

Mobile Proximity – NFC Guatemala



Visa Inc.

Guillermo Rospigliosi
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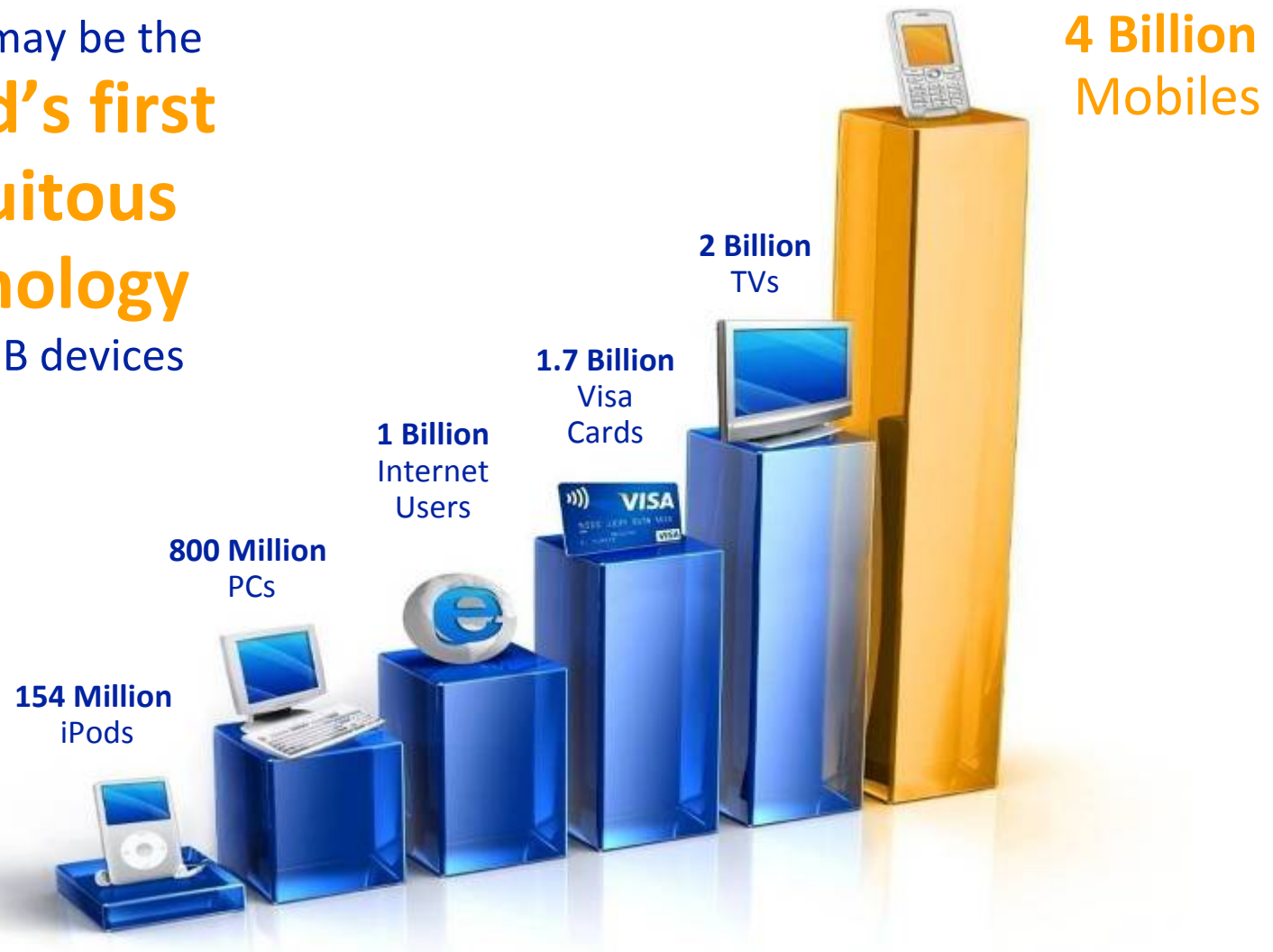
- »» **Introduction. Mobile in LAC**
- »» **Visa's Mobile Strategy**
- »» **Proximity. NFC Guatemala**
- »» **Closing. Takeaways**

