# Real-Time Customer Interactions via SMS

April 2017

# Deployment Highlights

*Phase I of the Juntos-Mynt pilot was focused on engaging GCash customers and increasing GCash transactions. Phase II addressed topics of credit with GCash customers in an attempt to increase uptake and proper usage of the Fuse product Instaloan.*

| Phase I | Phase II |
| --- | --- |
| Response rates on test messaging experiences were up to 38% | Juntos-treated customers had an Instaloan application rate 4x the control group |
| Over a four month period, Juntos increased average transactions of the treated customer portfolio by 7% above the control group (20% for inactives) | Although we were engaging customers on topics of credit rather than GCash transactions, Juntos-treated customers transacted at a rate up to 8% above the control group |

# Project Overview

# Project Plan

*Mynt partnered with Juntos to impact customers' financial behavior. Phase I was focused on driving GCash transactions and the purpose of Phase II was to engage customers on topics of credit and the Instaloan product.*

## Phase I

**KPI 1:**
Increase GCash transaction rates

- Phase I service was provided to customers April-October 2016
- 70,000 customers were extended Juntos services
- 106 messaging tests were conducted

## Phase II

**KPI 1:**
Increase customer education on proper credit usage

**KPI 2:**
Increase Instaloan uptake

**KPI 3:**
Increase Instaloan first week repayment rate

- Phase II service was provided to customers October 2016-February 2017
- 38,000 GCash customers received Juntos services as a part of Phase II
- 46 messaging tests were conducted

# Project Timeline

| Project Stage | Month | Key Actions |
|---|---|---|
| Technical Connection & Initial Design | December 2015– March 2016 | Technically integrated with SMSC and designed initial tests |
| Phase I Engagement Design & Testing | March-June 2016 | Iterative tests performed as the Juntos system determines word choice, onramps and conversations to engage account holders |
| Phase I Behavior Change & Testing | June-September 2016 | Juntos scales up most successful strategies from initial engagement design and testing |
| Phase II Engagement Design & Testing | October-November 2016 | Iterative tests performed as the Juntos system determines word choice, onramps and conversations to engage account holders |
| Phase II Behavior Change & Testing | November 2016-February 2017 | Juntos scales up most successful strategies from initial engagement design and testing |
| Conclusion of First Deployment | March 2017 | Monitor & discuss opportunities for other areas of Juntos impact throughout deployment (e.g., decrease calls to call center) |

# Juntos assesses impact using quantitative and qualitative data

**Quantitative**

- Which strategies are resulting in our highest response rates?
- What is the overall enrollment rate?
- Is Juntos driving financial behavior change?

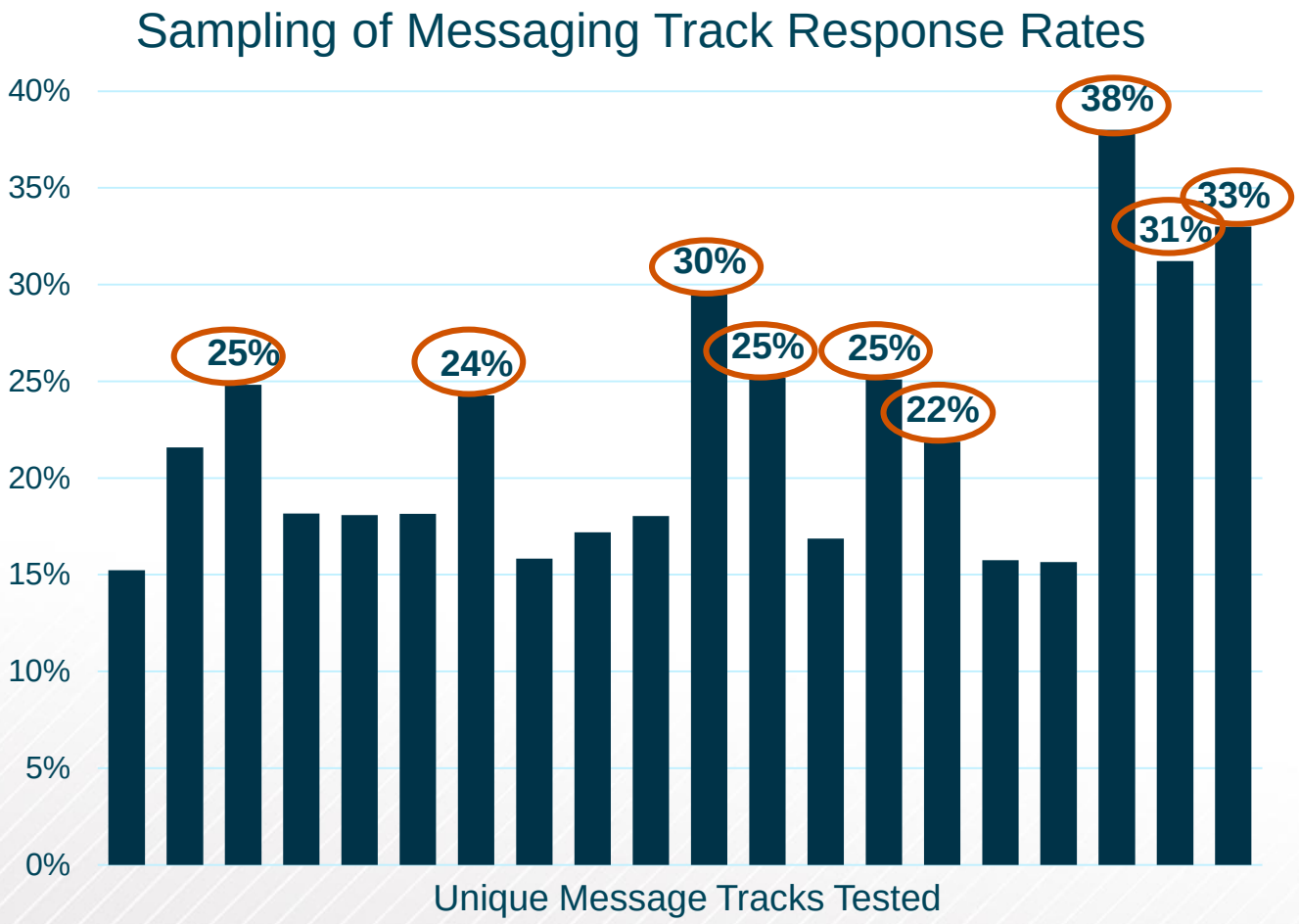
**Qualitative**

- How are users responding to us?
- What questions do customers have?
- What value do they seem to find in Juntos?

