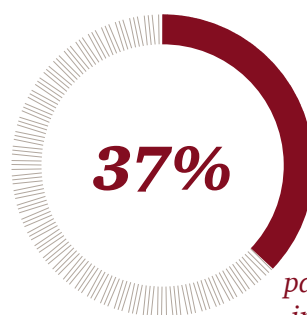


The results suggest that, from the customers' perspective, the market fragmentation is a major impediment to customers' mobile payment acceptance in Germany. The design of the market infrastructure lies primarily in the providers' hands, and the customers ask them to collaborate more and develop a nationwide solution for mobile payment. It is worth noting that fewer respondents agree to the statement "I would use mobile payment (more often) if I had more possibilities of paying with my smartphone in shops or online shops". This implies that it is not so much a matter of giving them more opportunities to pay, such as more NFC terminals. Rather, the respondents are dissatisfied with the existing offering, i.e. the rich variety of different mobile payment solutions and the fragmented market. In particular, they want standards and not just the technology that enables the use of (too) many different mobile payment solutions.

Such collaboration is hard if not impossible to achieve due to the rich variety of different market participants, ranging from mobile network operators (MNOs), smartphone manufacturers, credit card organizations, banks, online payment providers, specialized payment providers, internet companies and various companies offering products or services backed by mobile payment.



*of respondents consider the widespread offering and acceptance of mobile payment to be one of the most important criteria for mobile payment acceptance.*

The customers also want a seamless mobile payment offering, as their high level of agreement to a payment solution that they can use "to pay both in a shop and online" shows. A seamless offering points to the desire for an integrated customer journey that includes a shopping experience with embedded mobile payment across the online and more traditional (in-store) channels. The respondents' request also calls for a simplification of the customer journey and to one and the same mobile payment method in shops and online. It will be further discussed as part of the integrated service offering below.

To sum up, the mobile payment market in Germany is characterized by a high degree of fragmentation and little collaboration among the vast number of different participants, both within the provider and merchant groups, and across these groups. Apart from a few exceptions, providers have started their own initiative with different technologies, but no single standard so far. Researchers confirm that a breakthrough requires standards<sup>5</sup>. If there is no real standard or a proper infrastructure in place, mobile payment is not likely to achieve widespread customer acceptance in Germany and will remain a niche offering. It represents

no real alternative to competing payment methods like cash or girocards that offer a high degree of convenience for consumers and are standardized through widespread merchant acceptance.



The present rich variety of different mobile payment apps and services in Germany is likely to confuse the customer, which can be a major impediment to mobile payment adoption. Conversely, if the mobile payment infrastructure is designed in a way that it is attractive for customers to use mobile payment, they are more likely to use it.

<sup>5</sup> Cf. Moormann, J. (2016): Mobile Payment – der Kampf um den Kundenkontakt, in: AnlegerLand 2016, p. 40.