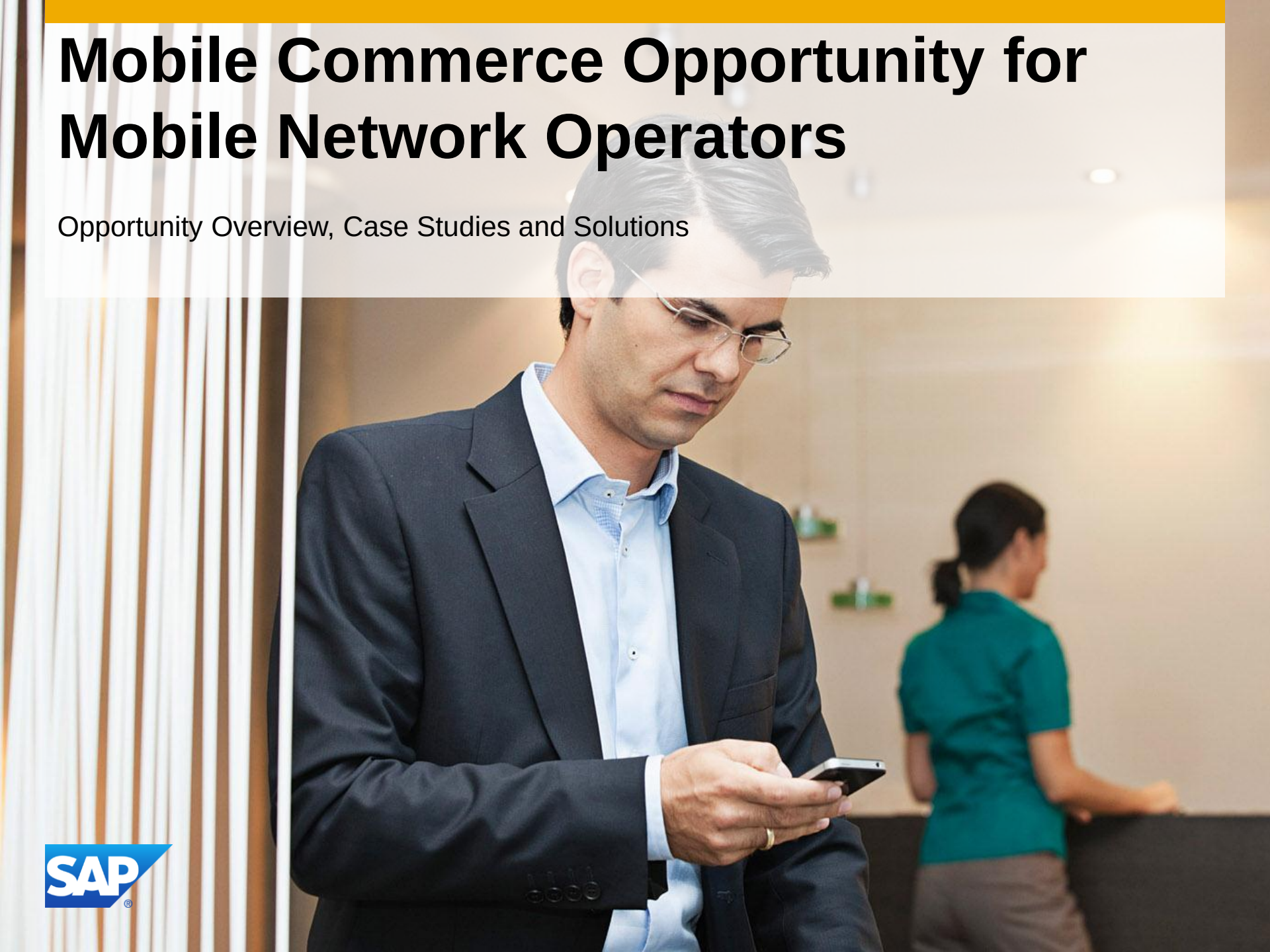
Mobile Commerce Opportunity for Mobile Network Operators

Opportunity Overview, Case Studies and Solutions



Agenda

Industry and Market Trends

SAP's Mobile Commerce Solutions

What are SAP Customers Doing Today?

