

Crossing the Digital Divide (v51)

“Check Please”

By Joseph Feigon for the Observer

I remember, not that long ago, a friend was visiting. We stopped by Geiger's for some groceries. As we're leaving the store, he comments: "Did you see the roll of \$100's that young woman in front of us had?" I replied: "the busiest bank in town is the Post Office."

Granted, our community sees and uses cash differently than most of the country. If we have an Internet interruption, it's still 'business as usual'. If a credit card or Point-of-Sale terminal is down elsewhere, folks freak out. Cash, it seems, has fallen out of favor.

Michelle Evans is a Contributing Editor for Forbes Magazine – this article succinctly summarizes the direction cash is going...do you think this is a good thing?

From the first cash register invented 137 years ago to mobile payment apps in today's world, technology and digital advances have revolutionized the way we pay. Commerce opportunities are continuing to evolve beyond payments toward connecting with your consumer, better understanding your target market and exploring new outlets. Stemming from Money 20/20 in October, the below trends take a deep dive into emerging connected consumer concepts and the impact these digital shifts are having on all parts of the path to purchase.

Anytime, anywhere commerce

Digital has enabled commerce to take root in new and unexpected places, both online and offline. From social networks and content sites to scannable print ads to virtual shopping wallets to peer-to-peer business models, brands can engage with consumers in new and sometimes less obvious locations than they have ever have been able to do before. The challenge is that merchants have to always be on. Merchants and consumer-facing brands also need to adjust their strategies to accommodate consumer preferences for commerce, which may include different formats or new payment methods.

From everyday devices to conduits of commerce

From the ring on a consumer's finger to the refrigerator in the kitchen, players across the ecosystem are exploring ways to embed what once seemed like futuristic commerce

applications into everyday items. The idea of leveraging all these newly connected devices as conduits for commerce is not a simple task, though. Mastercard recently announced a partnership with Fit Pay Inc., which will integrate Mastercard's contactless payments technology within the Fit Pay platform in order to more efficiently and effectively deploy connected devices in the commerce environment. Though integration of this kind is complex, this type of partnership enables payment players and device manufacturers to leverage aggregators like Fit Pay to fill the gaps between their expertise in payments and devices, respectively.

Know thy consumer

In this mobile-first world, the possibilities in terms of connecting with the consumer before, during and after a purchase are endless, though few do it in a seamless manner. Merchants of all types expressed a desire to better connect those dots in order to further other initiatives, such as reducing fraud or providing more meaningful consumer engagement. In the offline world, the greatest need for a merchant is to understand who a consumer is when they walk into their outlet.

US mobile payments progress slowed by EMV transition

There has been plenty of hype in the industry about the opportunities that could surround a mobile-enabled environment, especially if the in-person commerce experience could be digitized and connected to a consumer's online persona. However, the migration to chip-enabled cards in the US and the general emphasis on security initiatives has dominated the recent agenda of technologists across issuers and merchants of all shapes and sizes. The EMV migration served as a distraction for mobile commerce initiatives, even though the latter have the potential to drive future sales.

China's Alipay coming to the US

As of 2016, China accounted for 58% of mobile-based commerce conducted across the markets researched by Euromonitor International . Alipay, which is China's biggest mobile payment service provider, is looking to replicate that success abroad. As a result, it has been aggressively expanding into foreign markets like Australia, Germany and the UK and recently announced deals with Verifone and credit card processor First Data Corp to propel its push in the US. Alipay, which is a service of Ant Financial Services, a spin-off of the Chinese internet giant Alibaba, will target Chinese tourists traveling abroad, but this recent strategic shift also will better position it to join the global ranks of international payment networks like Visa and Mastercard in greater acceptance beyond

its home market. Alipay has a goal of expanding its base from 450 million to 2 billion users within the next 10 years.