



Presentation materials and video replay will be provided within one week.

Have questions? Use the questions panel –  we'll field them as we go and during the Q&A recap at the end of the call.

# Post-EMV<sup>®</sup> Engagement Strategies

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# Presenters



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# What We'll Discuss Today

- “I want it now!” Generation
- Payment solutions and trends
- Branch engagement & monetization
- EMV & instant issuance — a great opportunity
- Instant issuance solutions and comparisons

# “I want it now!” Generation



# Faster! Faster! Faster!

## The World Is Moving Faster



Food Delivery



Music



Ground Transportation



# More Payment Options Than Ever Before

- More solutions = more competition
- Financial institutions are competing with mobile payment disruptors



# Card Issuance Trends

Today's consumers want services that align with their lifestyle

- Immediate service
- Flexibility
- Convenience

# Card Issuance Trends

## Key Advances

- 2009: MasterCard® and Visa® allow for non-embossed cards
- Flat print technology available in the instant issue printer market

## EMV Chip Migration

- High-profile data breaches put this new technology into the consumer mainstream
- Over 800 million debit and credit cards in are in market since November 2016

## Projected Growth

- Current instant issuance penetration is 14%
- Projected that by 2018
- 33% of financial institutions will have an instant issuance solution in-branch<sup>1</sup>

<sup>1</sup>Source: Aite Group, Instant Issuance Survey 2015

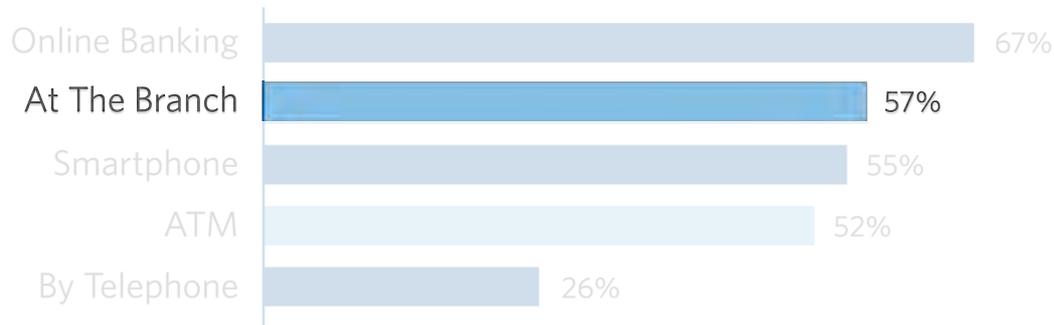
# Payments Landscape Continues to Change

- Payments landscape is experiencing a dramatic shift
- Traditional payment fees realized by financial institutions are now being realized by other payment competitors, such as Apple Pay® and prepaid card providers
- Financial institutions must reevaluate their current card issuance platforms to deliver the personalized experience and instant capabilities today's consumer demands

