

IBM and Visa Turn Automobiles, Appliances and All Other Connected Devices into Potential Points of Sale with Watson Internet of Things

IBM Watson IoT to Provide Access to as Many as 20 Billion Devices for Visa in the Next Five Years

Companies Share Vision for Commerce-Based IoT at First Ever IBM "Genius of Things" Summit

MUNICH, Feb. 16, 2017 /PRNewswire/ -- IBM (NYSE: [IBM](#)) and Visa Inc. (NYSE: [V](#)) today announced the industry's first collaboration that brings the point of sale everywhere Visa is accepted, by allowing businesses to quickly introduce secure payment experiences for any device connected to the Internet of Things (IoT).

Video - <https://youtu.be/I5nVK-H7Khk>

Photo - http://mma.prnewswire.com/media/468770/IBM_and_Visa_Logo.jpg

Learn more about Visa's Watson IoT journey: <https://youtu.be/I5nVK-H7Khk>

The collaboration brings together IBM's Watson IoT platform and cognitive capabilities, with Visa's global payments services that are used by more than 3 billion consumers globally. IBM's Watson IoT Platform allows businesses to connect to billions of connected devices, sensors and systems around the world and then draw actionable insights. Today the platform is used by more than 6,000 IBM clients that are helping customers connect to millions of devices.

IBM and Visa share a vision and commitment to embed payments and commerce into any device - from a watch, to a ring, an appliance or a car. Under this collaboration, companies can infuse secure payments across their entire product lines using the Visa Token Service, a new security technology that replaces sensitive payment account information found on payment cards with a unique digital identifier, via IBM's Watson IoT platform. As a result, IBM and Visa could support payments and commerce on many of the 20 billion connected devices estimated to be in the global economy by 2020ⁱ.

"IoT is literally changing the world around us, whether it's allowing businesses to achieve unimaginable levels of efficiency or enabling a washing machine to ensure we never run out of detergent. And behind this transformation are companies like Visa and technologies like IBM's Watson IoT platform," said Harriet Green, general manager, IBM Watson IoT. "This combination of IBM's industry leading IoT technologies with Visa payment services, signifies the next defining moment in commerce by allowing payments on any connected object, with new levels of simplicity and convenience for everyone."

Examples of Commerce-based IoT:

Consider the consumer's car. Experts estimate there will be 380 million connected cars by 2024ⁱⁱ. As the car ecosystem connects to the Watson IoT Platform, a driver would be alerted when the car's warranty or certification is about to expire or if specific car parts need replacing. With this information, the driver can order parts with the push of a button, or schedule a service appointment at their preferred local garage. The driver could even pay for gas through a direct interaction between the car and the gas pump.

Similarly, with a fitness device, an avid runner with a wireless running chip, could receive a digital alert when it's time to replace her running shoes, including a recommendation of the best model, at the best price, from a preferred retailer. Additional relevant and tailored recommendations could be offered, including nutrition and equipment recommendations, based on individual performance, local climates and shopping preferences.

"The Internet of Things is not only driving a more connected world, it's changing the way we live, shop and pay, by moving data

and the point-of-sale to wherever the consumer wants it to be," said Jim McCarthy, executive vice president, innovation and strategic partnerships, Visa Inc. "With the power of Watson's cognitive technologies and IBM's leadership in IoT and security, they are the ideal partner to help us deliver secure payments to 'virtually anywhere' and on the enormous scale of the IoT."

How it Works:

In the future with this collaboration, all of IBM's Watson IoT Platform customers will have access to Visa payment services via the IBM Cloud. As a result, rather than approaching businesses on a one-by-one basis, IBM and Visa will provide all customers with access to these capabilities, so they can begin to build personalized commerce experiences and proactively make recommendations based on consumers' unique needs.

As part of this collaboration, the companies will also ensure that all consumer information remains secure by leveraging Visa's Token Service, which replaces sensitive account information found on payment cards, such as the 16-digit account number, expiration date and security code, with a unique digital identifier that can be used to process payments without exposing actual account details. The Visa Token Service is accessible through a network of token service providers (TSPs) as part of the Visa Ready partnership program, which certifies the next generation of third-party payment solutions to ensure they meet Visa's security standards and specifications, and will have seamless and secure global acceptance.

Today IBM is working with more than 6,000 clients, around the globe and across industries, to help them truly realize the benefits of IoT. Many of these innovations are on display at IBM's Watson IoT headquarters in Munich where today IBM, customers, partners and influencers are gathering for the first ever **Genius of Things Summit**. At Genius of Things, attendees will examine how Watson IoT clients are implementing IoT solutions to drive exceptional outcomes.

For more information on IBM Watson IoT, please visit www.ibm.com/iot or follow @IBMGOT and @IBMIoT on Twitter.

For more information on the Visa Ready partner program, please visit <https://usa.visa.com/partner-with-us/visa-ready.html>.

For more information on the Visa Token Service, please visit <https://usa.visa.com/partner-with-us/payment-technology/visa-token-service.html>.

About Visa

Visa Inc. (NYSE: V) is a global payments technology company that connects consumers, businesses, financial institutions, and governments in more than 200 countries and territories to fast, secure and reliable electronic payments. We operate one of the world's most advanced processing networks — VisaNet — that is capable of handling more than 65,000 transaction messages a second, with fraud protection for consumers and assured payment for merchants. Visa is not a bank and does not issue cards, extend credit or set rates and fees for consumers. Visa's innovations, however, enable its financial institution customers to offer consumers more choices: pay now with debit, pay ahead with prepaid or pay later with credit products. For more information, visit usa.visa.com/about-visa, visacorporate.tumblr.com and [@VisaNews](https://twitter.com/VisaNews).

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ⁱ Gartner, IoT report, November 2015, <http://www.gartner.com/newsroom/id/3165317>

ⁱⁱ BI Intelligence, CONNECTED CAR REPORT <http://bit.ly/2jcgEuz>
