



# Gaining the competitive advantage in cross-border payments.

How banks and fintechs are using mobile wallets to obtain and retain revenue in 2024



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# Growth in cross-border payments is outpacing the payment market as a whole.

## The global cross-border payments market

valued at

# \$181.9

TRILLION IN 2022

projected to reach

# \$365.5

TRILLION IN 2030

These figures represent a compound annual growth rate (CAGR) of 7.3%, outpacing the total payments market, which is expected to grow at a CAGR of 6.25% between 2022 and 2030<sup>2</sup>.

Source: <sup>1</sup>Allied Market Research, <sup>2</sup>Valuates Reports

## Mobile wallets are a key driver of growth.

In this white paper, we'll look at the opportunities mobile wallets present for banks and other financial institutions to tap into this growing source of revenue and why reaching beneficiaries in emerging markets with mobile wallets is key to obtaining and retaining customers.

# 5.2B<sup>3</sup>

It's estimated that more than 5.2 billion people will actively use mobile wallets by 2026.

# 1/3<sup>rd</sup><sup>4</sup>

Roughly 1/3rd of cross-border payment revenue comes from low-value payments, where mobile wallets are the fastest-growing payment channel.

# ↑128%

Dandelion network saw a 128% growth in transactions into mobile wallets from 2022 to 2023.

It's becoming increasingly clear that any financial institution that ignores mobile wallets is ignoring a valuable opportunity for revenue growth and retention.

Read on to discover how you leverage mobile wallets to gain a competitive advantage today.



# What is a mobile wallet?

A mobile wallet is a digital product that allows individuals to store money and make payments without necessarily needing a bank account.

## There are three different types:

### Open loop

These wallets can be used to make payments to a variety of merchants and businesses, regardless of those businesses' relationship with the wallet provider.

#### Examples include



### Closed loop

These wallets can only be used to make payments within a specific system or to a specific business.

#### Examples include



### Semi-closed loop

These wallets can be used to make purchases on multiple platforms and retail locations affiliated with the wallet provider. Additionally, they can transfer virtual funds to other users within the same wallet network, and allow the user to receive rapid transactions

#### Examples include



# Why are mobile wallets growing?



## **Digitalization.**

Consumers and businesses alike look to digital payments to improve speed and efficiency. Mobile wallets offer individuals digital convenience, security, account management, and transparency. For merchants, they enable an expansion of acceptance, lower cost of business, access to new customers and revenue streams, and less payment friction.

## **Underbanked and unbanked populations.**

Data from the World Bank suggests that as many as 1.4 billion<sup>1</sup> people remain unbanked in 2023. In areas where traditional banking is not an option for the average person, mobile wallets serve as an accessible financial product, offering many consumers and businesses a vital lifeline to the digital economy.



## **Digital natives.**

Younger users (specifically those aged between 18-35, often referred to as Millennials and Gen Z) are more likely to adopt digital-first methods of moving their money, as opposed to relying on traditional banking. For these digital natives, mobile wallets represent a fast and simple way to send and receive money.



In banking, there is a rising demand for real-time payments in both developed and emerging markets.

**“Digital wallets, the source and destination of much of the flow in instant payments, are similarly booming.”**

*Source: McKinsey*

# The advantages of mobile wallets over traditional payment rails.

For standard bank transfers, wire transfers, or credit card payments, settlement often takes two to five days – an eternity in the business world, and at odds with consumer expectations in the modern digital era. Traditional cross-border payment processes, such as Swift, rely on correspondent banking networks, where an international payment touches an average of five banks, making the transaction subject to highly unpredictable speeds and payment rates.

