



Pandemic Alters Spending Habits in APAC, Drives Rapid Shift to Emerging Payment Technologies: Mastercard New Payments Index

*94% of consumers in APAC are considering using emerging payment methods this year
APAC enthusiasm for QR codes, digital wallets and cryptocurrencies exceeds global averages*

HONG KONG – May 4, 2021 – As a result of the pandemic, enthusiasm for a broader range of payment technologies has accelerated in the Asia Pacific region as 94% of people say they will consider using at least one emerging payment method, such as QR codes, digital or mobile wallets, instalment plans, cryptocurrencies, biometrics and others, in the coming year. This is according to the **Mastercard New Payments Index** conducted across 18 markets globally, including India, Australia and Thailand, which reveals that 84% of consumers in APAC already have access to more ways to pay compared to one year ago. Of note for entrepreneurs, 74% of respondents said that they would shop at small businesses with greater frequency if they offered additional payment options.

“Mastercard’s study finds that people in the Asia Pacific region haven’t just adopted new payment technologies—they’ve made deliberate shifts based partly on necessity, but also on considerations around personal safety, security and convenience, at a time when these concerns were paramount,” said Sandeep Malhotra, Executive Vice President, Products & Innovation, Asia Pacific, Mastercard. “Consumers in Asia Pacific have already gained recognition globally for their openness to new technologies and innovation, and these findings confirm that this trend is only set to continue as more digital payment options rapidly become mainstream in this part of the world.”

Looking ahead, the use of a range of payment technologies is trending upwards as people’s comfort with and understanding of them increases - while the use of cash steadily decreases. In fact, in the coming year, 69% of respondents in APAC say they plan to use cash less frequently. Meanwhile, digital or mobile wallets have gained significant popularity amongst consumers in APAC, with 68% of respondents anticipating using this type of payment in the next year – higher than the global average of 62%.

“This behavior shift is reinforced by people’s desire for choice – with 85% of consumers in APAC saying that they expect to make purchases when they want and how they want. Businesses that can provide multiple ways to shop and pay will be best positioned to meet the unique needs of this moment that are shaping the future of commerce for years to come,” added Malhotra.

Notably, the survey also revealed:

1. **A New Shopping Reality & Payment Habits** – 84% of consumers in APAC have seen their access to emerging forms of payments increase in the past year alone. While 88% used at least one emerging payment type in the last year, two-thirds (64%) of all respondents (including 75% of millennials) say they tried new payment methods that they would not have tried were it not for the pandemic. As consumer demand increases, businesses of all sizes will face greater expectations to provide multiple ways to purchase and pay: 80% of respondents agree that they now prefer to shop at stores that have both an in-person and online presence, and 69% are more excited to shop at retailers who offer the latest payment methods. In fact, 60% of consumers polled say they would avoid merchants that do not accept electronic payments of any kind.



2. Among various emerging payment methods:
 - **QR Codes Especially Popular in APAC** – QR codes have gained particularly strong traction in APAC compared to the rest of the world. Of those who used QR codes for payment, 63% said they used them more frequently in the last year than they had in the past. In both Thailand and India, the number is 64%, above the global average of 56%. In APAC, majorities of respondents perceive new payment methods like QR codes to be cleaner (76%) and more convenient (71%) for in-person payments as it is likely consumers are using their own mobile device. In Thailand and India, 77% and 71% of consumers respectively perceive QR codes to be secure while only 67% and 64% respectively perceive cash as a secure form of payment, demonstrating people's greater trust in QR codes and other forms of digital payments.
 - **Cryptocurrency Gains Ground, Millennials Primed to Jump In** – Today consumers can buy, sell, and trade cryptocurrency as a commodity or investment. Consumers are also increasingly showing interest in being able to spend crypto assets for everyday purchases. 45% of those surveyed in APAC say they are likely to consider using cryptocurrency in the next year – a huge jump over the 12% that already used it in the last year, and higher than the global average of 40%. Millennials and centennials are relatively more comfortable using cryptocurrency (41%) compared to Gen X and Boomers (26%), with 71% of millennials saying they are more open to using it than they were a year ago. Geographically speaking, more consumers in Thailand (46%) and India (44%) are comfortable using cryptocurrency as compared to consumers in Australia (17%). Finally, while consumer interest in cryptocurrency - especially floating digital currencies such as Bitcoin - is high, work is still required to ensure consumer choice, protection, and their regulatory compliance as a payment instrument.
 - **Consumers Increasingly Comfortable with Biometrics** – Perceptions of safety and convenience have been front and center for people over the past year. 64% of consumers in APAC say they are excited about the potential of biometric verification methods like gait or walk assessments and fingerprint authorization. In fact, 62% feel safer using biometrics to verify a purchase than entering a pin.
3. **Security Concerns Top of Mind** – With 1 in 4 respondents in APAC (27%) reporting that they were victims of fraud in the last year, consumers need assurance; 79% indicated they would be open to trying new payment technologies if they perceived them to be safe, while 85% want to be sure the payment options the merchant offers are secure. As such, many consumers place trust in issuers and networks to provide tools that keep their financial information secure, with 45% agreeing that they would place their trust in their payment provider to follow security best practices, so they can be more hands-off. On the flip side, the top reasons given for not trying new payment methods include security concerns (47%) and data protection concerns (42%).

