

Smartphones wallets going mainstream: survey

SAN FRANCISCO: Using smartphones or tablets as digital "wallets" will be common within a decade, largely replacing cash and credit cards, according to a Pew Research survey released on Tuesday (17 April 2012).

Sixty-five percent of "technology stakeholders and critics" who responded to an opt-in poll by Pew Research and Elon University Imagining the Internet Center agreed that handheld gadgets would be a mainstream way to pay by the year 2020.

"The 2020 date might be a bit optimistic, but I'm sure that this will happen," Google chief economist Hal Varian was quoted saying in a survey response.

"What is in your wallet now? Identification, payment, and personal items," he continued. "All this will easily fit in your mobile device and will inevitably do so."

Google last year launched a "Wallet" service that lets sophisticated Android-powered mobile phones be used to "tap and pay" for purchases at shops.

Many of the 1,021 people surveyed said that security and convenience would be among the factors prompting people to switch to using smartphones or tablets as de facto credit cards or cash.

Some who were optimistic about the future of smartphone wallets expected the trend to be slowed by privacy fears, lack of infrastructure, and resistance by credit card companies and other entities profiting on the current system.

"The driver here will virtually 100 percent be whether or not the credit card industry decides it can make more money through changing technologies," the survey quoted Microsoft principal researcher Jonathan Grudin as saying.

Almost none of the people surveyed expected cash or credit cards to disappear completely, according to Pew.

"Due to concerns about the technology, resistance by incumbent providers and the generally slow nature of societal change, there is a fairly consistent feeling among these experts that mobile payments will exist on a spectrum along with a number of other financial options," study co-author Aaron Smith of Pew Research.

"Indeed, some expect these services to most quickly reach widespread adoption in the developing world, due to its lack of incumbent banking sector and ingrained consumer habits."

Source: AFP