

DISCUSSION GUIDE: CONSUMERS (INDIVIDUAL)

1. Pre-Introduction (5 minutes)

- Welcome all the respondents
- Introduce the purpose of the research
 - “We are working with USAID, an organization from the US, to understand what incentives can be provided to consumers and merchants to ensure uptake of digital payment mechanisms such as debit cards, mobile money, etc. As you know the government has opened a vast number of accounts under the PMJDY, and now we are trying to understand that what services can be provided to ensure that people start using digital means to transact. There is no right or wrong answer to any question, so please feel free to speak up and discuss your heart out. It will be really helpful for my team.”
- Introduce the research team present in the room.
 - “We all work for an organization called Dalberg, which is in Mumbai. We are working with the American organization to conduct this research.”
 - Go around the room and introduce everyone
- Ask and get permission for photograph and audio recording

2. Introductory interview (10 minutes)

- Fill out the interview questionnaire for consumers (Appendix A)

3. Inflow- Storage-Outflow (35 minutes)

Cue cards and templates for this section are in Appendix B

Objectives

- To understand:
 - The key sources of income (inflow) and expenditure (outflow) of consumers
 - The key modes of storage of money
 - The frequency of income and expenditure
 - Their saving habits
 - Their cash handling mechanism, and costs associated with that

How to run the exercise

1. Lay out the template in front of the respondent
2. Explain the exercise to them
 - “The main aim of this exercise is to understand your main sources of income (where all you earn from, how often does this money come to you, in what form does this come), expenditure (what are the major purchases you make in a month, how often do you make them, what are the modes (card vs cash vs bank transfer vs mobile money) that you use. And to also understand how do you save money, in what forms, and how often”
3. Begin with understanding the different sources of income inflow of the respondent
 - Place the cue cards for inflow on the table and ask the respondent to first remove all those sources from which he/she does not receive any income
 - Let the respondent first grapple with the cue cards himself/herself; however if they fail to understand any cue card, explain it to them

- Once the respondent has selected the cue cards which correspond to his/her sources of income, ask them if they have any other source of income and place post its for the same
 - Ask the respondent to then place the cue cards in order of share of income (cue card corresponding to highest share of income should be first, and so on)
 - Probe them on the following things:
 - Mode of income (cash vs card vs bank transfer etc.)
 - If cash – how do you collect it, if you need to go somewhere how much time and money is involved in collecting it
 - Frequency (daily vs weekly vs monthly, etc.)
 - Amount of income from each source (it is not necessary to get a direct answer to this question, if the respondent seems hesitant or reluctant, do not push for an answer)
4. Next, move on to understanding the different sources of expenditure of the respondent
- Place the cue cards for outflow on the table and ask the respondent to first remove all those items on which he/she does not spend
 - Let the respondent first grapple with the cue cards himself/herself; however if they fail to understand any cue card, explain it to them
 - Once the respondent has selected the cue cards which correspond to his/her sources of expenditure, ask them if they have any other items on which they have a high share of expenditure and place post its for the same
 - Ask the respondent to then place the cue cards in order of share of wallet (cue card corresponding to highest share of expenditure should be first, and so on)
 - Probe them on the following things:
 - Mode of expenditure (cash vs card vs bank transfer etc.)
 - Frequency (daily vs weekly vs monthly, etc.)
 - Familiarity with the merchant
 - Do you purchase one type of good from the same merchant every time or do you use different merchants
 - Do you know the merchant
 - Proximity of the merchant (is the merchant you buy this from close by or far away, etc.)
 - How long have you been shopping there
 - Do you have a credit account open with them
 - If so, how does the credit account work (what is the repayment time, is there a limit which the merchant imposes)
 - Do you trust the merchant
 - Amount spent on each item per month (again, not necessary to get a direct answer to this question, if the respondent seems hesitant or reluctant, do not push for an answer)
 - Ask if they have any expenses for which they pay digitally, no matter how small. If so, probe on:
 - Their reasons for paying the expenses in question digitally
 - Why they began to pay these expenses digitally
 - Any benefits that they have in paying these expenses digitally
 - The time spent transacting
 - If there are any transaction charges
5. Next, move on to understanding how people save and store money
- Use the large post it to draw a flow diagram of money each month
 - Begin by writing down the different forms in which people earn money (For E.g. Cash is 30k a month, bank transfer is 20k a month, etc.)
 - Then probe what the respondent does with this money
 - How much of this is kept in the same form and how much is converted to cash or digital

