

# From E-commerce to M-commerce: Tapping into the potential of mobile money

May 21st, 2014

RBAP 61st– Annual National Convention

## Championing the Consumer Perspective

- Studies the financial realities and behaviors of low-income households
- Enhances the capacity of low-income consumers to make informed financial decisions
- Shapes the design and delivery of financial products and services
- Enables private and public sector supporters and implementers to bring financial education and consumer-oriented financial solutions into the mainstream

- Potential opportunities of branchless banking
- Consumer challenges that limit its adoption
- Case study: Zambia



Presentation :20 min  
Q&A :5 min

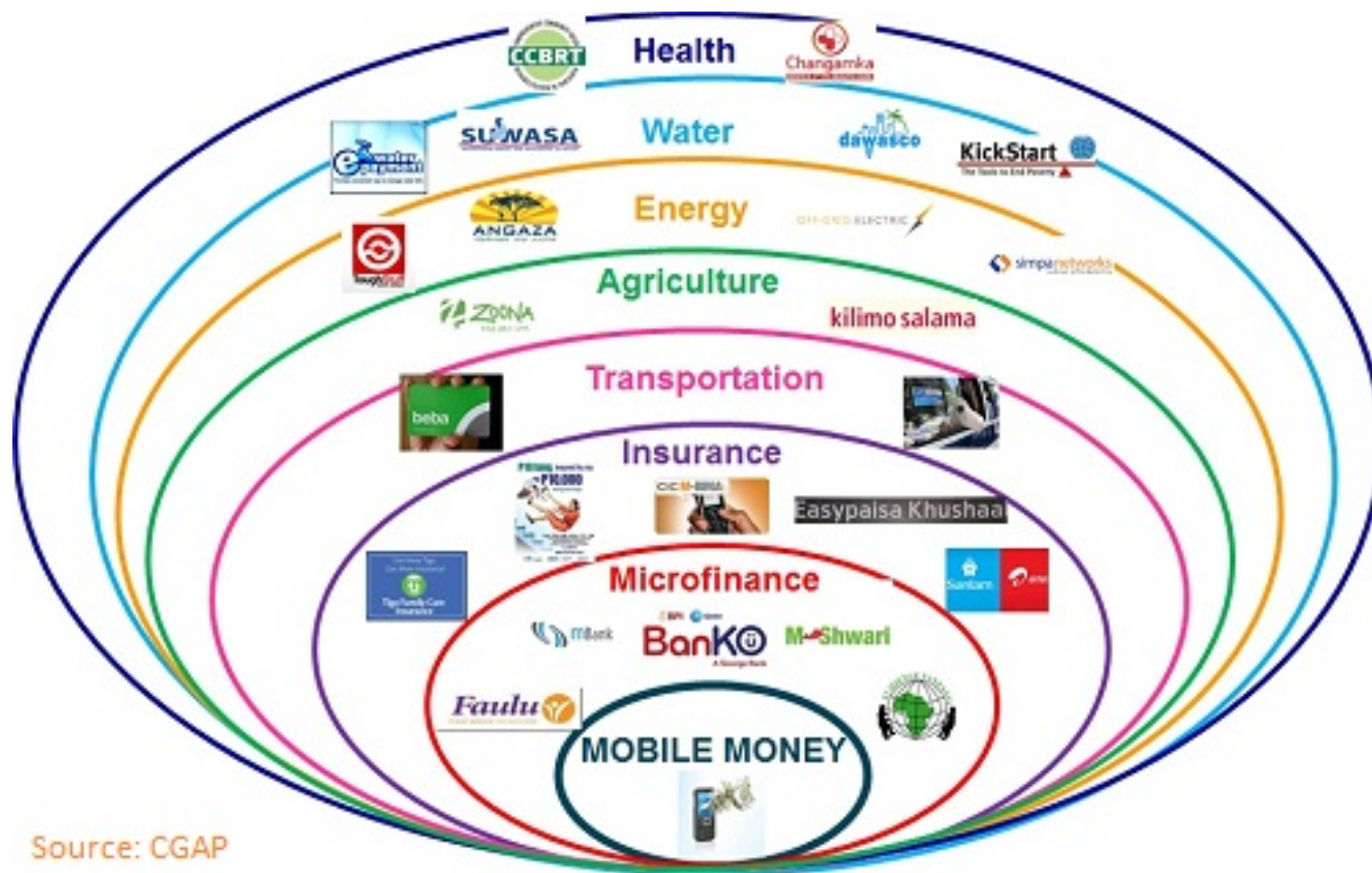
# Potential benefits of Branchless Banking



# What is Branchless Banking?



# The potential of mobile money



Source: CGAP

# Musoni – First MFI to go 100% mobile



What it has achieved:

1. Reduced time and manual processing of transactions
2. Reduced cost of setting up branches
3. Improved quality of service



**musoni**

Source: Mobile Money for the Unbanked 2013 Global Mobile Money Adoption Survey Findings (GSMA 2014)

