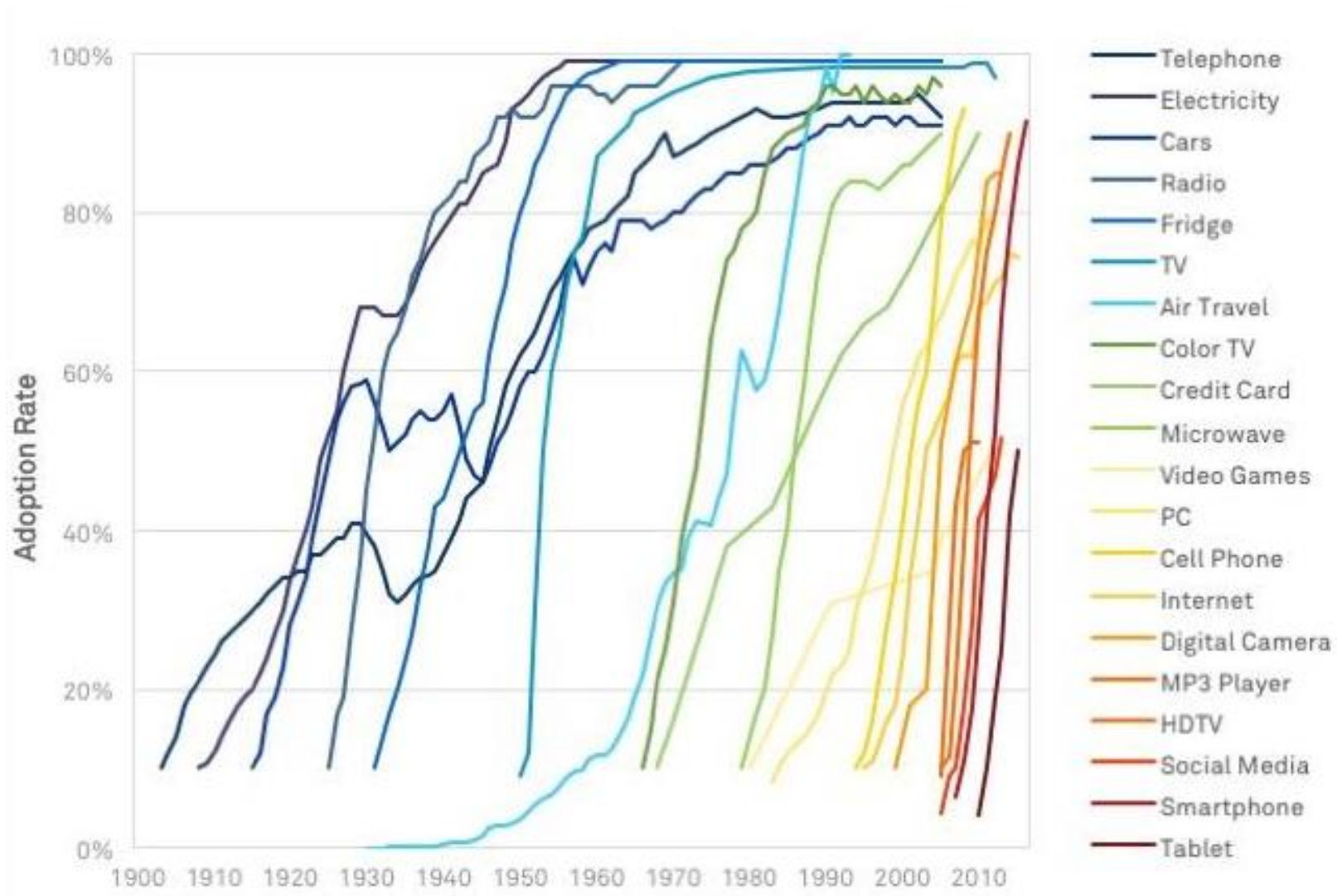




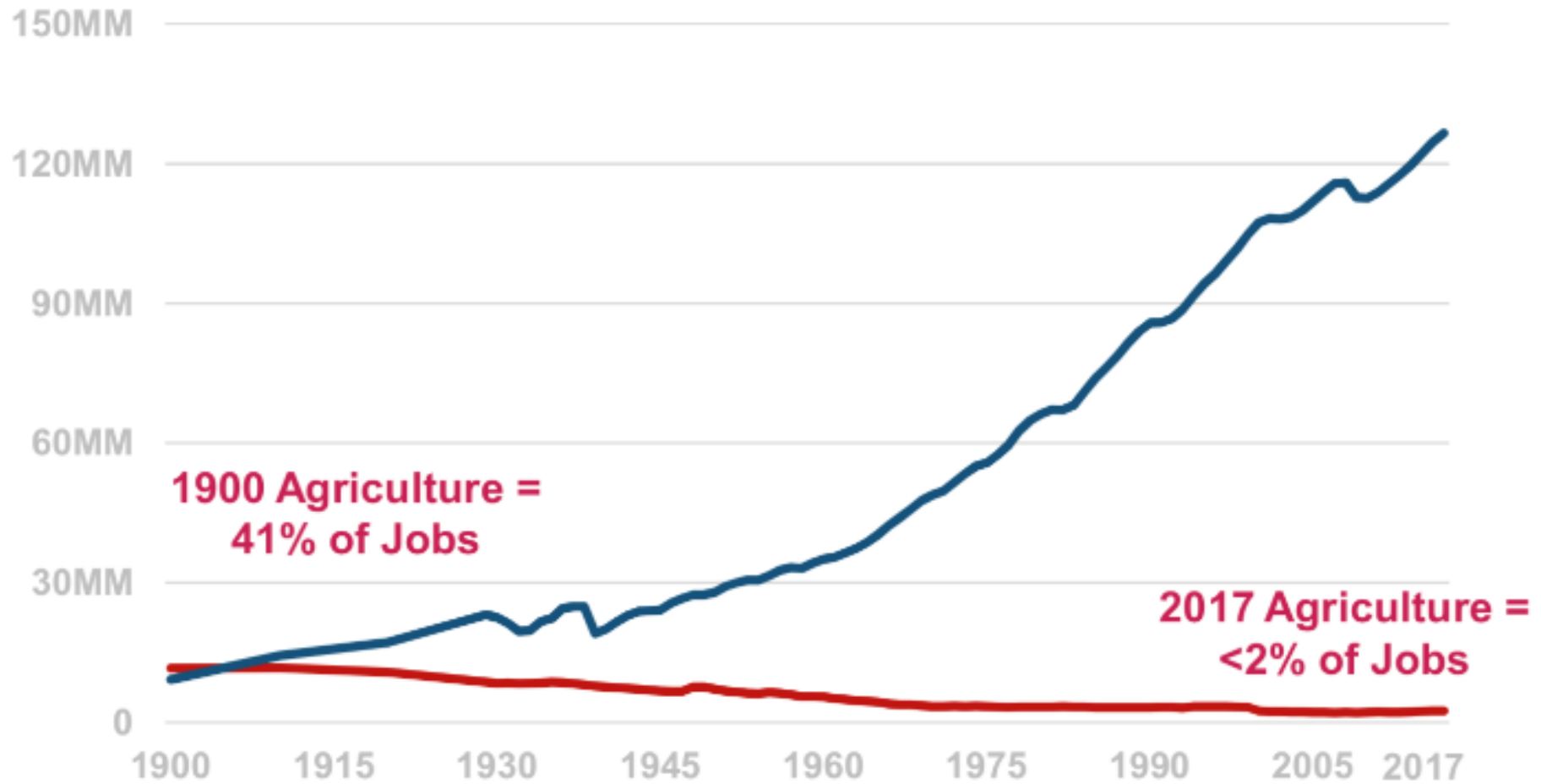
Payment trends:

HOW DO WE PREPARE FOR WHAT'S COMING?



