



# THE FUTURE OF CASHLESS PAYMENT

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**<epam>**



**HOW WE SHOP AND HOW  
WE PAY IS GOING THROUGH  
A SIGNIFICANT CHANGE**

# THE EMPOWERED CONSUMER

## ALREADY HAVE

- Seemingly unlimited knowledge
- Borderless reach
- They choose what, when and how they buy

## EXPECT

- Engaging experiences
- Personalised service
- Instant gratification
- Seamless transition between channels
- Innovative relevant and secure solutions



# COMPLEX TECHNOLOGY LANDSCAPE

- POS
- Wearables
- Beacon
- NFC, HCE, BLE



# FIERCE COMPETITION

- Telcos
- Retailers
- Tech giants
- Startups
- Banks
- Credit card companies



# REGULATORY CHANGES

- Interchange rules
- Consumer protection laws
- Cross-border payment protection
- Compliance requirement



# SECURITY CHALLENGES

- Vulnerabilities
- Stealing and misusing customer data
- Lack of data protection solutions
- Rising transaction volumes
- Expensive security schemes



# PROFITABILITY PRESSURE



Regulatory changes

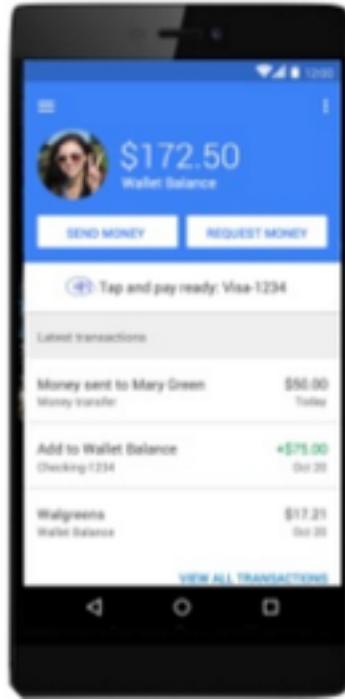
Competing solutions

Low profit

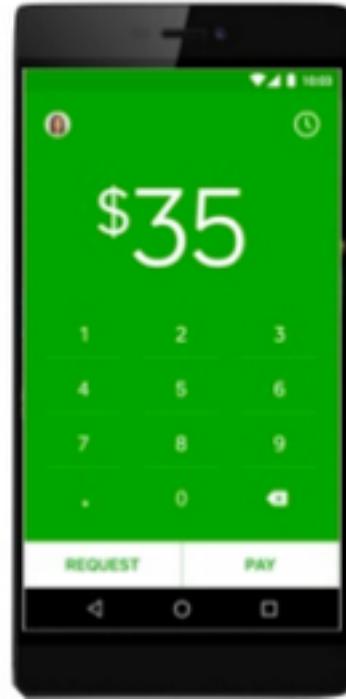


# WHAT MAKES A CASHLESS PAYMENT SERVICE SUCCESSFUL?

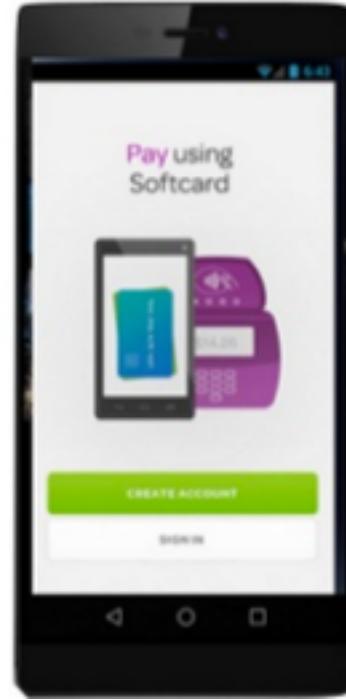
