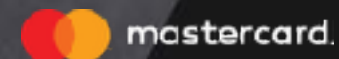


# ACCEPTANCE

BREAKING THROUGH THE DIGITAL AGE  
TO EXPAND TRANSACTIONS FOOTPRINT

# David Goodridge

SVP, Market Development, Europe



# Successful Acceptance Innovation

Experiences from Europe

# Mastercard Europe

**3000+**

Employees

**25+**

Offices in Europe

**56 billion  
(worldwide)**

Processed Transactions

**14%**

GDV Growth Rate  
(6 months ending 30 June 2017)

**53**

Countries

**750  
million**

People

**991  
million**

Cards in circulation  
(Not just Mastercard)

**1.2 billion**

Mobile Phones

# Mastercard Europe Acceptance Key Metrics

13M Mastercard merchant acceptance locations in Europe (Q3 2017)

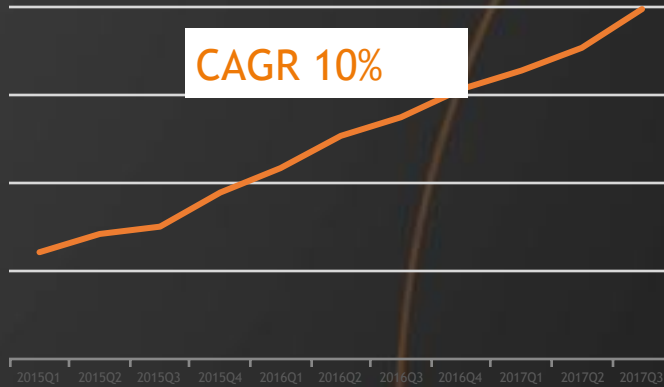
10% Merchant acceptance locations growth (CAGR)

16% Growth in acquiring purchase transactions (CAGR)

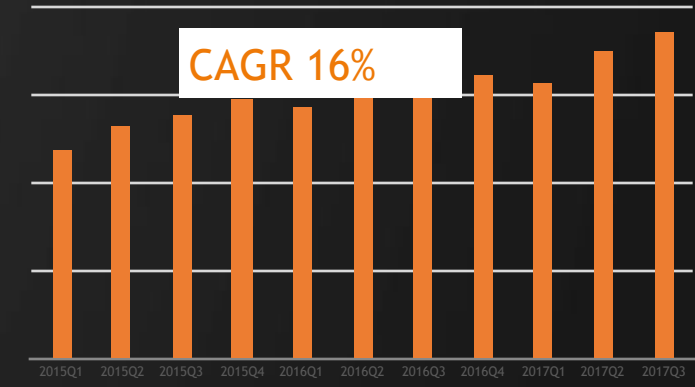
## CONTACTLESS

- In 40 European countries, 1 in 2 merchant locations have a contactless terminal
- 28 countries with contactless acceptance penetration over 40%

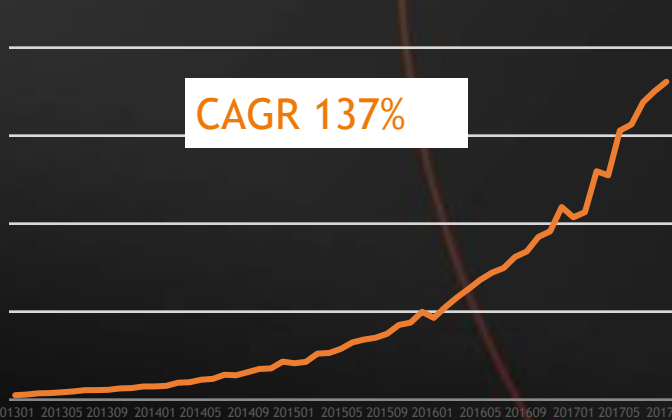
I Merchant acceptance locations based on member reported data



