

# Mobile Payment & Contactless

## A European Perspective

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presentation to Wireless Expo, Toronto

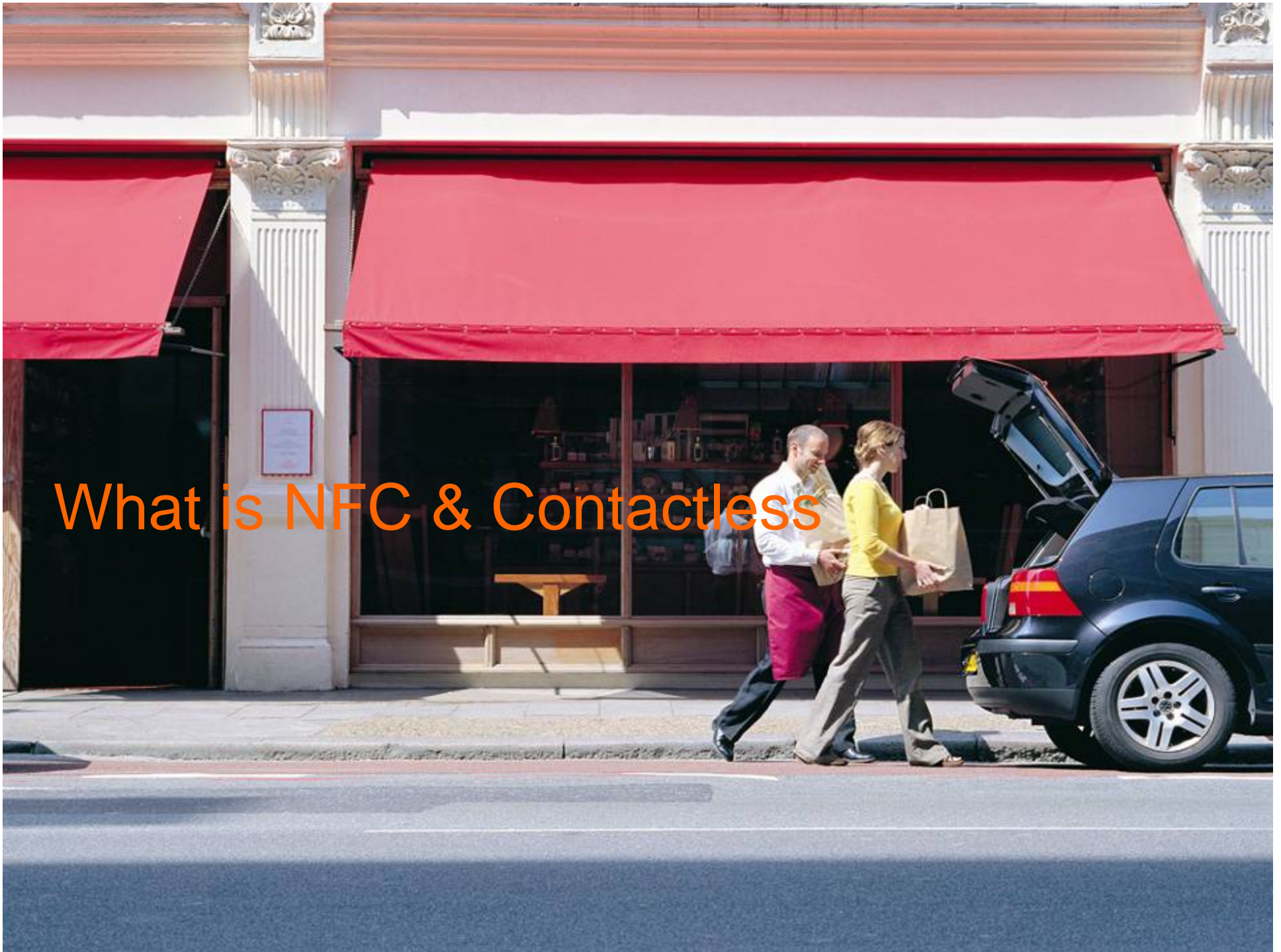
15<sup>th</sup> July 2008



