



Payment Solutions for E-commerce: Mobile Money as a key enabler

E-Commerce Week





In just a decade, mobile money has become a global story...

There are

277 SERVICES

in

92 COUNTRIES



Approximately

1.2

AGENTS

per 1,000
adults

Agent outlets



In

30

COUNTRIES
active agents

10x more
bank branches

**MOBILE
MONEY**



is available in **TWO-THIRDS** of low-
and middle-income countries

REGISTERED ACCOUNTS
SURPASSED
HALF BILLION
IN 2016



With

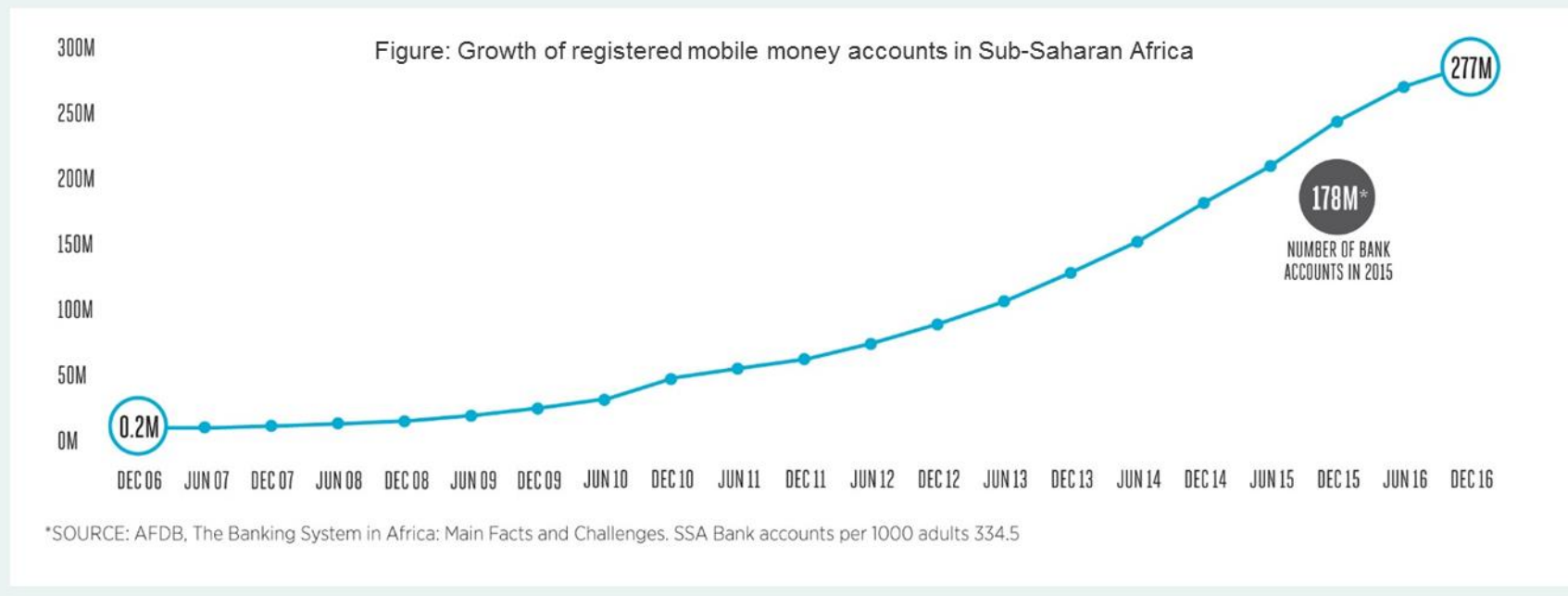
174 m

active accounts
(90 day basis)



...and is more relevant to people's daily lives

In Sub-Saharan Africa there were **277 million registered accounts** in December 2016 – **More than** the total number of **bank accounts** in the region



