

Assessment of Bank Mitrs (BMs) Under Pradhan Mantri Jan Dhan Yojana (PMJDY) – Wave III

New Delhi

January 2016

(Assessment conducted in October – November 2015)

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MicroSave

Market-led solutions for financial services

Background and Objective of the Research



Background

Pradhan Mantri Jan Dhan Yojana (PMJDY) is the largest financial inclusion scheme of India, and indeed the world. *MicroSave* has been tracking the progress of PMJDY through three waves (rounds) of surveys. PMJDY Wave-I was conducted in December-2014 followed by Wave-II conducted in July-2015.

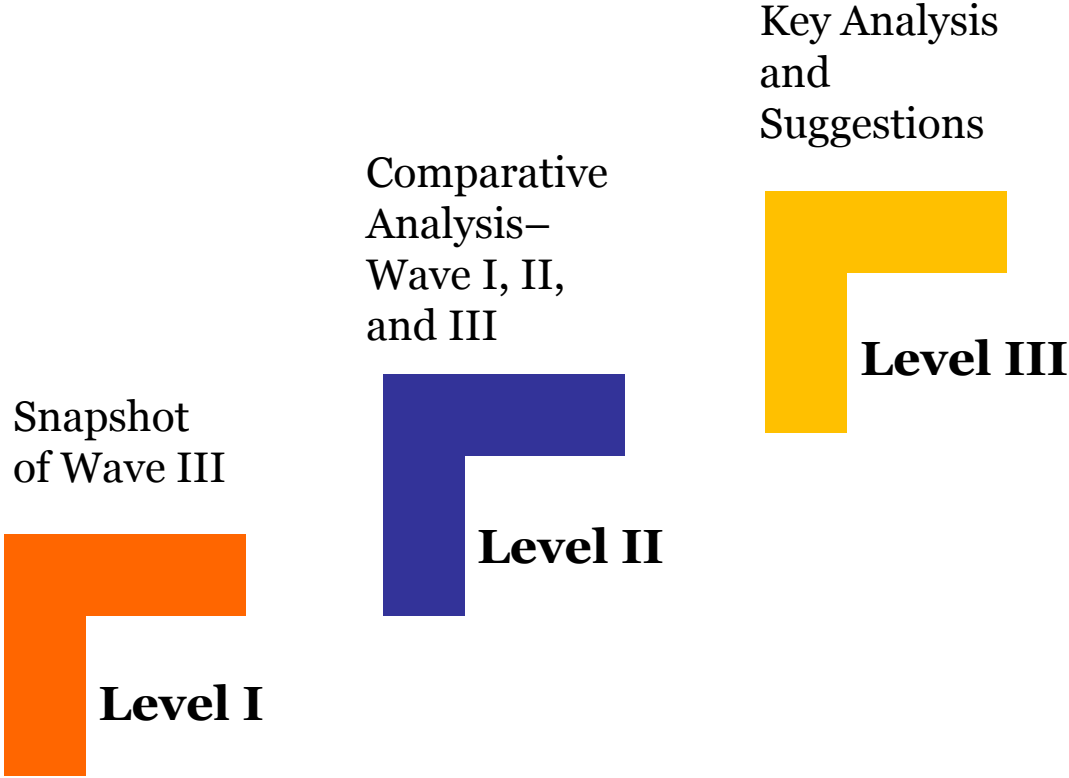
This report highlights the findings of final round of PMJDY assessment (Wave III) conducted in December, 2015. Wave III is a nationally representative survey that assessed the status of Bank Mitrs (BMs) across the country a year and three months after the launch of PMJDY.

Objective of the Research

MicroSave conducted the quantitative survey and qualitative research with the following objectives:

- Physically verify the availability of BM*s at their locations
- Assess the portfolio of products and quality of services being provided to account holders by BMs
- Understand the issues associated with viability and sustainability of BMs and their satisfaction levels
- Assess the support mechanisms available to BMs
- Gather information / data of PMJDY account holders to understand: customer profiling, their preference for transaction points, savings behaviour, financial literacy, usage of PMJDY account, and need for insurance products.

Report Structure



6 Policy Level Recommendations to Impel Jan Dhan Yojana



1 Convergence of G2P DBT and PMJDY to build transaction volumes



2 Minimum capitalisation required for BC companies given the capital intensive business



3 Ensure service level commitment from banks by not letting BMs close outlets for >5 days, ever (force majeure events excluded)



4 Pilot credit scoring based data-analytics models for PMJDY accounts



5 Standard operational guidelines for Banks, BCNMs and BMs to ensure GPS tagging, digital attendance and audit policies



6 Harness agency models potential to transform into a “White Label BM” – interoperable and independent business unit capable of facilitating transactions of multiple providers

6 Quick Steps to Improve PMJDY – Operational

Enhance BM commissions on transactions instead of A/c opening to promote activity in accounts

1



2

Employ one dedicated “financial inclusion” officer for every 2/3 rural branches to cater to BMs

Create a robust “toll free” enquiry system for BMs and customers for awareness and grievance redressal

3



4

Mandate delivery of insurance policy documents to customers upon enrolment

Apply behavioural economics to understand reasons for account dormancy and customer product preference

5



6

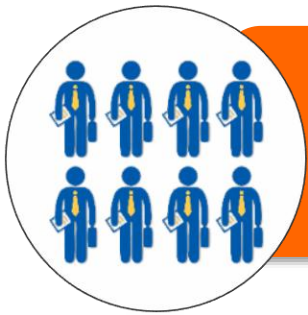
Ensure training and re-training of BMs on PMJDY scheme features and customer service aspects

*Over a period of 15 months, MicroSave conducted three waves of assessment of Bank Mitrs (BMs) and their customers. Researchers interviewed 2,039 and 1,700 (BMs) from 9 states and 41 districts during Wave I and II. For Wave III 1,627 BMs were assessed from 17 states and 42 districts. The number of PMJDY customers interviewed were 8,797, 4,514 and 4,859 during Wave I, Wave II and Wave III, respectively.

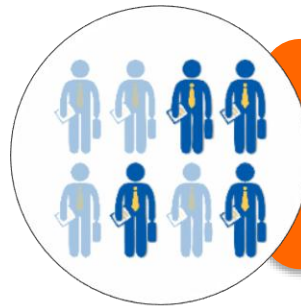
Snapshot
of Wave III



PMJDY Wave III Snapshot



BMs
researched
1,627 (100%)



BMs
untraceable
50 (3%*)



BMs interviewed
personally
1,577 (97%)



Active BMs offering
banking services
1,412 (87%)



Dormant BMs
165 (10%)



Transaction
ready BMs
1,284 (79%**)

*These BMs could not be traced on mobile phone, their designated location and through enquiry from villagers

** This also includes 4.5% of BMs (69 BMs) who are only opening accounts. BMs who are not transaction ready includes new BMs, dormant BMs, BMs who are facing technical issues(machine under repair/connectivity)

BM Assessment

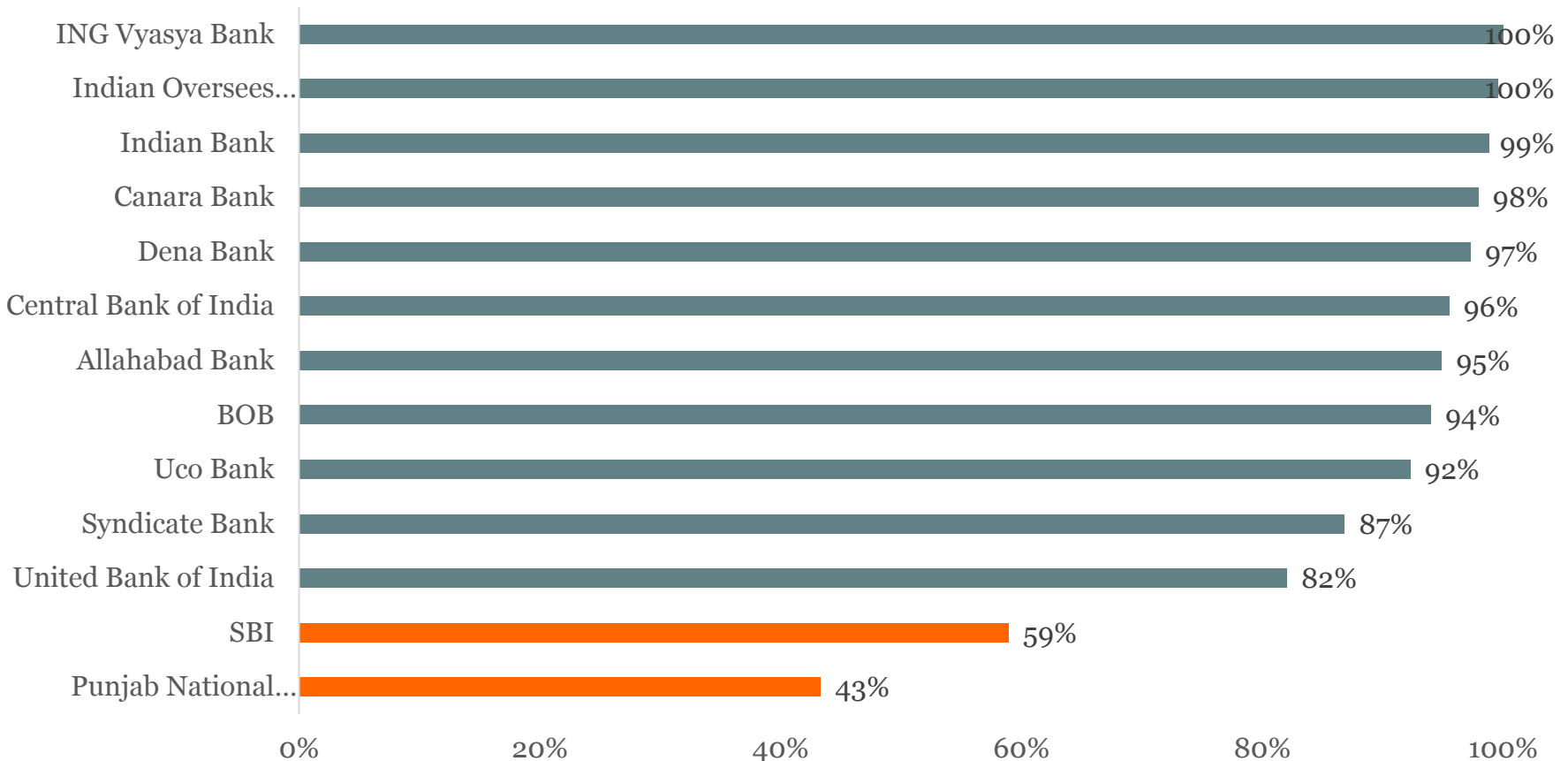


89% of the interviewed BMs are active.*

However, activity ranges from **43% to 100%**

Dormancy levels - high across leading banks** such as SBI and PNB and in Bihar, Chhattisgarh, Himachal Pradesh, and Rajasthan.

Active by bank* n = 1,577



* Proportion of available/interviewed BMs who are still associated with banks and are offering financial services.

**Banks with sample size of 30 or more selected for BM activity level representation

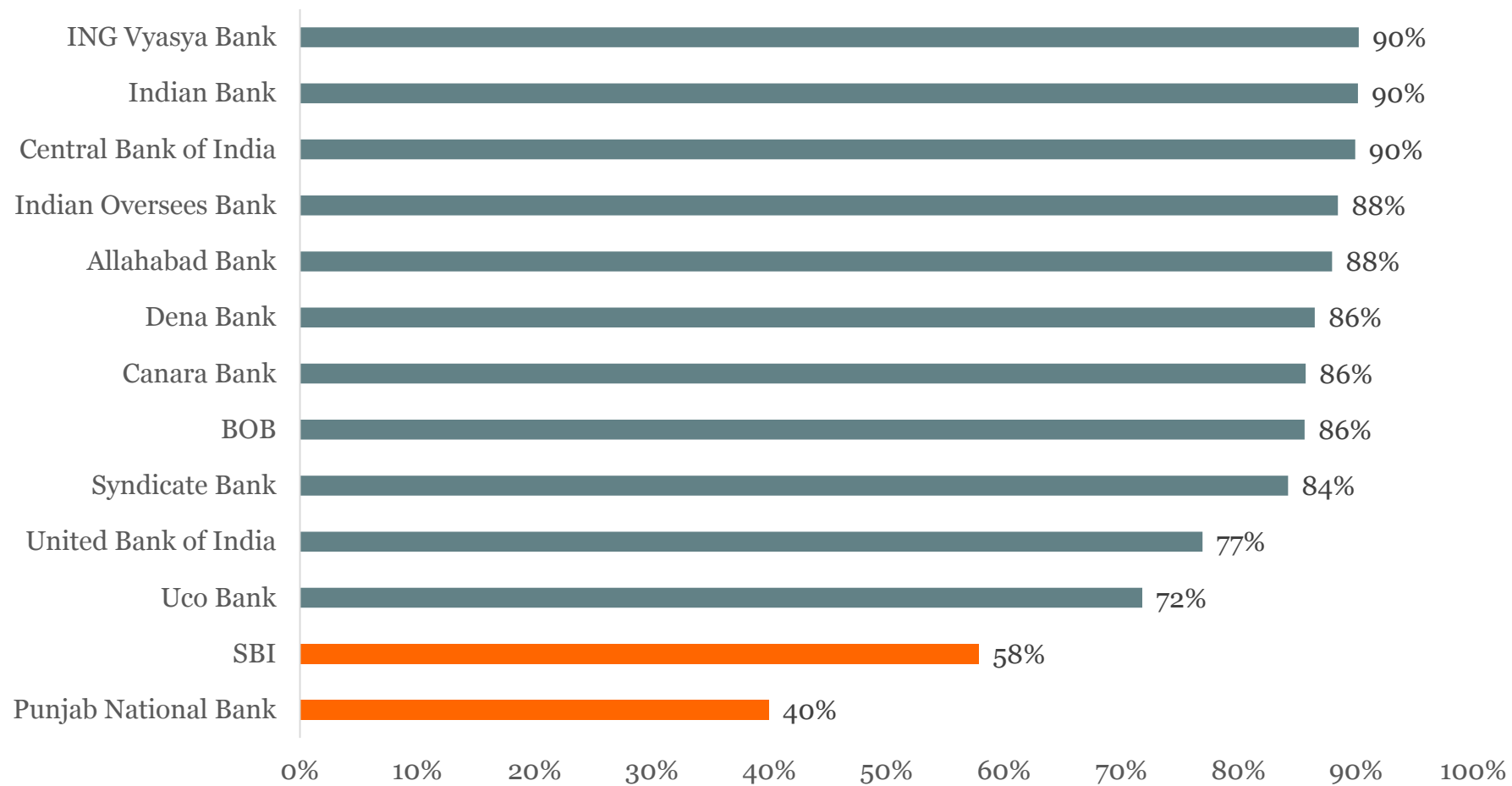
Transaction Readiness



Transaction readiness of BMs is independent of bank.

