

Commerce and Payments: The New Battleground

FARRELL HUDZIK | MAY 25TH, 2021

About Cardlytics

At the intersection of commerce and payments

Advertiser

Build a loyal consumer base by giving valuable offers to drive sales and engagement

Bank

Drive greater value and engagement and provide a platform to reward your customers

Customers

Receive highly personalized and relevant cash-back offers, uniquely available on the platform



“We should be scared sh*tless about BigTech and FinTech. We’ve done a good job, but others have done a good job, too.”

Jamie Dimon

Chief Executive Officer of JPMorgan Chase

The screenshot shows the Finextra website with a dark blue header containing navigation links: NEWS, TV, RESEARCH, EVENTS, COMMUNITY, BLOGS, and PREDICTIONS. Below the header is a secondary navigation bar with category links: /payments, /markets, /retail, /wholesale, /wealth, /regulation, /crime, /crypto, /sustainable, and /startups. The main content area features a 'News' section with a 'See Headlines »' link. A 'News in your inbox' sidebar offers a free daily newsletter, breaking news, and a weekly job board, with a green 'Sign Up >' button. A 'Related Companies' section lists PayPal, JPMorgan Chase, Square, and Google, each with a right-pointing arrow. The main article is titled 'Dimon 'scared shitless' by fintechs; calls out Plaid' and is dated 18 January 2021. It includes social media share icons for Twitter (13), LinkedIn (16), and Facebook (2). The article text begins with 'JPMorgan Chase CEO Jamie Dimon says incumbent banks should be "scared shitless" by fintech rivals, adding that some - including Plaid - are competing unfairly.' and continues with 'Dimon offered his blunt assessment in a conference call with analysts on Friday, responding to a question about the threat of fintech rivals. "We're not scared shitless," Dimon said. "We're not scared shitless."

What do these brands have in common?



The payments landscape has shifted

US ecommerce grew 44% in 2020, a 44% YOY increase, with Amazon accounting for nearly a third of US growth

The Pay Withs



amazon

venmo

PayPal



The Buy Now, Pay Later

affirm

afterpay

Klarna.

zip

The Integrators

shopify

shop Pay

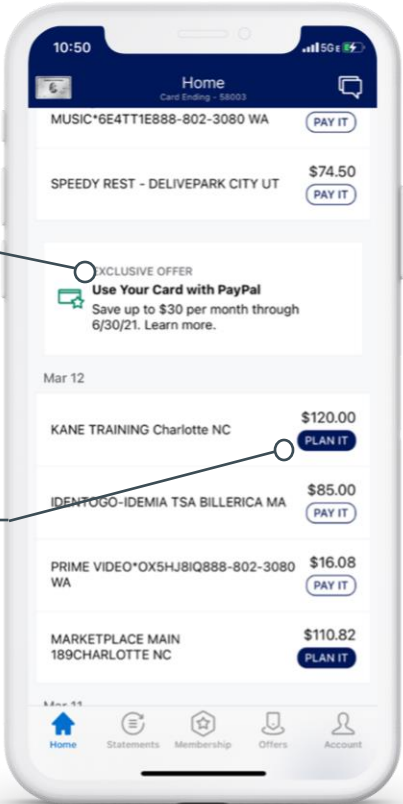
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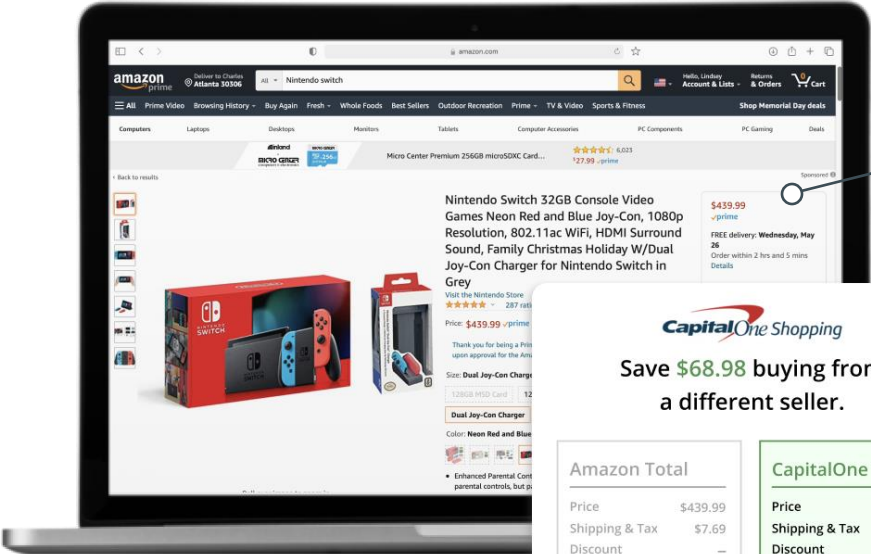


So how are banks and issuers responding?

Partnerships



Getting into BNPL



“Aggressively”
Consumer Value
Focused

Capital One Shopping

Save \$68.98 buying from a different seller.

Amazon Total		CapitalOne Total	
Price	\$439.99	Price	\$332.86
Shipping & Tax	\$7.69	Shipping & Tax	\$19.14
Discount	—	Discount	-\$3.32
	\$446.68		\$348.69



The time is right

For banks to take control of the consumer purchase journey

1

**Trusted by
Consumers**

2

**Trusted by
Merchants**

3

**Evolving to
integrated loyalty
programs**



So how can banks win the payment and commerce battle?

They can challenge the big commerce leaders head-on by leading with payment and differentiating with *value and experience*



Takeaways

Consumers will choose payment experiences that are frictionless, valuable and delightful

- + Reduce time from purchase intent to payment
 - + Maximum rewards in their currency of choice
 - + Payment on their own terms
-

Banks are positioned to win the payments + commerce battle, but must evolve

- + Embrace the "enemy"
 - + Make it easier to pay over-time
 - + Evolve rewards value propositions
-

Cardlytics is focused on creating bank, advertiser, and consumer value through...

- + Expanding content constructs and partnerships (direct and 3rd party)
- + Acquisitions (Dosh and Bridg)
- + Relentless innovation with our advertisers, our banks, and their key partners



Thank you!

Farrell Hudzik

EVP Financial Institutions

fhudzik@cardlytics.com

