

In pursuit of Appiness.

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The Apps phenomenon

- 100,000 Android Apps
- 25% of European population using Apps
- Highly affordable for buy without trying
- Good apps go from obscurity to top ranking in days
- Developer support and publishing has never been so easy
- New App stores springing up daily, Windows, Android, Samsung, Nokia...
- Corporates are using apps to make a technology statement



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Commercial models

- **Totally Free**
- **Free, but you will like the chargeable one better**
- **Ad funded**
- **Chargeable on download**
- **Chargeable in-app**
- **Charged through**
 - Credit cards
 - Debit Cards
 - Paypal
 - Moneybookers, UKash etc



So the big question...



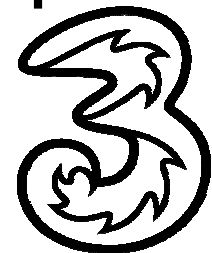
**Why has this missed
mobile charging?**



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The answer is to wait and see

- Not an easy global payment mechanism
- Premium SMS is tainted and wrapped in regulation
- Current target users are 18-35, high earners, credit and ecommerce savvy
- Mobile payments gives a poor return vs credit card
 - (Some of this is perception)
- Only iTunes store has cracked the unbanked issue
 - (With Facebook hard on its heels)
- But as Apps get more localised, the mobile payment option is emerging



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Apps store charging

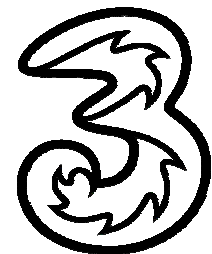
- **Almost standard checkout procedure with mobile as a payment option**
- **Verify your user**
 - Browsing via Network makes this easy
 - WiFi harder but not impossible
- **Provide clear pricing**
- **Provide post sale dispute process**
 - Refunds / Return of product / technical assistance
- **Use Network APIs and Location Services to enhance products**
- **Use the robust mechanism of the Payforit scheme and APIs**



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In App Billing

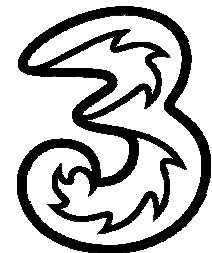
- **This is the new wave of product monetisation**
 - Pre-purchase of credits for in-app use
 - Daily / Hourly usage charges for information
 - Level based charging for games
 - Charging for access through Paywalls
 - Charging for weapons, armour, cheats
- **This can also be the next ringtone scandal!**
 - Denial of charging opt-in by users
 - Lack of pricing clarity or value proposition
 - Runaway app servers creating havoc
 - Lack of audit trail of users opt-in
 - Deliberate scams



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The safer route for the moment

- **API (Payforit) and Aggregator (PSMS) pre-approves every app that has in-app billing**
- **MSISDN (Mobile number) and App are paired**
 - Do not ask the user for MSISDN if possible!
 - App access to handset data or paired at registration
 - App sends MO to shortcode
 - App performs charging using browser session
- **API / Aggregator performs charge on instruction from App server**
- **Each charge receipted by SMS with customer care number**
- **API / Aggregator handles customer care issues.**



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Thank you.



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