



On Line Commerce, the Digital Wallet and Beyond ...

Dec, 2012

THE TIMELINE OF MONEY

BEFORE
600BC



BARTERING

Livestock, Tools
& Food

600BC -
PRESENT



COINS

c. 806 -
PRESENT



**PAPER
MONEY**

321BC -
PRESENT



CHECKS

WHAT'S
NEXT



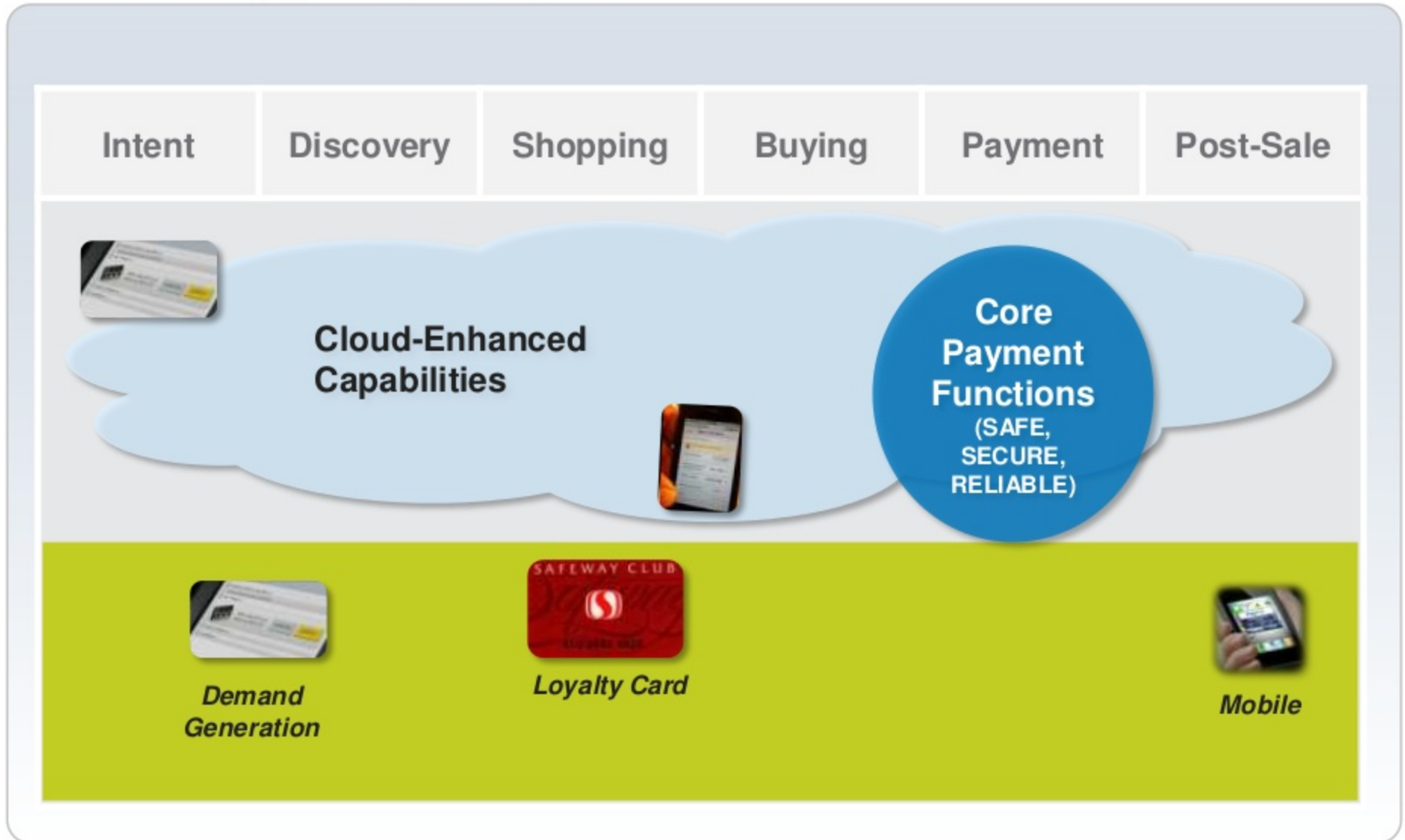
**MOBILE
PAYMENTS
& VIRTUAL
CURRENCY**

DISRUPTION IS COMING

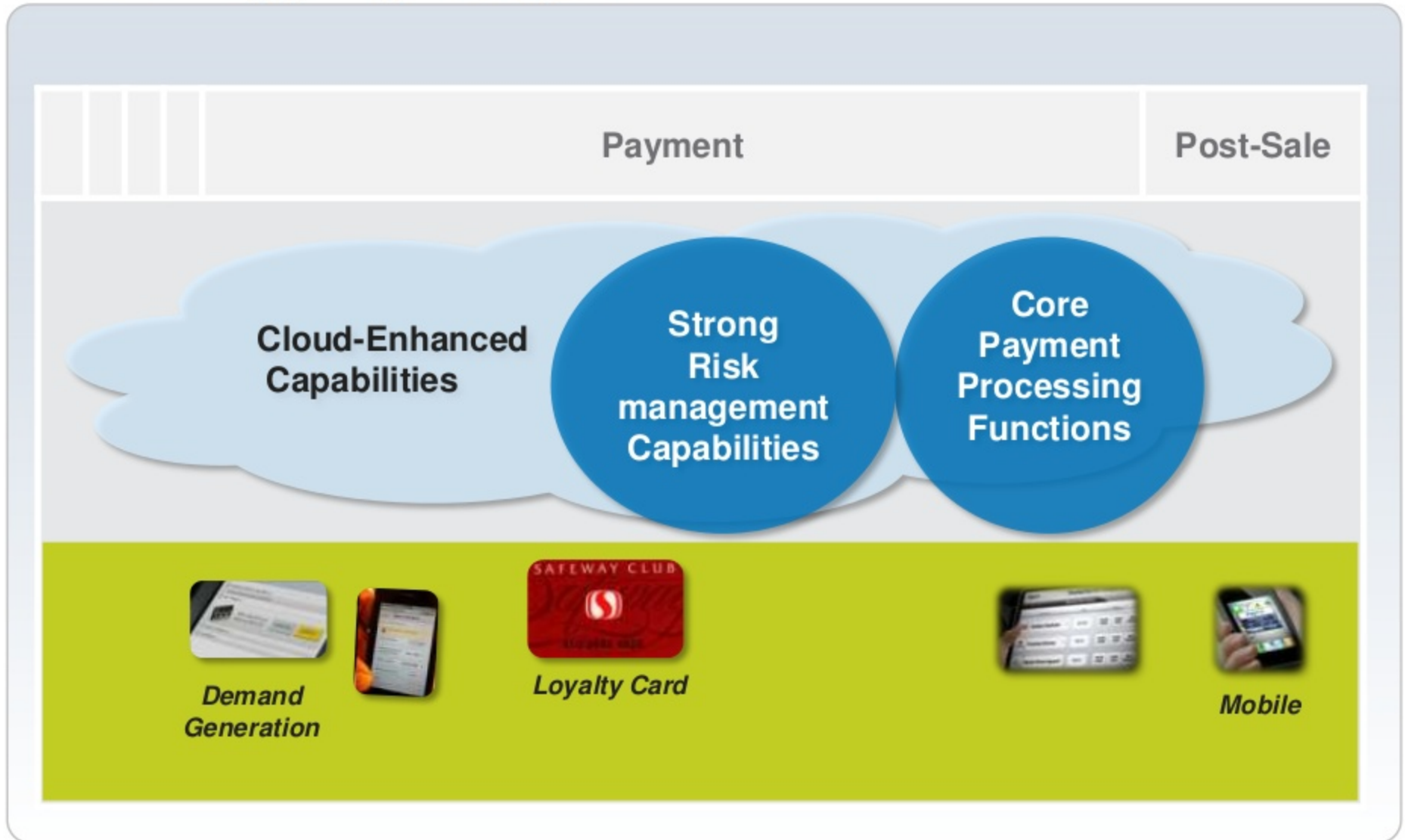
EXPANDING ROLES AND THE
BLURRING OF BOUNDARIES

A word cloud of three-letter acronyms and abbreviations. The largest words are EMV, POSPIN, PED, PC, ADVT, and DES. Other prominent words include MAC, TIP, SEPA, PA, DSS, and HSM. Smaller words include AFL, AAC, TLV, AEF, IFS, TCK, CBC, ICC, ADF, AUC, ATCS, AID, IAC, SDA, CWI, CAD, PTS, ECB, PIX, FCI, AIP, BCD, INS, SFI, TSI, ASI, IFD, BIC, CID, CDA, BWT, DAD, CSU, TVR, CCI, PAN, CVM, PCB, TAC, RSA, ARQC, NAK, APDU, ACK, EDC, API, NAD, RST, SAD, DDOL, BER, ASN, ARPC, CLA, DDA, AC, BGT, IEC, HSM, ATR, CWT, TAL, CVR, and KYC.

