

Mobile payment is becoming an asset for local commerce - Tribune by Mathias Michelangeli, Limonetik

Mathias Michelangeli, Senior Bus Dev, Limonetik: By reinventing and smoothening the customer experience, mobile payment has become an asset for local commerce

PARIS, FRANCE, April 28, 2020 /EINPresswire.com/ -- Digital technology has brought about one of the fastest transformations in society, causing change throughout all economic activity and in customer behaviour. Though ecommerce has adopted the new business models to satisfy consumer expectations and gradually expanded beyond borders, local brick and mortar commerce has not yet thrown in the towel.

The race to gain market share

Dealing with the problems of cross-border trading, such as the local specifics of payment, players in the world of ecommerce have had to adapt and expand their offering of payment methods. To complement the traditional credit or debit card, prepaid payment methods, e-wallets and mobile payment have been added.

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*Mathias Michelangeli,
Limonetik*

Local commerce, adopting the codes of ecommerce, has changed its sales models to better meet customer requirements. Witness the practice of multichannel followed by omnichannel retailing, which have all become part of the customer journey.

Given the challenges, renewing the shopping experience is no mean feat; and payment is an integral part of it. Proposing new ways of paying, empowering consumers, responding to mobility situations, smoothing out the

checkout process – such factors are intensifying the race to gain market share.

The publishers of point-of-sale (POS) software have adapted to this by reinventing their offerings. They have updated their solutions for use on tablets and any other equipment to



Mathias Michelangeli, Limonetik

complement the traditional checkout process and meet the needs of a more diverse and capricious clientele.

Creating new sales models

While the impact of the digital revolution goes far beyond the sphere of internet commerce, new consumer purchasing habits have nevertheless

greatly affected local commerce. In France, even large shopping malls and hypermarkets on the outskirts of cities experienced a decline between 2017 and 2018, showing lower profitability and a significant drop in traditional store purchases by around 5.3%, according to the Centre for the Study of point of sale attendance by the Federation for the Promotion of Specialised Business (l'Observatoire de la fréquentation des points de vente Procos).



Given the unfavourable economic situation, merchants have had to create new shopping experiences to limit waning sales. Concepts such as Click & Collect, store-to-web, self-checkout, Scan&GO or buying through a mobility advisor were created to improve the customer conversion rate in stores.

Reinventing the customer journey

A French company called Cegid has deployed an innovative cash collection concept for mobility. And [sales personnel at Galeries Lafayette](#) Champs Elysees in Paris can now follow customers during their journey through the store.

In 2018, the Ahold Delhaize group in the Netherlands [opened the first cash-register-less AH to Go outlet in Zandaam](#). In September 2019, the same company launched a fully automated 14 m2 nanostore. The goal was to try out a new concept on their employees before wider deployment.

Newer and greater challenges

As customers anticipate new shopping experiences, the payment side is still a problem. With the proliferation of payment methods, the merchant now has to deal with two tasks: training the in-store staff on new equipment and promoting the new methods to customers. Branding is used as an identifier to help customers. Marketing and communication are essential to stimulate or increase customers' appetite and educate them.

But for the merchants, that's only half the battle. Strict legislation tends to make the challenge even more daunting. The two European payment services directives have given impetus to the fintechs (eg mobile payment, instant payment, real-time credit, marketplaces, payment initiation), but made it more complicated for retail merchants to comprehend the world of payment.

What's more, consider the proliferation of payment terminals providing access to a wider variety of local, international and cryptocurrency payment methods, the increase in problems related to the concatenation of financial data managing liquidity and cash – a real headache for merchants.

Mobile payment, a weapon of conquest

While the stakes are high, no one doubts the importance of including payment in the new buying experience. Blending the act of payment into the journey makes life easier for the customer. Hence mobile payment, a key factor thanks to the ubiquitous smartphone, is becoming a powerful trend.

Simple to use, fast and secure, mobile payment could play a dominant role in the months and years to come, according to experts.

According to one [study by Forrester Research](#), mobile payment systems should reap EUR 27 billion by 2022. The Gartner Hype Cycle curve suggests that by 2025 more than 10% of payments will be made through QR codes.

As an example, in Denmark, MobilePay has become the second most downloaded app next to Facebook. France's Lydia has already attracted more than two million consumers. Ideal, a payment method launched in the Netherlands in 2006, has so far boasted 57% of ecommerce transactions in 2019.

Is the QR code becoming the main way to conduct online transactions? And if this practice went beyond the internet? What if Alipay tomorrow appeared alongside Lydia, MB way and WeChatPay on your payment terminal, at checkout or on the tablets of sales personnel?

Corinne ESTEVE DIEMUNSCH
LIMONETIK
+33 1 75 77 01 12

[email us here](#)

Visit us on social media:

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