

## Farewell Cash, Credit Cards, and Cash Registers!

Have you ever wanted to **not** have to use (and carry) cash or credit/debit cards and **not** have to deal with long lines at cash registers? Well, by 2020 (a mere 8 years away) there is a reality that we could face which is that the majority of payment transactions will be made electronically. Called “**mobile payment**,” via this method we simply need our mobile phone to pay for services or goods. At the moment there exist 4 models: **SMS-based, direct mobile billing, WAP** (web payments, and wireless **NFC**(near field communication). One method or another is currently being adopted globally and in different ways but **NFC** appears to be the most advanced and most user-friendly.

Wireless NFC technology enables devices (mobile phones and payment terminals) to communicate with each other or read special tags. It has a short-range signal, built-in security, and is convenient. Companies like MasterCard, American Express, and Visa have advanced the use of the technology and today seems imminent. NFC-enabled devices have already been available in some parts of the world but not used for payment mainly because of security issues. Developers are working on “safe technology” where a component can be embedded in the phone, in a SIM or MicroSd card. With the proliferation of hacking geniuses in the world, this naturally is a critical element in its growth and use.

As part of the unfolding process, many companies are already employing the other 3 methods. The problem with these is they tend to be slow, frequently unreliable where transaction data is lost, costly for the vendor, and still have security issues. So the future appears to lie with the successful developments in NFC technology. To illustrate this point, international retail giant Walmart has begun a pilot program with Apple to speed up the payment process in their stores. Customers would be able to scan and bag their items as they walk down the aisles filling their shopping carts. With an iPhone app, an itemized list is then issued at the self-checkout zone, eliminating the need to rescan every item. There is no doubt that the end of this process would be a direct debit payment from the customer’s bank account, and the only other person involved in the transaction would be the clerk to bag the merchandise.....if they wanted; (sounds like the elimination of the cashier position!)

Hal Varian, chief economist at Google, was recently quoted as saying: “The 2020 date might be a bit optimistic, but I’m sure that this will happen. What is in your wallet now? Identification, payment and personal items. All this will easily fit in your mobile device and will inevitably do so.” We’ll have to keep an eye on key companies’ progress to know when we can get rid of all those plastic cards and when we no longer need to convert currencies.