Brief

HP powers the Turkish Cards and Payments market

A partnership that quietly runs the Bankalararasi Kart Merkezi systems with HP solutions for over 20 years to ensure the extensive payment ecosystem in Turkey operates smoothly, all day, every day to support its growing economy.



Insights

- The Turkish card market is the third largest by volume in Europe, Middle East, and Africa.
- The partnership between HP and BKM is more than 20 years old and still running strong.
- HP continues to remain deeply involved in the Card and Payments industry.

Modeling the Turkish market

The Turkish card market is the third largest by volume in Europe, Middle East, and Africa. It has more than 150 million cards, 2-plus million points of sale, more than 42,000 ATMs, and an active population of consumers, who are turning more and more to mobiles for payments.

Some banks in Western Europe model the future of banking behaviors on the Turkish market. The population of 77 million is 60% under 30 years of age. Residents are largely computer and mobile literate, and enjoy the shift from plastic to mobile.

The loyalty programs in Turkey are active and sophisticated. The use of analytical tools is common to target consumers and apply relevant offers to their daily lives. The branding of loyalty programs—such as Bonus, World, Maximum, CardFinans, and Axess—is better known than the cards and payment systems behind them.

The competition to win and keep customers is fierce. The need for reliable systems behind the cards and payments is paramount to the ongoing success of the banking industry's success. Any outage or customer issue with the card or mobile payments puts the relationship at risk, and ultimately the revenues behind the customers' loyalty.

Being the country's central switch, BKM aims to improve the card payment system infrastructure for the benefit of all member banks at minimum possible cost.

Ed Adshead-Grant, general manager for the HP Cards and Payments Practice, said:

"Many of the Western European banks look towards Turkey to understand the emerging behaviors of consumers making payments. The culture is tech savvy, innovative, and shows the way future citizens like to pay and consume in large, growing economies."

Teaming together—HP and BKM

The Interbank Card Center (BKM) was established in 1990 with a partnership of 13 public and private Turkish banks for the purpose of developing the rules and



standards of credit and debit cards in Turkey and providing solutions to common problems within the card payment system.

Turkey is one of the fastest growing consumer finance markets in the world, and BKM is the country's only switch company. There is no room for failure on the mission-critical systems at ATMs and points of sale.

The switch system has been providing settlement and inter-bank domestic credit card and debit card authorization since 1993. It opened the Turkish banks' ATM and POS system networks to service customers, providing connection to the international communication networks, such as Visa, MasterCard, AMEX, and Union Pay.

Other than its main inter-banking authorization and clearing functionality, BKM has extended its services with secure e-commerce infrastructure, Visa/MasterCard-certified Near Field Communication (NFC) TSM services, and national digital/mobile wallet BKM Express.

Early projects between HP and BKM go back to 1993, when the first interbank card authorization network was established in the country and even today, keeps growing every year.

Creating a lasting partnership

The partnership between HP and BKM is more than 20 years old and still running strong.

The technology has evolved over the years, and HP now supplies BKM some category leading UNIX hardware, monitoring tools, a service manager backbone, and a variety of IT services tools to support modern switching applications.

The result has been a service that runs with confidence for the BKM business, and more importantly, the consumers in Turkey, where trust around the card and payment products is key for sustained usage and loyalty.

Soner Canko, CEO of BKM said:

"HP has always been there for us— they provide comfort that everything will be running in the country 24x7. They have created a robust mission-critical service that I know many national infrastructures envy in their payments leadership roles."

HP is agnostic to the software deployed for operations. There are a number of pedigree software packages that HP has optimized to work on its NonStop, X86, and UNIX server technology. All markets are different, and HP is often approached for advisory services on the latest software options in the market. Sometimes the operating model is in-house, and at other times, it can be run as a service from a secure, HP-hosted facility.

The monitoring service is a key backbone to any robust service, with real-time data and alerts critical to ensure a reliable, secure, and scalable service is running across national infrastructures.

HP continues to remain deeply involved in the Card and Payments industry. With more than 40 years of experience and a strong engineering heritage, many central bank switches, automated clearing houses, payment systems, and alternative payment providers across the world depend on HP for every transaction made across their networks.

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