

# Mobile Payments

Examining the mobile payments industry  
and its impact on the financial sector

TREND REPORT 2019

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## Contents

Introduction	02
Key Insights	03
The Evolution of Mobile Payments	04
From APAC to the Rest of the World	09
The Flourishing Opportunity in the West	13
Growth Challenges	18
The Role of Social Media	22
Notes on Methodology	25

## Introduction

GlobalWebIndex Trends Reports take a deep-dive into the crucial topics of the industry, exploring some of the most pressing topics for marketers. In this report, we place the spotlight on mobile payments.

This report explores:

- **The evolution of mobile payments** – how did mobile commerce lay the foundations of mobile payments to arise and who are mobile payment users?
- **From APAC to the rest of the world** – how does the adoption of mobile payments differ by region and where does APAC stand out?
- **The flourishing opportunity in the West** – is mobile payment usage growing outside of emerging markets and in what ways?
- **Growth challenges** – what are some of the obstacles still standing in the way of universal adoption?
- **The role of social media** – how is the ubiquitous presence of social platforms pushing mobile payments to the mainstream?

# Key Insights

Mobile payments have the opportunity to swell the ranks of online shoppers on a global level as more and more fast-growth economies are looking to promote cashless societies. **Usage of alternative payment methods is rising not only as a response to consumer demand, but also as a government prerequisite.**

New digitally focused financial infrastructures are being established, allowing those on the margins of the financial system to shop online. These newly-connected consumers are carrying the potential to disrupt the traditional banking system as we know it. The positive impact on usage figures will be followed by increasing consumer spending. But as with the case of Alipay and WeChat Pay in China, **efficient distribution channels which display clear financial benefits in using these payment methods over cash are crucial in changing entrenched consumer spending habits.**

**This addressable market among newly-connected and financially underserved consumers inevitably points the focus in growth potential to rural areas of fast-growth markets.** Steps towards improving data connectivity within these regions are already taking place and are increasingly fueling this growth.

Due to a complex regulatory landscape and issues around domestic data protection laws, **we're seeing established local payment services in fast-growth markets strengthen their grip.** This means that international players like Apple Pay and Google Pay will not only need to combat these entrenched mobile payment players while expanding abroad, but they will also need to convince Western consumers and businesses of the convenience and security of mobile payments.

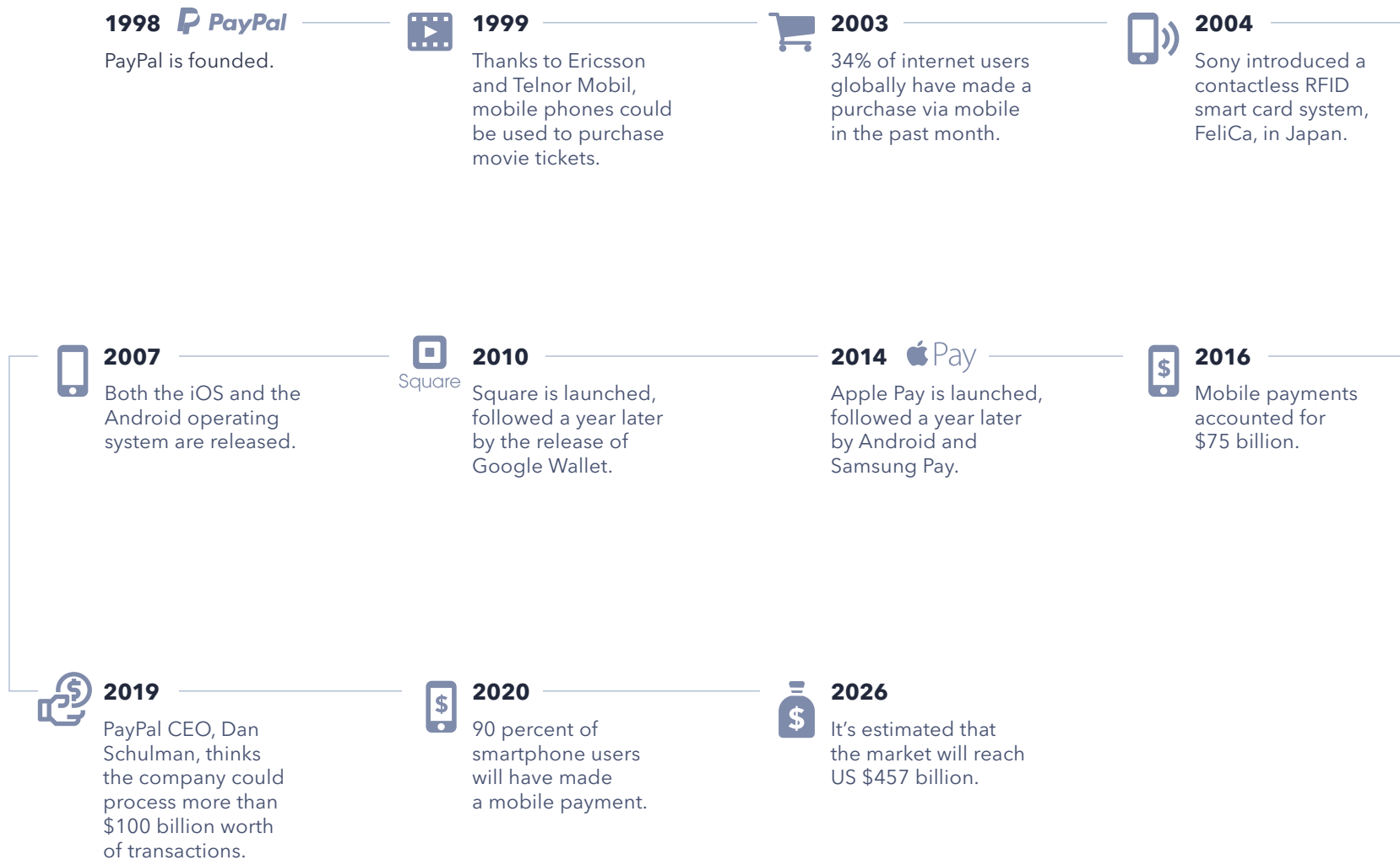
**We're seeing a substantial adoption growth in recent years in mature markets, especially among Scandinavian countries. This shows that mobile payments are no longer the preserve of fast-growth markets and they're increasingly penetrating the Western world.** The fact that some of the commonly used services here, like Apple Pay, are native to particular mobile brands or operating systems emerges as a barrier to fully pushing mobile payments to the mainstream. The dependence on a relatively more advanced technology than the QR code also helps explain why they still lag behind Asia Pacific.

Numerous indications of interest in developing payment functionalities have been demonstrated across many Western social platforms seeking to emulate the success of their Asian counterparts. **As many social networks and messaging apps look to become service platforms, social integrations have the potential to tap into vast user bases. Overcoming consumer reservations won't be an easy feat, though.** This is where education on the benefits and security of paying via social apps will need to be a key area of focus.

**Mobile Payments**

# **The Evolution of Mobile Payments**

# The Evolution of Mobile Payments



Sources: <https://techcrunch.com/2016/06/17/the-evolution-of-the-mobile-payment/>

<https://paymentweek.com/2019-2-22-paypal-digital-mobile-payments-to-be-100-trillion-market/>

<http://www.sbwire.com/press-releases/focusing-on-new-trends-for-mobile-payment-market-forecast-by-2026-with-major-prominent-key-apple-google-american-express-company-mastercard-paypal-isis-mobile-wallet-1159964.htm>

<https://www.alliedwallet.com/blog/blog-posts/future-mobile-payment-technology/>

# The Evolution of Mobile Payments

A key development underpinning the growth in online commerce in some markets has been mobile payments. According to the Global Mobile Payment Market [report](#), the market is projected to grow at an annual rate of 33% between 2019 and 2026, reaching US \$457 billion in 2026.

