

**Michigan Credit Union League & Affiliates**  
**Annual Convention and Exposition**  
*Helping Credit Unions Serve, Grow and Remain Strong* #mculoce

The Future of Payments – Getting to the  
Heart of Member Relationships

June 5, 2014

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President, Credit Union Solutions,  
Fiserv, Inc.

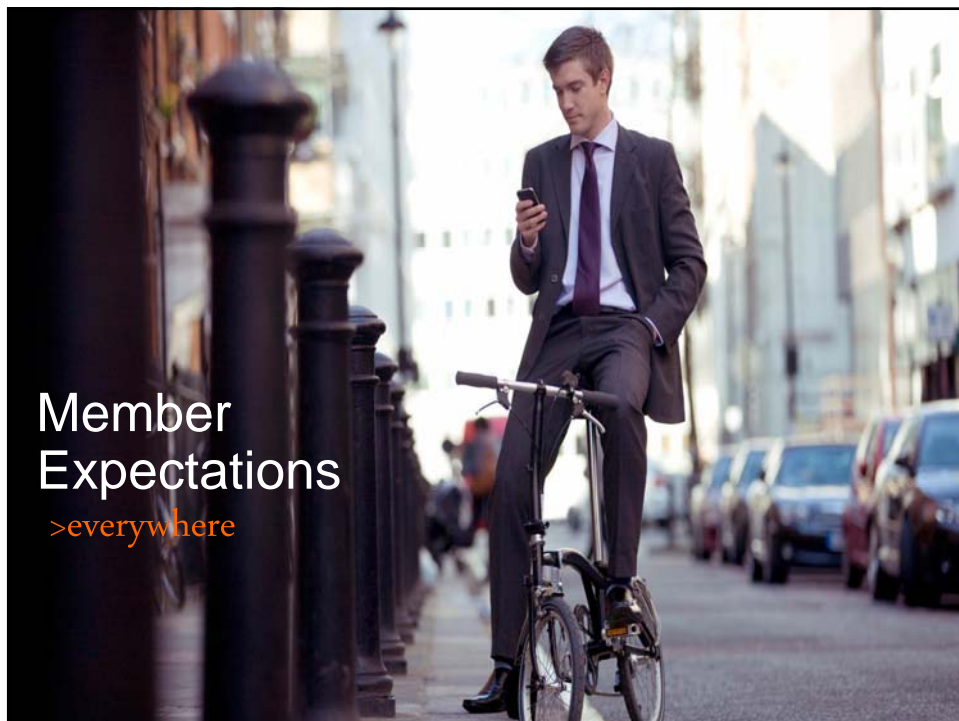
 [www.mcul.org](http://www.mcul.org)  [www.uniteforgood.org](http://www.uniteforgood.org)

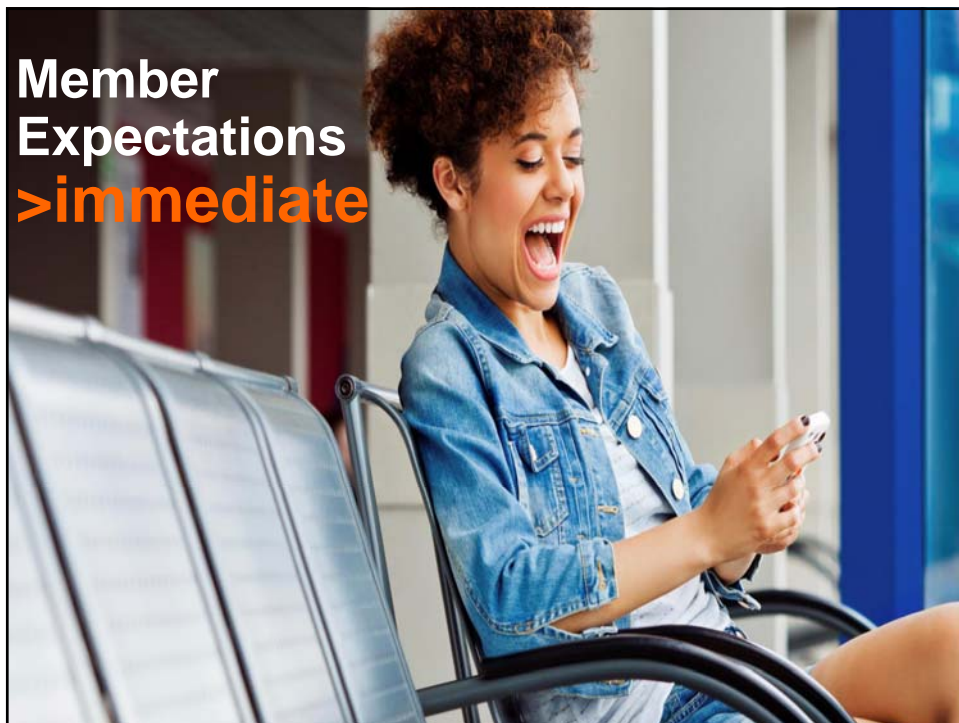
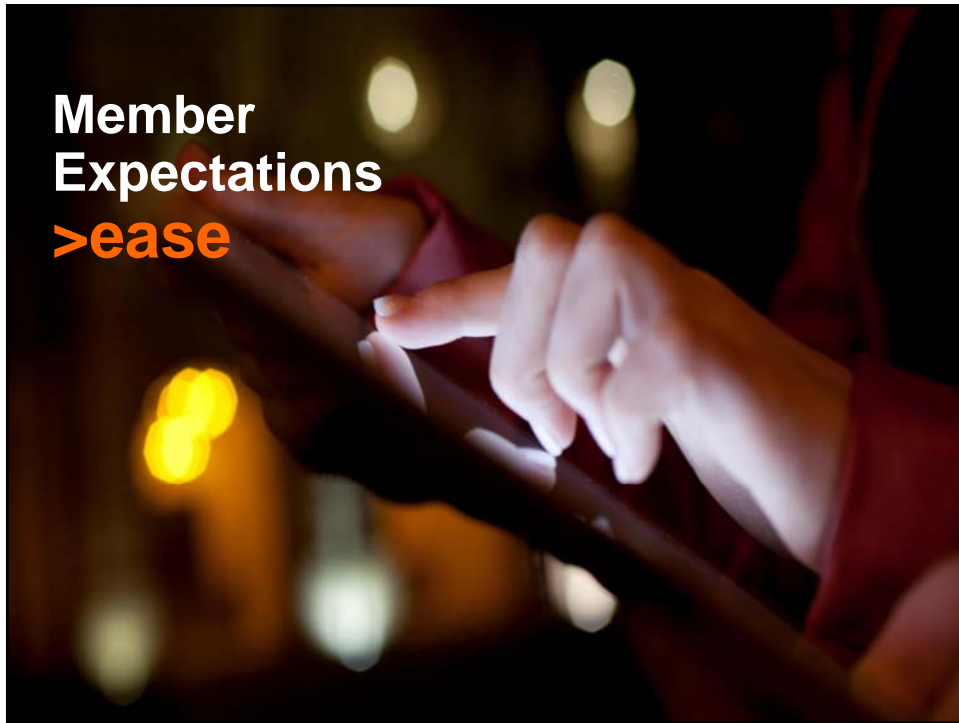