# **Consumer challenges - Branchless Banking**



## Determine how Consumer Education:

- Can increase uptake and use of Branchless Banking services (BB)
- Combined with BB help low income people improve their financial well being



Rural Bankers Association  
of the Philippines

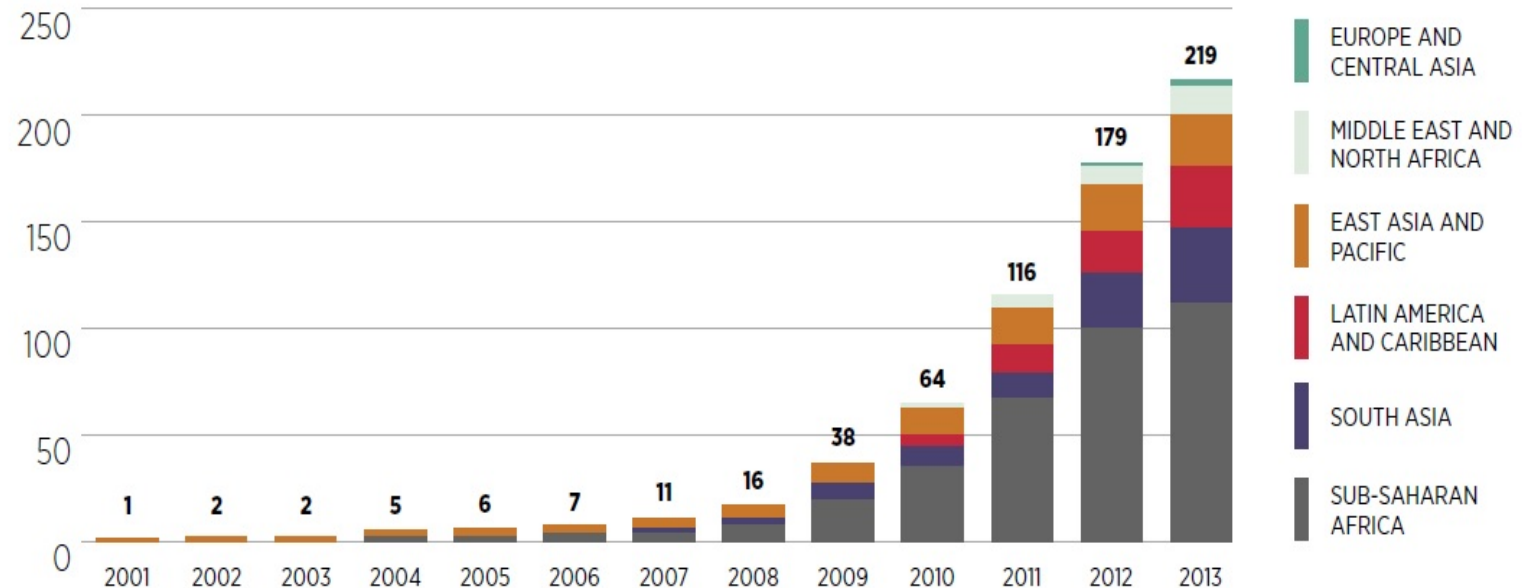
# The Rapid Global Expansion of Mobile Money



However, at the end of 2013 only 13 out of 219 mobile money deployments had reached scale, defined by GSMA as having 1 million active customers.

FIGURE 1

## NUMBER OF LIVE MOBILE MONEY SERVICES FOR THE UNBANKED BY REGION (2001-2013; YEAR END)



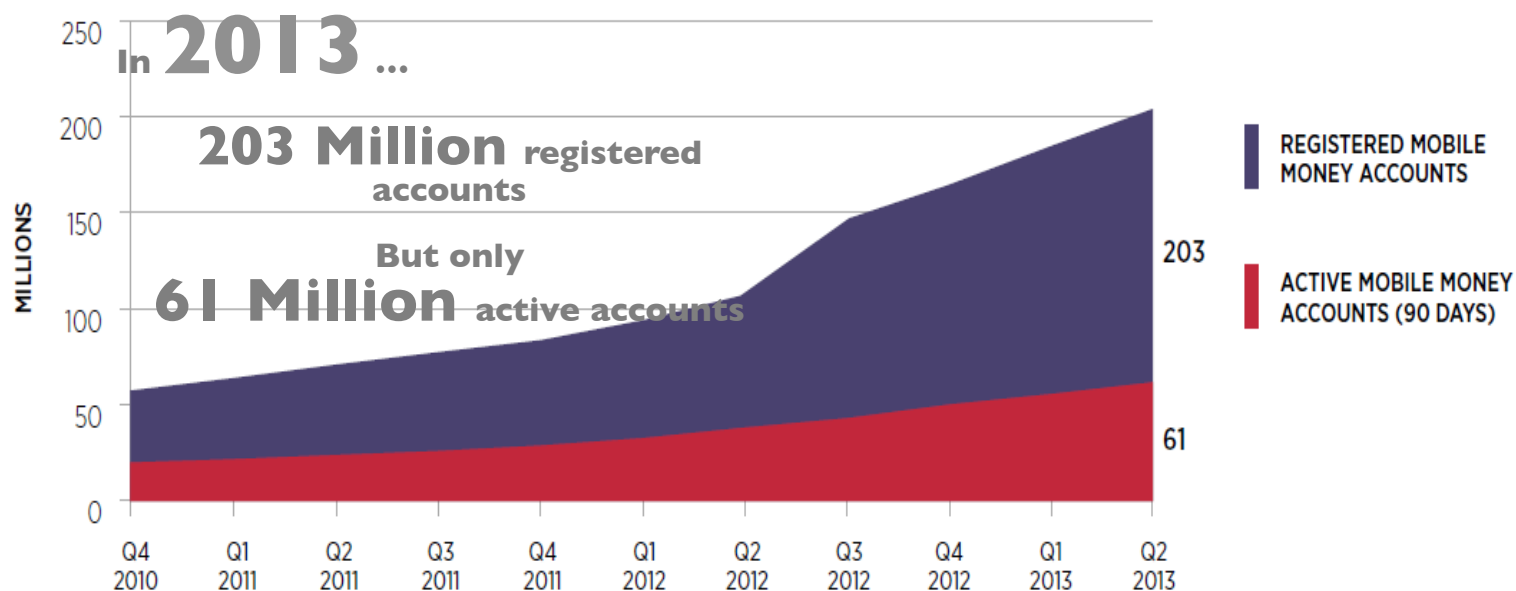
# Activating Customers Remains a Challenge