At the core of this phenomenon is the ability of these alternative payment methods to streamline purchasing processes. But, more importantly, they also bridge the gap between those who do, and those who do not, have the resources and infrastructure to pay by other means. **Given that today more people have access to mobile devices (96%) than bank accounts (89%), it's no surprise that established financial institutions, including central banks, are increasingly forming partnerships with mobile payment providers or developing their own services.**

**"In the future, it will no longer be necessary to have a bank in the sense of a traditional, established bank. Mobile phones will become banks."**

*Arturo Herrera, Mexico's deputy finance minister*

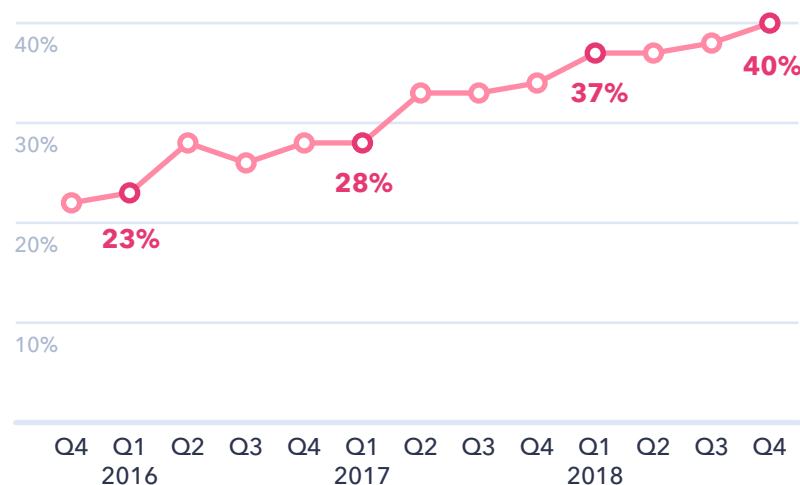
Although the history of electronic payments can be traced back to 1997 when [Coca Cola](#) introduced vending machines in Helsinki that allowed payment via a text message, the launch of Square in 2010 (facilitating the processing of credit cards on mobile phones), as well as the introduction of Google Wallet in 2011 are some of the most widely cited examples of mobile payments entering the consumer market at scale.

But thanks to an aggressive bout of new market-entrants and wider industry initiatives in bringing these services into the mainstream, tools which allow consumers to pay for items via mobile either in-store or offline have seen impressive uptake in recent years – **from 22% in the last quarter of 2015 to its current standing of 40% three years later. They are not only central to consumer convenience, but also provide new revenue streams and valuable data to different industries and interested parties.**

So, what is the current state of the mobile payments market, what groups are using these tools, and what obstacles currently stand in the way of these services?

## The Rise of Mobile Payments

% of internet users who have used their mobile to pay for an item/service in the past month



**Question:** Which of the following have you done on your mobile phone in the past month? // Used your phone to pay for an item/service?  
**Source:** GlobalWebIndex Q4 2015-Q4 2018 **Base:** 1,106,722 internet users aged 16-64



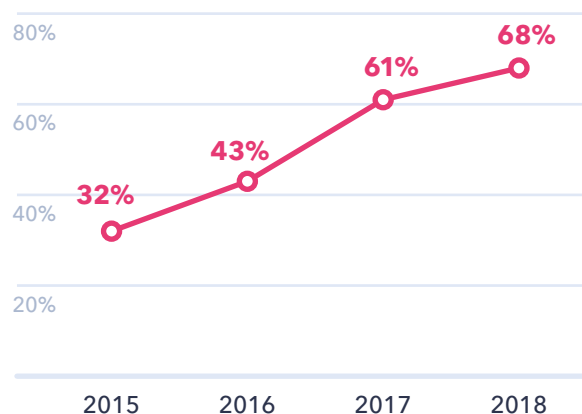
# The Rise of M-Commerce

Mobile payments have been on the scene for some time now, with one of the earliest examples coming from a type of Near Field Communication chip installed in Japanese mobiles in 2004 known as FeliCa. But it's via the explosive growth of smartphone ownership that these services have been given the chance to flourish.

Perhaps most striking is the dramatic surge in the number of people who say their smartphone is their most important device for getting online – **67% of online adults said this in 2018, with the figure having increased by 35 percentage points since 2015.** Simultaneously, PC/laptops decreased in importance by 27 percentage points to only 21% in 2018.

## Smartphone Importance

% who say smartphones are their most important device for getting online

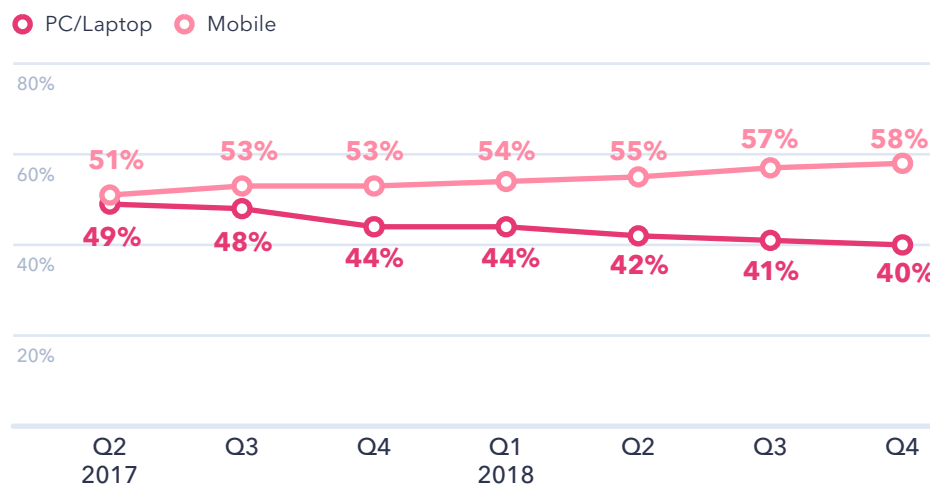


Any online activity involving sensitive information such as digital financial transactions will inevitably invoke a sense of caution among consumers to ensure a level of protection. And that's why the perceived security features of PCs and laptops has meant that these devices have largely held the reigns when it comes to online shopping or other financially-motivated behaviors.

However, when we turn our attention to online shopping, the mobile is the device of choice for 58% of online adults today, compared to 40% who still use the desktop. This shows that **consumer skepticism concerning mobile security when it comes to payments is fading with time.**

## The Rise of M-Commerce

% who have purchased a product online in the last month



**Question:** Which of these would you say is the most important device you use to access the internet, whether at home or elsewhere? // In the past month, which of the following things have you done on the internet via any device?

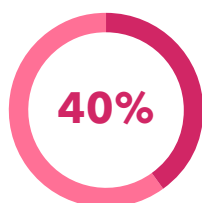
**Source:** GlobalWebIndex Q4 2015-Q4 2018 **Base:** 1,106,722 internet users between Q4 2015 and Q4 2018 and 755,232 internet users between Q2 2017 and Q4 2018

# Profiling Mobile Payment Users

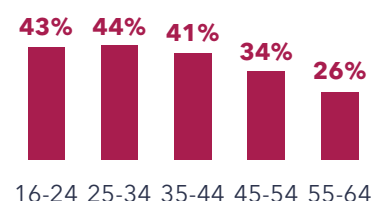
## Mobile Payment Users

% of internet users who have used their mobile to pay for an item/service in the past month

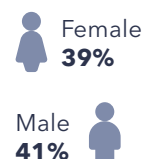
### TOTAL



### AGE

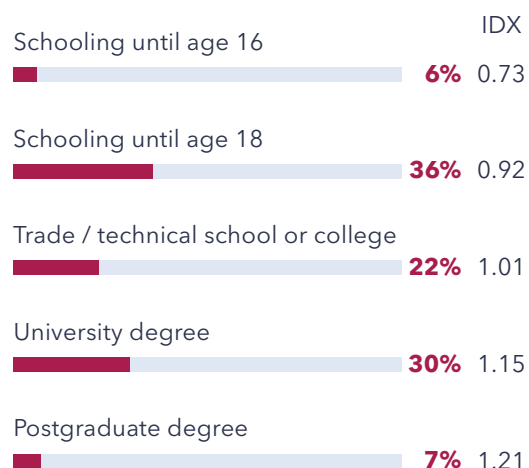


### GENDER



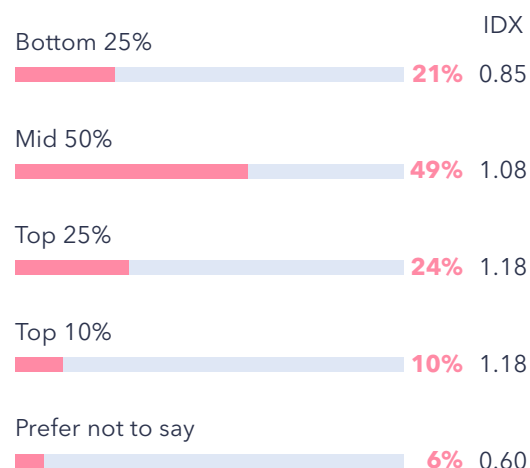
### Education

% of m-payment users who say the following best describes the highest level of education they have achieved



### Income

Note that respondents inside the Top 10% are included in the Top 25% group too.



