

Wednesday, 11 March 2020

Afterpay, Apple Pay and Google Pay are driving the adoption of new digital payment services

Data from the Roy Morgan [Digital Payments Report](#) shows an increasing proportion of Australians are utilising new digital payment methods such as buy-now-pay-later services, contactless mobile payments and wearable payment devices.

A total of 10.2% of Australians now use buy-now-pay-later services such as Afterpay or Zip Pay in an average twelve-month period (up from 7.4% a year ago). The growth in this sector is being driven by Afterpay now used by 9% (up from 6.6%), Zip Pay used by 2.4% (up from 1.5%) and Zip Money used by 1.2% (up from 0.7%).

Also increasing are contactless mobile payment services such as Apple Pay and Google Pay now used by 9.8% of Australians (up from 6.8% a year ago). Apple Pay is now used by 5.9% (up from 4%) and Google Pay is now used by 3.9% (up from 3.1%). Samsung Pay was unchanged at 1%.

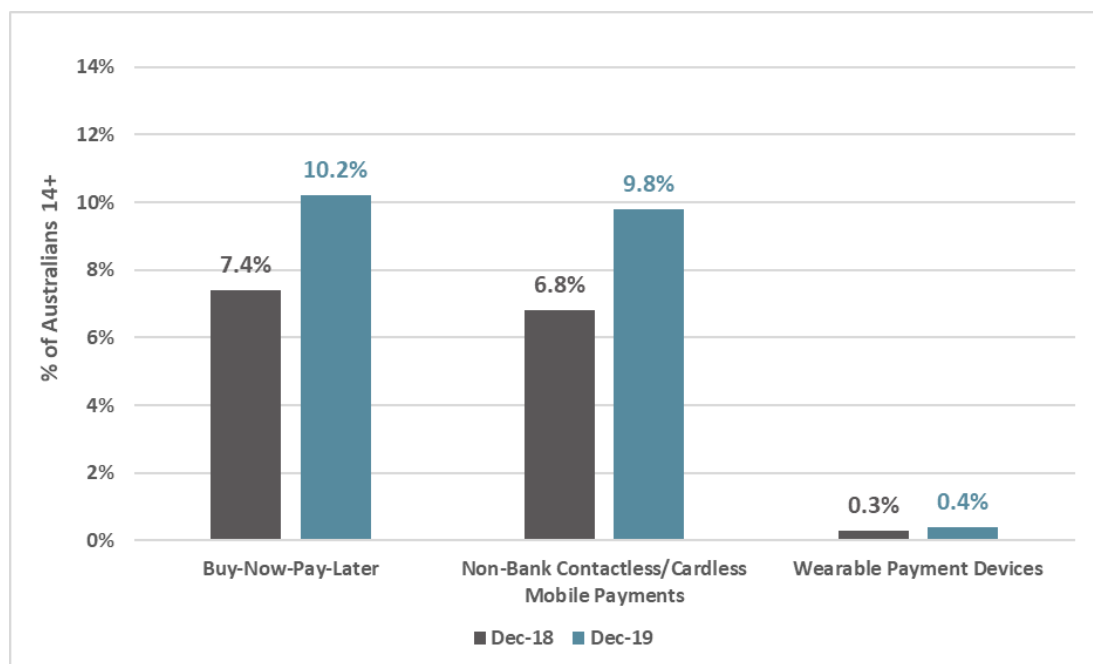
While used by fewer Australians there has also been an increase for wearable payment devices, up from 0.3% a year ago to 0.4%. The main wearable payment device is Fitbit Pay used by 0.3%, up from 0.2%.

These new digital payment findings are from Roy Morgan Single Source, Australia's leading consumer survey, compiled by in-depth face-to-face interviews with over 1,000 Australians each week in their homes.

Roy Morgan CEO Michele Levine says marketing of technological advances in the digital payment space is paying dividends with Afterpay, Apple Pay and Google Pay attracting more customers. *"Introducing new technology to large cross-sections of society is never easy. Part of the challenge that digital payment companies face is making people aware of what exists. Taking buy-now-pay-later technology as an example, awareness of these services has grown from 41.5% of the population a year ago, to 55.5% today. This growth in awareness is the first step to higher rates of adoption."*

"Afterpay, Apple Pay, and Google Pay are expending a great deal of effort to developing new options that appeal to consumers, and clearly it's paying off for them," Ms. Levine said.

The winners: digital payment services being used by an increasing proportion of Australians



Source: Roy Morgan Single Source Australia, January 2018 – December 2018, n = 50,853. January 2019 – December 2019, n = 50,422. **Base:** Australians 14+.

FOR IMMEDIATE RELEASE

Which digital payment services are going backwards?

