

Making Banking Fun



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Executive Summary

As banking has become more digitised, the general population is getting worse at it. Our preparedness for retirement and our use of credit for everyday living are worse than ever before. Concurrently we are spending more time attached to mobile, often engaged in activities that seem more trivial.

Moroku takes the principles of gaming and behavioural economics and applies them to build and run contemporary mobile banking experiences for banks. We drive customer engagement, financial literacy and action by making the mobile banking experience fun. Through the provision of a cloud service, banking templates and APIs we enable banks to rapidly deploy digital banking experiences that empower banks customers to create their financial future.

As the internet has unfolded and banks worldwide build out digital strategies to serve customers cheaper and faster much of the risk management and personal connection inherent in the old world has been lost. Gone are the days when the local bank manager knew most of his customers and was able to guide them along their financial journey. The relationship has been dehumanised, the connection gone and much of the soft controls lost. With this banks have lost a great deal of capacity to help build competence within the service offering and teach people the core skills needed to budget, save, pay off debt, plan for the future, select and use the right banking products.

While most of us appear to be relatively good at short-term money management, other behaviours are more troubling. These include the lack of active and long-term savings in formal financial products, excessive reliance on credit (including to make ends meet), difficulties in choosing adequate financial products and uninformed financial decision making. In Australia the average savings at retirement is \$130,000, household debt is at record levels, Australians owe a \$48.9 billion in credit card debt, which at an average APR of 17% = \$7.3bn in interest above the base rate. That's a lot of money that could be used for buying houses and fulfilling dreams. An astonishing one in three American adults with a credit history are delinquent on their debt and the average family has \$7,630 in revolving debt.

In the meantime there has been a massive consumer shift to mobile. At the top of the application hit list are social media, games and most recently fitness. This growth has also collapsed technology and financial services into a new industry, FinTech, characterized by new technology companies like Moven and Square, which are providing financial services and capturing share.

At Moroku we spend a lot of our time trying to unlock a key riddle *"If financial health is so important for so many, why are so few good at it and why do people spend so much time on other things, things that seem to matter so much less?"*

In our search to unlock this, neuroscience and cognitive psychology provides much insight and reveal a core set of drivers that make us feel alive and motivated. This understanding helps us build applications and systems that shift people's mental state when it comes to banking, gets them to pay attention, build financial muscle and drive action.

Key to answering the riddle is fun. We do things we enjoy and do less of the things we don't. Despite banking and financial health being important it's rarely fun. It's boring, complex and unrewarding in the short term and generally when we do it we do so under duress. Dale Carnegie famously wrote *"People rarely succeed unless they have fun in what they are doing."* This is because, in order to succeed, people need to be diligent and pay



attention. If the task is boring it is hard to pay attention and follow through. Conversely if it is fun, people pay attention, learn and get the job done.

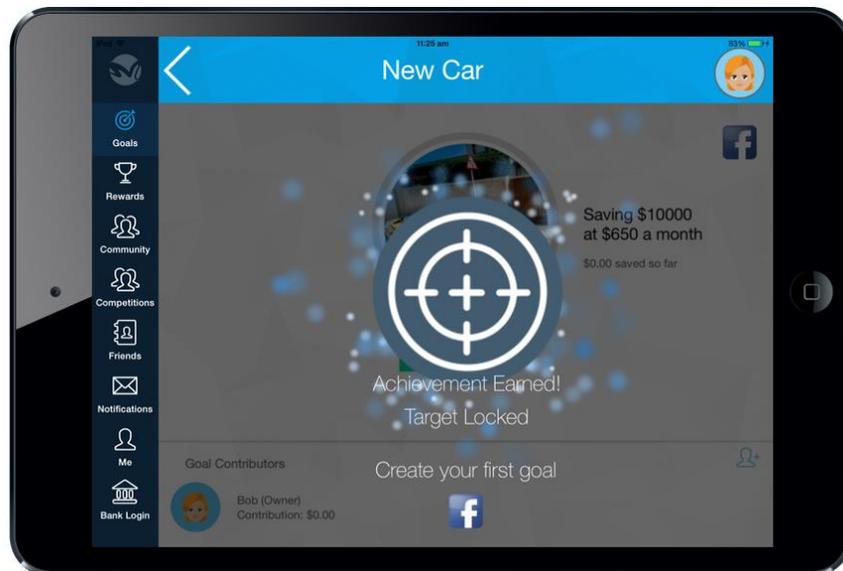
Moroku's business is in making banking and payments fun. We do this with our people, processes and products. The outcomes are digital banking applications that financial services providers deploy as part of the digital channel initiatives to move customer behaviours in the direction of empowerment. Moroku runs large portions of these as a cloud service based on our world leading gamification platform enabling much of what we do to be implemented and operated rapidly, iteratively and economically.

