



# 2019 Silicon Valley Risk Technology Forum

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PLUG AND PLAY TECH CENTER  
SUNNYVALE, CA



# The Intersection of Payments and Tech

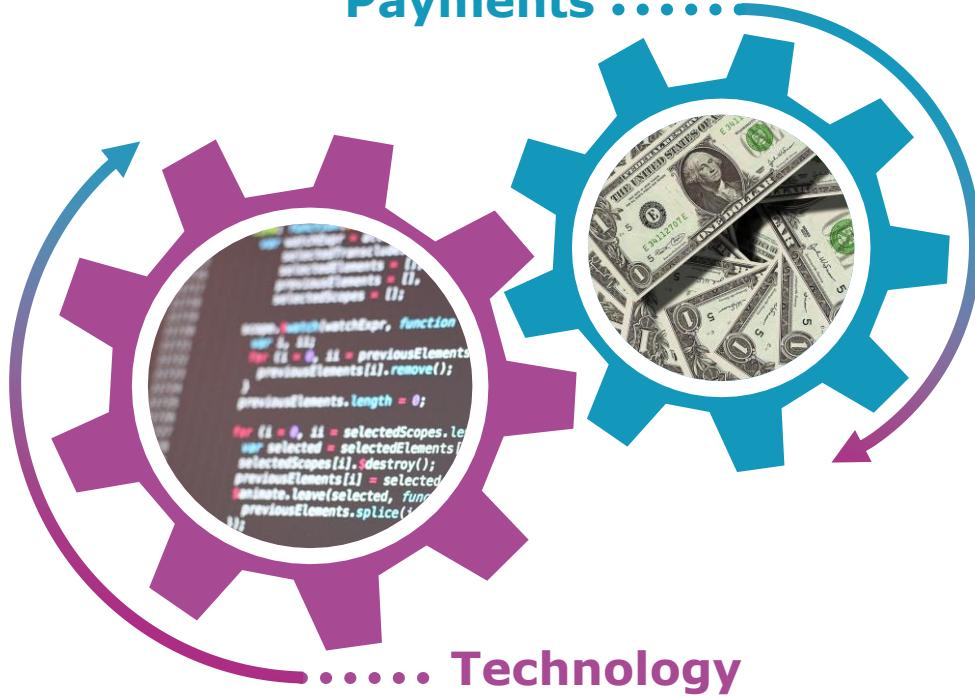
Erin English, Senior Strategist for Digital Transformation and Blockchain Policy, Microsoft

Jennifer Hustwitt, Cryptocurrency Solutions Group, Marsh

Alina Lantsberg, Partner, Retail Banking and Payments, Oliver Wyman

# Technology and payments can form an essential partnership – but such a partnership also represents inherent risk

Payments .....



..... Technology

*Payments and financial services are integral to successful monetization of technology companies*

*Integrating payments into your value chain presents significant opportunity – but also significant risk, if not done correctly*

# Companies follow a path of evolution when it comes to payments – though not all make it to the end

1

*Payments is like plumbing – I want it to work, and I never want to think about it again*

2

*Payments can be pretty powerful – how can I use this to grow my core business?*

3

*Payments is a core revenue stream and key driver of growth*

4

*Digitization of financial assets can be a true differentiator of my business*

1

# Payments is everywhere, connecting consumers and merchants through a complex value chain



**CONSUMER**



**MERCHANT**

Merchant facing VAS



**Payment  
instrument**

**Issuer**

**Network**

**Processor**

**Acquirer**

**POS /  
Gateway**



**CHASE**

**VISA**

**First Data**

**Bank of America**  
Merchant Services

**Verifone**

# 2 Focusing on payments throughout the customer journey can drive core business growth



**Drive site visits**



**Increase ticket size**



**Provide data & insights**



**Drive customers back to the site**

**70% of consumers** modify brand interaction based on loyalty programs

**20–50% larger ticket** when using merchant's payment methods

**Insightful data on**

- Customer Identification
- User preferences
- Spending patterns at competitors
- Lifestyle choices (e.g. travel)

