

ATMs and Mobile Money

The integration of ATMs with mobile money services to bridge the mobile and financial worlds.

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 mobile financial eco-system, quickens uptake of the service while dissolving many pain points that providers encounter.

Today, mobile money service providers are faced with two major challenges. Firstly, to provide an efficient, convenient and reliable way to cash in and cash out mobile wallets, and secondly to boost mobile money service usage.

Integrating ATMs into a mobile money service can significantly address agent cash liquidity issues, and makes services available 24/7.



24/7 availability



Complements the agent network



Benefits liquidity management

Benefits of integrating ATMs into a mobile money deployment

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

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. Integration with an ATM network can be an important step in complementing the agent network 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.

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.

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.

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.

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.

A large range of ATMs

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.

Take care of your agents

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.¹⁹ In June 2013, ATMs processed 1.5% of the total number of cash-ins to and cash-outs from mobile money accounts.

- GSMA, State of the Industry Report, 2013



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."¹

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 Paulo.

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.

¹ Global ATM Market and Forecasts to 2018, RBR Retail Banking Research, 2014