Lou Diamond here we have a great thrive, loud catch up episode for you. Today we have Adam Frisch, CEO of BIM – Buy It Mobility Networks. It's been over two years since we initially had Adam as a guest on Thrive Loud and he and the team at BIM have been incredibly busy rolling out their incredible platform. You'll learn of the great clients BIM’s working with, the benefits they're providing consumers and merchants, and the powerful data they're capturing that is validating how impactful these merchant branded debit platforms can be. So enjoy this episode as we catch up with Adam Frisch here on Thrive Loud.

**Lou Diamond**: Adam, how are you today?

**Adam Frisch**: Great Lou. And thanks for having me back.

**Lou Diamond**: Adam, the CEO of BIM is here with us. This is now two years after your original interview here on Thrive Loud. And a lot has happened since then. I want to bring our listeners up to speed and kind of help them understand exactly what BIM has been up to over the last two years, because it's pretty unbelievable.

**Adam Frisch**: It’s been an incredibly busy two years for the company. We have launched several national merchants and are live with them in market now and we have real data now that we can reference to support the vision we laid out a few years back, we signed and are launching some big reseller partners – most notably Worldpay which is the largest merchant processor in the US which we anticipate bringing us into verticals we are not live with yet, lots of technology enhancements and expansion, became SOC 2 – Type 2 compliant which is pretty rare for a company our size – so we have been pretty busy all across the company.

**Lou Diamond**: Wow – you have been busy. And productive more importantly. I know we are going to focus on BIM’s successes in petrol today, but give a quick update on other verticals you’re going after and why you’re targeting them.

**Adam Frisch**: Sure, so there are several verticals that represent about 7 trillion dollars of annual U.S. consumer spend that we put into the “every day every week, every month” categories. So Pharmacy, Petroleum, Grocery, QSR, which is quick service restaurants, Recurring - things like that. And they didn't really have a tool out there to use payments as a means to increase loyalty and engagement with their consumers.

The benefits merchants get with private label credit cards in certain verticals are well established – more revenue, higher basket sizes, increased loyalty, etc., but most consumers won’t go take out a fast food credit card or pharmacy-branded credit card. Most of the transactions, about 60-70% on average, in our target markets are debit and cash, and we saw an immense opportunity to offer them a payment alternative with their name on it that they could put in their apps and websites to help promote their brand, and drive engagement and loyalty with their consumers. You're going to hear me say that a lot over the next few minutes, but that's really the key, and to enable their customers to continue to pay in their preferred way - and that's their checking account, but do it in a way that’s much better for the merchant and the consumer. So we've been able to make a lot of inroads there to bring technology to market that we think helps them win with their customers - and that's really our mission.

**Lou Diamond**: Yeah, and this is great. And obviously, for those listeners, remember from the original episode, and we'll send the links for people to go back to. Adam - describe this great process of paying directly for your checking account through your mobile device via the ACH platform. I want you to come back and talk about the success you've had specifically in the petrol space, because for those of us who drive cars and that's a lot of people, we're pumping gas all the time. So talk about what you've been doing over the last two years, which is pretty amazing. And we'll start with that.

**Adam Frisch**: So we have some big national brands out there that we're really very happy with, and I know you wanted to focus on petrol so Shell, Philips 66 and Sinclair Oil are the three big ones that we speak about most frequently in this vertical. They comprise just about 20 percent of the U.S. petroleum market from their locations, and I think we have a pretty good shot of increasing that 20 percent pretty soon. There's a lot in the pipeline, not only with major brands, but also in the mid-market level as well, the brands with a few hundred locations – we are really excited about working with them too because they not only need our platform to stay competitive, but the benefits to their bottom lines can happen much faster.

Our early successes so far have been really what we envisioned, which was to create a platform that was simple and easy to implement for merchant, simple and easy to use for consumers, and a platform that could really enhance the merchant-customer relationship.

And also the data - the data is just as important as everything else here, because for the first time, merchants are able to see who their customers are via a digital payment option and influence engagement. You know, a gas station will have cars driving in and out all day, and they have no idea who these people are that are coming and going. And so we're giving them an opportunity to leverage data to know who they are, communicate with them, and create a buying experience that sells more gas and gets them into the store more frequently. Its the golden rule in retail – happier and more loyal customers come to your locations more frequently, and when they do they spend more money. The data on that is irrefutable.