- How frequent is the form of money converted (cash to digital, digital to cash, etc.)
- When money is in cash, where and how is it stored
- With cash that is saved –
 - Where is it deposited
 - How often
 - How far away is it
 - How much time does it take
 - How much money does it cost for transportation, bank charges, etc.
- For withdrawing the money –
 - How is the money withdrawn
 - How often
 - How far away is it
 - How much time does it take
 - How much money does it cost for transportation, bank charges, etc.
- What methods of saving are they aware of
- What methods of saving they trust
- What percentage of their income is saved
- Do they feel they are saving enough money every month
- What is their experience with their saving mechanism (banks, self-help groups, MFIs, etc.)
- Do they wish for more ways to save their money
- Do they have a requirement for loans/credit
- What sources of loans are they aware of
- Do they trust these sources
- Do they wish there were additional ways they could receive credit/loans
- Do they have any outstanding loans
- Have they taken any loans in the past
- Test awareness on the interest rate paid
- How much did they repay for every Rs. 100 that was borrowed
- How much time they had to repay the loan in)
- How was it interacting with the source of the loan
- If they had to, would they return to the same source for a new loan

4. Cash handling problems

(20 minutes)

Cue cards and templates for this section are in Appendix C

Objectives

- To understand:
 - The key barriers people face in their daily lives in using cash
 - How digital payments could be used to overcome those barriers

How to run the exercise

1. Lay out the template in front of the respondent
2. Explain the exercise to them
 - “The main aim of this exercise is to understand some of the barriers you face in using cash. As you mentioned, most of your income and expenditure is in cash, and the idea is to understand what all (if any) problems you face in using, storing and carrying cash”
3. Begin by understanding the barriers in using cash
 - First, place the cue cards for barriers to using cash on the table and ask the respondent to first remove all those cards which they feel don't reflect the problems they face

- Let the respondent first grapple with the cue cards himself/herself; however if they fail to understand any cue card, explain it to them
- Then ask the respondent to choose the top 4-5 problems they face in dealing with cash, and rank them in decreasing order of pain (whichever one is the most painful, place first), and place them top to bottom
- For each problem they highlight:
 - Ask them to describe why it is indeed a problem
 - Ask for a recent incident that substantiates their choice (in the last year or so: something that happened to them or to people they know. Eg. If they were robbed in the past year, or someone they knew was robbed, how much money was lost, how could it have been prevented, etc.)
 - Ask them to estimate how much time they lose or how much actual income they lose every year because of this
- Last, ask respondents to place the cue cards from left to right based on increasing order of frequency of these problems

5. Debit card / online banking profiles

(20 minutes)

The template for this section is in Appendix D

Objectives

- To understand:
 - The respondents current usage of digital transactions (debit cards, credit cards, mobile money, bank transfer, cheques)
 - Their attitude to, and knowledge of these mechanisms
 - The potential for them to move to these mechanisms (and for what kind of transactions)

How to run the exercise

1. Lay out the template in front of the respondent
2. Explain the exercise to them
 - “The main aim of this exercise is to understand what you think of various digital transaction mechanisms and what your current experience has been. In case you haven’t used them, we will try and understand as to why you haven’t done so, and if you were to use it, for what kind of transactions will you do it”
3. Begin by probing about debit cards
 - “Do you use debit cards or have you used them in the past?”
If Yes:
 - When did you adopt debit cards?
 - Why did you adopt debit cards?
 - Probe on the trigger, ie, the key reason, for which they applied for a debit card (examples of triggers could be things like an advertisement that prompted them to get one, a bank agent convincing them, a need to make a particular transaction online, etc. A trigger would be the event that prompted them to apply for the debit card *after* all the benefits of using one had been understood)
 - How did you apply for the debit card?
 - Was it an easy process?
 - Is there anything that would have made the process easier?
 - Would you recommend using a debit card to your friend/colleague?
 - Why would you recommend/not recommend this use?

