Product & Service Quality

Navigability of user interface of the digital product

For customers with lower digital literacy rates, using USSD or smartphone mobile money apps can be intimidating and unknown. If the digital interface is not designed with low digital literacy levels in mind, it may prevent usage due to complex language, transaction flows, etc. Ensuring that an app or digital interface is user-friendly and designed using best practice principles can help reduce this barrier, especially for novice DFS users.

Why is this barrier important?

Evidence shows that comfort with using a digital product increases with use. The evidence does not show that women are not wanting to practice using it, but that using it more frequently helps overcome this issue. This barrier is closely linked to the *Digital literacy* and *Financial literacy* barriers.

Connected Barriers

Prerequisites
Phone/SIM ownership

Social Norms
All barriers in this category

Information Availability & Capability
Digital literacy
Unclear or unavailable information about products/ uses
Unclear or difficult process to open an account

Consumer Protection
Fear of making mistakes
Difficulty resolving complaints

Product & Service Quality
Lack of products that meet women's needs

Most Relevant Segments

1	2	3	4
Excluded, marginalized	Excluded, high potential	Included, underserved	Included, Not underserved

Customer Journey Relevance

Phase 1: Account Ownership	*Phase 2:* Basic Account Usage	*Phase 3:* Active Account Usage	*Phase 4:* Economic Empowerment

Key evidence relevant to this barrier

- Recent evidence from wage digitization in Bangladesh garment factories suggests that usage can encourage increased comfort with navigating financial technology (Klapper et al., 2020).

- In Tanzania and Northern Kenya, DFS usage is higher, and women are more comfortable with navigating DFS than in other contexts (mobile money in particular). Women are slowly gaining confidence as they transact because they have interacted with it more often. However, beginners still fear making mistakes and have lower confidence (IDEO and BMGF, 2021).

- "Analysis of transaction data—which is based on smartphones only—showed that just 13% of transactions originated from within a DFS app, while the rest were via USSD or SIM toolkit channels. This suggests that DFSPs still have not convinced people to use their app-based services due to lack of familiarity, poor user experience and fear of incurring data or battery recharge costs and taking up memory on the phone." (Caribou, 2021).

- In a study of more than 50 users in Pakistan, GRID Impact found that "customers who independently use mobile money successfully are more likely to use it again. First time experience matters a great deal for future use." (GRID Impact, 2016).

- According to Sonal Jaitly of MSC, "learning to use and adopt a digital interface is a complex journey for women. There are indeed design questions that the supply side must answer and integrate to facilitate this journey for women who struggle with predominantly English and complex interfaces." (Dialogue Participant, Finequity Dialogue, 2021).

- "Navigation from hierarchical menus common in USSD are disliked by consumers. Users like to go directly to the thing they need done. Some refer to this as "shallow" navigation, allowing users to navigate directly to what they want. For example, The Karandaaz Pakistan home screen provides clear transaction options with little need for the customer to search or dig. Menus should avoid "navigating" and focus on "doing". The options should be presented as a limited list. Menus should not use technical jargon and instead offer direct links to action steps." (CGAP, 2016).

- The *Nigeria Consumer Protection in Digital Finance Survey* (IPA, 2021, as cited in MSC, 2022) found that 16% of digital finance customers cited "difficulty using shortcode menu or app" as a common challenge. This was the 4th most cited challenge among customers.

- Between July 2019 and February 2020, DreamSave provided smartphones, a monthly data plan, and a digital ledger application to 13 savings groups comprising 10-25 members each, 70% of whom were women in the Mara region of rural Tanzania. The introduction of a group smartphone increased members' curiosity about using this technology for other purposes. Members from both existing and new groups reported spending time outside of their savings groups learning how to navigate both the phone and the app, thus increasing digital literacy and capability (GenderTech, 2021 as cited in BMGF, internal document, 2021).

The following Exemplar represents one evidence-based interventions that has shown success in addressing this particular barrier. There may be other Exemplars for this barrier in the larger Barriers & Exemplars Analysis compendium deck.

Exemplar

Digitizing Payroll for Factory Workers in Bangladesh

"Electronic payroll accounts are a financial technology with potentially high returns to adoption that is currently being introduced to millions of workers worldwide. At the same time, payroll accounts are susceptible to many common consumer financial protection problems, such as shrouded fees, commission-based incentives, and barriers to use among inexperienced consumers." To study the effects of active engagement with payroll accounts has on consumer learning, and how

"learning by doing" occurs with exposure to electronic payroll accounts, the researchers conducted a field experiment with employees in the garment manufacturing industry in Bangladesh, an export industry that is increasingly being regulated regarding employee wages and transparency. The experiment introduced electronic payroll accounts to a population of largely unbanked factory workers and analyzed treatment results (Klapper et al., 2020).