**Lou Diamond**: So let's help our listeners understand the real benefits here. The advantages of this merchant branded tender, helping people understand. Remind them a little bit about what this brings to them, the consumer, but also to the merchant. There's some really cool offerings that you guys have paired together.

**Adam Frisch**: Yeah, and it's got to be both ways, right? The merchants and the consumer have to find value in what we're doing. So it's both sides that we have to offer a clear value prop to.

And on the merchant side, it's really two parts:

* Because we are merchant-branded, we are able to help them realize increased loyalty and consumer engagement – which will drive higher revenues, all driven by better data that the merchant has for the first time about their customers, as I mentioned.
* And it's also about costs because we're ACH based, the costs of our transactions are much lower for the merchant and that enables them to self-fund incentives – incentives by the way, that come full circle and drives more revenue.

For the consumer, when they pay with their checking account today at the POS, whether it's coming via a debit card or cash, they are getting zero benefit for using that option other than the mental satisfaction that they're spending money they have versus money they are borrowing. Well, now we are enabling the merchants we work with to say to their customers - continue to pay with the way you prefer but now there will be some kind of value proposition put on top of that.

So it’s pretty simple - if you can get more benefit from paying with your checking account - whether it's discounts, coupons, conveniences, things like that, again, it's not rocket science - we think that's going to drive the adoption.

**Lou Diamond**: Adam, I want to I want to focus on payment alternatives for a second here. Talk about what you are seeing with card on file issues at the pump for our listeners out there. Card on file means putting your credit card or debit card on the app. Talk about what you're seeing in this space and how that relates and how that differs with what BIM does.

**Adam Frisch**: So a few thoughts here.

* There's a lot of fraud out there with these tenders. I think more than many anticipated.
* And they are not necessary to drive app adoption.

I think the key to driving app adoption, it's all about making consumers aware that the app exists, and also creating a relevant value prop that they will view as worthy of downloading and using the app (or website but that doesn’t apply in petrol). Again, it's really not rocket science here. The more awareness consumers have and the more value they see in the offer, the more adoption will occur.

So we ask merchants all the time, why would you lead with a payment option like card on file, that does not drive engagement with your brand, does not provide you with game changing customer data, is more expensive and has much higher fraud rates? Doesn’t it make more sense to put a value prop on the way their customers prefer to pay and realize all of the benefits we discussed around that?

And so I think that's really the issue around card on file at the pump. And our position is not necessarily to exclude those other options, but why lead with them? Why not include your brand as a payment option right out of the gate when you launch the app? It's incredibly important for the longer-term achievement of their adoption goals, because once a consumer sets their payment credential, the potential of getting them to switch to something different is a pretty significant challenge.

**Lou Diamond**: Adam, look, let's get back to the point you're making about brand adoption. Where is the proof that offering card on file is not necessarily the most important thing about driving app adoption?

**Adam Frisch**: The very clear and definitive proof is that our two biggest programs out there, Shell and Philips 66, neither offers card on file for new enrollment. And I don't think it's a stretch to say these are two very big, highly reputable, very smart national merchants that represent a big chunk of the U.S. market and know what it takes to reach consumers effectively. They're investing a lot of money in their digital strategies, in their apps and consumer awareness. And they don't see the need to put card on file in their apps in order to drive adoption. So the proof is in what these big brands are actually seeing themselves and implementing.

**Lou Diamond**: When we sat down and had our little interview, which was I can't believe was over two years ago Adam, much has happened since then. But as I remember, we talked about whether the consumer would want to use a merchant branded BIM option in the wallet. Have you figured out or have you recognized proof that consumers want to use this platform?

**Adam Frisch**: Yeah, we have data now to actually show it. So it's not just me speaking about our vision.

Couple of factoids here that clearly illustrate the point. In one of our national programs, we are about a third of the wallet transactions and that's happening without any additional promotion or incentive over the other options. So just throwing it out there with everything else, we're about a third of the transactions in the wallet. So the answer to that is yes, people are still using their checking account to pay, but with our platform, they are realizing a benefit by doing so.