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Opportunity



» Mobile may be the **world's first ubiquitous technology** with > 4 B devices



LAC Mobile Landscape



- As of 2008 > 316 million* accounts representing around 70%* penetration
 - Brazil and Mexico 75%*
 - Argentina > 100%*
 - Chile 94%*
 - Colombia 81%*
- Need for development and adoption of global standards
- Increasing opportunity to bank underserved / non-served population
- 70% of operator's share concentrated in two players**
- Operators focus shifting to increase ARPU and lower churn

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»» Visa's mobile strategy extends Visa payment, money transfer, value-added service, and acceptance capabilities to mobile channels

Payment



Point of Sale (POS)

Mobile Visa payWave payment



Remote

Via IVR, SMS, mobile Internet

Value-Add



Offers

Mobile offers and discounts



Alerts and Notifications

Customer set parameters; Issuer triggered alerts

Money Transfer



Remittances

Cross border and domestic

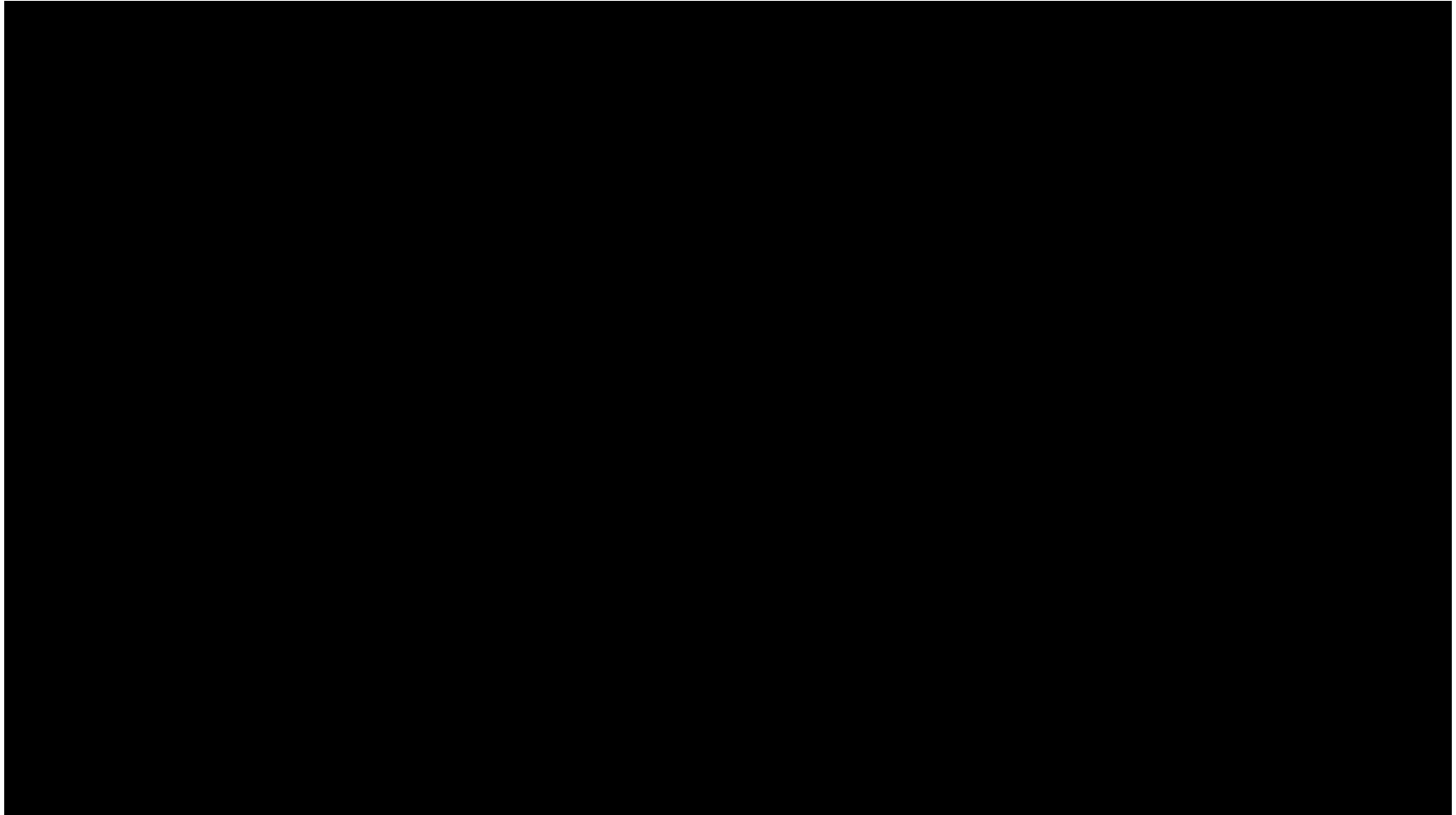
Acceptance



Mobile Acceptance

Mobile device enabled to accept Visa payments

Visa's Strategy



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POS Payments



Mobile POS payment uses existing VisaNet infrastructure and is processed like a Visa payWave card transaction



Visa Mobile Pilots



United States

