

CASE STUDY



Snapper in Semble

The Challenge

We have reached the long predicted tipping point in mobile device usage – with consumers spending more time on a mobile screen than on a desktop or laptop computer screen. People use their mobile phone to communicate, shop, bank, take photos, tell the time, pay bills, be informed and entertained, exercise, plan their day, find their car keys – anything that they do on a regular basis.

It's no surprise then, that they would expect their mobile phone to be useful in their daily commute.

Snapper first tackled this challenge in 2012. We separated the function of checking your balance and reloading your Snapper card (frequent pain points for our customers) and made Snapper Mobile, an Android app to be used in tandem with the Snapper smart card. This launch was immediately popular and successful.

The challenge of an application that enabled the mobile phone to completely replace the smart card was harder, as we would need access to the SIM card, and this required us to have the agreement of the owners of the SIM – namely all the Mobile Network Operators (MNOs) in New Zealand.

This presented us with a challenge, as Snapper is a Wellington local scheme, and MNOs traditionally offer national (or multi-national) coverage, so are reluctant to partner with localised services. We needed to think differently.



Key challenge

How to keep up with your customers' expectation that their mobile phone will replace their wallet.



Approach

Partner with the integrated payment solution that's first to market.



Outcome

Launch of Semble, NZ's first mobile integrated payment solution.



Key takeaway

Success in mobile requires strong partnerships.



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Our Approach

We decided to build an app in partnership with 2degrees – New Zealand’s newest MNO – in 2012. 2degrees were keen to join forces, as they were a new entrant to a well-established telecommunications market at the time. They saw the Snapper mobile payment offering as a way to woo customers away from the established networks, Telecom NZ (now Spark) and Vodafone. 2degrees was a good partnership match for Snapper culturally and brand-wise, as we too are disruptors in a long-established market.



Touch 2 Pay – Snapper’s early attempt to replace the smart card with a mobile phone.

The Semble opportunity

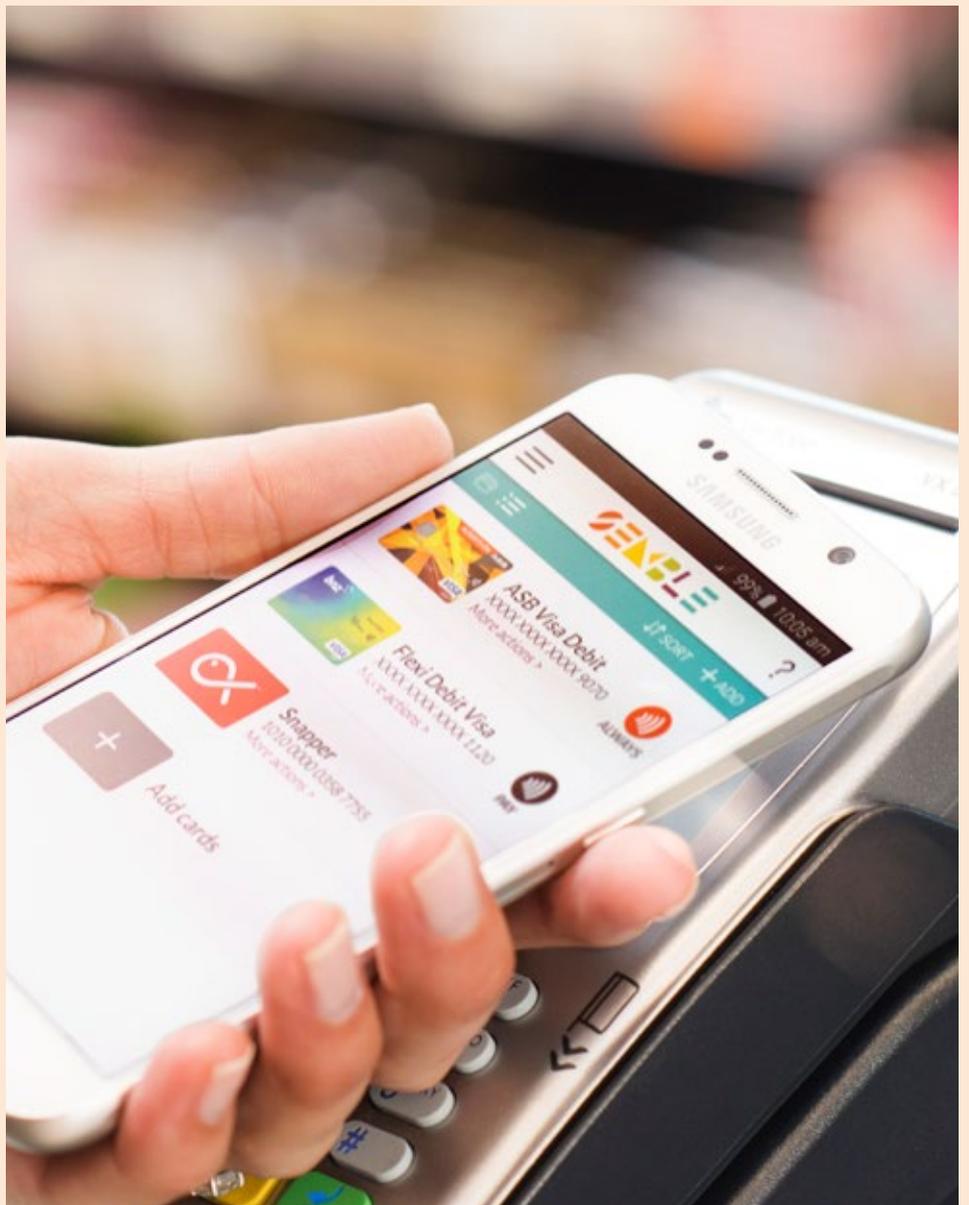
It was serendipitous, that in 2014 Semble had begun work on New Zealand’s first mobile wallet. Semble had brought all three New Zealand MNO’s (Spark, Vodafone and 2degrees) and Paymark on board as shareholders. They had also secured ASB and BNZ as banking partners for their launch in early 2015. Their next cab off the rank (pun intended) was a transport partner.

