

Mobile Financial Services and the Underserved

FDIC Advisory Committee on Economic Inclusion

December 1, 2011

James Van Dyke, President and Founder



JAVELIN STRATEGY & RESEARCH

**SYNDICATED RESEARCH
CUSTOM RESEARCH
STRATEGIC CONSULTING**

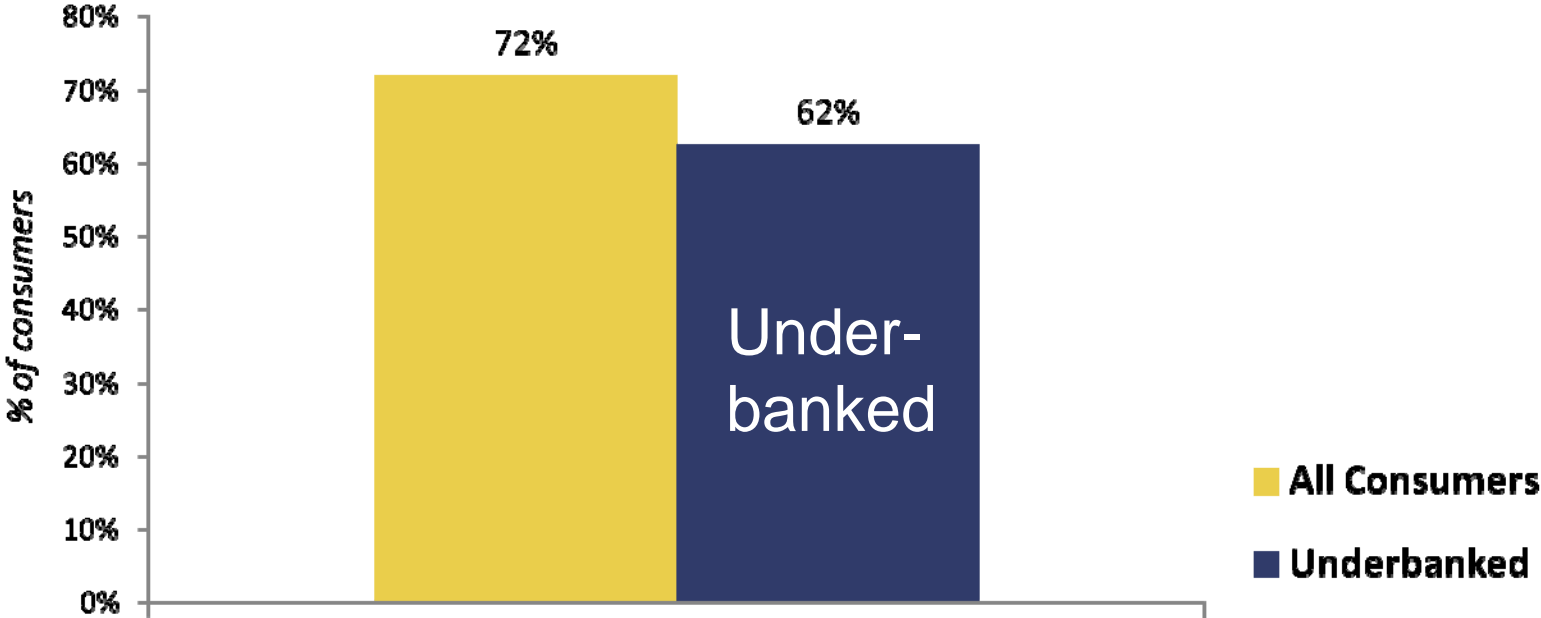
Personal Financial Management is More Complex than Ever

Then and Now: The impact of Innovation and Deregulation



Underbanked Less Likely to Own a Landline

Landline Ownership



Q1: Which of the following do you currently own? (Please select YES or NO to each)

