

Digital Wallets



Brazil Edition

Beyond Financial Transactions

September 2024 Report



Digital Wallets Beyond Financial Transactions

PYMNTS
INTELLIGENCE



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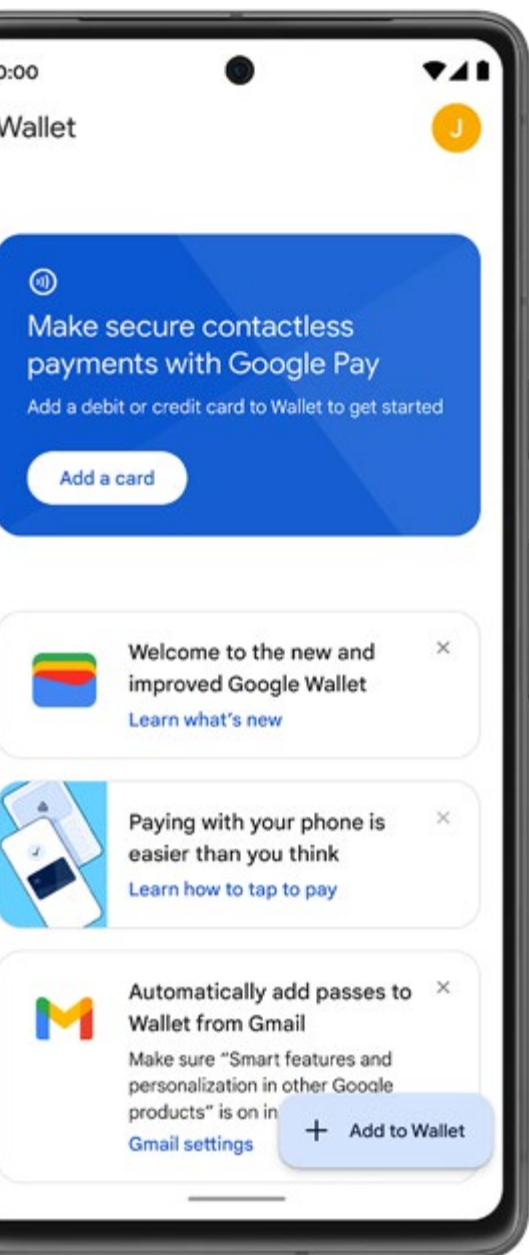


Digital Wallets Beyond Financial Transactions: Brazil Edition was produced in collaboration with Google Wallet, and PYMNTS Intelligence is grateful for the company's support and insight. PYMNTS Intelligence retains full editorial control over the following findings, methodology and data analysis.

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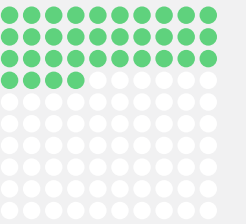
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WHAT'S AT STAKE



Among the five countries in our global study — with the others being France, Germany, the U.K. and the U.S. — Brazil's digital wallet use stands out. In Brazil, consumers are more likely to use their digital wallets to pay bills and less likely to use them for online purchases. Less than one-third (27%) of consumers in the country used digital wallets for online shopping, whereas in other markets, digital wallets are mostly used for online shopping. Brazil's baby boomers and seniors are using digital wallets more than their generation in other markets — not only for paying bills but also for online shopping.

34%






of consumers in Brazil say they are likely to use a digital wallet in the next three years to verify their identities — **a notably high share relative to other countries.**

A key detail is that consumers in Brazil are more likely than their counterparts abroad to use their digital wallets for nontransactional purposes, such as storing personal documents or IDs. Some of that may be cultural, as our study found that a notably high rate of local consumers needed to verify their identities. Many consumers in the country, however, say that issues with internet connectivity hinder access to such information when they need it.

These are just some of the findings detailed in Digital Wallets Beyond Transactions: Brazil Edition, a PYMNTS Intelligence report produced in collaboration with Google Wallet. The fourth in its series, this brief examines the use and potential of digital wallets and draws on insights from a survey of 2,101 consumers in Brazil conducted from Jan. 11 to Feb. 5.

