



Payment Choice = Incremental business

(The case for cash acceptance)

David Hunter

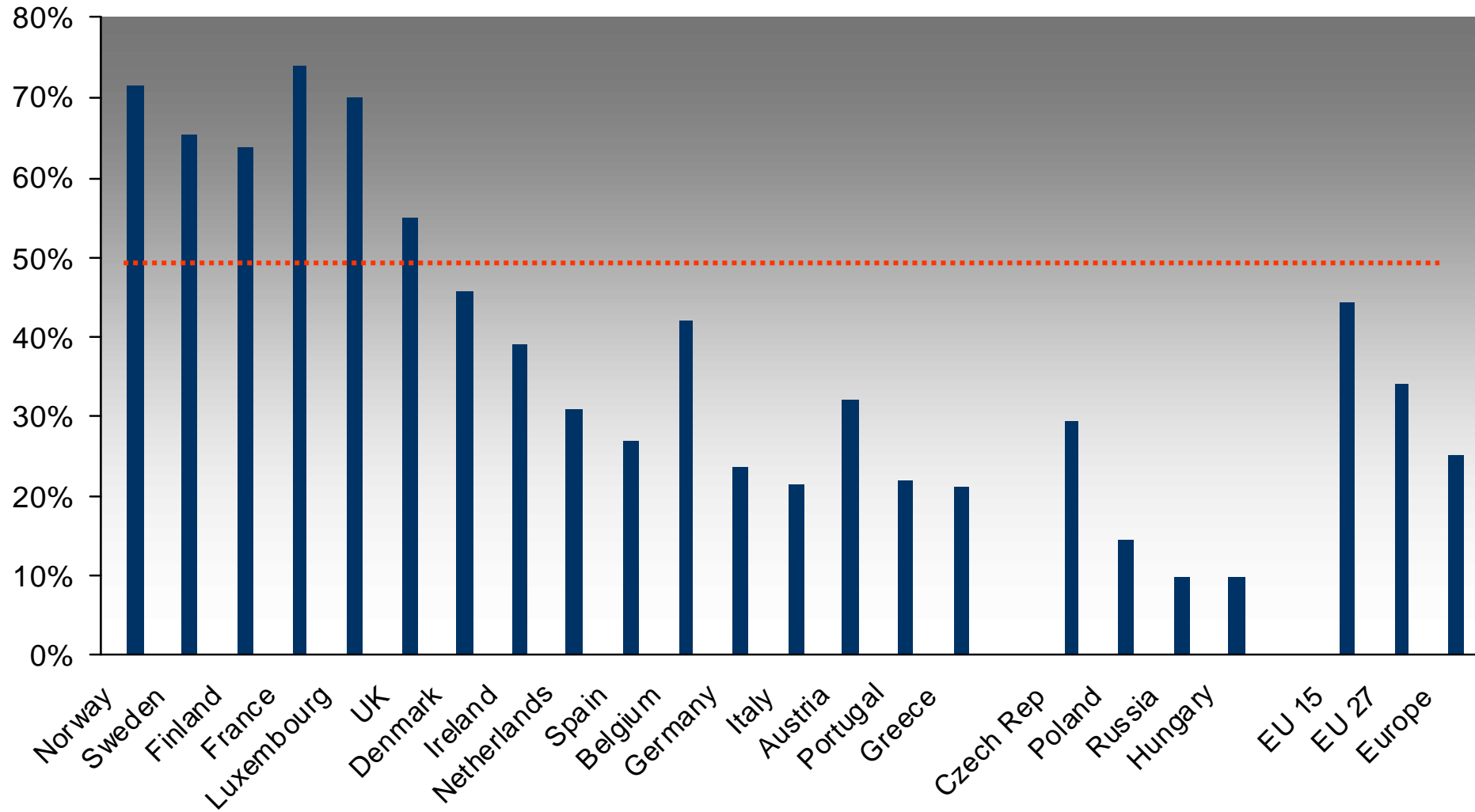
CEO UK, paysafecard group

Some of the comments I hear

1. Credit/debit cards cover >90% of the potential online market, so there's no need for alternatives
2. People are no longer afraid of giving out their personal financial details online
3. The numbers of people effected by points 1 & 2 is so small that it really doesn't matter
4. The payment alternatives out there are impractical and unpopular with shoppers
5. Offering alternative payment options, simply confuses people & adds no revenue
6. Fraud & charge-backs are inevitable with all online payment methods
7. Cash may be King again on the High Street, but it has NO practical value online

