

7 DESIGN PRINCIPLES

to create financial products for
low-income consumers

BILL & MELINDA
GATES *foundation*

Dalberg



Design principles are guidelines that specify the end user experience for a product. The seven principles in this set are illustrated to help deliver a financial product that meets low-income consumers where they are, and where they want to be.

MESSAGING

CREATE JUST-IN-TIME ASPIRATIONAL PITCHES

1

Everyone has goals. Understand what those are for your target customers. Create relevant messaging that speaks to their tangible goals (eg. starting a new business) or aspirations (eg. being the family role model). Pitch your product at the right time and place.

EXAMPLE

An education fund pitched at a PTA meeting reaches parents when they're thinking about their child's future.



SIGN-UP

BUILD SOCIAL PROOF TO DRIVE SIGN-UPS

2

Familiar people are more trusted than unknown experts, even when the former may have limited financial knowledge, and the latter — a great financial product to sell. Leveraging community influencers, trusted institutions, or group demos will help build confidence in a new product, channel, or brand.

EXAMPLE

A community demonstration for a savings product that enables people to ask questions openly and feel assured about the credibility of the product.



ONBOARDING

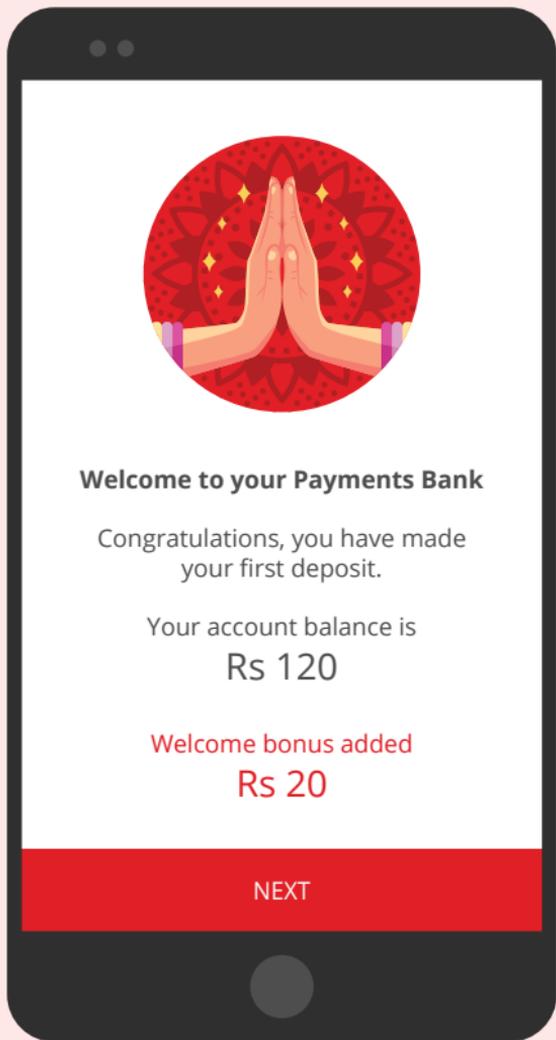
ONBOARD, DON'T JUST OPEN AN ACCOUNT

3

Account opening is only the start. Customers need to fully understand what they're signing up for, how to use the product, and who to call for troubleshooting and redressal. As many low-income customers are new to formal banking, making it simple to explore an unfamiliar product and incentivising their initial transactions can help them overcome inertia and build financial confidence.

EXAMPLE

A welcome bonus nudges customers toward their first transaction.



OFFERING

MATCH YOUR TERMS TO THEIR LIFESTYLE

4

Low-income consumers are used to products that are at odds with their schedules and income streams. They also prefer low but guaranteed financial returns to high but uncertain ones. Products that allow flexibility (e.g. easy cover for a missed payment) and convenience (e.g. doorstep services instead of long queues), and at the same time build in behavioral nudges to keep them on track (e.g. reminder SMS for installments) will be the winners.

EXAMPLE

Education savings update with report cards that nudge parents to save more by showing projected returns.



Education Fund Report

CHILD'S NAME

Bunty Sharma

EDUCATION FUND A/C NO.