Sources: BlackRock, Asymco

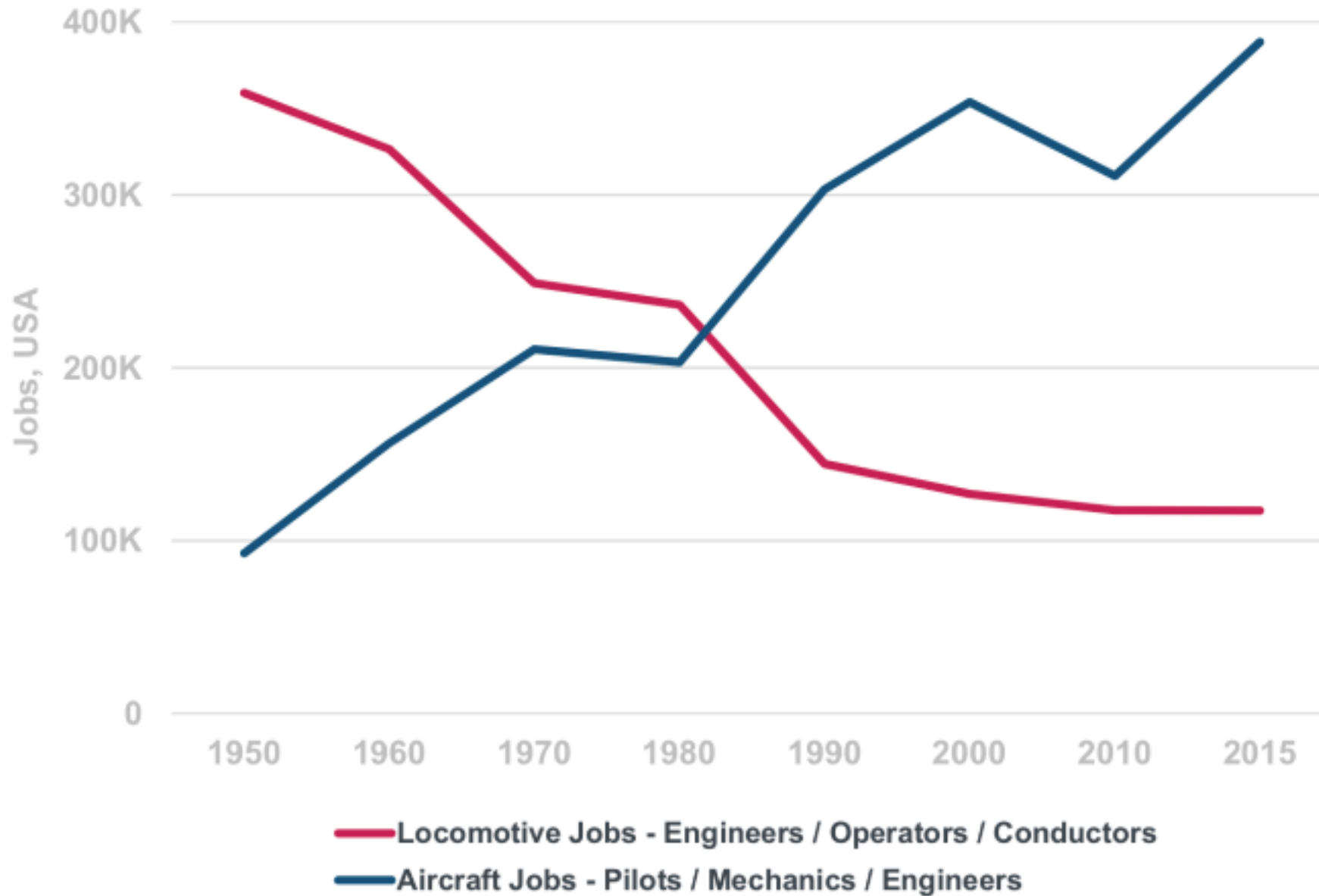




— Agriculture Jobs - Farming / Forestry / Fishing / Hunting

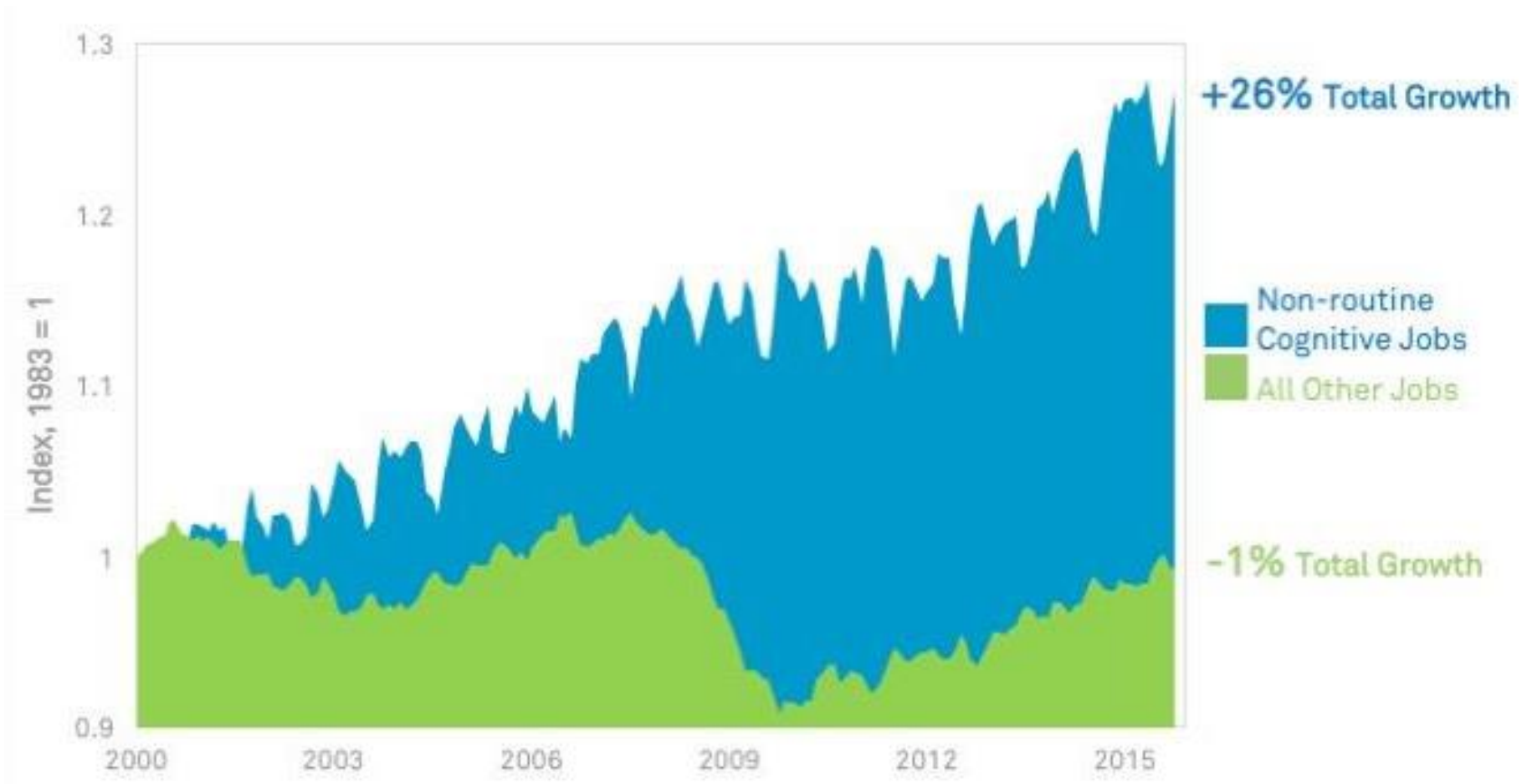
— Services Jobs - Business / Education / Healthcare / Retail / Government / Other Services

Source: Kleiner Perkins, Asymco



Sources: KPCB, ITIF analysis of IPUMS data (Atkinson + Wu); St. Louis Federal Reserve FRED

