# On Line Commerce, the Digital Wallet and Beyond …

Dec, 2012

# THE TIMELINE OF MONEY

| BEFORE 600BC | 600BC – PRESENT | c. 806 – PRESENT | 321BC – PRESENT | WHAT'S NEXT |
|---|---|---|---|---|
| **BARTERING** Livestock, Tools & Food | **COINS** | **PAPER MONEY** | **CHECKS** | **MPAYMENTS & VIRTUAL CURRENCY** |

# DISRUPTION IS COMING
EXPANDING ROLES AND THE BLURRING OF BOUNDARIES

EMV
AIP BCD
ECB FCI INS
TAL CWT HSM
CVR PIX IEC ARC IAD SFI TSI ADVT
CAD PTS CLA DES ASI INF
POSPIN PED IIN CID IFD BIC
AAC ATR CWI SDA BGT DDA CCD CDA
TLV AC ARPC PAN CCI BWT
AFL AID IAC MAC TAC CVM TVR DAD
AEF TCK ICC ADF SEPA BER ASN PCB RSA CSU
IFS CBC DDOL API
PA-DSS PSE TIP NAD PCI EDC
AUC ATC TTL SAD RST ARQC NAK ACK
KYC APDU

# The Shopping Stages



| Intent | Discovery | Shopping | Buying | Payment | Post-Sale |
|---|---|---|---|---|---|

**Cloud-Enhanced Capabilities**

**Core Payment Functions** (SAFE, SECURE, RELIABLE)

Demand Generation

Loyalty Card

Mobile

# The Shopping Stages

| | Payment | Post-Sale |
|---|---|---|

Cloud-Enhanced Capabilities

**Strong Risk management Capabilities**

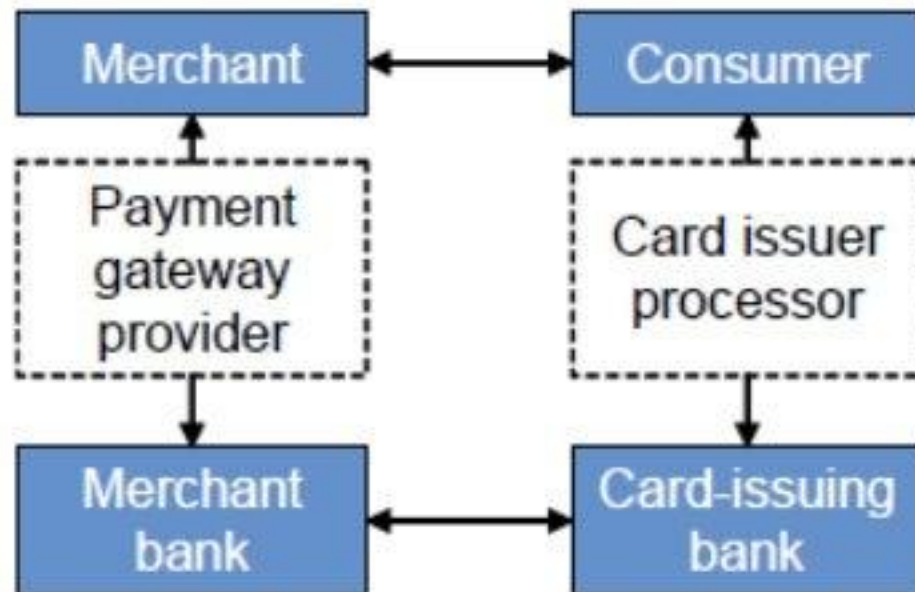**Core Payment Processing Functions**
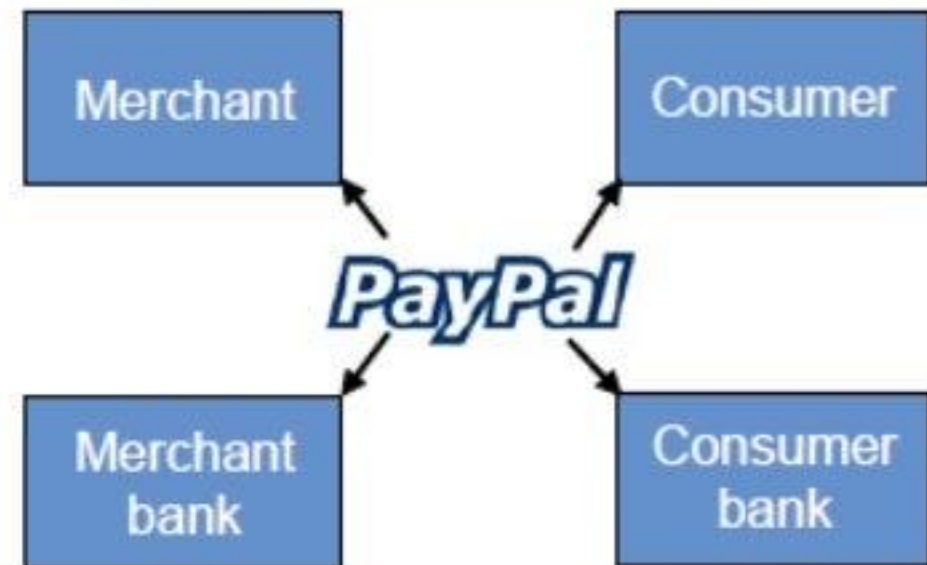
**Demand Generation**

