



Mobile & Contactless Payments

Carte 2013 – Sessione A2

Milano, 5 dicembre 2013

L'agenda e il ns panel di esperti

Esperto		Tema
Ilario Bolis	DG Verifone	Interattiva, mobile e sicura. Soluzioni per una Customer Experience completa
Stefania Gentile	Dir. Mktg Intesa SanPaolo	Elementi chiave per il successo nel Mobile Payment
Marco Agosto	Resp Mktg Strat Veneto Banca	Focalizzazione, Fisicità, Personalizzazione nell'offerta contactless
Guido Arnone	CTI&D Expo 2015	Innovation Opportunities
Fabio Lalli	CEO - IQII	Nuove esperienze nei processi di pagamento
Giancarlo Celentano	Giesecke & Devrient	NFC: un ecosistema complesso



Current trends driving payment transformation

Consumers	Consumers expect to buy when and where they want and desire seamless integration across channels
Retailing	Merchants are becoming channel agnostic and encouraging multi-channel behaviour from their clients
Small merchants	Smaller merchants demanding electronic payments in the offline world
Online functionality	Online specialists are raising the bar for payments functionality
Technology	Supporting technology, notably NFC, enables new solutions
New entrants	Major players are circling the payments space, and may soon act to transform the industry



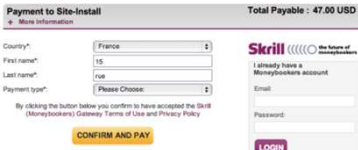
Overall, this growth of mobile payments will be driven by 3 uses of mobile devices

Transaction location

Online

Traditional eCommerce

PAYMENT



- **Web-based payment to online retailer**, e.g. through an eWallet system or directly on retailer website through bank transfer or card-based transactions using a gateway

A

Mobile eCommerce



- **Shopping and paying online (eCommerce) on a browser on a mobile device** instead of a computer

Point-of-sale (POS)

Traditional bricks and mortar commerce



- Traditional **cash or card-based retail transactions** with physical "point of sale" terminals linked by landline to banks for authorisation

B

Mobile POS



- **Using a mobile device as a POS terminal**, replacing traditional tills

C

Mobile proximity payments



- **Using a mobile device as a payment form factor**, replacing cash and credit cards

