

Apps for mobile money in emerging markets

How will the growing penetration of smartphones in emerging markets affect mobile money deployments?
What benefits does an app bring?

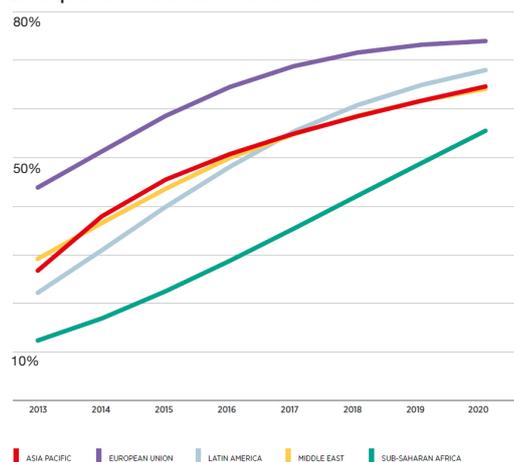
Once the exclusive domain of wealthy, developed markets, the smartphone has significantly evolved in recent years. There are smartphones available across a wide range of prices, including entry-level handsets at US\$25.

The spread of smartphones through emerging markets will give users unprecedented access to the mobile Internet and a more user-friendly way to access mobile money, undoubtedly changing the shape of mobile financial services.

The GSMA reports that, “Smartphone penetration has now reached 35% worldwide, and we forecast this to rise to 65% by 2020. Translated into absolute terms, this is an increase of 3 billion users between 2013 and 2020.

However, unlike the boom to now, emerging markets will drive this next wave of growth, presenting a vast and largely untapped audience with a low cost route onto the internet.”¹

Smartphone Penetration Worldwide



Smartphones and mobile financial services for the unbanked

Smartphones provide the mobile money service providers with the opportunity to improve the user experience and offer new features to their users.

Non-intuitive user experience has been highlighted as a barrier to wider uptake of mobile financial services. The smartphone app offers a possibility to address this. The design of the app must be intuitive and easy to use in order to overcome potential literacy and cultural barriers.

1. <https://gsmaintelligence.com/research/2014/12/smartphones-in-emerging-markets/450/>

Mobile money apps might also offer the possibility to combine mobile money with social network use. Many emerging markets, such as in South-east Asia already have extremely high adoption of social networks. The ability to leverage a user's social network to encourage mobile financial services such as domestic remittance or merchant payment is a significant opportunity for mobile money service providers.



Apps are one piece of the puzzle

However, while smartphone penetration is increasing, it will take time for all users to have access to these more sophisticated handsets and basic feature phones will remain an important access point for years to come. Therefore, service providers need to ensure their services remain accessible from all possible bearers.

Apps make up one important channel across the multiple ways that a user might interact with a mobile money service. It is important that the app is consistent with the USSD menu, the SMS interactions, the web interface and the mobile money brand.

Two deployment possibilities for Smartphone access

Generic application accessible from internet browser on phone

Pros: The workflow is similar to an application and is accessible for any OS.

Cons: The graphical capabilities are limited and the end user experience is not as smooth as an app.

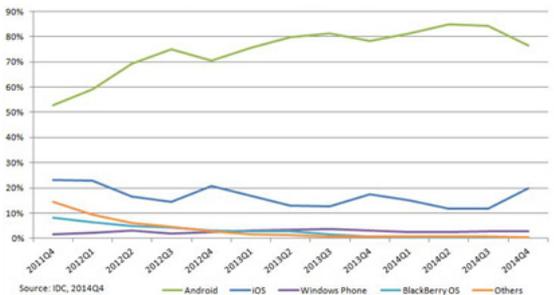
Through a smart application downloaded via an app store

Pros: This provides the best end user experience ensuring customer satisfaction.

Cons: This requires more implementation work as each application is adapted to one platform only. A compromise must be made in regards to how many platforms are catered for.

The service provider should consider the number of supported platforms vs customer's coverage.

