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Key success factors in mobile money management

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6 Key Success Factor for Mobile Money



- 1. Mobile money has very high ROI – with volume**
- 2. Measurement matters – success is measured and directs activity**
- 3. Low fees drive adoption**
- 4. Technology & business - both drive leadership**
- 5. Mobile requires dedicated passionate support**
- 6. Staff engagement better investment than in external marketing**

The mobile revolution continues...



- **Key enablers in place**
 - Pervasive connectivity
 - Broadband speeds
 - Smart devices and rich development environments
 - Emerging business models (e.g. AppStore)

- **Mobility-related activity in a number of industries**
 - *Banking* – Mobile Banking / Mobile Payments
 - *Insurance* – Pay-per-use motor insurance
 - *Utilities* – Automated Meter Reading
 - *Automotive* – Car Telematics, Navigation
 - *Travel and Transportation* – Fleet Management
 - *Retail* – Coupons/Vouchers/Vending Machines
 - *Healthcare* – Connected Medical Devices
 - *Government* – Census, Public Safety
 - *M&E* – Mobile Advertising
 - *EHT* – (e.g. iTunes, iPad/NYTimes)
 - ...

Banking Industry has reached the maturity to be the incubator of this revolution



Financial mobility services evolution

“The mobile device is **simply the most promising new form of payment** available today.” *John Coghlan, VISA President and CEO*

“**Mobile phones are the wallets of tomorrow.** [...] After all, **you will have the bank in your pocket** everywhere and around the clock.”

*Piet van Schijndel,
Executive Board Member of Rabobank*

“**The phone is no longer the phone, it's your alter ego.** It's the extension of everything we are.”
Eric Schmidt, Google CEO



FROM...

1

Mobile Banking

Any financial operation linked to the customer bank account done through mobile devices (bank statement, wire transfer, ...)

2

Mobile Payments

Any purchase, including money transfer, (billed on credit card, SIM, ...) done through mobile devices (on-line shopping, vending machine, ...)

