

Nokia launches mobile money transfer platform

16 Feb 2010, 0306 hrs IST, Kausik Datta

BARCELONA: Nokia, the global leader in the mobile handset industry, on Monday announced the launch of the world's first money transfer platform through mobiles in India as it enjoys the market leader's hip and a wide distribution network in the world's one of the fastest growing handset market.

Niklas Savander, executive vice-president, services at Nokia, told a press conference that the pilot project has been launched in Pune last week in partnership with Yes Bank and Obopay, which runs mobile payments platform. He, however, did not divulge the time of the commercial launch of the project.

Nearly 30 handset makers are battling it out in India's telecom handset market. Brands like Nokia, Samsung, LG, Sony Ericson and Blackberry dominate 85-90% of the Rs 20,000-crore market. Nokia is the leader by far with a 57% share while Samsung is the distant second with an 8% share. LG is ranked third with a 5% share.

Christened as Mobile Money, the service will enable a customer to transfer money to other individuals, pay utility bills as well as recharge pre-paid SIM cards by using their mobile devices. The service will also be available on non-Nokia handsets.

Consumers will also be able to pay merchants for goods and services through their mobile devices. This is a first-of-its-kind service providing customers the ability to initiate mobile payments through multiple channels such as SMS, IVR, WAP, JAVA and FIRE.

D Shivakumar, VP and managing director, Nokia India, told ET the service will "create a financial ecosystem which is inclusive, sustainable and scalable". The service will compete with cash and not with plastic money, he said, adding that it will grow the size of e-transfer of money in India.

He said the potential of the service is "enormous" as mobile phone users outnumber the bank account holders. India has nearly 500 million mobile phone users and 200 million bank account holders. There are nearly 80,000 branches of banks across the country.

Suresh Sethi, group president of transaction banking group, Yes Bank, said the service will enable educational and government payments to create an ecosystem for financial inclusion. "This service eliminates the dependence on the physical presence of a branch or availability of internet banking services and will successfully ride on the deeper penetration of mobile services in India."