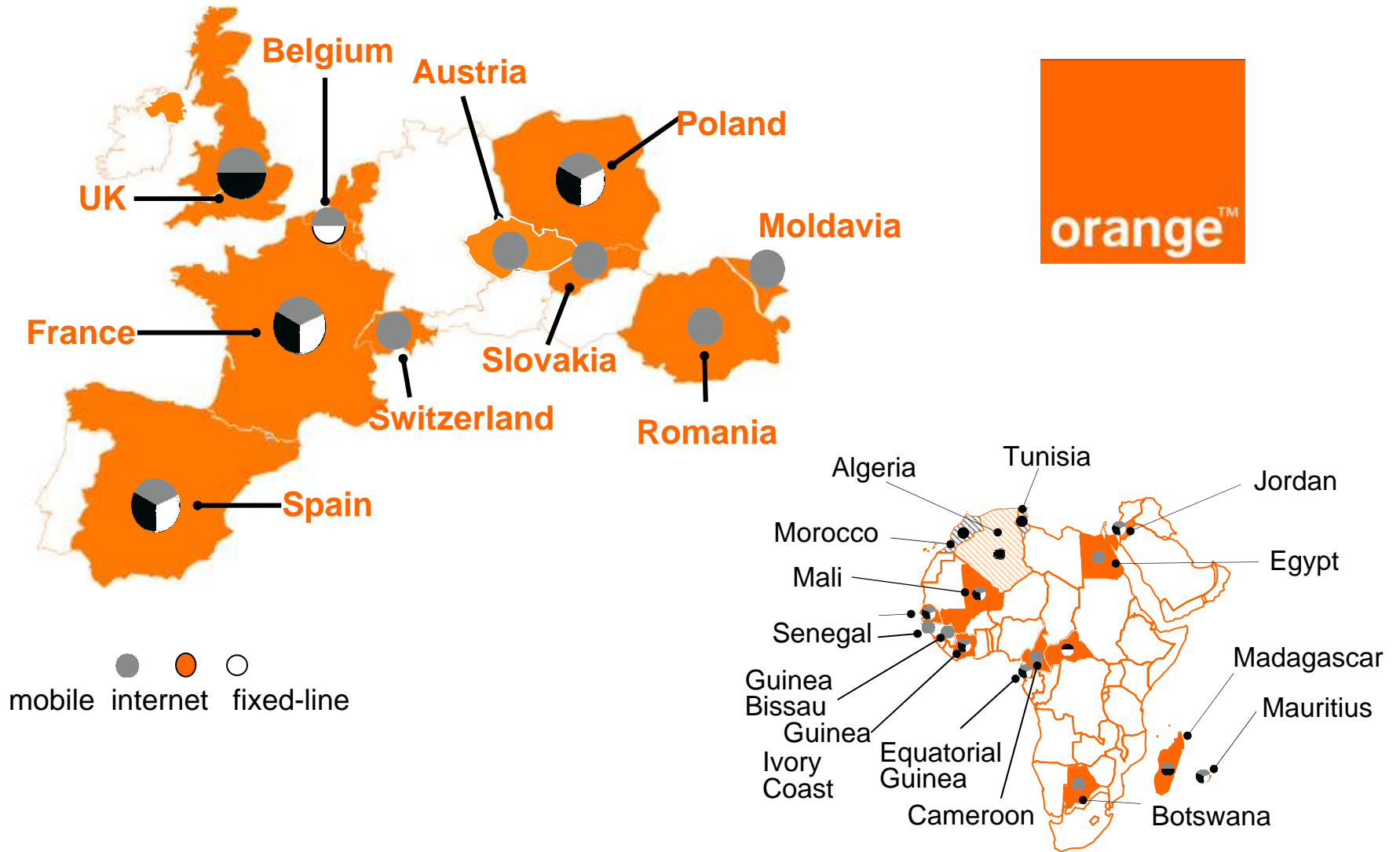
# Presentation outline

- section 1      what is NFC & contactless
- section 2      why mobile contactless
- section 3      key applications & role of payment
- section 4      the consumer view
- section 5      deployment