GSMA estimated that globally, only 29.9% of registered mobile money accounts were active in June 2013.

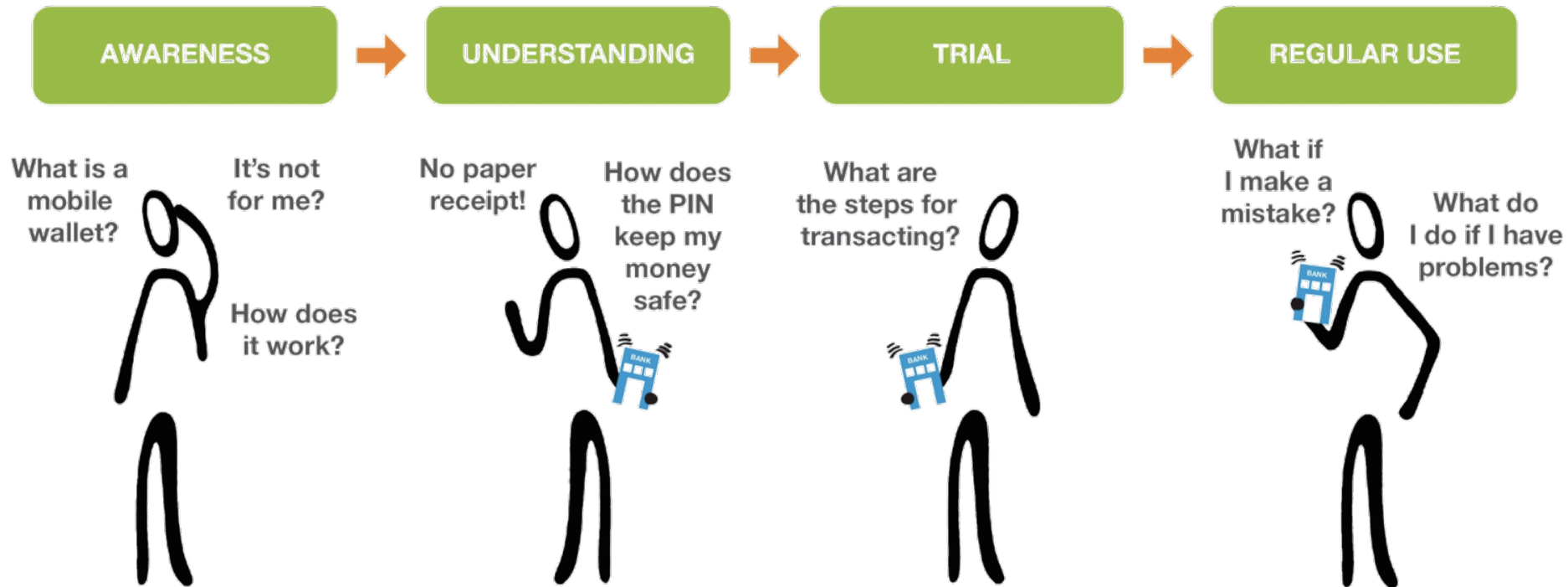
FIGURE 6

## NUMBER OF ACTIVE (90 DAYS) AND REGISTERED MOBILE MONEY ACCOUNTS GLOBALLY (JUNE 2013)



Source: Mobile Money for the Unbanked 2013 Global Mobile Money Adoption Survey Findings (GSMA 2014)

