

Indonesia - Competition in the Branchless Banking Agent Market: Effects, Strategic 2022-2023

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Identification

SURVEY ID NUMBER

ind-refind-cbbam-2022-2023-v1

TITLE

Competition in the Branchless Banking Agent Market: Effects, Strategic 2022-2023

SUBTITLE

Indonesia

ABBREVIATION OR ACRONYM

CBBAM 2022-2023

COUNTRY

Name	Country code
Indonesia	inda

STUDY TYPE

Digital Financial Survey

ABSTRACT

We partner with one of Indonesia's largest banks to test how increased competition in the market for branchless banking affects the willingness of banking agents to transparently disclose the bank's official prices and refrain from charging illicit fees above the published price list. In the first experiment, the bank's branchless banking agents received randomized information about the expected increase in competition in their local area. Subsequently, they were given an incentivized choice to enroll in a marketing plan that discloses the bank's official prices or an alternative plan that does not require them to disclose official prices to their customers. In a complementary experiment, we will directly provide a randomly selected sample of clients with information about the bank's official prices. From our preliminary analysis using survey data to 3,006 agents and 3,993 clients, we observe the tendency of agents to overcharge and "shroud" information about official transaction fees from clients. Our preliminary findings suggest that providing agents with information about an increase in expected competition significantly increases price transparency.

KIND OF DATA

Survey data

Version

VERSION DESCRIPTION

Version 1

VERSION DATE

2023

Scope

NOTES

Digital financial services have expanded rapidly across the developing world. While digital financial services offer many benefits for low-income populations, they also give rise to new consumer protection challenges. One widespread concern is the high prevalence of agent misconduct and illicit extra charges, which reduce consumer welfare and undermine trust in new financial technologies. This is an important concern in many emerging economies including Indonesia. Working with one of the country's largest banks, we are conducting an experiment to (i) measure the consumer demand for price transparency and the extent of financial agent misconduct, (ii) examine whether increased competition — resulting from the rapid growth of Indonesia's branchless banking network — is likely to make branchless banking agents more willing to transparently communicate official prices and less likely to charge illicit fees in an effort to win consumer trust and grow their business, and (iii) estimate the returns to price transparency.

Coverage

GEOGRAPHIC UNIT

West Bandung, West Java, Indonesia

Producers and sponsors

PRIMARY INVESTIGATORS

Name	Affiliation
Gianmarco Leon-Ciliotta	Pompeu Fabra University and Barcelona School of Economics
Erika Deserrano	Northwestern University and Bocconi University
Firman Witoelar	Australian National University)
Martin Kanz	World Bank
Daniel Gottlieb	London School of Economics and Political Science

FUNDING AGENCY/SPONSOR

Name	Abbreviation
RETAIL FINANCE DISTRIBUTION RESEARCH INITIATIVE	ReFinD

Data collection

DATES OF DATA COLLECTION

Start	End
2022-07	2023-12

DATA COLLECTION MODE

Face-to-face

Access policy

CONTACTS

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Head, Data Processing Division	University of Ghana	refind.issuer@ug.edu.gh	www.issuer.ug.edu.gh

ACCESS CONDITIONS

Licensed access data, available under conditions

CITATION REQUIREMENTS

producer. production date. dataset title and date [dataset]. version number. Place: Producer name [producer], date of production. Cape Town: DataFirst [distributor], date of distribution. doi:

ACCESS AUTHORITY

Name	Affiliation	Email	URL
ReFinD, ISSER	University of Ghana	refind.issuer@ug.edu.gh	www.refind-issuer.ug.edu.gh

Data Dictionary

Data file	Cases	Variables
cbbam-2022-2023-agent-v1	3007	43
cbbam-2022-2023-client-v1	3994	60

Data file: cbbam-2022-2023-agent-v1

Cases:	3007
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Variables:	43
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Variables

ID	Name	Label	Question
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Total: 0

Data file: cbbam-2022-2023-client-v1

Cases:	3994
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Variables:	60
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Variables

ID	Name	Label	Question
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Total: 0

Download related resources

Reports

Competition in the Branchless Banking Agent Market: Effects and Strategic Report

Title	Competition in the Branchless Banking Agent Market: Effects and Strategic Report
Date	June 2022 - December 2023
Country	Indonesia
Language	English
Description	This is the final report for Competition in the Branchless Banking Agent Market: Effects and Strategic Responses
Filename	cbbam-2022-2023-report.pdf

Other materials

Competition in the Branchless Banking Agent Market: Effects and Strategic Client Codebook

Title	Competition in the Branchless Banking Agent Market: Effects and Strategic Client Codebook
Date	June 2022 - December 2023
Country	Indonesia
Language	English
Description	Client Codebook for Competition in the Branchless Banking Agent Market: Effects and Strategic Responses
Filename	cbbam-2022-2023-client-codebook.xlsx

Competition in the Branchless Banking Agent Market: Effects and Strategic Agent Codebook

Title	Competition in the Branchless Banking Agent Market: Effects and Strategic Agent Codebook
Date	June 2022 - December 2023
Country	Indonesia
Language	English
Description	Codebook for Agent Competition in the Branchless Banking Agent Market: Effects and Strategic Responses
Filename	cbbam-2022-2023-agent-codebook.xlsx
