

Apple embarks on push to bring more iPhone users into its payments business

Article

The news: Apple introduced a number of features and tie-ups to enhance its payments offerings and spur user growth.

Apple will let users add COVID-19 vaccine cards to the Apple Wallet.

- The integration builds on Apple's [previous efforts](#) to expand the wallet's use cases—like supporting [student IDs](#) and [insurance cards](#), per TechCrunch.
- The wallet could see an uptick in adoption among Apple users looking for a convenient solution to state governments [mandating](#) proof of vaccination to enter public establishments. Those new wallet users might then adopt it for payments as well.

The tech giant enabled a dynamic CVV feature for Apple Card users in iOS 15.

- Advanced Fraud Protection changes the CVV tied to the card each time it's viewed in the Wallet app or after it's auto-filled from Safari, per MacRumors. This makes it so that each transaction carries a unique CVV code, adding an extra layer of security.
- The feature can help create more trust among customers using Apple Card, especially for those who may have been wary following [outages](#) in the last few months.

Apple also forged partnerships to expand Apple Pay acceptance.

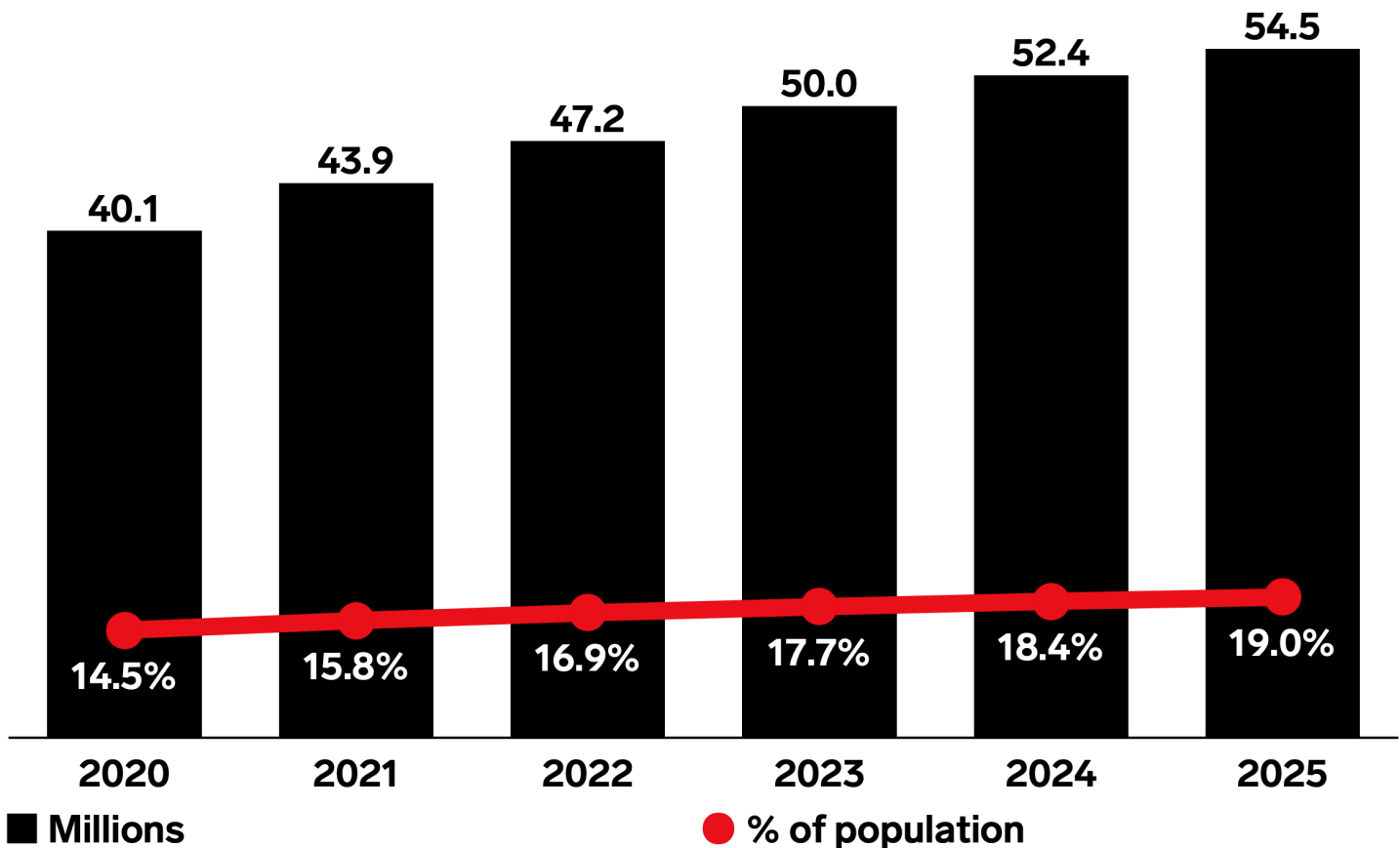
- Payment and expense management platform **PayHawk** now [lets](#) users add their Payhawk Visa card to Apple Pay, and fintech startup **wamo** [integrated](#) Apple Pay into its app so customers can make QR code payments with the mobile wallet. Cryptocurrency exchange **Kraken** also recently let users [purchase](#) crypto with Apple Pay.
- These tie-ups give Apple Pay users more spending touchpoints, which can help boost the wallet's payments volume.

The big takeaway: Apple's latest feature enhancements might push iOS users to adopt its payment offerings and help it gain a stronger foothold in the wider payments space.

Despite Apple's [leadership](#) position in the mobile payments space, the company still has a large addressable market to tap into—**less than 40% of iPhone owners use Apple Pay**, based on our forecasts. And the company has an estimated **6.4 million Apple Card users out of the 116.3 million iOS users** that it's expected to reach this year, [per](#) Insider Intelligence forecasts. Building out offerings with more convenient tools and improved security can help Apple close the gap between the number of Apple-branded payment users and iPhone owners.

Go deeper: For a closer look into Apple's payments ambitions, including growth opportunities, areas where it can improve, and how it stacks up against competitors, check out the [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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