Debit Cards in the U.S.

Description: With at least moderate volume and transaction growth assured over the next few years, it is estimated that debit interchange could pass the $20 billion threshold as soon as 2015, making up all of the ground lost to major legislation that the payments industry has only begin to digest.

While new legal developments may throw through debit card a new curveball, it is nevertheless expected that debit volume and value will grow more than 7% in 2014 and 2015, as it continues to chip away at the more than $3 trillion of cash and check expenditures that remain ripe for electronic conversion.

With traditional banks losing customers to upstart direct banking operations and alternative banking concepts, now is not the time for bricks and mortar operations to migrate their customers away from a strong debit option.

Debit Cards in the U.S., 5th Edition gives industry participants needed guidance on trends shaping the U.S. debit card market.

Report Features

- Provides a debit card market size and forecast through 2015, with supporting analysis of debit transaction and value growth within the context of card payments; debit transaction and volume by exempt and non-exempt issuers and by PIN versus signature debit network; and debit interchange revenue broken out in the same manner.

- Presents an overview of regulations affecting debit interchange, debit card routing, and overdraft protection that continue to shape the debit card and consumer banking competitive landscape. We also examine a recent court ruling that could upend the current debit framework, providing explanation and potential outcomes.

- Assesses issues and trends challenging debit card and consumer banking revenue growth, along with possible solutions. Themes covered included safety and security, checking accounts, overdrafts and hi-to-low-balancing; and simplicity and transparency, with related analysis of checking accounts entering the market.

- Assesses 2008-2013 debit card, credit card and prepaid card usage trends, including degrees of debit purchase engagement and credit card usage engagement; 2008-2013 checking account trends, including the degree to which checking account holders have investments and loan products over time; 2008-2013 debit card/credit card trends that explore the influence of debit card usage and engagement on credit card use and engagement; and 2008-2013 bill payment methods and payment instrument choices, comparing choices of checking account holders and debit cards holders to the average adult.

- Assesses 2010-2103 debit card usage and usage frequency trends, by card association brand, as well as credit card, debit card, checking and prepaid trends by key demographic groups: 18-24s, <$50K HH income consumers, and $100K+ HH income consumers.

- Relying on consumer survey data, the report assesses various debit card usage rationale and influences, including consumer perceptions about debit convenience and safety in relation to cash and check, as well as spending control; bank account opening motivators, framed around the following themes: account costs, account maintenance thresholds, convenience, transparency and education, mobile capabilities, and prepaid options; checking account fee reduction incentives; and consumer attitudes toward debit card usage fees, pay-per-use fees, and inactivity fees. Most chapter analysis is performed according to a variety of demographics, and filtered by whether or not the respondent has a checking account/debit card.

- Analyzes Discover, MasterCard and Visa, three industry participants increasingly vying for debit network share. To assess the effects of regulatory change, MasterCard and Visa quarterly debit volume and transition metrics are assessed; to assess consumer usage, survey data is used to trend MasterCard and Visa debit usage, purchase frequency, and cash back frequency during 2010-2013; and to provide associated demographic analysis for 2013.
Chapter 1: Executive Summary

- Report Scope
- Report Summary
- Market size and forecast
  -- Growth drivers and challenges
- Regulatory analysis and impact
- Debit-driven trends, innovations & strategies
  -- Safety and security
  -- Checking account trends
  -- Transparency and simplicity
- Debit cards in context: the consumer payments universe
  -- 2008-2013 debit card, credit card and prepaid card usage trends
  -- 2008-2013 checking, investment and loan product trends
  -- Debit card and credit card engagement
  -- Bill payment method trends
  -- Bill payment: payment instrument choice trends
- Debit card usage trends
  -- Debit card usage breadth: 2010-2013
  -- Debit card usage frequency: 2010-2013
  -- Credit card, debit card, checking and prepaid trends: key demographic groups
- Debit card usage rationales & influences
  -- Debit’s competitive advantages: Convenience, safety & spending control
  -- Views of checking account/debit card holders & higher-frequency debit card users
  -- Bank account opening motivators
  -- By segmentation group and demographic
  -- Account fee reductions influence on opening a checking account
  -- By segmentation group/demographic
  -- Fees to use a debit card
  -- By segmentation group/demographic
- Card association debit trends & strategies
  -- Discover Financial Services, Inc
  -- MasterCard Incorporated
  -- Visa Inc.
  -- MasterCard and Visa performance analysis
  -- MasterCard and Visa debit card usage analysis

