



Giesecke & Devrient Leading Provider for End-to-End Solutions for Smart Wearables

2016-02-23

Munich

Giesecke+Devrient

Munich, February 23, 2016 – Having delivered the payment technology for smart wristbands, such as the Chinese smart band ‘JiePay’, or smart watches, such as the ‘Swatch Bellamy’, and the connectivity for the ‘Samsung Gear S2’, G&D has established itself as one of the leading players in the market for smart wearables.

For Stefan Auerbach, Group Executive Mobile Security at G&D “smart hardware, especially wearables, is fast becoming the next big thing in the connected world. G&D has a proven track record in supporting this development with its security expertise. In wearables such as watches, fitness/wellness trackers, or accessories, payment functions are set to be integrated as a standard feature, and we expect this trend to expand to other devices. As security is paramount for payment applications, the protection of data and privacy is a must in order to create broad acceptance in the markets and, above all, with consumers.”

According to the International Data Corporation (IDC), the worldwide wearable device market will reach a total of 215 million units shipped in 2019. The market for wristwear devices like smart watches and fitness/wellness trackers is the most popular segment among wearables and will almost double from the 65 million units shipped in 2015 to 124 million in 2019. The next wave of wearables will likely support secure payment, secure and convenient authentication mechanisms and transit functions through contactless NFC or Bluetooth Low Energy (BLE) technologies, as well as mobile application downloads. The seamless connection between the smart wearable and the consumer’s mobile phone enables consumers to open and check their bank accounts, transfer money and conduct other account management services completely over the air. Many wearables will also provide biometric data, making it, among other things, possible to distinguish between the rightful wearer and someone who is simply wearing the device. Further, a number of smart wearables may in future be shipped with embedded SIMs which can be activated from a smartphone allowing autonomous connectivity.

“With our expertise in security solutions and our Trusted Service Management G&D is uniquely equipped to ensure that consumers’ trust is justified” explains Auerbach. “Our solutions work with all major payment schemes and safeguard secure payment for virtually any combination of consumer payment preferences as well as OEM specifications for wearable devices. Throughout the lifecycle of wearables, devices will likely be loaded with more than one payment credential and potentially more than one mobile operator credential. Furthermore, these devices will be updatable ‘over-the-air’ for additional functions including secure access to buildings, vehicles or transit services.”

“As wearable technology continues to make payments connectivity more ubiquitous, Discover’s work with companies like FitPay and G&D continues to expand Discover’s commitment to offer innovative and secure payment services, enhancing the customer experience that card members have come to expect,” said Nicole Carroll, global head of innovation at Discover.

"At MasterCard, we're thinking differently, designing products differently and innovating faster than ever before to make sure every MasterCard account is as digital as the consumers using them around the world. Our work with G&D is a natural extension of our industry-pioneering Commerce for Every Device program, as we share a collective vision to bring safe and simple commerce experiences, at scale, to the ever-growing number of connected wearables and accessories," said Sherri Haymond, senior vice president, Digital Payments and Labs, MasterCard.

"Visa and G&D continue to extend their business relationship, including working together to deliver payment solutions for wearables and connected devices," said Bill Gajda, senior vice president, innovation and strategic partnerships for Visa.

G&D will continue to work closely with industry partners as the market develops. The company has recently expanded its solution portfolio for payment-enabled wearable devices. In addition G&D entered into an investment and technology cooperation with FitPay, a Silicon Valley start-up that provides a platform to reduce complexity in adding contactless payment capabilities to wearable products.