

Opening Keynote

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Fast Forward to the Customer!

Payments 2020 – From Vision to Action



Finextra



EURO BANKING ASSOCIATION



The crisis has distanced our customers

“ My confidence was damaged.

In the past we could take out loans at a very low interest rate. Then all of a sudden the bank ended up in rough waters. When we were concluding the contracts they said they would never do a certain something, but eventually this happened regardless. Very disappointing.

MidCorp - Netherlands

“ Banks, your friends?

The banking crisis has made me a lot more cautious and I shudder sometimes when I read those promises.

- Belgium

“ A bank friend? Hmmm.

I do not trust banks; in this relationship, none of them is interested in my benefit.

- Poland

“ This is my experience.

I don't want to have to care for bank business, that's what my bank should do. But the bank advisers are arrogant people who only want to sell me things. There is no trust in the bank itself that way.

- Germany

why are bankers so greedy

why are bankers so **greedy**

why are bankers so **rich**

why are bankers so **arrogant**

why are bankers so **hated**



We still have a lot of work to do

How can we empower people and businesses?

Some researchers believe we have
70,000
thoughts per day

Guess how many of them are about banks?

We must recognise that while what we do touches our customers' daily lives in many ways, most of the time they are not thinking about us. Ask an entrepreneur about her business and she will talk about her new factory, not the bank loan financing its construction. Take a friend out for dinner and we remember the food and conversation – not the mechanics of the electronic payment.

Conversations no one has...

How is the new home?

Forget the home.

Let me tell you about our great mortgage plan!

The real important thing, for people and businesses, is to move forward.

“ **Life must go on.**

After my wife's death, I got new responsibilities. Not only for my children, but also for the house, the finances and my own health.

I had to conquer new life situations.

Despite the grief, I mastered them.
- Germany

“ **Be independent.**

I would like to have the resources to start my own company.
- Spain

“ **The people from the bank come in person to our office with certain solutions and products so we can formulate our goals.**

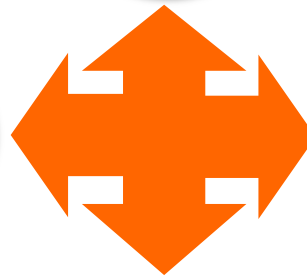
In this way they have helped us a lot. Now our branch has been operating for a few years and it's going extremely well.
MidCorp - Belgium

Well-known industry challenges

Customer Needs



Market Growth



Technology



Regulation

Payments are no longer a bank-only monopoly

Steve Wozniak joins board of blockchain-tapping ATM startup

04 May 2015 | 5868 views | 2



FinTech payment startups least likely to get acquired by banks

PayPal - The Attacker Attacked

Nov 2 2014 | 1,510 | 78 | 3 | 

PAYMENTS

European lawmakers agree revised Payments Services Directive

05 May 2015 | 7266 views | 2 | 27 | 28

Do Visa and MasterCard Have a Chance in China?



Apple Pay and NPP to shake up Aussie payments industry

NPP to cost financial services industry more than \$1 billion to implement

Brian Kartovsky (ARN) on 01 May, 2015 15:59



WHOLESALE BANKING

Fusion to spark innovation in Swiss financial services

53 minutes ago | 544 views | 0 | 2 | 1

Sentient to take on banks with launch of Nuapay

1 hour ago | 758 views | 1



VIRTUAL CURRENCY

Swedish startup preps institutional digital currency marketplace and clearing house

20 hours ago | 0 | 13 | 8

Mobile Payments

Google to launch Android Pay API in May 2015

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Innovators address: speed, cost and above all user experience...