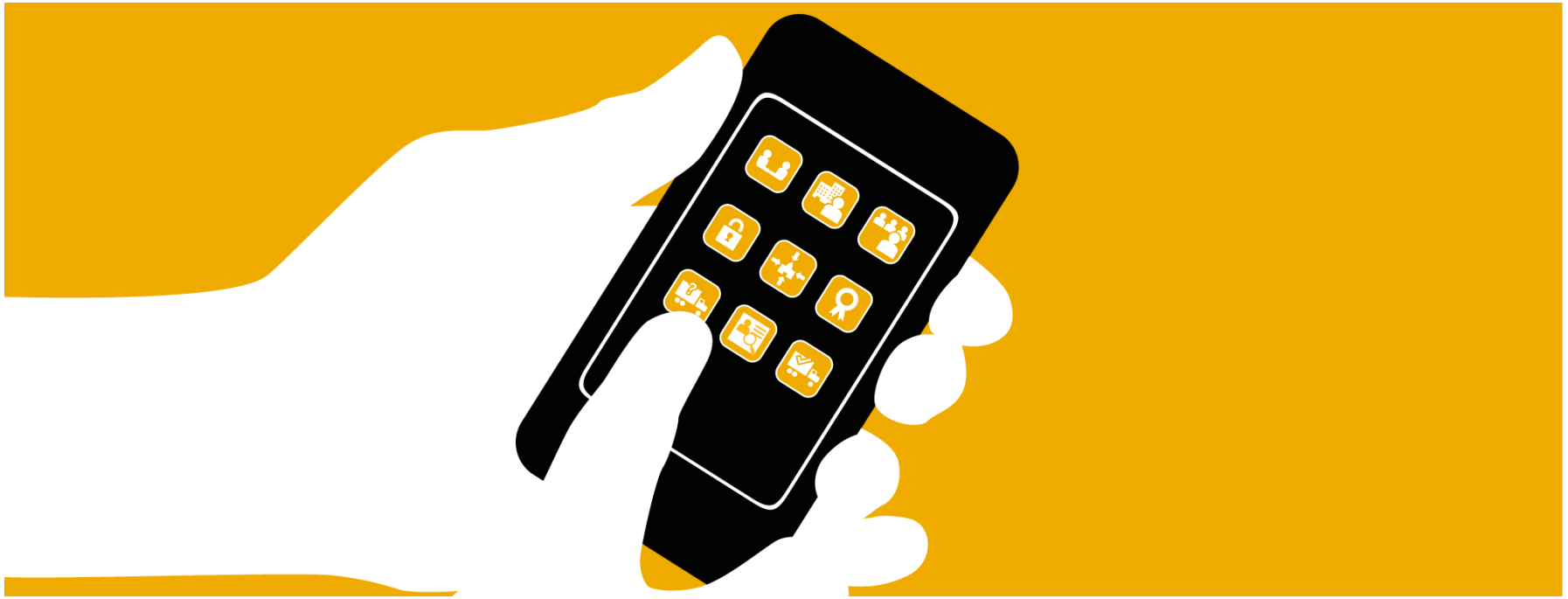
Summary

© 2012 SAP AG. All rights reserved.

Industry and Market Trends

What we do with our mobile devices is changing…

Applications	Purchases	Payments	Banking
25 billion+ mobile applications downloaded to date	400 million+ mCommerce users worldwide today	Remote digital payments for goods and services totaled $167B in 2010, and predicted to exceed $633B by 2014	In developed markets 17% of all people with a bank account will bank via mobile device by 2015



© 2012 SAP AG. All rights reserved.