## My Theory on the Future of Payments

....we will see a major shift in the established way of doing business; it will be replaced with a radically different way of doing business.

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Technology will be the catalyst for a **paradigm shift** in financial services **delivery, service and information management**



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## 14 Payments Trends Progressing in 2014

More **Users**

More **Analytics**

More **Unbanked**

More **Channels**

More **Technology**

More **Currencies**

More **Security**

More **Partnerships**

More **Rewards**

More **Players**

More **Revenue**

More **Products**

More **Regulation**

More **Real-Time**

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## Themes in Recent Payments Innovation



New technology is the enabler

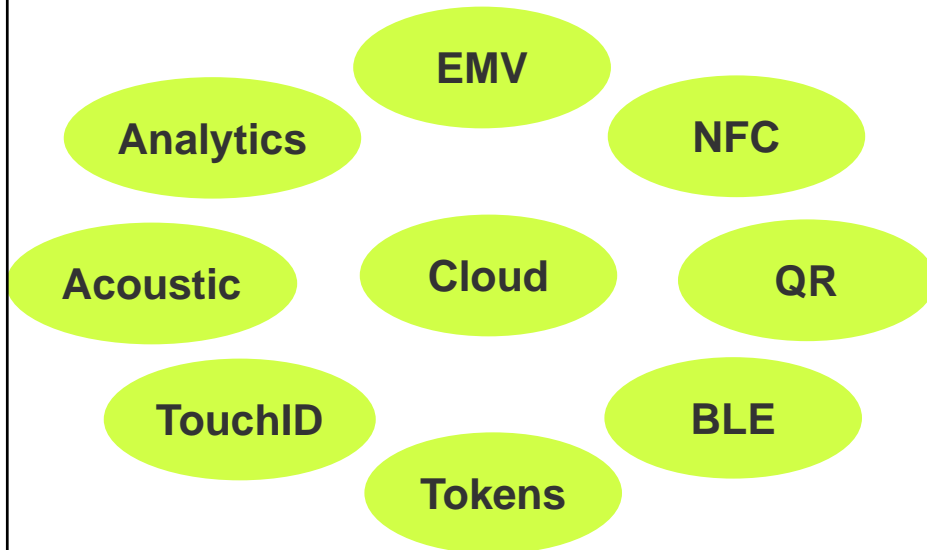


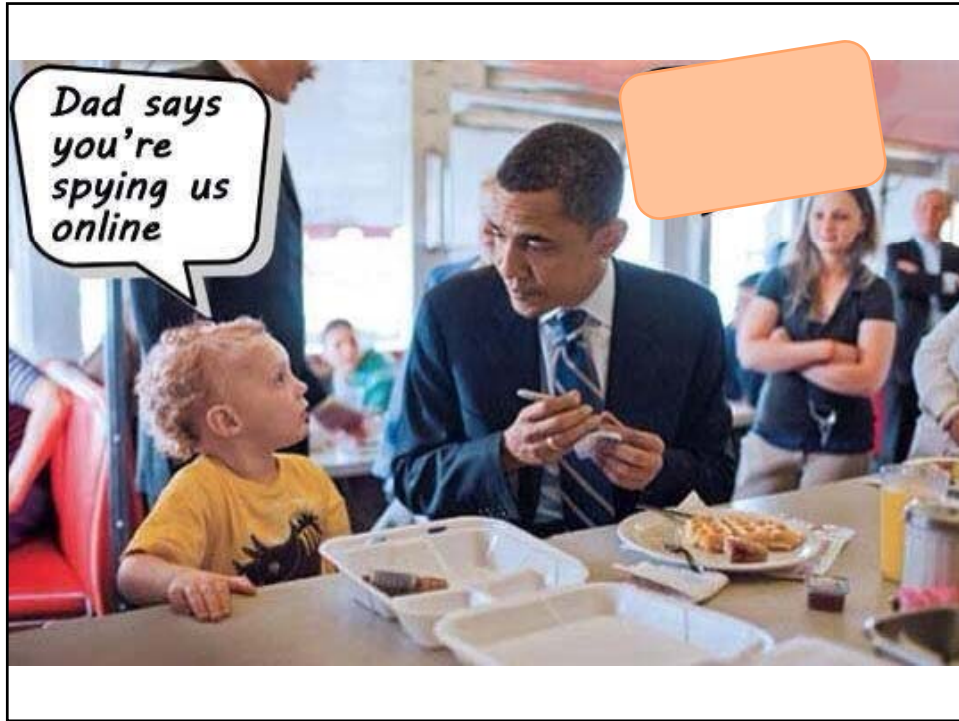
Getting to scale  
has been remarkably fast



