

RESEARCH ARTICLE

Sachetization of Financial Services in Nigeria



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Abstract: The practice of sachetization, which involves the breaking down of financial services into smaller, more affordable and accessible units, has emerged as a defining feature of Nigeria's financial inclusion landscape. This paper seeks to address the growing mismatch between the expanding availability of micro-value digital financial products and the persistent structural, behavioral, and regulatory barriers that influence how low-income users actually experience these offerings. This paper draws on a qualitative review of policy documents, sector reports, and relevant case studies to analyze how sachetized offerings such as micro-savings, microcredit, micropensions, microinsurance, and low-cost investments are reshaping financial access. The findings demonstrate that sachetization facilitates financial inclusion by aligning with irregular income patterns and leveraging agent-mediated, mobile-driven distribution to lower entry barriers. However, its efficacy is constrained by product design, affordability, and inconsistent consumer protection, validating the study's theoretical framework. While these innovations expand access, they introduce significant trade-offs: high transaction volumes and weak oversight risk over-indebtedness, opaque pricing, and systemic instability. The Nigerian context reflects global trends but faces idiosyncratic pressures from extreme income volatility and agent dependency. This paper provides a conceptual contribution by defining sachetization as a distinct inclusion mechanism and an empirical contribution by mapping its risks and policy requirements. Ultimately, its developmental impact depends on transparent pricing, robust protection, and adaptive regulation. The study advocates for context-sensitive design and further research into long-term user welfare and sustainability.

Keywords: sachetization, financial inclusion, fintech, digital finance, mobile money

1. Introduction

Financial exclusion remains a significant barrier to sustainable development, as communities lacking access to formal financial services frequently find themselves ensnared in cycles of poverty and inequality [1]. Enhancing financial inclusion provides a means for transformation by equipping individuals with the necessary tools to manage risks, foster resilience, and participate fully in economic activities [2]. Fintech is crucial in this context, not as a final solution but as a catalyst for inclusive growth. When properly regulated and ethically implemented, digital finance has the potential to expedite advancements toward the Sustainable Development Goals [3].

However, significant disparities persist in Nigeria: a considerable portion of adults continues to be underserved by formal banking systems, while numerous businesses and households depend on informal financial mechanisms [4]. At the same time, advancements in digital technologies and the establishment of agent networks have opened up new avenues for service delivery [5]. Borrowing a concept from consumer marketing, where products are offered in small, low-cost sachets to enhance affordability and accessibility [6], fintech companies and banks are adopting the practice of sachetization in financial services. This involves delivering micro-value transactions and micro-products that align with the irregular cash flows and risk profiles of low-income users, particularly in low-income markets [7].

Despite its growing prevalence in industry discussions, the term sachetization is not precisely defined, and its analytical boundaries remain unclear in existing scholarship. In this paper, sachetization is explicitly defined as the intentional unbundling and downsizing of financial services into highly granular, low-value, on-demand units that are intended to accommodate liquidity constraints, irregular income streams, and behavioral patterns typical of financially excluded households.

This paper examines the sachetization of financial phenomena in Nigeria: the different forms it takes, its importance for financial inclusion and sustainability, and the related risks and design factors that should guide policymakers, fintech companies, and financial institutions. The review acknowledges the use of secondary evidence instead of original empirical data and integrates inherent limitations into the conceptual model to maintain analytical coherence.

The problem this study addresses is the absence of a systematic evaluation of sachetization as a mechanism for financial inclusion, despite its proliferation across savings, credit, insurance, payments, and investments in Nigeria. Although research in digital finance has grown considerably, existing evaluations seldom examine how hyper-fragmented financial products alter user vulnerabilities, provider sustainability, regulatory practices, and long-term welfare outcomes. The absence of a conceptual and evaluative framework for comprehending sachetized financial services creates a significant knowledge gap that this study aims to address.

Accordingly, the motivation for this research stems from both policy urgency and theoretical necessity: sachetization is rapidly

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expanding, yet its developmental significance, associated risks, and institutional implications are still not well understood. This study concentrates specifically on Nigeria's digital and agent-driven financial ecosystem and refrains from generalizing beyond comparable low-income contexts.

