

60 \_ decibels



# KarmaLife

## Impact Performance Report

May 2021



# Welcome to your impact results



## About this 60 Decibels Report

This report is designed to make it easy for you to learn about your customers: what engages them, what challenges, if any, they are facing, and ultimately what impact you are creating.

This report presents insights from 201 interviews with KarmaLife's customers in India. The sample was collected using a random sampling approach. Interviews were conducted in April 2021.

## Contents

The indicators and insights presented in this report cover the following topics:

- 03 / At a glance
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- 11 / How does KarmaLife compare to peers?
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# At a glance



## Top Actionable Insights

### > Reach:

KarmaLife is providing a unique service to an underserved market. 85% of customers report that they cannot find a good alternative to KarmaLife's app.

KarmaLife's inclusivity ratio of 0.6 is good but can be improved. Are there ways to expand your reach to more lower income customers?

### > Impact:

8 in 10 customers report improvements in quality of life because of KarmaLife's services. Top outcomes include being able to afford household bills and being able to deal with emergencies.

### > Satisfaction:

KarmaLife has a Net Promoter Score of 51 which is excellent and at par with 60dB's financial benchmark. KarmaLife's Promoters (those who gave a rating of 9 or 10 out of 10) love that they have a reliable source of money and appreciate the simple and efficient processes.

## Key Indicators

35%

live in poverty

33%

quality of life 'very much improved'

85%

reported "no" to having a good alternative

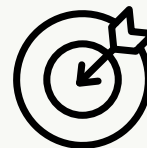
51

Net Promoter Score, on a -100 to 100 scale

“I do not have to depend upon others for money. Especially during these challenging times.”



# What Impact is KarmaLife Having?



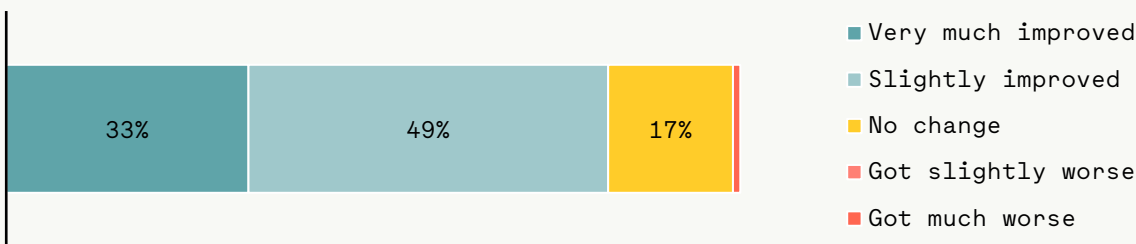
## Changes in Quality of Life

82% of customers reported improvements in their quality of life because of KarmaLife

To gauge depth of impact, customers were asked to reflect on whether their quality of life has changed because of KarmaLife. In total, 82% said their life had improved, with 49% of all customers reporting it had 'very much improved'.

### Perceived change in quality of life

Q: Has your quality of life changed because of KarmaLife? (n=191)



### Top outcomes reported

- 32%** mentioned **being able to afford household bills** (32% of all respondents)
- 28%** were **better able to handle emergencies** (28% of all respondents)
- 15%** reported **having a more dependable source of money than before** (15% of all respondents)

### Voices that stood out

#### Very much improved:

“I have paid [my] electricity & water bills and also EMI directly through this application. Even without having money in my account.”

#### Slightly improved:

“Earlier I repeatedly reached out to friends for money; now I am self dependant.”

#### No change:

“The limit is only 2000 rupees, if the limit can be further increased that would really help me manage my household expenses.”