... TO

3

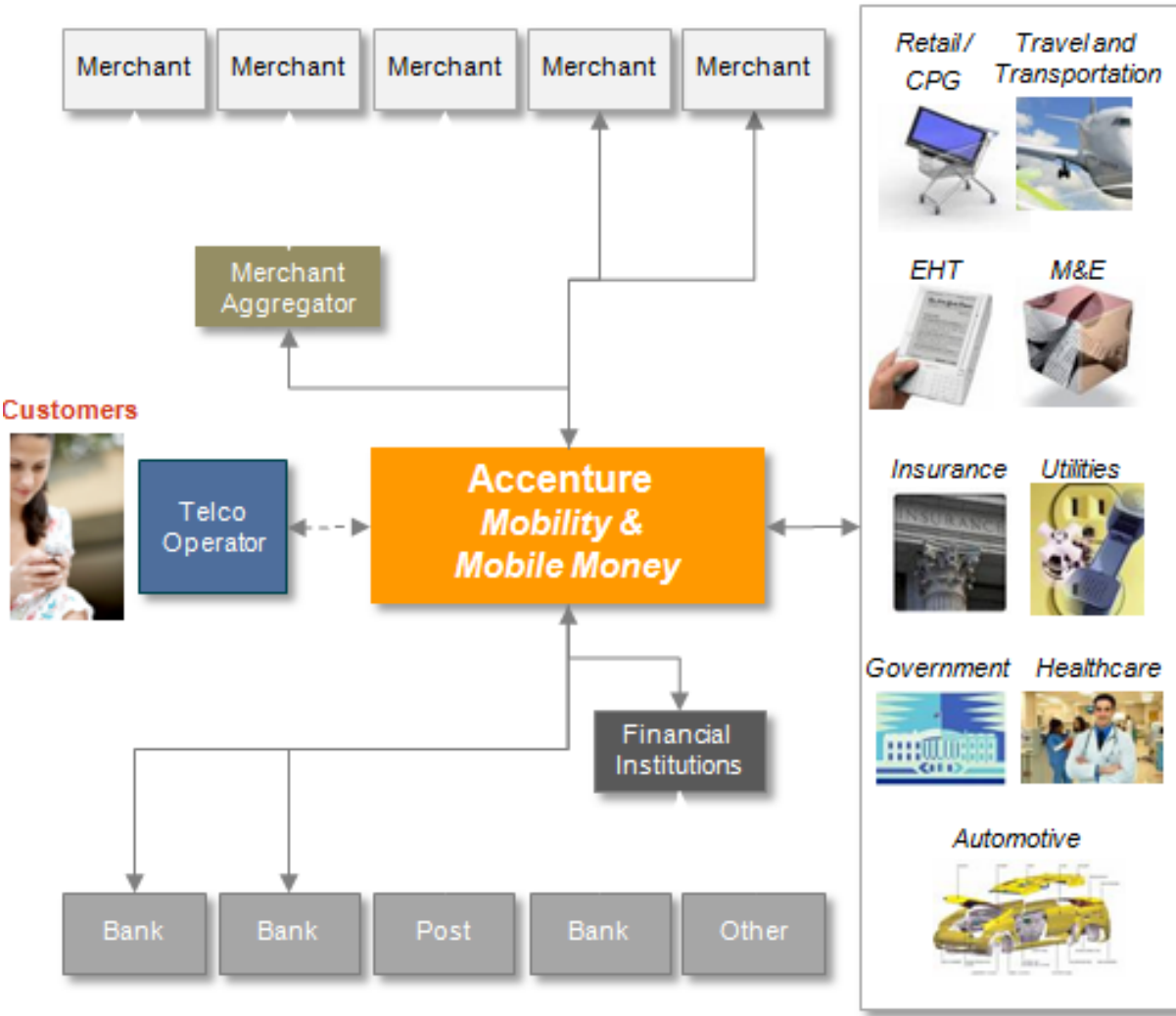
Mobile Life

A growing pack of customer needs satisfied through mobile devices

Accenture Mobility & Mobile Financial Services in the ecosystem



Accenture Mobility Strategy



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What are the key success factors in mobile money management?



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Over 30 banks were sampled from developing and developed world

10 case studies of implementations of mobile banking were researched in detail, with a particular focus on the economics of these implementations, and the attributes of successful implementations.



Banks were asked to validate all information in the case study and provide their approval for release. Case studies are anonymised.

The period of interviews were from July to September 2010.