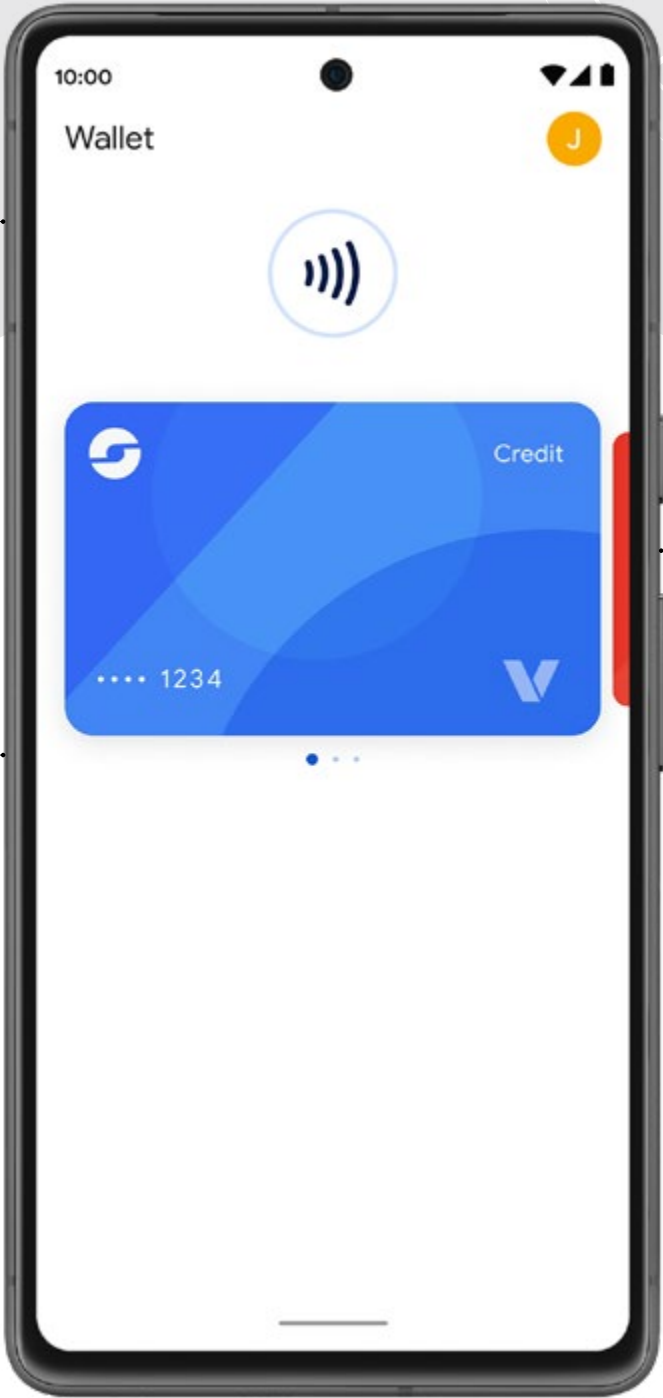
Digital wallets can be used for...

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

Nearly half of consumers in Brazil pay bills using digital wallets, and 29% use them for in-store purchases.

Brazil stands out among the countries we studied for its digital wallet use. Unlike their peers in France, Germany, the U.K. and the U.S., Brazilian consumers are more likely to use their digital wallets to pay bills and less likely to use them for online purchases. Almost half — 47% — of Brazil's consumers paid for bills with a digital wallet last year, data shows. Over the same time frame, just 27% of Brazilian consumers used digital wallets to pay for online purchases — a more popular use case in other markets.

Curiously, Brazil's older consumers are using digital wallets more than others — especially for paying bills but also for online shopping. When it comes to paying bills, 51% of the nation's baby boomers and seniors used digital wallets to do so. Brazil's Gen X consumers follow suit, with 51% paying bills with digital wallets. Conversely, just 36% of Gen Z consumers paid bills with digital wallets.

While Gen Z consumers are typically touted as digitally savvy, their life stage perhaps explains their reduced tendency to pay bills with digital wallets. In Brazil, baby boomers and seniors tap digital wallets more than younger consumers, however, when they online shop.