FIs have not played a central  
role

## Emerging Technologies Drive Innovation





## Are We Ready for EMV?



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## Evolution of EMV?

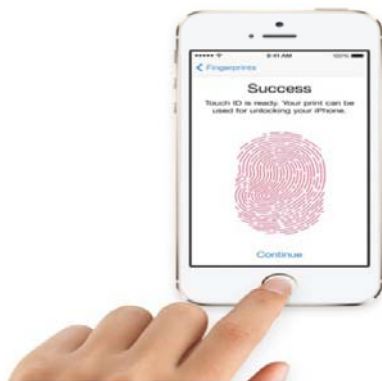


## Future of Card Payments

Over the long-term, the **future of plastic card payments** may not involve **plastic** or a **card**....

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## TouchID and Beacon Innovations



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Coming Soon.....



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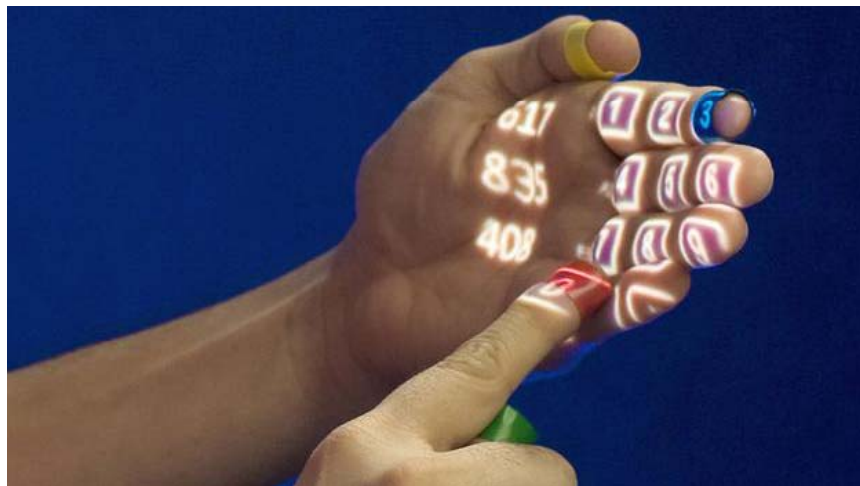


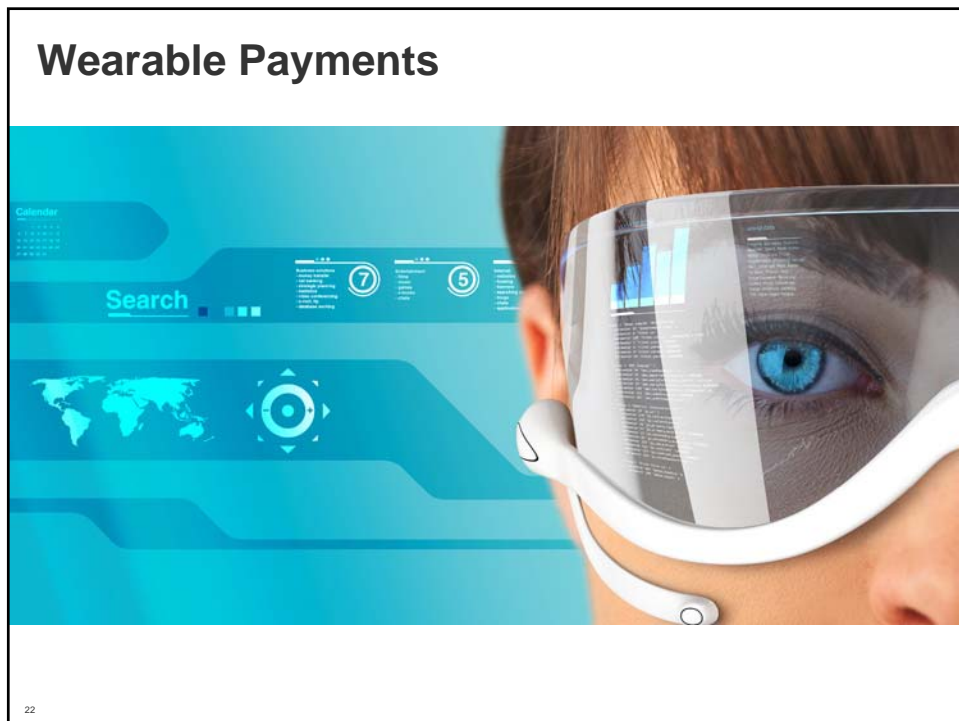
## The Future of the Plastic Card?

