
CONDUCTING FINANCIAL TRANSACTIONS VIA MOBILE PHONE CREATES POSSIBILITIES TO REACH NEW MARKETS

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When Queen Máxima visited Mali in 2011, women in a fruit-processing cooperative told her how they lacked financial services to manage their business and household cash flows. One woman related that her son sent her cash from another city, but it could take months, and sometimes never arrived. When mobile money became available, she began to receive funds from her son directly on her phone. She was ecstatic. The transfers are secure, quick and easy to access, even though she was only partially literate.

This woman is just one of millions who are demonstrating how mobile banking can effectively reach poor and financially under-served people. Surveys in Mali, Pakistan, and India indicate that over two-fifths of current mobile banking customers live on less than USD 2.5 per day and previously lacked access to any formal financial services. More than half of these customers did not otherwise have a formal bank account.

Mobile money is growing rapidly. In some African countries, there are now more mobile money and agent accounts than bank accounts. More than 17 million Kenyans subscribed to Safaricom's mobile money offering [M-PESA](#) by 2012, and an estimated three quarters of the unbanked population outside Nairobi now uses M-PESA to send and receive money, store value, and pay bills. In the Philippines, the GCASH mobile wallet offers over-the-counter cash pick-up services and domestic remittances at 18,000 cash-in and cash-out points. And, these remittances services can be used by all - including competitors' customers, and those without mobile phones.

Globally, customers most frequently use their mobile money on airtime top ups, but person-to-person (P2P) transfers, bill payments, and bulk transfers are becoming more important. Providers are increasingly offering merchant payments and international money transfers, but uptake for these services is not yet widespread. As providers seek to grow transaction volumes, new products and interoperable solutions will improve the ease of use and accessibility of mobile financial services. Frontiers include ways to link mobile money to formal accounts at financial institutions, and to offer a variety of responsible, tailored products including insurance, savings and credit.

Together, mobile money is changing the way clients and providers are thinking about financial services.