**Financial institutions are growing increasingly removed from consumer interactions**

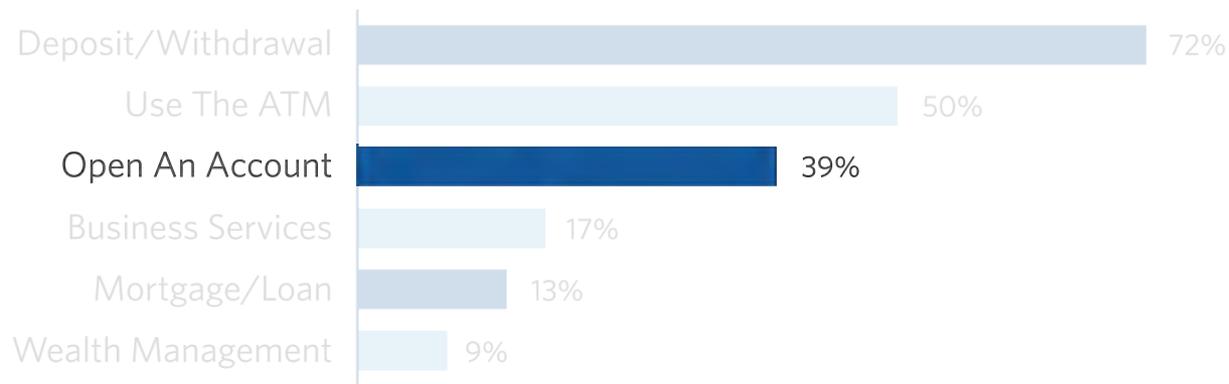
# Shift Toward Non-traditional Banking

## How do you like to interact with your financial institution?



Source: *The State of Retail Banking – 2016 – Time Trade*

## What are the reasons you visit your financial institution?



Source: *The State of Retail Banking – 2016 – Time Trade*

# Monetizing the In-branch Experience

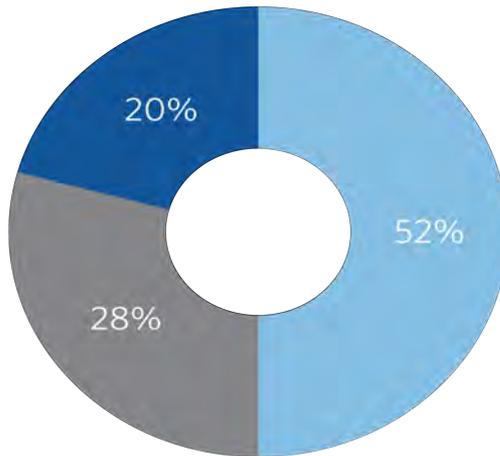
- Promote high value-add transaction opportunities in branches
- Offer revenue-generating in-branch services
- Educate and cross-sell account holders about self-service tools and other revenue generating products



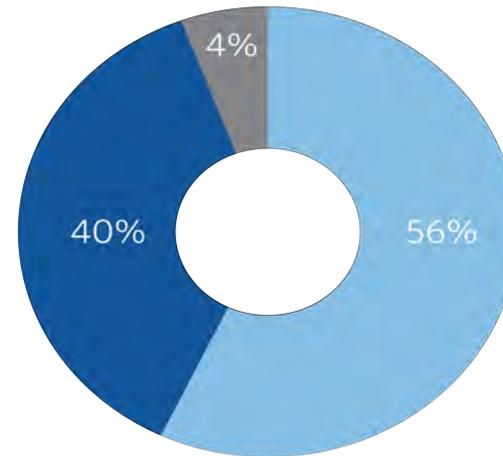
# Instant Issuance Will Soon Be Mainstream

- Instant issuance adoption is growing and becoming a competitive differentiator
- 40% of financial institutions will offer instant issuance by 2018\*

Instant Issuance Adopting  
Among Top 25 **U.S. Banks**,  
with Program Type



Instant Issuance Adopting  
Among Top 25 **Credit Unions**,  
with Program Type



● No ● Yes Permanent ● Yes Mixed: Temp to Perm, Permanent

Source: Mercator Advisory Group ©2014 Mercator Advisory Group

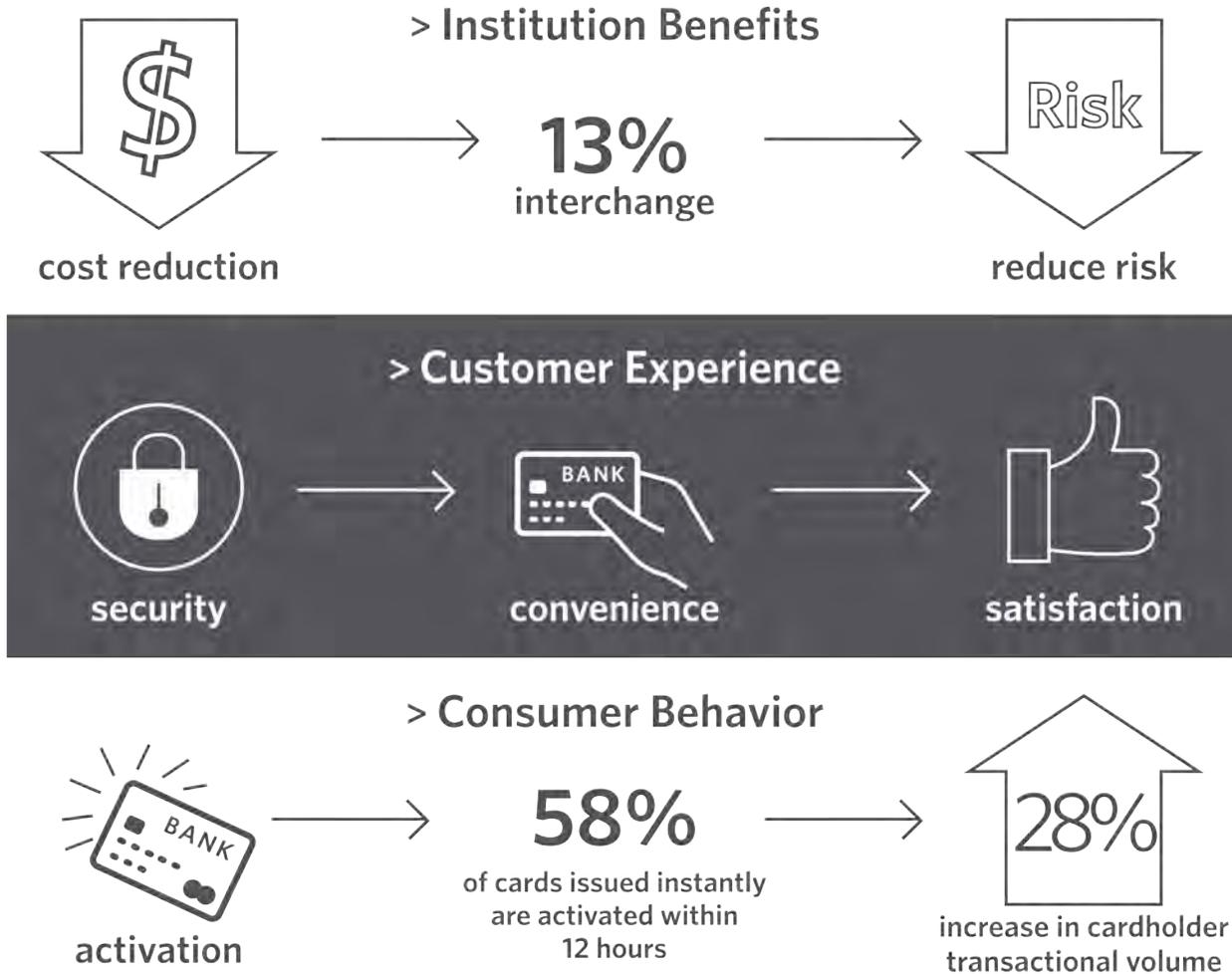
\*Source: Aite group, Instant Issuance Survey 2015

