

Data Journal 10 - 5 Individual stories

Ida Kathrine Jensen, idje@itu.dk

Karlís Buiko, kabu@itu.dk

Ludek Cizinsky, luci@itu.dk

Sofia Elena Terenziani, sote@itu.dk

Victor Popp Henriksen, vhen@itu.dk

28 November 2020

By Ludek:

For Whom the Bell Tolls - MobilePay?

According to the research conducted by the Statista Research Department in July 2020, 99 % of Danish people aged between 20 and 29 years use MobilePay. (Statista Research Department, 2020) In contrast, another survey published by the Statista Research Department shows that the most preferred method for e-commerce payments as of 2019 in Denmark is card payment (64 %), followed by MobilePay preferred in 23 % of cases. (Statista Research Department, 2020) Also, Rune Garborg, CEO of Vipps - Norwegian version of MobilePay, at the end of the year 2019 commented the entry of new competitors in payment services to Scandinavian countries: *We feel we are positioned to compete, but of course, competing against Apple, Google and other players is going to be harder and harder.* (Wass, 2019)

The contrasting numbers and concerns regarding the new competition led to the question: *How has MobilePay changed the way current university students in Copenhagen manage their payments?* There are two main findings summarized by one of the interviewees' experience: *Hm..., I use it a lot. [MobilePay] I do not use it for paying in the stores, it is only if I do not have my wallet, but I use it when we go out with friends or go to some party and need to split something.* First, students use MobilePay mostly for peer to peer payments, which for them replaced transferring money using cash. Second, a payment card or an alternative application (e.g., GooglePay) is preferred method over MobilePay for in-store payments. We first observed this behaviour at CBS campus: *At CBS, there was a separate terminal for payments through MobilePay, yet nobody decided to use this option to make a payment. Instead, most people used either a card or mobile phone to make a payment.* Interviews then showed that other methods for in-store payments are more convenient. For instance, one of the interviewees described his experience using GooglePay in the following way: *...Yes, GooglePay. I just double-tap.*

The findings imply that MobilePay has had an impact on the way students transfer money between each other. In contrast, a payment card remained one of the preferred methods for in-store payments, followed by newer methods such as GooglePay. This might lead to a conclusion that 99 % of danish people aged between 20 - 29 are using MobilePay, but in a limited way. In a broader context, limited usage means that MobilePay might lose its critical competitive advantage easier due to the relatively small impact it has on its users and a lower technical barrier, espe-

cially for technology players such as Google or Apple. Based on the online data scrape analysis consisting of reviews of all MobilePay users, similar findings occurred. Thus the impact might be generalized for all age groups of MobilePay.

References

1. Statista Research Department. (2020, November 24). Denmark: Share of MobilePay users, by age 2020. Retrieved November 30, 2020, from <https://www.statista.com/statistics/1097937/share-of-mobilepay-users-in-denmark-by-age-groups/>
2. Statista Research Department. (2020, October 16). Denmark: Distribution of preferred payment methods 2019. Retrieved November 30, 2020, from <https://www.statista.com/statistics/441828/e-commerce-payment-preferences-in-denmark-by-payment-method/>
3. Wass, S. (2019, December 30). Scandinavia's mobile payment success stories face up to rival tech giants. S and P Global. Retrieved November 28, 2020, from <https://www.spglobal.com/>