

SMART STRATEGY TURNS MOBILE USERS INTO BUYERS(By The Herald Sun(Australia))

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IN THE BLACK

IT is a difficult task keeping up with the pace of business development in China. Just take ASX-listed 99 Wuxian as an example.

It runs a mobile phone banking and commerce platform that is so successful that the vast majority of the major banks, insurance companies and telcos use it. And why not, with 99 Wuxian providing all of the mobile commerce support and development free and allowing its business partners to control the look of their mobile sites and provide them access to the traffic data?

Building such a solid mobile payments platform has allowed the company to boast an incredible 320 million plus people that use its mobile banking apps, with 43 million of those actually purchasing some of the more than 3000 different virtual and physical products through the platform such as mobile phone recharges, games, travel, electronics and home decorations.

The platform now allows customers to use their loyalty points to pay bills or buy items - a feature that has the benefit of large marketing pushes by banking partners such as the Agricultural Bank of China and China Construction Bank to drive more traffic on to 99 Wuxian.

The difficult part is converting the rapid growth in customers and a staggering \$1.5 billion in gross revenue into net profits, which most recently were a skinny \$1.3 million.

Chief executive Amalasia Zhang - who was born into a family of bankers - said the key was to turn a greater percentage of the mobile banking users into actual shoppers for items for which 99 Wuxian gets paid a commission.

Adding point of sale functions through credit card provider China UnionPay is a really vital step here, along with ramping up marketing efforts and adding new products and partners to the platform.

Developing big data and direct marketing functions should also help. Then it is just a question of surfing the massive future growth of Chinese mobile commerce by maintaining the platform's relevance and capability. A speculative buy