

Mobile Financial Services in Developing Markets to Reach \$500 Billion Transactions by 2021

Submitted by: Juniper Research

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Financial inclusion for one billion people in developing markets

Hampshire, UK: 7th November 2016: A new study from Juniper Research

(https://www.juniperresearch.com/home?utm_campaign=Mobile_Financial_Services_16_PR1&utm_source=sourcewirepr&utm_medium=email) has found that the total transaction value of Mobile Financial Services in emerging markets (including domestic money transfers, deposits on loans, insurance products, and savings accounts) will approach \$500 billion in 2021, up from an estimated \$198 billion this year.

Juniper's latest research, *Mobile Financial Services in Emerging Markets: Money Transfer, Loans, Savings & Insurance 2016-2021*

(https://www.juniperresearch.com/researchstore/commerce-fintech/mobile-financial-services?utm_campaign=Mobile_Financial_Services_16_PR1&utm_source=sourcewirepr&utm_medium=email), argued that by introducing insurance offerings, operators had the opportunity to substantially reduce churn levels. It cited the example of Telenor Suraksha life insurance scheme in India, which has seen nearly 50% of its 45 million user base sign up since its December 2015 launch.

According to research author Lauren Foye, "The model underpinning the Suraksha scheme – requiring consumers to top-up airtime on a monthly basis to receive the insurance cover – should be widely replicated. It enables operators to maintain average revenue levels within low-income, low-ARPU prepaid environments and allows consumers to reap the benefits of microinsurance cover."

However, the research cautioned that a key challenge would be tailoring financial service products to the needs of individual markets. It cited the case of several early implementations of mobile financial services in markets such as India, the Philippines and Nigeria achieving limited adoption where products were often ill-suited to their target audience.

Opportunity in New Markets

Nevertheless, the research highlighted the Asia-Pacific as a region which, while currently under-served due in part to the complexity of national regulations, has strong potential for future product launches.

Whilst restrictions have been in place previously, largely due to cultural beliefs, Juniper found that attitudes are changing in under-served regions, with Indonesia acquiring its first ever microloans product *Kashmi* in 2017. Additionally, specialised products have been launched to address religious requirements, such as *Achuwat* in Pakistan which provides interest free loans to meet Sharia requirements.

The whitepaper, *Microfinance with Macro Potential 2016-2017*

(https://www.juniperresearch.com/document-library/white-papers/microfinance-with-macro-potential-2016-2017?utm_campaign=Microfinance_Whitepaper_16_17&utm_source=sourcewirepr&utm_medium=email), is available to download from the Juniper website together with further details of the new research.

Juniper Research is acknowledged as the leading analyst house in the digital commerce and Fintech sector,

delivering pioneering research into payments, banking and financial services for more than a decade.

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