

Cashless Payments Go Wireless

USA Technologies has added wireless wide area network and Wi-Fi capabilities to its low-cost cashless transaction system.

Aug. 13, 2002 -- One problem with moving to cashless payment systems is the need to connect vending machines, turnstiles and other machines to a network so payments can be process. USA Technologies, a Wayne, Pa., company that processes cashless micro-transactions, aims to solve the problem.

USA Technologies has added wireless wide area network and wireless fidelity (Wi-Fi) capabilities to its low-cost cashless transaction system. The new offerings mean that companies can connect RFID- or credit card-enabled machines to the Internet from almost anywhere.

In May, USA Technologies completed its acquisition of Stitch Network, which had developed the WAN wireless solution. And USA Technologies worked with IBM on a Wi-Fi solution, which uses the 802.11 standard. The aim is to give customers the ability to connect to a network for payment processing wherever the cashless transaction occurs.

The Wi-Fi solution could be useful in hotels, where vandalism is common. The hotels might not be able to connect every vending machine to a network or to the Internet. By installing wireless Wi-Fi hubs connected to the internal network, the machines could send data to the hubs, which would route it over the Internet to USA Technologies' servers.

Customers can pay using a credit card, debit card, RFID key fob or even a room key that doubles as a smart card. The network enables USA Technologies to process the cashless transaction. The vending machine company can use the system monitor the status of the machine.

The wireless WAN enables point-to-point connectivity. Essentially, the vending machine is equipped with a cell phone that enables it to connect to USA Technologies' servers for transaction processing. This solution is most appropriate where there is no nearby landline or network, such as in the middle of a zoo.

"No one form of communication works in all locations," says Michael Lawlor, senior VP sales & marketing at USA Technologies. "We want to give our customers more forms of wireless connectivity, so they have the option to choose the one that best fits their needs."

USA Technologies is working with several vending machine companies, as well as Maytag to replace coin-operated washing machines with cashless machines. The cashless machines are cheaper to operate because you don't have to physically inspect the machine to know if it is out of stock or broken.

Lawlor says that enabling vending machines to accept credit, debit or smart cards or RFID tags usually improves sales by about 15 to 20 percent, because people no longer have to worry about having coins or small bills. Most cashless transactions today are done using credit or debit cards, but RFID is catching on. "We're seeing the use of RFID growing in mobile commerce and other forms of cashless transactions," Lawlor says.