- Where all do you use debit cards (ATMs, online, stores, and if so what kind of store)? What is the approximate percentage distribution of debit card usage amongst these avenues (eg. 80% at ATMs, 15% at stores, 5% online)?
- If debit cards are used only/predominantly at ATMs
 - Why is this so?
 - How has your experience been at an ATM?
 - Are there lines at the ATM?
 - On average, how often do you have to wait in line at an ATM before being able to withdraw money?
 - How often do ATMs not have any money/ do transactions fail?
 - Have you had any significant problems because the ATM did not have money or transactions failed?
 - Are you comfortable with the process of using an ATM, or do you wish they were easier to use?
 - If you are not happy with an ATM, why do you continue to use them?
 - Have you paid transaction charges to the bank for using the ATM multiple times?
 - What has your experience been with these charges?
 - If you had to pay a transaction charge every time you used the ATM, would you continue to use it?
 - Up to what amount would you be willing to pay?
- For those using Debit cards at stores (any amount)
 - Do you prefer it over paying cash? Why do you prefer/not prefer it over cash?
 - What has your experience been? What would make the payment experience better?
 - Do you feel transacting with retailers with your card is safe? What do you feel about putting in your 4 digit ATM PIN every time you transact?
 - Do retailers generally charge anything above the market price if you pay with your card? If they were to begin charging, would you continue to use your card to pay? Up to what amount would you be willing to pay?
- For those not using debit cards at stores
 - Why do you not use debit cards with retailers?
 - Do the retailers you transact with most often accept debit card payments? If no, then if they began to accept debit card payments, would you begin to use debit cards there? Why or why not?
- For those using debit cards online (any amount)
 - What has your experience been?
 - What device (mobile phone/laptop) did you use to purchase online? Was it your own device or was it someone else's, and if so, whose was it?
 - When did you first hear about online shopping?
 - Have you ever returned anything that you purchased online? What was the experience like? How was your money refunded?
- For those not using debit cards online
 - Do you shop online? Why or why not? If yes, what has your experience been?
 - Do you know that debit cards can be used online? If so, why haven't you used it?
- What type of transactions do you generally use debit cards for? Do you debit cards for low value transactions (less than Rs. 100)? If not, then why? What is the lowest value transaction that you would conduct using a debit card?
- How often do you use them (frequency)?
- When do you prefer using this to cash? (**probe why**)
- When do you think it's easier to use cash instead? (**probe why**)

If No:

- Do you know what debit cards are? (**probe what**)
- Can debit cards be used at the stores where you shop?

- If stores were to begin accepting debit cards, would you begin using them?
 - What are the key reasons for not using debit cards? (**probe why**)
 - What have you heard about debit cards? Are they beneficial, or not useful? Why or why not?
 - Are you interested in getting a debit card? Why or why not?
 - What kinds of people use debit cards?
 - What kinds of stores accept debit cards?
 - Do you know someone who uses debit cards?
 - If yes, what have you heard about their experience?
 - Do you know where all you can use debit cards? (**probe where**)
 - If you were to use them, what kind of transactions do you think they will be beneficial for?
(**probe why**)
4. Next ask them about their experience of using mobile money
- “Have you use mobile money, services like airtel money, vodafone Mpesa, etc., in the past?”
- If Yes:*
- When did you adopt mobile money?
 - Why did you adopt mobile money?
 - Again, probe on the trigger, ie, the key reason, for which they applied for mobile money
 - How did you apply for a mobile money service?
 - Was it an easy process?
 - Is there anything that would have made the process easier?
 - What are the key benefits you see in using mobile money?
 - Would you recommend using a mobile money to your friend/colleague?
 - Why would you recommend/not recommend this use?
 - Where all do you use mobile money (airtime top up, online shopping, sending/receiving money)?
 - What is the approximate percentage distribution of debit card usage amongst these avenues (eg. 80% for airtime top up, 15% online shopping, 5% sending money)?
 - For all avenues that mobile money is used for-
 - Do you prefer it over paying cash?
 - Why do you prefer/not prefer it over cash?
 - What has your experience been?
 - What would make the payment experience better?
 - Do you feel transacting with mobile money is safe?
 - Are you charges anything above the market price if you pay with mobile money?
 - If you were charged an amount would you continue to use mobile money for this purpose?
 - What is the amount you would be willing to pay?
 - For those not using mobile money at stores
 - Why do you not use mobile money with retailers?
 - Do the retailers you transact with most often accept mobile money payments?
 - If no, then if they began to accept mobile money payments, would you begin to use mobile money there?
 - Why or why not?
 - For those using mobile money online (any amount)
 - What has your experience been?
 - What device (mobile phone/laptop) did you use to purchase online?
 - Was it your own device or was it someone else’s, and if so, whose was it?
 - If not asked yet, then ask
 - When did you first hear about online shopping?
 - Have you ever returned anything that you purchased online?
 - What was the experience like?
 - How was your money refunded?

- What type of transactions do you generally use mobile money for?
- Do you use mobile money for low value transactions (less than Rs. 100)?
- If not, then why?
- What is the lowest value transaction that you would conduct using mobile money?
- Do you use mobile money for high value transactions?
- If not, then why?
- What is the highest value transaction that you would conduct using mobile money?
- How often do you use them (frequency)?
- When do you prefer using this to cash? **(probe why)**
- When do you think it's easier to use cash instead? **(probe why)**

If No:

- Do you know what mobile money is?
- What are the key reasons for not using mobile money? **(probe why)**
- What have you heard about mobile money?
- Is it beneficial, or not useful?
- Why or why not?
- Are you interested in signing up for a mobile money service?
- Why or why not?
- What kinds of people use mobile money?
- What kinds of transactions is mobile money used for?
- Do you know someone who uses mobile money?
- If yes, what have you heard about their experience?
- Are you aware what all you can use this for? **(probe what)**
- If you were to use them, what kind of transactions do you think they will be beneficial for? **(probe why)**

5. Next ask them about their experience of using online/mobile bank transfers

- “Have you used bank transfers in the past, to receive or make any payments?”

