

RESEARCH

## Mobile payments fail to impress so far this holiday season: report

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*Apple Pay allows shoppers to use their phone to pay in-store*

By **Brielle Jaekel**

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Mobile wallet platforms did not fare well during this year's Black Friday retail frenzy, most likely due to do inconsistency with retailers and consumer use, with Apple Pay at its lowest usage rate and PayPal being used more than others, according to a report from InfoScout.

The holiday weekend is known for its chaotic shopping sprees, with many retailers seeing long lines and disorderly checkout experiences, which may have led consumers' choice to stick with established payment methods such as credit cards. On Black Friday this year Apple Pay saw only 2.7 percent use with all eligible transactions at retail locations, and Android even lower with 2 percent of possible transactions being used.

"No one wants to be that person' that holds up the line in a retail store on Black Friday," said Marty Whitmore, vice president, **Boston Retail Partners**. "This lack of confidence and uncertainty around whether or not Apple Pay or Samsung Pay are accepted obviously caused a hesitancy in the consumer to present the device for payment.

"The other key takeaway is that there is still some concern around security and a general lack of awareness around the Mobile Wallet," he said.

### Dark days for mobile wallet

Not all retailers have fully accepted a mobile payment system, and many consumers have not either, which means that there are inconsistencies with these programs. Hectic shopping days such as Black Friday means that shoppers want to get in and out as quickly as possible, and it seems as though mobile payments are not exactly the front runner in that aspect.

BlackFriday2015\_ApplePayUsage@2x



During the shopping holiday 79 percent of iPhone users and 74 percent of Android users paid with credit cards, rather than mobile wallets, according to InfoScout.

PayPal saw more use than other mobile payments during the shopping holiday. Apple Pay usage was significantly lower than last year's rate at 4.9 percent

It is also likely that the expansion of Black Friday deals, beyond just the weekend could have caused the decrease in mobile wallet use. Many retailers are offering a wide range of deals all week long, causing Black Friday sales in general to dip this year.

"In-store sales on Black Friday were in general down with many sales taking place before Black Friday, so that may have contributed to the down trend in Apple Pay," said Greg Sokolowski, vice president at Boston Retail Partners. "Also online sales continue to grow and many of the tech savvy consumers that use Apple Pay may have been buying more online than in-store.

"Many retailers do not support mobile payments yet, so there may be a little customer fatigue, tired of stores not accepting it," he said.

Future of mobile pay

The rough holiday weekend does not mean that mobile wallet programs will disappear in the months to come. These programs are still fairly new and take a bit for consumers and retailers alike to catch on.

BlackFriday2015\_PaymentMethod-2@2x



As Apple Pay moves farther away from its first launch and further expands, users will become more accustomed to it and retailers will more widely accept it.

"As with any new technology there is a learning curve associated with that technology," Marty Whitmore said. "Retailers need to continue to educate the consumer on the availability and the benefits of using their Mobile Wallet and continue to move toward acceptance."

Final Take

*Brielle Jaekel is editorial assistant at Mobile Commerce Daily*