A day in the life with Mobile Commerce

A day in the life…

7:00am
Buys rail pass on the way to the station, avoiding lines at ticket counter

7:09am
Gets a soda from a vending machine at the station

7:32am
Gets an alert to pay credit card. Uses mobile banking to check account balance and then bill pay

8:20am
Goes to meet a client and pays for parking using mobile phone

11:00am
Leaves meeting and looks up directions to nearest gas station

11:32am
Fills car with gas on the way back to the office, pays by phone

12:24pm
Orders lunch for the whole office and pays via mobile phone. Colleagues contribute phone to phone

1:49pm
Buys insured theater tickets for the following week, knowing money will be refunded in the event of illness

3:00pm
Remembers anniversary. Orders gift via phone and has delivered to office

4:11pm
Decides to take a cab to next meeting, but first buys cappuccino at mPayment coffee shop. Pays for cab with mobile phone

6:26pm
Invites clients to dinner at mPayment-enabled restaurant

9:17pm
Pays for client cab back to hotel with mobile phone

© 2012 SAP AG. All rights reserved.

And then there is the Unbanked..

Here the current generation will never step into a bank branch as we know it. We have over 1 Billion consumers that have access to a mobile phone, but no access to formal financial services

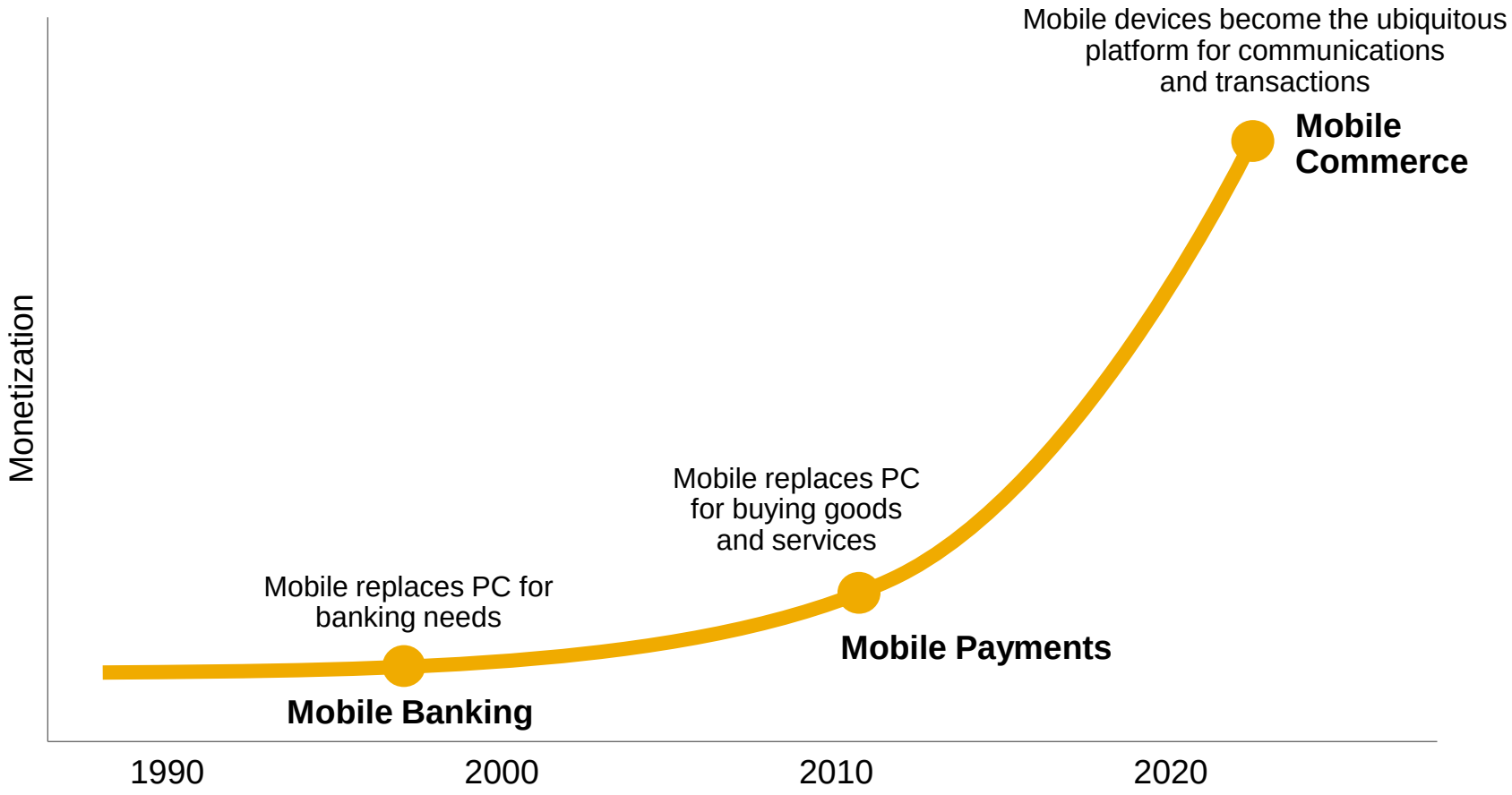
© 2012 SAP AG. All rights reserved.

