

THE HINDU Business Line

Business Daily from THE HINDU group of publications

Monday, Apr 30, 2007

ePaper

CLASIC RETREAT IT HIGHWAY
Exclusive Plot Sale - CHENNAI

- Home
- News Update

[Home Page](#) - [Telecommunications](#)

[eWorld](#) - [E-Commerce & E-Business](#)

Dial M for money

eWorld

- Front Page
- Columns
- Index
- Archives

Preethi J

Features

- Investment World
- eWorld
- Brand Line
- Mentor
- Life
- Canvas
- Praxis
- Urban Pulse
- Brand Quest
- The New Manager

Stocks



The day when the mobile will replace everything in your

Hiring

Stories in this Section

[Dial M for money](#)

- Quotes
- SE Diary
- Scoreboard
- Open-End Mutual Fund

wallet — cash, bus tickets, debit card, visiting card, tickets for a concert/play, company ID, photos of your family, etc — is nearing. Following the lead by countries such as Japan and Korea, m-money is going mainstream in India.

Cross Currency

- Rates

Soon you will be able to just swipe your mobile and pay for that samosa. The mobile can dole out `chillar' that will help you pay your Metro ticket, or for small items bought at a convenience store. Various mobile application developers and large banks are testing the m-money concept in the country.

Shipping

- Ports

Already proven in Japan, where three entities offer this service to citizens, m-money is being regarded as a service that is a necessity rather than a convenience. Mobile money transfer, which allows expatriates to remit money back to their families in India, signals the beginning of the era of the mobile wallet.

Archives

- Yesterday
- Datewise
- Resources
- In Focus
- In Depth

MMT enables transfer of money through a simple SMS, nurturing micro finance disbursement and extending the reach of the traditional retail banking infrastructure. India is the largest recipient of international remittances worldwide at \$22 billion in 2005.



Globally, in 2005, over 200 million people worldwide who live and work away from their homes remitted over \$230 billion.

[M-wallet: how will it work?](#)

Group Sites

- The Hindu
- The Hindu ePaper
- Business Line
- Business Line ePaper
- Sportstar
- Frontline
- The Hindu

When you walk into the ATM, you will be able to place your money at a `contact' pad, withdraw money right onto your mobile using RFID (radio frequency identification, which basically transfers data wirelessly, but on contact) technology.

You can request transfer of an amount (which will begin with smaller amounts as a matter of precaution) to the mobile. The software on the mobile talks to the ATM and acknowledges transfer of money, deducting the amount from your account then and there. You could then use the money

eBooks

- The Hindu Images

loaded onto your mobile to pay for your railway ticket or even a sandwich.

No more rummaging for small change, says Sankalp Saxena, CEO, Moveo Systems, a Bangalore-based mobile application developer. This firm is working with banks in the country to begin m-commerce and says such a scenario isn't too far into the future.

Business sense

The m-money service will need several industries to work in symphony. Mobile handset manufacturers have to offer handsets that have an RFID chipset embedded in them. Such handsets will be more expensive than an ordinary one, as RFID is an expensive technology. Few mobile handset makers are ready with such devices.

Others will begin to manufacture m-money-compatible gadgets once the ecosystem gets going, believes Jagdish Mitra, Head, CanvasM, a mobile application developer. Motorola has such handsets ready, he adds.

CanvasM is a joint venture between Motorola and Tech Mahindra.

Banks and credit card companies will also have to embrace mobiles as an enabling medium. Application developers such as CanvasM and Moveo will have to design user-friendly software that are compatible with different kind of handsets.

Differences spell chaos

The software have to work on the same standard, or consumers will be affected the same way Japan's citizens are fumbling with three different services based on three different m-commerce standards.

In Japan, three services are being offered called Suica (which is run by the subway company), Eddy and DMIX (run by a

mobile company). Most residents have adopted these services.

"I use it to buy items at a convenience store," says Glyn Truscott, a user residing in the metropolis of Tokyo.

The germination of this service saw a very different purpose in mind — to avoid congestion at the ticket gates of the subway. With the use of RFID and mobile-money, the subway company hoped to speed up and avoid queuing. Its success led it to expand the service to convenience stores, who pay them commission.

Industry experts say m-money will require a joint push from the telecom operators and banks in the country. CanvasM is talking to a variety of large banks in the country and conducting pilots with a credit card firm.

Including security in the form of 32-bit cryptography, the firm is confident that m-money will take off, especially in logistics.

Moveo has partnered with McAfee and Verisign to ensure security during mobile transactions. Bharti Airtel and State Bank of India are conducting a pilot of the service.

In the next two quarters, m-commerce applications such as checking your bank account from your credit card, booking your airline ticket and paying your bills will be rolled out. This would be just the start of a whole m-experience.

In what Mitra calls 'phase two', RFID handsets would come into the picture. Currently pilots are being done with handsets and readers. "India and China are unsaturated markets and will see a huge plethora of applications," says Saxena.

preethij@thehindu.co.in

preethij@thehindu.co.in

[More Stories on](#) : [Telecommunications](#) | [E-Commerce & E-Business](#)

[Article](#) [E-Mail](#) :: [Comment](#) :: [Syndication](#) :: [Printer Friendly Page](#)

[The Hindu Group: Home](#) | [About Us](#) | [Copyright](#) | [Archives](#) | [Contacts](#) | [Subscription](#)

[Group Sites: The Hindu](#) | [The Hindu ePaper](#) | [Business Line](#) | [Business Line ePaper](#) | [Sportstar](#) | [Frontline](#) | [The Hindu eBooks](#) | [The Hindu Images](#) | [Home](#) |

Copyright © 2007, The Hindu Business Line. Republication or redissemination of the contents of this screen are expressly prohibited without the written consent of The Hindu Business Line