# Phase I Summary

# Communication Metrics

# Many tests received over a 20% response rate




- The highest response rate on a message track was **38%** *(n = 179)*
  - The most successful experience gave customers a language option and increased menu usage, continuing to prompt users to respond even if they did not respond in the first two weeks of messaging
- Our most successful engagement strategies received response rates of 20-38%
- Customers were particularly engaged as we concluded Phase 1 and asked for feedback about their accounts and Juntos

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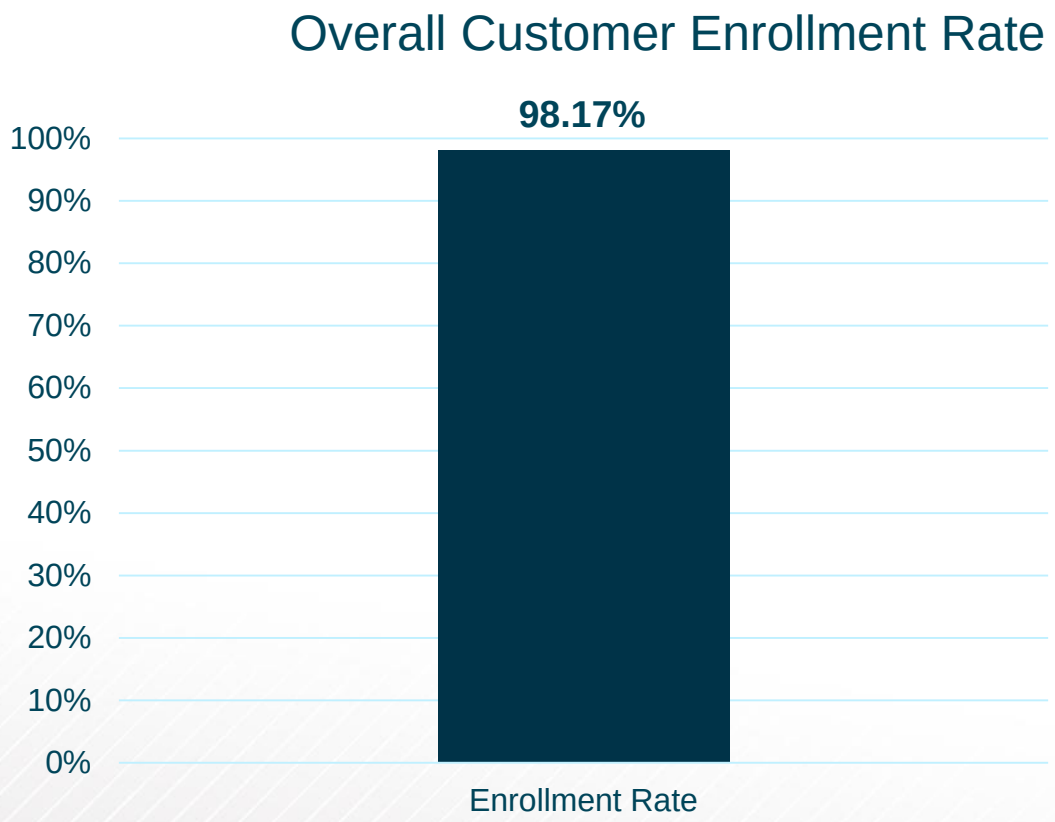
# Enrollment rates remained high throughout Phase I




- Enrollment rate is the percent of consumers who have not opted out, meaning they remain in the program and continue to receive messages
- Our overall enrollment rate was **98.17%** *(n = 67,000)*
- 15 test experiences had 100% enrollment rates
- Juntos uses any variation in enrollment rates, in addition to the response rates, to help determine which tracks we use going forward

# Behavior Impact

# Analyzing Phase 1 results

- At the end of Phase 1, Juntos analyzed results as cumulative averages. This means that we compared the Juntos treatment group average transactions over a period of 1, 2, 3, and 4 months to the control group average transactions over a period of 1, 2, 3, and 4 months.
  - 500 customers who are outliers and cannot be matched to control group customers due to their extreme/volatile behavior were removed from this analysis
- Cumulative metrics demonstrate the longer-term impact of the Juntos service

*Cumulative average transactions:*

$$\frac{\text{Average transactions over time period}}{\text{1 month}}$$

$$\frac{\text{Average transactions over time period}}{\text{2 months}}$$

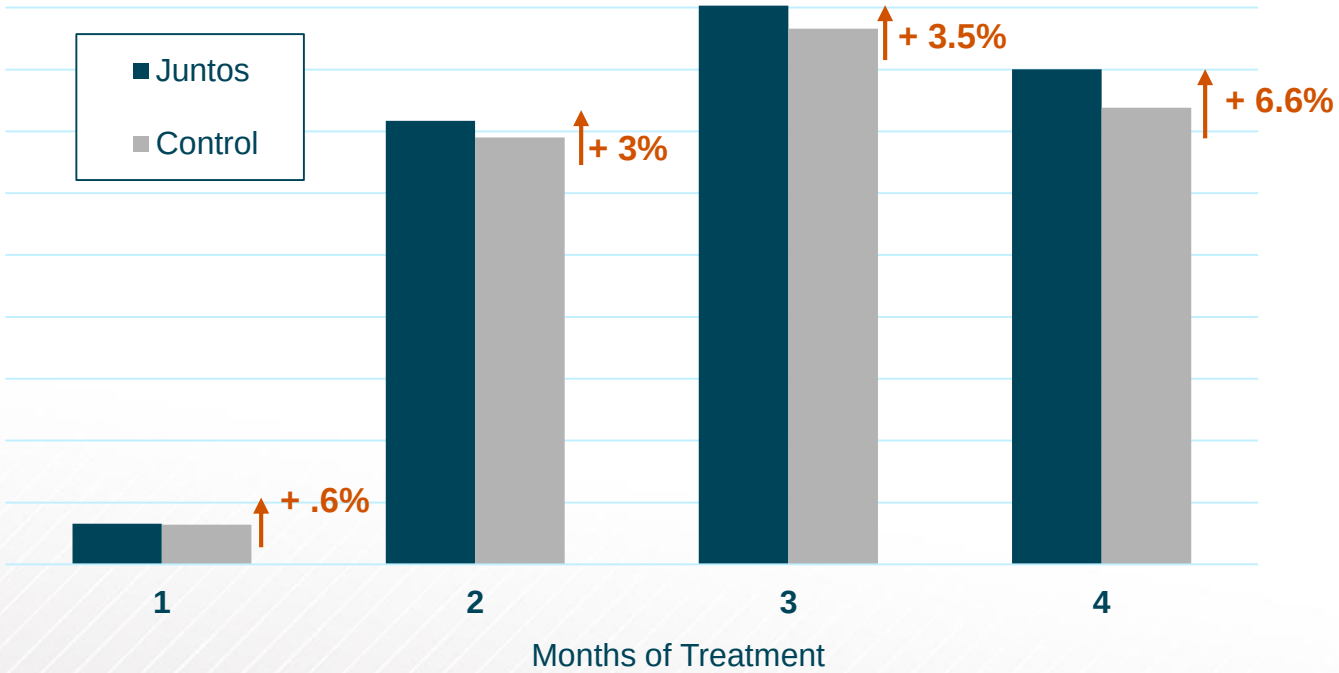
$$\frac{\text{Average transactions over time period}}{\text{3 months}}$$

$$\frac{\text{Average transactions over time period}}{\text{4 months}}$$

# Juntos increased four month average transactions by 7% across the portfolio of treated customers

## GCash Customers Average Transactions

*Difference Between Juntos and Control Group Over Months of Phase 1*




- The Juntos portfolio of treated customers was impacted over the course of treatment with higher average transactions by 6.6% over a four month transacting period
- Further analysis by segment shows areas of significant impact within the portfolio

