

Slick mobile payments can rebound on retailers

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Research by two of the UK's leading experts on the social impact of technology shows that slick smartphone payment systems may boomerang on retailers.

Dr Mark Perry of Brunel University London and Professor Sriram Subramanian of the University of Bristol have been looking at the UK's largest alternative local currency – the Bristol pound – which allows [mobile](#) payments.

Dr Perry concluded: "The perceived wisdom is that payments via a mobile device should be designed and marketed as being ever faster, simpler and effortless.

"But the evidence from Bristol which uses a slightly clunky system is that there is value in the social interactions at the point of sale for both customer and supplier.

"The risk is that by making the [payment](#) part of the sale too slick retailers who rely on building and maintaining customer loyalty may find that part of the shopping experience is left on the shelf by the technology.

"I think what's really interesting and unexpected in our data is the way that the Bristol Pound is not just used for functional purposes - as a form of payment - but that it also offers opportunities for playfulness and sociability... It's not just a currency that's used locally, it's also a means

of building richer, deeper connections across local communities. There's so much this can tell us about how building financial technologies that aren't just platforms for consumerism, but which make our environments more sustainable, interesting and connected"

The study, which is part of the 3DaRoC project, explored [mobile payment](#) systems to find out the effects of online, mobile, embedded, and tangible technologies on the consumer financial sector. Part of the project explored the way that the Bristol Pound operates. The Bristol Pound is one of the largest alternative currencies to sterling in the UK and enables consumers to pay for goods and services over text messages using TXT2PAY.

The research into the Bristol Pound focused on the interactions between people using mobile phone payments and its effects on social and community connectivity.

The study found that the Bristol Pound has a beneficial effect on both social and community bonds by changing the ways that people interact and transact with each other, and fostering trust between users as they make payments.

While these social and community bonds shape the kinds of interactions that become possible, they also promote social cohesion by encouraging consumers to support their local businesses.

Prof Subramanian, Professor of Human-Computer Interaction in the Bristol Interaction and Graphics (BIG) group, said: "TXT2PAY may not be the most fluid or robust mobile phone payment, yet our findings show TXT2PAY supports people in making connections to other people, to their communities, to the places they move through, to their environment and to what they spend. These interactions that could have significant implications for the design of future payment systems."

"The near collapse of the UK and world financial sector have made understanding and innovating new and more sustainable approaches to [financial services](#) a critical topic. Mobile multimedia technologies offer new platforms for offering financial services over the internet. These new forms of digital connectivity provide opportunities to do banking and payment in radically different ways.

"While the impact of these new digital financial services is yet to be fully known, they have huge potential to transform financial services for ordinary users. So far, little is understood about how technical infrastructures impact on the ways that people make sense of the financial services that they use, or on how these might be designed more effectively."

More information: "Spending Time with Money: from shared values to social connectivity." delivery.acm.org/10.1145/26800.../p1222-ferreira.pdf

Provided by Brunel University

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