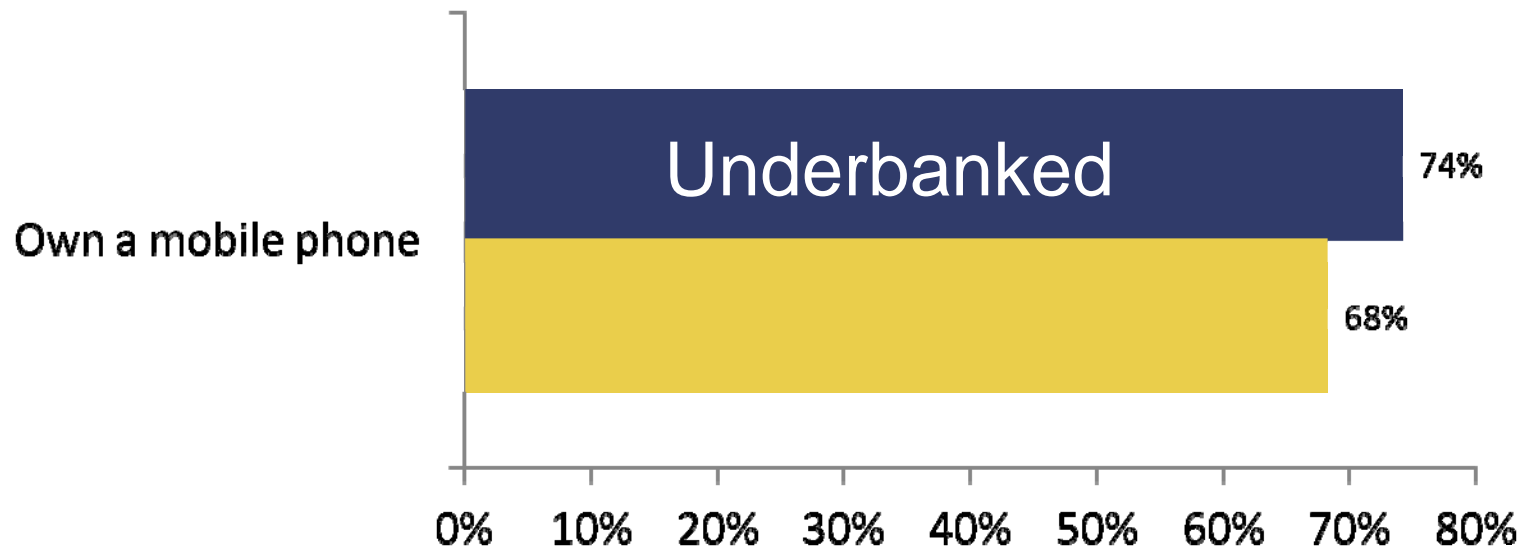
September 2011, n = 3180, 441
Base: All mobile consumers, Underbanked consumers
© 2011 Javelin Strategy & Research



...yet are More Likely to Own a Mobile Phone

Mobile Phone Ownership

■ Underbanked ■ All Consumers



Q3: Please indicate how many of the following do you personally own and use? :
A mobile (cell) phone (standard flip phone)