*Percent increase in average transactions attributable to Juntos over the time period*

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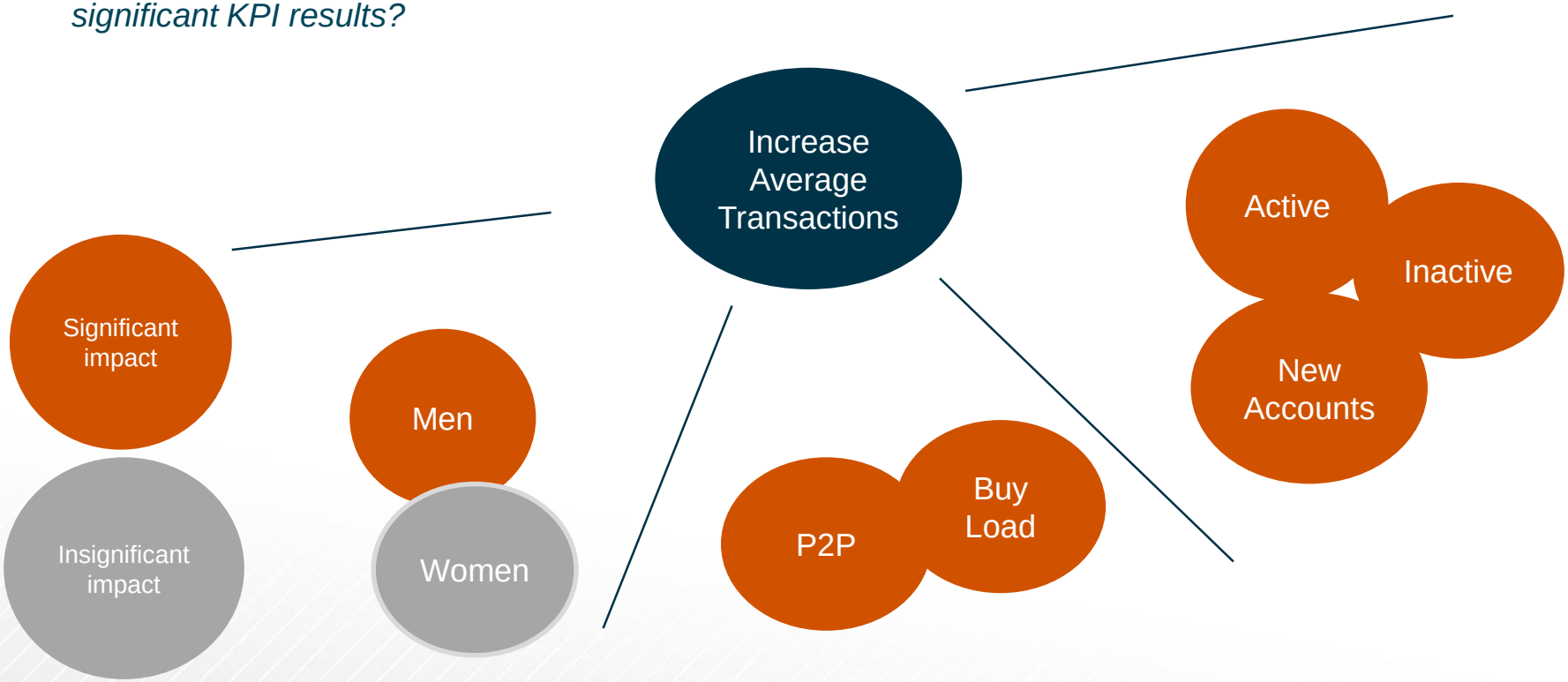
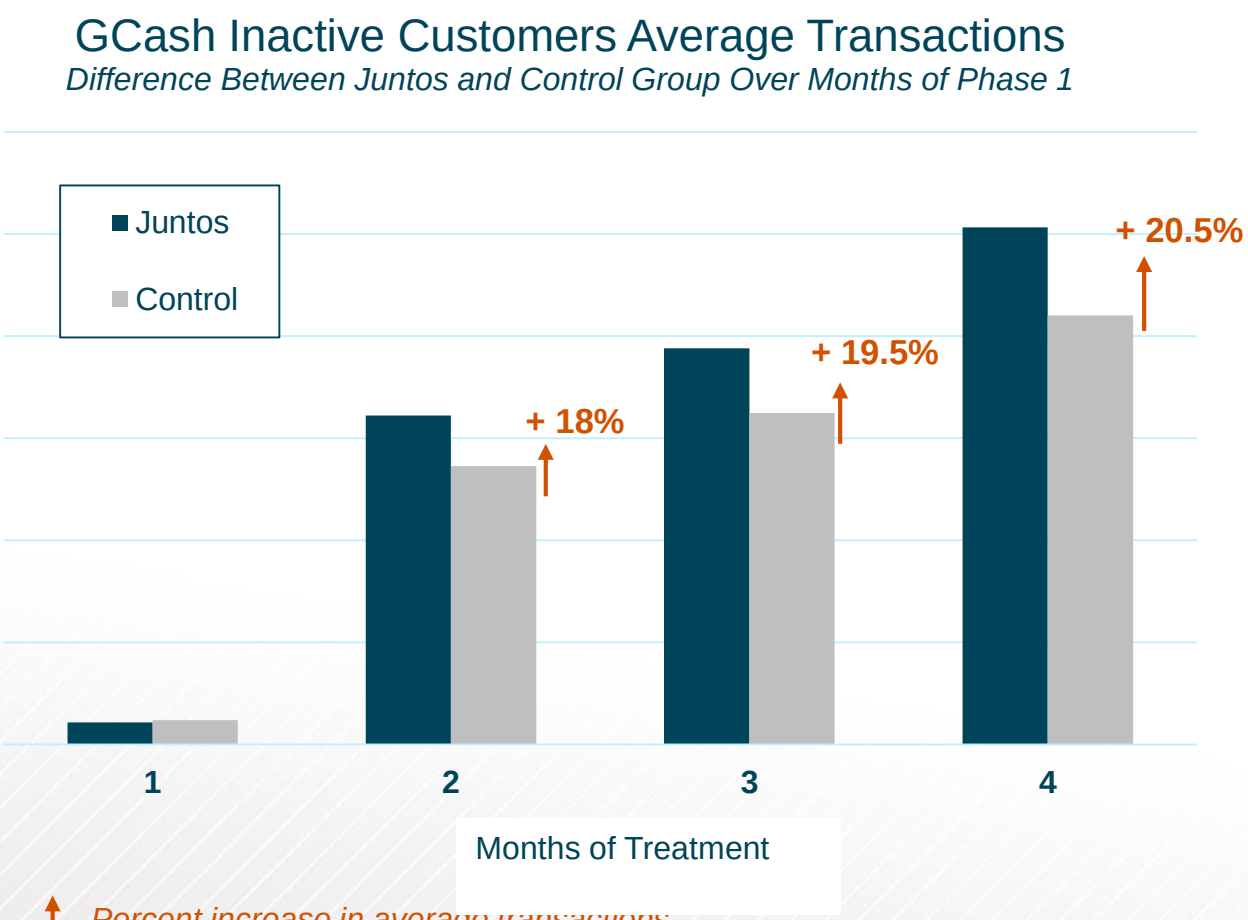
# Segmented analysis of KPI impact allows us to understand where Juntos is driving value