Card Penetration is low in Europe

People who own a credit card, by country

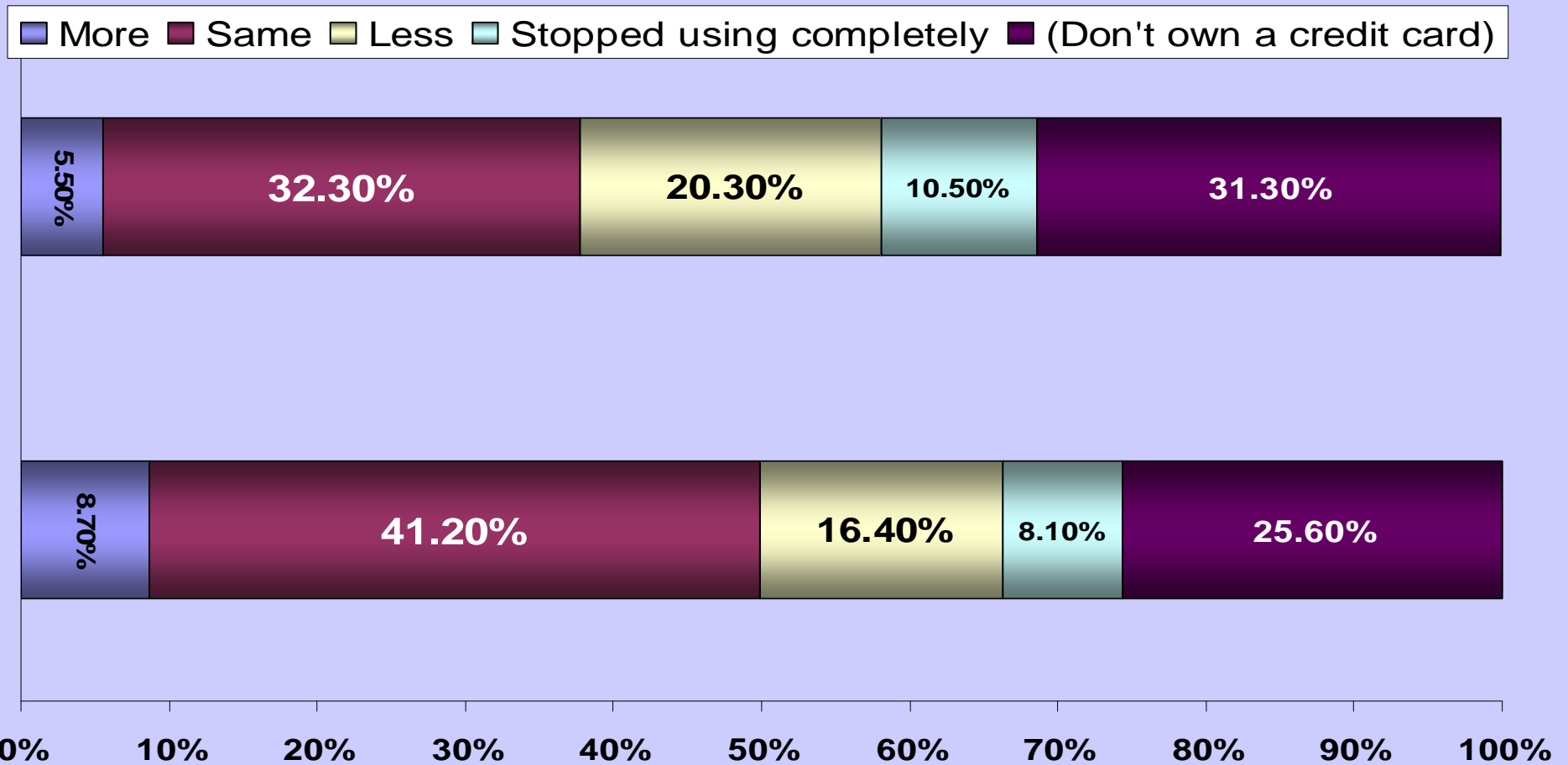


Source: Eurobarometer/nVision Research
 Base: 1,000 per country aged 15+

Credit card use is falling rapidly



Use of credit cards this year compared to last



Source – PSC Omnibus research March 09 – 500 people (UK representative by region, age and demographic)

Payment Methods across Europe

67% of adults in the EU don't have a card for online deposits = 330m
 (= 400m for all of Europe)





VISA



Cash-Ticket

Card payments are the low-hanging fruit, yet most UK sites offer no real alternatives

- The benefits

- Proven - Already used offline
- Popular – esp. among young affluent & broadband users
- Trusted – card scheme brands
- Assured - Real-time authorisation
- Cash flow - Fast settlement
- Low cost – typically $\leq 3\%$