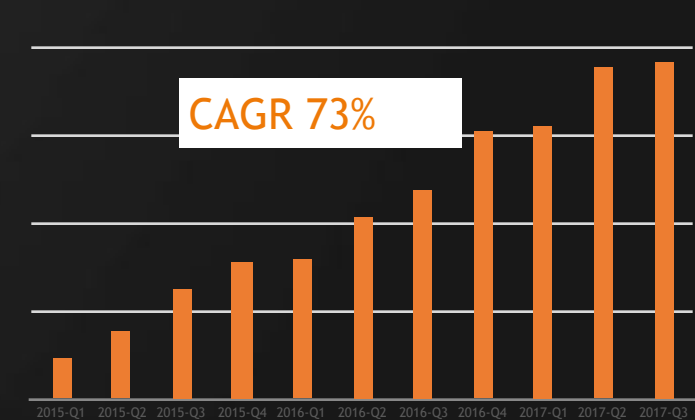
II Acquiring purchase transactions based on member reported data



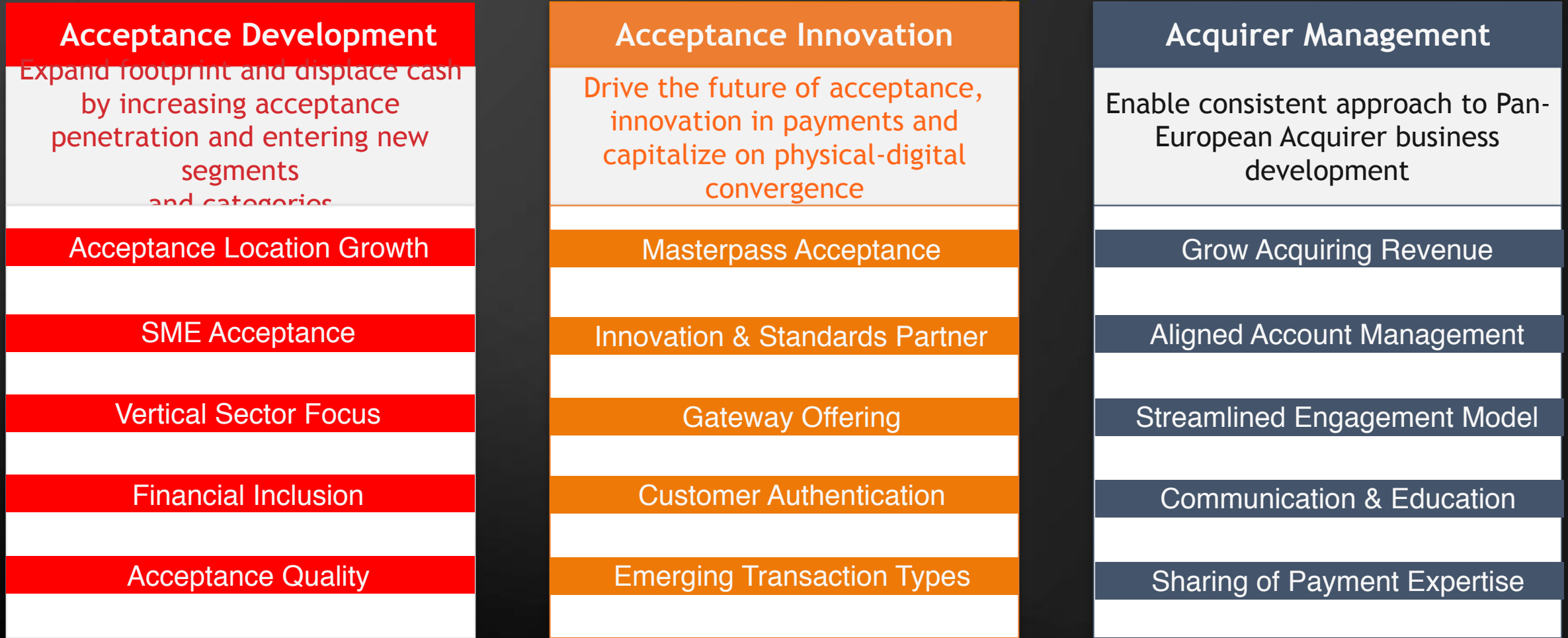
III Contactless transactions 4 year history in Europe



