

BEHAVIORAL THEMES
Urgency, loss aversion &
progress tracking

SECTOR
Financial inclusion

PROJECT TYPE
Field experiment

SAMPLE SIZE
63608 participants



IMPROVING THE UPTAKE OF KWIKCASH DIGITAL CREDIT



Photo credit: Random Institute



BUSARA
CENTER FOR
BEHAVIORAL
ECONOMICS

accenture



Photo credit: Random Institute

CONTEXT

The Government Enterprise and Empowerment Program (GEEP) is amongst the handful of government low cost microloans program that is serving to bridge the MSME and farmer credit access gap. The goal of this programme is to engender access to microloans which will facilitate MSME investment in working capital for growth and job creation. Under the GEEP program, individuals who were unable to access the government microloans were encouraged to apply for a new loan product provided by one of the country's mobile operator called 9mobile.

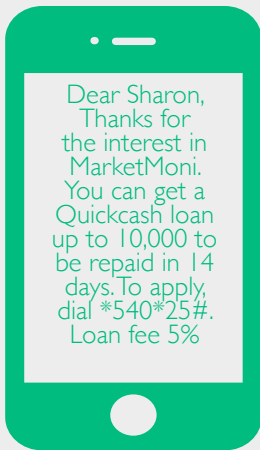
Kwikcash is a short term high interest loan product provided to 9mobile users. Loan assessments are conducted by mines.io, who specializes in mobile psychometric credit assessments. The GEEP program under BOI partners with mines to subsidize the loans for MSME that were unable to access the GEEP loans. However, mines was having difficulty getting people to apply for these loans. Therefore, GEEP recommended that the PIU run interventions to improve uptake of discounted loans on quick cash.



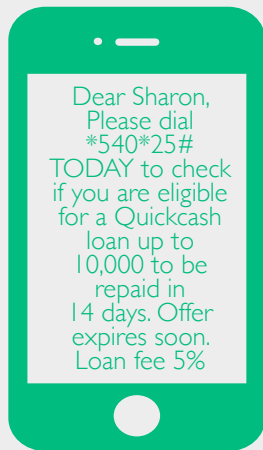
DESIGN AND RESULTS

Three different types of message framings were sent once to 57256 unsuccessful GEEP loan applicants in November 2017, inviting them to apply for a smaller, KwikCash loan with a 2-week repayment period. These message framings- urgency, exclusivity and loss framing were designed based on behavioral biases that were found during the qualitative exercise. Most of these biases were centred around demotivation of unsuccessful GEEP loan applicants.

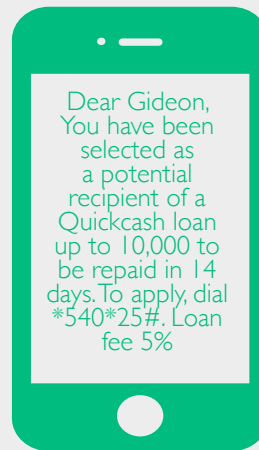
Control Message



Urgency Framing



Exclusivity Framing



Loss Framing



Average rate of loan application by treatment group

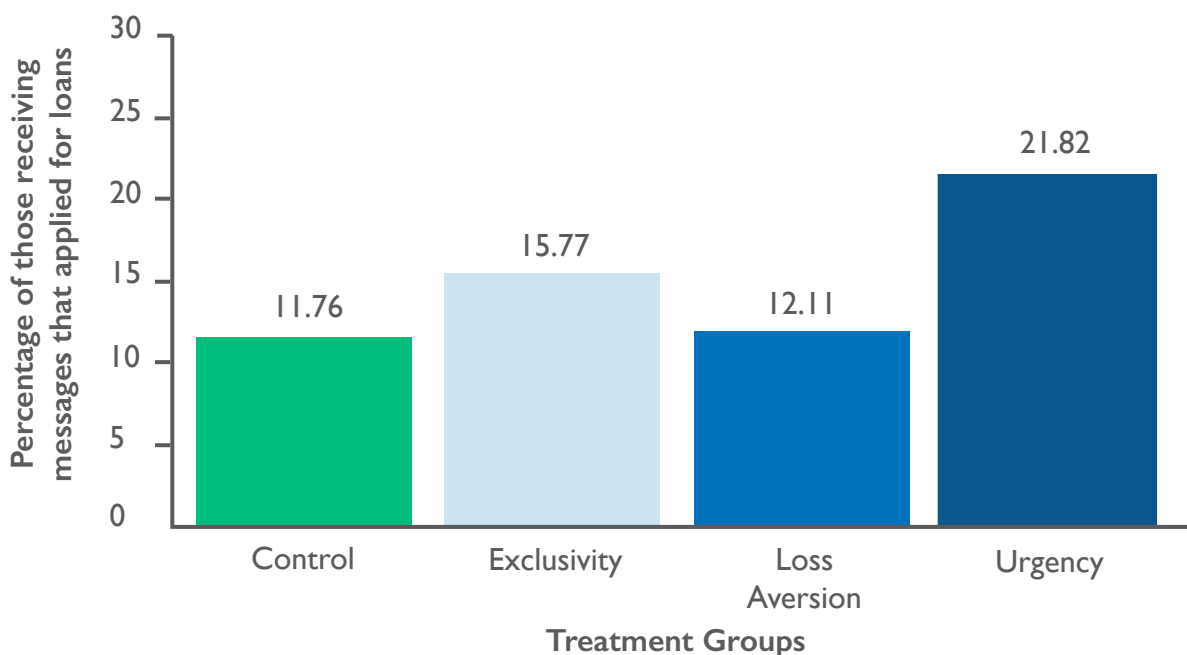




Photo credit: Busara Center

DISCUSSION

We believe that the results from this study were:



Time-bound urgency can be useful for engaging people in offers they didn't think would expire.



Loss framing is less useful for a risky new obligation, and better for a new opportunity / exploring product with limited risk.