

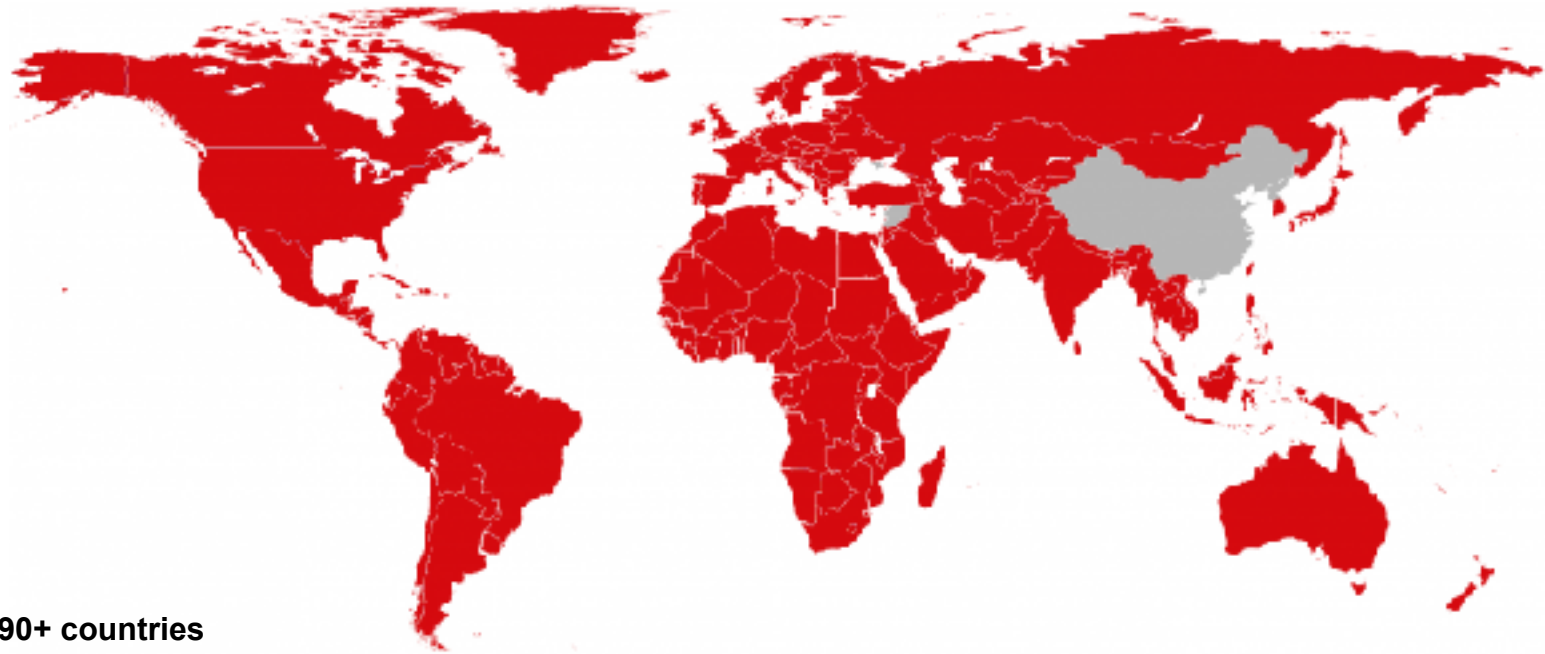
Leveraging Payments Innovation to Drive Growth

Mastercard LAC Innovation Forum

Gustavo Monteiro
Director, LatAm Payments

NETFLIX

#netflixeverywhere



- 190+ countries
- 109M+ members
- Billions of streaming hours served

What is innovation?



“The implementation of a new or significantly improved product or process, a new marketing method, or a new organizational method in business practices, workplace organization or external relations.”

Where do we seek to innovate?



Everywhere!

On our sign-up flow...

NETFLIX

Instantly watch as many TV episodes, movies or you want!

For of

Start

NETFLIX

See what's next.

WATCH ANYWHERE. CANCEL ANYTIME.

