

Technology outlook

Micropayments

**Will change both the web
and the mobile world**



By Don Hankins



By Milishor

LET'S MAKE SURE.



by [Great Beyond](#)

Micropayments

What is it?

Micropayment is a business concept adapted to small amounts and high volume services typical for the web. Some related concepts are "Internet Wallet", "Digital Money", "A Penny Per Page", "Microcommerce" and "Pay-Per-View".

The main concept is to pay for actual usage in a high volume market.

Why care?

It will eventually be the mainstream paying method for both the Web and mobile services



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Micropayments

Why will it change?

There is a problem with the traditional model on the web

- [The Wall Street Journal](#) - \$60/year for financial news
- [Britannica](#) - \$8/month for an online encyclopedia
- [Yaga](#) - \$10/month for movies, music, e-books and games

Let's say that Google, Yahoo, CNN and others would do the same. Only a very small percentage of all users could/would buy it all.

With the Micropayment method "Pay-Per-View" the number of users would grow to literally "all" on the net



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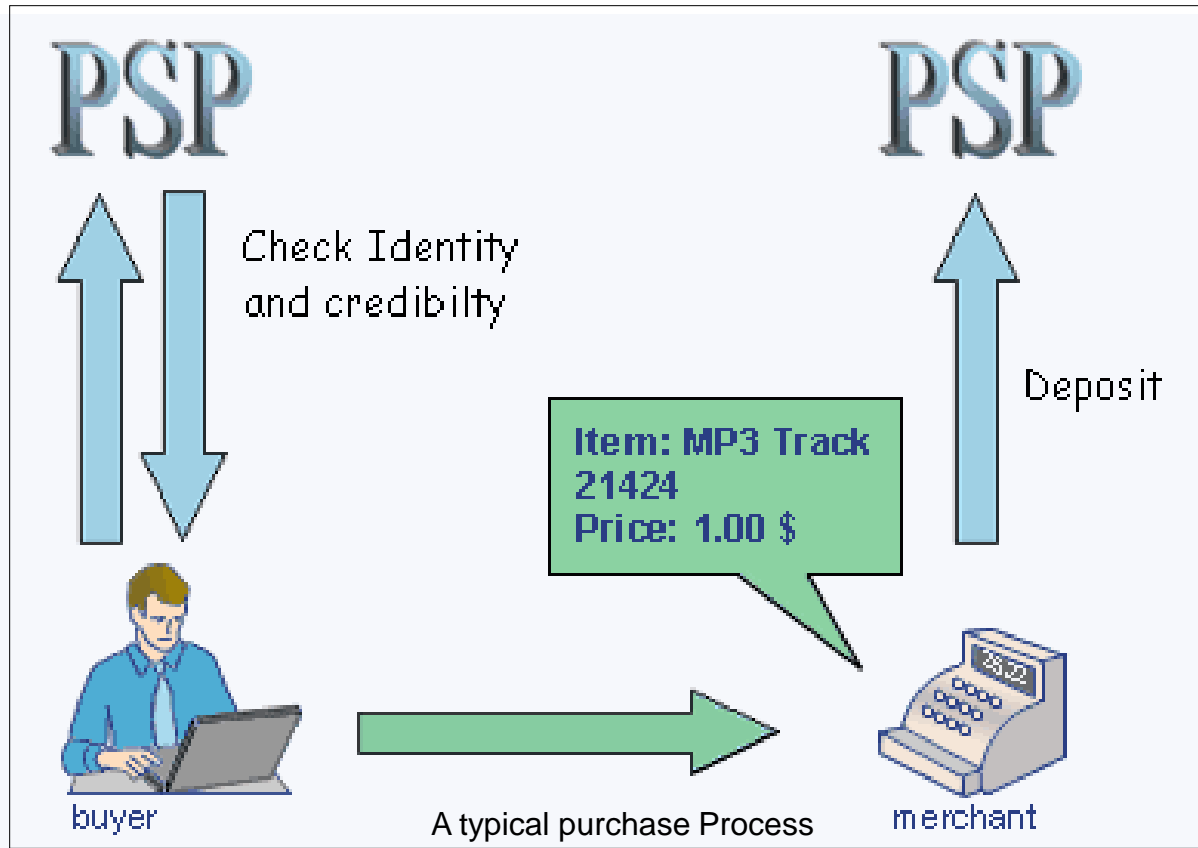


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Micropayments

How it works

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PSP = Payment Service Provider



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Micropayments Mobiles

Currently a wide range of micropayment services are in place, such as

- Downloading ring tunes, background images etc
- Car park payment by mobile
- Weather forecasts, stock reports, sport result services etc



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3G will add even more micropayment services such as navigation aid, video streams, tight integration with the internet etc.

Mobile phone operators will need to establish payment aggregation service as a core competency

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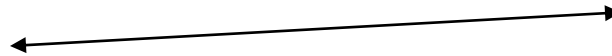
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Micropayments

The Zingo Taxi service

A "location based" service for mobiles in London

1. Call the number
2. You are automatically located
3. The call will be transferred to the nearest taxi
4. You'll make an agreement directly with the cab driver
5. An extra small fee is added for the location service



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Micropayments Obstacles

- Lack of standards = too many different technologies for the user to handle. This will probably be the situation for >5 years
- The cost of the transaction itself (the infrastructure) must be a fraction of the price. There are solutions but no standards.
- Security risk must be lower than for ordinary transactions in order to keep the transaction cost low
 - Each transaction is of no incentive for fraud but the high volume of transactions is a risk.



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Micropayments

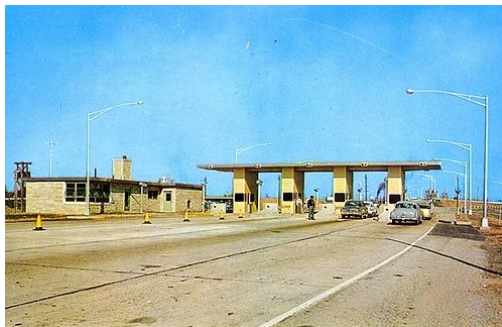
Automotive and other industries

Opportunities to offer low price services with high volumes

- Within telematics such as
 - "pay-per-map"
 - fuel reports
 - driver entertainment
- Current Road tolls systems will be further developed



by unilite1



by Shook Photos

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