



*The Enterprise Mobile Financial Services Platform*

## **Fundamo helps Vodafone Qatar deliver the world's first cross-border mobile financial service**



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**Case Study: Vodafone Qatar**



## Introduction

Fundamo partnered with Vodafone Qatar in 2010 to launch the world's first international mobile remittance service, Vodafone Money Transfer. The service has been specifically designed to support the migrant workers in Qatar, who make up 80% of the population in Qatar.

Vodafone Money Transfer allows the migrant workforce to instantly transfer money across international borders, without the need for a remittance provider as an intermediary.

## About Vodafone Qatar

Vodafone Qatar is a provider of mobile networks in Qatar and forms part of the Vodafone Group. Vodafone Qatar was launched on 1st March 2009.

Until 2007, when Vodafone was granted a licence in Qatar this market was dominated by the incumbent, Qtel, as the only mobile network.

Vodafone Qatar's shareholders include the Qatar Foundation for Education, Science and Community Development, Vodafone. It is also publically owned, which accounts for 40% of its capital.

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## High demand for mobile remittances

More than 80% of the Qatari population is made up of migrant workers. According to 2009 figures from the Qatar Statistics Authority, an astonishing 94% of the national workforce is non-Qatari. The majority of these workers have immigrated from the Philippines, India, Sri Lanka, Nepal or Pakistan. The workers struggled to find a way to simply, safely and cost-effectively send money across border to family back home.

Mobile phone adoption is high in Qatar, spurred on by migrant workers looking to stay in touch with family and friends at home. According to ICT Qatar in 2011, the mobile penetration rate was estimated at 322.52% for a population of 0.8 million. That is more than three mobile phones for every person in the country.

## Vodafone Qatar's Objective

After being granted a network licence for Qatar in 2007, Vodafone wanted to rapidly grow its market share against the incumbent mobile network provider, Qtel. To do this it had to deliver a compelling market proposition that differentiated it from its rival.

The contrast of Qatar's high mobile penetration with its lack of banking facilities presented just the opportunity for Vodafone Qatar. By delivering a mobile financial service for the unbanked Vodafone Qatar could capitalise on this nascent opportunity.

To target migrant works in particular Vodafone Qatar chose to develop something ambitious, something no other operator had achieved. It would deliver a service that enabled cheap and efficient cross border remittance payments via the mobile phone.

Vodafone Qatar wanted to offer the migrant population in Qatar the ability to:

- Send money overseas
- Transfer money within Qatar
- Pay bills
- Buy Vodafone airtime
- Make purchases at shops
- Transfer foreign exchange transactions
- Salary payments

Fundamo helped Vodafone Qatar create a fully interoperable system that allowed for the transfer of money across any border, on any mobile network using any bank, regulations permitting. Time was of the essence and rapid deployment was essential, the Fundamo Enterprise Platform also allowed for swift deployment and scaling up in the sophistication of the offerings available.

## The world's first international mobile financial service

The first phase of the Vodafone mobile financial service offering was a basic mobile wallet with cash-to-cash services along with airtime top-ups. It was a first foray into the concept of mobile financial services and would pave the way for further improvements.

The next phase was enabling cross border remittances to the Philippines, where a large number of the migrant workers originate from.

The service was offered across the Vodafone network via three different banks. To meet Vodafone Qatar's aim of providing a low-cost mobile international remittance service, Fundamo partnered with the G-Cash clearing house. This not only reduced the cost of sending remittances to the Philippines, but also gave Fundamo easy access to Filipino banking networks, MegaLink and BancNet, due to G-Cash's pre-existing relationships.

## Challenges in delivering cross border interoperability

When implementing Vodafone Money Transfer, Fundamo had a short period of time in which to deliver a solution that would interconnect with multiple clearing houses in order to facilitate the remittance payments.

Coupled with the rapid go-to-market requirements, additional reporting was required due to the Anti-Money Laundering/Combating the Financing of Terrorism mandates introduced in 2010 by the IFC. The Fundamo team had to design a system which not only adhered to the requirements of the mandates, but also integrated with the Vodafone's KYC systems.

Vodafone has a single sign on application for its customers. Single sign-on (SSO) is a property of access control of multiple, related, but independent software systems. With this property a user logs in once and gains access to all systems without being prompted to log in again at each of them. Fundamo had to ensure its solution had taken this into account and could accommodate all necessary requirements.

Vodafone also had exacting requirements when it comes to customer care. Ensuring SMS messages from the system were written in simple language which was easily understood was essential. Even the error messages needed to clearly communicate the problem and the solution.

Finally, one of the major challenges Fundamo faced was the sheer number of banks with which it needed to provide connections to. G-Cash alone is connected to 30 banks. Fundamo had to ensure that an extensive interoperable network was available. Again, the speed that this had to be implemented in was rapid, presenting further problems.

## Results

In October 2010, Vodafone Qatar announced the successful completion of the Vodafone Mobile Transfer pilot. The success of the project was vital in securing the approval of the Qatar Central Bank prior to the commercial launch in November 2011.

At launch Vodafone Mobile Transfer was the first international mobile remittance service. Fundamo and Vodafone Qatar have proved that it is not only possible to deliver cross-border mobile payments, but it is a viable business opportunity.

The service has helped achieve Vodafone Qatar its primary objective of differentiate itself from Q-Tel. Vodafone Qatar increased its share of the Qatari mobile phone market. In September 2010 it counted 600, 000 or 38% of the population as subscribers, demonstrating impressive growth in just 18months since launch.

Fundamo has shown that mobile financial services can be a key market differentiator and the challenges associated with delivering a world first can be overcome.