



Contactless Commerce Technologies Could Help SMBs

technology payments ATM artificial intelligence

Summary: Many consumers are shopping online, but many value the in-store experience with contactless shopping options. Contactless commerce is growing with the advancement of new technologies. “Pay-by-face” and RFID are two of these technologies that are finding more traction these days. We cover the latest in contactless commerce technologies.

In the 1960’s television show, “Bewitched,” Elizabeth Montgomery was able to do magic merely by twitching her nose. Likely many of us wished for this talent. In reality, however, her famous nose twitch was actually an illusion created by Ms. Montgomery wrinkling her nose and quickly moving her lips from side to side, along with the film speeding up a bit. While Elizabeth Montgomery’s nose twitch was more fiction, facial movements can now actually make payments, which is somewhat magical.

“Pay-by-face” and radio-frequency identification (RFID) are two contactless commerce technologies that have arisen in the retail and restaurant sectors lately. Since the pandemic, merchants have been pushed to try and find the perfect balance between maintaining the human element and making everything as low touch as possible. As a result of this shift and the online push from the pandemic, the [global contactless payment market is expected to hit \\$6.25T by 2028](#). Community financial institutions (CFIs) will want to keep this in mind as they work with their small and midsize (SMB) retail businesses.

Next-level RFID uses. At its most basic, RFID is when tags that are attached to an object are identified and tracked with the help of electromagnetic fields. An example of RFID is when those sensors on clothing are detected, if not removed, when leaving a store. This technology is not just about theft detection, but also contactless shopping. To minimize contact during shopping and make checking out faster, some retailers have begun to utilize RFID to allow consumers to make hands-free purchases.

For instance, Amazon has begun employing its “Just Walk Out” technology within its physical Amazon Go locations, in addition to some of its retail customers. Through a combination of sensors and computer vision, the company can track any products that people remove from or return to the shelves, and adding or removing them from their shopping cart accordingly. When a customer uses a store’s “Just Walk Out” gates, the system will automatically charge them for any products they leave a store with, without the need to visit a register or engage with a cashier. This technology can be activated through a QR code from Amazon’s app or by inserting a credit card at the gate.

A similar contactless, checkout shopping experience is also available at Chinese retailer JD.Com. It uses a combination of RFID, facial recognition, and image recognition to charge customers for items they take, without the need to stop at a cash register.

Other new technologies. Additional new, hands-free payment approaches include the ability for customers to “pay-by-face” or through voice recognition. For the former, authentication service, PopID, relies on facial recognition technology that is linked to an individual’s payment information, enabling consumers to use a scan

of their face in lieu of producing a physical credit card. The technology is already in use at certain restaurant chains, such as Bojangles, CaliBurger, and Dairi-O.

Voice recognition-enabled artificial intelligence (AI) that relies on voice genomics, such as the vocal patterns, tones, and pitch unique to each person, is also in the works as a hands-free payment method. While these advanced technologies are currently out of reach for most SMBs, it could be only a matter of a couple of years before these types of innovations are available to them, with the level of technological advancements.

Lower tech contactless options. Likely, many small businesses aren't able to dive into the latest RFID or other advanced technologies yet. However, there are ways to customize the retail experience with contactless options such as kiosks, self-service terminals, and product exploration through QR codes. QR codes have become quite popular in stores and restaurants to use for additional information, pricing, menus, etc.

The pandemic accelerated the adoption of contactless shopping, which helped to level the playing field for businesses in certain ways, such as convenience and easy access to products and services. This has enabled many SMBs to keep going and even grow. As we watch the retail and restaurant industries expand further, your SMB customers may want to leverage new contactless technologies to stay competitive. Staying updated on these technologies is key to supporting them.

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ECONOMY & RATES

Rates As Of: 01/04/2022 06:45AM (GMT-0700)

Treasury	Yields	MTD Chg	YTD Chg
3M	0.08	0.02	0.02
6M	0.22	0.03	0.03
1Y	0.40	0.01	0.01
2Y	0.79	0.05	0.05
5Y	1.39	0.13	0.13
10Y	1.67	0.16	0.16
30Y	2.06	0.15	0.15
FF Market	FF Disc	IORB	
0.07	0.25	0.15	
SOFR	Prime	QBFR	
0.05	3.25	0.07	

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