# What impact is KarmaLife having?

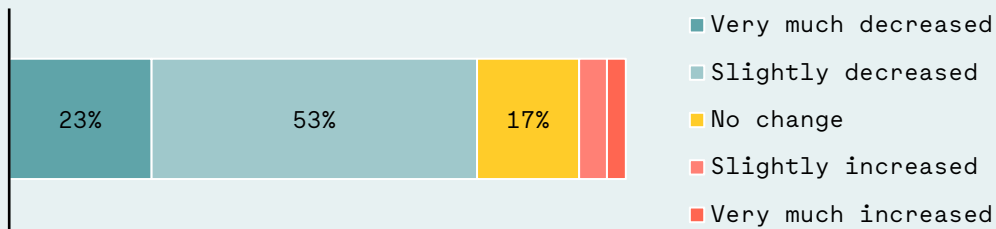


## Sector-specific insights

76% of customers reported a decrease in stress levels because of KarmaLife

### Perceived change in stress levels

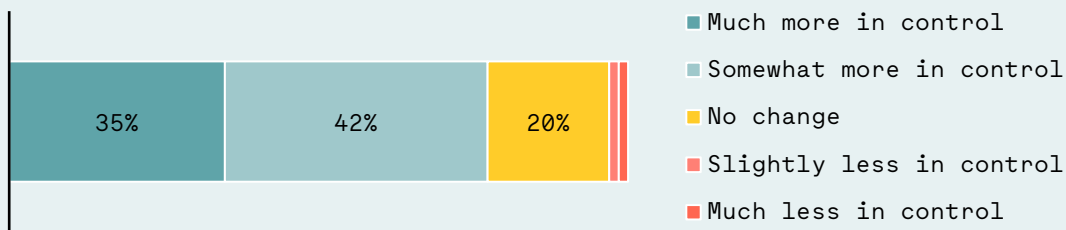
Q: Has your stress level relating to your finances changed because of KarmaLife? (n=199)



78% of customers reported feeling more financial control because of KarmaLife

### Perceived change in control over finances

Q: Overall, do you feel more or less in control of your finances because of KarmaLife? (n=198)



“I am feeling very stress free. I have paid so many EMIs and saved myself from becoming a bank defaulter.”

# Are customers satisfied with KarmaLife?



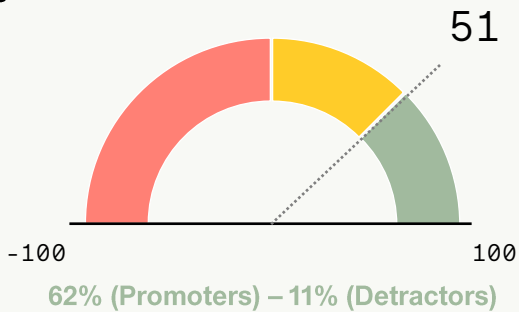
KarmaLife's Net Promoter Score® of 51 is good.

KarmaLife has a Net Promoter Score of 51\*, which is excellent.

We find that customers admire KarmaLife's reliable service, the simple application process and quick disbursement of loans.

Some customers complain that KarmaLife's loan size is too small and want more transparency on credit terms.

\*Please see Appendix for details on how the NPS is calculated.



## What's driving customer satisfaction?

### 62% are Promoters

They love:

1. That they have a **reliable source of money** for emergencies
2. The **simple application process**
3. That **money is received quickly**

"We can get money instantly without any tension or too many documents."

### 27% are Passives

They:

1. Love how **applications are processed quickly and simple application process**
2. Complain that the **loan size is too small and interest rates are high**

"Please exceed the limits only 1k and not sufficient for me; my requirement is more."

### 11% are Detractors

They want to see:

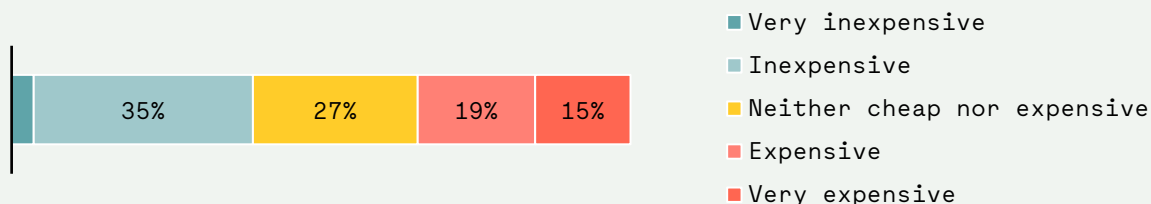
1. An **increase in loan size**
2. **Transparency on credit terms and on fees / deductions**

"Limit is very low and not sufficient for my needs. Please increase this otherwise there is no use of it."

