



A recent social media survey asked, "What are some things Millennials will never experience?" The answers ranged from "replacing a diamond stylus on a turntable," to "buying a Disney® eTicket." And one response, almost certainly written by a nostalgic banker, read, "People rushing to the bank before it closed on Friday."

What are some things Millennials will never experience?

By the early 1980s, drive-through banks had been around for a half-century. But when ATMs came into widespread use in the early 1990s, everything changed, from the way we used banks to the way we thought about cash. For those lucky enough to have missed the transition, it's hard to overemphasize how truly breathtaking it was — suddenly

being able to access your cash from anywhere in the world, at any time. Today's younger consumers are far more immersed in technology than those of us who remember the first ATMs. For Millennials, even the most high-tech advances have ceased to be breathtaking. They're simply tools to save money and time. Brand loyalty means less than, "Who's got the best app?"

Of course, the best of both worlds is saving time and money. But more and more, research shows that if there needs to be a trade-off, people are willing to spend more to save time.

Last year, researchers Hal E. Hershfield, Cassie Mogilner Holmes, and Uri Barnea conducted a study for the Social Psychological and Personality Science Journal, posing a question to more than 4,000 diverse Americans of varying ages, "Which leads to greater happiness — money or time?" Their findings showed that choosing time over money was associated with greater happiness.¹

One only has to look at the popularity of Amazon Prime® for proof that consumers don't mind paying a little more if it saves them time. Uber, UberEATS and a plethora of new "copycat" companies were also born of the idea that consumers want what they want, and they want it immediately. Whether it's a ride, a dog walker, a house painter or a package delivery — people are willing to spend more for convenience.

This shift in priorities from saving money to saving time has changed the ways businesses approach developing and delivering technology solutions. Over the past five years, First Data has invested in digital banking, mobile payment apps, and even pay-by-car technology. Now, it's introducing new products to merchants and financial institutions that deliver "time-savings" across the board.

Launched in December 2016, Digital Banking Reimagined is an online and mobile banking solution for financial institutions designed specifically for the way consumers want to bank today. Chris Cox, First Data's Head of Digital Banking and Vice President of Mobile Payments, says his team dedicated 15 months talking to consumers, and they used what they learned to reinvent the banking experience. "In addition to deeply understanding the needs of our financial institution clients, we realized we needed to talk to their customers to understand exactly what they needed."

Cox points out that because more people are using their phones to do their banking it was important to design a visual, user-friendly experience that could provide fast access to the most important functions and a quick overview of their finances. "The time element was key. Consumers told us they wanted to be able to do everything — from depositing checks and transferring funds, to paying bills and analyzing spending — in 15 minutes or less, so we considered that at every stage of development."

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The result is a powerful tool with features that address the mobility needs of consumers today. "It really delivers a new experience — one that's engaging and cohesive, with innovative tools that put users in full control of their finances — and, most importantly, can fit in their pocket," says Cox.

On the heels of the Digital Banking Reimagined launch, First Data made significant enhancements to ConnectPay®, a mobile solution designed to make the payment process faster and easier, connecting merchants to their customers' ACH bank account information. Created and managed by TeleCheck®, ConnectPay enables merchants to safely store their customers' bank account information, with First Data securing the customers' information. As Charles Williams, First Data VP of Product explains, "Consumers are already comfortable storing their credit card information with retailers, so we thought we

should give them the option of paying directly from their bank accounts and keeping that information on record for further use."

Williams says the true value of ConnectPay is its flexibility. The solution is designed to work across all channels. Whether a customer is making the purchase in a store, at the pump, online or on a mobile app, ConnectPay simply accesses the information through a loyalty card, a keychain fob, an app or even

the customer's phone number, and processes the payment. "It's a win-win for merchants and customers. Customers' checkouts are faster, which makes them happy, and because ACH is less expensive to process, the merchant can offer rewards to customers who use ConnectPay, which builds loyalty."