Non-mobile

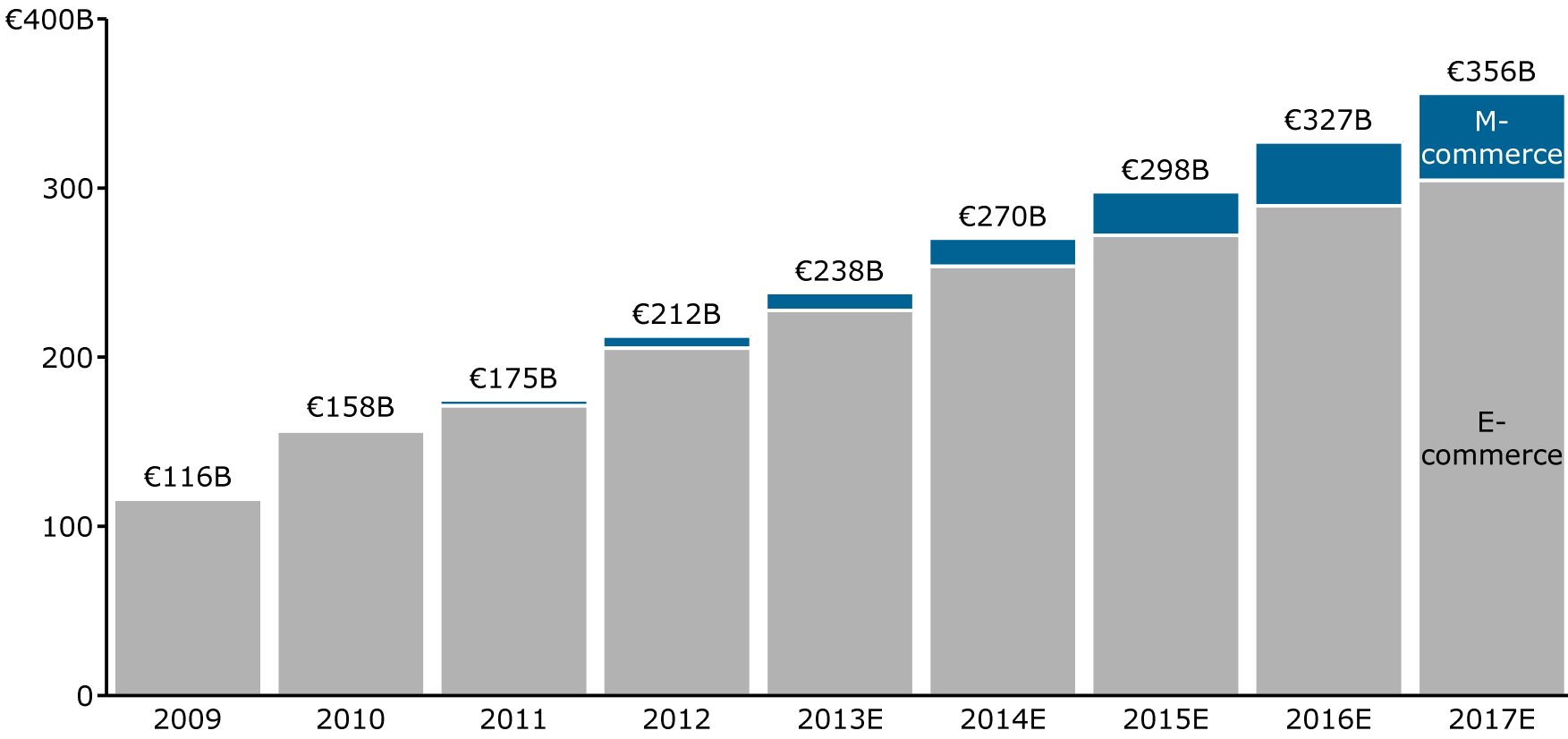
Mobile

Payment platform

Mobile online commerce will increasingly drive online commerce in Europe

5 COUNTRIES PRELIMINARY

Transaction value of online commerce in Europe* (in €B)



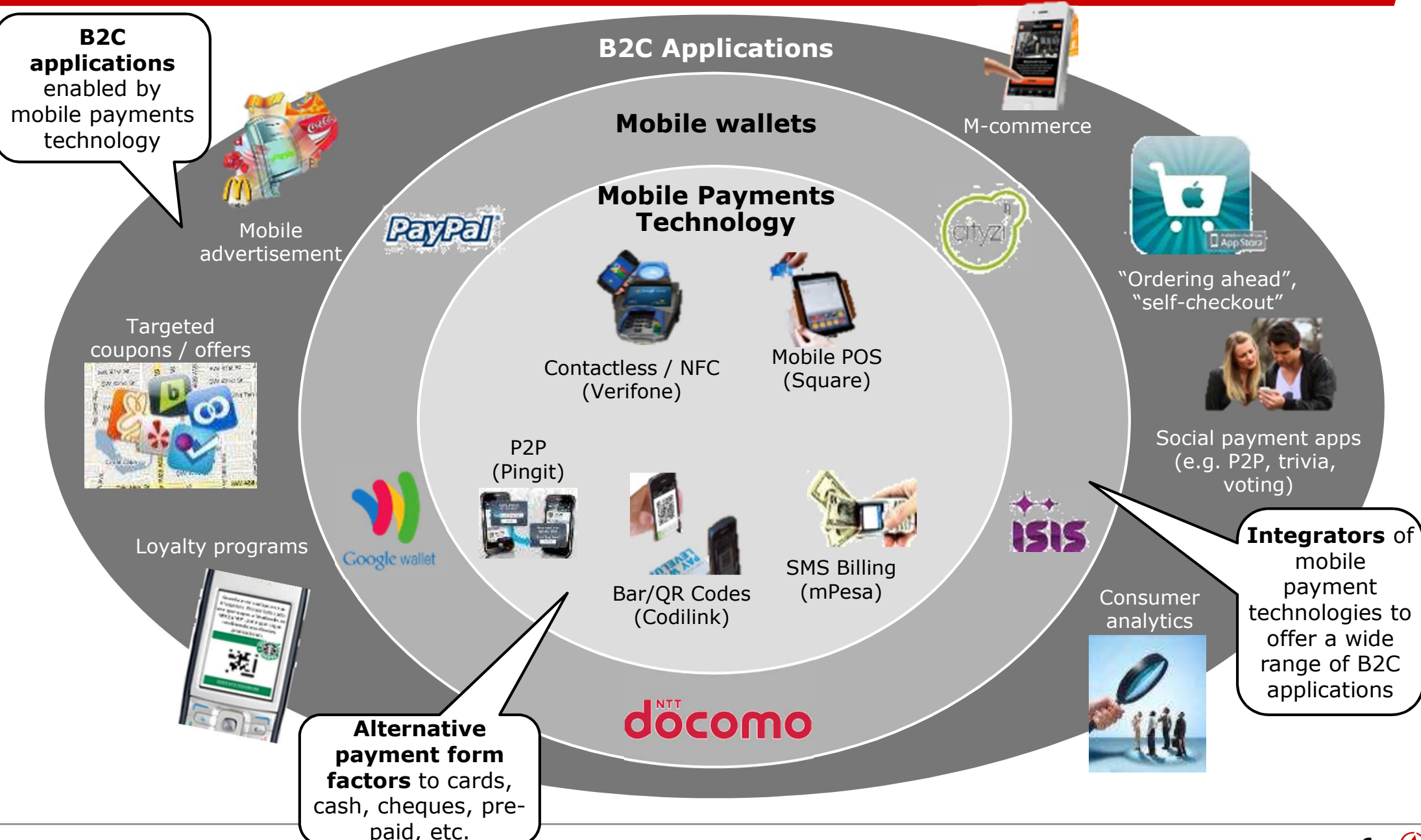
CAGR (09-12)	CAGR (12-17E)
22%	11%
186%	49%
21%	8%

