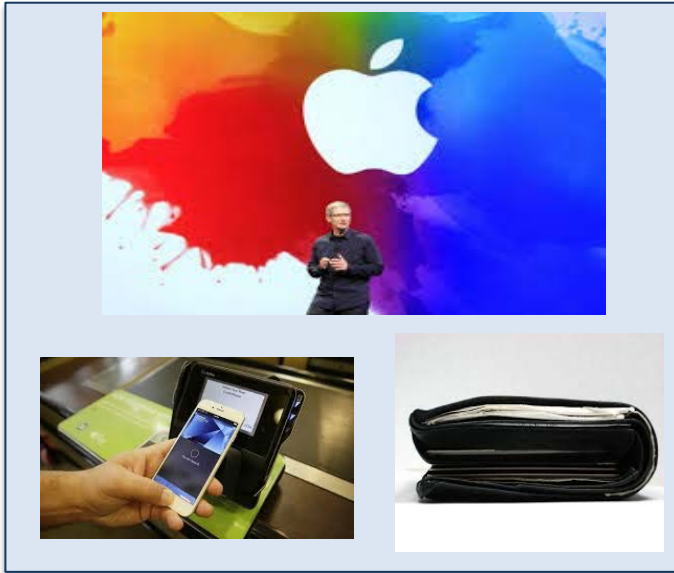


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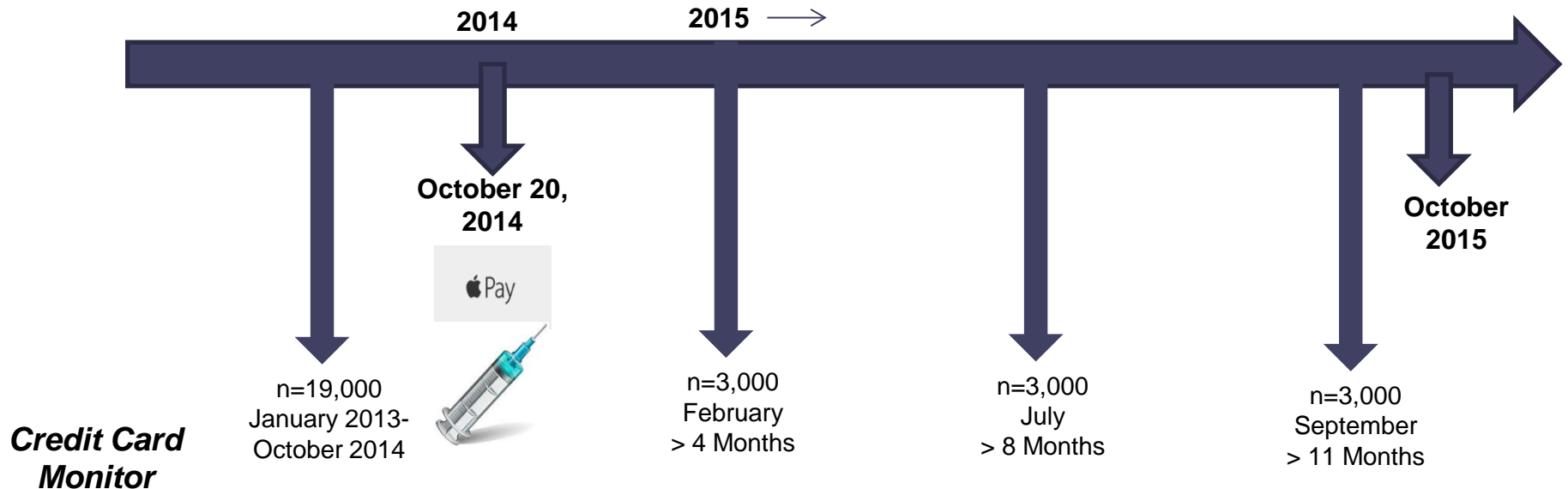
Apple Pay: The First Year



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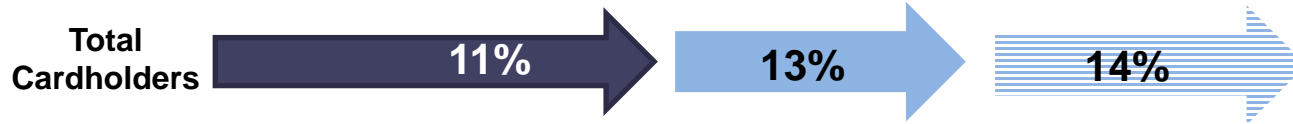
Greg.Weed@phoenixmi.com



- **HHs owning a GP credit or charge card for personal use**
- **Financial decision makers for the households (18+)**
- **Sample balanced to Census (CPS 2015) using 'household' not 'population' benchmarks**
- **Cardholders provide responses for specific card brands**
- **Consistent methodology over time**