The industry is processing an average **30,000 transactions per minute**

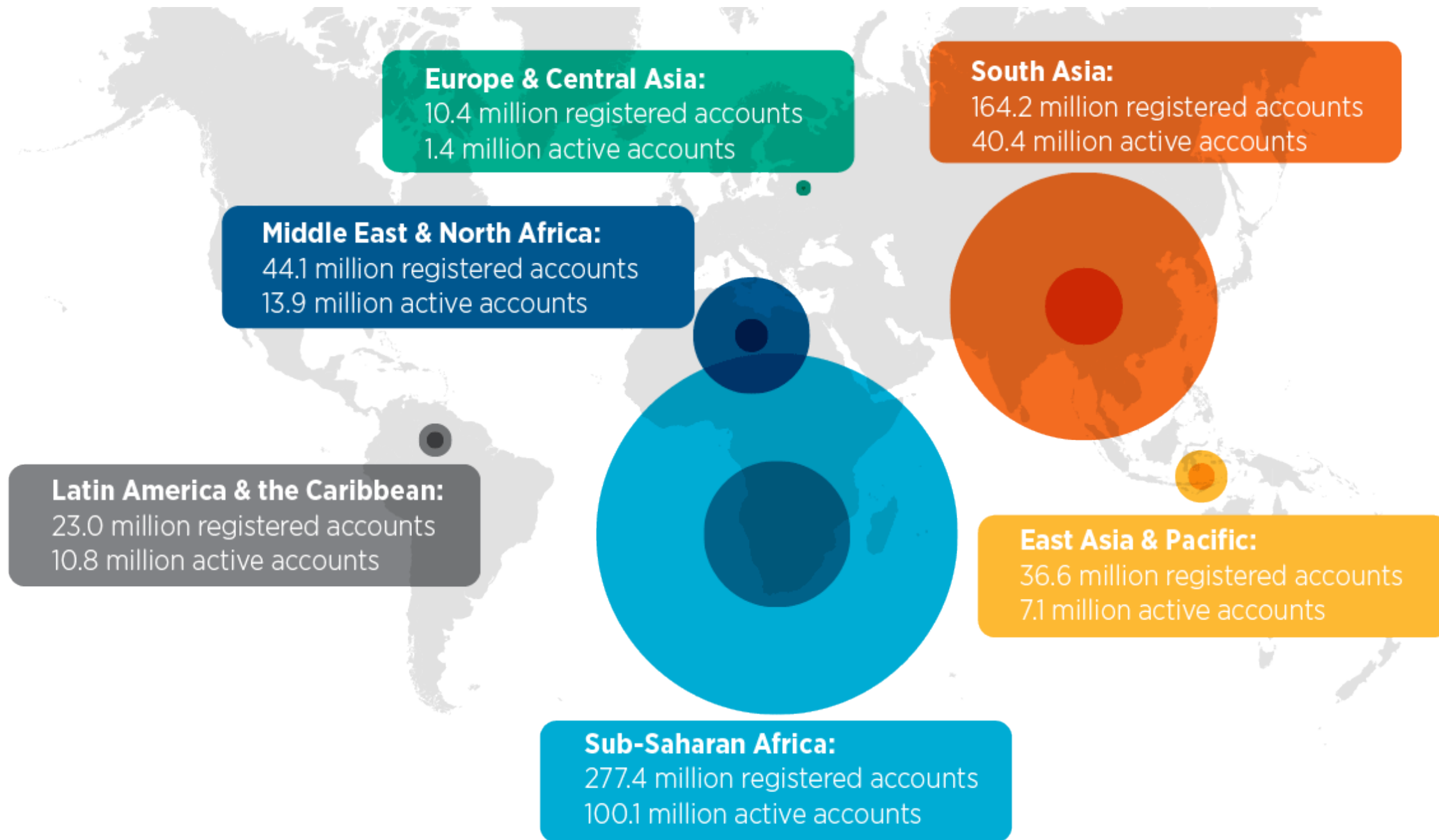
or more than **43 million transactions per day**

in December 2016





...not just in Sub-Saharan Africa





Mobile money play a key role in the pursuit of broader development goals

THE MOBILE MONEY INDUSTRY IS DIRECTLY CONTRIBUTING TO **11 OF THE 17 SDGS**



Mobile money reduces poverty, with promising gains for women

- M-PESA has helped as many as **194,000** Kenyan households climb out of extreme **poverty**
- M-PESA "graduated" **~185K women** to a higher economic level