M-commerce as % of total online commerce

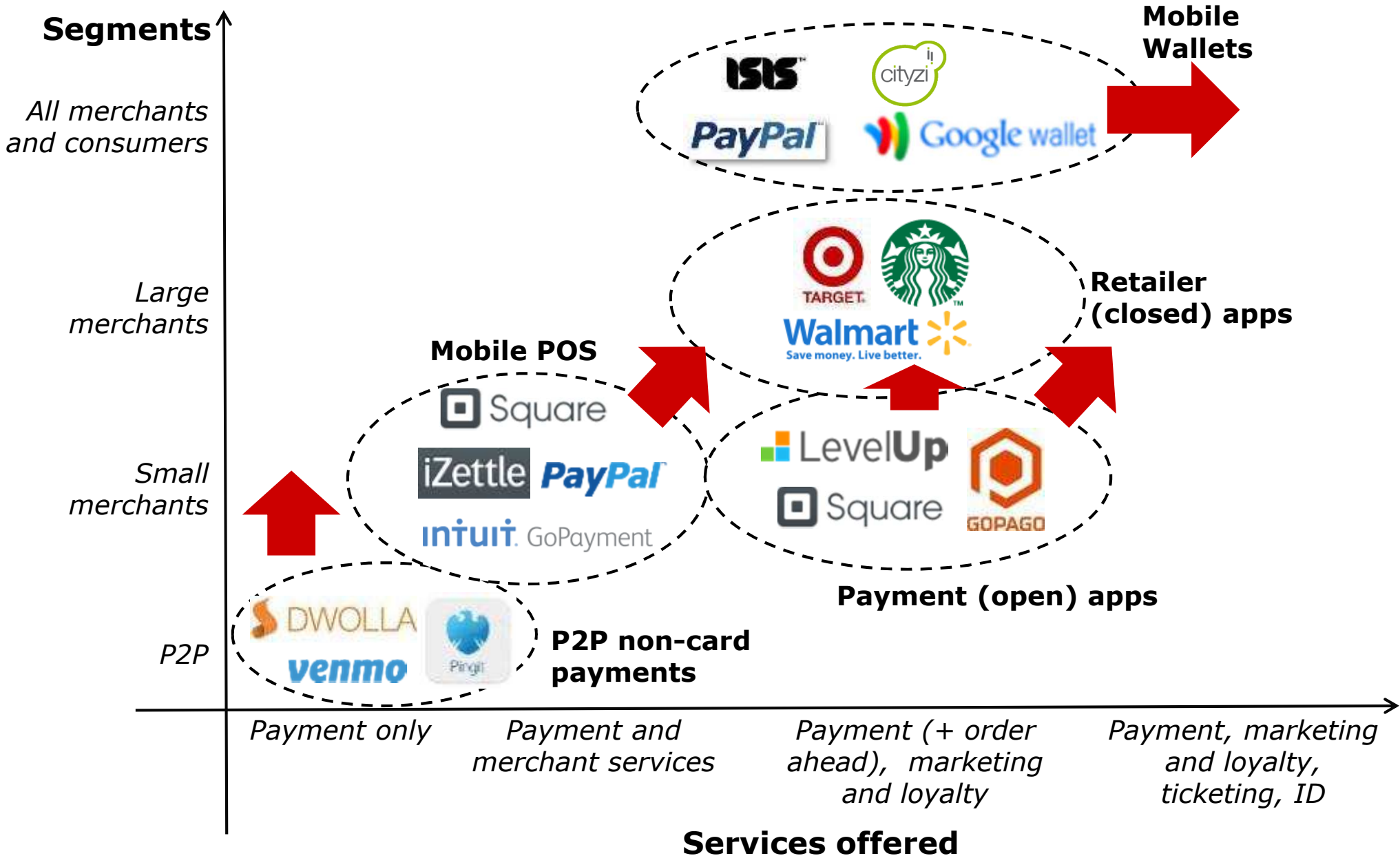
0%	1%	2%	3%	4%	6%	9%	12%	14%
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Note: (*) Scope including France, UK, Germany, Spain & Italy; Value of online commerce including all transactions made through PC or mobile devices (B2C, P2P)
 Source: Datamonitor (September 2013); OandA.com

