

Contactless Payments Update

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Together we'll go far



Agenda

- Contactless Payments Today
- The Road to Mobile
- Positioning

Contactless card issuance reached a milestone with 100 Million cards issued and over 130,000 merchants

- 100 Million cards issued
- Over 20 issuers in the US and further expansion around the world Customers continue to discover new ways to use contactless payments instead of cash
- Emerging value propositions for merchants are providing more consistent usage
- Synergies with EMV conversion
- Dynamic capabilities

New merchant implementations really took hold last year. Contactless no longer means fast food

- Over 130,000 merchants accepting contactless payments in the United States
 - Convenience
 - Grocery
 - Drug
 - Big Box

Biggest opportunities are in emerging merchant categories where cash replacement is desired



Vending



Transit



Taxi

Transit and Taxi Photos courtesy of NYC MTA

Vending is a strong value proposition for both consumer and operator



Cashless payments:

- Produce higher complete rates
- More convenient
- Lower price sensitivity
- Quick and easy payment

A major driver of adoption, contactless enablement of transit is around the corner

- A number of transit authorities around the country are moving closer to open contactless payments
- Two successful pilots
- Partnerships between integrators and payments industry forming



Bus



Subway

Contactless acceptance in taxis is proving to be a disruptive force



- Growing adoption NYC, BOS, CHI and other major metros
- Changing the driver perspective on card acceptance
- Interactive customer panels facilitate more than payment

The Road to Mobile

Contactless payments lent themselves to new form factors that match customer lifestyles



Mobile devices are a good fit for contactless payment, business arrangements are hampering adoption

The emergence of bridge technologies in the last 18 months is providing alternatives to OTA provisioning.



Financial Institutions and Mobile Operators need to work more diligently at identifying a longer term mobile solutions.

Positioning

Proactive positioning of contactless payments will further help use and adoption

Concerns around Security:

- Early published concerns still linger
- Misinformation is perpetuated by lack of understanding of the payment system

Awareness:

- Point of Sale recognition improved, but still remains an issue
- No Cashier training
- Emphasis around merchant acceptance symbol



Inconsistent Brand:

- Contactless payments trade on four different brands



Thank you