



**eco –
Pay mobile – reloaded**

The latest m-Payment Trends

Köln – March 18, 2011

- ▶ **4Ventures Profile**
- ▶ Mobile Payments Today
- ▶ Trends in the Market-Place



4Ventures - Profile

- ▶ ...is a **preferred business growth enabler** for venture companies and investors in **mobile, payment and software industries**.
- ▶ ... provides **advisory services** leveraging a proven growth approach for sustained success in the key areas of **Management Strategy, Go-To-Market Approach, Sales Execution, Agile Delivery and Investor & Partner Matching**.
- ▶ ...combines **entrepreneurial, blue chip and consulting experience** having worked **globally** for companies such as Vodafone, o2 Telefonica, mobilkom, Sybase, SAP, paybox, ukash, mpass, Arthur D. Little
- ▶ ... offers access to a **well-established network** of entrepreneurs, business experts and potential investors for each phase of development of your business.

- ▶ Eckhard Ortwein and Robert Abel - the founders of 4Ventures - turned startup **paybox** into the **trendsetting global mPayment service provider, selling it to Sybase / SAP** and supporting Sybase to become a global mCommerce leader.



4V enables sustainable growth by addressing challenges in five key areas

Investor/Partner Matching

- Investment Memorandum
- Target Candidate
- Term sheet
- Due Diligence
- Fair Deal

Agile Delivery

- Product Management
- Customer Requirements
- Product Backlog
- Release Plans
- Capacity Planning



Management Strategy

- Stakeholder Ambitions
- Market Segments
- Opportunities
- Differentiating Product
- Strategic Scenarios

Go-To-Market Approach



























- Branding Implications
- Critical Success Factors
- Business Objectives
- Tactics
- Go-To-Market Roadmap

Sales Execution

- Customer centric Processes
- Sales Expertise
- Staged Approach
- Sales Management
- Sales Execution



Our different views on Mobile Financial Services

Mobile Banking Services	Mobile Cards Services	Mobile Payments Services	Micro Finance Services	Mobile Remittances Services	Mobile Commerce
<p>Switches</p>  	<p>Postpaid</p>  	<p>Consortia</p>   	<p>Savings</p>  	<p>Hubs</p>  	<p>Contactless</p>  
<p>Multi Channel</p>  	<p>Prepaid</p>  <p>Билайн™ живи на яркой стороне</p> 	<p>Rollouts</p>   	<p>Credits</p>   <p><small>Bundesministerium für wirtschaftliche Zusammenarbeit und Entwicklung</small></p>	<p>Channels</p>   	<p>Services</p>   



- ▶ 4Ventures Profile
- ▶ **Mobile Payments Today**
 - ▶ Mobile Banking
 - ▶ M-Payments in Emerging Markets
 - ▶ M-Payments in Developed Markets
 - ▶ Mobile Remittances
- ▶ Trends in the Market-Place



Mobile Banking – Example: Standard Charter Bank - Singapore

Multi-Channel Self Service!

Life is such a Breeze.

TAGIT brings the power of mobile banking to StanChart customers. Breeze is the elegant iPhone app for people plugged into today's fast-moving lifestyle. It's simple, easy to use and secure!

Available on the App Store

Standard Chartered Breeze

see my money move my money

Thursday, 06 May 2010

i have S\$ 1,806,744.75

SDD PER CURRENT A/C 1119478402 S\$ 1,789,097.65

FCY TIME 2630191049 S\$ 17,647.10

i owe S\$ 21,326.27

VISA GOLD 50873280067591 S\$ 7,658.00

Standard Chartered offers

latest promotions

by category

by merchant

7 Sensations Restaurant

offer details

- 15% off total bill (Mon-Sat)
20% off total bill (Sun)
Additional 5% off with a minimum spend of \$100 (Sun)
Birthday treat: Free slice of cake

coupon

merchant

211 Roof Terrace Cafe

7 Sensations Restaurant

Aangan Restaurant

Admiral Bar & Grill

Al Qasr

Alhamra

Amirah's Grill Restaurant & Caf 

Anthony Hair Boutique

7 Sensations Restaurant

TH1515AB4RC003

Please present this coupon to 7 Sensations Restaurant upon your visit

16 Madras Street

Tel: 6298 8198

- 500,000 + app downloads from App Store
- Innovative eCheck function
- Location based Services and
- Credit card loyalty programs and promotions
- Location based couponing services
- Cross promotion with merchants
- Credit card rewards program