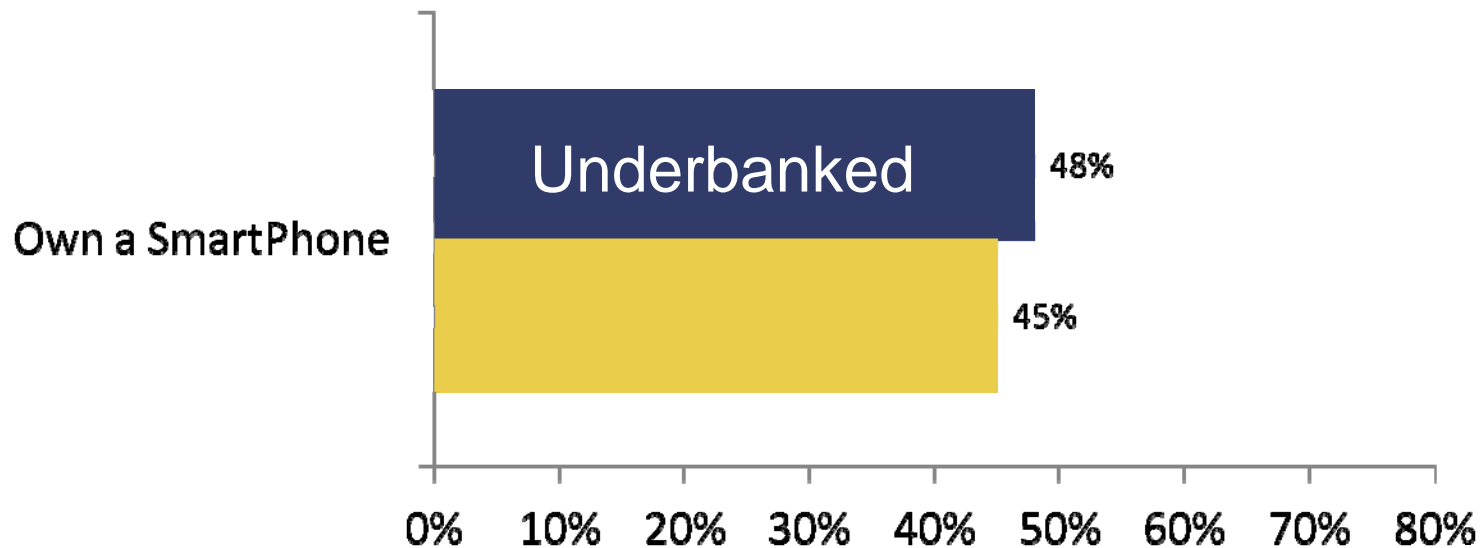
September 2011, n = 3180, 441
Base: All mobile consumers, Underbanked consumers
© 2011 Javelin Strategy & Research



...and Nearly as Likely to Own a Smartphone

Smartphone Ownership

■ Underbanked ■ All Consumers



Q3: Please indicate how many of the following do you personally own and use? :

