

Consumers Want Next-Generation Payment Technology

New Blackhawk Network research reveals retailers benefit by offering new payment types at POS



The mobile payment opportunity

The payments industry is undergoing radical change and innovation, and the new reality demands a fresh perspective. Global digital commerce volume—13 percent of total commerce—will more than double by 2022. Mobile commerce is the dominant factor in this trend, already accounting for 48 percent of digital commerce sales and forecasted to reach 70 percent by 2022.¹

As mobile grows, consumers still frequently shop in a retail store but most retailer's POS terminals are not equipped to accept newer payment technologies. Retailers face a growing problem of how to close the gap between the emerging mobile payment trends and how to meet consumers' expectations at POS.

The disconnect between digital and physical

\$3T

Current global digital commerce²

3 out of 5

smartphone users have a mobile wallet⁴

only 50%

restaurants and retailers accept mobile payments⁵

81%

of consumers shop in a retail store at least monthly³

Why Blackhawk Network?

Blackhawk Network has the extensive infrastructure and expertise needed to power the next generation in commerce technology.

- Business operations in 28 countries
- 385 million cards sold annually
- \$19.5 billion in total dollar value on our network
- 100% critical network uptime

For more Blackhawk Network research and insights, visit blackhawknetwork.com/blog

Adding funds adds consumers

In a recent survey from Blackhawk Network, consumers said that if retailers offer a way to add funds to their favorite apps at POS, shoppers will reward retailers with more loyalty. As the global mobile payments market grows to reach more than \$500 billion by 2020⁶, retailers are in a good position to improve incrementality at their stores.

- 64% want to add funds in-store
- 78% want to keep shopping
- 68% would shop there more frequently afterward
- 57% would spend more there than usual⁷

Loyalty pays out

The new way consumers want to pay is by using stored value—earning points and redeeming them for additional purchases. More than \$50 billion in rewards are given out by retailers every year⁸. Consumers in our survey were empathic in their preference to pay with points: more than 77% were interested in using points this way. Interest was especially high among consumers who aren't yet members of a loyalty program⁷.

Shaping the future of global branded payments

Blackhawk Network actively collaborates with its partners to translate payment trends into innovative branded payment solutions. This collaborative innovation must consider consumer preferences—embracing when, where and how consumers want to engage—to be successful.

Today, we are shaping the future of branded payments by connecting hundreds of digital wallets and emerging payments providers to retail through a single connection to potentially help retailers lower the cost of interchange. We leverage sophisticated code-based payments technology to power cash-in and retail checkout by seamlessly transferring stored value across 295,000 locations.

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 2. Statista, August 2019. "Retail ecommerce sales worldwide from 2014 to 2023," <https://www.statista.com/statistics/379046/worldwide-retail-e-commerce-sales/>.
 3. eMarketer, September 2019. "Experiential retail encourages greater in-store shopping for consumers this holiday season," <https://www.emarketer.com/content/experiential-retail-encourages-greater-in-store-shopping-for-consumers-this-holiday-season>.
 4. Blackhawk Network Retail Trends and Transformations Study, conducted by Murphy Research, March 2019.
 5. Stat as of 10/2018; PYMNTS, June 28, 2019. "Deep Dive: Mobile Payments Uptake In The US," <https://www.pymnts.com/automated-retail/2019/mobile-payments-digital-wallets>
 6. Zion Market Research, Mobile Market Wallet (NFC, Remote Wallet), 2017.
 7. "Emerging Payments" is an online survey conducted by Leger on behalf of Blackhawk Network in Oct. 2019. The sample size included 2,219 American respondents.
 8. McKinsey and Co, December 2011. "Loyalty: is it really working for you?" <https://www.mckinsey.com/business-functions/marketing-and-sales/our-insights/loyalty-is-it-really-working-for-you>.



Let's Talk Emerging Payments

866.219.7533

[BlackhawkNetwork.com](https://www.BlackhawkNetwork.com)