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## Could new electronic payment methods kill off the wallet when buying fruit and vegetables?

Many people are talking about the demise or, depending on your point of view, reinvention of the high street. However, it seems inevitable that the way in which we purchase products will change.

In our industry we've seen this happen many times before; from market to shop, supermarket to online. Change in retail is almost a continuing cycle. So although where retailers are may change, the same basic principals for our customers remain the same – find the produce that we want to buy then use cards or cash to complete the purchase.

However, information technology is at the heart of developments to change and in expanding our choices when making a purchase. We have already seen the march of new ways to pay for products online such as PayPal or electronic funds transfer. These online payment methods are now also creeping into the physical world. For example, Visa/Barclaycard first introduced their contactless payment card system in 2011, which allows for payments to be made for up to £15 by just passing your card near a suitable reader. PayPal is getting in on the act too by letting you pay for physical goods using your mobile phone and a code printed on your till receipt. In addition, Google has been trying to get its Wallet programme off the ground, allowing your mobile phone to be 'bumped' onto a reader. Could the wallet itself be the next target for technological change?

In 2012 Apple introduced Passbook, which offers iPhone users a way of carrying store loyalty cards and tickets electronically rather than in their physical form. Recent advances will soon make these cards pop up automatically on screen when visiting the appropriate shop. The phone will read an iBeacon which each retailer can install. The user then presents an on-screen barcode to be read in a similar way to today's physical cards. Although Passbook is an Apple-only technology at the moment, it could be adopted as a wider standard. This will make it more convenient to share electronic coupons around between different devices from different manufacturers.

A further benefit of the electronic wallet-type applications is that data transfer can be two-way. For example, when using an electronic wallet to make a purchase, the balance of your store loyalty card can be updated and displayed. Starbucks is already doing this with its loyalty cards. Similarly an electronic loyalty card can be configured by the retailer at any time to alert customers of offers and promotions etc.

So will the retailer benefit from these changes? The time and cost to produce and distribute electronic loyalty cards is considerably less compared to physical plastic cards. Add to this the ease of customisation to accommodate promotions or the opportunities presented by the push notifications and this becomes a very attractive concept for Britain's leading supermarkets for marketing fresh produce. — 