# DIGITAL WALLETS



**Google Wallet**  
**-\$300M**



**Square Wallet**  
**-\$25M**  
Terminated 5/2014



**Isis/Softcard**  
**-\$100M**  
Terminated 3/2015



**ADDED UNIQUE VALUE AND  
DELIVERED AGAIN<sup>+</sup> KEY PAIN POINT**

# UNIQUE VALUE

Literal translations of an analog wallet



# DELIVERED AGAINST KEY PAIN POINT

**USING A CREDIT CARD  
IS A GOOD PRACTICE**

**“SWIPING A CARD AT CHECKOUT  
IS ONE OF THE EASIEST THINGS  
CONSUMERS WILL EVER DO”**

- Bill Ready, CEO, Braintree



# MOBILE PAYMENT ACCEPTANCE



54%

Easier to pay with  
Credit/Debit  
cards



62%

No sensitive  
information on  
phone



70%

Don't transmit  
sensitive  
information to  
the merchant

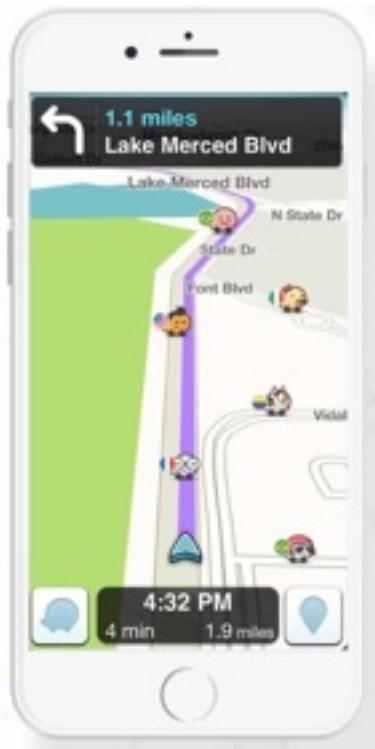
# NO CASH OR CARD, JUST MOBILE



# TOOLS THAT ENABLED ACTION IN A NEW WAY



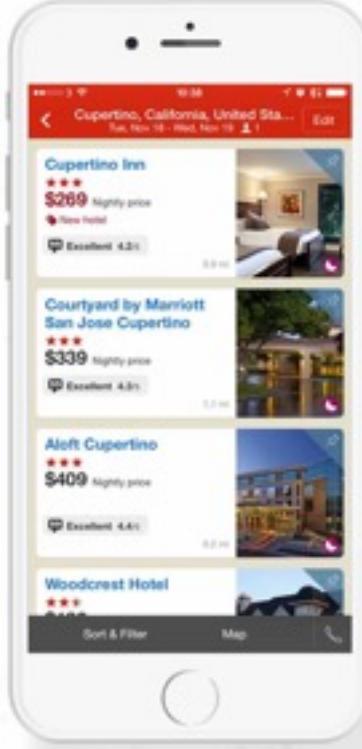
# THE 4 TRAITS



WAZE

## EFFICIENCY

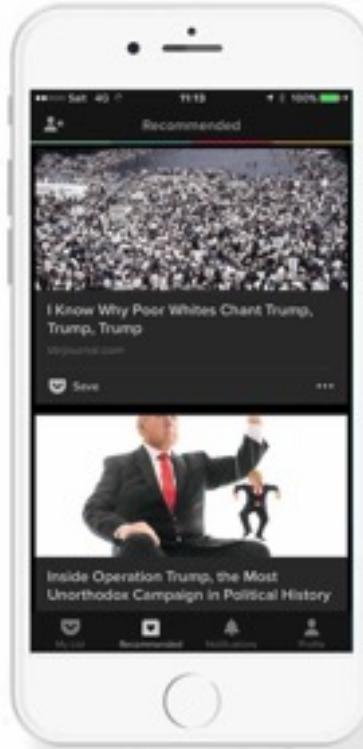
“Make something easier”



HOTELS.COM

## EFFECTIVENESS

“Save time or money”



POCKET

## CONTEXTUALITY

“Personalised insights”



Monument Valley

## ENTERTAINMENT

“Fun and Cool”

# SUCCESSFUL MOBILE PAYMENT SOLUTIONS

- Deliver against key pain point
- Add a unique value
- Enable an action in a new way
- Share some of the 4 traits

