



Vision 2012

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The changing face of payments — credit, debit and prepaid utility — today and tomorrow

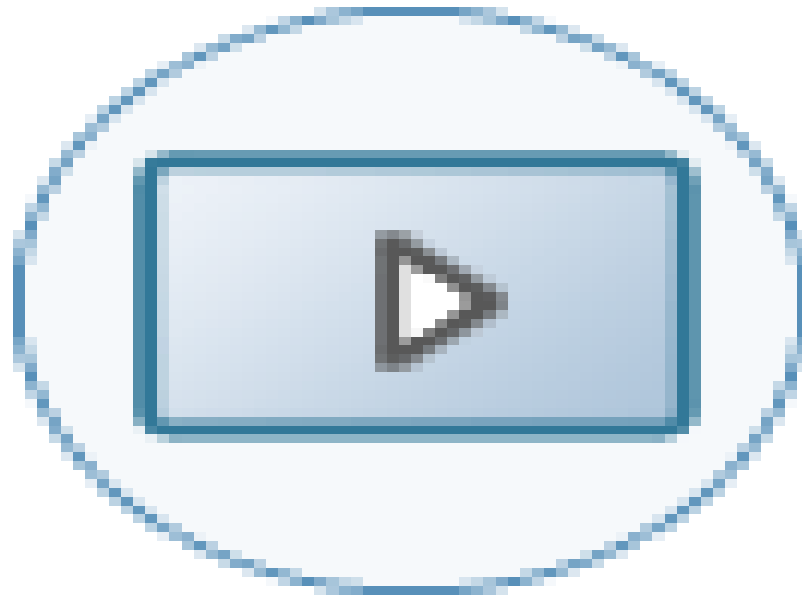
Robert J.C. Kirchner | Citi Retail Services

