Turkey’s north-western city of Eskişehir is forward-thinking and keen to use new technologies to do things better. Eskişehir Municipality operates the bus and subway network in the city with the aim of ensuring that passengers enjoy fast and efficient travel.
Eskişehir Municipality teamed up with one of the country’s leading financial institutions, Garanti Bank, to install contactless POS validators on all buses and trains in the city. Residents could then travel by using a prepaid MasterCard contactless card which they could buy from special kiosks in the main commercial areas of Eskişehir. The scheme marked the latest phase in Garanti’s relationship with Gemalto, which has been built on trust and innovation.

**Convergence in a highly ambitious market**
The linkup between Garanti Bank and Eskişehir Municipality highlights how contactless technology is enabling different sectors – in this case banking and transport – to join together, introduce new and exciting customer propositions while achieving significant cost savings.

Turkey is renowned for its tech-savvy consumers and contactless is already popular in the country. This ambitious project marks the latest advance for two organizations that are keen to make life easier for their customers.

**Committed to excellence**
Creating a solution that delivered results required a supplier that could be relied on to deliver innovation and work in partnership with numerous stakeholders.

**Major step for contactless**
Eskişehir Municipality wanted to move beyond the closed-loop Mifare and Calypso-based systems commonly used in transit ticketing. This was an important step that would help it to cut the costs associated with owning and maintaining numerous ticket vending machines at the city’s transport terminals and enable it to reduce the number of ticket sellers it employed. It also aimed to make life easier for passengers by enabling them to carry fewer cards and remove the need to preload transport ticketing on them. Additionally, it required a solution with a good time to market and new partners it could work well with. Plus it wanted to slash the number of tickets issued to occasional travelers.

To reinforce the commitment it made to contactless migration back in 2009, Garanti sought to continue to offer its customers innovative products and services. This would enable it to leverage its brand image as a leading provider in the Turkish market that is ahead of the pack in terms of new technologies. It was also looking for an opportunity to get a foothold in the untapped transit market, in turn making its banking cards even more desirable to users. Furthermore, it wanted the chance to expand contactless usage, so ensuring a better return on its investment in the technology.

**Key features**
Gemalto was selected to combine transit and payment on its innovative contactless Pay@Gate solution. This EMV MasterCard payment dual-interface card enables passengers to pay for bus and subway travel in the city by a simple wave of their card. They no longer have to waste valuable time buying tickets or loading more value on to travel passes. And as a MasterCard product, they can also use the card, in contact or in contactless mode, at merchants worldwide that accept the brand.

Because the scheme is based on EMV standards used in the banking world, it makes it simple to install reliable, cost-efficient and easy-to-source terminals city-wide.

Contactless POS validators have now been installed in all buses and trains in the city, with residents able to buy the prepaid MasterCard from special kiosks in the key commercial areas of Eskişehir.
The beauty of the solution is that when the system expands to include debit and credit cards, Garanti customers will be able to use it instantly and will no longer have to preload transport ticketing on their cards. But it’s not only bank card holders that stand to benefit. Even people without accounts can access the system via a prepaid card. And while there is no need for them initially to open an account, it makes them more likely to apply for one with Garant bank in the future.

The technology is also delivering big benefits to all the scheme’s business stakeholders. Time to market for the technology has been significantly reduced as no work is needed to bring members of the ecosystem on board. The number of tickets issued to occasional travelers has been slashed, further cutting transit operator costs. In addition, the rollout has enabled Garanti and MasterCard to enter the transit market and access interchange fees on each transaction.

The technology
Gemalto has deployed Optelio contactless D16R4+, a contactless EMV solution based on the M/Chip Advance with data storage application. In a worldwide first for the product, Gemalto has implemented the technology with Garanti Bank and Eskişehir Municipality.

The facts
Turkey is already seen as a major innovator in the payment cards sector and this project looks set to play an important part in expanding the prepaid card market in the country. It has the third highest level of credit card adoption in Europe, and over the past decade, the number of credit card holders in the country has more than tripled, to 52 million. Additionally, it was the second nation in Europe to roll out contactless terminals. There are now around 60,000 locations such as stores, ferry terminals and parking lots where consumers can make low-value purchases.

Almost 10.3 million contactless cards have been issued in Turkey to date, with Bank Asya and Garanti Bank leading the way.

Garanti Bank recognized the value of key features of Gemalto’s solution – it is easy to upgrade, making it cost-effective and flexible.

It saw the project as a fantastic opportunity to get a foothold in the untapped transit market. By adding transit to the list of goods and services for which Garanti’s cards can be used to make payments, they have become top of the wallet cards that consumers automatically turn to first when making payments.

The scheme has also had big benefits for Eskişehir Municipality. It now issues fewer paper tickets, enabling it to streamline its business and cut costs because it needs fewer cashiers and a greatly reduced ticketing infrastructure.

But the benefits aren’t confined only to the bank and transit provider. Consumers now have one card that they can use for a host of transactions. It cuts the time and hassle involved in queuing up to buy – or load – a ticket. It also makes their lives simpler because all payments are made from one account. Plus the technology remains smart, enabling them to benefit from special fares courtesy of card data storage features.

Future phases of the card’s rollout will see it also being used as an ID card by students at Eskişehir University. This will enable them to use a single card to access campus facilities and travel on the public transport network.