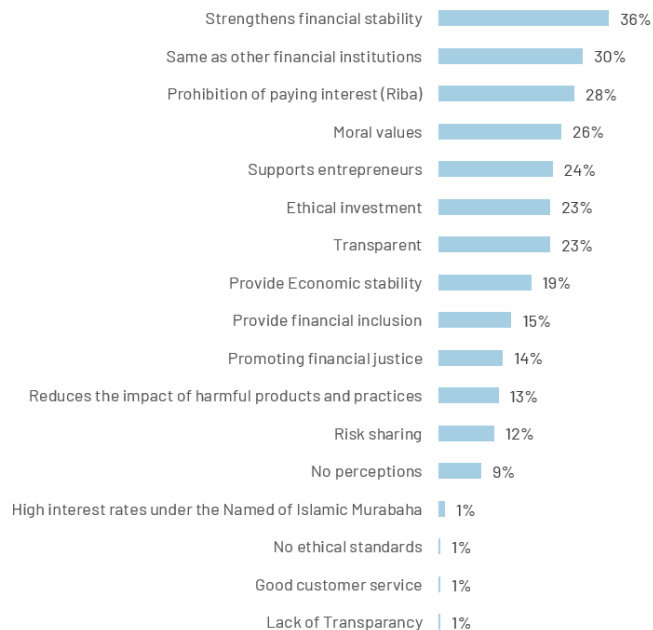
Banks and E-wallets Perceptions:

Analysis on Brand image in absolute does not take into account the impact of brand size i.e. the “brand effect”. In order to take into account the impact of *brand size*, analysis is conducted to identify the *relative* strengths and weaknesses of the brand.

The relative strengths and weaknesses of a brand are identified by indexing across two dimensions.

- **Comparing one attribute of the brand vs. the other brands:** this takes out the “Category attribute effect” (some general category attributes get high associations because they apply to all brands).
- **Comparing one attribute vs. other attributes for the brand:** this takes out the “brand effect” (big brands have a strong association with all attributes).

Islamic Banking Perceptions



Question/s: Do you think that Islamic Banks are:

PRINCIPLE OF DOUBLE NORMALIZATION ANALYSIS IS ILLUSTRATED BELOW

Normalization is key to interpret imagery

We apply double normalization analysis to identify core strengths or differences between sub-groups.



*Big & Small bears have the same size of head
But relative to his size, Small bear has a big head
... it could be used as a distinguishing feature to describe him*

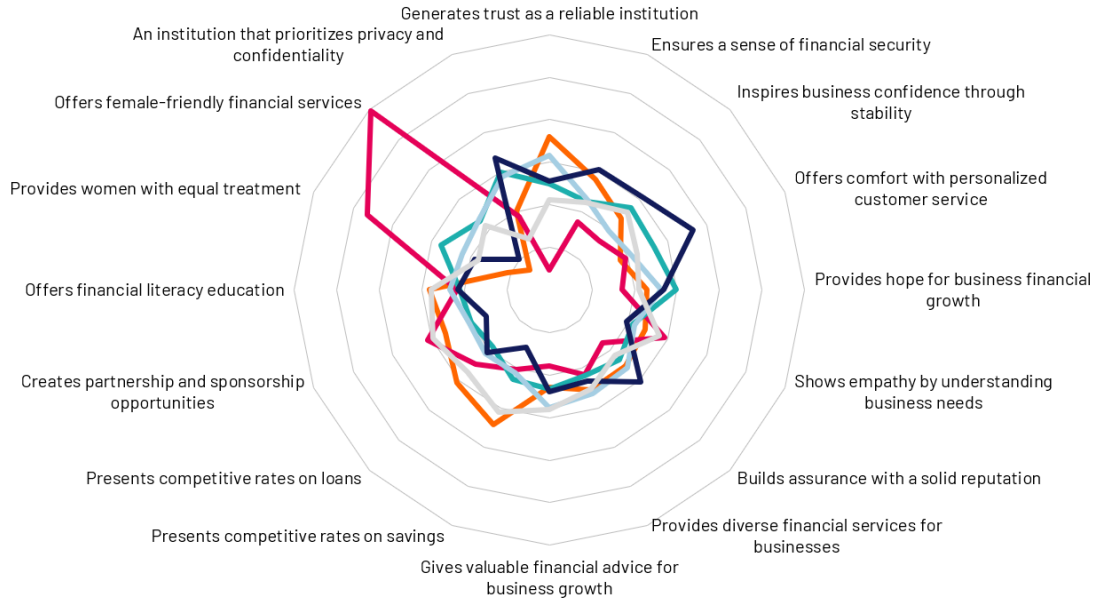
**SO HIS HEAD IS WHAT MAKES HIM DIFFERENT
FROM BIG BEAR RELATIVE TO HIS SIZE**

Generally, Microfund for Women stands out as an institute that offers female-friendly financial services and provides women with equal treatment. While Arab Bank is seen as a bank that offers comfort with personalized service. Bank al Etihad is seen as a bank that presents competitive rates on savings, provided competitive loan rates, and rates as well as an institution that generates trust and is reliable as shown in figure 34.

