



# How Amazon Is Redefining Payments

17 September 2019 By: Krista Tedder

The past several years have been filled with water cooler conversations of "what happens if Amazon becomes a bank". The good news is that they don't want to be a bank. Amazon wants to partner with merchants as a payment service provider to build a customer service experience that meets the various needs of consumers. With over 50% of Americans being Amazon customers, they are setting experience expectations that carry over to how people want to interact with other merchants and their financial institution. The goal for financial institutions is how to build digital top of wallet strategies which make their payment product the seamless payment for each Amazon purchase and other card not present activity. In this report we highlight the differences between Amazon Prime consumers and non-Amazon consumers and how they interact with their financial institution. Practice and tactical advice is provide to maximize the Consumer Financial Enablement Strategy (Security Empowerment, Financial Fitness, and Customer Service) to build payment strategies which focuses on consistent payment usage and higher consumer engagement.

## Key questions discussed in this report:

- Why do banks, credit unions, and payment service providers need to care who shops at Amazon?
- Does Amazon Pay threaten the current payment landscape to take traditional card transactions? Why will Amazon succeed where others haven't?
- How do financial institutions leverage Amazon to build a digital top-of-wallet payment strategy?

The consumer data in this report was primarily collected from the following:

- A random-sample survey of 3,000 respondents conducted online in March 2019. The overall margin of error is +/-2% at the 95% confidence level for questions answered by all respondents.

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