

November 10, 2011

## Mobile Commerce to Invade Physical Stores

Yash Talreja, Chief Technology Officer, HethaTech

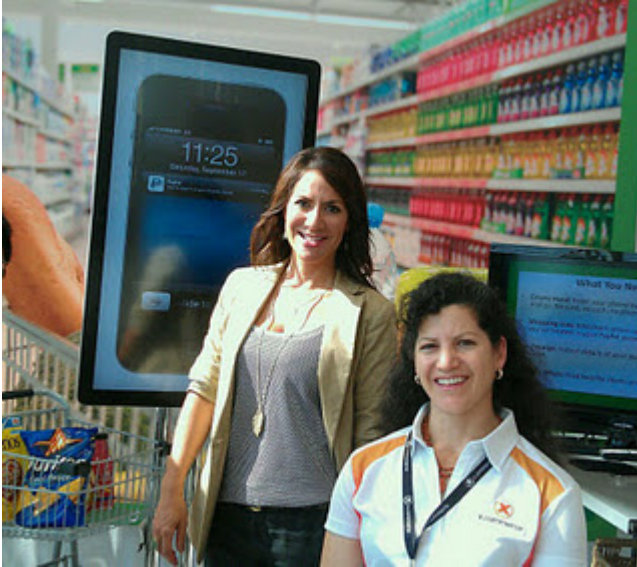


Paypal Personnel demonstrate the Future of Mobile Commerce at the Innovate Conference in San Francisco

The proliferation of smartphones, apps, and related hardware and software technologies is changing the way people view other objects they carry: Smartphones have already replaced mp3 players such as the iPod. They have long replaced watches and cameras. And now they are about to replace your wallet – and not just for online purchases but for shopping in brick-and-mortar stores as well.

In fact, the line between online shopping and traditional mall/store shopping – which used to be a completely offline experience – is rapidly blurring. For instance, you might still go to a physical store to buy an appliance, but in place of looking for a knowledgeable store associate to answer your questions about the product, you will be using your smartphone to research on that product, read other users' reviews, or check if a friend owns it and, if so, what he or she thinks about it.

When you decide to purchase the product, instead of taking it to a checkout counter, you could pay for it right there, in front of the merchandise, in an aisle, without having to wait in line at the cashier or looking for the helpful store associate.



Paypal demonstrates In-Store Mobile Commerce Scenarios at the 2011 Innovate Conference

This is one of the few situations where stores save money while increasing customer satisfaction – The customer does not have stand in a long queues to get help or pay for the product, and she can use the her social network to help guide her buying decision; For the company, the advantage is reduced cost as they will no longer need to hire knowledgeable associates and not-so-knowledgeable cashiers. They can then focus on using the newly freed store space to display more merchandise and bring out the products' best features.

Sounds futuristic? Think again. Paypal (An eBay company) has announced that the above features will be available in a digital wallet technology that is being released in the first half of 2012. At the 2012 Innovate conference, the Paypal showcased not one, not two, but three different demonstrations of the in-store mobile commerce. In addition to the obvious convenience that such mobile device–based wallets will give to customers and the reduction of cost it will give to the store, such integrated systems will also allow an easy way for both the store and the customers to manage and track coupons, gift cards, and loyalty points or rewards.

Here is a link from [a video by Paypal](#) which demonstrate how this may work.

The other scenario demonstrated at the Innovate conference was mixed commerce, where a person buys a golf club at the store and then scans a coded image using his camera and can choose a book about golf, or a woman buys a dress in store but gets matching jewelry online.

But what if you don't have a smartphone? Or, you have one but you left it at home? No reason to worry. A Paypal card equipped with a smart chip can still access your coupons, points, gift cards, and payment information, which are all stored in the cloud. You can also access this information by entering your phone number and PIN at the point-of-sale terminal.