



# Mobile and Digital Wallet Webinar Series

## Part 3: Strategic Considerations for Merchants

February 6, 2019

# U.S. Payments Forum Mission

- *... the cross-industry body focused on supporting the **introduction and implementation of EMV and other new and emerging technologies** that protect the security of, and enhance opportunities for payment transactions within the U.S.*

## Current EMV-related Topics and Issues

- Petro, Transit and Hospitality merchants EMV-enablement issues
- EMV contactless/mobile acceptance testing & certification
- Issuer considerations for contactless EMV (dual interface, offline data authentication)

## Beyond EMV – Advanced Payments Topics and Issues

- Mobile payment and tokenization
- Authentication: biometrics, future of CVM, new signature requirements
- 3-D Secure 2.0, Secure Remote Commerce and other CNP fraud tools

# Forum Activities & Resources

- **Collaboration on projects to develop resources to assist with U.S. EMV migration and implementation of other new and emerging payments technologies**
  - White papers, educational resources
  - Best practices and technical recommendations
- **Education programs for members and the industry**
  - Webinars, workshops, Forum member meeting tutorials, published resources
- **Communications**
  - Market outreach with recommended best practices and industry positions
- **Networking**
  - Forum for industry stakeholders to interact with all payments industry stakeholders

Information and resources available at [www.uspaymentsforum.org](http://www.uspaymentsforum.org)

# Mobile & Digital Wallet Webinar Series

- **#1 – Mobile Wallet Landscape, Wallet Models and Processes – Jan. 9<sup>th</sup>**  
Review of five commercially-available wallet models with technologies and processes used in their implementation
- **#2 – Mobile Wallet Security Technologies and Approaches – Jan. 23<sup>rd</sup>**  
Review of different security technologies implemented in wallets
- **#3 – Strategic Considerations for Merchants – Feb. 6<sup>th</sup>**  
Review of key strategic considerations for merchants implementing a mobile wallet strategy
- **#4 – Strategic Considerations for Financial Institutions – Feb. 21<sup>st</sup>**  
Review key strategic considerations for financial institutions implementing mobile wallets

# Today's Speakers



- Cathy Medich, U.S. Payments Forum



- Laura Townsend, Merchant Advisory Group



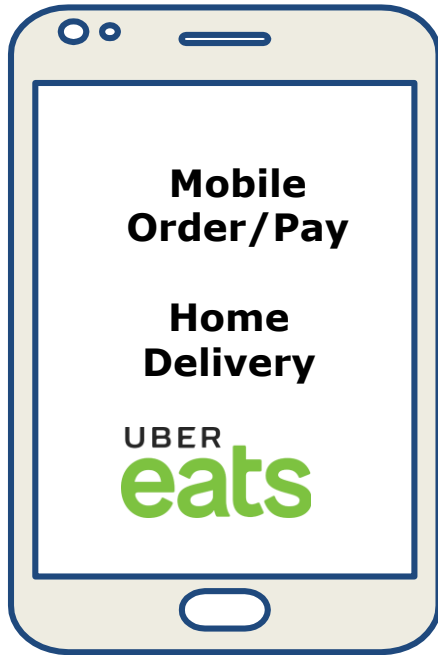
# Mobile & Digital Wallets: Strategic Considerations for Merchants