*Which segments and transaction types have experienced consistent, significant KPI results?*



# Juntos increased inactive customer four month average transactions by 20%




- Inactive customers did not make a transaction in the 30 days prior to treatment
- Inactive customers who received Juntos increased their average transactions above the control group up to 20.5%
- These results are aligned with our weekly cohort-level results which showed that inactives were impacted by Juntos after 5-8 weeks of treatment
- Behavior change and customer responses highlight that inactives needed time to develop trust in Juntos in order to engage
- A test that asked users why they hadn't used their account was very successful in engaging customers to respond

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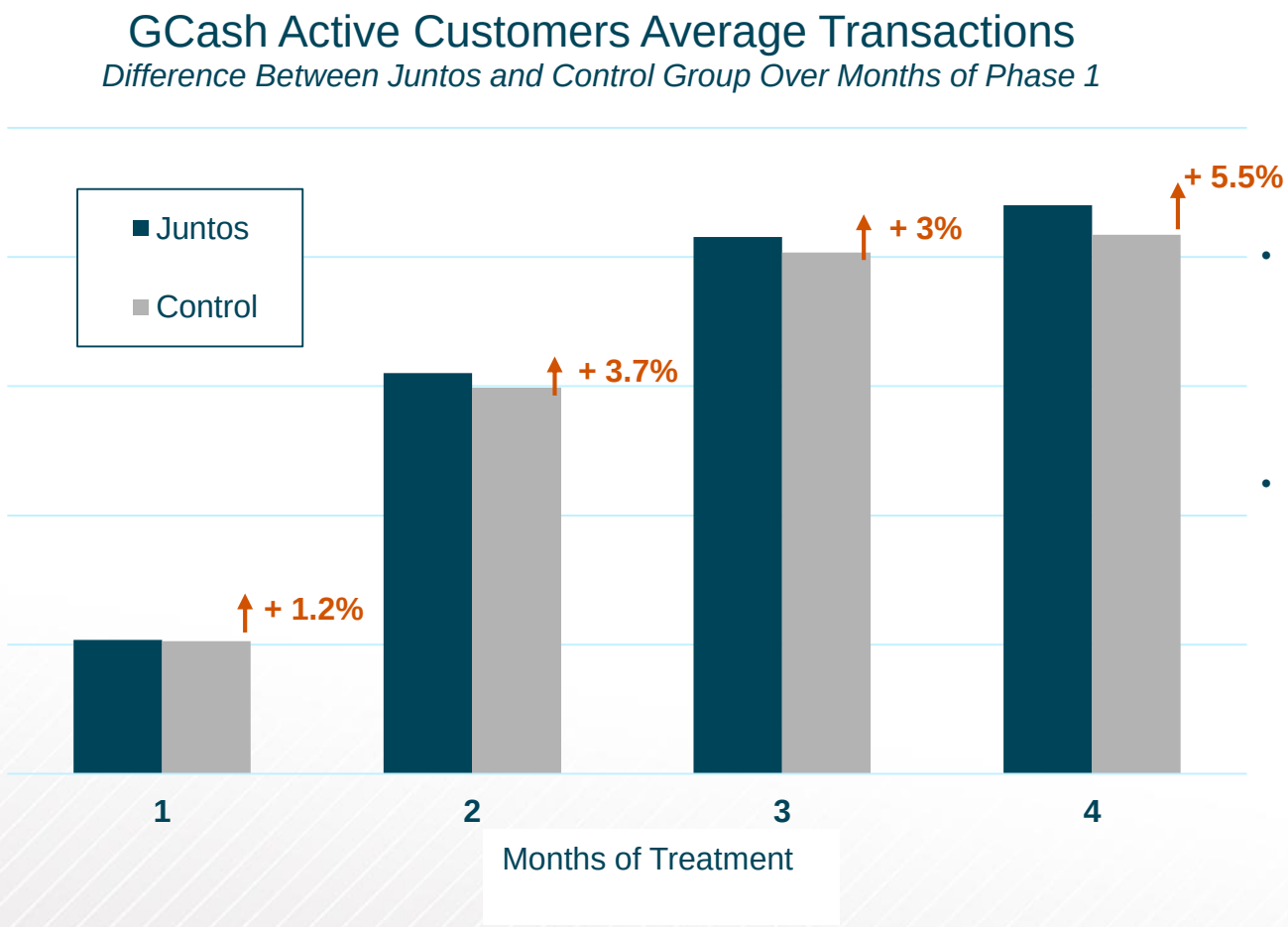
# Active customers who received Juntos increased transactions by 6% over four months




- Active customers have made a transaction in the 30 days prior to treatment and make up 24% of the treated customers
- Active customers with Juntos had a four month transaction rate that was 6% greater than the control group

*Percent increase in average transactions attributable to Juntos over the time period*

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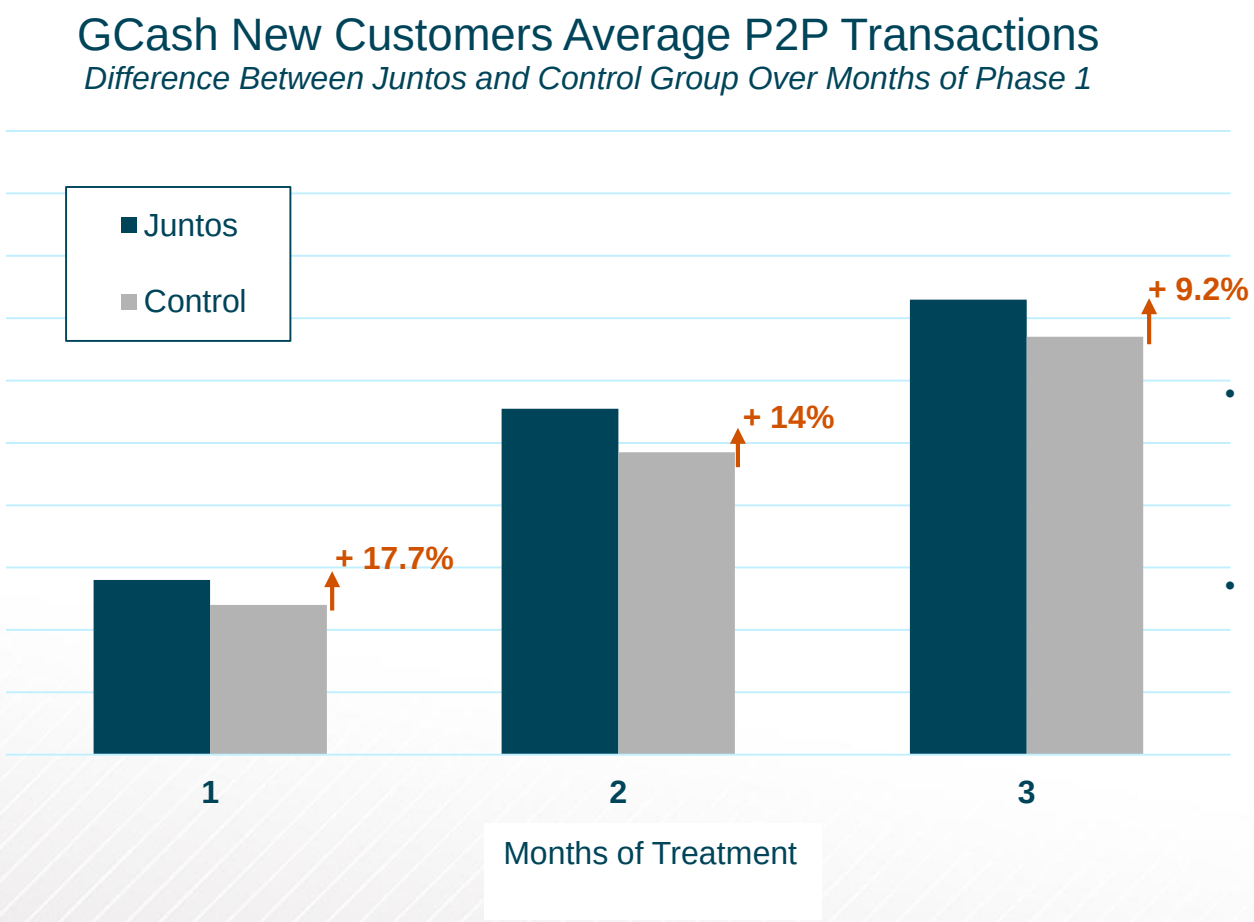
# New GCash customers with Juntos had 9% higher average P2P transactions