The Eco System players are not waiting…

© 2012 SAP AG. All rights reserved.

The mobile economy imperative

The evolution of the mobile economy is now at an inflection point



© 2012 SAP AG. All rights reserved.

SAPs Mobile Commerce Solutions

A global footprint of deployments

© 2012 SAP AG. All rights reserved.

SAP's Mobile Commerce Solutions

Adaptable Mobile Apps

Solutions

Customer Success

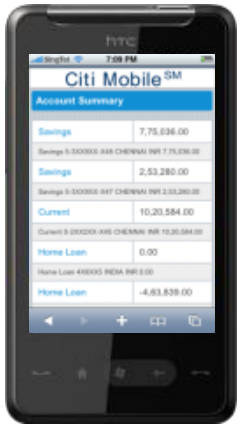
- Interoperability
- Business consulting
- Support for all mobile channels
- Integrated mobile marketing
- Embedded business intelligence

© 2012 SAP AG. All rights reserved.

SAP's Mobile Commerce solution supports all mobile channels for maximum reach

Multi-channel support: SMS/USSD, mobile browser and downloadable phone clients

SMS/USSD for interactive services



Mobile Internet for browsing experience

Downloadable App as rich client interface

NFC apps on enabled phones

SMS-driven non-NFC use cases for all phones

© 2012 SAP AG. All rights reserved.

What are SAP customers doing?

Case Studies: Mobile Payments

Paybox, Austria

Corporate Banking

Serves consumers and small to mid-sized business

mBanking offer enables corporate and business banking customers to use their mobile devices to:

- Postpaid subscribers are signed up automatically and pay via their phone bill
- Other subscribers sign up online and pay via direct debit to bank account (offline process)

Vodafone and O2, Germany

mPayment standard initiated by Vodafone and O2, other operators invited

- Sign-up for all postpaid subscribers via opt-in
- Any other subscriber can sign up online

Payment processing via direct debit through PSP with banking license

Focus on secure online payments, mCommerce, NFC

Singtel, Singapore

MobileP@y allows you to make payments or purchases via your mobile phone

The subscriber's mobile phone is linked to a credit/debit card account

The Land Transport Authority (LTA) is the first merchant that utilises MobileP@y for consumers' convenience

VimpelCom (Beeline), Russia

Standard visa classic debit card linked to mobile phone balance

Cash out at ATM, POS purchases, online purchases

Remote card ordering and delivery process:

Plastic cards delivered by mail

Virtual cards delivered by SMS to subscribers' phones

Qtel, Qatar

Mobile wallet solution

Collaboration with QNB

USSD Based Service

- Cash in/cash out
- Airtime TopUp
- International remittance

Celcom, Malaysia

Incumbant and largest Malaysian operator

Mobile payment proposition with USSD interface including TopUp, P2P, remittance, bill payment

Proximity payment with RFID sticker linked with the Aircash wallet.

