

# Global Mobile Payments Outlook



As innovations around the world erode barriers to digital commerce, consumer habits around mobile payments are changing across countries. In this report, Comscore examines the state of online mobile payments to understand how the landscape is changing for payment networks, digital wallets, credit issuers, and merchants.

# Introduction

**Over the past decade, there has been a wave of innovations across the globe that help consumers gain on-the-go access to the internet via mobile devices.** There are also ongoing efforts to remove digital commerce barriers. As progress is made, we are starting to see how these barriers to mobile commerce (m-commerce) monetization have started to erode, resulting in an increasing mobile share of digital commerce.

Given the growing importance and growing ubiquity of m-commerce, Comscore set out to build upon its existing e-commerce measurement capabilities and add reporting for mobile online transactions and in-store mobile contactless payments. This whitepaper seeks to examine how online mobile payments has grown globally, and how different payments service different needs. Insights will allow advertisers and marketers at major

payment networks, digital wallets, credit issuers, and large and small merchants to build better plans that take into account emerging consumer trends. In particular for small merchants, it is important to pick the right payment processing partner to minimize implementation costs and maximize the number of potential consumers.

In 2019, Comscore rolled out its one-of-a-kind **Global Digital Payments Tracker**, which analyzes both passively observed consumer behavior from Comscore's worldwide panels and multi-platform survey data. This robust multi-source approach allows Comscore to most accurately examine consumers' multi-platform payment behavior in North America (U.S. and Canada), Latin America (Mexico, Brazil and Argentina), Europe (U.K., Germany, France, Italy and Spain) and Asia Pacific (India, Japan and Australia).

## REGIONS REPRESENTED IN THIS REPORT INCLUDE:

### NORTH AMERICA

U.S. CANADA

### LATAM

MEXICO ARGENTINA  
BRAZIL

### EMEA

U.K. ITALY  
GERMANY SPAIN  
FRANCE

### APAC

INDIA AUSTRALIA  
JAPAN

Data sources referenced in this report include: Comscore Total Digital Payments Global Tracker, Q2 2019 and Q4 2019 (this includes International Mobile Surveys, U.S. Emerging Digital Payments Advisor – EDPA, and e-commerce Measurement) Media Metrix® Multi-Platform, Q4 2018 and Q4 2019, U.S.