- The challenges

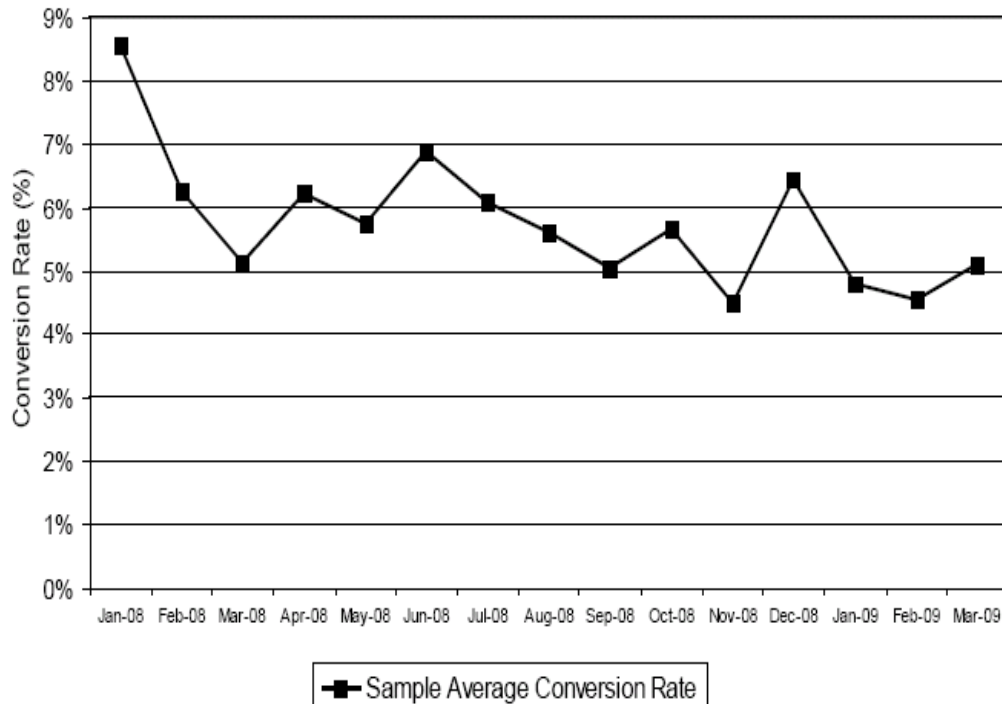
- Growth rates now reducing
- 3D Secure creating drop-off
- 67% of the EU27 don't have one
- Real fear of identity theft
- CNP is highest increase in card fraud
- Losses and admin burden of Charge-backs

So is a preference for card payments now stifling your growth potential?

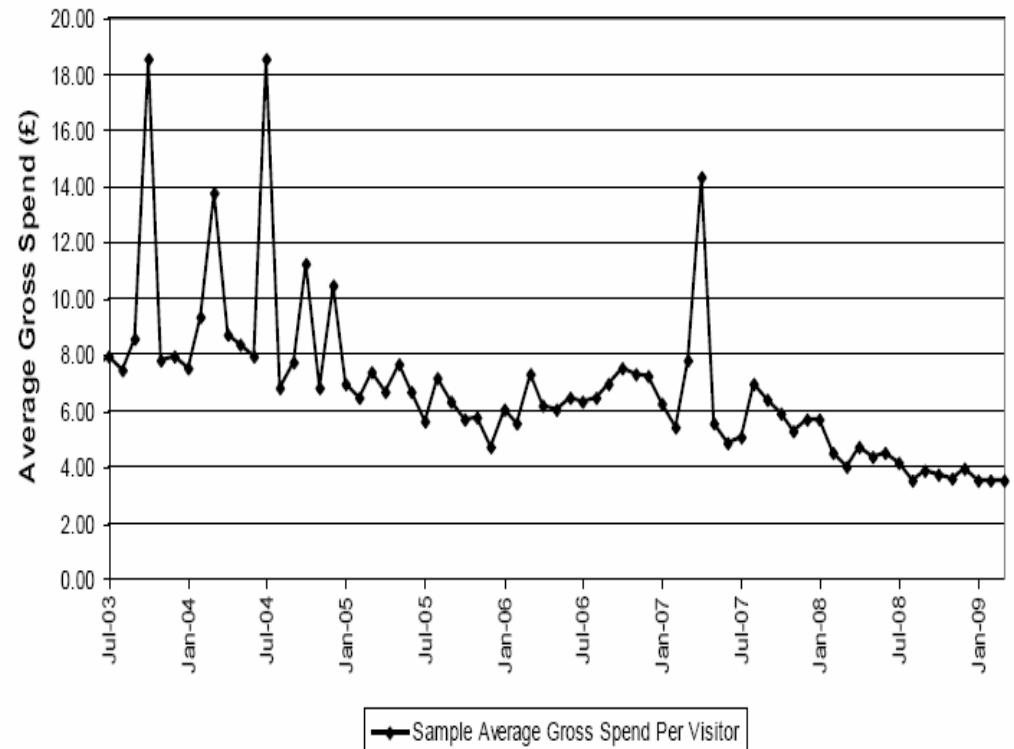
Growth, conversions & spend per visitor are all falling

IMRG index growth yr on yr	March 2009	March 2008	March 2007
	17%	35%	41%

Monthly Sample Average Conversion Rate of Participants in the IMRG Capgemini e-Retail Sales Index - Total Market From Jan 2008

