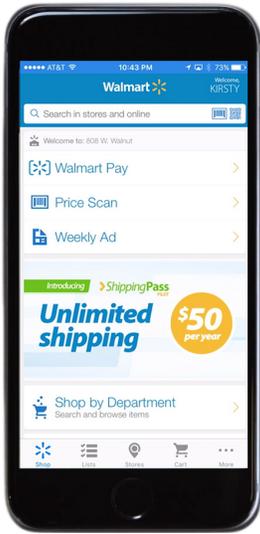
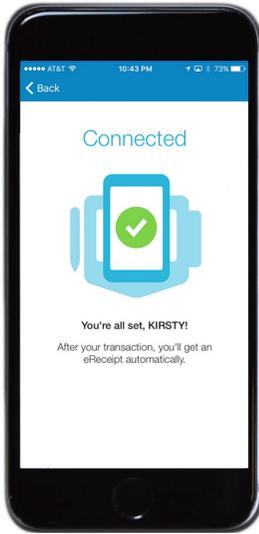


Walmart is launching a new proprietary wallet, Walmart Pay, which allows customers to pay in-store with the payment methods they have saved on Walmart.com.



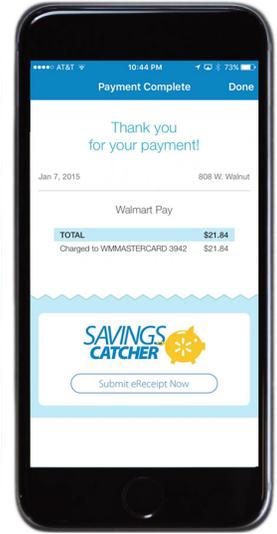
Select "Walmart Pay" in Walmart app



Unlock Payment with Passcode or Touch ID



Scan QR Code on Point of Sale



Receive in-app eReceipt

## Comparison to Other Wallets



Tech	QR Code	NFC + API	NFC + BLE + API	QR Code + BLE
Payment Methods	Credit, debit, prepaid, PLCC, gift	Credit, debit, prepaid, PLCC, loyalty	Credit, debit, prepaid, gift, loyalty	PLCC, gift, bank account
Channel	POS, in-app & web	POS & in-app	POS & in-app	POS
Accepted	Walmart only	Any NFC accepting merchant	Any NFC accepting merchant	MCX Coalition merchants

## Questions & Considerations

- Will Walmart Pay speed up or slow down checkout times?
- How will Walmart encourage consumers to use Walmart Pay without a loyalty program?
- Does Walmart Pay incur card-not-present interchange and chargeback liability? If so, how is Walmart mitigating this?
- How secure is Walmart Pay?
- Will Walmart channel other digital payment services (e.g., Apple Pay, Chase Pay, CurrentC) through Walmart Pay?
- How will other retailers respond?

## Overview & Observations

- Walmart Pay allows customers to use most of their saved **Walmart.com payment methods** in-store including split tender transactions. PayPal and Pay With Cash are not supported.
- Walmart Pay uses QR "pay codes" similar to MCX's CurrentC, of which Walmart is a major backer, but Walmart says this new offering is not technically related.
- Walmart Pay is a feature of the Walmart app, which is one of the top retail apps with **22 million active monthly users**.
- Walmart Pay is being tested in select stores now with national rollout planned for the **first half of 2016**.
- Walmart Pay is an example of the retailer's investment in **omnichannel** solutions which create one customer experience across channels. Other features include e-receipts, wishlists, geofenced alerts, and grocery delivery.
- Merchants such as Starbucks, Dunkin' Donuts, Neiman Marcus, and Express already have their own mobile wallets but Walmart Pay could be a catalyst for more proprietary action. Notably, following Walmart's announcement, Kohl's announced plans to follow suit and Target is reported to be exploring wallet solutions.

*"What Sam Walton taught us is that there is really only one boss and that is the customer. And they can fire us at any time by just not shopping with us anymore."*

*We decided to stop trying to improve payment for payments' sake and instead use mobile to improve checkout and shopping."*

- Daniel Eckert, Walmart SVP of Services

Sources: Company announcements and First Annapolis Consulting observations.

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