# Adoption Challenges: Consumer Perspective



Trust and confidence should be progressively built throughout the adoption



# Case Study - Zambia

# VisionFund Zambia and Zoonu: Challenges Faced



**Information in SMS was not understood**

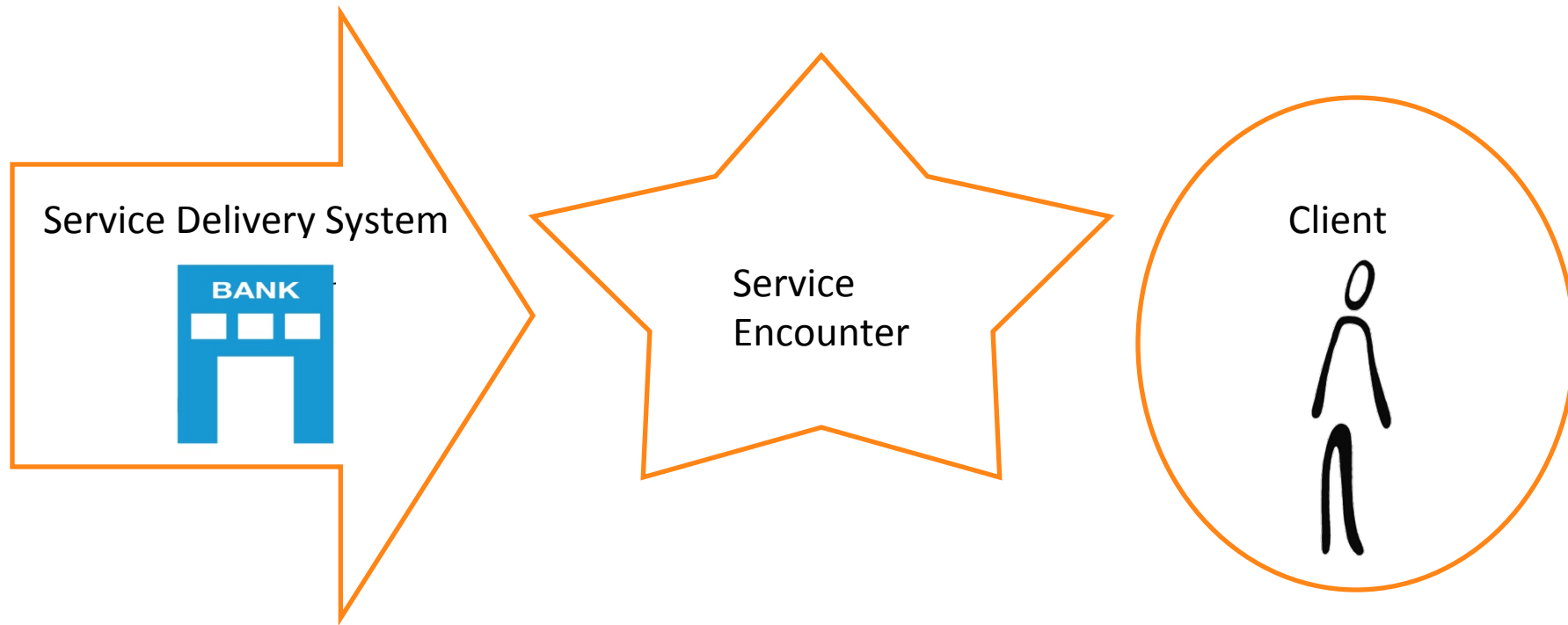


**Process with agents was not clear**

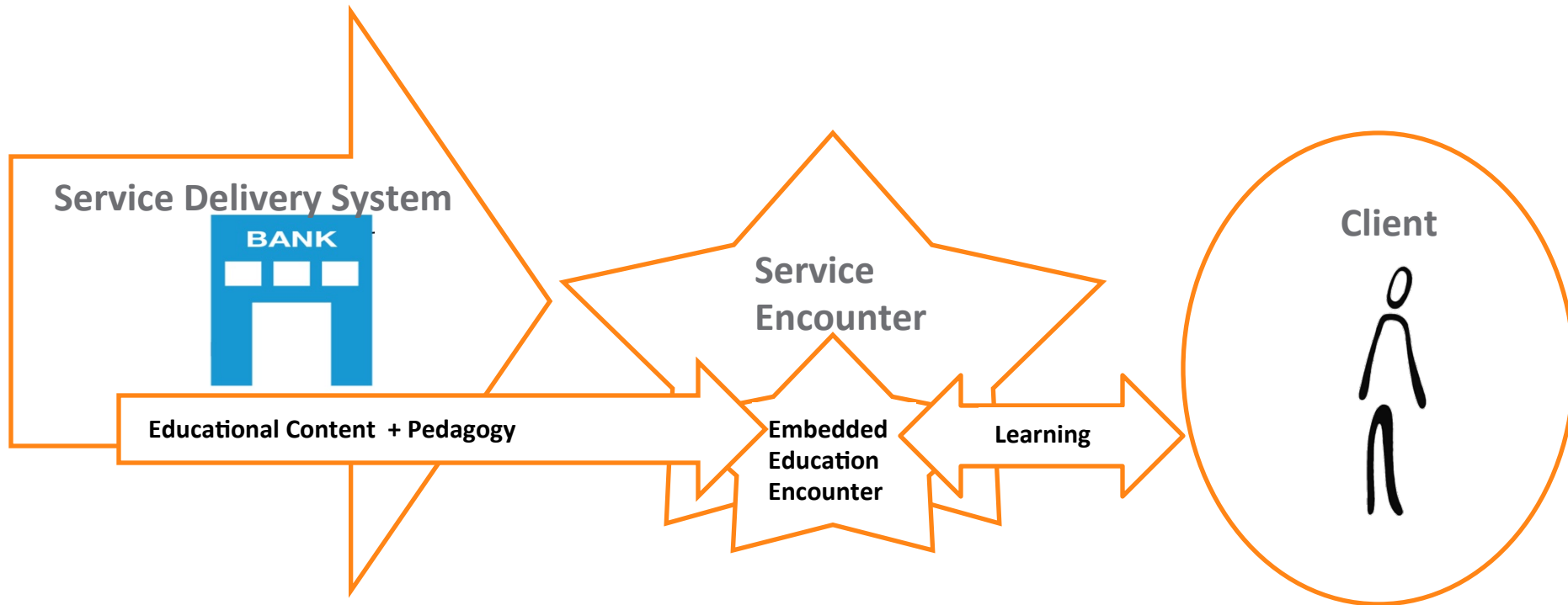


**Transactions at agents did not go smooth**

# Embedded Consumer Education Model



# Embedded Education through an Existing Service Delivery System



# Example: Educating Microfinance Clients in Zambia – Contact Point 1



# Example: Educating Microfinance Clients in Zambia – Contact Point 2



BB Service Provider



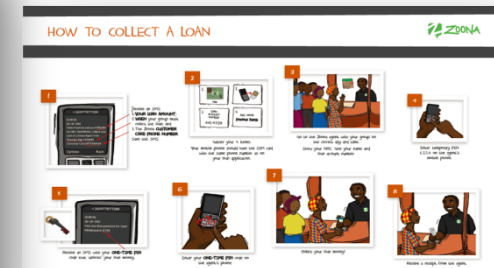
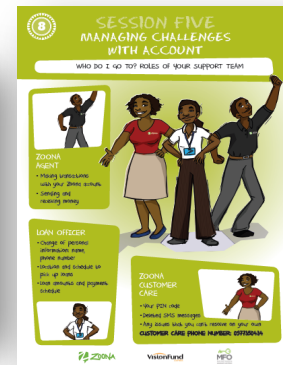
Educational Content + Pedagogy

Transaction with agent

Embedded Education Encounter

Learning

Client



