

Mobile Payments for Digital & Physical Goods

Analysis, Markets & Vendor Strategies 2011-2015

Mobile Commerce

[Mobile Content & Applications](#)[Handsets & Devices](#)[Mobile Markets & Strategies](#)[Networks & Technologies](#)

- **Three Extensive Forecasting Chapters**
- **Established Third Edition Report**
- **Expert Assessment of the Industry**

This in depth examination delivers the definitive valuation of the mobile payments for digital and physical goods sectors, providing intelligent analysis of developments within the ecosystem and sizing of the market for the next five years across three extensive forecast chapters.

Key forecasts include mobile payment transaction values,

transaction frequencies (payment traffic) and ARPU. The number of mobile payment users is calculated, as well as the number of mobile payment transactions, projecting the market opportunity for both remote mobile payments (such as ticketing and entertainment) and physical goods payments on the mobile, by eight key regions.

This third edition analyses the market over the past 12 months, gaining first hand insight live from players in the marketplace, featuring expanded vendor coverage - with an innovative vendor positioning matrix analysing 17 vendors within the mobile payments landscape as well as 18 vendor briefs with over 15 interviews from key executives within the market.

Key questions the report answers:

1. What will be the size of remote mobile payment transaction values?
2. Which will be the leading regions in the market in 2015?
3. What will be the trends in digital goods transactions over the next five years?
4. How are leading sellers of physical goods developing their mobile payment capabilities?
5. How many mobile subscribers will make remote mobile payments over the next five years?
6. What are the trends, drivers and constraints affecting the development of the market?

To view Reports, Briefings, Whitepapers, Databases & Forecasts and many other Market Sectors, please go to:

www.juniperresearch.com



Table of Contents

Executive Summary 9

- ES.1 Introduction.....9**
- ES.2 Executive Interviewing Programme..... 10**
- ES.3 Market Segmentation 11**
- ES.4 Market Projections 13**
- ES.5 Remote Mobile Payments Players 18**
- ES.6 Recommendations20**

Mobile Commerce & Payments Market..... 22

- I.1 Market Outline22**
 - I.1.1 Synopsis22
 - I.1.2 Market Segmentation23
 - Figure I.1: Mobile Commerce Market Segmentation.....23
- I.2 Market Drivers and Constraints24**
 - Figure I.2: Mobile Payments: Summary of Market Drivers & Constraints24
 - I.2.1 Drivers24
 - i. Convenience & User Demand24
 - ii. Increase in ARPU25
 - iii. Larger Retail Transactions25
 - iv. Cash Replacement25
 - v. Developing World25
 - vi. Lower Churn.....26
 - vii. Smartphone Growth26
 - viii. SMS26
 - ix. eCommerce26
 - I.2.2 Constraints26
 - i. User Experience27
 - ii. Business Model & Payouts27
 - iii. Smartphone Proliferation28
 - iv. Regulatory Hurdles28
 - v. Transaction Costs29
 - vi. Disclosure29

