Marketing Mobile Money: Top 3 Challenges

M. Yasmina McCarty, MMU Manager
February 2011, Barcelona
#1: Compelling marketing flows from selecting a target market

- Operators are often reticent to speak to just one consumer group, because they want mobile money to be a product for everyone
- Mobile money platforms / services are ultimately accessible by “anyone”
- But demonstrating one specific use case of mobile money for one specific target market has proven to be the most compelling marketing

The priority target market at launch should be **sizable (volume of transactions)** and **frustrated with current options**
#1: Compelling marketing flows from selecting a target market

M-PESA – beyond its target market

- Safaricom’s target market was urban, male migrant workers sending money home
- This was estimated to be no more than three million Kenyans, or 14% of the adult population when M-PESA was launched in 2007
- As of late 2010, M-PESA boasted 13 million active users, or 61% of the adult population
#2: Customer journey to adoption is complicated

- **Unaware**: Customer has never heard of mobile money.
- **Awareness**: Customer has heard of mobile money and knows what it does.
- **Understanding**: Customer understands how mobile money could be useful to them.
- **Knowledge**: Customer knows the steps necessary to transact.
- **Trial**: Customer tries the service.
- **Regular Use**: Customer habitually uses the mobile money service.
#3: Bespoke marketing mix required

**Above-the-Line:**
- TV
- Outdoor (billboards, bus, etc.)
- Radio

**ATL Challenges**
- Airtime marketing sells the brand, an image, the lifestyle, or just price
- Mobile money ATL messages have to work much harder
- Mobile money has to explain **what mobile money is and why it is relevant to the consumer**
#3: Bespoke marketing mix required

- Incentives and promotions are a core driver for selling airtime
  - Agents earn incentives for each customer registered
  - Customers respond to promotions by registering for the SIM and buying airtime
- With mobile money, these incentive schemes and promotions result in registered but inactive customers...at a loss of $2 each!
- Smart agent incentives are critical to get registered and active customers

**Below-the-Line:**
- Transaction agents
- Field agents
- Friends & family
#3: Bespoke marketing mix required

<table>
<thead>
<tr>
<th>Unaware</th>
<th>Awareness</th>
<th>Understanding</th>
<th>Knowledge</th>
<th>Trial</th>
<th>Regular Use</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Above-the-Line:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• TV</td>
<td>• Outdoor (Billboards)</td>
<td>• Radio</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Below-the-Line:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Transaction agents</td>
<td>• Field agents</td>
<td>• Friends &amp; family</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Direct Mktg:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• SMS</td>
<td>• Promotions</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Next time, transfer e-value with mobile money. SMS #234 for info.
Marketing mobile money roadmap

Market Analysis
- Competitive landscaping
- Segmentation
- Target market selection and positioning

Marketing Communications
- Advertising
- Transactional agents
- Field agents
- Friends and family
- Promotions
- SMS

Customer Journey
- Unaware
- Awareness
- Understanding
- Knowledge
- Trial
- Regular use
Unanswered questions? Email mmu@gsm.org

Interview with Mr. Roar Bjaerum, 
Vice President Financial Services, Telenor Pakistan