Laura Townsend – SVP Operations, Merchant Advisory Group

# The Changing Mobile Landscape



# Merchant Considerations



Customer Engagement

Customer Experience

Customer Adoption

Product Features & Roadmap

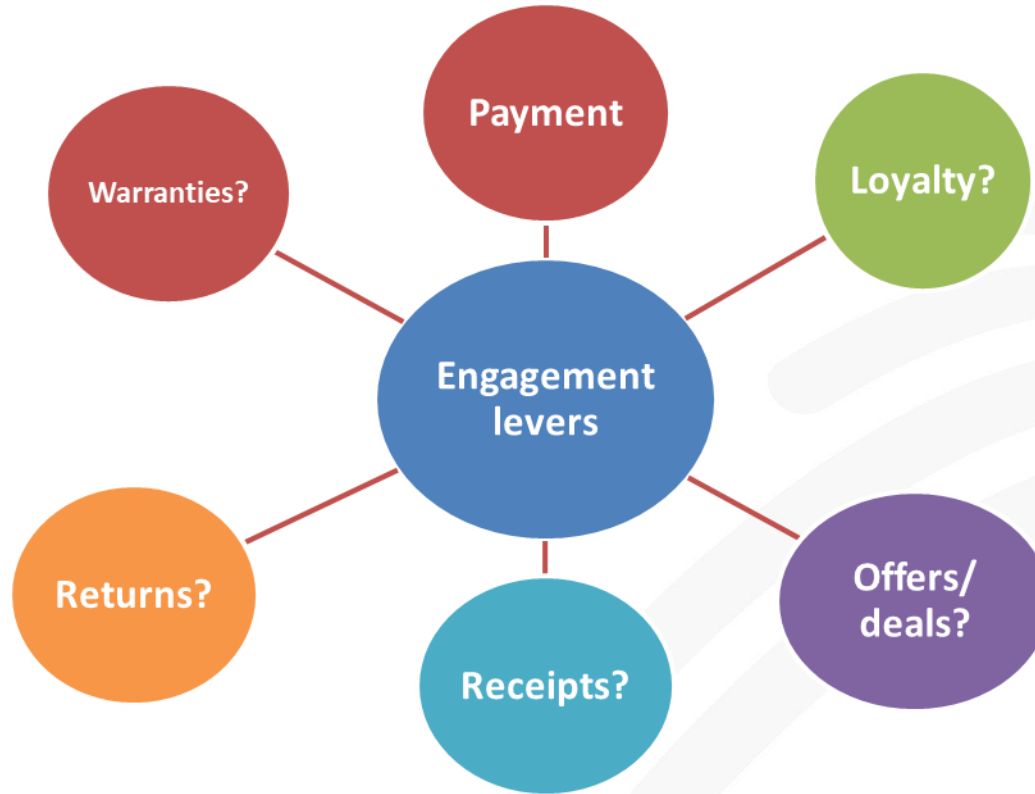
Technology

Risk & Security

Acceptance

Financial

# Customer Engagement



# Polling Question

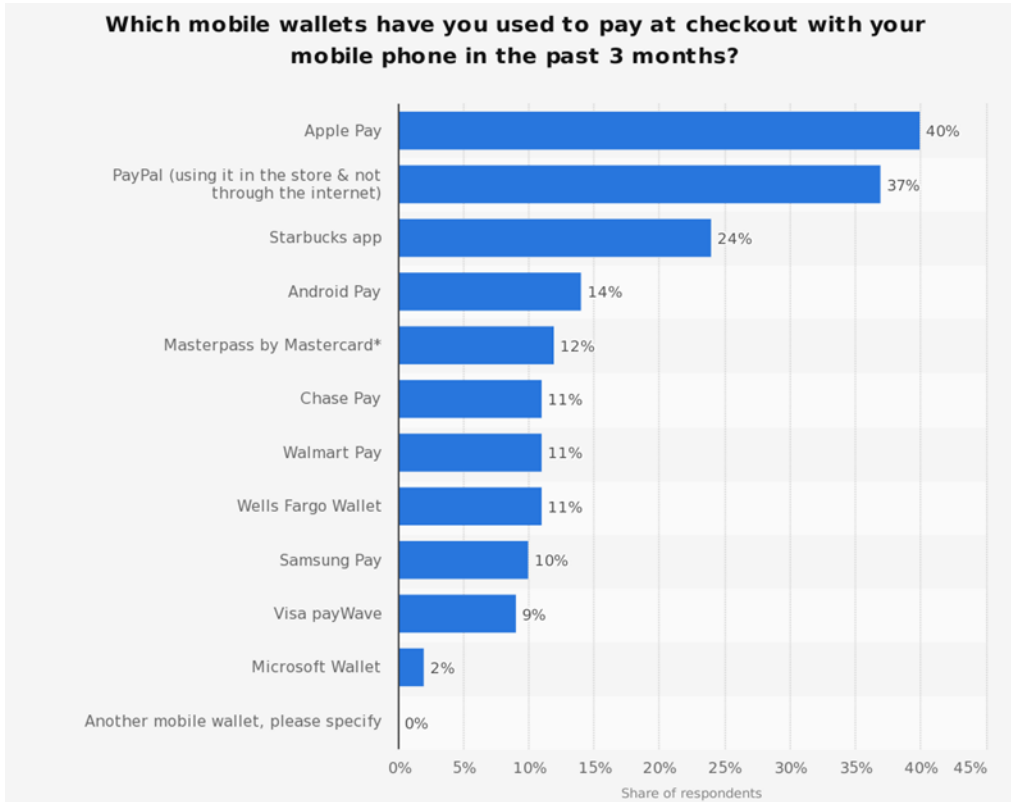
What is your favorite Christopher Walken appearance?

