

GAP analysis NFC

Plenary Workshop, Amsterdam, 10/02/2010

Jordi Gaus, Chair, Business Workgroup

Business-driven Overview and GAP analysis focusing on the Mobile Contactless Payments area

- **Step 1 (based on earlier work):**
 - Which Opportunities does the MCP offer for banks?
 - Why hasn't the market started yet?
 - Which are the biggest Challenges caused by the MCP for the banks?
- **Step 2:**
 - What has the Mobey Forum done so far to enable Financial Institutions to offer MCP?
- **Step 3:**
 - What should Mobey Forum still do to enable the market to take off?

Which are our expectations?

The expectations should be the things that we define as a conclusions of the work: **our objective**

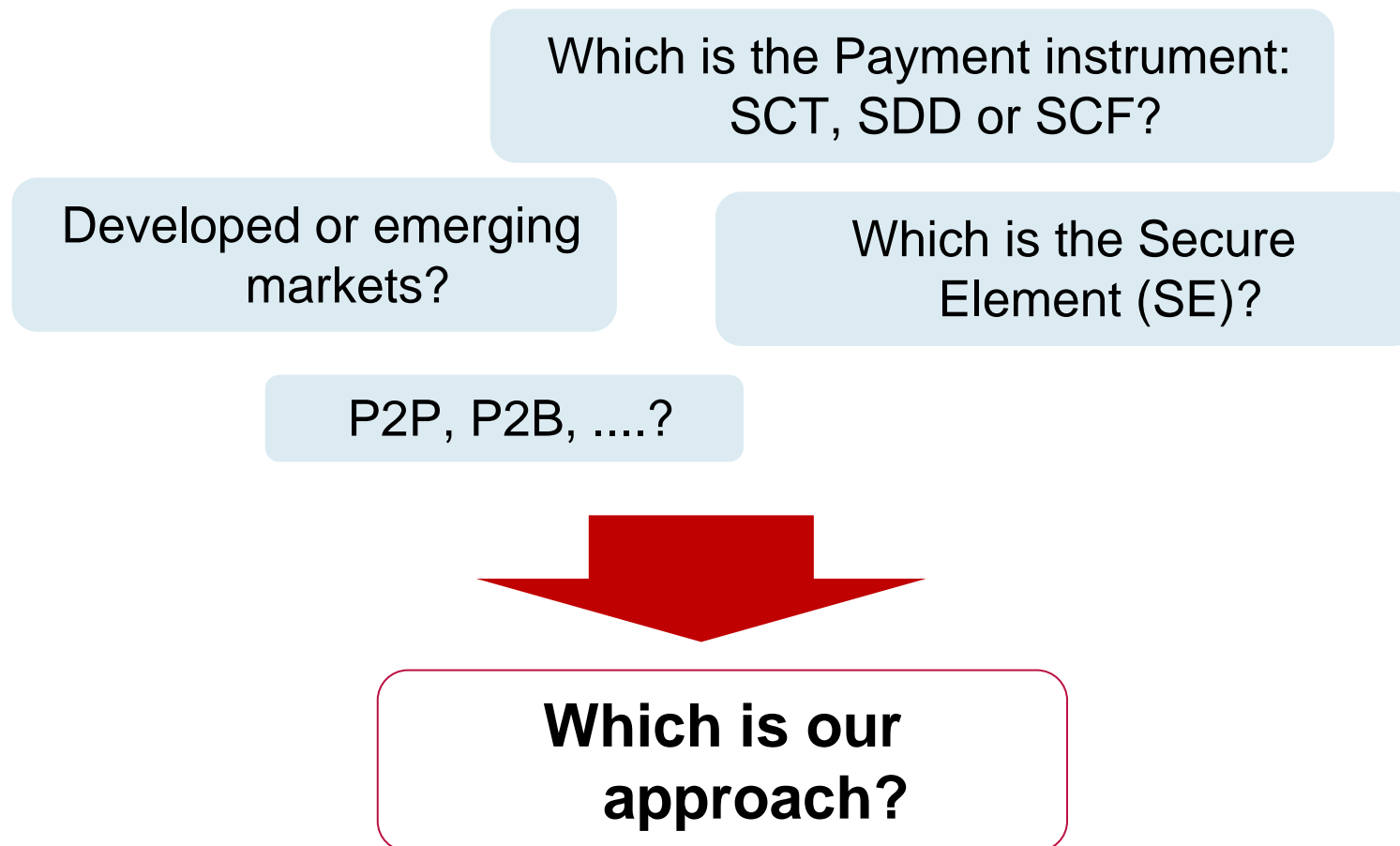
1. Define realistic NFC business models. For each business model:

- a) Definition of scenario.
- b) Role of the Stakeholders and relationships.
- c) How money could flow between stakeholders.
- d) What we need and what we currently don't have.
- e) Drivers and constrains.
- f) List of recommendations.

2. Define, in a separate document, what should Mobey Forum do to help to take off: next steps.

Scope definition

The scope depends on the approach



Scope definition

The SE as the key factor

Who is the owner of the SE?

- Dominance and management over the keys for the SE plays a crucial role.
- Whoever manages the root keys of the SE, holds the power over the SE and can subsequently structure a business around them.

How can the SE be shared?

- Which is the level of compensation to be paid for sharing a SE?

Availability

- Have “bridge technologies” a time slot?



The business model depends on SE solution

Scope definition

Proposed approach (i)

1. Define the key stakeholders of the mobile contactless payments

Value Chain:

- a) MNOs, Banks, Card Issuers, Card schemes, customer, merchant, TSM, handset manufacturer, etc.
- b) Main drivers for each stakeholder to participate in m-Payments, i.e. what value will they realise by participating.

2. Review selected existing commercial applications/trials (e.g. Mobile Contactless in Japan, Payez Mobile, Citi Tap and Pay, etc.). Understand market forces leading to successful launches and analyse the commercial relationships between key players.

3. Review what has been published by other institutions or forums about NFC under a business point of view.

Scope definition

Proposed approach (ii)

- 4. Identify the most realistic future scenarios for enabling mobile contactless payments depending on the SE solution.**
 - a) Select for each type of SE at least 1 scenario.
 - b) For selected scenarios:
 - Define a potential business model.
 - Point out commercial considerations for the key stakeholders.
 - Drivers and constrains.
 - Other: Legal issues, interoperability, certifications, ...
 - c) Identify for each model which is the GAP.
- 5. Draw conclusions and make recommendations/position statements.**
- 6. In a separate document, define possible next steps for Mobey Forum.**

Scope definition

Scope

1. Mobile contactless payments (proximity payments).

- While the focus should be on payments, we should consider value of NFC Payments more broadly, e.g. including coupons, advertising, location based services, non-payments usage of NFC, etc as these components of value may still form part of the drive for a given stakeholder to participate in m-Payments.
- In a second phase, remote payments should be considered.

2. Payment instrument: Cards.

- In a second phase, other payments instruments may be analyzed.

3. Payment type: Person to business at the point of sale.

- Other types, as P2P, should be analyzed in a second phase.

4. Open SE: Stickers, SD Cards, UICC, Embedded (in a mobile handset) and Trusted Mobile Base (TMB).

Roadmap (i)

- **January:** Approach and Scope definition
- **February:**
 - Roadmap definition.
 - Identify: key stakeholders, current commercial services and trials, realistic scenarios, other papers.
 - Assign responsibility for researching the above to individual team members.
- **March:**
 - Select realistic scenarios depending on SE.
 - Define standard parameters in order to analyze in the same way all the scenarios (the same framework).
 - Assign responsibility for developing selected scenarios to individual team members.
- **April:** Develop scenarios and business models.
- **May:** Develop scenarios and business models.

Roadmap (ii)

- **June:**
 - GAP analysis.
 - Draw conclusions and make recommendations.
- **July:** -
- **August:** -
- **September:**
 - Review all the work.
 - Edition.
- **October:**
 - Edition.
 - Final version for internal (Mobey Forum) consultation.
- **November:** Distribute for Comments
- **December:**
 - Publishing.
 - Next steps proposal for Mobey Forum.

Team members

Thanks!

- Petra Bunschoten - ING
- Mette Grimm Munck – Danske Bank
- Jonathan Bye – RBS
- Sami Lindsey – Amex
- Bent Bentsen - DNB NOR