



Beyond Sticky Floors

Understanding behavioral barriers in using digital tools among women necessity business owners in Indonesia

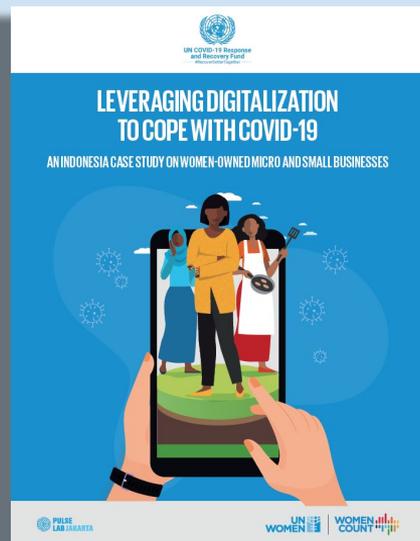
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Panel 1C: Digital development: new frontiers, enduring barriers

The COVID-19 pandemic has accelerated digitalisation among Micro and Small Businesses (MSBs) in Indonesia



UN Women and Pulse Lab Jakarta’s joint research on “Leveraging Digitalization to Cope with COVID-19” (2020) found that women business owners are at the forefront of adopting digital tools to keep their businesses afloat during the COVID-19 pandemic



UN Women. 2020. Leveraging Digitalization to Cope with Covid-19: An Indonesian Case Study on Women-Owned Micro & Small Businesses.

54%

Women-owned *micro* businesses use the internet

46%

Women-owned *micro* businesses do not use the internet

68%

Women-owned *small* businesses use the internet

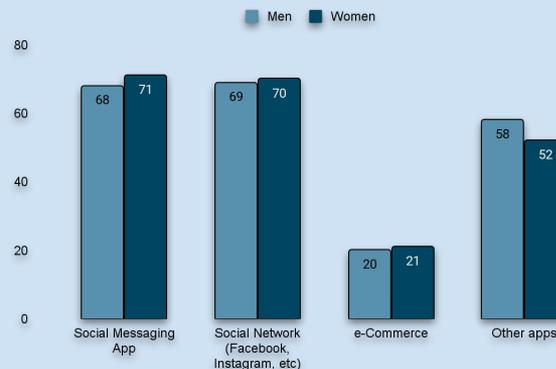
32%

Women-owned *small* businesses do not use the internet

Proportion of businesses that use the Internet to sell products, by business size and sex of business owner

Source: Statistics of Indonesia (BPS), 2020

Proportion of MSBs using other digital tools for online business, by sex of the owner



Source: UN Women, 2020

This digitalization trend is particularly salient for women necessity business owner who are typically the sole operator of their businesses, which started out of necessity, owing to lack of opportunities in the formal labor market.

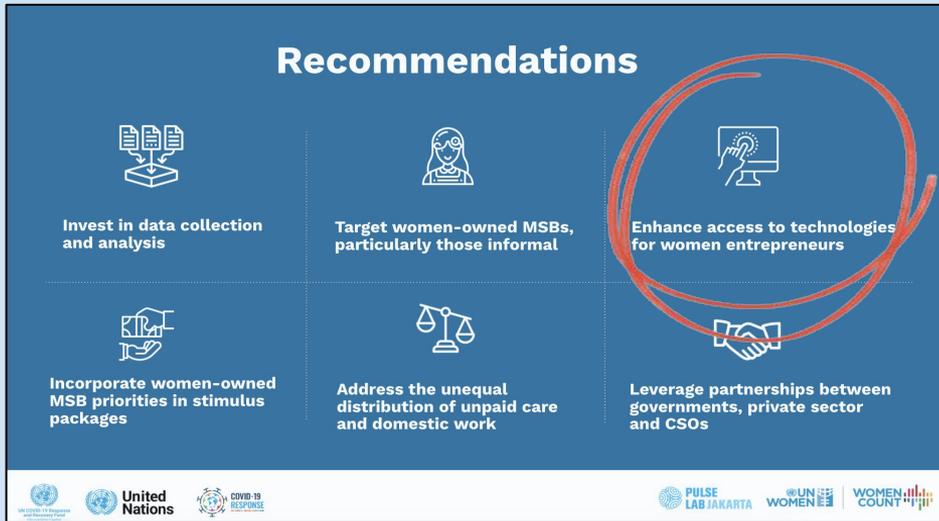
However, digitalization is **not equally benefiting all of them.**



For many of women necessity business owners, the behavioral barriers (or what we've termed the “sticky floors”) could prevent them from reaping the benefits of digitalization - even when structural barriers are no longer the most salient issues, and drivers and enablers have helped them to adopt digital tools.