The contribution of this study is twofold. First, it maps the conceptual landscape and practical patterns of sachetized finance in Nigeria, utilizing policy documents, sector reports, and illustrative examples from companies. Secondly, it synthesizes evidence regarding outcomes and trade-offs, while proposing a pragmatic agenda for safe scaling and identifying research priorities.

To further strengthen clarity and analytical direction, this study is guided by the following research questions: RQ1: How can sachetization be conceptually defined and distinguished within the broader digital finance and financial inclusion literature? RQ2: In what forms is sachetization manifesting in Nigeria, and how do these micro-products shape financial inclusion, user behavior, and sustainability outcomes? RQ3: What risks, trade-offs, and regulatory implications arise from sachetized financial services, and what design or policy principles are required to ensure safe and equitable scaling? These questions articulate the scientific problem, clarify the scope of inquiry, and provide a coherent structure for the evaluation that follows.

2. Literature Review

Over the last decade, digital financial services have significantly transformed the landscape of global financial inclusion. Mobile money has played a particularly pivotal role, providing access to millions who were previously without banking services [8]. The expansion of agent networks, Unstructured Supplementary Service Data (USSD) platforms, and innovations in fintech have alleviated the barriers of distance and cost that have historically limited financial access [9]. Recent developments, however, demonstrate that digitalization is increasingly shaped by convergences between blockchain technologies, artificial intelligence (AI), machine learning, deep learning, and federated learning, forming new paradigms for secure, personalized, and scalable financial service delivery [10]. Blockchain–AI hybrids enhance data integrity, intrusion detection, authentication, and decentralized processing, underscoring their relevance for inclusive digital ecosystems [11].

However, research indicates that technology by itself is insufficient to ensure meaningful participation. The design of financial products, their affordability, and the level of trust that users have in providers are critical determinants of both adoption and ongoing engagement [12]. Currently, digital channels serve as the primary means of interaction between low-income households, microenterprises, and the formal financial sector. Mobile wallets, agent banking, and central bank digital currencies (CBDCs) facilitate small-value, high-frequency transactions, which align well with the irregular income patterns of low-income users [3, 13].

For micro, small, and medium-sized enterprises (MSMEs), digital tools contribute to reducing transaction costs, enhancing record-keeping, and providing access to new markets through the integration of e-commerce [14]. AI-driven analytics and federated learning models further support MSMEs by enabling decentralized, privacy-conscious credit assessments, while blockchain-supported audit trails improve traceability and trust, which is especially crucial in markets with low trust. Despite these gains, the adoption of digital technologies remains inconsistent. In cases where products are simple, adaptable, and affordable, such as pay-as-you-go credit, micro-savings, or microinsurance, adoption

tends to rise, thereby enhancing household resilience [3, 15]. Conversely, solutions that necessitate smartphones, dependable connectivity, or sophisticated digital skills frequently marginalize rural communities, women, and other disadvantaged groups [16].

Dupas and Robinson [15] demonstrate that biases like temptation spending, present bias, and limitations in self-control hinder the savings of low-income households. These findings provide critical behavioral insights applicable to the development of digital finance solutions. Straightforward, friction-reducing design in sachetization is necessary for leveraging behavioral design to transform small, frequent, and low-effort actions into lasting financial discipline.

These inequalities underscore that digital finance does not automatically ensure inclusion. Its effectiveness is contingent upon additional investments in digital infrastructure, regulatory frameworks, and consumer protection initiatives that shield vulnerable users from threats such as fraud or excessive debt [9]. Regulatory and consumer protection literature [12, 17] shows that inadequate safeguards can exacerbate exploitation risks within digital ecosystems, especially where algorithmic decision-making or automated credit scoring intersects with vulnerable consumers. In summary, although digital delivery has opened remarkable opportunities for integrating low-income populations into the financial system, its genuine potential resides in guaranteeing that products are not only technologically accessible but also socially and economically significant.

