Using a private, closed loop solution based on Gemalto’s Payflex technology, Gazprom Neft’s existing ‘Going the same way’ loyalty cards are used by more than 7 million clients. The company’s loyalty cardholders are able to collect reward points to redeem at Gazprom Neft filling stations, encouraging repeat visits and supplementary purchases. These cards were non EMV and did not support contactless payment.

**Gazprom Neft’s requirements**

Driven by a series of key commercial objectives, such as increased security and quicker customer check-out, Gazprom Neft decided to strengthen and extend the advantages of its loyalty fuel cards by migrating to an exclusively EMV-based contactless solution. Crucially, this would enable Gazprom Neft to leverage the optimized, banking-level security of this internationally recognized standard. The risk of fraud would therefore be significantly reduced, and the shift to EMV would also deliver outstanding interoperability, facilitating straightforward harmonization of both the point of sale terminal and software infrastructures deployed throughout the company’s filling station network. In addition, Gazprom Neft wanted a future-proof, scalable solution that established a clear road map for the adoption of enhanced card functionality, and the roll-out of further value-added benefits for its customers.

**Optelio PURE solution**

Filling station chain Gazprom Neft upgrades its loyalty card program with Optelio PURE contactless solution
Filling station chain Gazprom Neft upgrades its loyalty card program with Optelio PURE contactless solution

Why Gemalto?
Given the scale of both the Gazprom Neft filling station network and its card network, migration to EMV presented major challenges. In particular, to minimize disruption to customers and business operations alike, deployment right across Russia, Kazakhstan, Kyrgyzstan and Tajikistan would need to be completed in the shortest possible timeframe. Recognizing Gemalto’s unrivalled experience and expertise in the field of large scale payment card applications, comprehensive portfolio of white label EMV products, extensive manufacturing and personalization capabilities and the availability of PURE contactless kernels for the major POS suppliers, Gazprom Neft chose to renew its partnership with the company for this ambitious new undertaking.

Reaping the benefits of the Optelio range
For the loyalty card, the company chose Gemalto’s Optelio PURE dual interface (contact and contactless) cards. Alongside the advantages of EMV, the introduction of contactless transactions would deliver the optimum in speed and convenience for its customers. In addition, there were important benefits to be reaped in terms of greater robustness in the sometimes greasy environments of filling stations. In particular, reducing the need to physically insert the card minimizes the risk of damage to payment terminals in such conditions, improving reliability, reducing downtime and cutting repair and maintenance costs.

As well as introducing dual interface functionality, Optelio PURE provides an ideal fit for both the immediate and long-term objectives of Gazprom Neft. The cards are fully compliant with the requirements of the EMV 4.3 specification and as an EMV white label application, the choice of Optelio PURE does not impact the business model defined by Gazprom Neft (no scheme fees) and they retain complete control over their own closed loop deployment. The cards are also purpose-designed to support the seamless introduction of further, value-added applications, such as mobile and wearables, thereby realizing the key goals of future-proof flexibility and scalability.

Successful deployment to demanding deadlines
In addition to its proven, industry-leading contact and contactless EMV products, the locally based, expert technical support provided by Gemalto proved critical in successfully meeting Gazprom Neft’s demanding project timetable. In particular, Gemalto was able to help Gazprom Neft move from a proprietary non EMV solution to a contactless EMV solution in the space of just a few months. In addition of replacing the physical cards, the acquiring host had to be updated to support EMV transactions with the option of CCD (Common Core Definition). The POS terminals from Ingenico were remotely updated to include the Optelio PURE software kernel and the parameters to recognize the AID (Application Identifier) of the new cards, and the fleet card processing solution from OpenWay was also updated. Gemalto’s scope of supply was truly comprehensive, extending beyond hands-on project management to encompass single-source personalization and card packaging direct from the company’s advanced Moscow facility.

A secure platform for future business development
Embracing the EMV ecosystem and contactless technology with Optelio PURE cards provides Gazprom Neft with a clear road map for future business development. Whilst for the moment the company remains committed to a closed loop strategy, migration to EMV opens the door to new applications, and the potential for mutually beneficial partnerships with other merchants and service providers. Furthermore, the introduction of contactless cards and terminals not only offers a significant step forward in speed, convenience and durability, but also ensures that Gazprom Neft has laid the foundation for the adoption of mobile payments to a fast-emerging generation of smartphone-centric consumers.