**Loyalty Card**

SAFEWAY CLUB
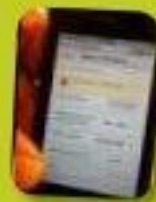
**Mobile**

# Payments 101



Traditional payment structure

Merchant ↔ Consumer
Payment gateway provider → Merchant
Card issuer processor → Consumer
Merchant bank ↔ Card-issuing bank

PayPal payment structure

Merchant, Consumer, Merchant bank, Consumer bank — PayPal
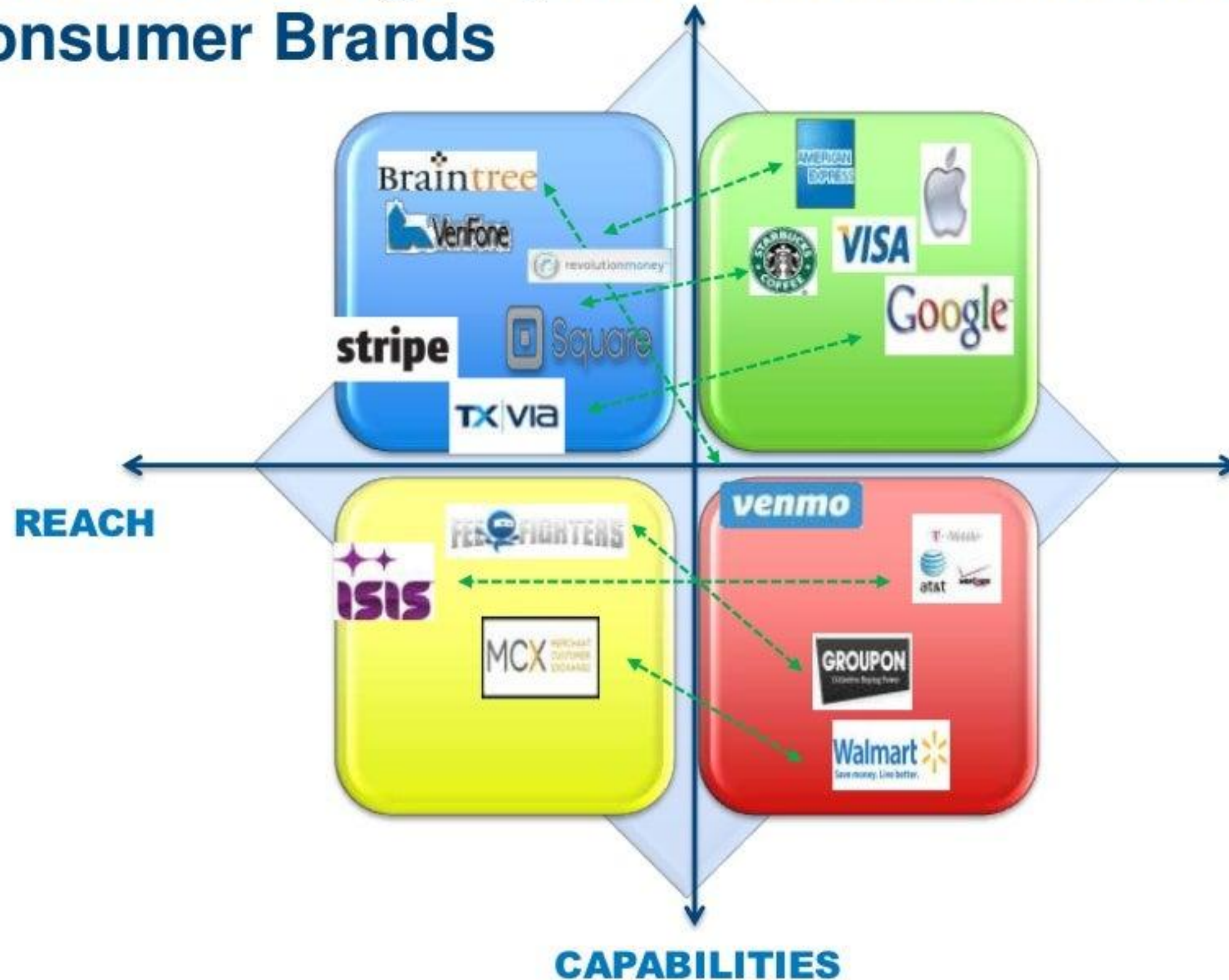
100$ → 95$

