

Unlocking the Potential of digital financial services for the underserved

At ideas42 we believe that a deep understanding of human behavior and why people make the decisions they do will help us improve millions of lives. We use insights from behavioral science to **identify barriers** to financial service uptake and use. We then **design**, **test**, and **scale cost-effective solutions**.



Why Behavioral Science?

Financial services can have enormous positive impact on our lives. However, unlocking this potential requires services to be easy, convenient, and aligned with our existing behavior patterns. This sounds intuitive, but isn't always easy to do. Applied behavioral science, which uses actionable insights from research in economics, psychology, and other social sciences to improve outcomes, can help. For instance, it allows us to identify small tweaks that better tailor the product to the end-user's context, improving user experience and facilitating behaviors that aid desired outcomes. A variety of such tweaks are possible: from curating how options are displayed to carefully selecting the moment at which the service is first presented to the customer. Even the way users encounter specific product features and how frequently they are reminded of them can significantly impact uptake and usage. Behaviorally-informed designs can then generate better outcomes, such as more timely loan repayments, greater savings account usage, or strengthened agent management.



Why A/B Testing?

Instead of relying on potentially biased intuitions about what is effective, systematic experimentation allows firms to test designs on small, randomly selected groups of customers to distinguish how varying features, tools, product versions, and nudges affect individual decisions. By randomly assigning customers to different product versions, we can attribute any differences in usage to the specific product version and select the most effective design for a wider rollout. Experimentation can help firms derive credible evidence on which product features spur desired uptake, which channels best promote specific services, and which strategies most effectively encourage continued use.



Find Out What Works Limited budget— You can't do everything



Measure and Compare Impact Quantify impact— Go with 20% hike, not 5%



Mitigate Risk of Doing Wrong Thing See if there's a *negative* impact before roll out



Where We Work

A selection of our financial service design and testing projects



• Nigeria:

Increased the number of female customers making deposits and transfers on a mobile bank account by up to 44%.

Prompted user engagement in a customer acquisition campaign by over 35% percent.

• Tanzania:

Increased customers accessing a mobile banking platform by up to 28%.

Pakistan:

Increased customer referrals of a digital finance platform by up to 60%.





For more information, contact abtesting@ideas42.org

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