Chapter 2: Introduction and Overview

- Placing the debit card within context of consumer payments universe
  -- Debit card defined
  -- A simple transaction triggers a Byzantine process
  -- Industry Structure: Participants and Processes
  -- Demand deposit account (DDA)
  -- Card issuer
  -- Electronic Funds Transfer (EFT)
  -- Merchant acquirer
  -- Fees
  -- Signature-based (offline) transactions
  -- Table 2-1: Path of a Typical Signature-Based Debit Card Transaction
  -- PIN-based (online) transactions
  -- Automated Clearing House (ACH)

Chapter 3: Market Size and Forecast

- Debit card payment and transaction volume: market size & forecast
  -- Payment volume growth
  -- Graph 3-1: U.S. Debit Card Payment Value: 2006-2015
  -- Transaction volume growth
- Growing share of card-based payments
  -- Table 3-1: U.S. Credit Card, Debit Card & Prepaid Card Transaction Value, Transaction Volume & Average Value, with Share Change: 2003-2012
- Non-exempt issuers have two-thirds market share
- Signature debit vs. PIN debit
- Table 3-2: U.S. Debit Card Value and Volume: Exempt vs. Non-Exempt Banks, Signature Debit vs. PIN Debit, 2012
- Interchange declines in 2012, but could pass 2011 high water mark by 2015
- Table 3-3: U.S. Debit Card Interchange: Exempt Issuers vs. Non-Exempt Issuers, with Signature Debit & PIN Debit Share, 2012
- Growth drivers and challenges
- Cash and check opportunity translates to continued growth
- Many arguments in favor of continued growth
- Credit cards for the affluent, well qualified & (hopefully) a resurgent middle class
- Prepaid cards for historically underserved and youth
- Signature v. PIN

Chapter 4: Regulatory Analysis and Impact

- The Durbin Amendment & Debit Interchange
  - In a nutshell: what is it?
  - The Durbin Amendment & debit interchange
  - Network exclusivity prohibition and routing provisions reshape competition
  - What does it mean for the payments industry?
  - Debit savings for retailers—but not for all of them
  - It depends on what you were charged before the regulations
  - And whether you typically generate small-dollar transactions
  - And whether you generated high debit volume
  - And the degree to which you accept PIN vs. signature
  - Signature-only merchants lose out
  - Visa Interlink suffers from increased competition
  - PIN allegiance shifts from banks to merchants
  - Network non-exclusivity: it's about freedom of choice
  - Freedom to route
  - Merchant control shifts network incentives lower
  - Merchant price steering: theory versus reality
    - In theory, merchants in driver's seat
    - But in practice, it's just not that simple
  - Debit versus other methods
  - Courtroom litigation could change the landscape
  - Court decision striking down debit interchange
    - What exactly did the judge say?
    - Interchange fee costs too broad
    - Small dollar transactions get scrutiny
    - Non-exclusivity: Still too exclusive
  - Potential fallout
    - The Dark Horse: Discover
    - 2014 Fed data may help tell the story
    - Let's get a handle on all of the costs
    - Table 4-1: Banking Associations' Suggested Debit Card Cost Data, December 2013
    - Bureau of Consumer Financial Protection
      - What is it and what is it supposed to do?
      - What is the scope of its authority?
    - Broad rule-making authority
    - Broad enforcement authority
  - Consumer Overdraft Protection: Challenges & Strategies
    - The Key Provision: Regulation E
      - What is it?
    - Amendments and their effect
    - Revenue and earnings context
    - Earnings estimates
    - Still in play

