# Mobile payment apps: Good for the seller, good for the buyer

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A few months ago, I was buying a large photograph for my dad at a Christmas market in Bethlehem, PA. When it came time to pay, the vendor gave me the “cash or credit” option. Intrigued by the lack of a credit card machine and rarity of having the credit option at a craft show, I went for my card. The vendor whipped out his iPad, swiped the card through a Square [1] card reader attachment, told me I would receive a receipt via email, and sent me on my way.

That’s when I changed my mind about mobile payment apps.

What I had thought was cumbersome and unnecessary was simple, efficient, and easily utilized on a small-scale.

Like the QR codes of purchases, mobile wallet apps haven’t really caught on in the general public—only about 48 percent of people are even interested in them let alone actually use the apps, according to a survey by Carlisle & Gallagher.

But with a little work, mobile paying apps could streamline the purchasing process for the consumer and the company.

**For the merchant**: Charge with Square

A lot of smaller businesses are cash-only. No cash? No purchase. I learned this the hard way at a greenhouse. As I drove away, flowerless, watching my forlorn Gerbera Daisies disappear into the distance, I was perplexed as to the business strategy of *not* accepting credit cards.

I admit, I'm a child of the debit-card generation. I am not alone. In fact, 43 percent of people admit to going a week or more without any cash purchases, according to a report by Rasmussen.

I understand the benefits of cash-only, but if not accepting credit is costing you sales, then mobile payment apps could be a cheap solution.

To get started, the business registers and downloads the app. Then, Square sends a free card reader compatible with Android, iPhone, or iPad that accepts Visa, Mastercard, Discover, and American Express. Startup costs are minimal if you already have internet access.

When a card is swiped [2], the reader transmits information via an audio signal from the device's microphone to Square's software and eventually the encrypted information is communicated to credit card and bank companies. Purchases are processed and deposited into your account by the next day.

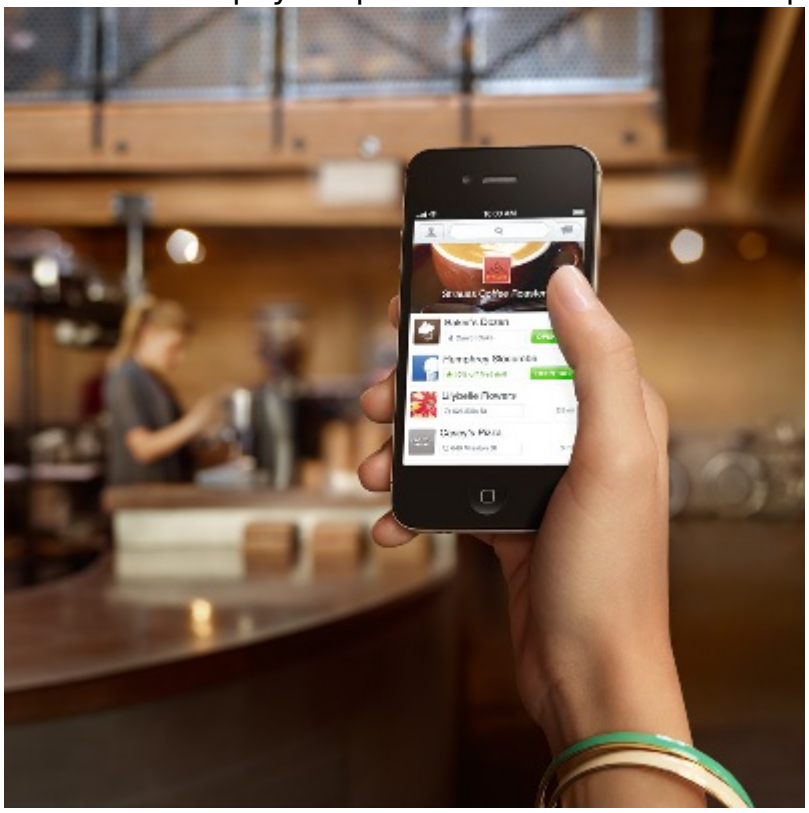
Let's start by looking at the benefits from a business standpoint.

Square charges their businesses only 2.75 percent of the purchase, whereas a traditional credit card machine can range between two and five percent. Plus, it allows small businesses to utilize loyalty programs for frequent customers. The app can track rewards via a virtual "punch card," which means companies don't have to

purchase rewards cards. Additionally, it tracks all of the receipts digitally, so the device eliminates clutter while reducing the amount of paper waste at your company.

For a store with more stock, Square allows you to repurpose your iPad into a register, with lists of your inventory including discounts and supplies.

**For the customer: Pay with Square**
On the other side of the mobile pay app is the mobile wallet, which allows consumers to pay for purchases with their smartphones.



After downloading the app, search for local businesses that participate with Square. Clicking “open tab” reveals more information about the business, including any sales or discounts they’re having, and a message saying “say your name at checkout [3]” will appear. When you’re ready to check out, just tell the employee your name. She can select your name from their digital list and charge your card. You can view the receipt, leave a tip, and be on your way. [3] Plus, you can track all of your purchases on your phone.

The main complaint is people don’t want to reach into their pocket, pull out the phone, and launch an app, when they could just reach into their pocket for a wallet and pay with a card. But that’s an easily solved problem -- Square has a feature that can automatically launch the app when you walk in the door of stores and restaurants you frequent.

The second concern is the security of these apps. Much like your credit card, Square has “risk visualization” to monitor fraudulent behavior and observe the entire transaction process from purchase to deposit utilizing security algorithms to track suspicious behavior. Plus, when you use your phone to pay, a picture of you

appears on the screen for verification.

Square is just one of many mobile payment apps. Both PayPal and Google have their own, plus a myriad of other companies. No matter which mobile app you choose, everyone wins.

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