BM's of nationalised banks, private/public banks, and RRBs are fairly represented in both high and low-performing buckets.


Transaction readiness * n=1,577



* For comparison banks depicted in the graph are same as the banks used for comparison in last two PMJDY waves (I and II)

Device Enablement

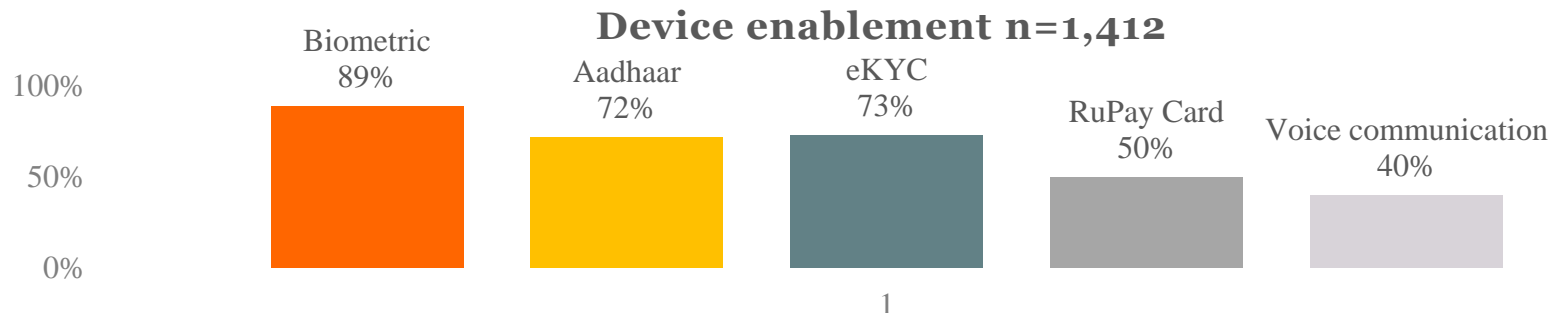
3% increase in Aadhaar-enabled devices
 (From 69% to 72%)



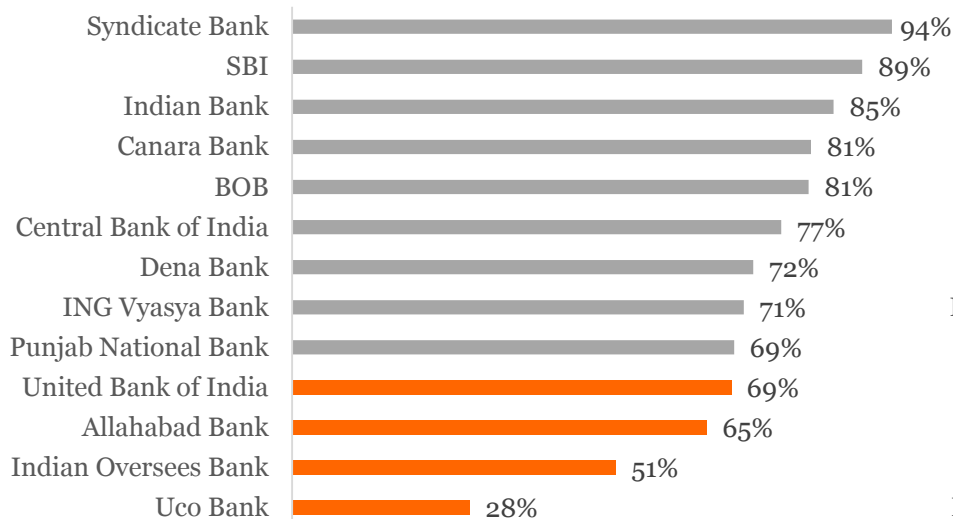
24% increase in RuPay-enabled devices
 (From 26% to 50%)



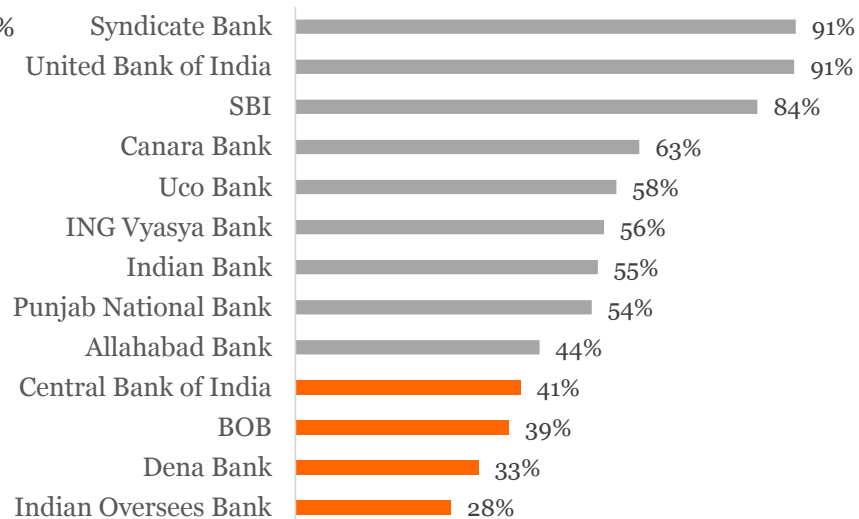
Devices remain unused as customers have not received RuPay cards and / or PINs.



Aadhaar enabled BM devices n = 1,412



Rupay enabled BM devices n = 1,412



Impact of Aadhaar on Financial Transactions

62%



Aadhaar enrolled customers find financial services to be more convenient and quicker.

40%



of customers (who agreed that Aadhaar helps in making financial transaction) said that it facilitates quick and easy financial transactions.

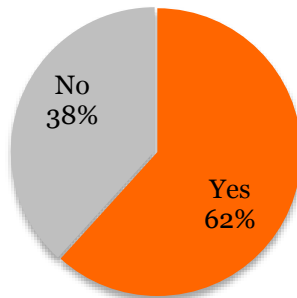
20%



said that Aadhaar has helped them receive government benefits such as LPG subsidy (DBTL) smoothly.

Has Aadhaar helped to make financial transactions easier?

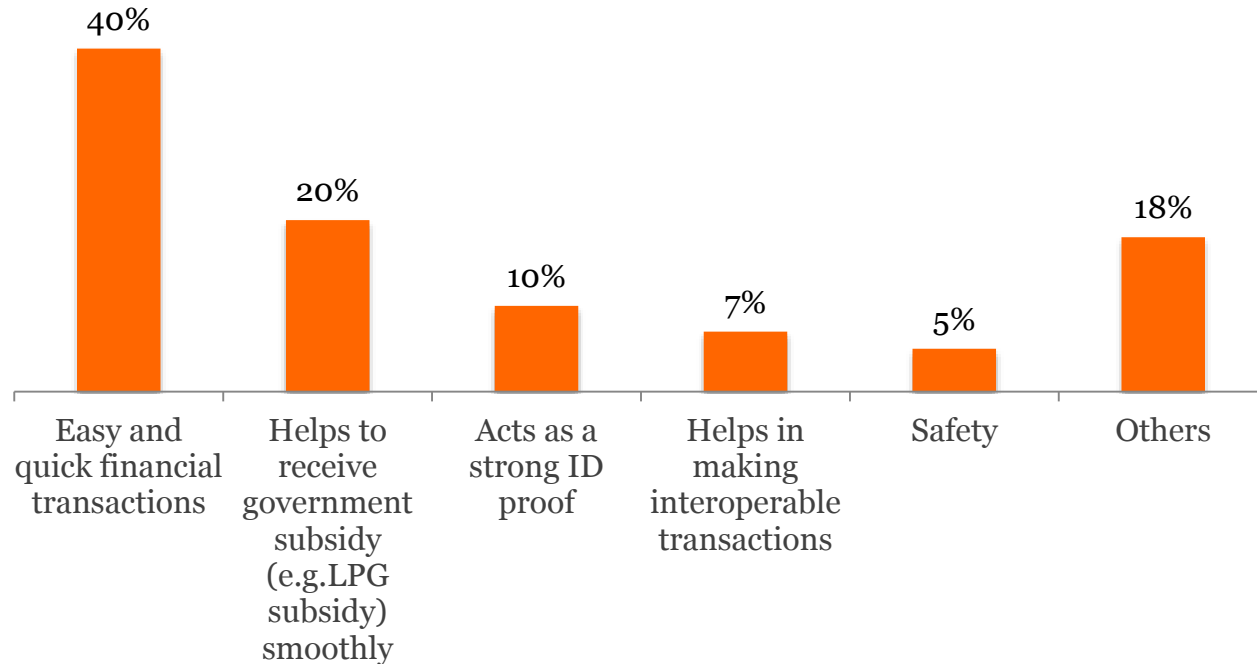
n=3,729



“We can open account in just two minutes with e-KYC”

-Bank Mitr, Mirzapur, UP

How has an Aadhaar number helped to make financial transactions? n=2,299



Comparative
Analysis–
Wave I, II,
and III



Level II

Note on Methodology for Readers

This study was conducted in three rounds with the aim of providing a cross-sectional measure of PMJDY performance in the sampled study areas at regular time intervals. Across all three survey rounds: CRISIL INCLUSIX (Vol. II for Wave I & II and Vol. III for Wave III) was used for stratification and proportionate random selection of districts, BMs within a district were chosen at random while quota sampling was adopted for customer surveys in sub-service areas with successful BM interviews.

PMJDY Wave I and II was undertaken among randomly sampled districts from 9 states, finalised in consultation with Dept. of Financial Services, Govt. of India.

PMJDY Wave-III was an independent nationally representative survey following random sampling of districts across the country.

The above means that the data across waves is not strictly speaking comparable. Readers should be aware of this while reviewing the conclusions in this report – the inter-wave comparisons made are indicative.