1027401028

CURRENT CLASS

7th

SAVING SINCE CLASS

Nursery

TOTAL INVESTMENT

Rs 28,687

INTEREST EARNED

Rs 8,835

DATE

6/06/2027

ACCOUNT BALANCE

Rs 37,522

Projected returns

**At the current deposit rate
(20% of fees):**

Std. IX	Rs 52,692
Std. X	Rs 61,760
Std. XI	Rs 71,969
Std. XII	Rs 83,446

**At double the deposit
percentage (40% of fees):**

Std. IX	Rs 63,115
Std. X	Rs 78,658
Std. XI	Rs 96,323
Std. XII	Rs 1,16,355

Term remaining to maturity (Std XII): 6 years

INTERACTION

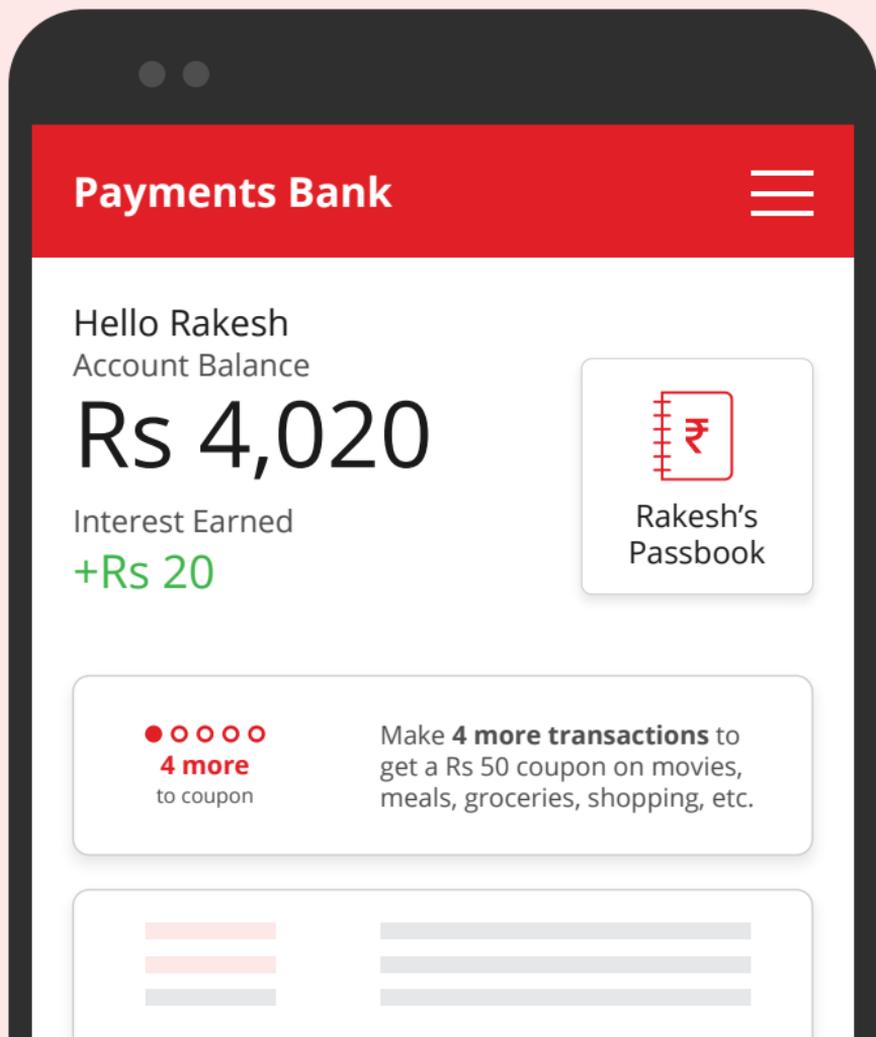
AIM FOR ZERO COGNITIVE LOAD

5

Low-income consumers have a lot on their mind. Many are simply juggling to make ends meet. They need products that help them transcend literacy levels through audio or visual communication, where possible in their native language. Help to visualise their goals, and bite-sized nudges to get there. Avoid mental math in simple ways such as showing rupee amounts rather than percentage interest rates.

EXAMPLE

A dashboard showing users total account balance, interest earned separately, and progress towards their goals.



TRANSACTION

PROVIDE TANGIBLE PROOF FOR EVERY TRANSACTION

6

Low-income consumers are extremely wary of financial fraud. Tangible proof such as physical receipts, passbooks, government stamps, and signatures remain critical in the short term. Over time, as trust is established and people become familiar with financial tools, mobile and digital channels can also be introduced for receipts and reminders.

EXAMPLE

A passbook showing accumulated retirement returns over time, and an instant sms acknowledgement of deposit receipt.

Prakash Saple
Golden Years Retirement Fund



Date	Particulars	Debit (Rs)	Credit (Rs)	Balance (Rs)
6/7/18	By cash		4,000	40,000
6/7/18	Golden years	400		39,600
8/9/18	To cheque	2,000		37,600
8/9/18	Golden years	200		37,400
3/11/18	By Cheque		7,500	49,900
3/11/18	Golden years	750		49,150

Prakash Saple
Golden Years Retirement Fund

SEVAK BANK

Date	Particulars	Debit (Rs)	Credit (Rs)	Balance (Rs)
25/12/18	By cash			
25/12/18	Golden years			

Hi Prakash,
congratulations!
₹350 has been
deposited in your
bank a/c GYRF1234.

You have now
successfully saved
₹53,450 towards your
Golden Years
Retirement Fund.

REDRESSAL

MAKE REDRESSAL IMMEDIATE

7

Trying a new product feels risky, and low-income consumers have the most to lose. Knowing they can turn to a nearby redressal channel (e.g. sales agent) or toll-free helpline provides peace of mind. Clear steps on how to seek service and redressal is equally important.

EXAMPLE

An easy-to-understand claims and redressal guide helps users feel secure.

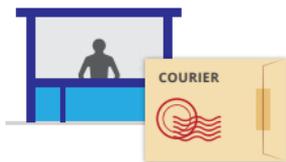
STEP 1



Arrange the following four documents

- Policy proof document
- Diagnosis certificate from the hospital
- Your photo ID and KYC documents
- Claim form, available online or from a retailer near you

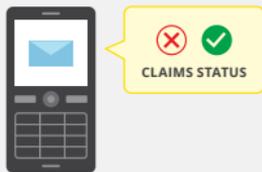
STEP 2



Submit documents

Submit hard copies of documents listed in Step 1 with a retailer or courier them directly to the address.

STEP 3



Track approval

You can track the status of your claim on the app or with a retailer. You will also receive SMS updates on your registered phone number.

STEP 4



Receive benefits

When your claim is approved, you will be notified via SMS. The benefits payout will be transferred to your bank account within 15 days.



Have any questions? We are here to answer them.

Give a missed call: 9876X 43210