If Yes:

- What are the key benefits you see in using these facilities?
- Where all do you use them?
- How often do you use them (frequency)?
- When do you prefer using this to cash? **(probe why)**
- When do you think it's easier to use cash instead? **(probe why)**

If No:

- Do you know what these services are? **(probe what)**
- Are you aware what all you can use this for? **(probe what)**
- What are the key reasons for not using these services? **(probe why)**
- If you were to use them, what kind of transactions do you think they will be beneficial for? **(probe why)**

6. Next ask them about their experience of using cheques

- “Have you used cheques in the past, to receive or make any payments?”

If Yes:

- What are the key benefits you see in using these facilities?
- Where all do you use them?
- How often do you use them (frequency)?
- When do you prefer using this to cash? **(probe why)**
- When do you think it's easier to use cash instead? **(probe why)**

If No:

- Do you know what these services are? **(probe what)**
- Are you aware what all you can use this for? **(probe what)**
- What are the key reasons for not using these services? **(probe why)**

- If you were to use them, what kind of transactions do you think they will be beneficial for? **(probe why)**

6. Idea testing

(30 minutes)

Cue cards and templates for this section are in Appendix E

Objectives

- To understand:
 - The potential for different value added services
 - Which services appeal more to consumers than the others

How to run the exercise

1. Lay out the template in front of the respondent
2. Explain the exercise to them
 - “As we mentioned before, we are trying to understand what services could be provided to you to ensure you start using digital payments. We will also aim to understand which one of them appeals to you more as compared to others, and which in itself would be enough of a reason for you to start using digital payments”
3. Begin by asking them which services, in themselves, would be enough to push them to use digital payments
 - First, place the cue cards for ideas on the table and ask the respondent to first remove all those cards which they feel don't excite them, prima facie
 - Provide a brief 15 second explanation for each of the use cases / service ideas after you've put down all the cards on the table
 - Then ask them to select the top 4-5 ideas which appeal them to the most (probe why's)
 - Ask the respondents to air any concerns , and prompt for questions on the ideas that appeal to them
 - Understand why they chose those service ideas and what barriers they face currently, which will be overcome by these services
4. Next ask them to prioritize
 - Ask the respondents to pick the top three ideas that appeal to them the most, and understand why they picked those ideas
 - Probe why they picked one idea over another
 - Why did you choose this idea?
 - Would this idea in itself be enough to prompt you to switch over to begin using digital payments?
 - What interests you about this idea over any of the other ideas?

Appendix A: Interview Questionnaires

1. Background information

Name of respondent	
Age	
Sex	
Date	
Location	
Interview type (Group or individual)	

	QUESTION	RESPONSE	
1.	What is your marital status? (single answer)		
		Single	Married
2.	How many family members do you have?	<input type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 or more (specify: _____)	
3.	What is your highest level of education? (single answer)	<input type="checkbox"/> Illiterate <input type="checkbox"/> Literate without formal education (can read and write, but no formal education) <input type="checkbox"/> Below primary school (below class 4 th) <input type="checkbox"/> Primary (class 5 th) <input type="checkbox"/> Middle (class 6 th – 8 th) <input type="checkbox"/> Matriculation (8 th – 10 th) <input type="checkbox"/> Higher secondary (till the 12 th) <input type="checkbox"/> Technical diploma <input type="checkbox"/> Non-technical diploma <input type="checkbox"/> Graduate <input type="checkbox"/> Post Graduate and above <input type="checkbox"/> Other: _____	
4.	How long have you been living at your current place of residence? (single answer)	<input type="checkbox"/> 0-1 year <input type="checkbox"/> 1-2 years <input type="checkbox"/> 2-3 years <input type="checkbox"/> 3-4 years <input type="checkbox"/> 4-5 years <input type="checkbox"/> 5-6 years <input type="checkbox"/> 6-7 years <input type="checkbox"/> 7-8 years <input type="checkbox"/> 8-9 years <input type="checkbox"/> 9-10 years <input type="checkbox"/> 10 years+	

5.	Do you own your current place of residence or do you live on rent? (single answer)	<input type="checkbox"/> Owned personally <input type="checkbox"/> Owned by family <input type="checkbox"/> Rented <input type="checkbox"/> Other: _____