Optimal solutions for mobile financial services vary widely across regions



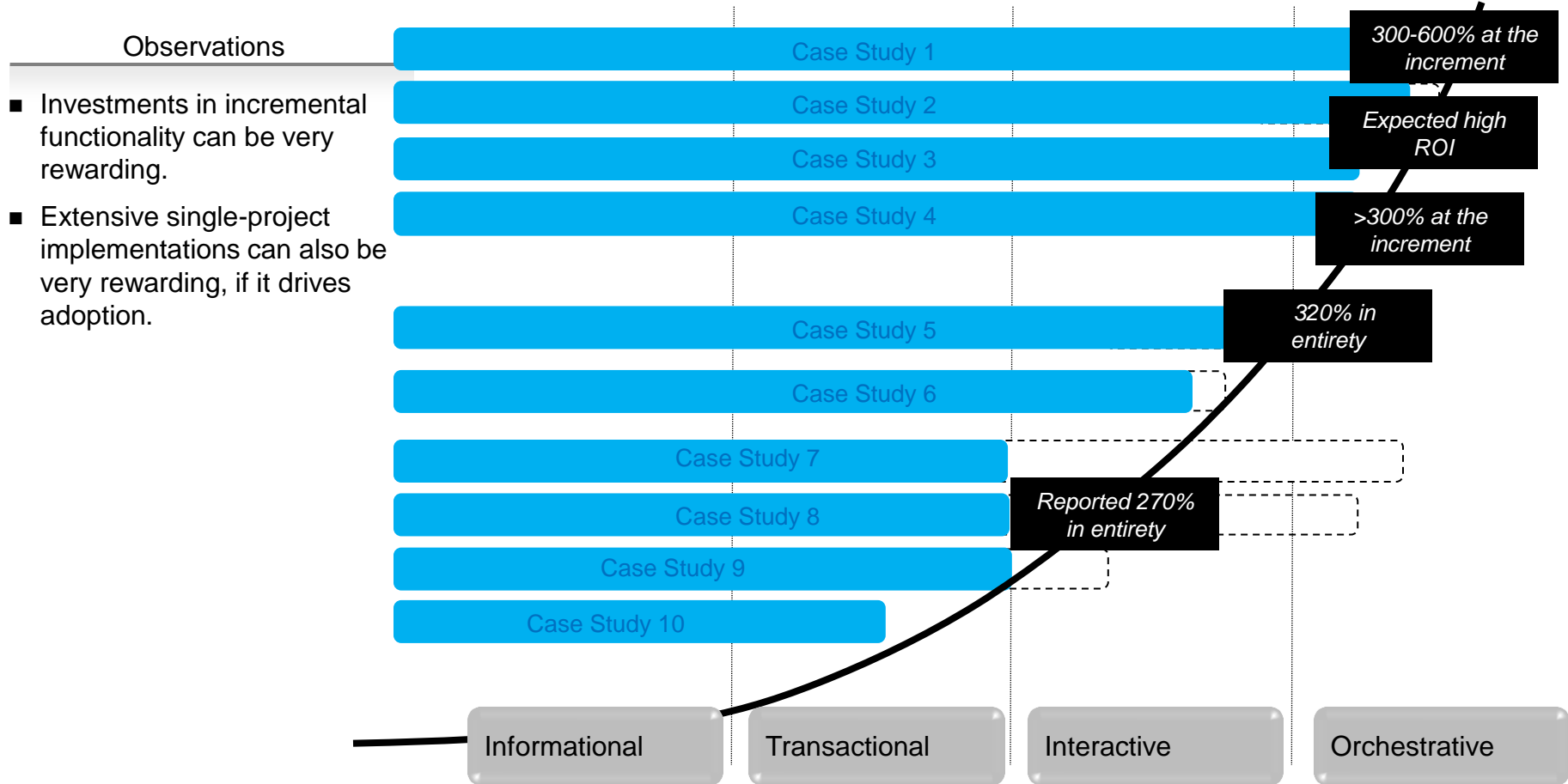
Mobile financial services in EALA*: a tale of two models

	EALA REGIONS	TECHNOLOGY TREND	SERVICES	MAIN CUSTOMERS
DEVELOPED MARKETS	<ul style="list-style-type: none"> ■ Western Europe 	<ul style="list-style-type: none"> ■ Massive transition to UMTS (~600 M mobiles by 2013) 	<ul style="list-style-type: none"> ■ Mobile Banking ■ Mobile Commerce ■ Mobile Payments 	<ul style="list-style-type: none"> ■ Banked Customers
DEVELOPING MARKETS	<ul style="list-style-type: none"> ■ Central and Eastern Europe ■ Africa ■ Latin America 	<ul style="list-style-type: none"> ■ GSM is the norm (~2.1 bn mobiles by 2013) 	<ul style="list-style-type: none"> ■ Remittances ■ Mobile Payments ■ B2X Payments (e.g. salary disbursements, social benefits distribution) 	<ul style="list-style-type: none"> ■ Young People ■ Unbanked Customers

