

## Apps for mobile money in emerging markets

### How will the growing penetration of smartphones in emerging markets affect mobile money deployments?

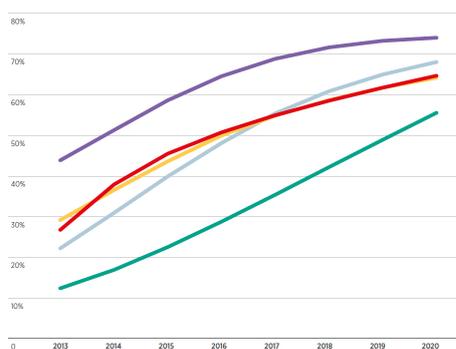
Once the exclusive domain of wealthy, developed markets, the smartphone has significantly evolved in recent years. Now smartphones are available across a range of prices, including entry-level handsets priced as low as US\$4.

The spread of smartphones through emerging markets give users unprecedented access to the mobile Internet and a more user-friendly way to access mobile money. Estimated to account for 56% of all connections in emerging markets by 2018, smartphones are changing the shape of mobile financial services.

“Smartphone adoption globally reached 45% of total connections (excluding M2M) in Q4 2015, and 40% in developing markets. By 2020, there will be 5.8 billion smartphones, a growth of 2.6 billion from the end of 2015, with more than 90% of that growth from developing regions.”

- The GSMA

Global Smartphone Connections and Adoption



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



#### Apps are one piece of the puzzle

However, while smartphone penetration is increasing not all users have access to them so basic feature phones will remain a vital entry point for years to come. Service providers should therefore ensure their services remain accessible to the wider client base.

As apps are one of the most important channels for users to interact with a mobile money service, it is essential that they are consistent with the USSD menu, SMS interactions, the web interface and the mobile money brand.

#### Two deployment possibilities for smartphone access

1. A web application accessed through the phone internet browser.

Pros: The workflow is similar to a standard application and is accessible through any OS.

Cons: The graphical capabilities are limited and the end user experience is not as smooth as with a smart application.

2. Through a smart application downloaded via an app store.

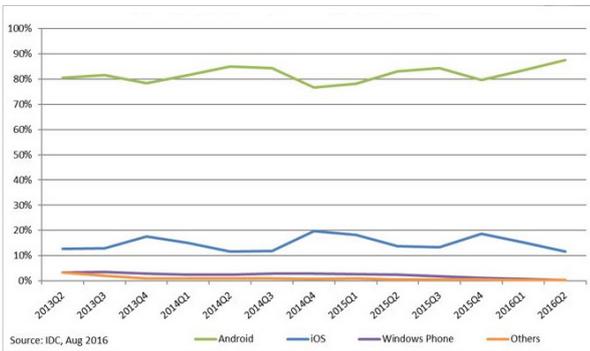
Pros: This provides the best end user experience.

Cons: This requires more implementation as each application is adapted to one platform only. The service provider should cater to the number of supported platforms versus customer’s coverage.

#### Smartphones and mobile financial services for the unbanked

Smartphones give service providers the opportunity to improve the user experience and promote new features. Non-intuitive user experience is highlighted as a barrier to wider uptake of mobile financial services. The smartphone app can address this, if designed intuitively and easy to use to overcome potential literacy and cultural barriers.

By investing in a smartphone strategy, service providers can ensure a sustainable service proposition despite emerging competition, develop more useable services to benefit a further reach of user and drive ecosystem volumes through more effective and adaptive interfaces.



Source: IDC, Aug 2016

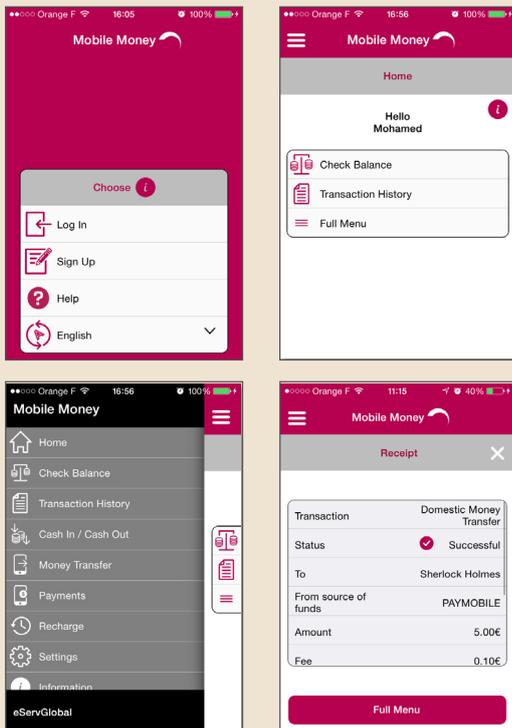
### The role of the OS

Android has the largest market share with more than 87% of smartphone users worldwide. In contrast, iOS has a worldwide market share of less than 12% of smartphone users, and has a higher penetration rate in developed markets due to handset price. However, iOS apps generally provide better graphical flow due to a limited number of screen sizes with Apple products. Windows, Blackberry and other have a much lower market penetration.<sup>2</sup>

eServGlobal recommends a mobile app launch with one application each for Android and iOS. The mobile app must be designed to balance 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 any mobile money launch.



### Apps for multiple user profiles

In a single mobile money deployment, feature sets need to be differentiated according to the actions of a particular user category. For example, an agent needs to have cash-in and cash-out features on their app, unlike a standard end-user for whom these are not applicable. The settings can be managed directly from the mobile money platform with automatic updates to the smartphone application.

We have identified three types of user segments:

#### Agents

Require an application which adapts to a feature phone and a laptop to enable:

- keyboard capabilities
- a graphical interface to provide information in a user-friendly manner to increase transaction 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.

#### Early adopters

Require a graphical interface which replaces the feature phone interface, making financial services easier to access, especially for low literate users.

#### Confirmed users

Require:

- an improved end user experience
- capabilities to use features such as QR code and NFC to enhance the payment experience, as these are not possible with feature phones
- integration with social networks to promote new services (community loans etc.) to increase transactions.

### About eServGlobal

We are eServGlobal. We are a pioneering digital financial transactions technology company. We enable financial and telecommunications service providers to create smoother transactions for their customers through deep technical expertise and rapid implementation.

We utilise the latest technology platforms, with the largest global reach, to offer a range of transaction services including digital wallets, commerce, remittance, recharge, rapid service connection and business analytics.

We combine more than 30 years experience, with an agile, future-focused mindset. We live by relentless progress. We push ourselves to be ahead of upcoming digital disruptions to continue to support our clients in futureproofing their businesses.