The role of the OS

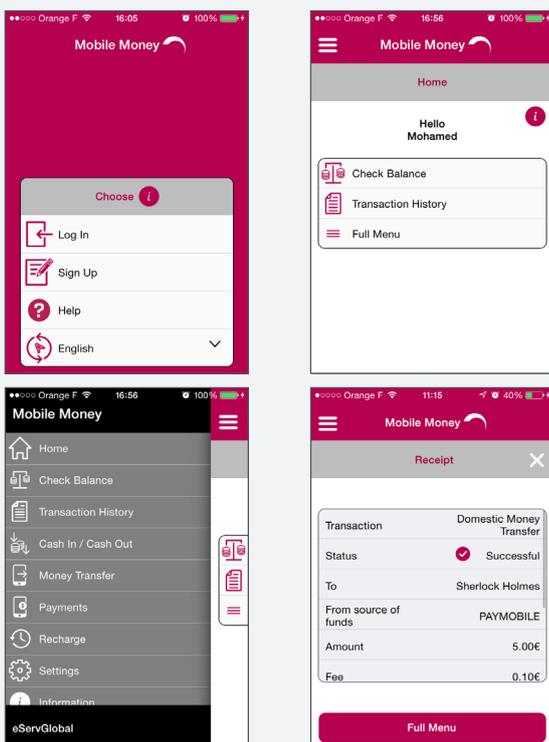


Android has the largest worldwide market share with more than 80% of the smartphone users worldwide. iOS has a market share of less than 20% of the smartphone users worldwide, and has a higher market penetration in developed markets due to handset price. iOS apps generally provide better graphical flow as there is a limited number of screens sizes to manage with Apple products vs Android. Windows, Blackberry and other have is much lower market penetration.²

eServGlobal recommends a mobile app launch with one application for Android and one application with iOS. In this scenario the mobile app must be designed with consideration given to building an app, which balances consistent branding and user interface functionality across both platforms.

eServGlobal mobile money app for emerging markets

Based on experience working with mobile money deployments across various markets, eServGlobal has built a white label smartphone app which can be easily adapted to accompany a mobile money launch.



Apps for multiple user profiles

In a single mobile money deployment, there is a need to differentiate a separate set of features depending on the actions carried out by the particular user. The setting can be managed directly on the mobile money platform and automatically update the smartphone application. For example an agent would have different needs eg cash-in or cash-out services, while a standard end-user would not see these features on their app.

We have identified three types of user segments:

The agents.

Require an application which provides a compromise between a feature phone and a laptop:

- capability to use keyboard
- a graphical interface which provides information in a user-friendly manner way => increase transaction execution speed and reduce human errors.
- camera capabilities to perform on-site subscriber enrollment, even for strict customer due diligence constraints. Capabilities can be extended further by using a tablet.

The early adopters

- Graphical interface which replaces the feature phone interface, making the financial services easier to access, especially for low literate users.

The confirmed users

- Improved end user experience
- Capability to use features such as QR code, NFC capabilities to enhance the payment experience, these are not possible with feature phones
- Integration with social networks to enable new appealing services (community loans) and provide new ways to encourage transactions.

About eServGlobal

eServGlobal (LSE: ESG, ASX: ESV) offers mobile money solutions which put feature-rich services at the fingertips of users worldwide, covering the full spectrum of mobile financial services, mobile wallet, mobile commerce, recharge, promotions and agent management features. eServGlobal invests heavily in product development, using carrier-grade, next-generation technology and aligning with the requirements customers worldwide.

Together with MasterCard and BICS, eServGlobal is a joint venture partner of the HomeSend global payment hub, a market leading solution based on eServGlobal technology and enabling cross-border money transfer between mobile money accounts, payment cards, bank accounts or cash outlets from anywhere in the world regardless of the users location.

eServGlobal also builds on its extensive experience in the telco domain to offer a comprehensive suite of sophisticated, revenue generating Value-Added Services to engage subscribers in a dynamic manner. eServGlobal has been a source of innovative solutions for mobile and financial service providers for 30 years

2. <http://www.idc.com/prodserv/smartphone-os-market-share.jsp>