# Payments 101 - KYC
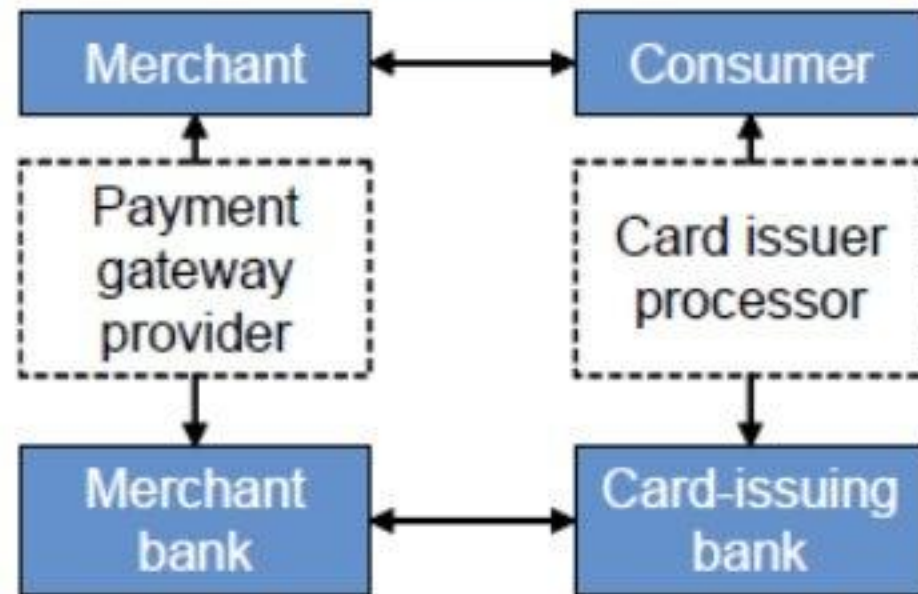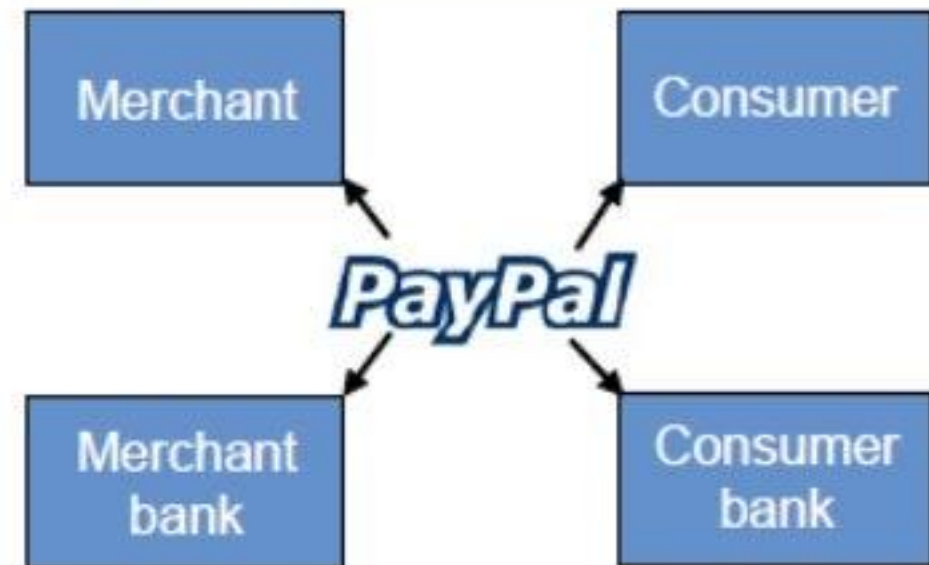
# PayPal's vision

The world's favorite way to pay and be paid

# "PayPal Killers" Created by Partnerships between Strong Payment Vendors and Large Consumer Brands

