



From Mobile Payments to Mobile Banking

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About Me

10+ years of experience in mobile payments & mobile marketing (Voxline, Piconet and since 2012 with Breeze Mobile, part of Leo Burnett Group Romania)

Premium SMS transactions in 2003 for digital content and online services

Mobile Payments in 2005 with Orange, then extended to main mobile operators

Micropayments with main mobile operators

First mobile apps in 2004, before App Store

Orasul Meu **app awards** at Mobilio and Mobile Awards Romania

Most **downloaded app brand** in Romania Redescopera Romania

Best Mobile Marketing Campaign in Romania at Mobile Awards Romania 2013 for Samsung with Breeze & Starcom



Mobile payments in Romania

Mobile in Romania

Mobile banking in Romania



Mobile Payments In Romania 10 Years Ago

Premium SMS replacing Premium IVR

Very high operators fee allowed only business with very high margin

Digital content, mobile content, online services (classifieds, memberships), donations

Easy to use, limited value (max 3USD) per transaction



Mobile Payments In Romania 5 Years Ago

M-payments offered by main operators

Fixed fee, lower than premium sms fee but still higher than CC processing fee

Online services, utilities (parking, DTH subscriptions), digital goods (software, VOD, e-books), physical goods

Easy to use by SMS, limited value (max 20 Euro) per transaction



Mobile Payments In Romania Today

Premium SMS – decreasing

M-payments – flat

Micropayments – increasing

Most transactions done by internet users

Difficult to estimate market, total transactions / year around 10 mil Euros

At least 1/3 of Romanian people used mobile payment



Mobile Payments In Romania Today

Driven by entertainment and utility

Online games including Facebook major drivers

Parking is the main utility

TPark recorded about 1 million parking hours paid via mobile in 2012, next year estimates 100% increase

Classifieds still an important sector



Mobile Payments In Romania Tomorrow

Is not about the technology, but the ecosystem

New technology needs adoption and education

Mobile applications will replace online driven transactions

Mobile operators will keep playing a major role, but will have to fight alternative challenges – application stores already eating from their old mobile content revenue stream

Opportunities for those able to build an ecosystem with alternative mobile payments solutions





Worldwide Mobile Payments

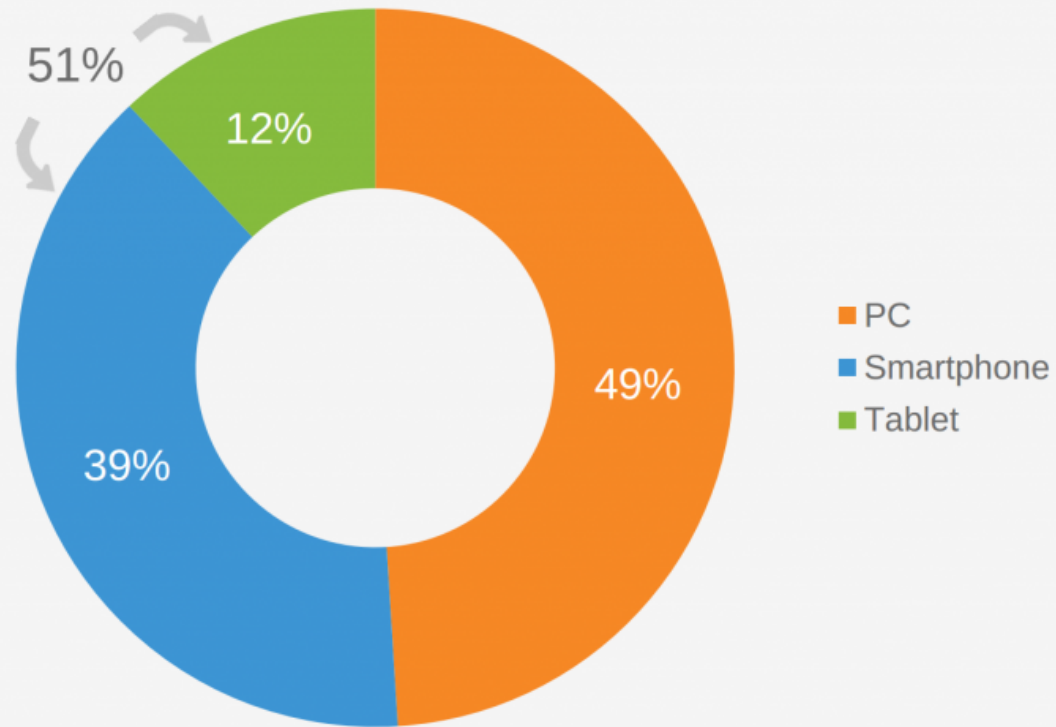
Worldwide mobile payment transaction values will reach USD 235.4 billion in 2013, a 44 percent increase from 2012 values of USD 163.1 billion - Gartner



