

Keep Calm and Carry On... With a Banker

Becoming recognized
as the trusted advisor
in the brave new world
of mobile payment
alternatives



As bankers work hard to accommodate shifting trends in online and mobile phone payment applications, new challenges are affecting the industry at both ends of the spectrum.

Customer use and acceptance of mobile payments continues to grow, and new mobile phone payment applications are becoming increasingly available.

The news that some top retailers decided to disable Apple Pay and Google Wallet capabilities

led us to learn more about a rival system, Merchant Consumer Exchange (MCX), which is supported by Walmart, Home Depot and Lowes among others.

At the same time, data breaches at merchants of all sizes including Home Depot and Target are becoming more commonplace and are sources of growing concern for many consumers.

The competitive and marketing strategy experts of Dorsey & Company agree the time is now for banks to get ahead of the coming wave of

alternative payments and the confusion customers are experiencing.

“Bankers need to take the lead in this growing trend and not only decide how to retain their competitive advantage in the payment space, but also to become the trusted resource to address customer concerns,” said Dorsey & Company Associate Jim Heide. “Integrated mobile solutions are a future imperative that should be embraced. At the same time, there are other customers who will forgo convenience for more secure payment options.

“Smart banks will serve the needs of all their customers.”

A *Forbes* article reported last summer that consumer acceptance of mobile payments is high; adoption is easy and expected to grow at a rapid pace. In addition, banks are facing powerful and non-traditional competitors that include not only Google and Pay Pal, but also the likes of Starbucks and Wendy’s.

On the other hand, *Forbes* more recently reported that pharmacy retail giants CVS and Rite Aid have abruptly stopped accepting Apple Pay and Google Wallet. Best Buy and Target—for now at least—still accept Google Wallet and Apple Pay, respectively. Still, with speculation that the giant of retail giants, Walmart, is leading the charge to drop mobile payments in favor of MCX, banks are not totally in the clear.

Heide offered the following advice for bankers who want to defend their hard-earned advantages in the payment arena and their role as trusted financial advisor with their customers.

1. Embrace the Change. Stay on top of the growing trends in mobile payments and come to an understanding on how this will affect your relationship with current and future customers. Proactively work with fellow bankers and industry associations to establish the bank’s

long-term position with these emerging payment systems.

- 2. Establish Yourself as the Trusted Payments Advisor.** Become the go-to resource not only for customers who are excited about emerging payment alternatives, but also those who may be concerned about the growing number of data breaches. By providing insight, objective opinions and explaining potential risks, you will gain their trust.
- 3. Give Them What They Want.** Banks that understand and support the full range of payment options will be well positioned to provide their customers the best solution that meets their needs. This can be a great opportunity for banks to hone their segmentation skills and provide highly targeted solutions that hit their marks.

If you are a financial services marketing director or retail banking executive, what steps are necessary for your institution to take advantage of these vital opportunities in the payment arena? Talk to Dorsey & Company to learn more.

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