Recommendations



 <p>Invest in data collection and analysis</p>	 <p>Target women-owned MSBs, particularly those informal</p>	 <p>Enhance access to technologies for women entrepreneurs</p>
 <p>Incorporate women-owned MSB priorities in stimulus packages</p>	 <p>Address the unequal distribution of unpaid care and domestic work</p>	 <p>Leverage partnerships between governments, private sector and CSOs</p>

Logos at the bottom: United Nations, COVID-19 RESPONSE, PULSE LAB JAKARTA, UN WOMEN, WOMEN COUNT

Leveraging Digitalization to Cope with Covid-19: An Indonesian Case Study on Women-Owned Micro & Small Businesses

To help enhance access to digital technologies for women entrepreneurs and expand digital inclusion, we set out to do this research on **behavioral barriers** to utilising tech to identify opportunity areas beyond structural barriers for women necessity business owners in Indonesia.

Our research sought to answer this research question:

How might we support women necessity business owners to overcome **behavioral barriers to utilising digital tools for their businesses?**

We applied human-centered design (HCD) as our methodology and informed by the behavioral economics principles to identify opportunity areas

METHODS

In-depth interview
Digital observations

OUR PARTICIPANTS



24 women-owned
business owners



16 men-owned
business owners

DIGITAL TOOLS PROFILE

25 are platform users
05 are marketplace users
05 only use social media
04 are completely offline



Figure 1. Distribution of research participants across major cities in Indonesia

Key Insights



INSIGHT 1



INSIGHT 2



INSIGHT 3

PERCEPTION

Women necessity business owners need to fully understand the risks and benefits of using a particular digital tool before deciding to sign up.

Women necessity business owners benefit from structured training on how to navigate the complexity of using digital tools.

As they get used to digital tools, the digital capabilities of women necessity business owners will continue to improve.

WHAT WE LEARNED

Several drivers and enablers have emerged during the pandemic that have motivated women necessity business owners to give digital tools a try.



Drivers

Financial pressure



Social norms

Enablers



Low barrier to entry



Tech facilitators

Women necessity business owners prefer learning by trial, but not necessarily by error.



Some of the factors:

- *Juggling between increased domestic responsibilities and running business from home during the pandemic*
- *Dropping a digital tool if she perceives the tool requires too much effort*

There exist specific behavioral barriers or **“sticky floor”** that inhibit women from expanding their capabilities to use digital tools for their businesses.

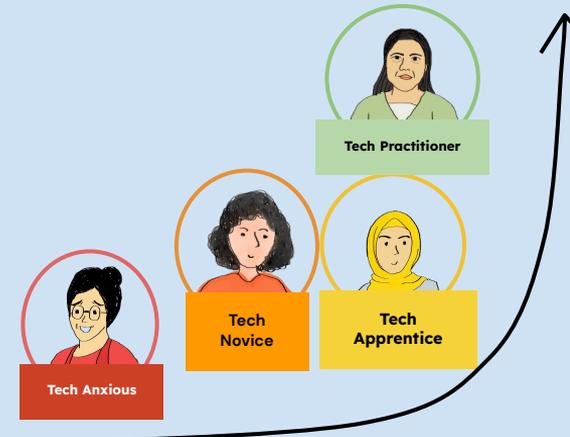


Figure 2. increased digital capabilities (the level of comfort and skills in adopting and using technology)

Meet the behavioral archetypes and their sticky floors



Tech Anxious

I am aware of potential benefits of using digital tools, but the last thing I want to do is to take unnecessary risks that could affect my business by trying the unknown.

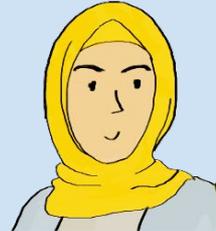
Risk Aversion



Tech Novice

I know what options are available and understand what's required, but I prefer to stick with what I'm most familiar with since doing so requires the least amount of effort.

Perceived Effort



Tech Apprentice

To survive is to adapt. Effectively using digital tools for business requires a lot of effort, but thanks to my daughter's help, I'm able to learn the ropes.