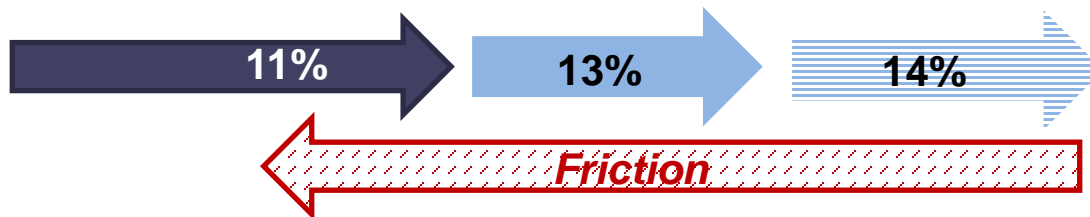


1. **Apple Pay quickly reached 11% of credit card households in the first four months – but the adoption growth rate has slowed considerably.**



2. **Consumer segments display different adoption profiles. A surge in Gen X adoption was observed even as the market began to flatten.**
3. **Pre-launch demand was captured quickly as the first tier of adopters entered the market – largely replacing previous use of contactless plastic cards.**
4. **Some have intuitively grasped the inherent convenience and safety benefits of Apple Pay while second tier prospects are still happy with plastic cards.**
5. **Apple Pay usage – both in-store and in-app – closely follows adoption.**

6. As the market has grown, friction has remained unabated -- resulting in lost Apple Pay transaction opportunities.

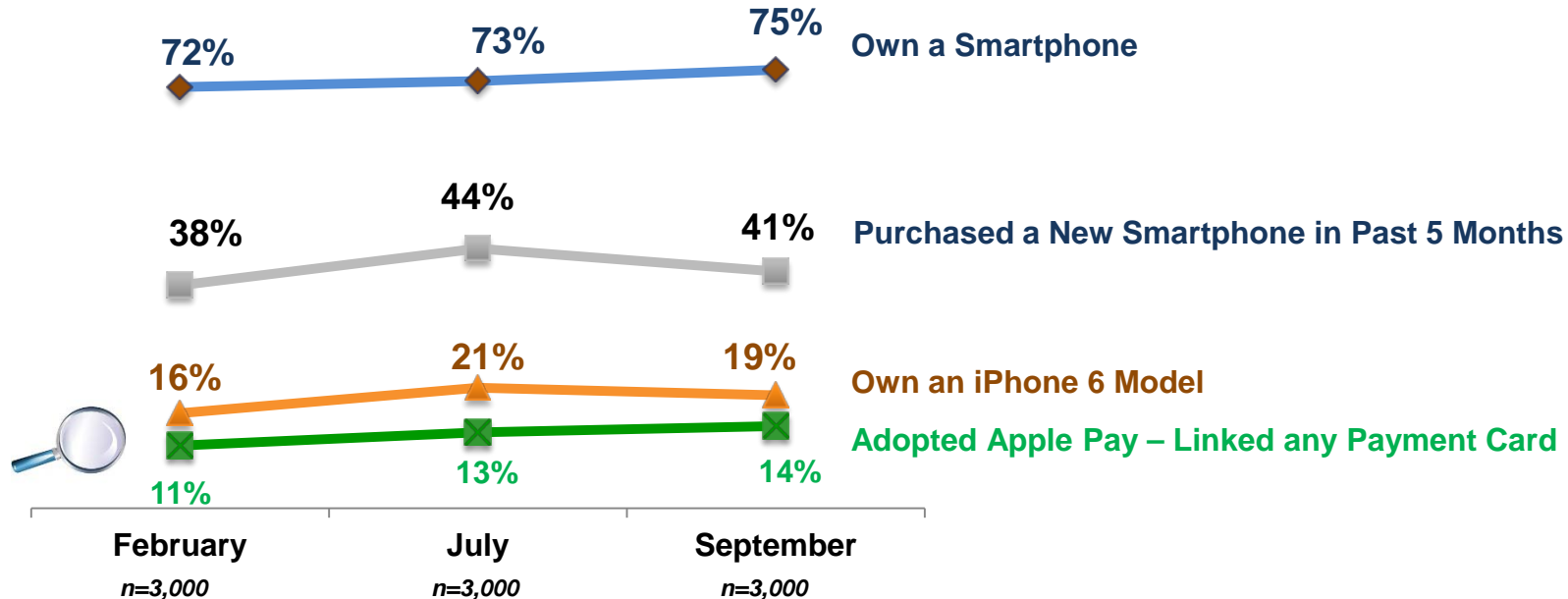


7. Friction, however, has not alienated Apple Pay users as they look forward to using Apple Pay more often, adding more cards to the wallet and leaving their plastic payment cards at home.
8. 'High-tech' mobile wallets require 'high-touch' marketing. Inbound inquiries from Millennials and Gen X'ers create engagement, customer control and brand differentiation opportunities.