A Smartphone

September 2011, n = 3180, 441

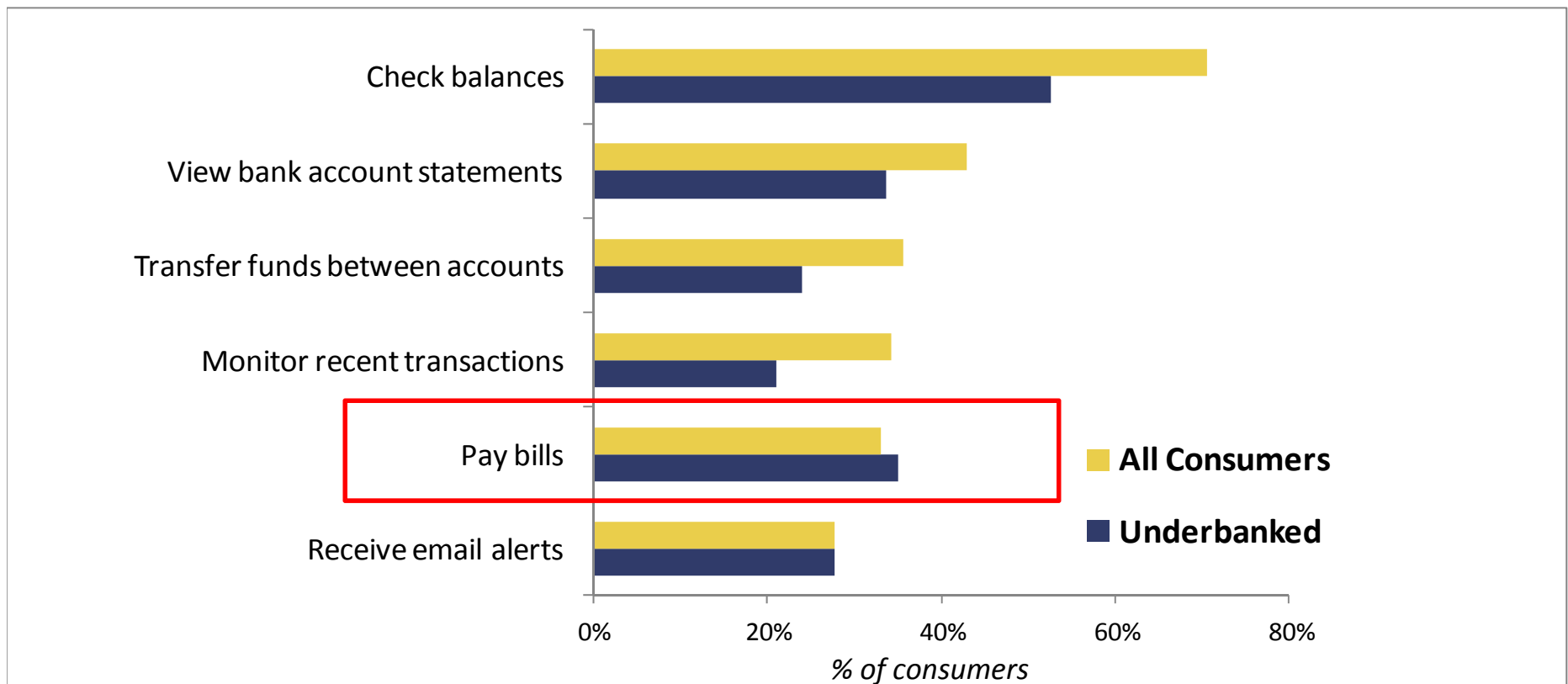
Base: All mobile consumers, Underbanked consumers

© 2011 Javelin Strategy & Research



Underbanked Use Mobile for High Value Activities Like BillPay

Financial Activities Performed While Mobile Banking



Q15: Which of the following financial service activities do you perform through your mobile device? (Select all that apply)

