The consumer experience

Since the launch of a pilot in Salt Lake City and Austin in October 2012, Isis™ has used local television, newspapers, outdoor and in-store advertising to call on consumers to sign up and use the wallet. Isis™ also held events in shopping malls and other venues to provide information about Isis™ services. “Isis is everywhere – billboards, radio, stickers, booths, it’s all pervasive,” says Johnson.

To set up the Isis™ Mobile Wallet, the consumer needs to:

- Have a Near Field Communications (NFC)-capable handset
- Have a compatible UICC (SIM card)
- Download the Isis™ Wallet software from Google Play
- Register to use the wallet and create a four-digit passcode

When the consumer first signs up, they receive offers from participating merchants. To continue receiving offers, the consumer needs to ‘follow’ the appropriate merchant in the directory within the wallet. Some merchants’ web sites and NFC-enabled posters also have a ‘clip to Isis™’ feature that enables consumers to select an offer and have it delivered directly to their wallet. During the pilot, two-thirds of active users opted in to receive offers and messages from their favourite brands, following an average of seven brands.

Consumers can use their wallet to pay by holding the phone against a compatible point of sale terminal, which will then send a transaction confirmation to the wallet. They then follow any further instructions on the payment terminal. For some merchants, that single tap will also enable the consumer to redeem any pre-selected offers and accumulate relevant loyalty points. In other cases, the consumer will need to show the offer barcode or numeric code to the store staff.
Isis is working with the Utah Transport Authority (UTA), to enable consumers to travel for free on a local bus or train if they tap their Isis™-enabled handset against the appropriate contactless reader. “It has been a very successful promotion – a really good way to build awareness,” says Johnson. Isis™ has found that consumers need precise instructions on how to use the wallet. For example, consumers need to know that to complete a transaction, they have to hold their NFC handset against the contactless reader for half a second at a certain orientation.

Not all retailers that accept contactless payments have Isis logos in their outlets, so Isis is also educating consumers on looking for other indications, such as the EMVCo logo, that denotes contactless acceptance.

During the pilot, the average active Isis™ Mobile Wallet user tapped their NFC-enabled handset more than 10 times per month. Isis says that more than 80 percent of transactions take place at ‘everyday spend locations’, such as quick-service restaurants, coffee shops, gas stations, convenience and grocery stores.

Features and functionality

The Isis™ Mobile Wallet supports three services – contactless payments (compatible with VISA, MasterCard, American Express and Discover payment networks), loyalty services (supporting merchants’ existing loyalty programmes) and the delivery of offers/coupons for merchants. The services in the wallet draw on relevant data held in a secure element on the consumer’s NFC-enabled SIM card. Access to the wallet requires a four-digit passcode and the secure element plays a key role in ensuring security. A consumer can suspend the wallet by calling their operator or via the Isis web site.

Limitations

The Isis™ Mobile Wallet is available for handsets running the Android operating system, but support for Windows Phone, BlackBerry 10 and iOS is coming. Although U.S. mobile operators are rolling out NFC-enabled handsets across the U.S., the Isis SIM cards are only available to residents of Salt Lake City and Austin today, but will be available nationwide later this year. Johnson says Isis™ is planning to simplify and improve the ‘very functional’ wallet user experience in the next iteration.

Interoperability features

If Isis™ Mobile Wallet users switch mobile operators, they can take their wallet with them. “We put a lot of work into that and lifecycle events,” says Johnson. The wallet makes some use of the operators’ SMS, push messaging and data services, together with their provisioning systems. “We have a dedicated area of the UICC we can access, but the mobile operator retains control of the UICC,” says Johnson. Isis says it is open to working with all mobile operators.

However, there could be problems enabling international interoperability, as the payment systems in the U.S. don’t use the same kind of authentication systems used in Europe and most parts of Asia, according to Isis.

Ecosystem involvement

As well as working with the four payment networks (Visa, MasterCard, American Express and Discover), Isis™ is looking to support as many of the 10,000 U.S. banks as it can. It is also working with both large national merchants, such as Macy’s and Coca-Cola, and local merchants, but Johnson says it will take time to fully convert merchants from legacy systems to contactless systems. “We make sure both handset manufacturers and point of sale terminal suppliers have our requirements and implement our protocols for coupons and loyalty.” During the pilot, the number or locations in Austin and Salt Lake City accepting contactless transactions nearly quadrupled to more than 4,000.

Regulation

In the U.S., banking and payment regulations can limit the scope of new payment services. “The rules have a profound impact on what can be done in terms of innovation,” says Johnson.

Future plans

Now that the Austin and Salt Lake City launches have proven successful, Isis™ is looking to expand the service to the rest of the U.S. later this year. “We need to get handsets to consumers and wallets to consumers, but the distribution channels through mobile operators are pretty well in place, so that is not the hard part,” says Johnson. “A lot of contactless infrastructure is still to be deployed. The USA is a big place and it’s going to take more than Isis™ to make that happen.”