

In-car payments may see boost from Hyundai Pay launch

Article

The news: Hyundai launched an in-vehicle payments system called Hyundai Pay, [per](#) a press release.

- It lets drivers find and pay for things within their vehicle's touchscreen using stored credit card information.

- The system is rolling out with the 2024 Hyundai Kona this fall before being added to nine other models.
- Hyundai Pay's first partnership is with **Parkopedia** to launch a parking payment system that lets customers reserve and pay for parking at 6,000 locations.

The bigger picture: Hyundai joins a growing list of carmakers and payments companies investing in in-car payments.

- **Mercedes-Benz** debuted Mercedes Pay in 2018 and has ramped up its payments capabilities, launching biometric authentication through a tie-up with **Visa** and also partnering with Parkopedia this summer.
- **Stripe** partnered with BMW in January to power payments made from BMW's ConnectedDrive Store.
- Apple expanded CarPlay's payment capabilities through partnerships with quick-service restaurants like **Panera** and **Domino's** and with **Chevron**.
- And **JPMorgan** acquired 75% of **Volkswagen Payments** in 2021.

How it benefits Hyundai: Turning a car into a payment method can give automakers competitive advantages.

- In-car payments let drivers conveniently conduct fuel payments, parking payments, and food and drink orders.
- It can also make these transactions safer by limiting the functionality to things like saved orders and hands-free calling. This can reduce distracted driving compared with trying to navigate a mobile app behind the wheel.
- And in addition to improving the driver experience, which can attract more customers, it also gives carmakers a new revenue stream and access to the valuable payments market.

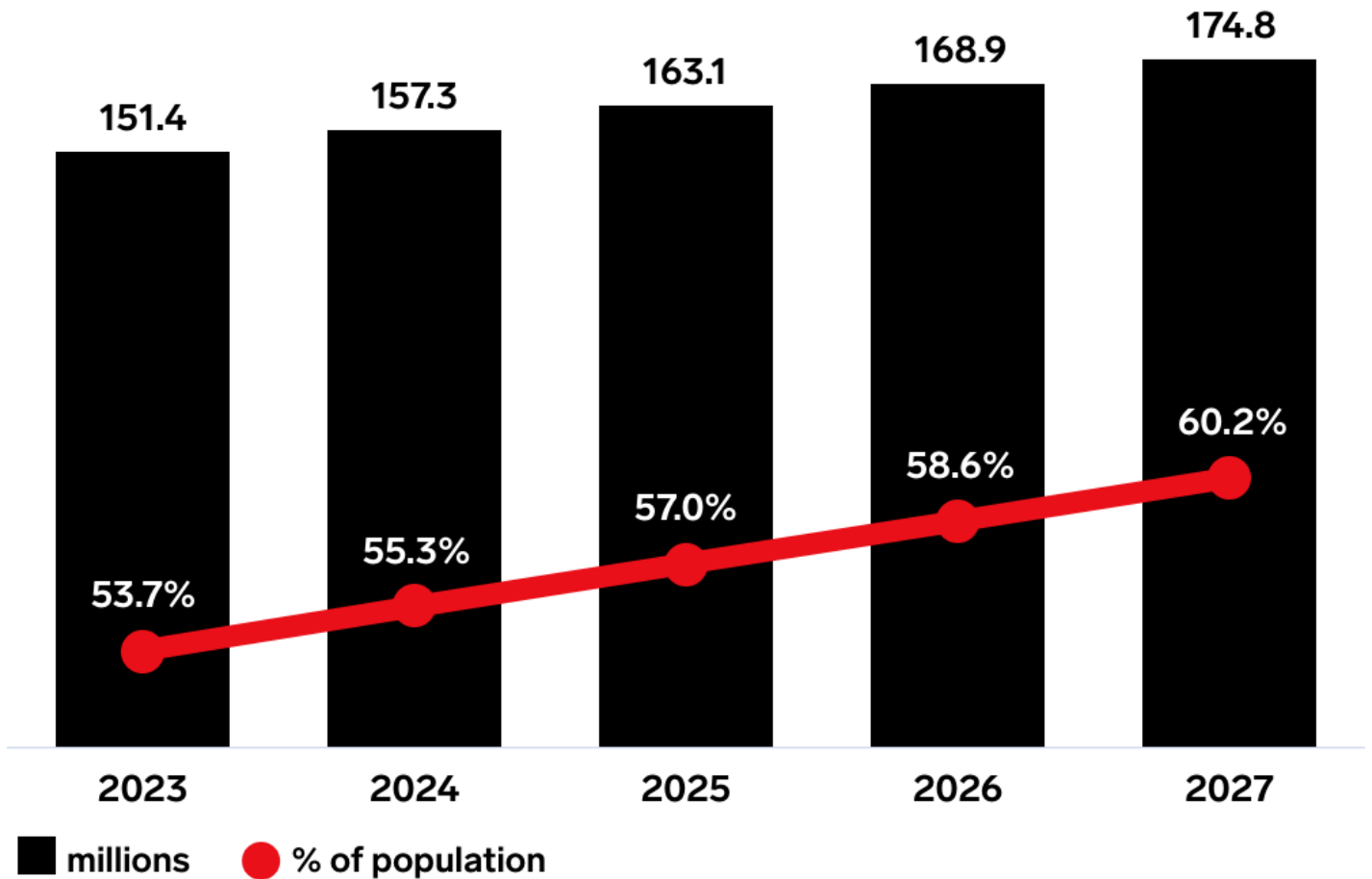
Why it matters for payments providers: Payment providers want to capitalize on the booming in-car payments market, especially as more automakers make these payments accessible to consumers.

- We expect 151.4 million people will drive connected cars this year, per our forecast. Of those, 45.5 million drivers will use Apple CarPlay—edging out Android Auto users, at 29.9 million.

- And as connected cars grow, so will car payments: the connected-vehicle payments industry will reach **\$600 billion** by 2030, per consulting firm Ptolemus.

Connected Car Drivers

US, 2023-2027



Note: ages 14+; licensed drivers who drive a connected car and have accessed its internet enabled features at least once in the past year

Source: Insider Intelligence | eMarketer, August 2023

Insider Intelligence | eMarketer

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