Market at a Glance – Penetration Rates

Apple Pay adoption reached an early-on threshold of 11% after the first four months followed by incremental gains as Year 1 closes out.

Base: All HHs Owning a GP Credit or Charge Card



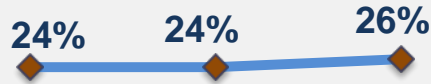
% CC HHs Using Apple Pay for Purchases



Apple Pay usage rates vary widely by segment.

Highest Rates

Millennials
(18-32)



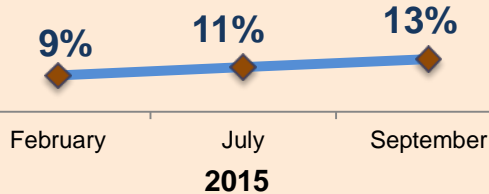
Recent Growth

Generation X
(33-48)



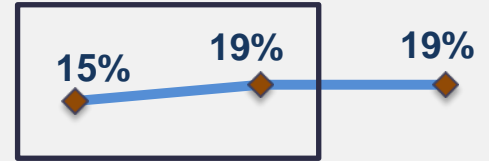
All Credit Cardholders
(Including Non-SP Owners)

Note: Users \approx 90% of Adopters



Q2 Growth

Affluent



Largest Group

Mass Market

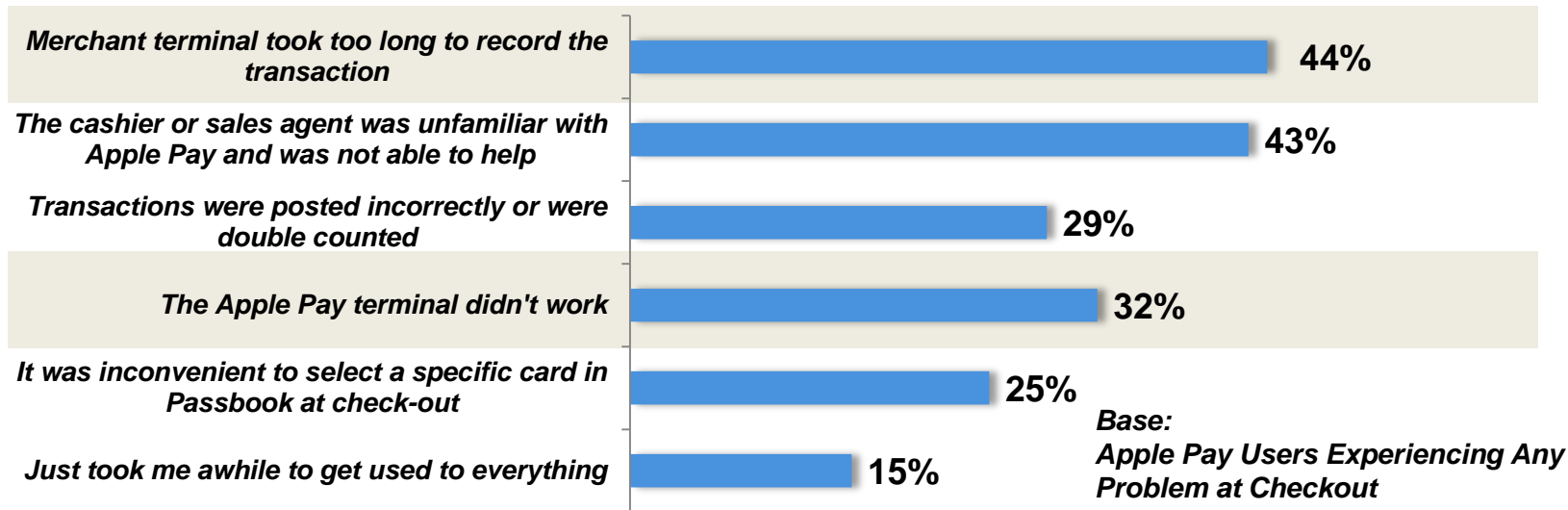




Terminal and training issues reported throughout the first year.

Type of Problem Encountered

(Aggregate Figures YTD 2015 With Q3 Figures Equivalent to Q1 Figures)





“I like technology that makes my life easier, not more complicated.”

“I’m concerned that you need more and more different payment methods.”

“I would consider CurrentC if my information was not shared with retailers. I would use Apple Pay if I had an iPhone but I like my Android.”

“Am interested in Apple Pay but have an Android phone. Must I purchase an iPhone to use Apple Pay?”

“It should be known that your phone is not the safest place to keep unique information.”

“Apple Pay sounds better but have no problem using an actual credit card ... but I have no interest in switching to iPhone just to able to use Apple Pay.”