

ATMs and Mobile Money

The integration of ATMs and mobile money services is a step in developing an end-to-end solution which bridges the mobile money service with the traditional financial world.

In partnership with

WINCOR
NIXDORF

ATM integration with a mobile money deployment brings benefits to both service providers and end users. The ability to link the world of cash to the eco-system of mobile financial services, aids the quick uptake of the service, while solving many pain points providers encounter.

Today, major challenges facing mobile money service providers, include providing an efficient, convenient and reliable way to cash in and cash out mobile wallets and boosting the mobile money services usage.

Adopting ATM integration within a mobile money service can significantly address these issues, satisfying users by addressing the cash liquidity issues they may face at agents and by making the service available 24/7.

Benefits of integrating ATMs into a mobile money deployment



Available
24 hrs



Complements
agent network



Solves liquidity
issues

Mobile money in emerging markets has traditionally been built on the strength of an agent network. This 'front line' has played a critical role in launching services, acting as not only a method for performing transactions, but also playing an important role in promoting the service, and educating new users.

However, a physical agent network also has its limitations. An agent is unlikely to have his shop open 24/7 and there can be limits to the liquidity. Integration with an ATM network can be an important step in addressing these challenges and ensuring the successful roll-out of a mobile money service.

ATMs allow customers to access their cash at any time without the assistance of an agent, this will reinforce the image of mobile money as a reliable and trustworthy service. ATM integration will also facilitate the cash liquidity issues mobile money subscribers may face at agents.



It is difficult to track in real-time the available cash held by a particular agent, while the amount of money available in an ATM is controlled and monitored.

Integration of ATMs as part of a holistic solution for a network can prevent subscribers from visiting an agent for a cash out only to discover they cannot be served because the agent does not have enough money.

ATMs are secure and robust machines, capable of storing a significant amount of money that an agent might not be able to keep for security reasons.

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ATM integration can also open the door to further synergies between banks & mobile money service providers such as branchless banking. The mobile money service agent network can provide a valuable synergy with bank branches and ATM network to extend branchless banking services to remote areas.

Operations which can be performed at an ATM:

- Cash-in / out of a mobile wallet
- Initiate mobile money transfer – domestic and international
- Bill Payment
- Airtime top up
- Branchless Banking
- Disbursement of G2P payments

ATMs could be used to access a mobile money account by:

- entering the telephone number (SIM number) & a pin code at the ATM
- entering the telephone number (SIM number) & a one-time authentication code
- entering the telephone number (SIM number) & scan a QR code
- a companion card, which is linked to the account
- NFC enabled smart phones

To successfully integrate ATMs into a mobile money service it is important to consider the specifics of the market, the end users and the existing networks.

An extensive range of different ATMs are available (delivering cash, accepting cash deposits in a single note or in bulk notes, ability to recycle cash deposit, integrating biometrics, etc...). It is essential to understand which ATM should be deployed in which area.

For example: in a city district, home to a large population of migrants from the rural areas, sending money back home would be important to them, therefore a service provider should deploy an ATM allowing cash deposit. While in a village where people are receivers not senders, the ATM might not need to support cash deposits.

ATMs should be used to complement the agents' network. The mobile money service provider should take care not to establish competition between agents and ATM, especially while growing its subscriber's base as the agents are a key element in the registration process.

"Globally, agents remain the most popular distribution channel for mobile money. In addition to mobile money agents, 22.7% of respondents also used ATMs as cash-in and/or cash-out points in June 2013, almost twice as many as in September 2012. Indeed, ATMs can be an attractive complement to a traditional network of agents: they are available 24 hours a day / 7 days a week, and usually have enough liquidity to support cash-outs. Some ATMs also enable cash-ins, but in most cases, they are used as alternative cash-out points. In three markets—Brazil, Indonesia, and Thailand—more than 40,000 ATMs can be used to perform mobile money cash-ins and cash-outs.

This approach seems to be especially popular in the East Asia and Pacific region and in Latin America and the Caribbean. In Brazil, Indonesia, and Thailand, the number of ATMs per 100,000 adults is 118.6, 36.4, and 84.2 respectively. In June 2013, ATMs processed 1.5% of the total number of cash-ins to and cash-outs from mobile money accounts."

- GSMA MMU, State of the Industry Report, 2014



Banking the unbanked will drive deployment

"Looking forward, Asia-Pacific is set to dominate global ATM growth for years to come. More than one million new installations are forecast to be added worldwide by 2018, with more than 800,000 of these in Asia. The main driver of this phenomenal growth is the need to serve the vast unbanked populations of China and India, with markets such as Vietnam and Indonesia also set to boom. In other regions, markets such as Russia, Nigeria, Brazil and Iran will see the strongest demand for new ATMs."

- Global ATM Market and Forecasts to 2018, RBR Retail Banking Research, 2014

About Wincor Nixdorf

Wincor Nixdorf is one of the world's leading providers of IT solutions and services to retailers and retail banking. The company's extensive portfolio is centered around optimizing business processes at banks and retail companies. It is aimed mainly at cutting costs and complexity and improving service to the end customer.

Wincor Nixdorf leverages know-how from its core business with banks and retailers to diversify into related sectors. These include postal and lottery companies and hospitality and service station chain operators. Wincor Nixdorf has a presence in over 100 countries, with its own subsidiary companies in 42 of these.

More than 9,000 employees work at the Group. The company is the leader in Europe and the number 2 in the world for programmable electronic POS systems (EPOSs) and the number 2 in Europe and worldwide for automated teller machines. Production facilities are at Paderborn, Germany, and in Singapore, Shanghai and Sao Paolo.

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