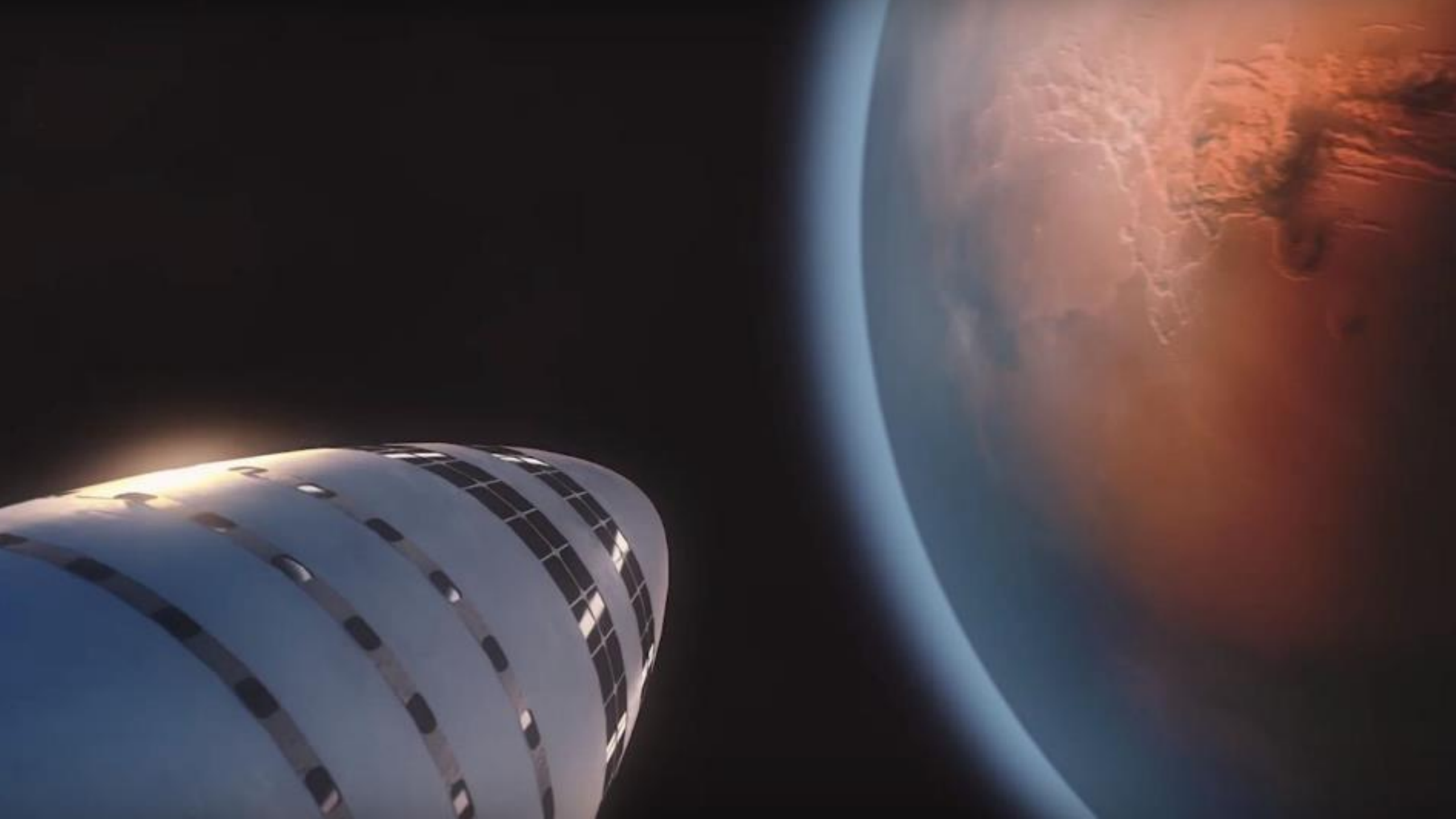




Sources: BlackRock, KPCB, Federal Reserve Bank of St Louis







AUTO, POLO











TERRAZZA CLUB
WINE BAR - SKI BAR

SAFARI

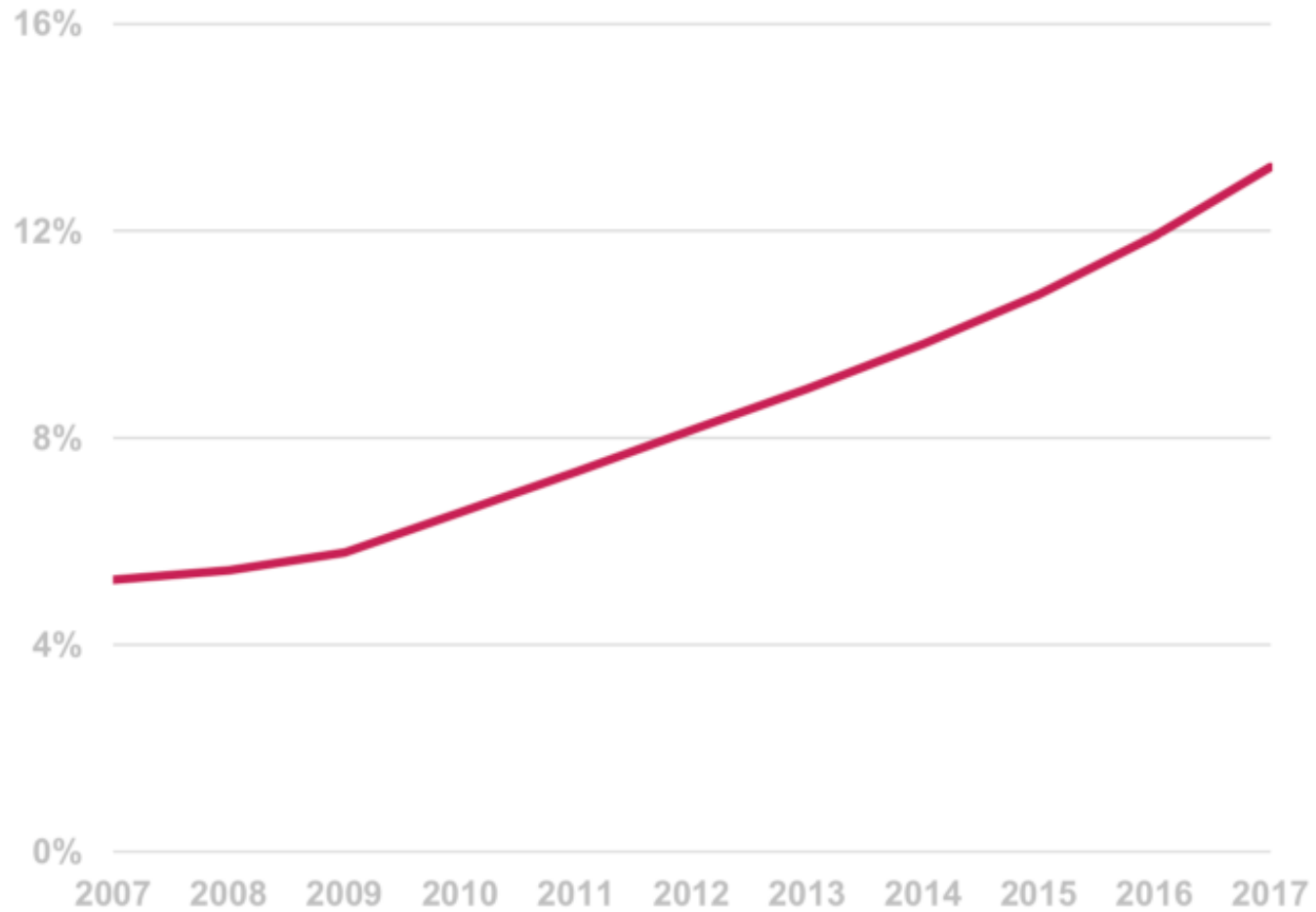
WSCP



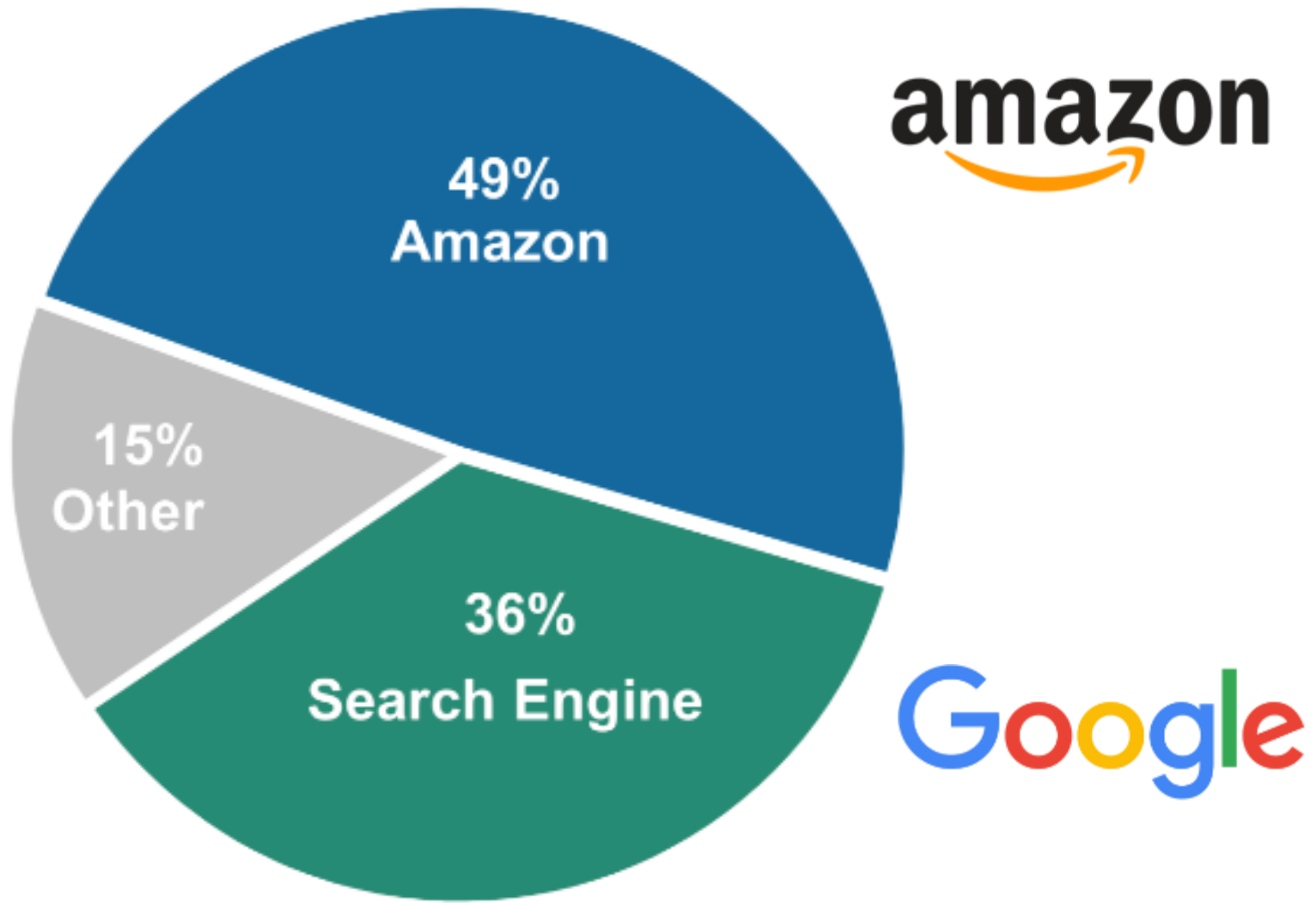
She will have to learn to adjust
to a constantly changing future.

So do we.

E-Commerce as % of retail Sales



Sources: KPCB, US Census Bureau



