



Apr 12, 2019 10:58 +08

Mobile payments in Vietnam fastest growing globally, Singapore fifth quickest in Southeast Asia

<i>Date</i>	12 April 2019
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Singapore, 12 April 2019 - Vietnam has seen the highest growth in mobile payments in the past year, according to the Global Consumer Insights Survey 2019 conducted by PwC.

The survey, which had over 21,000 respondents from 27 territories, showed that the percentage of consumers using these services in Vietnam increased to 61%, up from 37% in 2018. The 24 percentage point increase was also the largest in the six Southeast Asian countries that took part in the survey.

In Singapore, mobile payments climbed 12 percentage points from 34% in 2018 to 46% in 2019. Since the government began driving the way for digital payments in late 2017, this signifies a payoff in the efforts by the government and other mobile payments players.

In the rest of Southeast Asia also saw increases in mobile payments with Thailand up 19 percentage points to 67%, Malaysia up 17 percentage points to 40%, and Philippines up 14 percentage points to 45%, respectively. Indonesia reflected the slowest increase in the usage of mobile payments at just 9 percentage points to 47%.

In the Middle East, which was the second fastest growing in mobile payments adoption globally after Vietnam, the percentage increased by 20 percentage points to 45%. China remain unchanged at 86%. Across all territories, 34% of consumers paid for purchases using mobile payments, up from 24% a year earlier.

Shirish Jain, payments director, Strategy&, said:

“Asia remains the powerhouse in leading the customer shift to mobile payments with the report reflecting eight Asian nations in the top 10, and six are in Southeast Asia, as the results show. Vietnam, with its relatively low penetration in 2018, has registered the highest growth as mobile platforms demonstrate a significant increase in convenience over traditional means of commerce.

“This contrasts with Singapore that also shows strong gains. However, the sophisticated and established traditional ecosystem, as well as abundant and

potentially confusing number of choices in mobile payments can also slow down adoption.

“This finding highlights a timely confluence of four principal factors: stages of economic growth cycles driving affluence and disposable income; the availability of platforms that address local demographic needs including support for cash-on-delivery; the lower cost for retailers and providers; and a marked increase in convenience.”

Buying through social media

According to the survey, consumers in Asia are more socially engaged online than those in Europe and the Americas. Respondents in Thailand, Indonesia and Vietnam led the pack globally in making purchases directly through social media posts on platforms like Instagram and Facebook, with 50%, 49% and 48% of survey respondents indicating they do so, respectively.

Globally, only 21% of respondents made purchases directly through social media. Among product and service categories, the survey found that social media is most likely to affect purchasing decisions related to fashion.

Charles Loh, Southeast Asia Consumer and Industrial Products Consulting Leader, PwC, said:

“Social media platforms are already mature in Southeast Asia. The trend in online shopping, moving forward, is the consolidation of e-commerce players with fewer big players providing that gateway. There seems to be a consolidator present in every market.”

Voice technology

In the survey, 9% of global consumers said they use voice technology to shop online weekly or more frequently. As shopping by voice continues to catch on, companies should be thinking beyond mobile to consider how voice technology in homes, cars, and elsewhere will affect customer experience. The bar for brand leadership will continue to shift as organisations launch increasingly consumer-friendly technologies.

Charles Loh, Southeast Asia Consumer and Industrial Products Consulting

Leader, PwC, said:

“Voice technology is widely used in instant messaging communication platforms. It's only a matter of time that we see adoption here in Southeast Asia”

Ends.

Download the report series at www.pwc.com/consumerinsights

About Global Consumer Insights Survey 2019

The survey was conducted from August 2018 through October 2018. Respondents in each territory were chosen to reflect their nation's or location's profiles in terms of age, gender, employment status and region. The 2019 study includes Australia, Belgium, Brazil, Canada, China, Denmark, France, Germany, Hong Kong, Japan, Indonesia, Ireland, Hungary, Malaysia, the Middle East, the Netherlands, the Philippines, Poland, Russia, Singapore, South Africa, Spain, Switzerland, Thailand, the UK, the US and Vietnam. Survey questions were translated and made available in 19 languages.

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