© 2012 SAP AG. All rights reserved.

Case Studies: Mobile Payments

Telefónica Digital

Will be launched in 8 countries in Latin America and Europe

Banking for the unbanked in LATAM and international remittances to LATAM

Advances financial services for banked population all over Europe

Internationally interoperable wallet

Focus on one application, one registration process

Telefónica Wanda Movil

Launched in Argentina and expected to rollout across other LatAm countries

Services for the unbanked /underbanked in LATAM

Simple Registration process

USSD based menu structure *116#

Cash-In, Cash-Out, P2P, AirTime TopUp, Bill Payment

Axiata Groups, Asia

Rolling out remittance solutions across the Axiata Group

Globe - Philippines, XL – Indonesia, Dialog - Sri Lanka, ROBI – Ban gladesh, and Celcom – Malaysia

Service include Internation P2P. International Airtime tranfsfer. Bill Payment terms

Lebara Mobile

Launching with Lebara in the UK initially

Login & Register new Customer

Airtime TopUp own MSISDN

Airtime Remittance via Transfer-To

Remittance via MoneyGram

.

DDBL Bank, Bangldesh

Finncial inclusion solution for underbanked /unbanked
No need to open a traditional account
Register at bank or MNO with an initial deposit
Cash-in, cash-out, BIll Payment, Remittance disbursement
Other services: salary disbursement, airtime TopUp, funds transfer

MOBIKASH. Kenya

Independent of Mobile Network Operators
Linked to the Banks, MFI & SACCOs
Remote Bank A/C Opening, Remote Bank Loan Application
Payments
Scratch Card Based
Focus on SME
Street Agents- anywhere, anytime,

© 2012 SAP AG. All rights reserved.

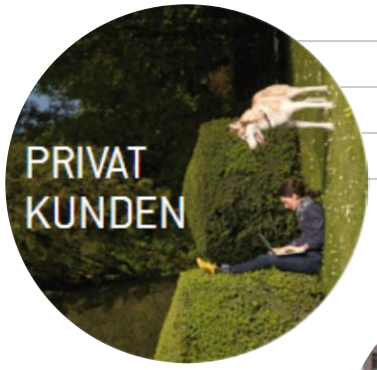
paybox Austria: Over ten years of user-friendly mobile payment

Over ten years of payment via the mobile phone

Paybox is the leading mobile phone payment system in Austria.

- Paybox works from every mobile phone
- Serves all Austrian mobile networks
- Convenient and easy to use
- Over 4 million customers pay for goods and services with their electronic wallet, the mobile phone

Paybox AG merged with the A1 Bank AG in April 2011



Shopping
Public transport
Lotto
Vending machines

Reduced costs
Little effort
Transparent

Secure
Comfortable
Flexible

© 2012 SAP AG. All rights reserved.

mpass Germany: Open standard with minimum activation barriers

Postpaid subscribers just have to opt-in to be activated (data provisioned from operator system)

mpass | Vodafone | O2

Internet Merchants

m-Commerce Solutions

NFC Solutions

Vodafone — **Sybase 365** — **O2**

mpass | Vodafone
8 mio. VF postpaid customers with direct debit billing relationship VF prepaid customers and other customers can sign up for service

mpass | O2
5,5 mio. O2 postpaid customers with direct debit billing relationship

O2 prepaid customers and other customers can sign up for service

Services are interoperable across operators (supporting multiple issuers and multiple acquirers)

O2 | Vodafone | T-Mobile

© 2012 SAP AG. All rights reserved.

QTEL: Mobile Money

Financial Services like remittance and P2P now available to the underbanked and unbanked from any phone via USSD

Qtel Mobile Money Service

- USSD based service
- In collaboration with Qatar National Bank services

Services

- Cash in/cash out
- P2P transfers amongst Qtel subscribers
- Hala prepaid TopUp
- International remittance to the Philippines and Pakistan

Other Services

- Cash in at self service machines
- Merchant payments
- Services for business, e.g. salary disbursements

© 2012 SAP AG. All rights reserved.