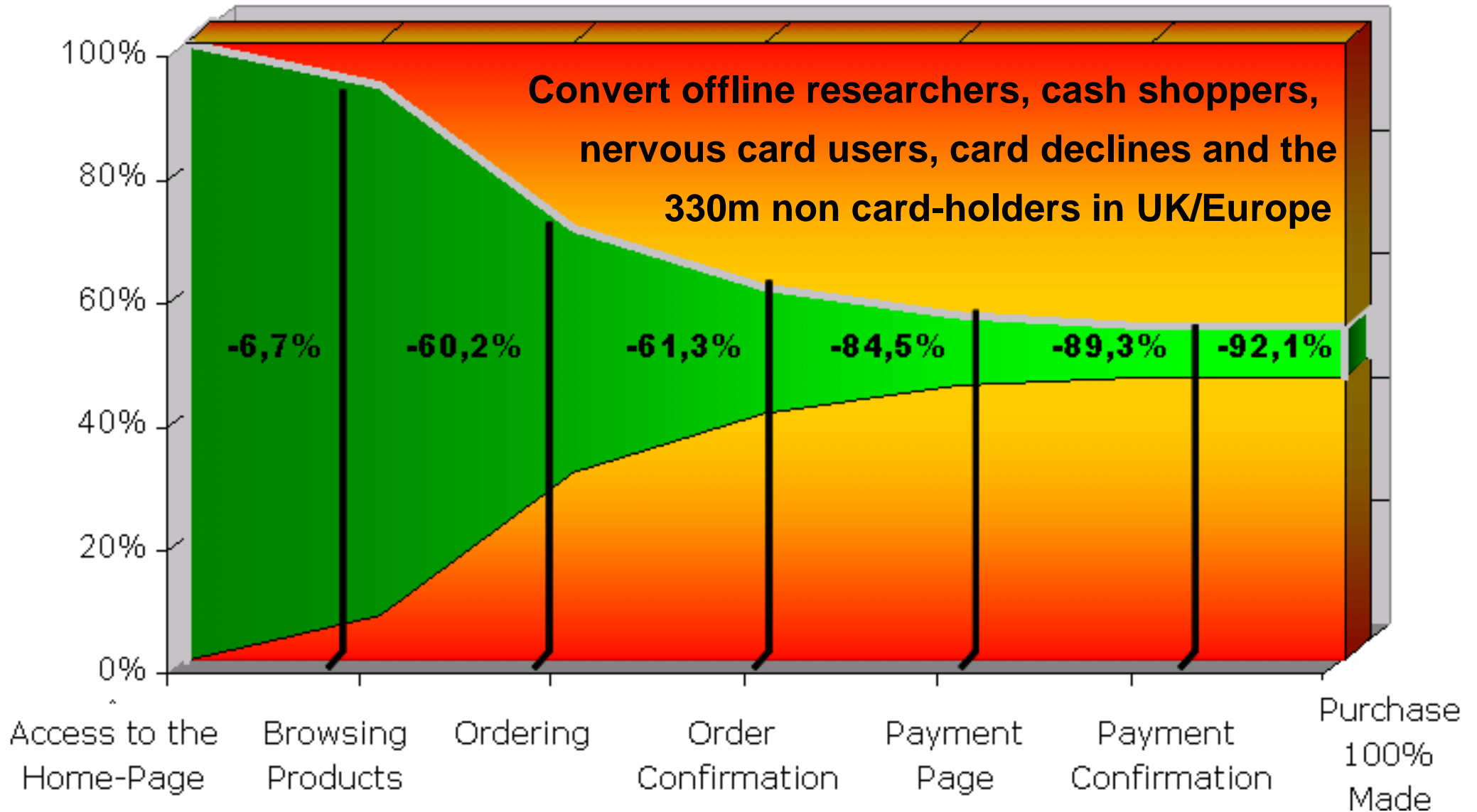


Sample Average Gross Spend Per Visitor: Total Monthly Market



Typical Conversion Funnel

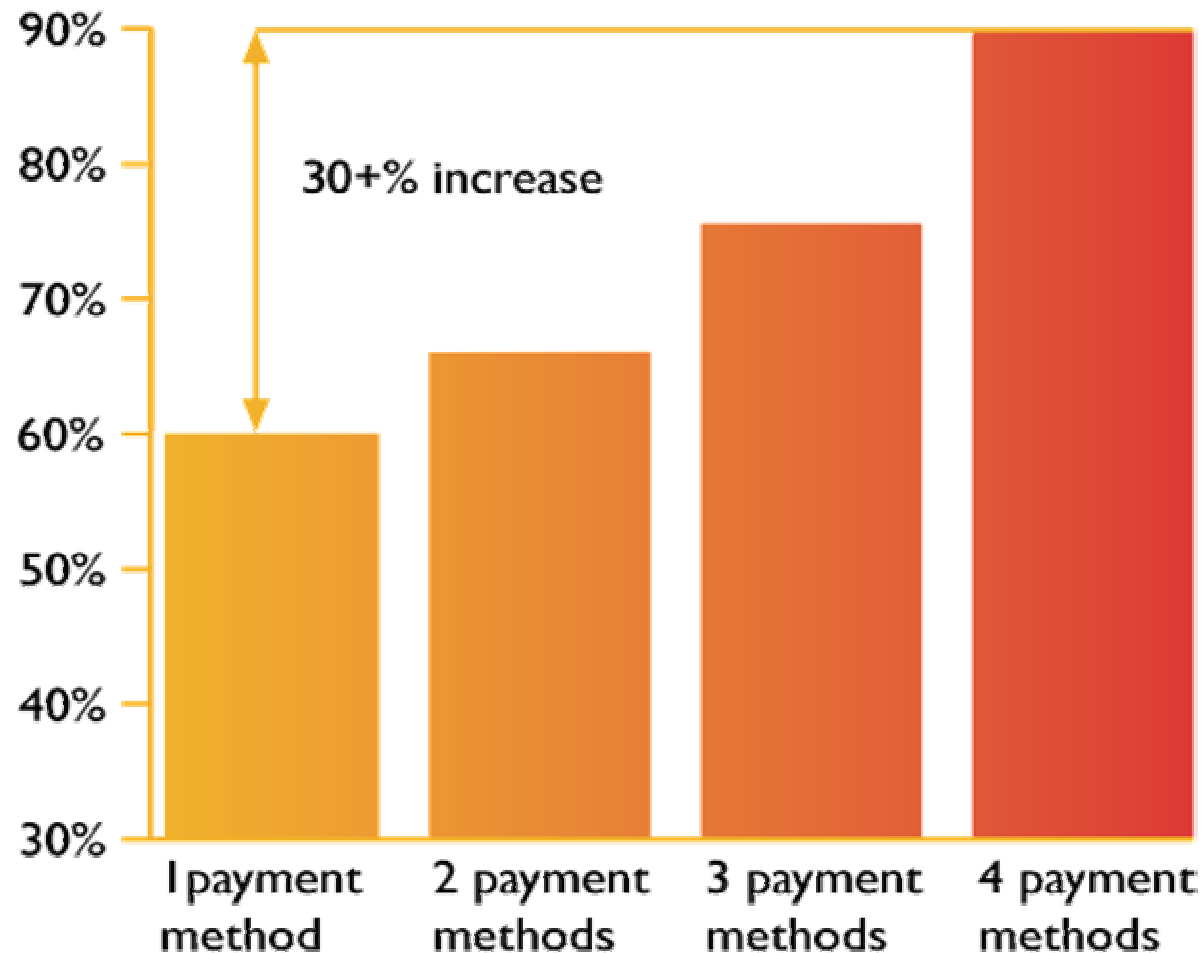
Opportunities from payments strategies



Customers want alternatives

- Top 3 considerations when buying online:
 - 85% trust the site with payment information
 - 9% said competitive pricing is most essential
 - 5% said ease of use was at the top of the list
 - **VeriSign** polled 919 U.S. adults 18 and older who spend at least three non-work hours per week online for its survey
- 39% of consumers surveyed say they have changed their behaviour because they are worried that their personal data may be stolen, and most of those concerned consumers are cutting back on paying online 5,000 people survey by **Gartner** in September 2008 – published March 2009
- 25% (US) say I.D. theft results in them making fewer online purchases and nearly 20% say it leads them to spend less online **Javelin Strategy & Research** March 2009 - 1,000 online consumers aged 18 to 34, co-sponsored by eBillme and First Data Corp
- 40% said “they would use cash online if it were as easy as it is on the High Street” prepaid services company, Omnibus Survey March 2009 – 500 UK residents representative by region, gender, age and demographic

Effect on conversions



Merchants typically Increase sales 30%

(through added convenience and choice) Source – Global Collect Merchant Survey 2008

Similar to buying a mobile top-up

Cash-Ticket – how it works

- **Cash-Ticket** is available in GBP/EUR in 10, 25, 50, 100 & 150.
- Available for transactions up to £750 or €1,000
- **Cash-Ticket** is available as a terminal printout at a vast network of outlets in UK, Europe and beyond
- Customer pays a small surcharge of £2/€2 at the Point of Sale
- Transactions and balance can be checked anytime online
- With **Cash-Ticket** you never have to disclose your financial information, or even have it stored online!



More branches than any Bank or Retailer

Available at over 246,000 sales outlets



- Intuitive 'store locator' on website
- Typical outlets are, for example, post office branches, kiosks, electronics stores and petrol stations.
- Selected distribution partners:

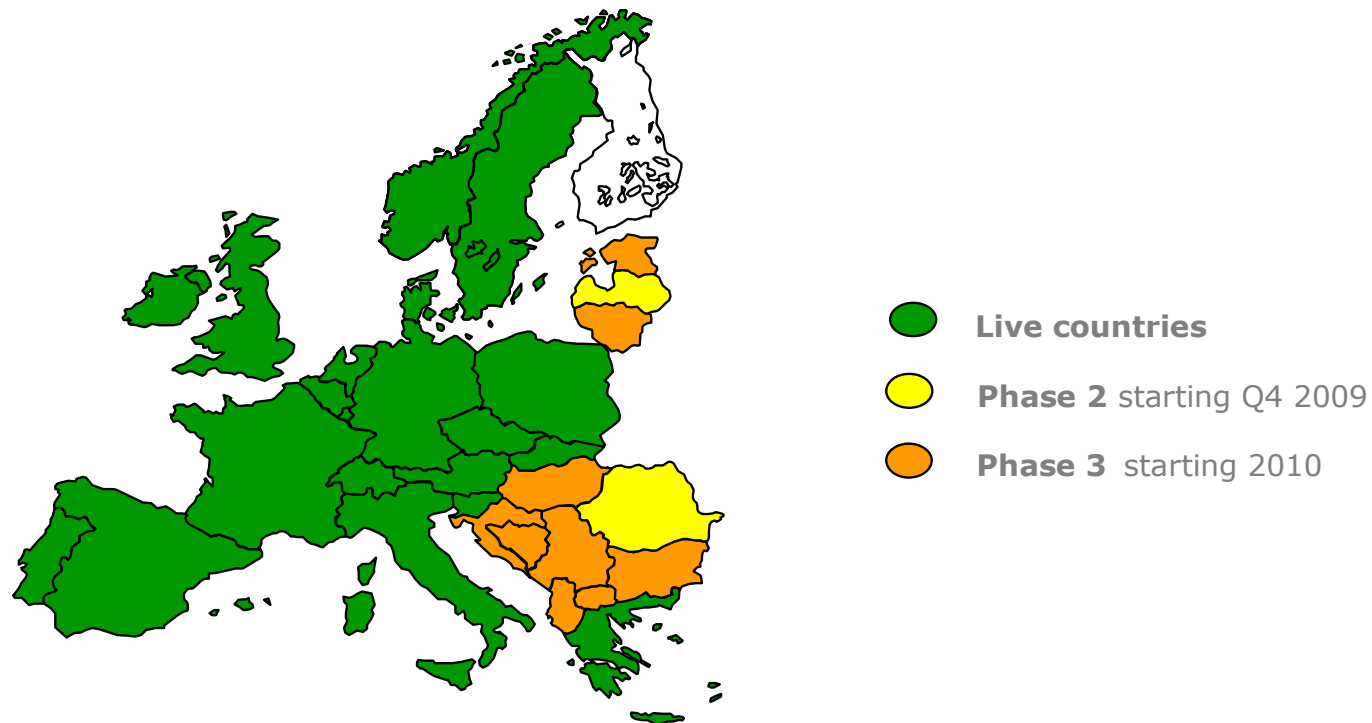


Points of Sale are typically local, convenient and have long opening hours – e.g. Kiosks, Grocers, Fuel Stations etc.

Reach millions of new potential customers



Our geographical reach extends to 22 countries

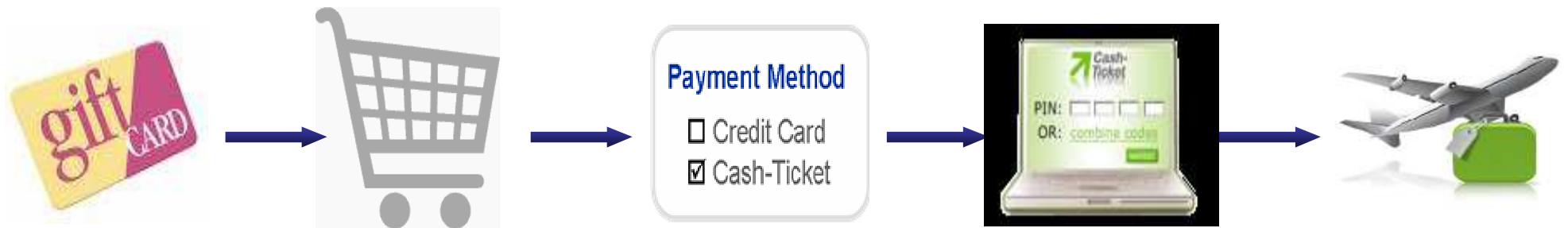


+ South America launched in 2009...

