

# Apple's state ID feature might catalyze Apple Pay use and bolster ecosystem engagement

Article

**The news:** Residents in eight states, including Arizona, Connecticut, and Georgia, will soon be able to add their state IDs and driver's licenses to the **Apple Wallet**, Apple confirmed in a press

release.

Apple plans to enable the feature in other states soon and said that the Transportation Security Administration (TSA) will accept the digital IDs for travel at select airport security checkpoints. The tech giant first [hinted](#) at plans to enable the feature back in June.

**The opportunities:** The digital ID feature can help boost **Apple Pay's US user base, which is expected to hit 43.9 million this year, accounting for 43.4% of all proximity mobile payment users**, [per](#) Insider Intelligence forecasts.

- **The digital ID feature might incentivize iPhone users to put credentials in Apple Wallet that eventually get them on board with Apple Pay.** Less than [40%](#) of iPhone owners use Apple Pay, giving the wallet a large untapped addressable market. The ID feature offers a variety of use cases—like verification for traveling or opening a bank account—which might be an attractive perk for users who may not have considered using Apple Wallet before. Converting them into Apple Pay users could bolster [volume](#) and increase Apple's share of US mobile payments.
- **And the feature can increase engagement within Apple Pay's ecosystem, which might boost adoption for other payment products.** Giving existing Apple Pay users another reason to use Apple Wallet keeps customers tied to its ecosystem. This can increase Apple's already strong brand loyalty and might make users more inclined to try out other Apple payment solutions, like the Apple Card—giving the tech giant a stronger foothold in the payments space.

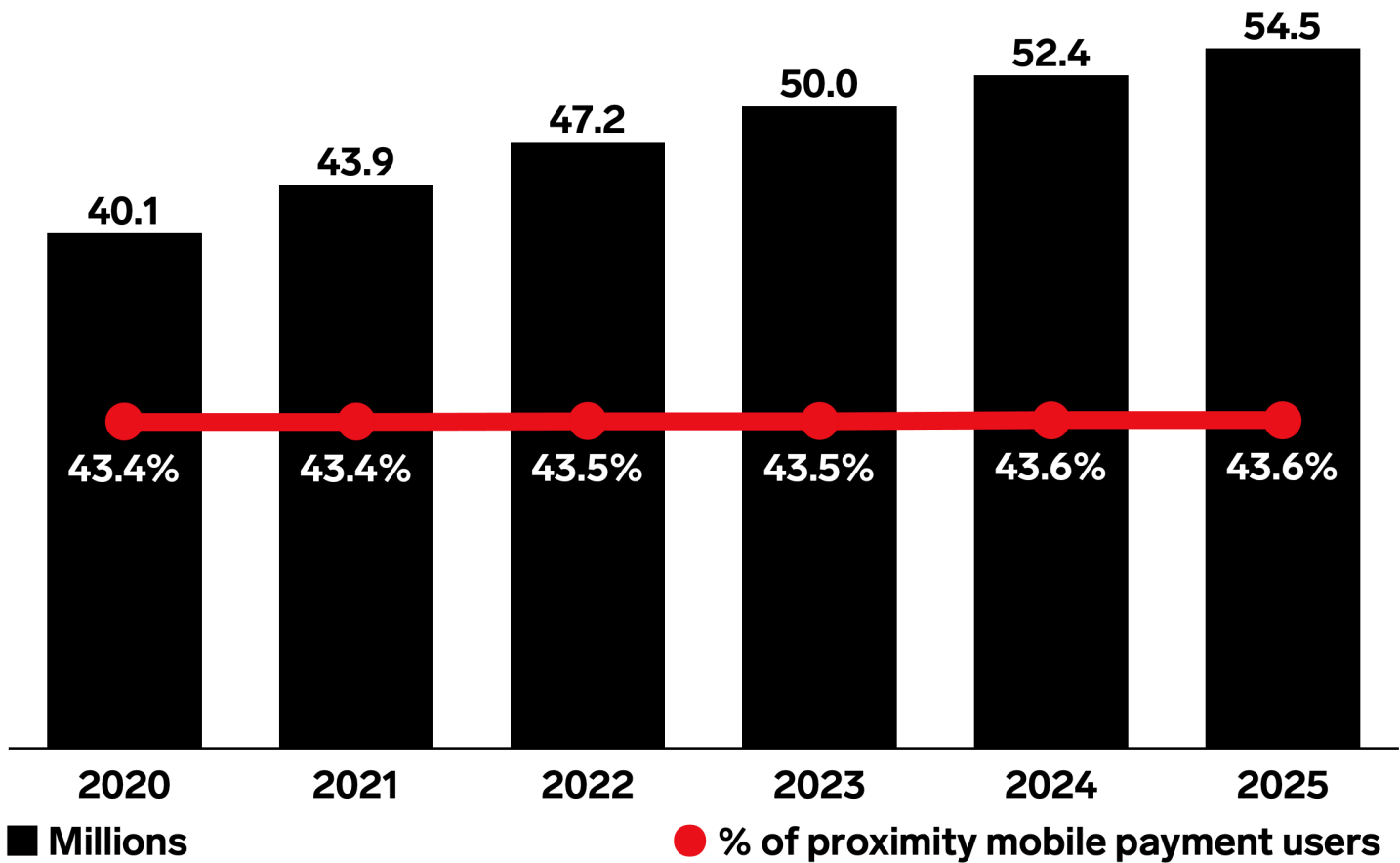
**The bigger picture:** Apple has launched and expanded several other Apple Wallet and Pay features—pointing to a broader customer acquisition and engagement push.

In August, Apple [expanded](#) its student ID feature, which lets students at participating universities add their student IDs to Apple Wallet. And Apple created shockwaves in July when rumors surfaced of [plans](#) to launch a buy now, pay later product for Apple Pay. Though the latter remains unconfirmed, it's clear that Apple is ramping up offerings that give customers more convenience and incentives to use its services—which may eventually help it close the gap between iPhone and Apple Pay users.

**Go deeper:** *If you want to read more about Apple Pay's growth ambitions and its position in the wider US payments market, check out our [US Mobile Payments Forecast 2021](#) report.*

# Apple Pay Users and Penetration

US, 2020–2025



*Note: ages 14+; mobile phone users who have made at least one proximity mobile payment transaction in the past 6 months using Apple Pay. A proximity mobile payment is a point-of-sale (POS) transaction made by using a mobile device as a payment method. Includes scanning, tapping, or swiping a mobile device at the POS to complete transaction; excludes purchases of digital goods on mobile devices, purchases made remotely on mobile devices that are delivered later on, and transactions made via tablets.*

*Source: eMarketer, March 2021*

*Methodology: Estimates are based on the analysis of the market presence of major mobile payment players; estimates from other research firms; and consumer smartphone, mobile payment adoption, and retail spending trends.*

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