

# Making Digital Finance Work for Women:

INSIGHTS FROM AN INNOVATIVE TRAINING PROGRAM FOR MFI CLIENTS

## Snapshot Of Indian Digital Financial Landscape

In order to strengthen the digital ecosystem for underserved sections of the population, Sa-Dhan with financial support of HSBC has initiated a project “To Develop a Digital Ecosystem for Improving Access to Finance for the Unbanked”.

The project has three broad goals: **(a) promoting education, including special education, (b) promoting gender equality and empowering women and (c) Rural Development.**

Digital inclusion would further help the community in many ways viz. improve access to finance through various channels, mitigate cash-carrying risks, customer centric offerings, availing benefits of flagship projects of Government of India and State Governments. The project also touches upon three goals of Sustainable Development Goals (SDGs) enumerated by the United Nations. The project is being undertaken in four states: West Bengal, Punjab, Karnataka and Maharashtra. IFMR LEAD has been engaged as a resource partner for the initiative.

**48%** of bank accounts in India are inactive (Findex, 2017)

**54%** of women reported making no deposit or withdrawal in the last one year (Findex, 2017)

While bank account ownership among women has increased significantly between 2014 and 2017, usage remains low.

**11%** of women have financial literacy

**15%** of women have digital literacy

There are significant gender gaps here as well (Financial Inclusion Insight by Intermedia, 2018)

## Building Awareness and Enabling Use

As part of the initiative, Sa-Dhan and IFMR LEAD designed a training program for clients of microfinance institutions, which has been implemented in two states. The program was implemented in collaboration with Society of Model Gram Bikas Kendra in West Bengal (SMGBK) and Satya MicroCapital Ltd. in Punjab. The training program was evaluated to assess its impact on clients' awareness and usage of digital financial services and products through self-administered questionnaires.

Moreover, to understand if there were any spillover effects of the program, people belonging to the client's social networks (friends, neighbors, family members) were interviewed as well. There were four rounds of data collection – 1 round before training and 3 rounds post training.

### Components of Training:



1. Presentations and Discussion - Introduction to DFS, Benefits of Using DFS, Do's and Don'ts, Clients sharing their experiences with using DFS



2. Videos - How to Install and Use PayTM and \*99#



3. Games - Makka Chawal and Password

#### Game 1 - Makka Chawal

**Objective:** Money is safer kept in banks and bank accounts should be used more actively.

The clients are farmers reap the harvests for their makka and chawal fields. They are given an option to save in their gullak or in the bank. Through a series of shocks like fire, burglary, demonetization, etc., they are made to realize that their money is safer when deposited in banks.

#### Game 2 - Password

**Objective:** To create awareness about the benefits of using ATMs and digital financial services and the risks associated with them

Clients have to collect money [represented using balls] and deposit to the bank in the far corner of the room. Along the way they encounter ATMs and fraudsters. They can deposit more money using the ATMs and they are more in number compared to the banks. However, they should be aware of the fraudsters who try to trick the client into sharing their passwords with them and stealing their money under the guise of helping them. This drives the message that the clients should be careful not to share their bank/ATM details with strangers.



"I got a chance to attend the training and play the card game. Through this game I learnt we should keep our money in the bank so that we can keep it safe from any kind of accident/loss like fire, theft etc."

**Parvinder Kaur,**  
Private teacher in a school

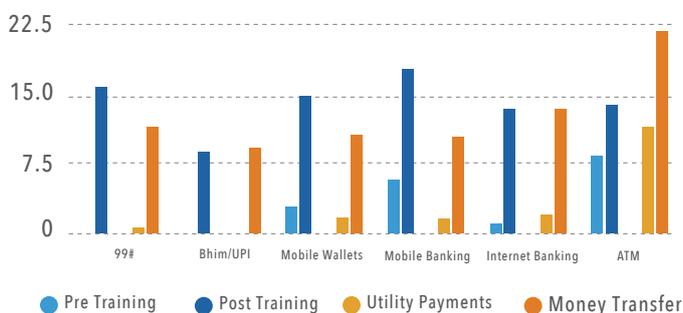
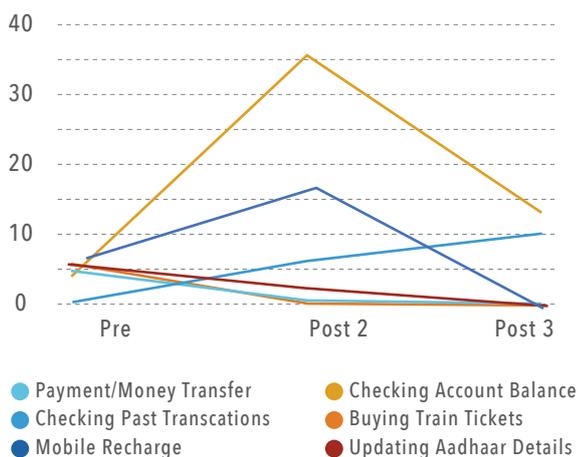
"I came to know many useful things today such as if we want to use Paytm, or ATMs for transactions, we should not share our password with anyone. Besides this, I also learnt how to transfer money more easily in a secure way through net banking."