Chapter 5: Debit-Driven Trends, Innovations & Strategies

- Safety and security
- The Target breach
  -- Fallout
  -- Broad and deep ramifications
  -- Banking distrust
  -- Table 5-1: Consumer Trust in Giving Money to Banks, 2008-2013
  -- Table 5-2: Consumer Trust in Giving Money to Banks, by Demographic, 2013
  -- Revenue generation practices
  -- It’s a free country, but checking is conditional
  -- Free checking alive and well, if you’re at an exempt bank
  -- Exempt versus non-exempt
    -- Free checking
    -- Caveat
      -- Conditional free checking
        -- Availability
        -- Pricing and features
        -- Changes in average fees
        -- Changes in requirement thresholds
        -- Fees common to all accounts
      -- Overdrafts
        -- CFPB weighs in
          -- Opting in increases vulnerability to increased costs and involuntary account closures
          -- Policies, procedures, and practices vary widely and pose comprehension issues
          -- Revenue per customer varies significantly
        -- What does this foretell?
        -- Echoes of the past
          -- Decline my transaction, please!
          -- Congress weighs in
            -- Creative solutions
              -- Huntington Bancshares
                -- What? 24-hour overdraft grace period, no minimum balance & free identify theft protection?
                -- Injecting a sense of fairness into the mix
                -- Sacrificing fee income for growth
                -- And related checking matters
              -- High-to-low balancing still playing itself out
                -- Flashback: Wells Fargo litigation sets precedent for additional litigation
                -- Legal conclusion: gouging & profiteering drove overdraft program changes
                -- Fast forward: Wells Fargo still in court!
              -- Regions Financial Corp. still practicing hi-to-low balancing
                -- Thinking twice about writing that check
                -- Migrating to online solutions
                -- Shrinking the branch
                -- Remote deposit capture as overdraft stopper
                -- Transparency and simplicity
                -- Product streamlining
                -- Checking account fee transparency improving
              -- FDIC Model Safe Accounts
                -- Encourage adoption of "checkless" checking fir underserved consumers
                -- Table 5-3: FDIC Model Safe Accounts: Core Features/Fees & Auxiliary Services and Fees, 2013
                -- Cost to banks: low
                -- In practice: Citi Access Account
                -- New York City pilot
                -- Marketing approach
                -- Account profitability
                -- Distinguishing feature: remittance
                -- In practice: KeyBank Access Account
                -- An "access" account
                -- Positive uptake, strong account growth
                -- Table 5-4: KeyBank Access Account: Web Marketing Graphic, 2013
                -- Comparing KeyBank Access Account customers to its mass customers
                -- Table 5-5: KeyBank Access Account: Characteristics & Metrics, 2013
                -- On the horizon: Bank of America no-overdraft account
                -- Other debit matters
                -- Rewards are not dead, they're just different
-- Rewards for using debit card give way to rewards for saving
-- A rebound may be in the works
-- ACH debit in the wings
-- Merchants and service providers
-- Advantages and disadvantages
-- Debitless ATM

Chapter 6: Debit Cards in Context: The Consumer Payments Universe

- Summary analysis
-- 2008-2013 debit card, credit card and prepaid card usage trends
-- 2008-2013 checking, investment and loan product trends
-- Debit card and credit card engagement
-- Bill payment method trends
-- Bill payment: payment instrument choice trends
-- Consumer payment products: debit uptake continues
-- After recession dip, credit card use increases, but penetration lags pre-recession levels
-- Prepaid card usage growth lower than that of debit
-- Table 6-1: Consumer Payment Products Usage Penetration (Percentage and Population), by Type, 2008-2013
-- Debit card engagement at all-time high
-- Debit and prepaid not (yet) likely to coexist in the wallet
-- But majority of prepaid users have debit or credit cards
-- Table 6-2: Debit Card and Prepaid Card Users, Segmented According to Whether User Has Prepaid,
-- Debit or Credit Card, 2010-2013
-- Debit cards the most prevalent card-based payment method
-- Debit card usage frequency eclipses credit card usage frequency
-- Near-term credit card engagement metrics suggest usage rebound
-- Table 6-3: Credit Card Monthly Usage Frequency vs. Visa/MasterCard Debit Card Monthly Purchase Frequency, 2010-2013
- Checking and savings account trends
-- On the decline
-- Checking and savings account usage declines among debit card holders
-- Debit card holders exhibit higher usage of checking and savings account products
-- Table 6-4: Checking, Savings, and Unbanked: All Adults, Adults w/ Debit/ATM Cards and Adults w/
-- Branded Debit Cards, 2008-2013
-- Relationship to consumer loan products
-- Table 6-5: Consumer Loan Products, by Type: All Adults vs. Checking Account Holders, 2008-2013
-- Checking account holders w/ debit cards also less apt to have investments
-- Table 6-6: Percent of Consumers with Investments: All Adults, Checking Account Holders, Checking
-- Account Holders w/Debit/ATM Cards, 2008-2013
-- 401Ks gain ground; other major types of investments lag
-- Table 6-7: Checking Account Holders' Investments, by Investment Type, 2008-2013
- Debit card engagement and effect on credit card use
-- Credit card engagement trends: flat over time
-- Engaged debit card purchasers
-- Strongly engaged debit card purchasers
-- Table 6-8: Degree of Credit Card Engagement, by Degree of Debit Card Engagement, 2010-2013
-- Degree of debit card engagement: relationship to credit card use, by brand
-- Have/use credit cards
-- Engaged debit card purchasers
-- Strongly engaged debit card purchasers shift away from AMEX & MasterCard credit cards
-- And prepaid cards
-- More likely to be engaged credit card users
-- Relationship to high-frequency credit card use
-- Table 6-9: Consumers Who Have Credit Card (by Card Brand), by Degree of Debit Card Engagement,
-- 2010-2013
-- Table 6-10: Consumers Who Have Used Credit Card in Past 30 Days (by Card Brand), by Degree of
-- Debit Card Engagement, 2010-2013
-- Table 6-11: Consumers Who Have Used Credit Card 20+ Times in Past 30 Days (by Card Brand), by
-- Degree of Debit Card Engagement, 2010-2013
- Bill payment method trends
-- Down, goes mail! Up, goes online, automatic debit and phone!
Chapter 7: Debit Card Usage Trends