Purposive sampling

Wave-I

Oct- Dec 2014
41 Districts -9
States
BMs-2,039
Customers- 8,789

Purposive sampling

Wave-II

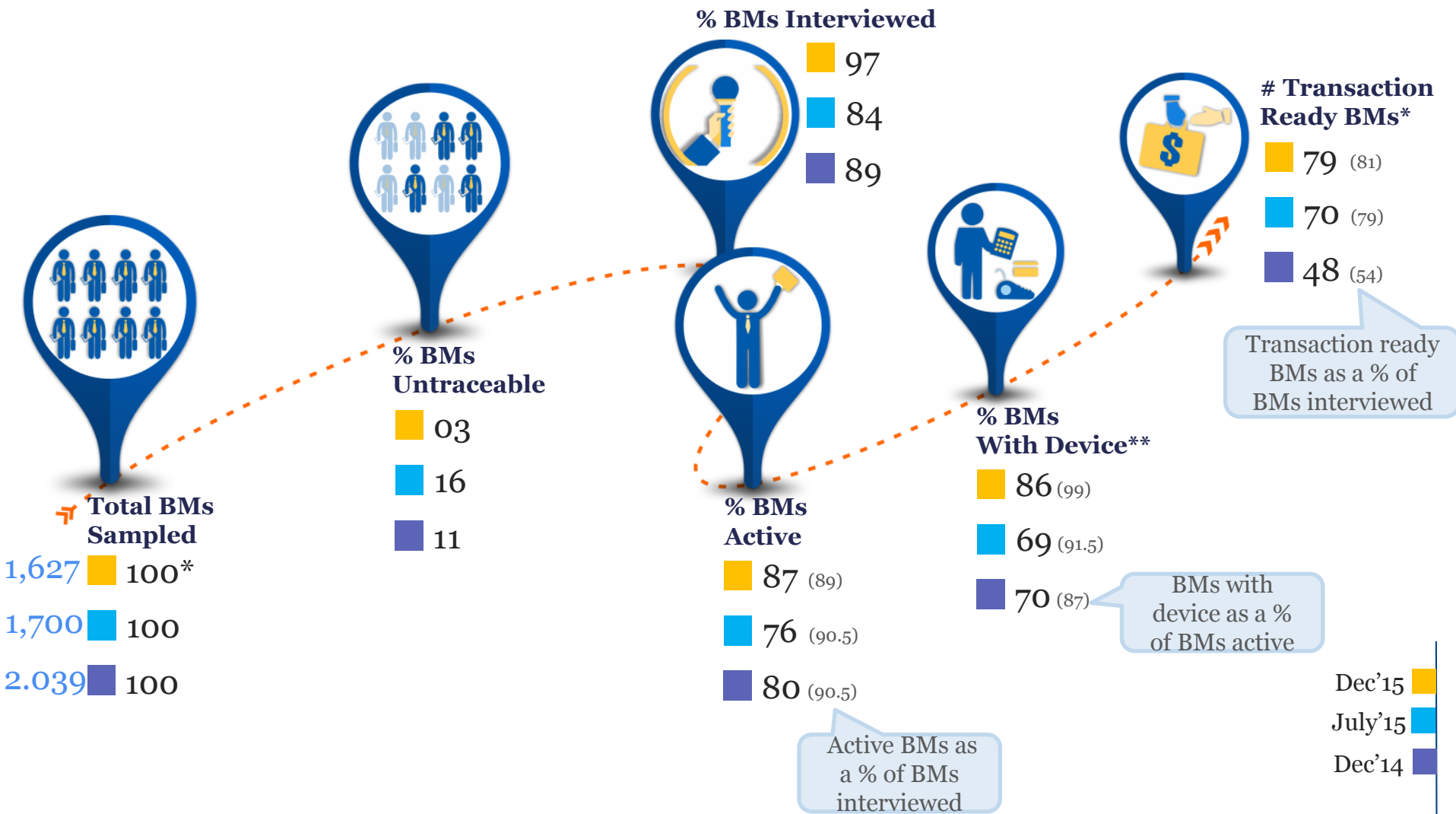
May- Jul 2015
41 Districts -9
States
BMs-1,700
Customers- 4,514

Random sampling

Wave-III


Nov- Dec 2015
42 Districts -17
States
BMs-1,627
Customers- 4,859


PMJDY Assessment Comparison Round I, II & III



* On a % basis

BM Level Indicators

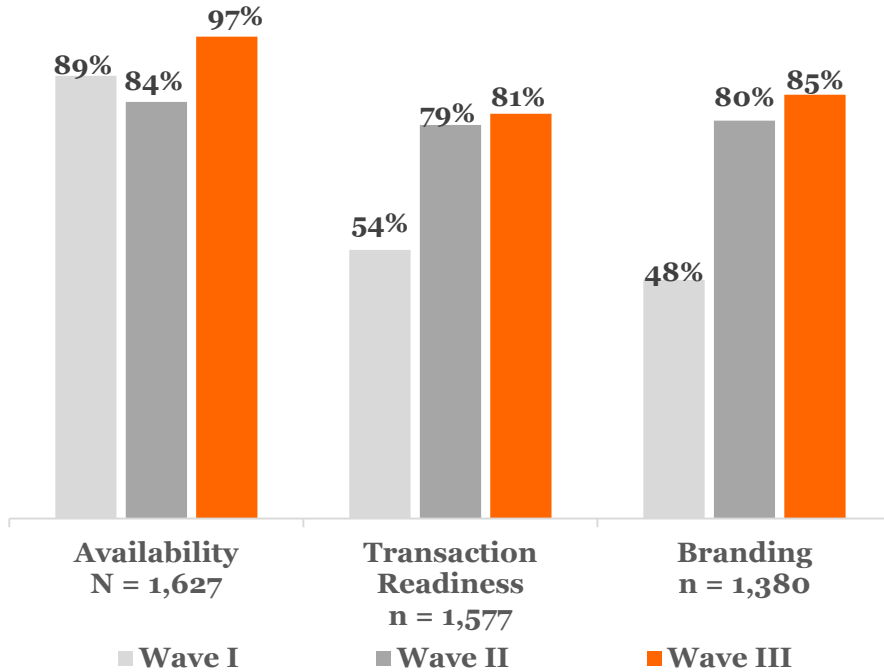
8% increase in BM availability
 (From 89% to 97%)**


24% surge in Transaction readiness
 (From 54% to 81%)**


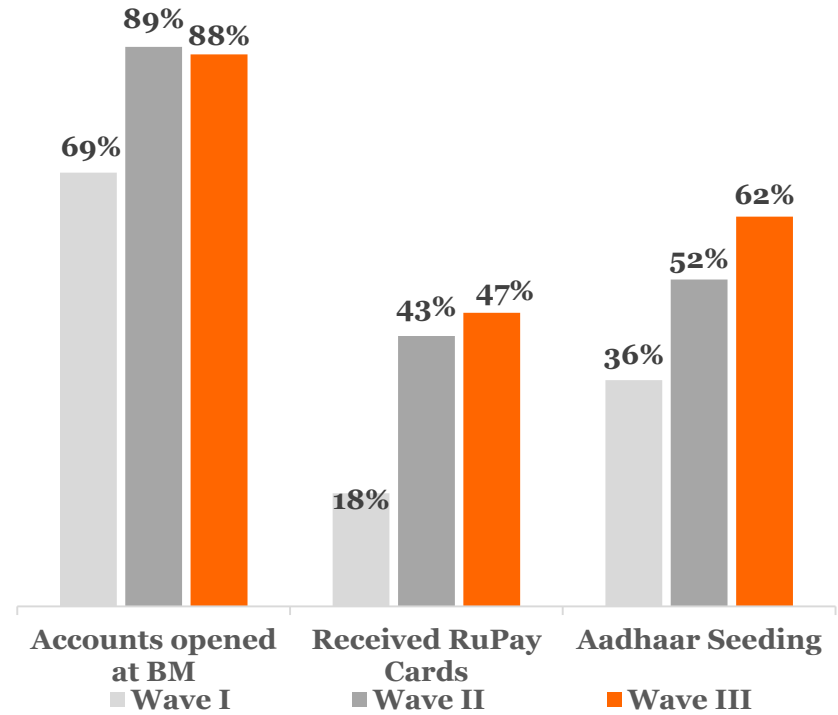
37% increase in Outlet branding
 (From 48% to 85%)*


Customers prefer transacting at BM locations

BM level indicators



A/C holder level indicators N=4,859



* BM Outlets branded with PMJDY and/or Bank logo

** BMs' indicators for availability and transaction readiness are for base 1,627 and 1,577 respectively

*** For Signage we considered 1,380 as the base (32 kiosks were not visited out of total 1,412 active BMs)

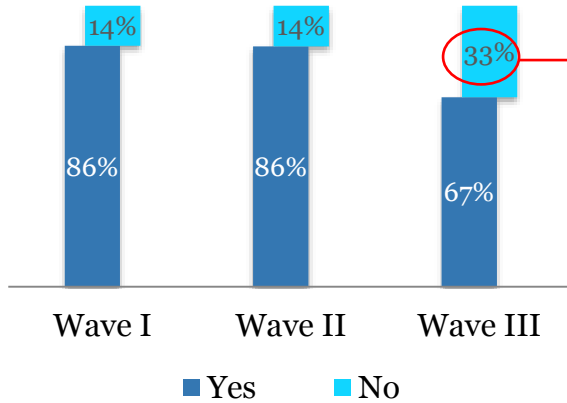
PMJDY Account

33%



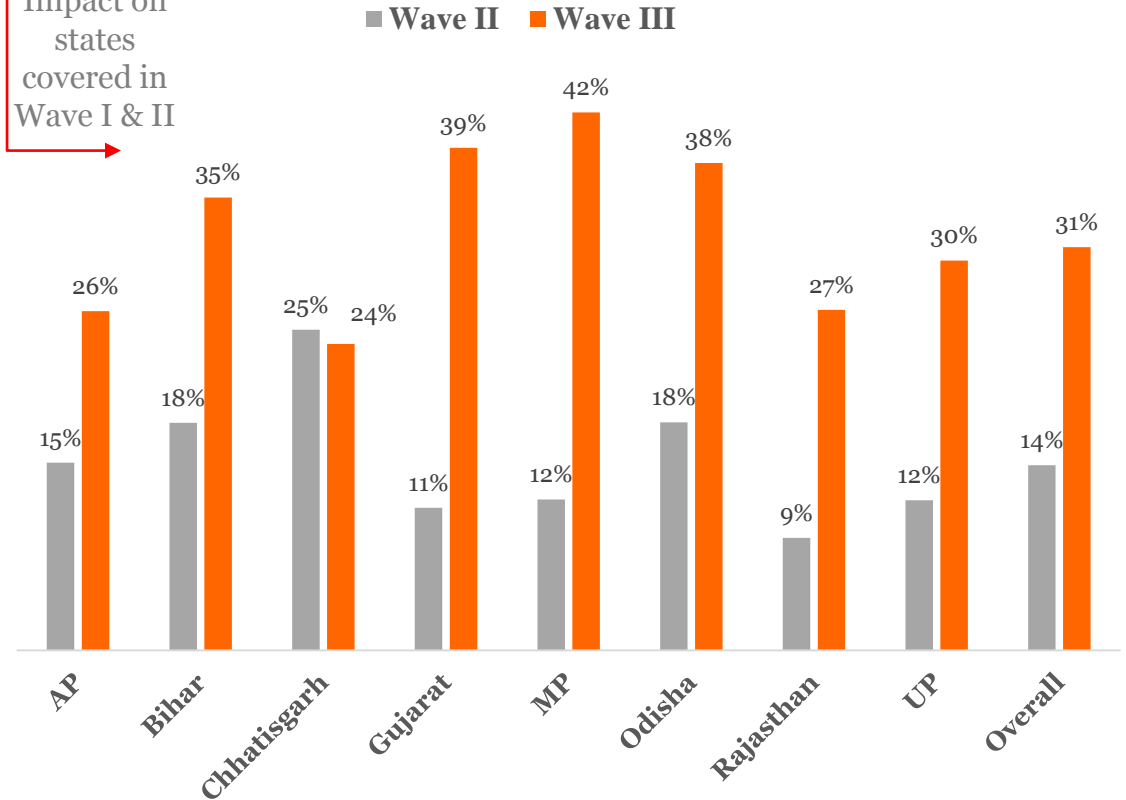
of accounts under PMJDY are customer's second account i.e. customer has an earlier bank account (14% in wave I & II both)

Is PMJDY First A/c? N = 4,859

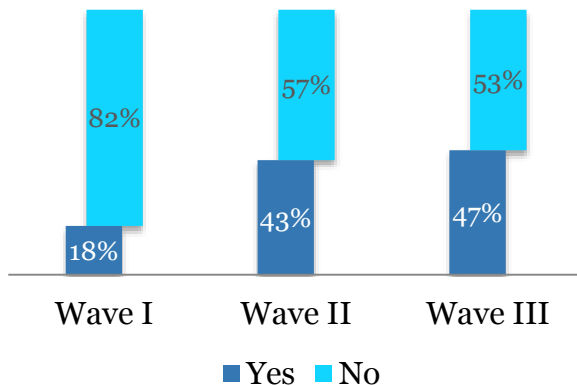


Impact on states covered in Wave I & II

PMJDY not my first account: State-wise comparison for states covered in Wave II* n = 3,494



Received RuPay Card? N = 4,859



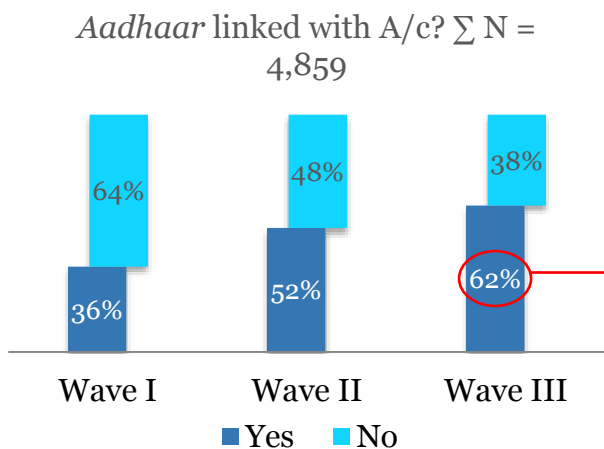
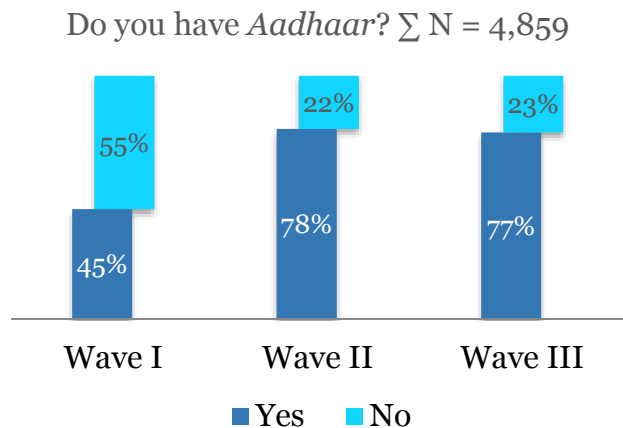
Round I PMJDY A/c holder sample is 8,789 ; Round II PMJDY A/c holders sample is 4,514; Round III PMJDY A/c holder sample is 4,859

