

With mobile pay, you can go without a wallet at checkout

30 October 2018, by Margarete Burnette



In this Aug. 6, 2015, file photo, a Samsung employee demonstrates Samsung Pay using a Galaxy S6 Edge Plus in New York. Mobile wallets come in different digital forms. There are device specific platforms, such as Apple Pay and Samsung Pay, which are compatible with Apple and Samsung devices, respectively. Google Pay works with multiple platforms, including Android devices. (AP Photo/Seth Wenig, File)

When you're at the checkout line this holiday season, you could juggle your bags and dig into your purse or billfold for your credit or debit card. Or you could use that phone you're already clutching, or that new smartwatch strapped to your wrist. Many stores now accept mobile wallets, a technology that lets customers make payments via smartphone or watch.

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There are also merchant apps, such as those from Starbucks and Walmart, that have mobile [wallet](#) capabilities but can be used only at specific stores. About one-third of smartphone owners who access mobile wallets use those downloaded from specific retailers, says Karen Augustine, a manager of primary data services at Mercator Advisory Group, a payments and consulting research firm.

Still, many consumers are sticking with their cards due to concerns about safety or the familiarity of good old plastic. But if you're ready to give mobile wallets a try, here's what you need to know to get started.

WHERE MOBILE WALLETS WORK BEST.

Shoppers who don't want to carry physical wallets and cards—or who are scared of losing a card—may find mobile wallets helpful. Many early adopters have been young adults who wear smartwatches or carry phones nearly everywhere and are willing to try new forms of [payment](#), Augustine says.

Those who want an easier way to track store rewards might also benefit from mobile wallets. A mobile wallet can keep track of rewards program information, making it easier to get credit for qualifying purchases. Merchants and credit card issuers might also offer promotional bonus rewards for mobile wallet transactions.

HOW MOBILE WALLETS WORK. To start, you'll need to load your bank information onto your preferred mobile wallet device. That generally means entering a credit card or [debit card](#) number and security code, and accepting the terms and conditions in the mobile app.

When it's time to make a payment, show your device at the checkout line. You typically complete the transaction by placing the device near the terminal and scanning a barcode or using a biometric reader that may, for example, scan your fingerprint to sign off on the purchase.

MOBILE WALLET ADOPTION HAS STALLED.

Despite the ease of using mobile wallets, less than half of all smartphone owners use the technology, and adoption has not grown over the past three years, according to Augustine. One problem may be that some don't consider it to be much more convenient than using a regular credit or debit card, she says.

Concerns about safeguards are another issue. Many consumers are more worried about the security of [mobile wallet](#) payments than traditional card payments, says Ryan Grogman, senior vice president and practice lead at Boston Retail Partners, a retail consulting company. But mobile wallets do have some security advantages over regular credit and debit cards.

HOW BANK INFORMATION IS KEPT SECURE.

Mobile wallets rely on near-field communication, or NFC, which uses a chip in the mobile device to wirelessly communicate with the merchant's payment terminal. The devices communicate using special short-term codes to verify customers' identities and don't reveal actual credit card numbers.

Along with NFC technology, smartphones typically add their own layer of security. You probably need to use a fingerprint reader or enter a code to unlock a screen, for example, to access the [device](#) and its digital wallet.

If a consumer loses a smartphone or watch, they know their information likely lives behind a locked screen, and its sensitive contents can be erased remotely. With a physical card, a criminal could steal it and start making fraudulent purchases before a consumer even knows the card is gone.

Most people have a host of payment choices, and they don't mind juggling and digging for their plastic at checkout. But that hardware in their hand or on their wrist can double as another way to pay for their holiday shopping.

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APA citation: With mobile pay, you can go without a wallet at checkout (2018, October 30) retrieved 23 September 2020 from <https://phys.org/news/2018-10-mobile-wallet-checkout.html>

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