

**Behavioral Themes**  
Planning, tangibility

**Sector**  
Financial inclusion

**Project Type**  
Field experiment

**Sample Size**  
423 participants



# Using behavioral science to convert bank customers to digital accounts







Photo credit: Bailery Torres

## Context

### How can we encourage usage of a new, digital account among bank users?

Low product uptake and usage are common barriers faced by digital financial services. Busara worked with a financial services provider in Tanzania to try to understand the behavioral challenges to their customers using a more digitally-native account. The FSP had highlighted that despite countless marketing efforts, overall usage was low.

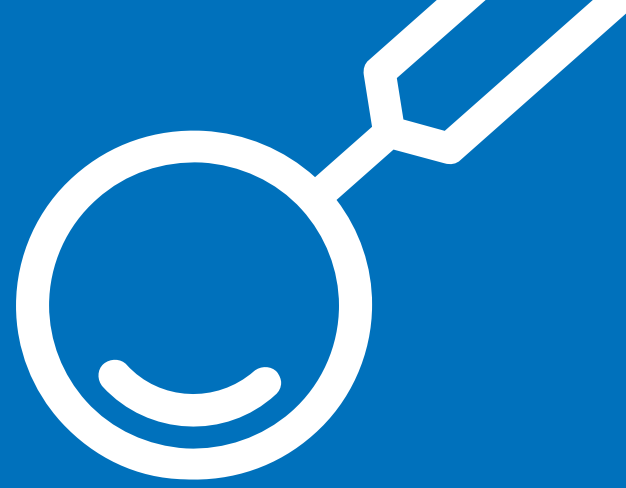
Busara designed a set of complementary interventions that could be deployed at the branch level to visiting customers to help nudge them towards their new, digital accounts.

### A behavioral science approach

Users engaging with a digital financial services are subject to a number of competing priorities for their time. Beyond the obvious structural barriers of prohibitive costs, literacy rates, or digital connectivity, there are further behavioral barriers that can come into play. Limited attention, unclear benefits, and a tendency to procrastinate could all contribute to limited engagement for a new digital financial service.

In this project, Busara was commissioned to design a set of behavioral interventions that would increase usage of a new digital account in Tanzania. This project aimed to explore how an understanding of the underlying behavioral biases might lead to increased usage of the account.





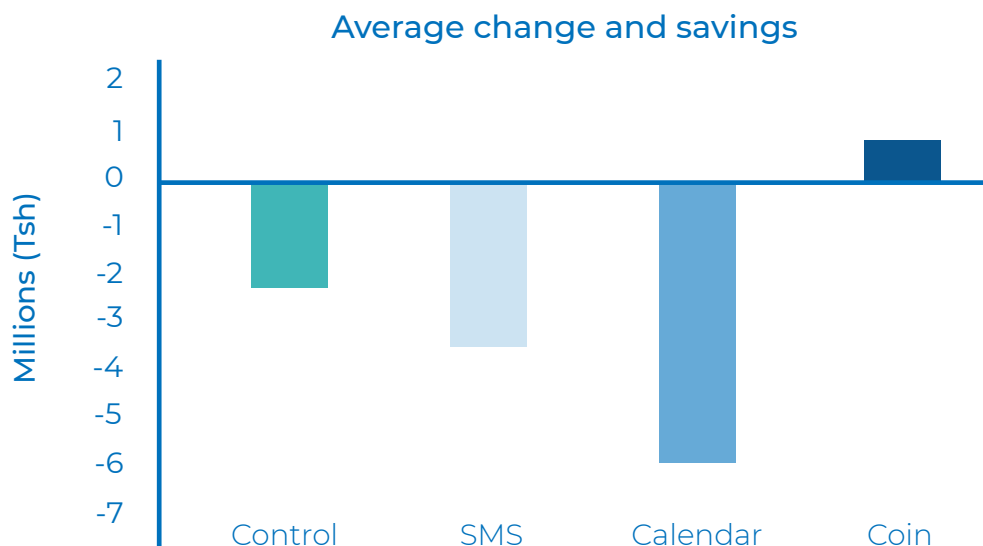
## Design and Results

We deployed a series of interventions aimed at increasing savings on their new digital transaction account. Respondents were recruited by approaching current customers at branches and then randomly assigning them to one of four potential groups aimed at increasing the salience of their account.

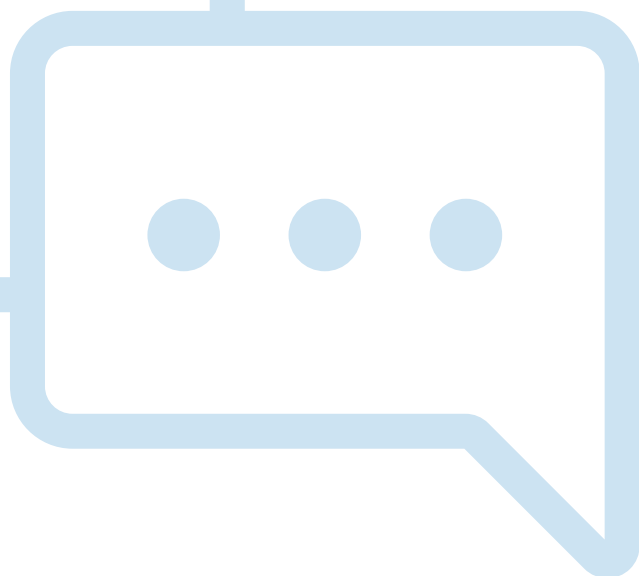
Condition	Details
Control	No information shared
SMS	Basic SMS reminders that aimed to encourage saving on the digital account.
Calendar	SMS reminders linked to a calendar that they recorded their savings goal in.
Gold Coin	SMS reminders linked to a gold coin that was used to track progress towards their savings goal over a six week period.

To measure the impact of the interventions, we looked at changes in savings balance at endline among the various treatment groups, compared to the control. Given this trial was conducted from October - January, the balance change was negative for most account holders (as it is a high spending period), but in a randomized evaluation we care about relative change between treatment groups as opposed to change over time.

We find that the coin treatment had a significant, positive impact on savings balance, but that the SMS and calendar intervention had quite negative impacts.







## Discussion

### Analog complements to digital

The success of the coin intervention gives us confidence that analog complements are important to the success of digital financial services. This outcome among formally banked customers, alongside a similar intervention's success in encouraging savings for informal sector workers in Kenya, indicates that this effect may be true across income groups.



Photo credit: Annie Spratt