Sources: KPCB, Survata

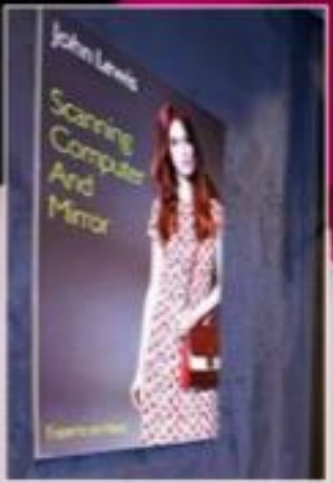
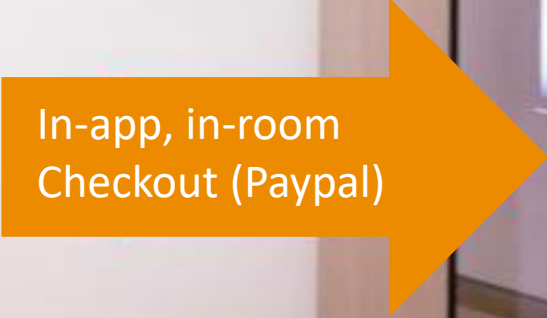
The payments industry is still architected for life in the 1970s



- Trading day ends at 5pm
- Nightly batches
- Bundles of paper vouchers
- Monthly runs

Economic model turned upside down?

eCom payment page is interacting with the Physical Inventory in store, with consumers paying with a wallet, at CP rate.