Time Spent On Mobile Devices

Time on Smartphone and Tablet includes both mobile browsing and time with apps

Share of Monthly Online Minutes (% Comp)



Source: comScore Media Metrix Multiplatform April 2013; comScore Mobile Metrix April 2013



Mobile Revolution. Finally Here!

Fastest growing digital medium, 2013 being the turning moment.

The medium with the **largest** penetration: 112% mid 2013 in Romania.

The **closest** relation human-device ever.

The **absolute** medium to access internet. 56% active mobile internet connections in 2013.



2013, Or Witnessing The Big Switch

Over 9 million active mobile web users, almost 7 million broadband

55% active mobile Facebook users

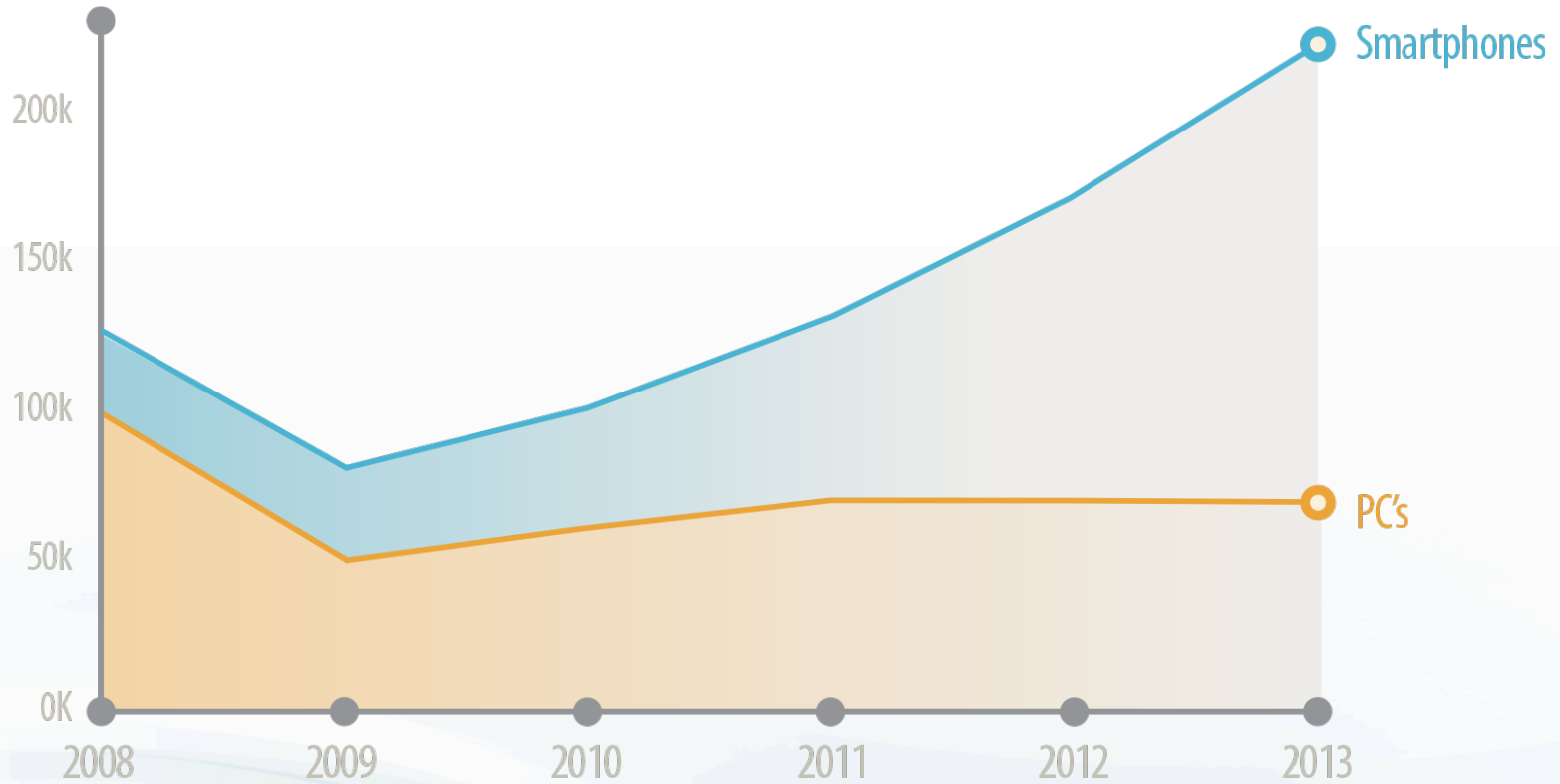
1 of 7 Google searches from mobile

One third of traffic comes from mobile devices for earlier mobile optimized publishers