2. Employment related questions

	QUESTION	RESPONSE
6.	What is your primary job, i.e. the job where you spend most of your time? (single answer)	<input type="checkbox"/> Farmer <input type="checkbox"/> Government employee (permanent) <input type="checkbox"/> Government employee (temporary) <input type="checkbox"/> Private sector employee (permanent) <input type="checkbox"/> Private sector employee (temporary) <input type="checkbox"/> Business owner or self-employed <input type="checkbox"/> Student <input type="checkbox"/> Housewife <input type="checkbox"/> Unemployed <input type="checkbox"/> Other: _____
7.	What is your average monthly income? (single answer)	<input type="checkbox"/> 0-5k <input type="checkbox"/> 5k-10k <input type="checkbox"/> 10k-15k <input type="checkbox"/> 15k-20k <input type="checkbox"/> 20k-25k <input type="checkbox"/> 25k-30k <input type="checkbox"/> 30k-35k <input type="checkbox"/> 35k-40k <input type="checkbox"/> 40k+
8.	How often do you receive your income? (single answer)	<input type="checkbox"/> Daily <input type="checkbox"/> Weekly <input type="checkbox"/> Monthly <input type="checkbox"/> Every 1-3 months <input type="checkbox"/> Every 3-6 months <input type="checkbox"/> Variable

3. Access to, and use of banking services

	QUESTION	RESPONSE
9.	Do you have a personal bank account? (single answer)	<input type="checkbox"/> Yes <input type="checkbox"/> No
<p><i>If Yes, Ask question 9</i> <i>If No, Skip to question 12</i></p>		

10.	How many personal bank accounts do you have? (single answer)	<input type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 or more		
11.	Did you open this account under PMJDY? (single answer)	<input type="checkbox"/> Yes <input type="checkbox"/> No		
12.	Which of the following do you own? (single answer)	Instrument	Pay	Receive
		Debit card		
		Credit card		
		ATM card		
		Cheque		
	Mobile money			
13.	Does anyone else in your family have a bank account? (allow multiple answers)	<input type="checkbox"/> Yes (please specify: _____) <input type="checkbox"/> No		
14.	Are you a recipient of any government benefits? (single answer)	<input type="checkbox"/> Yes (please specify: _____) <input type="checkbox"/> No		
15.	Do you pay any form of taxes? (single answer)	<input type="checkbox"/> Yes (please specify: _____) <input type="checkbox"/> No		

