

SEHH2265 E-Business
Individual Assignment 1

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Introduction

Mobile payment is the transfer of funds made for a product or services in which a mobile device, such as a smart phone or a tablet, is involved in executing and confirming payment. As an important part of e-commerce, mobile payment not only allows users to use it as a paying method of buying goods in shops (B2C), but also allows users to use it to transfer money to friends or other people (C2C). For example, Payme, Alipay, FPS, etc., are commonly used, people are convenient in transferring money by using those platforms.

Current Development and Trend

Nowadays, the technology of mobile payment is becoming more mature. Mobile payment fasters the process of transactions that users need not count the cash and change but only pressing a few buttons. Also, the problems of security have been soothed. The mobile payment applications require different kinds of authentication, such as PIN, biometric, two-step authentication, etc., which reduce the risk of being hacked. For example, Alipay allows users to transfer money to other people or use it at shops for paying money. Every time the users need to pay, it requires users to enter PIN or use biometric for authentication.

Also, mobile payment is becoming more and more popular around the world. According to the statistic from Statista, the number of mobile wallet users soared from 65% to 89% between 2017 and 2018. Then it increased 2% from 2018 to 2020. It shows that the number of people using mobile payment continues to grow. This is the trend of changes in payment methods.

Pros and Cons

There are different pros and cons in using mobile payment.

First, for the pros, mobile payment helps people to stay in control of their spending. Most of the mobile payment applications would offer a monthly or even daily summary of the spending records with a graph. From the graph provided, users may know how the distribution of the transactions was and what kind of transaction category they spend the most. It can let people reflect about how they spend and change the spending habit in the long term.

Second, mobile payment brings convenience to users. People can transfer money quickly via mobile payment by only pressing a few buttons on their smart phones anytime and anywhere. Then the money will be transferred instantly. Also, mobile payment allows people bring only their smart phone. All the transactions can be done by only a smart phone but without cash or any cards.

On the other hand, for the cons, mobile payment makes people easily loss control of their spending. As above mentioned, it helps people to stay in control of their spending. However, the convenience brought by mobile payment may lead to people loss control of spending. It is because the money will be spent by only pressing a few buttons, it only takes a second and people may neglect how much they spent.

Moreover, mobile payment is easy to track. Every transaction that using mobile payment may leave a record, which makes people will concerned about the privacy. Though the records will not be posted publicly, there are still some risks that the record will be leaked or the government will use it for tracking citizens activities.

Future Potential

Transaction volume of mobile payments in Australia and selected countries in Asia in 2020 with a forecast for 2025

(in million U.S. dollars)

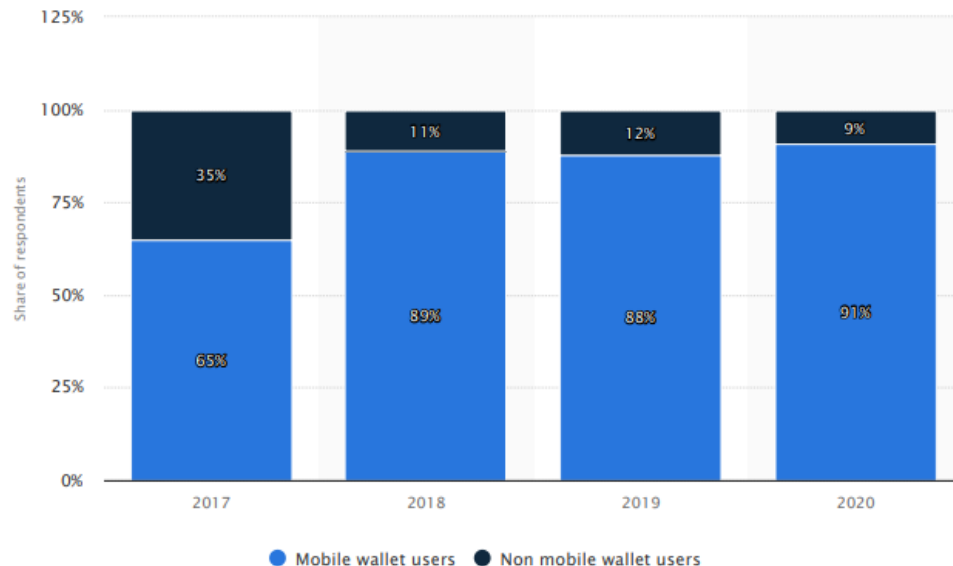
Search:	<input type="text"/>	Records:	13
Characteristic	2020	2025	CAGR (%)
China	3,377,408.9	5,344,518.5	9.6
India	167,579.8	401,690.4	19.1
Japan	166,019.1	310,889.9	13.4
South Korea	66,246.7	108,549.5	10.4
Pakistan	30,480.9	66,262.8	16.8
Taiwan - province of China	28,709.3	47,835.9	10.8
Australia	23,250.9	54,324.5	18.5
Indonesia	22,968.9	98,093.6	33.7
Philippines	13,145.3	59,312.4	35.2
Vietnam	11,906.8	44,049.2	29.9
Thailand	8,827.3	33,104.6	30.3
Malaysia	4,584.2	25,946	41.4
Singapore	1,161.2	7,565.7	45.5

Showing entries 1 to 13 (13 entries in total)

According to Statista, the transaction volume of mobile payments in different countries will all increase intensely from 2020 to 2025. We can infer that the transaction volume of mobile payments will also increase around the world. More and more people will use mobile payment to improve their life. The use of mobile payments will be more universal. As we may see that, Alipay is more common in Hong Kong. We can use it to buy goods and pay for MTR and bus fee. I am convinced that the development of mobile payment in Hong Kong or even around the world will be more progressive in the future.

User Acceptance

Share of mobile wallet users in Hong Kong from 2017 to 2020



From the statistics in Statista, 93% of the respondents are mobile wallet users in 2020, which is a very high percentage. It shows that most of the people accept to use mobile payment in Hong Kong.

Social Impact

To use the mobile payment, it requires people to have a smart phone. However, not everyone has a smart phone, such as the low-income people. They cannot use the mobile payment. Also, it requires people adapting to a new way of paying money. Elderlies may have difficulties while learning how to use the mobile payment applications. They may be not able to use mobile payment.

Conclusion

In conclusion, there are high potential for mobile payments to grow. The mobile payment will continue to play an ever-growing and significant role in the development of e-commerce. Let's look forward to the future and make good use of mobile payments to change our life.

(800 words)

Reference

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