

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

**Lessons & Predictions
from Five Mobile Payment Pilots**
~~~~~

**Your 10 Year Roadmap for Mobile Payments**  
June 6, 2014 | 1:45 p.m. – 2:45 p.m.  
**Sundeep Kapur, #DigitalStrategies**

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

## How do you...

- really pay for a cup of java at Starbucks?
- transfer money amongst friends?
- send money to a land far away?
- Hawala?
- Stretch?

Driving successful engagement  
strategies for Credit Unions

2

Credit  
Union



Member

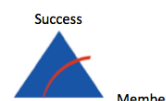
## What we are going to cover today...

- Five payment pilots
- Lessons learned
- Consumer expectations
- Key considerations, & predictions
- How can your Credit Union excel

Driving successful engagement  
strategies for Credit Unions

3

Credit  
Union



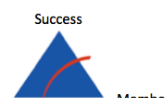
## Sundeep Kapur, #DigitalStrategies

- 25 years as a marketer, teacher, and consultant
- Focused on driving consumer engagement
- Help Financial Institutions become OMNI Channel
- Monthly webinars and workshops on #DigitalStrategies
- [CU Insight](#), [ClickZ](#), [Yoga](#)

Driving successful engagement  
strategies for Credit Unions

4

Credit  
Union



## Pilot 1: Mondex & Visa Cash

- Where and how did it work?
  - Swindon, Guelph, New York (upper east side)
  - Smart card (with a chip)
  - Payment devices, withdrawal from ATM / phone, & readers
  - Load cash, transact, check balance
  - Key incentive was convenience, backed by financial institutions
- Why did it fail?
  - Competing financial institutions & technology
  - Mimicked cash transactions
  - Removed anonymity
- Key successes?
  - Lots of insight for consumers, merchants, & financial institutions

Driving successful engagement  
strategies for Credit Unions

5

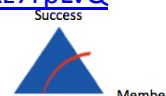
Credit  
Union

## Pilot 2: Card-less Cash Withdrawals

- <http://www.youtube.com/watch?v=t6V6T5NN-SY>
- Allows consumers to connect with the financial institution without a card, without an account, no smart phone needed
- Allows consumers to make bill payments via cash to “established” retailers; no card, no account required
- Biometric scanning for account holders offering convenience
- One more, <http://www.youtube.com/watch?v=QxWKz7rpLvQ>

Driving successful engagement  
strategies for Credit Unions

6

Credit  
Union

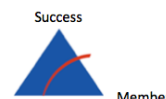
## Pilot 3: MPesa

- How, why, & where does Mpesa work?
- What can you do?
  - Register, load money, send money, pay bills, withdraw cash
- Why is it easy?
  - Any phone, reliable, backed by government - trust
- Popular uses?
  - Transfer funds, pay bills – macro & micro, purchase minutes, money stores
- How is it regulated?
  - Money moved held by central bank, transactions recorded, merchants are monitored, no interest on funds held

Driving successful engagement  
strategies for Credit Unions

7

Credit  
Union



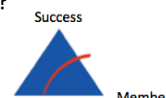
## Pilot 4: Closed Loop Mall

- How does it work?
  - Register, deposit cash, transact
- Consumer benefits?
  - Personalized offers, quick service, discounts
- Merchant and issuer benefits?
  - Consumer data, advertising revenue
- Challenges?
  - Employee training, fraud, technology
- Key considerations...
  - Making money, driving repeat behavior, extending beyond mall?

Driving successful engagement  
strategies for Credit Unions

8

Credit  
Union



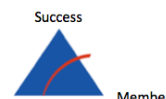
## Pilot 5: Airtel Money

- How does it work?
  - Backed by a financial institution, phone companies & financial institutions have partnered to compete with competing currencies
- What can you do?