Nearly one-third (31%) of baby boomers and seniors online shopped using digital wallets, compared to just 20% of Gen Z and 25% of millennials in Brazil.

FIGURE 1:
Popular digital wallet transactions in Brazil
Share of consumers in Brazil who carried out select types of financial transactions using digital wallets in the past year, by generation

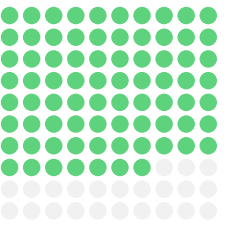
Source: PYMNTS Intelligence
Digital Wallets Beyond Financial Transactions: Brazil Edition, September 2024
N = 2,101: Complete responses from Brazil, fielded Jan. 11, 2024 – Feb. 5, 2024

	SAMPLE	Generation Z	Millennials	Generation X	Baby boomers and seniors
• Pay bills	47.4%	36.0%	48.7%	51.4%	50.8%
• Pay merchants for in-store purchases	29.3%	24.3%	27.5%	30.7%	35.4%
• Transfer funds to and from bank accounts	28.5%	18.7%	27.5%	33.0%	34.0%
• Pay merchants for online purchases	26.6%	20.4%	24.6%	31.6%	30.5%
• Send peer-to-peer payments	13.3%	13.0%	13.5%	14.6%	11.5%
• Split bills or payments	11.2%	10.9%	11.4%	9.2%	13.2%
• Tip a service provider (someone who gave me a ride, delivered a meal, etc.)	2.6%	5.0%	2.0%	2.7%	1.6%

Consumers in Brazil are more likely to use digital wallets for nontransactional reasons than consumers in other countries.

Consumers in Brazil are more likely than those in other countries to use digital wallets for nontransactional reasons, such as presenting a membership card or national ID. In Brazil, using digitally stored credentials that verify a person's identity or right to access a place or service are the most popular nontransactional ways consumers leverage digital wallets. Overall, 15% of consumers in Brazil have used their digital wallets this way. Millennials in the country, however, are doing a better job making the most out of their digital wallets, as 18% use them as such.

77%



of consumers in Brazil who used a digital wallet in the last year **to access events or services or for ID purposes** were very or extremely satisfied with the experience.

Further, 30% of consumers in Brazil have turned to digital wallets to store personal documents, including IDs or passes such as event tickets or hotel room keys. While such nontransactional uses of digital wallets are relatively popular in the country, 29% of local consumers report having issues with internet connectivity just when they need to access such information. That pain point notwithstanding, consumers in Brazil were the least likely to be plagued with fraud compared to consumers in other countries. The data suggests that while internet issues can be an obstacle, using digital wallets for important documents could be a potential safeguard.