1. Fatboy Slim – Weapon of Choice Music Video
2. The Deer Hunter
3. Saturday Night Live – All of them
4. The Seven Psychopaths
5. Who is Christopher Walken?

# Customer Experience



# Customer Adoption



# Polling Question

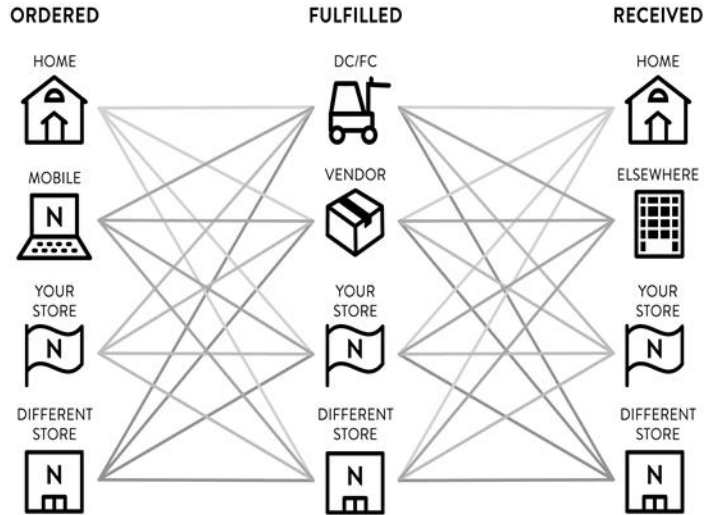
Which mobile payment solution have you used in the last 3 months at a retailer either at the point of sale or in-app/on-line?

1. The “Pays” (Apple Pay, Google Pay, Samsung Pay)
2. Merchant-centric wallets (Walmart Pay, Starbucks app, McDonald’s Order Ahead, Dunkin’ Donuts (DD) Perks, Kohl’s Pay)
3. Network-centric wallets (Amex Express Checkout, Masterpass, Visa Checkout)
4. Issuer-centric wallets (ChasePay)
5. Alternative checkout (PayPal, WeChat Pay, Alipay)

