**Busara**

# Driving financial inclusion using digital learning

## Tanzania

**Partner**
CGAP

**Sector**
Financial inclusion

**Project Type**
Field experiment

**Sample Size**
Invitation: 20,400 participants
Engagement: 1,320 participants

**Behavioral Themes**
Urgency, loss frame, disfluency and herding

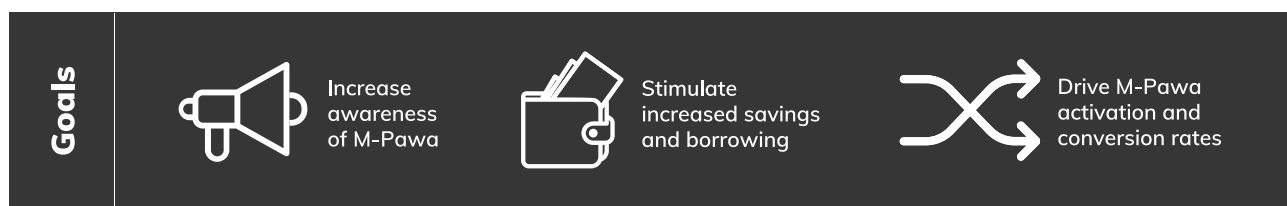## Can digital learning tools improve financial engagement?

In June 2014, Vodacom Tanzania and the Commercial Bank of Africa (CBA) launched M-Pawa, a mobile savings and loan product in Tanzania. The service had the potential to increase access to finance for Tanzania's rural population, 93% of whom had never used a formal bank product (FinScope Tanzania 2013). M-Pawa builds on the M-Pesa mobile money product to offer additional mobile banking services. These include an interest-bearing savings account and instant loan service. Despite strong demand for the project, there was low uptake. The partners believed that this could be potentially driven by low financial literacy amongst the end user. An SMS-based education provider, was brought in to provide supplemental information services to M-Pawa users to address this problem.

# A Behavioral Science Approach

Users engaging with a digital platform 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 barries that can come into play. Limited attention, unclear benefits, and a tendency to procrastinate could all contribute to limited engagement on a digital platform.

In this project, Busara was commissioned to design a set of behaviorally informed messages that would increase uptake and adoption of a new digital learning platform for MPAWA users. This project aimed to explore how an understanding of potential behavioral biases might lead to more effective design of invitation messages and an improved learning experience for consumers.

**Goals**

Increase awareness of M-Pawa

Stimulate increased savings and borrowing

Drive M-Pawa activation and conversion rates

# Design

Busara worked with the Consultative Group to Assist the Poor (CGAP) to develop and test a set of interventions that would maximize conversion on the digital platform and lead to positive usage of digital financial services. We conducted two separate experiments:

### Onboarding Message Framing

We tested a variety of frames for onboarding messages to understand how different behavioral primes could change adoption of the product. These included:

| | | |
|---|---|---|
| a. | Loss Frame | – *"Stop losing money on fees…"* |
| b. | Cognitive Load | – *"Getting a loan is hard, this makes it easy…"* |
| c. | Herding | – *"1 in X farmers have adopted…"* |
| d. | Mental Models | – *"GROW your money…."* |
| e. | Price Savings / Perceived Value | – *"Vodacom is offering expensive training for free!"* |
| f. | Call to Action | – *"Don't delay, get this in your hands today…"* |

### Socially Oriented Training Content

We tested various training content formats to understand which was most useful in motivating engagement on the platform and subsequent financial activity.

a. **Fact based training** - Standard set of training materials focused on primary facts to share with the learner
   - *"Learn more about digital credit"*

b. **Narration based training** - Training where the learner is taken through a narrative relating to an individual user experience
   - *"Ann took out an MPAWA loan to grow her business, but didn't understand the interest. Are you like Ann?"*

c. **Social norms based training** - Training where users were guided to different modules based on targeted prompts relating to a dominant identity
   - *"Many farmers have trouble getting enough credit, is that true for you as well?"*

