

Money goes mobile

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Switching from paper to digital systems makes financial services globally accessible (and relevant).

Everywhere you go, people are using mobile phones. But in many parts of the world, many people are not using banks. Combining the two could change the latter. Mobile money's promise to make financial services universally accessible has caught the attention of many corporations, foundations, and governments. Vodafone has led the charge to date, launching several highly visible services from the Middle East to Africa.

Competitors have tried to replicate Vodafone's pioneering programs with mixed success. Perhaps this is because most of their efforts focused on how to overcome technological and regulatory hurdles, instead how people actually use, count, and think about money. Paying attention to people's attitudes and behaviors may be the key to unlocking mobile money's full potential.

TAKE ACTION *Designing for money goes mobile*

- 1. Respect money's myriad meanings.**
Move beyond transactions to embrace the ways people really use cash, such as flaunting their status or marking important purchases.
 - 2. Consciously structure liquidity.**
Help people spend or save money when and how they'd like to do so by allowing for customization of access and "value storage."
 - 3. Connect to current behaviors.**
Recognize and respond to the ways people are using money, from meeting social obligations to saving for cyclical or ritual events.
 - 4. Provide various transaction styles.**
Establish some transactions that feel decidedly informal and others that have an air of formality or importance.
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M-PESA Goes the Distance in Kenya (Without Kiosks)

Mobile money promotes financial security. When Safaricom launched M-PESA in 2007, Kenyan banks doubted that the kiosk-based money-transfer service would be competitive. By 2008, the service had more than 5 million users. Banks began to worry, and for good reason: M-PESA's subscriptions have since skyrocketed, reaching more than 13 million people.



Jane Kirui signed up for M-PESA in early 2008, when post-election violence erupted in Kipkelion. When her family fled the region to stay with relatives in Nairobi, they worried about carrying cash on the journey. So Kirui made a large deposit at a Safaricom kiosk in Kipkelion and withdrew the cash as she needed it over time in Nairobi. The unintended success of M-PESA for secure, short-term storage led Safaricom to start offering more electronic products and services.

M-PESA's success owes largely to a supportive government, near-monopoly ownership, and timing—and thus it's been difficult to duplicate elsewhere in the world.

How might we design for user needs first and foremost, and tackle regulatory requirements alongside those needs?



Where Discretion Adds Up

Mobile phones can keep payments discrete, so workers have an easier time holding onto their wages in corrupt systems. Before mobile operator Roshan launched its M-Paisa service in Afghanistan, payday was a very public event: everyone knew you were carrying cash, and people up and down the bureaucratic chain would demand a bribe. But when police officers in Afghanistan started to receive wages via mobile phone, getting paid became a private affair. People couldn't make claims on the officers' money because it was hidden on their phones. Skimming off the top became more difficult for those disbursing the pay, too. Officers were so pleased that some telephoned the government to say thank-you for their "raises."

How might we view social problems as opportunities for innovation?



Mindless E-Money vs. Conscious Cash

Suica, a rechargeable smart card, now substitutes for cash in everyday transactions in Japan. In 2009, Kensuki Takayama took on a business trip and, instead of his wallet, he carried Suica on his mobile phone. He boarded on the train, bought a newspaper and breakfast, and later rode the subway to his meeting and back—and paid for everything with a few waves his handset.



However, when Kensuki decided to purchase a painting for his home, he insisted on paying cash. Although the gallery would accept electronic payments, Kensuki went to the bank to withdraw 220,000 yen. He placed the cash in a fine envelope and returned to the gallery, where he ceremoniously handed it to the art dealer. The purchase so meaningful to Kensuki, he wanted to mark its importance by going out of his way to use cash.

How might we create tangibility, meaning, and ceremony with mobile money?



Piggyback on Existing Technology

WING Money in Cambodia lets users access their accounts from any mobile phone by using an auxiliary channel called USSD. Unlike SMS routing, USSD is a secure, real-time channel that directs data from phone to server. On the provider side, Frontline SMS has created an open-source platform that turns any laptop into an SMS server. This allows micro-financiers and others to build independent, custom networks.

Meanwhile, m-Via partnered with 7-Eleven to provide a service that helps US residents remit money to relatives in Mexico. It now offers a lower-cost alternative to Western Union without requiring a bank account or a new skill set. Users can cash checks and send money in the same place!

In Pakistan, existing technology helped to create infrastructure. When Visa contributed to disaster relief in the flood-ravaged nation, the company did what it does best: It used plastic, magnetic stripe pre-paid cards to distribute relief to 2 million families. Mobile, handheld point-of-sale devices sent information over the GSM network, allowing Pakistanis to save, transfer, and store value using the card as the interface.

PATTERNS is a collection of shared thoughts, insights, and observations gathered from our work and the world around us. We invite you to join the conversation, so we can raise the bar and collectively develop richer design-thinking experiences.

Be a pattern spotter: Now that you've been exposed to a few different examples, don't be surprised if you start seeing *Money Goes Mobile* patterns all around you. Keep your eyes open and let us know what you find, especially if it's the next new pattern.

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