



Mobile Payment: EuroShop 2020 shows what's already feasible today and will be everyday routine tomorrow

Payment Apps and digital wallets are conquering smartphones and smart watches changing shoppers' payment preferences. Payment should be fast and convenient – preferably anywhere and without queuing. Mobile payment thereby becomes a pathfinder for new retail formats feeding on smart technology rather than queues at check-outs. From 16 to 20 February 2020 EuroShop, The World's No.1 Retail Trade Fair, will showcase innovative solutions revolving around mobile payment and check-out solutions in its Retail Technology Dimension.

Quickly buying a snack and cup of coffee when changing trains at the central station without having to queue at a checkout? Paying right at the shelf or in the changing cubicle and simply walking out of the store with your merchandise without triggering an alarm? Shopping for just a few screws on the way to the construction site even though the specialist store only opens two hours later?

All of this is already doable with the help of smartphones today and could soon be commonplace. Companies such as the Dutch supermarket chain Albert Heijn with "Albert Heijn to Go" or Swiss convenience specialist with "avec box" have opened the first checkout-free convenience stores in their home countries. Merchandise is captured and paid for by shoppers themselves via smartphone. At Saturn in Hamburg shoppers were also able to scan and pay for articles right at the shelf during the 2018 Christmas sales. And mounting and fastener wholesaler Würth has recently started to allow commercial customers to also shop in its unmanned outlets outside of opening hours. Smartphones serve as digital door openers and virtual loyalty cards in this case.

Solutions for Checkout-Less Stores

According to Andreas Starzmann of Wanzl convenience, digitalisation and urbanisation are three of the mega trends that will decisively shape physical retail: "Growth will occur especially in new formats," forecasts the Director Digital Office at the world market leader for shopping carts. The tradition-rich German company has already perfectly geared up for

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Messe
Düsseldorf

Messe Düsseldorf GmbH
Postfach 10 10 06
40001 Düsseldorf
Messeplatz
40474 Düsseldorf
Deutschland

Telefon +49 211 4560 01
Telefax +49 211 4560 668
Internet www.messe-duesseldorf.de
E-Mail info@messe-duesseldorf.de

Geschäftsführung:
Werner M. Dornscheidt (Vorsitzender)
Wolfram N. Diener
Bernhard Stempfle
Vorsitzender des Aufsichtsrates:
Thomas Geisel

Amtsgericht Düsseldorf HRB 63
USt-IdNr. DE 119 360 948
St.Nr. 105/5830/0663

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change. Supplying technical turn-key solutions for digitalised retailers, Wanzl takes care of changing over some 520 of Würth's outlets across Germany to hybrid operation with and without staff, to name but one project. At EuroShop visitors can find out about self-service solutions such as access control lanes or scan tunnels. Wanzl will also exhibit technologies required by checkout-less convenience stores such as computer vision, sensor technology or smart shelves.

Apple Pay and Google Pay lend Wings to Mobile Payment

The driver and "groundbreaker" for digital change in retail is the smartphone: it has developed from a telephone into a multi-functional everyday companion – complete with payment functions. Not least triggered by the launch of Google Pay and Apple Pay in mid/late 2018 the mobile payment theme has markedly picked up speed. In a consumer survey conducted in early 2019, strategy consultancy Oliver Wyman already detected changes in payment behaviour, although at the time of the survey only few banks supported the digital wallets offered by these two Internet giants. Especially savings and cooperative banks, that together handle the vast majority of German checking accounts, placed their own payment Apps on the market instead. Here bank customers can also use their 'girocard' for mobile payments instead of a credit card. Accounting for more than 30% of retail turnover, the girocard has ranked top and been unrivalled in cashless payments in Germany for many years.

Depending on the mobile operating system, credit card and bank details currently there are still limits to mobile payment: the widespread girocard only works with the payment Apps of cooperative and savings banks, for example. These in turn were only available for Android smartphones until recently because Apple refused to release the NFC interface required for mobile payment by third-party payment Apps for a long time. And the digital wallets by Apple and Google are still far from accepting every credit card.

But the barriers are falling and more and more shoppers will in future be able to pay with their smartphones at the store check-out: cooperative and savings banks have changed their minds wanting to introduce Apple Pay now by late 2019. In return girocards can also be used with the iOS-Wallet from 2020. German Google Pay users can already use a Paypal account today for mobile payment at the POS. By their own accounts, Paypal



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register some 23 million users in Germany and therefore have more cards issued in Germany than Visa (16 m) or Mastercard (18 m).

