

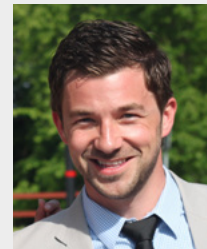


EMBEDDED FINANCE FOR RETAILERS



Q&A WITH ANDY WIND

One of the most exciting developments in digital commerce is the emergence of embedded finance. It opens a new way for retailers to stay ahead of the game. FIS Senior Director of Embedded Finance, Andy Wind, explains how you can leverage the latest tech to outpace competitors and improve the customer experience.



ANDY WIND
Sr. Director Embedded Finance

Q: What is embedded finance?

A: Embedded finance enables non-bank companies – like retailers – to provide financial services to their end users at their point of need. Embedded finance is so appealing because it's seamlessly integrated into the customer experience.

Embedded services can take many forms, from deposit accounts to credit cards and lending. At FIS, we also support a broader set of business management utilities, such as cashflow insights and embedded accounting, to help with core functions and provide greater utility for a retailer's business customers.

Q: How does embedded finance work for retail?

A: Embedded finance enables retailers to enhance the customer journey. With embedded finance retailers are empowered to deliver the last mile of customization while leveraging banking's core infrastructure, such as payments, lending, insurance, savings and reward programs.

Similar products, like the retailer-branded rewards credit cards, can result in a tremendous amount of additional spend and trips from the retailer's best customers. Furthermore, with embedded finance, these benefits come with significantly less overhead and a less hefty technology lift.

Q: What are the benefits of using embedded finance for retailers?

A: Today's retailers are looking at embedded finance to help them realize strategic growth. They have the opportunity to activate new revenue streams through interchange and lending fees.

Retailers can also increase customer satisfaction and stickiness, improving brand loyalty and the overall lifetime value of a customer through increased basket sizes online and more frequent trips to the store.

Additionally, embedded finance provides higher visibility of customer data with spending insights on and off a retailer's platform. This allows retailers to better understand how they can best serve their customers.

Q: Can you share some examples of embedded finance for retailers?

A: You might've noticed while shopping online that major retailers now offer third-party banking services to pay for a purchase in several installments – even for small purchases. Retail customers can apply for and get approved for a loan without leaving the retailer's website, streamlining the customer experience and encouraging future purchases. Suffice it to say if you need a loan nowadays, the bank isn't your only option.

If you've ever ordered groceries for pickup or delivery and paid for them within an app or website, you've experienced embedded finance for grocery stores. The same is true if you've paid for a meal at a restaurant by swiping your card on a tablet at your table.

In a way, embedded finance has always been a part of the automotive industry. Dealerships offer their own financing, and customers have been paying their leases and loans through digital channels for some time. Today, Tesla drivers can purchase insurance policies at discounted pricing from the company's own insurance company, providing an alternative to a third-party insurance provider.

Q: What makes the next generation of embedded finance powerful to retailers?

A: Embedded finance brings together banks with powerful consumer brands and platforms, unlocking new banking use cases and delivering more relevance and convenience. Customers benefit from a convenient and integrated financial experience while shopping, eliminating the need to visit separate financial institutions for various services.

Additionally, embedded finance gives retailers more control over expenses like interchange. It empowers them to design a rewards or incentive structure that maximizes value to their customers and encourages more spending in-person and online.

Q: Is embedded finance right for my retail business?

A: Embedded finance can help lower the cost of adoption so that enabling financial services is accessible to brands of all sizes. Particularly, retailers with higher concentrations of small businesses and devoted customer bases are set to see the most success in driving a more significant share of wallet and increased engagement.

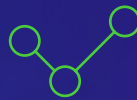
Whether you've dipped your toe into the embedded finance waters or are just starting to plan out your journey, there are many options to consider. Ask yourself the following questions:

- Will adding embedded finance improve our customers' experiences?
- Can we justify the cost of integrating embedded finance into our strategy?
- Do we have the internal expertise within our company?

BOLD INNOVATION FOR RETAILERS



By pushing the limits of financial technology, FIS helps retailers reimagine the customer experience, strengthen loyalty and drive strategic growth.



Our full suite of embedded finance features a breadth of services and connections that can help you compete in the ever-changing market.



Contact us to learn why 60% of the largest retailers trust FIS to help them transform and advance.

For more information contact: FIS4retailers@fisglobal.com or visit [fisglobal.com/en/retail](https://www.fisglobal.com/en/retail)

About FIS

FIS is a leading provider of technology solutions for financial institutions and businesses of all sizes and across any industry globally. We enable the movement of commerce by unlocking the financial technology that powers the world's economy. Our employees are dedicated to advancing the way the world pays, banks and invests through our trusted innovation, absolute performance and flexible architecture. We help our clients use technology in innovative ways to solve business-critical challenges and deliver superior experiences for their customers. Headquartered in Jacksonville, Florida, FIS ranks #241 on the 2021 Fortune 500 and is a member of Standard & Poor's 500® Index. To learn more, visit www.fisglobal.com. Follow FIS on Facebook, LinkedIn and Twitter (@FISGlobal).

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