Supports all phones + all OS



mPayments in Emerging Markets – Example: mPesa Vodafone

**Processing:
\$500 Mio per Month**

Kenya

- Launched March 2007
- Over 13.5M registered customers
- Over 22K agents
- Over 300 paybill companies



Tanzania

- Launched April 2008
- Over 6M registered customers, 5K agents
- Growth last year 600%



Afghanistan

- Launched February 2008
- Full proposition – leading the way with salary disbursement




Fiji

- Launched June 2010
- Over 250K customers



South Africa

- Launched August 2010
- Banking partnership with Nedbank
- Largest Money Transfer outlet footprint in SA



Source: Vodafone



Mobile Remittances – Example: Western Union

Moving from Mobile to Digital Channels!

- 80K locations active for directed transfers in 48 countries
- wu.com activated in 5 countries
- 14 country agreements in place
 - 6 active in 5 countries: Philippines, Kenya, Malaysia, South Africa, Canada
 - 5 more countries in progress
 - 9 mobile operator-centric, 4 bank-centric
 - Over 130 M potential connections to subscribers/accounts

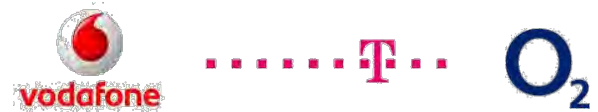


Source: Western Union



mPayments in Developed Markets – Example: mpass Germany

New Competitors in Google and Apple



	Digital goods „Direct to bill“		Physical goods		mpass @ PoS
			E-commerce	M-commerce	
Services	<p>„Pure“ mobile content e.g. ringtones</p>	<p>New digital content e.g. app stores</p>	<ul style="list-style-type: none"> ▪ Kleidung ▪ Bücher & CDs ▪ Elektronikartikel 	<ul style="list-style-type: none"> ▪ Bahntickets ▪ Kino- & Konzertkarten ▪ E-Books 	<p>Supermarkt Kiosk Fast Food Restaurant</p>
Payment Method	<p>Mobiles Bezahlen (no brand)</p>	 <p>Brand transfer on going</p>			
Benefit	<ul style="list-style-type: none"> ▪ Billing over phone bill ▪ No registration ▪ Useable for 70m mobile customer ad-hoc 		<ul style="list-style-type: none"> ▪ Direct debit ▪ Useable for 70m mobile customer ▪ 20m Postpaid customers are pre-registered ▪ Prepaid customer have to register ▪ Mobil/m-commerce: One click-shopping 		<ul style="list-style-type: none"> ▪ Direct debit / stored value account ▪ NFC trial in Q3
	since 2003		since 2009		since Q4 2010
	> 2011				

Source: Vodafone, Telekom and O2 Germany



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Smartphones integrating a SOcial, LOcal and MObile experience signal a tipping point for shopping behavior and the experience at the POS

SO-LO-MO + MO ?

Mobile Channel:

Enables remote payments and provides and aggregates access to profiles (such as cards)

Loyalty Channel:

Based on location or preferences (e.g. BlingNation, Groupon)

GPS: determine the geo location of the phone and enable an interaction with the user via an app (e.g. Foursquare, Facebook)

MOBILE

MONEY



LOCAL

SOCIAL

Card/NFC Reader: use as a POS payment terminal (e.g. Square, VeriFone, iCarte, ..)

