#JustSaveIt – Encouraging Usage of Agent-Based Bank Accounts to Improve Financial Inclusion

Policy brief

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The Behavioural Insights Team (BIT), UN Pulse Lab Jakarta (PLJ) and the Secretariat of the Indonesian National Council for Financial Inclusion (S-DNKI), formed a partnership in 2018 to apply human-centred design and behavioural insights to develop and trial innovative approaches to improve financial inclusion. This report summarises the findings of our project, the #TabunginAja campaign.

Policy objective

For true financial inclusion to occur, financial services such as bank accounts need to be useful and accessible to people who own them. While 56% of Indonesian adults owned a bank account in 2018, 30% of them had not used it in the previous year.[1] The project therefore aimed to encourage bank account usage, more specifically regular deposits made into agent-based bank accounts. Such accounts rely on agents (trusted community members, who often run a shop or a food stall) to help their neighbours to sign up for accounts, help customers conduct bank transactions such as deposits and withdrawals, and act as general financial services advisory and support. The accounts target the previously unbanked segment of the population - individuals who are usually employed in the informal sector, self-employed or work at home.

To test our ideas in the real world, we partnered with a large Indonesian bank that offers agent-based banking.

[1] Demirgüc-Kunt, Asli, Leora Klapper, Dorothe Singer, Saniya Ansar, and Jake Hess (2018). *The Global Findex Database 2017: Measuring Financial Inclusion and the Fintech Revolution.* Washington, DC: World Bank Group; Strategi Nasional Keuangan Inklusif, 2019. *Financial Inclusion Insights Indonesia.* Available at: http://finclusion.org/uploads/file/fii-snki-indonesia-2018-2019-final-report.pdf

Intervention

We designed an 8-week long WhatsApp campaign called #TabunginAja (#JustSaveIt), implemented between March and May 2019. The messages, consisting of pictures with short messages, comics and text, were sent to agents and asked them to encourage their customers to save the change from purchases at the agent's shop or street food stalls. The messages built on a number of insights from the behavioural sciences, such as goal-setting and rules of thumbs.

Evaluation approach

Due to concerns for spillover, the intervention had to be implemented at the area level. Our partner bank chose 12 areas to be included in the trial of the intervention, with a maximum of four to receive the intervention (treatment group) and the rest being used for comparison (control group). While we attempted to run a clustered-randomised controlled trial (RCT), we knew that randomisation failure (i.e. an imbalance between the treatment and control group on important characteristics) was likely to occur. In addition, we conducted an in-depth qualitative implementation and process evaluation to evaluate the implementation and perceived impact of the #TabunginAja campaign.

Results

The qualitative evaluation showed that the implementation of the campaign was labour intensive and messages therefore did not always reach all agents. Among the agents who received the messages, the content was positively received - indeed, some agents already actively encouraged customers to save their change or had previously done so. Among the agents interviewed, however, none of the agents to whom the idea was new started the habit of asking customers to save their change as a result of the campaign. This was in part due to structural barriers, such as a lack of liquidity among agents.

The results of the quantitative evaluation showed that customers in the intervention areas were 10-percentage points less likely to make a deposit in May 2019 than those in control areas. We believe, however, that this is due to randomisation failure as it seems highly unlikely that a relatively light-touch intervention would have such a large impact on the outcome of interest.

Recommendations

As we were not able to determine the overall impact of the campaign and its implementation was associated with a cost (manpower necessary to send out the messages), we cannot recommend its roll-out across the agent-based banking system in Indonesia. However, we think that the project and its result display important lessons for agent-based banking and financial inclusion policies in Indonesia:

Innovate to improve financial inclusion

- **Use human-centered design and behavioural insights** to understand financial services from the perspective of those who are supposed to use them and ultimately help to design systems and interventions that take into account the human factor.

- **Test before implementing at scale:** The qualitative evaluation showed that our intervention is unlikely to have had the intended effect. This is an example of why it is important to carefully test before implementing policies and interventions at scale, to avoid wasting (public) resources.

- **Use existing (communication) systems:** Although the campaign is unlikely to have had the impact we were hoping for, we still believe that using an existing and well-established communication channel - in this case WhatsApp - is the most effective way to reach people.

- **Design interventions that close the gap between responsiveness and action - and test whether they successfully do this:** Agents and customers alike responded positively to

the overall message of the campaign, but it is likely to have changed the behaviour of only a very small group of agents. It is therefore important to evaluate its impact not only on responsiveness and intention (as evaluations of campaigns often do), but also actual behaviour.

- **Design interventions to encourage habit formation when behaviour change is most likely to take place** as behaviour change interventions are likely to be the most effective when they target people at such break-points.

Enhance the effectiveness of the agent-based banking system

- **Use behavioural insights and human-centered design to identify structural barriers:** Behavioural insights interventions can be powerful, but are likely to be effective only if appropriate systems are in place. Using a behavioural insights and human-centered design approach to identify and address such barriers has the potential to lead to a more effective and fit-for-purpose agent-based banking system.

- **Acknowledge the human factor:** The agent-based banking system is based on the idea that financial inclusion can be supported by placing individuals trusted by the customers at the centre of these services. However, both customers and agents require support. As this is highly resource intensive, it is not currently viable for banks to offer this and wider policy changes, such as allowing third-party agent network managers, might therefore be needed.

- **Use behavioural insights and human-centered design to harness digital communication for agent support:** As in this project, behavioural insights and human-centered design could help to develop and test new ideas for how to harness available communication platforms to support agents.

We thank S-DNKI for partnering with us, and look forward to developing and testing more innovative approaches to ensure every Indonesian can eventually benefit from access to appropriate financial products.

The project partners

The Behavioural Insights Team is a social-purpose company with the mission to apply behavioural insights and rigorous evaluation to improve public policies and services to make them more effective and easier for citizens to use. Find out more at www.bi.team.

Pulse Lab Jakarta is a joint data innovation facility of the United Nations (Global Pulse) and the Government of Indonesia (via the Ministry of National Development Planning, Bappenas). The Lab employs a mixed-method approach, through which it harnesses alternative data sources and advanced data analytics methods to obtain actionable insights and applies human-centered design to ground-truth insights from its data analysis and research, providing evidence to inform policy makers. Find out more at www.pulselabjakarta.org.

The **Secretariat of the Indonesian National Council for Financial Inclusion** is in charge of coordinating the efforts to implement the country's Financial Inclusion Strategy, a joint initiative by the government, Bank of Indonesia, and the Financial Services Authority (OJK) that aims to make financial services more accessible to Indonesians. Find out more at www.snki.go.id.