- Wells Fargo Pilot
 - Internal bank employee pilots with live payWave merchants to test OTA personalization and user experience of proximity payments



Malaysia

- Launched world's first commercial Visa payWave Service on NFC-enabled mobile devices in April 2009
- Worked with leading operator Maxis and MayBank, the largest issuer in Malaysia



Guatemala Pilot



Proximity Payment Pilot in Guatemala

- First launch of this payment technology in Latin America and the Caribbean.
- Main objectives are to identify best implementation practices and to evaluate customer experiences for future launches



How does it work?

- Pilot uses Nokia model 6131 phone equipped with a Near Field Communications (NFC) antenna that allows for contactless transactions
- Phone has a secure element integrated where the card data is stored securely
- To perform payment, the user accesses the card data through an application installed in the phone and approximates the phone to a Visa payWave reader
- Other functionalities (mobile couponing, alerts) can be integrated



Guatemala Pilot



»» Participants



»» Where can it be used?

- Approximately 300 merchants in 4 main shopping malls in Guatemala
- Focus on fast food and movie theaters
- Leverage roll-out of payWave platform that occurred at the end of 2006



Leverage Contactless Inf.

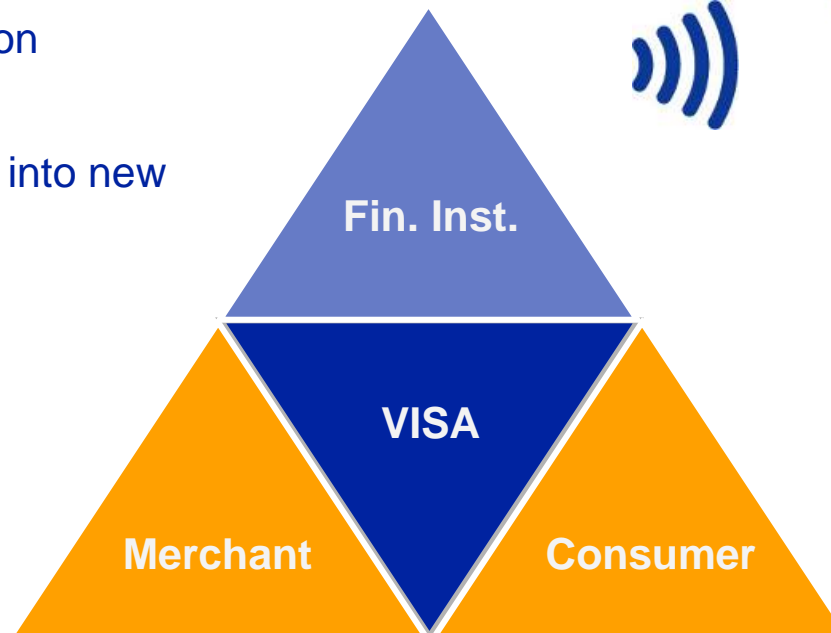


Leverage Contactless Inf.