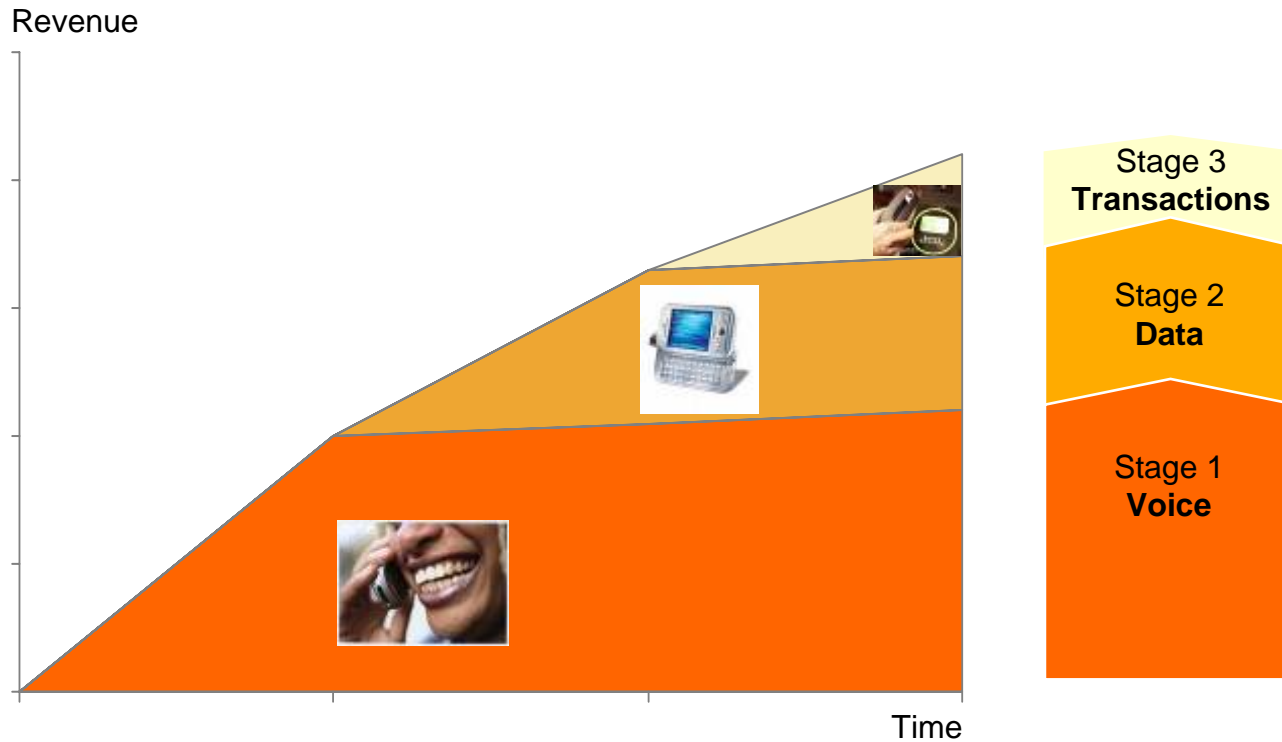
# What is NFC & Contactless



Orange : one of the world's leading communication brands, 160 million customers around the world



# Transactions: a new stage of mobile services



**Use mobile phone to do daily life transactions in physical world**  
payment, ticketing, loyalty, access control,  
obtain information from physical objects (eg. posters)

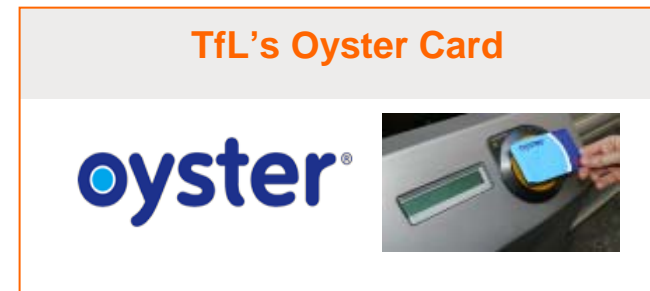
## What is NFC ?



