



e-LinX

NEWSLETTER

Issue No: 63
February 2019

e-LinX is the e-newsletter for The CardLinX Association. For more information or to subscribe go to www.cardlinx.org or email info@cardlinx.org.

TARGET CREATES TARGET+ ADDING SELECT RETAILERS TO ITS WEBSITE

IN THIS ISSUE

1. [Target Creates Target+ Adding Select Retailers to Its Website](#)
2. [Walmart Jumps Into Digital Advertising Head First](#)
3. [Apple and Goldman Sachs Team Up for a New Credit Card](#)
4. [Alipay Now Accepted at Every Walgreens in America](#)
5. [What the BB&T-SunTrust Merger Means for Fintech](#)
6. [MEMBER UPDATES](#)

TARGET LAUNCHES TARGET+, AN INVITATION-ONLY PROGRAM the Federal Trade Commission to investigate the break up of Facebook in light of its consumer data breaches, especially with Cambridge Analytica. The recommendation includes spinning off Instagram and WhatsApp. The letter urged the FTC to regulate Facebook like a utility given its size, position and influence in culture and society. The letter from the advocacy groups come as the FTC is getting ready to levy a fine on Facebook for its breach relating of a 2011 consent decree relating to consumer privacy it made with regulators.



CardLinX Insight: As with Walmart's recent news about consolidating their digital advertising with traditional advertising groups, retailers are now becoming advertising platforms to compete with online-first e-commerce players like Amazon and Rakuten. Target's approach to expanding their online website mirrors their focused approach on in-store products and brands. While Target reported digital sales growth on more than 25% for the past four years, competitor Walmart had e-commerce growth of 40% last year. Analysts will be keenly watching for Target's digital sales growth at their next quarterly and full year earnings report on March 5. With Target+ in its early stage, Target is experimenting with closing and expanding the online-to-offline loop from digital advertising to in-store sales to payment platform.

Walmart Jumps Into Digital Advertising Head First



WALMART ANNOUNCED AT THEIR ANNUAL SUPPLIER MEETING TODAY that they will be merging their in-store and digital advertising efforts into one internal group. Walmart cites streamlined and integrated marketing campaigns for their suppliers as a benefit of this change. According to Forrester Research, Walmart has more customers than its online-native counterparts like Amazon, Facebook, and Google, with about 300 million monthly in-store shoppers and millions of online purchases. Walmart is tapping an underutilized data asset: SKU-level first-party shopping data from online and offline purchases. Walmart has been pouring money into its digital efforts and the new in-house digital marketing team will use purchase data to address the challenge of closing the marketing loop from personalized ads to purchase.

CardLinX Insight: The move comes as Walmart eyes online competitor Amazon, who boosted fourth quarter profits by 95% to \$3.4 billion by allowing merchants to pay for premium placement on search results. Chief Executive Doug McMillon said its ad business was "tiny" and "it could be bigger." With their digital marketing efforts Walmart is turning to Amazon's playbook to boost revenue through its ad business.

Apple and Goldman Sachs Team Up for a New Credit Card

WALL STREET JOURNAL REPORTED THAT APPLE AND GOLDMAN SACHS are nearing the consumer launch of their [previously announced joint credit card](#). This new credit card will be paired with the iPhone to encourage use of Apple Pay and include features that help consumers manage their finances like setting financial goals and tracking rewards. Additionally, cardholders will receive 2% cash back on most purchases and potentially more on Apple purchases. The WSJ reports that the Apple Pay card will use CardLinX member Mastercard's payment network. This is part of Goldman's foray into consumer banking after it launched Marcus, its online consumer bank in 2016. However, this is Goldman's first credit card offering in a market that is heavily saturated.



CardLinX Insight: Apple and Goldman Sachs are leaders in their industries and their partnership to launch a combo-credit card/iPhone commerce app is evidence of the enduring digital engagement appeal of credit cards and offers. Leading tech companies and banks increasingly realize that a reliable way to keep consumer digital mind share is through commerce apps that reward consumers with offers and new personalized buying experiences.

Alipay Now Accepted at Every Walgreens in America

WALGREENS HAS ANNOUNCED THAT ALL OF ITS US LOCATIONS will now accept Alipay's mobile payment platform. Alipay is already available at US cities such as New York, San Francisco and Las Vegas and by April, Alipay will be available at more than 7,000 Walgreens locations across the country. Walgreens is the largest U.S. drugstore chain to use Alipay. The Alipay collaboration will make Walgreens more attractive to the four million Chinese travelers who are in the U.S at any given time. For outbound Chinese travelers, using Alipay provides a potential economic savings as credit cards typically have higher foreign transaction fees. This announcement builds on last year's partnership announcement between Walgreens Boots Alliance and Alibaba Group, an affiliate of Ant Financial Services Group.



CardLinX Insight: With leading US-based payment platforms including Mastercard, Visa, PayPal and Discover locked out of the Chinese market, their Chinese competitors are gaining traction in the wide open US market. Alipay, China's leading mobile wallet platform has launched acceptance at the largest retail convenience store in the USA.

What the BB&T-SunTrust Merger Means for Fintech



LAST WEEK'S MEGA BANK MERGER ANNOUNCEMENT FROM will result in the 6th largest commercial bank in the US. These two regional banks are both headquartered in the Southeast and will create a new bank based in Charlotte, North Carolina. This [yet-to-be-named new bank](#) is a bet that increased scale will help keep up with larger competitors in the drive for the latest technology. As we've seen with other mega deals such as the Fiserv-First Data merger, industry players have concluded that bigger is better when it comes to fintech. Consolidation in fintech and financial services industries will continue as companies seek to gain scale advantages.

CardLinX Insight: Today, [BankInnovation reported](#) that BNY Mellon, now the 11th largest commercial bank, is seeking fintech partnerships to remain competitive. Strategic and technological partnerships can enhance the competitiveness of banks and the fintech firms they partner with.

MEMBER UPDATES



[Japan Foodie launches TakeMe PAY](#), a smartphone multi-payment gateway that combines the biggest payment services in the world into one app. TakeMe Pay manages Chinese payment networks (Alipay, WeChat Pay, etc.), US payment networks (Visa, Mastercard, Apple Pay, etc.), and Japanese payment networks (LINE Pay, etc.).



[Krowd is selected](#) for Barclay's 2019 Accelerator Program. In its sixth year, the Barclays Accelerator powered by Techstars one of the most selective fintech programs in the world. Krowd's offer bidding marketplace provides personalized card linked offers to retailers and credit card issuers, allowing retailers to increase customer acquisition and retention and card issuers to increase usage.



TransUnion releases their [2019 Consumer Credit Forecast](#). Listen to a brief recap of recent, key findings from their quarterly Industry Insights Report (IIR) and get the inside scoop on consumer credit trends that will impact lenders this year. Also, included are expert projections for mortgage, auto, bankcard, secured and unsecured loans, and then how those insights can better shape lending strategies.