Today, 4 in 10 online adults globally have used their mobile to pay for an item or service in the past month.

As might be expected, **younger internet users exhibit the strongest enthusiasm here**, with more than 43% of 16-34s having used mobile payments in the past month. But this is by no means reserved for the more digitally-savvy millennial generation – **over a quarter of baby boomers are also making use of these alternative payments.**

**Women are almost as likely as men to be paying for items via mobile** (39% vs. 41%, respectively).

Mobile payment users are also more likely than average to be educated to a postgraduate degree and to be in the top decile income bracket.



**Question:** Which of the following have you done on your mobile phone in the past month? / Used your phone to pay for an item/service.

**Source:** GlobalWebIndex Q4 2018 **Base:** 49,430 mobile payment users aged 16-64



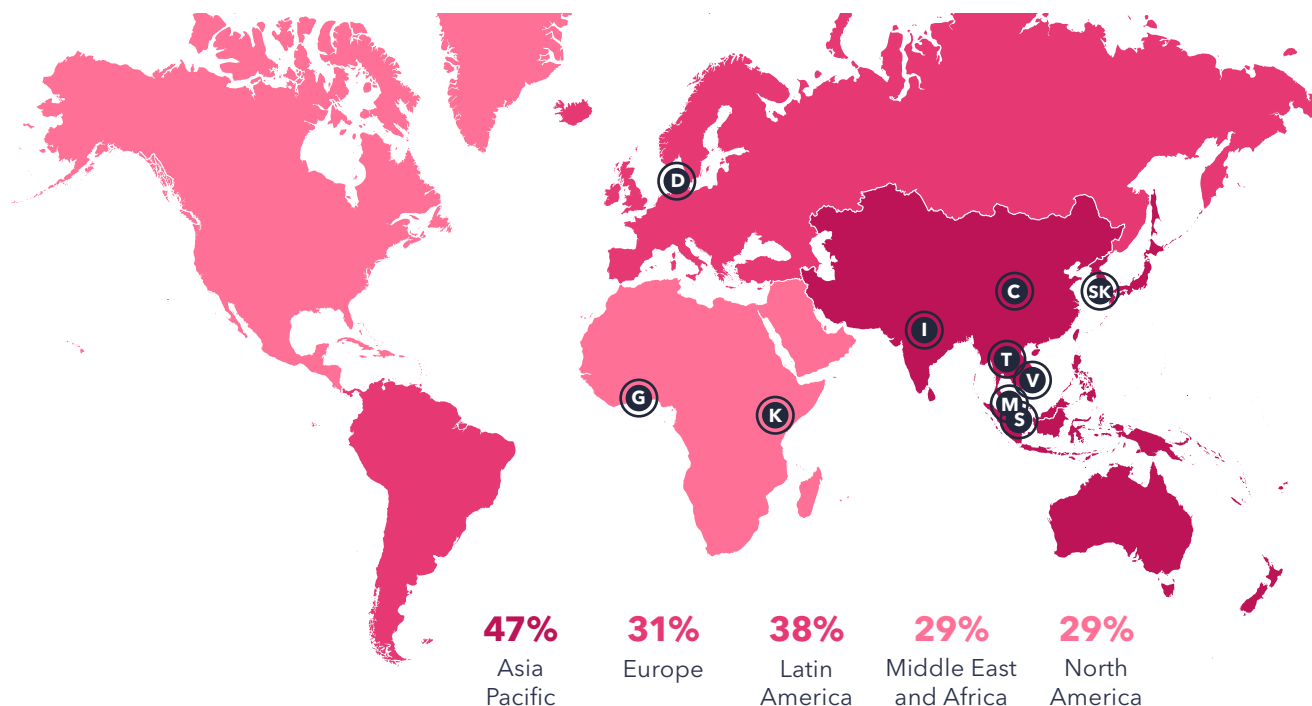
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# **From APAC to the Rest of the World**

# From APAC to the Rest of the World

## Mobile Payment Users Around the World

% of internet users who have used their mobile to pay for an item/service in the past month



### TOP 10 MARKETS

D	Denmark	60%
T	Thailand	56%
SK	South Korea	55%
C	China	51%
K	Kenya	51%
M	Malaysia	47%
V	Vietnam	47%
I	India	46%
S	Singapore	44%
G	Ghana	42%

A look at mobile payment uptake from a regional perspective provides one of the most telling pictures of the current industry landscape. APAC (47%) is substantially ahead of even its closest rival LatAm (on 38%), with **regions characterized by mature economies like Europe and North America lagging behind.**

Turning our attention to APAC, it's by no coincidence that markets like Thailand (56%) or China (51%) are at the forefront of the mobile

payment trend after Denmark, a market we address later in the report. Within these fast-growth countries, what are now commonly considered as fairly legacy payment methods, such as credit or debit cards, never reached the same penetration rates as they did in the likes of North America or Europe. **Their 'late mover advantage' in the financial ecosystem has allowed them to transition from a primarily cash-driven economies into a digital payments hubs, and mobile is at the center of this.**



**Question:** Which of the following have you done on your mobile phone in the past month? / Used your phone to pay for an item/service?  
**Source:** GlobalWebIndex Q4 2018 **Base:** 138,962 internet users aged 16-64

## From APAC to the Rest of the World

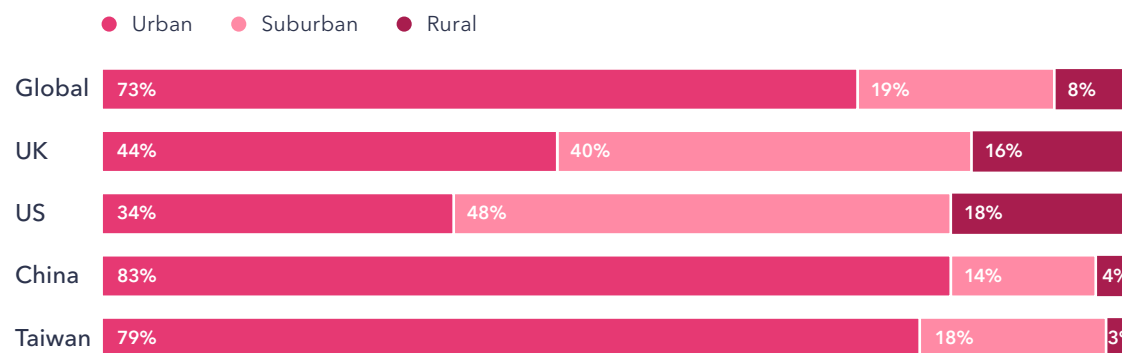
The 'late mover advantage' in the financial ecosystem has allowed some fast-growth markets to rapidly transition from cash-driven economies to digital payment hubs.

Just as internet infrastructures in fast-growth markets tend to be centered around young, urban and affluent individuals, to a large extent the same is true for financial infrastructures. In markets like Indonesia, for example, access to traditional financial services is far from universal. To put this into perspective, only 31% of internet users there have a credit card, compared to 92% in France.

Hence, these markets have provided some of the strongest success stories for financial technology which allows consumers to circumvent this lack of infrastructure. This has potentially dramatic implications for commerce. **Bringing previously unconnected consumers into the online and financial ecosystems will swell the ranks of online (and in-store) shoppers across these fast-growth markets.**

### Urban Context of M-Payment Users

% of m-payment users who live in the following environments



**Mobile payment services have been most successful in urban areas of fast-growth markets.** Our data indicates that more than 8 in 10 mobile payment users in China and Taiwan are urban dwellers, while as little as 3% are living in rural environments.

This also comes down to the infrastructure in these markets – rural economies there are fundamentally cash-driven, with little supporting infrastructure (both internet and financial) to facilitate electronic payments up until now.

**Alternative payments – especially mobile – arise as the strongest solutions in bringing these rural consumers into the financial ecosystem.** The opportunity for mobile payments to leapfrog plastic cards and position themselves as the go-to electronic payment method among these rural consumers marks rural environments as a key focus among both payment providers and governments.

**Mobile payments arise as some of the strongest solutions in bringing financially underserved rural consumers into the financial ecosystem.**



**Question:** Which of the following best describes the location of your household?  
**Source:** GlobalWebIndex Q4 2018 **Base:** 49,430 mobile payment users aged 16-64

And this is exactly what we're seeing happening in Mexico at the moment given **that only 3% of mobile payment users there are from rural areas and 11% of online adults don't even have a bank account (3.12 Index).**

The Mexican government recently **announced** that it is planning to roll out a digital payments system that will be run and built by the central bank and will allow citizens to make and receive payments via their smartphones, free of charge. This is aimed at encouraging more Mexicans to open bank accounts with an institution participating in Mexico's existing interbank payments system, hence decreasing the rate of 'off the books' and cash transactions. Issues like lack of basic infrastructure in some of the remote areas still remain, but a unified mobile payment system will ultimately help the country follow the success of other emerging markets such as China and India.