The Shopping Stages

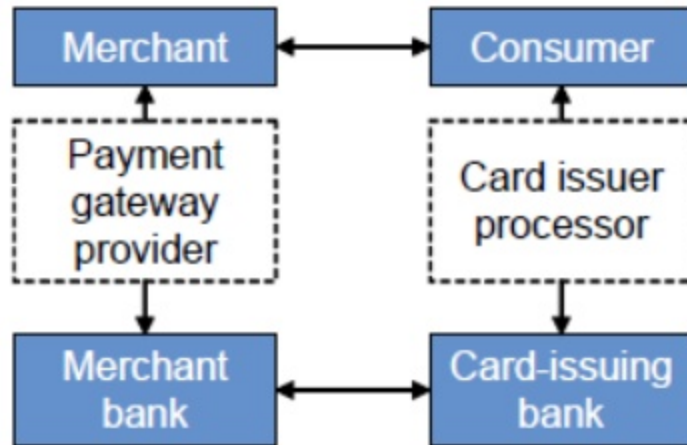


The Shopping Stages

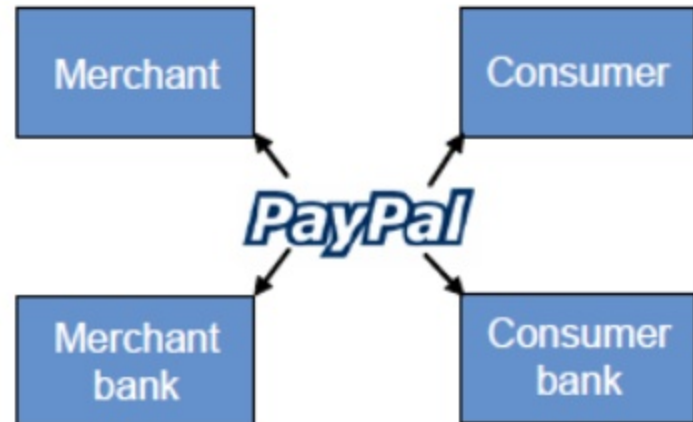


Payments 101

Traditional payment structure

