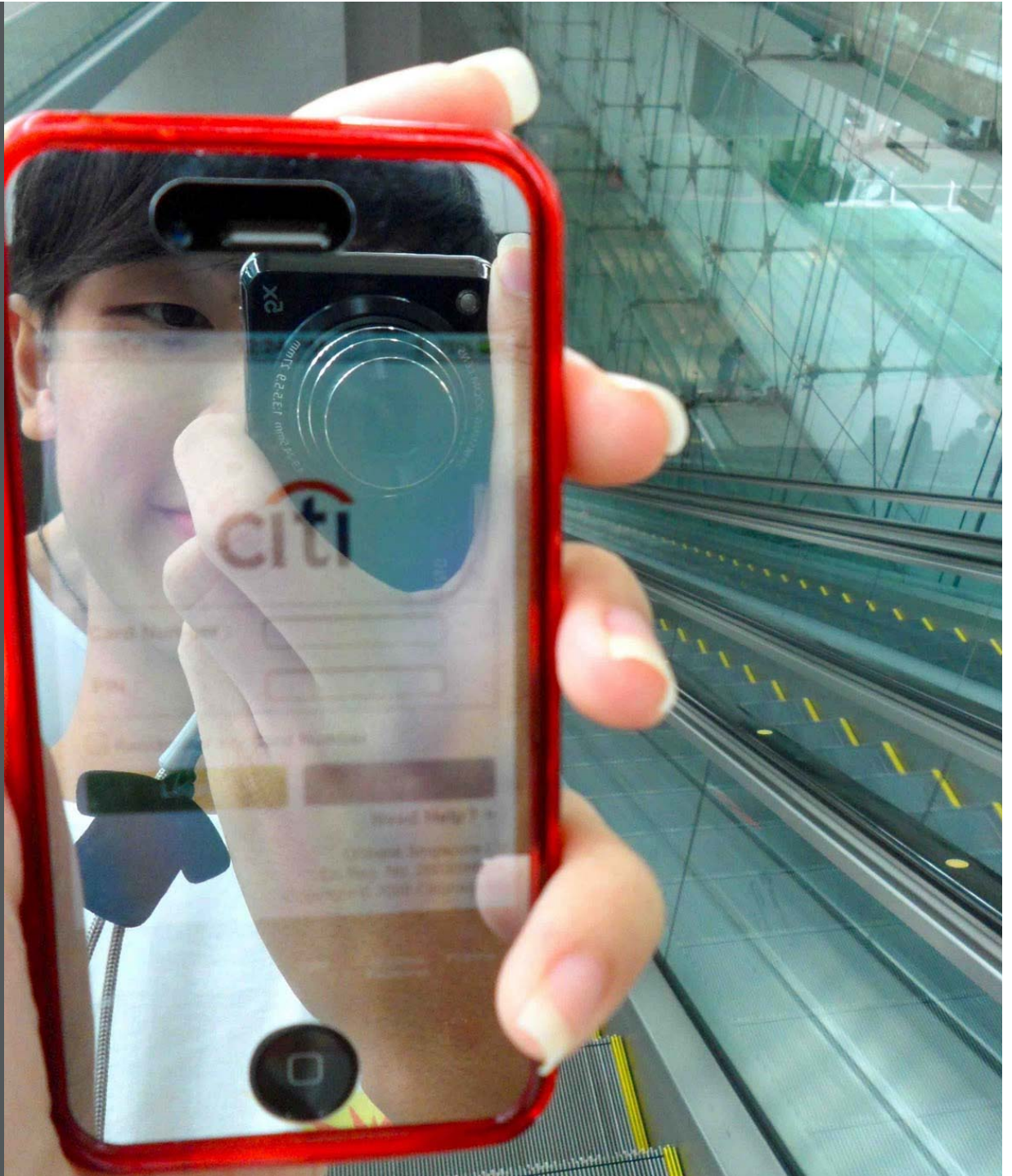


Mobile Payments: The Present and the Future

Carol Coye Benson
Glenbrook Partners



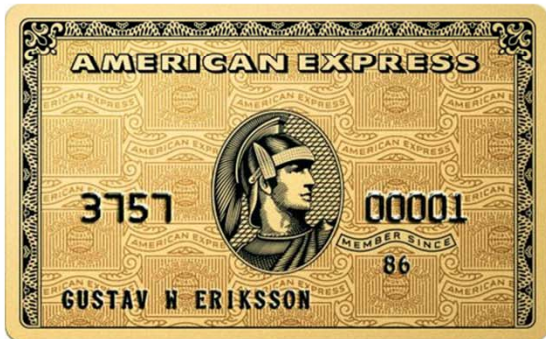


 GLENBROOK



W GLENBROOK

We've Had a Neat, Well Organized Payments Industry



With Limited Pockets of Innovation



PayPalTM



Looking Ahead?

Hang on – it's going to be a bumpy ride!





Video - ISIS



Many Kinds of Mobile Payments

- Multiple technologies
- Multiple business models
- Multiple use cases
- Multiple providers
- The good news – lots of consumer choice and some cool functionality; easily available info
- The bad news – it's going to be a bit confusing

Let's Play Payments Clue!



What Technology?

NFC

Bar Code

Audio

SMS

Other

To Use Where?

Multi Merchant

Single Merchant

At POS

Remote

Both

P2P

What Kind of Payment?

Card on File

Multi Card

Other Payment ?

Security?

PIN?

Biometric?

Nothing?

Where's the Payment Data?

Secure Element on Phone

In the Cloud

On Phone (Not SE)

Commerce?

Ordering?

Coupons?

LocationA ware?

Who Gives it To You?