> **Take a look at what gives mobile wallets an advantage over traditional payment rails:**

## Mobile Wallets

## Traditional rails

### Speed



Real-time settlement



Settlement can take up to 5 days

### Accessibility



Accessible worldwide with mobile signal



Limited in many regions by a lack of physical locations

### Reach



Connected to billions of users



Disconnected from a growing revenue pool

### Transparency



Predictable costs and easily trackable payments



Unpredictable costs and limited payment tracking

### Security



Highly secure encrypted connections



Siloed, complex, and inconsistent systems

**So why should  
wallets be  
part of your  
growth plan?**





# The scale of opportunity for financial institutions

Mobile wallets represent a staggeringly large untapped market for banks, specifically in the realm of cross-border payments. Consumer-initiated cross-border payments are expected to grow nearly twice as fast as B2B payments between 2023 and 2030<sup>1</sup>, with mobile wallets offering the fastest, most convenient option for receiving these payments. Additionally, 8/10 of consumer payments go to low-to-middle-income countries<sup>2</sup> where mobile wallets are the fastest-growing method of payment.

Accessing your share of this enormous market means targeting opportunity-rich regions, where mobile wallets present the best method to spend, save, and receive money. Enabling your customers to transfer payments into these wallets will expand the reach of your services from established markets, securing a significant business advantage.

# 2x

Consumer-initiated cross-border payments are expected to grow nearly twice as fast as B2B payments between 2023 and 2030.

# 8/10

of consumer payments go to low-to-middle-income countries where mobile wallets are the fastest-growing method of payment, often replacing cash.



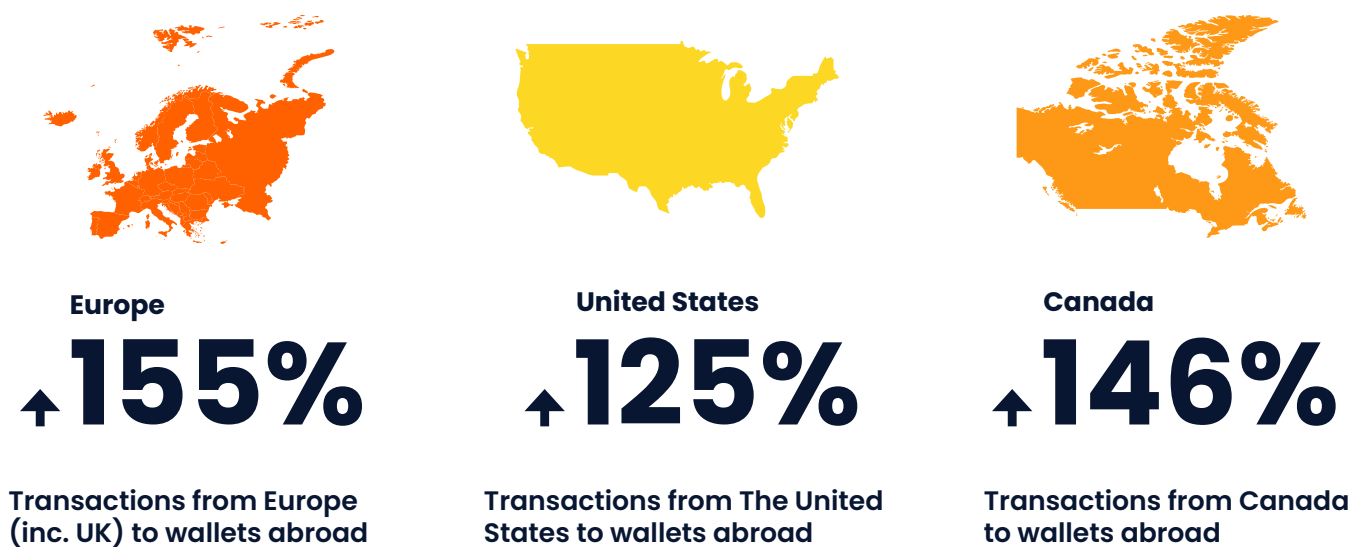
**Adding mobile wallets to your network can extend your reach to billions of beneficiaries in regions like Africa, LATAM, and the Asian Pacific, making you an attractive prospect for customers looking to send money into these underbanked areas.**

Source: <sup>1</sup>Statista, <sup>2</sup>Knomad

# Obtaining and retaining customers with mobile wallets.

Our own Dandelion network data—published in this report for the first time—reveals a growing demand from customers in established markets to send money to mobile wallet users abroad.

