

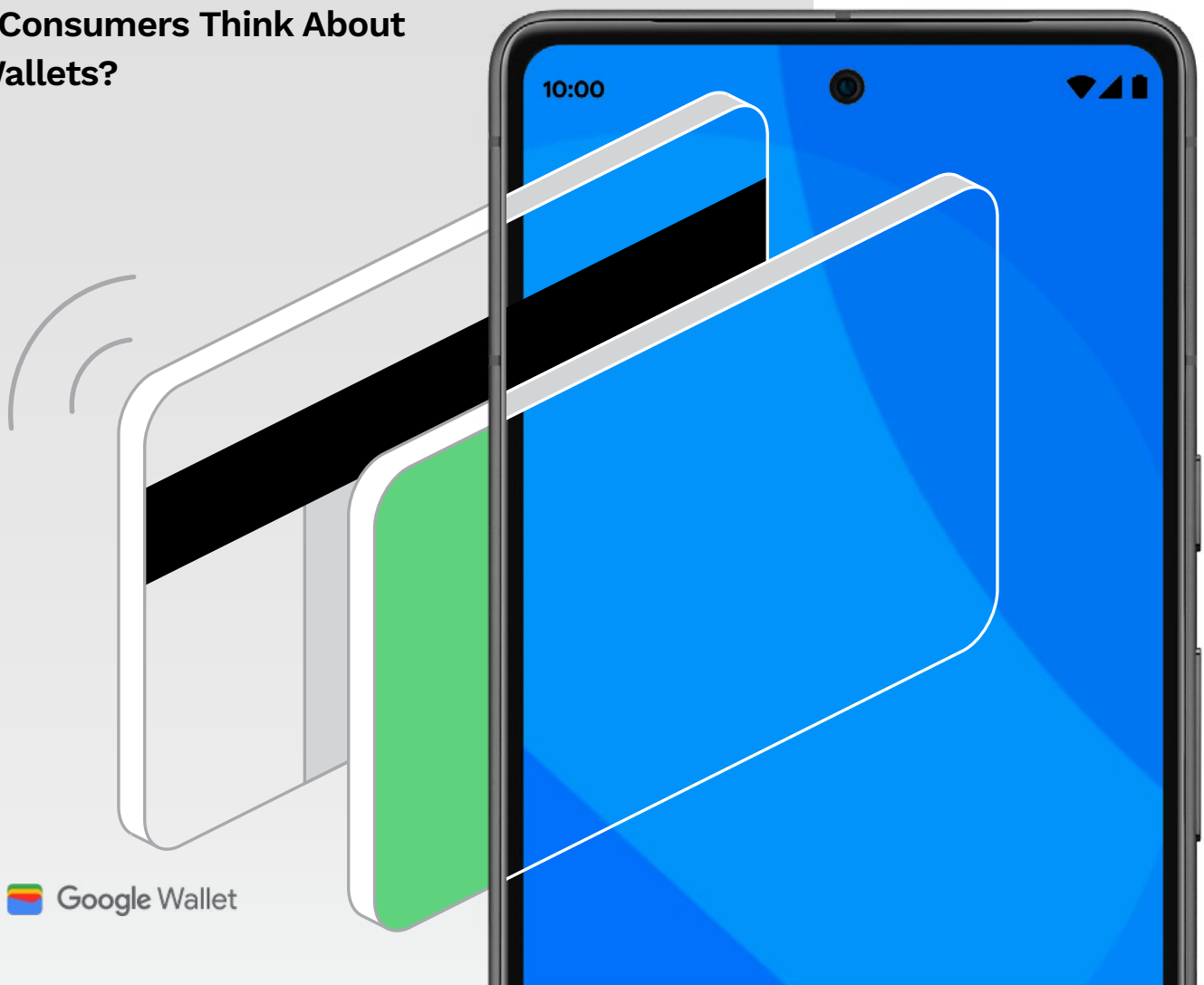
Digital Wallets

Beyond Transactions

Awareness and Knowledge

September 2024 Report

How Do Consumers Think About
Digital Wallets?