Singtel's mobilep@y: mPayment system for merchant payments

Consumers buy a daily road toll ticket via SMS

© 2012 SAP AG. All rights reserved.

Vimpelcom: Alfabank-Beeline card

Beeline customer can request a card against their mobile phone balance, or pay with their mobile phone balance

RuRu Payment Service

- Beeline subscribers can use prepaid account
- Request Standard Visa Classic Debit Card linked to MobilePhone Balance
- ATM cash out, POS purchases, online purchases
- Multitple payment services enabled via RuRu: phone bills, TV, loan repayment, remittance, utility bills, fines

© 2012 SAP AG. All rights reserved.

Celcom Aircash: User experience via USSD

Subscribers can buy airtime, pay bills and transfer money via a USSD menu

Add money
(AirCash IN)

Send money – Overseas
(International Remittance)

Manage Account –
Check Balance and
Transaction History

Send Money – Local

Reload Prepaid Airtime

Withdraw Money
(AirCash OUT)

© 2012 SAP AG. All rights reserved.

Telefónica Digital: Mobile Wallet

A mobile financial services platform that reaches across global markets and can be fine-tuned for local regions.

- Banking services for the unbanked and banked
- Available to 600 million people in 26 countries across Europe and LATAM
- International Remittances
- Application available through USSD menu or in all app stores for direct download
- Focused on simplicity and interoperability

Services

- Domestic and international P2P money transfer
- Financial account information
- Online merchant purchases and in-shop payments via NFC
- Buy tickets and receive coupons

© 2012 SAP AG. All rights reserved.

Telefónica: Wanda Movil

A mobile financial services platform launched in Argentina and can be fine-tuned for local regions.

WANDA MOVIL SERVICE

- Mobile Financial Services for the underbanked and unbanked
- Launched in Argentina, on track for other LATAM countries
- Application available through USSD menu
- Focused on simplicity and interoperability

SERVICES

- Cash-In, Cash-Out,
- AirTime TopUp,
- P2P Transfers
- Bill Payments

© 2012 SAP AG. All rights reserved.

Summary

The mobile payment opportunity

Create new services to mobilise payments, top-up and purchase content

Mobilising Payments

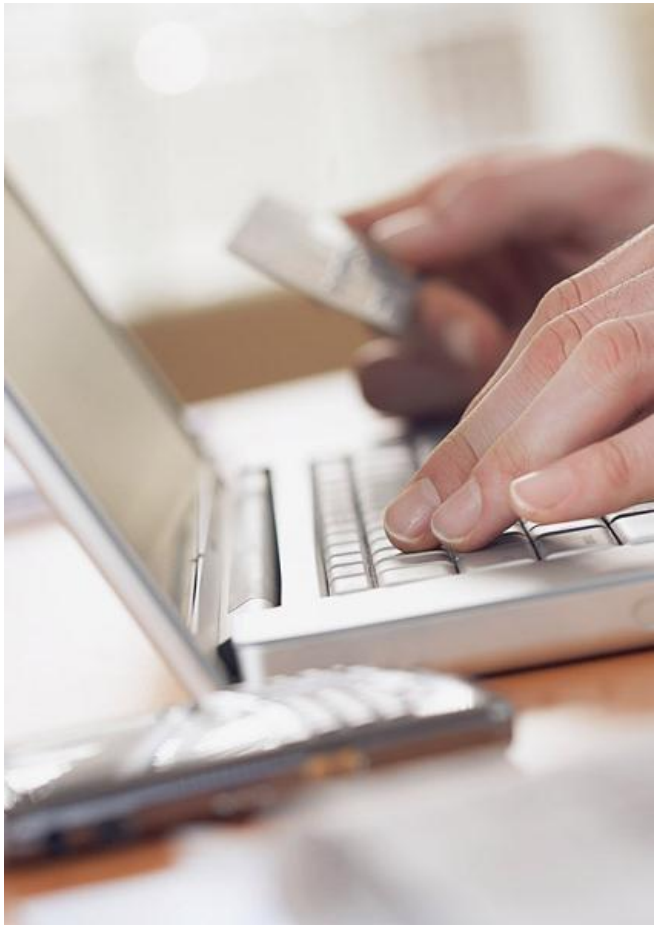
Simplify subscribers' mobile lifestyles at any merchant point and with any peer relation by creating and supporting open mobile payment standards