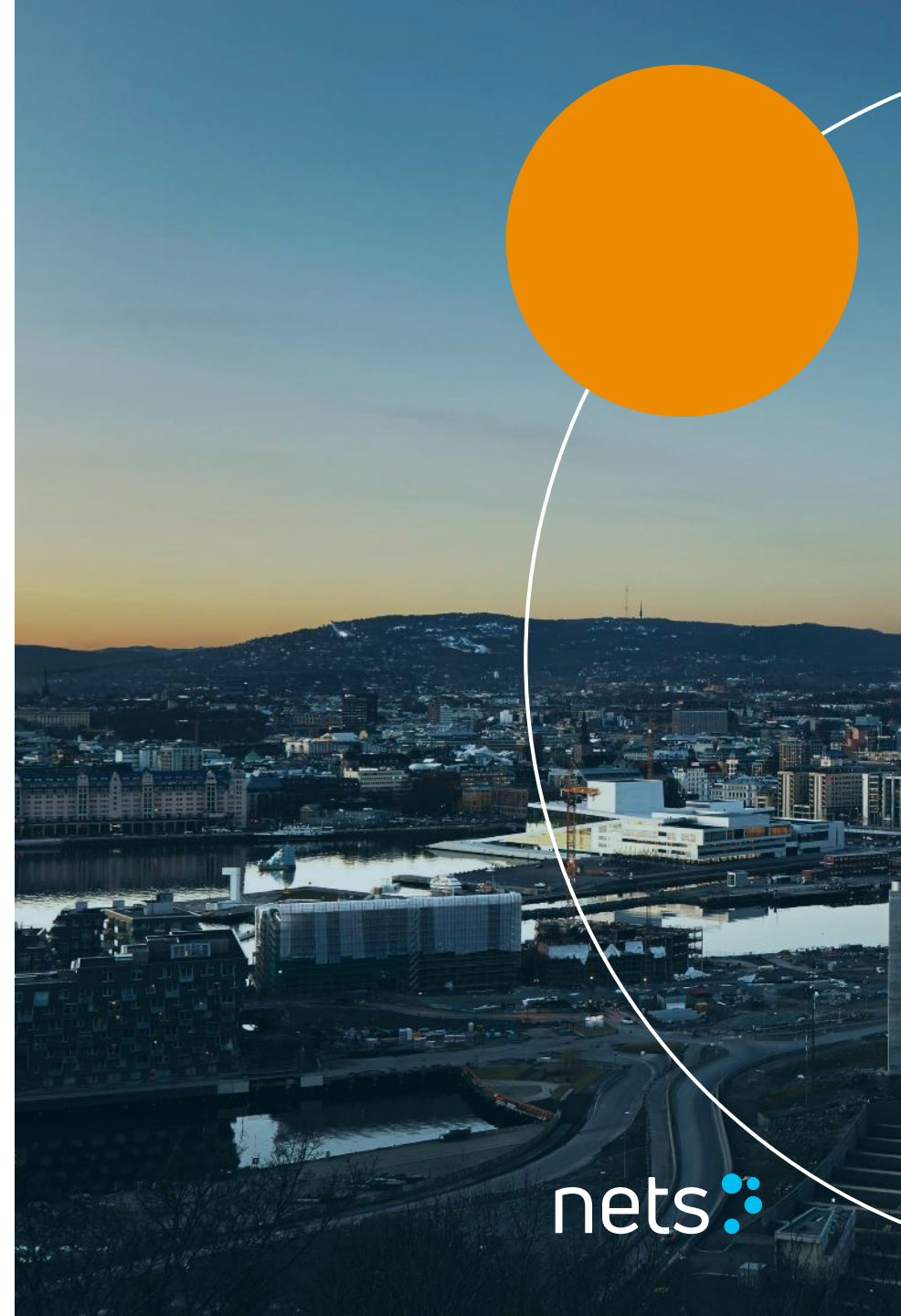




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Predicting the future is
an impossible task but,

**FOLLOWING A
SYSTEMATIC
APPROACH TO
SPOTTING TRENDS
GOES A LONG WAY**



Securing an outside-in perspective, we



... systematically identify and analyse industry reports, while talking to experts



... gather our best people and compile insights into trends and group in segments



... connect trends to define themes, from where we intend to form understanding and direction



TRUSTED FOUNDATION ANALYSED BY EXPERTS

- » Information is gathered based on two inclusion criteria; Impact on Nets or Impact on our markets
- » Insights are gathered and synthesized From industry researchers; The big four, BCG, McKinsey, Gartner, Euromonitor amongst others
- » Findings are carefully studied using a standardised & distributable framework

Deloitte.

 EUROMONITOR
INTERNATIONAL

BCG



pwc

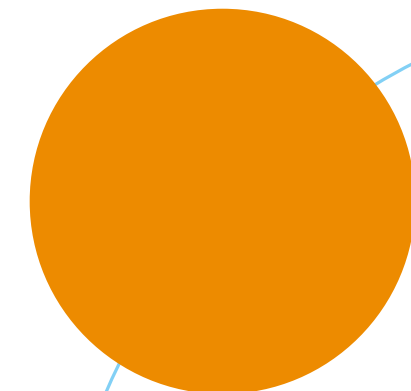
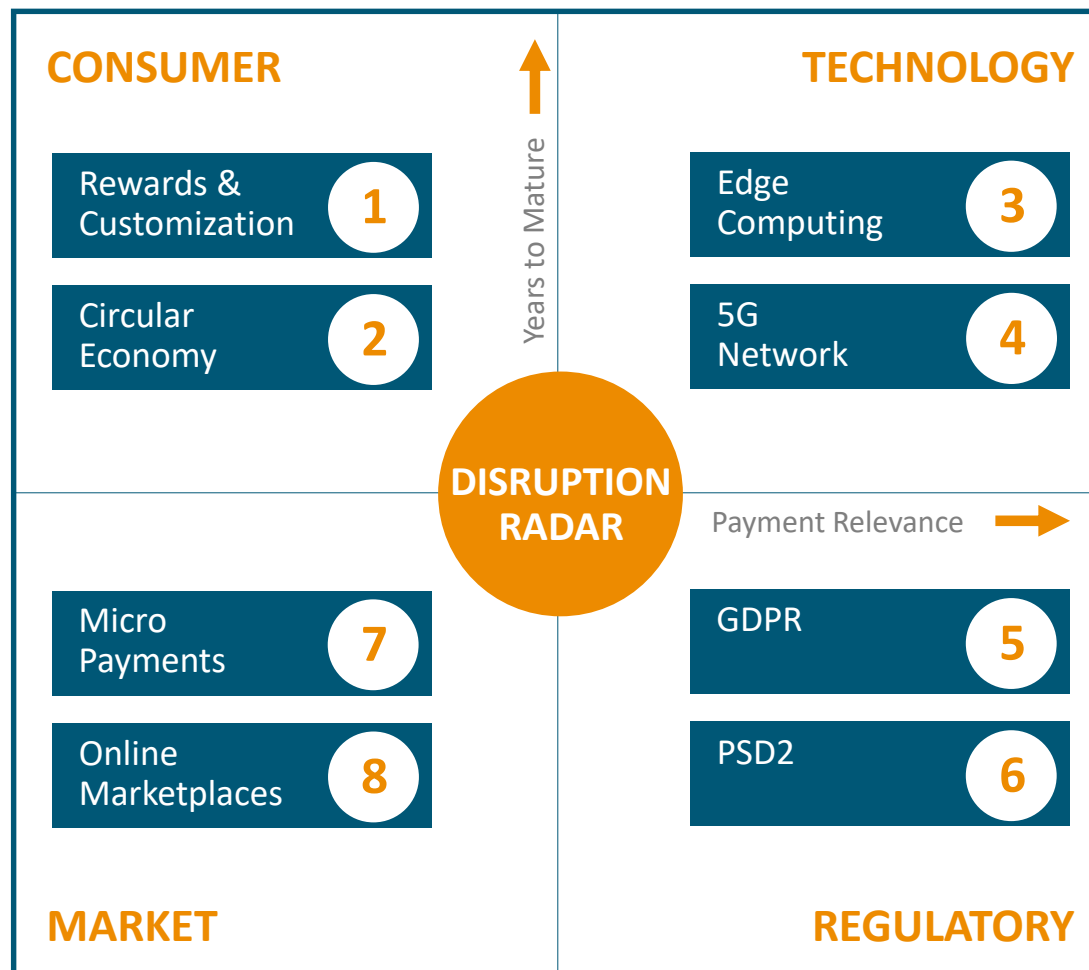
McKinsey
& Company

nets:••



IDENTIFYING TRENDS

- » Trends are mapped out according to; **years to mature** and **relevance to Nets business**
- » Four segments have been chosen to represent trends