New initiatives

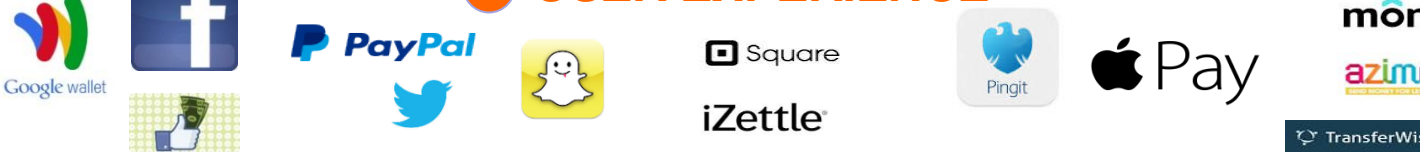
1 SPEED



2 COST



3 USER EXPERIENCE



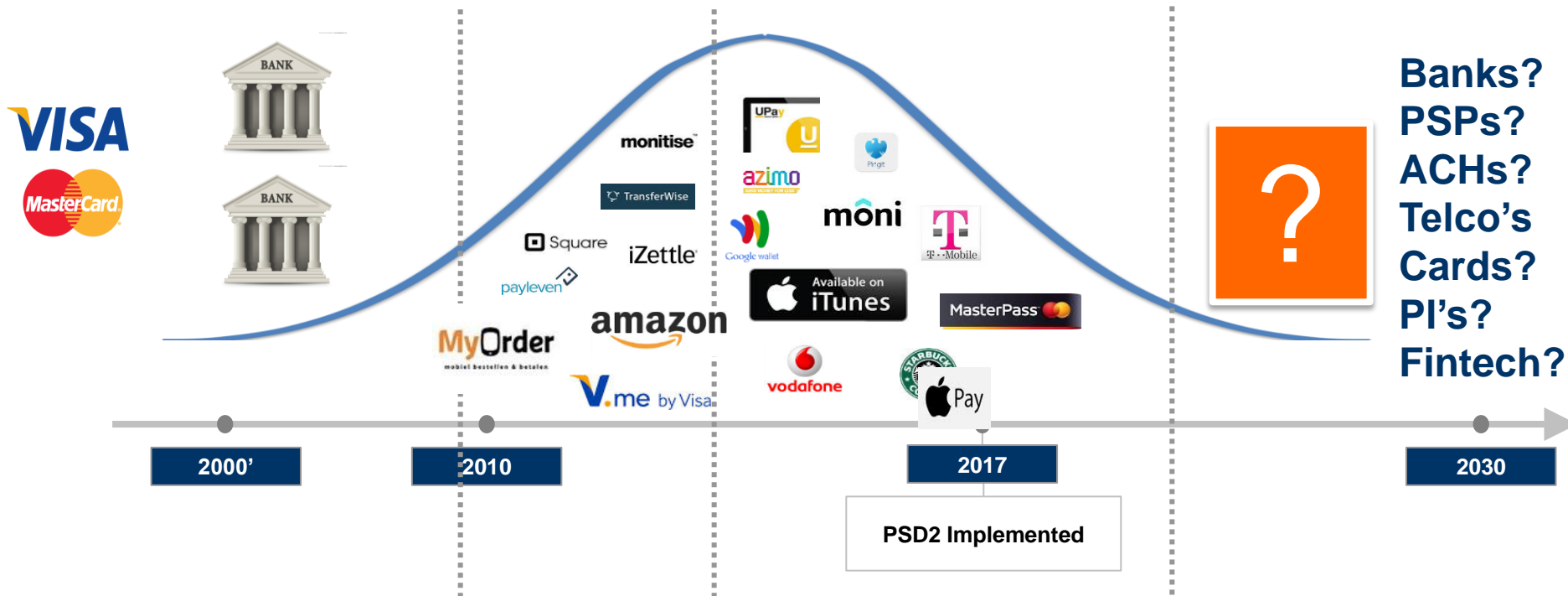
but still rely on the existing bank-centric infrastructures, adding costs & complexity