The other question that you didn't ask, but we need to bring up is around enrollment and whether people feel comfortable putting their username and password into a petroleum app to provide their banking credentials to do it? And I would say three years ago before we rolled out, there was some hesitation around whether people will do that – well I am very happy to report that they do. We have about 90 percent plus of our enrollment going through that option. We also offer the slow way, which is a multi-day process – called CDW - we also offer that way for consumers. But over 90 percent of our enrollments are coming in the “instant” way. People are putting in their username and password to their bank account, selecting their checking and they are done. And the reason is that for that is they want immediate gratification. They see an offer. They see a discount. They want that 10 or 15 or 20 cents off a gallon of gas. It means something to them. They want it immediately. They don't want to have to wait a week or two weeks to get that deal. They want it now. And we help our merchants facilitate that immediate gratification and brand satisfaction.

**Lou Diamond**: I remember he was hypothetical back then, but it's real now. Let's let's talk economics for the actual gas stations. They still get charged for these transactions, so what is the value proposition for them?

**Adam Frisch**: It's still the cheapest of all the payment alternatives by far, even cash. And the fact of the matter is, they don't mind paying it because it's the only tender type that actually helps them make more money because of the increased loyalty and engagement factors we talked about.

None of the other payment alternatives really offer that value prop for them. So among the most important take-aways, I think it generates more revenue for the station owner. And again, this is not my opinion. I'll give you the facts that one of our merchants told us – their analysis says that our platform will drive $3 to $4 per user on average in gas profits alone each month for each user, and it will be greater than that for the power users, and that's excluding the lift they will see in the store. More data - take Cumberland Farms, for example, they have an amazing program called Smart Pay, and what they're finding is that something like 40% of their users go into the store 135% more frequently than people who don't use a Cumberland branded tender.

So just think about that. Not only can gas station owners be more profitable at the pump, which is a low margin business in most parts of the country, but by leveraging our platform effectively, brands can also drive consumers into their stores, and that's where the profits are much, much higher compared to the pump.

So the craftier ones are thinking about playing the pump in the store off of each other. So initiatives like make two purchases in store every month, get more discounts at the pump or vice versa and things like that depending on their footprint. Some are considering digital lanes that don’t accept cards to promote the concepts we have been talking about as well as avoid the very expensive EMV implementation requirement. The ideas and the concepts are not hard. It's just about execution at this point with a lot of these guys and wrapping their heads around an alternative that isn't completely the same as what they've seen for the past 40 years, but provides them with much more benefits.

**Lou Diamond**: Adam, quick question here. Is BIM still viewed as an emerging payment type?

**Adam Frisch**: It's a good question. I know it's funny, right? ACH has been around for almost 50 years now but it kind of is viewed as an emerging tender type because we're just enabling it to use it differently at the point of sale, whether it's on an app or website.

So I would say no in the sense because we're using a tender and just wrapping a whole bunch of technology around something that's been around for 50 years. But yes, in the sense that they haven't seen it before and it's not their standard payment type that they've seen for the last 30 years. And it involves their brand, so it's a little bit more intricate because it involves more areas of their company to coordinate effectively. But, you know, we have designed our system to not have to be any different from their current payment flows – so with Worldpay merchants, our solution comes basically pre-integrated into their existing flows. There's no material additional technology or anything else that they have to incorporate. It's just something that's a little different in some facets, but brings a lot more benefits which we have discussed.

**Lou Diamond**: Let's talk about BIM’s unique capabilities so that our listeners can understand all the specific highlights of the unique things that BIM offers.

**Adam Frisch**: Yeah, again, we had a vision that we laid out a couple of years ago when I was on, and now we have actual experience that we can discuss. So we have more information to show merchants what works and what doesn't when they're in the planning stages, and I think we're being looked to as more than just the technology platform, but experts in how to drive adoption and program success. And that's really important. The data is what the data is, and the benefits of getting us involved early in the process, we have data that shows how different strategies impact usage, adoption, cost, decline rates and things like that. So I think it's great that we have the information. I think it's even greater that merchants are looking to us now in that regard to offer that insight.