Kathleen Haggerty | American Express

Shannon Lois | Experian

John Taylor | Experian

Jacqueline Maybaum | Experian

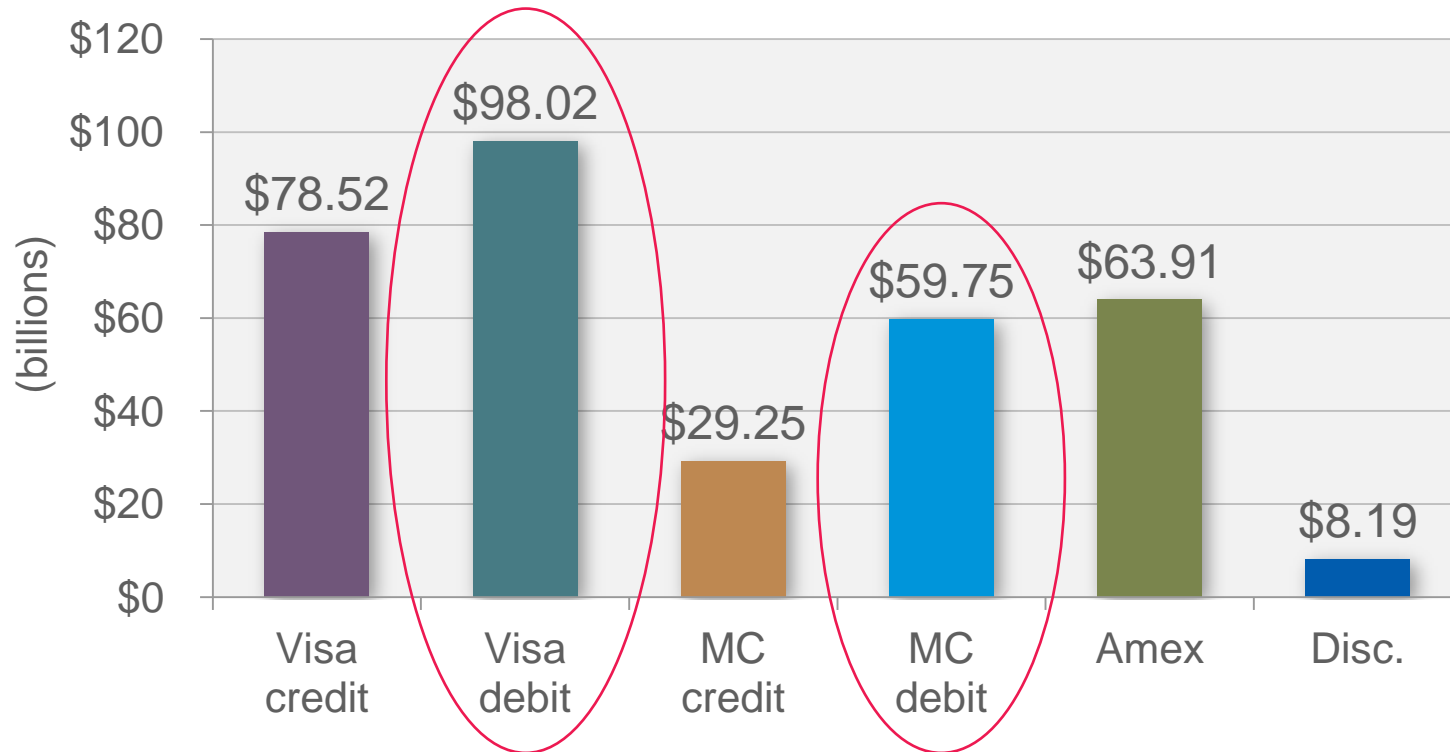


Introducing the panel

- **Robert Kirchner**
General Purpose and Private Label Credit Card expert
Senior Vice President, Director of Portfolio and Product Management
Citi Retail Services
- **Kathleen Haggerty**
General Purpose and Prepaid Card expert
Vice President, Risk and Information Management
American Express US Consumer Services
- **John Taylor**
Retail Banking and Debit Card expert
Director, Senior Business Consultant, Experian
- **Shannon Lois**
Vice President, Experian
- **Jacqueline Maybaum**
Director, Senior Business Consultant, Experian

Payment trends

Change in purchase volume
2011 vs. 2010



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Payment trends

Estimated U.S. gift card spending by segment (2005–14P)



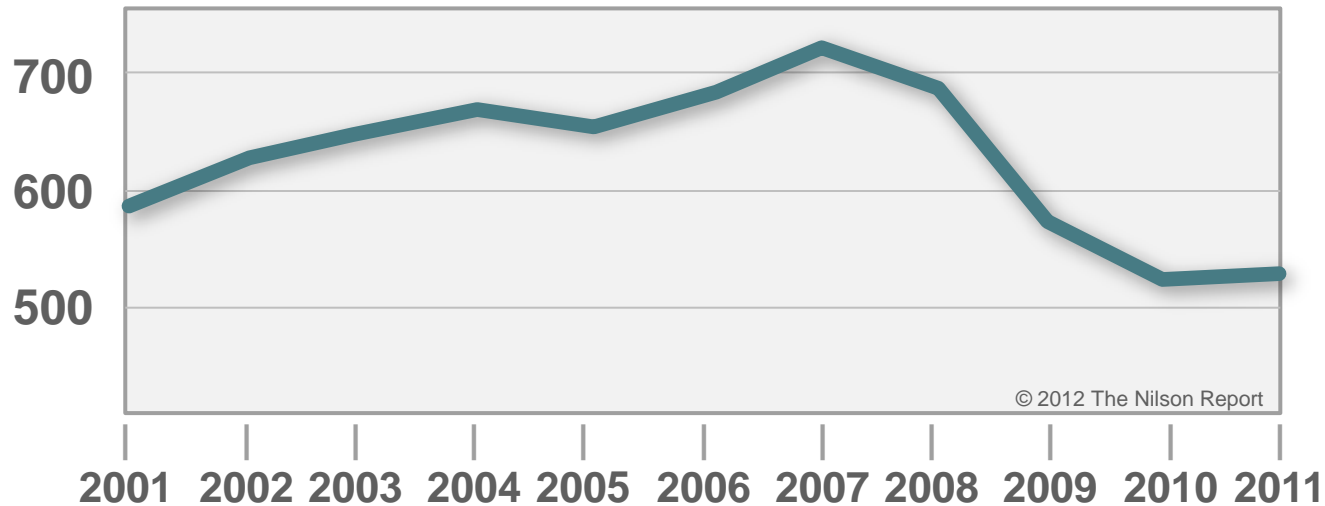
Source: TowerGroup

Note: Modest variations are due to rounding

Exhibit # ViewPoint Issue 350-E1

Payment trends

(millions) **General purpose credit cards in the U.S.**



• General purpose credit cards in circulation in the U.S was 519.1m versus debit and prepaid volume of 547m as of 12/2011