The first phase of our customer journey is one of learning and design. There is no one size fits all. Each customer segment has a different problem segment, a different set of behaviours that are sought, and a different set of system dynamics at play. We bring with us a set of frameworks, prototypes, tools and mechanics that allow us to produce prototypes that are iteratively refined and connected.

We adopt an agile, design thinking lead engagement that is aimed at connecting the strategic wealth objectives of the organisation to customer behaviours and ultimately a new digital experience for customers through which they get clarity around their goals, build competence and embark on a journey of securing their financial future.

We work collaboratively to rapidly build a prototype of the first release of a gamified application, typically within 90 days. At the end of this we have a fully costed proposal for the development of the application and its operation across the targetted customer base. The project commences with Moroku conducting a week of workshops to confirm objectives, KPIs, principles and high level designs. Over the following weeks the application is refined via a design thinking lead process and details of integration and productionisation established.

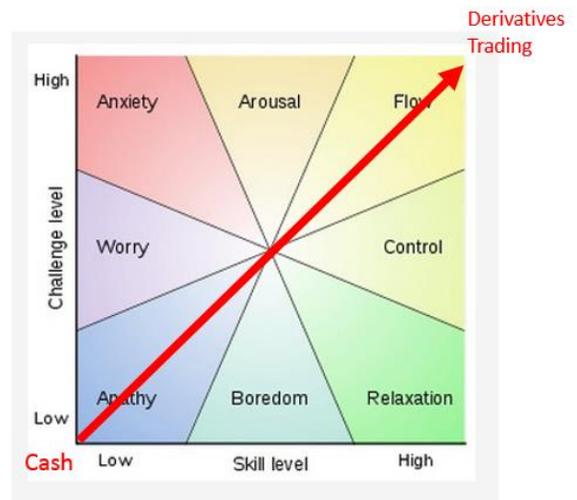
The approach is unique and not one that often makes sense straight away, diverging from the norm. As is the approach so too the results and impact.



Making Banking Fun

Banks exist to help people succeed in managing and growing their finances. Banks that do this the best can charge premiums in the gap. This is the promise of a customer centric bank, a bank that uses their customer's success as the lens by which they design products and measure their performance against the competition.

Fundamental to people's likelihood to pay attention, build skills attention and enjoy themselves is the concept of flow. Flow was first described by Mihaly Csikszentmihalyi. When people's skills are in balance with the challenges they face they are known to be in the flow. When they are in this flow, they are having fun, paying attention and making progress. As we acquire new skills we instinctively look for the next challenge, which in turn builds the next level of skill. This is how games work and is very useful model for mapping progression professionally and personally. We enter the front door and as we gain skills, the challenges rise and we get "In the Flow" and grow. This is highly appropriate to the journey of financial mastery and the nirvana of a fully created, purpose centered, banking relationship. One's first and often only entry into the world of finance is via a cash experience. For the half of the planet that doesn't have a banking relationship this may be the end of their journey, their skills adequately matched to handling cash but little else. At the other end of the spectrum we have the complex world of capital markets, derivatives and options trading where a high degree of skill is required in order to secure growth. The success of banks that seek to increase the number of products per customer is predicated on how to build competency in their customer base in a way that builds success and is constantly level ling them up to the next product. This is a principle of game theory.