- Summary analysis
- Debit card usage breadth: 2010-2013
- Debit card usage frequency: 2010-2013
- Credit card, debit card, checking and prepaid trends: key demographic groups
- Debit card usage penetration picks up steam
  - Non-bank threat?
  - Branded momentum
- Table 7-1: Debit/ATM Card Usage: Visa, MasterCard & ATM-Only Debit Cards: Cash Withdrawal vs. Purchase, 2008-2013
- Visa and MasterCard debit card use and engagement trends
  - Engagement rate approaches 90%
  - Branded debit cards gaining usage share
- Table 7-2: Debit Card Users & Engaged Users: Visa/MasterCard, Visa & MasterCard, 2010-2013
- Low-, mid- & high-frequency debit card cash withdrawal & purchase trends
- Consumer engagement with debit cards has strengthened
  - The purchase side of the equation
  - The cash side of the equation
- Table 7-3: Debit Card Engagement: Purchases & Cash Withdrawal Frequency: Visa/MasterCard, Visa, MasterCard and ATM-only Cards, 2010-2013
- Credit card, debit card, checking and prepaid trends: key demographic groups
  - 18-24s: ominous trends afoot?
  - Harnessing debit to lasso youth?
- Table 7-4: 18-24s: Credit Card & Debit Card Engagement, Checking Account Use, and Prepaid Card Use, 2010-2013
- $50K HH income
- Table 7-5: <$50K HH Income Adults: Credit Card & Debit Card Engagement, Checking Account Use, and Prepaid Card Use, 2010-2013
- $100K+ HH income consumers
- Table 7-6: $100K+ HH Income Adults: Credit Card & Debit Card Engagement, Checking Account Use, and Prepaid Card Use, 2010-2013