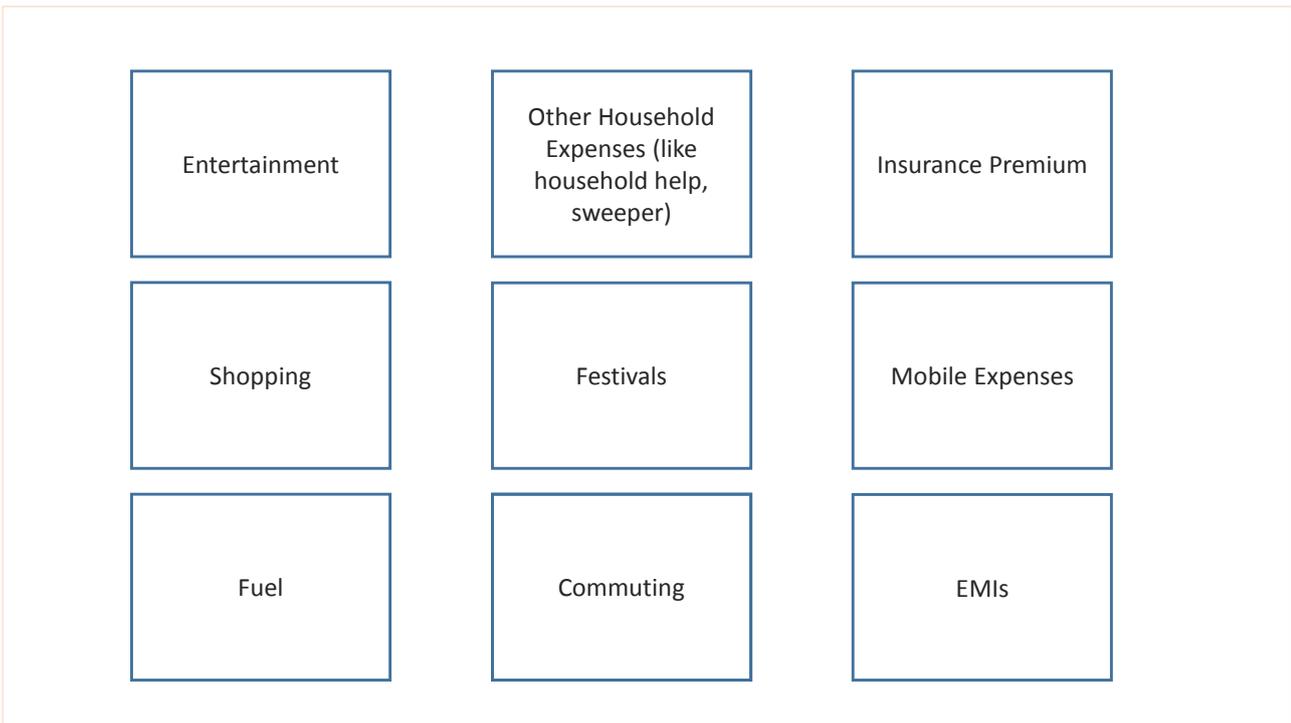
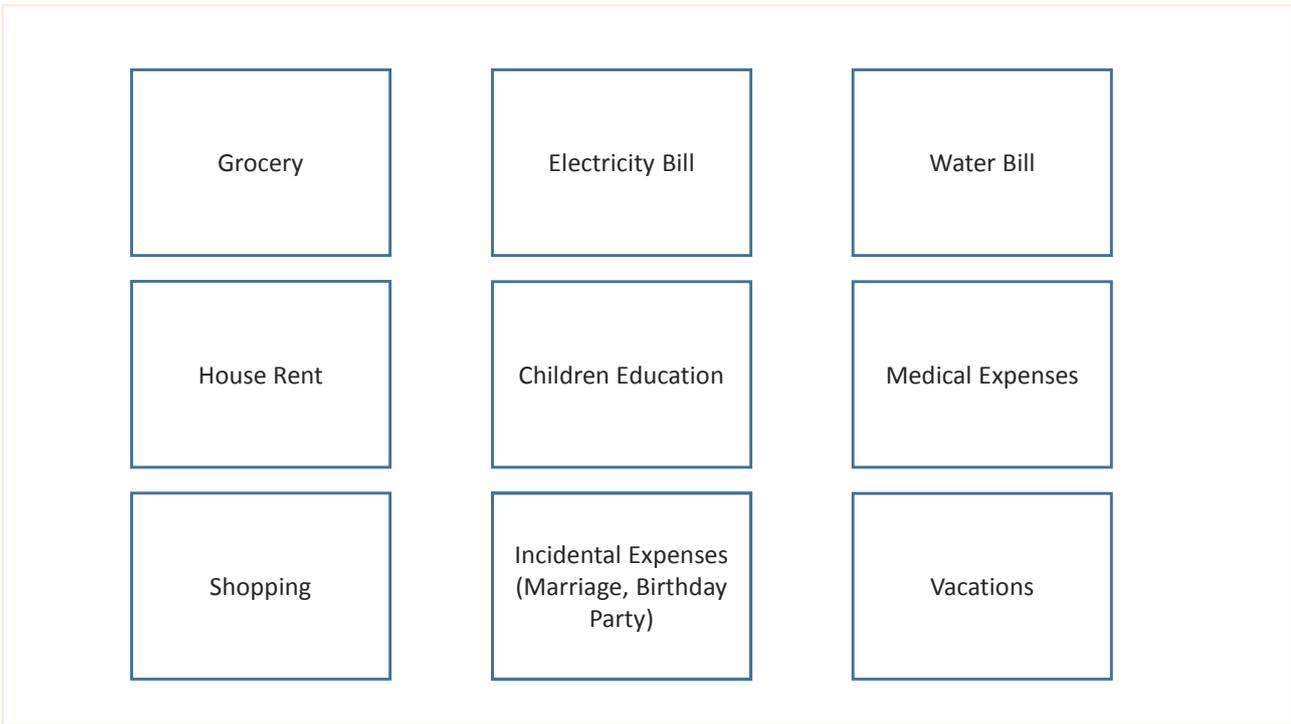
Appendix B: Exercise templates and cue cards (income-storage-outflow)

