

# DIRECT CARRIER BILLING\*



## The most popular mobile payment in use today!

While mobile payment options like NFC and cloud-based wallets get all the hype, Direct Carrier Billing (DCB) has received little attention despite its extensive use, immediate viability and great potential!

\*also known as Direct Operator Billing

More people have mobile phones than bank accounts and credit cards

7.14 BILLION



Source: U.S. Census Bureau

6.8 BILLION



Source: International Telecommunications Union

3.5 BILLION



Source: World Bank

2.15 BILLION

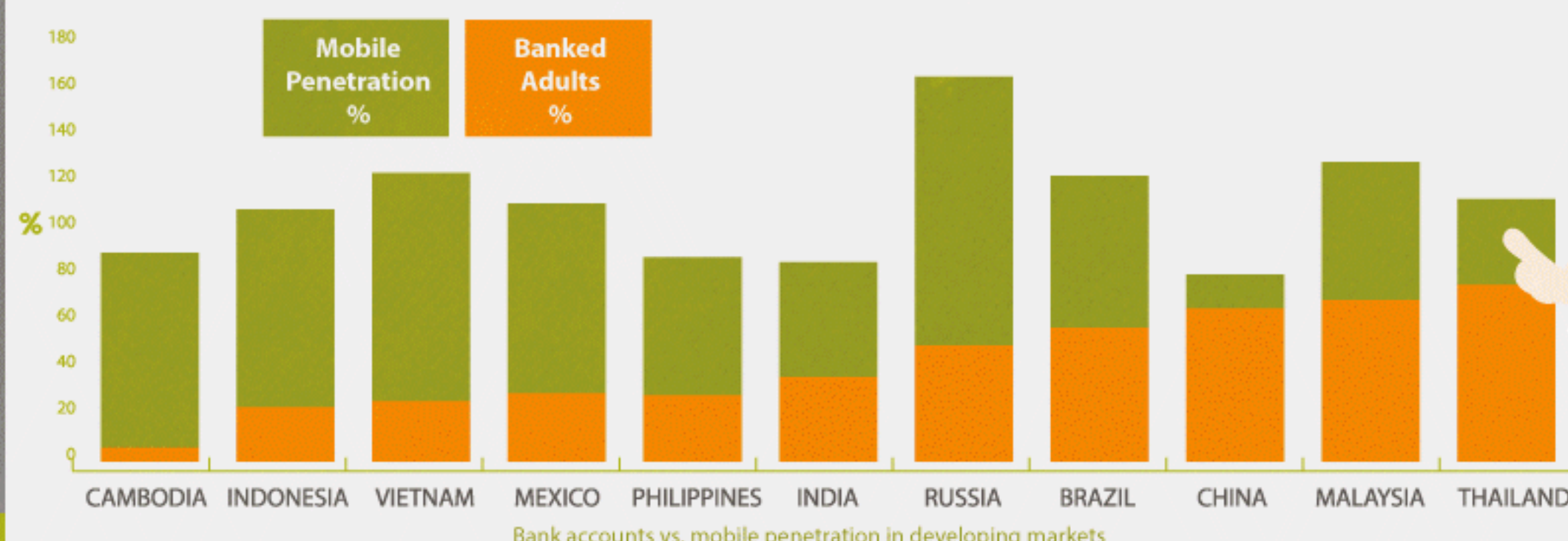


Source: Nilson Report

Carriers have unparalleled number of billing relationships – and that number is growing:

In 2014, the number of mobile phones will surpass the world's population. Source: International Telecommunications Union