**FINDING 1**

## Strong Focus on Mobile Devices from Global Digital Audiences

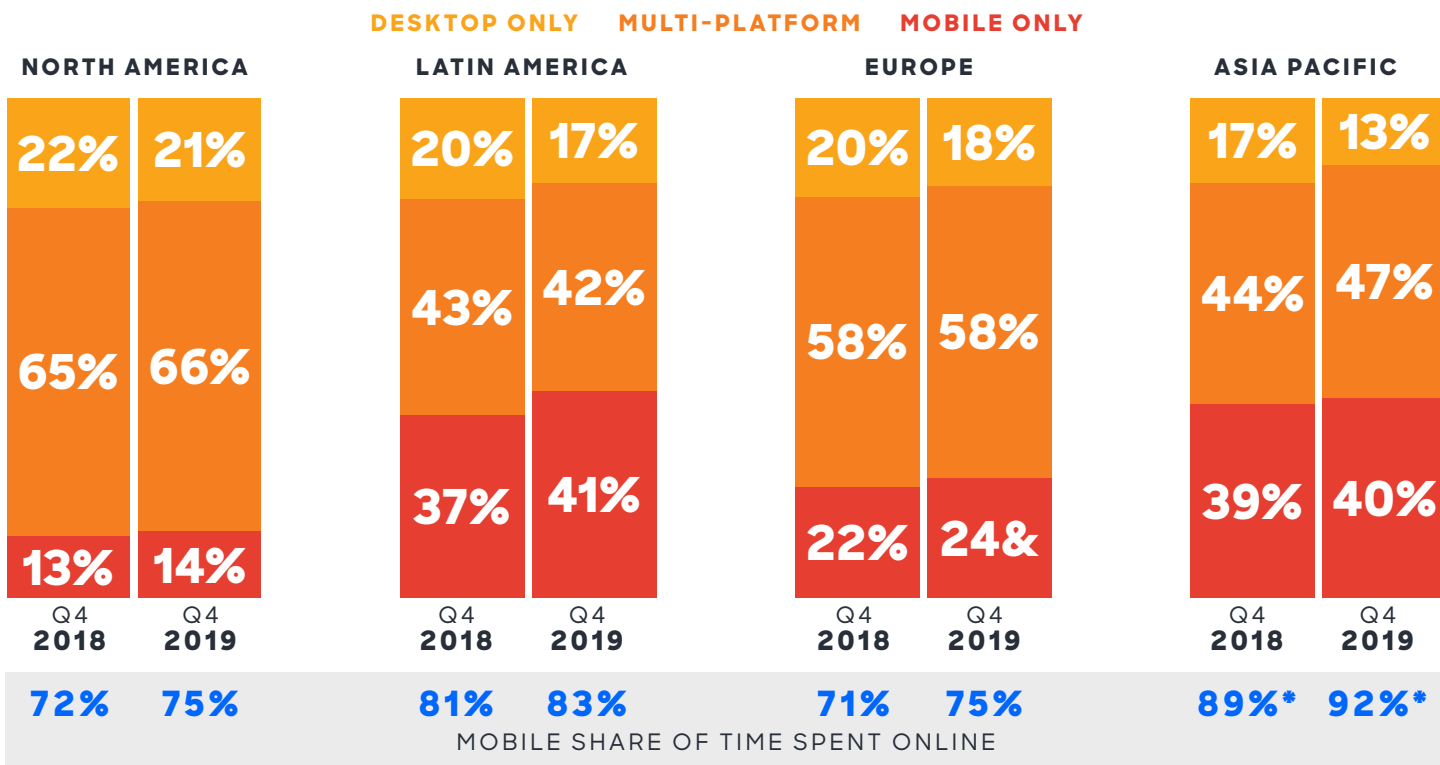
**Worldwide digital audiences continue to shift toward engaging more with mobile and multi-platform devices, and less with only a laptop or desktop (Figure 1).** While audiences in North America and Europe still rely comparatively more on desktop and laptop devices to connect to the internet, audiences in Latin America and Asia Pacific show a stronger dependency on mobile devices. In many developing economies, desktop and laptop devices can be inconvenient and costly to own, so many consumers, enabled by a combination of

cheaper devices and mobile carrier financing options, have migrated to mobile directly. In many countries, these devices have become a necessity and a means of gainful employment.

As seen in **Figure 1**, roughly 40% of Latin American and Asia Pacific audiences used only a mobile device to go online during Q4 2019, compared to North America's 14% and Europe's 24%. In all, what is unanimous is that across global audiences, mobile retains the highest share of time spent online and continues to inch higher.

Fig.1

### Total Digital Audience Breakdown by Device



\*Time spent on mobile only reflects data for India.

Source: Comscore MMX@ Multi-Platform, October – December 2018 & October – December 2019  
 Where North America is represented by U.S. and Canada, Latin America by Mexico, Brazil and Argentina, Europe by U.K., Germany, France, Italy and Spain, and Asia Pacific by India

