

TABLE A-14

Case study: Google Wallet

(Innovation failure summary)

Variable	Description
Innovation	Google Wallet enabled consumers to load partner bank cards onto their phone, allowing them to pay at registers with their phone rather than with a bank card, launched 26 May 2011
Radical or incremental	Radical
Category	Service
Sector	Financial technology
Failure timing	Growth stage, failure in February 2018
Failure root cause	<p>Insufficient complementary assets</p> <ul style="list-style-type: none"> • Google failed to negotiate profitable agreements with card issuers, resulting in Google losing money on each Google Wallet transaction • Google failed to form partnerships with most banks because it wanted banks to share consumer spending habits and data to develop targeted ads • At the time of launch, most mobile devices and merchants did not have the NFC technology required to use Google Wallet • Security holes appeared shortly after launch, some of which made it possible for hackers to easily steal any balances loaded on cards in Google Wallet
Failure root cause timing	Product development
Outcomes	<ul style="list-style-type: none"> • Limited opportunities for use led to a suppressed user base of less than 10 million people • Google shifted Google Wallet to Google Pay Send, allowing users to send money to other users, with plans to fully integrate it within the Google Pay ecosystem
Business insight into the innovation process	<ul style="list-style-type: none"> • Work with those in the product's operating context to ensure there is an enabling environment for its successful deployment
Pivot	<ul style="list-style-type: none"> • P2P payment feature of Google Wallet integrated into Google Pay, which replaced Google Wallet and Android Pay
Pivot enabler	<ul style="list-style-type: none"> • Functionality of the original app allowed for easy conversion to P2P payment capability

NFC = near-field communication; P2P = peer to peer.

Source(s):National Center for Science and Engineering Statistics and SRI International, special research (2020) of 2010–20 open-access articles, including *MIT Technology Review*, *New York Times*, *Fast Company*, U.S. General Accountability Office, and *Defense News*.