# UK pioneering contactless services today

## Consumers are already using contactless

- 17m Oyster cards issued
- Largest and most successful contactless service in Europe



## 'One Pulse': Innovation in payment

- Oyster, Chip + Pin and Contactless payment all in one card
- 6000 retailers today with contactless terminals
- 100,000 retailers will accept contactless by 2008



# Why mobile contactless

society is evolving to make consumers lives easier and businesses more efficient



## Cash/Plastic

## Contactless

## Mobile Contactless



# The contactless vision is to emulate and replace payment, travel and loyalty cards

Today, plastic card or paper



Tomorrow, a much richer experience with the mobile



# drivers and recognised value

## Operators



- reduced churn
- new revenue streams
- incremental data usage
- brand perception

## Service Partner



- incremental service usage
- cost saving
- new channel
- brand perception

## Consumer



- ease
- speed
- added value
- security

# Key applications & role of payment

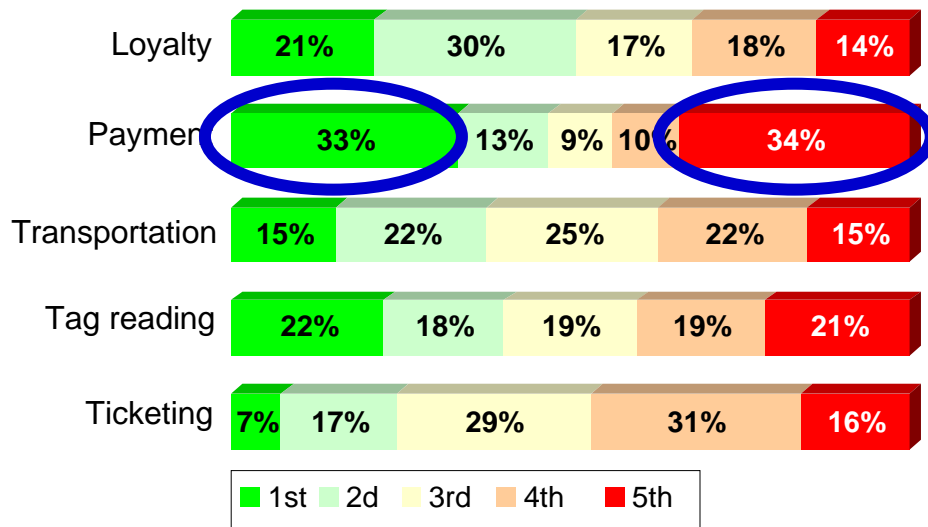


# Payment stands out both as the favorite and the most segmenting application



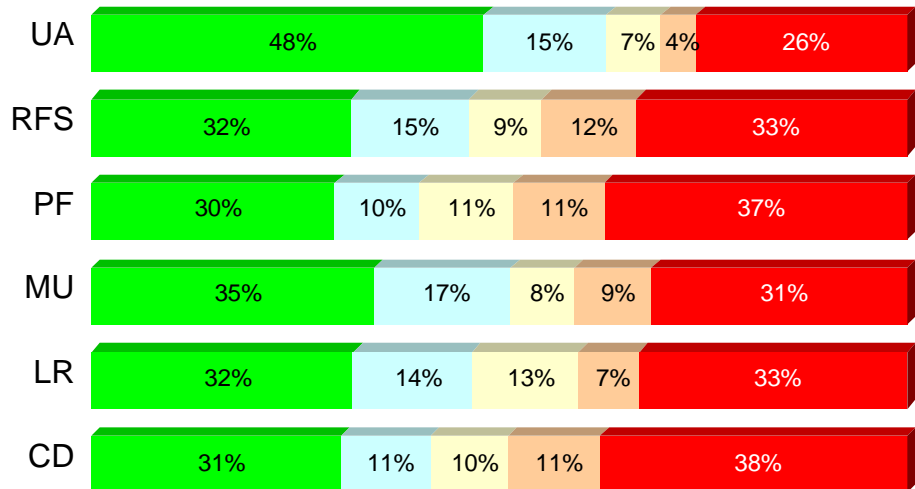
## Favorites services ranked from 1 to 5 :

- Payment has the most extreme scores : it is either highly desired, or strongly reluctant ;
- Loyalty has the best average score.