**FINDING 2**

**Strong Focus on Mobile Devices from Global Digital Audiences**

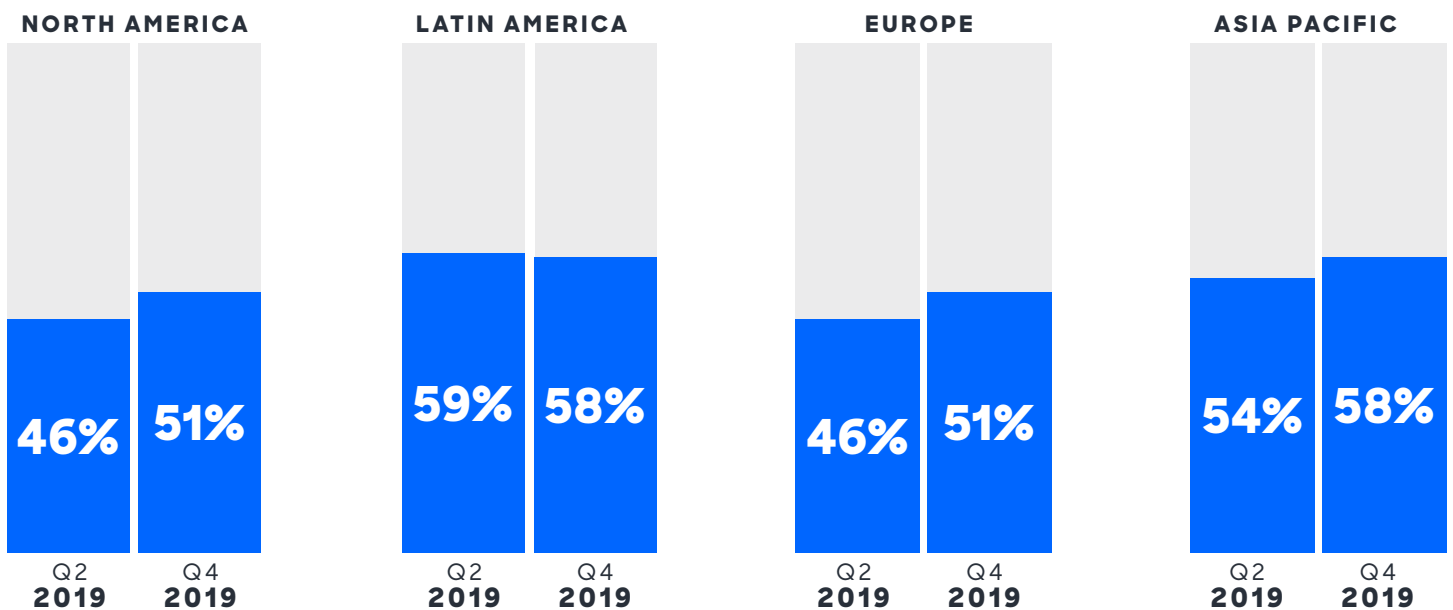
Around 10 years ago, this commonly used phrase “there’s an app for that” wasn’t around. Since then, the explosion of mobile apps availability, mobile browser optimization, better internet connectivity, and subsiding security concerns have helped to reduce barriers to m-commerce.

**Figure 2** shows that mobile now represents the majority of online transactions across all global regions tracked. This metric includes mobile purchases made via mobile web and app, and excludes in-store payments done via scan and wave technologies. The higher mobile dependency in Latin America and Asia Pacific

discussed earlier is in full display here, as their share of mobile transactions approach the 60% threshold. Notably, India stood out (not shown in Figure 2) as one of the higher countries for mobile share, at 73%. Interestingly, this graph also shows that the mobile share has grown from Q2 to Q4 2019 in every region, except for Latin America, where it is relatively stable. The fourth quarter tends to attract more shoppers online and higher volumes, so a relatively stable mobile share in Latin America is not necessarily a bad result for m-commerce, it just highlights a healthy growth rate for e-commerce as well.

Fig. 2

**Mobile Share of Online Transactions in 2019**



Source: Comscore Total Digital Payments Global Tracker, April - June 2019 & October - December 2019  
 Where North America is represented by U.S. and Canada, Latin America by Mexico, Brazil and Argentina, Europe by U.K., Germany, France, Italy and Spain, and Asia Pacific by Japan, India and Australia.

**FINDING 3**

**Mobile Wallets Are a Multi-Faceted Story**

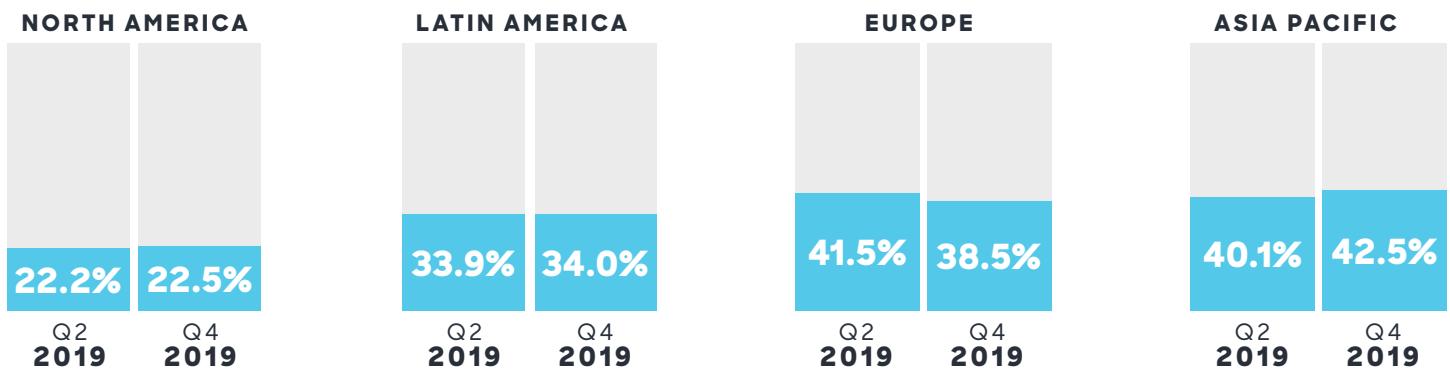
We know consumers are using mobile more often when purchasing online, but how are they paying for those online purchases? Are mobile wallets replacing more traditional payment methods? Based on our 2019 studies, the answer to that is multi-faceted.