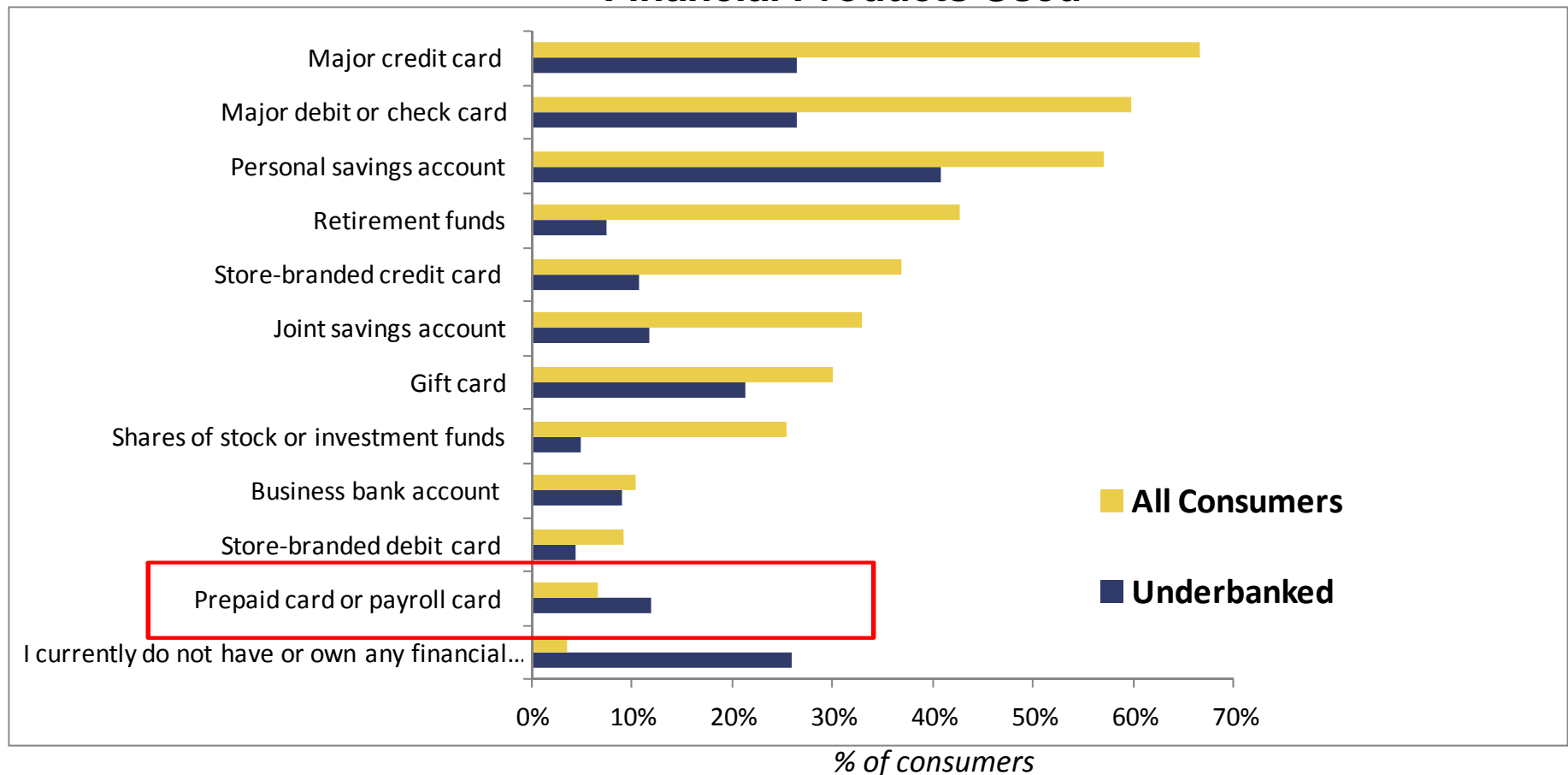
September 2011, n = 982, 135
Base: All mobile consumers, Underbanked consumers