## Spotlight On: Value for Cost

A third of customers feel that KarmaLife's services are inexpensive

Q: Consider the cost of KarmaLife's App and what you are able to do with the money you receive. How would you rate the cost of KarmaLife's App? (n=195)





“The loan approval process is very easy. The QR scan option is really helpful for payments.”



# Who is KarmaLife reaching?

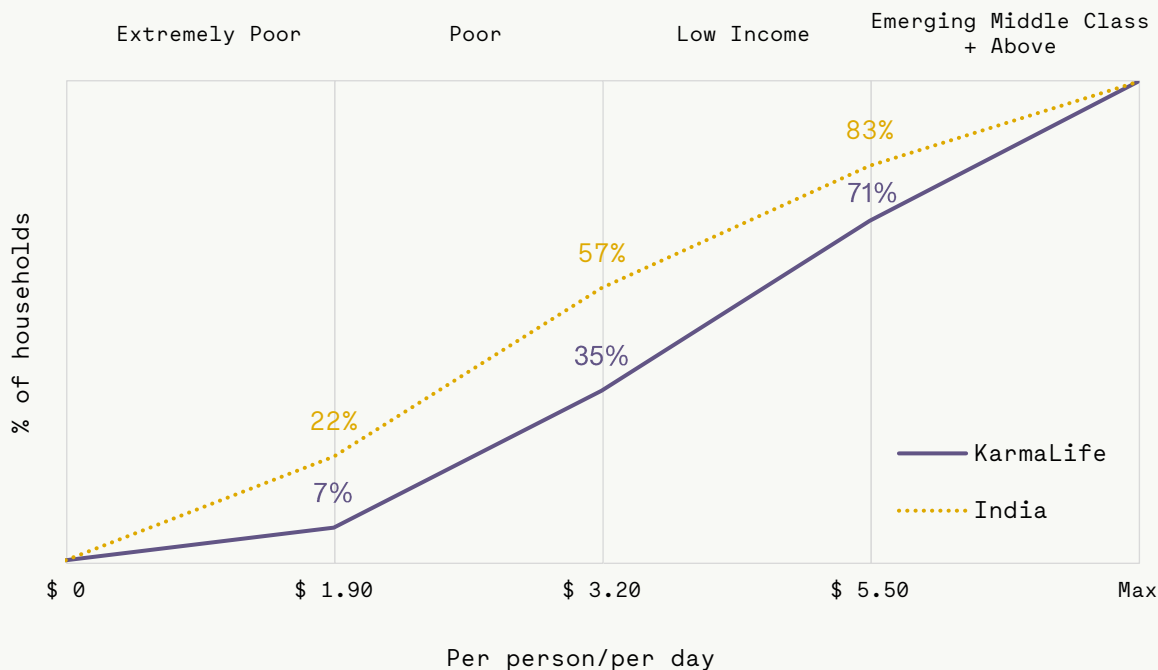


Using the Poverty Probability Index (PPI®) we measured how the income profile of your customers' households compares to the India average. KarmaLife is serving slightly wealthier customers than India's national averages.

The PPI is a poverty measurement tool uses a set of country-specific questions, based on the highest predictors of poverty from the most recent population and housing survey, national census, or demographic surveys. The answers are scored to estimate the likelihood that the household is living below the national poverty line and other internationally-recognised poverty lines.

## Income distribution of KarmaLife's customer households relative to India average

% living below \$3.20 per person / per day (2011 PPP) (n = 188)



Using the PPI, we also measure the degree which KarmaLife is serving low-income customers, compared to the general population. The higher the ratio, the higher the representation of low-income customers in KarmaLife's customer base.

1 = parity with national population. ; > 1 = over-serving low-income customers ; < 1 = under-serving low income customers.