Chapter 8: Debit Card Usage Rationales & Influences

- Summary analysis
- Debit's competitive advantages: Convenience, safety & spending control
  - Views of checking account/debit card holders & higher-frequency debit card users
  - Bank account opening motivators
  - By segmentation group and demographic
  - Account fee reductions influence on opening a checking account
  - Fees to use a debit card
  - Debit vs. other payment types: Convenience, safety, spending control
    - Convenience over cash and checks fuels debit card use
    - Safety also a positive factor—for now
    - Useful tool to control spending
  - Just as good as a credit card?
- Graph 8-1: Debit Card vs. Check, Cash & Credit Card: Convenience, Safety, Spending Control, 2013
  - By segmentation group and demographic
  - Checking account/debit card holders & higher-frequency debit card users
- Table 8-1: Debit Card vs. Check, Cash & Credit Card: Convenience, Safety, Spending Control: Checking/Debit Card Holders & Non-Holders, High-Frequency Debit Card Users, 2013, By age
  - --- By HH income
Bank account opening motivators
-- Wouldn't we all like to have more money?
-- Less money to open; less money to use
-- Fee and penalty transparency
-- Mobile POS
-- Graph 8-2: Bank Account Opening Motivators, 2013
-- All consumers vs. debit card/checking holders
-- Table 8-4: Bank Account Opening Motivators: All Consumers vs. Debit Card/Checking Holders, 2013
-- Debit card & checking account holders, by gender and race/ethnicity
-- Table 8-5: Bank Account Opening Motivators: Debit Card/Checking Holders, by Gender & Race/Ethnicity, 2013
-- Debit card & checking account holders, by age
-- Table 8-6: Bank Account Opening Motivators: Debit Card/Checking Holders, by Age, 2013
-- Debit card & checking account holders, by HH income
-- Table 8-7: Bank Account Opening Motivators: Debit Card/Checking Holders, by HH Income, 2013
-- Debit card & checking account holders, by region
-- Table 8-8: Bank Account Opening Motivators: Debit Card/Checking Holders, by Region, 2013
-- Drawing distinctions between underbanked, unbanked & unbanked AFS users
-- Underbanked and AFS users demonstrate account opening motivation
-- Table 8-9: Bank Account Opening Motivators: Underbanked & AFS Users, 2013
-- Can account fee reductions influence opening a checking account?
-- Yes, definitely
-- Graph 8-3: Checking Account Fee Reduction Methods That Influence Account Opening: Influence & Most Important Influence, 2013
-- Demographic analysis
-- Age
-- Table 8-11: Checking Account Fee Reduction Methods That Influence Account Opening: Influence & Most Important Influence, by Age, 2013
-- HH income
-- Table 8-12: Checking Account Fee Reduction Methods That Influence Account Opening: Influence & Most Important Influence, by HH Income, 2013
-- Banked, underbanked, unbanked & unbanked AFS users
-- What about fees to use a debit card?
-- Not as opposed to the idea as you might think
-- Graph 8-4: Consumers Who Would Pay Banks for Debit Card Fees, by Fee Type, 2013
-- By segmentation group and demographic
-- Checking account/debit card holders & higher-frequency debit card users
-- Table 8-14: Consumers Who Would Pay Banks for Debit Card Fees: Checking Account/Debit Card Holders & Non-Holders, & High-Frequency Debit Card Users, by Fee Type, 2013
-- Age
-- HH Income

Chapter 9: Card Association Debit Trends & Strategies

- Discover Financial Services, Inc.
- Let's start with its bread and butter: credit cards
-- Free FICO scores
-- Gift cards
-- PULSE platform expansion
-- Getting on the signature bandwagon
-- Merchant rewards
-- PINless POS and debit direct
-- EMV
-- Building significant alternative payments relationships
-- PayPal
- Direct banking
-- Cashback Checking
- MasterCard
-- Overview
-- On the debit side of the business
-- Wins and gains
-- Followed by normalization
- Visa
-- Overview
-- "We are never going to regain all of the market share . . ."
- Business summary
-- Transaction processing services
-- Core debit processing services
-- Consumer debit platforms
-- U.S. debit strategy
-- PIN Authenticated Visa Debit
-- Fixed acquirer network fee
-- Raising "no signature" limit
-- Streamlining dispute resolution process
- MasterCard and Visa performance analysis
-- Quarterly trending
-- Tracking Q1 metrics
-- Tracking Q2 metrics
- MasterCard and Visa debit card usage analysis
-- 2010-2013 usage trending
-- Demographic analysis
-- Table 9-3: ATM/Debit, MasterCard Debit & Visa Debit, Use, Use in Past 30 Days & Monthly Usage Frequency: 2010-2013
-- Table 9-4: ATM/Debit, MasterCard Debit & Visa Debit, Use, Use in Past 30 Days & Monthly Usage Frequency, by Gender, 2013
-- Table 9-5: ATM/Debit, MasterCard Debit & Visa Debit, Use, Use in Past 30 Days & Monthly Usage Frequency, by Age, 2013
-- Table 9-6: ATM/Debit, MasterCard Debit & Visa Debit, Use, Use in Past 30 Days & Monthly Usage Frequency, by HH Income, 2013
-- Table 9-7: ATM/Debit, MasterCard Debit & Visa Debit, Use, Use in Past 30 Days & Monthly Usage Frequency, by Race/Ethnicity, 2013

Appendix
- Methodology
- Consumer survey methodology
- Terms and definitions
  -- Unbanked and underbanked
- Other terms and definitions

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