

Greater Acceptance of Contactless Cards Has Led to Mobile Payment Growth in the US

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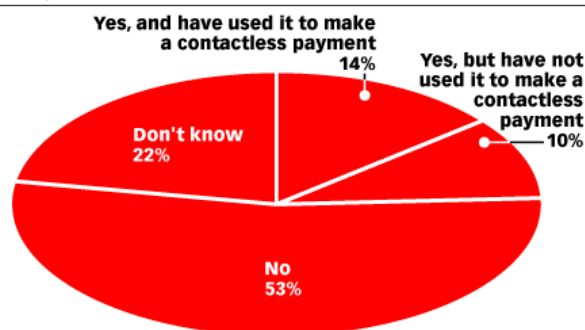
eMarketer Editors

The US has been relatively late in introducing contactless cards, which are credit or debit cards that include a near field communication (NFC) chip that can complete a transaction simply by tapping on a reader. But those cards are starting to arrive in the US now that most point-of-sale (POS) systems have the NFC capabilities to accept them.

According to a July 2019 study from [CreditCards.com](#) and [YouGov](#), of the US rewards credit card users surveyed, 14% said they own a contactless card and have used it to make a payment.

US Rewards Credit Card Users Who Have Contactless Credit Cards, July 2019

% of respondents



Note: ages 18+; numbers may not add up to 100% due to rounding
Source: CreditCards.com, "Rewards Cards" conducted by YouGov, Aug 15, 2019

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In markets where contactless cards were introduced early on—such as in Canada, France and the UK—the spread of these cards has impeded the growth of mobile payments. This is largely because contactless cards preceded the introduction of mobile payment platforms like Apple Pay and Samsung Pay. Consumers had already moved to the more convenient system (relative to existing credit cards) that worked in public transit and vending machines, for example—and so far, they have been less inclined to shift to yet another new system.

“Though it’s possible the same scenario could play out in the US, we anticipate the opposite effect,” said Yoram Wurmser, eMarketer principal analyst and author of our report, [“Mobile Trends 2020: 10 Trends to Monitor as 5G Ramps Up and Privacy Battles Loom.”](#)

“The spread of contactless capabilities will make it easier to make mobile payments,” he said. “The reason is that contactless cards work on the same NFC system that many of the major mobile payment platforms already use, including Apple Pay, Samsung Pay and Google Pay.

“The planned introduction of contactless cards has led most major retailers to update their payment systems to include NFC readers. It’s also enabled transit systems, such as New York’s subway system, to begin testing contactless payments.”

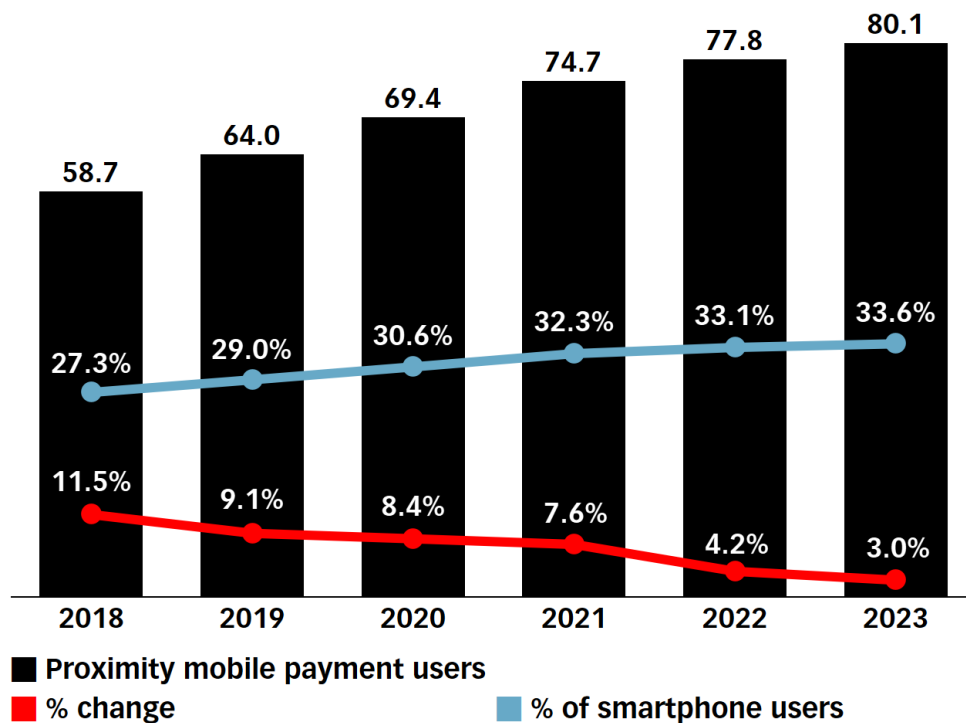
Early reports from the transit system suggest that 80% of taps have come via mobile wallets.

Unlike in the UK, where these changes led to a mass switch to the use of contactless credit cards, the switches in the US are happening after mobile payment platforms have already been introduced. The result is that one of the major roadblocks to mobile payment adoption—lack of compatible POS systems—is no longer an issue. It's a much more level playing field between contactless cards and mobile payment systems.

Greater acceptance of these systems by retailers and others has led to recent growth in mobile payments. We forecast that proximity mobile payment users will account for 30.6% of US smartphone users in 2020, equivalent to nearly 70 million people.

Proximity Mobile Payment Users in the US, 2018-2023

millions, % change and % of smartphone users



Note: ages 14+; mobile phone users who have made at least one proximity mobile payment transaction in the past six months; includes point-of-sale transactions made by using mobile devices as a payment method; excludes transactions made via tablet

Source: eMarketer, October 2019

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That's still a relatively small number, but as contactless options for transit and shopping increase, we expect that this number will continue to show healthy increases in 2020 and beyond.

eMarketer PRO subscribers can read more about the 10 key trends that will affect mobile marketing in 2020.

Report by Yoram Wurmser Dec 11, 2019

Mobile Trends 2020

MOBILE TRENDS 2020

10 Trends to Monitor As 5G Ramps Up and Privacy Battles Loom

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