### Inclusivity Ratio

Degree that KarmaLife is reaching low-income customers in India

**0.6x**

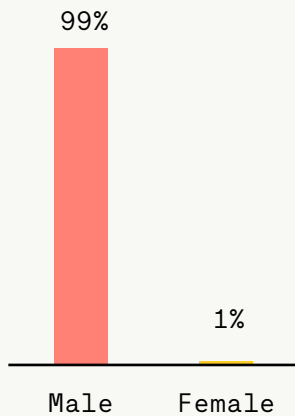
See Appendix for calculation.

# Who is KarmaLife reaching?

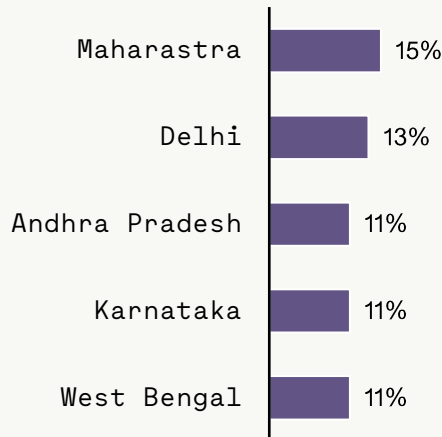


KarmaLife appears to be serving a relatively homogenous customer base. There was a narrow degree of variability in demographics. This suggests that KarmaLife's value proposition is appealing to a narrow demographic.

Gender of respondents



Top 5 Regions Represented



Average household size

5 people

“I can receive money within one hour. The app is very simple to operate and works on every mobile.”

# How does KarmaLife compare to peers?

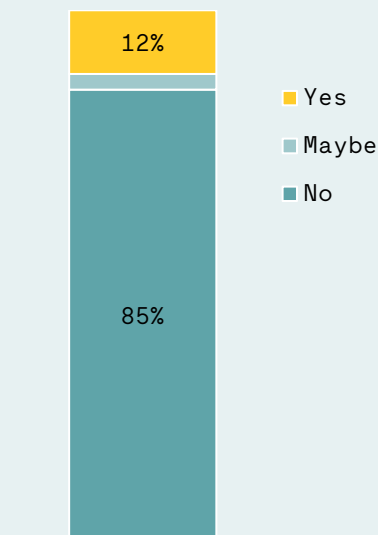


## Sector-specific insights

85% of customers could not find a good alternative to KarmaLife's app

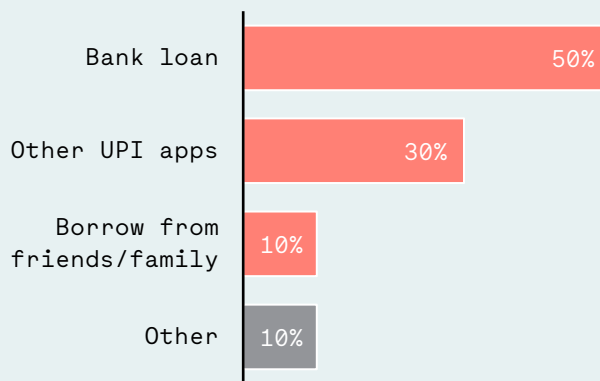
### Access to good alternatives

Q: Could you easily find a good alternative to KarmaLife's App? (n=175)



### Alternatives

Q: If you were not using KarmaLife, what would you be using? (n=54)



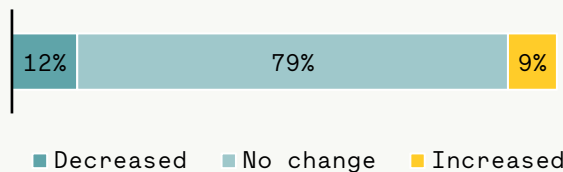
91% of customers report that there is no increase in the number of alternatives available to them

Availability of alternatives provides insight into the competitive landscape and the degree to which KarmaLife is providing a scarce service.

The fact that **85%** said they could not easily find a good alternative suggests that KarmaLife is filling a market gap.