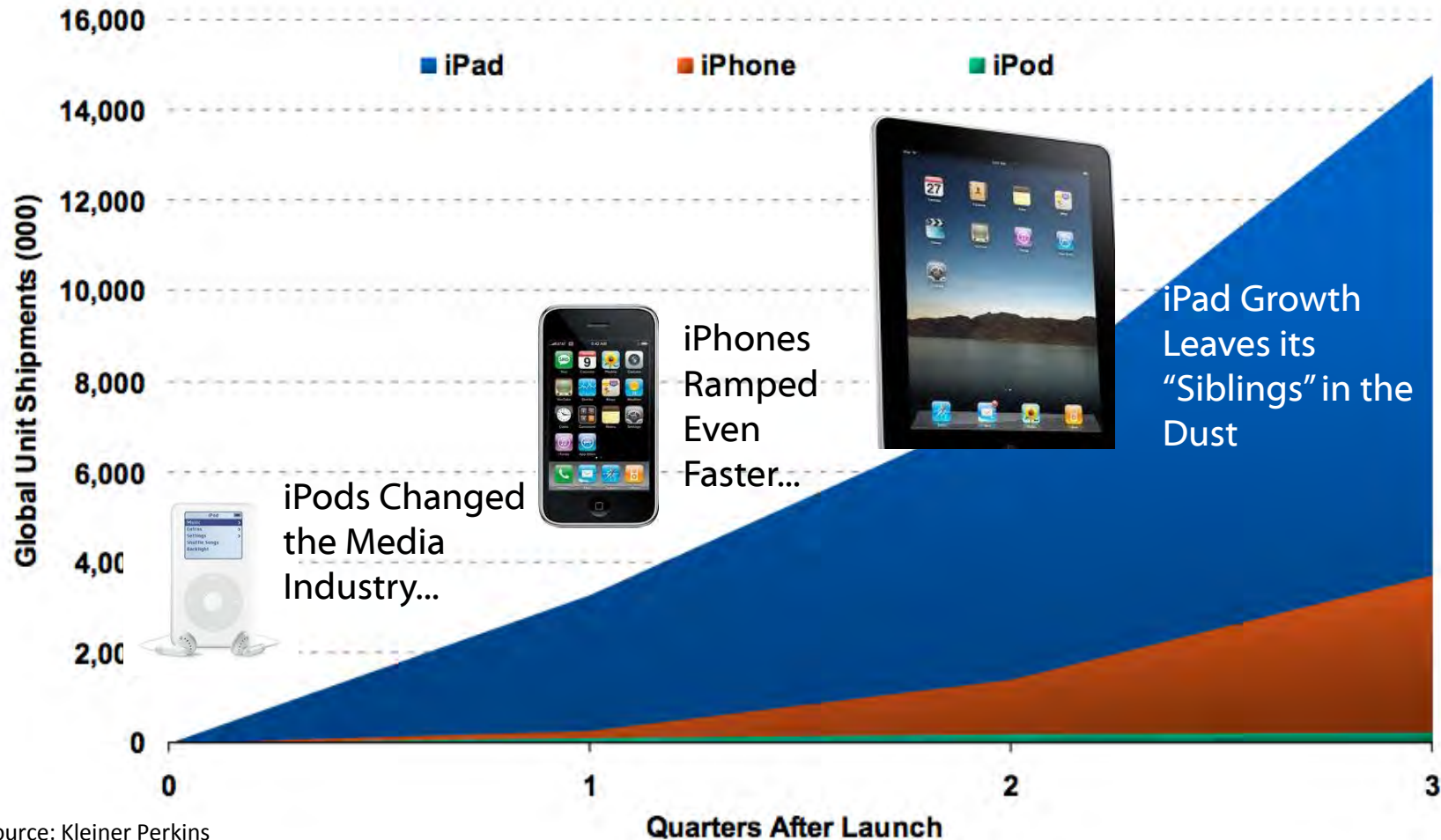
NFC Chip: use as a payment device, identity card or security device (e.g. iPhone5, Android Gingerbread)

Camera: use as a barcode medium for coupons or barcode scanner for product identification price comparison, in-store experience, loyalty (e.g. Starbucks, Amazon)