**Going beyond consumer demand and having attracted the interest of governments, mobile payments are very well-placed for further growth in the future.**

## Japan and Indonesia going digital to promote cashless societies



**Japan** and **Indonesia** shed more light on why nation states and central banks are being proactive in launching their own payment services.

In the case of the former, we're seeing a partnership being formed between the three largest banks in Japan – Mitsubishi UFJ Financial Group, Mizuho Financial Group and Sumitomo Mitsui Financial Group – working together to develop a QR code standardized payment system across the country. The aim is for cashless payments to take traction and potentially streamline bank operations and decrease the cost of handling cash.

Meanwhile, Indonesia launched its own QR-based e-payment system – LinkAja. Customers of state-owned lenders were automatically migrated to the platform, creating one universal payment infrastructure within the country. In efforts to promote financial inclusion, the system will cover remote areas and will allow users to handle water, internet, electricity and other bills.

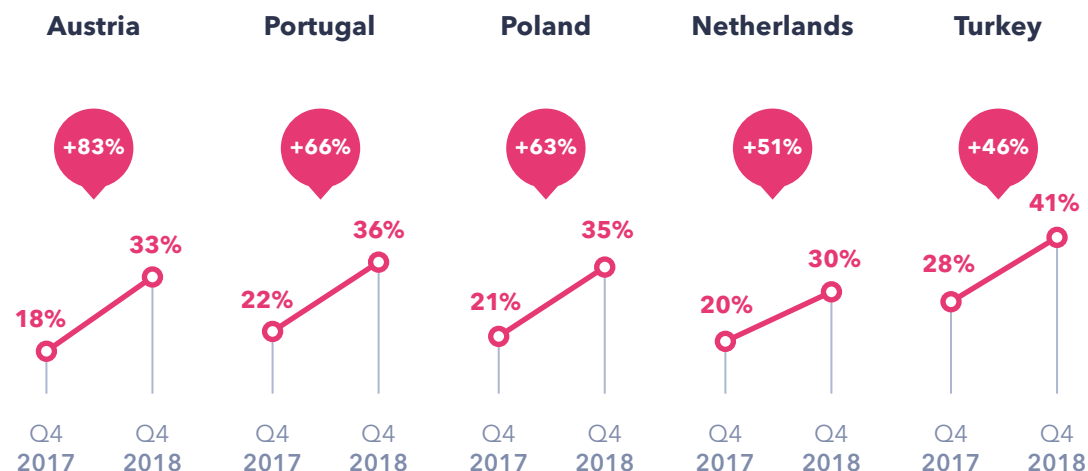
These two examples illustrate the vested interest that governments have in pushing mobile payments to the fore, which places them in a very good stead for further growth.

**Mobile Payments**

# **The Flourishing Opportunity in the West**

# The Flourishing Opportunity in the West

## Growth of Mobile Payment Usage in European Markets



In the case of North America and Europe, there are a variety of factors at play. Markets in these regions typically have internet penetration rates of over 90%, which results in a much higher representation of older consumers, who are a lot less likely to be making use of mobile payment services.

This is not the full story though. **Driving these figures down is also the early adoption of the internet in developed markets which has led to fairly entrenched consumer habits and expectations in**

**consumers' online experience.** This continues to cause friction when it comes to many new and digitally forward trends, including a card-less lifestyle.

However, we see evidence that this is beginning to change, especially in Europe. A glance back at the Top Markets chart on page 10 reveals that **Europe is slowly catching up with APAC when it comes to mobile payments, with Denmark having the highest mobile payment adoption out of the 45 markets we track.** A remarkable

6 in 10 internet users there have used their mobile to pay for an item/service in the past month.

As we highlight in our [Commerce](#) flagship report, since its launch in 2013, Danske Bank's MobilePay (used by 55% of online adults there) was able to move into a leading position in the absence of competition, leveraging the power of the Danske Bank brand, an easy interface, and the consumers' preference for unified solutions. It's achieved the kind of personal and commercial ubiquity that industry leaders had so far only associated with developing markets.

What's more, **Austria emerges as the market displaying the second-highest growth in mobile payments adoption after Malaysia, with an increase of 83% in the past year alone.** In 2016, Bankomatkarte Mobil pioneered a nationwide NFC mobile payment scheme in the country. High awareness was raised about the convenience and security that this alternative payment method provides, which has led to successful adoption.



**Question:** Which of these services have you used to pay for an item / service using your phone?  
Q4 2017 & Q4 2018

**Base:** 236,278 internet users aged 16-64 **Note:** Denmark and Romania weren't part of the study in Q4 2017.



## The Flourishing Opportunity in the West

Denmark and Austria clearly illustrate that **mobile payments aren't just the preserve of fast-growth markets** (like a lot of other digitally forward trends), and they're increasingly taking hold in mature economies that, for other technologies, might be last in line to be disrupted. This is driven by the fact that mobile payments are not only a consumer-driven trend, but also a government-sanctioned trend.

**Mobile payment usage is growing outside of emerging markets, with ripe opportunity in Europe.**

If we look further back in time, we see that **mobile payment usage in the UK has risen by 18 percentage points over the course of two years**, with **London** introducing the first ever mobile payment scheme for street performers. This dramatic surge has clearly drawn the interest of foreign players like Alipay to the West to cater for the large numbers of outbound Chinese tourists heading to these markets. The Chinese payment platform is **planning** to make the UK one of its biggest international markets for mobile payments. Alipay is currently accepted in most of Chinatown, as well as Harrods, Selfridges and Heathrow airport's shops among others.

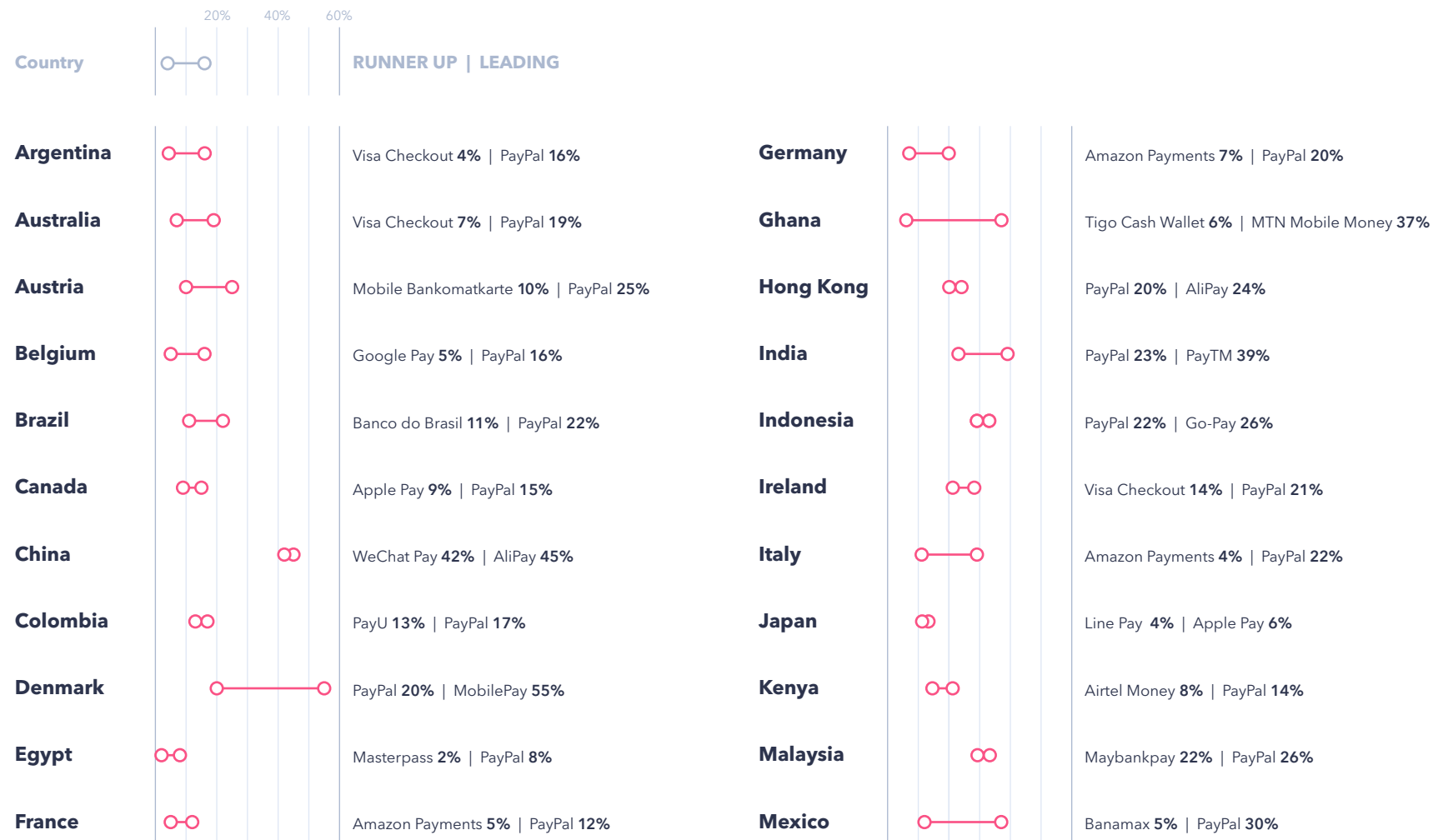
What's more, the recent **partnership** between cross-border payment firm Citicoris and East West Bank means that this interest expands beyond the UK to the U.S.A. The goal is to provide WeChat Pay and Alipay solutions to retailers there.