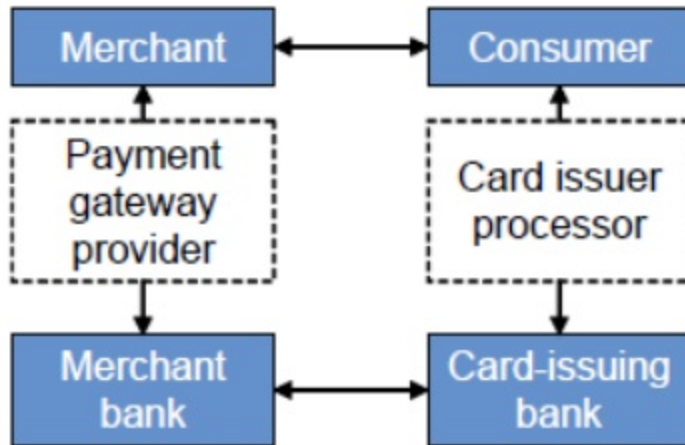


PayPal payment structure

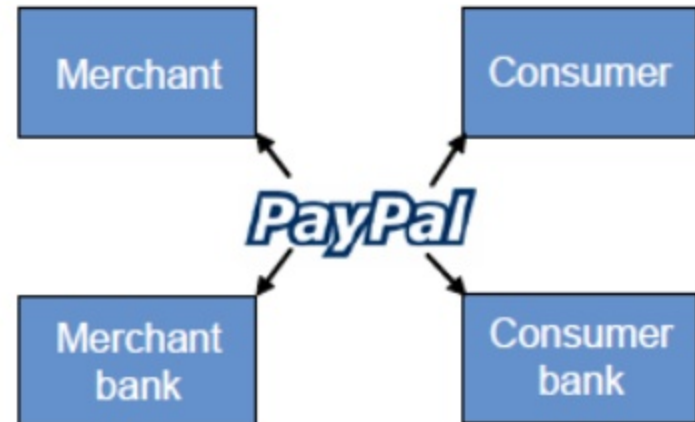


Payments 101 - KYC

Traditional payment structure