The shake-out has already started

Payments led by banks and card schemes

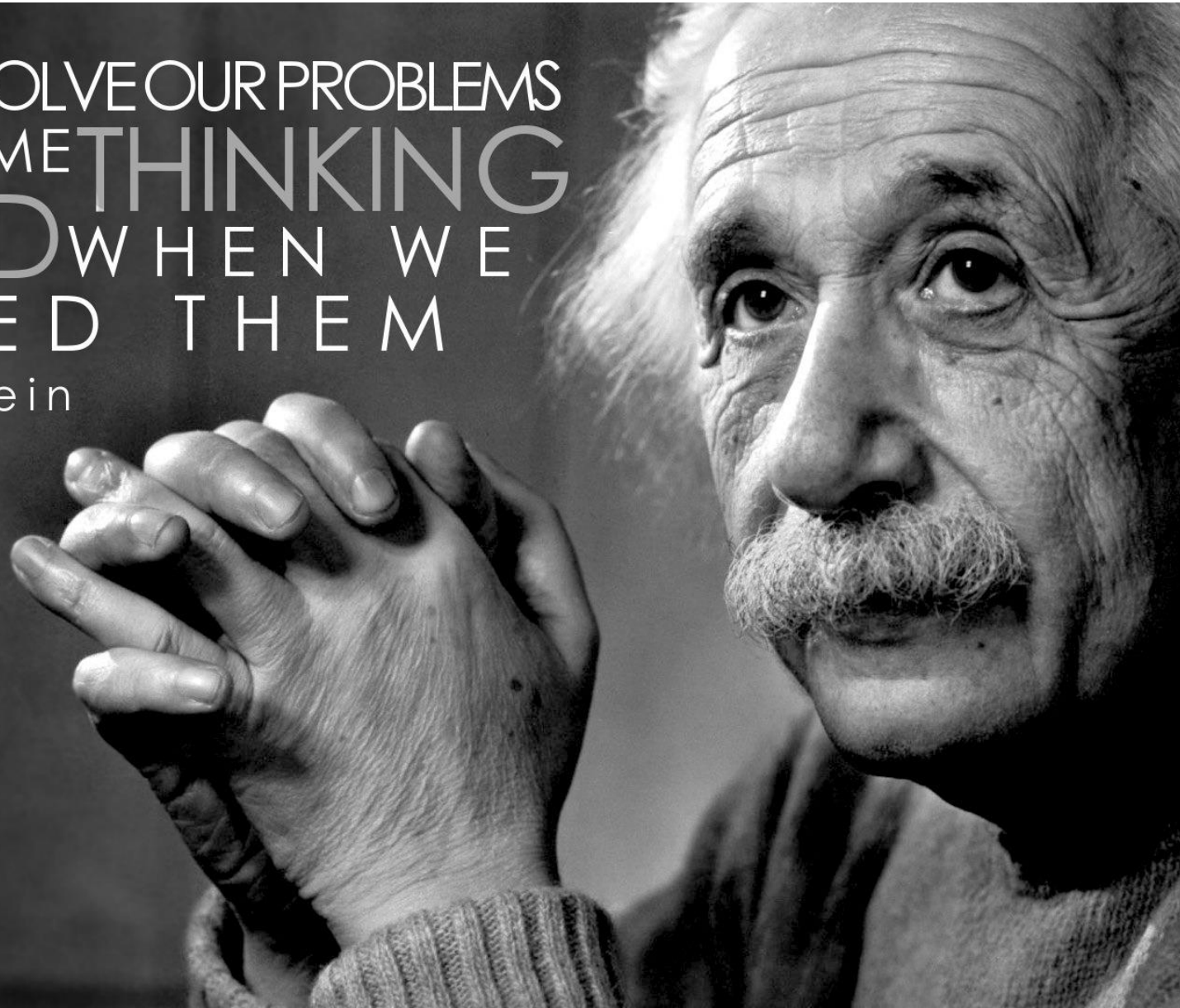
Payments as part of the shopping experience

A shake up will purge the field; only a few will survive



WE CANNOT SOLVE OUR PROBLEMS
WITH THE SAME THINKING
WE USED WHEN WE
CREATED THEM

-Albert Einstein





**A PAYMENT
EXPERIENCE LIKE
THIS ONE
IS BEING
REPLACED**



**BY
ALTERNATIVE
WAYS
TO PAY**

Mobile device owners prefer 'one click buy', ease of use, and 84% trust bank apps most



58%

of people in Europe and the United States have shopped on a mobile device in the last 12 months, buying goods and services via a smartphone or tablet.



61%

of men in Europe have shopped using their smartphone or tablet in the last 12 months, a much higher share than the 54% of women who have done the same. Under 35s are also particularly fond of mobile shopping.



39%

of men have bought electronics while mobile shopping – the most popular item. For women, it's clothing, bought by 37% of mobile shoppers.



BUY WITH ONE CLICK

34%

agree that if a store saves their payment details for one click ordering they are more inclined to shop there.

Among mobile shoppers, it rises to 55% indicating they are more vulnerable to tempting shopping shortcuts.

The user experience is all important:

EASY
TRANSPARENT
TRUST
ANYTIME



INSTANT - 1 CLICK
SIMPLE
PREDICTABLE
UNIVERSAL

“a Snapchat experience with Amazon tracking please”

Which critical factors determine success?

Behaviourial Winners:

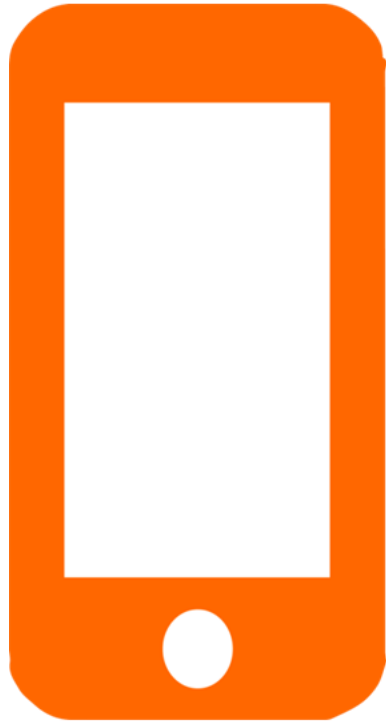
ACT OPEN!

COLLABORATION

INVESTMENT

Deal with Legacy
Manage Infusion of Talent

In summary:



FACING MANY CHALLENGES

CUSTOMER FOCUS

RE-INVENTING

OPPORTUNITIES!

...or the alternative...



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Thank you to speaker

Mark Buitenhek, Global Head Transaction Services, ING