

# Promoting the adoption of new mobile payment services

## Kenya



**Partner**  
fsd Kenya

**Sector**  
Financial inclusion

**Project Type**  
Field experiment

**Sample Size**  
50,000 participants

**Behavioral Themes**  
Salience, loss aversion,  
urgency



Photo Credit: Annie Spratt

## Can targeted messaging encourage switching of digital financial services?

The growth of retail banking in Kenya has rapidly generated numerous channels to provide services. However, the competitive pressures generate gaps and subsequent inequality: more than three quarters of the ATMs in the country are not accessible to average bank customers, and proprietary agent networks are exclusive, calling for more integrated, interoperable money transfer services. This project sought to test this new platform's barriers to adoption in order to identify a comprehensive scale-up strategy.



# A Behavioral Science Approach

MPESA has had a tremendous impact on the rate of financial inclusion and poverty alleviation in Kenya (Jack and Suri, 2016<sup>1</sup>), but in certain use cases alternatives may be a better option for consumers. Beyond the obvious barriers of limited attention and competing priorities for digital users' time, the prevailing ubiquity of MPESA may have a significant impact on willingness to engage with a new digital payments platform.

In this project, Busara was commissioned to design a set of behaviorally-informed messages that would increase uptake of a new digital payments product in Kenya. This project aimed to explore how an understanding of the underlying behavioral biases might lead to a more effective design of promotional messages that increase registration and usage of the payments platform.

## Design



The focus of this test was to convert users around the point of rental payments: a large, fixed-time transaction for our partner bank. To do this, we developed a set of eligible customers based on them making a consistent recurring payment at the end of the month for at least six months prior to the intervention. Within this group we further delineated them into segments based on the transaction medium. For each customer segment, we drafted SMS messages which were (i) targeted in that they specified elements of the payment platform relevant to the specific customer segment (e.g., Cash Tenants received SMS regarding cash deposits) and (ii) loss-framed in that they emphasized the potential loss they would experience.

Segment	Message
Cash tenant	"Wasting valuable time making large cash deposits at the bank? Skip the bank visit. Transfer money directly from your phone with XXXXX."
Mobile Money Tenant	"Losing money on fees for the large mobile money transfers? Skip to mobile fee. Transfer directly from your phone with XXXXX."
Transfer Tenant	"Losing money on large bank transfer fees? Skip the bank fee. Transfer money directly from your phone with XXXXX."
Cash Landlord	Worried waiting for proof of cash deposits to your account? Switch to XXXXX. and relax. Receive your money and proof of payment in 45 secs.
Mobile Money Landlord	Losing money on fees for large mobile money transfers? Skip the mobile to bank fee. Receive money directly to your account with XXXXX.
Transfer Landlord	Worried waiting for proof of transfers to your account? Switch to XXXXX. and relax. Receive your money and proof of payment in 45secs.
P2P Sender	Transferring funds via mobile money? You and th recipient could be losing up to 300 Ksh each time. Switch to XXXXX. for cheap transfers.
P2P Recipient	Tired of losing money on mobile to bank fees? Get your contacts to send you money directly from their bank account to yours with XXXXX. Forward the next msg and .....
	Thanks for the transfer! We can both save money next time if you transfer directly from your bank account to mine with XXXXX.. Register now on your bank app or USSD. XXXXX: easy, affordable and instand bank-to-bank transfers.

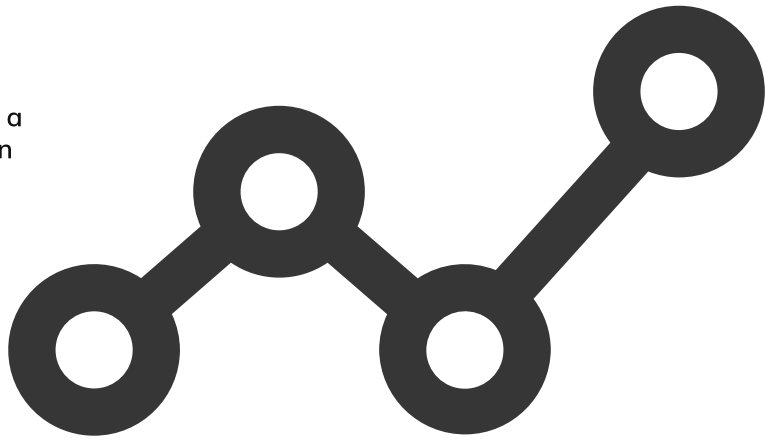
<sup>1</sup> Suri, T., & Jack, W. (2016). The long-run poverty and gender impacts of mobile money. Science, 354(6317), 1288-1292.



## Results

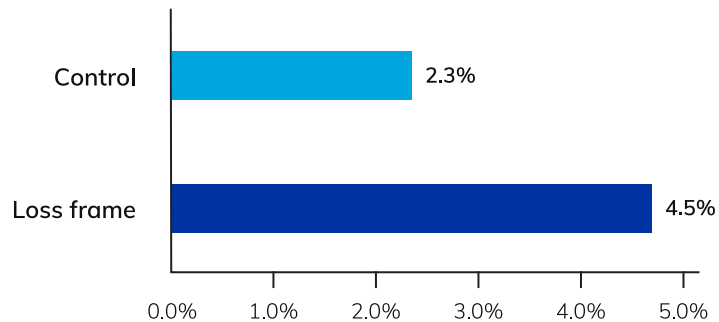
We found that loss framing had a significant impact on registration and transactions for the bank.

We find that the loss-frame was stronger for registrations over transactions with the tailored versions in Bank 1. We also find that its impact was stronger on registrations over transactions, indicating that the behavior change was more effective towards immediate action, rather than towards repeating the behavior again at a later date.

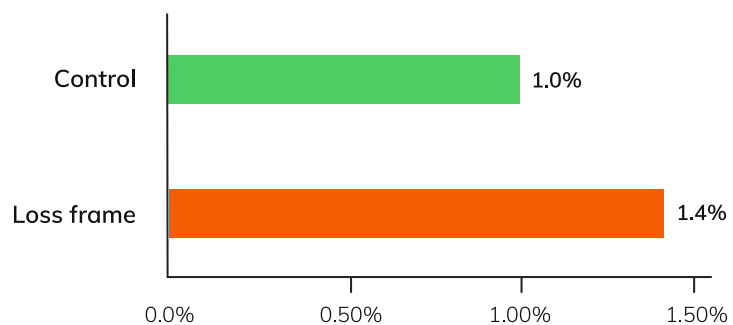


### Bank 1

Registered within a 3 week period



Transacted within one week of registering





## Discussion

---

### Losses for one-off actions, not repeat behaviors

We found that loss-framed messages were impactful at driving increased registration rates, but less impactful on eventual engagement on the platform. This might suggest that the looming threat of a potential loss is less effective at encouraging repeat interactions, as opposed to a one-time action.