PayPal payment structure

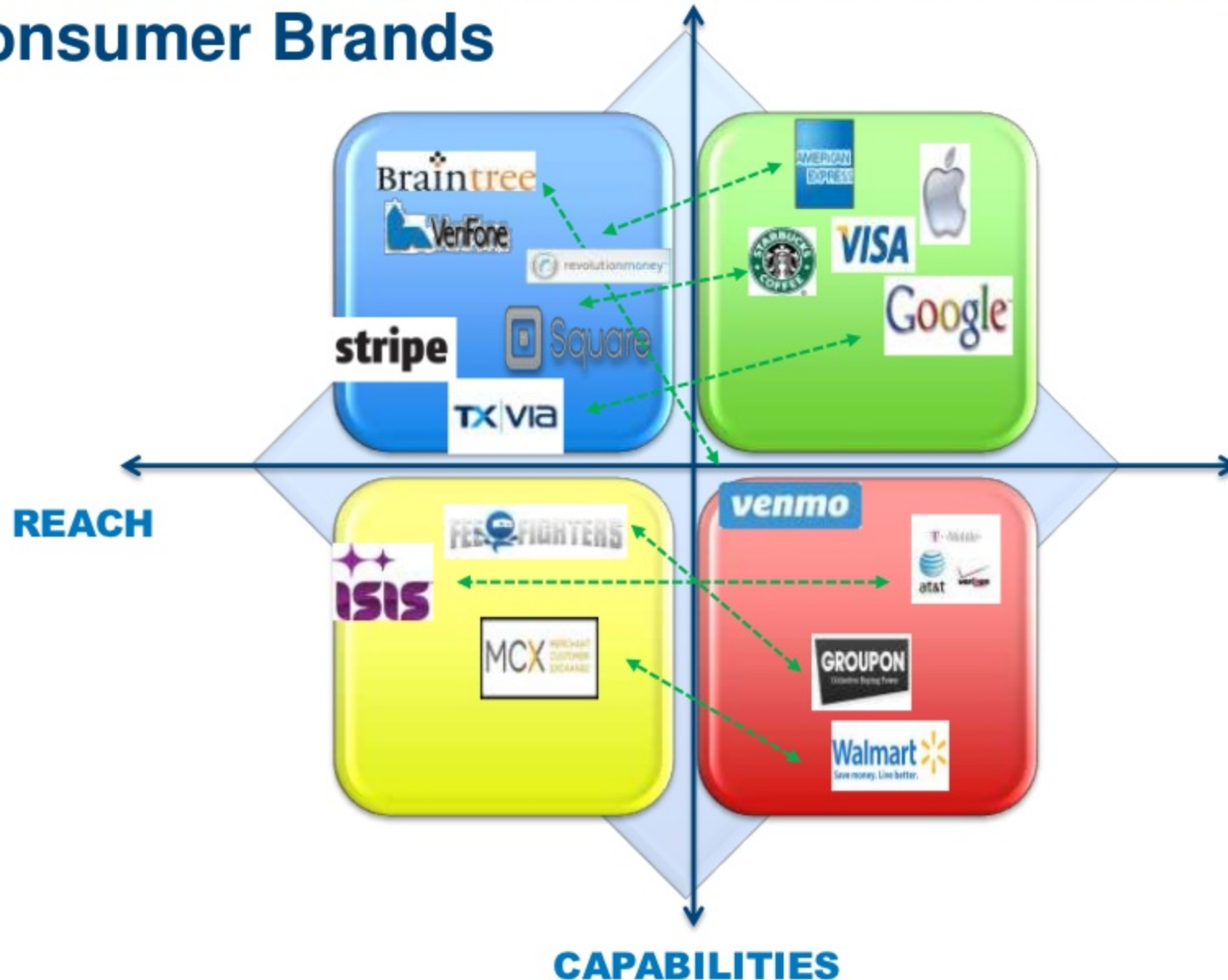


PayPal's vision

**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



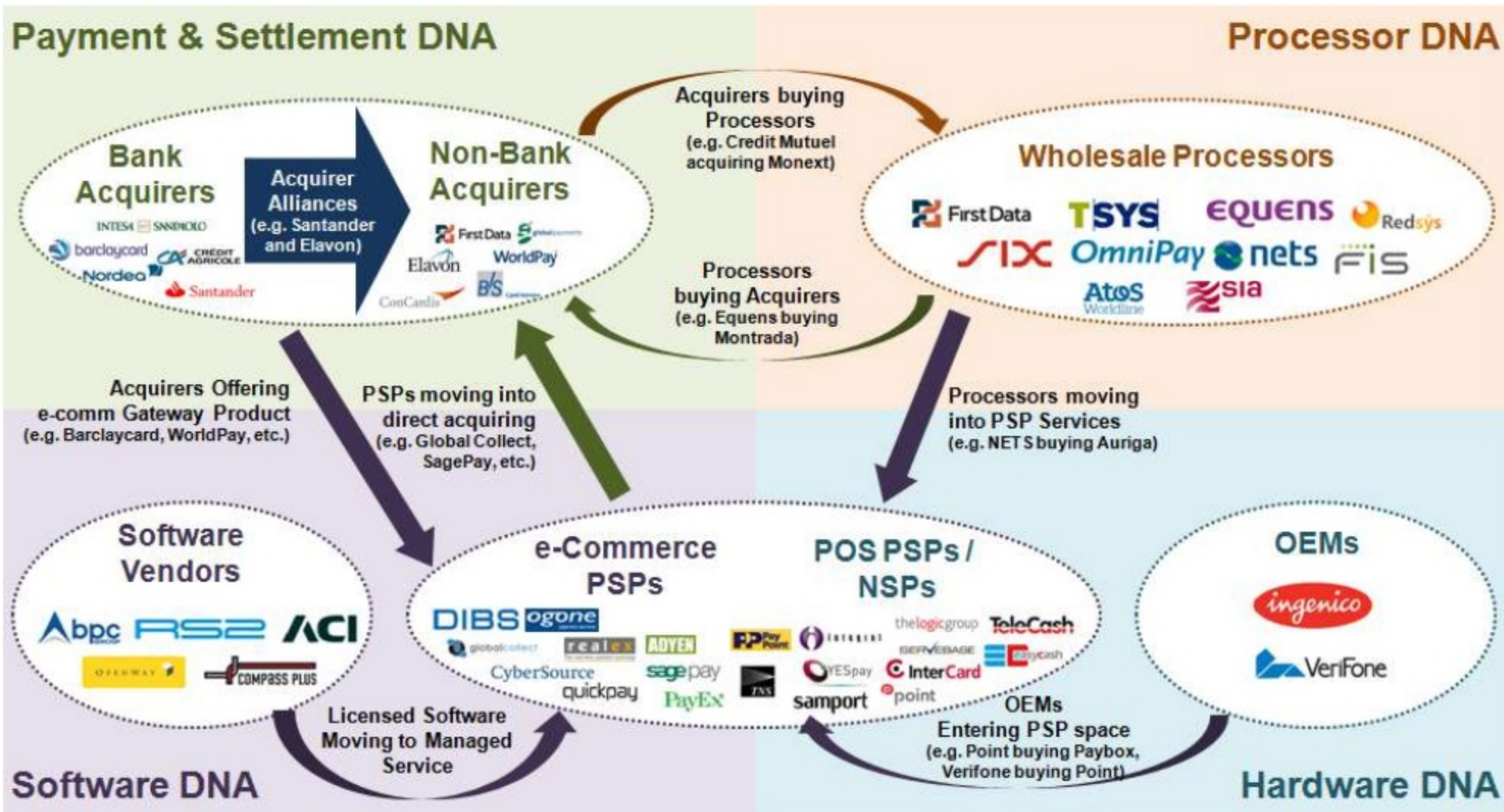