Below is the rate of growth from 2022 to 2023 of cross-border transactions sent into mobile wallets from **3** key established markets.



**> With usage steadily increasing, it's clear that mobile wallets are a huge competitive advantage for financial institutions looking to attract new customers and increase the revenue and retention of existing customers.**

**If your existing  
customers can't  
send cross-border  
payments to mobile  
wallet users,  
they will be forced  
to go elsewhere.**

*(aka your competitors.)*

# Which regions are mobile wallets growing in?

The mobile wallet market is growing rapidly. According to Grand View Research<sup>1</sup>, the market was valued at USD \$7.42 billion in 2022, with an expected CAGR of 28.3% from 2023 to 2030.

Below are some key insights on regional mobile wallet adoption, using the GSMA 2024 State of Industry Report on Mobile Money<sup>2</sup>. We'll also include proprietary data points from the Dandelion network itself, offering a unique insight into the global financial landscape:



## Africa.

A rapidly maturing market. East Africa has become well-established: early adoption began in Kenya, and their neighbors have followed. For example, our network data shows that international payments into mobile wallets in **Uganda increased by 212% between 2022 and 2023<sup>3</sup>**. Additionally, the GSMA found that over a third of all new mobile wallet accounts in 2023 were registered in West Africa.

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## LATAM.

Latin America is still in the early stages of adoption, but there's still a lot to be excited about. The number of active mobile wallet accounts transacting every month in LATAM has steadily increased since 2019. Similarly, payments into LATAM countries from abroad are increasing in frequency. As an example, Dandelion network data revealed a **179% increase in payments into mobile wallets in Colombia from 2022-2023<sup>3</sup>**. Any financial institutions that can establish themselves in LATAM now have the chance to dominate this market in future.

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## APAC.

East Asia and the Pacific is a growing market with high inbound payment rates - for example, on the Dandelion network, we saw international payments into local mobile wallets in the Philippines increase by **95% between 2022 and 2023 according to Dandelion network data<sup>3</sup>**. One-fifth of new mobile wallets created globally in 2023 were registered in the APAC region.

# How to successfully integrate mobile wallets into your growth strategy.

The successful addition of mobile wallets to a financial institution's growth plan and network capabilities requires **3** critical components.



## **Interoperability.**

For customers to receive the smooth and fast service that's expected when sending money into a mobile wallet, their payment provider must have an infrastructure that supports interoperable transactions between bank accounts and mobile wallets.

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## **Local knowledge.**

Wallet providers and a population's reliance on them differs in every country around the world. Without a global and local understanding of the mobile wallet market, a financial institution can't reliably know where to focus its growth and expansion efforts.

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## **Scalable reach.**

As discussed in this white paper, the demand for mobile wallets is rapidly growing. Building connections into the most active wallets and geographies today isn't enough to gain and retain a competitive advantage for tomorrow. Entering any growth market requires you and your reach to continue growing with it.



# Gaining the competitive advantage with Dandelion.

At Dandelion, we have spent over 35 years building the largest real-time, cross-border payments network in the world. Interoperable by nature, Dandelion delivers payments via direct-to-local connections into bank accounts, mobile wallets, and cash pickup locations.

Our network is run by a truly global team who provide local expertise to our customers. Additionally, our unique network data reveals insights into where growth in the payments market is happening and how it's changing over time.

Access to the entire Dandelion network is enabled through a single, flexible API integration with proven integration capabilities for both legacy and modern infrastructures.

Don't need worldwide access immediately? Not a problem. No additional contracts or connections are necessary to scale your operations from 1 to 1,000,000 transactions or 1 to 100 countries.

**Built to support your growth, Dandelion is instantly scalable, on demand.**

**198 Countries | 110 Currencies**



**Bank  
Deposit**



**Mobile  
Wallets**



**Cash  
Pickup**

## Get in touch.

If you'd like to find out more about our network, you can [download](#) the network catalogue.

To discuss how we can support your growth strategy, reach out to us at [dandelionpayments.com/contact-us](https://dandelionpayments.com/contact-us) or [partnerships@dandelionpayments.com](mailto:partnerships@dandelionpayments.com).