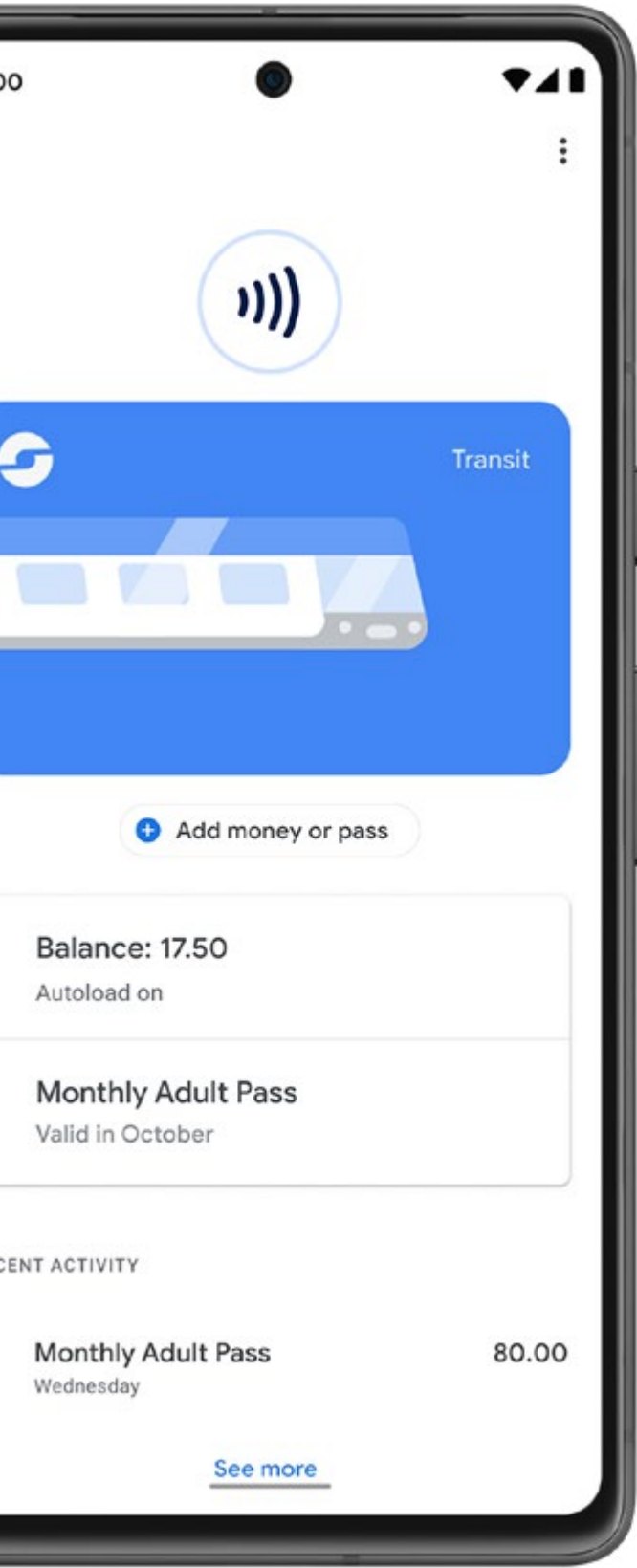
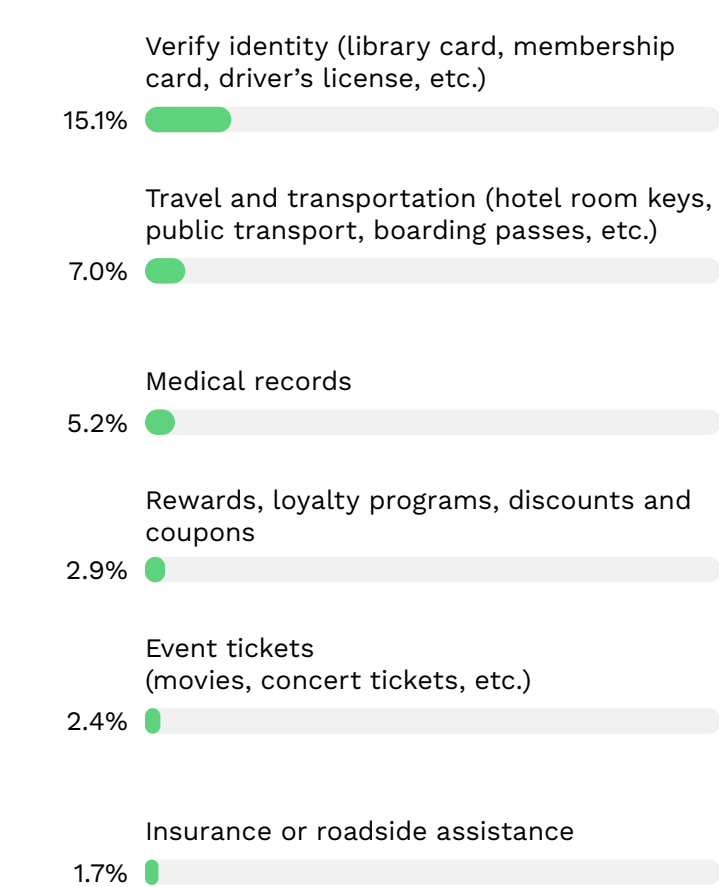


FIGURE 2A:

Nontransactional uses of digital wallets

Share of consumers in Brazil who have used a digital wallet’s stored credentials in nontransactional ways during the past year