Within this context, sachetization stands out as a particularly effective product strategy aimed at reaching consumers with limited financial resources. Emerging from the fast-moving consumer goods (FMCG) sector, sachetization pertains to the design and distribution of products in small, affordable units that align with the daily income patterns of low-income households, thereby minimizing upfront financial risks [6, 18]. Small-sized product formats enhance affordability, increase trialability, and reduce purchase anxiety [18]. Likewise, past studies [19, 20] emphasize that granular, high-frequency cash flows influence decision-making among low-income consumers, making micro-sized financial offerings a rational design response. These insights are particularly pertinent to financial sachetization.

At its essence, sachetization entails the creation of micro- and nano-sized product formats that uphold the same quality as standard offerings while being packaged to ensure both physical and financial accessibility [21, 22]. In addition to affordability, the existing literature identifies three primary benefits. First, sachetization increases flexibility, allowing consumers to adjust their spending according to fluctuating cash flows [23]. Second, it capitalizes on extensive distribution networks, especially informal retail channels that are crucial for bottom-of-the-pyramid markets [20]. Third, it promotes consumer experimentation, enabling individuals to test products at a low cost prior to making more significant commitments [24]. Behavioral insights suggest that small-amount commitments exploit mental accounting in ways that reduce perceived risk, facilitating both onboarding and sustained usage [25].

Moreover, sachetization aids in building consumer trust, as small trial purchases reduce the perceived risks associated with trying new products or services. From a business standpoint, it also serves as a survival tactic. Sachetization helps maintain demand during times of increased taxes and diminished purchasing power by reducing entry costs while ensuring that firms remain competitive in unstable markets [21]. Recent digital-led sachetization models also incorporate blockchain-based tokenization for fractional products and AI-based personalization to tailor

micro-offers dynamically to behavior patterns [7]. These technological enablers extend the classical FMCG logic into digital finance.

While there are few academic studies that explicitly reference the term sachetization in the context of finance, the fundamental concepts are extensively examined in literature concerning financial inclusion, microfinance, digital finance, and fintech [26–29]. In financial terms, sachetization manifests as offerings such as micro-savings, small-value loans, tokenized payment systems, and pay-as-you-go insurance [24, 30]. The increasing collaborations between fintech companies and traditional banks have expedited the customization and personalization of financial services, leading to the creation of bite-sized products specifically designed to meet the requirements of low-income consumers [12].

In a broader context concerning financial services, sachetization refers to the creation of accessible products, including micro-savings, fractional investments, or microinsurance, which maintain quality while being tailored to accommodate the irregular income patterns of underserved households. This approach not only enhances financial access but also fortifies resilience by reducing entry barriers [21]. Global evidence from Kenya’s M-Pesa ecosystem [8] and impact evaluations of digital credit [31] show that granular financial tools can meaningfully affect welfare, though risks of over-borrowing and unstable business models persist.

Simply offering micro-value transactions and micro-products does not inherently lead to significant financial inclusion [32]. There are still considerable risks involved. Researchers caution that inadequately designed sachetization strategies could subject vulnerable consumers to unforeseen expenses, exploitative pricing, or even debt entrapment [12, 33]. These risks intensify when algorithmically driven credit assessments or automated repayment systems operate without transparency or recourse mechanisms, particularly in environments with weak regulatory oversight [34]. This underscores the necessity for meticulous product design that transcends mere affordability. The true promise of sachetization resides in achieving a balance that enhances accessibility while incorporating protections that safeguard consumers and promote enduring financial stability.

2.1. Theoretical framework

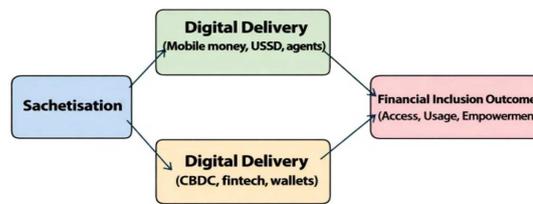
Theories of financial inclusion emphasize that access to formal financial services is not only about availability but also about affordability, usability, and trust. Classic models highlight the “access frontier,” where low-income households remain excluded due to high entry costs, geographical barriers, and lack of appropriately designed products [9, 19]. Complementary to this, digital intermediation theory stresses how technology reduces transaction costs and overcomes infrastructural constraints by linking dispersed populations to financial systems through mobile money, agent networks, and digital wallets [8]. Contemporary extensions of this theory integrate distributed ledger technologies, AI, and federated learning, which together create decentralized, secure, and adaptive architectures capable of supporting high-frequency, low-value transactions with enhanced transparency and personalization [10, 11].