* Jharkhand not covered in Wave III assessments

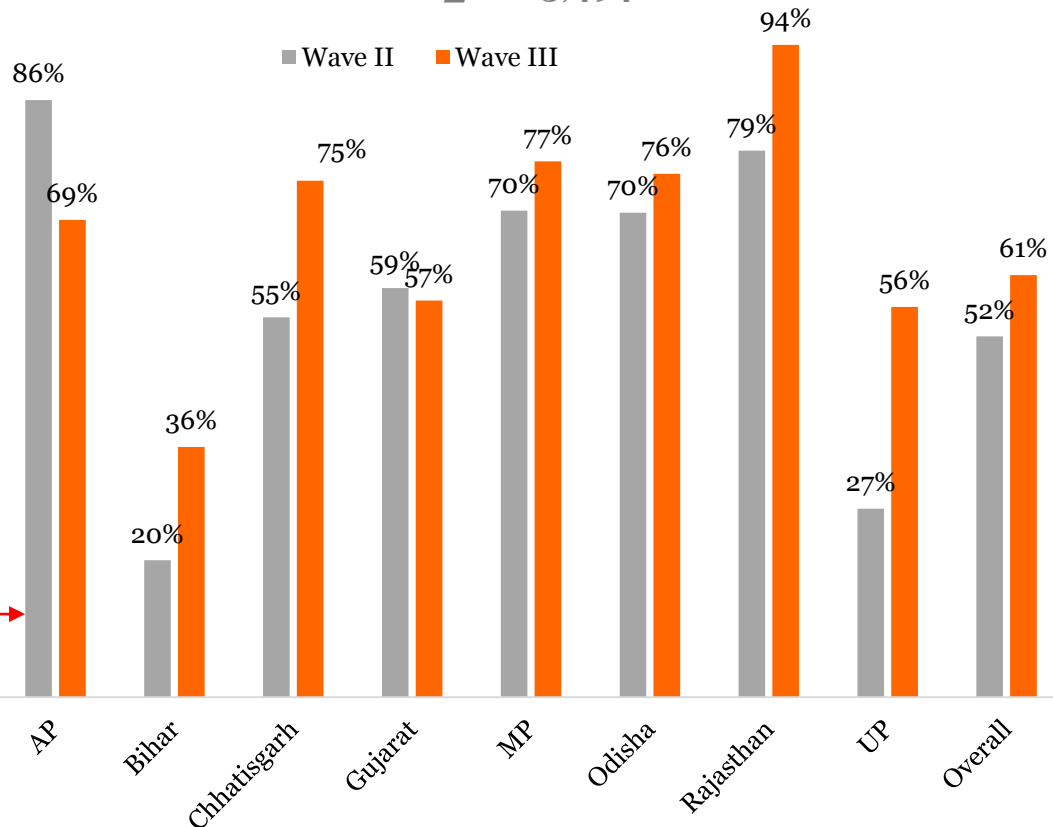
Aadhaar Linkage



62% accounts have seeded Aadhaar number



Aadhaar linkage: State-wise comparison for states covered in Wave II* $\sum N = 3,494$



Impact on states covered in wave I & II

Wave-I PMJDY A/c holder sample is 8,789 ; Wave-II PMJDY A/c holders sample is 4,514; Wave-III PMJDY A/c holder sample is 4,859.

* Jharkhand not covered in wave III assessments

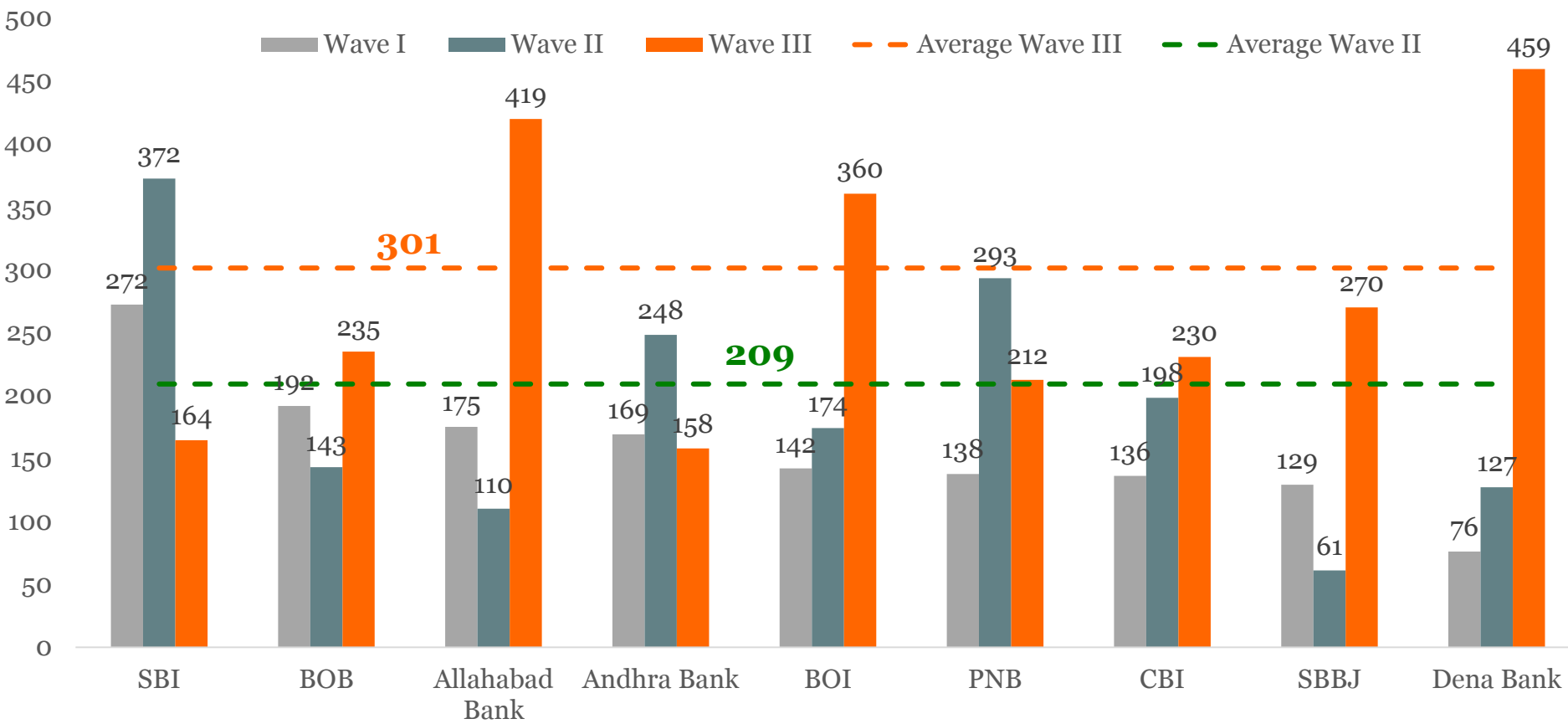
Transactions



44% increase in average transactions/ month
(From 209 to 301)^{***}

Surprisingly rural BMs are now handling more transactions than their peri-urban counterparts.

Improvement in Average Transaction of BM n = 1,412



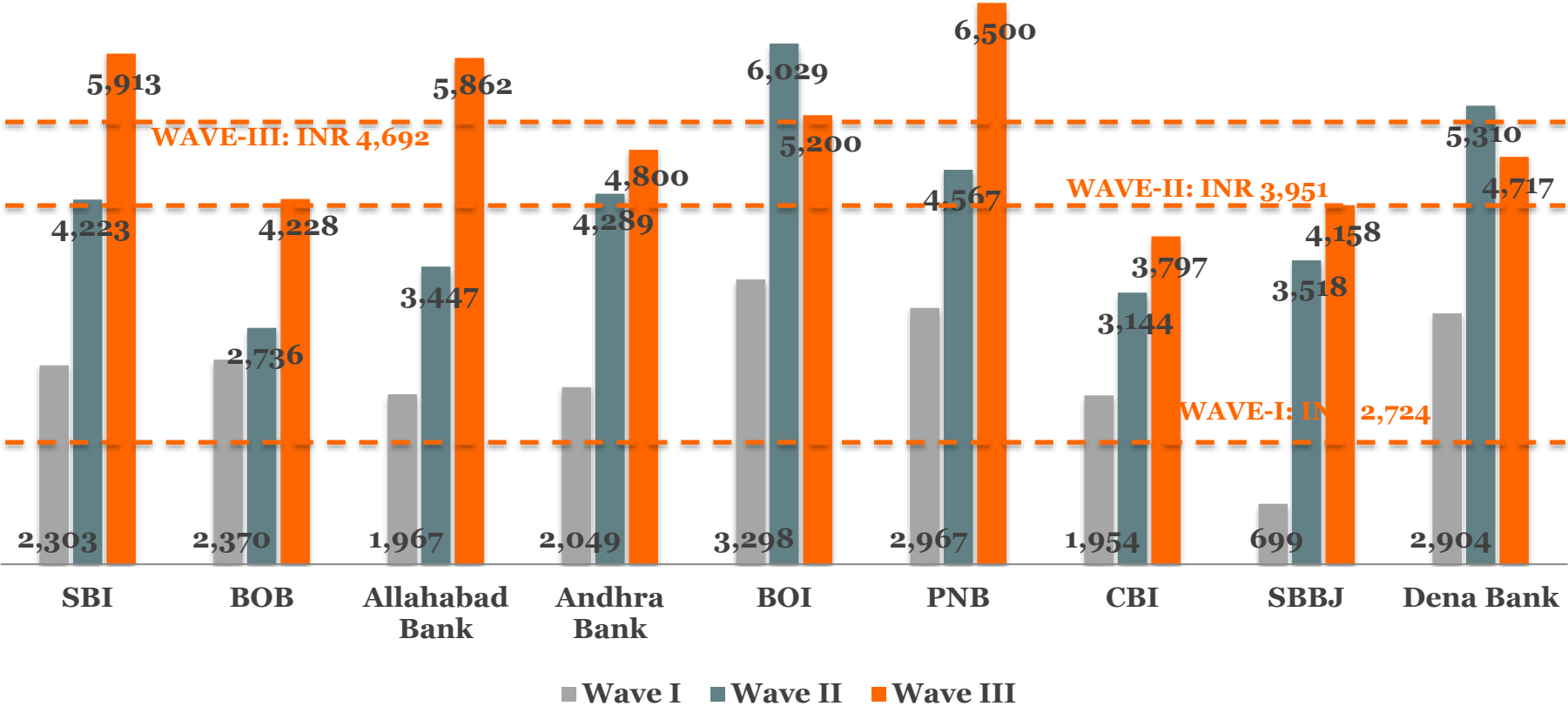
* Wave III survey indicates 3/4th of BMs prefer to work from primary markets in Panchayat/block
 **Average transaction only includes average number of withdrawal and deposit transactions