TREND - MOBILE PLATFORM HITS CRITICAL MASS

Adoption - Cumulative Unit Shipment First 3 Quarters



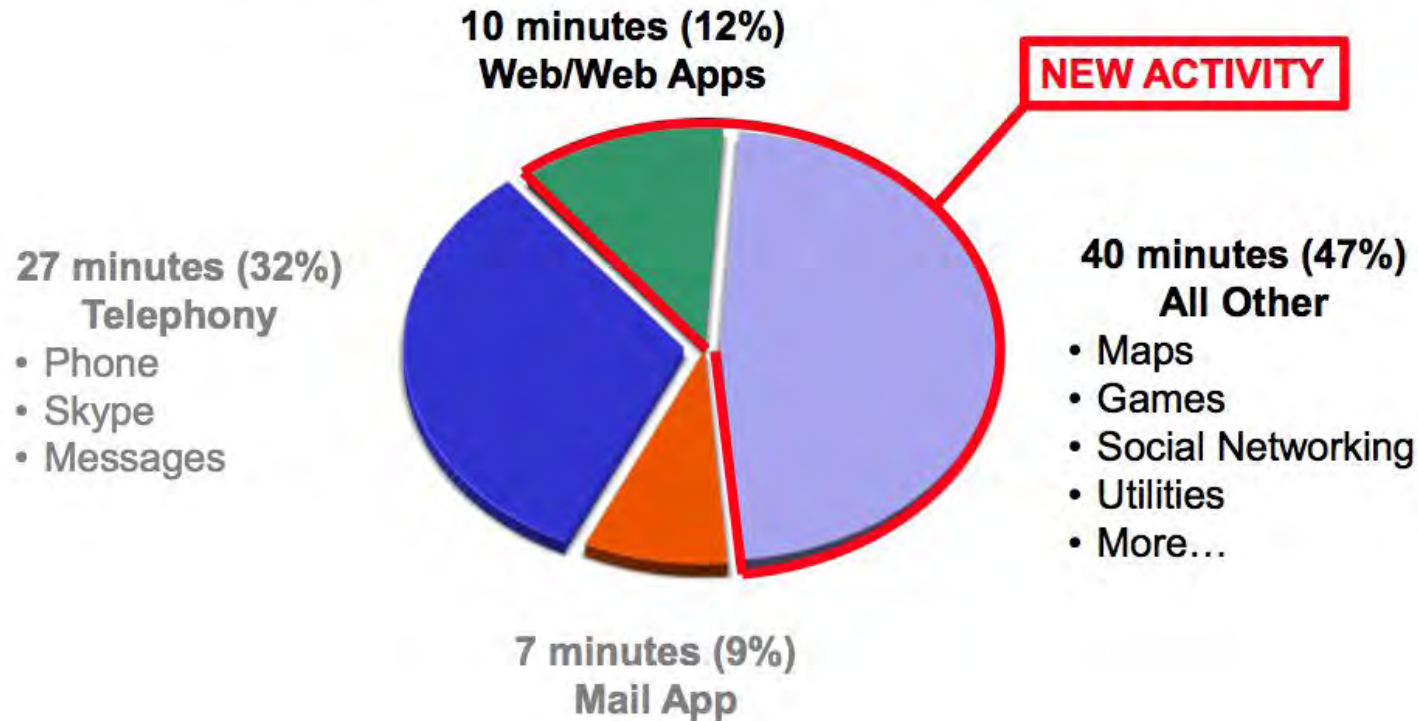
Source: Kleiner Perkins



TREND - TIME SHIFTING TO MOBILE USAGE

60% of Time Spent on Smartphones is New Activity for Mobile Users

Average Time Spent on Various Mobile Functions, 1/11



Source: AppsFire, 1/11.
Note that Android users show a higher % browsing activity.



TREND - M-COMMERCE CHANGING SHOPPING BEHAVIOR

Mobile Revolutionizing Commerce – With Constant Product Improvements

- **Location-Based Services** – Enable real-time physical retail / service opportunities
- **Transparent Pricing** – Instant local and online price comparison could disrupt retailers
- **Discounted Offers** – Deep discounts drive foot traffic to local retailers
- **Immediate Gratification** – OTA (over-the-air) instant digital product and content delivery

Location-Based Services
Shopkick iPhone App
Finds deals and offers
in your area



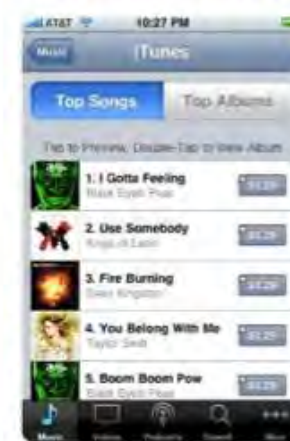
Transparent Pricing
ShopSavvy Android App
Comparison shopping among
online + local stores



Discounted Offers
Groupon iPhone App
Local Services
Up to 90% Off



Immediate Gratification
iTunes Store on iPhone
Music / video / apps
delivered wirelessly

