

Age verification is Amazon One's new strategy for biometric POS expansion

Article

The news: Amazon's palm-scanning point-of-sale (POS) device launched an age verification function that lets customers purchase alcohol. The feature will debut at Denver MLB stadium

Coors Field.

How it works: Age verification complements Amazon One's existing infrastructure.

- Customers can go to the Amazon One website and upload the front and back of their government ID along with a selfie.
- Once signed up, customers won't need to show an ID when purchasing alcohol at participating venues. The bartender or cashier will see a 21+ flag when customers pay.

Amazon's strategy: Age verification is another push to expand Amazon One, which is far from breaking into the mainstream.

- While most consumers (91%) are familiar with biometrics payments, **just over one-third (36%) have used it to make a payment, per NMI**. However, 47% would likely use it if it was offered, providing considerable runway for volume growth.
- Amazon may have had issues expanding beyond its own properties because retailers are likely reluctant to give one of their biggest rivals checkout real estate or data access.

Amazon has countered that by expanding into categories where it doesn't compete, including event venues, [convenience stores](#), and [quick-service dining](#). Age verification supports that push and could help it attract partners by resolving a pain point that can slow transaction times and add friction. It might appeal to mobile payment super-users who increasingly feel inclined to leave physical wallets at home.

The bigger picture: More use cases for biometric payments are popping up, which increases the threat that this tech poses to legacy terminal providers.

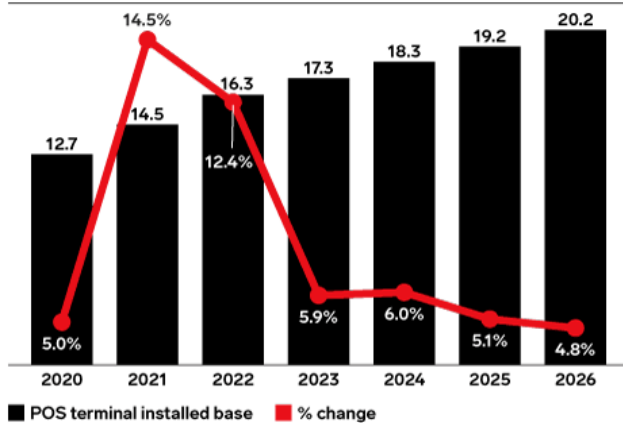
- In China, WeChat [debuted](#) Wave-To-Pay, which lets customers checkout by waiving their palm over a scanner, per The Register. The Beijing subway will [support](#) the palm-based payment method.
- This tech is a bit more advanced than what customers might be open to in the US: China sits at the cutting edge of payments tech and is more of a surveillance state than other markets. This might make consumers in China more comfortable with this tech—sentiments toward biometric payments in Asia-Pacific are [overall high](#).
- But developments in China could presage use cases that emerge elsewhere in a few years. These types of use cases could be where Amazon makes its next move.

The takeaway: Legacy terminal providers should invest in building biometric tech of their own or partner with firms that do, as [JPMorgan](#) and [Toshiba](#) have done. Otherwise, they might risk disintermediation—which could cost them [annual growth](#) in the POS installed base market.

Go deeper: To learn more about how biometrics are disrupting the POS space, check out our February 2023 report “[Powering the Point-of-Sale](#)”.

US Point-of-Sale (POS) Terminal Installed Base, 2020-2026

millions and % change



Note: the number of electronic devices used to process payments or transactions at a physical location; includes countertop, multiline, self-checkout, tablet, and hand-held terminals with integrated chip and/or magnetic-stripe card readers; includes approved chip, signature, and pin devices, contactless card readers (NFC, etc.), mobile POS devices, gas station terminals, vending machines, and kiosks
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