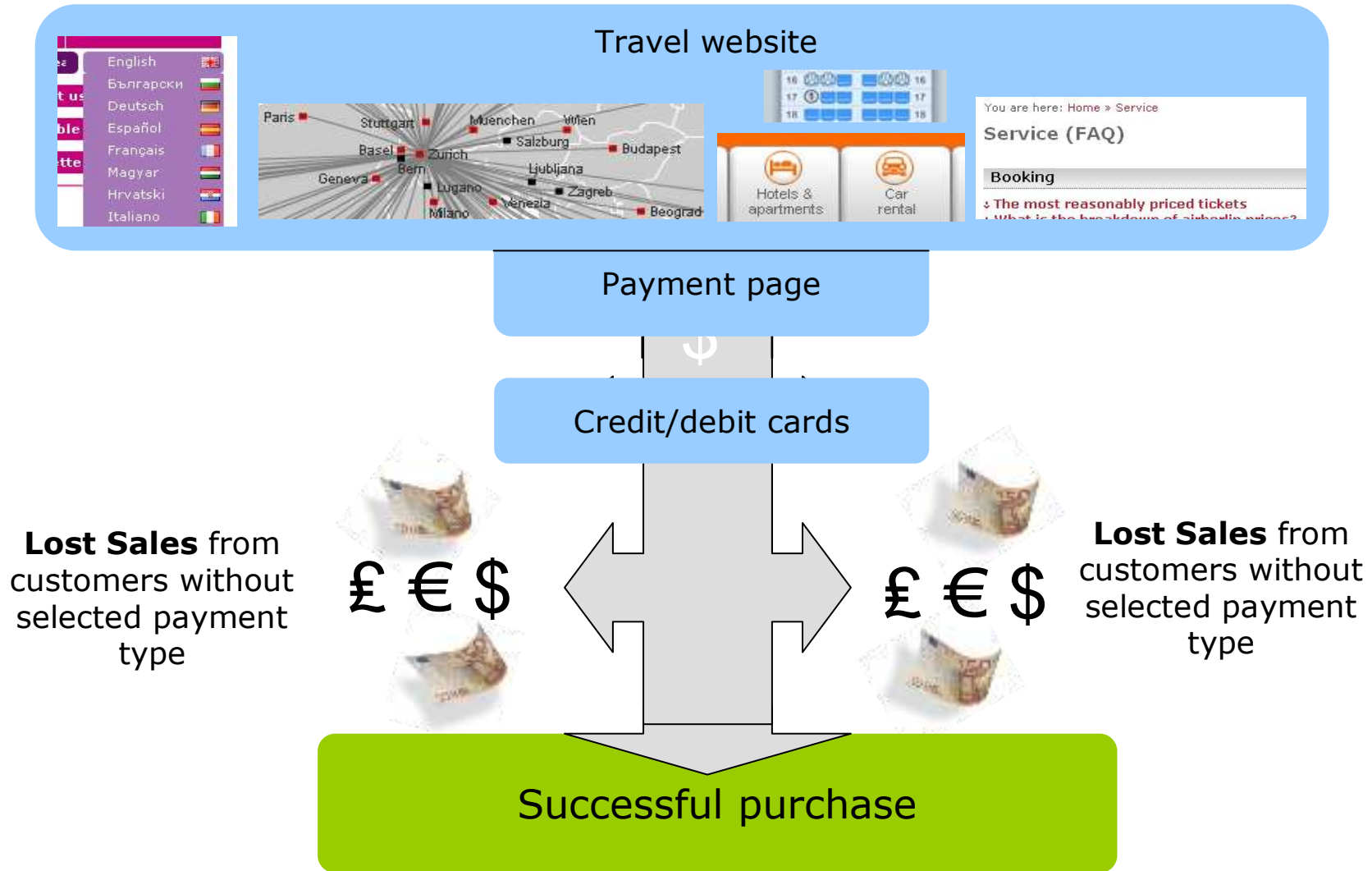
Instant web gift card/voucher solution

Gift & Promo cards can be created using cash-ticket for simple online redemption

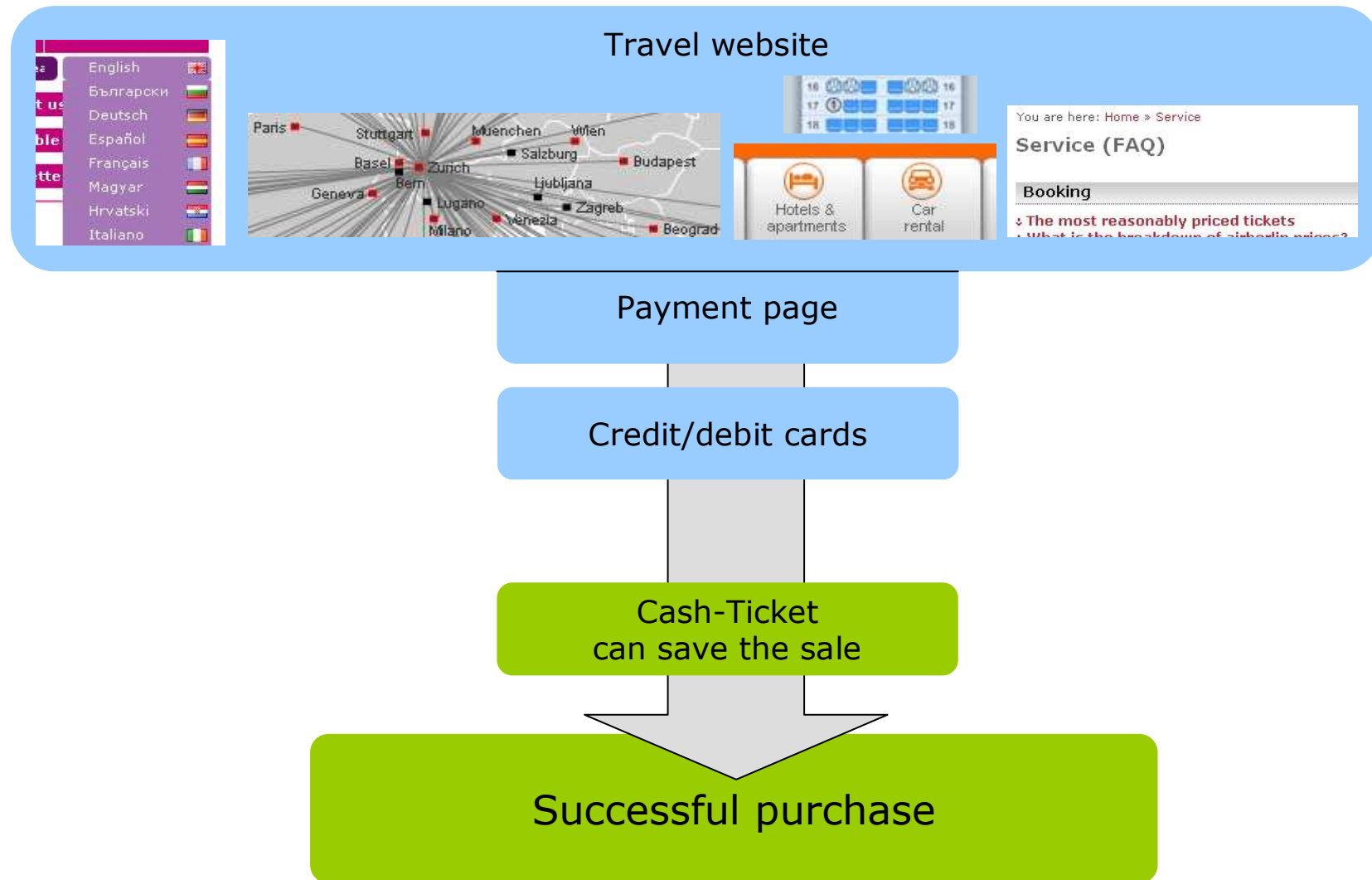
- 1 Buy *Gift Voucher*
- 2 Book Online
- 3 Select Payment
- 4 Enter PIN
- 5 Purchase Complete



Maximizing incremental revenues at online checkout



Maximizing incremental revenues at online checkout



Award winning payment solution

Cash-Ticket

Why is Cash-Ticket different?



- No registration = Easy to trust and peace of mind
- No log-in, credit card, or bank account details = No risk of identity theft
- No restrictions as to income, credit rating = It's for anyone (and everyone)
- It's prepaid (with cash) = No fraud or chargeback risks



Clients in Travel, eRetail and Fashion, know the benefits of Cash-Ticket



- 300 flights daily
- 51 aircraft
- Now part of Lufthansa



“We noticed a significant number of customers who cancel online ticket bookings when they are faced with having to enter bank account information or credit card numbers”



International

Available in 15 countries
(Expand into Europe)



- #1 in baby-care online
- Leaders in innovation
- Nursery retailer of the year

number one online baby shop, supplier of baby products and accessories including prams, pushchairs car seats, baby furniture and baby equipment. We supply all the top brands including Britax, Graco, Maclaren, Baby Bjorn, Cosatto, Maxi-Cosi and Phil & Teds.

PAY ONLINE WITH CASH
Cash-Ticket [CLICK HERE](#)

“We wouldn’t dream of refusing cash in our retail store, and it’s the same for us online, hence we chose Cash-Ticket”



Universal

Can be used by everyone
(Reduce cart drop-out)