# CE increased understanding of how BB works



## Zambia

- Survey identified increases in customers' knowledge on the use of Zoon's system.
- Clients better understood transaction process and what their role was



### ***As a result of the CEBB program:***

- Customers' anxiety and dissatisfaction with service decreased.
- Fewer questions and faster transactions occurred at Agent locations.
- The number of complaints regarding the BB service received by branch managers decreased.





# CE increased effectiveness of loan officers and agents



Increased their self-efficacy and capacity to educate customers in a clear, accurate and engaging manner.

As a result:

- Felt more prepared and confident to approach and educate potential customers.
- Providers had a more systematic and structured way to promote the BB service.

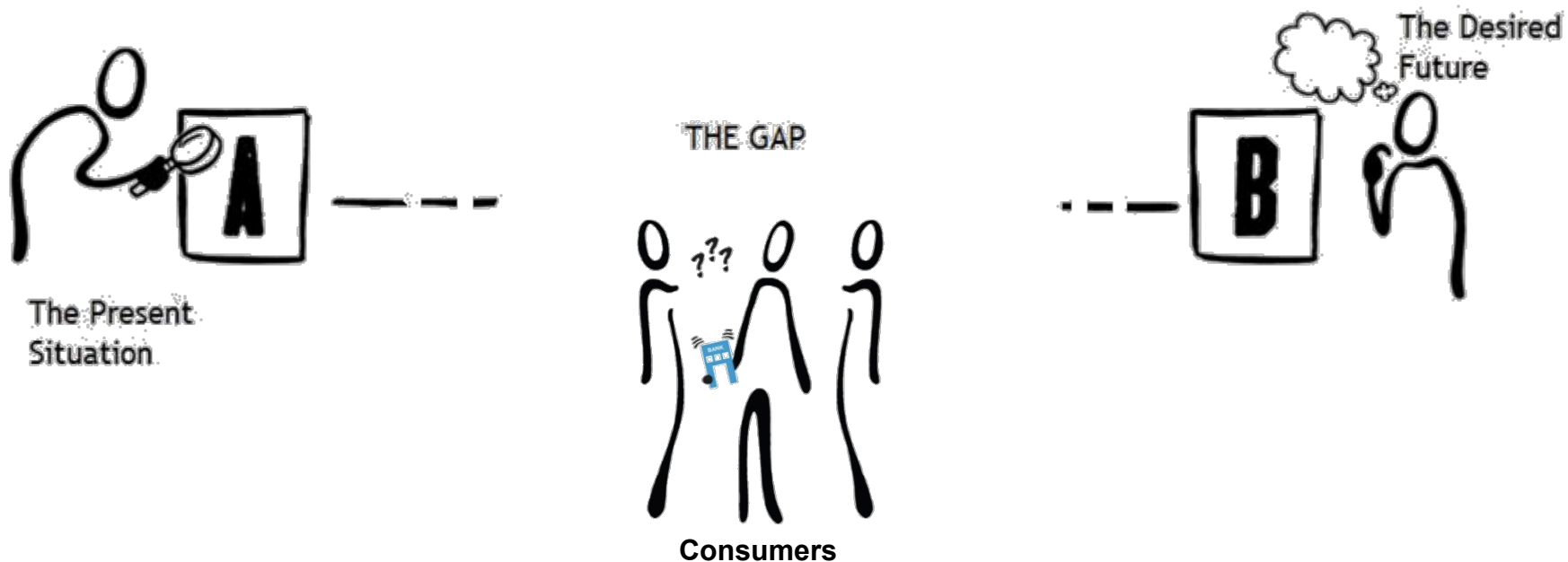
## **Impact on Money Management Behavior:**