Your Bank

Your Credit Card Company

Your Mobile Company

A Merchant

Some One Else

Let's Start With NFC Payments

- The expected and accepted way forward by industry incumbents
- Extensive global testing and standards work completed
- Support of major card networks
- Two major declared players:
 - ISIS
 - Google Wallet

NFC Payments

What Technology?

NFC

Bar Code

Audio

SMS

Other

To Use Where?

Multi Merchant

Single Merchant

At POS

Remote

Both

P2P

What Kind of Payment?

Card on File

Multi Card

Other Payment ?

Security?

PIN?

Biometric?

Nothing?

Where's the Payment Data?

Secure Element on Phone

In the Cloud

On Phone (Not SE)

Commerce?

Ordering?

Coupons?

Location aware?

Who Gives it To You?

Your Bank

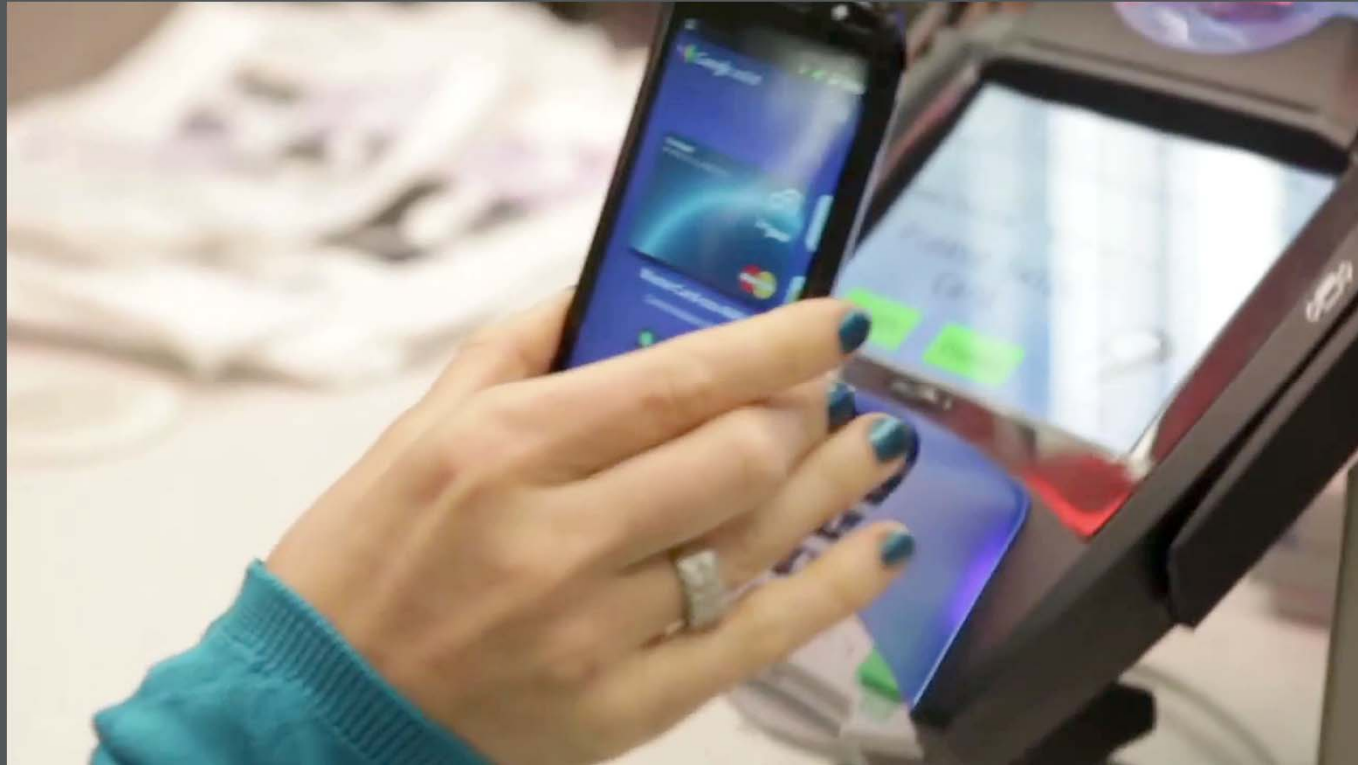
Your Credit Card Company

Your Mobile Company

A Merchant

Some One Else

Video: Google Wallet



NFC Payments

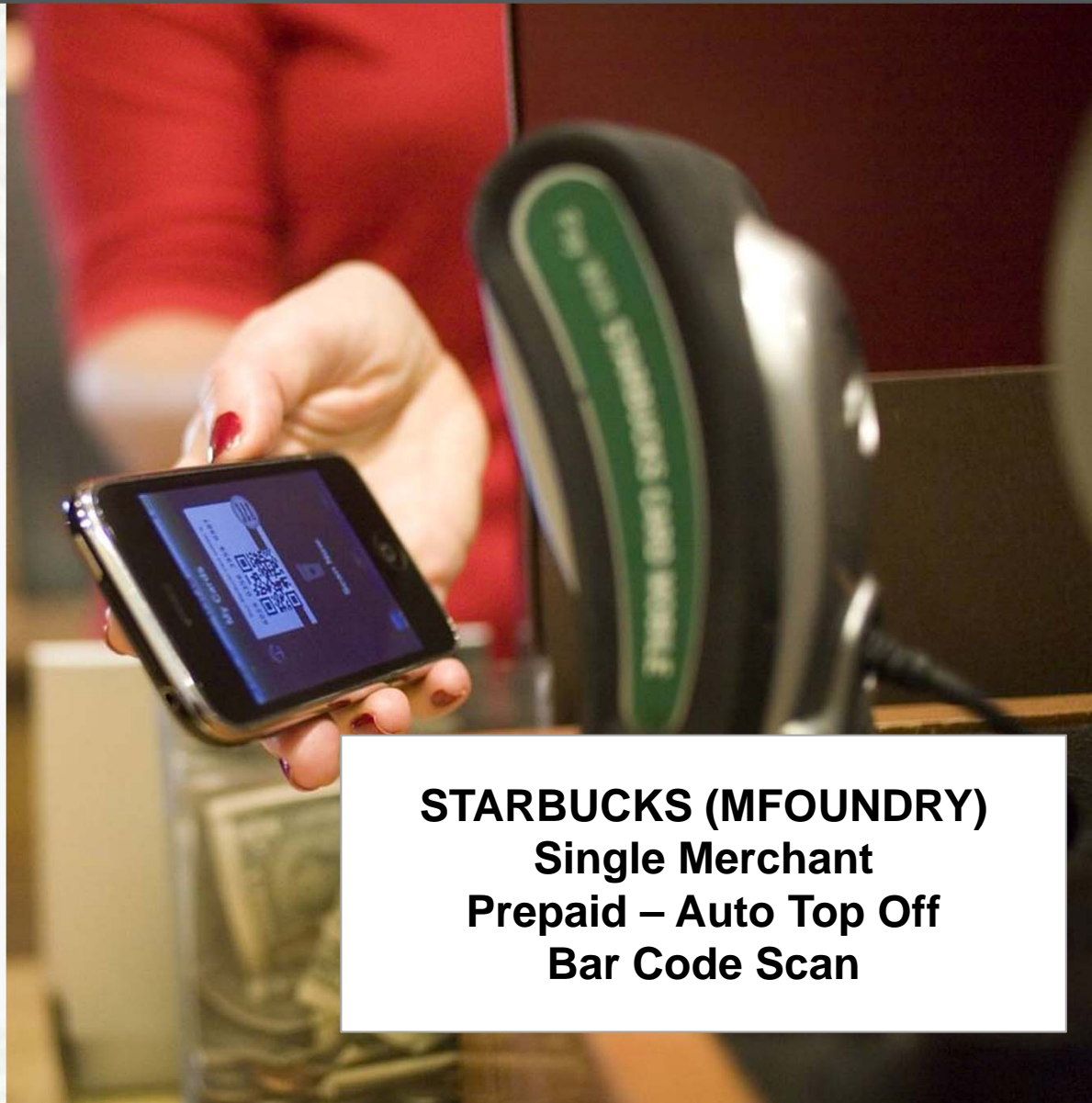
Good News

- Cool user experience
- Integrated coupons at purchase
- Once you have it set up, it will work at lots of places – just like your cards today

Challenges

- Really complicated value chain – lots of new mouths to feed
- Depends on new phones, new business relationships, new terminals

But....
NFC Payments Aren't the
Only Game in Town!



**STARBUCKS (MFOUNDRY)
Single Merchant
Prepaid – Auto Top Off
Bar Code Scan**



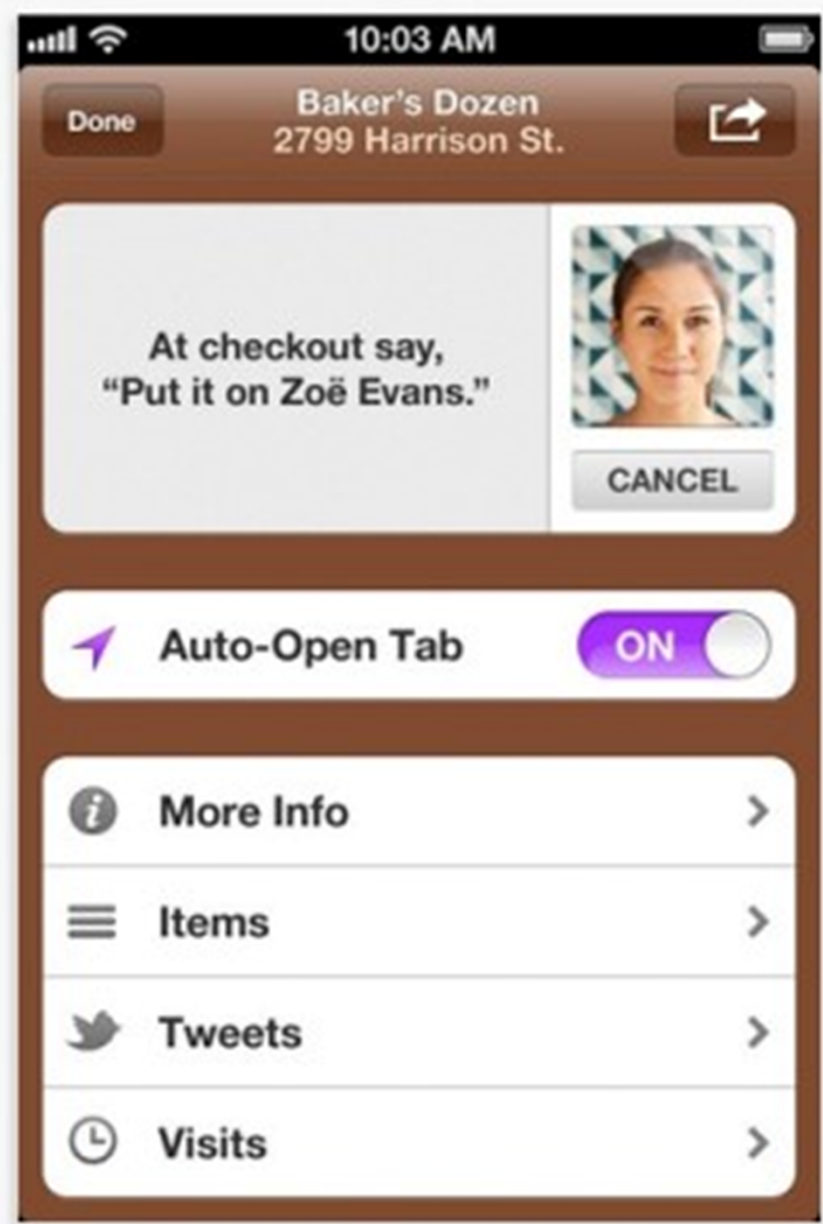
LEVELUP
Multiple Merchants
Phone-to-Phone Bar Code Scan
Credit or Debit Card "In the Cloud"

