Where Wireless Matters - MasterCard Initiatives

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Proximity Payments

WiFi, IrDA, RF, Bluetooth or WAN Reader/POS

1mm to 10m

ISO 14443 RF Reader/POS

1mm to 10 cm
Broad Market Needs

Micro Payments
- Transportation
- Vending
- Parking
- Less than $5

Probably prepaid. Stored value.

Mini Payments
- Fast food
- Drive-thrus
- Coffee/donuts
- Parking
- $5-$10

Probably prepaid. Potentially contactless “Qps” type of transaction.

Minor Payments
- Fast food
- Gas
- Parking

Need to validate requirement. For authenticated and secure contactless transaction.

Major Payments
- All other sectors

Need to validate. Ease of use. Speed of use. As new alternative to stripe and chip.

Cardholder Authentication
Not Essential
Essential
Commercial Drivers

**Consumer**
- Ease & convenience of transaction ‘event’
- Speed of transaction ‘event’

**Merchant**
- Cash displacement at unattended POS
- Increased consumer throughput
- Loyalty and CRM opportunities
- Increased consumer spending
  - Mobil have seen 2% - 3% increase in gas sales*
  - Fast food – Reputed sales uplift

* Source: Card Technology News
Commercial Drivers

Issuer
- New transaction volumes replacing credit for cash
- New consumer propositions and opportunities

Acquirer
- New transaction volumes replacing credit for cash
- Loyalty and CRM opportunities

All possible drivers need to be evaluated and quantified
Conducting research to better understand proposition & drivers

• What do consumers find of value when using the technology?
• Do consumers like it better than self swiping, or ‘dipping’ a credit or debit card at the POS?
• Are consumers comfortable with the card form factor?
• How can we ensure confidence in transaction?
• How fast does the payment transaction and entire payment experience need to be? What role will a CVM validation play?
• What is the Merchant’s business case (does the technology cost outweigh the benefits?)
• What is the Issuer’s business case?