- Engaging customers from the start of their relationship with GCash resulted in higher usage of P2P transactions
- New accounts also experienced a 14% increase in MasterCard usage in Month 1 of treatment

↑ *Percent increase in average transactions attributable to Juntos over the time period*

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# Juntos' Phase 1 learnings helped to inform Phase 2 messaging strategies

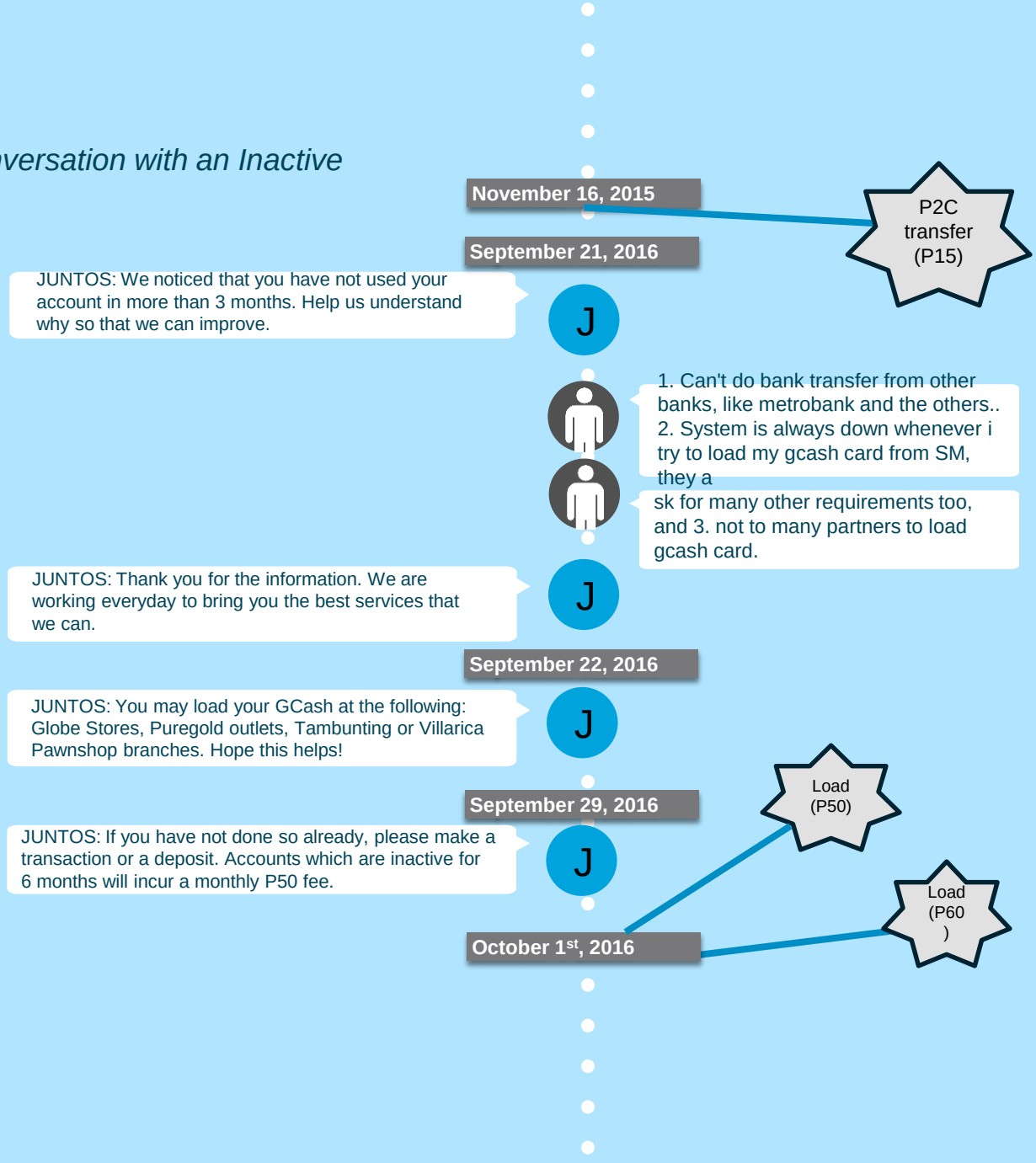
- ***Customers liked choosing the language for their service***: Customers who chose between English, Taglish, and Tagalog messaging were highly responsive. We saw many customers testing the system by changing their language preferences multiple times and many also chose to receive message in one language and replied in another.

- ***Loans were a topic of interest****:* Customers were responsive in terms of messaging and behavior change when we talked to them about availing of a loan. Some customers asked how they could avail of a loan through GCash during our tests of conversations regarding credit.

- ***Customers were engaged and re-awakened when asked for feedback:*** In tests that asked customers to give feedback on GCash, explain why they were inactive, or how we can improve Juntos services, customers – including inactives – were particularly engaged.