The banking landscape is changing rapidly and fundamentally through FinTech. New technology entrants such as Apple, Google, Facebook and Square are changing expectations of customer experience, trust relationships and payment platforms. With 45% of bank revenues coming from payments, banks must fundamentally rethink how they engage customers.

Bank's challenge is to get customers into the flow, pay attention to their banking and use the products at their disposal whilst competing with other daily distractions. Moroku takes the principles of gaming and applies them to banking to shift the perception from boring, mundane and unrewarding and gets people to take products from banks and use them in the way they are designed to be. We make the experience fun, and shift people from a state of apathy or worry and into the flow. We do this through the application of motivational theory and a product platform that provide us with a range of design principles and mechanics that when applied to banking make it fun and moves people up the curve of financial mastery.

What sort of things are Fun?

- Winning
- Problem Solving
- Exploring
- Chilling
- Teamwork
- Recognition
- Triumphant
- Collecting
- Surprise
- Imagination
- Sharing
- Role Playing
- Customisation
- Goofing Off



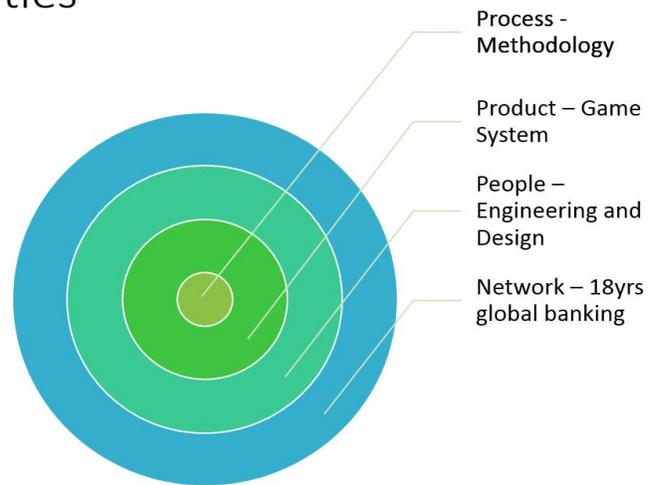
The Moroku Approach

Moroku was founded to harness the incredible inflexion point created by mobile, social, gaming and the cloud within financial services. These four innovations have collectively and dramatically shifted both the customer experience and the software lifecycle. Corporations today are compelled to adopt a mobile first customer experience strategy, harness social and game design to create experiences that connect people and deliver these services through the cloud to drive scale, integration and economics.

Moroku's banking and payments focus is built on the industry experience of its founders and the largely analogous nature of the market where, despite 50 years of digitisation efforts, half the world remains unbanked, large portions are underserved, 80% of the developed world doesn't have a financial planning relationship and 85% of the world's retail transactions are [still cash](#).

Moroku applies its experience, product and methodology to create a vision, roadmap and execution plan for how mobile technology, gamification, cloud services and social media can recreate the banking customer's experience and drive business outcomes. We are hooked on the lean startup methodology and take an agile management approach, where the client feedback cycle is a critical process for achieving success and the goal is to provide the best service. As Design Thinkers, we place the customer experience at the heart of what we do. Through our way of working, we collaboratively create new business models that are anchored in the future and not just in solving today's small challenges.

Capabilities



MOROKU
MOBILE INNOVATION FOR THE GATHERING

Moroku's delivery engagement model maximises the chance of a measurably successful deployment. There are four streams of activity that run through this process and it is important that stakeholders from each stream are engaged.