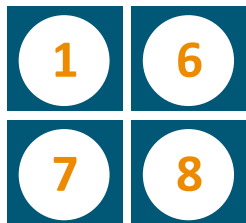




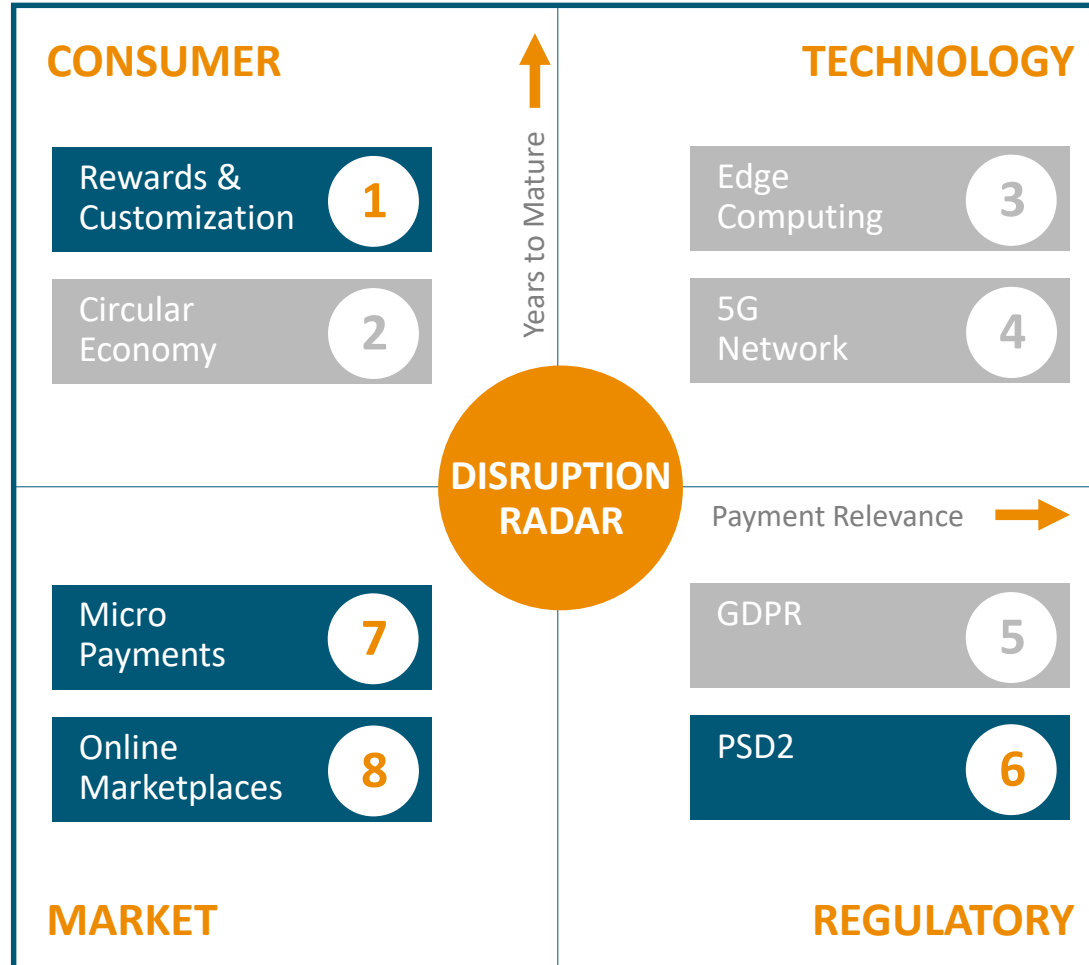
TRENDS FORM THEMES

» Experts combine trends into a **theme**

» A **theme** represents a hypothesis of what we will see in the future

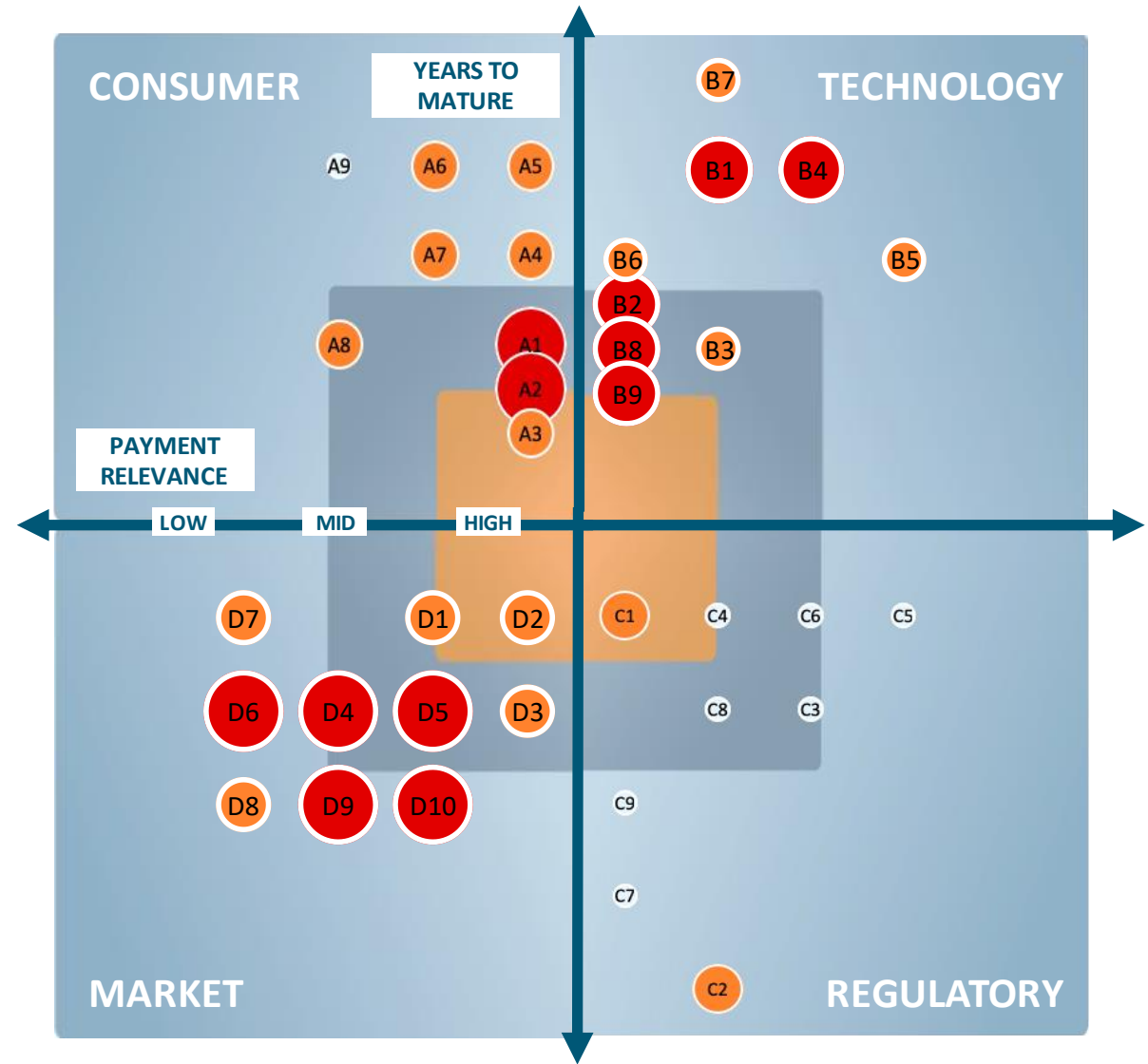


THEME 1
REAL-TIME EVERYTHING



THE FULL WORK-VIEW

A: CONSUMER	A1	Data Privacy	C: REGULATORY	C1	GDPR
	A2	Sharing Economy		C2	PSD3
	A3	Rewards & Customization		C3	Accessibility standards
	A4	Data Minimalism		C4	AML5
	A5	Circular Economy		C5	MIFID II
	A6	Quantified Self		C6	Basel III
	A7	Value / Sustainable Consumerism		C7	Pan-EU P2P Payments
	A8	Sub-sub Cultures		C8	eIDAS
	A9	Digital Detox		C9	PSD2 in Effect
B: TECHNOLOGY	B1	Blockchain for Payments	D: MARKET	D1	Contextual Financing
	B2	Biometric for Payments		D2	Subscription Economy
	B3	Edge Computing		D3	Online Marketplaces
	B4	3D Printing		D4	Autonomous Things
	B5	5G Network		D5	Wearables
	B6	IoT		D6	Smart Home
	B7	Immersive Experience (AR/VR)		D7	UN Sustainability Goals
	B8	Conversational Platforms		D8	Mass Customization
	B9	Payment Request API (W3C)		D9	Product Unbundling
				D10	Micro Payments



2019 PAYMENT TECH THEMES

THEME
1 REAL-TIME
EVERYTHING

THEME
2 PERSONALISED
ADVICE

THEME
3 TRUST
FACILITATION

THEME
4 BORDERLESS
CONSUMPTION

THEME
5 COOPETITION

THEME
6 CYCLIC BUNDLING
AND UNBUNDLING

THEME
7 FLUID
COMMERCE

THEME 1

REAL-TIME EVERYTHING

INCREASING EXPECTATIONS TO SPEED

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THEME 1: REAL-TIME EVERYTHING