# Results

**Adoption:**

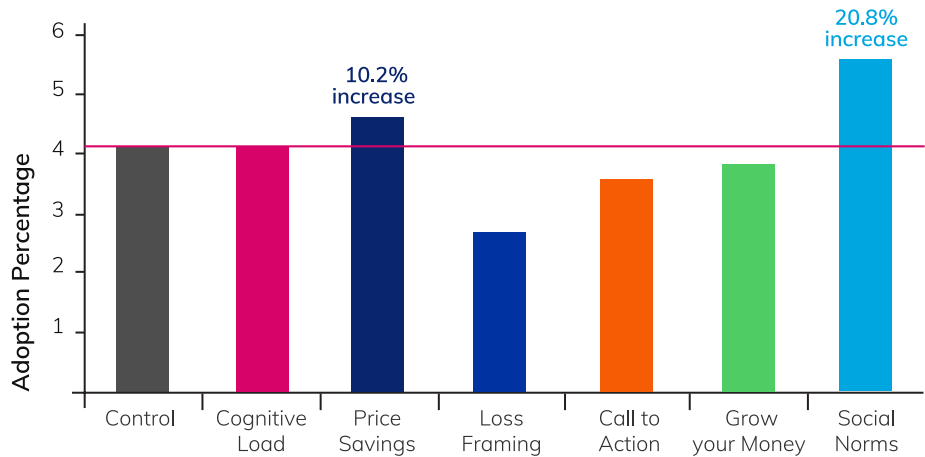| | | |
|---|---|---|
| Loss Frame | → | Negative |
| Cognitive Load | → | No Effect |
| Social Norms | → | Positive |
| Mental Models | → | No Effect |
| Price Savings / Perceived Value | → | Positive |
| Call to Action | → | No Effect |

**Engagement:**

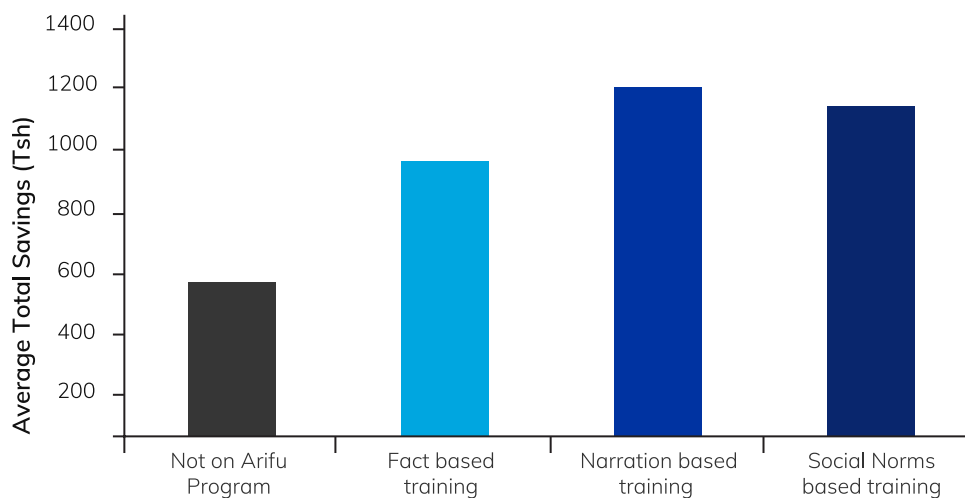| | | |
|---|---|---|
| Narration Based Training | → | Positive Effect on Savings; No impact on loan adoption |

**Effect of framing on people's engagement with learning platform**

Text messages with the Social Norms frame were the most effective, with 20.8% increase in people using the learning platform

*Adoption Percentage chart:*

- Control: ~4.1
- Cognitive Load: ~4.1
- Price Savings: ~4.6 (**10.2% increase**)
- Loss Framing: ~2.7
- Call to Action: ~3.6
- Grow your Money: ~3.8
- Social Norms: ~5.6 (**20.8% increase**)

**Effect of content sent by Arifu on savings**

The narrative and personality driven content streams led to 20-24% increase in savings levels over the standard fact-based training

*Average Total Savings (Tsh) chart:*

- Not on Arifu Program: ~570
- Fact based training: ~960
- Narration based training: ~1200
- Social Norms based training: ~1140

# Discussion

## The Importance of Testing

While several messages outperformed the control, we also observed several messages (some of which were deemed quite promising by the full project team) that had significantly poorer performance rates. This reiterates the importance of always testing where the cost is low.

## Learning as a social activity

Digital learning can be isolating, and even the minor incorporation of a reference point of a previous user had a significant impact on the depth of engagement of users, and subsequent financial health on the platform. This could suggest that for digital learning platforms, small tweaks that make it seem more relatable and human have an important role to play.