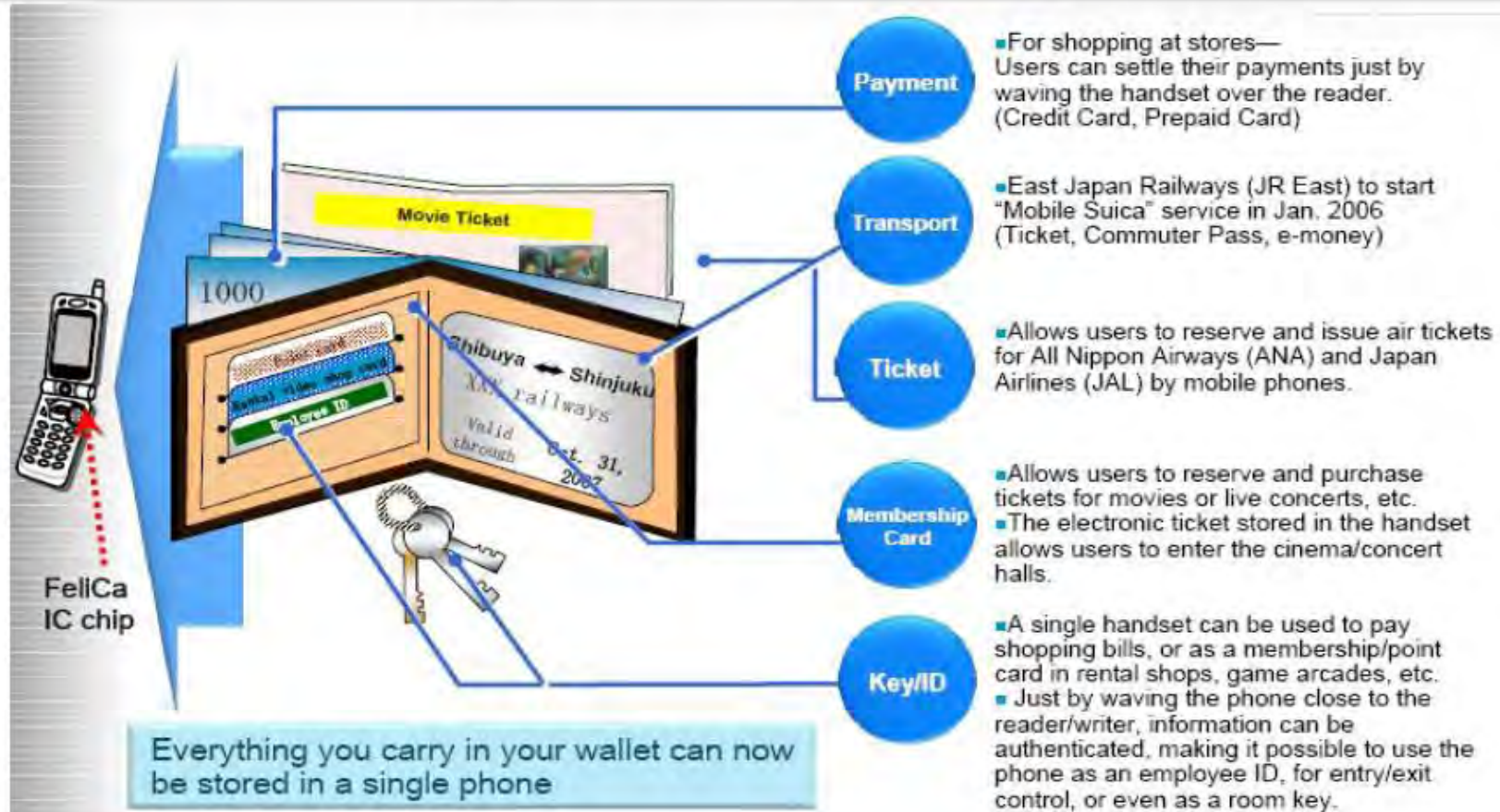


Source: Company Reports, Morgan Stanley Research.



What is the Money role in this equation?

