



Merchants of Every Size are Going Mobile

Are you processing mobile payments? Mobile payments (processing credit card transactions remotely via mobile devices such as smartphones and tablets) are commonplace in Europe and Japan. The trend has been slower to catch on in the United States, however, that's about to change.

In the U.S., Near Field Communication (NFC) mobile payments currently account for about \$4 billion in transactions, and that number is on the rise. It is estimated that mobile payments will rocket to around \$100 billion in the next three years, and then double again by 2017.

The surge will be driven by the accelerating switch to NFC-enabled smartphones and other mobile devices. In addition, security features provided by EMV chip technology will encourage the adoption of mobile payments by consumers, card issuers, payment providers, and merchants.

The NFC concept is fairly simple. Instead of using a physical payment card, a customer passes an NFC-enabled device close to a similarly enabled point-of-sale (POS) terminal. Through this "contactless payment" method, relevant payment data is transferred directly to the POS device for authorization.

The potential for merchants is great. Customers can not only transmit debit or credit payment account details, but also redeem virtual coupons, take advantage of targeted special offers, use gift cards, and add points to their loyalty accounts. All these actions can happen with a single swipe.

Consumer use of NFC mobile payments will only increase as more merchants and card issuers embrace EMV chip technology. It provides a significant layer of security, essentially rendering a card unusable if the card data is stolen. In addition to providing security for physical cards, EMV's security features also extend to card-not-present and NFC transactions.

Beginning this month, major card brands require acquirers and service providers to be EMV compliant. This means that merchants can easily complete their migrations to EMV compliant transaction processing before the deadline of October 2015.

Early adoption of EMV and NFC technology has the potential to give merchants a competitive edge in supporting customers who are ready for the freedom of mobile transactions. Right now, there's also a financial advantage for early adopters. Merchants who offer EMV processing on at least 75% of terminals can benefit from Visa's® Technology Innovation Program, which removes the need for much of the costly annual assessment for Payment Card Industry (PCI) security compliance.

Embracing mobile shopping benefits also opens an avenue for greater interaction with customer, allowing them quick access to what's happening at your business and an easy way to pay when they get there. For details on which mobile payment solutions best fit your business and how to make your systems EMV-compatible, call Veracity at (888) 599-2209.