### Change in available alternatives

Q: Has the number of good alternatives available to you changed compared with 6 months ago? Alternatives have: (n=154)



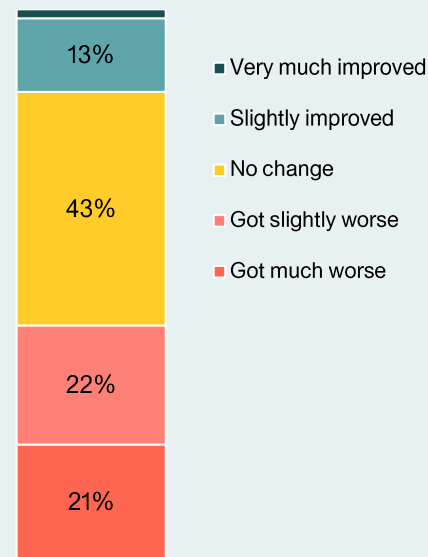
# Impact of COVID - 19



Almost half of respondents report that their financial situations got worse due to COVID -19

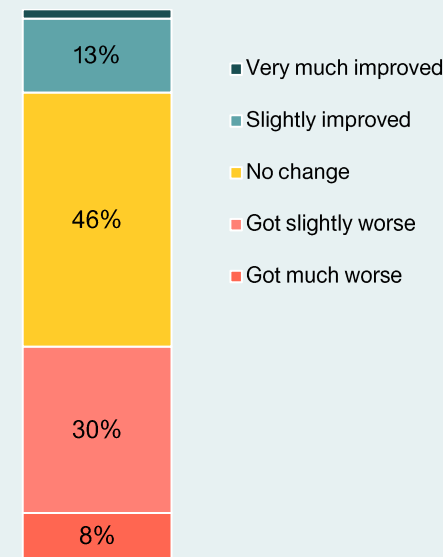
## Financial Situation – since COVID-19

Q: Overall, today, is the financial situation of your family better or worse compared to before the COVID-19 pandemic? Has it: (n=120)



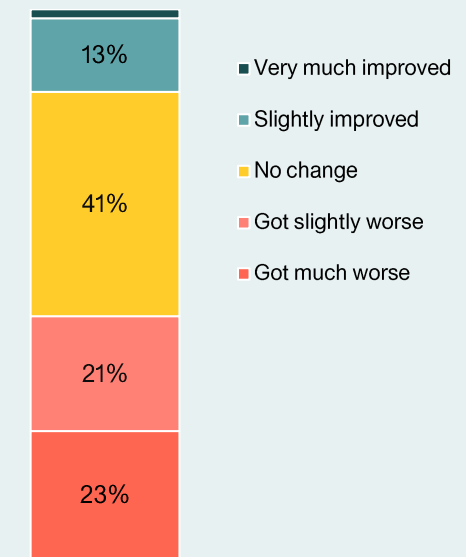
## Financial Situation – last month

Q: Has the financial situation of your family changed since last month? Has it: (n=119)



## Change in Income

Q: How does your income today compare to before the pandemic? (n=120)



## Impact on Income Sources

1. Business has worsened (35%)
2. Lost employment (34%)
3. Decrease in income (27%)

“I lost my job in the lockdown and still there is no work. Yet looking for job..”

## Foreseeable Changes in the Next Month

1. Starting a new venture (15%)
2. Seeking new jobs (6%)
3. Unable to repay loans (4%)

“I am planning to expand my business, but I need money for that.”

## What is Giving People Hope

1. Vaccination drives (29%)
2. Government support (26%)
3. Sanitizing / Cleaning (11%)

“Vaccination is the new hope for us now.”

# How does KarmaLife compare to the 60dB Benchmarks?



## About the 60dB Benchmarks

We have been collecting impact data for the past six years and we've heard from more than 150,000 customers. By asking the same questions in the same way across multiple projects, we're able to develop benchmarks to help put your data into context.

Impact Performance Benchmarks are the next leap forward for impact measurement. They provide an objective standard for comparable impact outcomes to understand and fuel performance.

