The Universal Commerce experience integrates shopping, payments, marketing, loyalty and financial management. Indeed, Universal Commerce represents a new consumer engagement strategy that financial institutions, mobile network operators, card networks, payments providers and merchants must all pursue if they are to successfully capture the business of increasingly connected consumers.

The below list highlights the diversity of innovation in this dynamic industry and while it is by no means an exhaustive list, it is First Data’s top picks for the most recent game changers in this space.

**STARBUCKS’ MOBILE APP**

Every new technology needs a champion—a trailblazer to set the path for the rest to follow—and that’s exactly what Starbucks is doing in the merchant mobile payments space.

Although the Starbucks’ Mobile App is not new or particularly recent, it had to make our Top 5 list after Starbucks announced that 10 percent of its U.S. revenue comes from mobile payments. On a recent earning call, Starbucks announced that it sees close to four million mobile payment transactions per week, up from two million near the end of last year.

Why is Starbucks leading the pack? Aside from having loyal customers, who are rewarded for visiting frequently and repeatedly, the company can also thank its marketing team for its success in this space. A recent two-week-long My Starbucks Rewards campaign (which rewarded new members with $5 credit) resulted in almost one million new members and nearly 500,000 mobile app downloads. And, My Starbucks Rewards is seeing similar success in countries such as China, Korea and Canada.

What’s next? Starbucks recently announced plans to expand its loyalty and rewards program by allowing customers to earn Starbucks rewards for grocery purchases. Starbucks expects the new program to double the number of customers enrolled in the company’s programs in fiscal 2013.

Why is this a game changer? Behind every leader is a pack waiting to follow and the Starbucks earnings results have proven that mobile payments not only work, but also that you’d be remiss in not jumping on the bandwagon.
USAT'S VENDING MACHINE MOBILE PAYMENT AND LOYALTY PROGRAM

USA Technologies, Inc. (USAT) believes it has kicked off the largest mobile payment and loyalty program for the U.S. vending industry — integrating over 100,000 of USAT’s NFC-enabled cashless payment terminals with Isis’ SmartTap™ mobile commerce technology for rewards acceptance and redemption.

The Isis Mobile Wallet™ enables mobile payments through an NFC-ready terminal and allows consumers to redeem offers and loyalty with the tap of their smart phone.

This may seem like another company launching another loyalty program, but loyalty programs that allow consumers to be rewarded for repeat purchases are essentially uncharted territory for the vending industry. The vending industry has traditionally been a cash-based industry and so consumer engagement tools such as loyalty programs that market directly to the consumer were largely impossible before. This announcement marks the beginning of the vending industry’s integration into the emerging Universal Commerce world.

Is this a game changer? Maybe, maybe not, but we can be sure that the convergence of bricks and mortar sellers with online and mobile technology continues to drive the evolution of the payments industry and change the way consumers the world over make purchases.

TXTNATION AND RAPIDNFC’S NFC DIRECT OPERATOR BILLING

Mobile billing and messaging aggregator txtNation and Europe’s largest supplier of NFC tags and products, RapidNFC have partnered to become the first to offer direct operator billing via NFC technology.

How does it work? NFC tags are tiny microchips which RapidNFC can incorporate into a wide selection of products from stickers, smart posters and wristbands to promotional items such as pens, keyfobs, bar mats and various other merchandise. Consumers use their smart phones to scan the tag, which launches a tailored payment interface. The user simply confirms payment and is billed. Users browsing via WiFi, rather than their mobile data plan, are prompted to enter their mobile number to continue payment.

The solution has potential for event ticketing and even tangible goods. It could also be used through a point-of-sale terminal, or the merchant’s PC, laptop, tablet or mobile phone.

I can hear your saying that other NFC methods exist, so why is this a game changer? Quite simply, this solution answers the question that consumer have been asking ever since this fandangled new mobile payments technology came out, “what’s in it for me?” The answer is convenience and simplicity. Without additional linking of a phone to a bank account, card payment or by entering a username or password, users can be billed with txtNation’s solution with a quick NFC tap and a one-click confirmation on a mobile web page. Users are charged securely and quickly through their 3G or 4G connections to their monthly mobile contract or pay-as-you-go balance. It truly is more convenient to wave and pay with this mobile payments product. Now the makers just need to convince people this is secure and adequately protects privacy.
AMAZON’S ANONYMOUS MOBILE PAYMENTS SYSTEM

Time and time again, consumer surveys have found that the biggest barriers to adoption of mobile payments are consumers’ concerns about privacy and security. In an attempt to allay these fears, Amazon recently filed a patent for an anonymous mobile payment system, in which Amazon would be the middle man between parties to a transaction. Under the system, users would be able to make or receive payments without disclosing personal or private information to another party – just like cash.

Amazon’s system would rely on a temporary code being passed between the buyer and seller, with Amazon as the middleman. This unique code could have an expiry date or even be used multiple times for recurring transactions or instalments.

Would you trust Amazon? While wide scale adoption is still a fair way away (we are still only at patent application stage after all), if Amazon can break through these security and privacy barriers with their new solution, we may just be seeing the tipping point for mass mobile payment adoption.

GOOGLE’S GLASS

Mobile payments? That’s so last decade.

Our choice for #1 comes from the well-known and definitely game-changing Google. While it has not even been released to consumers yet, Google’s wearable computing product Google Glass has already started making waves.

The Glassware will function much the same way that Android and iOS apps function on smartphones—albeit with smaller screens and translucent displays that appear in front of users.

The product will function like a standard pair of glasses frames, with a heads-up display attached. The display will project images in front of wearer’s eyes.

Google has released terms to early adopters developing Glassware apps, signalling how apps may be developed for banking and analysts have speculated about some payments industry uses such as logging into online bank accounts and making payments, and enabling customers to check account balance while picking up groceries.

While Google has not announced an official release date or price, tech pundits are estimating a late 2014 release to the public.

A Global Leader in Electronic Commerce

First Data powers the global economy by making it easy, fast and secure for people and businesses around the world to buy goods and services using virtually any form of payment.

Serving millions of merchant locations and thousands of card issuers, we have the expertise and insight to help you accelerate your business. Put our intelligence to work for you.

Visit us at firstdata.com.au.