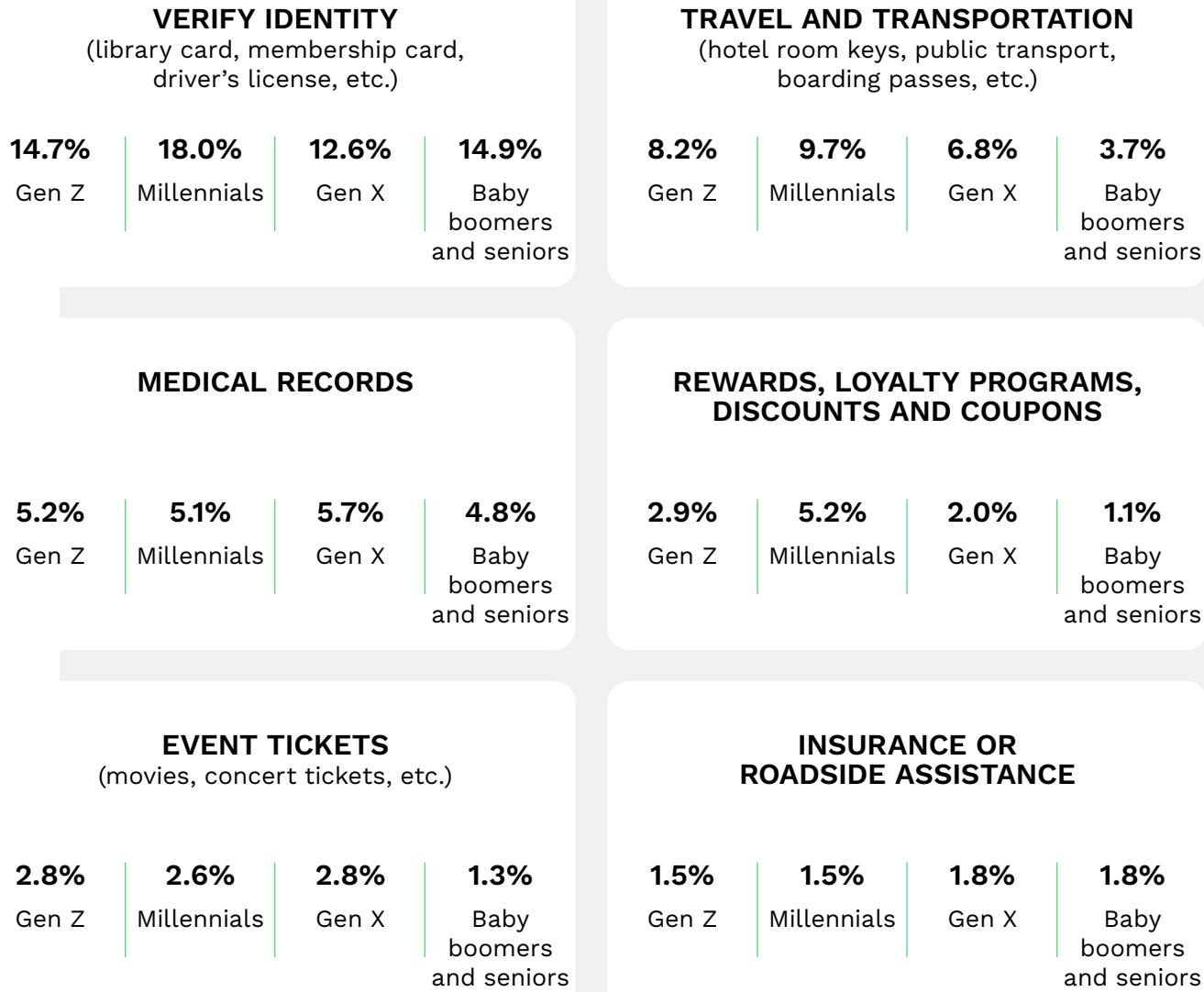


Source: PYMNTS Intelligence
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FIGURE 2B:

Nontransactional uses of digital wallets

Share of consumers in Brazil who have used a digital wallet’s stored credentials in nontransactional ways during the past year, by generation



