



# Comment: Rapid change in world of payments

**After years of hype, mobile payment solutions are now starting to deliver on their great potential, says payments consultant Mark McMurtrie. But what else is driving the payments industry forward?**

We are currently experiencing a period of rapid change in the world of payments. This is not for once, I am pleased to report, being driven by international card scheme mandates and deadlines, but rather by the real opportunities presented through technological advance and the high levels of new investments that have been made into the sector over the last three years. The various stakeholders from across the payments eco-system have recognised that they need to up their game and offer new and enhanced solutions to retailers that help them increase revenues, reduce costs, improve customer service and provide competitive differentiation. These are now being launched on a regular basis by both established players as well as new market entrants. RBTE, which takes place at London's Earls Court on the 11-12 March, is the place to be if you wish to see all the latest payment solutions, meet the key suppliers or listen to key note presentations in the dedicated retailer payments theatre.

New ranges of secure payment terminals have been launched by companies such as VeriFone, Ingenico, Magtek and Miura. These run multiple applications (value added services sitting alongside payment transaction processing), offer support for a range of fast communication options and are fully compliant with the latest security standards such as PCI PTS3. In addition, these latest terminals can support point-to-point encryption, allowing stores to be de-scoped from PCI compliance thereby offering the potential for considerable cost savings. Check them out for yourself and find out more by attending the show.

After many years of great expectations and hype, mobile payment solutions are now starting to deliver on their great potential. Industry standards have stabilised, fast data networks and smart phones have become widely available and innovative apps have been launched. The advanced graphical user interface, touch screen, scanner, camera and communication options have opened up a multitude of new payment solutions and options. A whole host of smartphone-based mobile point of sale (MPoS) solutions have been launched and are now being adopted by micro-merchants and organisations who trade outdoors or have a remote workforce. Many leading MPoS device manufacturers and solution providers will be exhibiting or speaking at RBTE including iZettle and PayPal.

What's new is that in-store tablet based MPoS solutions are now becoming available to meet the specific needs of retail enterprises. These new multi-platform transactional tablets run a wide variety of applications, including merchandising, stock control and queue busting (to name but a few) in addition to their Chip & PIN payment capabilities. John Lewis and PCMS will be presenting a case study of "POS on a Tablet" on Day 1. Specialist PSPs, like RBTE exhibitor Anderson Zaks, offer retailers innovative mobile payment solutions that are independent of acquirers and device manufacturers. Mobile is revolutionising the world of payments and is an area in which you must not be left behind your competitors.

Thanks to the growing contactless card infrastructure that has been installed at UK retail merchant locations NFC mobile payment transactions will soon start to be seen in increasing numbers over the next two years. Barcodes, QR codes and cardholder photos are all being introduced to improve the payments experience. Physical cards may no longer always be needed as we move to a world of digital wallets that can hold all our payment and loyalty cards securely as well as present us with targeted electronic coupons, offers and vouchers. One company to look out for is Eagle Eye, which at RBTE will be showcasing its latest marketing program innovations. Many of the new payment methods and technologies are initially seen in the eCommerce space ahead of their adoption within physical retail stores. This is because they can be introduced here more quickly as system integrations are easier and less costly. Organisations such as PayPal, Amazon, Visa, MasterCard and DataCash are leading the innovations charge and will all be making presentations at the event. Each year we are seeing a growing number of alternative payment options available to retailers and this will be the focus of a presentation on the 11 March by WorldPay in conjunction with the Dune Group.

For the last decade (at least) payment transactions have largely relied on Visa and MasterCard. They are the ones who created the infrastructure and rules that allowed funds from a consumer's bank account to be transferred to a merchant's bank account wherever they are shopping in the world. What is starting to emerge is a real alternative to traditional card based transactions and one that bypasses the card brands. These use the faster payments service built by the UK banks allowing direct bank account to bank account transfers in real time. This type of payment service is restricted to domestic transactions, but as these account for the vast majority of UK payment transactions it is not felt to be a barrier to success. The Barclays Pingit mobile payments service is already proving popular to UK consumers. Zapp is launching a multi-institution real-time payments service this year. Both of these organisations will be speaking at RBTE and so you can find out for yourself if it is worth adding them to your list of supported payment options.

Another area where investment and attention is currently being focused is in the enhanced delivery of management information to retailers allowing them to make more informed and timely decisions. Additionally, analytics services are becoming a higher priority as these offer merchants a better understanding of their consumer buying and payment behaviour across the various channels they utilise.