IV Acquiring Mobile POS volume based on MasterCard MPOS indicator



# European Acceptance Strategy



# European Acquiring Market Dynamics

## Market Consolidation



## Ecosystem Expansion



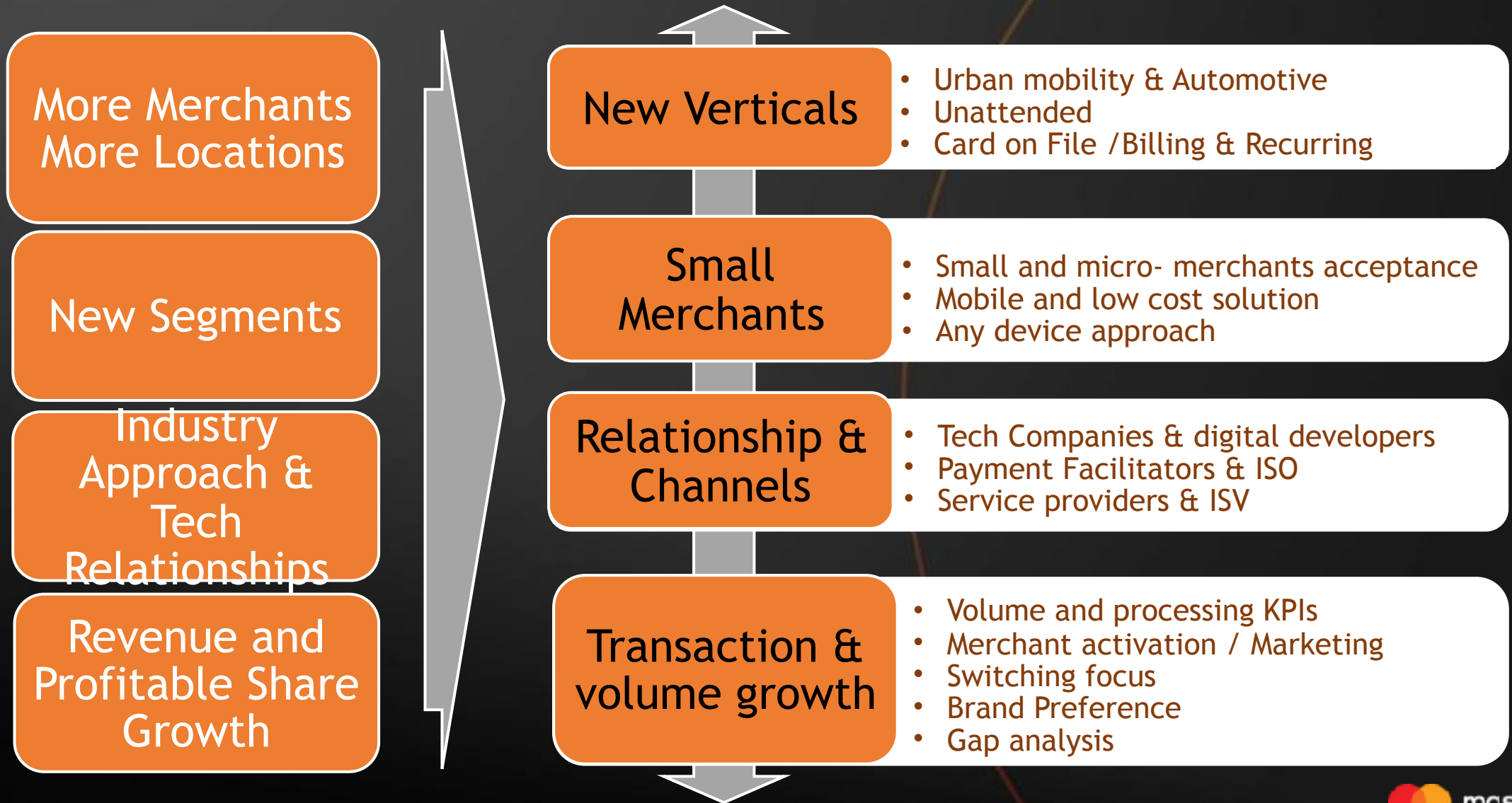
## Changing Merchant Needs



## Regulatory Changes

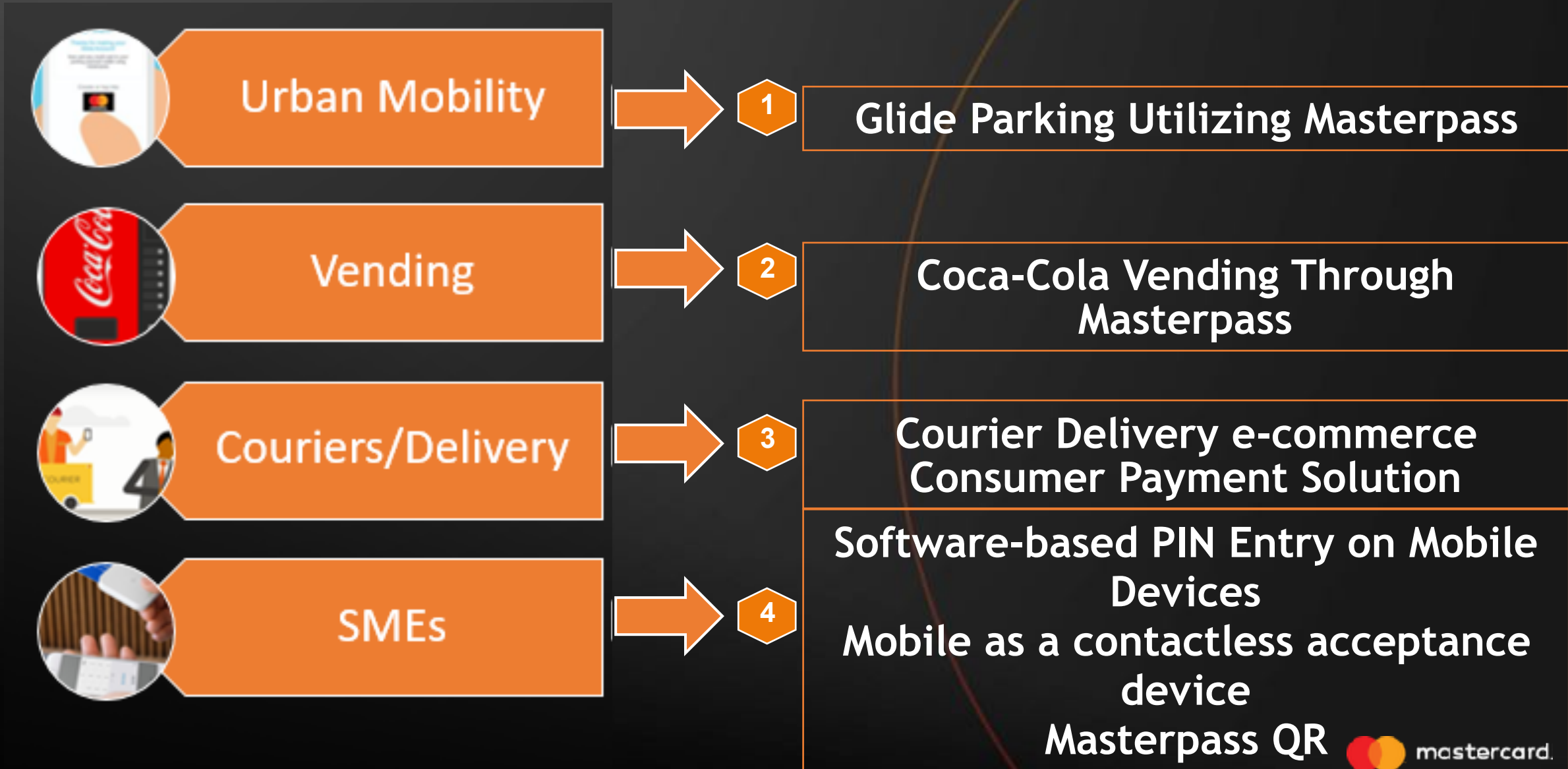


# The Future of the Point of Interaction





# Growing Acceptance in New Verticals



# 1 Glide Parking Utilizing Masterpass



# 1 Glide Parking Utilizing Masterpass

Pay for your parking using **Glide**  
E'ffortless parking

Step 1: Download the Glide app from the App Store or Google Play.

