

## Visa: Innovation in Mobile Payments and Services

From the creation of the first general-purpose credit card 50 years ago to the latest in mobile payments and money transfer services, Visa has always been an innovator. With more than 1.7 billion cards in 170 countries and territories, Visa has a profound effect on the everyday lives of hundreds of millions of people all around the world.

Visa's dedication to innovation has driven our growth and helped our clients and partners grow their business. It has allowed Visa to create products, systems and services that add up to "better money:" more secure, convenient, accepted and rewarding alternatives to cash and checks. Finally, Visa innovations encourage economic growth, empower individuals and businesses around the world, and deliver greater value to our shareholders.

### Mobile: The Next Payments Frontier

Today Visa is focused on moving electronic payments beyond the card to a vast new market of 4 billion mobile subscribers<sup>1</sup> globally.

In a short space of time, these mobile devices have become a vitally important part of people's lives from developed to under-developed economies. By combining Visa payments and mobile communications, we have an opportunity to transform mobile devices and the financial services industry.

Visa offers unmatched assets to its mobile industry partners: the largest payments network in the world; a globally recognized brand; a full range of credit, debit and pre-paid products; acceptance at more places than any other payments brand; and the critical mass of 16,000 financial institution clients who issue Visa payment products around the world.

Mobile technology can significantly enhance payment services in developed economies, like Australia, Canada and the United States, by providing individuals with information-rich services, such as transaction alerts, marketing offers and online payments, which enhance the payment experience. In emerging economies, Visa believes that the combination of mobile communications and electronic payments can democratize financial services for billions of people worldwide – empowering them with secure, reliable and convenient access to their finances.

The expansion of access to financial services, via payment technology and specifically mobile technology, not only creates new business opportunities for Visa and its financial institution clients, but makes it possible to bring a currently underserved population into the formal financial system, helping to stimulate economic growth, spur business innovation, increase efficiency and

potentially improve the vitality of developing communities and countries.

### A Comprehensive Strategy

Visa's strategy relies on bringing 50 years of payments expertise to the mobile marketplace, along with the scale and flexibility of its global payment network. Visa uses the knowledge of consumer and financial institution needs in markets around the world to create mobile payment applications and value-added services that have immediate value to consumers, merchants, and issuers.

**Visa mobile strategy extends Visa payment, money transfer, value-added service, and acceptance capabilities to mobile devices.**

<sup>1</sup> Wireless Intelligence, the market intelligence unit of the GSM Association. <http://www.gsmworld.com/newsroom/press-releases/2009/2521.htm>

**Platform:** The Visa Mobile Platform is a technology and business framework developed in collaboration with mobile partners to delivery secure mobile payments and services. It enables Visa to collaborate with handset manufacturers, mobile operators and financial institutions to build secure and flexible applications for the mobile channel, including remote and contactless payments, money transfer, mobile alerts and mobile marketing offers.

**Payments:** Visa mobile strategy supports both payments at the point of sale, and over the wireless network (for mobile purchases on the go). Using Visa payWave technology, mobile devices can be used to make payments at the same point of sale terminals that merchants already use for contactless payments. With Visa mobile payments applications stored securely on a SIM card or NFC chip, the phone itself can also allow remote payments and online purchasing from a wide variety of merchants.

**Mobile Acceptance:** Visa is working with its partners in the mobile industry to offer mobile acceptance to non-traditional merchants, such as street vendors, to help them grow their business and increase choice for consumers.

**Money Transfer:** Domestic and cross-border money transfer is a billion-dollar industry. According to the World Bank, remittances totalled \$375 billion in 2008, of which \$283 billion went to developing countries, involving some 190 million migrants.

Visa's mobile technology offers these consumers a faster, more reliable and more secure way to transfer funds right from their mobile device. In this way, Visa is helping to bring the value of electronic payments to more people in developing economies around the world and helping to drive economic activity and growth in places where people lack traditional banking relationships.

**Value-Added Services:** Visa's global payments network makes it possible for consumers to receive a wealth of information related to their accounts and payments. Alerts and notifications can provide an added layer of security by sending near real-time notification of transactions directly to a mobile device screen. Those same messages can help consumers better track their spending and stay on top of their balances. In addition, participating merchants and other partners can deliver special offers directly to the devices of consumers who opt in to receive them. In the U.S., Visa has worked with its partners, Chase and T-Mobile, to offer alerts and notifications on the Android platform.

## A Flexible Approach

At the heart of Visa's mobile strategy is flexibility.

- For phones with GPS capabilities, such as those based on the Android platform, Visa can support a linkage between mobile offers and GPS mapping applications to pinpoint the nearest merchants.

- Phones equipped with Near Field Communications (NFC) technology make it possible for the devices to initiate Visa payWave transactions – mobile payments at the point of sale.
- Visa's payment application can also be embedded into the SIM card provided by a carrier, enabling Visa account holders to easily switch the application from one handset to another.

As part of the efforts to promote globally interoperable mobile payments, Visa actively participates in industry groups such as the GSMA, the Mobile Payment Forum, the NFC Forum, the Symbian Foundation, the Open Mobile Alliance (OMA) and Global Platform. In parallel, Visa is engaged in discussions with individual handset, SIM card, device management, and over-the-air (OTA) solution vendors with the aim of building a robust and scalable suite of mobile payment solutions.

## Success through Partnership

Visa's goal is to use mobile technology to empower more people in more places with secure, reliable and convenient ways to access their money. To make this a reality, Visa is collaborating with financial institutions, wireless operators, handset manufacturers, technology providers and industry associations like the GSMA that represent the interests of more than 750 mobile operators in more than 200 countries. Visa has been chosen by the GSMA as a provider for mobile transfer solutions globally.



<sup>1</sup> Source: World Bank, Migration and Remittances Handbook, 2008.

<sup>2</sup> Also referred to as Universal Integrated Circuit Cards (UICCs)