• # Purchases for debit and prepaid outpaced credit roughly 2:1 (65% vs. 45%)

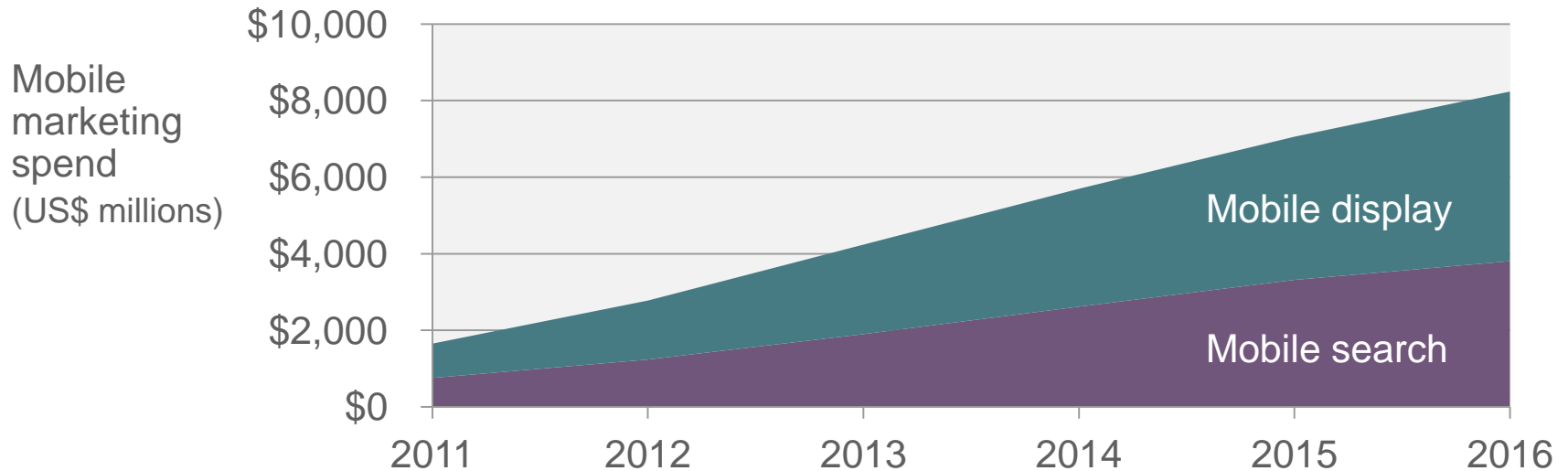
• \$ Credit captured a greater share of purchase dollars (57% vs. 43%)

Generation behaviors and the shifting paradigm

	Greatest Generation (ages 66-plus)	Baby Boomers (ages 47-65)	Generation X (ages 30-46)	Generation Y (ages 19-29)
Average Debt	\$38,043	\$101,951	\$111,121	\$34,765
Average VantageScore	829	782	718	672
<u>Debt Comparison to the National Average:</u>				
First Mortgage	-8%	-1%	5%	-17%
Second Mortgage	61%	23%	-29%	-83%
Bankcard	43%	-	-14%	24%
Retail Card	40%	-	-	100%
Auto Loan	-10%	-17%	-	136%
Student Loan	-76%	-52%	14%	421%

