

**2015 Unbanked and Underbanked Consumer Focus Groups  
Discussion Guide Draft 4-8-15**

MODERATOR INSTRUCTIONS ARE IN CAPS

**I. INTRODUCTION AND WARM-UP**

**Introduction (5 minutes)**

- Moderator introduction
- The purpose of this study is to understand how consumers use financial services to help create new products and programs that are better suited to consumer needs.
- Please feel free to be honest. I am a researcher with no interest in the outcome of the groups. There are no right or wrong answers and you will not hurt my feelings. I just want to hear your opinions.
- You don't have to be "called on" to speak - we'll have an open and free discussion. Please feel free to respond directly to what other people in the room are saying.
- Everything you say will remain anonymous. However, the session is being recorded to act as my notebook.
- Does anyone have any questions before we begin? [IF ASKED: I can't reveal who is sponsoring the research as I don't want it to influence our discussion.]

**Warm-up (5 minutes)**

1. I'd like to start by having everyone take a minute to introduce themselves. Tell me your name and where you are from.

**II. FINANCIAL NEEDS AND EXPERIENCES OF UNBANKED AND UNDERBANKED CONSUMERS**

**Consumer Needs When Paying Expenses (15 minutes)**

1. Let's start the discussion by talking about how you pay your bills. What are some of the bills or expenses you pay on a regular basis? How do you pay them? (MODERATOR WILL LIST PAYMENT METHODS ON CHART #1)
  - a. PROBE IF NECESSARY: Rent, utilities, childcare, groceries, gas, car payment, cell phone bill, sending money abroad/to friends and family, international money sending services like Xoom
  - b. PROBE IF NECESSARY: Cash, check, money order, electronic payment service, prepaid card
  - c. Do you always pay it the same way or does it vary? If so, why?
  - d. Do any of the bills you pay require a certain type of payment? IF NECESSARY: For example, does your landlord insist on being paid in cash or money order?

2. Let's go through the list we just created (REFERENCE FLIP CHART #1). I want to hear about the benefits and drawbacks for each way you spend or send money. How satisfied are you with this type of transaction? What do you like about it? Dislike? (REPEAT FOR EACH METHOD)
3. Are there any expenses you find a hassle to pay? IF NEEDED: Not in terms of being able to afford to pay it but the process of paying it (i.e. having to get cash or being required to get a money order or check)? Why is paying these expenses a hassle? Do any of these payment methods cost you extra?

### **Consumer Needs When Managing Income (10 minutes)**

1. Now let's talk about how you manage your income, or the money you receive on a regular basis. By what payment methods is money coming in to your household? In other words, how do you receive money you are paid? (MODERATOR WILL LIST ON FLIP CHART #2)
  - a. PROBE IF NECESSARY: cash, check, electronic payment, money order, prepaid cards, etc.
  - b. Do you have any choice about how you are paid or given money? IF NECESSARY: For example, will your employer only pay you by check or can you be paid in another way?
2. Let's go through the list we just created (REFERENCE FLIP CHART #2). I want to hear about the benefits and drawbacks for each way you receive money. How satisfied are you with this type of transaction for receiving money? What do you like about it? Dislike?

### **Experiences with Financial Providers (15 minutes)**

1. It sounds like you are using a variety of transaction methods to manage your everyday finances both to receive and spend money. In what types of financial institutions, companies, or other locations are you using these types of financial services? (REFERENCE LISTS #1 AND #2)
  - a. PROBE: banks, credit unions, large retailer/convenience/grocery/liquor/drug stores that offer financial services, non-bank financial services store (check cashers or payday lender)
2. Why do you use these types of companies for your transactions? What do you like about using them?

- a. What don't you like about these companies?
3. (USE PREVIOUS QUESTION TO SHIFT INTO BANK DISCUSSION) Let's talk a little bit more about banks.
    - a. What do you see as the benefits of using a bank?
    - b. What are the drawbacks? PROBE ON BANK REQUIREMENTS, SERVICE FEES, NOT TRUSTING/LIKING BANKS
    - c. For those of you with bank accounts or who may have previously had a bank account, how satisfied are you with your experiences? Why do you say that?
    - d. For those of you without bank accounts, what are the reasons why you don't have one? PROBE DEEPLY: What do you mean by that, why is that a concern, etc.
      - i. Would you ever consider getting a bank account? Why or why not?
  4. How do you normally interact with the financial institutions and companies you use?  
PROBE: in-person, online, on your phone, etc.
    - a. Why do you use these methods?
    - b. Do you interact differently with different providers? Why? PROBE: Do you interact differently with providers based on the type of transaction you are making? In what way? Why?
    - c. Are your interactions different when you think of day-to-day or routine transactions compared to only once-in-awhile transactions like opening an account or problem resolution?

