

# Post

M2M General



## "NFC should not be reduced to payment"

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We have talked about NFC with Pierre Metivier, the General Manager of the [Forum des services mobiles sans contact](#) (contactless mobile services), a French government backed up association, aiming at the deployment of NFC mobile services in France. Pierre is also the editor of "[Avec ou sans contact](#)", a French industry leading blog dedicated to innovation and contactless technologies (from the QR code to the Internet of Things through RFID and NFC).

**We have been hearing about NFC for years, but it isn't a fully generalized technology as of yet. When do you expect NFC to form part of the daily lives of most citizens?**

Let's define NFC to be able to answer precisely your question. Globally, NFC means Near Field Communication, a contactless communication between two electronic objects, most of the time a reader and a tag at short distance: 2 to 3 cm. Contactless services are already part of the daily lives. Over 1 billion inhabitants on earth are using every day contactless cards for transportation. It is the same technology allowing us to access offices, major stadiums or events or to pay in stores using Visa or MasterCard contactless cards.

NFC also is a standard defining precisely how objects such as mobiles, exchange data. NFC mobiles are the ones that are getting the most attention and from now on we will use NFC for mobile. NFC enabled mobiles are able to handle payment and transport card services securely and privately. Banks, transport and telcos companies are working together to propose payment and transport "dematerialized solutions" for NFC mobiles, transferring your current payment and transportation cards into your mobile. Most of the handset manufacturers propose NFC as a standard feature in their mobile, all but Apple. In France, three major banks are offering mobile NFC based payment nationally and a fourth one will join before the end of the year. Still in France, 100,000 points of sale accept contactless payment and this number increases by 5 to 10% a month. Spain is also active in the NFC service field. For example, La Caixa has been a pioneer on NFC contactless payment for a long time in Santander and Barcelona. Other applications linked to NFC such as tourist and citizen information are being tested and deployed in Barcelona (during the Mobile World Congress and the recent World swimming championship) and Madrid under the name "Smart Madrid".



Let's not forget that it takes time to establish a new technology based on an infrastructure such as transport and payment in the NFC case. The first mobile call happened 40 years ago (April 1973). It took 20 years to get mobiles ubiquitous. NFC is not even 10 year old so let be patient.

So to give a shorter answer to your question: contactless services as cards are already part of our daily lives and it will take a couple of additional years before it is as widely used in its mobile form factor in Europe.

### **What are the main obstacles for the development of NFC?**

There are many clear and strong reasons to believe that mobile NFC deployment is on its way and a few to doubt it. Potential obstacles include non-support of the technology by Apple (at this point), complexity of the ecosystem resulting into imperfect interoperability, financial models not fully defined, security issues (or perceived as such by some media), potential privacy issues and lack of a clear and unique signage. From our point view, none of these issues are sufficient to stop the deployment of services as the NFC technology brings ease of use and speed to many services on so many types of usage.

### **Is there an estimation of when mobiles phones will surpass credit cards in payments?**

A French humorist once said : "Making predictions is difficult, especially about the future". Remember that checks nor payment cards have not replaced cash. Contactless payment cards or NFC mobile payment also called mobile wallets are new, convenient and a fast way to pay and they will be a great addition to current payment methods to pay but cash still remains by far the first payment method in the world and payment cards will be present also for a long time. In addition, mobile NFC payment is about dematerializing an existing payment card in your mobile, so each time to pay with you NFC mobile, you pay with your own payment card. So the question could have been: Is there an estimation of when use of mobiles wallets will surpass the use of (plastic) payment cards in payments? It will take time, a few years, as you need all the infrastructure in place - NFC mobiles, contactless payment terminal at point of sale, mobile wallets from the banks and acceptance from the customers.

### **Besides the payment, what other interesting uses of NFC technology are there?**

This is a great question as NFC should not be reduced to payment. Payment is one service, a very visible one in many aspects of our daily lives but you also have transport, access, ticketing, information, tourism, museums, health, social networks, smart grids, gaming, electronics, and more to come. Imagination is the limit. NFC is "just" a technology allowing a communication between two electronic objects, one of them being often a mobile, bringing identification, authentication and authorization services, the bases of limitless services and mashup of services. As an NFC tag can be attached to many objects, NFC will also be a key part of the Internet of things, the part the consumer will control by checking-in with his mobile. But this is another story ...

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