

# Etisalat's Connected Commerce Platform

## Smart Retail Service



### EXECUTIVE SUMMARY

#### COMPANY OVERVIEW

- **Customer Name:** Etisalat
- **Industry:** Telecommunications
- **Location:** UAE

#### BUSINESS CHALLENGE/OPPORTUNITY

- Deliver innovative services in mobile money and m-commerce.
- Expand services across the Etisalat international footprint, and also to develop interoperable services to operators in and outside of the Etisalat Group.

#### NETWORK SOLUTION

- Etisalat uses multiple enabling technologies to support its m-commerce applications including near field communications (NFC), mobile web, interactive voice response (IVR), short message service (SMS) and more recently, Bluetooth low energy (BLE or Bluetooth Smart).

#### BUSINESS RESULTS

- By the end of 2014, 17 million customers were using Etisalat's mobile wallet Flous or virtual card numbers across 12 countries.
- Transactions totaling US\$7.9 billion were completed through a connected commerce platform.
- 7.4 million tickets (metro and parking) were sold through the service worth about US\$27.7 million in revenue.

### Overview

Etisalat has developed an ambitious mobile money and m-commerce portfolio service, which is being rolled out in phases across Etisalat's international footprint, providing the potential for financial inclusion for millions of Etisalat users in the Middle East, Africa, and Asia. Etisalat's mobile-commerce (m-commerce) platform has won multiple awards and is also being used to support wider humanitarian initiatives.

### Service Innovation

Etisalat's mobile and m-commerce service portfolio and strategy under the connected commerce banner is being rolled out at various stages across its many territories. The foundation of the Etisalat connected commerce platform is a mobile wallet and its associated applications called Flous. More recently it has been joined by Mobile Cashier, a merchant acceptance mobile point of sale solution (mPOS).

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Etisalat's connected commerce services are at various stages of deployment across its territories, as shown in the following examples:

- Loyalty, coupons, and in-store m-payments: Egypt, Tanzania, Egypt, Cote d'Ivoire (Ivory Coast), Benin, Togo, Niger, Nigeria, Gabon
- Companion debit card: Pakistan
- Mobile wallet (Flous Virtual Card Number Plug-in): Egypt
- Near-field-communication (NFC) transportation and ticketing: United Arab Emirates
- Mobile Cashier: United Arab Emirates, Egypt, Nigeria, Gabon, Cote d'Ivoire (Ivory Coast)

### Mobile Wallet: Flous

Flous was first launched in Egypt in June 2013 through a partnership with MasterCard and the National Bank of Egypt (NBE). Parts of the service offering were rolled out later across other Etisalat territories. Flous, the first-ever Arabic mobile-money implementation, is designed to address specific user needs across a wide range of territories, taking in to account different cultures and languages, consumer devices, and network environments ranging from 2G to 4G. Flous is available in English, Arabic, French, Swahili, Hausa, Igbo, Yoruba, Tagalog, Hindi, Dari, Pashtu, and Urdu.

The scope of the Flous service is very broad and includes retail payments (remote online and in-store proximity payments), domestic and international mobile money transfers, utility payments, e-ticketing and business-to-consumer salary disbursement.

In a few selected markets, Etisalat has also used its partnership with MasterCard to offer a physical companion debit card, because it helps reduce dependence on cash and can act as a stepping stone to proximity payments through NFC enabled devices.

In Egypt, Etisalat has developed the Flous virtual card number (VCN) plug-in, which acts as a virtual card for mobile online payments. A Flous customer requests a VCN and is sent one through SMS. A different number is used for each purchase. Each number is valid for 24 hours. Funds for VCN payments are drawn from customers' mobile wallets.

### Mobile Cashier

Etisalat is one of the first mobile network operators (MNO) to introduce an mPOS merchant payment acceptance solution across multiple territories. Mobile Cashier is designed to enable small and micro merchants to accept credit and debit card payments with a smartphone. Mobile Cashier is Europay, MasterCard, and Visa (EMV) approved and Payment Card Industry Data Security Standard (PCI DSS) compliant (that is, bank-level security). Digital receipts can be delivered with SMS or email, or through a print request option.