Within this broader landscape, sachetization emerges as a distinctive business model that addresses affordability and liquidity constraints by breaking down services—savings, credit, insurance, and pensions—into micro-sized units. Much like sachet products in consumer goods, sachet finance lowers the threshold for entry, allowing individuals with irregular or minimal income to participate. It also provides firms with a means of

preserving demand during periods of inflation and economic uncertainty, by aligning product design with the cash-flow realities of low-income consumers [21, 22]. Bottom of the Pyramid (BoP) frameworks [19, 20] frame sachetization as a rational response to the high-frequency financial behaviors of low-income households, while behavioral economics highlights how micro-commitments leverage mental accounting and mitigate present bias.

The conceptual framework developed for this study (Figure 1) situates sachetization and digital intermediation as complementary mechanisms that expand reach, sustain engagement, and enhance resilience. It situates sachetization as a gateway that interacts with various digital delivery systems comprising mobile money, USSD banking, CBDCs, and fintech wallets. The model emphasizes significant mediating factors, specifically product design, consumer protection, and financial literacy, which influence whether the outcomes favor empowerment or exploitation [12, 33]. This aligns with regulatory scholarship emphasizing that governance frameworks and responsible innovation determine the trajectory of inclusion outcomes [12].

Figure 1
Conceptual framework of sachetization and digital delivery for financial inclusion in Nigeria



The framework illustrates a two-stage mechanism through which sachetized financial products and digital intermediation jointly expand inclusion. Stage 1 (Sachetization) lowers affordability and liquidity barriers by offering micro-value financial products aligned with irregular income flows. Mediating factors—such as product design, user protection, affordability, and financial/digital literacy—shape whether users experience empowerment or exploitation. Stage 2 (Digital Intermediation) enables access and distribution through mobile money, USSD channels, agent networks, CBDCs, fintech wallets, and emerging technologies such as blockchain-enabled micro-contracts and AI-driven personalization. Together, these mechanisms lead to financial inclusion outcomes including expanded access, sustained engagement, enhanced resilience, and increased consumer trust. Macro-level enablers such as regulation, infrastructure, and consumer protection frameworks influence all stages.

Together, these components form a two-step process. Sachetization reduces affordability barriers, while digital delivery tackles infrastructural challenges. This interaction ultimately results in inclusion outcomes, such as wider access, ongoing engagement, and heightened empowerment. When augmented by the verifiability of blockchain, AI-driven risk assessment, and behavioral insights into micro-decision-making, this two-step model becomes more robust, encapsulating the interplay between technological enablers, economic constraints, and user psychology.

3. Research Methodology

This study is a qualitative, theory-building review that is grounded in a systematic examination of policy and regulatory

documents, global and sectoral reports, as well as published empirical literature concerning digital finance, agent networks, and micro-product design. A structured source-selection strategy was implemented to ensure transparent and reproducible coverage. Searches were performed across academic databases, specialized repositories and gray-literature sources, and broad search engines between January 2010 and June 2025 using a set of pre-defined keywords and Boolean strings (e.g., “sachetization” OR “micro-pack” OR “low unit pack” AND “digital finance” OR “mobile money” OR “micro-savings” OR “micro-credit”; “tokenization” OR “blockchain” AND “micropayment” OR “CBDC” AND “inclusion”).

Searches targeted English-language documents and were supplemented by targeted website searches of major fintech providers, central bank publications, and industry reports. Each search (date, database, query) was documented in a review log to facilitate replication.

Furthermore, illustrative examples from practitioners, which were derived from publicly accessible company descriptions, product announcements, and case studies, were synthesized to delineate various business models. Materials examined are documented explicitly as policy texts, industry surveys, major NGO/think-tank reports, peer-reviewed empirical studies, and firm-level public materials. All examined documents and their bibliographic records are available on request.

