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Beyond the Billfold: What to Know About Today's Digital Payments

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About Your Host

John Mills

- 10+ years in fintech and enterprise sales, specializing in negotiation, business planning and operations
- Former Director of Partnership Development at Dwolla; senior roles at Payroc and Payscape
- Experienced in team management, strategic initiatives and driving sales growth
- University of South Carolina graduate with a BS in business management

About Your Speakers

Eric Hoffman

- Leads sales and partnerships across all product lines at Early Warning Services
- Over 25 years in financial services and fintech building strong sales teams and forming partnerships to launch payment solutions
- Former director of Apple Pay business development at Apple; expanded Apple Pay across the Americas
- Served as board president of the Electronic Transactions Association in 2023

About Your Speakers

Khari Towns

- Over 25 years of payment industry experience
- Currently supports the Strategic Client Management group for Discover Global Network
- Leads acquisition, business development and client management efforts for acquiring technology partner relationships supporting digital payments strategy
- Earned a bachelor’s degree in business management from Hampton University; recognized by Smart Card Alliance as Certified Smart Card Industry Professional (CSCIP) for Payments

AN EVOLVING LANDSCAPE

Today's Payments Ecosystem

Why Digital Wallets?

- **Convenience:** It's more convenient to carry and frees up pocket space. Plus, multiple types of cards can be stored in the digital wallet.
  - Nearly two-thirds of Gen Z shoppers report higher spending when using digital wallets[1]
- **Extra backup:** Cardholders can make payments at most retailers without a physical wallet.
- **Safety:** Digital payments have the added protection of data encryption and tokenization, making them safer in many ways than traditional debit or credit card transactions.

31%

additional **spending** by digital wallet users compared to non-users[1]

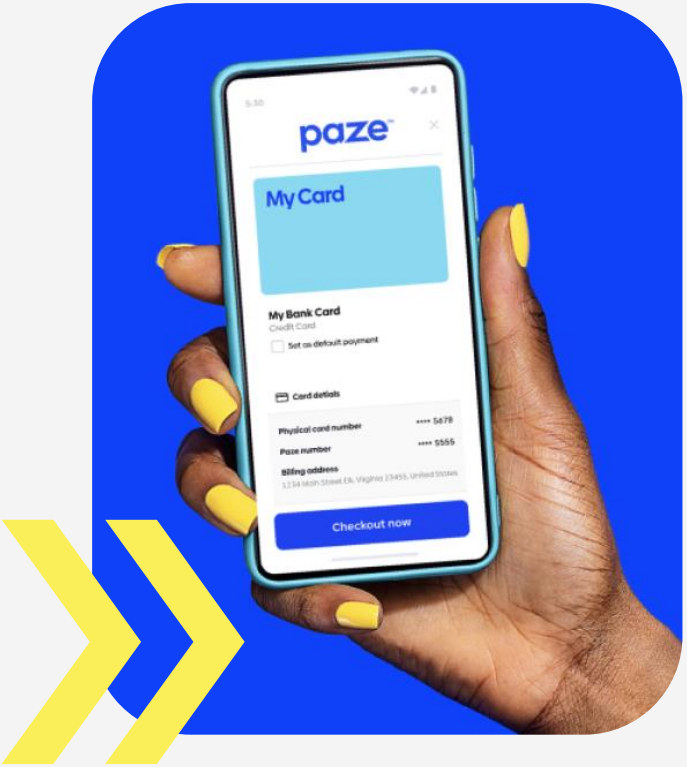
[1]*PYMNTS August 15, 2024 "Big Spenders: Nearly Two-Thirds of Gen Z Spend More When Using Digital Wallets" (link)*

Bank-Centric Digital Wallet

» **What is Paze℠?**

Paze is an online checkout experience/solution that makes it easy to make purchases.

Offered by participating banks and credit unions, Paze customers can check out online without having to share actual card numbers with the merchant.



HOW AND WHY

Consumer Behavior and Payment Trends

Why Consumers Prefer to Pay Their Way

75%

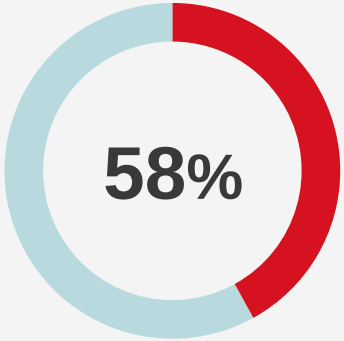
of consumers are likely to complete a purchase by using their preferred payment method*

52%

of consumers consider a commitment to supporting small / local businesses a factor affecting digital payment provider choice*