Dependence on Tech Facilitator



Tech Practitioner

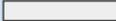
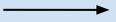
I am confident about using and navigating the app on my own. I have a good grasp of things and trust my ability to figure things out and solve any problem.

Their digital capabilities journey is not linear

Independent of tech facilitators

Partially dependent on tech facilitators

Dependent on tech facilitators

-  Behavioural barrier/ sticky floors
-  Digital Capabilities Growth
-  Setbacks



pre-adoption

beginner

basic user

advanced user

Perceived effort related to exploring new digital tools

Unlock new digital tools

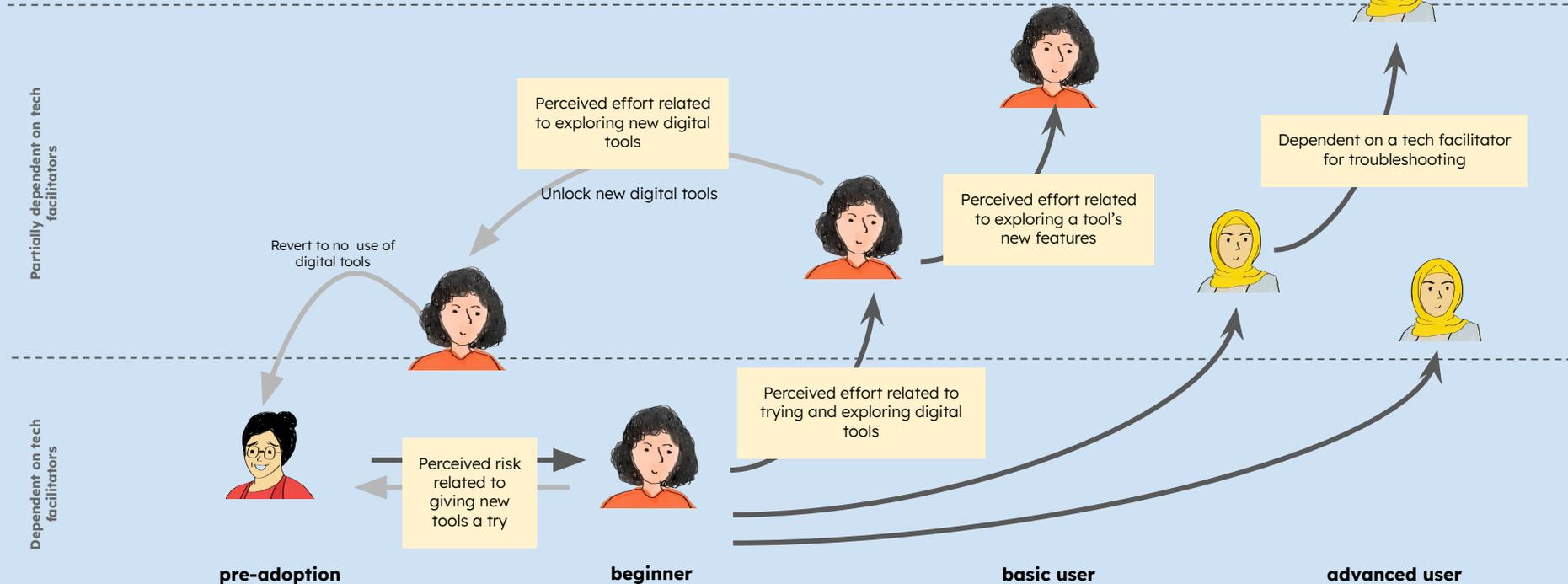
Revert to no use of digital tools

Perceived effort related to exploring a tool's new features

Dependent on a tech facilitator for troubleshooting

Perceived effort related to trying and exploring digital tools

Perceived risk related to giving new tools a try



Behavioral Economics helps strengthen our design ideation framework by tweaking pivotal moments of decision making and specifically addressing behavioral barriers through leveraging Behavioral Economics principles

Archetype	Sticky Floor	Challenge	Behavioral Economics principles to leverage	Opportunity for design
	Risk aversion	Start using digital tools	Social proof	How might we amplify positive stories or experiences from her social networks about the utilization of digital tools?
	Perceived effort	Explore digital tools for her business	Opportunity cost neglect	How might we highlight success scenarios to help her consider achievements that might be possible for her business by using digital tools?
	Dependence on tech facilitator	Become self-reliant	Gamification	How might we gamify troubleshooting to develop her self-reliance?