The sources were chosen for their relevance to Nigeria or similar African contexts and were subjected to thematic content analysis to uncover recurring design features, advantages, and risks associated with sachetized financial services. Selection criteria required that sources (a) address sachetized or micro-value financial products, digital delivery channels, or the enabling technology stack; (b) be empirically grounded, policy-oriented, or a primary industry report; and (c) have clear provenance (author, year, and publisher). Documents were excluded if they were purely promotional materials without substantive technical or policy detail, duplicates, or not retrievable in full text.

A potential limitation of this study is its reliance on secondary sources and illustrative examples instead of primary data; thus, the findings are indicative and meant to inform future empirical research. Where possible, numerical claims reported in the findings were cross-checked across multiple sources, and only the original data sources were directly cited in the manuscript.

4. Findings

From the desk review and Nigerian case evidence, five key findings emerge about how sachetization is unfolding in the financial services landscape.

4.1. Multiple forms of sachetization are in use

Sachetization in Nigeria today cuts across savings, credit, investment, insurance, and everyday payments, reflecting the country’s diverse income patterns and financial needs. One of the most visible forms is micro-transaction bundles, where very small fees are charged for routine retail payments such as transport fares or market purchases. Although per-transaction charges are regulated by the Central Bank of Nigeria (CBN), costs still vary by provider, especially for merchant payments and USSD-based transactions [35].

Micro-savings products have also gained traction, helping users put aside small sums that match irregular cash flows. Features like “round-up” savings or automated daily deposits are

increasingly offered by fintechs. Platforms such as PiggyVest (SafeLock, Piggybank), FairMoney (FairLock, FairSave), and Renmoney (RenFlex, RenVault) enable users to save tiny amounts consistently, even when incomes fluctuate [35]. Digital microloans are another rapidly growing segment, typically sized to meet daily or weekly household needs and disbursed through mobile wallets or agent networks. While these loans provide critical short-term liquidity, they also carry high repayment risks, with monthly interest rates often above 10% [31].

Beyond credit and savings, micropensions and microinsurance are emerging as tools for financial resilience, targeting informal workers and low-income households excluded from traditional systems [35, 36]. Sachetization also extends into investment, with platforms like Risevest and Bamboo allowing Nigerians to invest in foreign currency in small increments as a hedge against naira depreciation and inflation. This diversification is reinforced by global industry trends: in 2024, the mobile money industry recorded double-digit growth in registered and active accounts, with West Africa a major contributor [37].

Taken together, these patterns demonstrate the breadth of sachetization as both a product strategy and a financial access mechanism. Consistent with the theoretical framework, sachetization lowers affordability barriers (Stage 1), yet the maturity of supporting digital intermediation (Stage 2) and the strength of mediating factors, particularly consumer protection, shape whether inclusion translates into long-term empowerment or heightened vulnerability.

4.2. Distribution is predominantly agent- and mobile-led

Agent networks and mobile platforms have become the backbone of sachetized finance in Nigeria. Agents facilitate cash-in and cash-out for users without easy access to bank branches, enabling micro-transaction flows at scale. Between 2018 and 2023, adult usage of financial service agents rose from just 4% to 54% [35], making agents the first and sometimes only access point for many rural households [17].

Mobile wallet adoption is accelerating, with millions of Nigerians using digital wallets [38]. Young adults (defined as 18–35 by the African Youth Charter) are leading this shift [39], as roughly three-quarters use digital channels for everyday payments. The value of mobile money transactions in Nigeria continues to witness year-on-year growth, reflecting a massive shift in consumer adoption [13, 38].

Globally, mobile money transaction volumes increased by 20% in 2024, with a growing share of transfers occurring digitally rather than in cash [37]. Bank-to-mobile and mobile-to-bank flows are becoming increasingly common in West Africa, reinforcing mobile-first habits among Nigerian users.

These distributional dynamics underscore the critical role of digital intermediation in the theoretical framework: sachetized products depend on widely distributed digital touch points to achieve scale, but the accessibility of these touch points varies by geography, digital literacy, and gender. Such disparities influence whether sachetization broadens or narrows the access frontier, highlighting the importance of distribution infrastructure as a mediating factor.

