

## Mobile Wallets and NFC:

A Solution to a Very Real Problem

BY: TONY ABRUZZIO

Whether clipping coupons, scanning sale signs or keeping track of emailed offers – shopping today requires navigating a loud and cluttered space. This poses real challenges for both merchants and consumers.

Merchants work hard to engender loyalty; however, engaging consumers in a truly interactive, personal dialogue is not easy. Meanwhile, consumers struggle to sift through offers and coupons with no centralized or convenient way to select, store and redeem them at the point of sale.

But with the introduction of mobile wallets, the commerce experience as we know it is undergoing a radical shift. Consumers can now pay with their phones and merchants can engage with consumers on the devices they use most. No more fishing for cards, coupons or bills – mobile wallets simplify the purchase process while driving loyalty.

### Mobile commerce is here

Gartner reports nearly a quarter of U.S. retailers already accept or are in the process of accepting contactless transactions. For many, mobile wallets are seen as an inevitable evolution of the commerce experience. But for the other 75 percent, the question remains. When does it make sense to invest in product upgrades to support mobile wallet transactions? When will mobile commerce reach a tipping point?

With 2012 coming to a close, I can confidently say mobile commerce has arrived. The idea of a comprehensive mobile wallet that integrates the shopping and paying experience is no longer just an idea. People are experiencing the value of mobile commerce today.

### NFC is a global technology standard

While mobile wallets have received a warm reception, I still get asked about the value proposition of Near Field Communication (NFC). Why choose a technology that requires merchants to upgrade their payment terminals and consumers to buy new phones? The answer is simple, really. NFC is the most widely trusted and validated alternative payment technology currently on the market. It has been tested more than any alternative technology since its introduction more than 10 years ago. As a result, NFC has been adopted as the global technology standard to transform mobile phones into payment devices.

In fact, ABI Research predicts the total value of NFC-based mobile payments will rise from \$4 billion in 2012 to \$191 billion in 2017, breaking the \$100 billion mark in 2016. At my company, we support NFC over other solutions because it combines hardware and software, providing the most secure interaction between consumers and merchants. With NFC-based mobile wallets, consumers can make payments, present offers and apply loyalty with one, simple tap of their phone – while resting assured their payment credentials remain secure.

### Rallying around NFC-based mobile payments

With as many as 20 NFC-enabled handsets available by year end from the nation's largest wireless carriers and 86 percent of POS terminals in North America expected to accept NFC payments by 2017, NFC adoption no longer faces the hurdle it did a year ago. Mobile handset manufacturers, merchants and the payment industry have consolidated around and embraced NFC on a global scale.

Leading payment terminal providers are already integrating contactless payment specifications into their payment hardware. Meanwhile, payment networks are working to provide choice and flexibility for all industry participants to influence the speed and growth of NFC-based payments in the U.S. Additionally, acquirers, ISOs and software providers play a critical role by offering the necessary payment processing systems to activate merchants' backend technology.

Mobile wallets present an opportunity to streamline engagement with customers, leading to a more profitable business. Stay ahead of the curve and anticipate consumer demands by deploying contactless technology at the point of sale. **C**



**Tony Abruzzio**

Business Development Executive, Isis  
[www.PaywithIsis.com](http://www.PaywithIsis.com)

Tony Abruzzio is a Business Development Executive for indirect channels at Isis™, a joint venture between AT&T Mobility, T-Mobile USA and Verizon Wireless. With the launch of the Isis Mobile Wallet™ in Austin and Salt Lake City, Isis has introduced a simple, secure and smarter way to pay, marking a significant milestone for the mobile commerce industry. In his role at Isis, Abruzzio is responsible for developing relationships with acquirers and launch city merchants, and inviting them to join the Isis Mobile Commerce Platform™. He brings deep knowledge and experience in the payments industry.