© 2011 Javelin Strategy & Research



Underbanked Use Prepaid Cards at Higher Rates

Financial Products Used



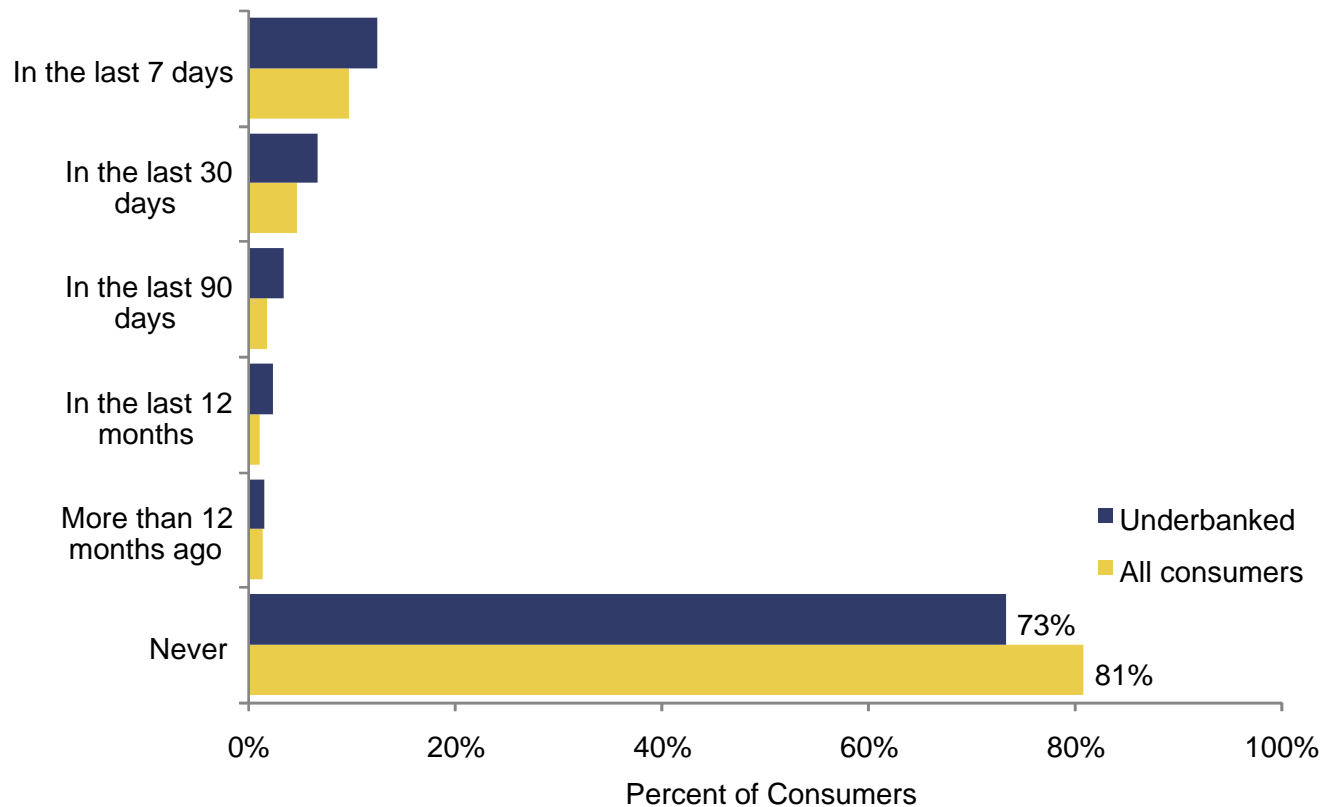
Q5: Which of the following financial products do you currently use? (Select all that apply)

September 2011, n = 3180, 441
Base: All mobile consumers; Underbanked consumers
© 2011 Javelin Strategy & Research



Underbanked Use Mobile Banking at Higher Rates

(And online banking much less)



Q4: Please indicate the last time you conducted the following financial activities: Used mobile banking (i.e. checked balances or review transactions through your mobile phone or by text message)

July 2009, n= 243, 2,911
Base: All consumers with no checking account but with financial products, all consumers with financial products.
© 2010 Javelin Strategy & Research

