



INNOVATION

Taiwan stays on the leading edge with Visa payWave

Catering to the demand by Taiwanese consumers for the latest in convenience and technology, card issuers have quickly delivered the latest in contactless payment cards: Visa payWave.

Taiwan is one of the most vibrant and dynamic economies in all of Asia, supporting a population of 23 million. One of Asia's "Four Tigers," Taiwan is known around the world for its leadership in high-technology and biotechnology. Taiwan ranked second on The Economist's "2008 IT industry competitiveness index" and is home to globally recognized technology brands including Acer, HTC and AsusTek. Taiwan also supports a robust and mature financial services sector.

Scenario

Technology is practically synonymous with Taiwan, and Taiwanese consumers are some of the world's most eager adopters of the latest technology developments. Laptops, mobile phones and other consumer electronics are a way of life for Taiwanese, many of whom work in the industries that produce the chips, displays and finished products of the electronics industry.

The financial success of the technology sector has also created a huge demand for the convenience and reliability of electronic payments. Today, some 40 financial institutions compete to issue payment cards to a pool of 9.3 million eligible consumers.

Highly competitive card issuers in Taiwan always strive to be the first to introduce the most innovative products and programs that help improve the lifestyle of their customers. In keeping with their pace of life, Taiwanese expect speed and efficiency in payments - whether they are customers standing in line to pay at hypermarkets or food courts or whether they are cashiers handling a large number of transaction volume with speed and efficiency.

" It takes only seconds"

Lara Peng

Solution

Innovations in chip technologies over the past several years have led to the development of ways to supplement a payment card's magnetic stripe with an embedded processor. In addition, Visa, in collaboration with financial institutions in Taiwan, has introduced Visa payWave, Visa's contactless payment feature that enables consumers to simply wave and pay at the point of sale. Powered by radio waves from a special reader at the point of sale, this embedded chip can transmit the necessary information to initiate a Visa transaction over an extremely short distance.

Visa payWave offers convenience and speed at the point of sale, especially for small ticket transactions in cash-heavy merchant segments, such as fast food, vending machines and convenience stores. A Visa payWave transaction takes as little as four seconds, compared with the 12 to 14 seconds required by cash transactions.

For issuers, Visa payWave technology offers convenience because it can easily be added to EMV-based cards that are now mandated under Taiwanese government policy.

In November 2005, Visa, Chinatrust Commercial Bank (Taiwan's largest payment card issuer) and Watsons Taiwan (a major retailer in beauty and healthcare products) launched the Chinatrust/Watson's Visa payWave co-brand credit card. At the end of 2008, close to 106,000 Chinatrust/Watson's co-brand cards had been issued.

The adoption of Visa payWave had helped improve Watson's operational efficiency and service quality. A survey conducted by Chinatrust among its Visa payWave co-brand cardholders found that 66 percent felt that transactions were faster with Visa payWave, and 96 percent would continue to use their contactless cards for the better speed, convenience and security it gave them.

Visa payWave technology is found in supermarkets, hypermarkets and retail, as well as taxicabs and other acceptance locations that traditionally operated only with cash.

"Coins and cash are cumbersome, but it takes only seconds to pay with Visa payWave and I don't have to wait for change anymore," said cardholder Lara Peng. "I work more than 12 hours a day so I need the extra time on my hands. Visa payWave makes payment faster and more convenient. It's also safer as I don't have to hand over my card to the cashier when I pay. I just wave it. The card stays in my hand. I'm in control."

Alex Chen, executive vice president, Chinatrust Commercial Bank, said: "Over the past two years, we have seen steady growth of Visa payWave transactions among our cardholders. As of June 2009, Chinatrust issued 1.4 million Visa payWave-enabled credit cards in Taiwan, and lately we have been seeing more than 900,000 contactless transactions every month."

By eliminating the hassles of cash transactions and the need to wait for change, Visa payWave not only enables cardholders to enjoy the benefits of electronic payments but also helps them manage their busy schedules more effectively.

About Innovation

Visa innovations in contactless technology, mobile payments and services, and value-added information services are rapidly extending the value of Visa's network and bringing a new level of convenience, reliability and security to electronic payments. With a 50-year history of innovations reaching back to the first general-purpose credit card, Visa is constantly finding new ways to bring the benefits of electronic payments to more consumers, merchants, businesses and governments around the world.

"The card stays in my hand. I'm in control."

Lara Peng