Digital Wallets Beyond Transactions

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■ September 2024
**Digital Wallets
Beyond Financial Transactions:**
Brazil Edition

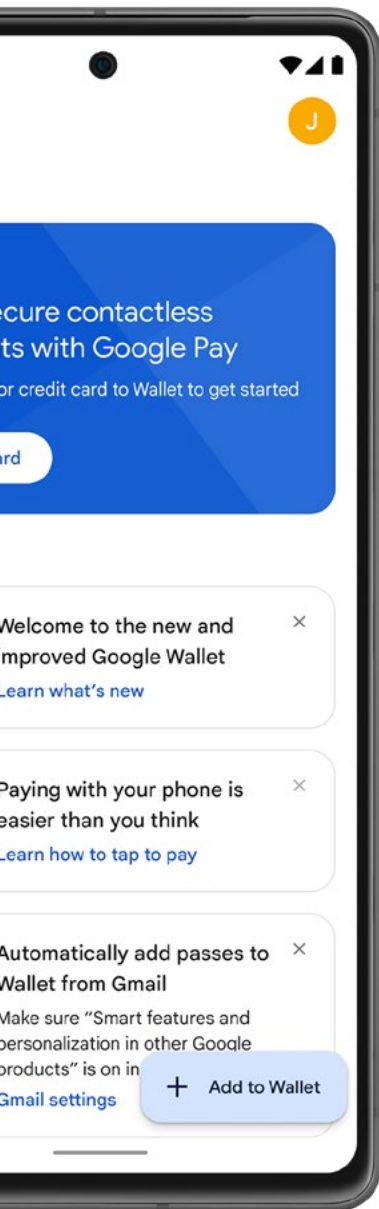


Digital Wallets Beyond Financial Transactions: How Do Consumers Think About Digital Wallets? was produced in collaboration with Google Wallet, and PYMNTS is grateful for the company's support and insight.

PYMNTS Intelligence retains full editorial control over the following findings, methodology and data analysis.

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WHAT'S AT STAKE



Across the five countries in our global study — Brazil, France, Germany, the U.K. and the U.S. — consumers are getting to know digital wallets. Most consumers in these countries are familiar with the digital wallets in their pockets or purses. In the U.S., for example, 85% say they know about digital wallets. Although France and Germany had the highest rates of unfamiliarity with digital wallets, still, at worst, around 3 in 4 local consumers know about digital wallets. And in Brazil, where digital wallets are used for multiple purposes, just 7.8% of consumers say they lack familiarity with them.

Familiarity does not necessarily equate to deep understanding, however, and our research finds that digital wallets are often confused with other digital platforms despite consumers' awareness.




Across our five-country sample, only 1 in 10 consumers were able to distinguish digital wallets from other types of platforms, such as digital banking apps. Additionally, the correct terminology of “digital wallet” is missing from many consumers' lexicon — even though these individuals may already be using the wallets.

Ultimately, consumers' confusion reveals a disconnect between the technologies they are using and their understanding of them. This suggests that further education on digital wallets' meaning and potential could be key for consumers — and digital wallet providers who are positioned to benefit.

These are just some of the findings detailed in Digital Wallets Beyond Transactions: How Do Consumers Think About Digital Wallets?, a PYMNTS Intelligence report produced in collaboration with Google Wallet. The sixth in its series, this brief examines consumers' awareness and the potential of digital wallets and draws on insights from a survey of 12,229 consumers across five key markets conducted from Jan. 11 to Feb. 5.