Video - LevelUp

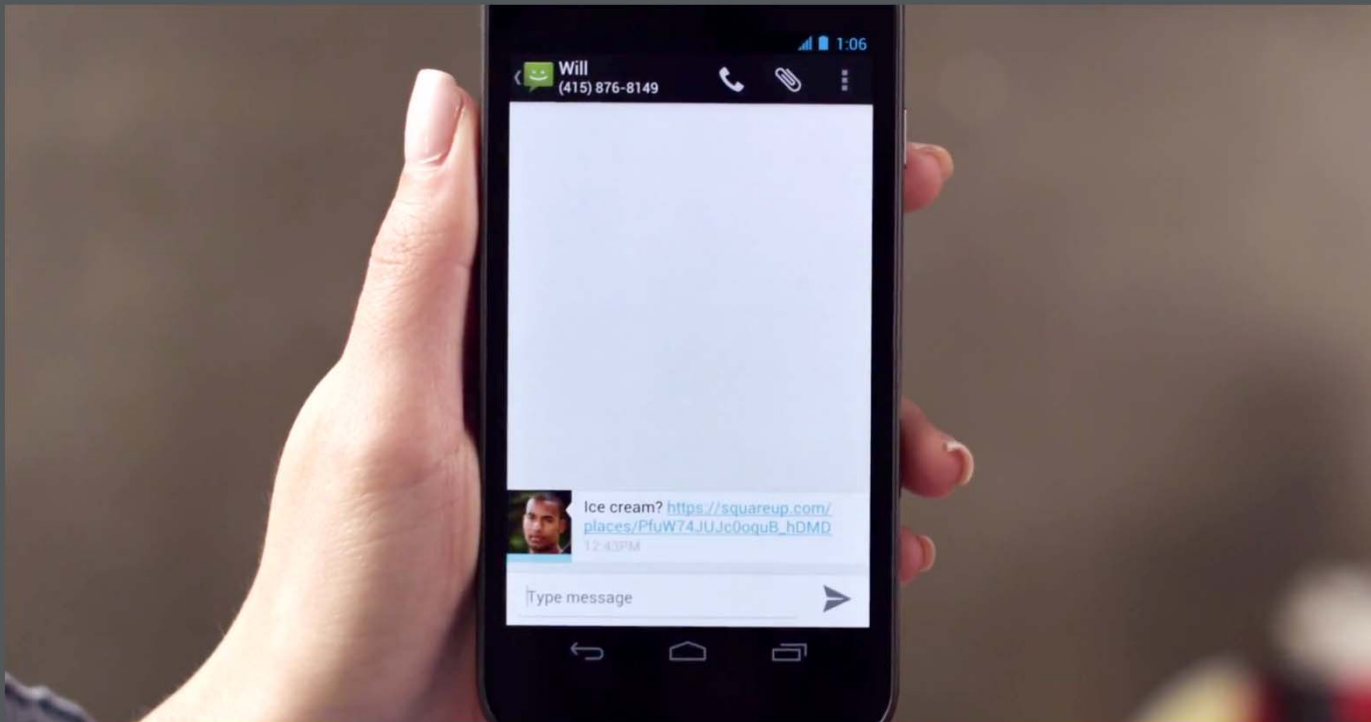




PAY WITH SQUARE
Multiple Merchants
In-Store Alert to Merchant
Facial Recognition



Video: Pay With Square



BOKU ACCOUNTS
Mobile Carrier Channel
Prepaid Account
Multiple Funding Methods

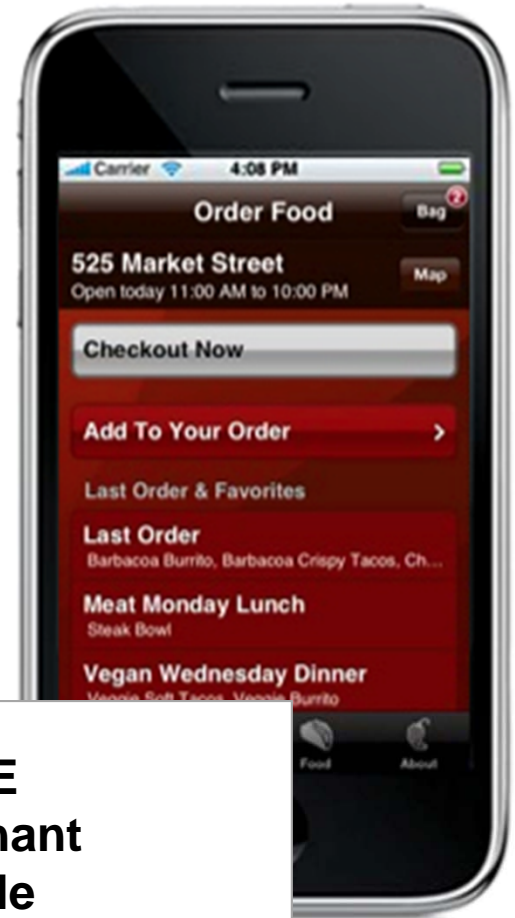
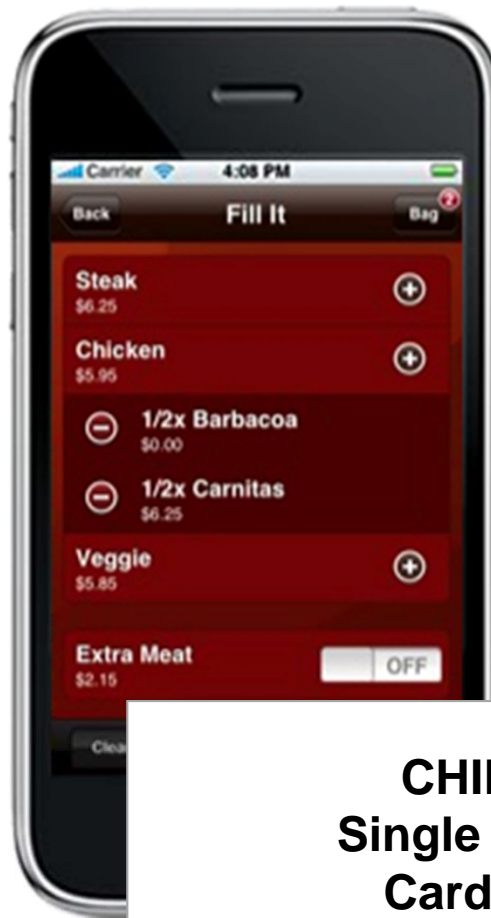
Customers can get spending notifications.

BlackBerry
MobileCo M-Pay edge 1.44
Balance: £20.00 Log out