**Jyothi,**  
Beautician

## Findings from Round I of the Program (conducted in 2018)

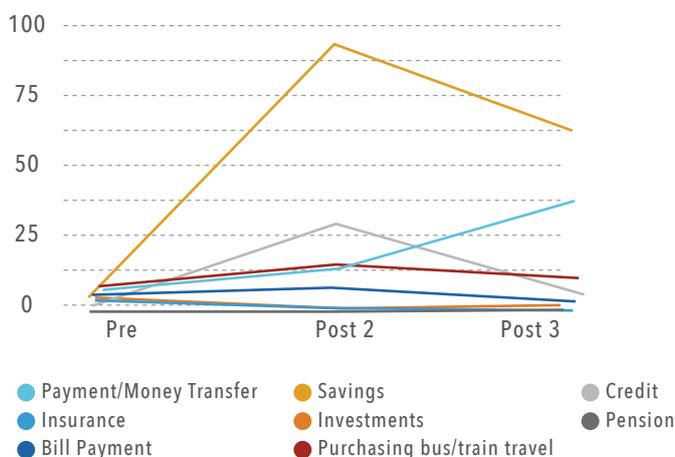
### % Awareness of Platforms

The awareness regarding platforms that can be used for making utility payments and money transfers saw a significant increase immediately after the training. The most significant increase was seen for \*99# and mobile banking platforms.



### % Awareness of Mobile Banking Applications

The awareness regarding the usage of mobile banking applications for payment and transferring money, check past-transactions, etc. also showed an increase immediately post training. However, no significant change was noticed post-training in understanding access to insurance, pension and investment products.



### % Awareness of Digitally Accessible Products

The overall awareness over time regarding the products that can be accessed digitally on an application is found to be the highest in the Post 2 round and lowest in the Pre round. It was seen that awareness of savings products and payment products increased the most. Products related to payments and transfers increased after the Post - 2 round as well. Awareness that ATMs and mobile wallets can be used for payments and transfers increased in the Post 2 and Post 3 rounds.

### Spillover Effects

Findings suggest a positive spillover effect of the training on those who live in close proximity to the participants of the program. Over time, this effect is most evident for awareness about products or uses of particular platforms/applications that seem to be the most apparent or relevant to the clients leading to better retaining and percolation of the information across networks.

## Way Forward



**Focus on Building Trust:** Last mile agents can be leveraged to ensure the distribution of financial services. Trained loan officers can be entrusted with the role of a **digital assistant**. They will be in a position to allay any fears and doubts that clients may have regarding the use of DFS and eventually help build trust amongst the women.



**Identify Influencers and Early Adopters:** Understand the profile of potential early women adopters who should be targeted for handholding support and can play an important role in enabling others in their households and communities to try and adopt digital services.



**Build Trialability into Training:** While regular, periodic training sessions are required to introduce first-time users to digital financial services and related concepts such as safety, assisted and repeated usage through on-device training, at no risk to the participants, can help build confidence and trust among women



**Use innovative approaches:** The incorporation of **games and storytelling**, have shown a better impact on training outcomes along with conventional modes of sharing information. These tools and techniques can be incorporated into trainings programs to contextualize the subject and generate interest among participants.



Even though digital banking is the way forward, the presence of a physical bank/banking agents remains necessary. Physical engagement through fact-to-face interaction instills confidence amongst the clients. Therefore, a **phygital** approach that combines the digital and physical presence of banking can be adopted.

### HSBC

The Hongkong and Shanghai Banking Corporation Limited traces its roots in India back to October 1853 when the Mercantile Bank of India, was established in Mumbai. It offers a full range of banking and financial services through its 26 branches across 14 cities. HSBC is one of India's leading financial services groups, with around 38,000 employees (as at 31Dec 2018) in its banking, investment banking and capital markets, asset management, insurance, software development and global resourcing operations in the country. It is a leading custodian in India, and a leading international bank for individuals and companies with global aspirations, facilitating their needs with presence in 65 countries. The Bank is at the forefront in arranging deals for Indian companies investing overseas and foreign investments into the country. With its extensive reach across Asia, North America and Europe, HSBC has the capacity to offer complete banking and financial solutions to India's burgeoning economy. It also has a joint venture life insurance company with Canara Bank and Oriental Bank of Commerce. HSBC has been a leader in bringing state-of-the-art electronic banking technology to India and to its customers.

### Sa-Dhan

Sa-Dhan, the oldest and largest association of community development finance institutions, came into being on July 21, 1999 with a mission to support and strengthen the financial inclusion agenda in India. It helps its member institutions to better serve low-income households, particularly women, in both rural and urban India, in their quest for establishing stable livelihoods and improving quality of life. Sa-Dhan has 205 members reaching out to 34 states/UTs and 591 districts; it includes SHG promoting institutions, MFIs (For Profit and Not for Profit), banks, rating agencies, capacity building institutions etc. Sa-Dhan's members follow diverse legal forms & operating models to reach out to approximately 47 million clients with loan outstanding of more than ₹ 90,000 crores. The Reserve Bank of India (RBI) has recognized Sa-Dhan as a Self Regulatory Organisation for the Microfinance Sector. Sa-Dhan is recognized as National Support Organization (NSO) by National Rural Livelihood Promotion (NRLM). For any query please contact us at the below mentioned address: Head Office A1-248, 3rd Floor, Safdarjung Enclave, New Delhi - 110029 Tel: +91-11-47174400 Fax: +91-11-47174405 Email: info@sa-dhan.org Website: www.sa-dhan.net

### IFMR LEAD

IFMR LEAD is an action-oriented research organization that leverages the power of research, innovation and co-creation to solve the most complex challenges of the 21st century. Applying a multidisciplinary, data-driven analytical approach, IFMR LEAD unpacks tactical problems, generates insights to inform policy and practice, and tests and develops innovative solutions. Through its capacity building and immersive learning initiatives, IFMR LEAD equips aspiring researchers and potential leaders with the tools and skill sets essential to create lasting socio-economic impact. Since its inception in 2005, IFMR LEAD has successfully managed a portfolio of over 200 research and evaluation projects, in collaboration with over 300 partners from academia, industry, governments and NGOs. [www.ifmrlead.org](http://www.ifmrlead.org)