

## **Ericsson and VISA announce strategic partnership to promote mobile e-commerce**

**Ericsson and Visa International have signed a Memorandum of Understanding to develop secure payment solutions for the purchase of goods and services over the Internet via a mobile terminal.**

The partnership will develop mobile e-commerce and drive open standards for payment transactions over wireless networks. Ericsson and Visa will cooperate on providing a variety of payment solutions leveraging open standards such as the WAP, Bluetooth, SET Secure Electronic Transaction™ and EMV protocols to address different market requirements.

An area of cooperation will be developing a payment solution for mobile e-commerce using Ericsson's Bluetooth enabled wireless wallet. The wireless wallet, which can serve as a conventional wallet for bills and coins, contains multiple smart card readers. A smart card inserted into the wallet can communicate with a Bluetooth enabled mobile terminal. The mobile phone can be used for Internet shopping using the smart card in the wallet for payment. Bluetooth is a short-range radio frequency protocol that allows devices to interact remotely. It means the wallet can stay in the pocket of the user while interacting with the mobile phone.

Other joint activities undertaken by Ericsson and Visa will include participation on standards committees, market testing of prototypes and payment solutions, joint business development activities, and the development and adoption of other secure payment solutions, such as the SET Secure Electronic Transaction™ protocol, to a mobile environment.

Industry studies predict that within the next ten years, consumers will increasingly rely on non-PC devices, e.g. mobile phones, to access the Internet. This partnership will ensure that Visa member banks will be able to offer cardholders secure payment solutions for the purchase of on-line goods and services with a mobile phone.

"The advent of mobile phones which can access the Internet and receive messages over the air has provided Visa member banks with a whole new opportunity to offer convenient and exciting services to cardholders on the go," said Philip Yen, senior vice president of Internet and Access Channels at Visa International.

An example of a new service made possible by this technology is the targeted promotion of concert or theater tickets. This service will make it possible for mobile phone subscribers to be notified of an event before the tickets are sold out. The user can purchase the tickets immediately over the Internet using a WAP enabled mobile phone. The tickets are then sent electronically to the phone and are stored on the smart card residing in the wireless wallet. The user can arrive at the theater and present the smart card containing the electronic tickets.

“Ericsson is continuously exploiting the full market potential of mobile commerce, and within the solutions created through our partnership with Visa, we will open up new business opportunities for our customers, the operators. Merchants as well as the banking and finance industry will also be able to generate increased revenues,” said Jan Lindgren, Vice President and General Manager for Wireless E-Solutions at Ericsson. “We look forward to working in collaboration with Visa to expand secure, mobile e-commerce solutions.”

*Ericsson is the leading provider in the new telecoms world, with communications solutions that combine telecom and datacom technologies with freedom of mobility for the user. With more than 100,000 employees in 140 countries, Ericsson simplifies communications for its customers – network operators, service providers, enterprises and consumers – the world over.*

Please visit Ericsson's Press Room at: <http://www.ericsson.se/pressroom>

#### **FOR FURTHER INFORMATION, PLEASE CONTACT**

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#### **About Visa International:**

“As the ‘World’s Best Way to Pay’, Visa is the leading payment brand and the largest consumer payment system worldwide with more volume than all other major payment cards combined. Visa plays a pivotal role in advancing new payment products and technologies to benefit its 21,000 member financial institutions and their cardholders. Visa has more than 80 smart card programs in 35 countries and on the Internet, with 23 million Visa chip cards, including over eight million Visa Cash cards. Visa is pioneering SET Secure Electronic Transaction™ programs to enable and advance Internet commerce. There are more than 880 million Visa, Interlink, PLUS and Visa Cash cards, which generate nearly US\$1.4 trillion in annual volume. Visa-branded cards are accepted at more than 18 million worldwide locations, including at over 530,000 ATMs in the Visa Global ATM Network.

## **Note to Editors:**

### **About Bluetooth**

Bluetooth is a low cost, short-range radio transmission protocol between PC motherboards, mobile phones and other portable devices. A “Bluetooth Special Interest Group”, consisting of leaders in the telecommunications and computing industries, is driving development of the technology and bringing it to market. Version 1.0 of Bluetooth specifications should be published spring of 1999.

### **About WAP**

Wireless Application Protocol (WAP) is an open global standard for communication between a digital mobile handsets and devices and the Internet or other value-added Service. WAP –based technology enables the design of advanced, interactive and real-time mobile services, such as mobile banking and electronic commerce. WAP specification enables solutions from various suppliers to work consistently for end-users on the digital networks. For more information about WAP, see <http://www.wapforum.com>

### **About SET**

SET<sup>TM</sup> Secure Electronic Transaction was developed by Visa and other payment industry and technology companies as an open, global standard for secure electronic commerce. It is based on encryption technology developed by RSA Data Security. It means cardholders and merchants use special encoding and identification software called digital certificates, to authenticate themselves to each other and to allow cardholders to safely send card details over the Internet. Partners in this project included MasterCard, Microsoft, IBM, NetScape, SAIC, GTE, Terisa Systems and VeriSign. More information provided at <http://www.SETCO.org>

### **About EMV**

*EMV* stands for Europay-MasterCard-Visa - a joint industry working group created to facilitate the introduction of chip technology into the international payment systems environment by developing joint specifications for Integrated Circuit Cards (ICC) and terminals for Payment Systems. EMV’ 96 serves as the global framework for chip card and terminal manufacturers worldwide.