Get the benefits of a **Masterpass**  
Log in / Register

£1.40 discount on your parking **EVERYTIME** you pay using the Glide app (after limited time only)

Step 2: Register your details with Glide.

Step 3: Register your card details with Masterpass. Enable Express Checkout for faster payment.

Ready to leave? Tap "Pay Now"

All done!  
You're now ready to leave.

Use more tap.  
Pay Now using MasterPass.

**Glide**  
E'ffortless parking

@Glideparking  
#effortlessparking

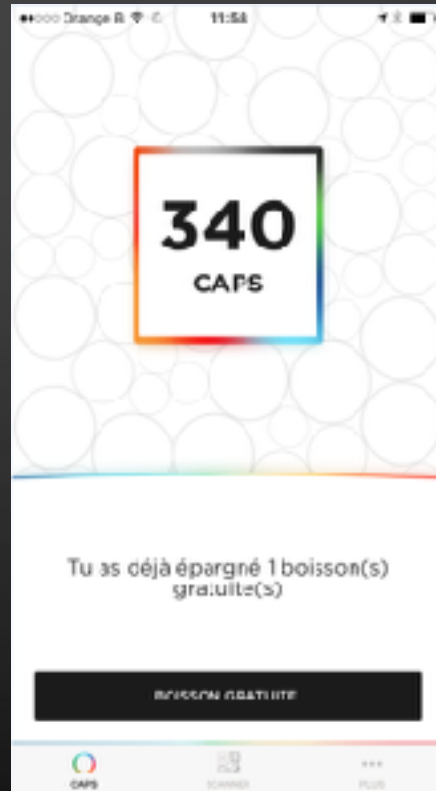
- Lower requirement for physical terminals: reduced costs
- Improved user experience for both app users and physical terminals: shorter queues
- Reduction in cash: reduced costs
- Marketing opportunities via push notifications: customer insights

*Glide reported that in the first 3 months, user adoption of the Glide app already represents 10% of all their payments.*