Source: Juniper Research



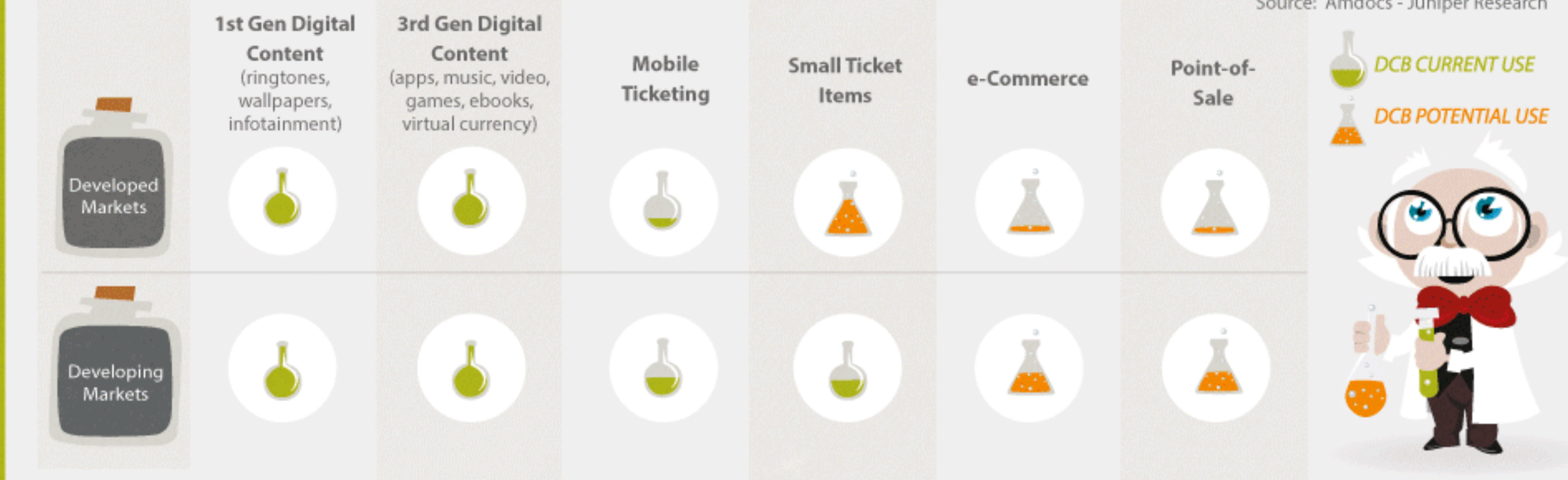
Bank accounts vs. mobile penetration in developing markets



## Direct Carrier Billing - Expanding to the Physical Realm!

DCB is used most commonly today for digital goods, but holds potential for supporting diverse use cases in the real world

Source: Amdocs - Juniper Research



## Direct Carrier Billing and the App Economy

Monetizing apps with Direct Carrier Billing

Direct carrier billing conversion rates are **5X HIGHER** than credit cards

Offering DCB payment can generate more revenue for app stores, app publishers and, of course, mobile network operators



Source: Analysys Mason

How big is the app economy?

Source: ABI Research

Total apps downloaded in 2012: **56 BILLION**

Total app downloads, 2017 projected: **160 BILLION**

Source: Juniper Research

Market estimates for carrier billing share of app store transactions:

by 2016

Source: Yankee Group

**\$11 BILLION**

by 2017

**\$13 BILLION**

Source: Juniper Research

## Markets offering DCB



Despite its popularity, iTunes does not offer DCB in any markets yet. With increasing focus on emerging markets, will this change?



Direct Carrier Billing on App Stores is expected to grow!

Emerging markets present the maximum potential for DCB

In Indonesia, over 83% of total Windows Phone Store purchases are processed over DCB.

Source: Amdocs

Direct carrier billing has had a **300%** year-over-year growth rate on **Google Play**

CARRIER BILLING'S SHARE OF APPLICATION STORE REVENUE (BY REGION)

2016 Forecast

Source: Yankee Group



## Innovative Use Cases Of Direct Carrier Billing:



## Angels and Demons of Direct Carrier Billing

Will consumers be able to buy physical goods using direct carrier billing?

FINANCIAL INCLUSION OF UNBANKED  
SMOOTH CUSTOMER EXPERIENCE  
HIGHER CONVERSION

REGULATION AND CONSUMER PROTECTION  
PERCEPTION OF WEAKER SECURITY AND FRAUD  
HIGH CARRIER FEES

FIGHT THE DEMONS WITH INNOVATION, TECHNOLOGY, AND NEW BUSINESS MODELS!

## Formula for carriers to move DCB to the next level

- Leverage existing billing relationships with consumers
- Work with leading app stores
- Leverage big data
- Increase caps on available purchase price points
- Reduce revenue leakage - Migrate Premium SMS to DCB
- Work with regulators
- Educate end users and merchants
- Merge with the mobile wallet



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