Mobile payments are coming and they represent an extraordinary opportunity for retailers.

More than 286 million Americans have mobile phones and 68\% will have smartphones by 2015. People are texting (over 1.5 trillion text messages sent in 2009) and downloading apps (over 3 billion apps in 4 years).

They’re shopping, finding out about deals, and buying music, movies, and more. In short, the mobile revolution has begun and it’s reinventing every aspect of commerce.

The credit, debit, gift and stored value accounts people carry in wallets today will soon be migrating to an electronic wallet on their mobile phone, with enhanced functionality such as coupons, receipts, and tickets.

And, people will be making payments on their phone in more places. In fact, they already are – mobile contactless transactions are expected to top 2.2 billion in 2011.

An Active Industry

Leading companies are investing heavily in mobile payments throughout the United States:

- In January 2011, Starbucks announced the launch of mobile payments in all US company-operated stores, allowing customers to pay for in-store purchases with select smartphones
- In November 2010:
  - AT&T Mobility, T-Mobile USA, and Verizon Wireless announced a joint venture, called Isis, to build a mobile payment network in the United States
  - RIM announced that it will support NFC (Near Field Communications, a key technology for mobile payments) in future Blackberry handsets
  - Google announced that upcoming Android devices would support NFC and its flagship Nexus S, in stores now, already includes an embedded NFC chip
- Apple will reportedly add NFC capabilities to its next generation iPhone in 2011, enabling customers to make purchases by swiping their iPhone at point of sale
- 4 of the 5 largest U.S. financial institutions (including Bank of America, JPMorgan Chase, Wells Fargo, and U.S. Bancorp) have all announced pilots that use microSD (another key technology)
Be Part of the Coming Wave of Mobile Payments

Here’s How It Can Work

1. A customer presents their phone at purchase
2. Customer gets a confirmation of payment on their phone
3. Retailer sends transactions for settlement, just like any other form of payment

Benefits to You

→ Position yourself as a market leader on the cutting-edge
→ Win repeat business by offering fast, convenient, and secure self-payment methods
→ Stronger appeal to a younger audience
→ Speed up transactions

Benefits to Your Customers

→ Convenience, using a phone that’s always with them, always on, and usually more accessible than a wallet
→ Feel secure and in control of the payment process
→ Make fast transactions easy, using the payment method of their choice
→ Spend less time waiting in line

A Global Leader in Electronic Commerce

First Data powers the global economy by making it easy, fast and secure for people and businesses around the world to buy goods and services using virtually any form of payment. Serving millions of merchant locations and thousands of card issuers, we have the expertise and insight to help you accelerate your business. Put our intelligence to work for you.

For more information, contact your Sales Representative or visit firstdata.com.

4 Ibid