IMPROVING THE UPTAKE OF KWIKCASH DIGITAL CREDIT

SECTOR
Financial inclusion

PROJECT TYPE
Field experiment

SAMPLE SIZE
63608 participants

BEHAVIORAL THEMES
Urgency, loss aversion & progress tracking

NIGERIA

Photo credit: Random Institute
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 where encouraged to apply for a new loan product provided by one of the countries mobile operator called 9mobile.

Kwikcash is a short term high interest loan product provided to 9mobile users. Loan assessment 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
Dear Sharon,
Thanks for the interest in MarketMoni. You can get a Quickcash loan up to 10,000 to be repaid in 14 days. To apply, dial *540*25#. Loan fee 5%

Urgency Framing
Dear Sharon,
Please dial *540*25#. TODAY to check if you are eligible for a Quickcash loan up to 10,000 to be repaid in 14 days. Offer expires soon. Loan fee 5%

Exclusivity Framing
Dear Gideon, You have been selected as a potential recipient of a Quickcash loan up to 10,000 to be repaid in 14 days. To apply, dial *540*25#. Loan fee 5%

Loss Framing
Dear Ope, Don't lose out on the opportunity to get a Quickcash loan up to 10,000 to be repaid in 14 days. To apply, dial *540*25#. Loan fee 5%

Average rate of loan application by treatment group

<table>
<thead>
<tr>
<th>Treatment Groups</th>
<th>Percentage of those receiving messages that applied for loans</th>
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<tbody>
<tr>
<td>Control</td>
<td>11.76</td>
</tr>
<tr>
<td>Exclusivity</td>
<td>15.77</td>
</tr>
<tr>
<td>Loss Aversion</td>
<td>12.11</td>
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<tr>
<td>Urgency</td>
<td>21.82</td>
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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.