

Mobile Commerce: A window of opportunity

Written by Faiz Askari, Editor, Small Enterprise India.com
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Gone are the times when the ATM and the credit cards made the wallets lighter. Now mobile is fast replacing the wallet. With the present regulations of RBI many players have been allowed to offer mobile wallets, but of course the mobile payment industry is still in its nascence. **Anand Srivastav, CMD, BEAM Money**

shared an exclusive overview, opportunities and challenges about the mobile commerce space by interacting with

Faiz Askari, Editor, Small Enterprise India (dot) com.

The Interview Excerpts:

1. Can you share your experience as an entrepreneur, so far, in the mobile commerce space of India?

Anand Srivastav: Mobile telecom as an access channel has the potential to bring a whole host of people that have no/little access to a bank or even internet connection onto a bank-less platform which is an innovative way to encourage financial inclusion in the country. Ofcourse banked customers can use the payment system like Beam Money too.

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The industry has witnessed the entrance of diverse players like - banks, telecom operators and handset manufacturers. Beam strives to be the most aspired for providing a Simple Money Service that is accessible by all conveniently.

2. What are the key challenges faced by mobile commerce in India?

From what I read and gather, players in mobile payments are facing five main challenges. The first, a viable and scalable business model, the second, ability to create ecosystem required, third finding right people, fourth understanding and managing the business of financial transactions and the attendant risks, and last but not the least, fifth being an evolving regulatory environment which even though is forward looking but is yet to provide a level playing field.

Even though both mobile banking and mobile payments are regulated by RBI the tilt presently is clearly towards mobile banking. The reasons for not giving a level playing field to the mobile payment systems are not articulated. For example, cash-out facility is not allowed for mobile payments. Despite having these advantages mobile banking has not yet taken off.

We have already tested various permutations and combinations to arrive at the appropriate mix of how each segment is to be addressed. Fortunately, we have deep understanding of consumer facing businesses - hence we patiently explain and vividify the concept to customers and hand-hold our partners till they see revenues kick in. Finding right people continues to be a challenge but we counter it with perseverance and innovation. And as for regulatory environment we periodically keep putting forth what the *AamAadmi* wants before the regulator and hope for a suitable solution.

3. Beam Mobile Payment gateway is undoubtedly open many doors of opportunity. How do you target businesses?

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India is at the same point of infliction for banking as telephony was in the mid-nineties. Just as mobile jump started the huge pent up demand which was bottled up by landline operators, mobile payments is potentially doing the same for financial transactions. The runaway success of mobile payment companies is demonstrating this. Reportedly from June 2011 data all of mobile banking generated around 6,000 transactions only, as against about 1.1 million transactions Beam Money alone! And there are a few others prepaid payment systems too.

Evidently mobile payment companies like Beam have understood what the customer wants i.e. a payment system that brings convenience to their life. One that can be used at any time, from any place to transact, with anyone having a mobile without the customer having to bother about having a bank account, credit/debit card, changing SIM or downloading some application, using special technology, telecom operator or requirement of high-end connectivity/equipment etc. In short a system which meets the customer requirements and fits his behavior.

4. What is the status of mobile payment market in India?

Mobile-payments is a financial infrastructure (a sort of a highway) which enables the unbanked as well as the banked to enrich their lives by being enabled to access the same as well make payments at any time, from any place to anyone duly registered. This way mobile payment has the potential to bring about financial integration to a vast majority of people that have no/little access to banks to empower their lives through the same. This financial integration could indeed encourage financial inclusion in the country. Now, mobile is fast replacing wallets as the customer prefers to budget his expenses as well not carry currency— hence it is not surprising prepaid payments dominate. Already m-payments enable its customers to avail a host of services viz. shopping payments, telecom/DTH recharge, utility payments, rail/air/bus tickets and of course cinema tickets etc. and more and more services would be made available from time to time. Thus we foresee mobile payments taking a center stage role of a must have utility. In this growing sector, Beam strives to be the aspired brand by providing Simple Money Service that is accessible by all and is agnostic to technology, handset, banks as well as telecom operator.

5. Financial inclusion is a big challenge identified by the Govt of India. Upto what extent mobile can be of some help in this area? And please elaborate how?

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As already explained mobile payment systems are providing financial infrastructure (a sort of a highway) that enables the under/unbanked as well as the banked to transact. Thus, as mobile payment system brings about financial integration to a vast majority of people that have no/little access to banking. This financial integration could indeed encourage financial inclusion in the country.

6. Can you identify any new business opportunities for entrepreneurs through mobile payment platform like Beam?

To name a few, farmers, artisans, small merchants etc. have an opportunity to increase their incomes and reach by integrating with the national mainstream economic growth. IT professional can make apps around Beam Money.

7. Where would you like to see Beam in next two years?

I see Beam having rolled out to all districts and blocks across India and having about 25 million customers.