Key activities

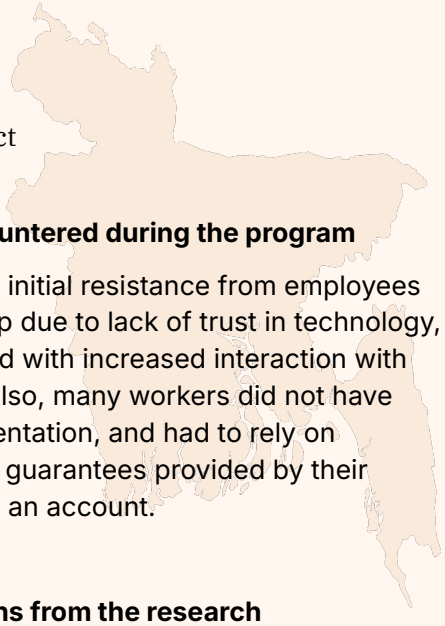
- A sample of 3,136 workers randomly assigned to either continue receiving wages in cash (control group), or begin receiving wage payments into a bank or mobile money payroll account (treatment group).
- "In a set of comparison treatments, workers were given an account but continued receiving monthly wage payments in cash."
- "Treatment effects were measured through panel surveys and administrative data review."

Outcomes/results

"The results show that exposure to payroll accounts leads to increased account use and consumer learning. Those receiving accounts with automatic wage payments learn to use the account without assistance, begin to use a wider set of account features, and learn to avoid illicit fees, which are common in emerging markets for consumer finance."

Workers in the payroll account treatment condition interact with the account more frequently, develop greater trust in the technology, learn to use the account without assistance, and learn how to avoid common consumer financial risks and use the account in the most cost-effective way. "The treatments have real effects, leading to increased savings and improvements in the ability to cope with unanticipated economic shocks."

Those that received accounts with automatic wage payments were 4% to 11% more likely to have any savings and 25% more likely to have savings in a formal account.



Key enabling environment factors for the intervention

- Sufficient documentation for those in the treatment group was necessary to open payroll accounts. Fortunately, FSPs allowed employers to submit documentation on behalf of their employees, covering for those that might not have the proper documentation or knowledge of which documentation is required.
- The garment industry in Bangladesh is an export industry that includes a large labor force and is increasingly requiring the digitization of wages.

Key design elements and principles that led to successful outcomes

- Demonstrate to employer the importance of investing in long-term employees – low seniority level workers whose tenure at the firm was too low to warrant opening a formal payroll account were excluded from participation.
- The employer and FSP played active roles in the process; the employer covered the costs of account opening for those in the treatment group.

Potential for scale/replicability

There is potential for replicability in garment manufacturing industry globally, taking the approach of digitizing wages in export industries/sectors for which regulation is increasing.

This approach can also be replicated in other high export sectors, and sectors in which there is a large female workforce – for which regulators and importers can require increased transparency and digitization of wages.

This approach can also be replicated, however, it would benefit the initiative to study what results would look like if employees covered the costs/fees for account opening and transactions, not the employer.

Challenges encountered during the program

There were some initial resistance from employees in treatment group due to lack of trust in technology, but this decreased with increased interaction with the technology. Also, many workers did not have sufficient documentation, and had to rely on identification and guarantees provided by their employer to open an account.

Recommendations from the research

Channeling wage payments into an account creates a strong incentive to engage with the account and learn about the features of the technology in a way that is not achieved by account opening alone. Channeling wage payments into formal accounts is an obvious next step with potentially large positive implications for access to finance and consumer learning in low- and middle-income countries where wage payments are still made predominantly in cash.

Some employers may want to avoid the transparency that comes with payroll accounts and may require nudges from regulators to adopt payroll accounts.

Additional Exemplars

Digitizing Rural Women's Savings Groups in Tanzania

Digital Wallet Adoption for the Oral Segment in India

GRID Impact and SIA's analysis revealed that this barrier along with 11 others require further research and examination as to how they affect the customer experience, other barriers and overall WEE-FI. More in-depth analysis can be found in the larger Barriers & Exemplars Analysis compendium deck.