# The Flourishing Opportunity in the West

## Leading and Runner-Up Mobile Payment Service By Market

% of internet users who have used the following payment services in each country



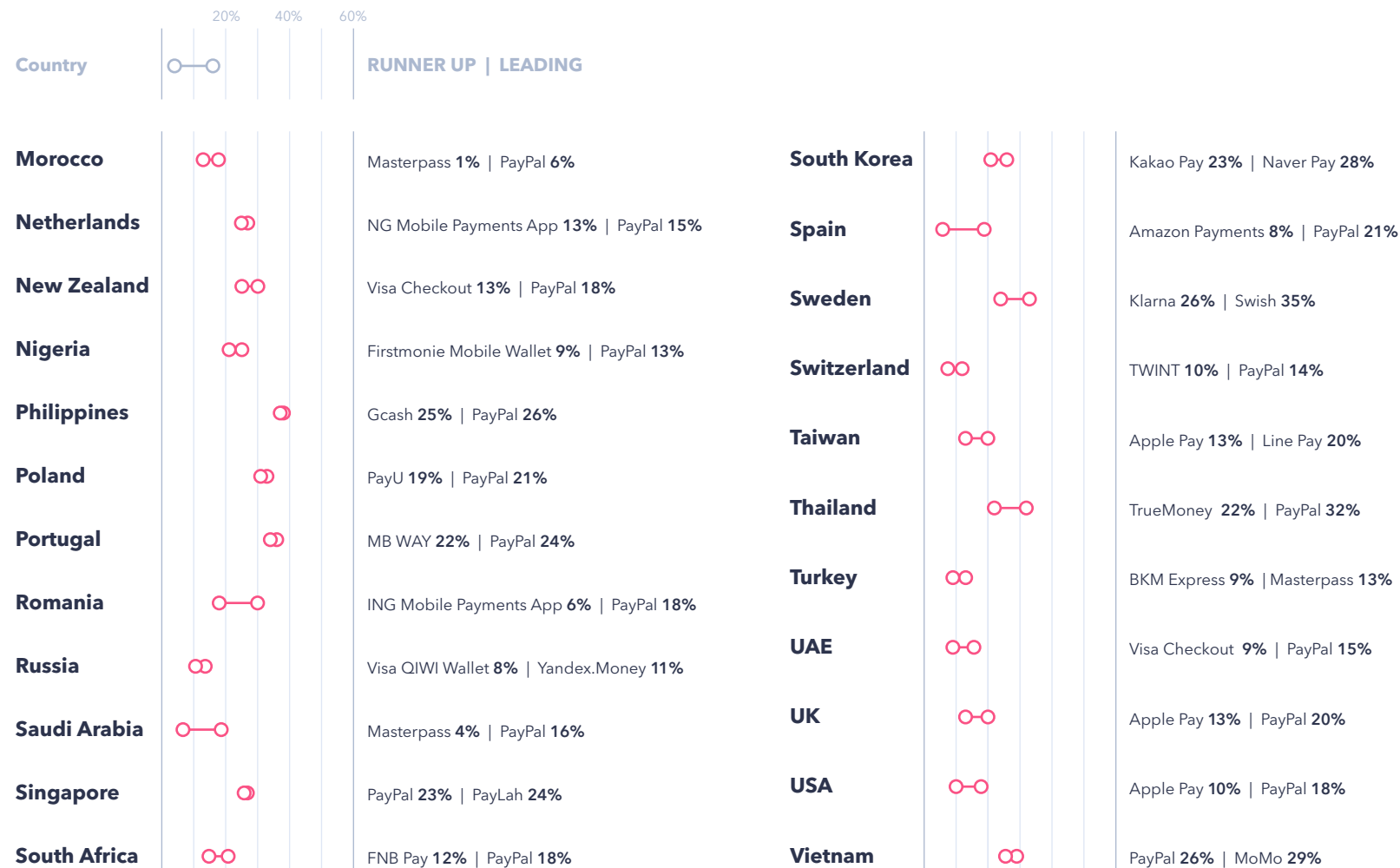
**Question:** Which of these services have you used to pay for an item / service using your phone?

**Source:** GlobalWebIndex Q4 2018 **Base:** 138,962 internet users aged 16-64

# The Flourishing Opportunity in the West

## Leading and Runner-Up Mobile Payment Service By Market

% of internet users who have used the following payment services in each country



# The Flourishing Opportunity in the West

If we were to assess each market's top and second-most popular service among our current list of 104 tracked payment services, we see that **PayPal has established itself as the top service in 31 markets, most of which are mature.**

This was largely accomplished by key competitor acquisitions like Verisign, Braintree, Venmo and Xoom which helped solidify PayPal's place as the absolute market leader in the industry. But trust is also at the center of this. PayPal raised awareness and familiarity with online checkout tools in general, together with a strong degree of confidence in the consumer protection abilities of this technology.

But if we turn our attention to fast-growth markets where mobile payments are used more often, we can see that **domestic services have an advantage over global ones.** Local providers are protected to some extent from global competition by regulatory, cultural and commercial constraints, which is a point we discuss in the next section.

**It's no coincidence that the most popular operators in India, China, South Korea and Taiwan are supported by QR codes.**

Merchant point-of-sales there rarely support the technology for Near Field Communication (NFC) or Host Card Emulation (HCE) payment methods, and hence **it's QR codes that primarily fast-track consumers into the mobile payments arena.** The need for newer technology to accept these payments has slowed merchant adoption among smaller individual businesses in Western markets.

Within many of APAC's fast-growing markets, individual businesses represent a cornerstone of local economies, and these QR codes have proved simple and efficient at rapidly onboarding these smaller stores. On top of that, **major social platforms have been among the most successful pioneers in pushing these services into the mainstream** within a handful of these fast-growth markets (a subject we explore later in this report).



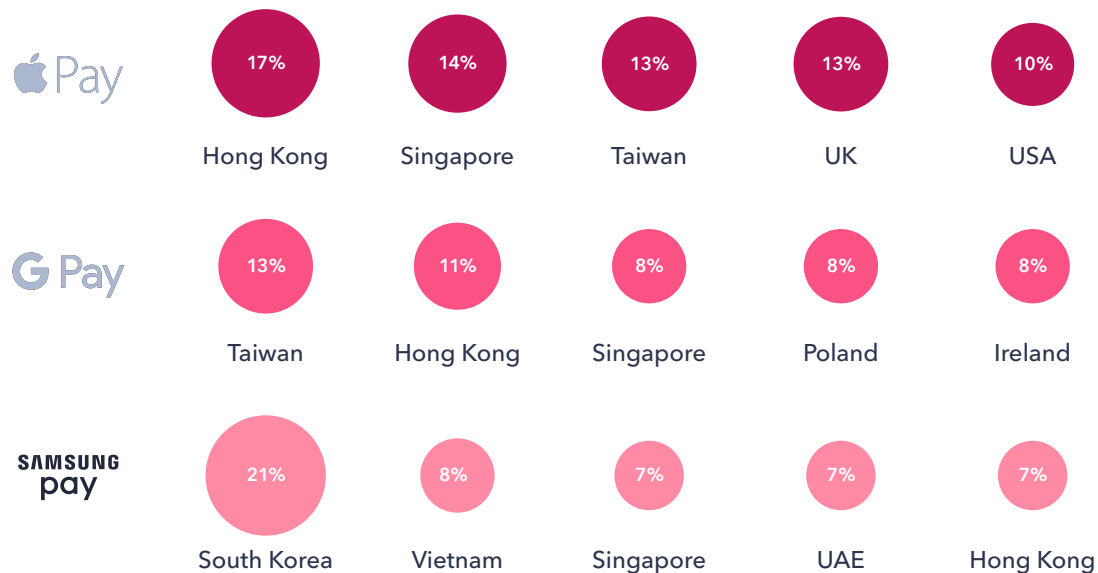
**Mobile Payments**

# **Growth Challenges**

# Growth Challenges

## Top 5 International Mobile Payment Service Brands

% of internet users who have used the following mobile payment services



**Extensive regulatory frameworks in the mobile payments sector have led to an extremely fragmented industry landscape on a global level.** This regulation has resulted in high barriers to entry for many services looking to establish themselves abroad, not least due to the requirement of domestic banking partnerships in these markets in order to receive payment licenses.

