

RETAIL SURGERY

Practical advice on the operational issues facing your business today

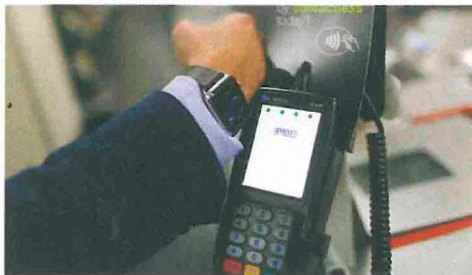
Adapting to the rise of mobile payment

Earlier this month Apple Pay launched in the UK, adding to the continuing debate on the future of payments. Already the service has the potential to further disrupt the fast-evolving payments market.

Tony Virdi, vice-president of technology company Cognizant, says: "Apple has a huge advantage in that its loyal fan base is already accustomed to making electronic payments using its technology and they have learned to trust the brand with their payment details.

"The arrival of Apple Pay also gives any retailers which have lagged behind on their digital customer offering a very powerful incentive to catch up rapidly, since consumers will assume a smooth digital experience is the norm."

At the same time, some banks are rolling out their own digital payments services, enabling customers to make online transactions through a mobile app. The raft of announcements in this area suggests that the payments industry could be at a pivotal point.



Apple Pay will change shoppers' payment expectations

"Flexibility is key – retailers must hedge their technology bets"

Tony Virdi, Cognizant

So how should retailers adapt their payment strategies to accommodate these developments?

"Flexibility is key – retailers must hedge their technology bets in order to choose a medium best suited to their customers' needs," says Virdi.

"For consumers, the preferred payments solution will not necessarily be the one that acquires the highest number of users, but the solution that is most secure and simple to use, regardless of the device."

Ultimately, all payments rely on the collaboration between banks, mobile carriers, card networks and retailers. Crucially, retailers must ensure that they align themselves closely with customers to understand their payment preferences to continue to ensure that they meet changing consumer demands.

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