Source: MIT/Georgetown

Mobile money propels international money transfers

The cost of **international remittances** using mobile money was, on average, more than **50% cheaper** than using traditional MTOs

Source: GSMA

Economic impact: formalizing payments, delivering transparency, and boosting GDP

Digital finance could add approximately **\$3.7 trillion** in additional annual economic activity by 2025



Source: McKinsey



Mobile money could become one of the key enablers of e-commerce payments in markets where it is well established

However in most emerging markets between 70% and 95% of physical goods purchased online are through Cash-on-Delivery

Challenges



INDUSTRY
FRAGMENTATION



TRUST



LAST MILE LOGISTICS



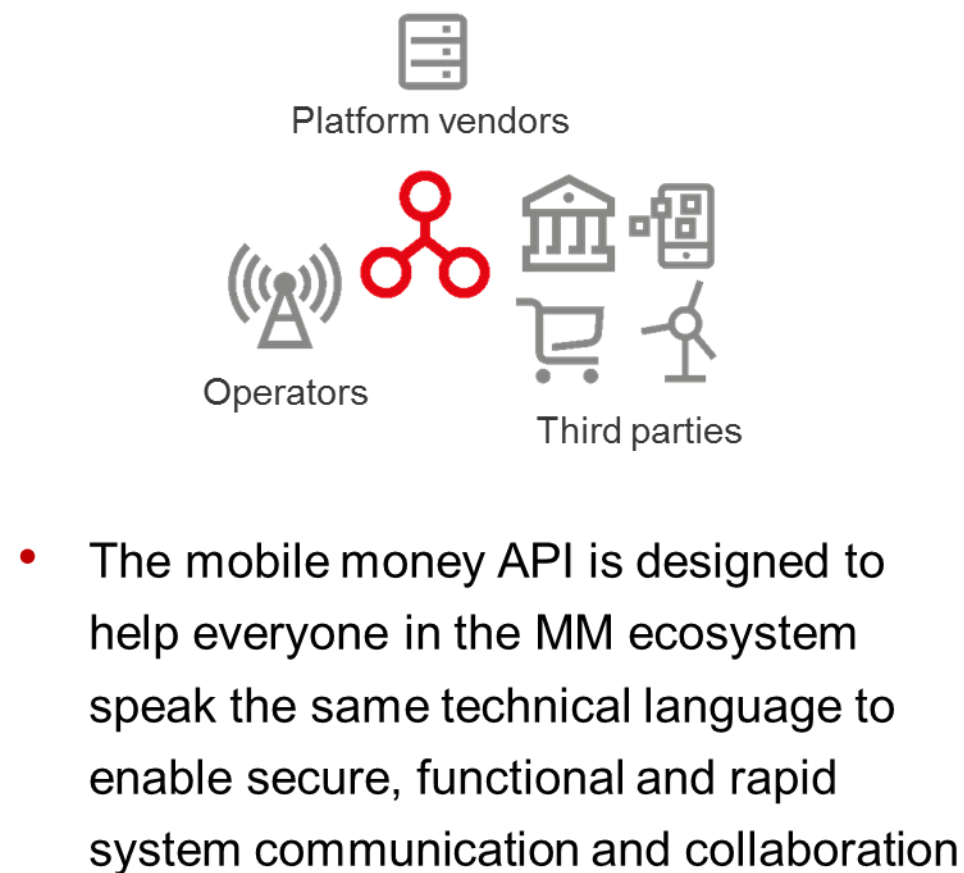


GSMA's Mobile Money team has partnered with key Operators, Platform Vendors and Third Parties to develop a harmonised industry API

