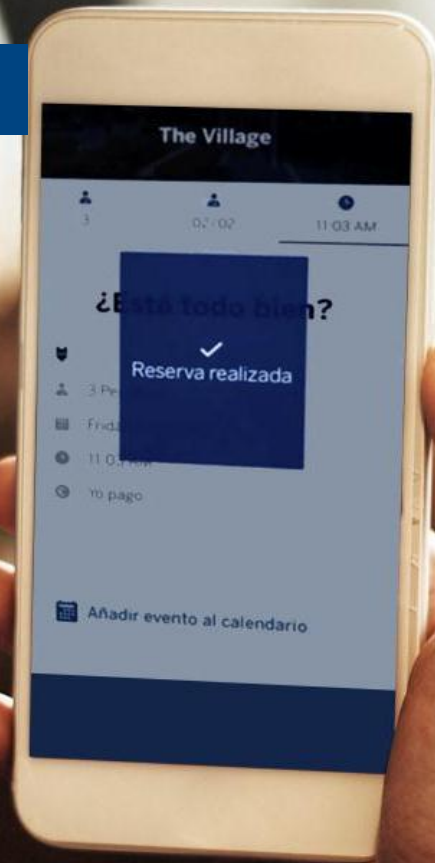**BBVA** Creating Opportunities

Invisible Payments

March 2018

The future of trade and invisible payments

TRENDS

The increasing ubiquity of internet access and changing customer habits are giving rise to new trends. Here are some of the most noteworthy:

01 The boom of online shopping

More and more, out of convenience, customers are choosing to do their shopping online, in detriment of physical stores.

02 The transformation of retail stores to adapt the new environment

Traditional retailers are trying to offer more convenient and enticing experiences to the customers that walk into their stores, looking for ways to save them time or offer them an added value.

- Point of sales become new places where customers can expect to enjoy a pleasant and amusing experience.
- Real time customer information: identifying shoppers as they walk through the door, and personalization of their experience.
- Fun and/or convenient shopping experience.
- Invisible and convenient payments, embedded in store's customer experience

In this context, 'Invisible Payments' become more and more relevant: Offering a frictionless way to customers to pay for their purchases, improving their shopping experience without compromising transactional security, or the payment information that both the customer and the shop need

Invisible payments: Security and convenience

This is a traditional payment

- The customer chooses the items he/she wants to buy
- He/she waits in line to pay
- The cashier calculates the total
- The customer chooses the form of payment (cash or card). If he/she chooses a card, he/she types the PIN in the POS to authorize the transaction
- The cashier prints a ticket of the receipt and hands it over to the customer

Time spent by customer to pay after deciding which items to buy:

minutes

This is an invisible payment

- The customer, before arriving to the store, places his/her order through an app.
- His/her order is ready for him/her at the store, where he/she can make sure that everything is ok.
- He/she collects his/her order and walks out of the store.
- The store clerk closes the order, and charges the total against the method of payment linked to the app (card, prepaid balance, etc.). If necessary, the customer authorizes the payment entering his/her PIN in the app.
- The customer receives the purchase ticket after he/she walks out of the store..

Time spent by customer to pay after deciding which items to buy:

zero