30% smartphone penetration in 2013



Local Shipments



Smartphone Usage Is Becoming King

70% smartphone users **browse** daily compared to 74% desktop users

91% smartphone users **search** info

34% have done a mobile **purchase**

32% watch **videos** daily

26% used at least once online banking or other financial activities

17 apps installed in average, 8 apps used in the last month

Google Study



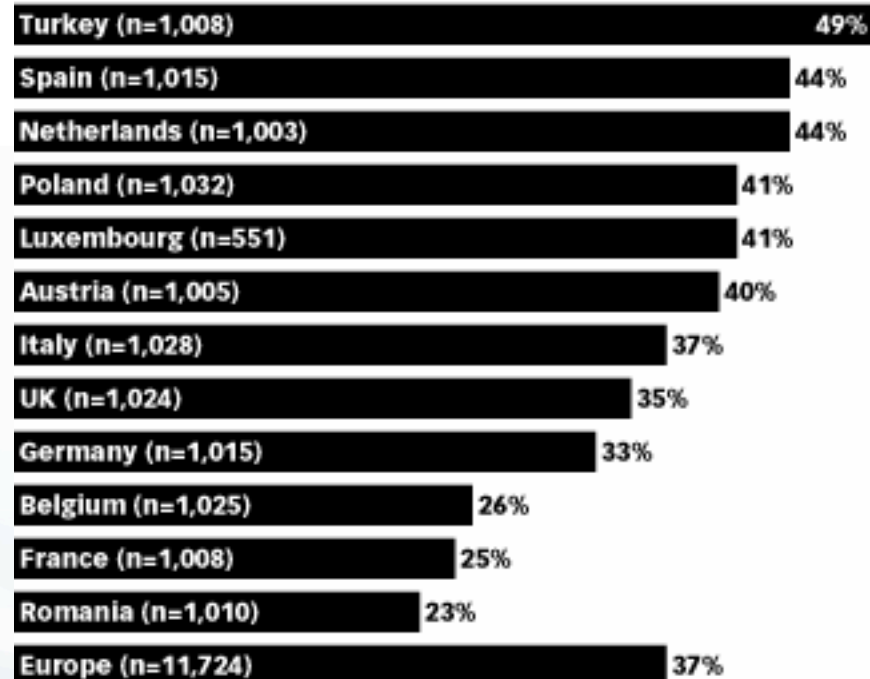
Right Now The Smartphone Community Is The Size Of Facebook



Mobile Banking In Romania

Mobile Banking Users in Select Countries in Europe, by Country, May 2013

% of internet users in each group



Source: ING, "Financial Empowerment in the Digital Age: Mobile Banking, Social Media and Financial Behavior" conducted by Ipsos, July 1, 2013