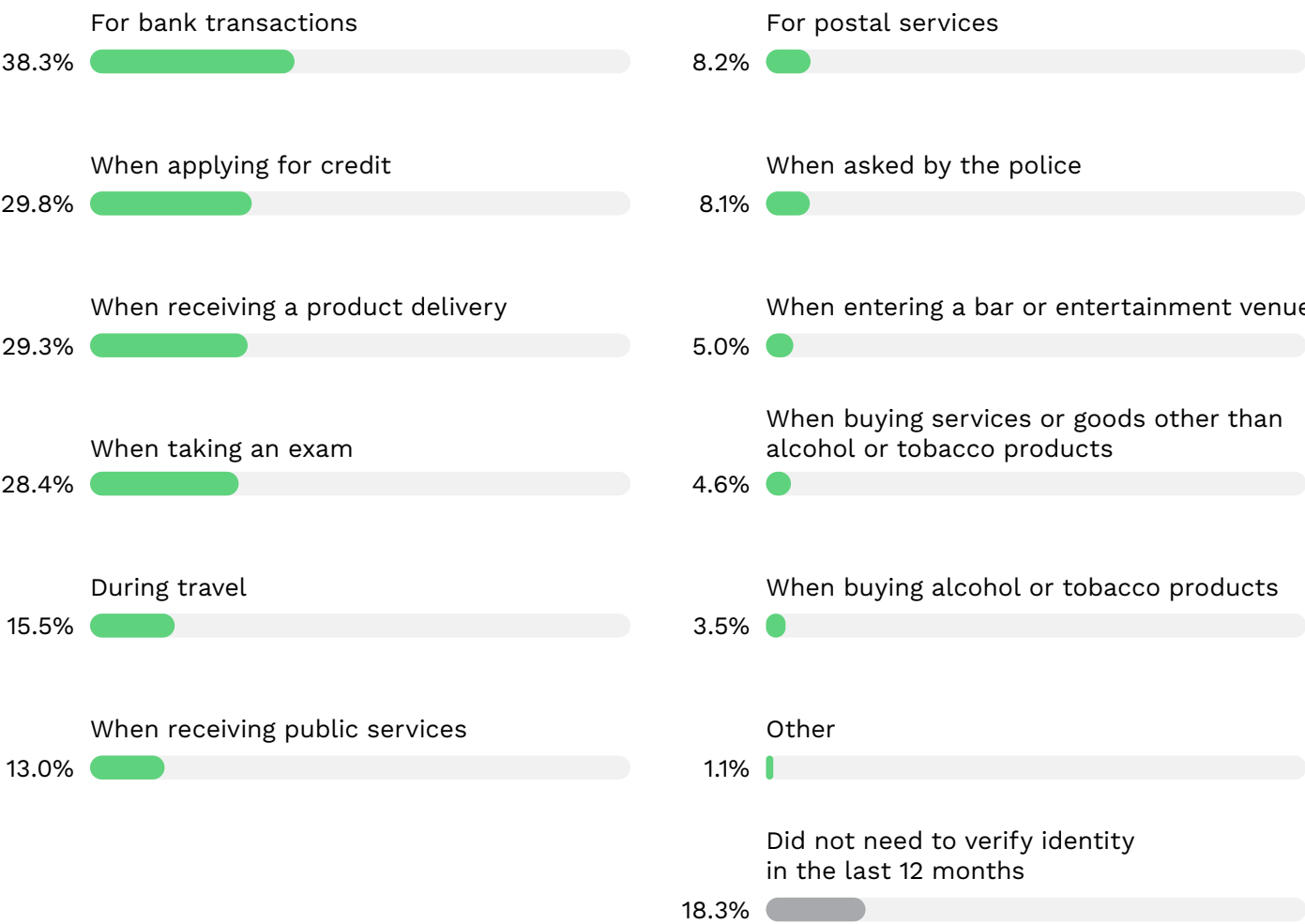
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More than 8 in 10 consumers in Brazil verified their identities in the last year, mostly for banking, accepting deliveries and taking exams.