The Infrastructure is so Fragmented



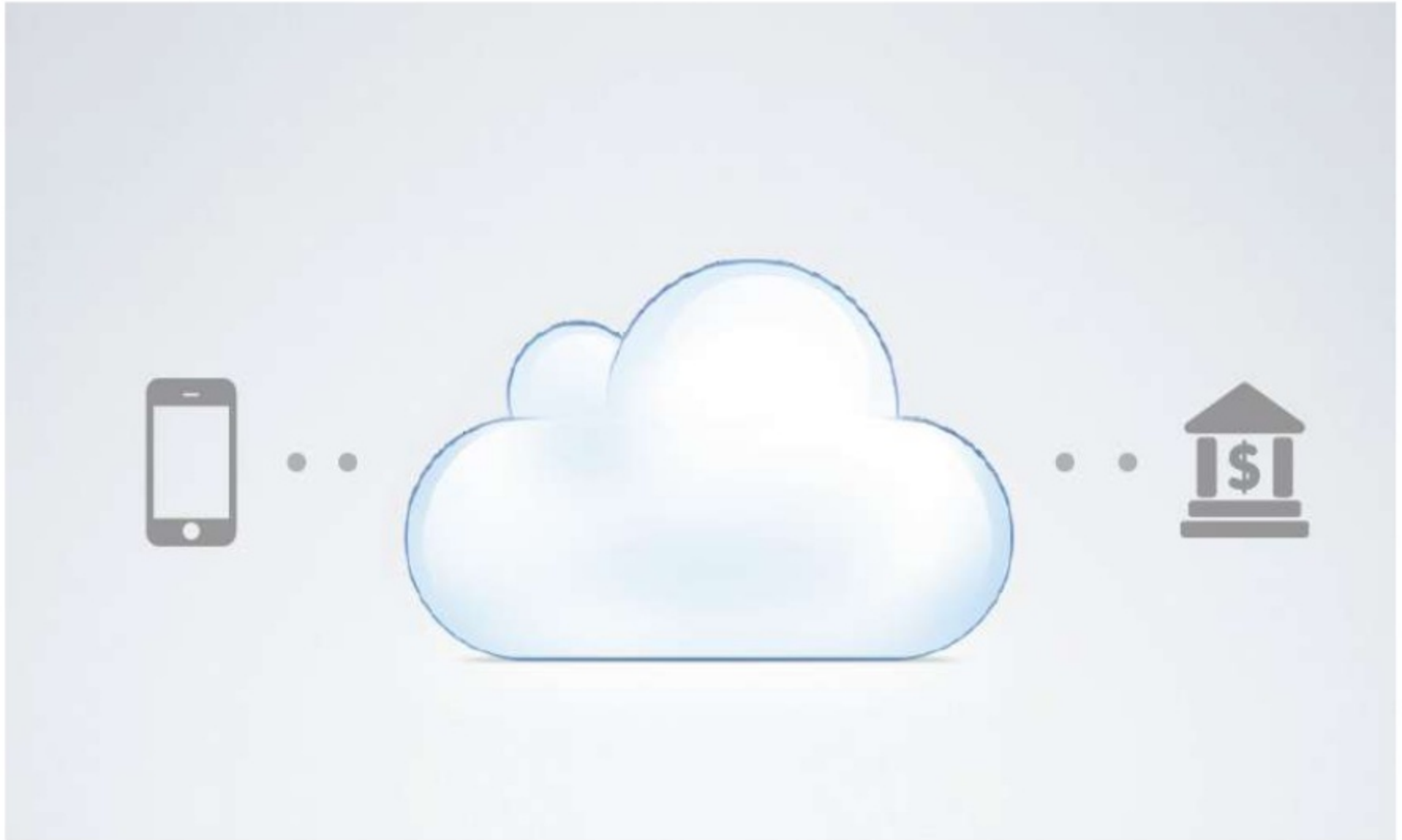
Almost Impossible To Make Any Change In The Existing Payment Infrastructure