# Example Conversation

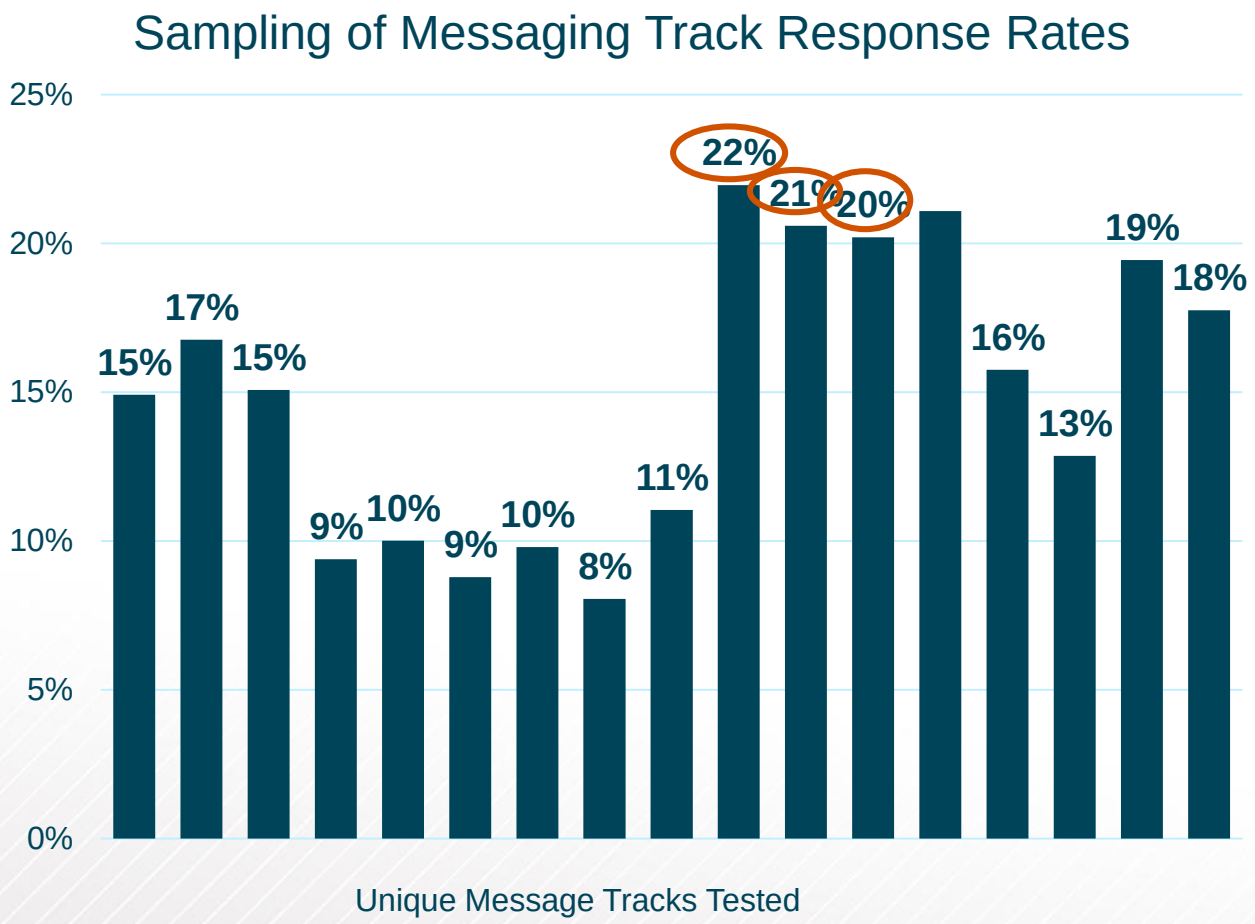
*Example Conversation with an Inactive Customer*



# Phase II Summary

# Communication Metrics

# Many tests received over a 15% response rate




- Applying our learnings on engagement from Phase I, we were able to reach high response rates across many tests
- Highest response rate on a message track was **22%** *(n = 224)*
- Offering customers virtual loan officers was particularly engaging; customers shared their loan aspirations with the officer of their choice: Joshua for personal loans and Angela for business loans

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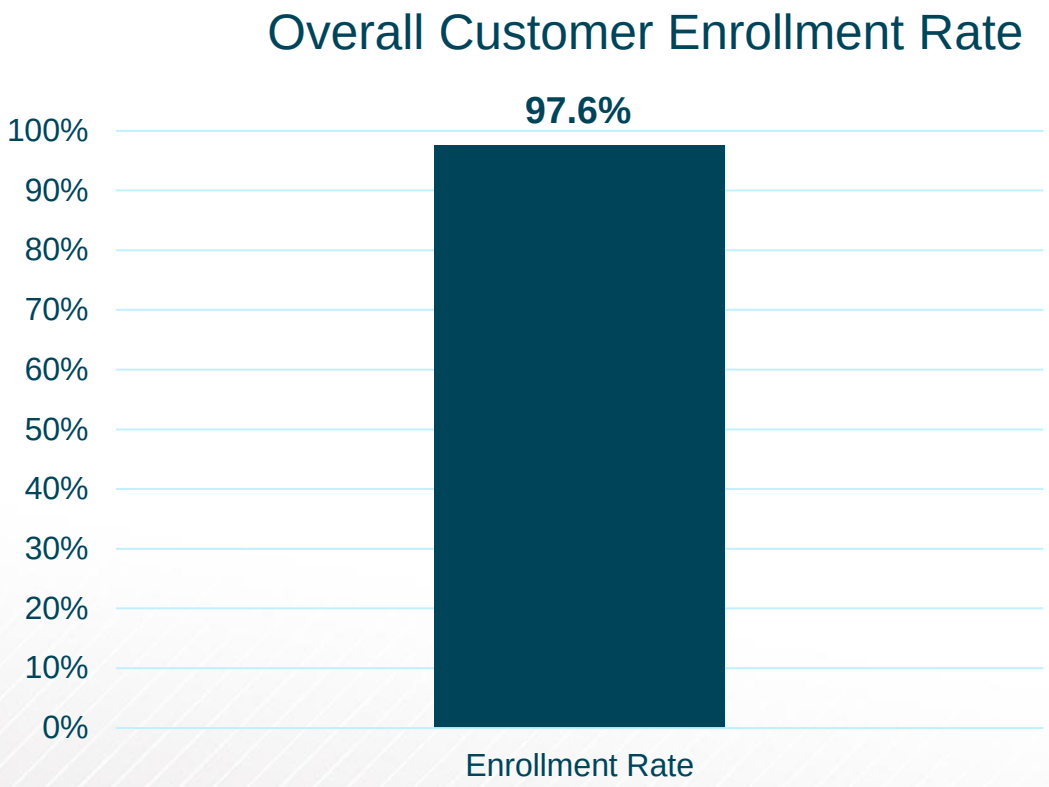
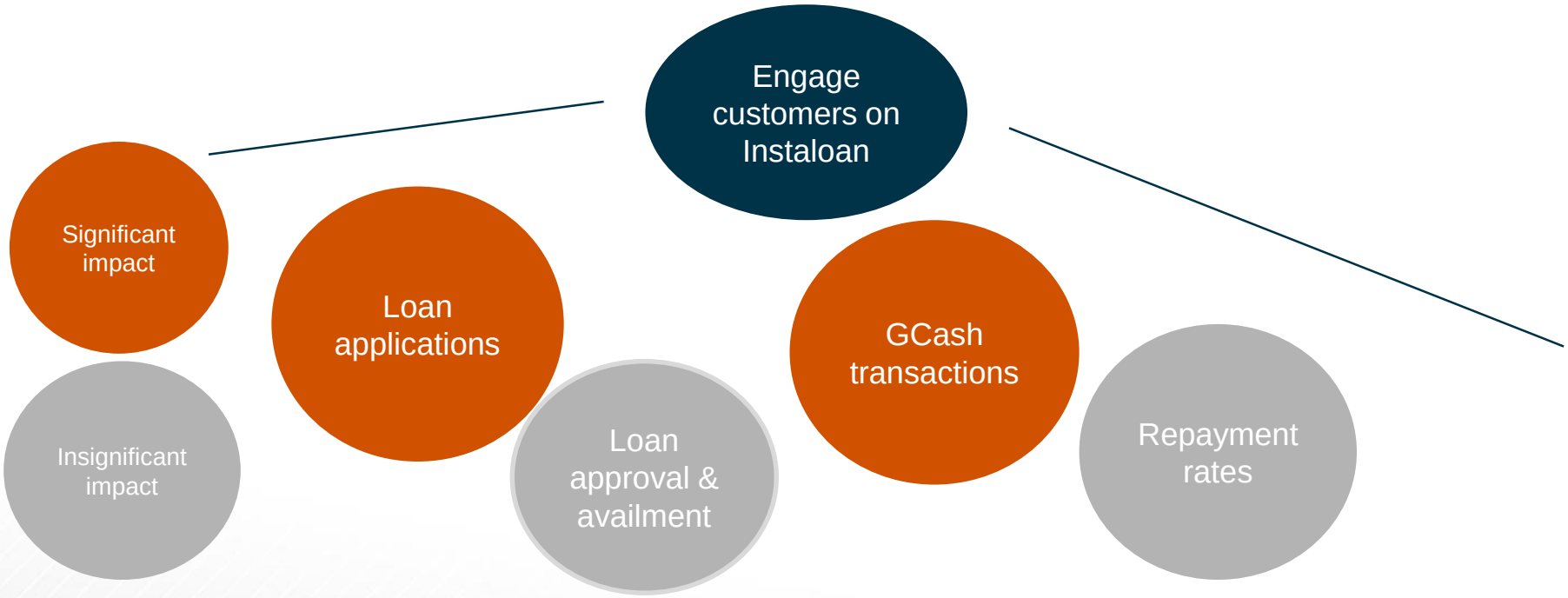
# 97% of customers remained enrolled in the service