In our study, the average consumer in Brazil needed to verify their identity more frequently than those in other countries. The most common reason was for banking transactions, for which 38% of consumers in the country showed their IDs. Other everyday needs presented reasons to verify IDs for consumers in Brazil: 29% needed to show ID to accept product deliveries, for example, and 28% needed to show their IDs when taking an exam.

In other countries, many ID verification checks can also be age checks — but less so in Brazil. Unlike their peer markets, where identity verification happens often for tobacco or alcohol purchases, only 4.6% of consumers in Brazil verified their identity for this reason last year. As expected, Gen Z consumers led the way, but even so, just 8.6% needed to show their IDs in Brazil to purchase tobacco or alcohol in the past year.

FIGURE 3A:
Identity needs of consumers in Brazil
Share of consumers citing select situations in which they needed to verify their identities in the last year



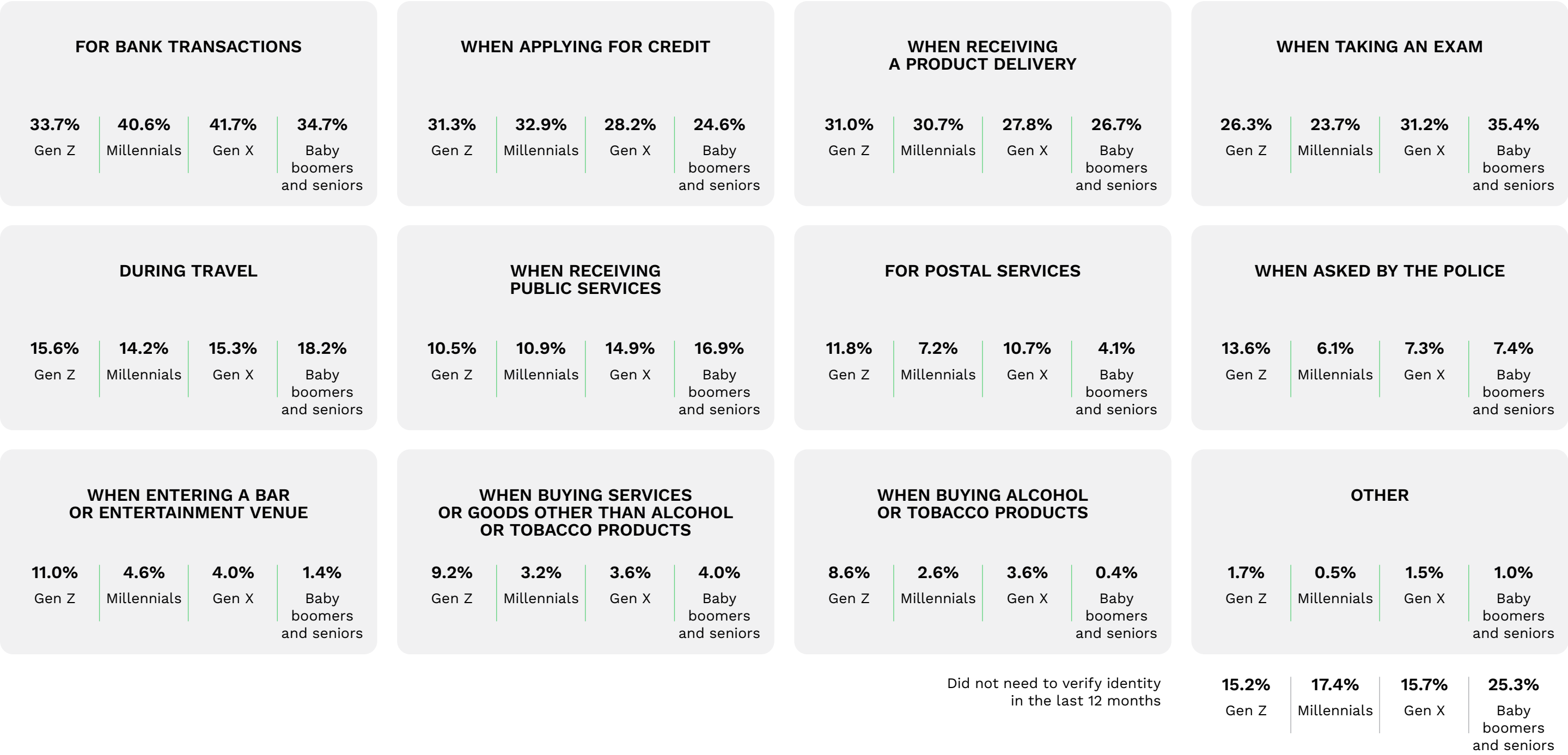
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FIGURE 3B:

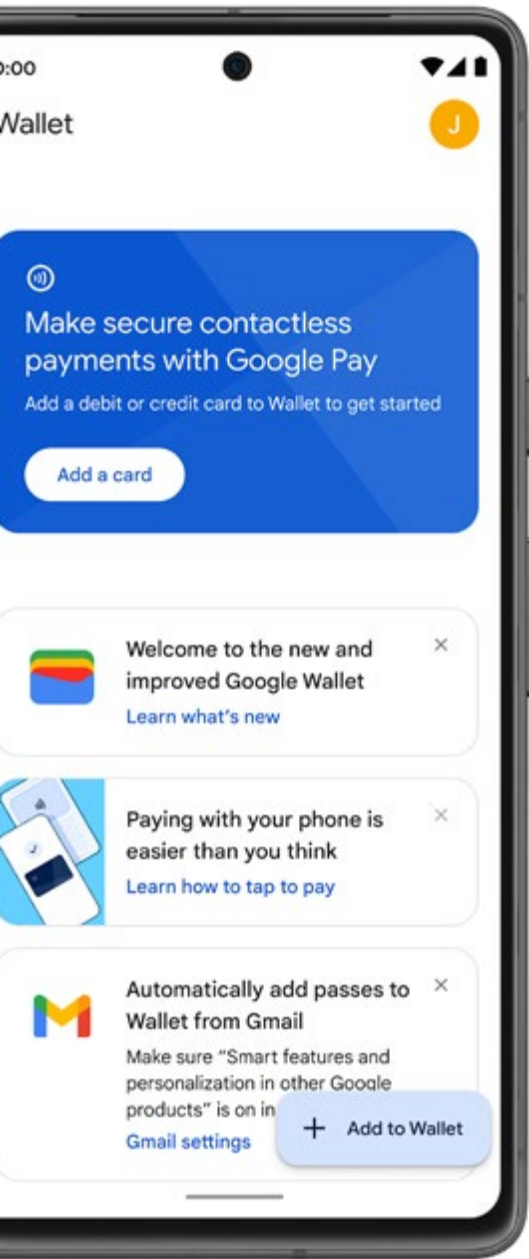
Identity needs of consumers in Brazil

Share of consumers citing select situations in which they needed to verify their identities in the last year, by generation

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CONCLUSION



Consumers in Brazil stand out among their peers for their digital wallet usage. While digital wallets are commonly used for online shopping in other markets, consumers in Brazil favor digital wallets most often for banking purposes. The country’s older generations, baby boomers and seniors, also use digital wallets more frequently than they do in other nations — even for online shopping. Overall, local consumers anticipate they will be using digital wallets not just for transactions in the near future but also for a common need: verifying identities.

METHODOLOGY

Digital Wallets Beyond Transactions: Brazil Edition is based on a survey of 2,101 consumers in Brazil conducted from Jan. 11 to Feb. 5. The report examines digital wallet use among consumers in Brazil and its potential for future growth in the country. The sample was balanced based on the country’s census data, including demographics such as income, age and education.

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ABOUT

PYMNTS INTELLIGENCE

PYMNTS Intelligence is a leading global data and analytics platform that uses proprietary data and methods to provide actionable insights on what's now and what's next in payments, commerce and the digital economy. Its team of data scientists include leading economists, econometricians, survey experts, financial analysts and marketing scientists with deep experience in the application of data to the issues that define the future of the digital transformation of the global economy. This multi-lingual team has conducted original data collection and analysis in more than three dozen global markets for some of the world's leading publicly traded and privately held firms.



Google Wallet

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We are interested in your feedback on this report. If you have questions, comments or would like to subscribe, please email us at feedback@pymnts.com.

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