JOIN FREE FOR A MONTH

Step 01

NETFLIX

SHOOTER

MINIONS

WALKING DEAD

Masha and the Bear

Peppa Pig

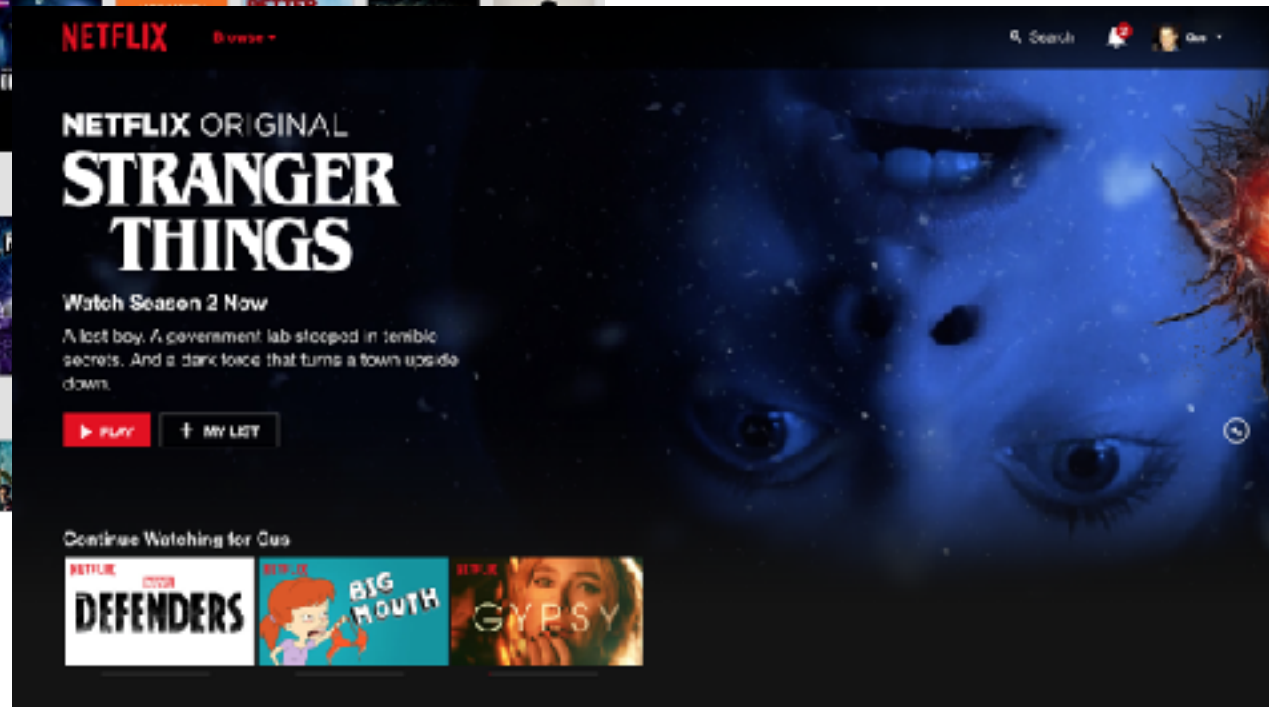
BIG MOUTH

THE FLASH

NETFLIX

THE BABYSITTER

... on our catalog...



... on the ways we deliver content.



And, yes...

... we do use a lot technology for that.

And, yes...

... we do use a lot technology for that.

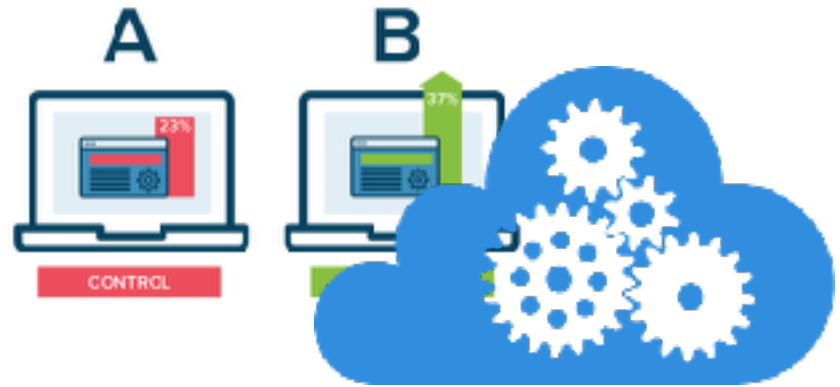
- A/B testing



And, yes...

... we do use a lot technology for that.

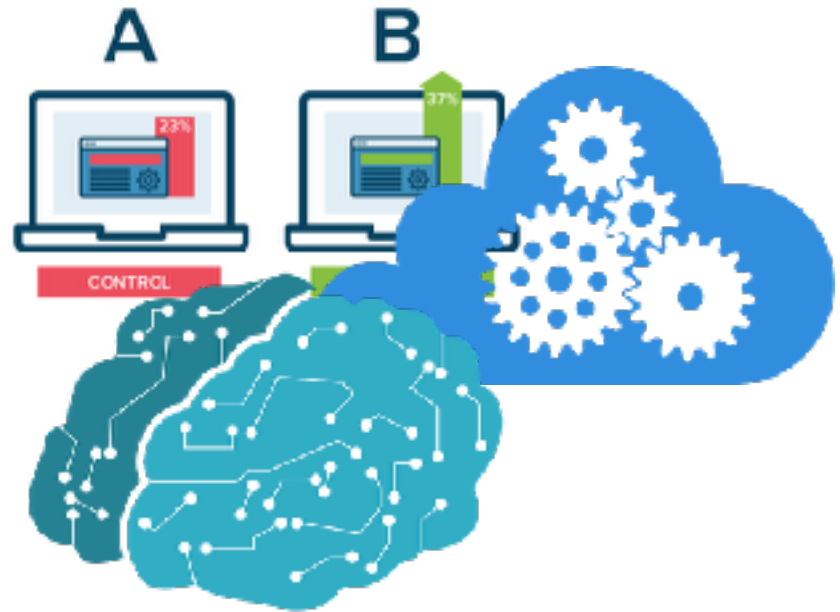
- A/B testing
- Cloud computing



And, yes...

