

How Ujjivan Small Finance Bank Fast-Track Digital Adoption Among Mass Unserved and Underserved Customer Segments



About Ujjivan Small Finance Bank

With more than 57 lakh customers, over 575 banking touchpoints across 240 districts, 24 states, and Union Territories, Ujjivan Small Finance Bank is building a state-of-the-art, mass-market bank to serve the unserved and underserved customers who are currently outside the formal banking system.

The Small Finance Bank aims to improve the financial outcomes of the unserved and underserved segment by providing convenient alternative channels and digital footprint across internet banking, mobile application, tablet-based origination, and phone banking among others, and 24x7 access to full services of the bank.



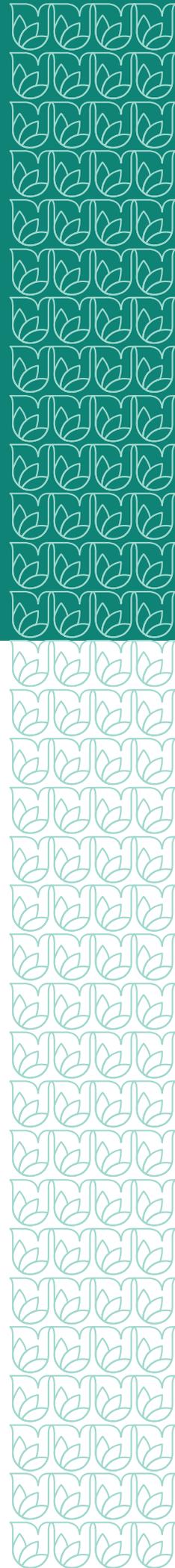
What they say about us

Using MoEngage, we are able to send targeted campaigns to customer segments who weren't transacting digitally and urge them to pay their dues and build up the balance. As a direct result, we saw approximately 2 lakh unique customers onboarded to digital payments, with more than ₹123+ Crores of EMI collected in just 5 months! The conversion rate from digital channels grew from just 2% to a whopping 18%.

MoEngage is going to be a critical part of our marketing and automation strategy by helping us consolidate and analyze customer data, provide a 360-degree customer view, and orchestrate campaigns across all of our touchpoints and real estate. We look forward to working with the MoEngage team in scaling new heights in the small finance landscape.