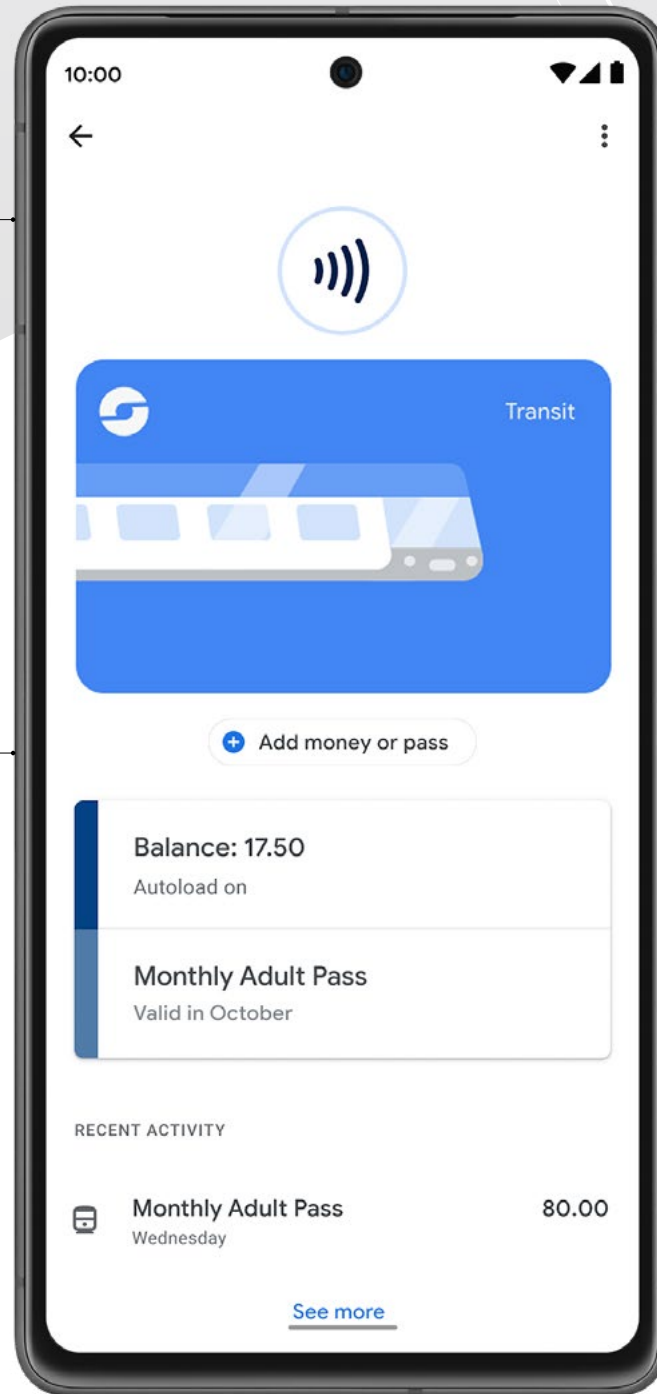
Digital wallets can be used for...

DIGITAL PAYMENTS






-  Purchases
-  Bills
-  Fund transfers

DIGITAL VERIFICATION

-  Driver's licenses (where available)
-  Government IDs (where available)



DIGITAL ACCESS

-  Keys (car keys, hotel keys, etc.)
-  Transportation passes or tickets
-  Event tickets
-  Boarding passes
-  Rewards cards

KEY FINDINGS

It's official: Nearly 9 in 10 consumers globally are familiar with digital wallets.

Consumers typically already walk around with their digital wallets with them — on their devices, often in their pockets. This offers a unique level of access for most consumers, and data shows that at least some knowledge of digital wallets is commonplace. Looking closer at the nuances among the five countries we studied, U.S. consumers show levels of familiarity close to the global sample average. Just 15% of U.S. consumers are unfamiliar with digital wallets. Brazil, in turn, has the highest levels of familiarity, with only 7.6% saying they do not know what digital wallets are. U.K. consumers follow closely, with just 9% unfamiliar with digital wallets.

In continental Europe, consumers are somewhat less familiar with digital wallets. Consumers in France and Germany are the least familiar: 26% and 19% of consumers from each country, respectively, report they do not know what digital wallets are.

The data also reveals a potential conflict, however, as digital wallet usage rates are still high in France and Germany. What does that tell us? Some consumers in these two countries are using digital wallets without knowing what they are called. To these consumers, the digital wallet is likely just another app on their phone.

Generational differences are also notable, although the data ultimately suggests that consumers of all ages are becoming familiar with digital wallets. Digitally savvy Gen Z and millennial consumers lead the way, perhaps unsurprisingly, in both digital wallet usage and familiarity. Data confirms that digital wallets have not reached baby boomers and seniors as much; in fact, they are more than twice as likely to be unfamiliar with digital wallets.

However, the reality is that consumers of all ages have more familiarity with digital wallets than not. For example, 86% of Gen X consumers and 78% of baby boomers and seniors are familiar with digital wallets.

