

## Consumer Payment Preferences - Canada - November 2014

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“Location-based offers and personalized spending analysis notifications are two value propositions that are likely to emerge as the key drivers to widespread adoption of mobile banking.”

– Sanjay Sharma, Senior Financial Services Analyst

This report looks at the following areas:

- Overcoming lack of trust is key to increasing mobile banking adoption
- Highlighting the non-payment-related mobile banking functionalities will generate more consumer interest
- Monitoring non-traditional players such as PayPal, Apple Pay that pose a competitive threat to Canada's banks
- Calming the security concerns of Chinese Canadians

The world of payments continues to witness rapid innovations that are both a challenge and an opportunity for financial institutions. The adoption of mobile payments, provided by both financial and non-financial institutions, is the single biggest change in the payments world since the advent of online banking almost 20 years ago.

Canada is one of the world leaders in the adoption of cashless payments according to MasterCard's 2013 Cashless study. Some traditional payment methods such as cheques are in decline whereas others such as credit cards remain popular and new card offerings continue to proliferate. The advent of non-traditional players and new payment methods such as Apple Pay makes it imperative for banks to stay on top of these advancements in order to retain their competitive edge.

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The facts

The implications

Monitoring non-traditional players such as PayPal, Apple Pay that pose a competitive threat to Canada's banks

The facts

The implications

Calming the security concerns of Chinese Canadians

The facts

The implications

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 Venmo payments  
 Ribbon  
 MasterCard and One Inc.'s loyalty program solution  
 MasterCard's credit card with an embedded fingerprint reader  
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- Technophobes (23%)
- Techno-enthusiasts (26%)
- Credit Card Lovers (28%)
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