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)

11% of women have financial literacy

15% of women have digital literacy

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

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."

Parvindar 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.
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.