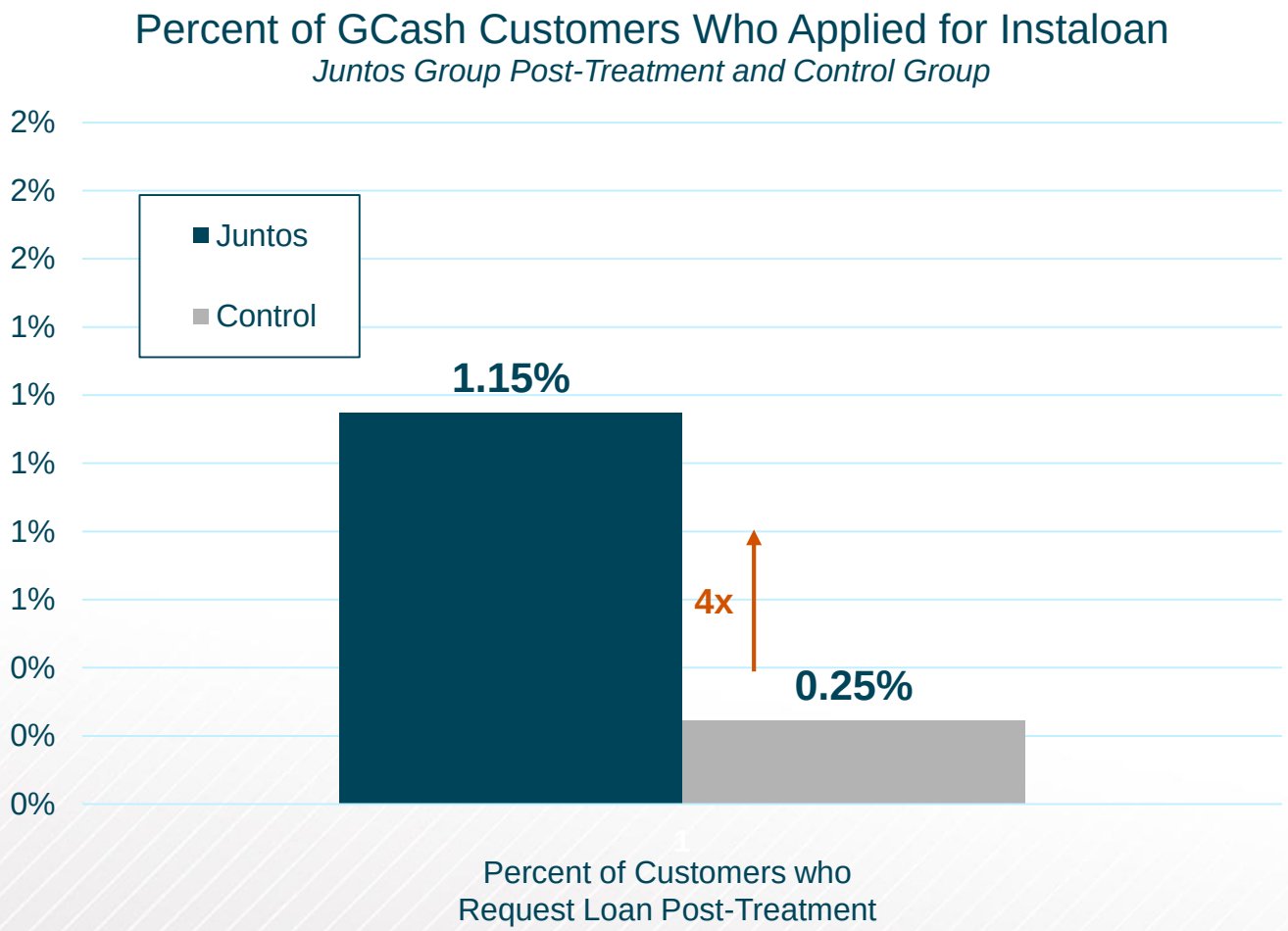

- Our overall enrollment rate is **97.6%** *(n = 37,066)*

# Behavior Impact

# Juntos learned categories of impact with Instaloan and categories for which further testing is needed



# Juntos drove loan applications at a rate 4x the control group




- 1.15% of Juntos-treated customers applied for loans, resulting in 436 applicants
- By comparison, .25% of the control group applied for loans
- In a continuation of service, given our learnings from Phase II, we would focus on driving the absolute number of applications up given what we now know about credit-related topics that engage users