With large numbers of these domestic banks vying to introduce their own payment services among consumers in their home market, this both threatens a conflict of interest between the controlling banks and these third-party incumbents, and inevitably makes international expansion a time-consuming process for the likes of Google Pay and Apple Pay.

## Extensive financial regulation has led to a fragmented industry landscape.

Consumer data remains an issue, too. Third-party payment providers, such as mobile wallet apps, interpose themselves between issuing banks and the consumer. **This means that these banks may be starved of the transaction data on consumption patterns that is crucial for these organizations to stay competitive,** further increasing the tension between existing financial institutions and budding competitors. **This is the reason why we're seeing more and more tie-ups between mobile payments services and financial bodies; it is also a good incentive for banks in places like Denmark and Austria to move from cash to alternative digital payment methods.** One example here is the partnership between messaging app Line and Visa via which Line is aiming to increase usage of its payment service.



**Question:** Which of these services have you used to pay for an item / service using your phone?

**Source:** GlobalWebIndex Q4 2018 **Base:** 138,962 internet users aged 16-64

**Note:** This question was asked to all respondents who say they have used a mobile to pay for an item/service in the last month.



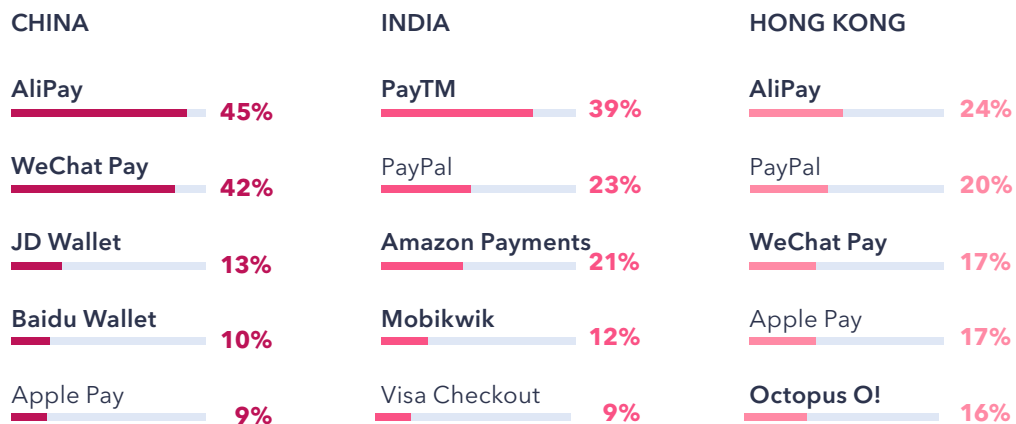
## Growth Challenges

There are also other hurdles for Western services in particular to overcome. A look back to the chart on pages 16 and 17 reveal the difficulty for these international players in spurring further wireless mobile payment uptake among consumers in mature markets, who remain wedded to the more conventional mobile online checkout services like PayPal.

To put this into perspective, **Apple Pay usage has doubled in the West over the past two years (from 3% to 6%), but UK and U.S.A. still remain behind the Asian markets Hong Kong, Singapore and Taiwan.** Not to mention that they don't even make the top 5 list of markets using Google Pay and Samsung Pay.

### Top 5 Domestic Mobile Payment Services

% of internet users in each country who have used the following mobile payment services



### TREND IN ACTION

## Apple and Goldman Sachs to develop a credit card integrated with iPhone



The challenges encountered by the Western world and international providers have largely impacted industry giants like Apple and Goldman Sachs. Aiming to increase their customer base and find new revenue streams, the two companies embarked on a joint **venture** to create a credit card. As part of the collaboration, Apple's iPhone will introduce new features which will help customers manage their finances easier and faster, driving more usage of the Apple Wallet app.

What is significant about partnerships like this one from Goldman Sachs' perspective, is the potential for disruption of the traditional financial institutions as we know them today. As **Joe Sullivan**, CEO at Market Insights points out, "whether this partnership turns out to be wildly successful or not, it's redefining what it means to be a bank. And that has long-term implications for the industry".



**Question:** Which of these services have you used to pay for an item / service using your phone?

**Source:** GlobalWebIndex Q4 2018 **Base:** 138,962 internet users aged 16-64

## Growth Challenges

But what pages 16 and 17 also show us is that the fragmented industry landscape resulting from complex regulation has led to a situation whereby **homegrown mobile payment operators come to the fore in emerging economies.**

In the case of China, this is not so surprising, with this market maintaining its own industry ecosystems across everything from social media, to commerce and entertainment. But in the likes of India and Hong Kong – markets with a strong appetite for Western products and cash-driven economies – local regional services leave little room for outside entry.

And although PayPal and Amazon payments are increasingly penetrating the Indian mobile payments market, usage of PayTM is still far ahead, with a gap of more than 16 percentage points. Combined with industry regulation, **this considerable force of local competitors – at least for now – leaves the most growth potential to Asian brands.**

**But this is especially true in the case of Hong Kong - a market that has emerged as one of the most contested battlegrounds between regional and western mobile payment providers in 2018.** Just a year ago, Apple Pay and PayPal were the dominant services in the country, with 13% and 14% adoption rate, respectively. But since Q4 2017, the landscape began to change at a rapid rate and regional providers like WeChat Pay and Alipay penetrated the market, with usage increases of +162% and +103%, respectively.

**And yet the dominant position of WeChat Pay and Alipay in South East Asia can't be taken for granted as they're increasingly facing strong competition from local providers like Grab and Go-Jek.** The two apps are gathering popularity in the region, aiming to become the next generation of 'super apps'. Controlling everything from payments and insurance, to food and tickets, the two apps continued to take on private investment. Go-Jek pulled in a further **\$100 million** in its series F funding round, while arch-rival Grab landed **\$4.5 billion** in the largest funding round in the region's history – a record unlikely to last long.

## Security concerns



As we already mentioned, security concerns are another potential challenge standing in the way of the universal adoption of mobile payments, especially in the West, as the growth of mobile payments is largely accompanied by an increase of online payment fraud. This has been the primary driving force behind the development of the global mobile payment security software market, which is **expected** to rise by annual increase of 9% between 2018 and 2023.

As a result, we're seeing more and more credit card providers like Mastercard tapping into this widespread concern. Mastercard, in collaboration with Global Cyber Alliance, has recently introduced its new **Cybersecurity Toolkit** aimed at protecting small businesses against potential cyber threats like malware, ransomware, and phishing scams.

