

MEDIA RELEASE

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mHITs powers payments for the unbanked in PNG

mHITs (pronounced Em-HITS) in conjunction with DataNets Limited, has deployed a mobile phone payment service in Papua New Guinea specifically aimed at providing a total payment solution for the unbanked. The service known as mPowa (pronounced Em-Power) is believed to possibly be the first model of its type as it not only incorporates person-to-person payments (p2p) but also the ability to perform retail Point Of Sale transactions with any mobile phone.

mPowa works by linking a mobile wallet account to the user's mobile phone number. The funds within the wallet account are completely separate from the airtime balance. Users can send and receive payments from the wallet to other users, purchase pre-paid airtime and check their mPowa account balance using only their mobile phone. The mPowa service also supports cash-loading and cash-out transactions as well as Domestic Cash Transfer or DCT. DCT allows funds to be sent electronically to non mPowa users and allows them to withdraw cash at mPowa agents.

A full mobile payment solution for the unbanked

Unlike many mobile payment services for the unbanked which focus mainly on switching airtime, and handset-to-handset transactions, mPowa is a full mobile payment solution which also incorporates over-the-counter Point Of Sale payment technology. This enables people to purchase everyday consumable items such as food, groceries and fuel with their mobile phone. The key to the system is the use of a Point Of Sale terminal, which automatically prints a confirmation receipt when a payment is approved – in the same way that an EFTPOS or credit card transaction is performed.

mPowa also supports bulk payment (payroll) features, meaning recipients can be paid wages using the service and corporations can pay growers for farm produce electronically (e.g. sugar, coffee, eggs, rice, etc). In many developing markets, the low number of bank accounts means electronic payroll is impossible, leading to inefficient, cash-only, face-to-face based payment methods.

The mPowa service was initially launched under a controlled pilot in partnership with PNG based telecommunications systems integrator DataNets Limited. The service operates using two-way USSD (Unstructured Services Supplementary Data), a simple, ubiquitous technology available on all mobile phones. All transactions are securitised via a PIN confirmation. The service is available to select subscribers on the Digicel PNG network.

“We are likely to see greater take-up of mobile payment services in developing countries than in the west” said mHITs founder and CEO Harold Dimpel. “The traditional western banking model of Internet banking and credit and debit card products and services are largely incompatible with the needs of people in developing countries” he continues. “The key to the success of the mPowa/mHITs model is that it creates an entire ecosystem around which the different needs of the various parties in the transaction cycle are addressed – namely end users, merchants, corporations and mobile network operators.” he concludes.

Information on the mPowa service is available at <http://www.mpowa.com.pg>.

The Mobile Revolution!

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mobile payments and the unbanked

Use of the mobile phone as a payment device is acknowledged as a logical payment solution for the unbanked (people who do not have access to traditional banking services). People in developing countries often lack the formal identity requirements that traditional banking services require such as a birth certificate or a regular job. The lack of bank branches, limited number of ATM's, reduced access to the Internet and the general low level of financial literacy in developing countries are contrasted by the large-scale uptake of mobile phones in these same markets.

Papua New Guinea offers further unique challenges due to it's isolated geography and high proportion of unbanked citizens. mPowa offers a payment solution where traditional payment services and products are not suitable or not available to the majority of consumers.

about mHITs

mHITs Limited is an Australian based developer and operator of mobile payment services. mHITs has expertise in the design, deployment and operation of mobile payment solutions particularly for the unbanked and is currently developing partnerships in new markets around the world.

In Australia, mHITs operates the mHITs SMS payment service that allows consumers to send and receive payments by SMS text message.

For retail transactions, mHITs allows consumers to pay for coffee or other food and beverage items using their mobile phone simply by sending an SMS. Consumers can also use the mHITs service to pre-order their items before arrival at a venue, meaning less queuing and waiting and faster service.

A variant of this solution, Easy Canteen, uses the same technology to provide parents and students the ability to order and pay for school canteen lunch orders by SMS

Consumers can also send and receive money instantly via SMS text message between mHITs members. This makes mHITs ideal for applications such as splitting bills, IOUs and taking collections for payments. The service works on all mobile phones, all Australian mobile networks and on both pre-paid and account plans.

As well as the purchase of food and beverages at retail Point Of Sale, mHITs is also an ideal payment method for purchase of mobile content, MP3 and other electronic downloads, or for making purchases for goods and services from Internet websites. Other applications include cashless vending, parking, taxi fare payment, charity donations and cash back offers.

mHITs recently launched it's "pay for coffee by SMS" service in Sydney, Canberra and Adelaide and has plans for rollouts in other cities. Details of venues currently using the service in Australia are available via the mHITs website at <http://www.mhits.com.au>.

mHITs in PNG

mPowa is one of many mobile payment services mHITs has deployed in PNG. In April 2009, in conjunction with DataNets Limited, mHITs launched the highly successful EasiPawa service allowing Digicel subscribers to purchase pre-paid electricity using their Digicel pre-paid airtime. More information on the EasiPawa service is available at <http://www.mhits.com.au/news.html> and <http://www.digicelpng.com/en/services/valued-added-services/easipawa-easipay>

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