To Stay in Step with Consumer Expectations, Businesses Need to Adapt to Payments Trends

With increasing consumer interest around new payment technologies, the expectation for businesses to adapt for the long-term is here to stay. What's more, a recent study on 5,500 major Mastercard merchants showed that between Q1 2020 and Q1 2021, more than a fifth of these merchants globally increased the



number of ways they connect with consumers, either by enabling an e-commerce channel or accepting contactless transactions¹.

Contactless Transactions Soar

Over the same period, Mastercard saw the total number of card-not-present transactions grow by over 30% globally while more than 100 markets saw contactless as a share of total in-person transactions grow by at least 50%². In the first quarter of 2021 alone, Mastercard saw 1 billion more contactless transactions as compared to the same period of 2020, with particular momentum in India and Thailand where usage grew by 2x and 4x respectively year-over-year².

How Mastercard is Facilitating the Future of Payments

As consumers shop, bank and transact online more than ever, Mastercard recently announced that it has [strengthened its Digital First program](#) in Asia Pacific to maximize the safety, security and convenience of e-commerce, online banking and touchless transactions. With the collaboration of a range of innovative partners, the program offers consumers the ease of applying online, rapid access to begin making purchases, flexibility and peace-of-mind while shopping. In addition, consumers enjoy an array of payment options spanning digital cards, direct payments from bank accounts via smartphones, smartwatches or any other digital device. Most recently, Mastercard launched its [QR on Card solution in India](#) – a world first – giving small businesses the ability to securely pay and get paid directly through their card via an embedded QR code.

- The End -

Note to Editors:

Survey Methodology: All respondent data provided herein the announcement relates to the Mastercard New Payments Index unless otherwise indicated.

- Online interviews of 15,569 consumers in 18 countries in four regions worldwide
- 1,000+ respondents per country in Australia, India, Thailand, US, Canada, Brazil, Mexico, UAE, Egypt, Saudi Arabia, Nigeria, Kenya and South Africa
- 500+ respondents per country in Argentina, Chile, Colombia, Peru, and Dominican Republic
- Research conducted February 26-March 10, 2021
- Nationally representative sample
- Readable sample sizes of: Gender, Generation, Affluent, Banked, Mastercard cardholders
- Research conducted by The Harris Poll and Mastercard Global Foresights, Insights and Analytics

¹ Channels considered in the analysis: chip/swipe transactions, traditional e-commerce transactions, e-commerce transactions through wallets, physical contactless transactions, and mobile contactless transactions. Merchant considered to have adopted the channel if in the quarter the merchant saw more than 1K transactions in that channel. [Source](#): Mastercard Data Warehouse anonymized and aggregated transaction data

² [Source](#): Mastercard Data Warehouse anonymized and aggregated transaction data



About Mastercard (NYSE: MA), www.mastercard.com

Mastercard is a global technology company in the payments industry. Our mission is to connect and power an inclusive, digital economy that benefits everyone, everywhere by making transactions safe, simple, smart and accessible. Using secure data and networks, partnerships and passion, our innovations and solutions help individuals, financial institutions, governments and businesses realize their greatest potential. Our decency quotient, or DQ, drives our culture and everything we do inside and outside of our company. With connections across more than 210 countries and territories, we are building a sustainable world that unlocks priceless possibilities for all.

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