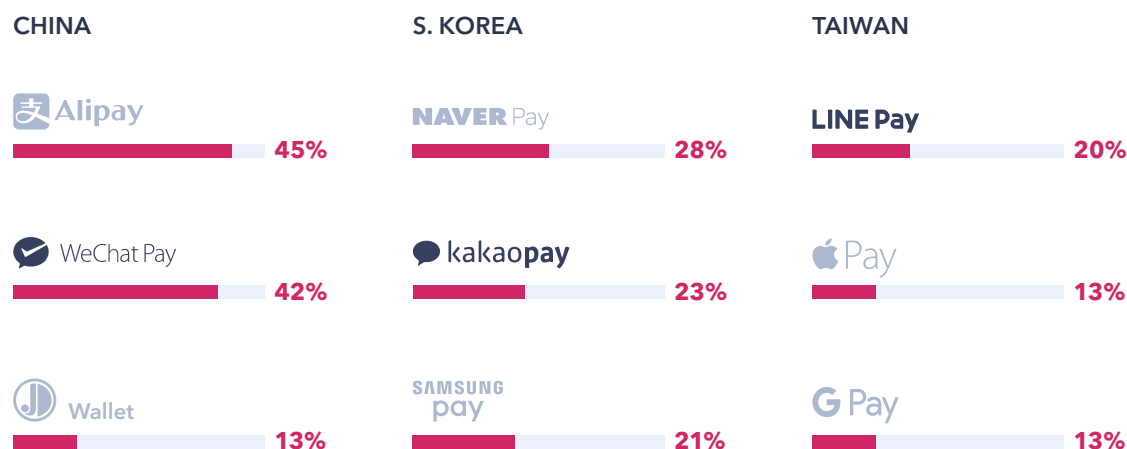
**Mobile Payments**

# **The Role of Social Media**

# The Role of Social Media

## Social Mobile Payment Providers

% of internet users in each country who have used the following



As we covered in the report so far, mobile payments have attracted considerable industry attention not only in the finance sector, but also in the social space. What mobile payments offer social media services in terms of potential revenue sources cannot be ignored. The vast reach of these social media platforms, as well as their ubiquitous presence in the daily lives of online adults, makes them the ideal medium to push these services into the mainstream.

As such, social networks are another part of the explanation as to why Asia Pacific outcores other regions by such a considerable distance, and it's rooted in the way mobile payment providers in this region have chosen to approach the consumer.

**Services targeting Western markets like Google Pay, Samsung Pay or Apple Pay are native to mobile handsets or operating systems** (although Huawei and Xiaomi have introduced their own native services too). This tactic may boost sales to some extent,

but this inevitably limits their addressable market, especially in fast-growth economies in which cheaper handsets prevail.

**Services like Google Pay, Samsung Pay or Apple Pay are native to mobile handsets or operating systems, potentially limiting their addressable market.**

In contrast, in a handful of Asian markets, major social media services have sought to offer their own mobile payment services which are indiscriminate of which mobile brand or operating system a consumer uses, and have been met with considerable success. **More than 4 in 10 digital consumers in China use WeChat Pay and 23% of those in South Korea use Kakao Pay - both services provided by the countries' most popular messaging platforms.**

**Mobile wallet services in APAC are indiscriminate of which mobile brand or operating system a consumer uses.**



**Question:** Which of these services have you used to pay for an item / service using your phone?

**Source:** GlobalWebIndex Q4 2018 **Base:** 18,153 internet users aged 16-64 **Note:** This question was asked to all respondents who say they have used a mobile to pay for an item/service in the last month.

# The Role of Social Media

**It's clear that the key advantage of social mobile payment providers lies in their vast reach.** WeChat and KakaoTalk are used each month by 74% and 84% of online adults in China and South Korea, respectively.

But that is only part of the story. With their simplicity of use, these services have also been very instrumental in the ways they meet the needs of both vendor and consumer. **WeChat Pay's QR code functionality means that both sides are alleviated of the need of relatively advanced NFC or HCE technology.** Instead, all they need is a printed barcode to scan to complete the transaction, which is something that has proved a major hit among small businesses and individual merchants.

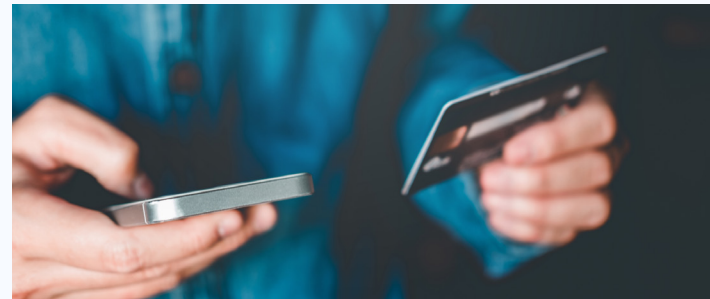
**Generally, user experience on social platforms in APAC has been profoundly different from the global giants like Facebook and WhatsApp.** They are so deeply entrenched in consumers' daily lives that they act as fully-fledged service platforms. As highlighted in our [Messaging Apps](#) report, users are able to carry out a broad range of activities – from paying bills and ordering taxis to booking medical appointments – all on a single platform.

**As with the [social commerce](#) trend, Western consumers have been a lot more apprehensive to jump onboard than their APAC counterparts when it comes to conducting these activities in the social arena.**

But this is slowly changing as Facebook is making moves towards incorporating financial services within its platforms, with the latest one being the development of its own [cryptocurrency](#) within WhatsApp. Perhaps the most significant evidence here is the successful launch of WhatsApp payments in [India](#), which has made Facebook extremely well-poised to spread the function worldwide via its WhatsApp for Business solution.

## TREND IN ACTION

### South Korea reinventing the fintech industry



The Financial Services Commission in South Korea recently [announced](#) its plans to establish an interbank financial payment network, aptly calling it 'Open Banking'. The new system will allow users to access multiple bank accounts on a single mobile app and make cross-platform transfers or payments.

What the government is aiming to achieve with this initiative is to boost engagement with fintech firms even more, especially mobile payment services like Toss, Naver Pay and Kakao Pay. The system will essentially alleviate these companies from the need to partner with individual banks in order to provide payment and transfer services as they will be granted access to the financial payment network themselves.

We see the same [initiative](#) already happening in the European Union. The so-called Payment Services Directive2 (PSD 2) has vastly strengthened the European FinTech sector by disrupting traditional banking and enabling customers to access services via digital means and tools.

## Notes on Methodology

26

All figures in this report are drawn from **GlobalWebIndex's online research among internet users aged 16-64**. Please note that we only interview respondents aged 16-64 and our figures are representative of the **online** populations of each market, not its total population.

### OUR RESEARCH

Each year, GlobalWebIndex interviews over 550,000 internet users aged 16-64 across 45 markets. Respondents complete an **online questionnaire** that asks them a wide range of questions about their lives, lifestyles and digital behaviors.

**We source these respondents in partnership with a number of industry-leading panel providers.**

Each respondent who takes a GlobalWebIndex survey is assigned a unique and persistent identifier regardless of the site/panel to which they belong and **no respondent can participate in our survey more than once a year** (with the exception of internet users in Egypt, Saudi Arabia and the UAE, where respondents are allowed to complete the survey at 6-month intervals).

### OUR QUOTAS

To ensure that **our research is reflective of the online population in each market**, we set appropriate **quotas on age, gender and education** – meaning that we interview representative numbers of men vs women, of 16-24s, 25-34s, 35-44s, 45-54s and 55-64s, and of people with secondary vs tertiary education.

To do this, we conduct research across a range of international and national sources, including the World Bank, the ITU, the International Labour Organization, the CIA Factbook, Eurostat, the US Bureau of Labor Statistics as well as a range of national statistics sources, government departments and other credible and robust third-party sources.

This research is also used to calculate the 'weight' of each respondent; that is, approximately how many people (of the same gender, age and educational attainment) are represented by their responses.

### MOBILE SURVEY RESPONDENTS

**From Q1 2017 on, GlobalWebIndex has offered our Core survey on mobile.** This allows us to survey internet users who prefer using a mobile or are mobile-only (who use a mobile to get online but do not use or own any other device). Mobile respondents complete a shorter version of our Core survey, answering 50 questions, all carefully adapted to be compatible with mobile screens.

**Please note that the sample sizes presented in the charts throughout this report may differ** as some will include both mobile and PC/laptop/tablet respondents and others will include **only** respondents who completed GlobalWebIndex's Core survey via PC/laptop/tablet. For more details on our methodology for mobile surveys and the questions asked to mobile respondents, please download this [document](#).

### GLOBALWEBINDEX SAMPLE SIZE BY MARKET

This report draws insights from GlobalWebIndex's Q4 2018 wave of research across 45 countries, with a global sample of 138,962 respondents.

Argentina	1,543	Morocco	1,000
Australia	4,019	Netherlands	1,300
Austria	1,271	New Zealand	1,278
Belgium	1,279	Nigeria	1,000
Brazil	2,314	Philippines	1,608
Canada	2,265	Poland	1,801
China	15,130	Portugal	1,265
Colombia	1,473	Romania	1,307
Denmark	1,258	Russia	2,211
Egypt	1,763	Saudi Arabia	1,473
France	5,095	Singapore	2,737
Germany	5,135	South Africa	1,531
Ghana	1,000	South Korea	1,268
Hong Kong	1,821	Spain	5,161
India	7,522	Sweden	1,302
Indonesia	1,747	Switzerland	1,261
Ireland	1,239	Taiwan	1,755
Italy	5,188	Thailand	1,492
Japan	1,800	Turkey	1,632
Kenya	1,000	UAE	1,755
Malaysia	1,535	UK	10,201
Mexico	2,641	USA	24,995
		Vietnam	1,591



## Notes on Methodology: Internet Penetration Rates

27

### ACROSS GLOBALWEBINDEX'S MARKETS

GlobalWebIndex's research focuses exclusively on the internet population and because internet penetration rates can vary significantly between countries (from a high of 90%+ in parts of Europe to lows of c.20% in parts of APAC), the nature of our samples is impacted accordingly.

