

Payments: Consumers and Retail

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Cash the preferred payment mechanism



Image: A Thai Money Tree

Cash the preferred payment mechanism



Advantages

- Anonymous
- Direct person-to-person transactions possible *without need for bank account*
- Quick transaction, no card authorisation required
- No risk of overspending

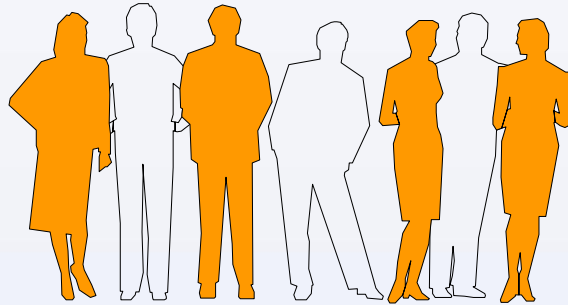
Disadvantages

- Risk of losing money
- Counterfeit risks
- Not suitable for postal or internet transactions



Cash and the financially excluded

The number of 'unbanked' consumers remain high even in countries that have sophisticated banking systems



Estimated percentage of 'unbanked' consumers:



9.7%



6 – 9%

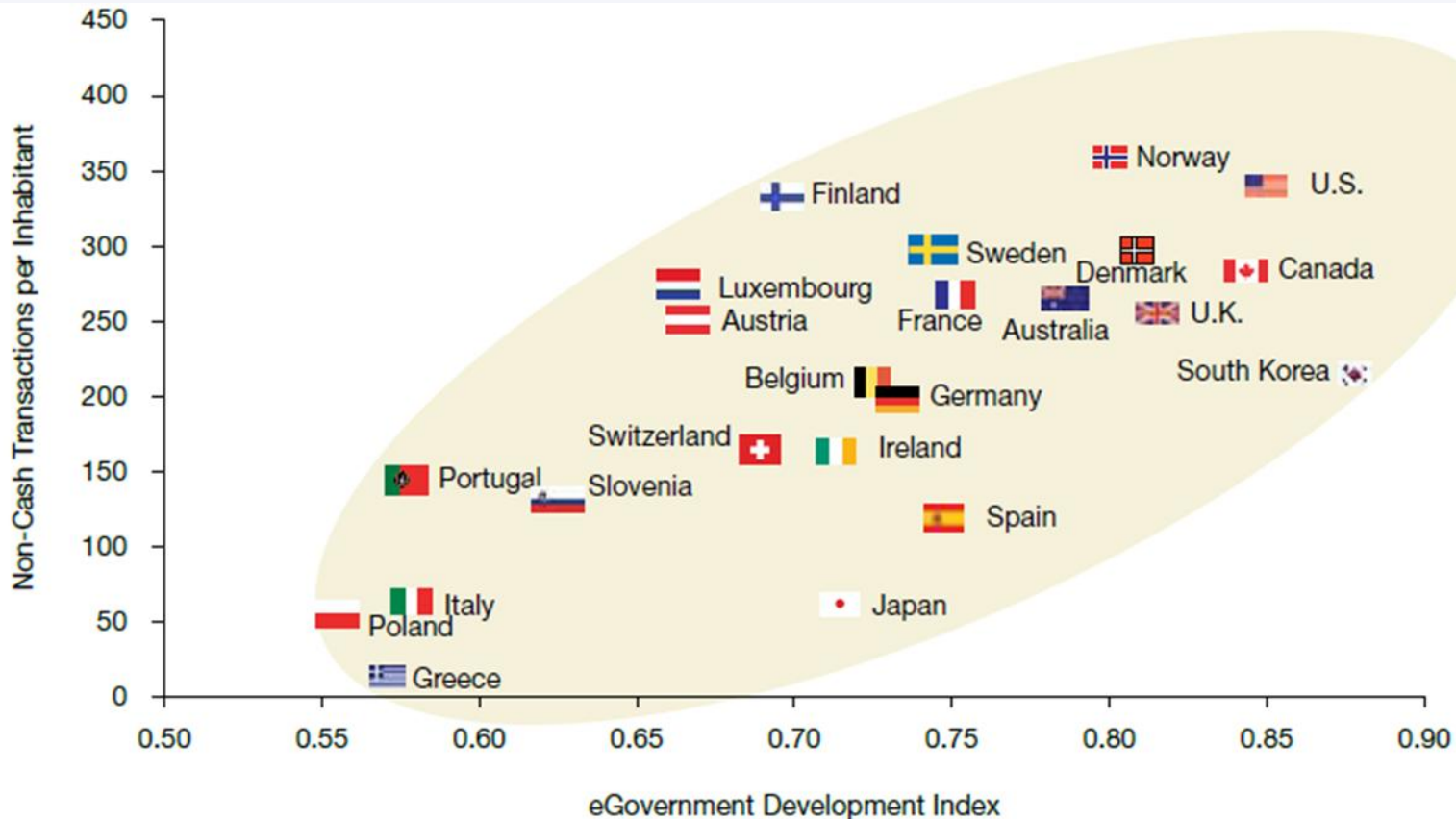


3%

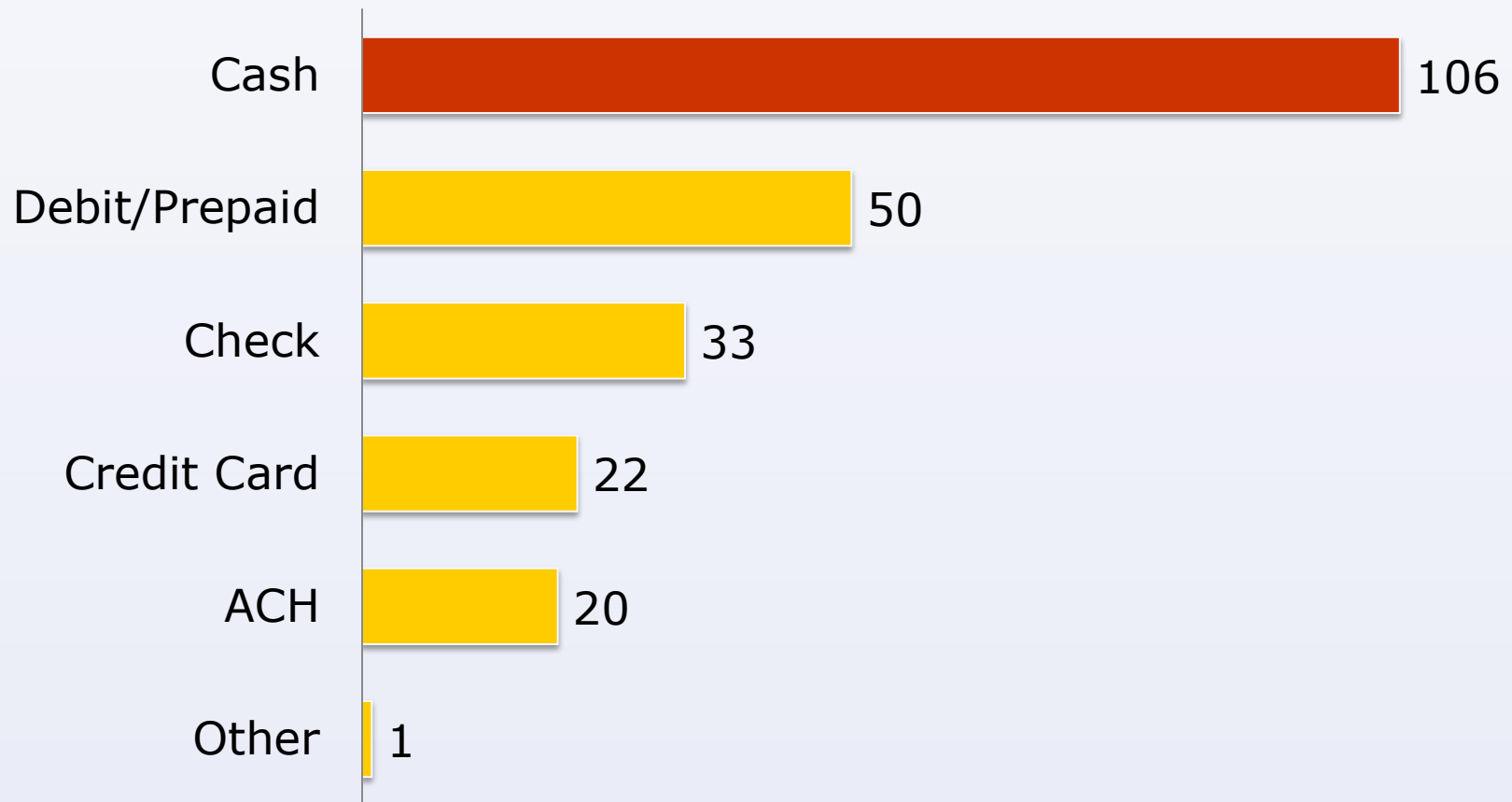
Sources:

British Bankers Association / Office of Fair Trading / Federal Reserve System / ANZ Survey of Financial Literacy

eGovernment Development Index and Non-Cash Transactions per Inhabitant



Consumer payments dominate US transaction volumes...



Consumer Trends - Industry Questions

Questions

- How are consumers paying today?
- Why do they make these payment choices?
- How will they pay in the future?
- How have consumer payment preferences changed over the years?



Understanding Trends

- What types of payments are used, for what purpose, and in what situations?
- What are the drivers causing consumers to prefer one payment method over another?
- What may cause consumers to switch to new payment methods?

Consumer Payment Trends

- ❑ Technology and economic uncertainty are shaping how consumers behave today
- ❑ Youth and Affluent are the trend leaders
- ❑ Technology has made the world smaller and has provided a platform for consumers to express themselves. Consumers have become a powerful constituency that can help or hinder business growth. Will this trend will carry over to the payments industry?
- ❑ Too much technology and choice can be a turnoff to customers. There is a fine line between providing options and overwhelming consumers with too many data points.