Etisalat is promoting Mobile Cashier in major trading centres, such as shopping malls, and offers the solution in an attractive starter pack enabling smart retail. (See Figure 1.) The pack includes an mPOS dongle along with the option of an Etisalat data and voice subscription tariff, mobile phone, or tablet. The starter pack is available through multiple distribution channels, including Etisalat business centers, Etisalat distribution points and partner bank branches.

**Figure 1.** The Etisalat Connected Commerce Platform Smart Retail



### Integration with Mobile Connect

Flous and Mobile Cashier are underpinned by Etisalat's implementation of the Groupe Speciale Mobile Association (GSMA) Mobile Connect Identity program. Mobile Connect gives consumers one digital ID that they can use to securely log on to sites and/or authenticate payments from their mobile phones. With the Etisalat implementation, which won a GSMA Global Mobile Award in 2015, customers can also manage their personal data attributes, authorizing and sharing with service providers only required information.

### Using the Commerce Platform to Enable Other Service Initiatives

Etisalat is using its connected commerce platforms to support and drive other services, notably humanitarian initiatives. In Niger, Mobile Cashier has been used to distribute funds to refugees from Mali, Central African Republic, and Northern Nigeria. Refugees were given United States Agency for International Development (USAID) and World Food Program (WFP) prepaid payment cards that could be accepted by Mobile Cashier merchants.

To ensure price control for the subsidized goods available to refugees, merchants were issued picture-based printed pricelists with integrated barcodes. Only transactions scanned through integrated barcodes were accepted for the program. In total, more than US\$15.6 million were distributed directly to Flous accounts by international nongovernment organizations (NGOs) through the Electronic Social Cash initiative to more than 950,000 refugees and displaced communities in Niger, Pakistan, Afghanistan, and Egypt.

Etisalat is using its mobile commerce platform to also support the Weena initiative, also a GSMA Global Mobile Award winner, which provides women in rural Africa with microloans and trains them on how to start businesses that distribute mobile services in their communities. Weena agents support the women by providing relevant value-added services and a rewards scheme based on bonuses delivered to a mobile saving account, which can be used exclusively for buying selected goods such as school supplies or healthcare products.

“Etisalat is at the forefront of technology innovation, bringing market-relevant and transformational services to its customers across the group markets. By enabling people to use their mobile phones to access advanced banking services, we not only hope to deliver lasting benefits to our customers, but also contribute to the socio-economic development of the economies of Nigeria and other countries that we operate in.”

— Khalifa Al Shamsi, Chief Digital Services Officer, Etisalat Group

## Opportunities

Etisalat can bring to market further innovative mobile commerce and financial services, and advanced technology developments due to its strong cash position, including:

- Etisalat was the first mobile network in the United Arab Emirates to upgrade to 700 Mbps 4G LTE triband carrier aggregation technology.
- Etisalat has launched LTE and triple-play services (eLife) through very small aperture terminal (VSAT) technology, becoming the first operator to launch such services in the Middle East.

