

By Angela Altass

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2014 Canadian Bankers Association (CBA) poll.

# Mobile Technology: NEW WAY TO PAY

The use of mobile banking is on the rise in Canada and the way customers pay for transactions is continuing to change.

"Today's consumers are mobile-focused and businesses, like convenience stores, are adapting to this growing trend," says Michael Eckler, director, mobile products, Moneris Solutions.

In a 2014 Canadian Bankers Association (CBA) poll, 31 per cent of Canadians reported using mobile banking in the last year, a figure that was up from five per cent in 2010. Twenty-six per cent said their use of mobile banking was increasing, particularly among younger Canadians, although 21 per cent of people over the age of 65 also said it was increasing.

"In today's mobile world, consumers want to be able to do such things as man-

age the technology in their homes, work, shop and pay all on the go through mobile devices," says Derek Colfer, head of technology and innovation, Visa Canada. "Mobile applications get that much more interesting when they intersect with payments and when secure commerce and payments are embedded into every day experiences."

Of the three billion people on the Internet today, one billion have already made a purchase online and, in many cases, using a mobile device.

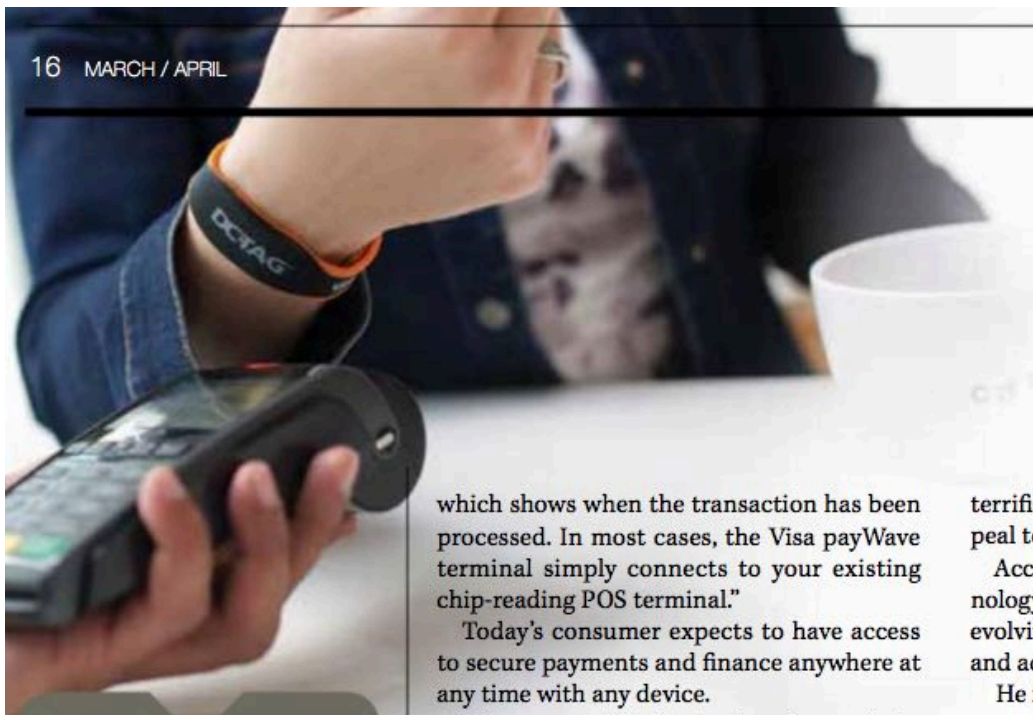
"More than half—58 per cent—of credit card users who have made purchases in person reported having used contact-less

payments and almost three-quarters—74 per cent—of contact-less payment users consider this type of payment quicker than other card payments,".

The Visa Mobile Payment Platform in Canada offers Visa cardholders the ability to make contact-less payment transactions using their cell phones. Visa mobile payments are ideal for stores with high volumes of customers, where speed is essential, says Colfer.

"The Visa Mobile Payment Platform extends the functionality of the Visa payWave contact-less payments to mobile phones," says Colfer. "The customer follows simple prompts on the reader,

*1/3 ONLINE TRANSACTIONS*



**38**  
**MILLION USERS**  
 expected to use  
 mobile payment  
 transactions in 2016.  
 An increase from  
 16.4 million in 2014.

which shows when the transaction has been processed. In most cases, the Visa payWave terminal simply connects to your existing chip-reading POS terminal.”

Today’s consumer expects to have access to secure payments and finance anywhere at any time with any device.

“The payments industry has changed dramatically,” says Colfer. “We have seen these changes and have been working to ensure they are as reliable, safe and beneficial for everyone in the digital world as they have been in the physical world. We work closely with our Canadian banking partners to provide interoperable, scalable and secure mobile payment experiences for Canadians.”

The next phase of payments is being driven in a large part by mobile technology and new flexible and open payment technologies that enable the creation of innovative new ways to pay, says Colfer.

