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Open-Loop Payments Move into Stadiums and Festivals

by David Parker

Many people may remember Disney Dollars which were first issued in 1987. Often referred to as a "cashless" solution, really these were just cash replacements for use inside the Disney properties, ensuring that Disney would receive a certain dollar amount from each patron - regardless of whether their full allotment of Disney Dollars was used. These days if you go to many amusement venues such as Wild Wadi in Dubai you are given a contactless wristband, which you load with funds to spend at the park and which also acts as your locker key and, in some locations, your access control. Normally these wristbands contain contactless RFID tokens.

In Europe we've seen the introduction of a number of 'open-loop' prepaid stadium cards, all combined with access control. The first pilot was at Manchester City and since, we have seen full roll outs by a number of other companies. London's Wembley Arena has become the first music venue in the UK to accept contactless payments at all concession stands.

We believe there will be continued movement in stadiums and festivals towards going cashless using card, token and, in the near future, smartphone solutions.

Here's a sampling of several open-loop programs around the world

Toronto Blue Jays

In 2006, MasterCard announced one of the very first open-loop pilots with 12 Major League Baseball parks. The ballparks began accepting MasterCard PayPass as it was part of a broader sponsorship agreement running through 2010. In reality only one park actually launched a program, the Toronto Blue Jays. The sponsoring bank was People's Trust and the card was a payment only card. There were no other PayPass readers at that time outside the stadium area.

Manchester City

In March 2008 MBNA launched the MCFC MasterCard Prepaid Season card. This was the first real trial that combined access control and payments and also included:

- *Club membership data,*
- *Contactless access to the Manchester City Stadium,*
- *Chip & PIN and contact payment.*

It was reported by the head of the project that the average ticket purchase was 30% higher among customers using the card.

Interestingly, on game days, 86% of pilot participants attended the stadium, all using the new card to gain access. On match day, 40% of customers attending the stadium used the card for payment.

FC Internazionale

Banca Popolare di Milano is the official ticketing partner for FC Internazionale. 2008, the enactment of Legislative Decree effectively forced the bank to develop a new product that would meet the requirements of the law, that it be both a ticket and an ID.

"Siamo Noi" has been issued since June 2009 and is free for those purchasing a season ticket, and carries a cost if only used for 'occasional' match entry/international tickets. Card details include:

- *Card expiry is 5 years,*
- *"Season ticket holder status is monitored each year by the bank,*
- *The stadium uses RFID to gain entry,*
- *There were 100,000+ active cards by end of 2010,*
- *The card also offers discounts to cardholders on merchandise.*

KKS Lech Poznan

Gospodarczy Bank Wielkopolski launched the MasterCard PayPass "Fan Card" for KKS Lech Poznan, one of the best known football clubs in Poland. The Fan Card is a prepaid payment card that is also:

- *Contactless,*
- *Acts as a season ticket,*
- *Facilitates city travel,*
- *and may be used as a parking pass.*

The prepaid-based cards being implemented link to a customer bank account. The addition of several different applications on one card is possible thanks to Mifare technology, which was previously proven in the Warsaw city travel card.

VFB Fancard

German BW Bank issued the VFB Fancard for the Mercedes Benz Football Arena in Stuttgart. All on-site payments have been made contactless with this unpersonalized and anonymous PayPass prepaid card, which is reloadable by bank transfer or via POS terminal in the stadium. Cardholders get discounts and can load season-ticket details onto cards as well.

Speedway Club Falubaz

Launched in 2011 by Bank Zachodni WBK S.A., Poznań, Poland is a prepaid card that is also acts as an

- *ID card,*
- *Access card, and a*
- *Contactless card.*

It's not only stadiums that have started to adopt access and payment control but festivals as well. The value of implementing tighter payment controls was evident at a recent UK event where a number of entrance tokens were stolen. The thieves were easily apprehended as each stolen entrance token carried a unique identification number.

Some events that have successfully used open-loop payments and access controls are:

Isle of Wight Music Festival

June 2011 festival-goers in the VIP arena were given the wristbands; these provided access control and payment functionality. These were pre-loaded with £30 and the wristbands could be used to purchase food and drink with a simple tap of the wrist. Festival-goers quizzed on the experience, said:

- *96% - reported that transactions were quicker,*
- *98% - said they were easier to use than credit or debit cards, and*
- *100% - want to use the PayPass prepaid wristbands again.*

Alter kART PayPass Festival Card

In 2009, festival organizer Alter kART needed a contactless prepaid solution for their open-air events and chose MasterCard PayPass as their official payment solution. To date Alter kART has used the solution in nine festival events with over 68,500 contactless cards sold.

So what are the key benefits for all parties involved?

In a future issue of Transaction World Magazine, we will report on the global cases of payments and access controls being used in colleges and universities. The key value with all such contactless solutions lies in combining the payment elements of the card with access controls, IDs and other functionality. In most of the above cases the true value of the card/token lies not in payments, but in access control. Payment has thus moved from being the product to being a feature on a broader multi-function EMV product offering. This is something that we are starting to see as part of a global trend.■