Mobile Payments: Market Structure and Trends..... 31

2.1 Definition 31

Figure 2.1: mCommerce Payment Process 31

2.2 Market Segmentation..... 32

2.2.1 Top level Segments 32

Figure 2.2: Mobile Payments Market Segmentation 33

2.2.2 Market Segment Detail..... 34

i. Remote Payments..... 34

ii. Proximity/POS Payments..... 34

2.2.3 Market Segment Boundaries 34

i. Mobile Money Transfer Service Expansion..... 35

ii. Variation Within Segments..... 35

Figure 2.3: Arriva Buses Mobile Ticketing Service..... 35

iii. Platform & Service Extension 36

iv. Emerging Segments..... 37

2.2.4 Report Focus: What is Included?..... 37

Figure 2.4: Report Focus: Market Segments..... 37

2.3 Classification of Payment Schemes 38

Table 2.1: Mobile Payment Classification..... 38

2.3.1 Mobile Phone Bill – “D2B” (Direct to Bill) Payment..... 38

2.3.2 Premium Rate SMS (PSMS)..... 39

i. Advantages of PSMS Payment..... 39

ii. Disadvantages of PSMS Payment..... 40

2.3.3 Mobile Web & WAP Billing..... 40

2.3.4 SMS/Java/SIM Toolkit 41

Figure 2.5: PayPal Mobile “Text to Buy” 41

Figure 2.6: PayMate Purchase Process 42

2.3.5 Person-to-Person (P2P) Payment 43

2.3.6 Smartphone Apps 43

Figure 2.7: SBB Swiss Railways iPhone App 43

2.3.7 Contactless Payment..... 44

2.3.8 In Store..... 44

Figure 2.8: Mocopay Mobile Commerce Platform..... 44

2.4 On Deck & Off Deck..... 45

2.5 Market Trends:.....P.l.a.y.e.r.s.’.....V.i.e.w.s.... 46

2.5.1 Bango..... 46

2.5.2 Zong..... 46

Table 2.1: Zong Country Coverage..... 46

Mobile Payments for Digital & Physical Goods 2011-2015

Figure 2.9: Zong Payment Index February 2010 to March 2011: Global.....	48
2.5.3 Digby.....	49
2.5.4 MIG.....	50
2.5.5 mBlox.....	50
2.5.6 BOKU.....	51
2.5.7 BillingScore.....	51
Figure 2.10: BillingScore Product Data Point Checks.....	52

Remote Payments: Case Studies & Solutions..... 54

3.1 Introduction	54
3.2 Digital Goods Case Studies	54
3.2.1 Greater Copenhagen Traffic Companies (Denmark)	54
Figure 3.1: Mobile Ticketing in Copenhagen: 1415.dk.....	55
3.2.2 Siberian Airlines S7 and Aeroexpress Trains (Russia)	56
Figure 3.2: Siberian Airlines S7 Mobile Rail and Air Ticketing Screens.....	56
3.2.3 Prague Trams (Czech Republic)	57
Figure 3.3: DPP Trams Mobile Tickets	57
3.2.4 Cleartrip Mobile (India)	57
Figure 3.4: Cleartrip Mobile Ticketing.....	58
3.2.5 Badoo & Ericsson	58
3.2.6 Papaya & Zong	58
3.2.7 TDC Denmark & Aepona.....	59
3.2.8 Virgin Media & OpenMarket (UK).....	59
3.2.9 Italy Cross MNO Platform & Reply.....	60
3.3 Physical Goods Case Studies.....	61
3.3.1 Danal (Korea).....	61
Figure 3.5: Danal Mobile Payment Service	61
Figure 3.6: Danal Mobile Payment Transaction Value (KRW 100 million) 2001-2010.....	61
3.3.2 Nordstrom (US)	62
Figure 3.7: Nordstrom Mobile Website	62
3.3.3 Brooks Brothers & Digby (US).....	63
Figure 3.8: Brooks Brothers Mobile Site.....	63
3.3.4 Amazon.....	63
Figure 3.9: Amazon Mobile Shopping.....	64
3.3.5 eBay Mobile	64
Figure 3.10: eBay “Store in Your Pocket”	65
3.3.6 PayPal.....	65
Figure 3.11: PayPal Forecast Mobile Payment Volume.....	66
Figure 3.12: PayPal Mobile Checkout.....	66

Mobile Payments for Digital & Physical Goods 2011-2015

3.3.7 Vodafone: London Taxis	67
3.3.8 Rakuten.....	67
Figure 3.13: Rakuten Mobile Gross Merchandise Sales by Month	68
Figure 3.14: Rakuten Domestic eCommerce Gross Merchandise Sales Q1 2008 – Q1 2011	68
Figure 3.15: Rakuten Global Presence	69
3.3.9 Visa Inc.....	70

Vendor Positioning Analysis..... 72

4.1 Vendor Landscape.....	72
Figure 4.1: Mobile Payments Vendor Types	72
4.2 Vendor Analysis.....	74
4.2.1 New Vendor Assessment Criteria	74
Table 4.1: Vendor Capability Assessment Factors	74
4.2.2 Limitations and Interpretation.....	75
4.2.3 Vendor Matrix Positioning - 2011	76
Figure 4.2: Global Mobile Payments Vendor Positioning Matrix 2011	76
4.2.4 Vendor Groupings	77
i. Summary	77
ii. On Track Vendors	77
iii. Vendors Exceeding Expectations.....	78
iv. Vendors with Further Potential	78

Vendor Briefs..... 79

5.1 Aepona	79
Figure 5.1: Aepona NaaS Concept.....	81
5.2 Alcatel-Lucent	81
5.3 Bango.....	83
5.4 BilltoMobile.....	84
5.5 BOKU	86
5.6 Digby.....	88
Figure 5.2: Digby Rich Retailer Branded App.....	90
5.7 eServGlobal	91
Figure 5.3: eServGlobal Product Overview	92
5.8 Ericsson	93
Figure 5.4: Ericsson IPX Ecosystem	94
5.9 IBM	95
5.10 Luup.....	97

