

EXECUTIVE SUMMARY

While many researches have focused on factors influencing the reimbursement of credit or leading to delays in repayment, few studies have been carried out to determine the reasons for borrowers' drop-out. Therefore, this paper aims to contribute to the literature by addressing this subject through a case study of an MFI in Mali named Nyèsigiso. Indeed, this issue is interesting for Nyèsigiso because the MFI has a total number of 2 138 voluntary members dropping out during the last two years.

We would not be able to investigate all those 2 138 drop-out members; this would be too costly and time-consuming. So we have randomly selected 15 percent of the total drop-out population. It made a sample of 320 people. Amongst those people, a rate of 45,31% was achieved, so only 145 respondents, including 104 men and 41 women have been investigated.

According to the result of analysis, we find out nine categories of factors leading to members' dropping out in Nyèsigiso. Some of them such as unsatisfied financing expectations; migration; personal reasons; dissatisfaction with products and services; distance; competition and communication strategy have been cited by previous literature. However, other unusual reasons such as discourtesy; employee's departure and compulsory competition have been found out, which instead, were not mentioned in previous literature as causes leading to members dropping out. Moreover, it seems to be the members' decision to leave. The survey shows that 52,83% members dropping out from Nyèsigiso collaborate with other financial institutions such as commercial banks (63,66%), other MFIs (31,84%), government projects (3,10%) and associations (1,40%). Consequently commercial banks are the first competitors of the MFI. However, 63,48% of members confirmed that they would collaborate again with the MFI if Nyèsigiso improves their policies and strategies in order to meet their business needs and insure their vulnerability. Thus, some suggestions have been made by drop-out members to the MFI which are related to the enhancement of products and services.

Moreover, a profile of drop-out members has been determined. This profile is particularly interesting because it can help the MFI to highlight the clientele who is at risk of dropping out and identify risk borrowers even before they drop out. The profile is analysed with five criteria and twenty-four indicators. Those criteria and indicators combine qualitative and quantitative information. It shows that a drop-out member is typically a male employee between 21 and 35 years old, whose expectations of financing are not met and who has a relationship with the MFI for a duration between one and thirty-six months.