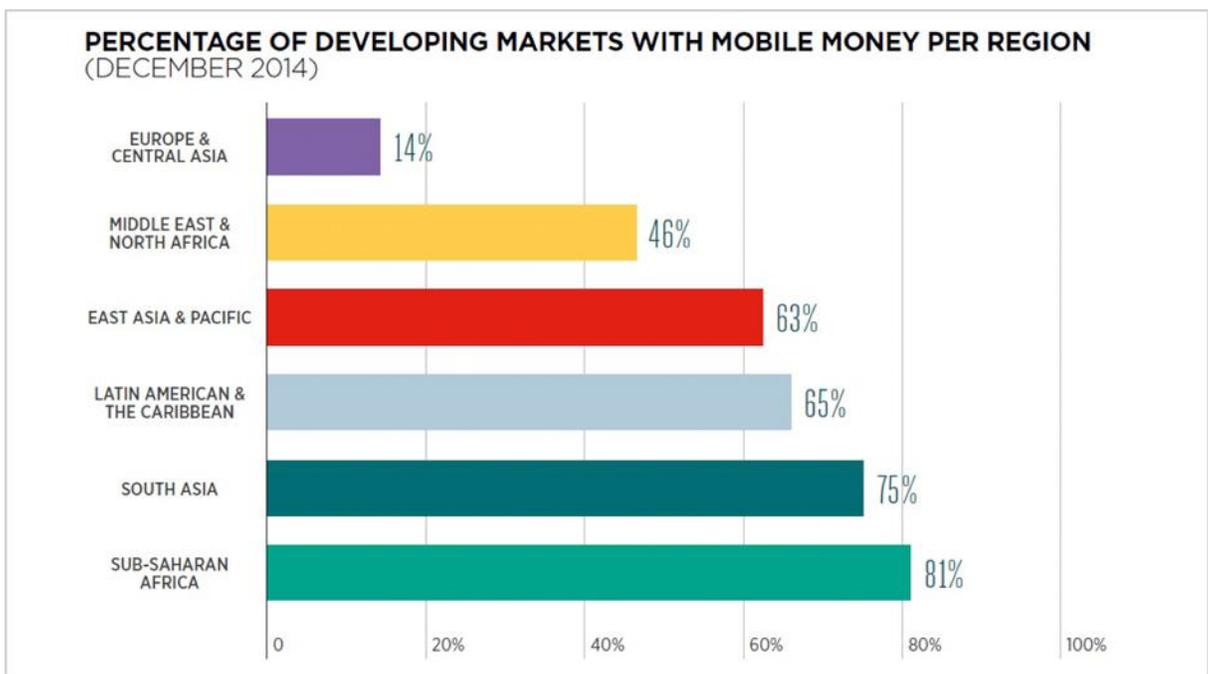
Etisalat has international operations in emerging markets in the Middle East, Asia, and Africa that present good growth opportunities for its mobile commerce and financial service portfolio. In the first quarter of fiscal year 2015, Nigeria and Afghanistan experienced strong subscriber growth. Etisalat is also experiencing strong subscriber growth in United Arab Emirates (its home market) where it is also the dominant operator. United Arab Emirates is a sophisticated and affluent market in which there is a keen appetite for the latest mobile devices and services. Etisalat might increase its presence of mobile financial and m-commerce services in these countries.

## Challenges

By far the biggest challenge facing Etisalat is increasing competition in nearly all markets that it operates in, perhaps with the exception of United Arab Emirates and Morocco.

Mobile money and financial services are becoming very competitive. According to the GSMA, in 2014, 255 mobile money services were live across 89 countries. Sub-Saharan Africa now accounts for the majority, 53 percent, of live mobile money services globally. As of December 2014, 81 percent of the countries in Sub-Saharan Africa have launched a mobile-money service (Figure 2).

**Figure 2.** Mobile Money Services in Developing Markets



Source: GSMA

## Strategic Partnerships

The main partners for Etisalat connected commerce services are:

- Oberthur Technologies for near field communications (NFC) solutions
- Wirecard for mobile point of sale (mPOS) smartphone applications
- MasterCard (payments gateway): The MasterCard Payment Gateway is a flexible enterprise wide payment-processing platform for routing commercial payments among buyers, suppliers, and their financial institutions.
- Various local banking partners across its operational footprint (such as First Bank in Nigeria, National Bank of Egypt (NBE), and United Bank Limited (UBL) in Pakistan)

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## Monetization and Success Metrics

Flous made its debut in Egypt in June 2013, and by the end of 2013, elements of the Flous service had been launched in seven countries, reaching a total registered base of 10.5 million users. By the end of 2014, 17 million customers were using Flous across 12 countries. In 2011, US\$1.8 billion in transactions were completed through the Etisalat commerce platform and 5.4 million parking tickets were sold through the service to the value of US\$17.2 million. By the end of 2014, the total for the service had risen to US\$7.9 billion in transactions completed through Etisalat commerce platform, with 7.4 million tickets (metro and parking) sold through the service for a value of US\$27.7 million.

Flous and Mobile Cashier have both won or been nominated for several awards (including GSMA Global Mobile Awards), which is a testament to their quality and innovative drive.

## For More Information

To find out more about Etisalat, visit [www.etisalat.com](http://www.etisalat.com).



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