“Look to partnerships to deliver mobile payments”

Vendor Landscape: Mobile Payment Partners in Southeast Asia – Forrester Research

The Touch 2 Pay app was launched in 2012 and was the first such app in the world to graduate from a trial, and go live! Touch 2 Pay delighted early adopters who had the right combination of hardware (an NFC-enabled smartphone) and MNO (2degrees). They set about using the app, and tweeting, blogging and posting about it to various message boards and social media channels. This is usually a marketer’s dream come true – your customers doing your job for you, and for free – but in this case, the accolades were eventually matched by enquiries and complaints from disgruntled Snapper customers who were users of the Spark and Vodafone networks. The success of our little app for a niche part of the market, had created a wider market demand, that we weren’t equipped to satisfy.

We needed to find a solution that catered to more of our customers.



Snapper was the obvious choice, given our relationship with 2degrees, and the fact that we had already built a functioning payment app.

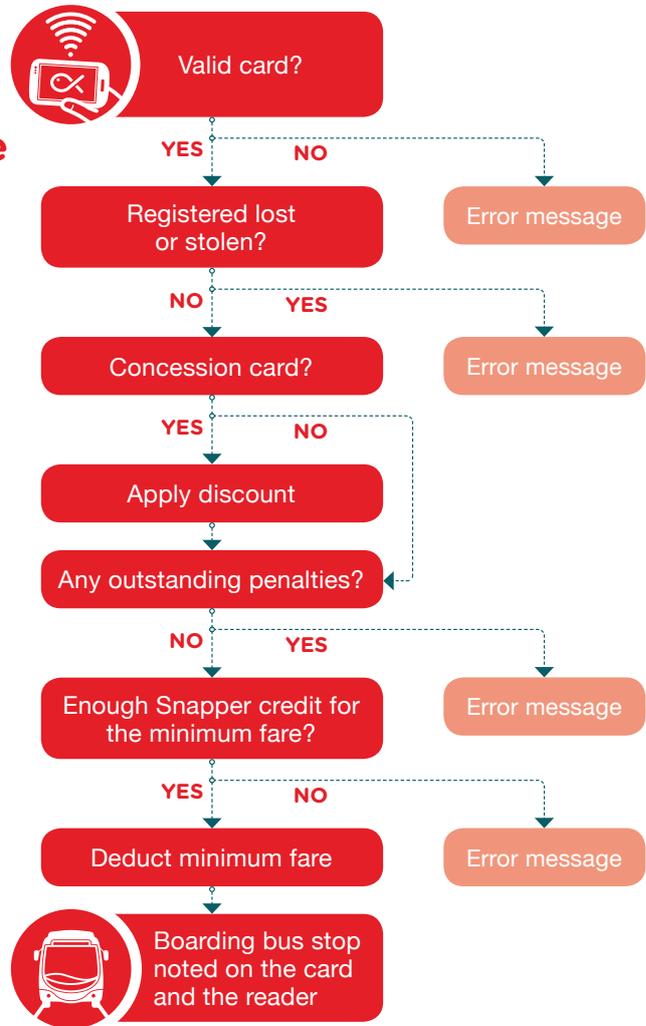
“My phone is my Snapper card with Semble. (Works even when the phone has no batteries!)”