# Payment Channels

## EVOLUTION OF THE CUSTOMER JOURNEY

### HOW THE CUSTOMER SHOPS NOW

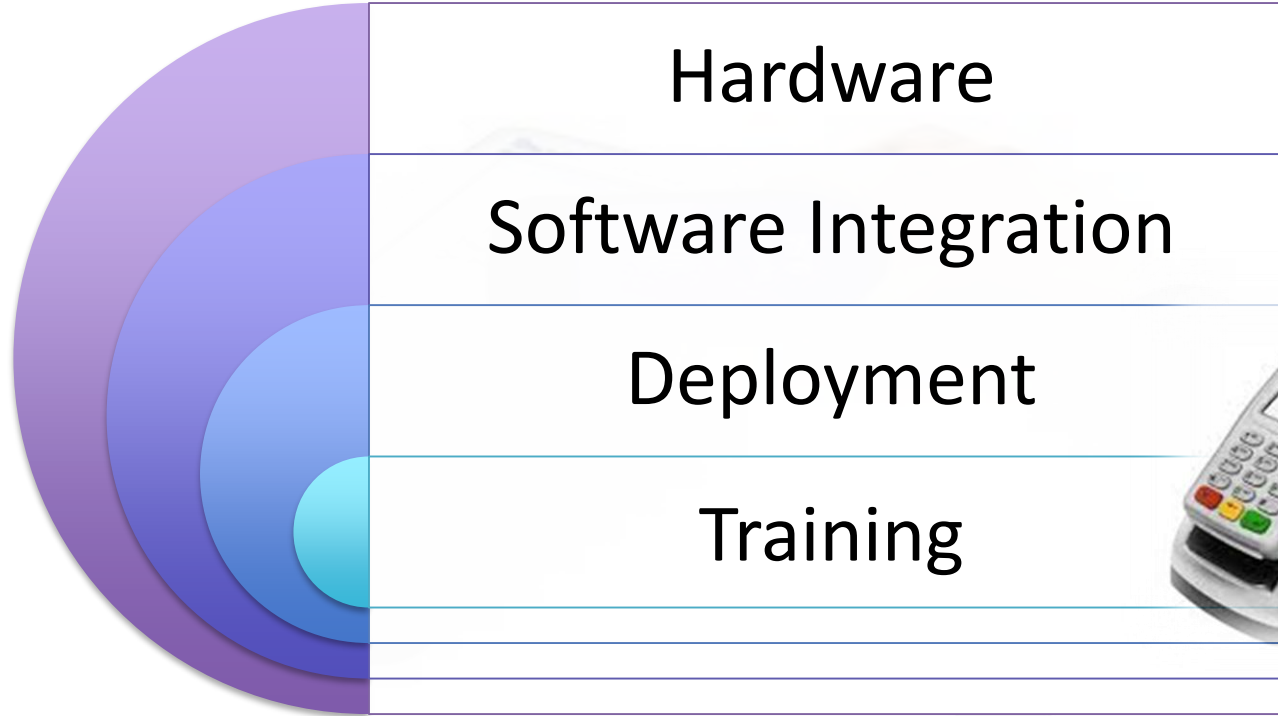


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# Product Features & Roadmap



# Technology



# Technology



NFC/EMV  
Contactless



Payment Codes



Beacons



QR Codes



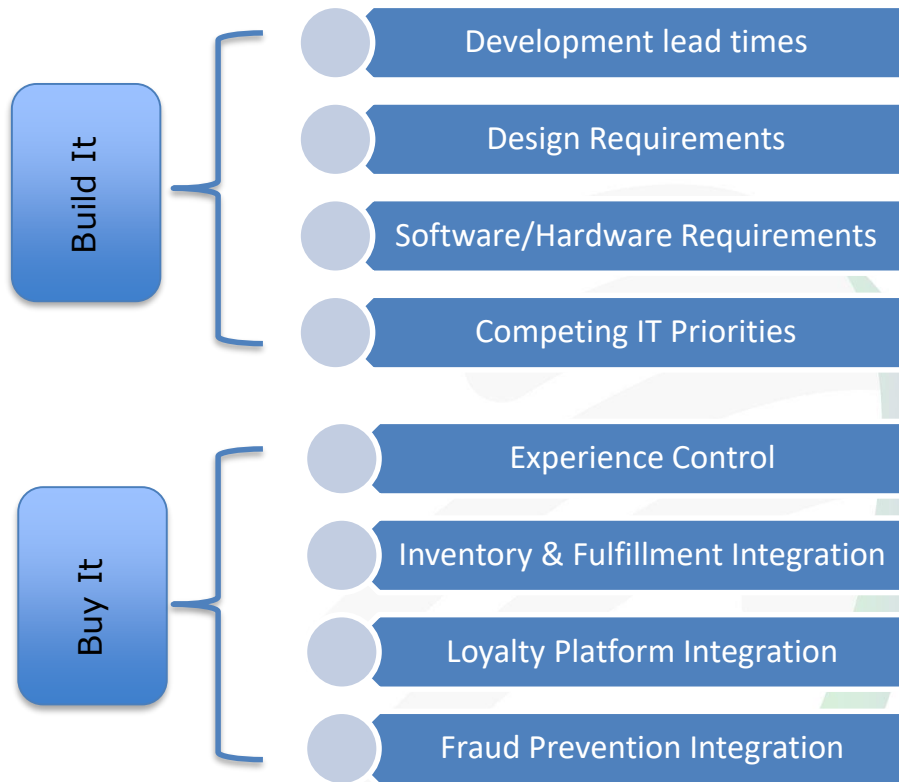
Invisible uber

# Polling Question

What mobile payment technologies do you expect to see proliferate over the next 12 months?