“It’s also driven by changing consumer behaviour, which is starting to embrace mobile technology as a new way to pay, be paid and better manage finances,” says Colfer. “Our goal is to ensure that the consumers’ overall experience, whether buying in the physical or digital world, in over 200 countries, through any technology is simple, safe and seamless.”

DC TAG is a payment wristband that allows on-the-go consumers the ability to purchase products using the Visa payWave technology.

“Consumers are increasingly mobile and these bands are particularly suited to the active lifestyle,” says Mike Kelso, vice president, Innovation, DC Payments. “As merchants look for ways to make it easier to purchase goods and services on the go, we’re offering a

terrific new product we think will really appeal to their customers.”

According to Michael Eckler, mobile technology in the payments space is continuously evolving with processors working to improve and add new features and functionalities.

He indicates that “with 46 per cent of businesses expected to be using tablet-based mobile point-of-sale (mPOS) technology by 2019, smartphones and tablets are leading the redesign of many payment and retail environments.”

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Moneris’ PAYD Pro Plus is an mPOS and business management solution that empowers retailers like convenience store owners to manage their inventory, sales and customer profiles from an intuitive, customizable app on their iPad.

“PAYD Pro Plus accepts both debit and credit card payments through a compact and secure EMV chip and PIN entry device called the Moneris PAYD PIN pad,” says Eckler. “In addition to credit and debit, this PIN-pad accepts contact-less tap payments from contact-less cards, mobile wallets and wearable technology, like the Apple watch. This functionality allows consumers to use their preferred

method of payment no matter where they are shopping.”

Mobile POS solutions help store owners offer faster, easier and more convenient transaction processing, fostering a better overall customer experience and more efficient business operations, says Eckler. They also provide access to real-time sales reporting and useful business management tools, he adds.

“PAYD Pro Plus is an end-to-end retail sales solution that provides convenience store owners with access to Moneris’ payments experts,

## When someone is making a purchase at a point of sale, none of their financial information is transmitted so it's not at risk. A token is a unique number that cannot be used for anything else and it ties in securely to the payment processing network.

on-site installation, and training, as well as integrated accessory combinations, including cash drawers, scanners, receipt printers and stands.”

The Moneris' mPOS solutions help reduce overhead costs for business owners as mobile devices are developed with sophisticated operating systems that support the hardware and software of mobile payment systems.

“Typically, the up-front hardware and software investment is much lower and the maintenance requirements of mPOS solutions is significantly less when compared to traditional POS offerings,” he says. “Consumers value their time, ease of technology use, and the security of their card information. With mPOS solutions, retailers can focus on serving their customers and running their business with greater efficiency and speeding up the check-out process.”

He also states that businesses are leveraging the simplicity that mobile devices offer at a steadily increasing rate.

“In 2014, eMarketer data shows that 16.4 million users performed a transaction using mobile payments and that is expected to increase to 23.2 million for 2015,” says Eckler. “In 2016, this number is expected to increase to nearly 38 million users. Investing in mPOS solutions that are equipped to accept these forms of payment is crucial for business owners.”

Canadian consumers and merchants use debit more than any other payment type, says Avinash Chidambaram, vice president, New Platform and Product Development, Interac Association/Acsys Corporation.

“Debit is nearly ubiquitous from an acceptance standpoint with merchants from coast to coast,” says Chidambaram. “We are Canada's domestic debit brand and for more than 30 years, we have championed innovative payment solutions allowing Canadians to access their own money securely. Extending our strong value proposition to mobile payments is a given. Mobile Interac Flash brings Interac Flash, our contact-less enhancement


of Interac Debit, to the mobile form factor.”

Mobile Interac Flash is designed to work on any device or mobile wallet that supports near field communication (NFC); Europay, Mastercard, Visa (EMV); and tokenization technologies.

“We're actively working on and delivering innovative, secure and value-added mobile solutions to further the development and growth of mobile payments in Canada,” says Chidambaram.

SmoothPay, founded in 2013, provides an integrated POS system that combines payment with loyalty.

“When a customer pays with SmoothPay, they get discounts and loyalty rewards automatically,” says Brian Deck, co-founder, SmoothPay. “We use tokenization. When someone is making a purchase at a point of sale, none of their financial information is transmitted so it's not at risk. A token is a unique number that cannot be used for anything else and it ties in securely to the payment processing network. A token is a number that identifies the user at that specific moment in time. One of our unique approaches is that we have expiry of tokens so even if you were to capture a token you couldn't use it for a transaction later on.”

Research conducted by the Canadian Bankers Association shows that 43 per cent of Canadians expect to be conducting their banking using mobile devices in the near future. In the CBA study, Canadians said they believe that the introduction of new innovations will change how they pay for things and 23 per cent said they don't think they will be carrying cash in 10 years. 



# 43%

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