

MasterCard Launches New Digital Wallet Called MasterPass for Mobile, Web Purchasing

Michael Oliveira, The Canadian Press

TORONTO - For those who hate the tedious process of filling out billing and shipping information every time they make an online purchase, MasterCard is rolling out a new digital wallet product called MasterPass, which works on computers, tablets and smartphones.

MasterPass officially launched in Canada on Thursday with three companies on board: Grocery Gateway, Porter Airlines and WagJag. When consumers go to finalize a purchase on one of these sites, they'll be given the option to pay via MasterPass.

With MasterPass, users can pre-register up to 25 different credit cards and their shipping information, which is saved in the cloud. When completing a purchase and clicking on MasterPass, users just need to provide a password rather than pulling a credit card out of their wallet. If they've saved multiple credit cards and shipping addresses they can choose which to use before the transaction goes through.

"It's going to mean that you're going to shorten your check-out experience from what used to be eight steps down to about four," said Jason Davies, MasterCard Canada vice-president of e-commerce.

"You're able to complete those transactions wherever you are on the go in four easy clicks, you don't have to actually pull your card out anymore, it's stored securely."

MasterCard says it plans to have 800 merchants signed on by the end of the year and 2,800 by the end of 2014. The company also plans to allow users to save loyalty plan data into MasterPass by the end of 2013.

Visa quietly introduced a very similar service in Canada in November, called V.me, although it's currently only set up to work with a few dozen U.S. retailers.

"We've been pretty quiet about it because really we're very much focused on making sure we have a nice breadth of Canadian merchants and that's really what we're focused on before we go to market with kind of a big splash about the product," said Visa spokeswoman Ann-Marie McIntosh.

She said the digital wallet concept will appeal to users who get turned off by the final step of online shopping. Shoppers frequently abandon purchases at the last

minute if they encounter any problems or annoyances in the check-out process.

"The e-commerce experience, whether on a laptop, tablet or mobile phone, still can be painful," McIntosh said.

"I have to fill out 42 fields every time, I have to leave all my card information with merchants — and consumers really don't want to do that, they want to have a lot of security in their mobile e-commerce transactions."

MasterCard says e-commerce purchases represent about six per cent of total retail sales in Canada, but the numbers are growing.

Canadian e-commerce sales grew by 27 per cent over the three-month span ending in February 2013, according to MasterCard, compared to three per cent growth for overall retail sales.

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