

Depth. Focus. Service.

Proposed Survey Approach and Sampling Specifications

- Subscriber input to final sampling specifications and questionnaire content
- Companies with annual revenues of \$500k to \$5MM
- Represent full range of SIC codes (excluding government)
- Target respondent: owner, CEO, or manager responsible for selecting payments and/or banking providers
- Questionnaire length: 20-25 minutes
- Total N of 1,500, weighted to the US small business population.
- Quota of 500 responses from \$2 - 5 MM firms

Project Timeline

- Project commitments from participants due October 31, 2015
- Questionnaire finalized December 2015
- Data collection completed by February 2016
- Written deliverables to participants in March 2015

About Us

Mercator Advisory Group is the trusted advisor for the payments industry globally, charting the course for sustained growth and profitability and delivering fact-based insights and advice.

Our commitment and exclusive focus on the payments industry enable us to consistently provide highly relevant content and exceptional value for your research expenditure.

SMALL BUSINESS PAYMENTS AND BANKING SURVEY PROSPECTUS

~ *Designed For Institutions That Serve This Segment* ~

For a limited time, Mercator Advisory Group is offering our clients and members the opportunity to share in a fixed cost project designed to provide data and expert analysis on the small business payments and banking market in the United States. This survey will be fielded to small businesses in the United States with revenues of between \$500K and \$5MM per year.

Shareholders in this project will receive the benefit of:

- Gaining deep insight into the 28 million small businesses with under 100 employees in the U.S., a segment that represents a major opportunity for financial services firms
- Participating in the survey design and final questionnaire
- Expert data analysis and reporting
- Access to final crosstabs for internal analysis

MAJOR CONTENT AREAS WILL INCLUDE:

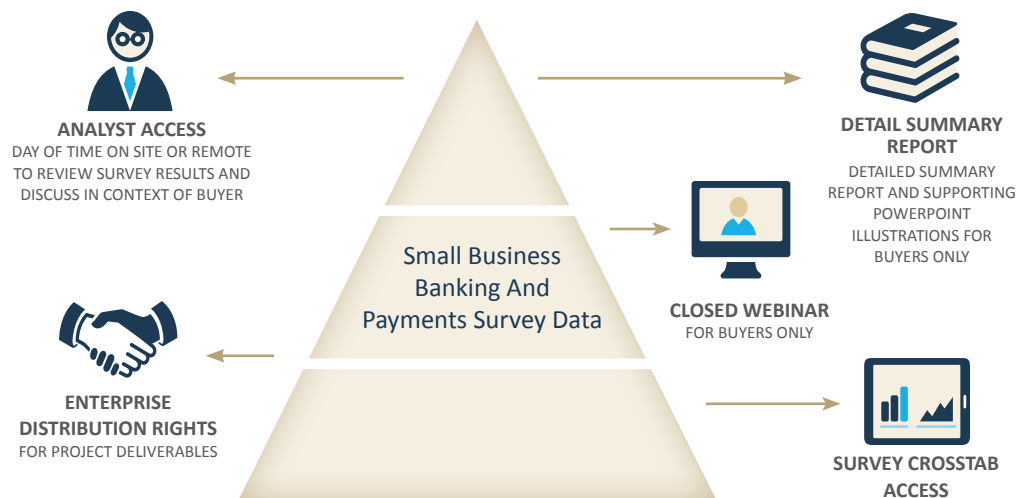
PAYMENT ACCEPTANCE SERVICES: What services are used today and where do future interests lie? What are the main buying criteria? How do mobile payments fit in the picture?

B2B PAYMENTS: Are new payment types dislodging traditional check-based services? How persistent is the use of personal payment products and accounts?

DEPOSITORY AND LOAN SERVICES: What is the overlap with payment services? Are alternative lenders making any headway? Which segments are using remote delivery channels?

BUSINESS OUTLOOK AND DEMOGRAPHICS: Where is today's business sentiment? How does this vary by segment? How does this vary by product user segment?

PROJECT DELIVERABLES



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Proposed Questionnaire Topics (Initial)

1. Payment acceptance

- a. Tender types accepted, including both B2B and B2C sales
- b. Special requirements: recurring billing, cross-border, lockbox
- c. Payments services used (POS, eCommerce, etc.), vendor types used (acquirer, ISO, etc.)
- d. Vendor selection criteria, overlap with company banking relationships
- e. Interest for and consideration of new payment types (contactless, mobile, bitcoin, EMV)
- f. POS terminal types used (including tablet, mobile, wireless, custom POS)
- g. eCommerce acquiring/gateway/related services
- h. Cash preferences, handling, and costs
- i. Multi-channel sales integration status and interest
- j. Interest and use of merchant cash advance services
- k. Payment concerns: vendor selection pricing, fraud, uptime, training, infrastructure replacement/horizon, need for advice, ongoing service preference

3. Depository and loan services

- a. Business DDA and cash management relationships
- b. Existing lines/loans
- c. Peer to peer lending sources
- d. Mobile and online tools
 - i. Wire transfer
 - ii. Dashboard
 - iii. Account controls
- e. Role of bank branch in service delivery
- f. Use of wealth management services by business owner/overlap with business banking relationships

2. Payment types used for B2B payments

- a. Use of personal checking and credit cards for business
- b. Coin and currency services, night deposit, RDC/MRDC
- c. Business DDA, checks, business debit
- d. ACH
- e. Trade credit
- f. ePayables services
- g. Small business credit/debit/corporate/fleet/purchasing cards
- h. Virtual card payments
 - i. Focus on card payments
 - i. How card issuer selected
 - ii. Use of credit line
 - iii. Key product features—rewards, account controls, reporting
- j. Payroll services, payroll cards
- k. Customer rebates and incentives
- l. Staff rebates and incentives
- m. Provider overlap with company banking relationships
- n. Payment concerns: vendor selection, business pricing, security/

4. Business outlook and demographics

- a. Business climate outlook
- b. Hiring outlook
- c. Borrowing outlook
- d. Omncommerce interests/concerns
- e. SIC classification
- f. Customer orientation: B2B, B2C, B2G
- g. Sales channels used
- h. Position in company, role in managing payments and banking relationships

Commitments are due by October 31, 2015
Participants will have direct input into survey

Contact Information To Discuss Specific Interests:

Mercator Advisory Group, Inc.
 12 Clock Tower Place, Suite 150
 Maynard, MA 01754

781-419-1700 Main Phone
 781-419-1701 Fax

MERCATOR
 ADVISORY GROUP