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Transaction 2.0: Using a mobile phone to pay your restaurant bill

<http://www.phoniz.com/transactions-2-0-using-a-mobile-phone-to-pay-your-restaurant-bill/>

Leaders from DocuSign, BilltoMobile, Billing Revolution, and ViVOtech met in a panel discussion at the 8th AlwaysOn & STVP Summit at Stanford to discuss the newest wave of payment since the credit card. The discussion, titled Transactions 2.0, was hosted by Randy V. Sabet J.D., CISSP, Partner, Internet & Data Protection, Sonnenschein. The group covered topics regarding the safety and use of electronic signatures, using a cell phone to pay bills, online payments made by entering a cell phone number instead of a credit card, and a single-click check out process for credit cards using our mobile phones.

Tom Gonser is the Founder and Chief Strategy Officer of DocuSign, the largest electronic signature platform in the world. Gonser argues that electronic signatures are just as safe and much more efficient than paper. For example, most financial transactions require at least two forms of authentication, including email and knowledge based authentication. For the highest level of security, a consumer is required to enter his phone number, receive a phone call, and read a code from his computer screen. His voice is recorded and stored with the signature. In terms of efficiency, electronic signatures allow contracts to be instantaneously routed to all players involved. Therefore, processes like loan applications can be completed faster and with higher closing rates when administered without the use of paper.

Mohammad Khan, President of ViVOtech describes a method of payment that involves marrying our phones to our finances. He explains how cell phone users can download banking information through a secure channel into their calling devices. Information is stored on what he calls the “new plastic” or contactless cards. When it is time to make a payment, users enter a password and tap one side of the card with participating merchants like Home Depot or McDonalds. Every tap is unique so no one can capture and reuse the signal.

Khan’s device can also be used to gain more information about a product. For example, if a customer has a question about an item in Home Depot she can tap her cell phone to a product on the shelf and receive information about it. She can also allow the phone to create a customer profile in order to gain relevant coupons and specials. Although the card is attached to Khan’s iPhod with a sticker, he believes by next year most smart

phones will have the device built in. Currently, there are half a million in existence and by 2014, Khan predicts there will be more than 100 million in the US alone.

Jim Greenwell, CEO of BilltoMobile, a public company in Korea, described a similar method of payment called direct mobile billing. This allows people to make transactions with selected merchants on the Web by using their cell phone number instead of a credit card. During checkout, a consumer types in his mobile phone number, receives a security code via text, and inputs that code to finalize the payment. The amount will then be added to his cell phone bill. Greenwell points out that wireless carriers already have accurate and timely billing systems that reach millions of people, so why not utilize these systems. In Korea 75% of the population already uses direct mobile billing.

Embracing the credit card, Andy Kleitsch, CEO of Billing Revolution described a single-click check out process for Visa and others using our mobile phones. With this method, a consumer enters her credit card information into her phone, which then remembers it for all participating merchants. According to Kleitsch, consumers want to be remembered and not bothered with a username or password. According to Kleitsch, the single-click checkout is currently being utilized to buy ringtones, games, virtual currency, and even pizza. This method is also becoming increasingly popular for making donations such as to the Obama campaign and Humane Society.

Gonser, Khan, Greenwell, and Kleitsch all seem to agree that although the Visa card is probably not going anywhere, its role is definitely changing. This change may dramatically affect our relationship with our cell phones and how we view convenience and security. Would you like to use your phone to pay your bill at a restaurant?