... we do use a lot technology for that.

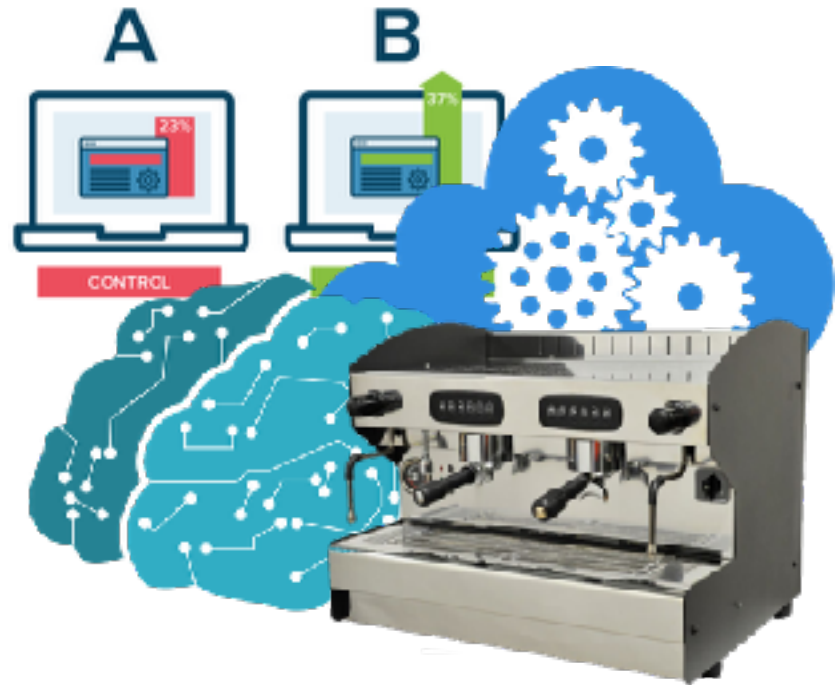
- A/B testing
- Cloud computing
- Machine learning



And, yes...

... we do use a lot technology for that.


- A/B testing
- Cloud computing
- Machine learning
- Espresso machines



**But innovation is not
about using technology
just for the sake of it.**

Remember the space pen story?

The Fisher Space Pen Sealed Pressurized Ink Cartridge



Ultra-hard tungsten carbide ball

Slide separates from pressurized nitrogen gas

Stainless steel, precision-machined socket prevents leaks and oozing, yet delivers instant uniform ink flow

This top ink in a hermetically sealed and pressurized reservoir will not dry out for over one hundred years! Writes at any angle at temperatures of -30°F to $+250^{\circ}\text{F}$

Made in U.S.A.

**Developed For
NASA**



When NASA first started sending astronauts into space, they realized that the ballpoint pen would not work at zero gravity.

An earlier outfit, the Russians, and less than a year later, the Russians realized that the ballpoint pen would not work at zero gravity. They developed a pen that would work in space, upside down, on almost any surface and at temperatures ranging from below freezing to over 300°F .

When confronted with the same problem, the Russians used a pencil.

Think a replica of the writing instrument used to draw the American flag in space? It's not. It's a Russian Space Pen.

- Writes at any gravity
- Works upside down
- On almost any surface
- In extreme temperatures

Innovating on payments in Brazil



The opportunity

Over **50%** of the banked population in Brazil doesn't use a **credit card**

- On the other hand, most of them use a debit card
- Over 6 billions of debit card transactions in 2016
- Debit cards used mainly for day-to-day purchases

The challenge

Debit cards in Brazil require **2FA** when used for **CNP** transactions

- Most cardholders are not familiarized with it
- Drop-off rates are typically high, in the 20-50% range
- Requiring authentication every month just wasn't an option

The innovation

Let's **remove** the authentication requirement for **online debit** transactions

- Low ticket subscription business
- State-of-the-art fraud prevention running on the background
- ~10 basis points of average chargeback rate globally
- Needed to get buy-in from the issuers



You're very brave.

The outcome

The ramp-up of **debit card usage** on Netflix was almost **instantaneous**, driving highly incremental **growth**

- Over hundreds of thousands of incremental signups
- Low cannibalization of credit card sign-ups
- As expected, extremely low risk
- Great customer experience

**True innovation is about
finding **better ways** to
serve our **customers**.**

Thank you.

NETFLIX



Remember to fill out

Check out the MasterCard swag
at the MC Store!