- Kept better records for their business and had had better understanding how to manage loan
- Clients exposed to CE, requested smaller increases in the amount of their next loan
- PAR decreased by 16 percentage points among clients exposed to CE

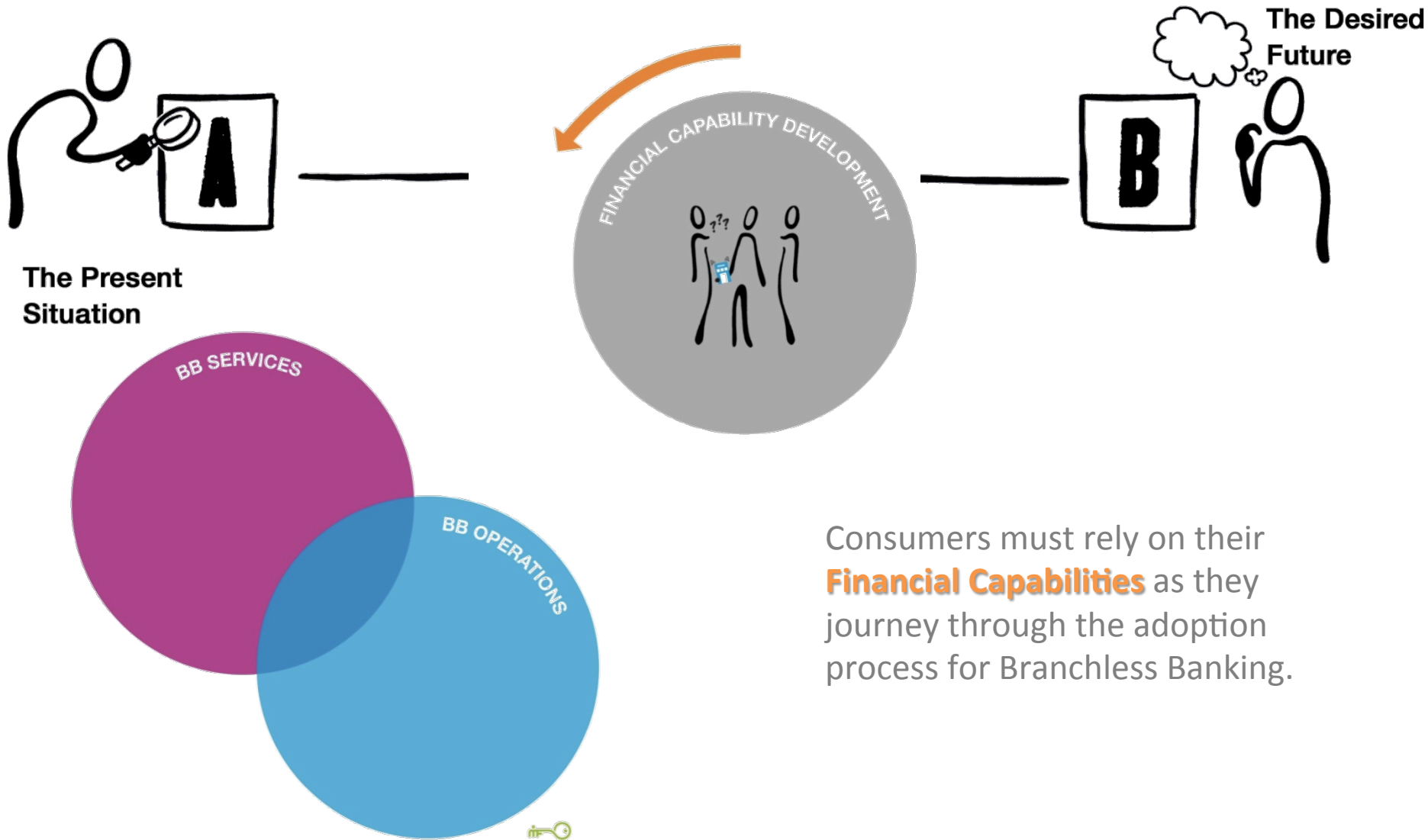


# The Role of Consumer Education

# What is the Missing Step?



# Financial Capability Development: The Missing Step!



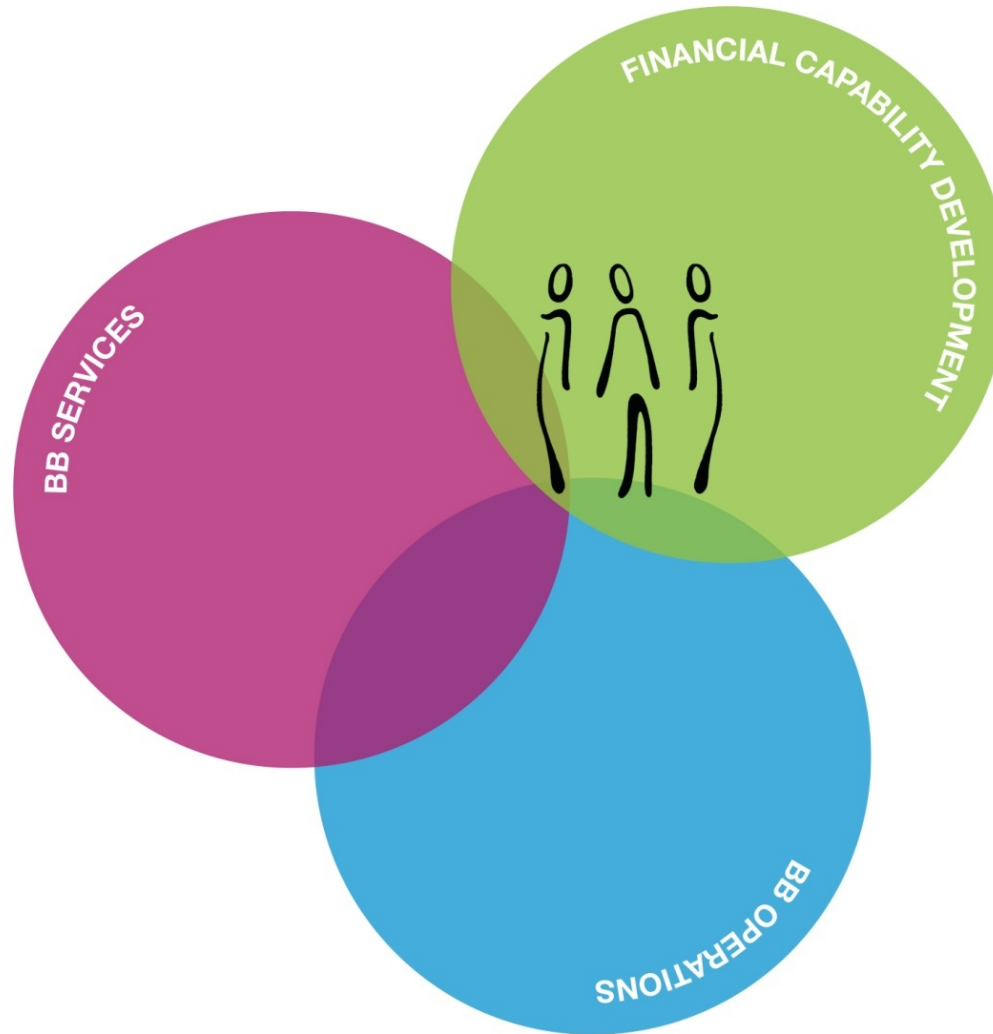


## FINANCIAL CAPABILITY

...is the combination  
of **ATTITUDE, KNOWLEDGE,**  
**SKILLS** and **SELF-EFFICACY**  
needed to **MAKE** and **EXERCISE**  
money management decisions  
that **BEST FIT**  
the circumstance of **ONE'S LIFE,**  
within an **ENABLING**  
**ENVIRONMENT** that includes,  
but is not limited to, **ACCESS** to  
**APPROPRIATE** financial services.



# Financial Capability and a Consumer-Centered Approach



**thank you**

**Maria Jaramillo**

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Visit us at: [www.microfinanceopportunities.org](http://www.microfinanceopportunities.org)



# Consumer Education for Branchless Banking on-line course



# Course Objectives



Demonstrate the value of a  
consumer-centered approach  
to CE for BB

Examine the challenges of  
adoption of BB and solutions  
that CE can provide

Explore a roadmap and tools for  
how to develop a CEBB  
program







**1**  
**Introduction  
to CEBB**

**2**  
**Building an Embedded  
CEBB Strategy**

**3**  
**What Enables  
Behavior Change?**

**4**  
**Identifying  
Consumer Needs**

**5**  
**Determining Key  
Messages**

**6**  
**Mapping Consumer  
Contact Points**

**7**  
**Selecting the Right  
Tools for the Right Job**

**8**  
**Finalizing your  
CEBB Strategy**

# Introduction to CEBB

The effective implementation of a Branchless Banking (BB) service requires a deep understanding of your customer's experience using the service. This module describes how Consumer Education (CE) can help support a customer's experience and BB adoption process by building their financial capabilities.