4.3. Product design aligns with informal cash flows

The success of sachetization rests on the degree to which products are tailored to Nigeria’s informal and irregular cash-flow

patterns. Traders, farmers, and casual workers tend to transact in small amounts on a daily or weekly basis, making flexible repayment schedules, low minimum savings thresholds, and pay-as-you-go models particularly attractive. National surveys show that “little or irregular income” as a barrier to financial inclusion rose from 31% in 2020 to 49% in 2023 [35].

Industry evidence confirms that this pattern is not unique to Nigeria: in 2024, transaction volumes across mobile money grew faster than values, implying that more people were making smaller, frequent payments [37].

These patterns closely reflect the behavioral logic embedded in sachetization: consumers facing liquidity constraints prefer small, frequent commitments that align with mental accounting processes and reduce the psychological burden associated with larger lump-sum transactions. The theoretical framework therefore positions sachetization as a mechanism that both recognizes and operationalizes the behavioral and structural realities of low-income financial life, making product-design alignment an essential determinant of uptake and sustained use.

4.4. . Business model and sustainability trade-offs

Because revenues from sachetized products are inherently small, providers must depend on high transaction volumes, lean operating models, and alternative monetization strategies. Many fintechs subsidize sachetized offerings at early stages to attract customers, later recovering costs through merchant fees or by cross-selling higher-value services [34]. Yet affordability remains a pressing issue: about 33 million Nigerian adults, roughly 30% of the population, report that service charges are unaffordable [17].

The broader industry picture reflects similar tensions. While global mobile money volumes rose by around 20% in 2024, most providers still rely primarily on customer fees as their revenue source. At the same time, cash-out ratios are declining, and digital transfers are rising—trends that reduce operational costs but may also compress revenue streams [37].

Interpreting these developments through the theoretical framework highlights an important structural dilemma: sachetization widens access, but commercial sustainability, an implicit macro-level enabler, depends on whether providers can diversify revenue sources or achieve sufficient scale without undermining affordability. This structural tension may shape the long-term viability of sachetized financial ecosystems in Nigeria.

Analyzing these developments within the theoretical framework reveals a significant structural challenge: while sachetization enhances accessibility, the underlying macro-level factor of commercial sustainability relies on the ability of providers to either diversify their revenue streams or attain adequate scale without compromising affordability. This structural conflict could influence the long-term sustainability of sachetized financial ecosystems in Nigeria.

5. Consumer Protection and Regulatory Gaps Persist

Sachetization also raises risks: over-indebtedness from easily accessible microcredit, opaque pricing, weak redress mechanisms, and data privacy concerns. Although regulatory frameworks such as the CBN’s National Financial Inclusion Strategy and mobile money guidelines provide a foundation, oversight has not kept pace with the rapid innovation of sachetized models. Mwesigwa [17] found that 24 million formally served Nigerians had experienced surprise fees, with only 30% properly informed about pricing changes, eroding trust in digital-first providers.

Global industry data reinforces the urgency of stronger regulation. As mobile money providers expand into adjacent services such as credit, savings, and insurance, many products operate in regulatory gray zones across Africa [37]. Without updated oversight, Nigerian consumers risk exploitation rather than empowerment.

These risks directly reflect the mediating role of consumer protection in the theoretical framework: even when sachetization and digital intermediation effectively expand access, inadequate regulatory design can convert opportunities into exposures, thereby weakening the resilience and empowerment outcomes expected from inclusive financial systems.

Table 1 summarizes how sachetization is unfolding in Nigeria across savings, credit, insurance, pensions, and investment, largely distributed through agent networks and mobile wallets. While these models expand access and align with irregular cash flows, affordability pressures, weak consumer protection, and regulatory gaps remain significant [17, 31, 35]. These dynamics mirror broader global trends, where mobile money ecosystems are diversifying but continue to face tensions between inclusion, sustainability, and oversight [37]. The emerging framework of sachetization of financial services in Nigeria is presented in Figure 2.