The data, and how we use what we have today and setting up for how we can leverage it in the future to drive our merchants’ success, that is one area of greatest advancement since we last spoke.

So things like capabilities to target people who aren't adopting quickly, people who have enrolled but maybe only transacted once, or haven't come back. And we have the ability now for things like “win back” programs via text and email. Some of our brands and merchants don't feel comfortable using personal data - and they're asking us, hey, can you help us bring these people back who are latent adopters back into the mix here? Can you send them text messages and emails with special offers? And we can absolutely help them do that.

And I think there are also areas of bringing new customer groups to petrol apps and a few examples I could speak to. But I think the one that most people can identify with is the connected car. And I think you'll see several auto manufacturers go live with partnerships with petrol brands in the first half of 2020 (several have already been announced) and we are right in the middle of a bunch of those and its really exciting. That helps both drive engagement and loyalty with their customers who obviously happen to be the same people. And I think that's another reason why people view BIM as a differentiated platform, because we are working with other merchants, so to speak, that can bring them more users when they launch their own programs. So more to come on those kinds of programs soon.

**Lou Diamond**: Adam, I couldn't do one of these shows without doing me what's coming forward for the future for BIM. What can we expect going forward?

**Adam Frisch**: A lot is the short answer.

I think as it relates to our current platform, there are two major initiatives to speak to: (1) Enhancements to enrollments and fraud prevention without any requirements for merchants to update their apps and websites - that's a big selling point for us because merchants can expect to get a state of the art platform in consumer authentication and verification, and fraud mitigation and things like that without having to keep it up themselves and with no IT maintenance on their end.

(2) And we've talked a lot about data as well. And I think that's something that we want to lead with our merchants and provide them with a platform via BIM insights that in addition to our standard reporting, we'll enable them to embrace and leverage the data however they want. So we're super excited about rolling that out in the next quarter or two, and having that interface, which will also be powered, in part, by our machine learning and artificial intelligence capabilities as well. That is very exciting and nobody else is doing that from what we can tell, but its really consistent with us putting more tools into merchants’ hands that helps them drive more meaningful relationships with their customers.

The other initiatives we are thinking about for the future, and our team has been very thoughtful and forward looking about the way we've designed and built our platform, I think it leads to ideal and logical expansion into other forms of payment. And so while we are currently just ACH, we think of ourselves as the leading platform that uses data and ultimately several branded payment tenders to help merchants drive revenue and consumer engagement. I think you'll see potentially open loop debit in two forms, one within our own network of merchants, and also a network debit offering, where consumers who use a merchant app at one of their locations go over BIM and ACH. But if they want to use that brand’s payment credential (powered by BIM) at another merchant, it can go over one of the network rails. And so its not a done deal yet, but I feel confident enough that we'll be able to roll that out to merchants as well so they can get the same benefits as private label credit programs – like additional revenue and loyalty and so forth - in a debit platform. And that's something that's really interesting down the line. Real time payments is an obvious one making a lot of headlines lately as well and we are well positioned there.

Could we get into different forms of credit, whether it's immediate at the point of sale credit or other things? I think that's all on the table. We're building our platform to be able to do those kinds of things over the longer term. So we're focused on day to day execution, but also have a foot in tomorrow, as the saying goes in terms of thinking about future expansion and capabilities.

**Lou Diamond**: Adam Frisch, I'm so glad we did this catch up episode because this was like get down to the nuts and bolts of things and so much has happened. It's crazy. This is why people have asked for this on the show and get updates of what has happened with people who are starting great ideas.

And I can't get over what you've accomplished in just this short period of time and do man consent continued success to you and the organization. It's awesome.

**Adam Frisch**: Thank you. Thank you so much. And I'm just glad we have real data now from live programs with big, huge important brands that justify our vision. So we are grateful for our partners and looking forward to coming back with a lot more success stories in the near future – the hardest part may very well be fitting into your ridiculously busy schedule – so congrats on your growing success as well.

**Lou Diamond**: No, truly a pleasure for coming on the show, my friend. And to all our Thrive LOUD listeners out there, thank you for joining us. Until next time, keep driving onward and upward. And remember, Be Brief. Be bright.

Be gone.