TRENDS

Rewards &
Customisation, PSD2,
Micro Payments,
Online Marketplaces



INDICATIONS

Impatient consumers
with short attention
span and “click-and-
reward” mentality



EXAMPLES

**Amazon Same Day
Delivery** is offered as
the default delivery
option for Amazon
Prime customers

THEME 2

PERSONALISED ADVICE

ADVISING THE CROWD



THEME 2: PERSONALISED ADVICE



TRENDS

Quantified Self,
Rewards &
Customisation,
Conversational
Platforms, PSD2,
Smart Home



INDICATIONS

Consumers expect the
same level of
personalisation online as
they would find in local
store



EXAMPLES

Payr is using your
invoice data to
provide you with
recommendations on
the best suppliers
and deals

THEME 3

TRUST FACILITATION

ENSURING TRUST IN A COMPLEX WORLD

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THEME 3: TRUST FACILITATION



TRENDS

Sharing Economy,
PSD2, Micro
Payments, Online
Marketplaces



INDICATIONS

Increased use of sharing
economy and pay-as-you
go services creates high
market complexity



EXAMPLES

AirBnb and **GoMore**
are platforms that
facilitates for safe
and secure P2P
sharing services



THEME 4

BORDERLESS CONSUMPTION

BORDERS ARE SOON JUST CURVED LINES ON A MAP

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THEME 4: BORDERLESS CONSUMPTIONS



TRENDS

Data Privacy,
Biometrics, PSD2,
eIDAS, Online
Marketplaces



INDICATIONS

Physical borders are
becoming less apparent,
however cross-border
transactions and
identification processes are
costly and cumbersome



EXAMPLES

Revolut provides easy,
free of charge currency
exchange to spot price,
as well as mobile cross-
border transactions



THEME 5

COOPETITION

NAVIGATING HOW TO COMPETE AND COOPERATE



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THEME 5: COOPETITION



TRENDS

Sharing Economy,
Sustainable
Consumerism, PSD2,
Online Marketplaces



INDICATIONS

The world is becoming
more transparent and
digital – enabling easier
collaboration across
industries, consumer
segments and geography



EXAMPLES

Amazon Kindle and
Apple iPad agreed on
distributing Amazon
e-books through the
iPad

THEME 6

CYCLIC BUNDLING & UNBUNDLING

BUSINESSES DISRUPT BY UNBUNDLING THE INDUSTRY

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THEME 6: CYCLIC BUNDLING & UNBUNDLING



TRENDS

Rewards &
Customisation, PSD2,
Online Marketplaces



INDICATIONS

Consumers expect better
services, faster and cheaper
– but also want to feel
certain that they have
chosen the right solution in
a complex market



EXAMPLES

Services for flight and
hotel booking have
unbundled out of
Craigslist. In turn,
platforms like **Momondo**
bundles value packages
of flights and hotels

THEME 7

FLUID COMMERCE

IN STORE? ONLINE? LINES ARE BLURRING

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THEME 7: FLUID COMMERCE



TRENDS

Rewards & Customisation, IoT, PSD2, Online Marketplaces



INDICATIONS

Customers expect **one** user journey that is interlinked and connected across shops and channels



EXAMPLES

Disney's Experience tool for trip booking and attraction locator, linked to **Magic Band** for Fast Pass, hotel room key, photo storage and food ordering

Consumers are changing preferences



37%

Of consumers would buy more if the customer experience was more personalized



45%

Of consumers would shop more in a given store if it was more convenient



56%

Of consumers cancel a purchase or buy less if their preferred payment option is not available

High demand for **hassle-free shopping** experiences, **tailored** to the needs of the individual

And increasing satisfaction ever important



71%

Of consumers would be more loyal to a retailer if return policies were more agile and convenient



50%

Of consumers would buy more if in-store shopping experiences provided same diversity as ecommerce



45%

Of consumers would buy more if ecommerce shopping experiences were as tangible as in-store

High demand for **seamless customer experiences** blending the boundaries between the physical and digital world



62%

value having the same payment methods in all channels

50%

value that the experience is the same across channels: payment, loyalty, receipts

65%

have left a store due to having to line up for paying

Enabling the creation of unique and seamless customer journeys centered around the best possible identifier:



Support all your customers' cross-channel needs and behaviours

Buy and subscribe:

Start a subscription automatically after an in store purchase



1-Click Payments

Frictionless payment across all channels



Click & collect

Buy online and pick-up instore



Omni return

Buy in one channel and credit in another



Endless aisles

Browse and shop from online stock while being instore



Omni Identity

Enrol in loyalty program and get recognized in all channels

Click&Collect



Frictionless identification of customer and order details via **payment card**



Browse eCommerce platform and find desired item



Place order and choose to pick up item at physical store instead of shipment



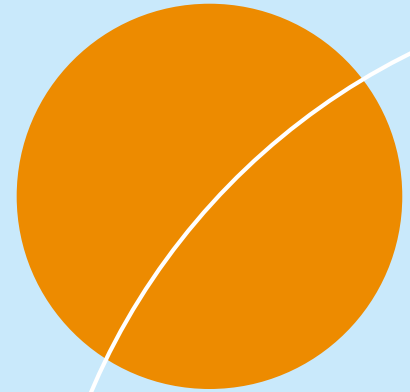
Visit store and find Click&Collect counter



Tap **payment card** used for the purchase in order to process the specific order



Receive item in store and order is completed



Endless Aisles



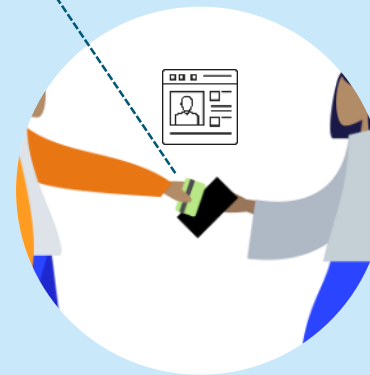
Customer finds a product in a physical store but it is out of stock



Customer is offered to buy at store and have product delivered at home



Frictionless retrieval of customer details for delivery via **payment card**



Customer taps **payment card** at register to pay, and identify customer's ecommerce profile.

Order is placed instantly and card authentication for purchase is made

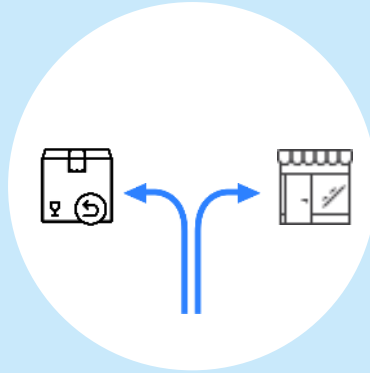


Item is delivered to customer's desired shipping address completing the order

Omni Returns



Customer has bought item from either physical store or ecommerce, but regrets purchase



Customer has free choice to return at store or ship item to business address.



Seamless retrieval of ecommerce order details via payment card

In store: Customer returns ecommerce order and taps payment card to retrieve order details and receive refund

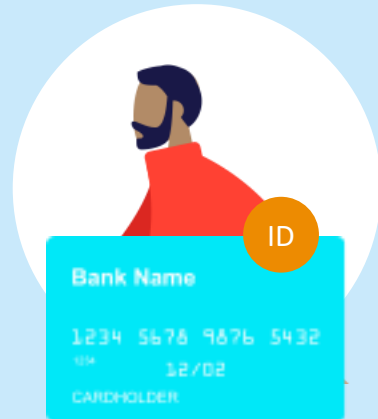


Shipped: Item is sent along Purchase ID from store used to identify order and refund via ecommerce platform

One click payments



Customer makes a purchase in store / via e-commerce or app



Customer chooses to register **Payment card** which is securely stored with a unique ID



Unique ID is associated with customer's user profile with business



Customer can now pay with 1-click from user profile, with payment card registered here