Table 1
Findings on sachetization of financial services in Nigeria

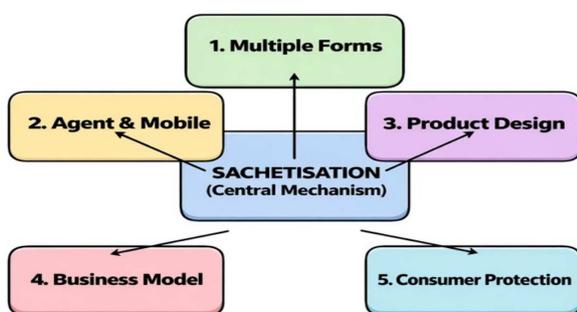
Focus area	Evidence from Nigeria	Comparative insights [37]
Forms of sachetization	Sachetization spans micro-payments, micro-savings, digital credit, microinsurance, micropensions, and micro-investments. Fintech platforms (e.g., PiggyVest, FairMoney, Renmoney) enable saving, borrowing, and investing in very small increments, reflecting irregular income flows. Digital microloans remain prevalent but risky due to high interest rates and short repayment cycles. Microinsurance and micropension models target informal sector workers excluded from formal schemes. [31, 35]	Global mobile money ecosystems increasingly bundle credit, savings, and insurance with payments. Diversification patterns mirror Nigerian experiences, with small-unit products gaining traction in low-income markets.

(Continued)

Table 1
(Continued)

Focus area	Evidence from Nigeria	Comparative insights [37]
Distribution channels	Agent networks now underpin sachetized finance, with usage rising from 4% in 2018 to 54% in 2023 [35]. Mobile wallets exceed 30 million users, driven largely by youth adoption. Data from the Nigeria Inter-Bank Settlement Systems showed licensed operators processed ₦71.5 trillion in 2024, representing a 53% year-on-year increase.	Mobile money volumes grew by 20% globally in 2024, with West Africa among the strongest performers. Bank-to-mobile and mobile-to-bank flows are rapidly expanding across emerging markets.
Alignment with informal cash flows	Sachet products reflect daily or weekly cash cycles typical of traders, farmers, and casual workers. Little or irregular income as a barrier to inclusion rose from 31% in 2020 to 49% in 2023, reinforcing structural demand for flexible, low-commitment financial tools. Micro-savings, pay-as-you-go utilities, and micro-investments match these fragmented income patterns. [35]	Globally, transaction volumes are rising faster than transaction values, confirming a shift toward small, high-frequency payments.
Business models and sustainability	Sachetized finance depends on scale, lean operations, and cross-subsidization. Many fintechs initially subsidize micro-products and later recover costs through merchant fees or higher-value services. 33 million Nigerian adults (about 30% of the population) still perceive service charges as unaffordable. [17]	Despite growth, most providers globally still rely on user fees for sustainability. Declining cash-out ratios and rising digital transfers may reduce costs but also compress fee-based revenues.
Consumer protection and regulation	Risks include over-indebtedness from frictionless microcredit, surprise or opaque fees (experienced by 24 million adults), weak redress mechanisms and low complaint resolution rates, and data privacy concerns. Trust in fintechs remains lower than in banks. Regulatory frameworks exist but lag behind sachetized innovation. [17]	Many sachetized digital products in Africa operate in regulatory gray zones. Without adaptive oversight, sachetization could reinforce exclusion and vulnerability instead of empowerment.

Figure 2
Emerging framework of sachetization of financial services in Nigeria



6. Discussion

The findings reveal sachetization as both an innovation and a tension point within Nigeria’s financial inclusion landscape.

Its central strength lies in offering flexible, low-threshold entry into savings, credit, insurance, pensions, and investment that map closely onto the irregular rhythms of informal livelihoods. For many Nigerians, the ability to save or borrow in tiny increments is not only practical but essential, reflecting the fragmented and unpredictable nature of income in everyday life. In this sense, sachetization functions as a socio-technical adaptation, translating the logic of daily subsistence into financial products. This directly addresses RQ1 by defining sachetization, focusing on affordability, liquidity alignment, and compatibility with the decision-making processes of low-income individuals. This establishes a unique conceptual framework that is distinct from closely related microfinance and digital finance.