Mobile marketing outlook

Figure 7 forecast: Mobile marketing spend, 2011 to 2016

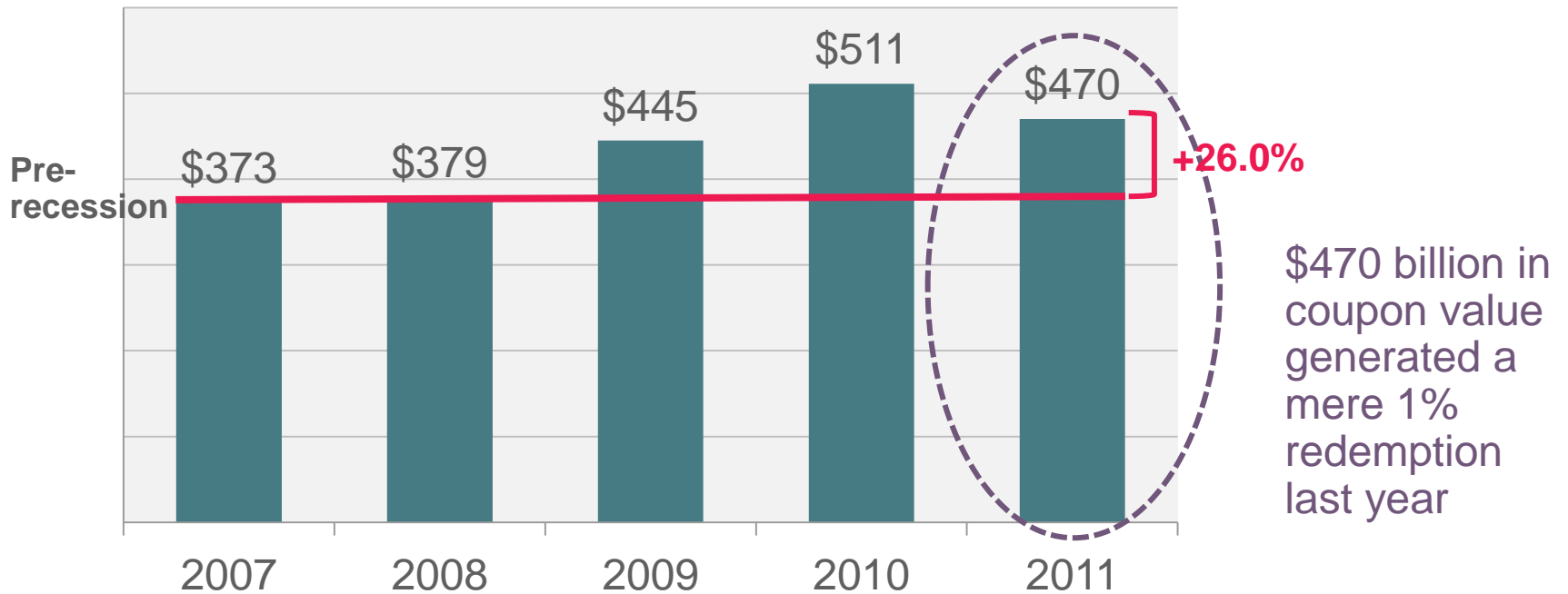


Mobile display	\$755	\$1,236	\$1,899	\$2,617	\$3,316	\$3,805
Mobile search	\$897	\$1,541	\$2,339	\$3,080	\$3,741	\$4,432
Total	\$1,652	\$2,777	\$4,238	\$5,697	\$7,057	\$8,237

Source: Forrester Research Mobile Display Advertising and Search Forecast, 2011 to 2016 (U.S.), Forrester Research, Inc.

Coupon redemption trends

Since pre-recession, CPG marketers have substantially increased the total annual coupon savings incentives in the market, offering more value to consumers (total U.S. CPG coupon value distributed, in billions / all media)



Source: NOI Marketing Services, Inc., Coupon Facts Report, 2012
Projections based upon NCH measurements and proprietary modeling of market activity


Closing remarks

Consistent theme:

Consumers will have a myriad of compelling choices at their fingertips

“It’s not a question of if. The question is when?”

Only products that provide relevance and meet unique, continually changing consumer needs will win out



A payment providers’ ability to **perform precision analytics** through interrogation of new and traditional data sources, will play a critical role in attracting and retaining profitable customers

....as consumers adopt to
The Changing Face of the Payments Industry!



Special thank you

Our expert panelists

CreditCards.com, Marketplace, WCPO-TV and
Dollarcamp for the use of the video interviews



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For additional information, please contact:

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Vision Expert Annex

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