Contactless payment conference, Brussels

... building an efficient and developing community...
BKK at present

• More than public transport: mobility manager of Budapest

• Coordination of developments

• Proactive information distribution

• Efficient operation, center of competence
BKK in numbers

- Serving 1,7 million inhabitants of Budapest
- Over 400,000 customers from agglomerate
- Approx. 5,5 million travels on a business day
- 4 Metro lines
- 7 Commuter Rail lines
- Different bus operators with ca. 2200 buses
- 300 TVMs to sell tickets
- Ca. 60,000 scheduled lines daily
• Make public transport easier and more convenient for passengers
• Make a significant reduction to fraud
• Improve the earnings of transport operators
  \textbf{AND}
• Minimize capital and operational costs
• Provide for seamless travel with National Railways and intercity bus transport
• Provide a model for other Hungarian cities
Impacts on development

- Contract for implementation signed
  
  October 2014

- Legal changes occurred in the production of electronic cards and public transport
  
  initiated in 4Q2014

- The regulation of National Electronic Card and Travel Card systems are nearing completion
  
  implementation rules expected soon
BKK AFC – some main features

- Uses time-based ticketing and price capping
- Architecture is server based
- Travel media is contactless
- Manages discount validation through a national card production system
- Supplies for value added services and online sales activity
- Promotes cooperation within the agglomerate
- Ready for the introduction of zones
BKK AFC – system design

Main 3rd parties

- NEK

Bank transactions

Retail network

National Mobile Payment

Budapest Lord Mayor’s Office

National Railways

Intercity bus transport

Central system

- Customer database

- Central server

- Sales channels

- Web User interface

Peripheral devices

- OBU

- Gates

- Validator

- Mobile devices

- Ticket vending machines

Travel medias

- NEK card

- Smartpaper

- Anonymus card

- Contactless bank card

- Mobile devices (under exam)

Customers

- Pass users

- Discount travellers

- Free riders

- Occasional travellers

Personalized card needed

Personalization not required
BKK AFC – current status

• General system design is completed
• Implementation has been initiated
• Planning of public education programme has been concluded, branding to be started soon
Passanger options

• Register for personalised card to utilize the advantage of passes and discounts (NEK)
  OR
• Obtain an anonymous card
• Associate a pay-as-you-go account with a card
• Add value to a pay-as-you-go account

Note: these functions will be supported by web apps and vending machines, nothing is stored on the card.
Contactless payment advantages

- No need to know the proper product
- Best available price guaranteed
- Price capping is introduced
- A card is always accepted if not on deny list
- Card ID is the only data used on the card
- Several risks are managed by BKK, like account balance and chargeback protection
User acceptance experiences

Key notes:

Hungary has an attitude to quickly adopt.
People are price sensitive.

• BUBI – public bike sharing system is a success
• TVMs are making counters obsolete quickly
• FUTÁR Journey planner app is used widely together with all other BKK smart phone apps
An example – TVM adoption

TVMs were introduced in Hungary in April 2014.

The quantity of card purchase is increasing constantly.

*Tendency to prefer card over cash.*
A new software has been introduced this July.

The sum paid via card transaction is taking over.

*Tendency to carry card instead of cash.*
An example – TVM adoption

TVM is taking an increasing share from sales.

The usage of counter desks is constantly decreasing.

People prefer on-the-spot, quick and safe transactions.