Where a market has a high internet penetration rate, its online population will be relatively similar to its total population and hence we will see good representation across all age, gender and education breaks. This is typically the case across North America, Western Europe and parts of Asia Pacific such as Japan, Australia and New Zealand. Where a market has a medium to low internet penetration, its online population can be very different to its total population; broadly speaking, **the lower the country's overall internet penetration rate, the more likely it is that its internet users will be young, urban, affluent and educated.** This is the case throughout much of LatAm, MEA and Asia Pacific.

This table provides GlobalWebIndex forecasts on internet penetration (defined as the number of internet users per 100 people) in 2019. This forecasted data is based upon the latest internet penetration estimates from the International Telecommunication Union (ITU) for each market that GlobalWebIndex conducts online research in.

### GLOBALWEBINDEX VERSUS ITU FIGURES

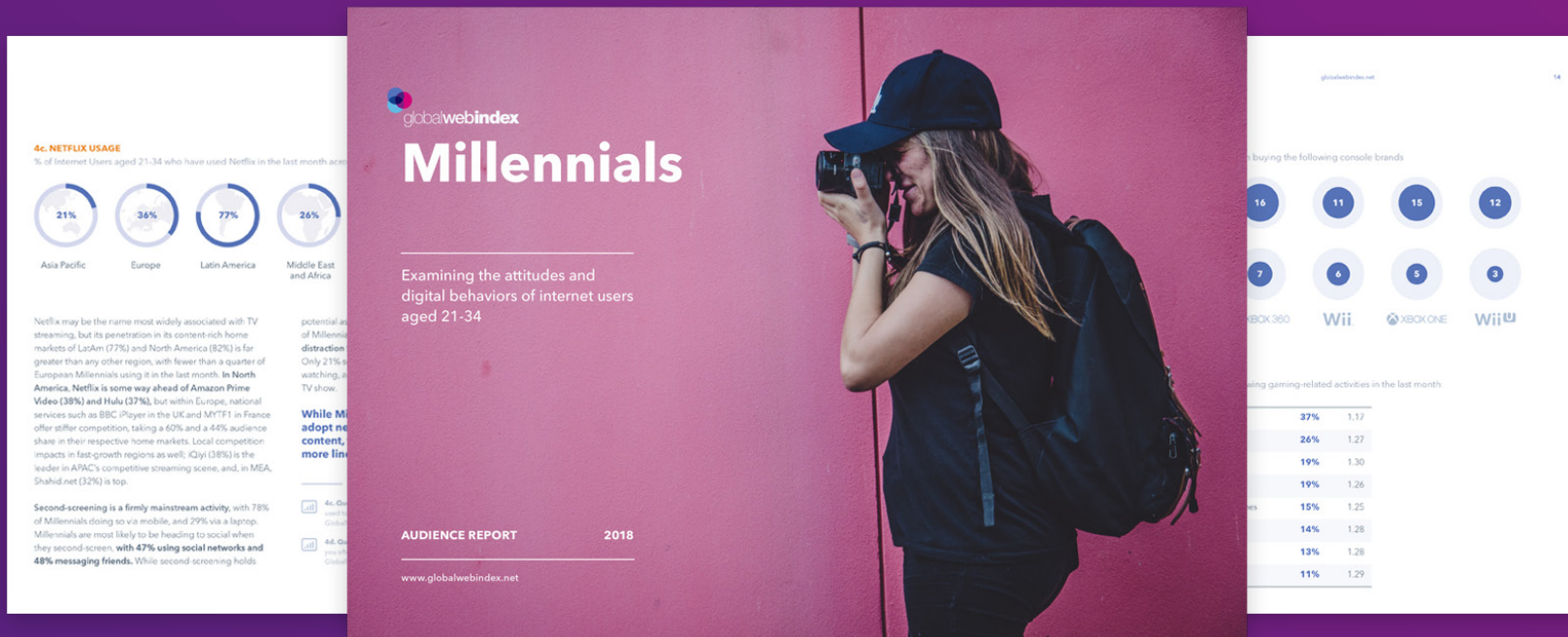
As GlobalWebIndex's Core Research is conducted among 16-64 year-olds, we supplement the internet penetration forecasts for a country's total population (reproduced above) with internet penetration forecasts for 16-64s specifically.

Forecasts for 16-64s will be higher than our forecasts for total population, since 16-64s are the most likely age groups to be using the internet.

### Internet Penetration Rates

GlobalWebIndex's Forecasts for 2019 based on 2017 ITU data

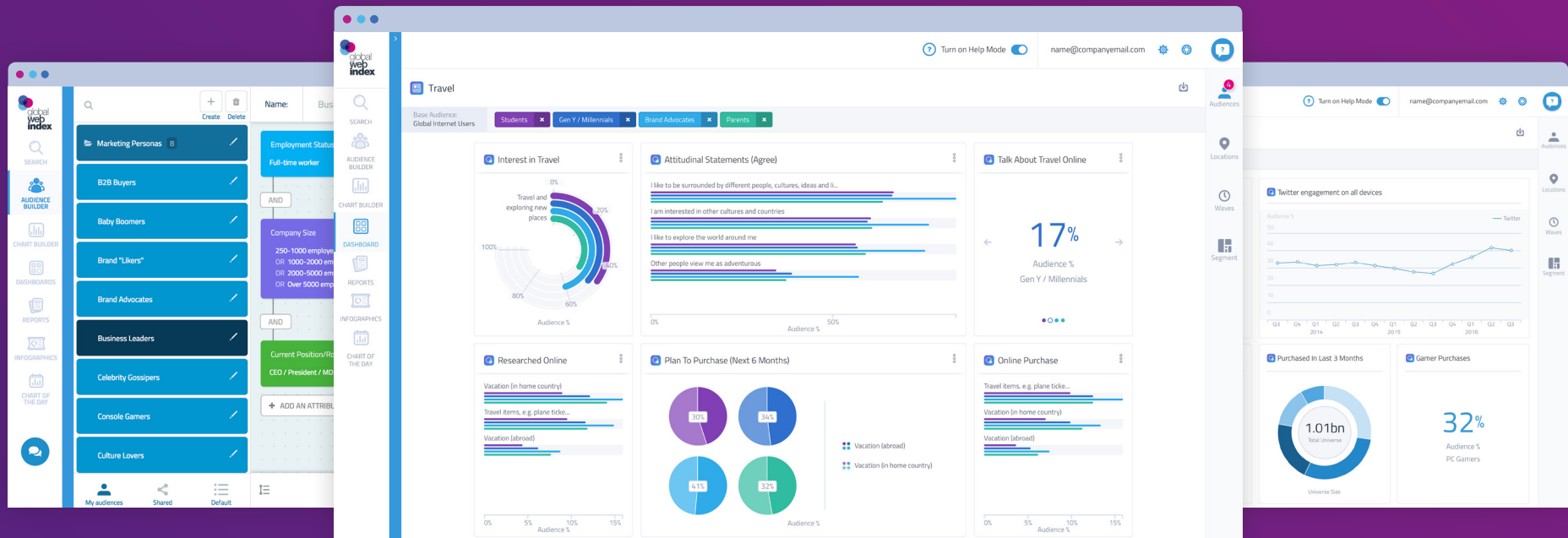
Argentina	78%	Ireland	87%	Singapore	85%
Australia	88%	Italy	62%	South Africa	62%
Austria	88%	Japan	92%	South Korea	95%
Belgium	89%	Kenya	43%	Spain	87%
Brazil	71%	Malaysia	83%	Sweden	96%
Canada	94%	Mexico	69%	Switzerland	96%
China	59%	Morocco	69%	Taiwan	83%
Colombia	66%	Netherlands	93%	Thailand	58%
Denmark	97%	New Zealand	93%	Turkey	71%
Egypt	54%	Nigeria	36%	UAE	95%
France	85%	Philippines	64%	UK	96%
Germany	88%	Poland	79%	USA	80%
Ghana	48%	Portugal	78%	Vietnam	55%
Hong Kong	91%	Romania	72%		
India	42%	Russia	80%		
Indonesia	39%	Saudi Arabia	83%		



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