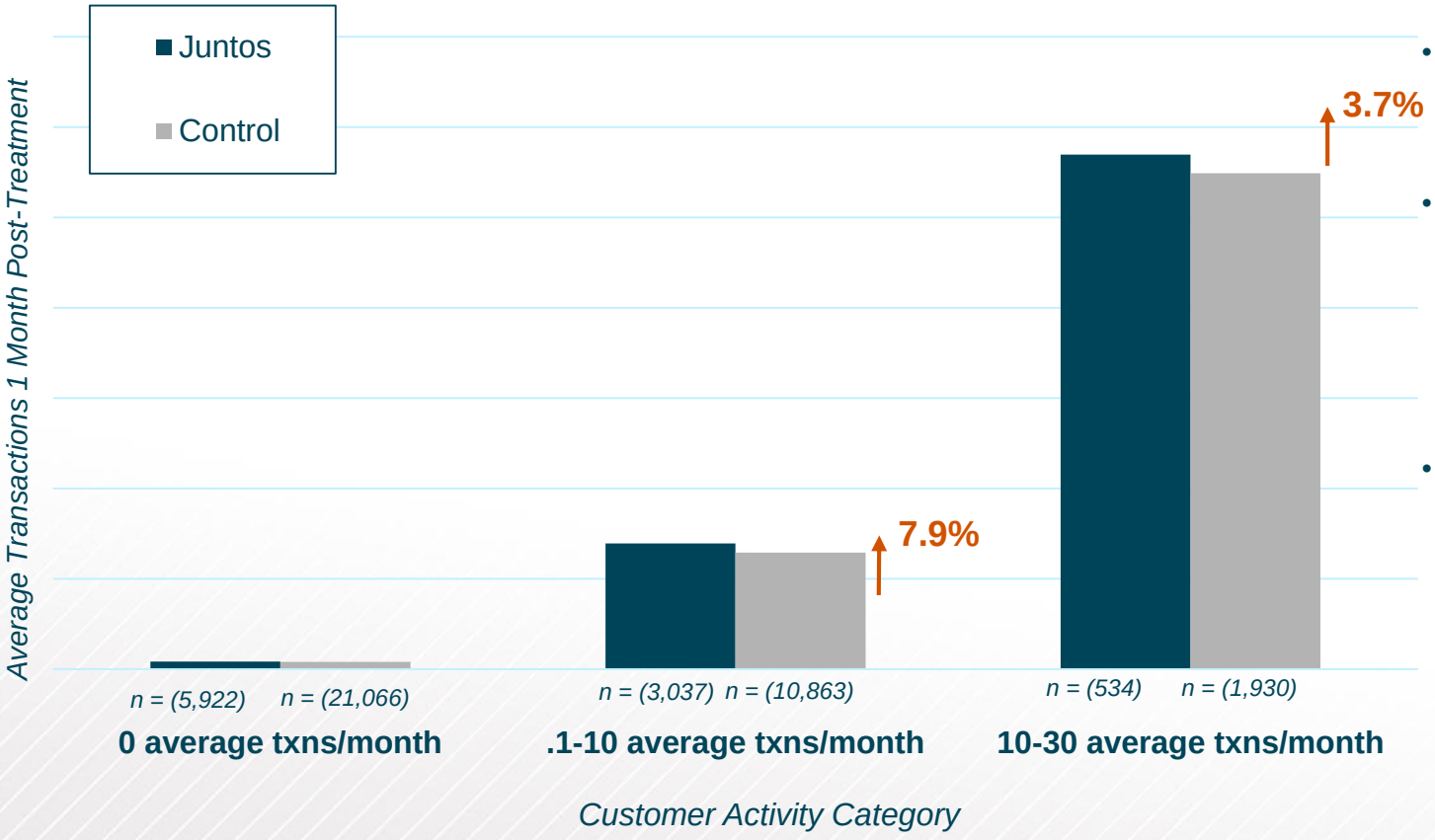
# Juntos-treated customers who availed of an Instaloan missed less payments in the first 5 weeks

- Small sample sizes of customers who both applied for and were approved for an Instaloan limited the ability to ensure robust testing results on repayment metrics
- However, a simple comparison of percentage of customers who missed at least one weekly payment in the first five weeks of their loan cycle shows that **9% less Juntos-treated customers missed a payment compared to control group customers**
- These outcomes mean Juntos is confident we can increase the applicant rate and, from the pool of customers who avail of a loan, we don't see any evidence of those customers performing worse on the loan

# Juntos-treated customers had higher growth in average transactions compared to the control group

## Growth in Average Monthly Transactions of GCash Customers

*Juntos Group and Control Group 1 Month Post-Treatment*




- Engaging with customers on credit also increased their usage of GCash
- After 1 month of Juntos treatment, customers had up to a 7.9% increase in growth in average monthly transactions above the control group
- High transactors (10-30 average txns/month) increased their average transactions by 0.4 txns/month above the control group

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# Example Conversations

*Example Loan Conversation*
*(Translated from Taglish)*

**January 16, 2017**

*JUNTOS: The messages you receive are part of a free service from GCash. To stop this service, text CANCEL*

**January 19, 2017**

*JUNTOS: Instaloan is money lending made easy. It starts at P2500 and you can get it in your GCash wallet in as little as 24 hours.*

*Hi my name is Joshua from Instaloan. I am the eldest child and I am grateful to have a good job that lets me take care of my parents. How are you today*

**January 20, 2017**

*Can I get an Instaloan?*

*JUNTOS: Thanks for sharing. This month, I can help you with finances. I will send you questions and info twice a week and you can reply to this number. -Joshua*

*JUNTOS: If you want to speed up the process, send NOW and I can send you all the information this week instead.*

NOW

*JUNTOS: Learn more about INSTALOAN, send the number:*
*1. What is Instaloan?*
*2. How to apply?*
*3. How to cash out?*
*4. Requirements*
*5. Repayment*
*6. Get lower rates*

## *Example Loan Conversation*

**January 20, 2017**

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*JUNTOS: To apply online, visit fuselending.com/products/loan?id=instaloan. It will take one business day to process your application.*

**January 22, 2017**

*JUNTOS: I am happy to help you. Let us get started with your goals, can you tell me what business you had in mind? -Joshua*

*My niece (or nephew) wants to buy a book for school so I wanted to get a loan so I can buy her/him that book.*

*JUNTOS: Thanks for sharing. I will help you with managing your money and with Instaloan. Just text me if you have related concerns. - Joshua*

*Okay, thank you. I also want to know how I will find out if my application was approved. Thanks.*

*JUNTOS: I will get back to you about this. For Instaloan, you can also visit fuselending.com or message "Fuse Lending" on Facebook. Thank you. - Joshua*

*JUNTOS: You will receive a message from Fuse Lending if your Instaloan application is approved. Application assessments take at least 1 business day.*

*Ok thank you*

## *Example Loan Conversation*

**January 23, 2017**

*Sir, in case my loan is approved, would it be okay to pay thru auto-debit with my GCash? In case my loan is approved, this is my preferred payment method.*

*JUNTOS: Thank you for your update. Auto-debit is really the main method for repayment of Instaloan. Deductions will be made to your GCash account weekly.*

*OK. I hope my application will be approved.*

*JUNTOS: Thank you and good luck with your application. Just text us any time you need help. -Joshua*

**January 25, 2017**

*Sir, for example that my loan is approved and I want to pay double the amount due each week. Is it okay to pay twice as much as the amount due?*

*JUNTOS: You may increase your weekly payments to Instaloan. To do this, dial *141# and press call. Choose Pay Loan. Follow the instructions*

**January 26, 2017**

*Thank you. My application has been approved and the loan was given to me in just 24 hours. Thanks.*

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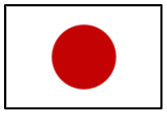

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