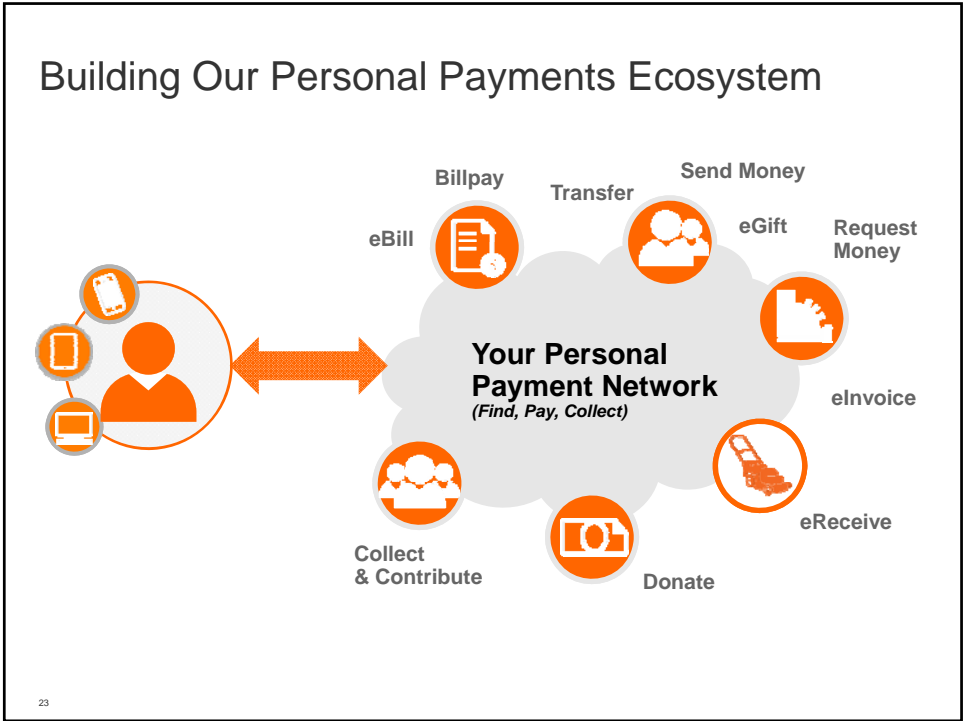


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## Palm Payments







## More Players, More Competition

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## Navigating the Payments Landscape

**CNBC** Who will Own Mobile Payments?

**techradar** V.Me Finally Launches in the UK as Visa Battles PayPal Google Wallet

**Forbes** It's Apple vs. Google vs. Everyone In The Mobile Payments War

**The New York Times** PayPal Refreshes Mobile App to Woo Shoppers and Fight Off Rivals

**AFP** Battle Commences for 'Mobile Money'

**The Street** PayPal Fires Back in Mobile Payments War

**BUSINESS INSIDER** Apps Vs. NFC For Mobile Payments — Why The Debate Matters And Who Will Win

**THE HUFFINGTON POST** SMALL BUSINESS Square Getting \$200 Million To Fight The Mobile Payments War: Report

**THE IRISH TIMES** Turf war between PayPal and credit cards

**TC TechCrunch** Google Wallet Takes on Apple's Passbook

**xconomy** Mobile Payment Platform Wars: LevelUp, Paydiant, PayPal, & More

**btv** The PayPal vs. Square Battle: Who's Your Money On?

## Impact of Non-Traditional Competitors

**PayPal**

**at&t**

**Google**

**green dot MoneyPak**

**verizon**

**Apple**

**Square**

**T-Mobile**

**Starbucks**

**facebook**

**Bluebird**

**MCOX** MERCHANT CUSTOMER EXCHANGE

**Microsoft**

**Walmart**

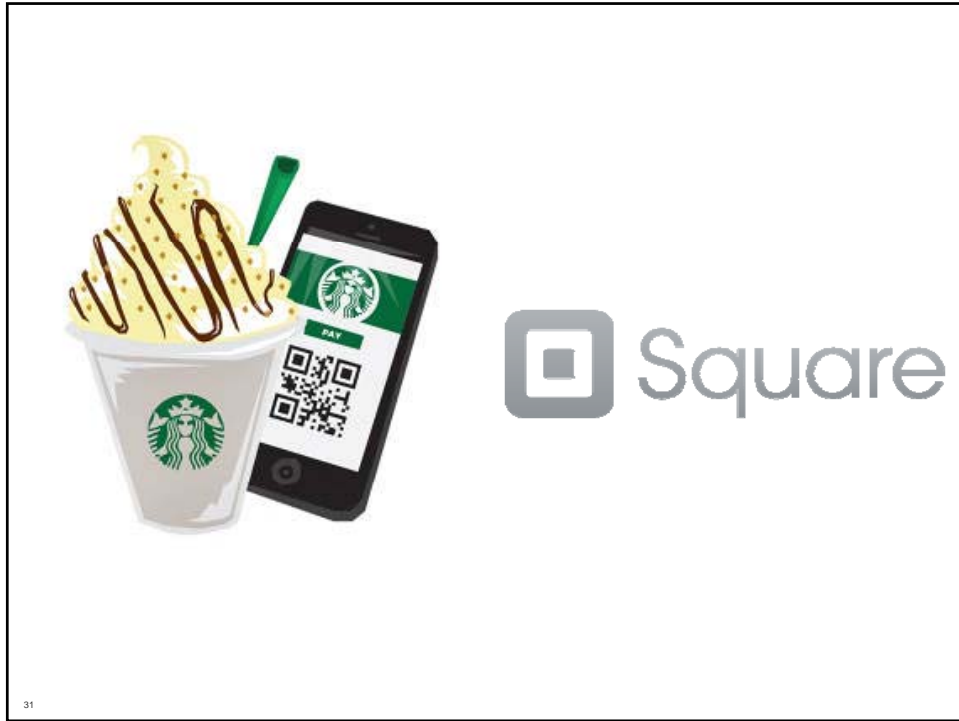
## Bluebird: 1 Million cardholders and counting



