

INTERACTIVE DIGITAL TOOL ENCOURAGES CLIENTS TO SAVE MORE

Voice messaging innovation increased savings and improved customer relations, especially for women

RESEARCH OVERVIEW

Opportunity International is helping people in Africa to experience the benefits of using digital technology to access financial services with innovative high-tech, high-touch solutions that generate high impact. Opportunity tested one such innovation in Ghana and Uganda between 2017 and 2019: Interactive Voice Response messaging (IVR). Recorded messages in local languages were sent out to clients to stimulate positive saving and borrowing behavior, improve financial literacy, and raise awareness of their rights as clients.

RESEARCH FINDINGS

- ▶ **For Financial Institutions:** IVR was an affordable, yet high-touch option for engaging clients that improved customer relations and encouraged positive financial behavior, such as increased savings
- ▶ **For End Clients:** IVR effectively reached populations with typically low uptake rates for digital financial services, including women and people in rural areas. The gender gap for these IVR tests was lower than the gender gaps of other digital services such as mobile money and cell phone banking.



Client Janet from Ghana proudly shows off her mobile phone

WHAT IS INTERACTIVE VOICE RESPONSE MESSAGING?

Digital technology has the potential to transform lives, link people across vast geographic distances, and open worlds of information, services, connections—but only if one has access. Opportunity International is helping people in Africa leverage digital technology to access financial services with innovative high-tech, high-touch solutions that generate high impact. Opportunity tested one such innovation in Ghana and Uganda from 2017 to 2019: Interactive Voice Response messaging (IVR).

IVR enables financial institutions to communicate with customers through voice messages that are delivered to a customer's mobile phone. Messages can be recorded and sent in multiple languages, and customers can respond to the messages by pressing numbers on their keypad. Because clients hear a recorded human voice, IVR is particularly suited for clients with low literacy—a challenge many rural women face. IVR effectively combines the efficiencies of technology with some key benefits of human touch. Clients can receive information anywhere they have a cell phone signal at no personal cost and institutions can cost-effectively engage clients. The interaction also leaves a data trail, enabling institutions to rapidly adjust messaging based on client feedback.

RESEARCH: TESTING IVR TO STIMULATE POSITIVE FINANCIAL BEHAVIOR

Research on the effectiveness of SMS messaging for financial inclusion is available,¹ but the use of IVR is relatively new in Africa, particularly for financial inclusion.² For this IVR initiative, Opportunity sent out recorded messages in local languages to clients in Ghana and Uganda, focusing on clients facing a range of barriers to financial participation, including people living in rural areas, women, and people with lower literacy or digital experience. The three main objectives for the IVR work were to:

1. Engage clients, especially women and low literacy clients
2. Drive positive savings and loan-related behavior
3. Enhance financial knowledge among target clients

Opportunity partnered with Viamo, a global social enterprise with experience deploying IVR in Africa in the health, democracy, and agricultural sectors. Technical support on this project was provided by Opportunity’s Digital Finance, Agriculture Finance, and Knowledge Management teams. Cross-departmental teams drove the initiative in the two implementing financial institutions: Opportunity International Savings and Loans (OISL) in Ghana and Opportunity Bank of Uganda, Ltd. (OBUL). Funding for the project came from multiple long-term partners in Africa including the Mastercard Foundation, the Caterpillar Foundation, the Cisco Foundation, and the Weberg Foundation.

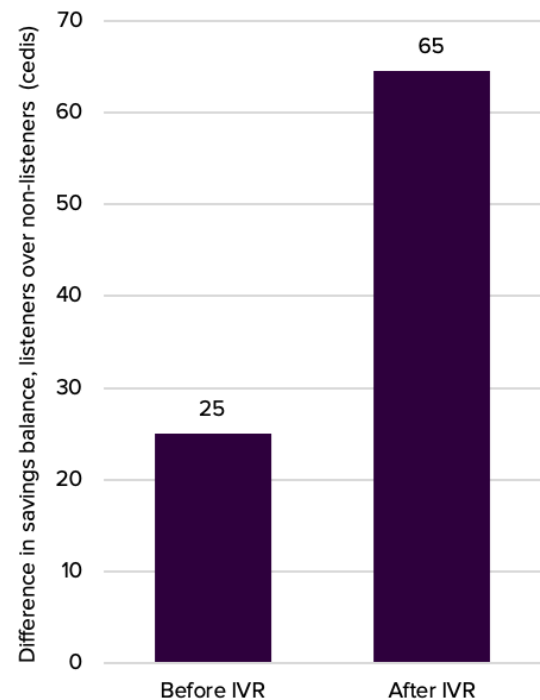
FINDINGS: HIGH ENGAGEMENT, INCREASED SAVINGS, AND ENHANCED CUSTOMER RELATIONS

The goal of the IVR messages was to stimulate positive saving and borrowing behavior, improve financial literacy, and raise awareness of their rights as clients. With some messages, clients were given options to interact by selecting a language preference, making a commitment to save, or requesting more information, for example. The messages were sent to 46,671 low-balance savers in Ghana (60% women) and 8,009 rural clients in Uganda (38% women). The main findings from the IVR initiative include the following:

- **High engagement: The vast majority of clients listened to at least one message.** (78% in Ghana and 88% in Uganda) On average, 25% of clients listened to any given call in Ghana, and 48% in Uganda. The listening rate was higher than anticipated in Uganda, where only rural clients received messages.
- **Low gender gap: IVR was more effective than other digital finance interventions for engaging women, and nearly achieved gender-equal participation.** Typically, digital interventions engage more men than women. The gender gaps for utilization of mobile money services, for example, is 17% in Ghana and 11% in Uganda. The gender gap for this IVR test resulted in a much smaller margin—4% in Ghana and 6% in Uganda—meaning almost as many women as men engaged with the service.
- **Listeners Saved More: There was a positive correlation between increased savings balances and the number of IVR messages a client heard.** This was particularly true for less active savers in Ghana and savers without loans in Uganda. The average balance change for clients who listened to five or more IVR messages was double that of non-listeners.
- **IVR Catalyzed Increased Savings: In Ghana, IVR led to additional savings of 40 Ghana cedis per listener.** For the year prior to IVR, there was no difference in savings trends between listeners and non-listeners. After IVR, the difference in savings between listeners and non-listeners increased by 40 GHS (\$7 USD). (See Figure.)

- **Cost-Effective Intervention: Clients’ increased savings was nearly triple the external cost of the initiative.** Each dollar spent on external IVR service contacts generated an additional \$2.70 USD in savings account balances in Ghana.³
- **Enhanced customer relations reported by clients and staff.** Clients felt proud and valued when they received these messages, and many responded by visiting their local branch to save money and ask questions to get additional information. One client noted, “I feel loved by Opportunity. If you love, you communicate.” Staff also appreciated the extra tool for engaging clients. A staff member commented, “Customers are happy. They feel part of the organization. They feel that we care.”

Difference in Savings Balances Between Listeners and Non-Listeners in Ghana (Dec 2017 vs. August 2018)



NEXT STEPS: TESTING FURTHER USE CASES FOR IVR

IVR has strong potential as a high-touch, high-impact tool for engaging clients. Strategies under consideration for future Opportunity messaging campaigns include seasonal alerts or warm wishes (e.g., when school fees are due, agricultural seasons, holiday greetings), promotion of cell phone banking use, marketing campaigns, tips on specific client challenges identified by staff, and alerts to staff when messages will be sent to clients.

¹Data and Desai, 2018

²Stout, Corytel, 2019

³Data was not available for Uganda.