# Traditional Boundaries are Blurring
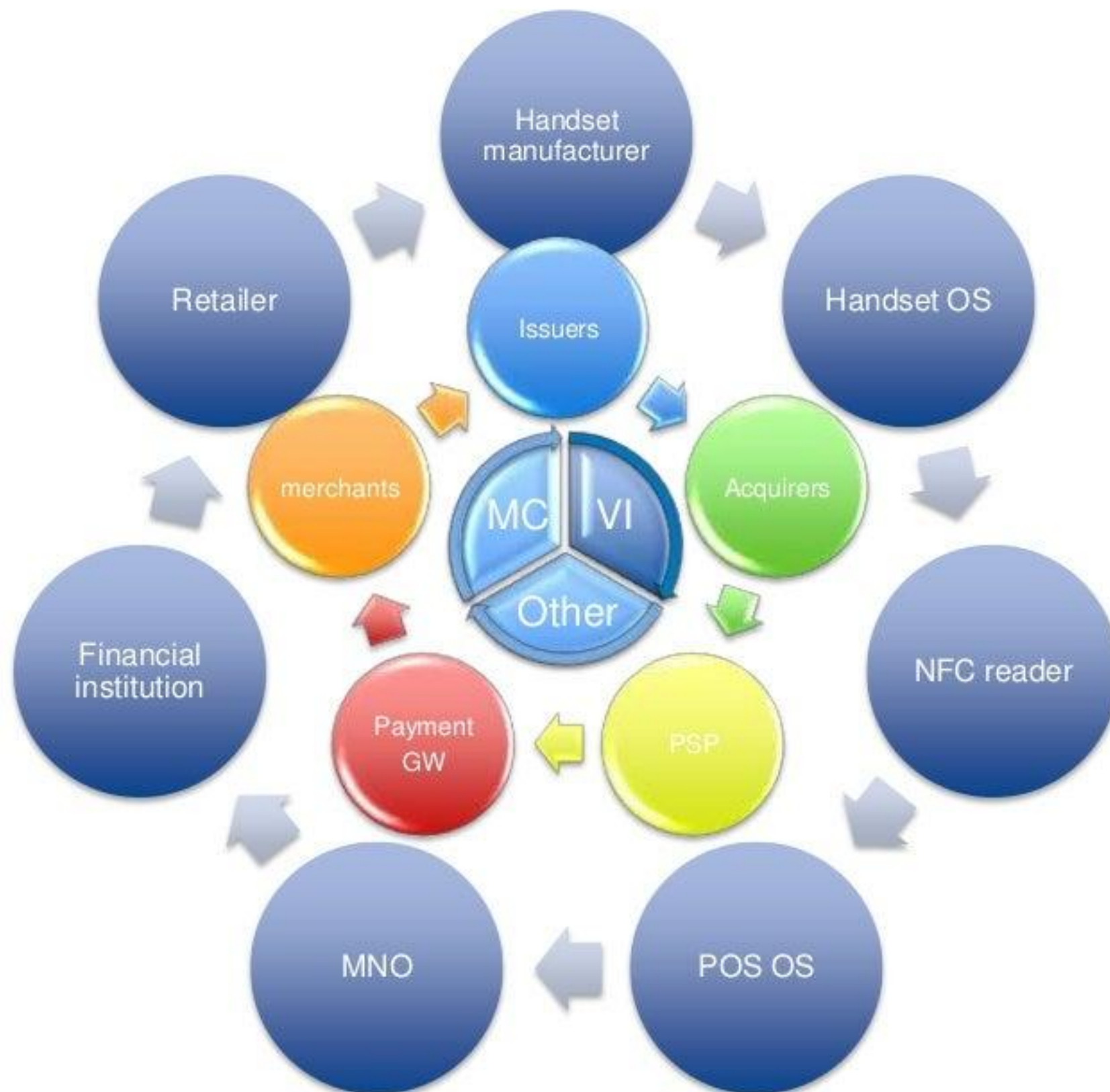
Online world

Mobile

Offline world

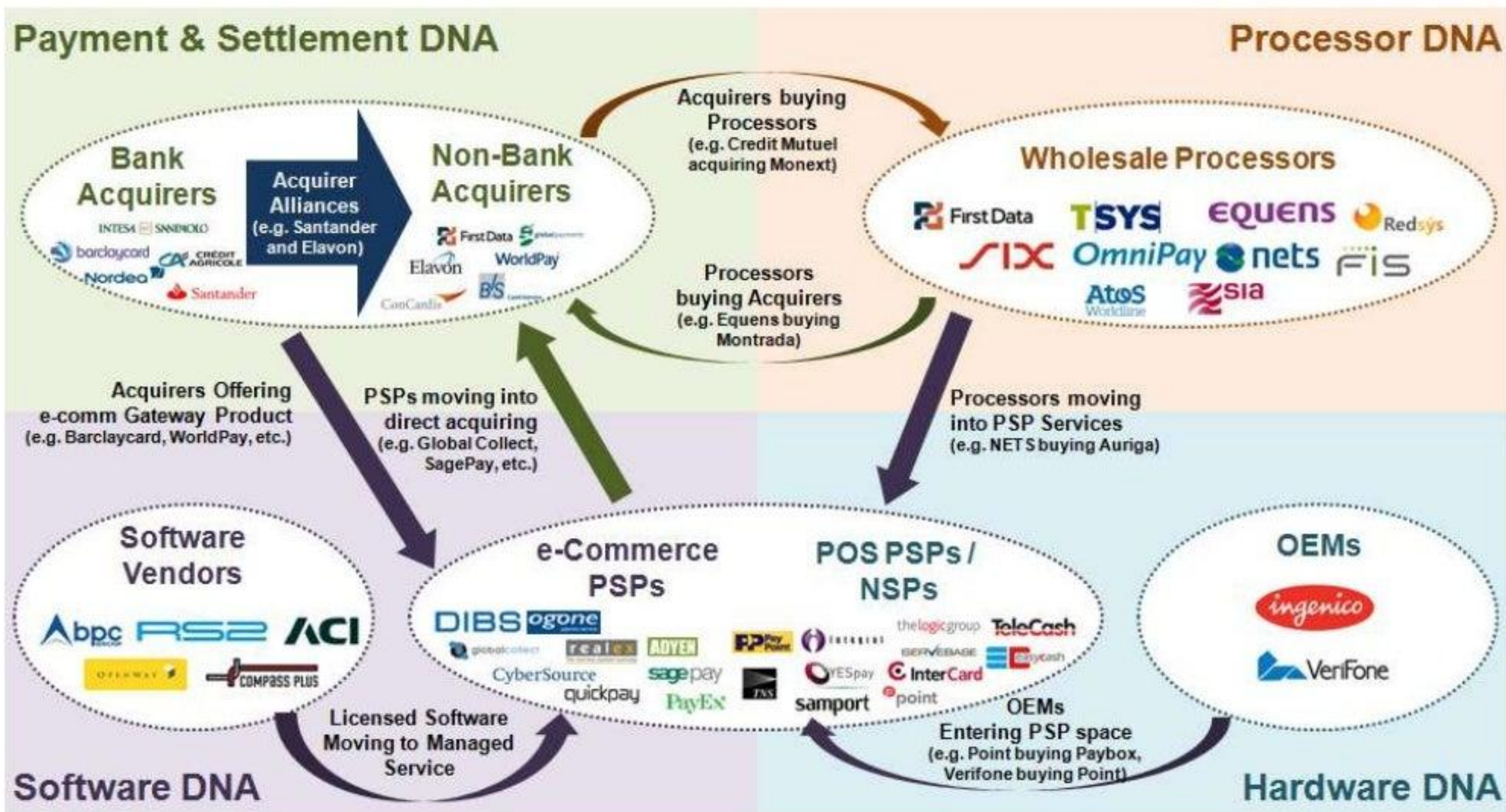# The Infrastructure is so Fragmented

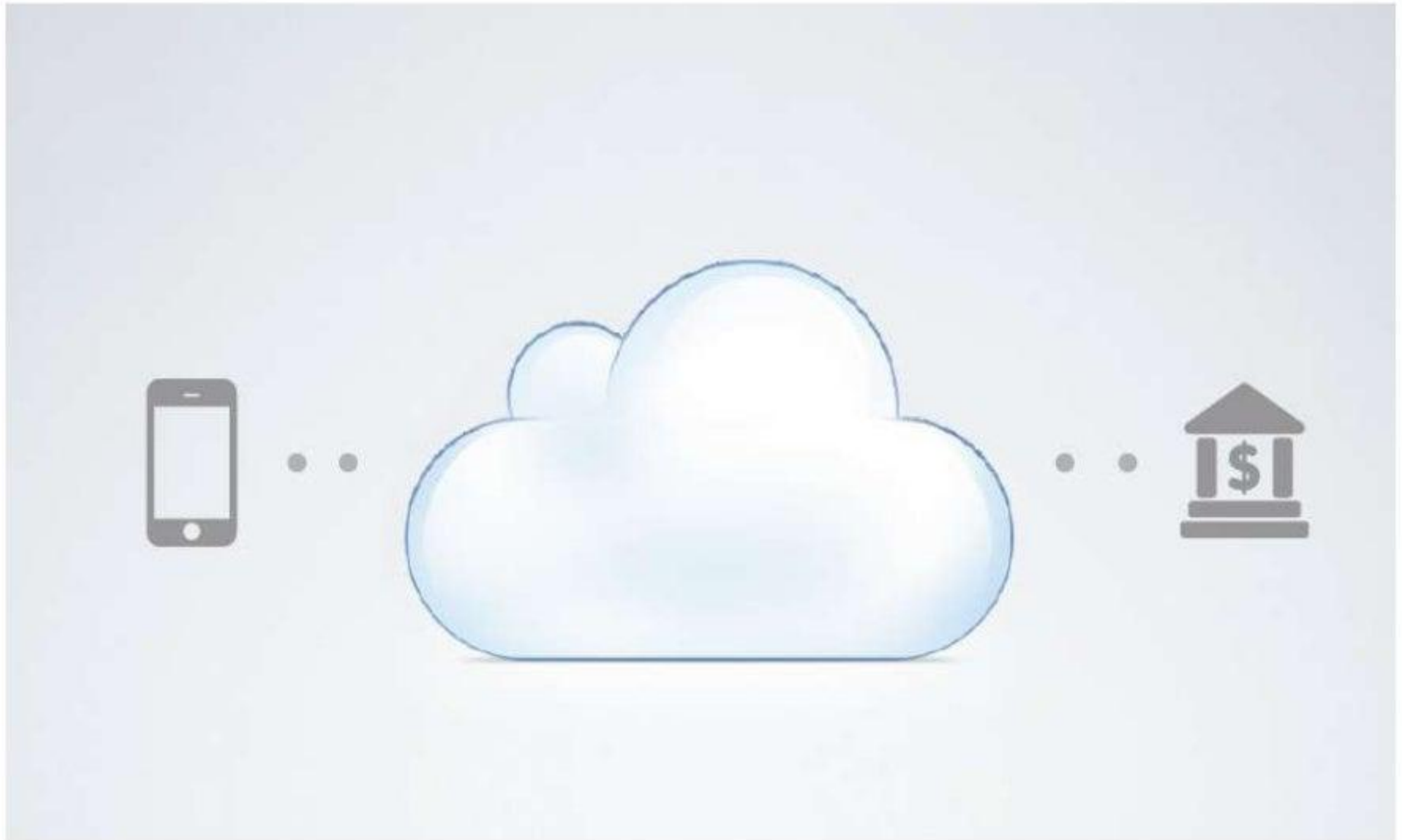# Almost Impossible To Make Any Change In The Existing Payment Infrastructure

# Incumbents are Consolidation Everywhere

# The Cloud will Connect Merchants Everywhere

# Reaching New Segments

# Mobile POS (mPOS)

**Point of sale**
Finally, upon the verbal, "I'll take it" the sales associate can complete the order on the tablet and print a physical receipt via a nearby wireless printer terminal.

**Digital display**
The form factor of a tablet makes it perfect for playing contextual, product-centric images and video content that retailers can stream to the device and update remotely.