Sriram Srinivasan,
Head Of Digital Banking,
Ujjivan Small Finance Bank Limited

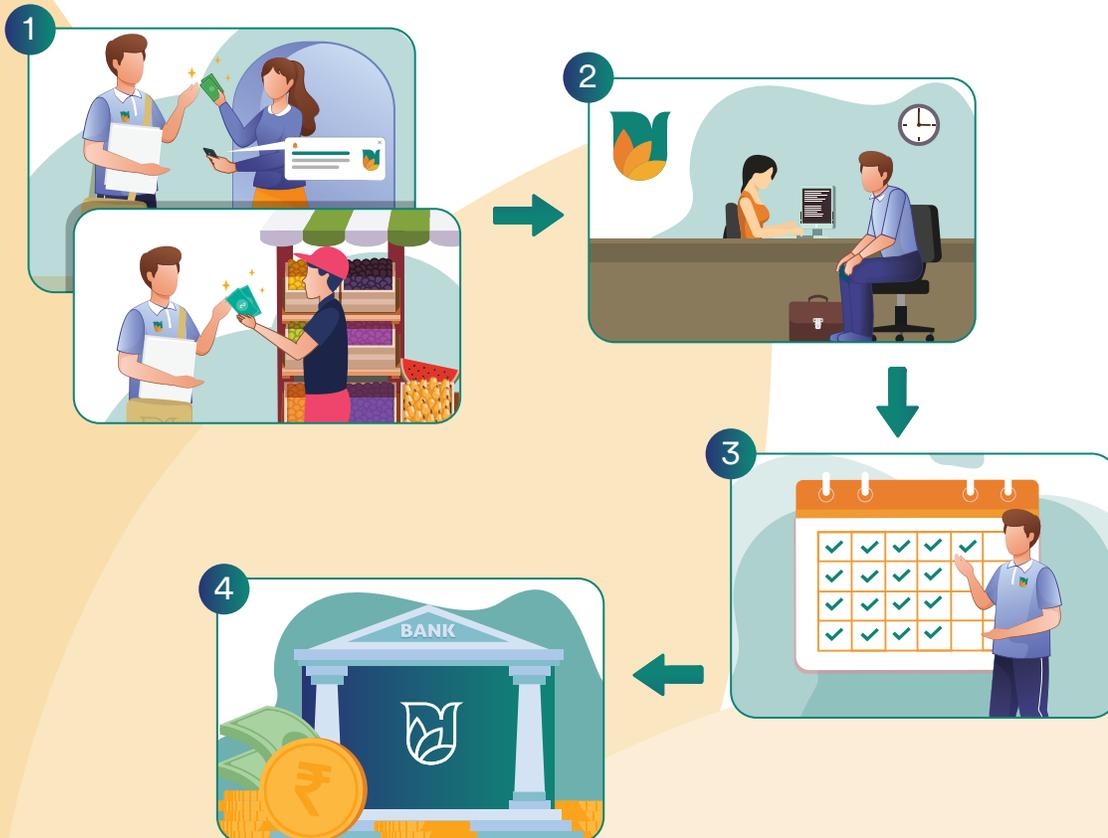


Limitation in traditional collection amid the pandemic and need for omnichannel engagement

Traditional EMI collection process via physical center meets for micro-banking customers was affected by restriction of movement owing to social distancing norms.

There was a need for digitizing the EMI payments from physical to digital which not only was more convenient but also saved both the bank's and the customer's time. In a way, covid-19 acted as a catalyst for driving digital adoption and hence digital collection.

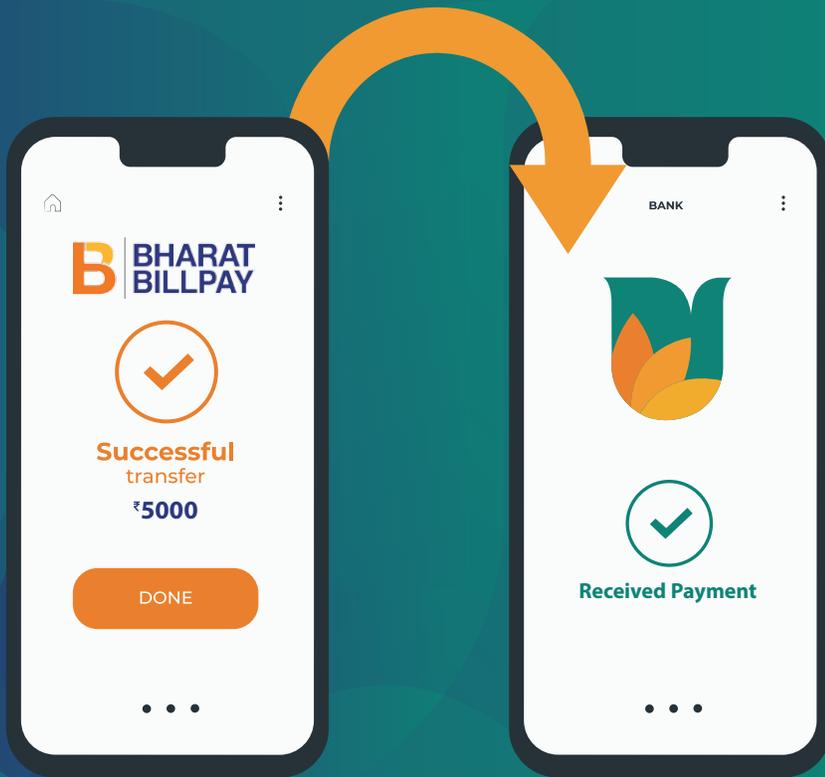
With a substantial retail base, one of the key opportunities was to increase the balance of the base for the bank to have float. The small finance bank needed to identify customers who are more likely to build balance, based on past expenditure patterns and run engagement campaigns (leveraging gamification) to increase balance.



Ujjivan Small Finance Bank's 4-Pronged Approach to Building Digital Payments Ecosystem and Driving Adoption

1 Set up payment integrations and networks:

To increase efficiency, Ujjivan Small Finance Bank brought in a Bharat Bill Payment System (BBPS) aggregator, SETU, which aided in increasing digital repayments.



Along with SETU, the bank integrated with Airtel, Paynearby, and a direct link to pay EMI via CCAvenue. Airtel and Paynearby were for customers who transact in cash. In this mode, the customer can visit the nearest airtel store to pay the due EMI which then gets reflected in real-time within Ujjivan Small Finance Bank's system.