Benchmarking is not just about hitting the average - the goal is to become a top performer. To make 'impact performance' as tangible as possible, we include the quintiles in which KarmaLife is ranked in the impact performance benchmark for each metric. We look at a comparable set of 16 early stage startups in the Financial Inclusion space.

## Standard Outcome Metrics

### Who Is Reached?

35%

live below the poverty line of \$5.50



### How Impactful?

33%

quality of life 'very much improved'



### Contribution

85%

reported "no" or "not sure" to having a good alternative



### Net Promoter Score®

51

Net Promoter Score, on a -100 to 100 scale



### Gender

1%

female respondents



### Inclusivity Ratio

0.6

degree of reaching low-income farmers



# What you could do next



Here are ideas for ways to engage your team and use these results to fuel discussion and inform decisions.

## An Idea Checklist From Us To You :)

- 
- |                            |                          |   |
|----------------------------|--------------------------|---|
| <b>Review Your Results</b> | <input type="checkbox"/> | Review your results and qualitative customer responses. There's a lot of juicy feedback in there! |
|----------------------------|--------------------------|---|
- 
- |                         |                          |  |
|-------------------------|--------------------------|--|
| <b>Engage Your Team</b> | <input type="checkbox"/> | Send report to your team & invite feedback, questions and ideas. Sometimes the best ideas come from unexpected places! |
|                         | <input type="checkbox"/> | Set up team meeting & discuss what's most important, celebrate the positives & identify next steps.                    |
- 
- |                        |                          |   |
|------------------------|--------------------------|---|
| <b>Spread The Word</b> | <input type="checkbox"/> | Reach a wider audience on social media & show you're invested in your customers.  |
|                        | <input type="checkbox"/> | Let us know if you'd like us to send an SMS to interviewed customers with a short message letting them know feedback is valued and as a result, you'll be working on XYZ. |
- 
- |                       |                          |   |
|-----------------------|--------------------------|---|
| <b>Close The Loop</b> | <input type="checkbox"/> | If you can, call back the customers with challenges and/or complaints to find out more and show you care. |
|                       | <input type="checkbox"/> | After reading this report, don't forget to let us know what you thought: <a href="#">Click Here!</a>      |
- 
- |                     |                          |   |
|---------------------|--------------------------|---|
| <b>Take Action!</b> | <input type="checkbox"/> | Collate ideas from team into action plan including responsibilities               |
|                     | <input type="checkbox"/> | Keep us updated, we'd love to know what changes you make based on these insights. |
-

# Appendix

# Data Summary



201 phone interviews completed from March 2021 to April 2021.

## Methodology

<b>Survey mode</b>	Phone interviews
<b>Country</b>	India
<b>Language</b>	Hindi
<b>Dates</b>	March 2021 – April 2021
<b>Survey length</b>	16 minutes
<b>Sampling method</b>	Respondents were selected randomly from a total of 1500 customer phone numbers.
<b>Response Rate</b>	66%
<b>Female Participation</b>	0.5% of all respondents were women
<b>Total Responses</b>	201 customers



# Indicator Glossary



## Explaining the link between Lean Data indicators and social impact.

### Financial Resilience

How well could your customers handle any shocks to their finances? This financial-inclusion focused area is measured using two indicators: (i) % of customers who were able to come up with funds for an emergency expense totalling [1/20<sup>th</sup> gross national income per capita in local currency] within a month; (ii) % of customers saying their ability to save has 'very much' or 'slightly' improved (other options: 'No change', 'Got slightly worse', 'Got much worse').;

### Financial Wellbeing

How much of an impact does the KarmaLife App have on your customers' financial stability and stress levels? This financial-inclusion related area is measured using two indicators: (i) % of customers who feel 'much more' or 'somewhat more' financially stable because of company (other options: 'No change', 'Somewhat less stable', 'Much less stable'); (ii) % of customers who feel their stress level relating to their finances has 'slightly' or 'very much' decreased (other options: 'Stress level stayed the same', 'Stress level slightly increased', 'Stress level very much increased').;

### Net Promoter Score®

How satisfied are your customers with the KarmaLife App, and how loyal are they to you? The Net Promoter Score is used the world over as a proxy for gauging this. This indicator is important for understanding customer experience and gathering feedback. It is measured through asking customers to rate their likelihood to recommend the KarmaLife App to a friend on a scale of 0 to 10, where 0 is least likely and 10 is most likely. The NPS is the % of customers rating 9 or 10 out of 10 ('promoters') minus the % of customers rating 0 to 6 out of 10 ('detractors').

