

MasterCard Mobile: Mobilizing Commerce



Mobile phones are an integral part of consumers' increasingly mobile lives, always there and always on. At the end of 2007, there were more than three billion mobile phones globally¹. Consumers are looking to use their mobile phones for more than telecommunications, and are more willing than ever to pay for personalized services. In 2008, the worldwide mobile industry is expected to reach USD 1 trillion¹. Increasing network speed and handset security are making it possible to conduct mobile payments and financial services on a mobile phone.

MasterCard mobile development efforts

MasterCard has been a pioneer and leader in the mobile space for more than a decade, laying the groundwork for mobile commerce that is both secure and globally accessible.

MasterCard mobile-based services are designed to offer a positive business model for all parties in the mobile value chain, including consumers, financial institutions, network operators, and merchants.

Our mobile products and services include: Contactless Payments, Money Transfer, and Person-to-Person Payments, as well as Mobile Commerce and Mobile Top-up and Reload. Studies have mapped these products and services to high-potential markets, where MasterCard trials are underway or have been completed. Our multiple in-market trials and deployments involve multiple issuers—including four of the top five global issuers—in multiple countries, with multiple network operators and multiple handset suppliers.

MasterCard mobile opportunities

Our primary focus is on products and services that are directly related to payments

- **Contactless Payments**—Adding MasterCard PayPass® to a mobile phone so that consumers can “tap and go” with their phones brings consumer payment convenience to another level. Personalizing the mobile phone with payment account

- 3.1 billion mobile phone users worldwide¹
- 1 billion new mobile phones sold worldwide in 2007¹
- Nearly 80% of U.S. households own at least one mobile phone²
- The mobile industry worldwide is set to reach USD 1 trillion in 2008¹

(1) Portio Research, 2007
(2) Forrester Research, “The State of Consumers and Technology: Benchmark 2006”

information efficiently and securely is the key, and MasterCard remains the only payment system to have successfully introduced secure Over-the-Air ("OTA") personalization.

- **Worldwide Money Transfer and Domestic P2P Payments**—MasterCard has leveraged highly sophisticated core processing capabilities to create its cross-border money transfer and domestic person-to-person mobile service. This service enables consumers to initiate remittance transactions with their mobile phones, and transfer money to friends and family. Pilots using the MasterCard® MoneySend™ platform are under way or planned for 2008.
- **Mobile Commerce**—Downloading content such as ring tones, games, or music accounts for the majority of current mobile commerce purchases. Increasingly, larger purchases and transactions are being made as well. According to Portio Research, by 2011 mobile commerce payments are estimated to climb to USD 86.6 billion¹.
- **Mobile Top-up & Reload**—MasterCard® rePower™ allows consumers to add money to reloadable MasterCard or Maestro® branded prepaid cards and other prepaid accounts, including mobile prepaid airtime. Reloads can be made via mobile phone, ATM, the Web, and now face-to-face participating merchant locations.

MasterCard has extensive mobile payments experience:
17 in-market trials and deployments

- Multiple issuers
- Multiple countries
- Multiple network operators
- Multiple handset suppliers
- Multiple applications: contactless payments (*PayPass*), Over-the-air personalization, worldwide and domestic person-to-person money transfers, and mobile top-up

MasterCard Mobile Products and Services	
Consumers	Personal, portable, multifunctional, powerful
Financial institutions	<ul style="list-style-type: none"> • Drives usage • Increases loyalty
Operators	<ul style="list-style-type: none"> • Introduces new revenue streams • Reduces churn • Increases data services revenue
Merchants	<ul style="list-style-type: none"> • Increases visits and ticket size • Speeds checkout • Builds loyalty

MasterCard led the development of the mobile payments framework, creating the first industry standards body in 2000. MasterCard continues to lead activity in the Mobile Payment Forum and in the NFC (Near Field Communications) Forum, where the future of mobile payments is being defined.

MasterCard Mobile combines payments and communications onto one "anywhere" consumer device that gives the entire mobile transaction value chain the opportunity to develop and grow profitable businesses for many years to come.

For more information about MasterCard Mobile, please visit our Web site at www.mastercardonline.com, or contact your MasterCard representative.