

Consumer Payment Preferences - US - September 2019

Report Price: £3254.83 | \$4395.00 | €3662.99

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.



"How we pay for things is a fundamental financial decision that most people make several times a day. Technology has allowed consumers to make payments from most of their devices, yet credit, debit, and cash remain the most popular ways to pay."

Chris Shadle, Financial Services Analyst

This report looks at the following areas:

- **Cards and cash remain top of wallet...**
- **...while wallets are becoming increasingly digital**
- **But there is a great deal of variance in technological willingness, fear**
- **And there will, according to most consumers, always be a need for cash**

The US payments system has six foundational pillars: cash, checks, credit cards, debit cards, the Automated Clearing House (ACH), and wire transfers. As society becomes increasingly digital and global, payments are likewise becoming less tied to the physical restraints of cash and checks, and are instead moving into more free-flowing avenues.

**BUY THIS
REPORT NOW**

VISIT:
store.mintel.com

CALL:
EMEA
+44 (0) 20 7606 4533

Brazil
0800 095 9094

Americas
+1 (312) 943 5250

China
+86 (21) 6032 7300

APAC
+61 (0) 2 8284 8100

EMAIL:
reports@mintel.com

DID YOU KNOW?

This report is part of a series of reports, produced to provide you with a more holistic view of this market

Consumer Payment Preferences - US - September 2019

Report Price: £3254.83 | \$4395.00 | €3662.99

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Table of Contents

Overview

What you need to know

Definition

Executive Summary

Market overview

Key trends

Cards and cash remain top of wallet...

Figure 1: Preference for cash/debit/credit, by generation, July 2019

...while wallets are becoming increasingly digital

Figure 2: Mobile wallet adoption, by Age, July 2019

But there is a great deal of variance in technological willingness, fear

Figure 3: Storing credit card behavior online, perception and behavior, July 2019

And there will, according to most consumers, always be a need for cash

Figure 4: Attitudes toward cash, July 2019

What it means and what's next

The Market – What You Need to Know

Number and value of payments steadily increasing in every category but checks

Retail industry keeps chugging along, ecommerce is chugging faster

Consumer sentiment is high, but wounded

Market Size

Payments on the rise (except for checks)

Figure 5: Trends in noncash payments, by number, 2000-17

Total cards payments grew by half a trillion dollars from 2016-17

Figure 6: Total card payments, 2016 and 2017

Market Factors

Consumer sentiment near all-time high, but takes historic stumble

Figure 7: Consumer Sentiment Index, January 2007-August 2019

Retail industry continues to post gains

Figure 8: Total US retail sales and fan chart forecast, at current prices, 2013-23

eCommerce growth outpaces total retail by 4:1, but comprises only 10% of total sales

Figure 9: eCommerce share of total US retail sales, at current prices, 2013-23

Figure 10: Total US retail ecommerce sales and fan chart forecast, at current prices, 2013-23

Key Players – What You Need to Know

Mobile wallets are working, but brand loyalty might suffer

Micro lending has a macro future

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 |

EMAIL: reports@mintel.com

Consumer Payment Preferences - US - September 2019

Report Price: £3254.83 | \$4395.00 | €3662.99

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Contactless: here before, here again

What's Working?

People are actually using mobile wallets (and why that isn't always a good thing)

Figure 11: Mobile wallet adoption, by Age, July 2019

Bentley bought with Bitcoin

Cash App benefits from hip-hop collaboration

What's Struggling?

Visa Checkout checks out; Chase Pay paid the piper

Figure 12: Visa Next, youtube video, April 2019

Figure 13: Chase Pay closure announcement, August 2019

Payment indifference and concern for digital privacy are common

Figure 14: Storing credit card behavior online, perception and behavior, July 2019

Card fees are driving New Yorkers irate

What to Watch?