Mobile Payments for Digital & Physical Goods 2011-2015

- 5.11 mBlox 98**
 - Figure 5.5: mBlox Transaction Network 99
- 5.12 MIG (Mobile Interactive Group)..... 101**
- 5.13 Netsize..... 102**
- 5.14 OpenMarket..... 103**
 - Figure 5.6: OpenMarket Business Model 104
 - Figure 5.7: OpenMarket Services Overview 106
- 5.15 Sybase 365..... 106**
- 5.16 tyntec..... 108**
- 5.17 Vesta..... 110**
 - Figure 5.8: Vesta Product Overview 111
- 5.18 Zong..... 112**
 - Figure 5.9: Zong Mobile Payment 113

Market Forecasts: Remote Payments for Digital Goods 114

- 6.1 Methodology 114**
 - 6.1.1 Market Segmentation Approach..... 114
 - Figure 6.1: Market Forecast Methodology..... 115
- 6.2 Market Segment Trends..... 116**
 - 6.2.1 Music..... 116
 - 6.2.2 Adult..... 117
 - 6.2.3 TV..... 118
 - 6.2.4 User Generated Content..... 119
 - 6.2.5 Games 120
 - 6.2.6 Infotainment..... 120
 - 6.2.7 Ticketing 120
- 6.3 Global Mobile Subscriber Forecast 121**
 - Figure 6.2: Mobile Subscriber Base (m) Split by 8 Key Regions 2011-2015 121
 - Table 6.1: Mobile Subscriber Base (m) Split by 8 Key Regions 2011-2015..... 122
- 6.4 Global and Regional User Forecasts 123**
 - Figure 6.3: Mobile Phone Users (%) Who Make Remote mPayments for Digital Goods Split by 8 Key Regions 2011-2015 123
 - Table 6.2: Mobile Phone Users (%) Who Make Remote mPayments for Digital Goods Split by 8 Key Regions 2011-2015 124
 - Figure 6.4: Mobile Phone Users (m) Who Make Remote mPayments for Digital Goods Split by 8 Key Regions 2011-2015 125
 - Figure 6.5: Mobile Phone Users (%) Who Make Remote mPayments for Digital Goods Split by 8 Key Regions 2015..... 125

Mobile Payments for Digital & Physical Goods 2011-2015

Table 6.3: Mobile Phone Users (m) Who Make Remote mPayments for Digital Goods Split by 8 Key Regions 2011-2015 126

6.5 Global and Regional Traffic Forecasts 127

Figure 6.6: Average Number of Transactions Made per Remote mPayment User for Digital Goods p.a. Split by 8 Key Regions 2011-2015 127

Table 6.4: Average Number of Transactions Made per Remote mPayment User for Digital Goods p.a. Split by 8 Key Regions 2011-2015 128

Figure 6.7: Total Number of Remote mPayment Transactions (bn) for Digital Goods Split by 8 Key Regions 2011-2015 128

Table 6.5: Total Number of Remote mPayment Transactions (bn) for Digital Goods: Split by 8 Key Regions 2011-2015 129

6.6 Global and Regional Transaction Value Forecasts 130

Figure 6.8: Average Remote mPayment Digital Goods Transaction Size (\$) Split by 8 Key Regions 2011-2015 130

Table 6.6: Average Remote mPayment Digital Goods Transaction Size (\$) Split by 8 Key Regions 2011-2015 131

Figure 6.9: Total Remote mPayment Gross Transaction Value for Digital Goods (\$m) Split by 8 Key Regions 2011-2015 132

Table 6.7: Total Remote mPayment Gross Transaction Value for Digital Goods (\$m) Split by 8 Key Regions 2011-2015 132

Figure 6.10: Remote mPayment Digital Goods Transaction Value (\$) per mPayment User p.a. Split by 8 Key Regions 2011-2015 133

Table 6.8: Remote mPayment Digital Goods Transaction Value (\$) per mPayment User p.a. Split by 8 Key Regions 2011-2015 133

Market Forecasts: Remote Payments for Physical Goods 134

7.1 Methodology 135

7.2 Global Mobile Internet Subscriber Forecast..... 135

Figure 7.1: Global Mobile Internet Subscriber Base (m) Split by 8 Key Regions 2011-2015 135

Table 7.1: Global Mobile Internet Subscriber Base (m) Split by 8 Key Regions 2011-2015 137

7.3 Global and Regional User Forecasts 138

Figure 7.2: Mobile Internet Users (%) Who Make Remote mPayments for Physical Goods Split by 8 Key Regions 2011-2015 138