Based on the sticky floors women necessity business owners face in growing their business, these are some snapshots of concepts to try



Neighborhood Offline Campaign

Social Norms



Future Business Possibilities

Opportunity Cost Neglect

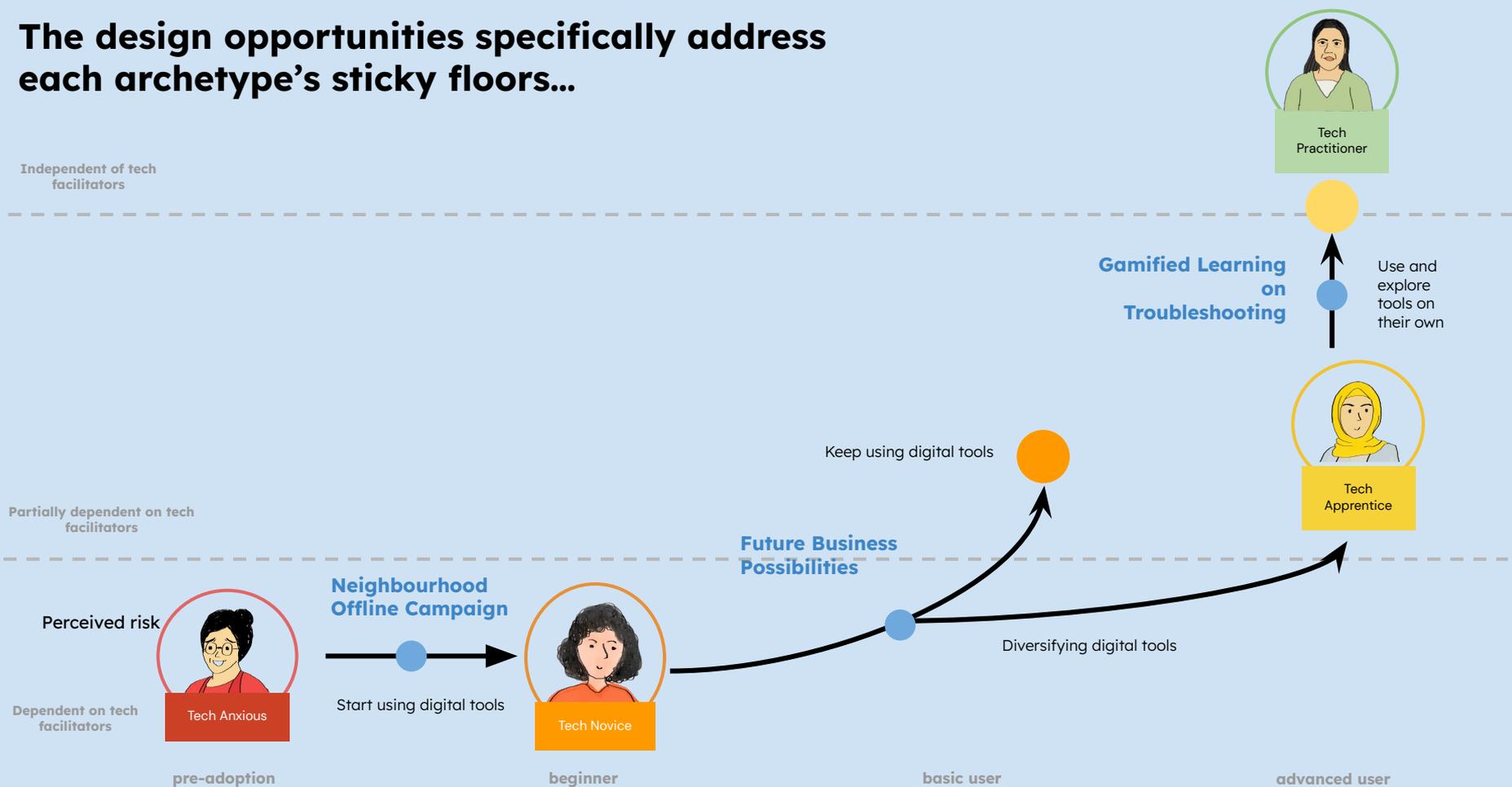


Troubleshooting Learning Games

Gamification



The design opportunities specifically address each archetype's sticky floors...



...and are intended to help them grow in their digital capabilities journey.

THANK YOU



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