

Table of Contents

Chapter 1: Executive Summary	1
Overview	1
Objectives and Methodology	2
Key Findings.....	4
In-Store Payments.....	5
Internet Payments	8
Bill Payments.....	10
Cash.....	13
Debit Cards	15
Prepaid Cards.....	19
Conclusion	21
Chapter 2: Objectives and Methodology	25
Study Objectives.....	25
Methodology.....	26
Respondent Profile	28
Overview	28
Geographic Distribution	29
Respondent Demographics	32
Additional Segmentation Schemes	34
Banking Relationships.....	34
Debit Card Use.....	35
Use of Direct Deposit.....	36
Use of Online Banking.....	37
Conclusion	38
Chapter 3: In-Store Payments.....	39
Overview	39
Market Size.....	39
Payment Options.....	41
Cash.....	41
Checks	42
Credit Cards.....	42
Debit Cards	43

Gift/Prepaid Cards	44
Trends and Developments.....	44
Key Findings.....	47
Overview	47
Current Use of In-Store Payment Methods	48
In-Store Payment Product Ownership.....	48
In-Store Payment Product Usage.....	51
In-Store Payment Mix.....	54
“Top of Wallet”	57
Perceived Acceptance	59
Purchase Size.....	60
Comfort with and Speed of In-Store Payment Methods	61
Comfort	61
Speed	63
Perceptions of In-Store Payment Methods.....	66
Future Use of In-Store Payment Methods	68
Decline in Check Usage.....	70
Emerging Payment Methods	71
ACH Cards	71
Contactless Payments	73
Conclusion	76
Chapter 4: Internet Payments.....	79
Overview	79
Market Size.....	79
Payment Options.....	81
Traditional Card-Based Payments.....	82
Traditional Paper-based Payments.....	83
Internet-Only Applications	83
Trends and Developments.....	84
Key Findings.....	86
Overview	86
Current Use of the Internet	87
Internet Access	87
Internet Shopping.....	88
Current Use of Internet Payment Methods.....	89

Internet Payment Mix	89
Micropayments	91
Comfort with Internet Payment Methods	92
Perceptions of Internet Payment Methods	95
Security and Fraud Prevention	98
Fraud	98
Payment Security Programs	100
Future Use of Internet Payment Methods.....	101
Conclusion	103
Chapter 5: Bill Payments	105
Overview	105
Market Size	106
Paper Checks.....	106
Online Bill Payment	107
Automatic Payment.....	109
Looking Forward.....	110
Key Findings.....	111
Overview	111
Current Use of Bill Payment Methods.....	112
Occasional Bills.....	114
Recurring Bills.....	115
Bill Payment Mix	118
Use of Single vs. Multiple Payment Methods.....	119
Bill Payment Method by Biller Type	120
Use of Individual Bill Payment Methods.....	121
Online Bill Payment	121
Automatic Payment.....	123
Cash	126
Bill Payment over the Telephone.....	127
Comfort with Bill Payment Methods	128
Online Bill Payment	129
Automatic Payment.....	129
Perceptions of Bill Payment Methods.....	130
Bill Information and Monthly Statements.....	131
Bill Information	131

Monthly Statements	133
Future Use of Bill Payment Methods	134
Checks	135
Online Bill Payment	136
Automatic Payment	137
Conclusion	137
Chapter 6: Cash.....	139
Overview	139
Market Size	139
Trends and Developments.....	140
Key Findings.....	142
Overview	142
Current Cash Use	142
Changes in Cash Use	142
Cash Substitutes.....	144
Changes in Cash Use by Retail Channel	145
Drivers of Change in Cash Usage	147
Benefits of Using Cash	149
Withdrawing/Obtaining Cash.....	150
Cash Back	152
Future Cash Use	154
Conclusion	155
Chapter 7: Debit Cards.....	157
Overview	157
Background	158
Market Size	159
Industry Trends	160
Functionality Mix.....	161
New Merchant Categories.....	161
Rewards Programs.....	162
New Debit Applications.....	162
Recent Developments	163
Network Rationalization.....	163
Interchange Debate.....	164
New Entrants.....	164

Key Findings	165
Overview	165
Current Debit Use.....	165
Debit Use Segments.....	166
PIN and Signature Debit.....	168
Drivers of Debit Preferences.....	171
Merchant Acceptance	171
Security and Liability.....	173
Debit Rewards.....	174
Future of Debit.....	176
Conclusion	177
Chapter 8: Prepaid Cards	179
Overview	179
Background	180
Market Size.....	180
Trends and Developments.....	181
Prepaid Applications	181
Economics of Gift Cards	182
Processor Acquisitions	183
Government Regulation	183
Key Findings.....	185
Overview	185
Current Gift Card Use.....	185
Gift Card Purchasers.....	186
Gift Card Receivers.....	187
Gift Card Types.....	188
Gift Card Preferences.....	189
Personal-Use Prepaid Cards	191
Emerging Prepaid Applications	193
Conclusion	194
Chapter 9: The Payments Landscape	195
Overview	195
Key Findings.....	196
Overview	196
Payments Across Venues	197

Payment Preferences by Financial Institution.....	201
Conclusion	205
Appendix: Data Tables	207
Index of Tables.....	207
Subject Index.....	415