### **Summary of Consumer Needs and Experiences (5 minutes)**

1. Thinking of all of the services you use to manage your everyday finances, how satisfied are you with the "system" you currently use? What works really well for you? What could be better? You can talk about general processes or individual providers.
  - a. PROBE ON: Speed, security, reliability, convenience of transactions, cost, fees, transparency
  - b. Of all of the things you mentioned, write down the three most important to you when choosing financial service providers. What are they? Why?
2. If you could change one thing about the way you manage your finances, what would it be?

### III. PERCEPTIONS AND USAGE OF MOBILE FINANCIAL SERVICES

#### Unaided Definition and Usage of MFS (5 minutes)

We are going to move on and talk about a new topic.

Non-users: WRITE TERM “MOBILE FINANCIAL SERVICES” ON A FLIP CHART. I’m going to step out for a minute. While I’m gone, I’d like you to think about the phrase Mobile Financial Services. On the paper in front of you, write down what that means to you. When I come back, we’ll talk about it.

Users: I’m going to step out for a minute. While I’m gone, I’d like you to use the paper in front of you to list all of the different ways you use your cell phone or smartphone to manage your finances. When I come back, we’ll talk about it.

GO TO BACK ROOM FOR QUESTIONS.

KEY FEATURES TO PROBE ON IN NEXT 2 SECTIONS IF NOT MENTIONED DURING DISCUSSION:

1. Account alerts: Set account up to send you text message, email or in application alerts when there is significant activity on your bank or pre-paid card account such as a large purchase, your balance drops below a certain point, etc.
2. Remote Deposit Capture: Deposit a check to your bank or pre-paid card account by taking a picture using your phone’s camera
3. Balance check: Check the balance of your bank or pre-paid card account using a mobile website, app or text messages
4. Bill pay: Use your mobile phone to pay a bill using a bank account or pre-paid card
5. Person-to-Person (P2P) Payments: Technology that allows you to transfer money from your bank, credit card, pre-paid card or electronic account to another person’s account through your mobile device

#### Mobile Financial Services - NON-USERS (35 minutes)

1. What do you think of when you hear Mobile Financial Services? Had you ever heard this term before? Where?
  - a. What do you know about them?
2. Mobile Financial Services is a term used to describe financial transactions you can make and information you can receive and send using a smartphone.
  - a. Have you heard of this before coming to the group? Where have you heard about it? IF YES: Why are you not using these services?
  - b. How interested are you in the idea of managing your finances through your mobile phone? Why do you say that?

- c. What concerns do you have about managing your finances using your mobile phone? Why is that a worry for you? SPANISH GROUPS: PROBE ON LANGUAGE IF IT DOES NOT COME UP
  
- 3. Thinking about the idea, what types of financial transactions, information, and communications would you like to be able to do from your mobile phone to help you better manage your finances? (MODERATOR WILL LIST ON FLIP CHART #3)
  - a. What other types of financial transactions have you heard of people doing or financial information they have received or sent on their mobile phones to their financial service provider? Where did you hear about these features?
  - b. Are there any advantages to you of being able to do each of these on your mobile phone versus using another method you may already use?
  - c. How do you think this could help you? How would it fit in to the way you currently manage your finances?
  
- 4. What concerns do you have about some of these ideas we have talked about? Why is that a worry for you?
  - a. PROBE IF NOT MENTIONED FOR THOSE WITH PHONE PREPAID PLANS: Would you have the same concerns if you had a monthly phone plan as opposed to a prepaid plan? Why or why not?
  - b. PROBE IF NOT MENTIONED: Do you have any security concerns that prevent you from using MFS? Could you describe this concern in more detail? PROBE TO UNDERSTAND THE NATURE OF THE SECURITY CONCERN, SUCH AS: identity theft, data interception, what happens if phone is lost or stolen, uncertainty that the transaction will go through properly, etc.
    - i. PROBE in security discussion: Would you still have these concerns if there are protections in place that protect you from losing money from your account? Why or why not?
  
- 5. Let's review the list of features in more detail. LABEL THE LIST. Which features are you most interested in being able to do on your phone? Please write down the letters of your top 3 features. TALLY AND DISCUSS FEATURES INDIVIDUALLY.
  - a. What is most appealing about it? PROBE IF NOT MENTIONED: Would this help you better manage your account? How?
  - b. What questions or concerns do you have about a feature like this? Has anyone used this feature and stopped using it for some reason? IF SO: Why did you stop using it? IF NEEDED: Why was that a concern?
  - c. Do you know if this feature is offered by your bank or the other financial services providers that you use?

REPEAT A-C FOR EACH FEATURE.

