

Big Retailers Team Up on Mobile Payments Plan

The system, known as Merchant Customer Exchange, is a retailer-led initiative that would match similar services from Google Inc, which began operating its own system last year on its [Android](#) [1] devices.

The group of retailers, which accounts for about \$1 trillion in annual sales, wants to make sure it has a say as standards for mobile payments are developed, said Terry Scully, Target's president of financial and retail services.

"What we are looking for is a broad, seamless experience across all retail formats," Scully said.

Mobile payments are expected to rise nearly fourfold to more than \$1.3 trillion annually by 2017, a report from Juniper Research said on Wednesday.

The group is in discussions with financial institutions, technology companies and telecommunications providers to set up the backbone of the payment system, Scully said, but he could not forecast when the system would be in stores.

"While speed to market is important, we really are focused on doing it right," Scully said.

The retailer group is joining a crowded field.

Earlier this month Starbucks Corp also took on the mobile payments model, employing Square Inc to process payments at its U.S. coffee shops.

In May, eBay Inc's PayPal unit announced deals with 15 retailers to use its system for mobile payments.

"These big retailers are doing this because they are not happy with the solutions being pushed on them by the market," said Rick Oglesby, a payments expert at consulting firm Aite Group.

If these merchants can agree on a common standard for mobile payments, the venture could grow very quickly, he added.

"This creates a big opportunity," Oglesby said. "A system designed by merchants for merchants could have a big leg up over the competition."

The Merchant Customer Exchange is working on offering merchants such as retailers, gas stations and restaurants a way to integrate their promotions into the payment plan, which it said would be available through virtually any smartphone.

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Published on Wireless Design & Development (<http://www.wirelessdesignmag.com>)

The swift rise of mobile payment processing tools in recent years has led some observers to forecast a future in which wallets are left at home. That could transform retailing, but also create security issues, particularly if mobile devices are lost or stolen.

Companies involved in MCX along with Wal-Mart, Target and Seven & I Holdings Co Ltd's 7-Eleven include Alon Brands, Best Buy Co Inc, CVS Caremark Corp, Darden Restaurants Inc, HMSHost, Hy-Vee Inc, Lowe's Cos Inc, Publix Super Markets Inc, Sears Holdings Corp, Shell Oil Products US and Sunoco Inc.

The group said it planned to announce more members in the coming months.

The MCX system was reported late on Tuesday by the Wall Street Journal.

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August 15, 2012

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