BM Compensation

Rs. 4,692 average BM monthly revenue across banks

19% increase in average BM revenue from wave II

Average BM monthly compensation
n = 1,412



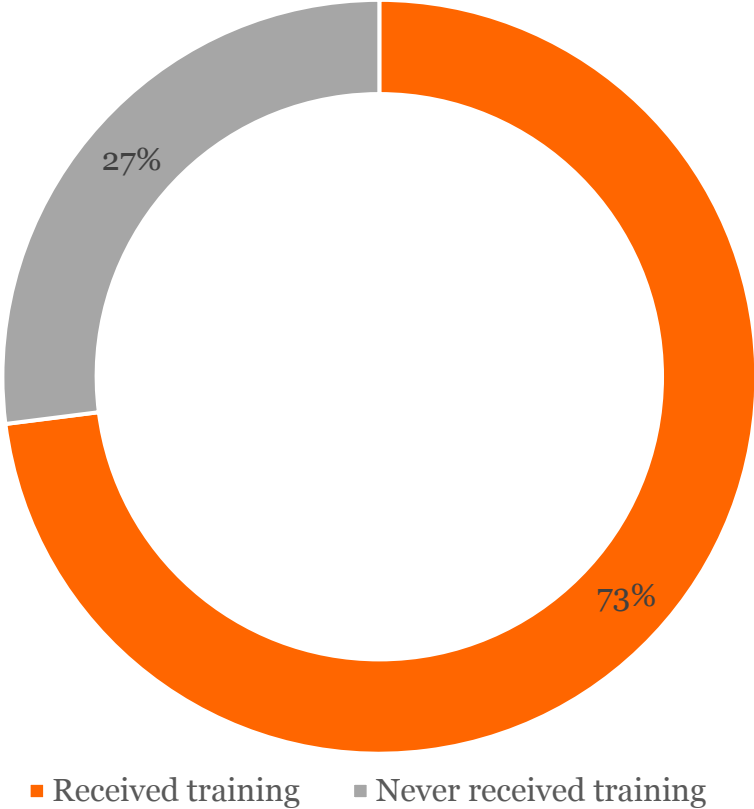
Financial Education



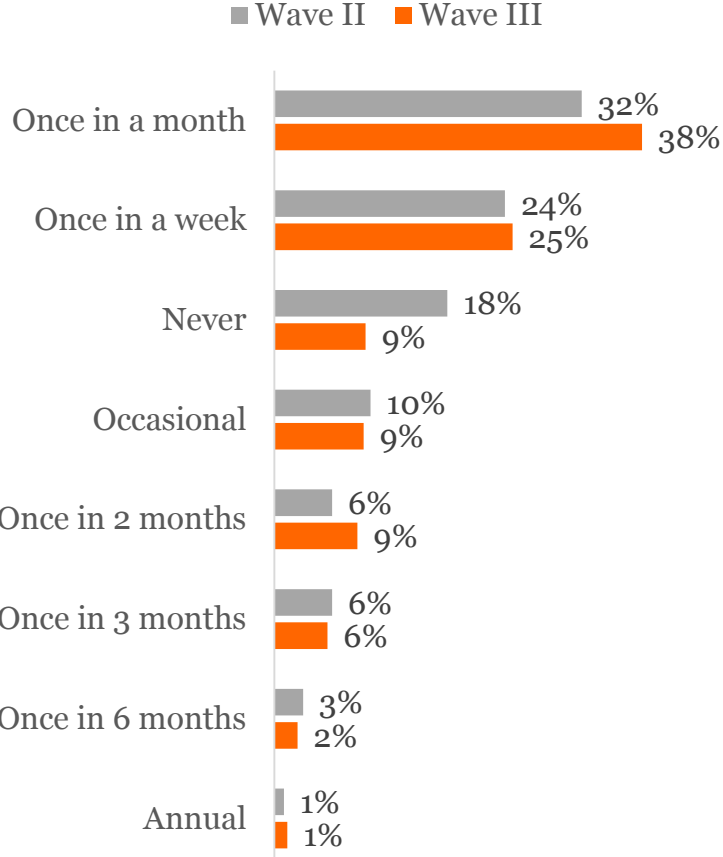
27%

of BMs have never received financial education training
(The metric was 57% in Wave II)

% of BMs who received financial education from joining n = 1,412



Frequency of visit by bank branch official n = 1,412



Key Analysis
and
Suggestions

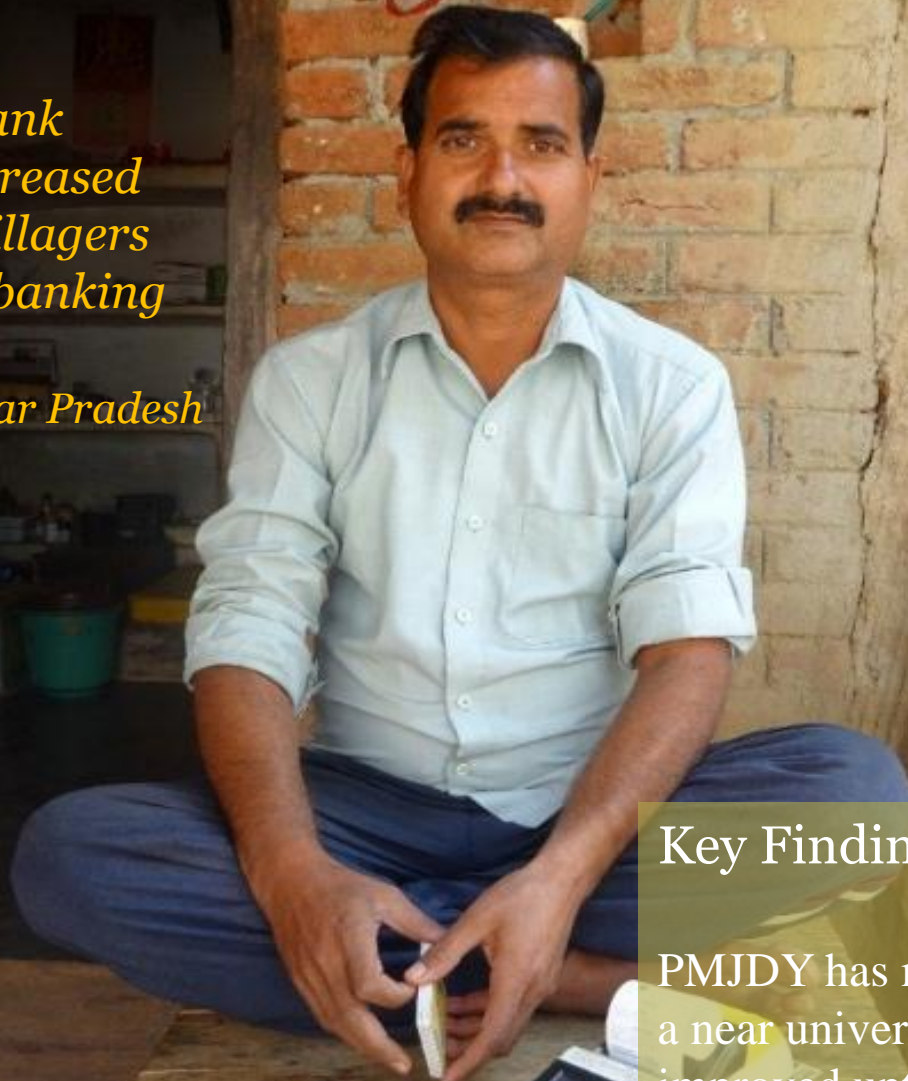


Level III

“

The number of bank accounts have increased from 15 to 500. Villagers have understood banking now.

-BM, Uttar Pradesh

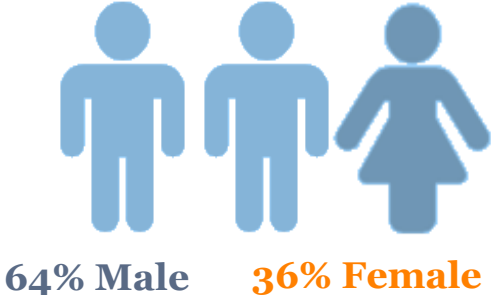


Key Finding#1

PMJDY has made financial inclusion a near universal phenomenon and improved uptake of financial products in rural India. Financial education and upgrades to BM infrastructure can take PMJDY scheme to next level.

Customer Perception

PMJDY customer’s having first a/c n=3,273**



Out of every three PMJDY customers opening a bank account for the first time, one is a woman. Customers perceive PMJDY to be a useful scheme with low cost insurance and free bank account.

Top of mind customers’ perception of PMJDY N=4,859*

- 38% Zero balance/Free account
- 21% Insurance facility at low premium
- 19% Useful government scheme for poor
- 10% Easy loan/Overdraft facility
- 8% Proximity/Simplicity/Penny saving
- 4% Free ATM/Safety/Atal Pension Yojana

“900 accounts out of 1540 are of females. If it is convenient, we collect deposits from their houses.”
 -BM, Bhadrak, Odisha

“Many women save INR 50-500 without their husbands knowing about it”
 -BM, Jind, Haryana

*Total PMJDY customers interviewed; 3 customers were randomly interviewed at each BM location. Less women were found to be present at BM location during the enumerators visit
 **Total customer having PMJDY as first and only account

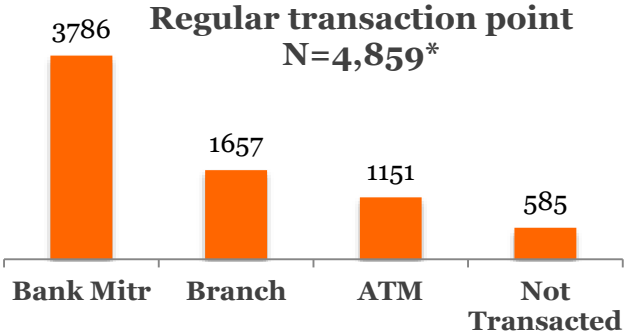
Transaction Preference



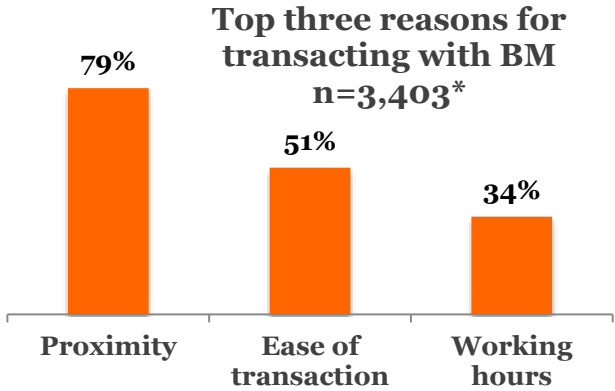
80% of customers transact regularly at BM locations.



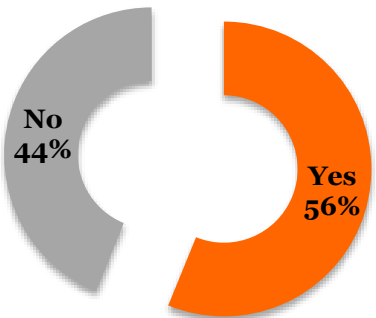
“12 aur 330 rupaya wala bima” is a hit! (i.e. insurance for INR 12-PMSBY and INR 330-PMJJBY is greatly valued.)



80% of customers who regularly transact ranked Bank Mitr as first preference to conduct banking transaction

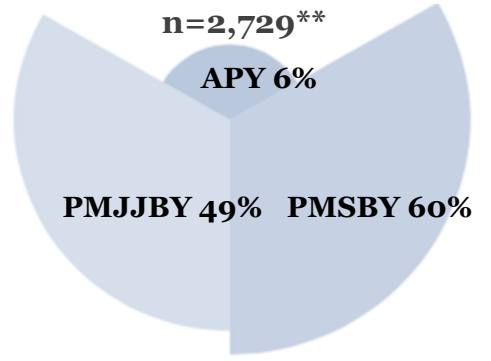


Do you have insurance or pension policy? N=4,859



Up **13%** from Wave II

Uptake of Insurance/Pension schemes

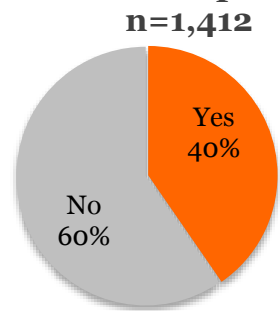


*Multiple responses received from customers
 **Uptake of insurance/pension scheme has been calculated for customers who have availed insurance/pension policy. The total percentage exceed 100 as customers have opted for one or more PMJDY schemes

Challenges and Solutions

“PMJDY has given happiness to customers but not the convenience”
 -BM, Ghazipur, U.P.

Work from multiple locations?



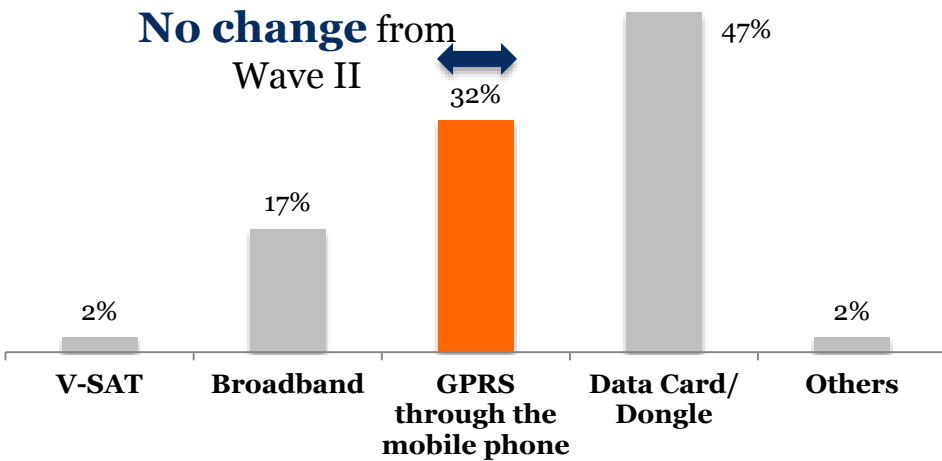
On average **1 BM** serves **4 villages**

3/4th of active BMs

operate from primary market area of panchayat/block
1/5th of BMs operate outside their allocated SSA (for better footfall and/or network connectivity).

Four out of ten BMs operate from multiple locations (more than one gram panchayat).

Type of network connectivity n=1,412



Operational issues faced by BMs

Passbooks create trust among customers. BMs, however, can not update customer passbooks. BMs collect passbooks from customers and get it updated from branch, subject to staff time availability in the branch. This is an extremely time consuming process.

BM's unable to handle PMJJY, PMSBY and APY transaction related queries (e.g. non-issuance of policy receipts, premium deduction status, etc.)