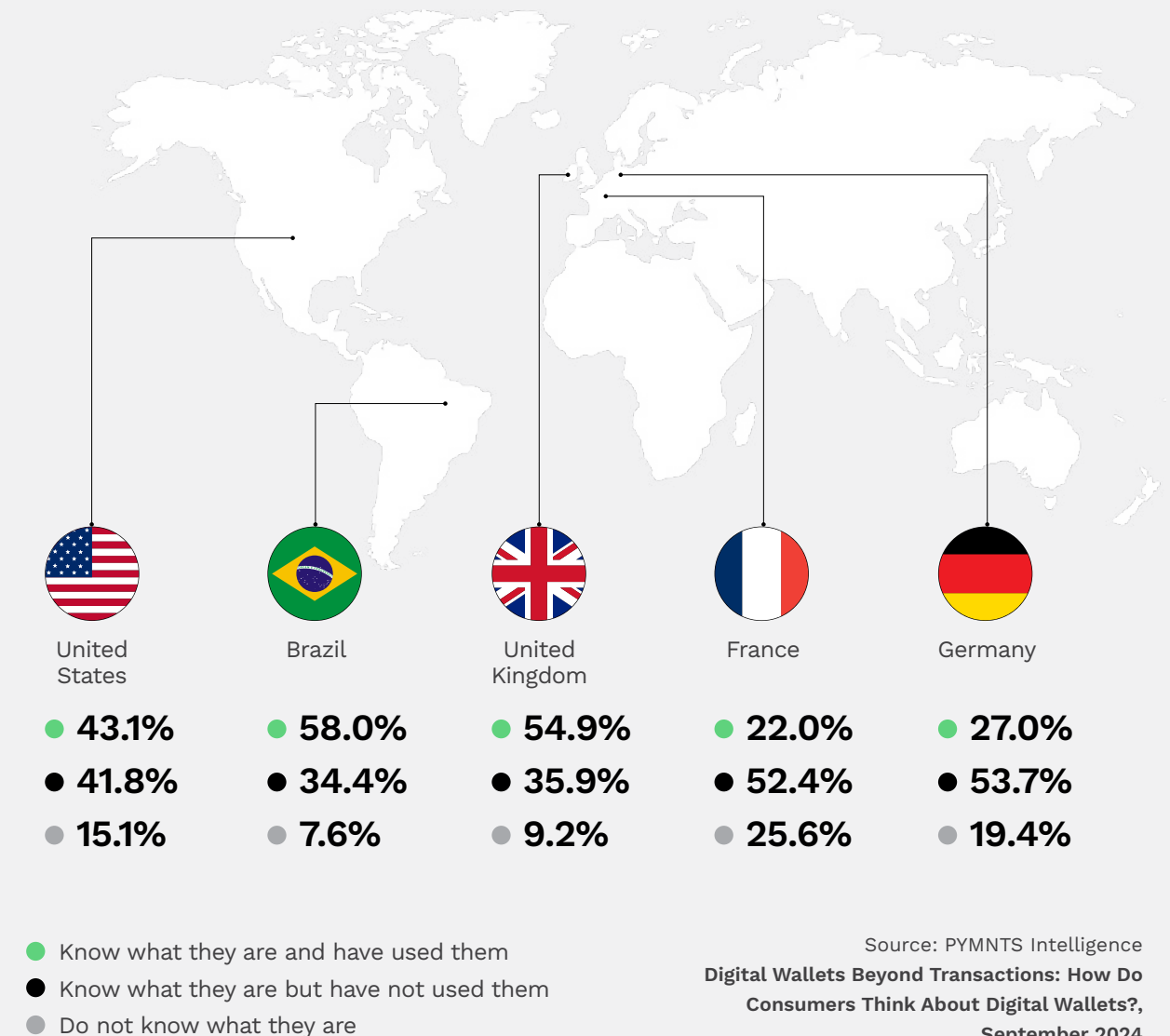
86%

of consumers across the five countries studied
 — **Brazil, France, Germany, the U.K. and the U.S.** — are familiar with digital wallets.

FIGURE 1:

Global familiarity with digital wallets

Share of consumers citing select levels of knowledge of digital wallets, by country

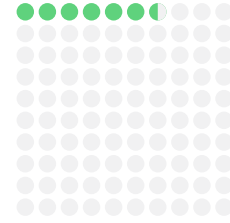


Source: PYMNTS Intelligence
 Digital Wallets Beyond Transactions: How Do Consumers Think About Digital Wallets?,
 September 2024
 N = 12,229: Whole sample,
 fielded Jan. 11, 2024 – Feb. 5, 2024

Consumers are aware of digital wallets, but they are much less successful at correctly identifying platforms as digital wallets.