The SETU integration and the corresponding mode of payment were intended for the customers who prefer digital transactions. The customers could repay EMI through PSP apps like PhonePe, Google Pay, and others.

2 Encourage digital repayments by segmenting and running targeted campaigns:

Once the network was set up. Ujjivan Small Finance Bank communicated the same with their customers and encouraged them to adopt digital repayments. They created customer segments by collecting and analyzing the historical month-on-month repayment data (on respective repayment portals). The customers were segmented based on their inconsistency in repayments using digital channels to identify the target group for the campaigns to be run from December 2020 onwards.

Two variations of SMS text were sent for each payment mode:

Digital payment through SETU and



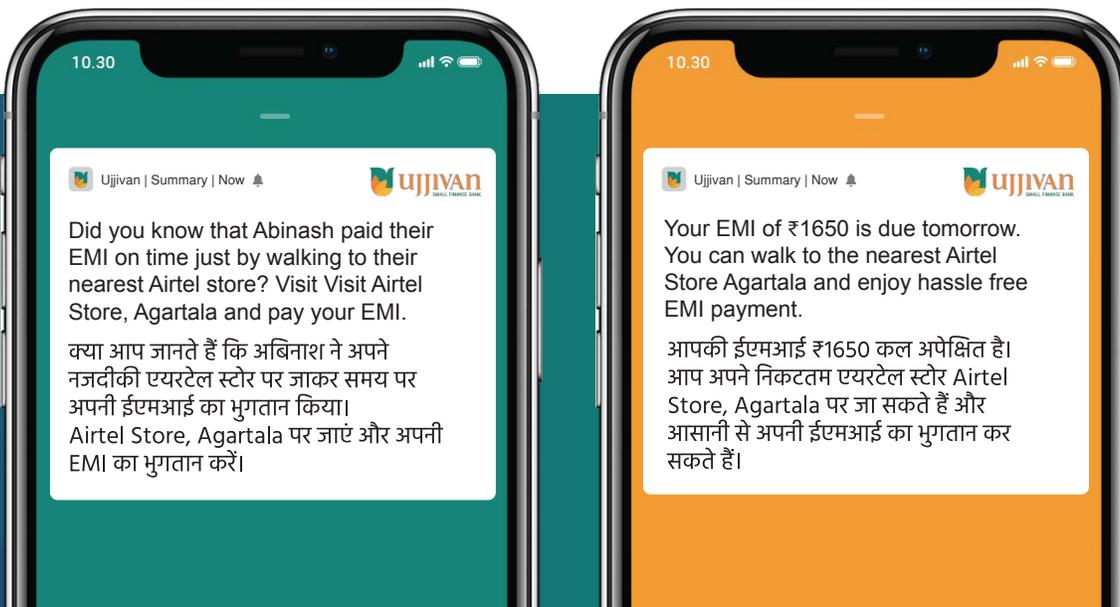
Cash deposit via Airtel and Pay nearby



For Airtel, latitude and longitude of customers were mapped to identify proximity to peer customers. This helped in identifying influencers who could be used to promote the payment of EMI dues.

In order to make the campaign more approachable to the micro-banking customer segment, regional language was used in the content with a total of 12 languages being used.

In the case of cash payment via Airtel Payments, the 1st SMS contained a peer comparison analogy to encourage the customer to pay EMIs on time by guiding them to the nearest Airtel store. This resulted in an increment in EMI collections.



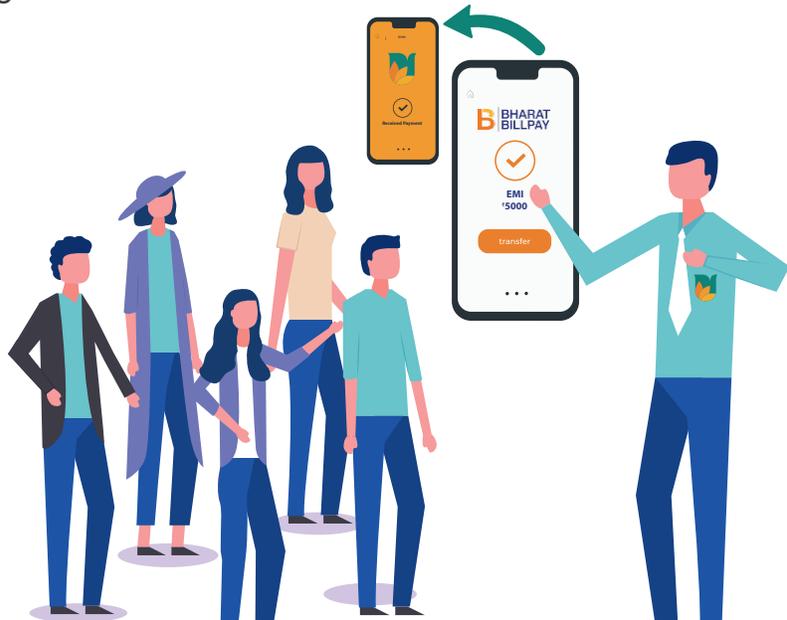
Similarly, in SETU's first SMS, the bank mentioned to its customers that they can pay EMI using payment apps like PhonePe, Google Pay, and more.

