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And of course, along the way, the mobile device as a marketing vehicle will only become more and more powerful. But because it is a fully opt-in marketing vehicle, the challenge rests entirely with the merchant community to figure out what sorts of offers and opportunities will garner customer acceptance.

Yes, much of this will be hard work and we are likely as an industry to make some false steps and still learn a few lessons. Even if we figure out all the technical issues and present the market with a sound, workable solution, consumer behavior is not completely predictable. But imagine for a minute that everything I've discussed has gone smoothly: It's a year or two in the future and once again you are on your way to work on the BART train. Only this time . . .

Walking out the door, you do a quick check on your iPhone to find the lowest-price gas station between your house and the commuter parking lot at the BART station. When you select the Shell® icon, a coupon appears that's good for a free car wash with fill-up and a coupon for a free size upgrade on a cup of coffee. Because you're running late today, you'll take advantage of the car wash offer later, so just store the coupon in your phone and drive directly to the station. On almost every other day, you stop at the Starbucks down the street, paying with the Starbucks® Card stored in your phone. But not today, because you buy coffee at Shell with the free upgrade you received just moments ago.

After swiping your phone at the turnstile, you rush to the BART train, just making it before the doors close. About halfway to San Francisco, you get a text message from Starbucks (because you indicated your desire to receive these communications when you signed up). "We missed you this morning! When you get a minute, drop in to any Starbucks and use this coupon for a free size upgrade. If you would like to use GPS to find the closest outlet, just click here."

On the BART train these days, the advertising is all interactive. So, before getting off at the downtown station, you make a few quick swipes with your phone to see what your favorite lunch spots are offering in the way of specials. Mmmm . . . 20 percent off the classic meatloaf sandwich at Max's!

But today, you promised your wife that you'd pick up a new laptop computer for your daughter's graduation present. At Best Buy, you've got it down to three different models. Now, just tap your phone to the display in front of each brand and see what incentives might be available. Sony is offering a \$200 mail-in rebate, which, if you use your Best Buy account, will be credited instantly—no need to submit paperwork. HP will give you either a free printer or an extended three-year coverage plan. And Apple will give you nothing, but because you have an iPhone, they send you an e-mail telling you how cool you are.

You choose the HP® laptop, because the extended warranty sounds appealing as your daughter heads away for college. At the register, another offer comes through, this one from American Express. Use your Gold Card and get double points. Another quick pass of the iPhone and you're on your way. You finally return home and see your leather wallet on the counter where you left it this morning. You suddenly realize that you don't need it anymore.



And now, the favor part: I really want to hear your thoughts on mobile commerce. Obviously, at First Data, we see an important role for our company as the world moves toward the electronic wallet. But we have no illusion that we will achieve success for our partners and ourselves by acting alone. The Mobile Commerce Solutions division at First Data, which I head, was set up specifically so that we could focus on this important area. Right now, that means reaching out, sharing our data and insights, learning from others and thinking a lot.

So please, contact me or any member of my team. We not only want to help, we want to listen. I can be reached directly at [barry.mccarthy@firstdata.com](mailto:barry.mccarthy@firstdata.com).

For more information, look for these forthcoming white papers at <http://www.firstdata.com/about/whitepapers.htm>:

- Mobile Payment—The Linchpin of the Mobile Commerce Economy
- Going Direct with Mobile Marketing
- Mobile Account Management—The Mobile Commerce Enabler
- The Role of Trusted Service Managers in Mobile Commerce



## About The Author

**Barry McCarthy** was appointed to lead the newly formed **Mobile Commerce Solutions business unit of First Data** in January 2008. He has responsibility for commercializing all First Data assets globally for use in mobile commerce. In this role, McCarthy and his team work closely with a variety of industry partners, from the largest wireless carriers to young start-ups, financial institutions, technology providers and terminal manufacturers.

Previously, McCarthy led Global Product and Business Development for First Data and before that, product development for the Commercial Services business unit. Prior to joining First Data, McCarthy was Vice President and General Manager of VeriSign's Internet Payments & Risk Management business unit, a NASDAQ 100 technology company.

Before VeriSign, McCarthy co-founded and later sold MagnaCash, a Silicon Valley micro-payments company that is currently owned by Digital River (NASDAQ: DRV). Previously serving Wells Fargo (NYSE: WFC) as Vice President and General Manager of the ATM business, McCarthy had P&L responsibility for \$110 billion in annual transaction volume and 14 million active ATM cards. McCarthy started his career at Procter and Gamble (NYSE: PG), where he spent 12 years in roles of increasing responsibility, first in sales and sales management and later in customer marketing and brand management. He earned a Masters in Business Administration from the Kellogg School of Management at Northwestern University and completed his undergraduate studies at the University of Illinois, Urbana.

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