However, these opportunities coexist with serious risks. The rapid spread of digital microcredit, often priced at double-digit monthly interest rates, echoes earlier microfinance crises where easy access translated into debt distress rather than empowerment. Affordability concerns are equally acute, with millions of adults perceiving service charges as prohibitively high. The sustainability of sachetized business models also remains fragile. Providers

of sachetization in financial services rely heavily on transaction fees while consumers push back against costs, creating a delicate balance between inclusion and exploitation. Moreover, regulatory frameworks have not kept pace with innovation. Gaps in consumer protection, opaque pricing, and weak redress mechanisms threaten to erode trust and expose vulnerable users to harm. These dynamics respond to RQ2 and RQ3 by showing how sachetization manifests across product categories while revealing structural trade-offs between access, revenue models, and regulatory capacity.

What becomes apparent is a complex scenario: sachetization enhances accessibility while simultaneously increasing reliance on unstable digital ecosystems, integrating daily financial requirements into a framework that is still commercially vulnerable and inconsistently regulated. Global parallels reinforce these dynamics; however, Nigeria's situation is characterized by its unique dependence on agent-driven distribution and the fluctuations in household earnings, which heighten the importance of secure design. The interplay between sachetization (as an affordability mechanism) and digital intermediation (as a scale mechanism) reinforces the theoretical model's proposition that inclusion outcomes hinge on mediating factors, particularly product design, user literacy, and consumer protection enforcement.

Restating the core findings more explicitly, the review shows that (i) sachetization is already deeply embedded in Nigerian financial life through multiple product forms, (ii) distribution is overwhelmingly mobile- and agent-led, (iii) product design is tightly aligned with informal cash flows, (iv) business models face sustainability constraints, and (v) regulatory and consumer protection gaps persist. Together, these findings advance the literature by conceptualizing sachetization not merely as micro-pricing but as a structurally adaptive, behaviorally informed financial architecture that reshapes how underserved populations interact with formal finance.

Study limitations include reliance on secondary sources that may introduce selection or reporting bias; considerable variation across states, gender, and income groups that this review cannot fully disaggregate; and limits to generalizing Nigerian patterns to other African markets with different regulatory, cultural, or infrastructural conditions.

7. Conclusion

Sachetization represents not merely a fleeting trend but a fundamental transformation within Nigeria's financial services sector, altering the manner in which households interact with money in ways that are simultaneously empowering and fraught with risk. This review reinforces that sachetization has expanded rapidly because it lowers affordability thresholds, mirrors informal income rhythms, and leverages agent- and mobile-based delivery systems, yet its benefits remain unevenly realized due to structural, behavioral, and regulatory constraints.

More explicitly, this paper contributes by formalizing sachetization as a financial inclusion concept with definable boundaries, linking sachetized product design to digital intermediation pathways, and demonstrating how sachetization mediates inclusion, risk exposure, and sustainability outcomes within Nigeria's agent-led financial landscape.

Ultimately, ongoing research and monitoring are vital to assess how sachetization influences welfare outcomes, ensuring that it develops into a genuine avenue for inclusion rather than a source of financial vulnerability. Sachetization's long-term promise will depend on context-sensitive design and adaptive

regulation that allow micro-value products to scale safely and equitably.

8. Recommendations

The enduring developmental significance of sachetization will hinge less on its initial appeal and more on the governance, pricing, and integration of this model within the broader financial ecosystem. Key measures include enhancing consumer protection, guaranteeing transparency in fee structures, and establishing safeguards against excessive indebtedness.

It is imperative for service providers and policymakers to strive for a balance between affordability and sustainability by expanding product offerings beyond credit to include micropensions, microinsurance, and low-cost investment options that foster resilience instead of creating short-term dependency. The expansion of agent networks and digital infrastructure can enhance accessibility while reducing costs; however, these advancements must be accompanied by more robust oversight to avert the emergence of new forms of financial exclusion.

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Ethical Statement

This study does not contain any studies with human or animal subjects performed by the author.

Conflicts of Interest

The author declares that he has no conflicts of interest to this work.

Data Availability Statement

Data sharing is not applicable to this article as no new data were created or analyzed in this study.

Author Contribution Statement

Oluwaseun James Oguntuase: Conceptualization, Methodology, Software, Validation, Formal analysis, Investigation, Resources, Data curation, Writing – original draft, Writing – review & editing, Visualization, Supervision, Project administration, Funding acquisition.

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