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

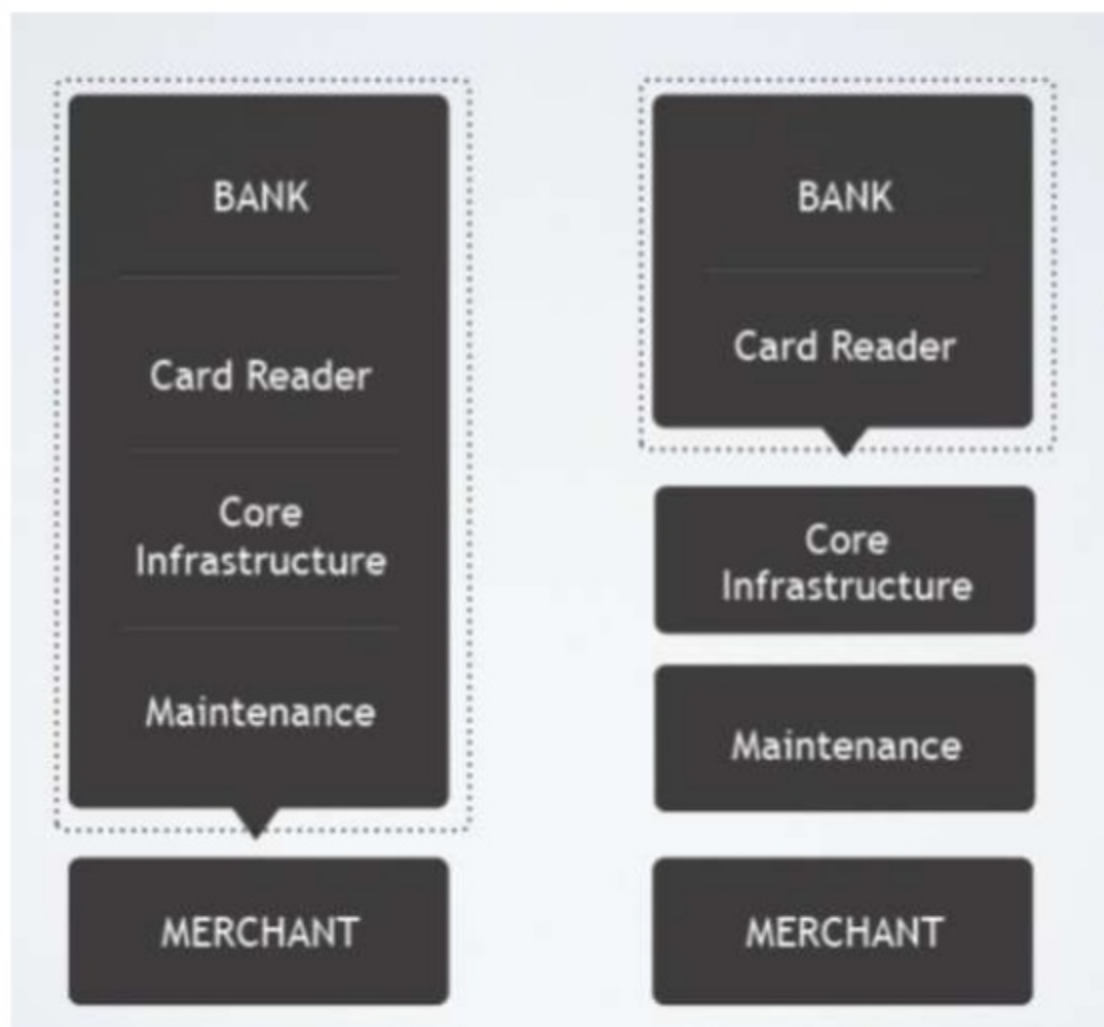
In this guise, tablets act as a virtual catalog, allowing the consumer to view pricing, accessories, customer reviews, specs, videos, and images as well as configure and visualize complex products.

