



# Your Guide to the Digital Wallet

## What is a Digital Wallet?

A digital wallet - also called an e-wallet or mobile wallet - securely stores the owner's payment information. A wallet can store credit, debit and loyalty cards plus coupons. Digital wallets are used to make [mobile payments](#). Popular digital wallets include Apple Pay<sup>®</sup>, Google Pay<sup>™</sup>, and Samsung Pay<sup>®</sup>.

## How a Digital Wallet Works

[Near-field communication \(NFC\) technology](#) allows devices to communicate. When a consumer with a digital wallet waves or taps their NFC-enabled device (smartphone, tablet) on or near an NFC-enabled terminal, payment data transfers between them. This is a [contactless payment](#) transaction. In the case of digital wallets, data transmission

via near-field communication technology requires two NFC-enabled devices: a transmitting (or "active") device and a receiving (or "passive") device. In a contactless payment transaction, an NFC-enabled smartphone with a digital wallet serves as the transmitting device, while the card reader serves as the receiving device.

## Security and the Digital Wallet

Digital wallets employ safeguards to reduce risk and keep account data secure. A customer may need a passcode or [biometric authentication](#) (such as a finger scan or facial recognition) to approve a transaction.

In addition, all payment card and account information goes through an [encryption](#) process during transactions. Encryption encodes data to make it difficult for



hackers to access or understand. The built-in security features of smartphones and mobile devices, such as automatic locks, also provide another layer of security.

## **Advantages for Independent Software Vendors (ISVs)**

Mobile payments such as digital wallets have skyrocketed in popularity in recent years. Industry experts predict that the [global number of mobile contactless payment users](#) will grow to 760 million by the end of 2020.

ISVs should include the ability to accept a variety of mobile payments within their software solution in order to provide their clients with functionality for the way people want to pay, as well as to stay competitive in the marketplace.

## **Advantages for Your Merchants**

[Mobile Payments Today](#) outlines potential advantages to accepting digital wallet payments. “Mobile wallets may be able to move more consumers through the line more efficiently and thus drive revenues.

If a merchant is able to leverage a mobile wallet to provide an immediate connection with its consumer base, mobile wallets may have the ability to help a merchant sell more goods and services during slow times by enticing its consumer base with discounts and coupons.” Mobile wallets can also reduce fraud, thus dropping operating costs as well.

## **Be Ready to Offer Payment Processing Functionality from Digital Wallets**

Global Payments Integrated can help you add this functionality to your existing software solution, allowing you to offer up-to-the-minute payment solutions to your clients. [Contact us today](#) to learn more.

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