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www.eMarketer.com





Mobile Banking In Romania 10 Years ago

SMS Alerts

SIM Card app





Mobile Banking In Romania 5 Years Ago

SMS Alerts

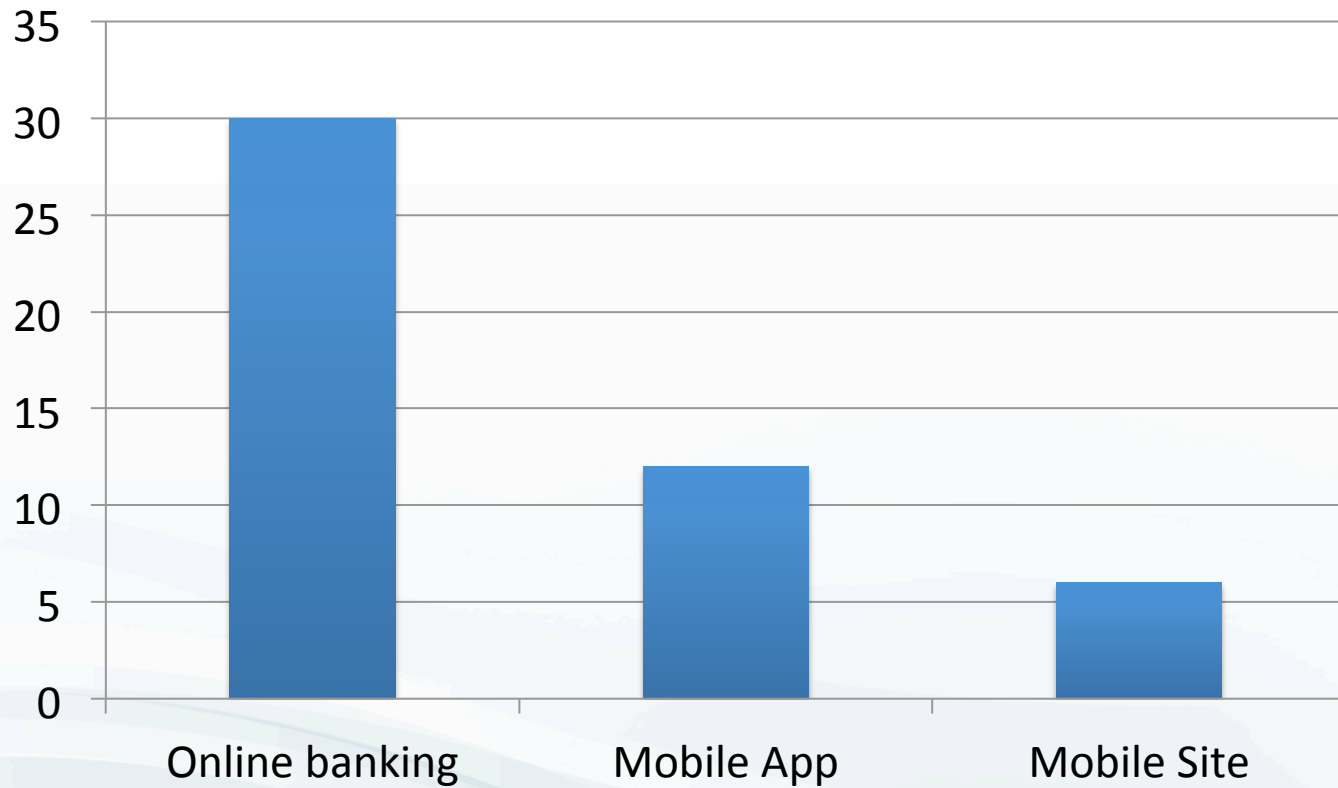
SMS Reminders

USSD



Mobile Banking In Romania Today

Digital & Banking



Mobile Banking Apps

Preferred mobile strategy by 12 banks

Most used app exceeds 60k active clients, top local apps exceeds 200k downloads

Good **growth potential** due to increasing smartphone penetration

Engagement opportunities and power to the users

Replace SMS notifications with push notifications

High media costs to advertise due to the clutter and waste with any other non mobile media

“Life story of a mobile app: Here today, uninstalled tomorrow.”



Mobile Banking Sites

In a country where almost half of the population browse from their mobile devices only 6 banks have a mobile optimized site

Huge short term growth potential - mobile browsing is top preferred activity

Lower media costs to advertise as does not requires additional steps to access, higher reach than mobile app

Better return on sms and email communication

Better use of organic traffic

Avoids Google penalty for mobile searches



Mobile Banking In Romania Tomorrow

Partnership between mobile operators and banks could boost mobile payments

New technology success will depend not only on the way it will be implemented, but how the clients will be educated to use it

First mover advantage over latest technology implementation

New security challenges along with smartphone mass adoption, email phishing to be replaced by data theft / phishing from smartphones, from desktop malware to smartphones malware



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