Offers Transactions Account
La Javanaise
20% Off Any Purchase
Nov. 2012, 18:00 – 20:00 daily
The Club
Buy 10 Sandwiches*

iPhone
10:10 AM
Tuesday, January 3
Spending Notification
£9.50 spent at The Club. Your new balance is £184.50.
slide to unlock

boku
BOKU launches new payment platform for operators.

boku



**CHIPOTLE
Single Merchant
Card on File
Password**



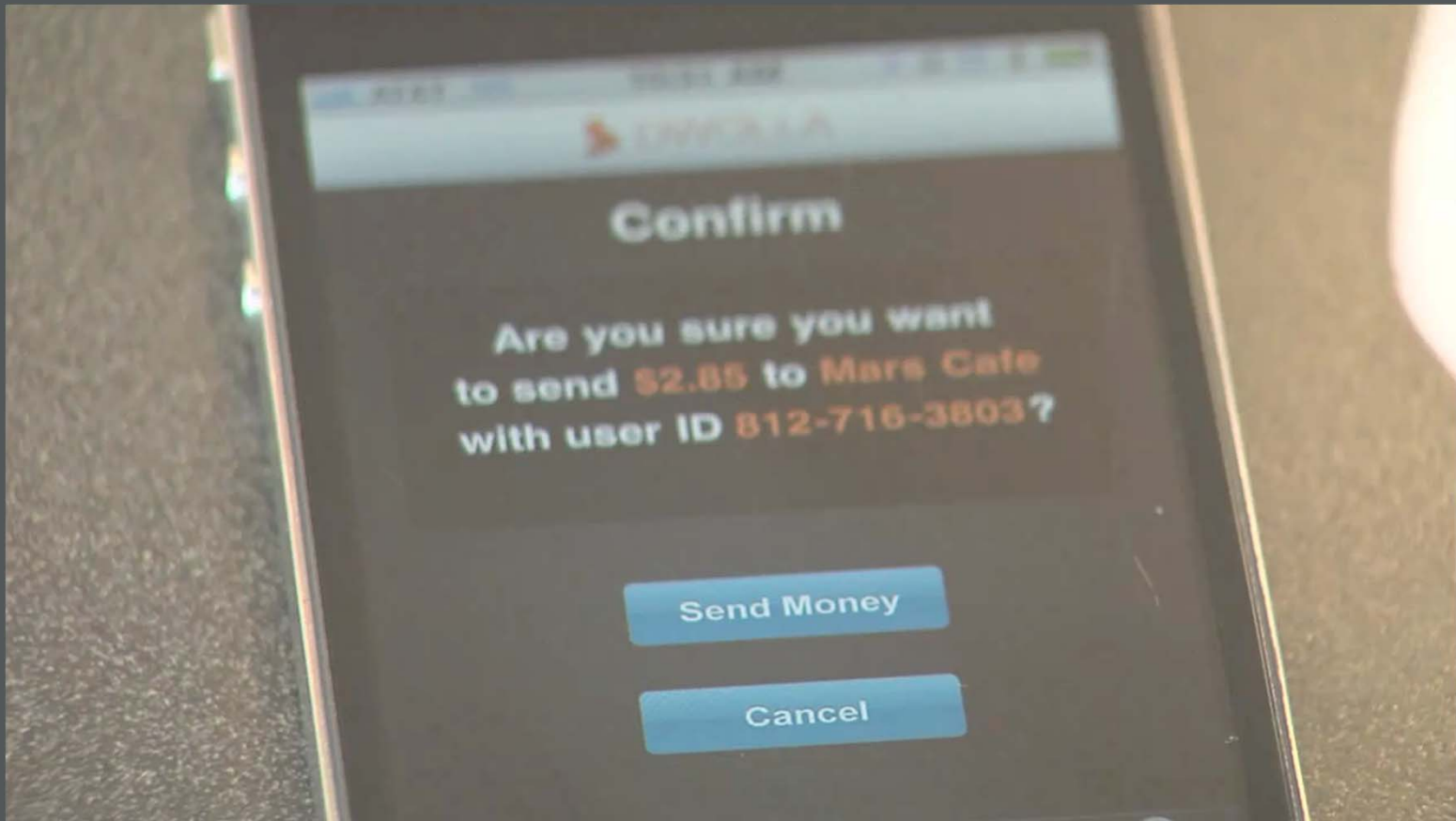
TABBED OUT
Multiple Merchants
Card on File
“Open Tab”