**Targeted marketing & personalized communications**

- Promote products aligned to interests
- Tailor channel approach

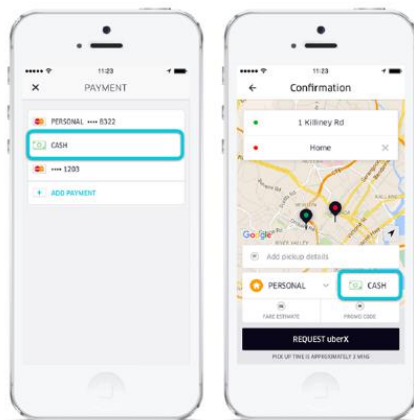


3

## And even become standalone business lines



### Mobile wallets (Uber Cash)



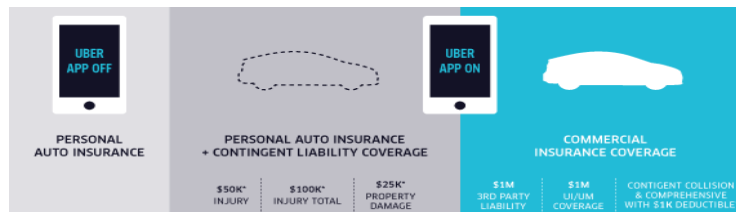
### Driver debit cards and instant disbursement