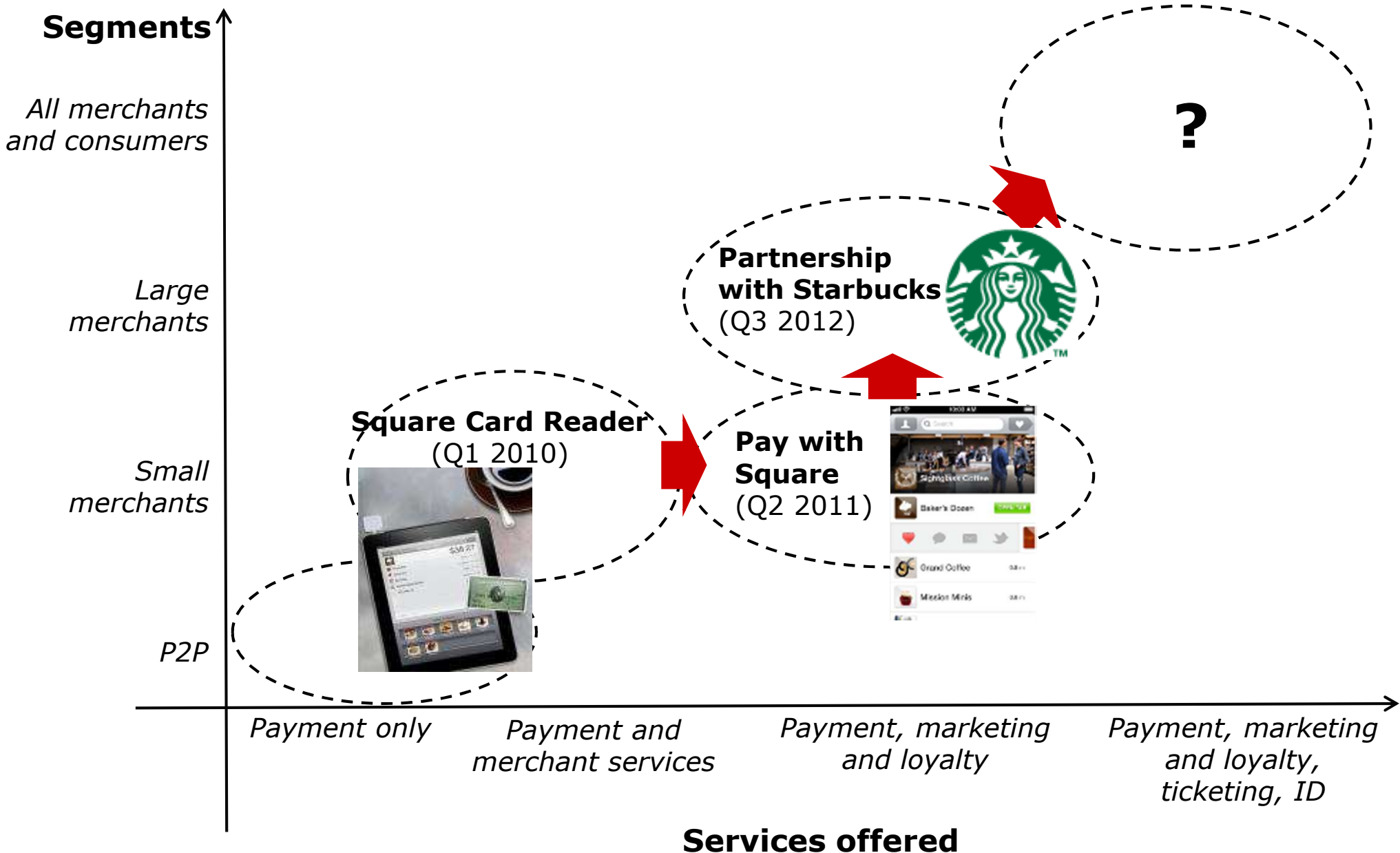
One outcome of these trends is the emergence of new mobile payment options



Players are moving towards convergence of segments and service offerings



Example: Square is rapidly developing and expanding along the curve



Success factors are common for new payment methods

Business model

*(product offerings,
economics)*

Create attractive consumer and merchant **value propositions**

Expand profit pools or share economics equitably
(do not expect to only steal share)

Ability to execute

Ability to finance investment levels needed **for ubiquity**

Execution strategy

Solve one side of the equation first (merchant / consumer)

Start with **local ubiquity**, then invest to create broader markets

Set standards, with regulators if necessary

Create partnerships and alliances