Table 7.2: Mobile Internet Users (%) Who Make Remote mPayments for Physical Goods Split by 8 Key Regions 2011-2015 138

Figure 7.3: Mobile Internet Users (m) Who Make Remote mPayments for Physical Goods Split by 8 Key Regions 2011-2015 139

Figure 7.4: Mobile Internet Users (%) Who Make Remote mPayments for Physical Goods Split by 8 Key Regions 2015 140

Table 7.3: Mobile Internet Users (m) Who Make Remote mPayments for Physical Goods Split by 8 Key Regions 2011-2015 140

7.4 Global and Regional Traffic Forecasts 141

Mobile Payments for Digital & Physical Goods 2011-2015

Figure 7.5: Average Number of Transactions Made per Remote mPayment User for Physical Goods p.a. Split by 8 Key Regions 2011-2015 141

Table 7.4: Average Number of Transactions Made per Remote mPayment User for Physical Goods p.a. Split by 8 Key Regions 2011-2015..... 142

Figure 7.6: Total Number of Remote mPayment Transactions (m) for Physical Goods Split by 8 Key Regions 2011-2015..... 143

Table 7.5: Total Number of Remote mPayment Transactions (m) for Physical Goods Split by 8 Key Regions 2011-2015 143

7.5 Global and Regional Gross Merchandise Sales Forecasts 144

Figure 7.7: Average Remote mPayment Physical Goods Transaction Size (\$) Split by 8 Key Regions 2011-2015 144

Table 7.6: Average Remote mPayment Physical Goods Transaction Size (\$) Split by 8 Key Regions 2011-2015 144

Figure 7.8: Total Remote mPayment Gross Merchandise Sales Transaction Value for Physical Goods (\$m) Split by 8 Key Regions 2011-2015..... 145

Table 7.7: Total Remote mPayment Gross Merchandise Sales Transaction Value for Physical Goods (\$m) Split by 8 Key Regions 2011-2015..... 146

Figure 7.9: Remote mPayment Physical Goods Gross Merchandise Sales Transaction Value (\$) per mPayment User p.a. Split by 8 Key Regions 2011-2015 146

Table 7.8: Remote mPayment Physical Goods Gross Merchandise Sales Transaction Value (\$) per mPayment User p.a. Split by 8 Key Regions 2011-2015..... 147

Market Forecasts: Total Remote Mobile Payment Market .. 150

8.1 Global and Regional User Forecasts 150

Figure 8.1: Digital Remote mPayments Users (m) Regional Comparison 2011 and 2015 Split by 8 Key Regions 151

Figure 8.2: Physical Remote mPayments Users (m) Regional Comparison 2011 and 2015 Split by 8 Key Regions 151

Table 8.1: Remote mPayments Users (m) Regional Comparison 2011 and 2015 Split by 8 Key Regions 152

Figure 8.3: Digital Remote mPayments Users (%) Regional Shares 2015 Split by 8 Key Regions 152

Figure 8.4: Physical Remote mPayments Users (%) Regional Shares 2015 Split by 8 Key Regions 153

Table 8.2: Remote mPayments Users (%) Regional Comparison 2015 Split by 8 Key Regions 153

8.2 Global and Regional Traffic Forecasts 154

Figure 8.5: Total Remote mPayment Transactions (m) Split by 8 Key Regions 2011-2015..... 154

Table 8.3: Total Remote mPayment Transactions (m) Split by 8 Key Regions 2011-2015 155

8.3 Global and Regional Transaction Size Forecasts..... 155

Figure 8.6: Average Remote mPayment Transaction Size (\$) Split by 8 Key Regions 2011-2015 156

Table 8.4: Average Remote mPayment Transaction Size (\$) Split by 8 Key Regions 2011-2015..... 156

Mobile Payments for Digital & Physical Goods 2011-2015

8.4 Global and Regional Gross Merchandise Sales Forecasts.....	157
8.4.1 Gross Merchandise Sales by Region	157
Figure 8.7: Global Remote mPayment Market: Gross Merchandise Sales Transaction Value (\$m) Split by 8 Key Regions 2011-2015.....	157
Table 8.5: Global Remote mPayment Market: Gross Merchandise Sales Transaction Value (\$m) Split by 8 Key Regions 2011-2015	158
Figure 8.8: Global Remote mPayment Market: Gross Merchandise Sales Transaction Value (%) Split by 8 Key Regions 2011-2015.....	159
Table 8.6: Global Remote mPayment Market: Gross Merchandise Sales Transaction Value (%) Split by 8 Key Regions 2011-2015	159
8.4.2 Gross Merchandise Sales Market Segmentation.....	159
Figure 8.9: Global Remote mPayment Market: Gross Merchandise Sales Transaction Value (%) Digital vs. Physical Goods Comparison 2011-2015.....	160
Table 8.7: Global Remote mPayment Market: Gross Merchandise Sales Transaction Value (%) Digital vs. Physical Goods Comparison 2011-2015.....	160
8.4.3 Conclusion.....	160
Glossary	161

