
Introduction

Smartphones have become an indispensable and virtually irreplaceable part of many people's increasingly digital lifestyles. In fact, most of us cannot imagine living without their smartphone as their daily companion, organizer, communicator and entertainer any more. Just as they disrupted photography and displaced private film and photo cameras, they have a disruptive potential of displacing people's wallets so that they no longer need to carry cash nor a multitude of different cards in their pockets. This is the theory. The reality looks different: In view of many smartphone owners' almost 'permanent' use of their device, it seems rather surprising that smartphones are not yet widely used for payments in Germany. Instead, Germans still prefer cash over any other payment method and even today, mobile payment is eking out a niche existence – in contrast to other European countries.

The present report aims to analyze what really matters to customers with regard to mobile payment. It seeks to explore factors that are highly relevant for mobile payment adoption in Germany, a country with a highly fragmented mobile payment market and a great variety of providers.

In this report, mobile payment is defined as a payment for goods or services with a smartphone and without cash. Mobile payment can occur in the following situations:

- At a stationary point of sale (POS), such as shops, gas stations or drug stores;
- At a (vending or ticketing) machine;
- On a mobile website;
- In a smartphone app with an integrated payment function.

A special case of payment with a smartphone is the transfer of money between people, also called person-to-person (P2P) payments.

The report is based on a representative survey of over 1,000 consumers in Germany done by market research institute Kantar EMNID in Q4 2016 and Q1 2017.

We believe that the future looks promising for mobile payment acceptance in Germany and that mass market acceptance will come as an evolution – not revolution.

Please reach out to us for a discussion about the results of this report.

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