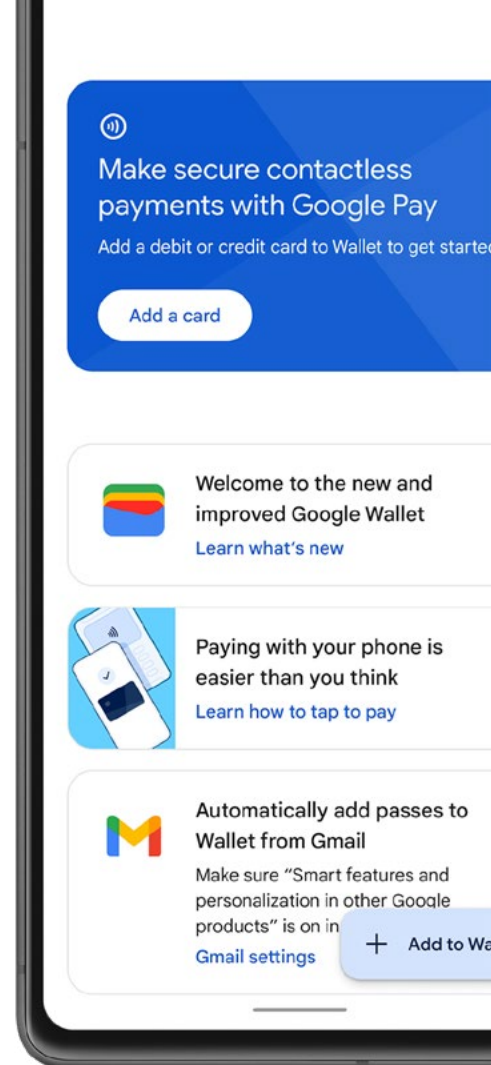
Across the five countries studied, consumers were largely familiar with digital wallets and using them. However, when consumers were asked to identify digital wallets as a platform it was a different story. Digital wallet platforms such as Apple Wallet, Google Wallet and Samsung Wallet are often confused in consumers' minds with other technologies that can be used for payments. Only 1 in 10 were able to accurately distinguish digital wallets from other types of platforms, such as digital banking platforms.

Among the countries studied, the U.K. and the U.S. were the most likely to correctly identify digital wallets. Consumers in Brazil, however, were the least likely to do so, even though they were most likely to use digital wallets overall. These kinds of paradoxes are running themes in our research.

6.5% 

of Gen Z **correctly identified digital wallets** out of other apps.

For example, across all studied markets, Gen Z consumers are typically digital wallet users — so much so that in some countries, such as the U.S., some are leaving their physical wallets totally behind and using only digital wallets. Despite this high use, Gen Z actually performed the worst when it came to successfully distinguishing digital wallets from other platforms. Only 6.5% of Gen Z consumers correctly differentiate digital wallets from other apps, while this number is highest among Gen X, at 12%.



 **16%**

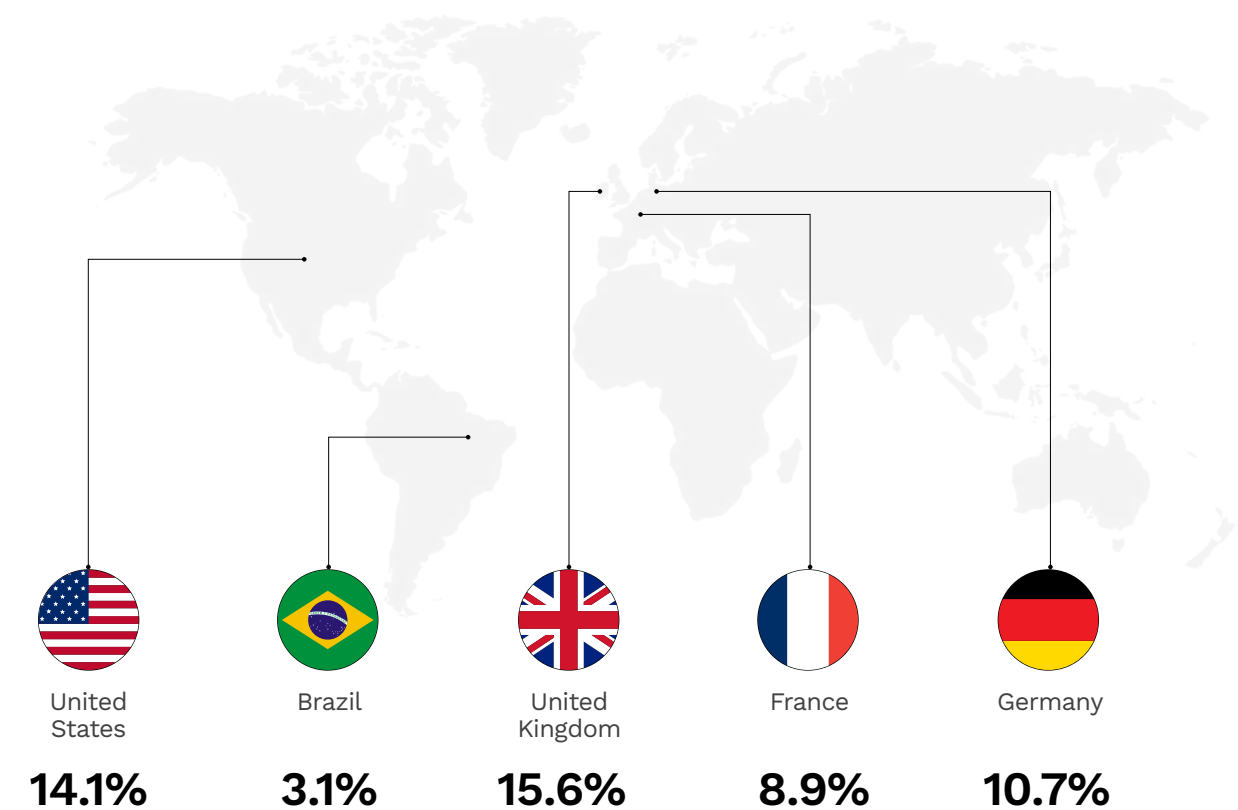
of all consumers studied **have used a digitally stored screenshot** as ID — not a properly stored digital wallet credential.