Discovery Engagement

Some of our customers just want what we have off the shelf, which is fine by us. Other time we initiate our customer journey with a discovery engagement. We conduct a short 1-2 week engagement with banks who are authentically focused on their customers' success. Our agile, design thinking lead engagement is aimed at connecting strategic wealth objectives to customer behaviours and ultimately a new digital experience for customers through which they get clarity around their goals, build competence and embark on a journey of securing their financial future. At the end of this work the collective will have a costed business case and approach for the development of one or more fun and rewarding digital solutions, designed to move the needle on customer engagement and behaviour and their operation. The project commences with a day of workshops to ground everyone on the principles of the approach, confirm objectives, KPIs, principles and high level design guidelines. Over the course of the engagement application options will be offered and refined via a design thinking lead process and details of integration and productionisation established.

The cost for the exercise is \$AUD 16,689

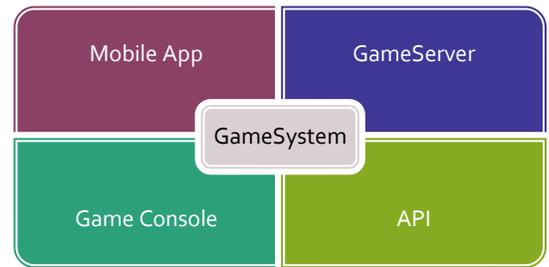
Agenda

Day	Description	Output
-7	Research: Bank provides Moroku with business overviews - who are the customers, what are the products, growth targets and opportunities	
1	Kick Off : Morning: Introduction to Moroku, our Approach, application examples and reflection on Moroku's understanding of the strategy and challenges Workshop to validate business background, strategic intent and challenges. Discuss problems, constraints, success parameters, and identify opportunities	Problem and Opportunity Statement
2	Technology, Security and Integration Morning: Workshop to review various technology stacks of both Moroku and the banks to identify integration and deployment approaches Afternoon: 1:1 CEO Interviews: Moroku work independently to produce draft application ideas	Documented understanding of technology landscape
3	Conceptualisation Morning: Moroku work independently to produce draft application ideas	Draft Concepts for Refinement
4	Refinement: Moroku works independently to create a roadmap based on previous days discussions and priorities	Refined solution ideas and Business Case
5	Production: Morning: Moroku works independently to create presentation for afternoon session Afternoon: Business Case Presentation. Presentation of one or more prototypes based on Feedback from the previous day, approaches and potential architectures	Input for Opportunity Description Approach and Business Case



Moroku GameSystem

Moroku GameSystem is complete set of technologies for the deployment and operation of the next generation of mobile banking and wealth management applications. Its four components are configured, provisioned and licensed on the world's leading banking cloud.



Mobile App

Native iOS and Android mobile libraries help us build apps that customers download and use to get their banking done. Motivated individually and collectively players sign up, download and get to work. From initial onboarding to ongoing engagement the customer is guided on their journey to mastery. The bank provides the initial registration through internet banking that provides an authorization code and sets up and connects the transaction accounts with the app.

Game Server

Non-banking interactions are all delivered through our cloud based GameServer. This incorporates the player management, their progress and performance. No Personally Identifiable Information (PII) is held within the GameSystem, enabling us to support most banking regulations with regards to the use of cloud infrastructure. An anonymisation service connected at the bank side manages the relationship between the GameSystem player and actual accounts at the bank.

Game Console

Bank staff manage and review application information via the Game Console. Using portal credentials provided as part of the license, numerous aspects of the platform can be managed such as the game rules, in-app adverts, communities, quizzes, categories and imagery. Customisable standard reports are provided to measure performance and behaviours such as payments made, click through rates and customer acquisition.

API

An API is provided as both documentation and reference implementation to integrate GameSystem with the bank's payment and internet systems. This enables the registration process to be presented via the bank's internet banking platforms, payments to be made, GameSystem data to be queried and adjustments made via third party systems. The API is a RESTful API with calls being made over HTTP and using the HTTP methods POST, PUT, GET as verbs.

For more information on empowering customers to create their financial future digitally, email, call or connect

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<https://www.youtube.com/watch?v=c6fbpB4z-c>