Figure 34 Financial Institutions Perceptions

Brand Imagery Analysis

■ Bank al Etihad
 ■ Microfund for Women
 ■ Ahli Microfinance Bank
 ■ National Microfinance Bank
 ■ Arab Bank
 ■ Tamweelkom



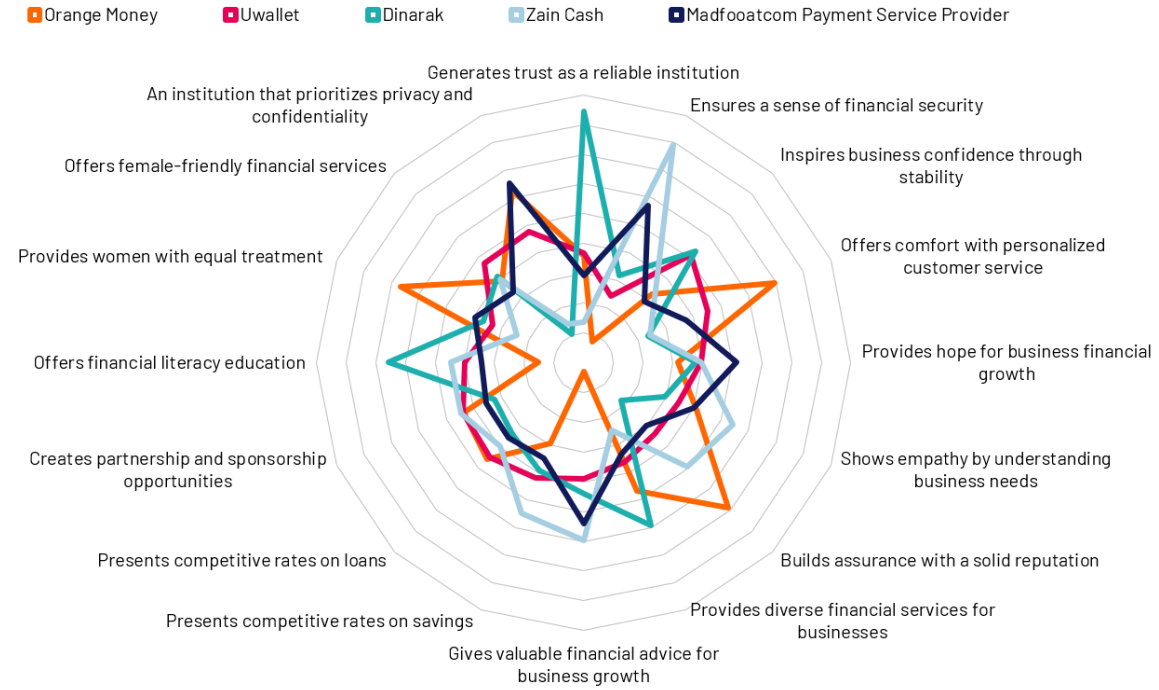
Question/s: As a key decision maker within your organization, for each statement that I will read to you, which bank/institution applies for each statement? Do not worry if you are not familiar with all these institutions, it is your impressions we are interested in.

As for e-wallets, they tend to have a more distinct brand image and brand perception. Whereas Orange Money is seen as an e-wallet that provides women with equal treatment, offers comfort with personalized customer service, and assurance with a solid reputation.

While Zain Cash is perceived to ensure a sense of financial security, showing empathy by understanding business needs and presenting competitive rates on loans. As for Dinarak it is seen to offer financial literacy and education as well as an institution that generates trust as a reliable institution and providing diverse financial services for businesses as shown in figure 35.

Figure 35 E-Wallets Perceptions

Brand Imagery Analysis



Question/s: As a key decision maker within your organization, for each statement that I will read to you, which bank/institution applies for each statement? Do not worry if you are not familiar with all these institutions. It is your impressions we are interested in.

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