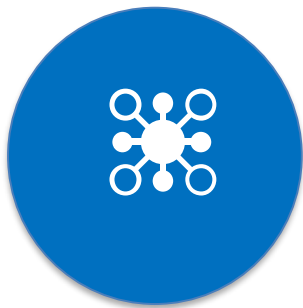
1. NFC/EMV Contactless
2. Payment Codes
3. QR Codes
4. Invisible Payments
5. Pay Buttons

# Technology



# Technology

Most traditional physical commerce retailers entered a Digital Transformation...



## Digital Transformation

Deliver a customer-centric experience across channels



## IT Transformation

Change the way in IT functions in order to gain the speed and agility to meet new demand



## Legacy Modernization

Identify components of legacy back-end systems that require modernization in order to meet demand

... That has turned into an IT Revolution

# Risk & Security

- Authentication Methods
- Product Security Features



- Provisioning Protocols
- Data Storage & Protection

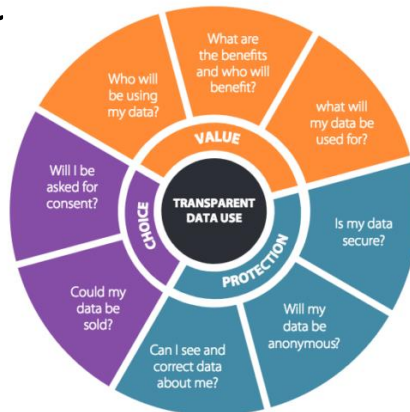
# Acceptance



- Network Rules & Requirements

- Tokenization/Debit Routing
- Biometrics & Common AID
- Honor All Wallets
- Wallet Identifiers
- Liability Shift

- Legal/Regulatory
  - Contractual
  - Data Usage Rights/Ownership



# Financial

- Technology, Training & Deployment
  - One-time implementation costs
  - Ongoing maintenance costs
- Transaction Fees
- Payment Mix
  - Remote vs. Physical
  - Credit vs. Debit
  - Debit Routing Choice
  - Alternative payment methods – ACH, gift, Private label
- Performance & Fraud Management
- Liability & Chargeback Management



# Polling Question

As a consumer yourself, do you choose a different type of payment card (ie. debit vs. credit) dependent on the commerce channel (ie. physical or digital)?

1. Yes
2. No

# Additional Materials

- MAG [Mobile Product Analysis Tool](#)
- [Know Your Payments](#), a place to get smarter about payments
- Merchant Advisory Group [Website](#), a wealth of merchant-centric information

Any questions, contact me at the following:

**Laura Townsend, SVP Operations**

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# Q&A



[www.uspaymentsforum.org](http://www.uspaymentsforum.org)



# Mobile Wallet Webinar Series: Online Assessment

- Online assessment quiz available for each webinar in the series
- Participate in all four webinars and assessments to receive a certificate and registration discount to the 2019 Payments Summit
- Assessment link:  
<https://www.surveymonkey.com/r/walletwebinar3>

# Additional Resources

- **March U.S. Payments Forum Member Meeting and 2019 Payments Summit, Mar. 11-14, Phoenix, AZ**
  - **Mar. 11-13 – Forum Member Meeting:** roundtables, SIGs, working committee and birds-of-a-feather sessions
  - **Mar. 12-14 – 2019 Payments Summit:** multiple tracks covering all things payments, including FinTech, EMV chip technology, mobile wallets, NFC, contactless, open transit systems and more
- **Mobile and Digital Wallets: U.S. Landscape and Strategic Considerations for Merchants and Financial Institutions** white paper, <http://www.uspaymentsforum.org/mobile-and-digital-wallets-u-s-landscape-and-strategic-considerations-for-merchants-and-financial-institutions/>
- Other resources available at: [www.uspaymentsforum.org](http://www.uspaymentsforum.org)

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