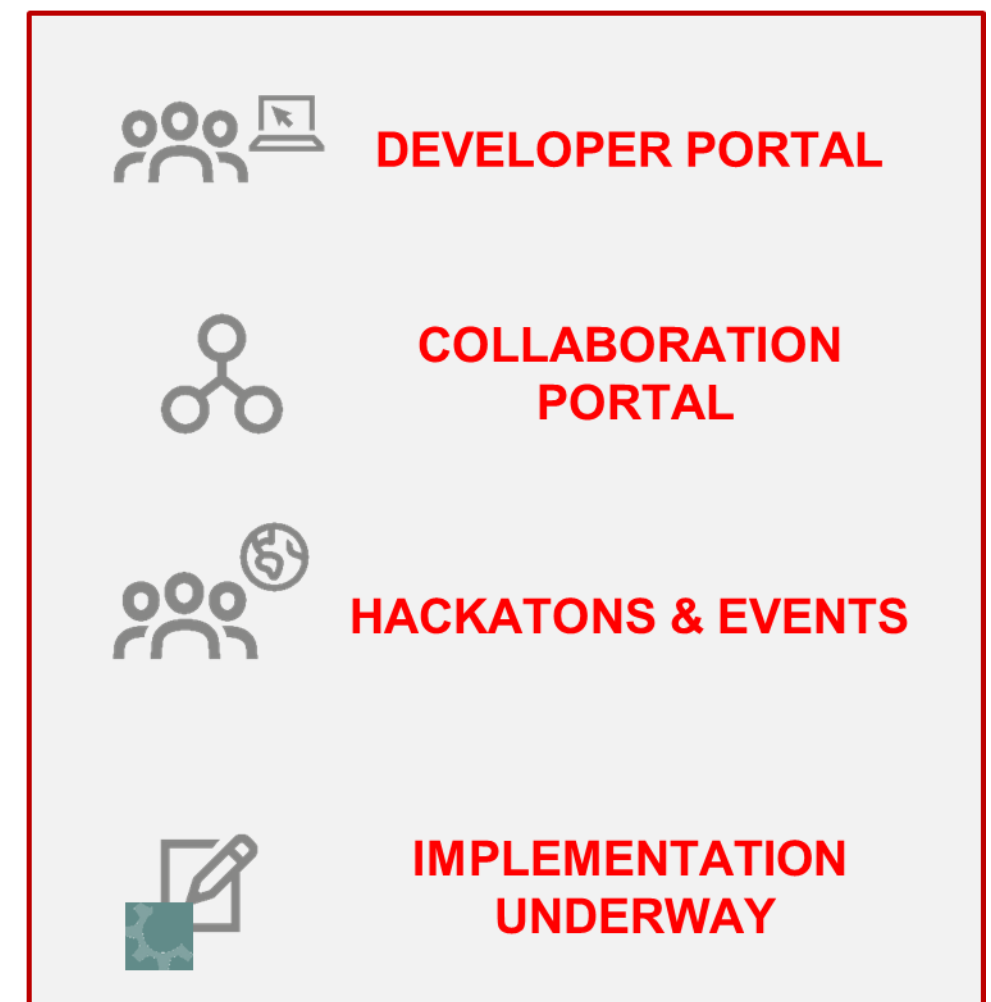
CURRENT SITUATION IN MOBILE MONEY INDUSTRY



HARMONISED MOBILE MONEY API



ASSETS & TOOLS





GSMA's mobile money team is working with key operators to improve the customer purchasing path

Simplified payment flow



- Poor mobile money payment user experience results in drop-offs. Users are often instructed to follow 8-10 step processes independently and are forced to enter numerous details creating multiple chances for error.
- **The payment flow can be simplified to a two-step payment process that can allow secure online purchases**
- Offering the option of **paying digitally on delivery**, via MM, can help improve customers' trust in e-commerce services and digital payments.

Leverage agent network



- Mobile Money operators are uniquely positioned to leverage their large agent networks and become trusted partners for both small and large online vendors.
- **Because of their extensive reach, this could be effective especially in smaller cities and rural areas to help improve last mile delivery**
- These pick-up points can serve as catalysts for **promoting different digital payment methods** at time of delivery. Money can be transferred seamlessly to vendor's accounts and agents can benefit from a new revenue stream.



Growth and success relies on enabling conditions



**DIGITISATION OF
GOVERNMENT PAYMENTS**



RURAL ACCESS



TAXATION



**ENABLING
REGULATION**



**CROSS-BORDER
PAYMENTS**



**ACCESS TO PAYMENT SYSTEM
INFRASTRUCTURE**





Thank you

