

## The Future of Banking, Retail and Payments

# New ways to pay

New technologies are revolutionising the way merchants and customers handle money. **BY HAZEL TAN**

**F**ROM PayPal and Apple Pay to bitcoins and digital wallets, innovations in payment methods are reshaping the way merchants and their customers handle money.

In this digitised new world where payment apps and regulations are constantly changing, consumers may soon be able to do away with cold, hard cash, or even credit cards.

All you really need is a single mobile device that allows you to talk, navigate, shop and pay on the go.

### Going mobile

To stay ahead, traditional payment processors such as banks and payment networks are transforming the way they process payments to satiate the growing consumer demand for secure, quick and seamless payment solutions.

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**Mr Jonathan Gould, head of acceptance development, Asia-Pacific, Discover Financial Services**

“Customers are seeking convenience, choice and security in their payment interaction with the bank. They are time poor and hence want the bank to ensure that service levels related to payments are high with low incidence of failure,” says Mr Faraz Ali, ANZ’s executive director and regional business head of cards, payments and lending for the Asia Pacific. He will be one of the speakers giving their take on the future

of payments at the Cards & Payments Asia conference next week.

He believes the future of payments lies in mobile phones. “ANZ has been focused in this space to help shape our products and services to better serve our customers’ evolving needs. We expect mobile banking and payments to become ubiquitous over the next five years in all Asian markets,” he says.

The recent launch of payment solutions by Apple, Google and Samsung has created the right environment for mobile payment adoption, he adds.

According to research by IDC, 1.5 billion smartphones will be in use globally by 2017. And in a 2013 news release, research firm Gartner expected global mobile transaction volume and value to average 35 per cent annual growth between 2012 and 2017.

### Secure transactions

To ensure that transactions are secure and customers are protected against fraud, companies are taking steps on the security front by tapping into advanced technology.

For example, ANZ deploys EMV chip technology and dynamic authentication to protect its customers in online and physical merchant payments.

Discover Financial Services is also leveraging smart card technology for its multi-channel approach to transaction management. The direct banking and payment services company is one of the largest card issuers in the United States.

Its head of acceptance development for the Asia-Pacific, Mr Jonathan Gould, who will



also be speaking at Cards & Payments Asia, says: “A big challenge facing the industry in the next year will be harnessing the promise of mobile — the emphasis currently on mobile technology is around security and how it changes the in-store, and now, online, shopping experience. It is impacting everything from how card members find the best price to how they are paying for the purchase at the point of sale.”

Discover’s security measures include securing card present transactions using EMV, and securing the online space with technologies such as tokenisation and new customer authentication methods.

### Continuing innovation

“The evolution of mobile and e-commerce continues to be a playground for innovators focusing on smartphones, digital wallets and wearable technology,” says Mr Gould. “Payment companies are no longer solely focused on running transactions on their networks — they are also smarter and have more sophisticated technology that allows them to leverage data-focused services to offer targeted promotions.”

As established payment players race ahead to adapt to consumer and technology

changes, new players continue to emerge with innovative solutions.

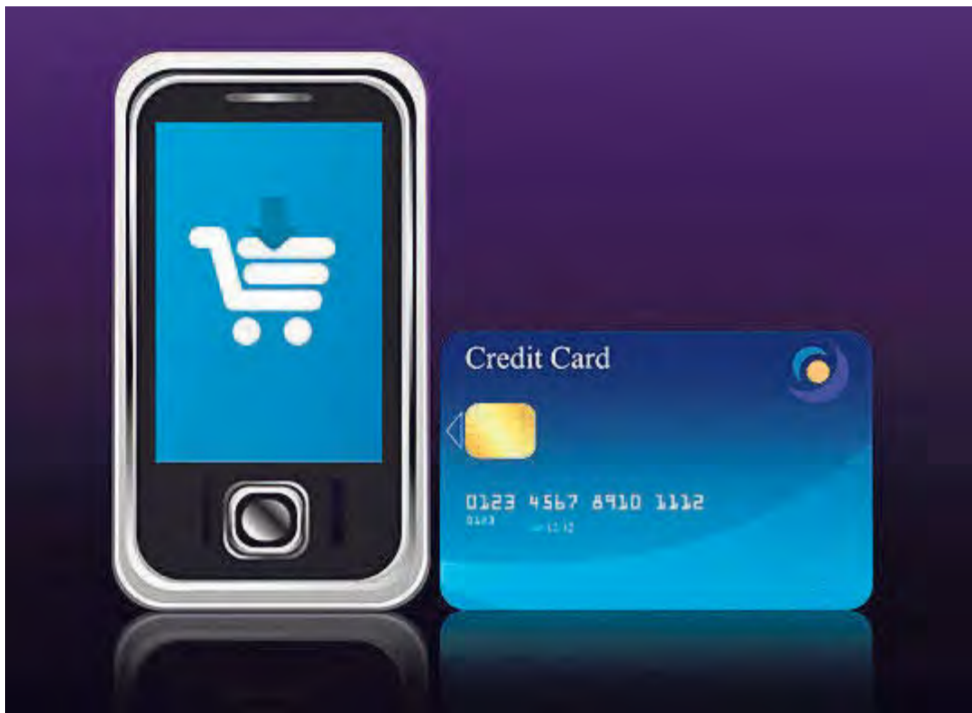
The 2014 World Payments Report by Capgemini and Royal Bank of Scotland predicts that a radical shift in the roles and influence of different stakeholders could occur in the next decade. In some countries, banks may no longer be the only party at the centre of payments governance.

Although the global payments market has been mainly driven by the developed markets so far, the report expects developing countries to launch most of the new solutions, growing to account for half of the total non-cash market by 2021.

While it remains to be seen how all these will play out, one thing is for sure — consumers stand to gain in the contest for the preferred payment solution.

“Increased competition will only benefit consumers as the race intensifies to deliver new customer-centric innovations,” says Mr Ali.

**Cards & Payments Asia 2015 will be held at Suntec Singapore Convention & Exhibition Centre on April 22 and 23. For more information, visit [www.terrapinn.com/exhibition/cards-asia](http://www.terrapinn.com/exhibition/cards-asia)**



To ensure that transactions are secure, companies are tapping advanced technologies.