

Why Proximity Mobile Payment Usage Lags in France

ARTICLE

eMarketer Editors

A pioneer in smart card technology, France was the first country worldwide to introduce chip-and-PIN payment cards.

Now, contactless cards are also widely available. Nearly two-thirds of internet users in France use a contactless bank card regularly or occasionally, according to an October 2018 survey from Orange and Opinionway.

That's in line with May 2019 research from Mastercard and Ifop, which showed that 78% of internet users in France had used a contactless card at least once, and 70% did so on a regular basis.

How Frequently Do Internet Users in France Use Contactless Payment Cards?

% of respondents, May 2019



Note: ages 18+

Source: Mastercard and Ifop as cited in press release, July 16, 2019

249917

www.eMarketer.com

But contactless cards have held back adoption of mobile payment alternatives. “Few consumers feel they need a second contactless payment option, particularly when there is a cap on spending and a limit on the number of daily transactions,” said Jasmine Enberg, eMarketer senior analyst and author of our recent report, [“France Mobile Payment Users 2019: Smart Cards and Security Concerns Slow Down Adoption.”](#)

In France, contactless payment methods have a cap on spending, called a “floor limit.” That limit is currently set at €30 (\$33) per transaction, and consumers can make a total of three proximity payments per day. That applies to mobile and card payments, though some mobile payment options that use two-factor or biometric authentication may be exempt.

While that may seem restrictive, contactless payments in France were capped at €20 (\$22) until March 2017, when the French bank card association Groupement des Cartes Bancaires (CB) increased the limit. While that spurred some usage—the CB estimated that 2 billion contactless transactions were made in 2018 vs. 1.2 billion in 2017—it hasn’t been enough to encourage widespread adoption.

In fact, 69% of in-store purchases in France of less than €20 (\$22) were made with cash vs. 71% in 2017, according to a March 2019 survey by Iftop for security service provider Brink. The remaining 31% were paid for via other methods, including contactless payments.

It’s also likely that most of those contactless payments were made via cards, not smartphones. Smartphone payment apps accounted for less than 1% of total contactless payments made in France in 2018, per CB.

With that in mind, it’s hard to imagine that raising or lifting the “floor limit” in France will drive more proximity payment usage. It’s clear that consumers already have their chosen contactless payment method, and that is going to be a hard habit to break.

To learn more about the proximity mobile payment landscape in France and our forecast for proximity mobile payment users through 2023, eMarketer PRO subscribers can read our recent report:

Report by Jasmine Enberg Oct 24, 2019

France Mobile Payment Users 2019

FRANCE MOBILE PAYMENT USERS 2019

Smart Cards and Security
Concerns Slow Down Adoption

By Jasmine Enberg
Contributors: Alex Russell, Chris Ly, Benji H. Weiss



Not sure if your company subscribes? [You can find out here.](#)