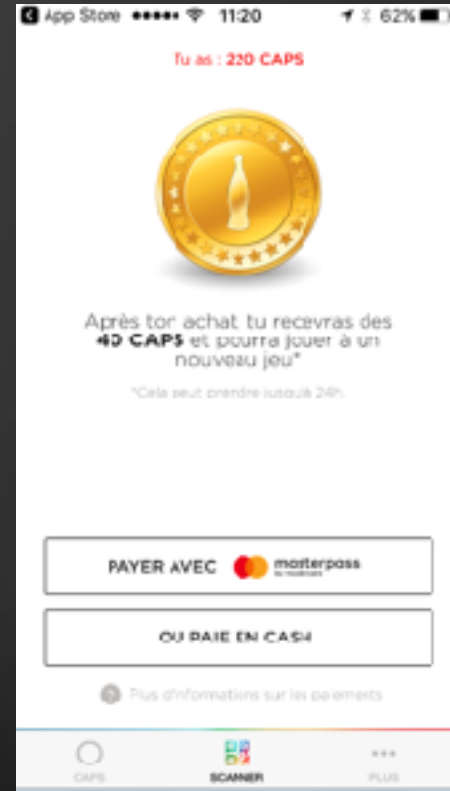
# Coca-Cola Vending Through Masterpass



1. Open Happy Caps app  
Click on Buy (Acheter)



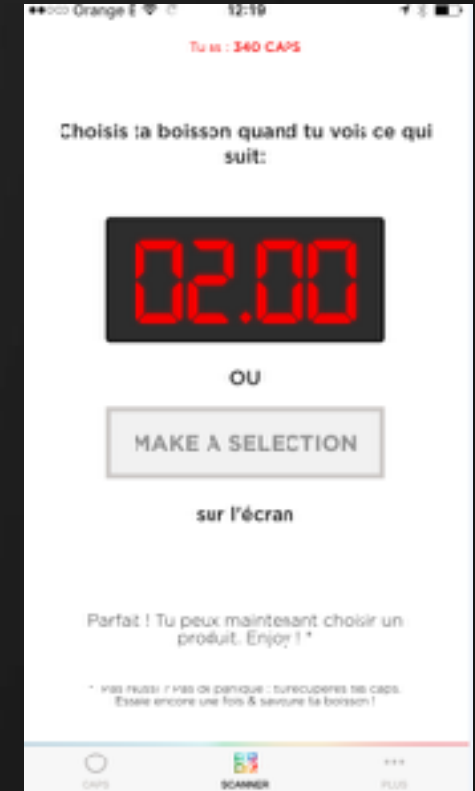
2. Check the status of your Caps (Loyalty bonus)