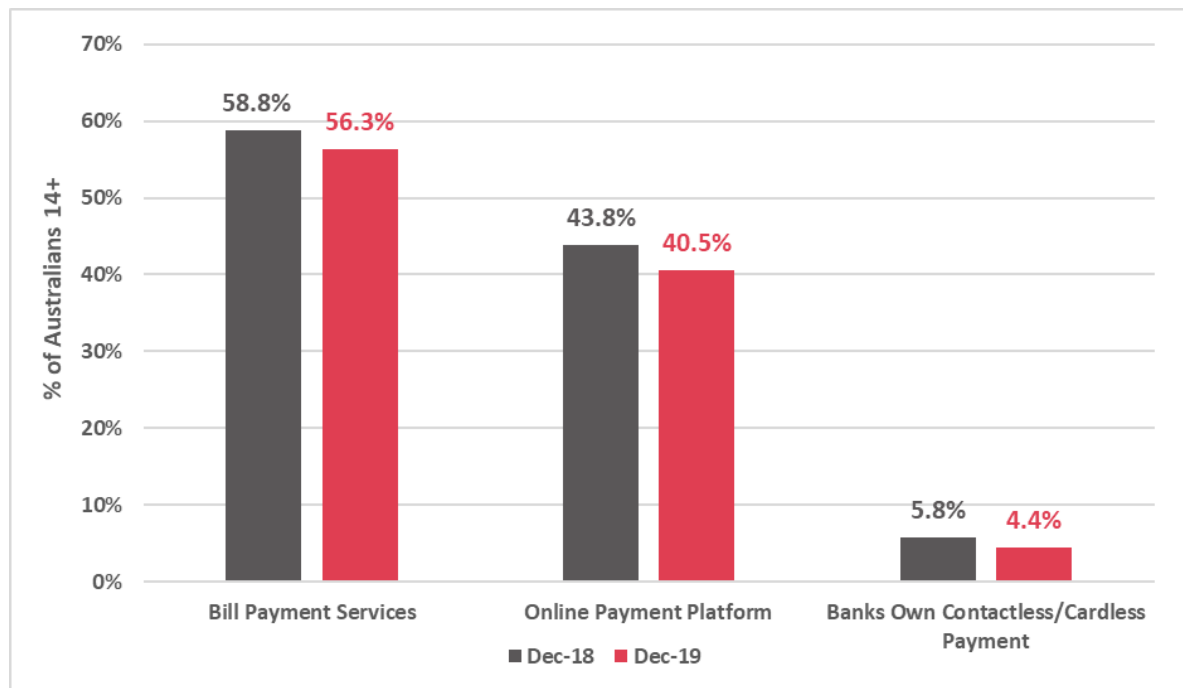
Growth in newer digital payment services is coming at the expense of existing payment methods. The use of bill payment services has dropped to 56.3% of Australians from 58.8% a year ago. This drop is due to declines for both BPay, down to 50.8% from 53.1%, and Australia Post Billpay down to 15% from 16.4%.

Also declining over the past 12 months are online payment platforms such as PayPal, Western Union and Masterpass now used by 40.5% of Australians down from 43.8%. Use of PayPal dropped to 38% from 41.3%, MasterPass is now used by 1.6%, down from 1.9% and Western Union Pay is now used by 2% down from 2.2%. Visa Checkout held steady at 3.7%.

Another digital payment service to decline is the banks' own contactless payment services now used by 4.4% of Australians, down from 5.8% a year ago. Now 2.7% use Commbank Tap & Pay down from 3.9%, 1% use ANZ Mobile Pay, down from 1.1% and 0.5% use NAB Pay down from 0.6%.

"Not so long ago payment systems such as BPay and PayPal were breaking new ground, but consumers are turning to technologies that promise even more convenience, especially those offered via the ubiquitous smartphone," Ms. Levine said.

The losers: digital payment services being used by a decreasing proportion of Australians



Source: Roy Morgan Single Source Australia, January 2018 – December 2018, n = 50,853. January 2019 – December 2019, n = 50,422. **Base:** Australians 14+.

Related research findings

For further in-depth analysis, take a look at Roy Morgan's [Digital Payments Report](#).

For comments or more information about Roy Morgan's digital payment data please contact:

Roy Morgan Enquiries
Office: +61 (3) 9224 5309
askroymorgan@roymorgan.com

Roy Morgan tracks awareness and use of the following Digital Payment Services

Bill Payment Services



Online Payment Platforms



Banks' Own Mobile Payments



Other Contactless/Cardless Mobile Payments



Buy-Now-Pay-Later Payments



Wearable Payment Devices



Other Payment Methods



About Roy Morgan

Roy Morgan is Australia's largest independent Australian research company, with offices in each state, as well as in the U.S. and U.K. A full-service research organisation, Roy Morgan has over 75 years' experience collecting objective, independent information on consumers.

Margin of Error

The margin of error to be allowed for in any estimate depends mainly on the number of interviews on which it is based. Margin of error gives indications of the likely range within which estimates would be 95% likely to fall, expressed as the number of percentage points above or below the actual estimate. Allowance for design effects (such as stratification and weighting) should be made as appropriate.

Sample Size	Percentage Estimate			
	40%-60%	25% or 75%	10% or 90%	5% or 95%
10,000	±1.0	±0.9	±0.6	±0.4
20,000	±0.7	±0.6	±0.4	±0.3
50,000	±0.4	±0.4	±0.3	±0.2