Contactless Technologies in Japan are already part of daily lives

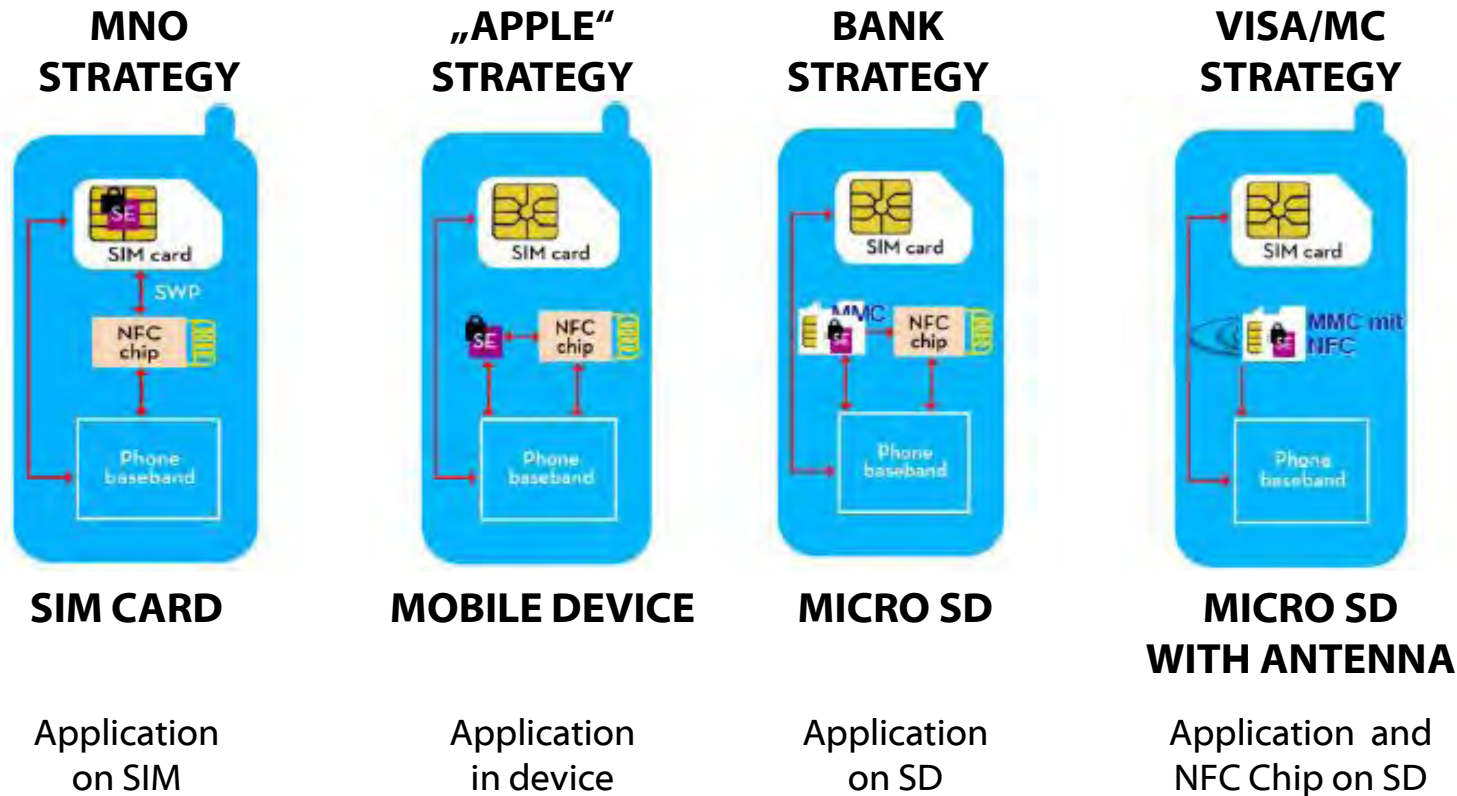


Source: Osaifu-Keitai, NTT Docomo



.. but how to replicate success in Japan if there are no agreed standards and ..

No standard - but many possible technical alternatives ...