58%

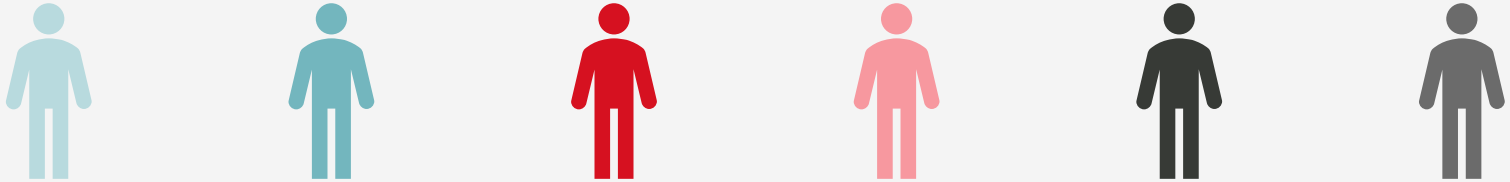
of consumers are likely to complete a purchase because of their ability to skip the line and pay directly with a sales assistant's mobile device*



of consumers prefer a contactless method when making payments in-person*

**451 Research, part of S&P Global Market Intelligence Global Payment Survey, commissioned by Discover Global Network, Q12024*

Generational Preferences



	ALPHA	GEN Z	MILLENNIAL	GEN X	BOOMERS	SILENT GEN
% of global population	19.5%	24.6%	22.9%	18.3%	12.1%	2.6%
Spending power	**10.6%**	**17.1%**	**22.5%**	**23.5%**	**20.8%**	**5.5%**

Total spending: $57.6 trillion

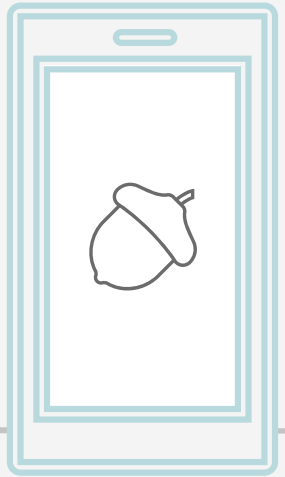
Source: NielsenIQ, World Data Lab | Data is for 2024

Gen Z is expected to lead global spending growth, adding $9 trillion by 2034.

Security in Payments

43%

of Baby Boomers expressed a high level of apprehension about the security of mobile payment sources

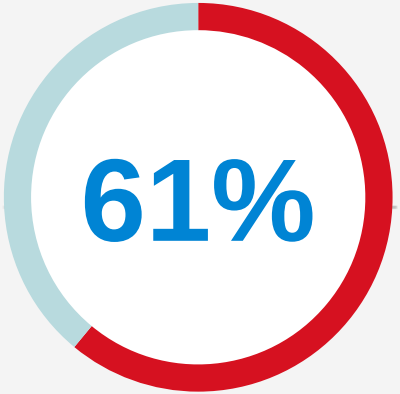


32%

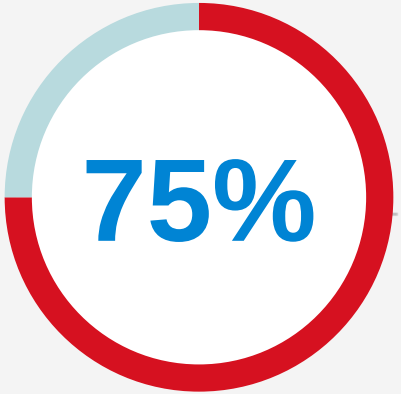
of Gen Z expressed concerns about the security of digital payment types

Source: Paper, Plastic or Pixels: Payment Preferences by Generation (link)

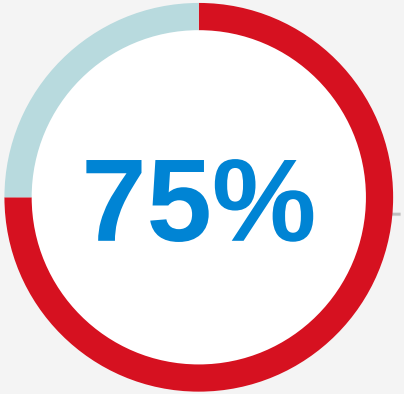
Market Adoption



of merchants view payments as highly strategic for competitive differentiation.



of merchants see diverse payment options as drivers of success.



of merchants see fraud prevention as important for success.

Source: Discover® Global Network Study: Slow Payments and Fraud Prevention Are Pivotal Growth Opportunities in Consumer and Merchants Segments (link)

LOOKING AHEAD

The Future of Payments

Key Takeaways

Beyond the Billfold: What to Know About Today's Digital Payments

Executive Summary

- **Digital wallets drive convenience and security**
  Consumers, especially Gen Z, are embracing digital wallets for their ease of use, ability to store multiple cards, and enhanced security through encryption and tokenization.
- **Payment preferences influence purchase decisions**
  Consumers are more likely to complete a purchase when offered their preferred payment method, with factors like supporting local businesses and seamless checkout experiences playing a role.
- **Payment flexibility is critical for consumers and merchants**
  Consumers prioritize payment choice, speed, and security, while merchants recognize diverse payment options and fraud prevention as key drivers of competitive success.