## Rank of "payment" per segment :

- 63% of *Upmarket Aces* rank it as the 1<sup>st</sup> or the 2<sup>d</sup> favorite service,



\* Basis : full sample (1993)

\* Basis : interested in QP (1347)

# A revolution in banking

Of course  
a quick payment  
method ...



... but above all, my bank in my pocket !

Access my financial  
info anytime, anywhere



One-to-one  
marketing



P2P  
transactions



Remote Blocking:  
- Lost / Stolen  
- On demand

# A revolution in transport

Of course  
a convenient  
way to get in ...



**Swipe** your mobile  
here !

... but above all, whole new services !

Make pricing flexible  
(eg. pollution peak)



Get timetables,  
delays, breakdowns,  
etc.



Buy  
tickets  
online



Buy a ticket  
bundle

# A revolution in shopping

## Make real one-to-one marketing

- Your loyalty application display changes according to your current promotions
- Personalised coupons



## Make your shop interactive

- Get special offers
- Get product information



## Transform shopping experience

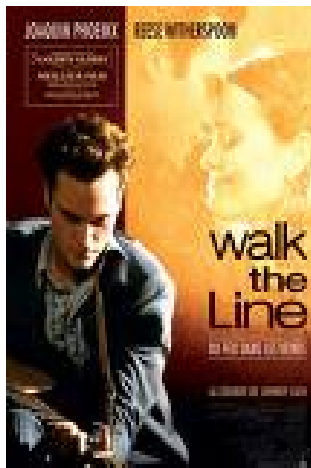
- Use your phone to select products in the shop and have them delivered to your home
- Shop online and get your order at a drive-in



# A revolution in advertising

## Make traditional advertising interactive

- Swipe your phone near a movie poster and download a preview



## Assess the impact of an advertising campaign

- Assess the audience
- Get feedback from people interested in the advertised product



## Use everyday life interactions to develop one-to-one marketing

- Reach people in everyday life
- Develop a one-to-one relationship extended over time