# Benefits of Instant Issuance

- Increased cardholder experience
- **Incremental lift in revenue**
- Increased activation and utilization
- **Enhanced security**
- **Reduced operational and fulfillment expenses**



# Instant Issuance Impact



Source: CPI Card Group

# End Result to Financial Institutions

According to customer research,  
implementing an instant issuance solution results in:



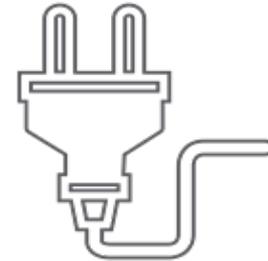
**98.5%**  
customer  
satisfaction



**100%**  
cardholder  
peace of mind &  
EMV® capable



**30%**  
instant savings



ease of  
implementation  
(plug and play)

Source: CPI Card Group

# Types of Card Distribution Strategies

## Temporary Issuance (Debit) and Central Issuance

- Preprinted temporary debit cards with no personalization
- The accountholder typically activates card at ATM
- Permanent card is mailed and delivered 7 to 10 days
- Branch staff has an opportunity to educate and cross-sell accountholders

## Instant Issuance

- Multiple card types are produced and fulfilled in one branch that supports other branches for new accounts, replacements and reissues
- The accountholders receives a permanent personalized card in-branch that may be activated for immediate use
- Branch staff has the opportunity to educate and cross-sell accountholders

# The Right Balance

## Central Issuance

- Optimal for ongoing card reissues and large mass reissues



## Instant Issuance

- New account openings
- Lost stolen replacement



# Cloud or Purchase?

## Software as a Service (SaaS)

No software to purchase; hardware includes printers and PIN pads

Communication managed by provider through secure web service calls

Program setup handled by provider, including loading secure keys

All systems maintenance and upgrades managed by provider

Minimal IT and Operational resource needed

## Software for Purchase

Must purchase software, printers and PIN pads

Dedicated server and network implementation required by the FI

FI responsible for setting up all components and loading secure keys for PIN and CVV/CVC

FI must install and maintain software upgrades

Requires internal FI resources (IT, Operations)

# Choosing the Right Partner

- EMV-capable
- Ongoing support
- Enhanced services
- Reporting and monitoring tools
- Fast and affordable implementation
- Existing instant issuance program
- Marketing services available
- Incorporate into EMV strategy



# What You Should Look for in a Solution Provider

## PCI DSS certified

- ✓ Visa®/MasterCard®/Discover® compliant
- ✓ Physical and mechanical locking system to secure printer to workstation and prevent unauthorized access to print and blank cardstock
- ✓ User access controls
- ✓ Enhanced reporting and audit capabilities



# Instant Issuance Delivers a Favorable ROI

## Instant Issuance Expense Drivers

- Program setup
- Hardware
- Software
- Equipment
- Service
- Consumable Supplies (i.e., ribbons, etc.)

## Instant Issuance Revenue | Benefit Drivers

- Number of branches
- Debit card issues per month
- Card activation rate per service bureau
- Incremental activation/usage
- Active instant issuance debit cards
- Monthly incremental debit card activation



# Key Takeaways

- Instant issuance has become a competitive differentiator for financial institutions and an expectation among account holders
- When considering an instant issuance solution, financial institutions should closely evaluate solutions such as SaaS versus software for purchase
- Instant issuance should be one of the top priorities among financial institutions when planning branch transformation and customer satisfaction strategy

# Q&A Wrap Up

Type your question in the questions panel 

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Thank You