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30



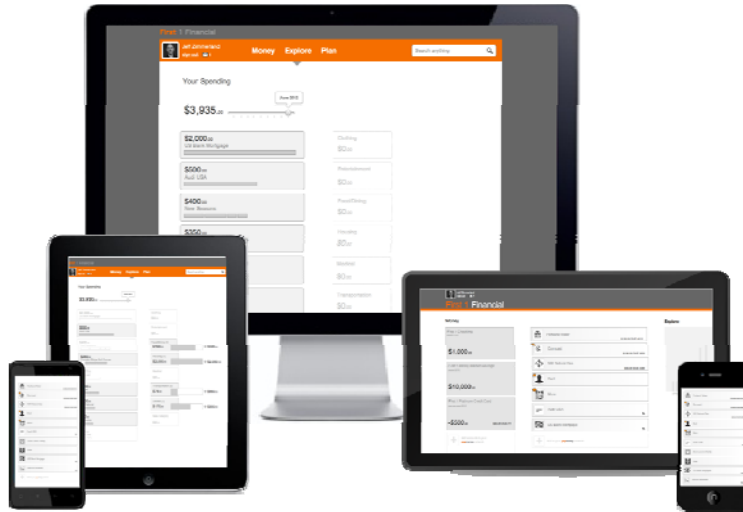
31

**More Mobile**

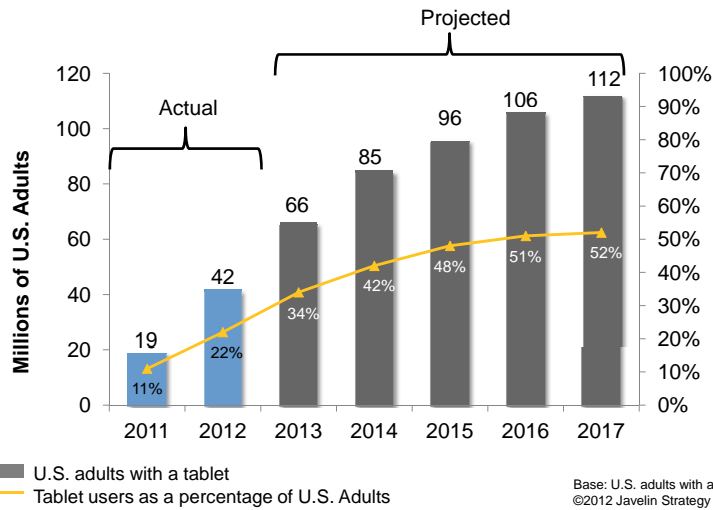
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## Connected Devices Change How We Transact

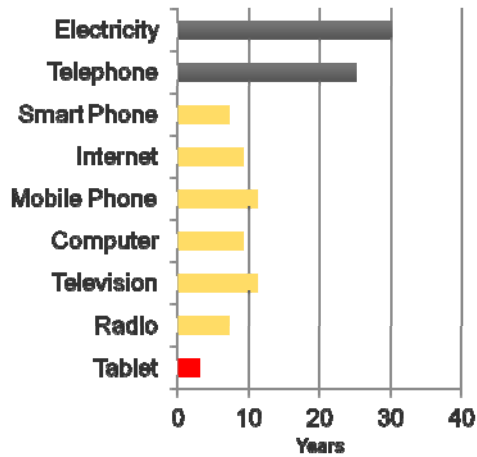


## Proliferation of Tablets Over Half of Mobile Adults Will Use a Tablet by 2017



Source: Javelin Strategy & Research, 2012 Tablet And Banking Report: Strategic Approach to a Mobile Game Changer December 2012

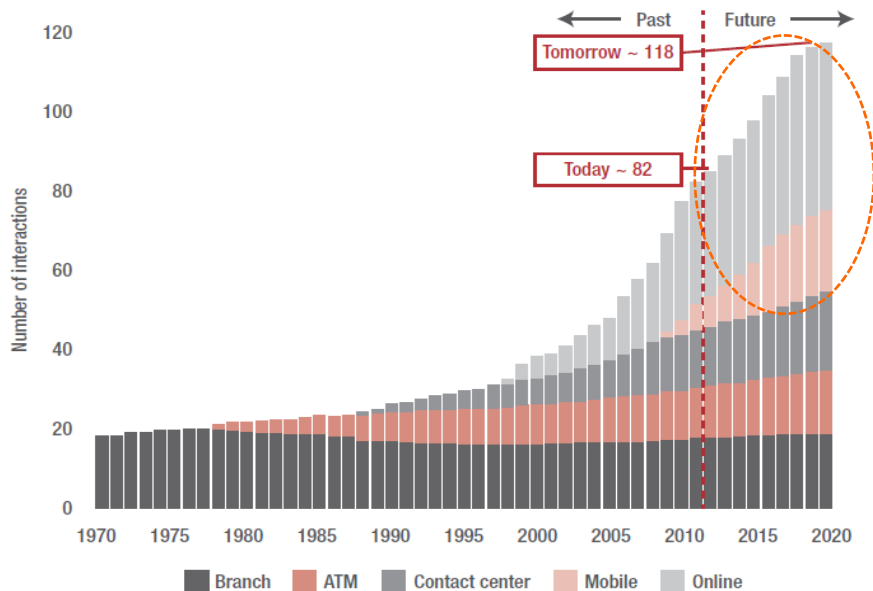
## The Tablet Revolution Is Happening Fast!!