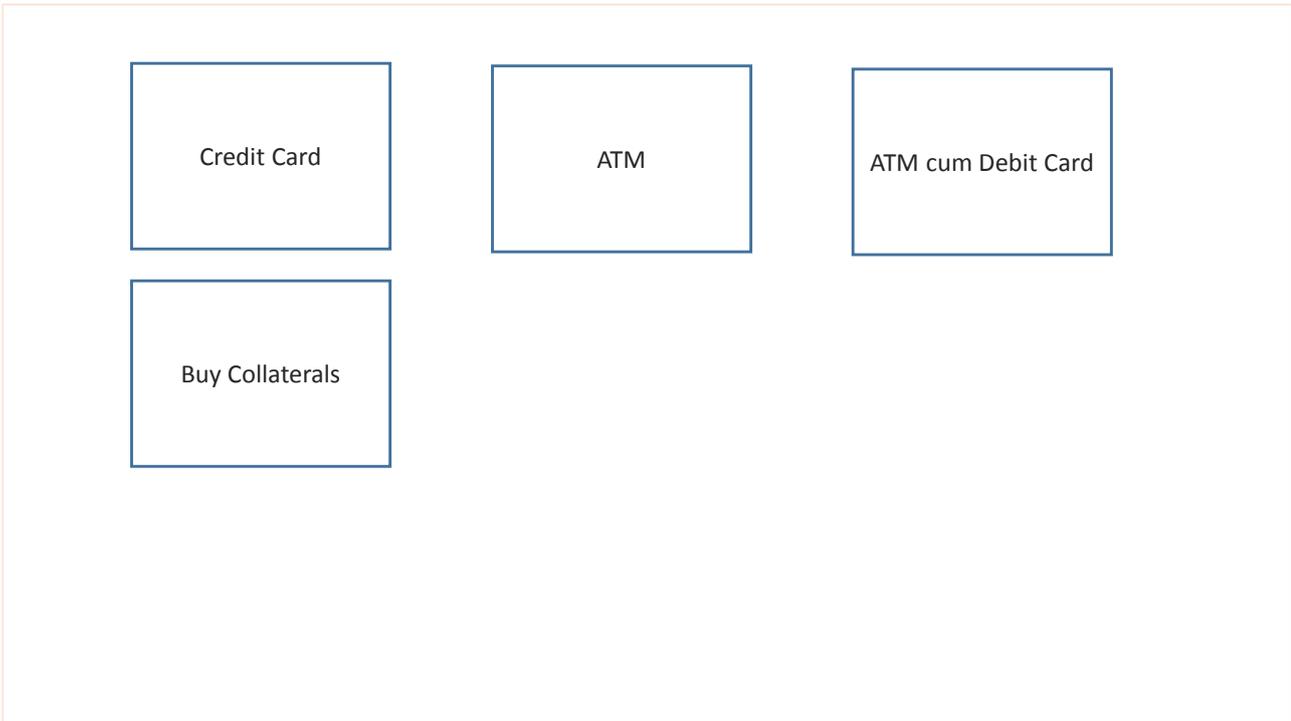
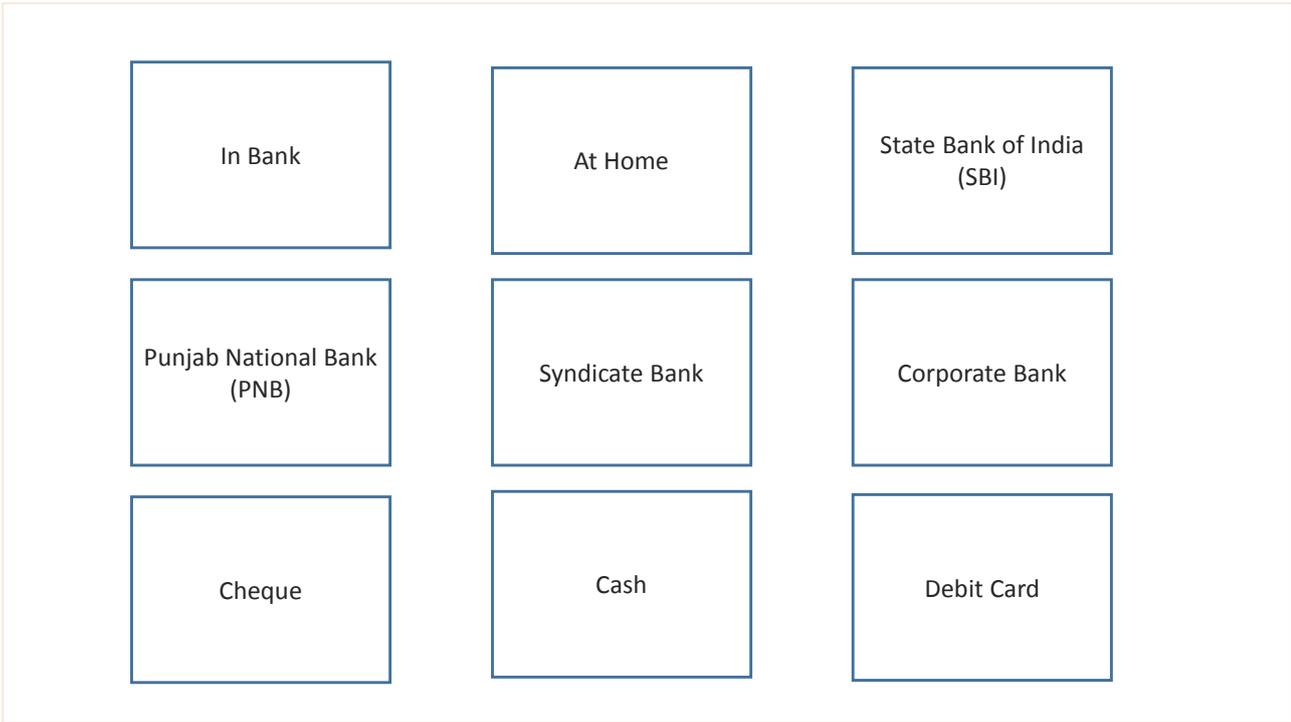
Template:

<p>Consumer research Inflow-Storage-Outflow</p> <div style="text-align: center; border: 1px solid black; background-color: #800040; color: white; padding: 10px; width: 100px; margin: 20px auto;">Inflow</div>	<p>Name: Location:</p> <div style="text-align: center; border: 1px solid black; background-color: #800040; color: white; padding: 10px; width: 100px; margin: 20px auto;">Store</div>	<p>Exercise template</p> <div style="text-align: center; border: 1px solid black; background-color: #800040; color: white; padding: 10px; width: 100px; margin: 20px auto;">Outflow</div>
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Cue cards:

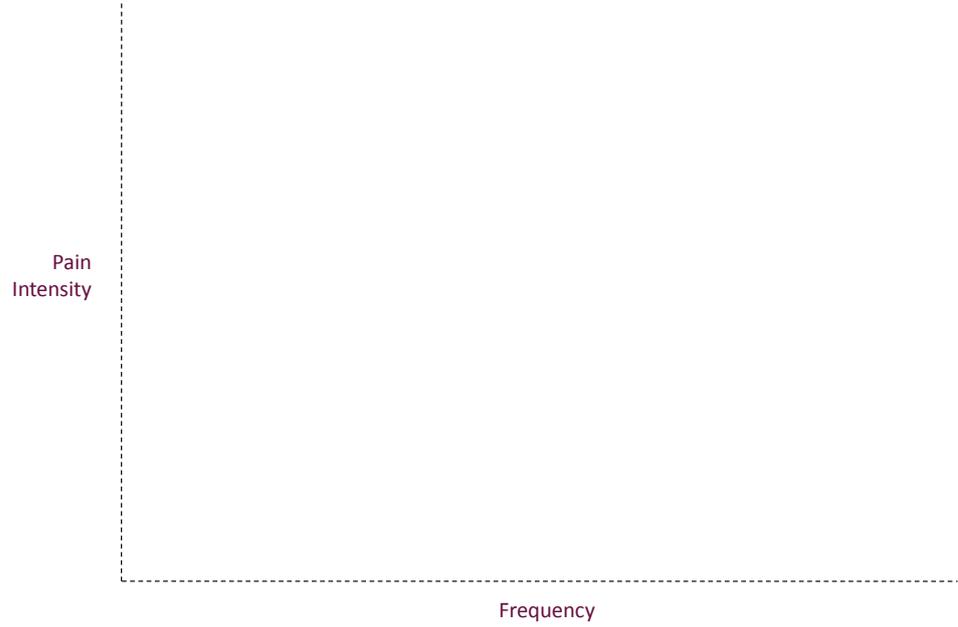
Service	Business	Renting House
Renting Shops	Agricultural Land	Interest on Previous Savings
Pension		





Appendix C: Exercise templates and cue cards (cash handling problems)

Template:

<p>Consumer research Cash handling problems</p>	<p>Name: Location:</p>	<p>Exercise template</p>
		

Cue cards:

<p>Forget to carry money</p>	<p>Don't have exact change</p>	<p>Cash notes tear up</p>
<p>Fear that large notes might get lost or stolen</p>	<p>Get fake / counterfeit money</p>	<p>Counting becomes a problem in certain transactions</p>
<p>Run out of cash when I'm outside my home</p>	<p>It takes time to withdraw from an ATM</p>	<p>Takes time to go and collect my salary</p>

Appendix D: Exercise template (Debit card / banking profile)

Template:

Consumer research Cards, Mobile Money, & Online Banking	Name: Location:	Exercise template
Benefit or Convenience Level		
	Frequency	

Appendix E: Exercise template (idea testing)

Template:

<p>Customer research Idea testing</p>	<p>Name: Location:</p>	<p>Exercise template</p>

Cue cards:

Transactions leading to money back	Interest on money saved in mobile wallets	Lucky draw or lottery
Tax benefits or rebates	Points redeemable against goods	Remittances
Open bank at kirana store	Buy online products at kirana store	Bill payments such as electricity or water

Convenient payments
for public transport

Withdrawals at
Kirana