DWOLLA
Multiple Merchants
Account to Account Transfers
PIN Security



 DWOLLA

Video - Dwolla



**PayPal In Store Check Out
Multiple Merchant
Multiple Payment Types
Multiple Authentication Options**

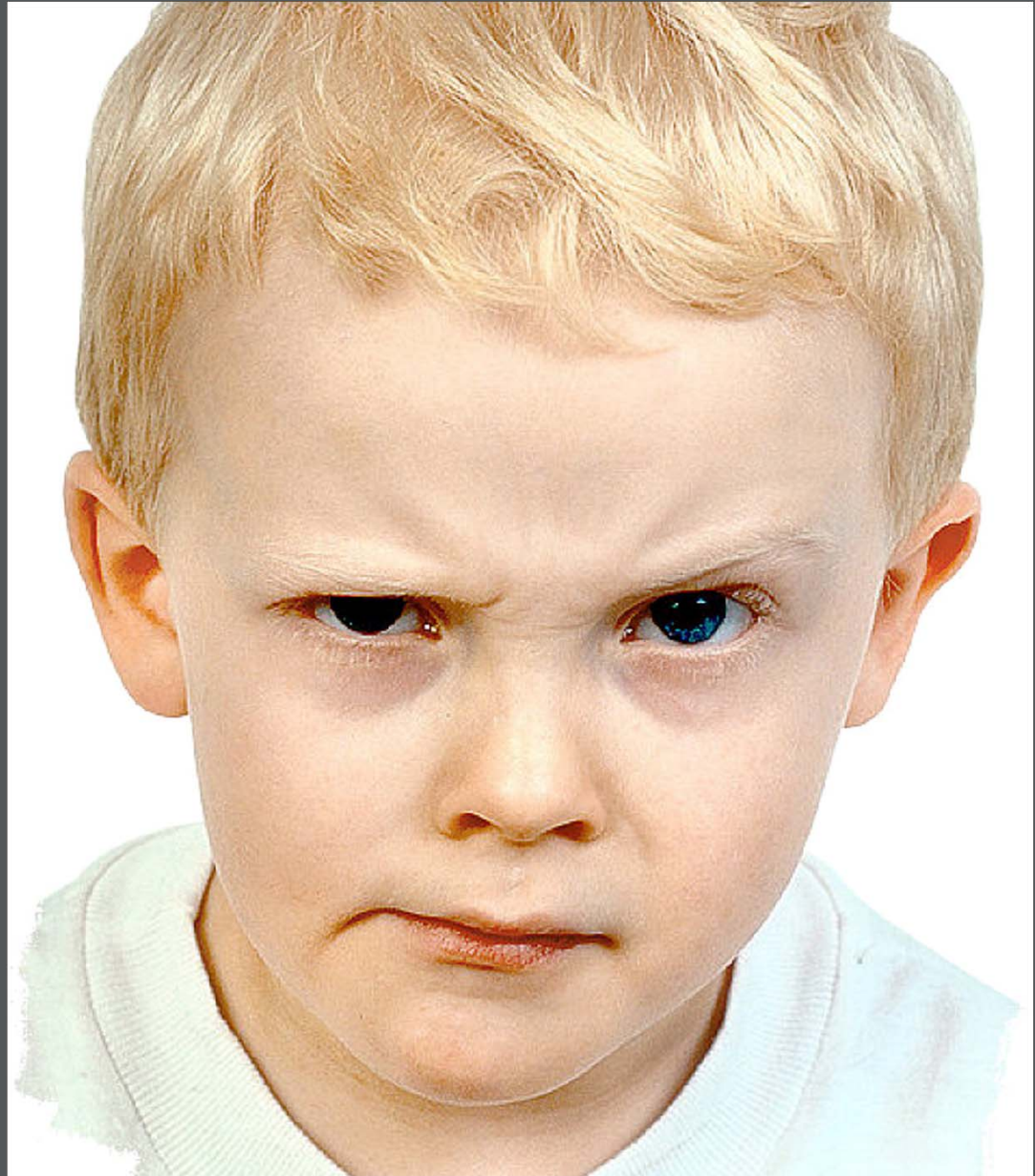


Mobile Payments @ POS – Which Will Succeed?

- Consider:
 - Ease of consumer adoption
 - Merchant participation requirements
 - Available revenue to provider
 - Attractiveness of integrated “offers”
 - Consumer confidence/security
- Odds are that multiple solutions will succeed – meaning a more complex payments landscape

And Just to Make it Worse...