3. Select Masterpass



4. Scan the QR code on the vending machine

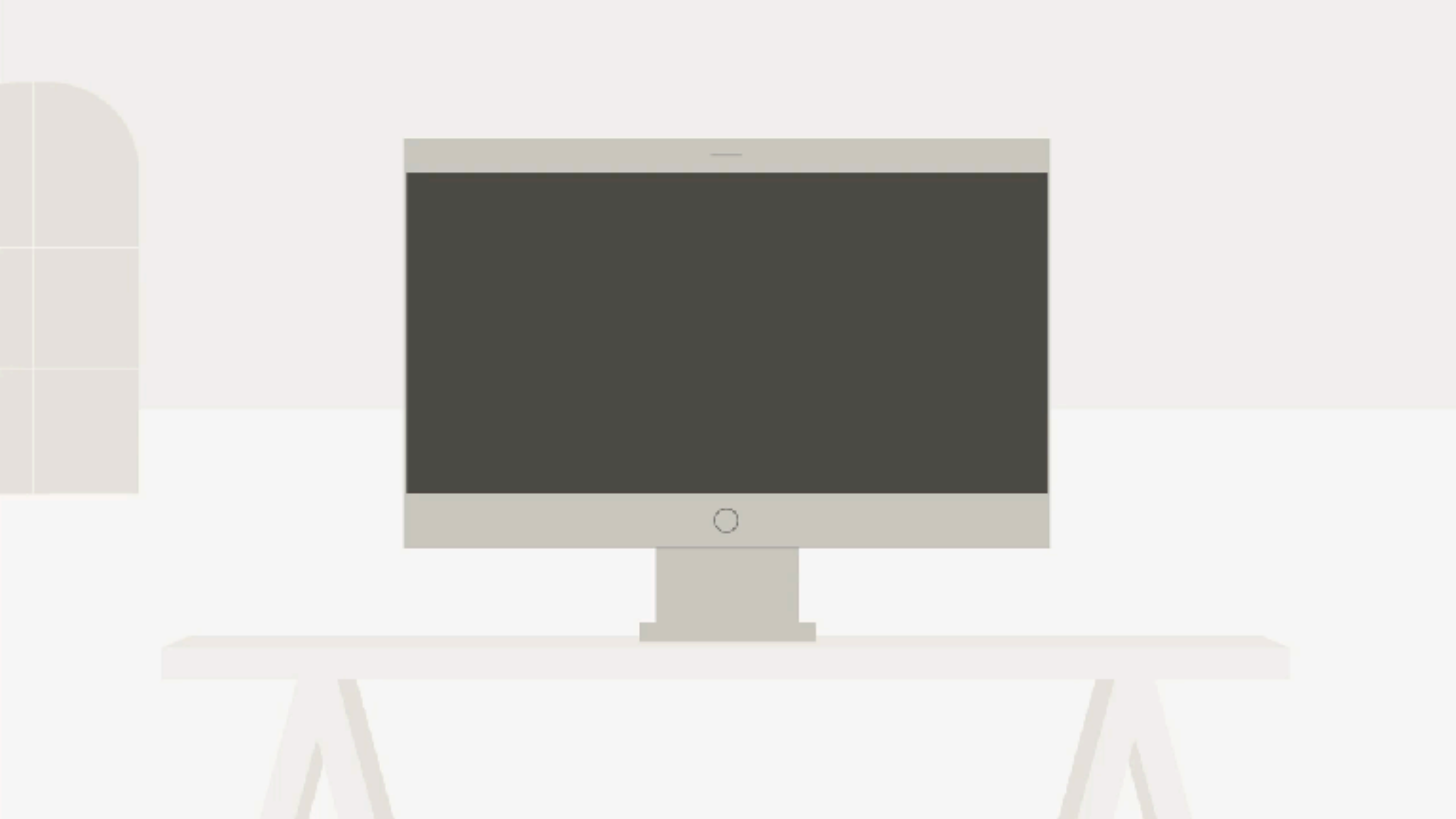


5. Select the product on the vending machine  
Get your drink

**Time for a  
Coke Break**

3

# Courier Delivery e-commerce Consumer Payment Solution



3

# COURIER DELIVERY E-COMMERCE CONSUMER PAYMENT SOLUTION



1

Preauth occurs at time of "purchase"