- Shipments of tablet expected to outpace desktop and laptop PCs combined by 2015
- Tablet shipments in 2013 to grow almost 60% YOY
- The time taken for 10% of the U.S. population to have a tablet was three times faster than smartphones

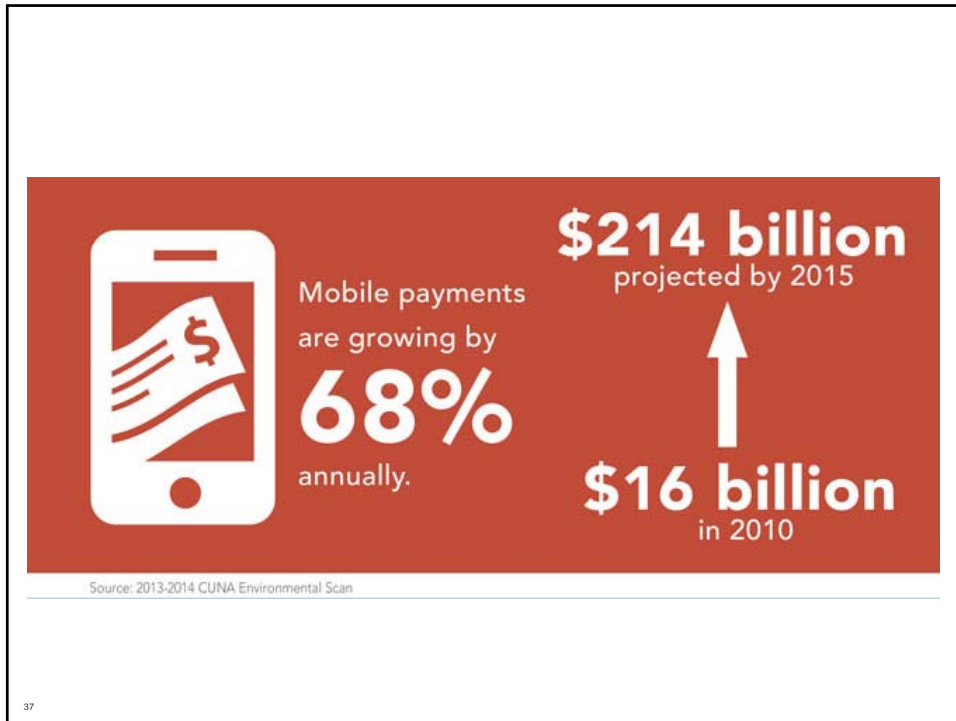
Sources: International Data Corporation's Worldwide Quarterly Media Tablet Tracker, MIT Technology Review

## Consumer Interactions with U.S. Financial Institutions



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Source: Tower Group



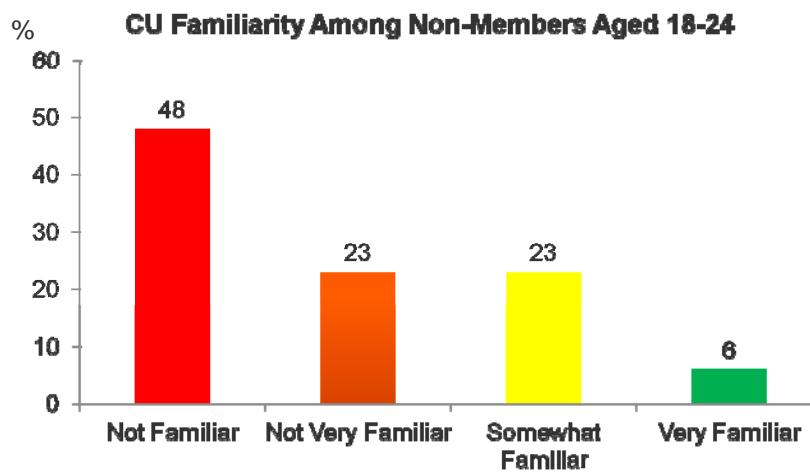
**More Users (Members)**

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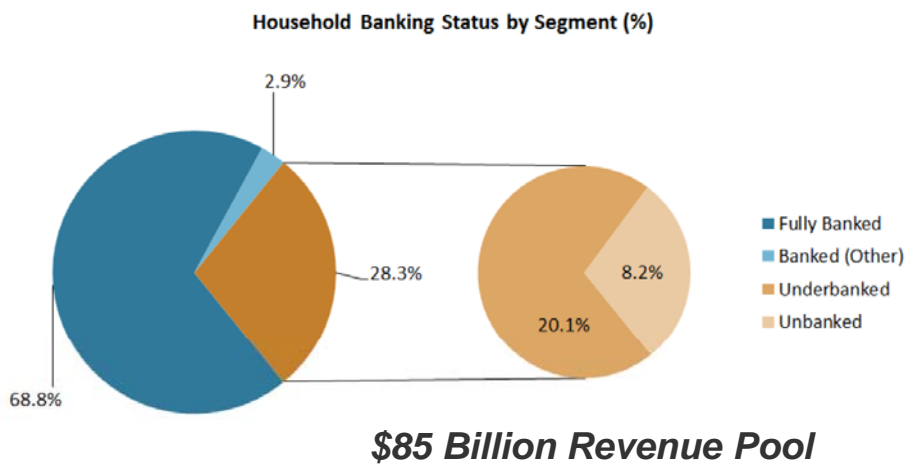
Attracting the 100 million members of “Gen Y” will be a vital part of credit unions’ future success



### And, Social Media is new “Payments Real Estate”



### The U2 Opportunity



## More Choices, More Currencies

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## More Choices, More Currencies



All your cards. One Coin.

