

AgroAmigo

Mastercard Intern Innovation Challenge

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Ana, Koyabi, Gabby, Saloni, Vighnesh

The Challenge

The face of commerce is undergoing a tremendous transformation as more and more consumers, merchants, and governments embrace the world of digital payments. These parties increasingly recognize the advantages of a cashless world in which payments are safer, simpler, and smarter.

But there's still a long way to go, as cash still accounts for upwards of 85% of global transactions. This figure is higher in developing nations where people have far less access to non-cash options; but even in digitally-advanced countries, like the United States, the majority of people still use cash frequently and especially for everyday, low-value payments.

With this in mind, what new products or services can Mastercard create or enable to significantly expedite the displacement of cash and digitize small, typically cash-based transactions?

Our User

Pablo is an **established 50 year-old farmer in Guatemala**. Every Sunday, he gathers his crops to sell them in the local market. He's noticed that, increasingly, **competing farmers who accept digital payments are seeing more customers** and selling more items. He's thought about how he could **grow his business** and wonders if accepting cards is that way. But he's not sure where to get started and is **uncomfortable with any fees he'd have to pay**. How can we motivate Pablo, the micro- merchant, to **identify the benefits of cashless transactions** and to embrace the digital payments world?

User Break-Down

We started our user breakdown by working to understand Pablo's user journey. What were the big goals of his day-to-day operations and what did he have to do to meet those goals?

We found Pablo to work towards four specific goals: crop harvest, crop transfer, selling his crops (accepting payment), and inventory. He starts his day by harvesting his crops that he plans to sell, transferring them to the market, selling them, and then taking note of how much he sold. Within each goal we broke down each interaction he would have with a co-worker or customer and decided to focus on the latter two interactions.

We also identified his major pain points to be (1) discomfort with paying fees and (2) want for business growth (acceptance of digital payments).

With this initial understanding of our user, we started to ideate.

Back to the Research

With the feedback from our first critique, we went back to researching again to get a more deeper understanding of our user, Pablo. We focused our research on education, technology, and financial institutions in Guatemala and gained the following insights.

- 1) MPOS systems are being utilized.
- 2) Pablo has access to a smartphone.
- 3) Pablo may not have access to a bank account or a line of credit.
- 4) Pablo not have an extensive education or exposure to advanced analytical information.

With these new insights, we felt ready to return to ideation.

Our Second Iteration

For our second iteration, we looked more into the Mastercard Business Pack and existing bundled solutions. We wanted to create a simple end-to-end solution for Pablo, and we realized that bundling existing products and partnerships would be the most feasible way to do that.

From the Business Pack, we found that MPOS systems were already being bundled with credit/debit cards to help users accept digital payments. However, from our research we knew that Pablo most likely did not have a bank account or a way to process the money he would obtain from accepting digital payments. To tackle this problem, we needed to find a way for Pablo to gain access to a financial institutions' services.

Again, this would help Pablo grow his business, but we also want him to feel more comfortable with the associated fees. We decided that a way for Pablo to reach this level of comfort would be to provide additional services, which in turn would make him feel confident that he was getting the most value for these fees. We thought of access to data analytics and incentive programs as a starting point.

Second Critique

Our second critique from our mentor was to hone in on our idea. Which financial institution would back Pablo? Which MPOS system available in Guatemala has the lowest fees? And do they already have an existing partnership with Mastercard? Similarly, how can we provide Pablo with advanced analytics in a way that's simple and easy for him to understand?

With this, our next step was to refine our pitch and value proposition.

Final Pitch + Value Prop

Our final value proposition was to bundle the Stone MPOS system with a Facebook Messenger integrated Mastercard Chatbot KAI with an Agro card. Research showed that the Stone system provides the lowest transaction fee and already has an existing partnership with Mastercard. Similarly, KAI, an existing product, could be leveraged to deliver business analytics to Pablo based off his customers' transaction data in a way that's easy for him to understand. An Agro card specifically tailored toward farmers in Central America would provide Pablo with easy access to a line of credit to purchase expensive farming equipment and supplies as his business grows.

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MPOS System



Chat Bot



Agro Card

Maturity + Scalability

In terms of maturity and scalability, our solution has the ability to scale to larger markets. For one, KAI can be integrated with more messaging platforms to provide advanced analytics to users in other developing countries. Additionally, an incentive program could motivate first-time users like Pablo to stay customers for the long-term.

Reflections

This challenge was a very fun experience as we got the opportunity to work with interns in various departments who we would normally not get a chance to work with. It allowed us to utilize our vast skillset to tackle an important problem and gave us the opportunity to really delve into the company's products and partnerships. We learned so much about Mastercard as a whole as well as how to apply design-thinking to similar challenges.

However, we did face many internal challenges as a group, especially with juggling our intern projects and this innovation challenge. Additionally, as everyone in our group came from different backgrounds, we did not always agree on the best way to approach the problem. Overall, this was a good experience for us to work together and leverage our different skills to come up with a united solution.