Financial Institutions

- Increase consumption
- Replace cash
- Expand acceptance into new segments



Visa
payWave

Merchants

- Speed on transactions
- Increase sales
- Reduce cost from cash management

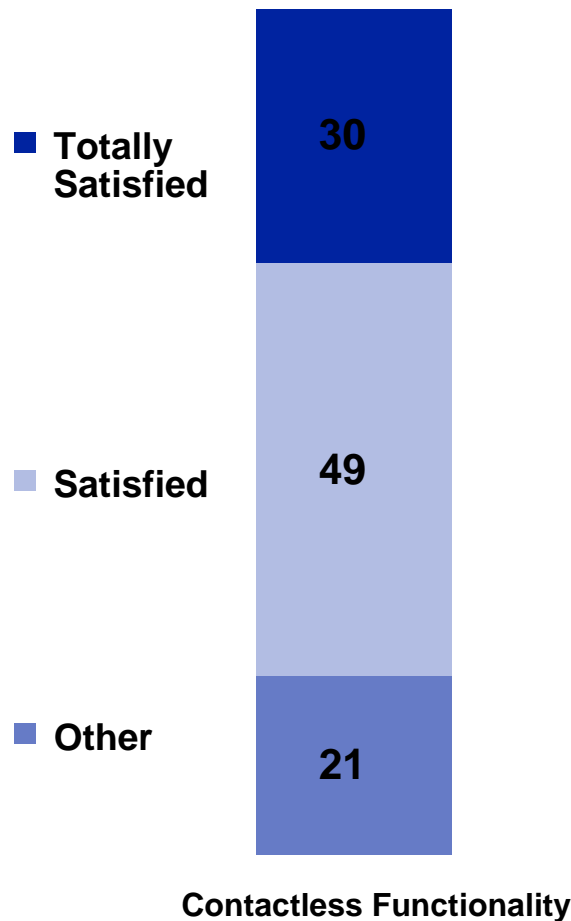
Consumers

- Speed on transactions
- Convenience
- Security

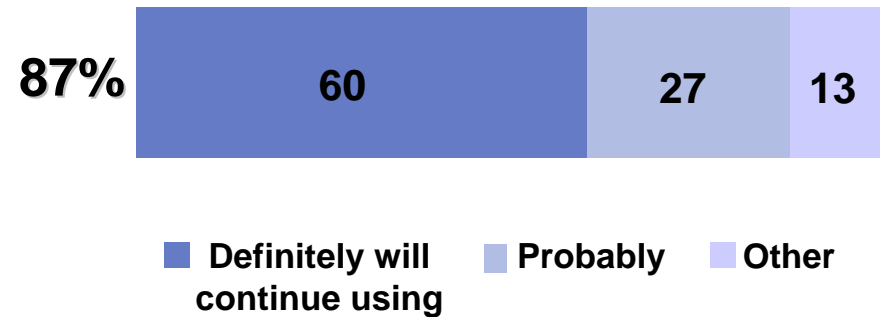
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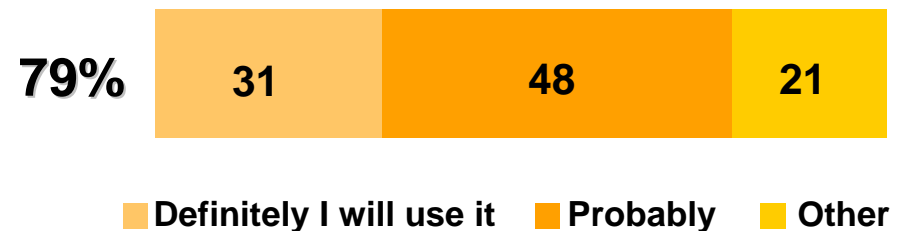
Satisfaction with Visa Contactless