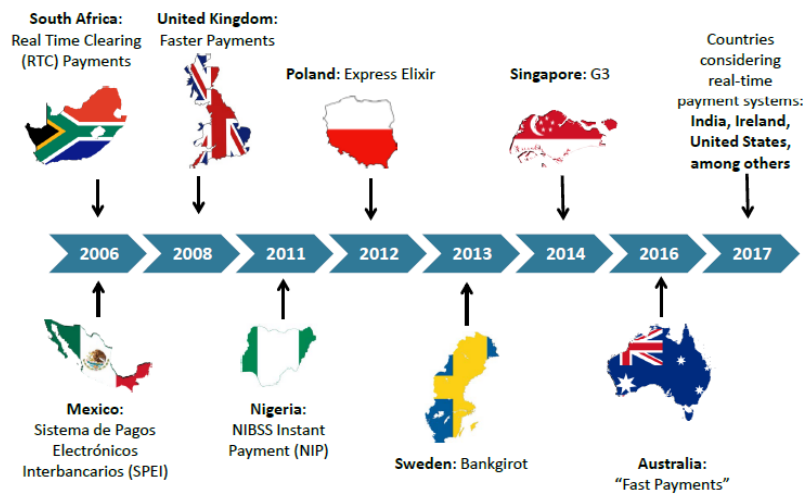


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## More Real-Time

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## Evolution of Real-Time Payments



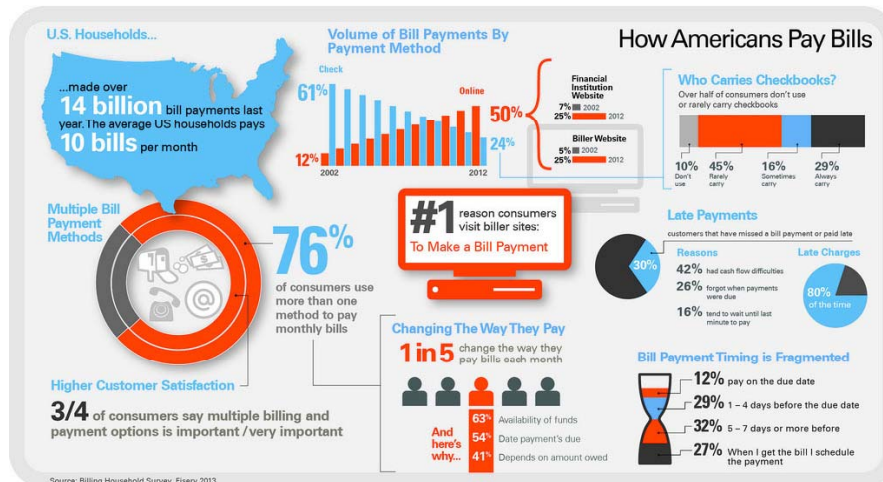
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# More Bills and More Bill Payments

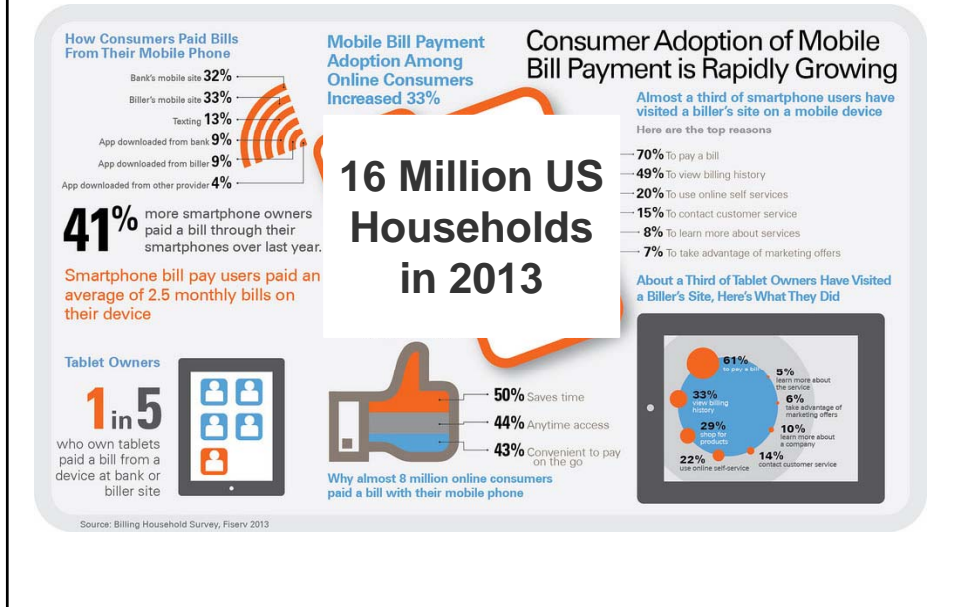
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## Transforming How We Pay Bills.....