**Store associate**

Fulfillment

Attraction

**Customer**

Collaboration

Interaction

**Employee mobile device**
Unlocking the tablet from its kiosk cabinet, the store associate can authenticate herself and release associate-facing functionality such as the ability to request store-to-store inventory reallocation.
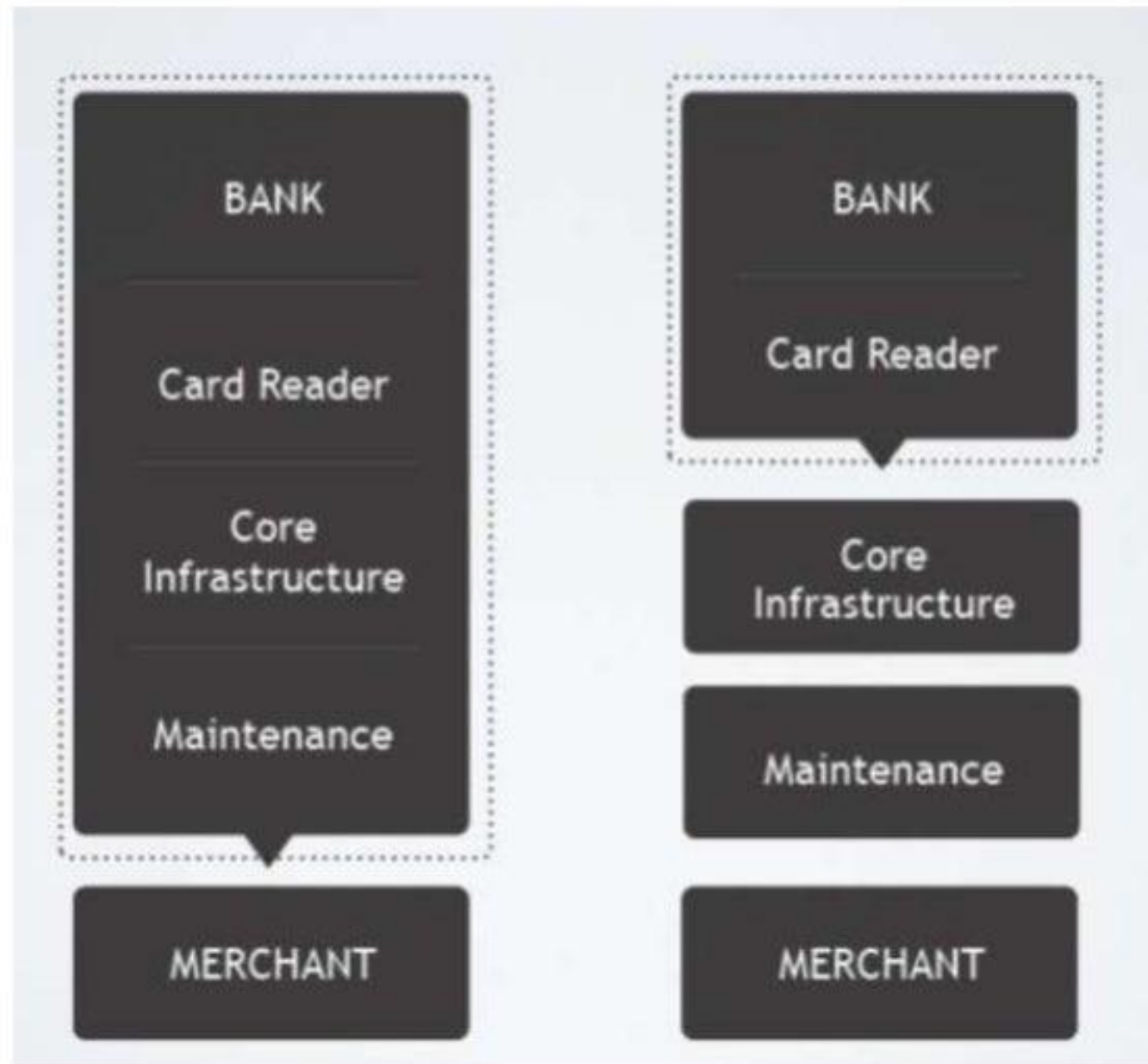
**Kiosk**
In this guise, tablets act as a virtual catalog, allowing the consumer to view pricing, accessories, customer reviews, specs, videos, and images as well as configure and visualize complex products.

POSE

GROUPON

Source: Verifone Website, Vegas Chatter Website

# The Future Acquiring opportunity

**Fixed POS**

**Low Cost mPOS**

# Merchants of all Sizes Struggling to Keep Up

Multi-channel

Demand Generation

Large merchants

Global competition

Pace of innovation

Small and medium size businesses

Sole proprietors

# The New Consumer is Always Connected

# Google Wallet , A New Business Model from Merchant Discount Rate to CPA