Keyboard Warrior, via stuff.co.nz

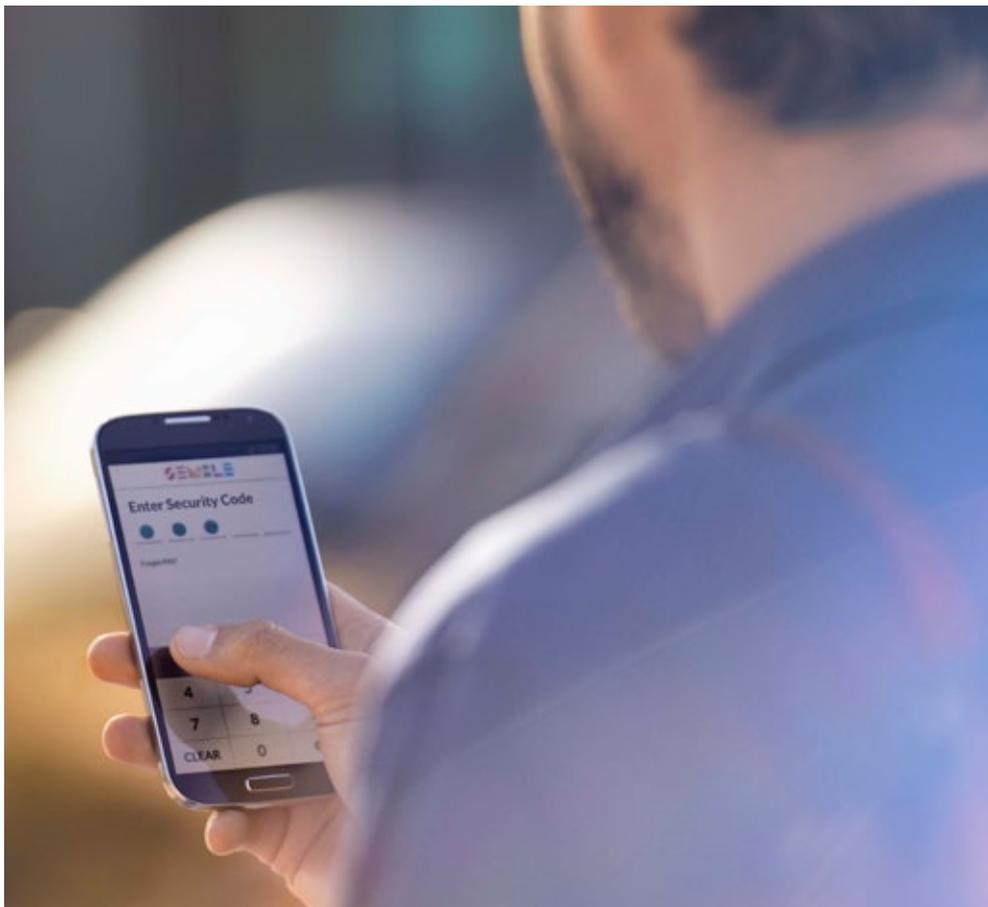
So in March 2015, we began developing the Snapper functionality in Semble. We built a secure portal to enable Snapper customers to add a Snapper card into their Semble wallet, and we co-developed the messaging exchange between the app and the Snapper back office with the team at Semble.

The development process went remarkably smoothly – aided, no doubt, by the fact that both Snapper and Semble had already developed payment apps. We still maintain a close working relationship with Semble.

Tagging on with Snapper in Semble



Snapper in Semble communicates with the Snapper system in the half-second while you tag on. Then it does the same thing again when you tag off – even if your phone is switched off!



The Outcome

- Following a successful pilot and beta test, Snapper in Semble launched in July 2015.
- Uptake has been steady, with many of our Touch 2 Pay customers making the switch, as well as users of the Spark and Vodafone networks.
- Early adopters love using Snapper in Semble, and are blogging, tweeting and posting about the experience.
- Semble works seamlessly with the Snapper Mobile app to allow customers to top up their Snapper, get refunds and communicate directly with customer service (in addition to using their phone to tag on and off the bus).
- In this case, a partnership with Semble delivered a better solution than the one we built ourselves.