This conflicting data suggests that consumers may not have the correct knowledge of digital wallet terminology. Or, perhaps in the case of Gen Z, not enough familiarity with other types of platforms to tell them apart from the digital wallets they know. This confusion can mislead consumers about how they are using digital wallets. Among all consumers studied, 16% have used a digitally stored screenshot to identify themselves — not a properly stored digital wallet credential. Furthermore, 10% of this group — or 1.5% of consumers — might have thought they were identifying themselves using a digital wallet when they actually were not.

Conversely, a significant share of consumers is likely to say they have not used a digital wallet, but when a list of apps is presented, they can identify at least one digital wallet they have used in the last year. It is fair to say that there is a disconnect between how consumers use digital wallets and their comprehension of them.

FIGURE 2:
Identifying digital wallets

Share of consumers who perfectly identified which platforms are wallets and which are not



Source: PYMNTS Intelligence
Digital Wallets Beyond Transactions: How Do Consumers Think About Digital Wallets?, September 2024
N = 12,229: Whole sample, fielded Jan. 11, 2024 – Feb. 5, 2024

Consumers are typically able to identify traditional digital wallets, but they confuse them with other multipurpose platforms.

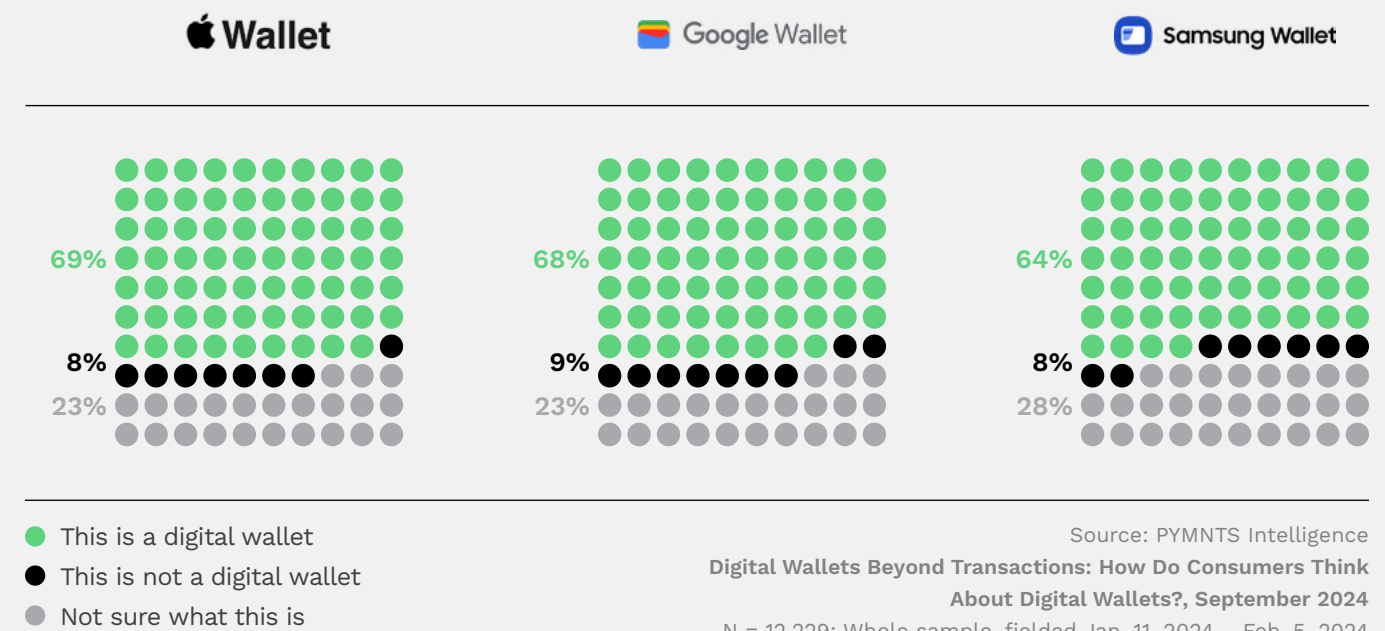
Most consumers know what a digital wallet is. Across the five countries, nearly 7 in 10 consumers correctly identified Google Wallet, Apple Wallet and Samsung Wallet as digital wallets. However, the remaining one-third of consumers were unsure or mistakenly thought that these were not digital wallets.