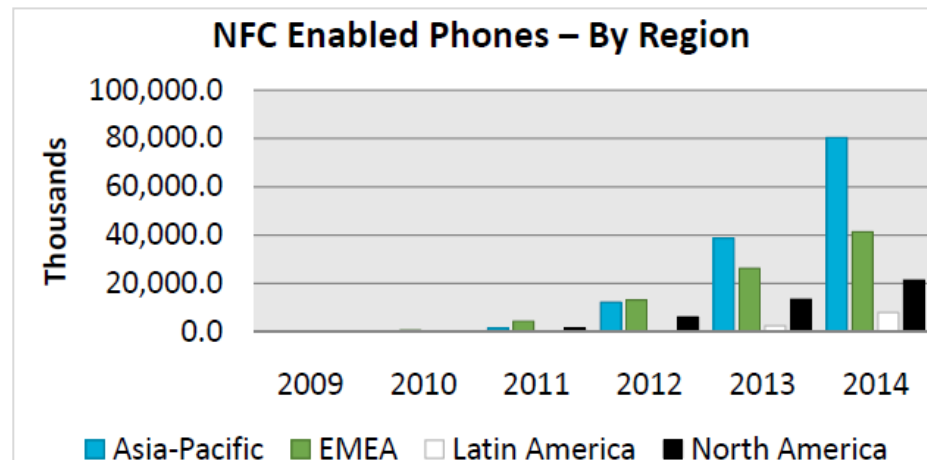
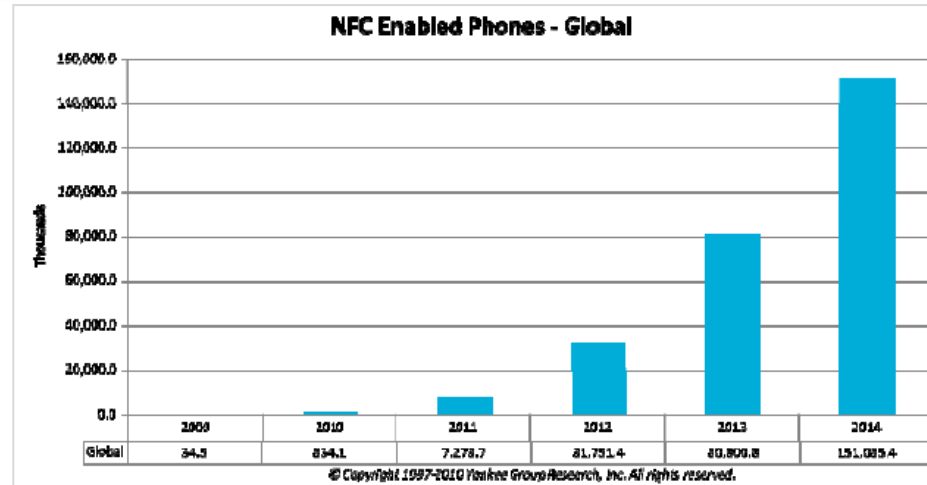
Source: VISA, 4V



... phones only become available slowly?

NFC-Enabled Phones: 3% global penetration in 2014 with focus on Asia

- ▶ From 2010-2014, smartphone penetration will rise from about 11% to 28% globally with 5,5 bn phones in the market in 2014
- ▶ Number of NFC-enabled phones will grow from 0.8 Mio in 2010 to 150 million in 2014 - representing a 3% of all global phones
- ▶ Asia will represent almost 50% of this focus
- ▶ Similarly, the value of NFC-based transactions will explode from \$27 million in 2010 to \$40 billion in 2014
- ▶ Google will propel the growth with POS subsidies



Source: Yankee Group, Google, 4V



Examples how to leverage Money Opportunities already today

Use intermediate technologies such as tags + barcodes to make it SO-LO-MO-MO

Bling + PayPal



- B2C in the USA
- Contactless Tag linked to phone
- Enabling Paypal Payment and Loyalty at the POS

▶ [Video Link](#)

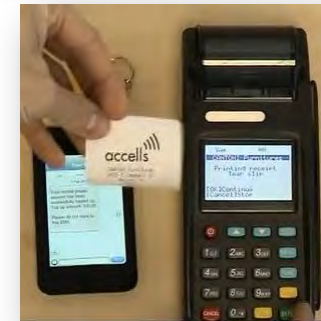


accells



- B2B2C approach in emerging markets
- Via a tag, turning any phone into a contactless key to access via low cost POS device any integrated 3rd party service and a built-in loyalty solutions

▶ [Video Link: Payment at the POS](#)



mpass



- B2C in Germany
- Contactless Tag linked to phone
- Enabling mobile marketing support for merchants, mpass Payment and Loyalty at the POS and



Starbucks



- B2C approach US
- Order upon entering into the Store via an iPhone app
- Present a barcode with payment information to the cashier and earn loyalty



Source: Company Information



TRENDS TO WATCH TO MAKE IT A FASCINATING DECADE

- **More Affordable** – Device and data plan pricing falling
- **Faster** – Networks and devices improving (owing to Moore's Law)
- **Personal** – Location / preferences / behavior
- **Fun to use** – Social / casual / reward-driven marketing
- **Access nearly everything anywhere** – „Stuff“ in cloud
- **Explosion of apps and monetization** – More and making more money
- **Measurable real-world activation** – Diving foot traffic to physical stores
- **Reward / influence behavior in real-time** – for exactly the right people



Thank you – please contact



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