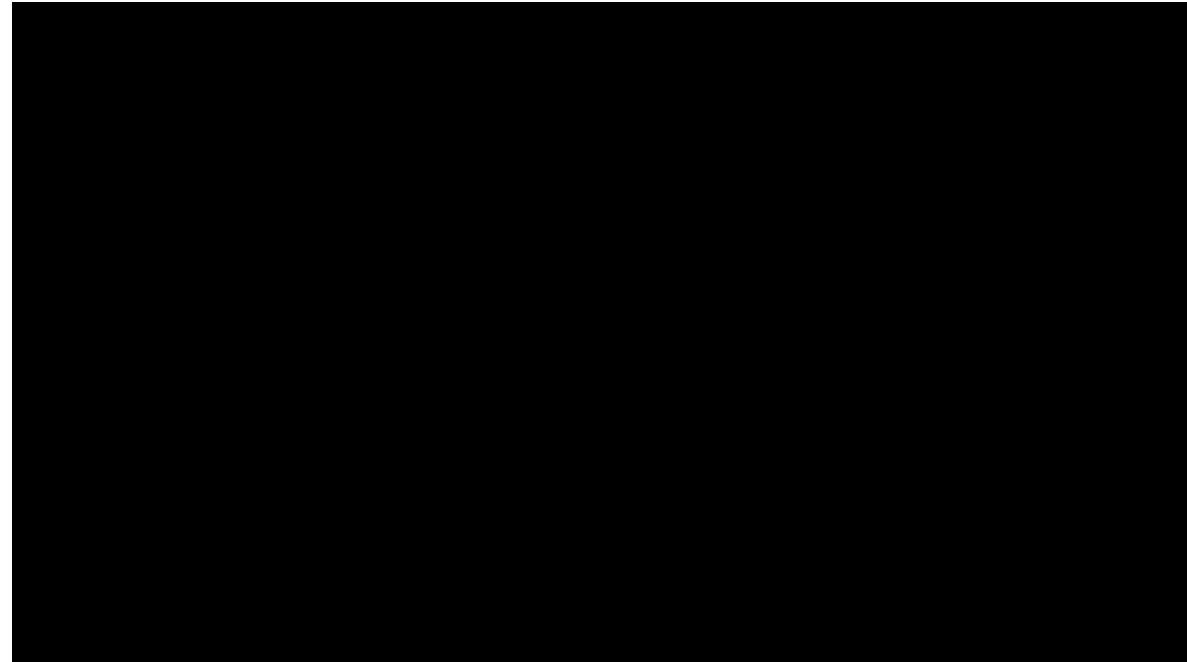


# STARBUCKS

15% of all transactions

Pain points:

- Managing loyalty program
- Miscommunication order
- Waiting time



Added value:

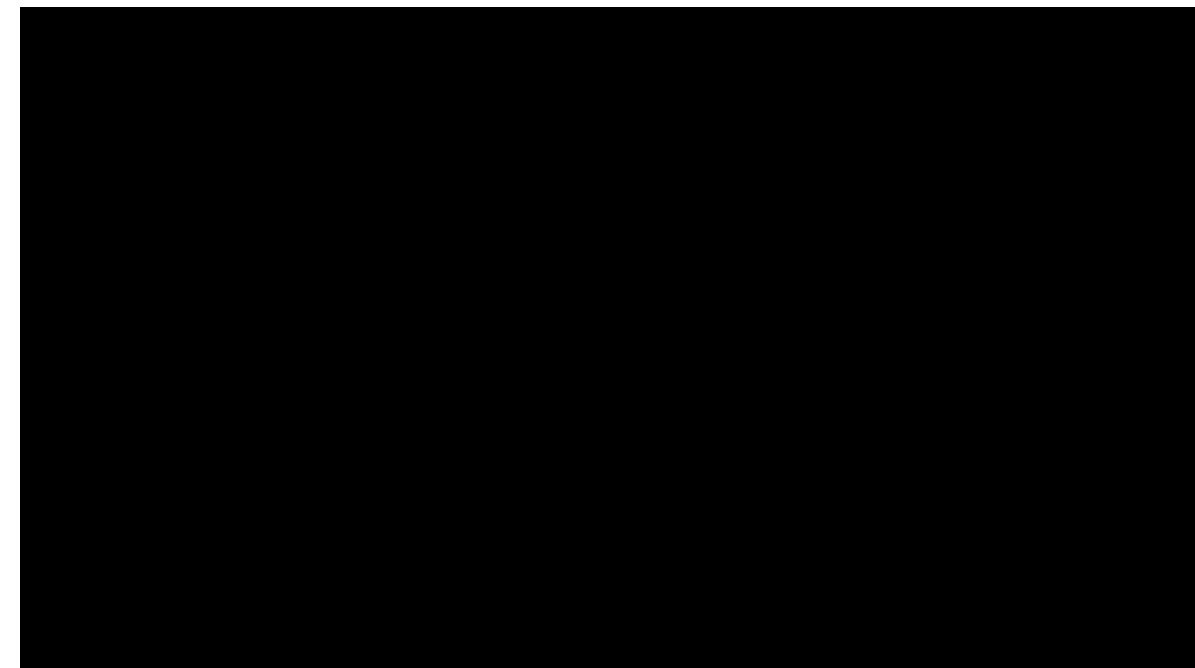
- Personalisation
- Seamless payment
- Pre-order

# UBER

valued at \$50 billion

Pain points:

- Finding a TAXI
- Uncertain arrival
- Payment and tipping
- Fear from strange drivers
- No relationship with the driver



Added value:

- Information about driver
- Precise arrival
- Rating and review
- Payment integrated

# FINANCIAL APPLICATIONS



# MOBILEPAY



9 out of 10  
smartphones  
have the app



Largest total amount transferred  
in a single day.

