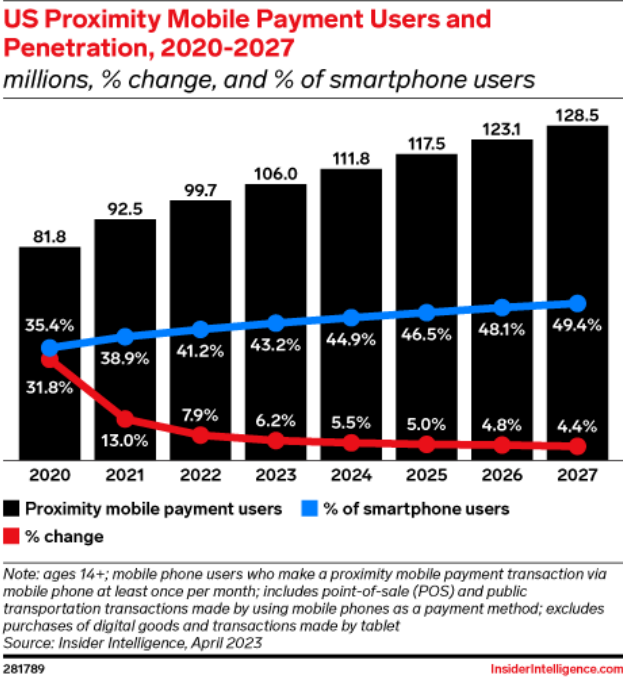


Proximity mobile payment user growth is entering a more mature phase as the technology finally mainstreams

Article

By the end of 2027, almost half of smartphone users will be making proximity mobile payments on a monthly basis, per our forecast. But that high penetration means slower user growth: We expect a four-year compound annual growth rate (CAGR) of 4.9%. Here's what's impacting growth.

- **Younger users are boosting wallet adoption.** Of the 22.5 million new proximity mobile payment adoptees through 2027, 88% will be **millennials and younger**, per our forecast, with the vast majority coming from Gen Z. As this group ages and gains spending power, adoption will grow.
- **But last holdouts remain reticent, creating a drag on growth.** Adoption varies drastically based on consumers' level of comfort with technology: An October 2022 PYMNTS.com survey found that consumers with 2.4 connected devices on average adopted wallets at half the rate of consumers with 6.2 devices or more. This lower-tech cohort—many of whom are likely older—will need a push.
- **Features that stretch beyond proximity payments can attract both younger consumers and holdouts.** As major providers add support for IDs, keys, tickets, and more, proximity wallets will be enticing to consumers for reasons unrelated to payments—priming them to ease into payments usage down the line. More cutting-edge features will only magnify these advantages.



Read the full report.

Report by Jaime Toplin Jun 01, 2023

US Proximity Mobile Payments Forecast 2023