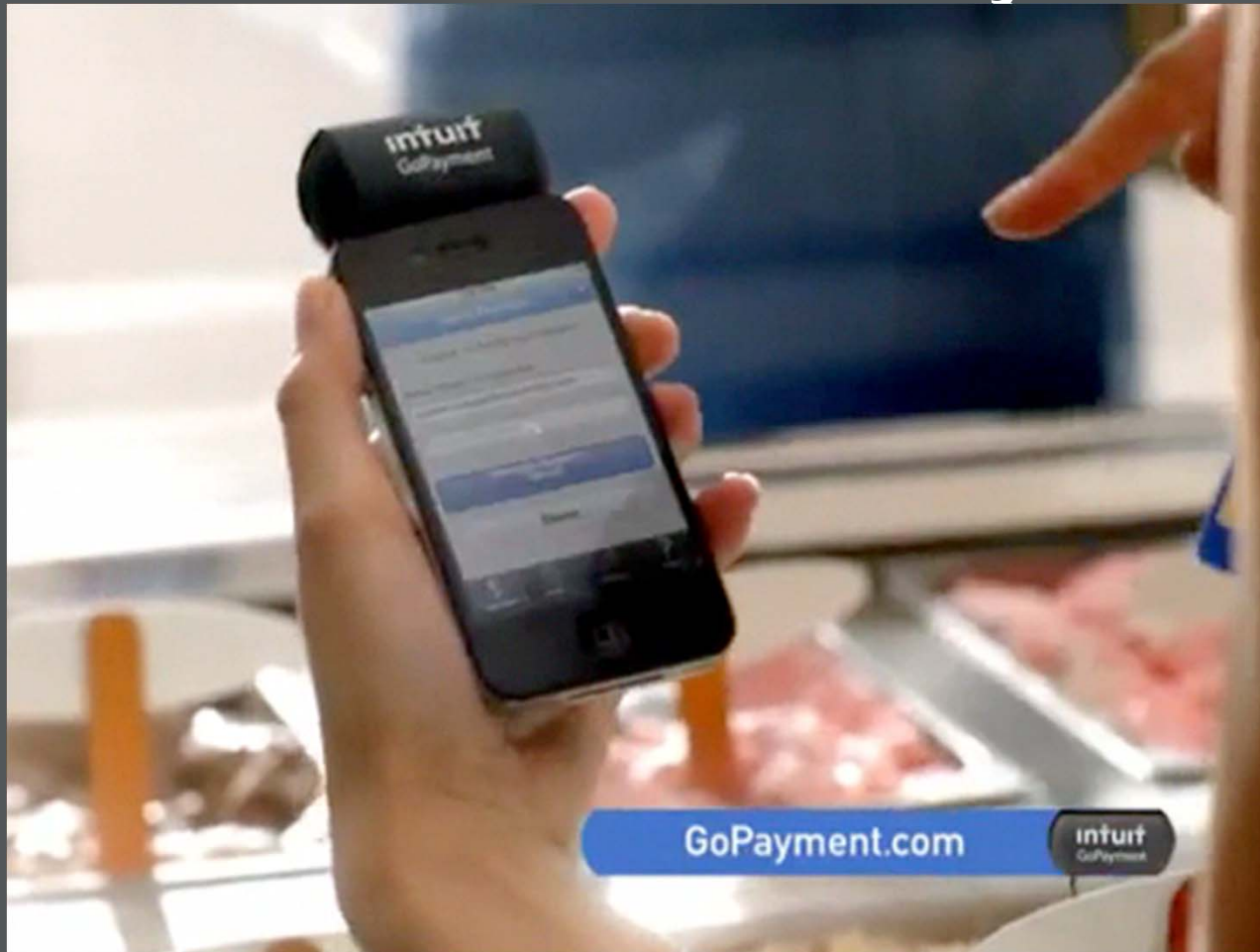
Mobile payments
aren't just about
paying at the
point of sale