### Consumer cards – credit and prepaid



### Auto insurance



However, payments also represents new risks and stakeholders to manage





# 4

## Digitization of financial assets: deeper customer engagement

### 1. “Traditional” Crypto-Currencies / Native Digital Assets

### 2. Hybrid Digital Assets

- StableCoins
- Central Bank Digital Currencies (CBDC's)
- Backed by commodities

#### Functions of Money

*Medium of Exchange*

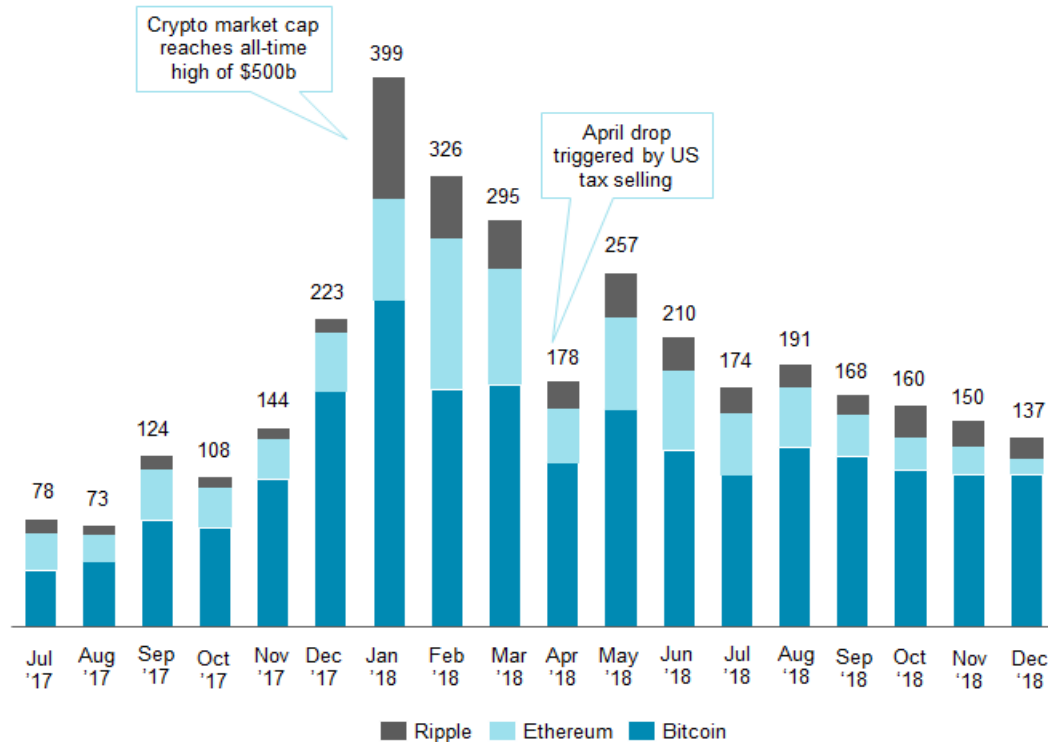
*Store of Value*

*Unit of Account*

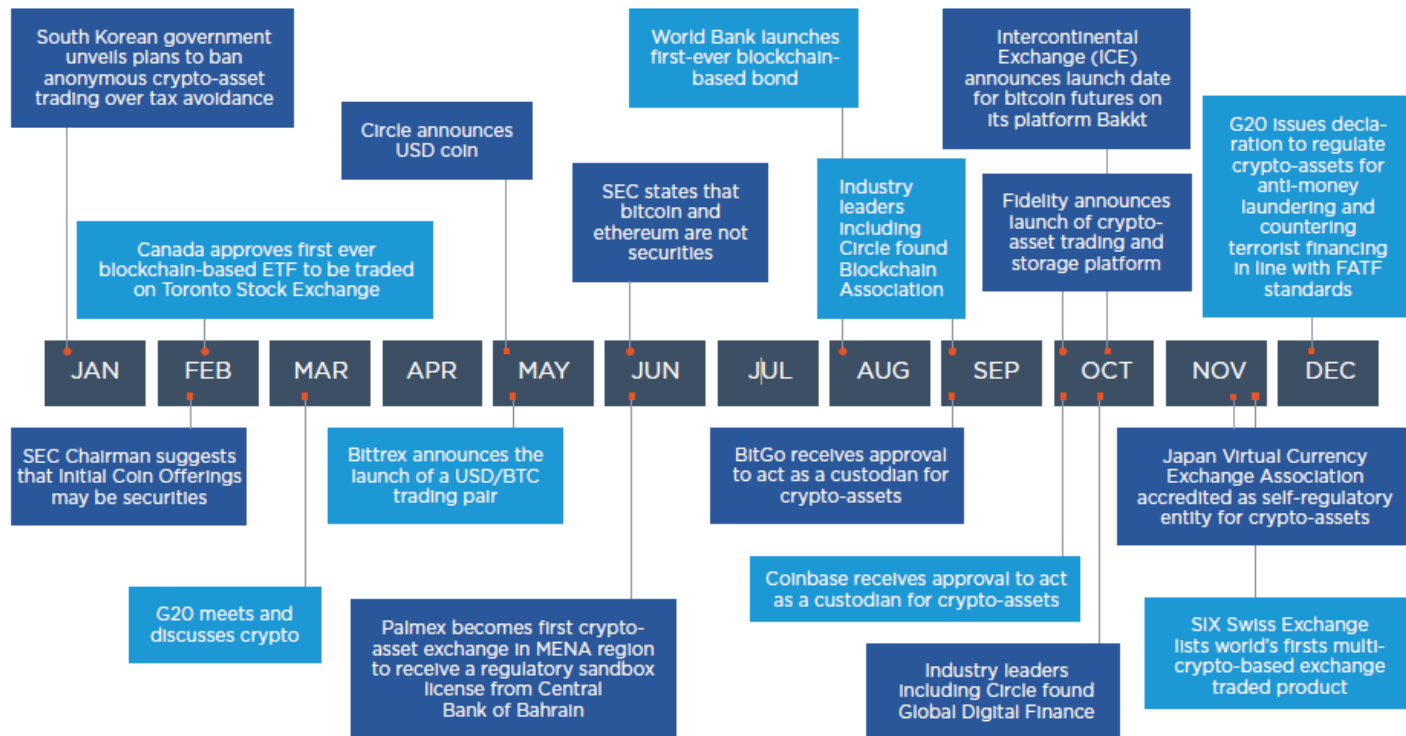
### 3. Tokens – Utility, Security, etc.



# Market Cap - Top Three Crypto-Assets (US \$B)



# 2018 Global Regulatory Approvals



# 4

## Digitization of financial assets: deeper customer engagement

### Considerations

- Digital transformations / pressures
- Modular financial services
- Cooperation between prior adversaries
- Disintermediation
- Customer trust





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