



Three use cases that will help mobile money services evolve



Booking
confirmed



A close-up photograph of a person's hand wearing a smartwatch, positioned near a payment terminal. The smartwatch has a blue screen and a white band. The payment terminal is dark blue and has a small screen displaying some text. The background is dark and out of focus.

Mobile money is one of the fastest growing branches of financial services. Over the past 10 years, mobile money services have doubled, registered customers have grown tenfold, and transactions have multiplied by 14. As the world advances further into the digital payments age, it becomes critical for mobile money providers to grow and develop further in order to create value for their customers, thereby generating profit. We have gathered three use cases to show how a futuristic mobile money platform partner can help to evolve mobile money services.

01

International remittance

According to a 2022 study from [Juniper Research](#), the total volume of digital international remittances globally will rise by 82 percent over the next five years, from 1.1 billion in 2022 to 2 billion in 2027. This growth will be driven by increasing speed and low cost of digital remittances versus traditional agent-based services.

Digital remittances are an opportunity for mobile financial service (MFS) providers in both emerging countries in Africa, Asia-Pacific and Latin America, which receive remittances, and developed countries such as the US, Singapore and Gulf Cooperation Council (GCC) countries, which send remittances. To tap into this digital remittance opportunity, MFS providers are integrating with international money transfer service providers and remittance hubs to offer digital international remittance services as part of their MFS portfolios.

Ericsson Wallet Platform enables MFS providers to integrate their mobile wallets with multiple remittance companies and remittance hubs rapidly. Therefore, mobile wallet becomes a single aggregation point for multiple remittance services.

Mobile wallet users are able to see all the remittance providers on a single app. They can compare the cost of sending money and even see which remittance company is providing better offers or discounts for particular remittance corridors and choose the most cost efficient, quick and convenient remittance provider to send money. Thus, sending money through mobile wallet provides a more enhanced experience and greater choice to consumers.

By digitalizing the remittance process on the sending and receiving side and eliminating the middlemen, MFS providers are able to provide more cost-effective and efficient remittance services compared to conventional remittance channels. According to [the World Bank's Remittance Price Worldwide survey](#) released in June, the average cost of sending USD 200 in international remittances using mobile money is 2.77 percent, compared to the global average of 6.09 percent for Q1, 2022. Mobile financial services are bringing down the remittance costs to less than three percent of transfer value, achieving the United Nations Sustainable Development Goals (SDG) 10C.



02

Companion Cards

MFS providers can partner with card schemes like Mastercard and Visa to issue co-branded physical and digital companion cards. Companion cards can be used by mobile wallet users to make physical point-of-sale or online payments to Visa and Mastercard-accepting merchants globally, despite these merchants not being registered in the MFS system. Consumers can also withdraw money at ATMs using companion cards.

The digital companion cards are requested through the mobile wallet app and can be stored in the app. Consumers can tap their phone at near-field communication (NFC) point-of-sales terminals to make the payment using the digital card. The digital card can be integrated to third-party payment services like Apple Pay for making third-party wallet transactions.

Ericsson Wallet Platform supports companion cards in its deployments such as [Mobily Pay](#). Mobily Pay users in Saudi Arabia can instantly request and get a digital Mobily Pay Visa card in the Mobily Pay mobile app. Mobily Pay users can use the digital Visa card to make online payments or make tap and go payments at NFC point-of-sales terminals. The Mobily Pay Visa card can also be added to Apple Pay, making third-party wallet

transactions possible. Mobily Pay is powered by Ericsson Wallet Platform.

The digital companion cards provide the three 'S's as advantages—they are Swift, Seamless and Secure.

- **Swift:** Users can apply for the digital card of their choice on the mobile financial service app and can instantly get the card. Users can then tap their mobile phones on NFC Point of Sale machines to make contactless payments rapidly.
- **Seamless:** There is no need to carry physical cards, the card is in digital form on people's mobile phones. Users should be able to control the card from the mobile app and configure the daily or monthly spend limit or validity period as per their requirement.
- **Secure:** Being in digital format, the card needs to be accessed through the mobile app by biometric scanning (fingerprint or face ID) or entering the pin. Customers can block or terminate their card through the mobile app at any time.

Companion cards extend mobile financial services' acceptance networks beyond registered merchants, making them part of open and global services.



03

Buy Now Pay Later (BNPL)

According to a 2022 study from [Juniper Research](#), the number of BNPL users globally will rise by over 150 percent in five years, from 360 million in 2022 to 900 million in 2027. This growth will be driven by uncertain economic conditions, which will increase the demand for instant low-cost credit solutions.

BNPL allows consumers to spread their expenses over multiple installments without any significant interest charges and require less stringent credit checks compared to conventional credit solutions, making them increasingly popular among consumers. To capitalize on this opportunity, MFS providers globally are

looking to offer BNPL services as part of their MFS portfolios.

Ericsson Wallet Platform enables MFS providers to offer BNPL services by enabling consumers to defer payments for a purchase and pay later in multiple installments. The platform also enables MFS providers to integrate with creditors including banks, financial institutions and fintech companies for facilitating the BNPL service. Ericsson Wallet Platform connects with data analytics platform to analyze consumer data and MFS transaction history to qualify consumers for services and decide on the credit limit.

BNPL is advantageous for all stakeholders:

- **Consumers:** It enables consumers in economic crunch situations to make purchases, rather than abandoning them, and paying later in smaller installments.
- **Merchants:** The BNPL model increases merchants' sales and boosts business.
- **MFS providers:** It helps MFS providers to differentiate from competitors and attract new consumers who want to purchase goods and services on

installment payment models. It also enables MFS providers to add new merchants who want to benefit from increased sales from the BNPL model. Overall, it increases merchant payment transactions, hence augments the revenues coming from merchant payment service fees. MFS providers also get additional revenue from interest income in case interest is charged on installment payments.



Ericsson enables communications service providers to capture the full value of connectivity. The company's portfolio spans Networks, Digital Services, Managed Services, and Emerging Business and is designed to help our customers go digital, increase efficiency and find new revenue streams. Ericsson's investments in innovation have delivered the benefits of telephony and mobile broadband to billions of people around the world. The Ericsson stock is listed on Nasdaq Stockholm and on Nasdaq New York.