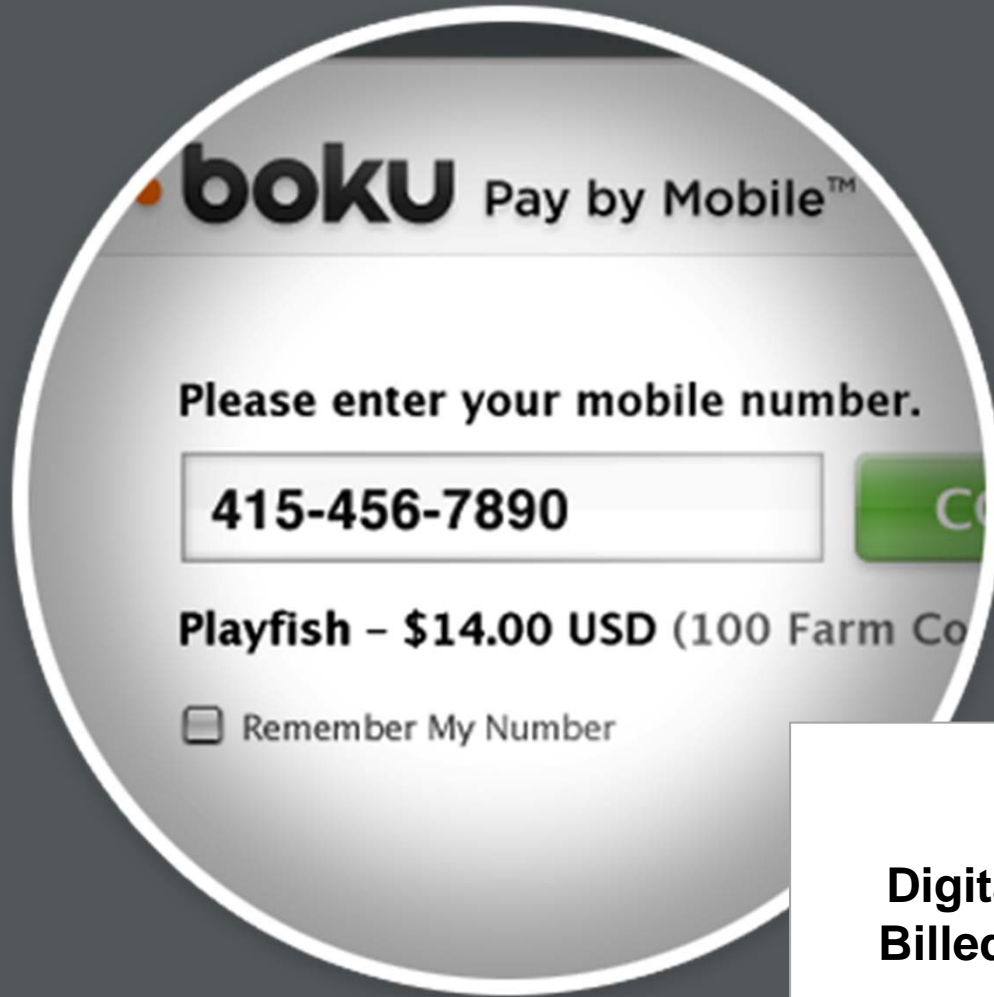


**Intuit GoPayment
Mobile Card Acceptance
Mag Stripe Reader**



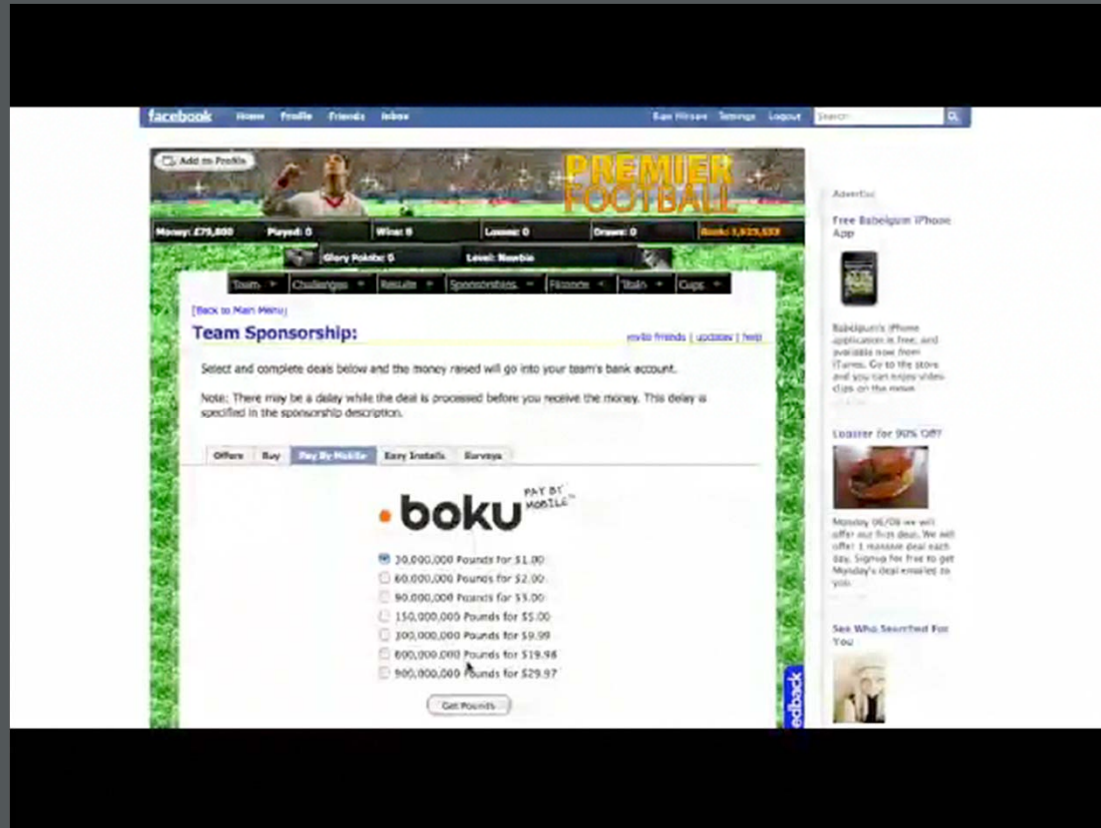
Video – Intuit GoPayment





BOKU
Digital Content Purchases
Billed to Mobile Carrier Bill

Video: BOKU



AT&T 10:50 AM

POPmoney

Pay Other People

Email: charlietest@cashedge.com

Password: ●●●●●●●●

Save Email: ON

Log in

**Fiserv Popmoney
Person to Person Transfers
Mobile or Online**

Something Else to Think About! “Online to Offline” and Vice-Versa

020



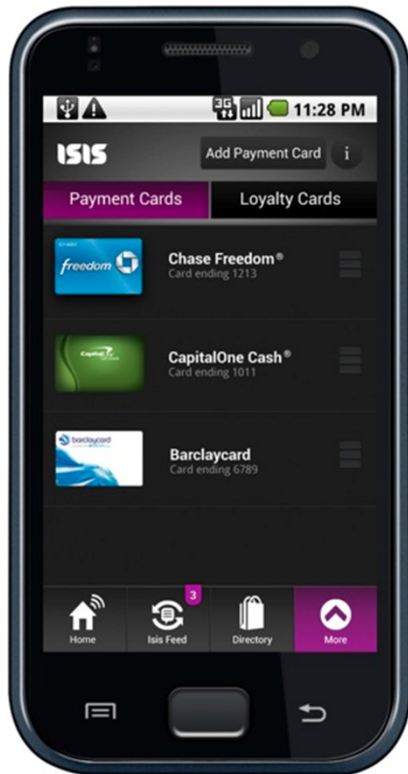
Five Mobile Payments Questions

1. How big, how soon?
2. New players and/or incumbents?
3. Payment data on the phone or in the cloud?
4. Payments tied to coupons, or not?
5. How many “wallets”, from whom?



What is a Mobile Wallet?

One app, with multiple cards?



One phone, with multiple apps?





GLENBROOK

Payments Strategy,
Research, Education

Carol Coye Benson
carol@glenbrook.com