BM's use their mobile phones to connect to the internet that leads to interruption in transaction when he receives a phone call

Possible solutions



Banks may employ a dedicated “financial inclusion” officer for every 2/3 rural branches who would cater to such service requests from BMs within a defined turn around time

BM's may be given access and training to view customers’ insurance/pension policy details online to entertain customer queries

Providing data dongles/VSAT/broadband connectivity to BM's

Key Finding#2

As new account opening under PMJDY has reached saturation level, transaction volumes now drive BMs' commission. BMs are concerned by lack of transparency and irregularity of commission payments, but nonetheless, are willing to continue the business

“Our income is even lesser than MGNREGA wages. I have received INR 3,500 in last 18 months. Can I sustain my family on this income?”

- BM, Ghazipur, U.P.

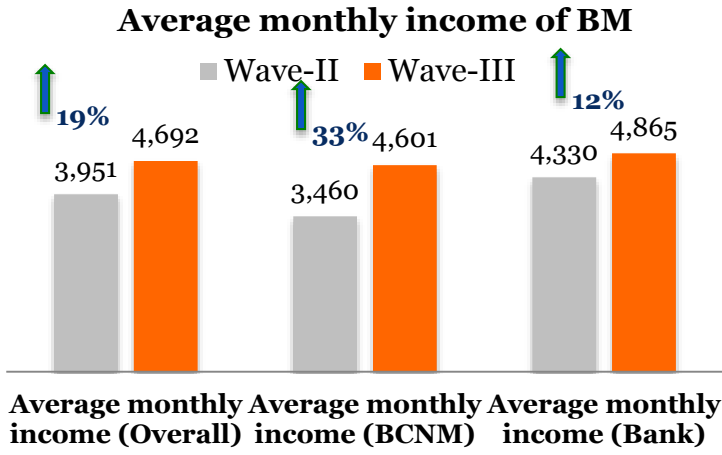
BM's Income

19% increase in average monthly income of BMs.

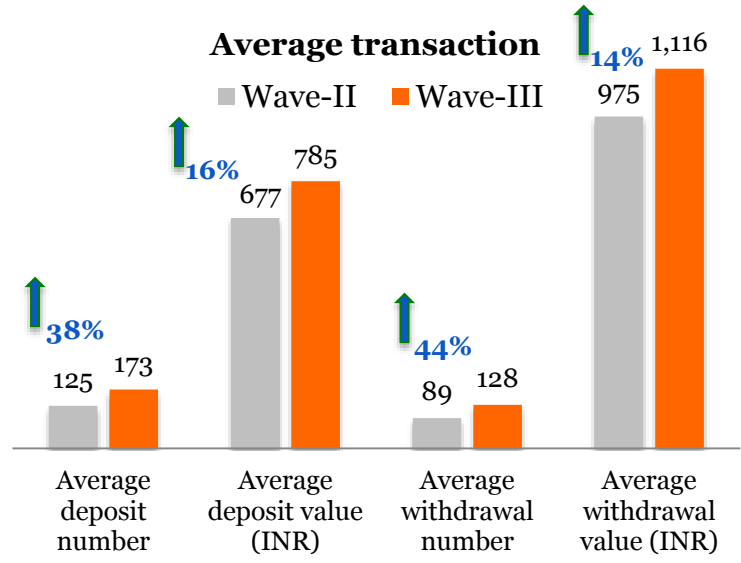
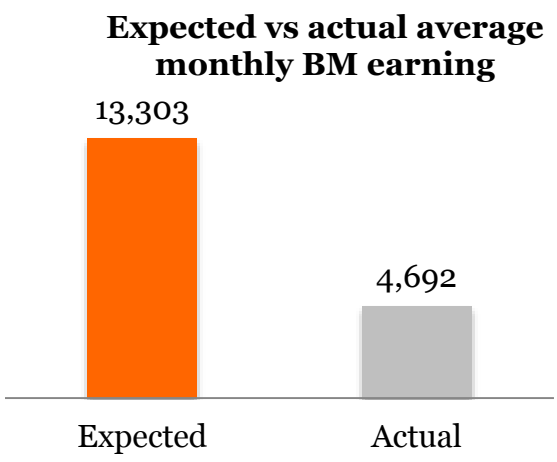
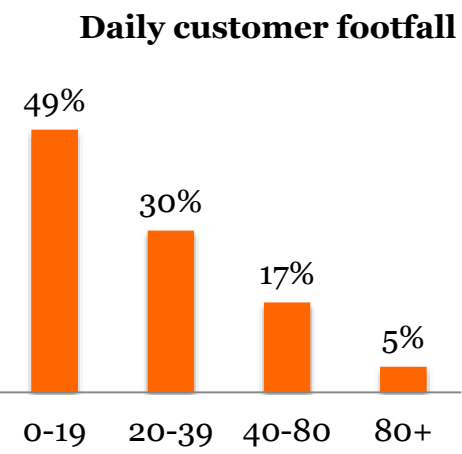
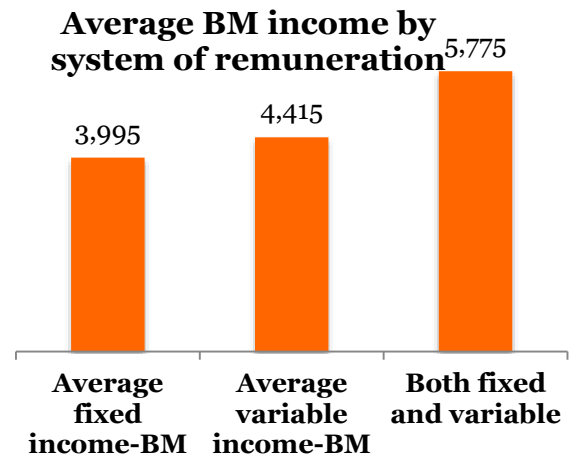
Average daily footfall remains at **27**

INR 13,300

is the aspirational revenue expectations of BMs – still a long way to go!



41% of BMs are receiving fixed monthly income



BM Churn Rate

2 % projected BM churn rate over the next two months.

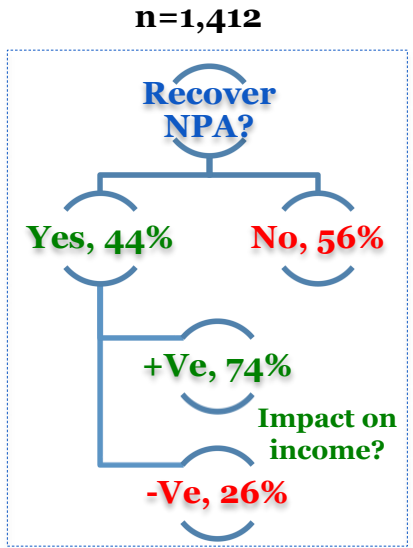
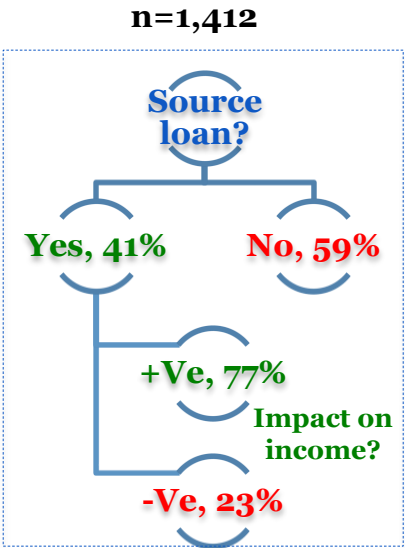
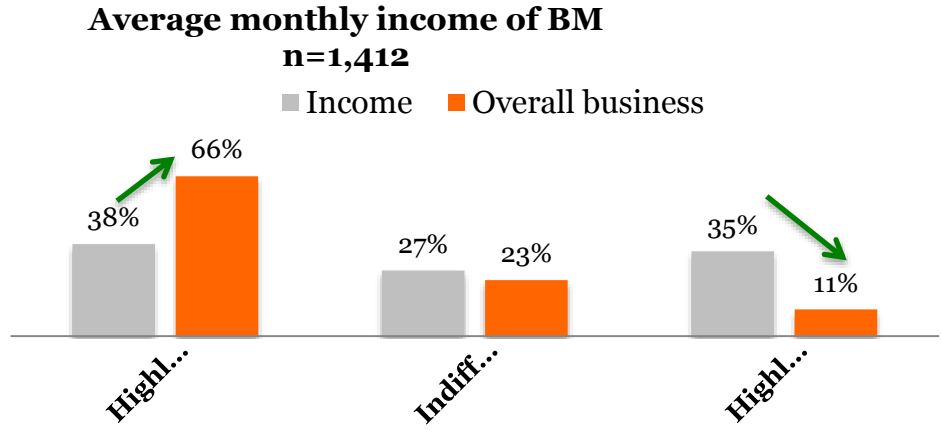
10% overall agent dormancy and it is inching up!

Factors aiding lower churn - expectation of enrolment as bank employee & reputation in society.

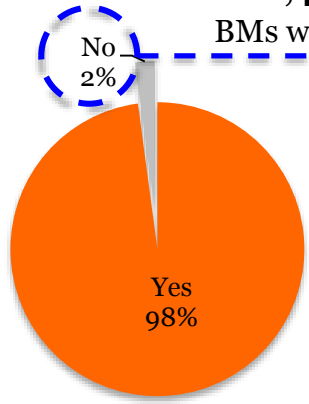
“Bank may recruit us as staff, if we continue to perform better.”
 -BM, Ferozpur, Punjab

“I get a lot of respect wherever I go.”
 -BM, Bhadrak, Odisha

A significant proportion of BMs (>40%) are engaged in activities such as loan sourcing and NPA recovery to add alternate source of income.



BM willing to continue business? n=1,412
 BMs who expect to discontinue will do so in next **2** months on an average



“We do not receive payment, so have got dis-interested.”
 -BM, Dadra Nagar Haveli

BM Profitability

INR 5,775 - Average monthly income of BMs working on fixed plus variable commission model (highest amongst BMs). Average fixed payment of INR 3,000 to these BMs covers monthly operating expenses.

Cost Head (All figures are in INR)	Micro ATM/PoS	Laptop
Average one time fixed expense*	36,968	67,515
Average monthly expense**	2,617	3,249
Total average monthly cost (Fixed cost amortised over 60 months)	3,233	4,374
Average monthly income in fixed only pay model	3,995	
Average monthly income in variable only pay model	4,415	
Average monthly income in mixed pay model	5,775	
Net profit in fixed only pay model	762	-379
Net profit in variable only pay model	1,182	41
Net profit in mixed pay model	2,542	1,401

BMs getting “fixed only” commission are losing an opportunity to earn higher income (approximately INR 1,800 monthly) and risk getting complacent and demotivated towards an increased customer base and increased transaction volumes.

Case: Govind Shinde, works as BM for AXIS bank in Kamthi Khanapur village of Wardha district. He is working since January 2015 and has sourced only 46 PMJDY accounts. Further, only 21 out of 46 accounts are activated. Govind does a minimum of four transactions daily and has been receiving timely commission of INR 5,000 every month.

Government should set an adequate rural DBT commission rate (MicroSave estimates this to be a minimum of 3%) for the first few years of PMJDY to make BM network sustainable and help ensure quality services.

*One time fixed expense includes security deposit; purchase of transaction device (Laptop/PoS/MicroATM) and accessories (printer, finger print reader; connectivity installation charges; and infrastructure (table, chair etc.)

** Variable expenses include rent, internet charges, conveyance expenses (including fuel cost) and miscellaneous charges (printing, stationery etc.)



“

Bank officials send customers away.

-Bank Mitr, Vidisha, M.P.

Key Finding#3
Logistical and technical challenges deprive customers of RuPay card advantages

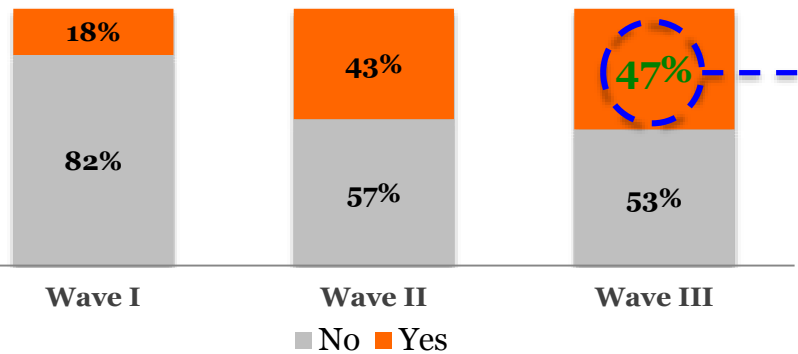
RuPay Transaction Ready

85%* of PMJDY accounts issued RuPay debit cards; however, only half the cards delivered

Marginal improvement in number of “RuPay transaction-ready”, customers.

Received RuPay card?