Source: Verifone Website, Vegas Chatter Website



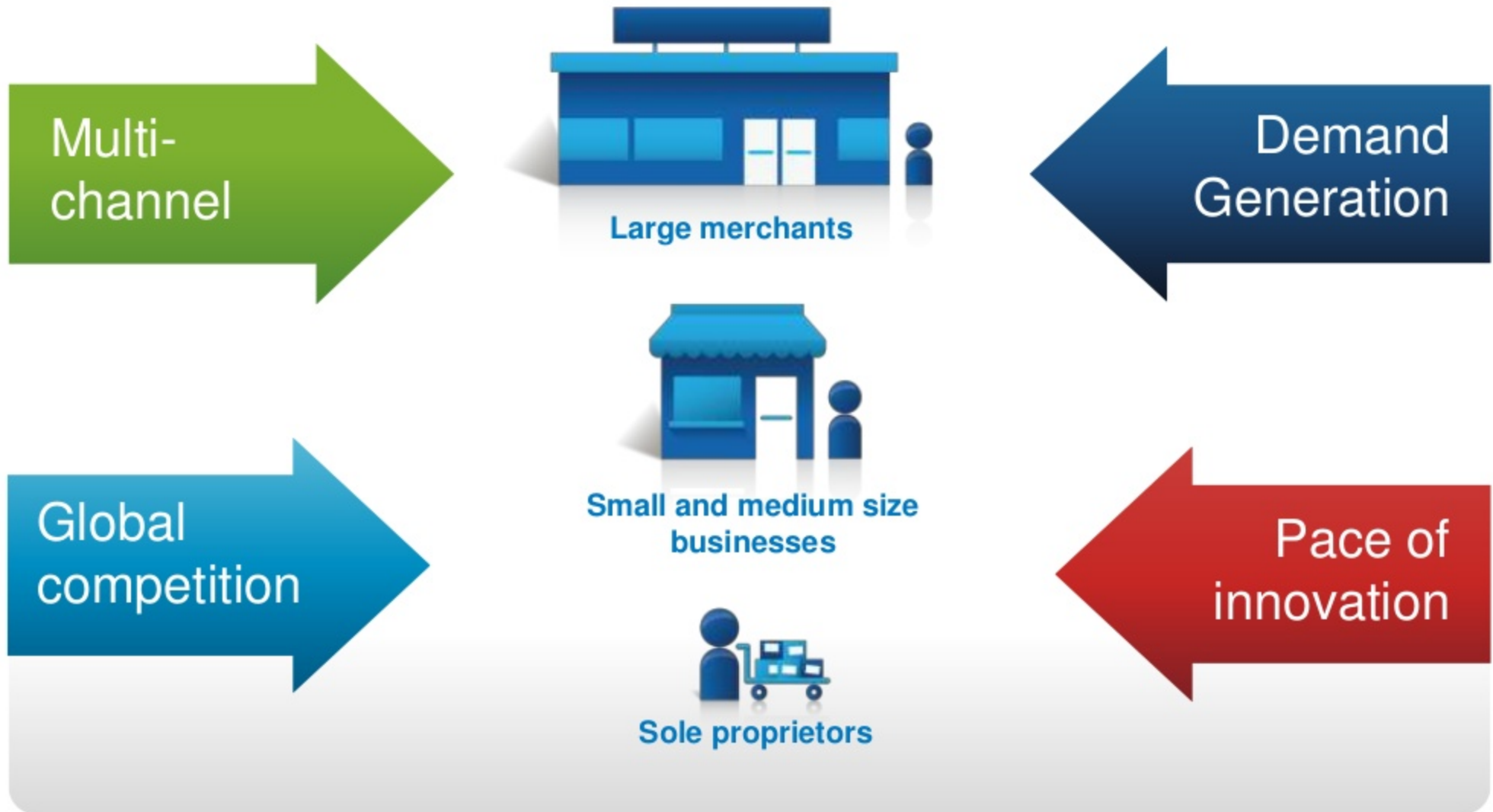
The Future Acquiring opportunity

Fixed POS



Low Cost
mPOS

Merchants of all Sizes Struggling to Keep Up



The New Consumer is Always Connected



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