The confusion has something to do with consumer perceptions of other platforms. Consumers typically mistake digital banking apps for digital wallets. A slim majority of consumers — 51% — wrongly identified their banks’ mobile app as a digital wallet, and 41% did the same with credit card platforms. A smaller but still significant share also confused apps from insurance companies and other services with digital wallets. The data suggests that the many functionalities of these apps may contribute to the high levels of misidentification of digital wallets.

FIGURE 3A:

Can consumers identify a digital wallet?

Share of consumers reporting whether they think select platforms are digital wallets



7 out of 10

consumers **correctly identified Google Wallet as a digital wallet**, mirroring their recognition of other top wallets.

FIGURE 3B:

Digital wallets and other platforms

Share of consumers reporting whether they think select platforms are digital wallets



Mobile app from my bank



Mobile app from my credit card company



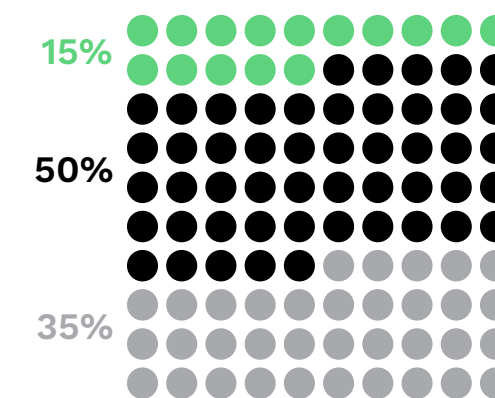
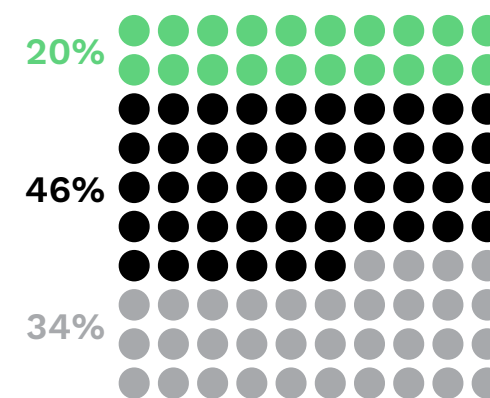
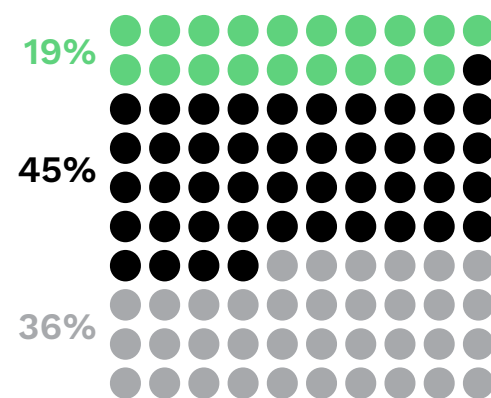
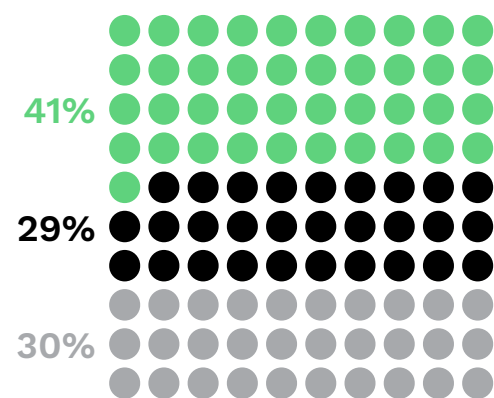
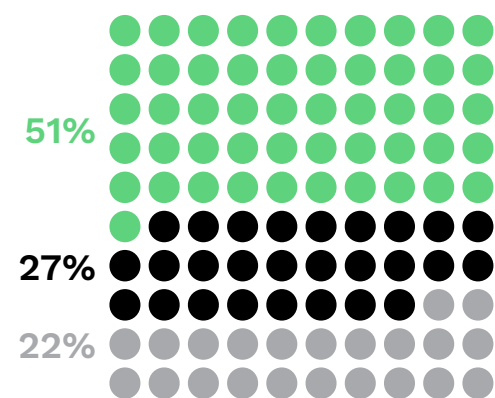
Mobile app from my auto insurance company



