The webinar will begin shortly
Mobile and Digital Wallet Webinar Series
Part 4: Strategic Considerations for Issuers
February 22, 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
Mobile & Digital Wallet Webinar Series

• #1 – Mobile Wallet Landscape, Wallet Models and Processes – Jan. 9th
  Review of five commercially-available wallet models with technologies and processes used in their implementation

• #2 – Mobile Wallet Security Technologies and Approaches – Jan. 23rd
  Review of different security technologies implemented in wallets

• #3 – Strategic Considerations for Merchants – Feb. 6th
  Review of key strategic considerations for merchants implementing a mobile wallet strategy

• #4 – Strategic Considerations for Financial Institutions – Feb. 21st
  Review key strategic considerations for financial institutions implementing mobile wallets
Today’s Speakers

- Randy Vanderhoof, U.S. Payments Forum
- Dr. Art Harper, PSCU
The Mobile Wallet Landscape: Issuer Considerations

Art Harper, PSCU
Payments Landscape 10 Years Ago
Payments Landscape Now
Proximity Mobile Payment Transaction Value, US$billions

Wallet Usage on Smartphones as % of Adults with Smartphones (US)

Percentage of adult smartphone users that have used a mobile wallet to pay (at any point in time):

- Apple Pay: 13%
- Walmart Pay: 24%
- Samsung Pay: 5%
- Android Pay: 7%

Percentage of adult smartphone users have used a mobile wallet to pay during their last transaction:

- Apple Pay: 3%
- Walmart Pay: 6%
- Samsung Pay: 1%
- Android Pay: 1%

Mobile Payment Usage

How Many People in the US Use Mobile Payments

<table>
<thead>
<tr>
<th>Year</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Users</td>
<td>48.1M</td>
<td>55.0M</td>
<td>61.6M</td>
</tr>
</tbody>
</table>

2018 20.2% of population

US Proximity Mobile Payment Users, by Platform, 2018 (millions)

- Starbucks: 23.4
- Apple Pay: 22.0
- Google Pay: 11.1
- Samsung Pay: 9.9

Note: ages 14+; mobile phone users who have made at least one proximity mobile payment transaction in the past 6 months
Source: eMarketer, May 2018

What Are the Considerations for Financial Institutions?

- Consumer convenience and ease of use
  - Integration with core services
  - Native application or not
  - Security of data
- Merchant apps and sites assist with the shopping process
  - Product Information
  - Reviews
  - Comparisons
- Most important for all financial institutions is how to get / maintain transaction volume
  - Understanding getting the transaction is key
  - Top of wallet
  - Securing the transaction is vital for long term sustainability
Developing Product Sets

- Research & Offers
- ACH / Debit
- Default Card
- Wallets

Product
Strategic Considerations for Financial Institutions

So What Do You Do Next??
Step One for Financial Institutions

Learn

Strategize

Actions

• Leverage your card processor’s research
  – Roadmap
  – Integration

• Engage members and employees to test new technologies
  – Target all age segments

• U.S. Payments Forum / Publications
Step Two for Financial Institutions

Learn | Strategize | Actions

- Develop a Digital Payments Strategy
  - Product, Marketing, Training, Operations
- Identify your payments champion
  - Chief Payments / Chief Experience Officer
- Build a plan around securing transactions
  - New and existing customers
- Identify payment priority
Step 3 for Financial Institutions

- Evaluate new announcements against your strategy and priority – technology is going to change
  - Contactless Announcement (Payment Networks / Merchants)
- Share your research with your team – show thought leadership
- Select strategy and approach that delivers secure transactions
Mobile Wallet Webinar Series: Online Assessment

• Online assessment quiz available for each webinar in the series
• Participate in all four webinars and pass the assessments to receive a certificate and registration discount to the 2019 Payments Summit
• Deadline for completing assessments: March 1, 2019
• Assessment link: https://www.surveymonkey.com/r/walletwebinar4
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


- Other resources available at: [www.uspaymentsforum.org](http://www.uspaymentsforum.org)
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