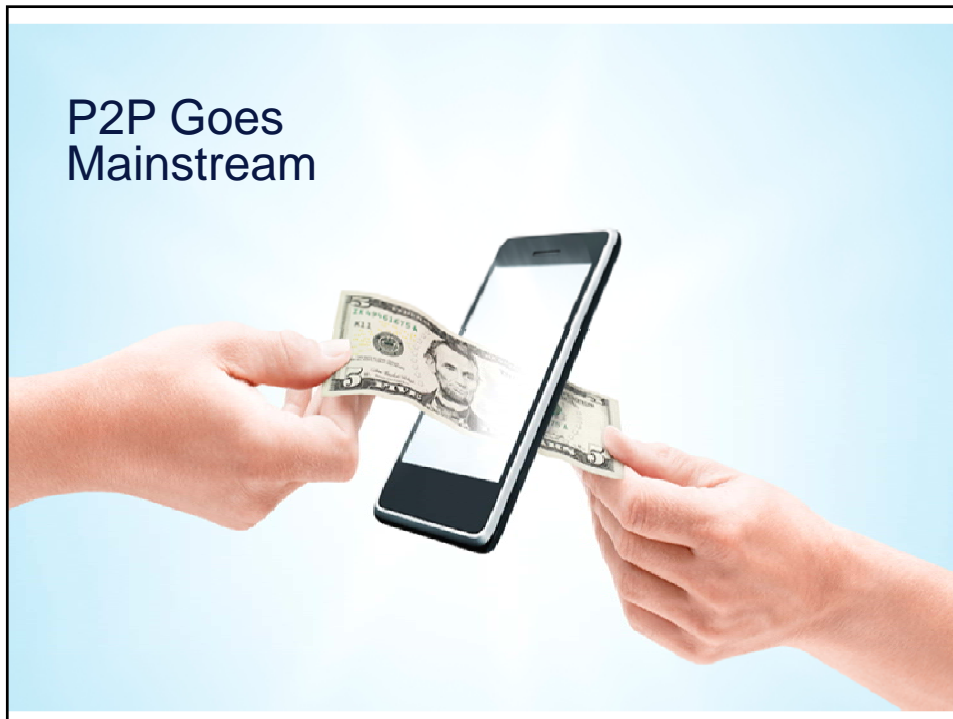


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## Mobile BillPay Emerging Fast.....



## P2P Goes Mainstream

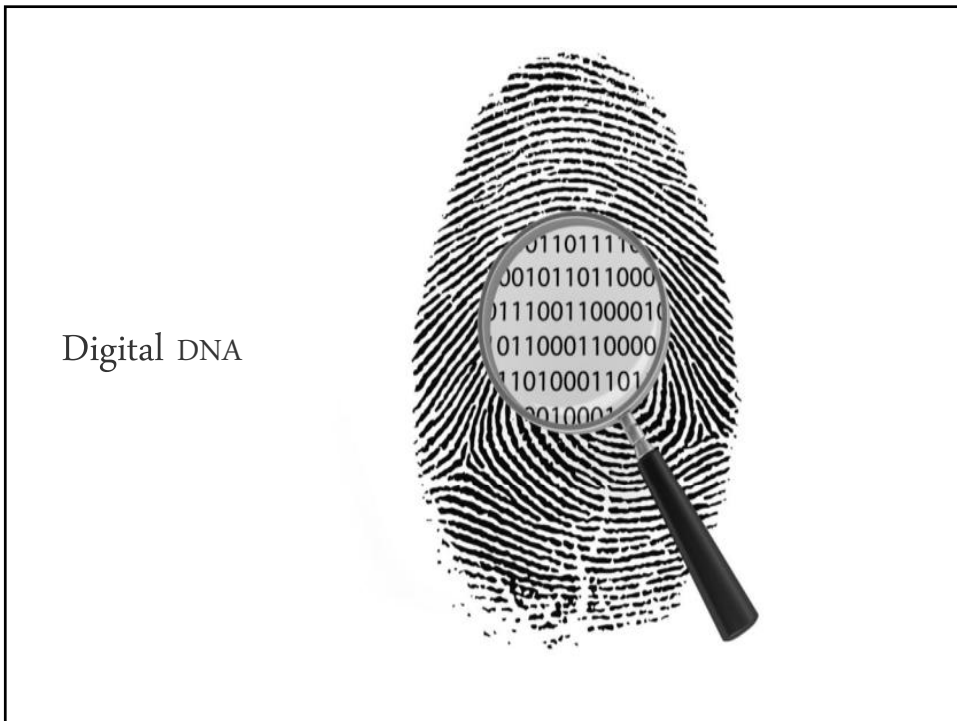


# More Analytics

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Handwritten mathematical notes on a chalkboard:

- Top left:  $E = mc^2$
- Top right:  $E = \frac{V^2}{P^3} + 4^D$
- Middle left:  $3^6 + (\cos^{-1}) = 6(2^5)$
- Middle:  $\frac{4C3}{44} = \frac{C3(4)}{\sqrt{4} \times 3} = \frac{3}{E(-)H_{20}} = \frac{C_{13} \times E}{3 \times H_{24}}$
- Bottom left: A diagram of a circle with points and lines, possibly representing a sphere or a circular path.
- Bottom center:  $X_{14} = X_6$
- Bottom right:  $ABC 123 (EAS)$  and  $6 \frac{2}{2} ? (A+C2)$



## More Regulation

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**cfpb** Consumer Financial  
Protection Bureau



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**In Closing....**

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**Implications of the Future of Payments**

....we should worry much less about becoming **insolvent** and much more about becoming **irrelevant**.

You can and should shape your own future;  
because if you don't, someone else surely will.

Joel Barker

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#mculace

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