



Ben Sillitoe,
Editor

RBTE 2016 payments review: Mobile payments take centre stage

The Payments Theatre was packed out for both days at this year's RBTE, with speaker after speaker stressing how innovation is rapidly driving change in the consumer payments experience.

Undoubtedly the key topic for Day 1 was that of mobile payments. The first case study shared was from Denmark, where MobilePay has apparently become the third most popular app download after Facebook and Messenger. Almost three million Danes, who don't need to be Danske Bank customers, are using this app-based mobile payment wallet at over 21,000 stores, including leading supermarkets and at McDonald's. The system uses QR codes and is fully integrated with point of sale (PoS) terminals allowing a great payments experience including the supply of electronic receipts. MobilePay is proving to be a further step towards Scandinavia becoming a cashless society.

Hillarys explained how it has equipped its 1,200 sales advisers with mobile technology to handle the 25,000 individual, made to measure products sold each week. Once the order details and delivery dates have been captured in the comfort of the customer's home, payment can be taken all from the same mobile device. A key feature of the mobile payment system required by Hillarys was the ability to securely capture payment details even at locations without mobile network coverage. The supplier selected by Hillarys for this mobile payment system is Adyen. Hillarys revealed that the next phases to be implemented with Adyen include cross-channel payments functionality, unified reporting and international expansion.

WeBuilt this City is a new retailer which started trading in 2014 on Carnaby Street. They sell quality London souvenirs made by over 300 independent artists. Founder Alice Mayor explained how she only had a few weeks before opening the doors to her new business. Accepting card payments was a critical item that needed to be sorted. Mayor said she selected iZettle as it gave her confidence that everything would be ready by store opening day. In her speech the founder highlighted the ease and speed of iZettle set-up, together with smart looking tablet based technology and a wide range of payment options as being critical factors in her decision. The pre-integration to 'vend' and 'xero' the chosen PoS tablet and accounting system were additional advantages of the iZettle mobile payments solution. Alice is proud that what started life as a pop-up has now successfully transitioned into a stay-up retailer.

In mid-afternoon there was a panel session debating "the shift to digital" which appears to be taking longer than many suppliers were hoping for. Phill Blundell, CEO of EagleEye, explained how it was important for mobile payments to be linked with customer loyalty and incentive/reward programmes. He cited the case study of Greggs that addresses these three needs and offers this approach as the recommended business model. All panellists agreed that plastic will co-exist with digital for many years to come.

The day closed with a highly interactive panel discussion session on the topics of mobile payments and wallets. Representatives from Tesco and Shell explained how they were bringing mobile payment options in to their consumer-facing apps. Shell is now offering customers the ability to pay for petrol sales from within their car by using the Shell Drivers App, scanning a QR code at the pump and using a pre-integrated PayPal wallet.

Tesco explained how it is rolling out a combined ClubCard and payment experience to improve the customer experience and further reduce queuing times at the till. Both retailers explained the importance of maintaining control of the consumer payments experience rather than handing it off to a financial service app. Peter Keenan, CEO of Zapp, advised that UK shoppers will be able to pay by bank app from this summer. He remained confident that the company had not missed the market and will be launching with a more comprehensive set of functionality than it had originally planned. Keenan also stressed the need for robust exception handling processes, which his company has been busy implementing.

Questions were asked of the panellists about how many wallets consumers would agree to and it was felt that, although consolidation could be expected in time, this would not hold things up in the short term. Time was needed before consumers would decide which payment wallet would be the winners. The success of ApplePay was also debated, with the consensus being that although having very high awareness levels and significant initial usage ApplePay had not yet become the regular payment method of choice for consumers. In conclusion, these sessions at RBTE reveal that the area of mobile payments is incredibly active right now and that consumers are welcoming these new payment options.

Two areas of consensus expressed were that initial expectation levels were totally unrealistic and that we are in reality on a multi-year journey. The second being that far greater attention should be paid to addressing the needs of established retail stores rather than being distracted by micro-merchants who will generate very few transactions anyway.

Mark McMurtrie is an independent consultant specialising in consumer payment options. He provides a range of advisory services to retailers, payment service providers and payment solution suppliers through Payments Consultancy Ltd. Mark acts as conference chairman for the RBTE Payments Theatre.