### No access to alternatives

How much choice do customers feel they have when they made the decision to purchase, use, connect to the KarmaLife App? This indicator looks at awareness of and access to alternatives in the market and gives us an idea of how critical the company is for providing access. This is measured through % of customers saying they could not easily find an alternative to the KarmaLife App.

### Poverty reach

What income level do your customers live at? This indicator uses the Poverty Probability Index® to identify likelihood of your customers living below the poverty line. We use the World Bank international poverty lines of relative poverty: for lower middle income countries, the line is at \$3.20 per person per day; for higher middle income countries it is \$5.50 per person per day; and for high income countries it is as \$21.70 per person per day. It may be harder to reach a higher proportion of lower income customers in wealthier countries. That's why we compare your poverty reach against national poverty rates too. This gives context for looking at business model inclusivity.

### Quality of Life

How transformative or meaningful is the KarmaLife App to the general well-being of your customers? This indicator looks at depth of impact and is measured by the % of customers saying their quality of life has 'very much improved' because of access to your company (other options: 'slightly improved', 'no change', 'got slightly worse', 'got much worse').

### Value for money

Are the benefits of access to your product/service seen as good value for money? This indicator gives a sense of how customers feel about the cost of access compared to the value they get: usage, effectiveness, efficiency. It is measured by the % of customers saying they rate the value for money of their product/service as 'very good' or 'good' (other options: 'very poor', 'poor', 'fair').;

# Calculations & Definitions



For those who like to geek out, here's a summary of some of the calculations we used in this report.

Metric	Calculation
<b>Net Promoter Score®</b>	<p>The Net Promoter Score is a common gauge of customer loyalty. It is measured through asking customers to rate their likelihood to recommend your service to a friend on a scale of 0 to 10, where 0 is least likely and 10 is most likely. The NPS is the % of customers rating 9 or 10 out of 10 ('Promoters') minus the % of customers rating 0 to 6 out of 10 ('Detractors'). Those rating 7 or 8 are considered 'Passives'.</p> <p>The score ranges from -100 to 100.</p>
<b>Inclusivity Ratio</b>	<p>The Inclusivity Ratio is a metric developed by 60 Decibels to estimate the degree to which an enterprise is reaching less well-off customers. It is calculated by taking the average of Company % / National %, at the \$1.90, \$3.20 &amp; \$5.50 lines for low-middle income countries, or at the \$3.20, \$5.50 and \$11 lines for middle income countries. The formula is:</p> $\sum_{x=1}^3 \frac{([Company] Poverty Line \$x)}{(Country Poverty Line \$x)} / 3$

60 \_\_ decibels

# Thank You For Working With Us!

Let's do it again sometime.

## Your Feedback

We'd love to hear your feedback on the 60dB process; take 5 minutes to fill out our feedback survey [here!](#)

## Who We Are

### About 60 Decibels

We're a tech-enabled impact measurement company, working in over 40 countries worldwide. Our repeatable, standardized approach to gathering data allows us to gather robust impact indicators and rich customer insights direct from end users. We also provide genuine benchmarks of impact performance, enabling our clients to understand their impact relative to peers and to make informed decisions regarding how to improve their impact. Our clients include over 350 of the world's leading impact investors, companies, foundations, corporations, NGOs, and public sector organizations.

## Get Involved

### Join The Conversation

#### On Social Media

#listenbetter #60dBenchmarks  
[@60\\_decibels](#)

### Understand Your Impact Relative to These Benchmarks

Contact us at [hello@60decibels.com](mailto:hello@60decibels.com)

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