- Multi-channel fashion retailer
- 50 stores north of the border
- Targeting woman 15-35



“We know our demographic would like to use cash, but we didn’t want to change our online workflows, so Cash-Ticket is ideal”



Merchant Friendly

Real-time – just like cards
(Never tie-up stock)

Ask you shop system or PSP to integrate Cash-Ticket

Existing shop system & PSP Partners



The image displays a collection of logos for various shop systems and Payment Service Providers (PSP) that are partners of Cash-Ticket. The logos are arranged in a grid-like fashion. On the left side, there are logos for shop systems: instant salesware vendra, osCommerce (Open Source E-Commerce Solutions), interspire, lost ferret (web conversion specialists), PACE RETAIL, Locust World, and Magento (OPEN SOURCE ECOMMERCE). In the middle column, there are logos for PSPs: UATP (Powering Travel Payment), eKomi (guaranteed real customer feedback), computop (the payment people), shopware, and symmetrics gmbh (eBusiness eCommerce eMarketing). On the right side, there are logos for international payment services: DATA CASH, globalcollect (INTERNATIONAL PAYMENT SERVICES), Ogone, mPAY24, Cash Direct, and ICEPAY (global payment solutions).

In summary – to reduce your abandonment rates

- Conversions becoming ever more critical
- Payments have an important role to play
- Limiting to cards, limits your potential
- Alternatives are far outgrowing card use
- Cash is king on the High St;
 - and now its practical and affordable online
- Cash-Ticket: a simple, effective, and incremental source of new business, and increased occupancy rates, internationally



Let everyone pay



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