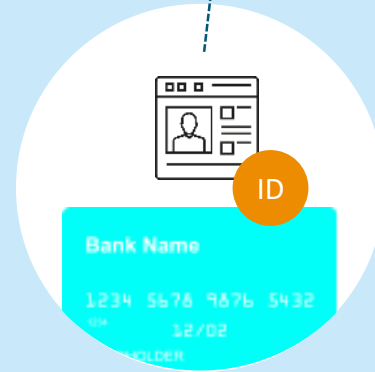
POS subscription



Customer makes purchase in store



In relation to this purchase customer wants to sign up for a subscription with e.g. monthly fee



A customer profile for is created and pushed to web platform based on **payment card** used



Seamless transition from instore purchase to recurring ecommerce via **payment card**



Monthly subscription is initiated without any further need for sign up by customer

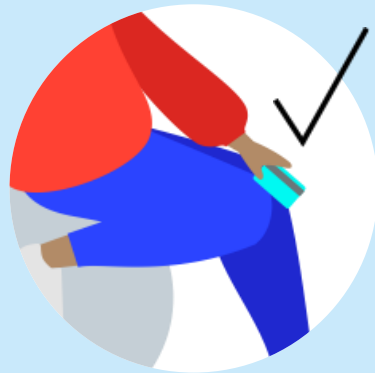


Subscription can subsequently be managed on web platform

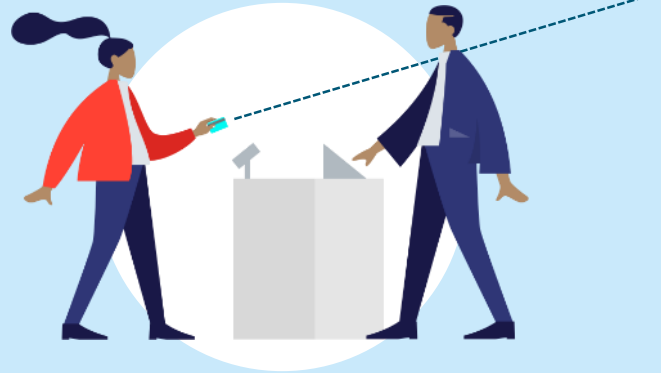
Omni identity



Customer does a purchase on ecommerce platform



Customer enrolls in loyalty program, based on payment card used



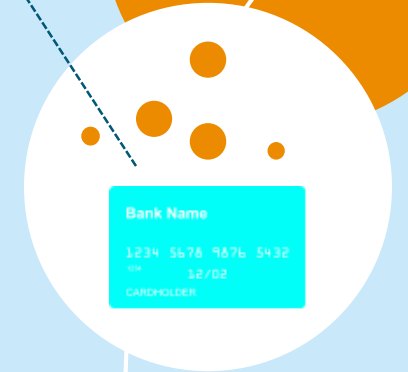
In store the customer can now be identified based on **payment card**



Customer recognition for loyalty and servicing across channels via **payment card**



Customer preferences / purchase history can be retrieved in store for better servicing and more personalized customer experiences across all OmniChannel customer journeys

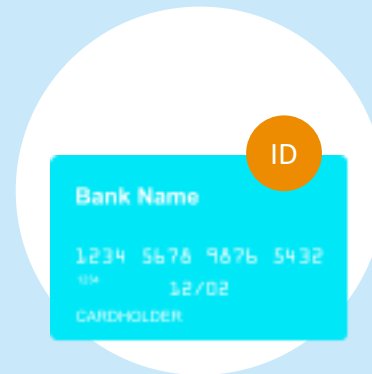


Purchases made across channels seamlessly count towards loyalty benefits simply by using same **payment card**

Based on cross channel customer recognition



Customer makes a purchase in store / via ecommerce or app



Customer's **payment card** is registered with Unique ID in relation to transaction



Customer can now be recognized across channels based on payment card, which fuels all subsequent OmniChannel journeys



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All in all

Nets enables true OmniChannel customer experiences with **payment cards** at the center, allowing seamless integration and customer recognition across physical and online channels



Buy and subscribe



Click & collect



Omni returns



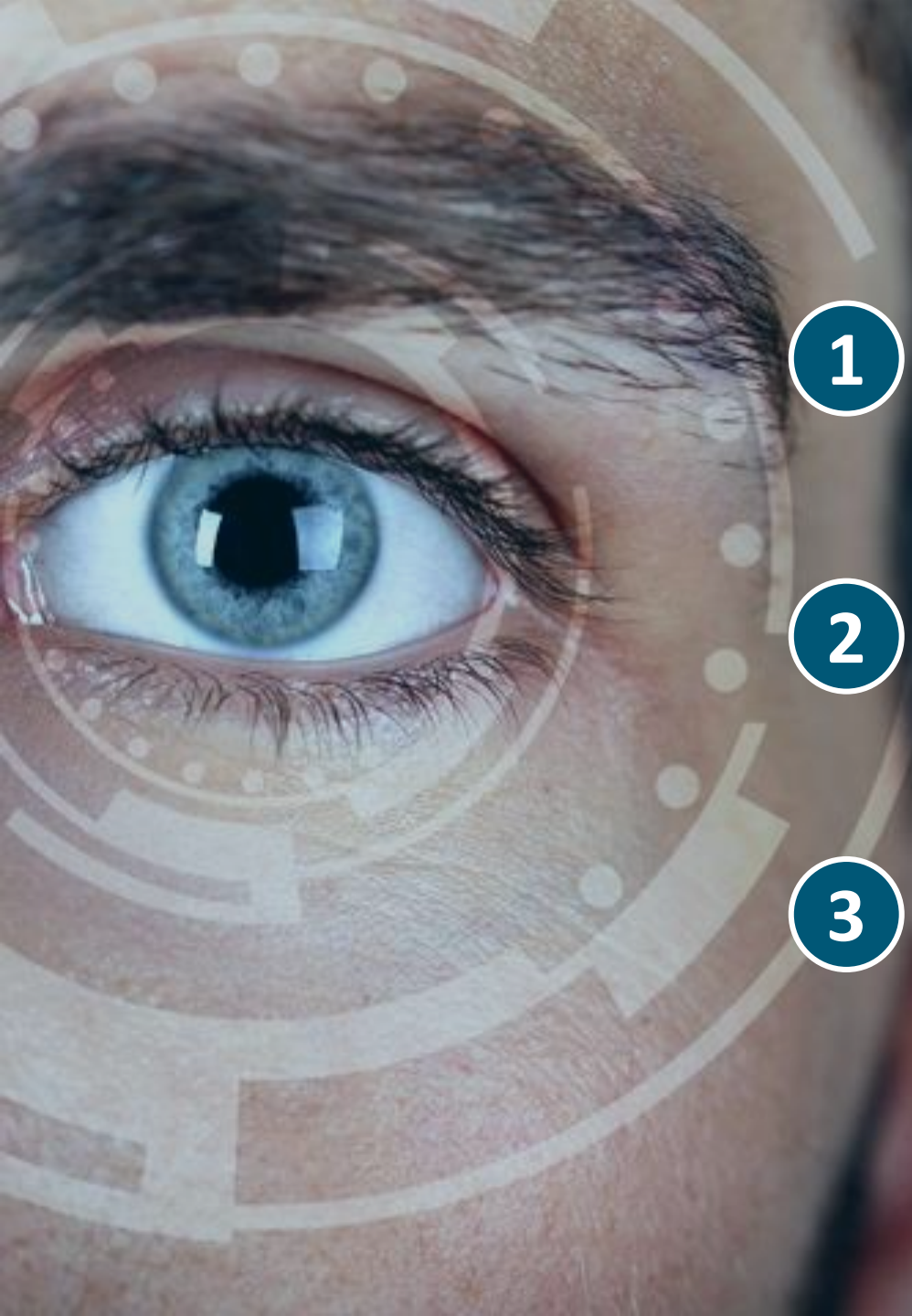
1-Click Payments



Endless aisles



Omni loyalty



- 1 Technology is driving enormous change in the world
- 2 We believe many trends change how people shop and pay
- 3 Nets is investing in solutions to help you stay ahead of these trends