## Learning Objectives..

By the end of this module participants would have...

- Gained a better understanding of what CE is
- Identified how CE supports the adoption and usage of BB products and services

### Reinforce key ideas through Workbooks

The Files below required access to an adobe reader. If you have not already installed adobe reader you can download it [here](#). Otherwise you may continue downloading the files.



### Workbook & Toolkit

- Cebb Workbook Module 1
- Module 1 Toolkit



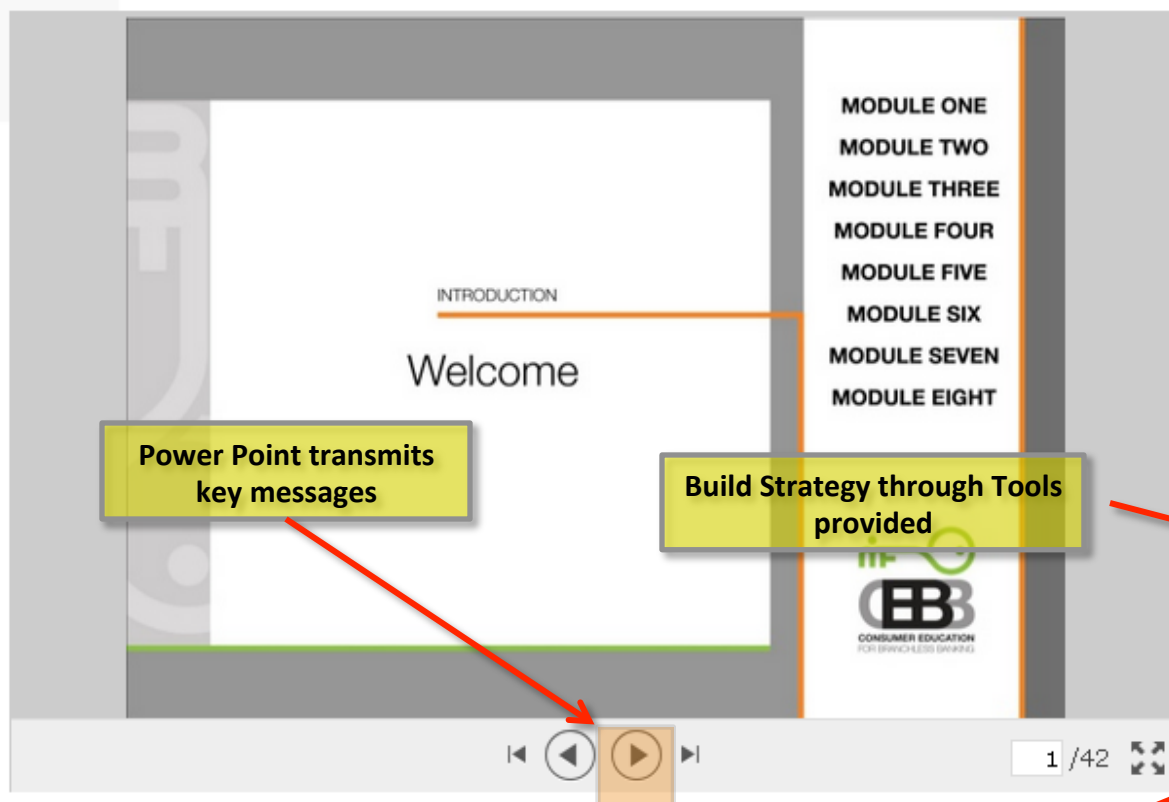
### Resources & Extra Tools

[Additional Reading Summary](#)

[CGAP Focus Note Microfinance and Mobile Banking The Story So Far Jul 2010](#)

[MMU State of Industry](#)

Expand your knowledge through additional resources



# Rural Banks enrolled in CEBB course:



- Cantilan Bank, Inc.
- First Isabella Cooperative (FICO) Bank
- Rural Bank of Gattaran, Inc.
- Bangko Mubuhay
- Rang-ay Bank
- First Macro Bank, Inc.
- CARD Bank, Inc.
- Rural Bank of Guinobatan, Inc.

For more information visit our website:

<http://bit.ly/1hbtPqC>

- Download CEBB Welcome Workbook
- Download CEBB Course Content
- Cost and description of the course

Next Introductory Workshop: 28<sup>th</sup> of May



# Technical assistance offered by RBAP



## Selection criteria:

- Implementing, or planning to implement, a mobile money service
- Signed up for CEBB online course
- Interested in implementing an Embedded CE model
- Committed to provide counterpart resources



# Questions?