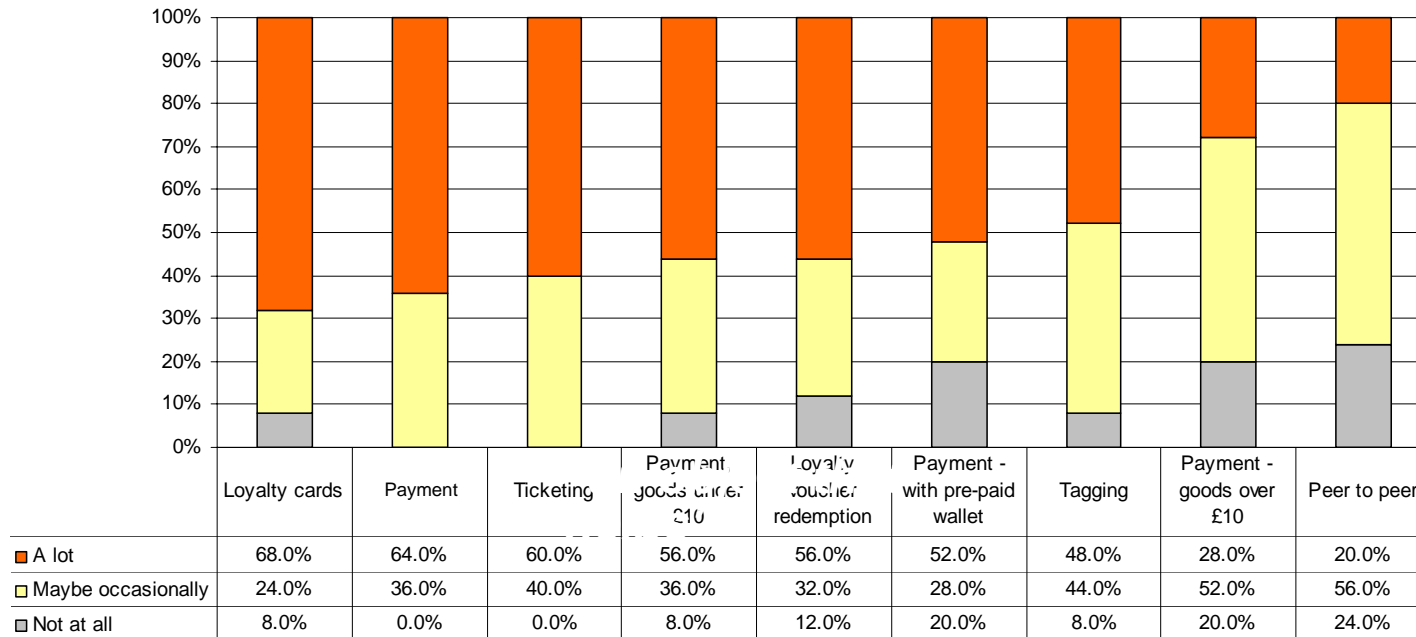


# The consumer view



# Consumers love it – particularly payment and loyalty

How likely would you be to use the following?



***“it’s a new way of life”***

***“an extraordinary breakthrough”***  
***“a tremendous innovation”***

***“a flowing motion”***  
***“magical”***

***“part of daily actions”***

# The role of the mobile operator is simply deduced from consumer expectations

## Customer expectations

multiple-services

peace of mind

ease of use

protection against theft / loss

compatible with existing handset  
upgrade experience

## MNO promises

“chose you own services”

OTA downloads

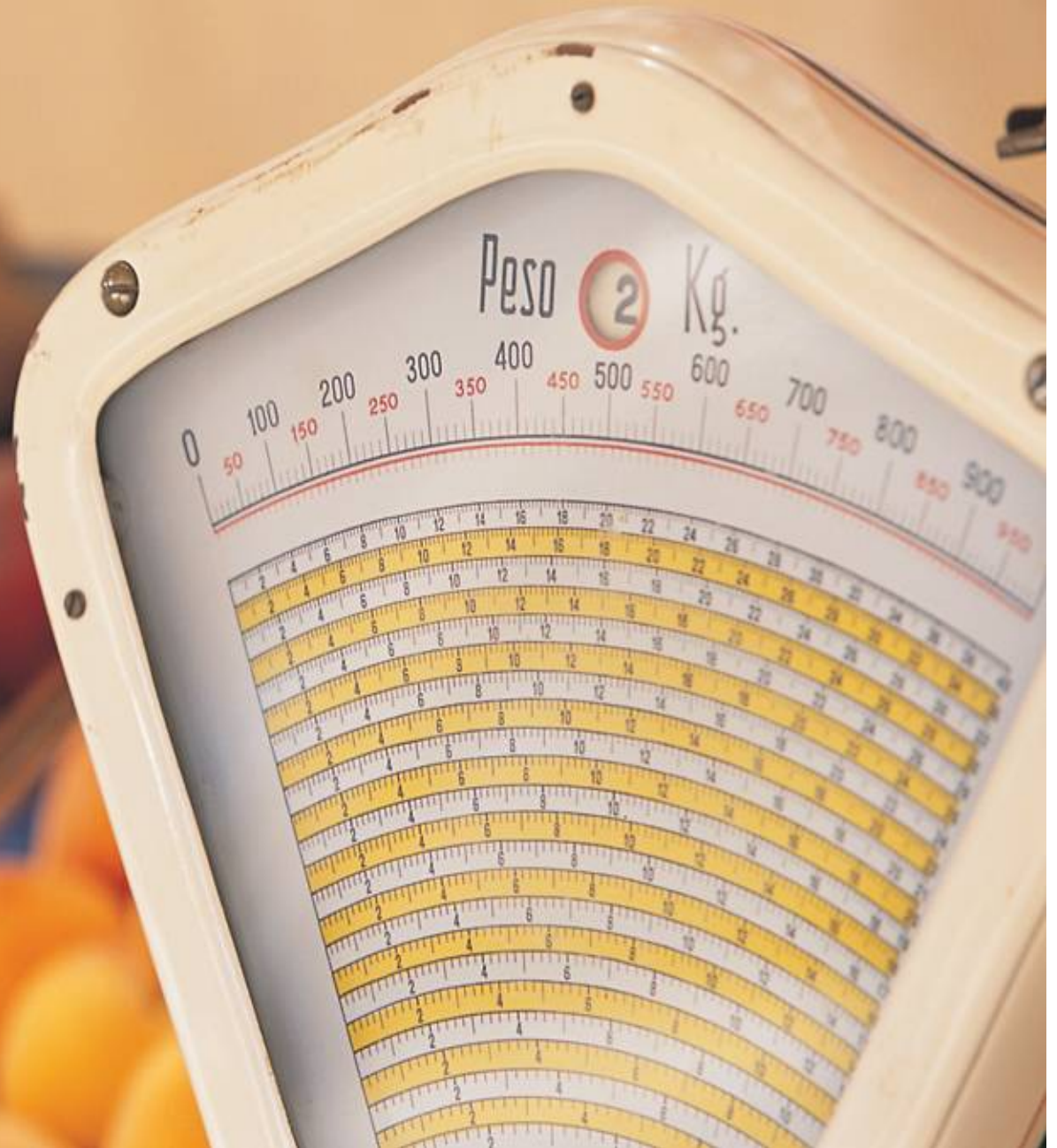
applications validation rules  
& support, battery OFF support