Mobile app from my health insurance provider



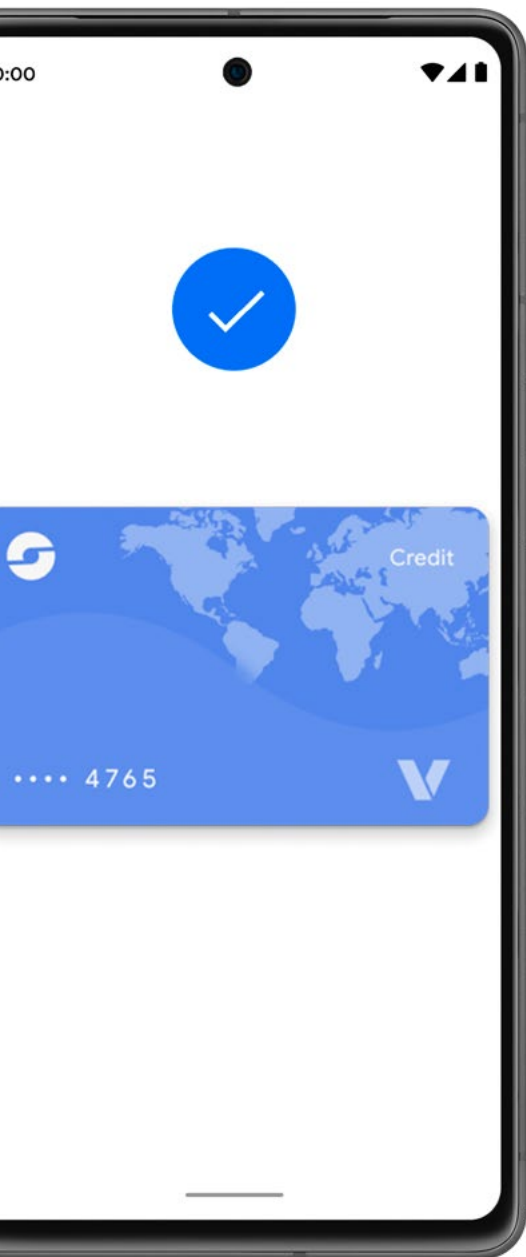
Mobile app from my electric company



- This is a digital wallet
- This is not a digital wallet
- Not sure what this is

Source: PYMNTS Intelligence
 Digital Wallets Beyond Transactions: How Do Consumers Think About Digital Wallets?, September 2024
 N = 12,229: Whole sample, fielded Jan. 11, 2024 – Feb. 5, 2024

CONCLUSION



Digital wallets have taken a stronghold in the consumer consciousness. Among the five countries we studied, most consumers are familiar with digital wallets — and some are using them without knowing the terminology “digital wallet.” Consumers, however, have some confusion when it comes to identifying a digital wallet from other platforms, such as digital banking. While digital wallet usage is taking off across populations, digital wallet providers will need to invest in getting consumers familiar with the technology they so seamlessly turn to.

METHODOLOGY

Digital Wallets Beyond Transactions: How Do Consumers Think About Digital Wallets? is based on a survey of 12,229 consumers in five key countries (Brazil, France, Germany, the U.K. and the U.S.) conducted from Jan. 11 to Feb. 5. The report examines digital wallet use and awareness among consumers and its potential for future growth in key markets. The sample was balanced based on the countries’ census data, including demographics such as income, age and education.

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ABOUT

PYMNTS INTELLIGENCE

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Google Wallet

Google Wallet gives you fast, secure access to your everyday essentials. Tap to pay everywhere Google Pay is accepted, use loyalty cards, board a flight, and more, all with just your phone. Keep everything protected in one place, no matter where you go.

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