Microlending: old concept, new arena

Figure 15: Attitudes toward cash, July 2019

Figure 16: Affirm & Walmart partnership, August 2019

The Fed to build new system to speed up transfers

Contactless: speeding up commutes and payments

NY subway goes contactless

Figure 17: American Express, MTA partnership email, August 2019

Chicago getting on board too

Figure 18: Venza and Apple Pay in Chicago, August 2019

Haven't we seen this before?

The Consumer – What You Need to Know

Tried and true: consumers still prefer cards and currency

After years of talk, people are finally using mobile wallets

PayPal is an institution

Credit is most popular online, especially on desktop

Cash

Favorite Ways to Pay

Cards remain top of wallet

Figure 19: Preferred payment methods, ranked, July 2019

Cash and debit favored by younger consumers, older prefer credit

Figure 20: Preference for cash/debit/credit, by generation, July 2019

PayPal leads pack of other preferred payment methods

Figure 21: Other preferred payment methods, July 2019

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 |

EMAIL: reports@mintel.com

Consumer Payment Preferences - US - September 2019

Report Price: £3254.83 | \$4395.00 | €3662.99

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Mobile Wallets

Mobile wallets are finally here!

Figure 22: Mobile wallet adoption, by Age, July 2019

Mobile wallet popularity grew 40% year over year

Figure 23: Mobile wallet popularity, June 2018-July 2019

What are the roadblocks to mobile wallet adoption?

Figure 24: Mobile wallet behaviors, July 2019

What might move the needle even further for mobile wallets?

Figure 25: Motivation to adopt mobile wallet, July 2019

There's an App for That: Digital Payment Methods

In a crowded field, PayPal stands apart

Figure 26: Payment systems used in past year, by race and ethnicity, July 2019

P2P Battle: Venmo v Zelle v Cash App

Figure 27: Payment systems used in past year, by age, July 2019

Racial and ethnic variations in payment app brand use

Figure 28: Payment systems used in past year, by race and ethnicity, July 2019

Preferred Payment by Type of Purchase

Cash losing its grip on in-store and personal payments

Figure 29: In-store payments, preferred method by age, July 2019

Credit is the default for online shopping

Figure 30: Online payments, preferred methods for desktop vs mobile, July 2019

Consumers prefer credit for large purchases, ACH for bills

Figure 31: Preferred payment methods for large purchases and bills, July 2019

Attitudes & Behaviors

Consumers may be afraid to store data online, but they're doing it anyway

Figure 32: Storing credit card behavior online, perception and behavior, July 2019

Most have a favorite card, but some rarely think about how they pay

Figure 33: Card favoritism versus card indifference, by generation, July 2019

Figure 34: Current homepage, August 2019

Cash isn't going anywhere soon

Figure 35: Attitudes toward cash, July 2019

Cash use is highest among minority groups

Figure 36: Payment type behaviors - CHAID - Tree output, July 2019

Figure 37: Payment type behaviors - CHAID - Table output, July 2019

Social media is now a payments arena...

Figure 38: Social payments and in-app purchase behavior, by age, July 2019

And Facebook may help drive crypto awareness

Figure 39: Attitudes and behaviors toward cryptocurrency, by gender and age, July 2019

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 |

EMAIL: reports@mintel.com

Consumer Payment Preferences - US - September 2019

Report Price: £3254.83 | \$4395.00 | €3662.99

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Appendix – Data Sources and Abbreviations

Data sources
Fan chart forecast
Consumer survey data
Direct marketing creative
Abbreviations and terms
Abbreviations

Appendix – The Market

Figure 40: Number of non-cash payments, by type, select years 2000-17
Figure 41: Credit card ownership, 18-24 year olds, trended data, 2010-2018
Figure 42: Credit card ownership, 25-34 year olds, trended data, 2010-2018
Figure 43: Credit card ownership, 35-44 year olds, trended data, 2010-2018
Figure 44: Credit card ownership, 45-54 year olds, trended data, 2010-2018
Figure 45: Credit card ownership, 55-64 year olds, trended data, 2010-2018
Figure 46: Credit card ownership, 65+ year olds, trended data, 2010-2018

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 |

EMAIL: reports@mintel.com