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**SPEED READ**

- Smartphones have changed our lives
- Much evidence of service offerings
- Security needs to balance with user experience
- Mobile wallet needs to be convenient

Smartphones have paved the way for mobile wallets to take off, but, as ROBERT HASLAM explains, standardisation of mobile payment systems across the industry has yet to catch up.

**A**s mobiles have become more advanced, so too have the opportunities for the financial services sector to provide new ways to help customers with purchasing decisions.

Part of the reason why the mobile can be a powerful tool for the financial services industry is that, on average, we check our mobiles 150 times per day, according to a report by investment firm KPCB. They provide instant access to information and instant gratification. No other piece of technology is as intimate or presents as big an opportunity to provide real-time information to help influence purchasing decisions or financial management.

It is therefore no surprise that the battle for the mobile wallet is heating up. Users are now accustomed to using phones to complete tasks or transfer money on the move. In order to get consumer acceptance, a mobile wallet should be about solving a problem or need. This could include making it easier and more secure than traditional methods to make a payment, improve the customer retail experience and provide value-added services such as offers or personalised deals. We are already seeing a number of these services come to market.

Zapp is one service that is helping to form the new dynamics of user behaviour and methods for payment. By utilising multiple types of mobile touch points, the firm has gained support from banks and payment infrastructure providers.

The service follows initiatives from other key players including Everything Everywhere, which launched Cash on Tap last year. This service, in partnership with MasterCard, allows customers to make payments by utilising NFC (near-field communication) chips in their devices. It is no easy task. Building the infrastructure to support secure payments, while also delivering a seamless user experience, remains one of the biggest challenges. So too is setting regulation around fraudulent activity.

It also isn't clear which technology will lead this space. NFC has been backed by Visa and other payment providers but there appear to be more questions about security

and user experience than answers. Bluetooth low-energy beacons is another technology many are now looking at as a possibility.

Ever since June last year when Apple announced its system integration and support for the technology with iBeacons, rumours have circulated about what it means for NFC and how it will be used to complete payments. The technology is widely tipped to be the solution to complete the circle between online behaviour and real-world action. PayPal is already implementing its own version of beacons as a way to provide new payment experiences, providing retailers with a solution that can be added to current POS systems.

Balancing security with the user experience is one of the key areas to get right with the mobile wallet. If the experience of paying for an item is slower or more complicated than the current experience, there is no valid reason for a customer to proceed. Conversely, make it too easy and it will be hard to convince

**'MAKE IT TOO EASY AND IT WILL BE HARD TO CONVINCE THE USER THAT THEIR FINANCIAL AND PERSONAL INFORMATION IS SECURE.'**



the user that their financial and personal information is secure.

When it comes to changing user behaviour, the key is not to think about the behaviour, but instead focus on the experience. If you can provide a better experience, behaviour will change. The experience is really key to why smartphones have become successful.

Smartphones existed before the iPhone, yet they failed to get all but the early adopters interested. The key to the iPhone was the way it packaged technology to be about an intuitive and simple interface that didn't scare people away from using it. It isn't about the technology, but the way it works and the way it makes people feel. Get the experience right, and you'll change behaviour by default. ■

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