Product Details

**Mobile Payments for Digital & Physical Goods:
Analysis, Markets & Vendor Strategies 2011-2015**

Order Online or by Email:

Web: www.juniperresearch.com
Email: info@juniperresearch.com

or Post or Fax your order to:

Juniper Research Limited, Church Cottage
House, Church Square, Basingstoke,
Hampshire RG21 7QW England
Tel (UK): +44 (0) 1256 830001/475656
Tel (US): +1 408 716 5483
Fax: +44 (0) 1256 830093

Euro & US\$ prices are for guidance only.
The exact price will depend upon your bank
exchange rate (to the £) on the day of order
processing. Prices do not include VAT - charged at
prevailing rate in the UK.

*Standard Courier Delivery is Free

Please select your requirements	£	\$	€	PDF	Hard Copy
Single User License	1,750	2,830	1,990	<input type="checkbox"/>	
Multi User Network License (2-5 users)	2,500	4,040	2,840	<input type="checkbox"/>	
Enterprise Wide License (all organisation)	3,750	6,060	4,250	<input type="checkbox"/>	
- add additional hardback copy	190	390	280		<input type="checkbox"/>
- add trackable courier delivery*	40	60	50		<input type="checkbox"/>

Account Services - For further information contact john.levett@juniperresearch.com.

Companies included in this report

1-800 Flowers.com • 3 Italia • Advent Venture Partners • Aepona • Aeria Games •
Aeroexpress • AFMM • airG • Airkenya • Alcatel-Lucent • All Night Media • Amadeus
Capital Partners • Amazon.com • Amdocs • American Express • Andreessen Horowitz •
Apple • Arriva Bus • Aruba Networks • AT&T • Babies "R" Us • Badoo • Bango • Bank of
America • Barclays • Battery Ventures • Beijing Transportation Card Network • Bell
Canada • Benchmark Capital • Bharti Telesoft • BICS • BillingScore • BilltoMobile •
BlackBerry Partners Fund • BOKU • Bouygues Telecom • Brooks Brothers • BT • Buy.com
• Cabela's • Celcom • Cellfish • China Mobile • Citibank • Clear2Pay • Cleartrip •
Commercial Bank of Qatar • Comviva • Concept Data Technologies • Plus many more..

Author Profile

Howard Wilcox is a Senior Analyst with Juniper Research and is a regular conference speaker.

Howard has over twenty five years' experience in the Telecommunications sector including Director of Industry Intelligence at Marconi. Howard has a BA in Business Administration with French from Loughborough University and a Postgraduate Certificate in Management Development from Coventry University.

Other reports available



Mobile Security Opportunities
Strategies for Tablets, Smartphones &
Feature phones 2011-2016



Mobile Operator Business Models
Challenges, Opportunities & Adaptive
Strategies 2011-2016



M2M & Embedded Strategies
Telematics, CE, mHealth, Metering &
Smart Buildings 2011-2016



Mobile Messaging Markets
SMS, MMS, IM & Email Strategies
2011-2016



**NFC Retail Marketing & Mobile
Payments**
Markets, Forecasts & Strategies
2011-2016



Mobile Data Offload & Onload
WiFi & Femtocell Integration
Strategies 2011-2015

Our background

Juniper specialises in identifying and appraising new high growth market sectors within the mobile ecosystem. Market sizing and forecasting are the cornerstones of our offering, together with competitive analysis, strategic assessment and business modelling. We endeavour to provide independent and impartial analysis of both current

and emerging opportunities via a team of dedicated specialists - very knowledgeable, experienced and experts in their field.

Juniper's client base spans the globe, with the majority of its clients in North America, the Far East and Europe.

Juniper Research Limited

Church Cottage House, Church Square, Basingstoke, Hampshire RG21 7QW England.

Email info@juniperresearch.com

Telephone UK: +44 (0) 1256 830001/475656

US: +1 408 716 5483 (International answering service)

Fax UK: +44 (0) 1256 830093