Mobilising TopUp

Optimise distribution costs and distribution transparency for virtual goods including airtime or credits, and provide convenient top-up mechanisms via any channel

Mobilising Marketing

Interact with subscribers directly and effectively via the mobile device managing the user experience along the entire customer development lifecycle



© 2012 SAP AG. All rights reserved.

Mobile Commerce Guide 2012

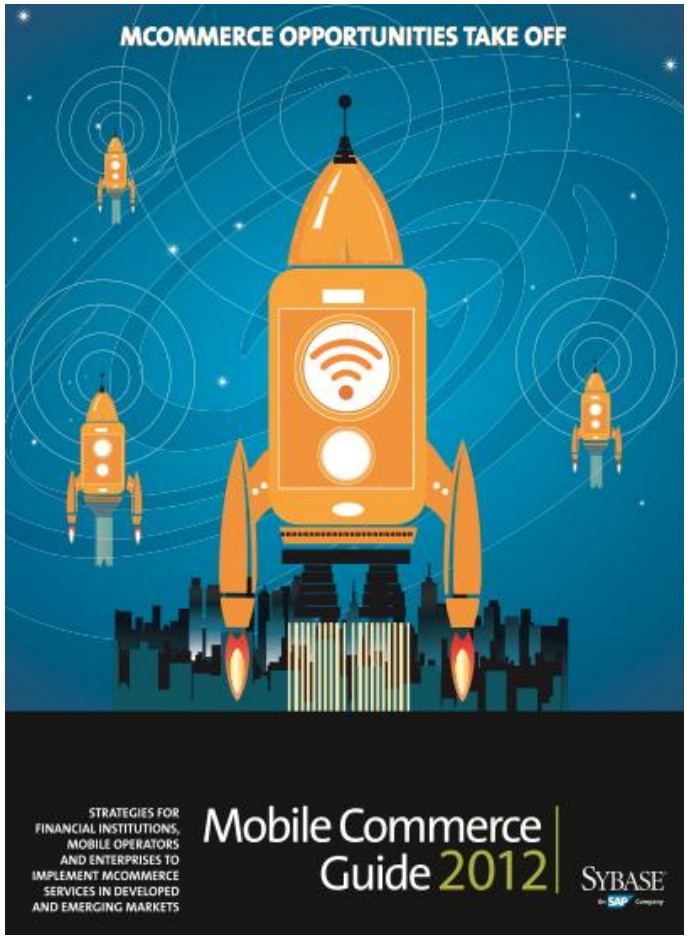
Get your complimentary Mobile Commerce Guide 2012: Strategies for Financial Institutions, Mobile Operators and Enterprises to Implement mCommerce Services in Developed and Emerging Markets

The second edition of the Mobile Commerce Guide features a compilation of industry thought leaders and innovators examining the best practices and lessons learned from mobile commerce deployments. The guide will help readers better understand mobile commerce strategies, deployments, opportunities and current challenges.

Contributions include: Citigroup, Royal Bank of Canada, GSMA, Globe Telecommunications, IBM, Citizens Bank, Dutch-Bangla Bank, Informa Telecoms and Media, Mobey Forum, Telefonica, TowerGroup and the Mobile Marketing Association.

Get your copy here:

www.sybase.com/mobilecommerceguide



© 2012 SAP AG. All rights reserved.

Matthew Talbot
SVP, mCommerce
Matthew.talbot@sap.com
talbot_sybase