  - Load cash, make payments, transfer money, donate, find & transact with retailers, online shopping with incentive...no smart phone required
- Sphere of influence
  - 300 cities, 300 million subscribers, basic financial services – extending reach
- Barriers to adoption
  - Unbanked\*, assisted transactions, 12 – 18 seconds
- Awareness & advertising
  - Above the line, below the line, online, skits

Driving successful engagement  
strategies for Credit Unions

9

Credit  
Union



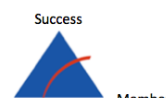
## 10 Important Lessons from Pilots

1. How can we engage the consumer?
2. How do you enroll merchants?
3. How do you train employees?
4. Who owns the relationship?
5. The impact of technology?
6. Key barriers to adoption?
7. How do you make things convenient?
8. The importance of regulation & trust
9. How should you advertise?
10. What role should a financial institution play?

Driving successful engagement  
strategies for Credit Unions

10

Credit  
Union



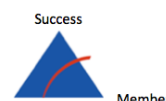
## What About...

- Coin: A place to secure all your cards...
  - <https://onlycoin.com/>
- Google Wallet: And they can also track what you do online...
  - <http://www.google.com/wallet/#>
- Bitcoin: A potentially anonymous new currency...
  - <http://bitcoin.com/>
  - <https://bitcoin.org/en/>
  - <http://www.coindesk.com/>
- CU Wallet: Money and personalization
  - <http://cuwallet.com/>
  - <http://paydiant.com/>
  - <http://www.vantiv.com/>
- Pay Pal: A “faster & safer” way to pay and share
  - <https://www.paypal.com/home>
  - <https://risnews.edgl.com/retail-news/Discover-Deal-Puts-PayPal-in-7M-Retail-Locations-by-201381847>
  - [http://risnews.edgl.com/retail-news/PayPal-Triples-Mobile-Payment-Volume-to-\\$14B-Integrates-with-NCR-Devices84376](http://risnews.edgl.com/retail-news/PayPal-Triples-Mobile-Payment-Volume-to-$14B-Integrates-with-NCR-Devices84376)
- Amazon: Perfect personalization, supply chain, & drones
  - <https://payments.amazon.com/home>
- Facebook: No need to leave your home ☺
  - <https://developers.facebook.com/docs/payments/>

Driving successful engagement  
strategies for Credit Unions

11

Credit  
Union



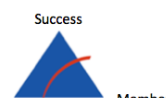
## Key Considerations

- Who is our competition?
- Where is technology headed?
- How do we train consumers, merchants, & employees?
- How do we withstand fraud?
- How will settlement work?
- What are emerging regulations?
- How do we protect consumer privacy?

Driving successful engagement  
strategies for Credit Unions

12

Credit  
Union



## The importance of...

- Surveys
- Education
- Mobile strategy, not just apps...

Driving successful engagement  
strategies for Credit Unions

13

Credit  
Union



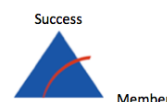
## What do Members Want?

- Our member wants an expert
- Our member seeks knowledge
- Our member demands convenience
- Our member longs for [recognition](#)
- Our member expects excellent service

Driving successful engagement  
strategies for Credit Unions

14

Credit  
Union



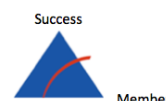
## How can we become a Mentor?

- Do what members want &....
- Provide
  - Aspiration
  - Trust
  - Mutuality

Driving successful engagement  
strategies for Credit Unions

15

Credit  
Union



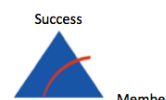
## How do we Leverage the Data Breach?

- Our consumers transact across every channel
- A lot of personal data is publicly available
- Merchants do not have the same standards we do
- Some of our standards might not be that good either
- A lot of consumer data has already been exposed
- Who have been the beneficiaries of the data breach?
- With mobile / digital payments, there is even more risk
- How did you deal with the Target breach?
- Can we reduce risk, circumvent fraud, & drive revenue?

Driving successful engagement  
strategies for Credit Unions

16

Credit  
Union





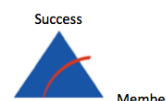
## The Big Questions

- Are mobile payments going to replace cash?
- What is the next thing after mobile payments?
- Who is your competition?
- How do you increase your value add?
- [Grow2020: Driving Effective Member Engagement](#)

Driving successful engagement  
strategies for Credit Unions

17

Credit  
Union



## Let's Connect...

**Sundeep Kapur**

#DigitalStrategies, @Allied Solutions

[Sundeep.Kapur@alliedsolutions.net](mailto:Sundeep.Kapur@alliedsolutions.net)

803.479.2549

<https://www.linkedin.com/in/sundeepkapur>

Driving successful engagement  
strategies for Credit Unions

18

Credit  
Union