The second SMS reminded the customer about the due date for paying the EMI online through payment apps.



3 Staff training to build a digital-first culture:

To spread awareness about online transactions among micro-banking customer segments. The staff and field executives were trained in online payment proficiency to help customers pay bills online. This step ensured customers not only paid EMIs online but also started using Ujjivan Small Finance Bank's services thus contributing to digital revenue.



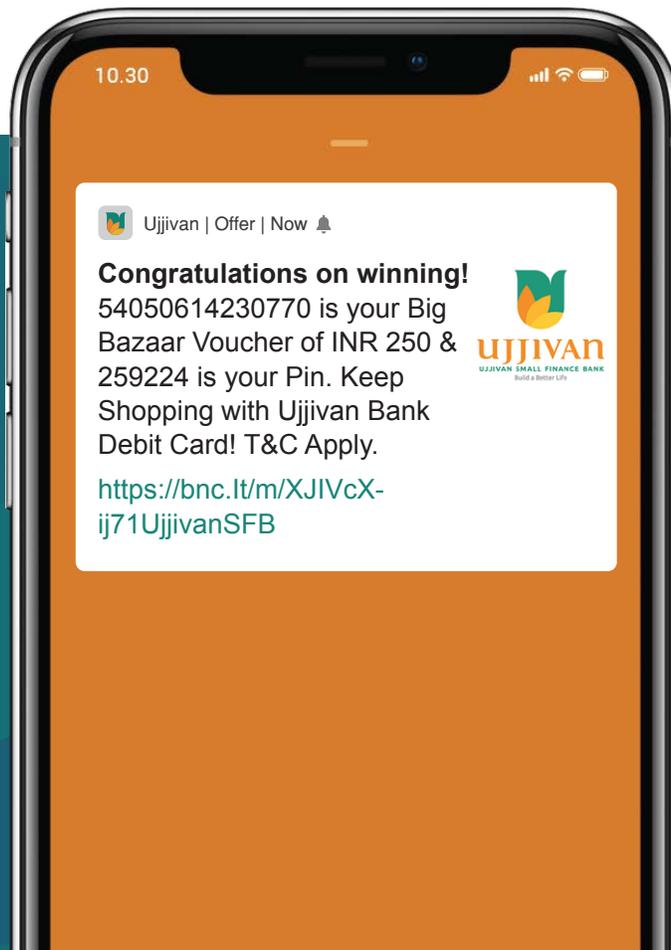
4 Gamification of engagement campaigns to build balance base:

Customers were asked to:

- Deposit additional ₹ 50,000 or above in CA/SA between 23rd to 31st Dec 2020
- Keep additional ₹ 50,000 EOD balance along with base EOD balance from 31st Dec'20-15th Jan'21
- Make at least one digital transaction of ₹ 500 or above via Debit Card, mobile, and internet banking

Customers fulfilling the above criteria would receive a BigBazaar voucher worth ₹ 250!

