

RESEARCH

Android Pay, Apple Pay reach parity as mobile pay adoption grows: report

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Android Pay is finally gaining traction

By **Brielle Jaekel**

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The leader in mobile payments still remains unclear, but Android Pay is gaining speed and the technology as a whole is likely to reach mainstream adoption within four years if added benefit for customers is provided, according to a report from Packaged Facts.

Google's Android Pay and Apple Pay remain interlocked for the title as mobile payments leader, as both saw 8 percent transaction rates at bricks-and-mortar locations. But other big players coming on the scene such as Walmart and Chase can present an upswing through their substantial customer bases and ability to provide a reason for use, with 59 of consumers claiming no benefit as the reason for not using mobile pay.

"The industry has been waiting for mobile payments at the point of sale or in proximity to the point of sale to take off," said David Sprinkle, research director at Packaged Facts. "This year, we have a true foundation provided by a strong combination of new and existing digital wallet solutions and movement toward narrower-scope private label wallets that can reach a wider audience and help educate that audience to adapt the behavior.

"We believe the stage is set for mainstream adoption within four years," he said.

Winner takes all

Google may have an advantage and see significant growth following its purchase of mobile wallet competitor Softcard.

With more than 79 percent of respondents claiming that it is easier to use a credit or debit card at checkout, mobile payment providers need to create some sort of rewards system for users. For instance, Starbucks is known as a leader the mobile retail industry, likely due to the fact that 80 percent of users have earned its Star rewards through use of its mobile payments.

Mobile payments providers are also doing a poor job of convincing consumers these systems are just as safe, or more secure than traditional payment methods as 59 percent claimed security was the main reason for not using mobile pay. However, there has been a small drop in this belief, as last year 69 percent of respondents believed it to be unsafe.

Mobile upsets

Chase has a big opportunity to take the lead in the industry, as it has a substantial customer base and is providing a solution which combines NFC and QR code technology. Walmart Pay is also likely to create an upset, as it will be rolling out a mobile pay feature within its existing app, which means its 23 million active users will have access.

and loyalty strategies," Mr. Sprinkle said. "The key involves blending payments with loyalty programs and other add-value benefits, so that payments become a seamless part of a broader customer engagement experience.

"Blending mobile payment options, in-app and at the register, with these broader set of options allows customers to pay any time, anywhere and to pay according to need, in-store, delivery and pickup, with the potential to enhance customer engagement and sales conversion rates," he said. "But they also provide retailers with data-driven payment and usage insight for targeting marketing and, depending on the type of wallet, can even help them manage customer payment method."

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