First Data is also rethinking other technology to save time. The company is working with clients to deliver a range of Universal Commerce solutions specifically designed to enable consumers to pay wherever they are, however they want, and to do it easily and quickly. Scott Mackay, First Data's VP of Digital Commerce Solutions, outlines the vision. "The industry today looks at omni-channel commerce as the ability to pay at the POS, online or via a mobile phone, but we look at it more broadly than that. We look at the consumer interaction throughout the entire commerce experience and contextually enable





It's a win-win for Merchants and Customers when the Checkout is Faster

the 'correct services' at the 'correct point in time.' The payments, the service, the interaction — everything is consistent, and the consumers never have to pull out their wallet or swipe a card — that's what our uCom solutions deliver."

First Data's uCom journey began with pilot programs and launches of mobile apps from major players such as ExxonMobil®, Taco Bell®, Chick-fil-A®, and McDonald's. Though branded for the merchant, First Data is responsible for the payment infrastructure behind each brand's apps. When the Chick-fil-A One™ app launched and was downloaded more than a million times in just three days, it was up to First Data to handle the volume of "skip the line" customer transactions that immediately poured in. "All of these apps are designed to get customers what they want, faster," explains Mackay.

Beyond apps that enable ordering, payment processing and rewards tracking, First Data is most excited about the work it is doing to link together First Data Marketplace clients across multiple verticals (automotive, QSR, petroleum and convenience stores, and banks) together to launch new-to-world commerce solutions. An example of this is what First Data is doing to integrate these vertical clients with a major car manufacturer, to bring the "connected car" to consumers. Today's connected car is part of the exploding Internet of Things (IoT) that authenticates drivers by the technology built into their cars. That way, customers don't even need a phone when they go through a drive-thru. "We're bringing a lot of other services to original equipment manufacturer (OEM) companies to include paying online, paying via mobile, delivering recommendations and offers based on geolocators,

getting repairs done, even interacting with the dealership; the automotive side isn't just the connected car, it's the full ecosystem of it," says Mackay.

"The things we're bringing to market are innovative and exciting, but more importantly, they're really delivering the convenience, optionality and flexibility consumers are demanding today. When you look at the brands that are exploding right now — consumers are making it pretty clear that if a merchant delivers a fast solution, there is a greater chance of developing loyal, happy customers."

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#ConnectPay
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THE DIGITAL JOLT

The App Revolutionizing Customer Loyalty

As much as coffee is part of our morning routine, it is also ingrained in our culture. It impacts the way we interact as human beings — or don't interact at all, at least until we've had our coffee. In today's world, the same thing can be said about technology: It's become an integral part of our lives and our world. For most of us, our phones are the first thing we reach for when we wake up, and they keep us going all day long.

So, the idea of building technology around coffee makes sense — particularly mobile technology, as people are constantly on the go. And, who better than Starbucks®, a pioneer in the coffee industry, to lead us in the direction of integrating our "cup of joe" with our mobile phones?

Every year, since launching its loyalty program and mobile payment program, Starbucks has introduced new technology-enabled capabilities that better meet the needs of consumers. "They're driving the direction all merchants are going with mobile payments, loyalty and consumer engagement," says Basil Abifaker, SVP, Head of Gift Solutions Product at First Data.

Today, more and more of the chain's customers rely on the Starbucks app for their daily coffee fix. So much so, according to Starbucks president and CEO Kevin Johnson, that mobile payments increased to 20 percent of total transactions in the first quarter of 2017.¹ Not only that, but its gift card program is thriving, with a \$2.1 billion surge in new gift card purchases and reloads in the first quarter, both digitally and online. "Those numbers are a reflection of the strength of our brand, as well as the power of our digital [innovation]," Johnson said.

Scott Maw, Starbucks EVP and CFO, said at a recent conference that the company's latest innovation increases interaction with consumers by pushing personalized real-time messages through the mobile app.²

Abifaker explained, "The rich data behind every account number provides Starbucks with valuable information about who their customers are, where they're located and how often they interact with their gift cards. So, it is allowing them to convert traditional stored-value programs into marketing opportunities."

And, according to Starbucks, these new one-to-one real-time messages are proving to accelerate spend per card member. At the same time, they're also helping to increase customer loyalty and build brand awareness. In fact, Adam Brotman, Starbucks EVP, Global Retail Operations, recently predicted on an earnings call that the company's mobile app will soon account for more than half of all transactions in its U.S. stores.³ Just more proof that merging coffee and mobile was one of the company's best decisions. ▽

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