**DKK 256,636,323**

on 31 March 2016

Day with the most transfers: 31 March 2016, with

**630,841** transfers



**2.9**

More than  
million people use MobilePay regularly



On average,

**DKK 64,846**

is transferred per minute (past 3 months)



**87** of the **98**  
Danish local



More than 3,400 webshops

**<epam>**

# WHAT DOES THIS MEAN?



82%

turn to their smartphone  
to influence the decision  
in a store



62%

take action to solve an  
unexpected problem  
because they have  
smartphone



90%

use their phone to make  
progress toward a long  
term goal

IWWIWWIWI

I WANT WHAT I WANT WHEN I WANT IT  
WHERE HOW

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**INNOVATION**

**RECENT INNOVATIONS**

# Pinterest

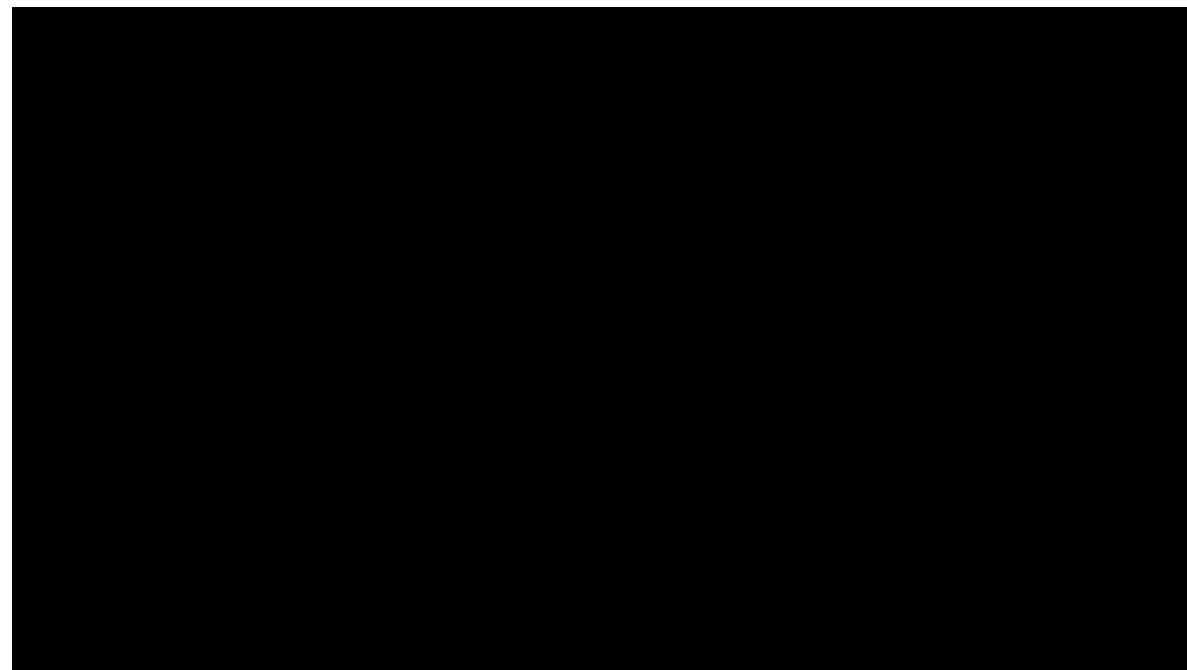