Intention of keep using Visa Contactless



Intention to use Visa Contactless

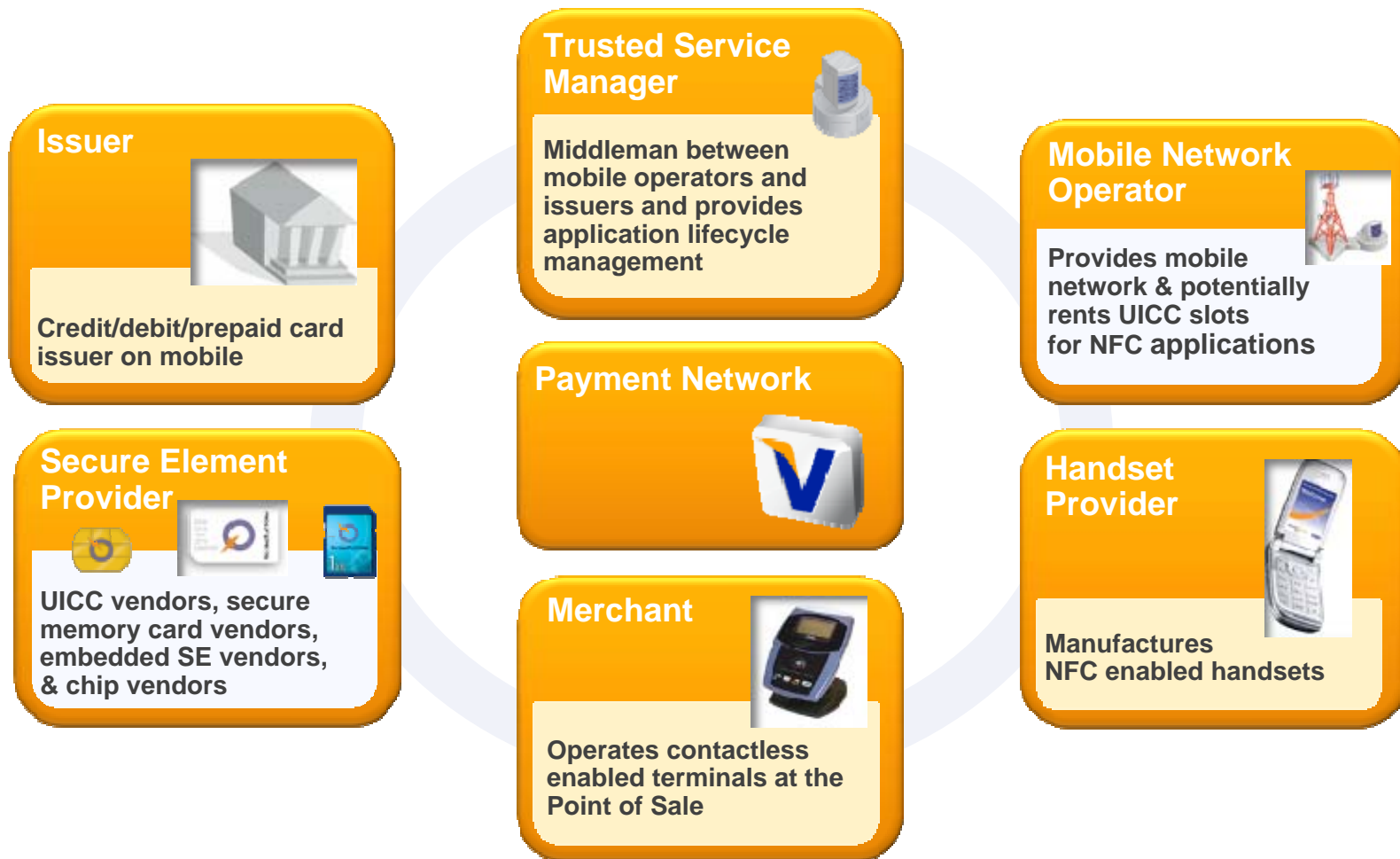


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Stakeholders



»» Their are several stakeholders in the mobile contactless payments ecosystem





Each stakeholder hopes can derive benefits from mobile contactless payments

Issuer

- Higher payment volume due to additional transactions resulting from cash displacement
- Intangible benefits like first to market, innovator, etc

Merchant

- Sales uplift due to convenience & speed
- Savings from lower cash handling
- Vehicle for loyalty programs
- Increase differentiation through innovation

Mobile Network Operator

- Potential "rental" fees for hosting payment applications
- Lower churn since proximity payments is a sticky application
- Higher ARPU from increased data usage

Trusted Service Manager

- Fees for over the air services including card issuance, updates and lifecycle management

» Commercialization of mobile payments and services is a shared goal of both the financial services and mobile industries



- Continued collaboration within eco system:
 - handset manufacturers, network operators, platform providers, associations
- Increased production and availability of Smart (NFC) handsets
- Growth of contactless acceptance infrastructure
- Development and adoption of global standards
- Creation of sustainable business case and technology models

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