

The Current and Future State of m-Commerce in the Caribbean

m-Banking, m-Wallet and Beyond...

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Mobile developments in the Caribbean

- Liberalization efforts in the Americas over the last decade has made telecommunications a major growth area.
- Cable & Wireless (now rebranded LIME) still holds a monopoly on fixed-line services.
- Aggressive competition from Digicel, the Irish mobile communications giant, has generated significant growth in the mobile subscriber base.

Grasping the digital opportunity

- In 2010, the first mobile banking service was delivered throughout the region.
- The service was SMS-based and mobile platform agnostic.
- Customers were allowed to check account balances, get balance alerts, monitor recent transactions, transfer funds and pay bills.
- During the first year, in excess of 30,000 subscribers signed on for the service. Similarly, it took 5 years to accumulate 65,000 Internet Banking customers.

Advantages and Limitations

■ Advantages

- Convenience – No need for customers to join queues.
- Accessibility – Access to banking services anytime or anywhere.
- Portability – SMS banking performed from any GSM device.
- Reduced Costs – Decreased cost per transaction.

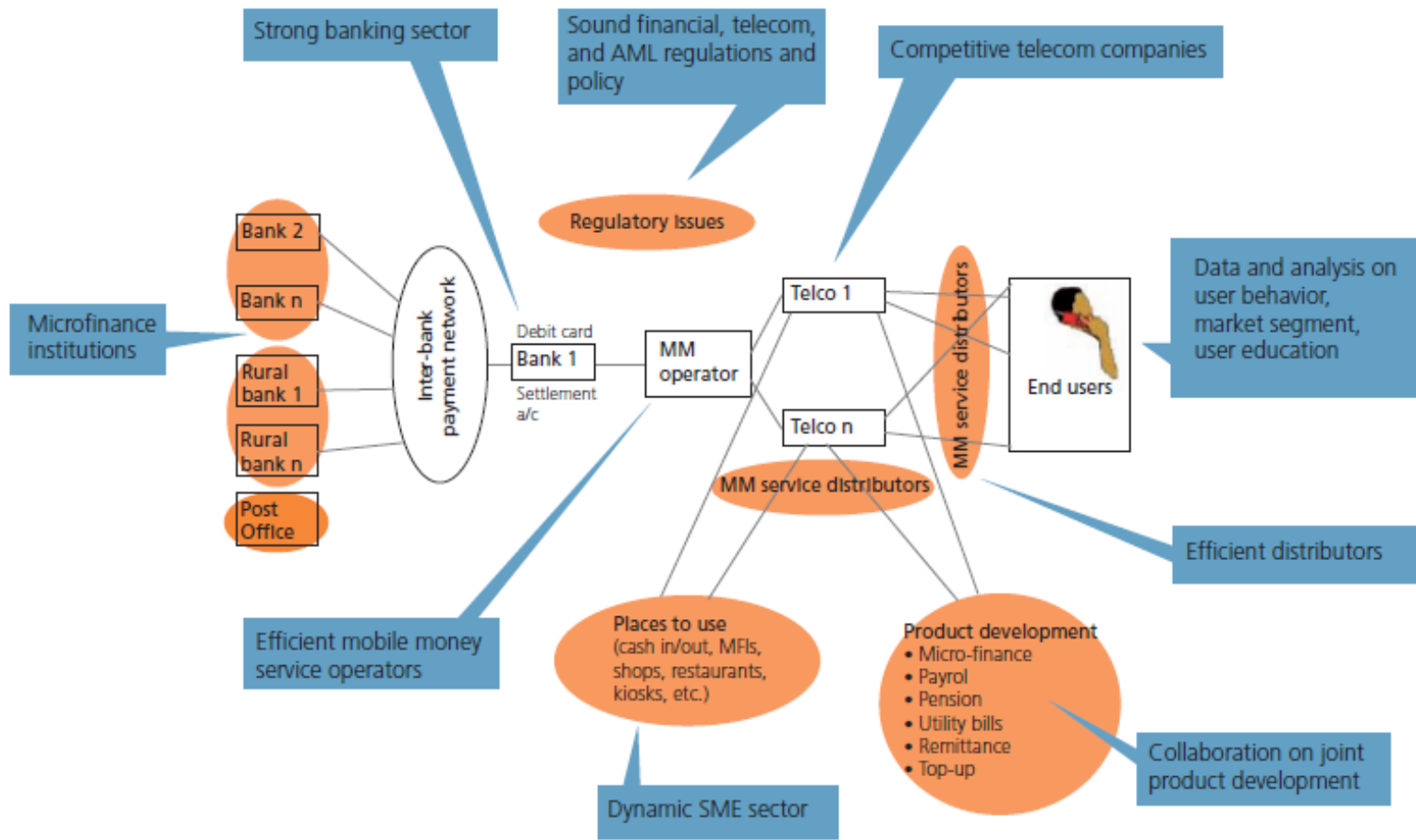
■ Challenges

- SMS does not guarantee delivery. As such, messages are lost or delayed.
- There are no NNI (network-to-network interfaces between mobile network operators (MNOs)). So platform development work had to be duplicated.
- Regulatory concerns about mobile security.

Developing the mobile economy

- With m-Banking established, efforts are currently in play to create a mobile payments ecosystem for the Caribbean.
- By virtue of their infrastructure base, mobile network operators (MNOs) usually take the leadership role in developing mobile economies.
- In the Caribbean, the impetus required to develop m-Wallet capabilities has been exhibited by the banking sector, which has initiated partnerships with various MNOs.
- Mobile payment ecosystems require various inputs and outputs from a diverse group of players.
- The major challenge being presented is how to get the banks, MNOs, regulatory agencies and other entrenched concerns to 'play nice'.

Basic configuration of a mobile money ecosystem



Looking forward to Ubiquitous Payments (u-Payments)

- Recent developments in mobile devices, wireless networking, digital media and data capture have made ubiquitous payment systems possible.
- In these systems, the payment process should not interrupt the payer or disrupt ongoing processes.
- The amount of human interaction will be decided by embedded security features such as an active payment authorization by the customer.
- Products or objects will trigger payments when product associated services are used.
- The user will be able to concentrate on the usage of the objects instead of focusing on the payment process.

Example applications of u-payments

- Smart homes (remote shopping, out-of-stock alerts).
- Pervasive retail (automated self-checkout, inventory management).
- Location and context awareness (location-based services, directed marketing).
- m-Health and remote home care.
- Value transfer (mobile top-up, international money transfer).
- Automotive telematics (human-machine interface, navigation guidance, remote diagnostics).

THANK YOU