## Buyable pins

- Buy items directly
- At the moment people started their interest



## DASH

- Order and pay by a push of a button



# Nymi

## Nymi band

- Continuous biometric authentication for payment
- Uses the HeartID





## THE EPAM HACHATHON

# THE PAIN POINT

Waiting for the waitress  
Waiting for your order  
Waiting for the bill



# OUR SOLUTION - THE ADDED VALUE

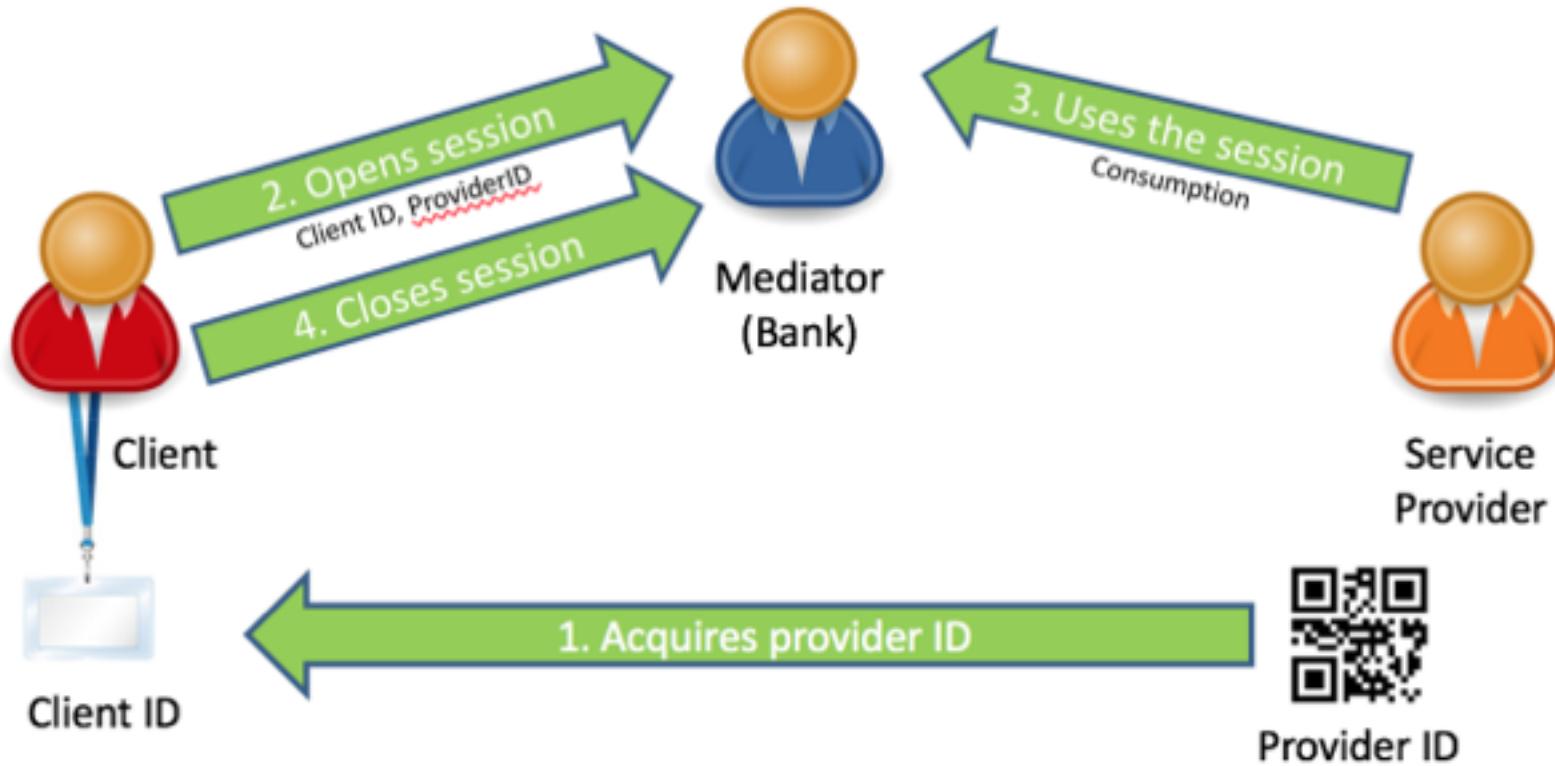
~~Waiting for a tip or a waitressing~~

Waiting for your order

~~Waiting for the bill~~



# IN THE BACKGROUND

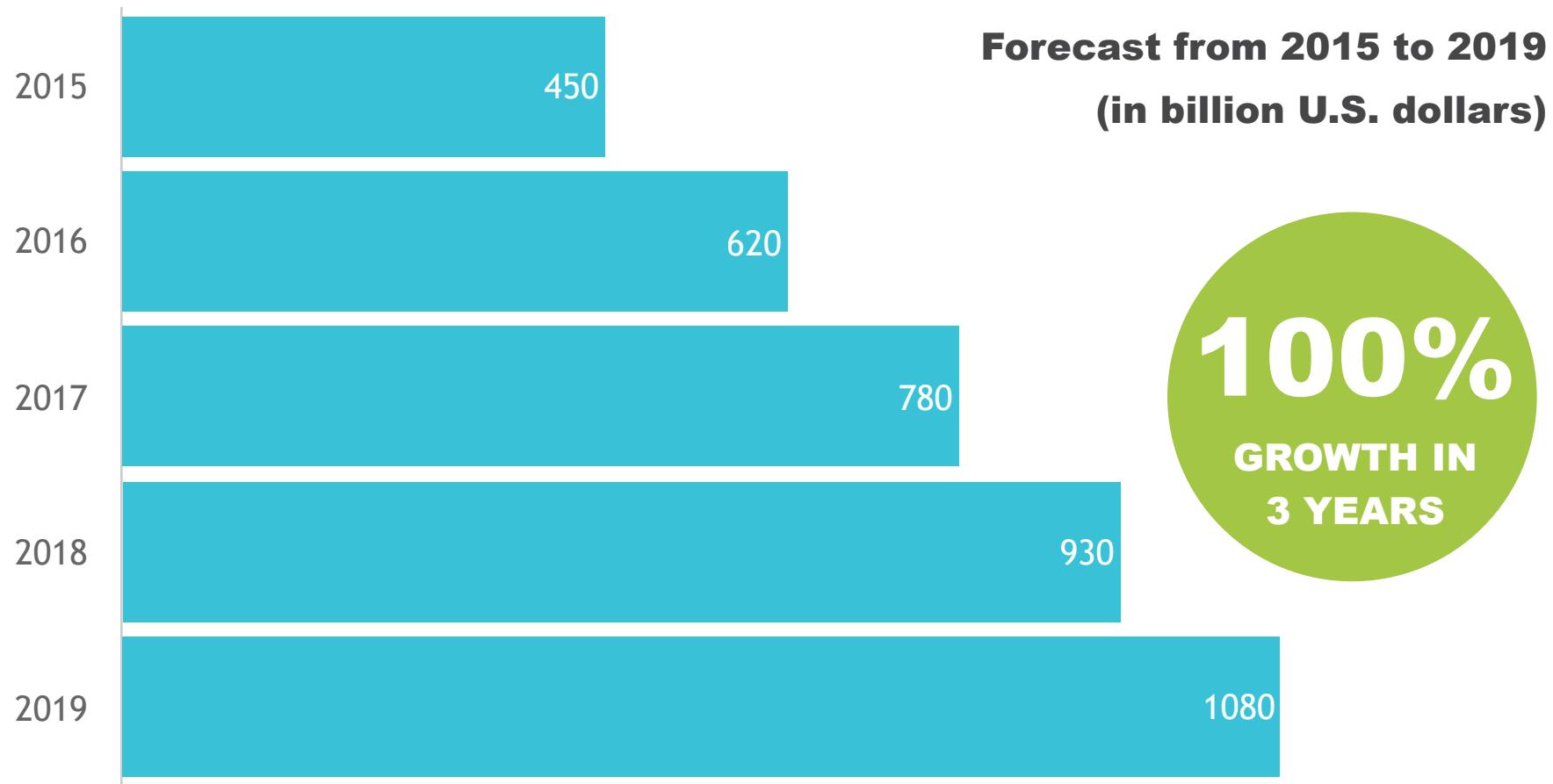


# WE WON BECAUSE...

- 1 Pain point was real
- 2 Agile approach
- 3 Effective, efficient, contextual and entertaining
- 4 Multidisciplinary team
- 5 Right technology stack

# FUTURE OF DIGITAL PAYMENTS

# GLOBAL MOBILE PAYMENT TRANSACTIONS



Publication published by NFC World+ February 2016 [nfcworld.com](http://nfcworld.com)

# THE FUTURE OF CASHLESS PAYMENTS

*"We believe real-time payments could accelerate the war on cash and create an additional revenue pool of \$80 billion by 2018 through the replacement of cash transactions with electronic transactions.*

*Forecast is that more than 50 percent of incremental revenue in almost all banking products in Western Europe will be digital by 2018."*

*-McKinsey & CO*



# EPAMS ENGAGEMENT FOR THE NEXT 3 YEARS

- Focus to fintech innovations
- Sponsor technology events
- Domain specific competency
- POCs / Prototypes / Accelerators



**Thank you!**