AFTER REVIEWING ALL FEATURES INDIVIDUALLY, ASK D AND E:

- d. If a bank or a non-bank financial services store offered your top three features at no cost, would you use them? IF NECESSARY: For example, you could deposit a check using your phone into your bank account or onto a prepaid card offered by another provider.
    - i. If you would use them, would you prefer using them at a bank or a non-bank financial services store? Why?
    - ii. IF DIDN'T PICK BANK: What would have to change so that you would prefer a bank?
  - e. If a bank offered your top three features at no cost, would that make you more likely to open a bank account or switch banks? Why or why not?
6. How do you think mobile financial services would fit in with your use of cash and other in-person financial services such as money orders?
  7. Do you think you will use mobile financial services in the next 12 months? Why or why not? What do you think would cause you to start using a mobile financial service?

### **Mobile Financial Services - USERS (35 minutes)**

1. How do you manage your everyday finances using your cell phone or smartphone? (MODERATOR WILL LIST ON FLIP CHART #3)
  - a. PROBE IF NEEDED FROM SCREENER RESPONSES
2. What prompted you to start using your cell phone or smartphone to manage your finances? What benefits did you think it would provide, or problems/issues it could overcome for you?
3. Did you have any security concerns about using your mobile phone to manage your everyday finances? IF SO: What were your specific security concerns? How did you become comfortable with using your mobile phone to manage your everyday finances?
4. Let's go through the list of ways you manage your everyday finances using your mobile phone. LABEL THE LIST.
  - a. How many of you have used (INSERT FEATURE FROM LIST)? IF APPLICABLE/NEEDED: When you are using that feature, what company or brand provides the service?
    - i. SPANISH GROUPS: Is the feature or app in English or Spanish?
  - b. How has this feature changed the way you manage your finances? Is that helpful or not really helpful? Why?

- i. PROBE IF NOT MENTIONED: Has it changed the frequency with which you access your account, or the ways you do different types of transactions?
- c. And how satisfied are you with (INSERT FEATURE)? Why?
- d. How did you first learn about this mobile phone feature?
  - i. SPANISH GROUPS: Was it difficult to understand the feature or how to use it because of a lack of information in Spanish?
- e. Has anyone used this feature and stopped using it for some reason? IF SO: Why did you stop using it? IF NEEDED: Why was that a concern?
- f. For those of you who haven't used this feature, how interested are you in it? Why do you say that?
- g. For those of you who haven't used this feature, do you know if it is offered by your bank or the other financial services providers that you use?

REPEAT A-G FOR EACH FEATURE

5. IF KEY FEATURES NOT MENTIONED: No one mentioned (INSERT FEATURE). ADD IT TO THE FLIPCHART LIST. Have you ever heard of this feature? GIVE A BRIEF DESCRIPTION OF FEATURE.
  - a. How do you think this could help you? How would it fit in to the way you currently manage your finances?
  - b. What questions or concerns do you have about it?
    - i. PROBE IF NOT MENTIONED: Do you have any security concerns that prevent you from using this feature? Could you describe this concern in more detail? PROBE TO UNDERSTAND THE NATURE OF THE SECURITY CONCERN, SUCH AS identity theft, data interception, what happens if phone is lost or stolen, etc.
  - c. How interested are you in this feature? Why do you say that?
6. LABEL FEATURE LIST. Please write down the letters of the 3 features that are most valuable to you. These may be features you are currently using or features you are not using or just learned about today. TALLY. Why are these features particularly valuable?
  - a. If you were able to use your top three features at no cost, would you prefer using them at a bank or a non-bank financial services store? Why? IF NECESSARY: For example, you could deposit a check using your phone into your bank account or onto a prepaid card offered by another provider.
  - b. IF DIDN'T PICK BANK: What would have to change so that you would prefer a bank?
  - c. If a bank offered your top three features at no cost, would that make you more likely to open a bank account or switch banks? Why or why not?

7. Thinking of all of the mobile financial tools you use, how do they fit in with your use of cash or other in-person financial services such as money orders? Are there any transactions you make in cash that you wish you could make using a mobile phone? Which ones?
8. If you have a problem with a mobile financial service, what do you do? Do you feel as though there is somewhere you can go or someone you can talk to who will help you solve your problem? Who/where?
9. Thinking of financial transactions, is there anything you can't do with your mobile phone right now that you wish you could that a bank may be able to offer?
  - a. If a specific bank offered that feature, would it be important enough for you to open an account or switch banks?

#### **Mobile Financial Services Opportunities (5 minutes)**

1. Does the ability of banks to offer a variety of mobile financial management services impact your desire or willingness or ability to open a bank account or to continue your relationship with your current bank? How? Which features in particular?
2. How important is meeting or speaking with a person before setting up a financial service on your mobile phone? Why do you say that? Is there a difference between an in-person meeting and a phone meeting?

#### **IV. CONCLUSIONS (5 minutes)**

1. To wrap up, I'd like each person to tell me what they think the biggest benefit of mobile financial services is.
2. Those are all of the questions I have for you. Thank you so much for participating in this discussion.