2

Funds held until delivery is complete



3

Consumer is happy with product



4

Courier confirms delivery successful



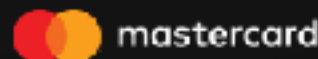
5

Consumer confirms they are happy



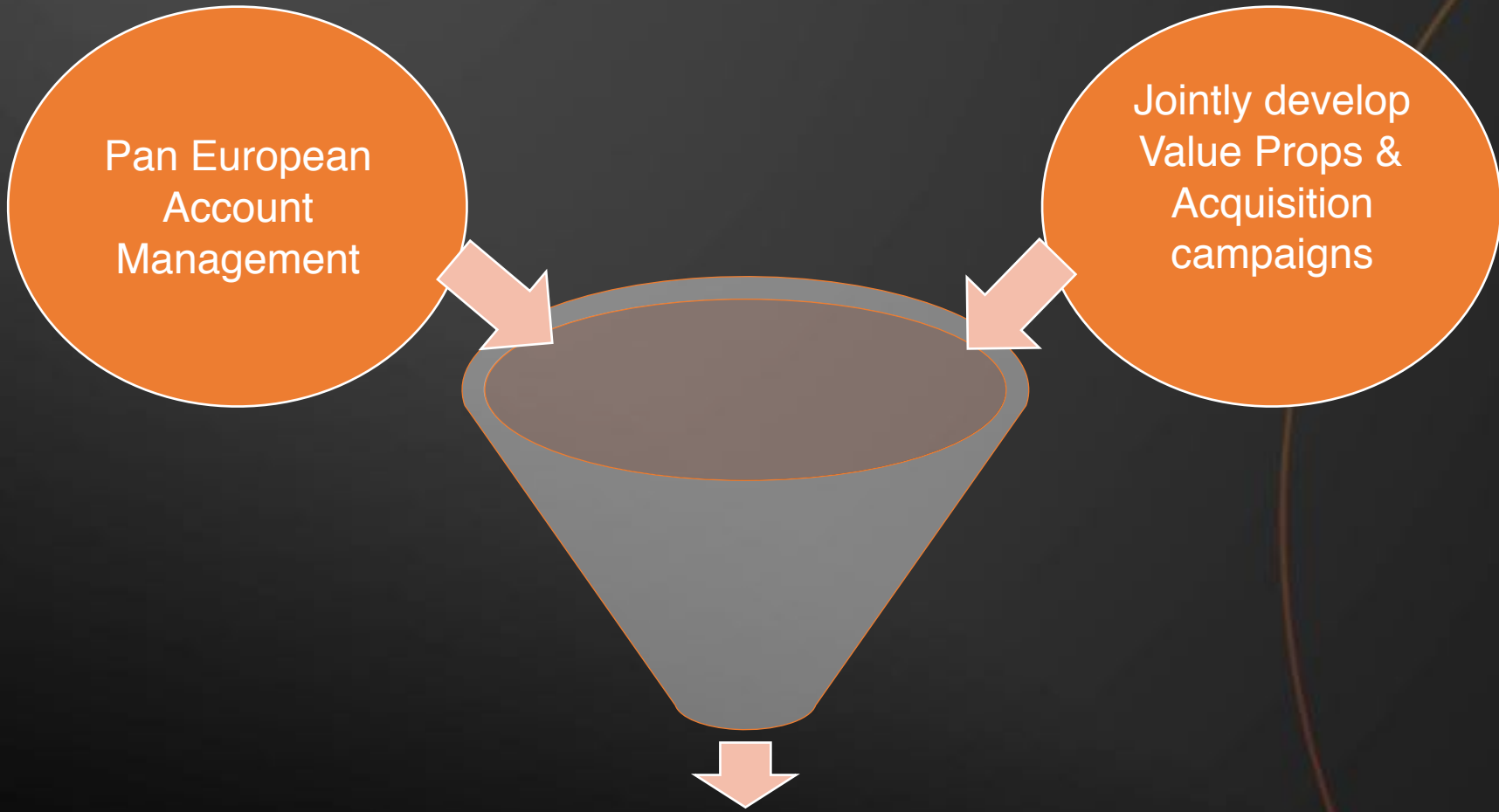
6

eComm merchant receives payment







4

# SME Core Driver for Acceptance Development



- Active MPOS devices in Europe **doubled** in 2016
- Largest PFs **lowered the price** of their acceptance devices
- Leveraging **online and digital channels** to reduce acquisition cost and time
- ‘One size fits all solution’ doesn’t work – **segmentation is needed**

# ENABLING ACCEPTANCE SOLUTIONS FOR SME

	Description	Hardware
 <b>MPOS</b>	MPOS dongle connects to cardholders app on mobile device and payment occurs automatically	Terminal dongle + merchant mobile device
 <b>Software-based PIN Entry on Mobile Devices</b>	Dongle with EMV chip reader but no PIN pad is plugged into mobile device. PIN is entered on merchant mobile device	Terminal dongle + merchant mobile device
 <b>Mobile as a Contactless Acceptance Device</b>	Merchant accepts contactless payments using the NFC antenna inside their mobile phone	Merchant mobile device only
 <b>Masterpass QR</b>	QR code is displayed by the merchant and is scanned by the cardholder's wallet app on mobile device	None



## 4

# Software-based PIN Entry on Mobile Devices

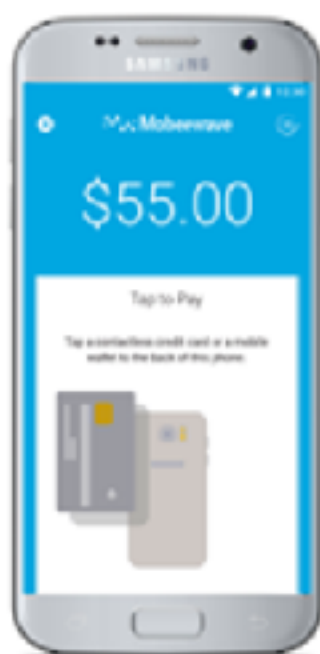


- MPOS card reader that accepts chip and PIN and Contactless with no physical PIN pad
- If a transaction requires PIN, it is entered on the merchant's mobile through the POS app

# MOBILE AS A CONTACTLESS ACCEPTANCE DEVICE



Accept Contactless Cards



Accept Mobile Wallet Payments

- BRING YOUR OWN TERMINAL PHILOSOPHY FOR SMES, NO MORE ADDITIONAL TERMINAL OR DONGLE
- MERCHANT JUST HAS TO DOWNLOAD THE APP ON THEIR PHONE TO START ACCEPTING CARD PAYMENTS

4

# Expanding Partnerships to New Players in the Ecosystem



# Europe – LAC Collaboration to Deliver Innovation



Questions



Remember to fill out

Check out the MasterCard swag  
at the MC Store!