simplified browsing interface  
unified Orange menu

remote blocking & rights  
and applications re-issuing

any phone becomes “mine”  
when I put my UICC in it

Deployment

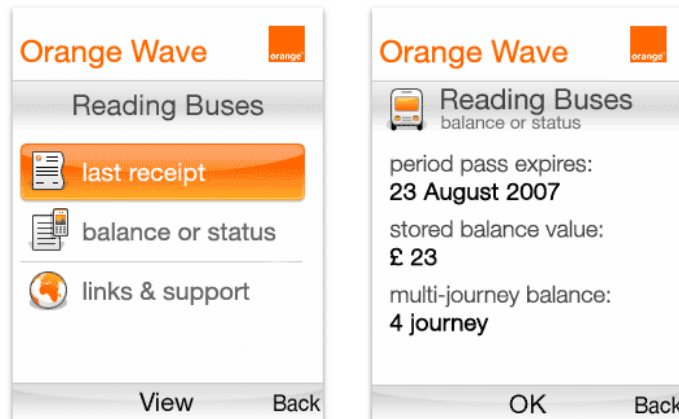
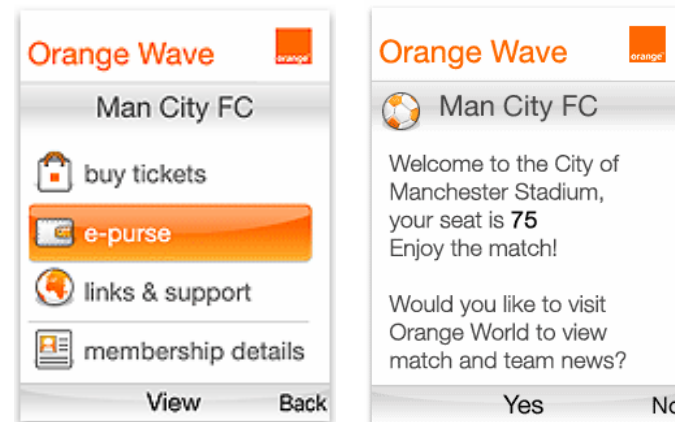


## external trial

### Manchester City Football Club

Allow supporters to use a mobile device to:

- Buy season, match-day and cup tickets
- Gain access to the stadium
- Easily connect to Orange World and view local attractions and the latest football news
- View membership details including ticket details and loyalty point value