As shown in **Figure 3**, mobile wallets have already captured a significant share of online transactions. Asia Pacific leads the way with an average of 4-in-ten

mobile online transactions being paid using a mobile wallet during Q4 2019. Of this region, India may show the highest penetration, but Japan is the main driver for the increase in the fourth quarter. This increased adoption has been spurred by recent government incentives, aggressive marketing campaigns by the likes of Rakuten Pay, PayPal and Line Pay, and the newly formed Mobile Payment Alliance (MPA) rolling up new members.

Fig. 3

**Mobile Wallet Share of Mobile Web/App Transactions in 2019**



Source: Comscore Total Digital Payments Global Tracker, April – June 2019 & October – December 2019  
 Where North America is represented by U.S. and Canada, Latin America by Mexico, Brazil and Argentina, Europe by U.K., Germany, France, Italy and Spain, and Asia Pacific by Japan, India and Australia.

The data show both Latin America and North America with a relatively stable share for mobile wallets throughout 2019, with 1-in-3 and 1-in-5 online mobile transactions paid using mobile wallets, respectively. Even though mobile wallet shares remain stable in these regions, this is in fact a positive finding for adoption of these tools since the higher transaction volumes of the fourth quarter tends to dilute the performance of emerging payment options. In Europe, we observed the average share of mobile wallets declining in the fourth quarter of 2019. The U.K. is the only country that does not follow this trend.

Notable payment apps from around the world which have gained traction in their respective region include

Mercado Pago in Latin America, Apple Pay in North America and Visa Checkout in the U.K. Elsewhere, it is local traditional payment methods like Invoice and Direct Debit in Germany, Carte Bancaire in France, and credit/debit cards in Italy and Spain that show a stronger performance in the last quarter.

It is interesting to observe that though countries are becoming more mobile-driven (**Figure 1**), there is a lag in adoption from the mobile wallet side. This is an opportunity area for providers and advertisers to dig into the data and explore how adoption relates to their specific brands and segments.

## Conclusion

Key takeaways for payment networks, digital wallets, credit issuers, and merchants

1

### **Worldwide digital audiences continue to shift towards mobile devices.**

Across regions, more consumers used mobile devices to go online and spent more time on those devices. This is more pronounced in Latin American and Asia Pacific where audiences have largely skipped desktop devices to go mobile only (as seen on Figure 1). Businesses need to keep in mind the growing importance of mobile and excel in this channel when designing consumer experiences, selecting business partners and planning consumer outreach programs.

2

### **Mobile pay share of online transactions tends to match mobile-friendliness of the region.**

Mobile now represents the majority of online transactions across all global regions tracked. This is especially apparent in Asia Pacific and Latin America where there is higher mobile dependency. As regions engage more on mobile, marketers can expect a more pliable consumer base to mobile pay.

3

### **Mobile wallets present an opportunity and a challenge for financial services.**

Mobile wallets have already captured a significant share of online transactions, but their penetration and growth are not as consistent across regions. Businesses need to integrate with locally-relevant mobile applications so they can take full advantage of growth opportunities. For issuers and payment networks, this represents seeing third party mobile wallets as frenemies (as they share interchange fees) and striving for top of wallet position, at least until their own solutions gain traction in each market (e.g. Click-to-Pay, Chase Pay, Citibanamex Pay, etc.). This is especially true for countries, like Japan, with concerted efforts by government and private sector to spur digital payments. All of this underscores the importance of continually checking the global market's pulse: by gaining country specific visibility into brand market share performance and deep insights into competitive landscape, consumers' sentiment, adoption barriers and shopping preferences.

## Learn more

To learn more about how Comscore can help with insights into international mobile payments trends for financial services, please **contact us** or email **[learnmore@comscore.com](mailto:learnmore@comscore.com)**.

