



e-LinX

NEWSLETTER

Issue No: 39
February 2017

E-linx is the e-newsletter for The CardLinX Association. For more information or to subscribe go to www.cardlinx.org or email info@cardlinx.org.

SUCCESSFUL TOKYO FORUM LEADS TO GREATER INDUSTRY COLLABORATION

In This Issue

1. [Successful Tokyo Forum Leads to Greater Industry Collaboration](#)
2. [Cars: The Newest Addition to the Internet of Commerce Things Ecosystem](#)
3. [CardLinX Member Hilton Worldwide Leads the Hospitality Industry in Technology Innovations](#)
4. [Mobile Payments in China Soar as Tencent and Alibaba Vie for the Most Innovative Chinese New Year Online-to-Offline Program](#)

On February 7, the Asia Mobile Commerce and Card-Linking Forum was held in Tokyo where leading industry leaders discussed card-linking, loyalty and online-to-offline marketing strategies. It is clear by the large and enthusiastic audience that interest in card-linking programs in Asia continues to grow with new programs launching in the Asian market in 2017. Companies in attendance included: Sumitomo Mitsui Card Company, Mastercard Japan, Mitsubishi UFJ NICOS Ltd. (MUN), T-Point, JCB, Rakuten/EBATES, Samsung Card, Mastercard and Discover among others.



Participating in dynamic meetings and conversations at the forum, it became clear that closer regional collaboration would be beneficial to CardLinX members in the region. As a result, we are launching the CardLinX Asia Council to be established in Japan with inaugural CardLinX members Sumitomo Mitsui Card Company, MUN and AEON. The objectives of the Asia Council will be to harmonize global card-linking industry standards with Japanese local requirements

and develop industry standards specifically designed to support Asia's largest markets, especially Japan, South Korea and China.

Ken Kubo, President of the Sumitomo Mitsui Card Company, opened the conference with the keynote presentation: From Cost-Center to Driving Revenue; Using Payments and Card-Linking for Competitive Advantage. If you were unable to attend the forum, videos of all the presentations are available at the [Best Practices Library](#).

Cars: The Newest Addition to the Internet of Commerce Things Ecosystem



paybyphone



PayCash

The automotive industry is the latest to jump into the Internet of Commerce Things (IoCT) ecosystem. Both Volkswagen and Daimler AG recently announced acquisitions of payments companies:

[Volkswagen acquired Canadian company PayByPhone](#), which manages \$300 million in payments per year for parking facilities in Paris, Boston, London, San Francisco and Seattle. Volkswagen is expected to use PayByPhone's technology in their vehicles to explore novel ways drivers can use their cars to buy things.

[Daimler Financial Services purchased Luxembourg's PayCash Europe](#), a mobile payments and eWallet technology company. Daimler will be using PayCash's technology and intellectual properties to develop its own electronic payment service.

CardLinX Comment: Automakers are expanding their business models to encompass electronic payments and internet-connected vehicles. The IoCT ecosystem is growing by reaching new industries such as the auto industry. This provides further proof that growing online-to-offline commerce includes opportunities in previously untapped industries and provides an advantage for experienced card-linking technology providers for expanded cross-industry partnerships. [Read more>](#)

CardLinX Member Hilton Worldwide Leads the Hospitality Industry in Technology Innovations

CardLinX member Hilton Worldwide is leading the hospitality industry in incorporating technology into its core operations to distinguish its brand, analyze data to enhance its loyalty program Hilton HHonours and deepen relationships with consumers. Their expanded technology focus includes both core technologies like data centers, websites and IT support and innovations like enhancing digital wallets and mobile apps, such as allowing consumers to use their Hilton HHonours mobile app to bypass the reception desk and go straight to their room with remote key entry. Half of Hilton's 4,800 hotels will accommodate keyless entry by the end of 2017. [Read more>](#)

CardLinX Comment: CardLinX Insight: Automakers are expanding their business models to encompass electronic payments and internet-connected vehicles. The IoCT ecosystem is growing by reaching new industries such as the auto industry. This provides further proof that growing online-to-offline commerce includes opportunities in previously untapped industries and provides an advantage for experienced card-linking technology providers for expanded cross-industry partnerships.



Mobile Payments in China Soar as Tencent and Alibaba Vie for the Most Innovative Chinese New Year Online-to-Offline Program



This year China-based Tencent, parent company of messaging platform WeChat and Alipay, the mobile payments arm of online retailer Alibaba launched competing programs during Chinese New Year to encourage Chinese consumers to use mobile apps for offline payments. The programs include components such as augmented reality, geo-location and game-ification.

Chinese consumers are embracing mobile payments as credit card usage in China is low compared to other developed markets and other methods for cash transactions are cumbersome. According to market reports, Chinese mobile payments are 50 times greater than US mobile payments, growing to \$5.5 trillion in 2016. However, 60% of this transaction volume includes person-to-person transactions like those during

Chinese New Year, when friends gift each other the same amount as a token of their friendship.

CardLinX Comment: Reducing friction for mobile payments has shown to increase mobile payment adoption rates, with China as a prime example. To attract more and younger users, both Tencent and Alipay use game-ification tactics, augmented reality mobile apps and geo-tagged locations. The experience of the Chinese payment systems can provide guideposts for others seeking to design and engage new consumers. [Read more>](#)