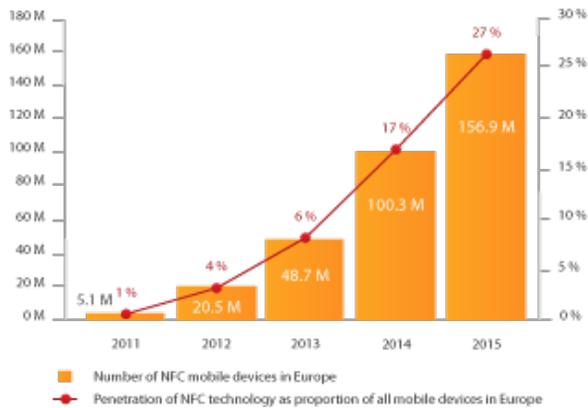


NFC MOBILE

A long-anticipated technology is approaching the tipping point

European sales of mobile devices equipped with NFC technology



For the years, near field communication technology has seemed on the point of taking off in Europe. Despite some notable successes, such as the Oyster card on London's public transport system, progress has been slow, partly from competing technological visions, partly by the reluctance of potential partners like banks and telecom companies to work together, and finally by economic conditions, which have discouraged new investment.

But Kurt Salmon senior consultant Cédric Peltier predicts a wave of change as mobile devices equipped with NFC technology reach critical mass by 2015 with 27% penetration in Europe, up from 4% in 2012. That, plus support from the public authorities and advances in both security and public

awareness, mean the sector will be set for take-off within three years.

Says Peltier: "It is only from 2015 onward that we will be able to talk about a true democratisation of NFC. But it is now starting to take off because, in contrast to what happened in the past, the players are working together to ensure technological compatibility. That's why we're convinced that we will stop marking time and make real progress."

He adds that it will take at least 10 years before NFC is standard in mobile devices. "But from 2015 there will be a critical mass of users looking to pay with NFC and merchants ready to accommodate them, prompting further customers to embrace mobile payments. That will create a virtuous circle that accelerates acceptance of NFC."

PELTIER'S ANALYSIS:

- NFC is competing with other technologies including barcodes and QR codes, RFID, Bluetooth and similar systems, and contactless cards, but none possesses its combination of ease of use, interactivity, security and relatively low cost.
- There are three alternative approaches to location of the Secure Element that manages NFC applications: on a mobile phone SIM card, on the phone itself, or on an external SD card. The SIM approach offers the best mix of technological simplicity, security and ease of application management and use for the consumer.
- NFC enables a mobile phone to be used in the same way as a physical contactless card, allowing payment for goods and services, transmission of information such as health records, receipt of information and commercial offers, and peer-to-peer sharing of media, applications and data.
- The key to growth of the sector: providers of different services willing to co-operate together to deliver a compelling consumer offering, at a cost attractive to a mass market.

Further Details: [Kurt Salmon](#)

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