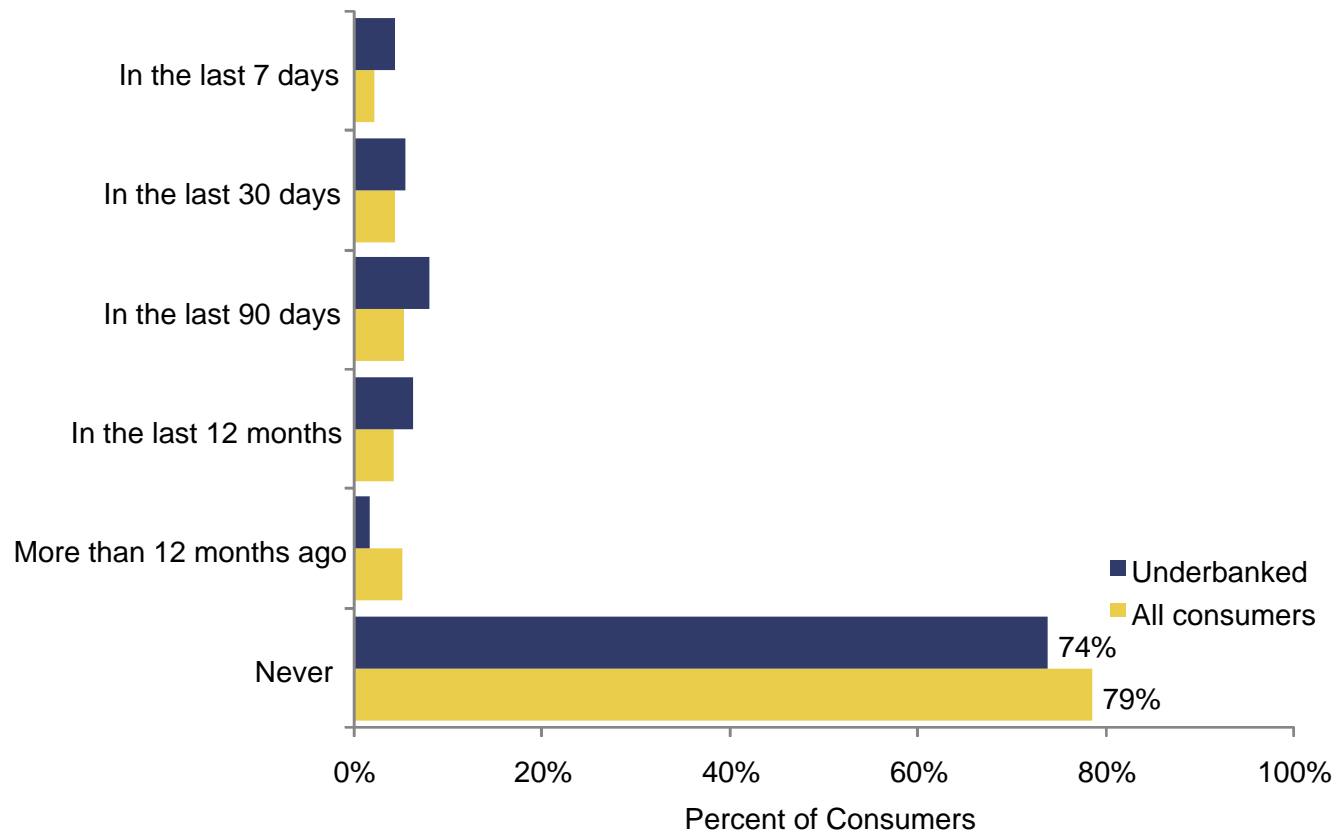


Bank Robbers Evolve: Time to Revisit Value of Empowerment?



Underbanked Will Use Mobile for Purchasing

Figure 18: Use of Mobile Purchasing by Underbanked vs. All Consumers



Q34: Please indicate the last time you made a purchase using your mobile device? (select one only)

July 2009, n= 333, 3,000
Base: All consumers with no checking account, all consumers.
© 2010 Javelin Strategy & Research



Technology and the 99%

Financial services is the subject of the movement, but can it empower the 99%?



The Customer-Driven Architecture™ is the Future of Empowered Finance

Embrace New Thinking, Boosting Profitability by Enabling Customer Control

Experience	Customer View	Business Impact
Always-on	"I'm synced with my money"	Loyalty
Real-time	"I'm an account monitoring-aholic!"	Usage
Transparent	"OK, I get where that came from"	Cost Savings
Customer-controlled	"For my money, I'm in charge"	Deposits & Assets Gatherings
Integrated	"Now I see the whole picture"	Revenue Generating
Safe	"For my identity, I'm in charge"	Revenue & Cost Savings
Goal-fulfilling	"My provider, my goals"	Revenue & Loyalty

(From collective analysis of Javelin's 265,000 proprietary industry research of consumers, merchants, FIs and vendors)



Using Mobile to Empower the Underbanked

Then and Now: The impact of Innovation and Deregulation





JAVELIN STRATEGY & RESEARCH

Thank You!