We examined ROI vs. the extent of the implementation



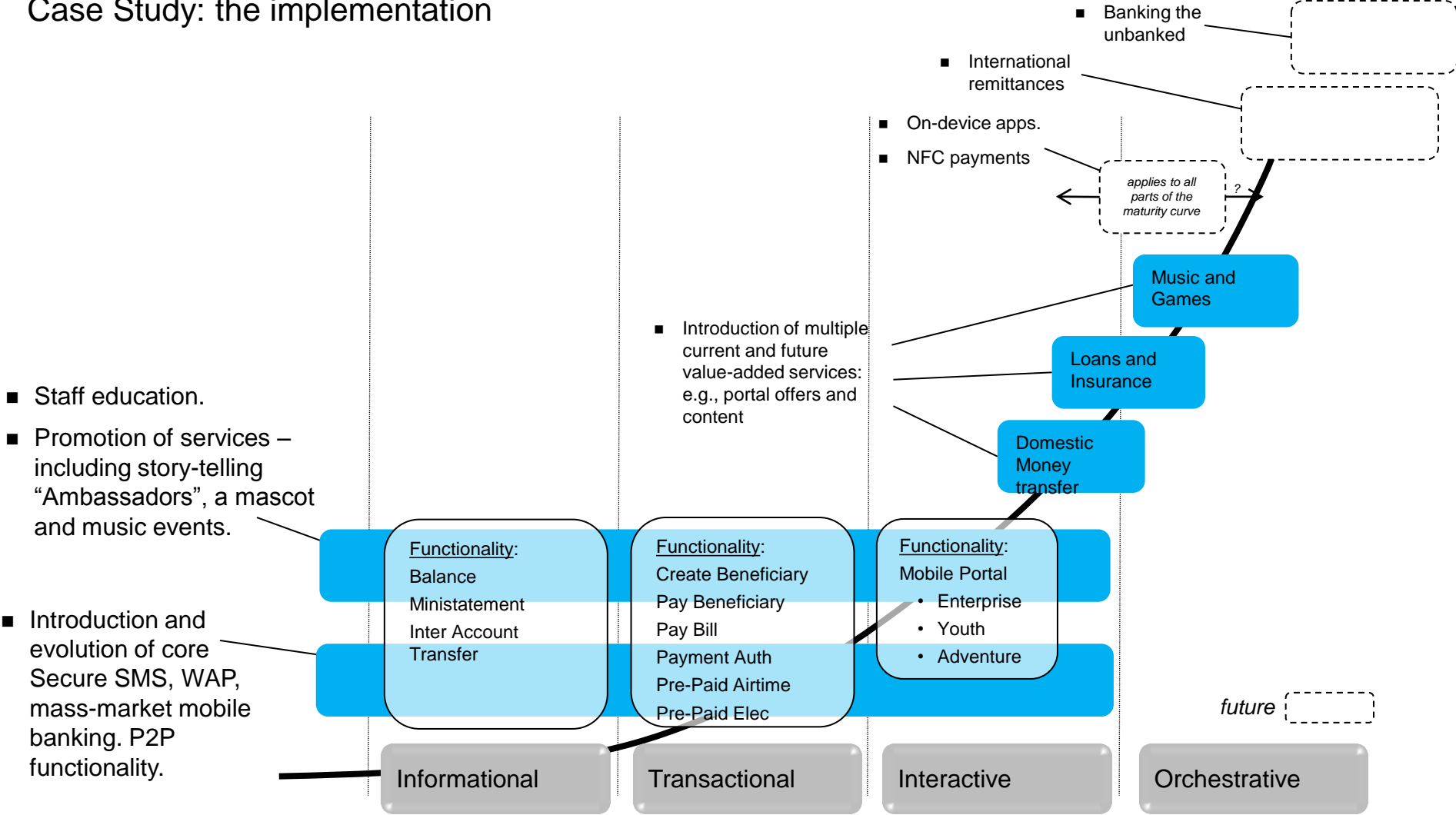
ROI vs. extent of implementation



One Case Study: Implementation has been a series of functionality and value-added increments over ten years