In Five Years One in Four Payments will be Mobile

As more straightforward mobile payment options become available the use of smartphones at the POS will continue in their rapid ascendance. According to the study “Mobile in Retail 2019” by GS1 Germany, the retailers polled expect almost one in four payments at the POS to be mobile in Germany in five years from now. “We expect smartphones to oust cards in the medium term, as this was already the case with other technologies such as navigation or photography,” confirms Volkmar Bloch of payment service provider Ingenico. The required hardware, he adds, is now available across the board in retail, most card terminals have supported NFC for contactless card payment and mobile smartphone-based payment for many years.

In addition to NFC-enabled cards and smartphones, shoppers can also use so-called wearables for paying at NFC terminals, such as NFC-enabled smart watches or fitness trackers. This is especially convenient because as long as the wearable is worn payments can be made – as a rule – without any additional authentication, with the flick of a wrist, so to speak. In future, even garments or pieces of jewellery could be equipped with NFC payment functions.

Smartphones as Mobile Checkouts

At EuroShop payment providers such as Adyen, CCV, Ingenico or Wirecard as well as the bank-owned service providers S-Payment (savings banks) and VR Payment (cooperative banks) will not only exhibit the current generation of NFC-enabled terminals for stationary use, but also solutions to accept mobile smartphone payments. The prerequisite for this is either a portable payment terminal with Wifi or mobile radio interface or a mobile checkout App (mPOS). Payment recipients (e.g. retailers, hairdressers, taxi drivers) install them on their smartphones or Tablets, which are connected to an NFC card reader via Bluetooth. Such mobile solutions are suited as “lean checkout alternatives” for small or mobile retail or service firms, for mobile sales at trade fairs, markets, major events, private shopping parties or pop-up stores but also as extra checkouts quickly available in peak hours.



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Chinese pay by QR-Code

QR-code based mobile payments can also be accepted by App and Tablet or smartphone. By means of mPOS-App the Wirecard company offers German retailers a simple, low-tech option to allow Chinese customers to use their preferred payment modes Alipay and Wechat Pay. “Nearly all Chinese travellers have both Apps installed on their smartphones and use both actively,” says Anna Kostense, Team Leader for the China Payment business at Wirecard. For payments Chinese shoppers generate a QR-code on their smartphones which is scanned by the retailer. The camera of the retailer’s mobile device serves as a scanner for the mobile Wirecard solution – the payment is then processed in the App.

From Mobile Payment to Self-Checkout

As mobile payment methods are increasingly prevalent and accepted, mobile self-checkout – the way Valora or Albert Heijn already offer it at selected locations today – will increase in importance. At EuroShop visitors can visit Snabble or Roqqio Commerce Solutions, for example, to find out about cross-retailer solutions. The Snabble App is being used at Knauber, at IKEA in Frankfurt or at Edeka Paschmann in Mühlheim an der Ruhr. Shoppers do not pay in store, however, but at self-checkouts in the exit zone. There are also pilot customers for the BuyBye-App by Roqqio in Germany and Switzerland. “Like in a webshop a wide variety of payment methods can be stored in the App,” explains Johannes Schick, CEO at ROQQIO (formerly höltl). The options ‘purchase on account’ or ‘payment at the check-out’ are also possible here.

Security concerns (theft), age rating (e.g. for alcohol, tobacco and DVDs) as well as the removal of tags from merchandise after payment are some of the central issues that retail companies face when it comes to checkout systems. Here, EuroShop also provides the answer: next to start-ups like Rapitaq well-established companies such as Nedap or SES Imagotag will present connected, digital smart labels capable of combining pricing, with marketing and automatic article surveillance.



EuroShop 2020 is held on approx. 127,000 m² of net exhibition space and is open daily to trade visitors from Sunday, 16 to Thursday, 20 February 2020, from 10.00 am to 6.00 pm. 1-day tickets cost EUR 80 (EUR 60 purchased in advance online/e-Ticket), 2-day tickets are EUR 120 (EUR 100 purchased as e-Tickets) and season tickets are EUR 180 (EUR 150 e-Tickets). Admission tickets include a free return trip to EuroShop on all networks of the VRR transport authority (Verkehrsverbund-Rhein-Ruhr).

www.euroshop-tradefair.com

Also take a look at the EuroShop online magazine, which offers news, interviews, reports, expert articles, studies, photo galleries and videos on topics and trends from the international retail community 365 days a year.

mag.euroshop.de

Your Press Contact:

Dr. Cornelia Jokisch (Senior Manager Press & PR),

Tanja Karl (Junior Manager Press & PR)

Tel.: +49 (0)211/4560-998/-999

Fax: +49 (0)211/4560-8548

Email: JokischC@messe-duesseldorf.de

KarlT@messe-duesseldorf.de

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