



Weathering the digital storm

To embrace the future of mobile payments, the time is now for banks to invest in technology and be that game changer.

By Etienne Van den Bogaert

WITH the smartphone and tablet revolution, retailers more than ever, are preparing themselves to cater to the changing demands of consumers. These customers are beginning to use on-the-go devices for their purchases, blurring the lines between online and offline retailing.

With companies coming up with mobile transaction platforms that sidestep the existing banker-merchant relationship, banks are under increased pressure to ensure that they are not left behind in the mobile revolution.

Safety first

Increasing adoption of mobile devices and emerging mobile payment options also indicate the need to protect financial information, which could pose a challenge to the growth of this market. Not forgetting other complexities in the mobile payments ecosystem space such as commercialisation, scalability and security.

Retailers are typically hesitant to adopt mobile payments due to concerns on security and the possibility of hackers remotely accessing mobile phones and tablets. Therefore, ease and security that exceeds traditional modes of payment processing would constitute a stronger impetus for retailers.

To do so, high standards for proper payment authentication and identification technologies need to be implemented to enable full traceability and deter fraud. An example would be Swift's mobile platform, which is embedded with a Multi-Factor Authentication application that has the ability to track the mobile device, the staff who authorised the transactions, and identify the location where the payment was transacted.

This enables the quick identification of any possible fraudulent use of the credit card, and promises an extremely high level of security for safe and secure card transactions.

Collaboration is better

Banks need to leverage their standing in retail banking: providing relevant products and services and making use of existing technologies, to enhance its footing in the payment ecosystem.

Collaboration is the key to bringing about the value of mobile payments to offer a seamless approach to incorporate technology to synchronise existing banking and retail systems. Mobile payments can be delivered through the cooperation between service providers in the payment industry, and also industries within the mobile ecosystem.

This form of partnership already exists with frontrunner companies, Capgemini and 4G Secure. Capgemini, with its global expertise in technology consulting, offers a

strong proposition on the implementation of effective mobile strategies.

Together with 4G Secure, an innovative player specialised in the development of fully patented authenticated systems and mobile security solutions; banks, telcos and retailers will be equipped with a framework of secure systems for mobile payments, thereby increasing their level of control access to ensure high standards of security for all mobile transactions made.

Everyone in the mobile payments space has a unique role to play. Swift is focused on being a payment enabler, partnering financial institutions, rather than competing for merchants.

By partnering banks in this manner, retailers and consumers can associate their mobile POS transaction with a familiar bank, rather than a new brand that customers are not familiar with. This will greatly overcome inertia by consumers when a card is being swiped on someone else's mobile phone or tablet.

Offering true value

In an increasingly uncertain economic climate, banks that offer innovative and all-encompassing payments solution to automate retailers and consumers respective experience in payments will stay ahead.

To do so, banks can progress beyond moving money to providing loyalty programmes and business analytics, and work with retailers to enhance the consumers experi-

MOBILE HOTSPOT

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ence through smart transactions in spending, saving and even investments through a range of features.

These can include services like digital loyalty and mobile voucher platforms. This will translate to increased business revenue and even stronger customer loyalty, opening banks and retailers to a whole new world of possibilities.

New business ventures

Mobile payments also open up valuable opportunities for the millions of unbanked small and micro businesses around the world. Less developed countries such as Sri Lanka and Africa can now accept mobile payments instead of cash, which instantly transforms the business returns and the reach for customers.

Through the creation of a new form of mobile banking and transaction ecosystem, retailers that were previously unbanked can now tap on the infrastructures provided by banks and make use of payment platforms to carry out payment transactions at a low cost.

To embrace the future of payments, the time is now for banks to invest in technology and be that game changer by delivering value and building relevant services to transform the mobile payments landscape.

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