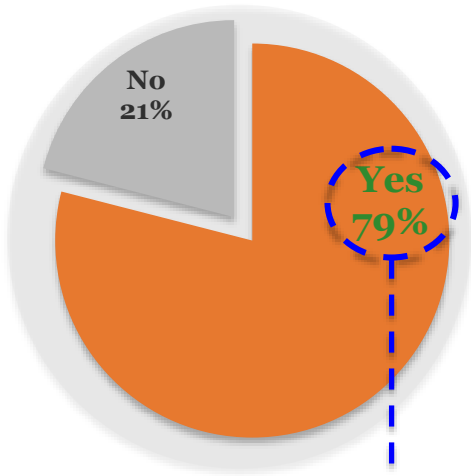
Wave I (N=8,789) Wave II (N=4,514) and Wave III (N=4,859)



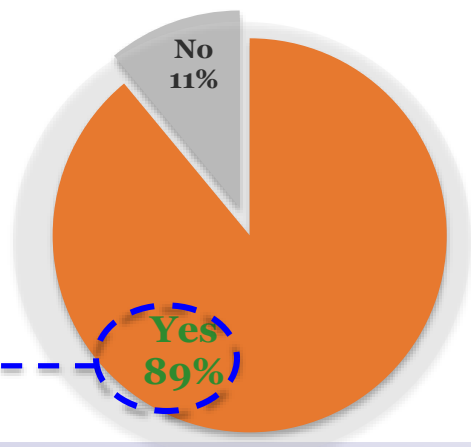
↑ **33%** of customers are RuPay transaction ready (27% in Wave II)

↑ **26%** of customers used RuPay card at least once (17% in Wave II)

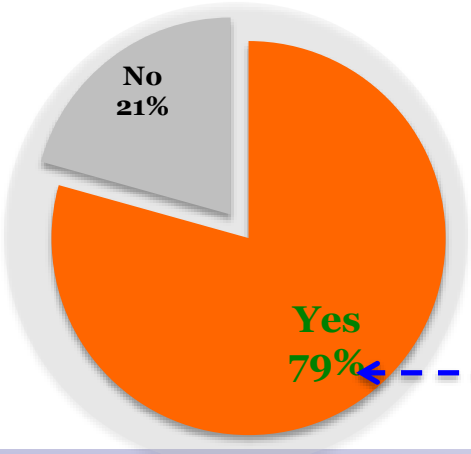
Received PIN? n=2,269



RuPay activated? n=1,786



Transacted through Rupay card? n=1,582



“Illiterate customers are not given RuPay cards.”
-Bank Mittr, Jind, Haryana

PMJDY website: *<http://pmjdy.gov.in/ArchiveFile/2015/11/04.11.2015.pdf>

Key Finding #4

There is a decrease in bank account dormancy from 43%* in 2014 to 28%** in 2015-owing to increased direct subsidy transfers (government social security payments) to PMJDY accounts under various government schemes. Dormancy in accounts can mostly be attributed to factors such as lack of information on operational procedures, product features and opening of duplicate accounts

“No information was provided, we only got to know that account opening is most important. No one here gives complete information

-Customer, Jind, Haryana

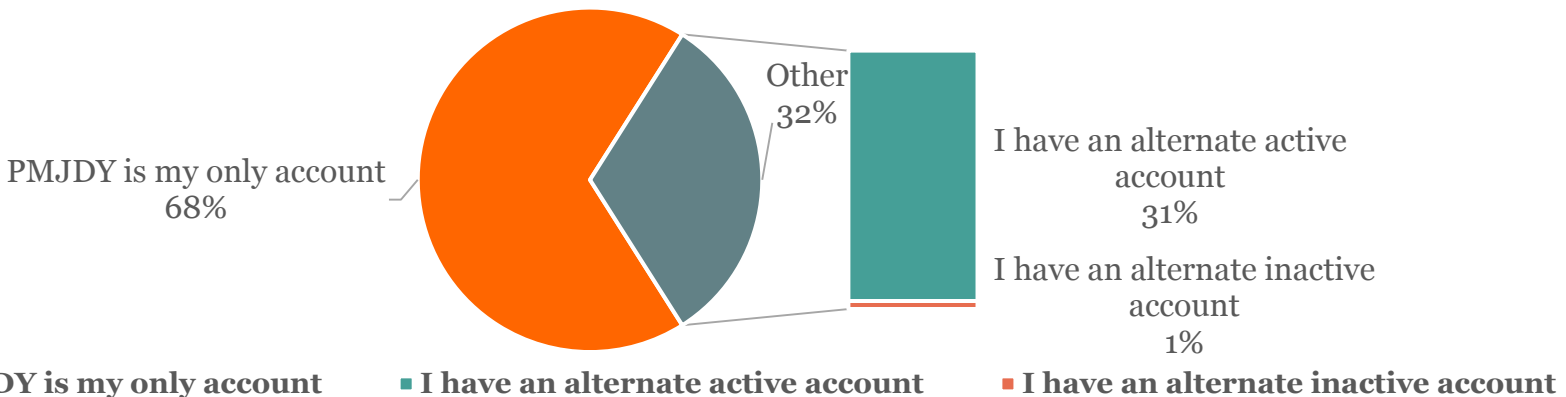
* 43% of accounts in India were reported dormant as per [Global Findex Database 2014](#).

** PMJDY Wave-III finding

Duplication of Accounts

28% accounts are dormant i.e. no transaction over the last three months.

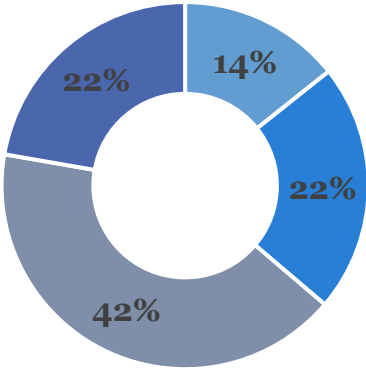
Reasons include:
 Misconception that account is only for government benefits / subsidy.
 31% of multiple account holders (with a bank account in addition to PMJDY) are actively using alternate bank account.



Customers believed that these accounts will remain active at zero-balance also and there was not much of trigger observed to use them.

Customer transaction level N= 4,859

- Never transacted till date
- Once in 2 to 3 months
- Once in a month
- Once in a week or fortnight



Reasons for multiple accounts

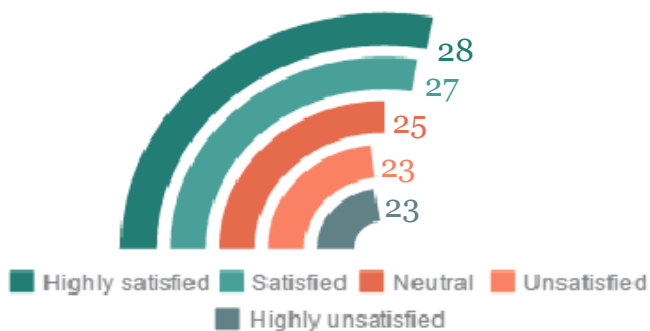
To receive benefits under PMJDY scheme	84%
Everyone else in the village was opening PMJDY account, so followed suit	8%
Forced by BM/branch manager to open account	4%
In expectation of receiving overdraft money in my account	3%
Others	1%

*Calculated with base of total customers interviewed i.e. 4859.
 **Calculated with base of customers with additional account apart from PMJDY i.e.1586

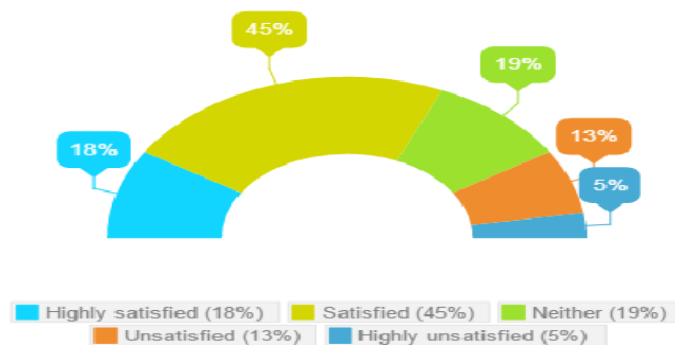
Link Branch Support

63% of active BMs satisfied with support from link branch staff; 18% are unsatisfied. Direct correlation between link branch satisfaction levels and customer footfall indicating BMs' business and performance correlated to support from branch.

Satisfaction vs average daily customer footfall n=1,412



BM feedback on lead bank support n=1,412



Satisfied BM witnesses higher average daily customer footfall with enhanced monthly compensation.

63% of active BMs were satisfied with their link branch support.

“If the branch manager is good then everything is good.”

–Bank Mitr, Dadra & Nagar Haveli

“Branch officials call us “the bank’s friend” but don’t accept us as one.”

-BM, Ferozpur, Punjab

Additional Observations

Competition from MUDRA loans and miscommunication about the overdraft (OD) scheme are the main reasons behind low uptake of OD facility amongst PMJDY account holders. However, 7% of customers have received an overdraft - of an average value of INR 815.

“We do not know whom to contact for overdraft (OD). Branch just tells us to do more transactions but when and how much will we get as OD?”

-BM, Vidisha, MP

“Around 50% accounts have been opened to receive INR 5,000, which is presumed to be a grant.”

-BM, Ghazipur, UP

“INR 5,000 is not a lot of money. It would not be of much help.”

- Customer, Vidisha, MP

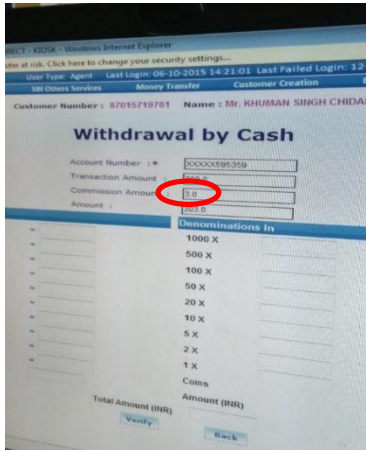
73% of the transaction devices available with BMs are equipped to open accounts through e-KYC. BMs, too, prefer to open account through e-KYC due to simplicity and robustness of the account opening procedures. However, PMJDY accounts opened through e-KYC using Aadhaar number face frequent authentication issues during transactions. BMs report that the biometric signature of these customers is often rejected, leading to transaction denial.

“We cannot even generate a mini statement if account is opened through e-KYC.”

- Bank Mitra, Jind, Haryana

Additional Observations

A few BMs in Vidisha and MP stated that customers are charged for withdrawal as well as for deposit in their PMJDY accounts. No solution or explanation offered by link branch.



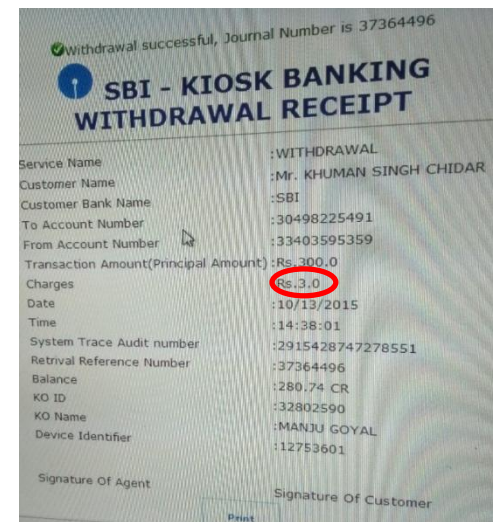
In Bhadrak, Odisha a few customers were **not provided a passbook until they deposited an amount of INR 100** in their account. An additional sum of **INR 57** was deducted from customers' accounts for PIN issuance.

Some of customers in Jind, Haryana complained that **INR 16** was deducted from their account as **mobile alert charges** without their knowledge.

Some banks in Patan, Gujarat also **charge customers INR 100 for issuing a new PIN**. This can act as a deterrent for them to use ATM once their PIN expires due to inactivity.

A bank in Mahasamund, Chhattisgarh is providing PMSBY to MGNREGA account holders by **debiting INR 12 from their wage payments**. Some of these customers have already enrolled for PMSBY on their own, thus losing money twice for same scheme.

One of the leading banks is trying to reduce its zero balance accounts by **depositing INR 10 in each account** from its pocket and the agent is asked to put another **INR 2 from his/her commissions**. This process started around two months back and has left most of the BMs disappointed.



Recommendations



6 Policy Level Recommendations to Impel Jan Dhan Yojana

1. **Convergence of G2P direct benefit transfer schemes** (MGNREGS/PDS) and PMJDY would help to build transaction volumes and improve profitability of Bank Mitrs (BMs). [MicroSave survey](#) reports that 32% of agents are not profitable.
2. RBI should come up with **minimum capitalisation requirements for BC companies** (BCNM). Banking, even as agents, is a capital-intensive business and some threshold capitalisation should be stipulated. Similar requirements can further be extended to BMs, depending on business potential and geography allocated.
3. Agent dormancy has risen to 10% and seems to be inching up. RBI has to have **service level commitments from banks**; once opened, a BM outlet should not be allowed to close for five days in a row, ever (force majeure events excluded).
4. Overdraft facility has been a pull factor for opening PMJDY accounts. However, only 7% of account holders received an average of INR 815 as credit. **Data analytics based credit scoring** model needs to be piloted for PMJDY accounts.
5. **Standard operational guidelines for Banks, BCNMs and BMs**. These guidelines should cover aspects like mandatory GPS tagging, digital attendance, adequate compensation level and audit policies/processes (for BMs and controlling branch), making banks responsible for every BM outlet they operate. **A master circular on PMJDY**, stating operational guidelines by RBI, is necessary to build in transparency, efficient responsibility allocation across stakeholders, and sustainability.
6. The agency model has the potential to transform into a **‘White Label BM’**, with payment banks, SFBs and other financial players scouting for potential partners. They can act as **interoperable** and independent business units capable of facilitating transactions of multiple providers, depending on customer preference. An effective step in this direction will be to promote **non-exclusive***** and **interoperable** BMs.