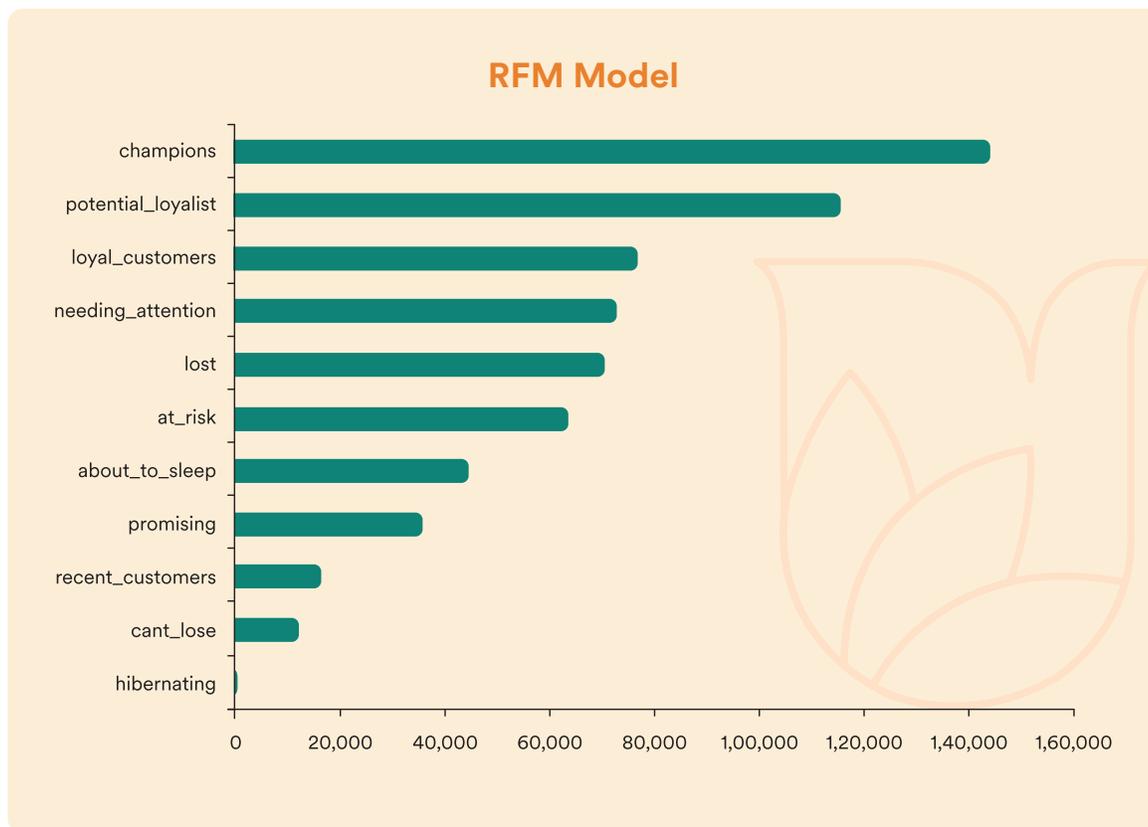
- The Small Finance Bank would identify customer segments based on spending behavior and run targeted campaigns to drive digital revenue growth.



In order to increase the usage of Ujjivan Small Finance Bank's services via digital transactions completed, the team segmented customers based on:

- 🔥 Monthly Average Balance (MAB)
- 🔥 Recent expenditure pattern
- 🔥 Average monthly balance movement, and
- 🔥 Probability to respond to offers sent earlier

Different pools were created like Champions, Loyal Customers, Potential Loyal Customers, and more.



Ujjivan Small Finance Bank then utilized exclusive offers to encourage higher deposits and customers to pay bills online.

Results

Approximately
2 Lakh unique customers
onboarded to
digital modes of
payments

The conversion
rate from
digital channels
rose from just
2% to a
whopping **18%**

₹123+ Crores
of EMI collected
in just 5 months
via digital mode

Substantial
growth in
digital modes of
repayment

For the 'balance
buildup'
campaigns,
**15,000+
customers
responded**

Approximately
₹550 Crores
worth of total
incremental
balance
generated



About moengage

MoEngage is an insights-led customer engagement platform, built for the customer-obsessed marketer.

With AI-powered customer journey orchestration, personalization capabilities, and in-built analytics, MoEngage enables hyper-personalization at scale across mobile, email, web, SMS, and messaging channels.

Fortune 500 brands and Enterprises across 35+ countries such as Deutsche Telekom, Samsung, Ally Financial, Vodafone, Freo and Future Pay along with internet-first brands such as Flipkart, Ola, OYO, Bigbasket, and EarlySalary use MoEngage to orchestrate efficient customer engagement.

MoEngage was recognized as a Leader in the [Gartner Magic Quadrant 2020](#) for Mobile Marketing Platforms and a Strong Performer in [The Forrester Wave™ Report](#) for Cross-Channel Campaign Management (Independent Platforms), Q3 2021. G2 also named MoEngage a Leader in the [Fall 2020 Grid® Report](#), and the #1 Mobile Marketing Platform in the [Spring 2021 Momentum Report](#).

Get a demo of MoEngage today!

Gartner



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