

RESEARCH

Shoppers are adopting digital wallets at a rapid pace: Citi

January 27, 2016



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Mobile wallet adoption has been slow to catch on, but if developers educate consumers on user experiences, these platforms may hit their stride in 2016, according to a new report from Citi Retail Services.

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As more and more players come to the mobile wallet scene it is becoming more of a mainstream concept for consumers, with a 20 percent increase in usage since 2014. However, 44 percent are unaware of the digital wallet services, which means that developers need to promote these platforms and provide a comprehensive guide on how to use it.

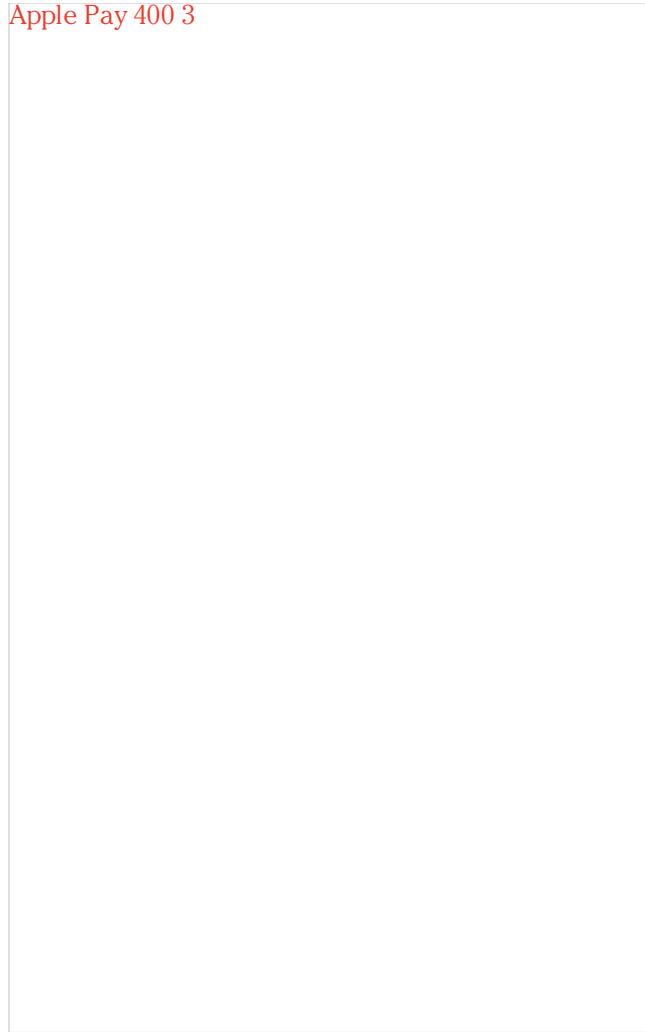
"The concept of a digital wallet has been around for decades but their time has finally arrived," said Molly McCombe, managing director and chief marketing officer at Citi Retail Services. "New research from Citi Retail Services shows that digital wallet usage has increased by 20 percent from 35 percent at the start of 2014 to 55 percent at year-end 2015.

"Shoppers are adopting digital wallets at an incredibly rapid pace, largely due to convenience and ease of use," she said. "The most surprising finding of the Citi Retail Services study is that 44 percent of respondents stated they are lacking knowledge about digital wallet tools.

"There is an incredible opportunity to educate consumers about the benefits of a digital wallet in simplifying and streamlining their purchasing experience."

Mobile wallet adoption

While mobile is continuing to disrupt consumer behavior at a drastic rate, mobile wallet has taken longer than what was expected in becoming a significant tool for shoppers. But research is showing that this may change in the upcoming year now that more and more users are aware of these platforms.



Developers need to think of strategies, which put the benefits of using these mobile wallets in clear view for the consumer. For instance, 47 percent of those surveyed believed it is easier to use traditional methods of payments such as with a credit card and cash, while 45 percent believed there was no benefit in using a mobile wallet.

However, the data shows that there is significant opportunity for companies to change consumers' minds with 69 percent claiming to use mobile wallets day-to-day if they were greater informed. That means that there is a communication gap between retailers, developers and consumers.

Marketing game plan

With the mobile wallet competition growing as new players consistently arrive, the winners will likely be those that make their platforms as consumer facing as possible, with a marketing plan to ramp up awareness.

"Consumers are ready for this revolution and retailers have an opportunity to leverage digital wallets to better cater to customers in real-time," Ms. McCombe said. "Not only do digital wallets make the payment process more seamless, but they have the potential to combine convenience and value to consumers, storing coupons, loyalty cards and gift cards alongside payment information.

"They can be a one-stop shop," she said. "The payments landscape is undergoing a tremendous shift toward a seamless, frictionless experience and for retailers, digital wallets are quickly moving from a nice-to-have to a must-have.

"This is a crucial point in time where retailers can cater to customers in a customized, personalized, convenient manner and be there for them where and when they want."