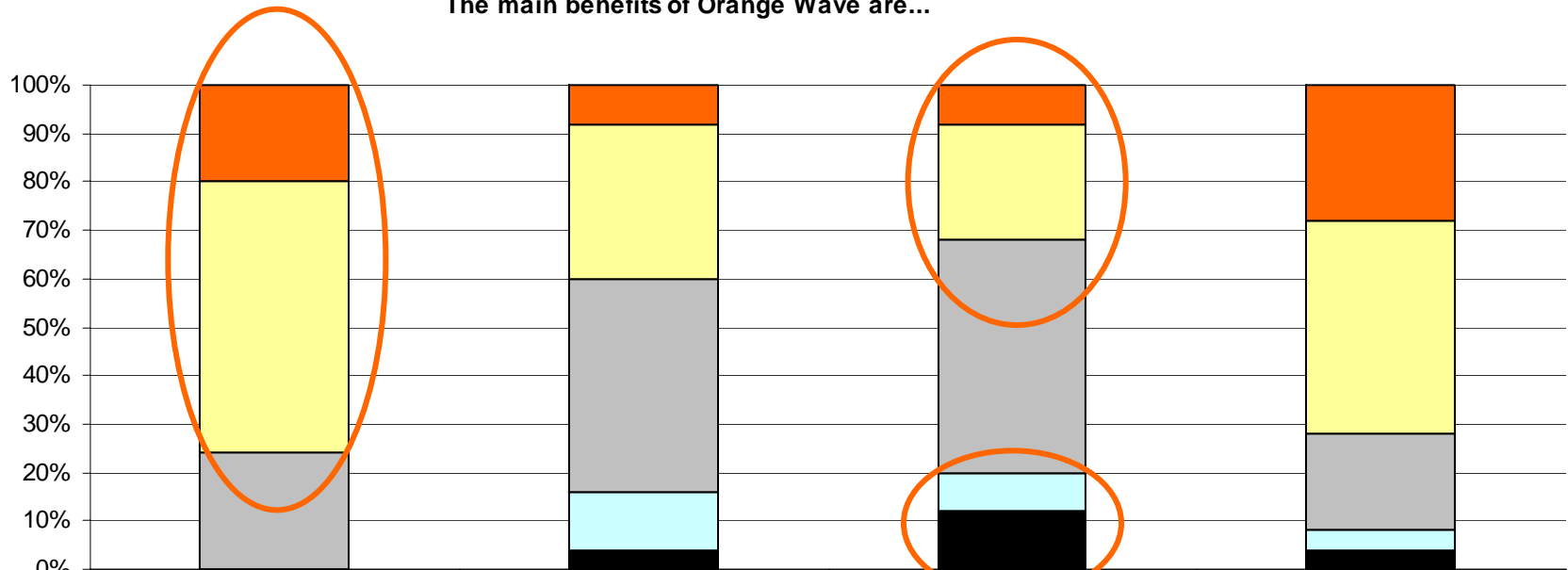
### Reading Buses

Allow customers to use a mobile device to:

- Purchase and store travel tickets via a kiosk or bus
- Store a copy of their last receipt to prove valid journey
- View their ticket status
- View useful links via Orange World

¾ of triallists agreed that Orange Wave on the mobile phone adds extra value. However, only 1/3 thought it was easier to use than existing methods

The main benefits of Orange Wave are...



	Orange Wave on my mobile adds extra value, e.g. I can check my bank balance or buy tickets on the move	Quicker to use than existing methods	Easier to use than existing methods	If I lose my phone, Orange can wipe the applications, block the SIM card, issue me with a new phone and SIM
Strongly agree	20.0%	8.0%	8.0%	28.0%
Agree	56.0%	32.0%	24.0%	44.0%
Neither agree nor disagree	24.0%	44.0%	48.0%	20.0%
Disagree	0.0%	12.0%	8.0%	4.0%
Strongly disagree	0.0%	4.0%	12.0%	4.0%

# Orange will start commercial services in Bordeaux beginning 2008

- **Clear Channel**



- **Veolia**



- **Laser Cofinoga**



thank you



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