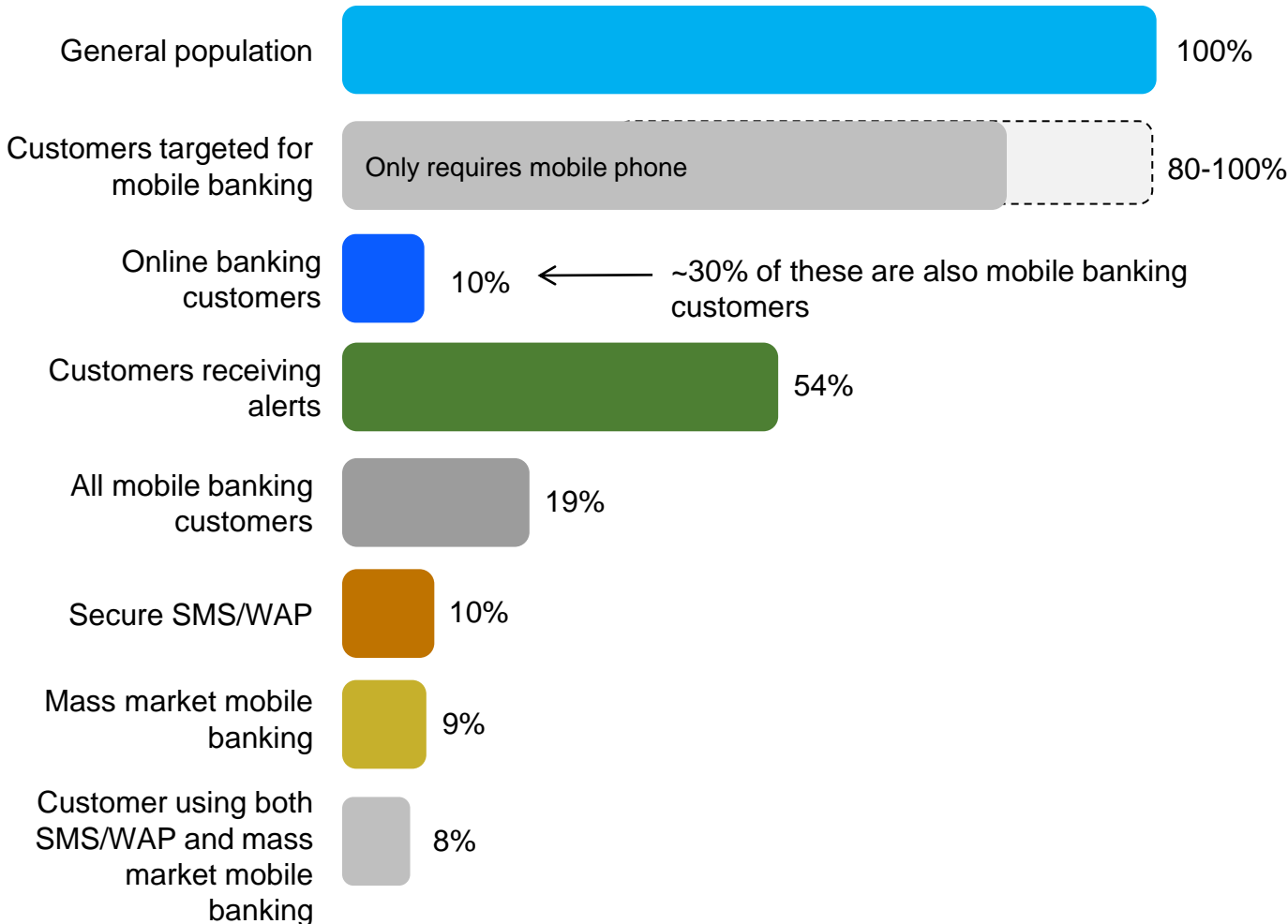
Case Study: the implementation



Impacting the customer base



Case Study: customers targeted and conversion rates



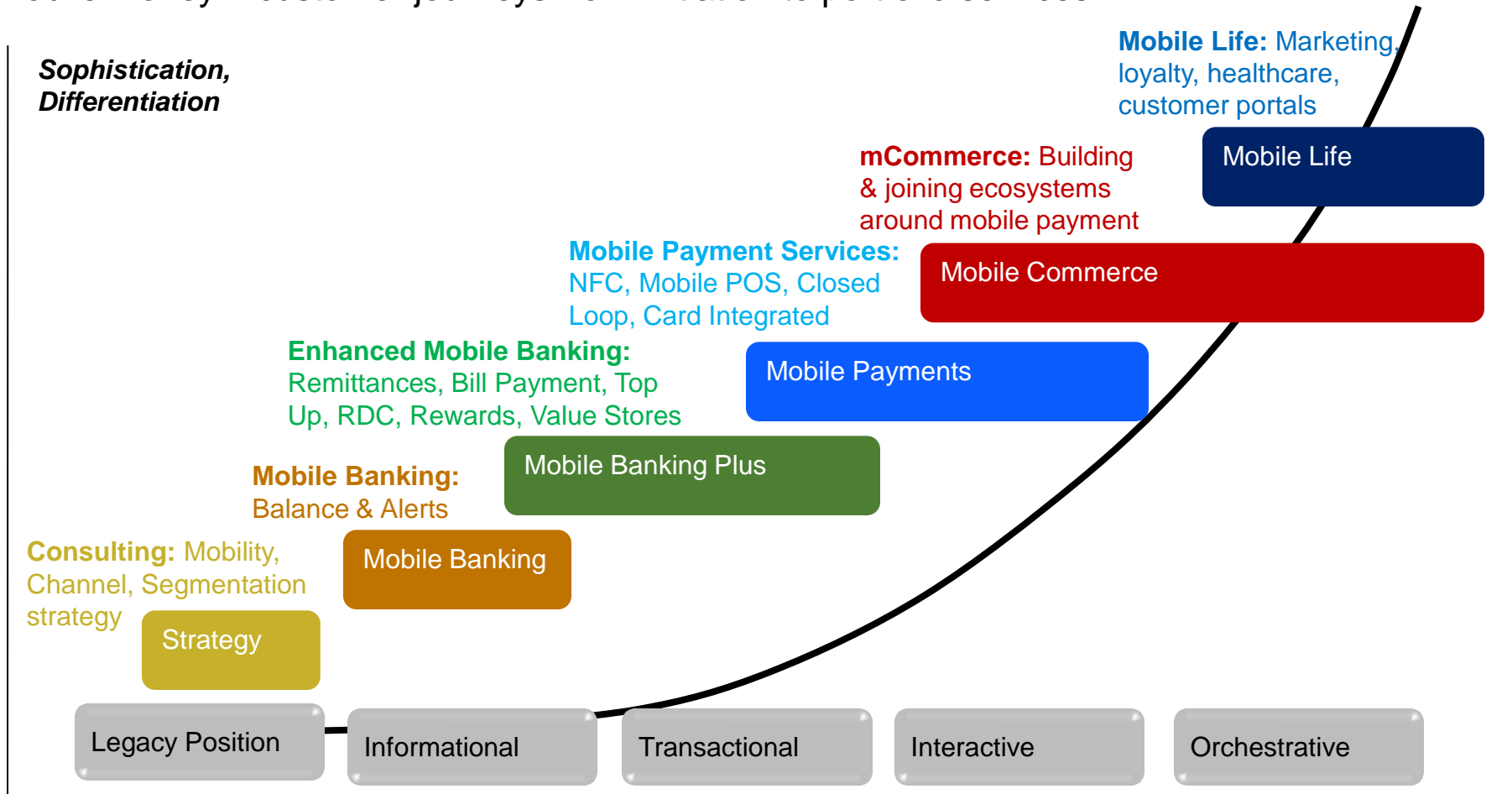
Key Observations

- Around 80% of adults in this country have access to a mobile phone – although for bank customers this is expected to be close to 100%.
- Online banking. Online penetration in country overall ~10%. Bank has penetrated around 60% of its internet-enable customer base, and online banking customers are ~10% of bank's customer base.
- 7-8 million mobile transactions/month.
- 50 million transactional sms alerts sent per month.

Mobile money management – customer journeys



Mobile money – customer journeys from initiation to portfolio services



Service Maturity

Key observations from the study



- 1. Mobile banking investments have very high ROIs when largely successful (by way of customer impact, cost, adoption.)**

Key observations from the study



2. Measurement matters – the most advanced banks in mobile generally had the best sense of mobile’s effect on customer behavior:

- Measuring outcomes is the key to the development of impactful future initiatives;
- Channel economics are important, but understanding the economic impact on the entire customer relationship is critical;
- Measurement enables stakeholdering, which avoids the risk of mobile being seen as cost-only or generating pressure to generate revenues from mobile banking fees (which ultimately stifle usage.).

Key observations from the study



3. Minimizing fees drive greater engagement from customers, which will be critical for future opportunity capture:

- Cross-selling of both financial and non-financial products;
- Reaching the underbanked, the next generation of mobile users, who otherwise may not ever become bank customers;
- Orchestrative lifestyle management – preferences, content, information.

Key observations from the study



- 4. Banks can be successful being technologically strong, or functionally strong – but the pacesetters are both. Leaders continually monitor and leverage handset functionality evolution.**

Key observations from the study



- 5. The mobile channel is still early in its maturity, but must be recognized as an integral delivery channel, with dedicated, passionate support structure.**

Key observations from the study

6. **Staff engagement widely cited as critical, and a far better investment than in external marketing.**



Accenture Mobile Money Management



Thank you

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