[**PMJDY progress report](#)

****Agent Network Accelerator Survey-India Country Report 2015**

***** Non-exclusive** BMs are those who work for more than one service provider

6 Quick Steps to Improve PMJDY – Operational

What?

BM commission

BMs tend to open accounts to maximise commission income. This has partly contributed to high account duplication (33%)

Link branch support

BMs performance depends on support he/she receives from link branches. BMs complain of low level of support from branches.

Product/schemes awareness

Only 59% of the agents know that there is a call centre to resolve their queries. Many customers and BMs were unaware about PMJDY's product offerings and scheme riders. Instances such as miscommunication of OD as "free money" motivated many to open PMJDY accounts.

PMJJBY/PMSBY/APY customers are not given policy documents and product registration details

Customer account dormancy

28% of the PMJDY accounts are dormant. Also 28.88% of the customer accounts are zero or nil balance accounts

BM training and re-training

Agents in India receive less support visits (58%) as compared to other ANA** countries

How?

Solution



1. Banks should **reduce compensation for account opening and increase commission for transactions** in order to motivate BMs to promote transactions and not re-open accounts.
2. **Employ one dedicated "financial inclusion" officer** for every 2/3 rural branches to cater to BMs.
3. A robust **"toll free" enquiry system for BMs and customers** should be set up to provide scheme details in different languages and resolve customer queries. Empirically, new customers call 3.2 times/day to check their balance.
4. **Provide policy documents to customers** upon enrolment, detailing registration details and other vital information.
5. **Behavioural economics-based research** is needed to better understand reasons for customer dormancy and product preferences to drive usage of these accounts for real savings.
6. **BMs to be trained and re-trained** on PMJDY scheme features and customer service aspects and not just on handling transaction devices.

Annexure 1

Methodology & Sample and Definition of Terms



*“It was a zero-balance account, so we got it opened.” –Account holders,
Haryana*

Methodology and Sample

Methodology

Sample covered

Quantitative

The following steps were taken to conduct the quantitative survey:

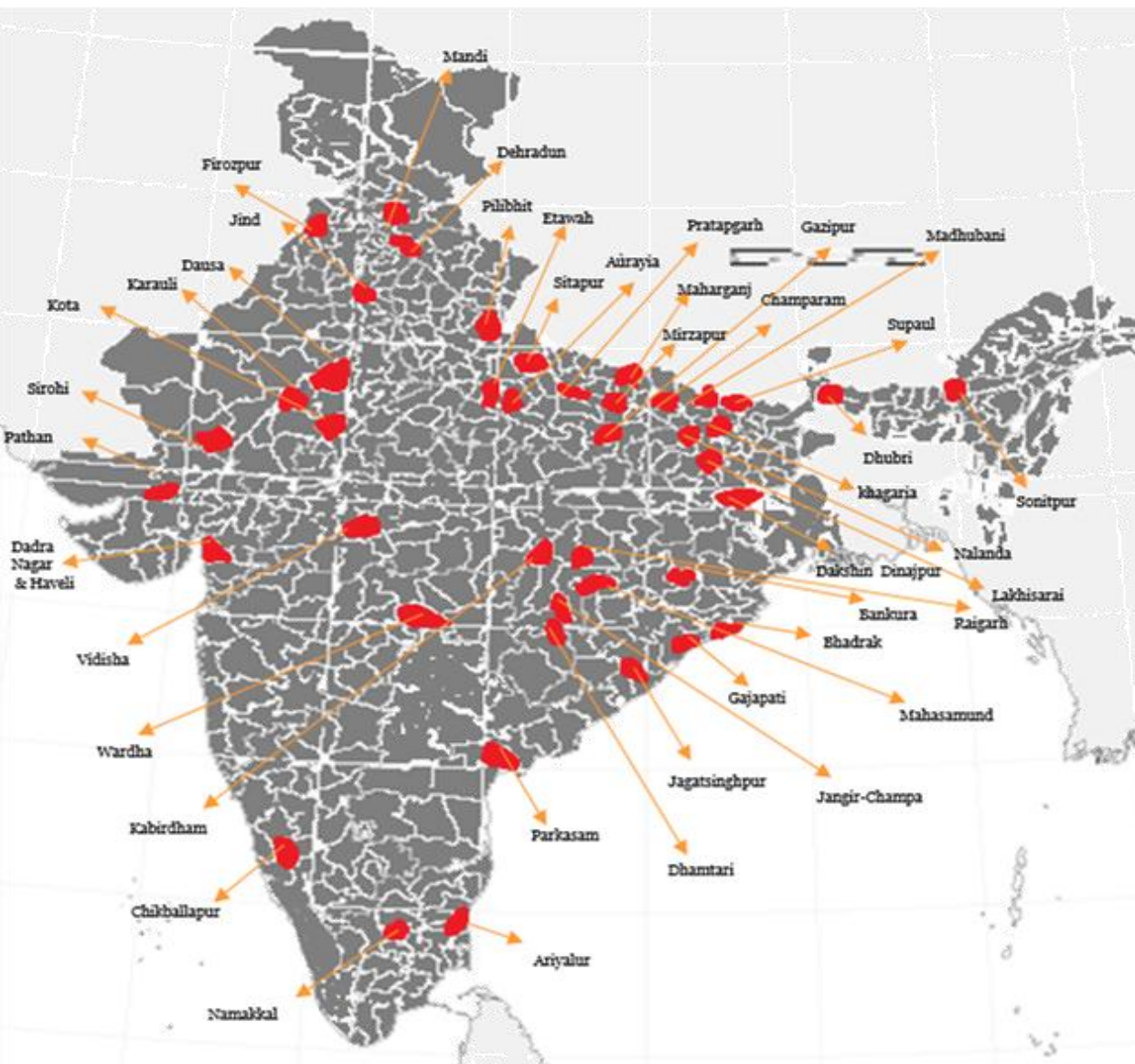
1. Quantitative survey questionnaires were prepared and reviewed by experts
2. Nielsen (India) Private Limited, was appointed as survey agency
3. Field surveys were conducted by Nielsen over a span of 30 days
4. Data cleaning and analysis was done by research experts of *MicroSave* and a detailed report was prepared
5. 1,627 BMs and 4,859 customers were covered in the survey. The survey was conducted in **42** districts spread across **17** states and one union territory (D&NH)

Qualitative

The following steps were taken to conduct the qualitative research:

1. Qualitative research was planned in two phases across 12 states to assess the subjective impact of PMJDY
2. A detailed questionnaire was used to record BMs' feedback on infrastructure and technology, sustainability, status of banking services offered, efficiency of financial transactions, customer service levels, grievance redressal mechanisms and monitoring and training support given to BMs
3. A total of 94 BMs were interviewed for qualitative research

Sample coverage: States and districts



States	Districts* Covered
Andhra Pradesh	1
Assam*	2
Bihar	6
Chhattisgarh	5
Gujarat	1
Haryana	1
Himachal Pradesh	1
Karnataka	1
Madhya Pradesh	1
Maharashtra	1
Odisha	3
Punjab	1
Rajasthan	4
Tamil Nadu	2
Uttar Pradesh	8
Uttarakhand	1
West Bengal	2
Dadra & Nagar Haveli	1
Total	42

* Districts selection was done on a random basis

Sampling Methodology

Sampling Methodology

Quantitative

A list of BMs was downloaded from PMJDY website

Finalisation of district-wise sampling frame for 42 study districts

Proportionate allocation of BM sample to 42 study districts – 20 per cent or 30 BMs (whichever is higher) per district

Identification (through snow balling) of PMJDY account holders and interview.

3 customers were randomly interviewed at each BM location

Qualitative

5% of the total sample was selected for qualitative research

Minimum 6 BMs per district were interviewed for qualitative research

Sampling Framework for PMJDY Surveys



WAVE I

- December **2014**
- Purposive** sampling using CRISIL INCLUSIX
- 9** states, **41** districts
- 2,039** BMs
- 8,789** customers



WAVE II

- July **2015**
- Purposive** sampling and **comparison** with WAVE I using CRISIL INCLUSIX
- Same **9** states, **41** districts as WAVE I
- 1,700** BMs
- 4,514** customers

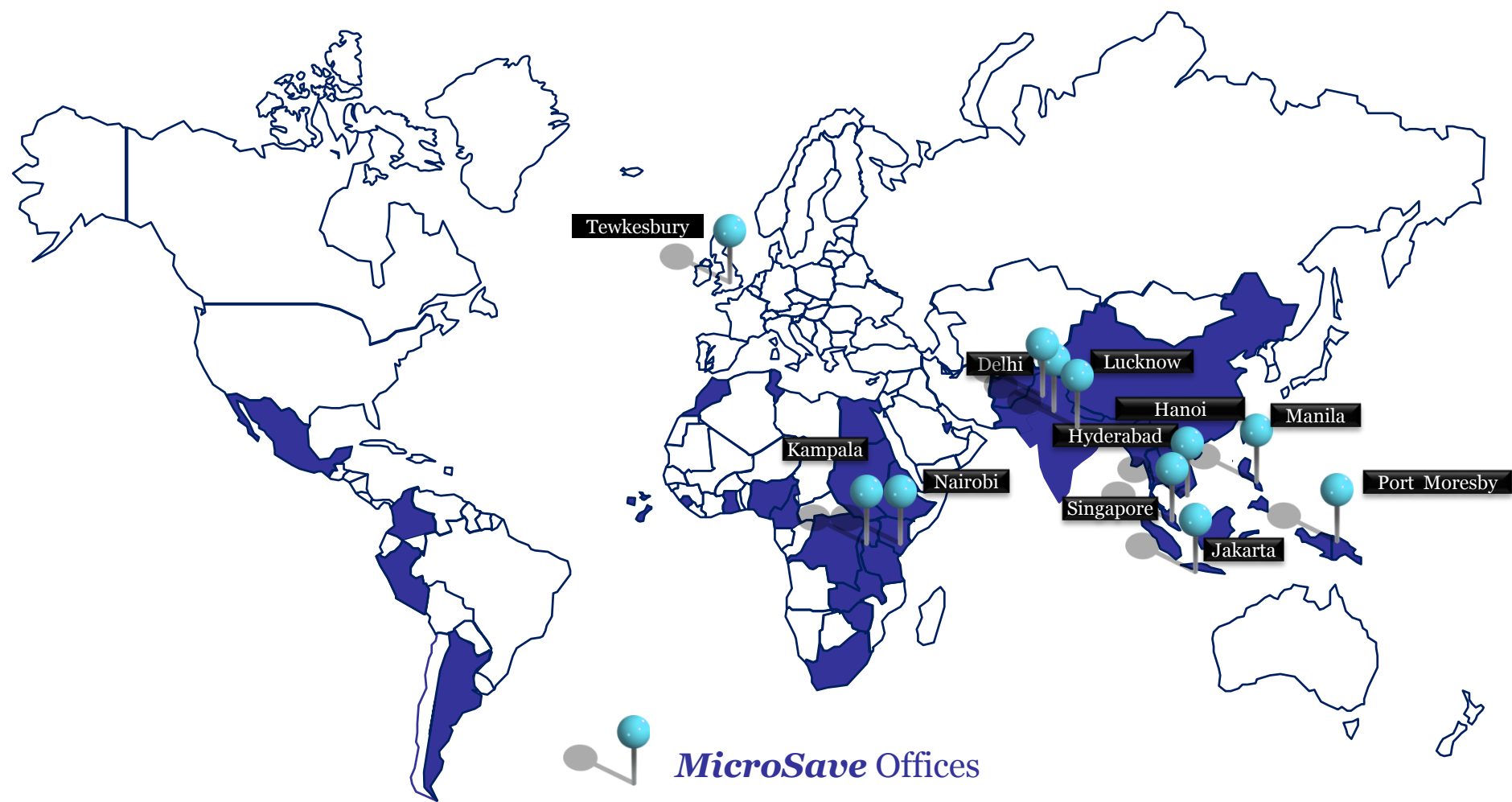


WAVE III

- December **2015**
- Independent **nationally representative** survey
- Random sampling** frame using CRISIL INCLUSIX
- 17** states and **one** union territory, **42** districts
- 1,627** BMs
- 4,859** customers

Definition of Key Terms

Term	Definition
BM (Bank Mitr)	Agents appointed by banks to offer financial services in financially excluded villages
Available/Interviewed BMs	Proportion of sampled BMs who could be located at their designated locations or contacted (via mobile numbers) and were interviewed in person or by telephone
Untraceable BMs	Proportion of sampled BMs who could not be traced at their designated locations or through other contact details
Active BMs	Proportion of available/interviewed BMs who are still associated with banks and are offering financial services.
Dormant BMs	Proportion of available/interviewed BMs who have abandoned their BM role OR stopped offering financial services
Transaction-ready BMs	Proportion of active BMs who are equipped with transaction devices (laptop/point of sale) and are capable of conducting transactions (deposit, withdrawal and account opening) for walk-in customers on day of research team visit
Transaction-not-ready BMs	BM's only sourcing account, new/existing BMs without device, and BMs facing infrastructure issue such as connectivity. These BMs are not able to conduct any transaction (deposit, withdrawal and account opening) for walk-in customers on day of research team visit



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