

Behavioral Themes

Perception of self, loss
frame, descriptive norms

Sector

Financial inclusion

Project Type

Field experiment

Sample Size

83,084 participants



Targeting women's access to digital financial services





How can we encourage women's participation in digital financial services?

Busara worked with Women's World Banking and ideas42 to support a leading bank and mobile network operator in Nigeria to create a better understanding of what it takes to make digital financial services (DFS) work for women.

We worked with a leading telecommunications company and financial services provider who had launched a mobile bank account. This new account was easy-to-use and could be accessed through any mobile phone. After two years of operation, only a minority of accounts were held by women, and many of them were inactive.

The reasons for the low active usage rates were varied, but initial research indicated two primary challenges:

- 1) **Sticky defaults** - Customers primarily used the mobile banking product as a vehicle for buying call credits (i.e., airtime)- as opposed to seeing it as a mechanism for accumulating savings
- 2) **Social Signals** - Customers rarely observe many of their peers using it



Experimental Design

We designed a series of SMS-based interventions across two phases.

These messages were sent to inactive users of the digital financial service. We interviewed 120 customers, agents, and key informants to contextualize the intervention ideas and refine the initial concepts to final language.

Phase 1 explored the impact of descriptive and injunctive social norms. The two types of messages we sent are below:

Injunctive norm: “The recommended balance for your account is N2,000. Save for unexpected expenses! Visit an agent today to make a deposit. Text help to 2442 for DND options.”

Descriptive norm: “Thousands of Nigerians save & transfer funds everyday. Make a transfer by dialing *710*NUBAN*Amount# & enter PIN. Text help to 2442 for DND options.”

Phase 2 used regret and loss aversion framed messages through a peer referral lottery scheme to determine if this could promote account adoption.

Urgency Frame Incentive: “There’s still time to win cash prizes: refer friends to open XXXX account! The more you invite, the more you can win! For enquiries call 07003000000.”

Loss Frame Incentive: “You could’ve won prizes but didn’t refer enough friends to XXXX account! Text REG WIN to 710 to refer and win next month! For enquiries call 07003000000.”

Regret Frame Incentive: “You didn’t refer enough friends to XXXX account & lost your chance to win. Text REG WIN to 710 to refer & win next month! For enquiries call 07003000000.”

Control: “Tell friends about stress-free services on XXXX account & win cash prizes! Text REG WIN to 710 to refer friends. For enquiries call 07003000000.”

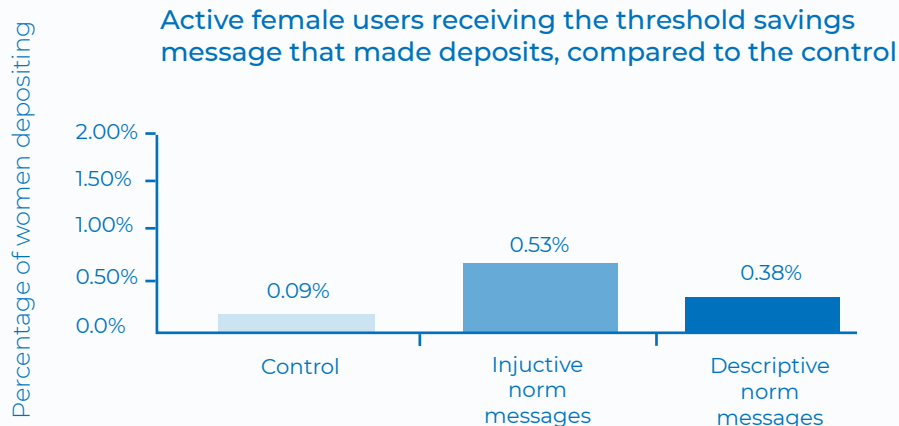


Photo credit: Annie Spratt

Phase 1

Impact of descriptive and injunctive norms

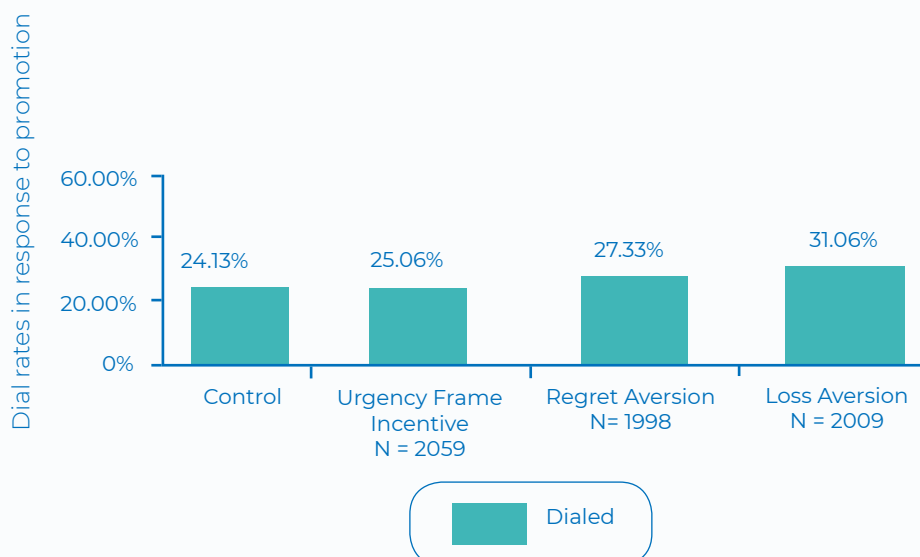
Descriptive norms greatly increased the activation of inactive account holders (a 3.5x increase), but the injunctive norm had an even higher effect (increasing usage 5x over the control).

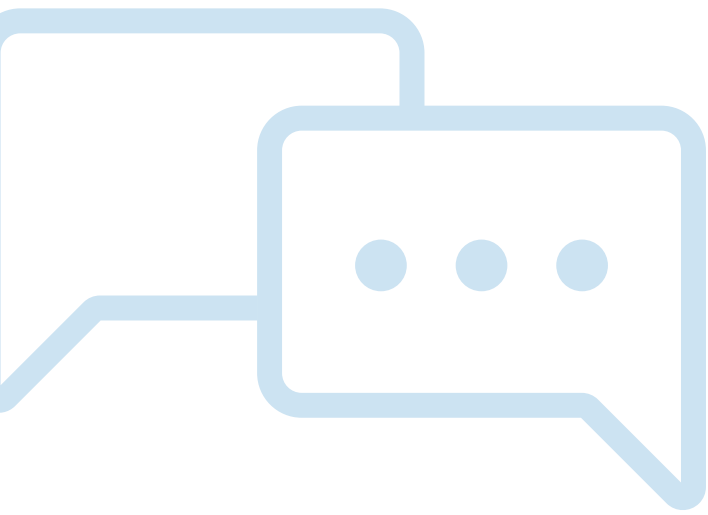


Phase 2

Regret and Loss Aversion through Peer Referral Lottery:

We found that people receiving the loss aversion framing were more likely to respond to a referral program.





Discussion

Injunctive over descriptive norms

We find that injunctive norms were more powerful in engaging inactive users over simple descriptive norms. This finding suggests that new users of private financial services may benefit from further guidance or norm-setting by the provider, if deemed reasonable.

Limits to implementation of regret

To our surprise, the regret aversion treatment was less impactful in driving participation for the referral program over the loss-framed message. One possible explanation is that users may have had unclear expectations of their ability to win, and so sharing a simple message that tried to induce a sense of regret in that they **could** have won may not have changed their actual beliefs and thus may not have induced an actual sense of regret.



Photo credit: Annie Spratt