

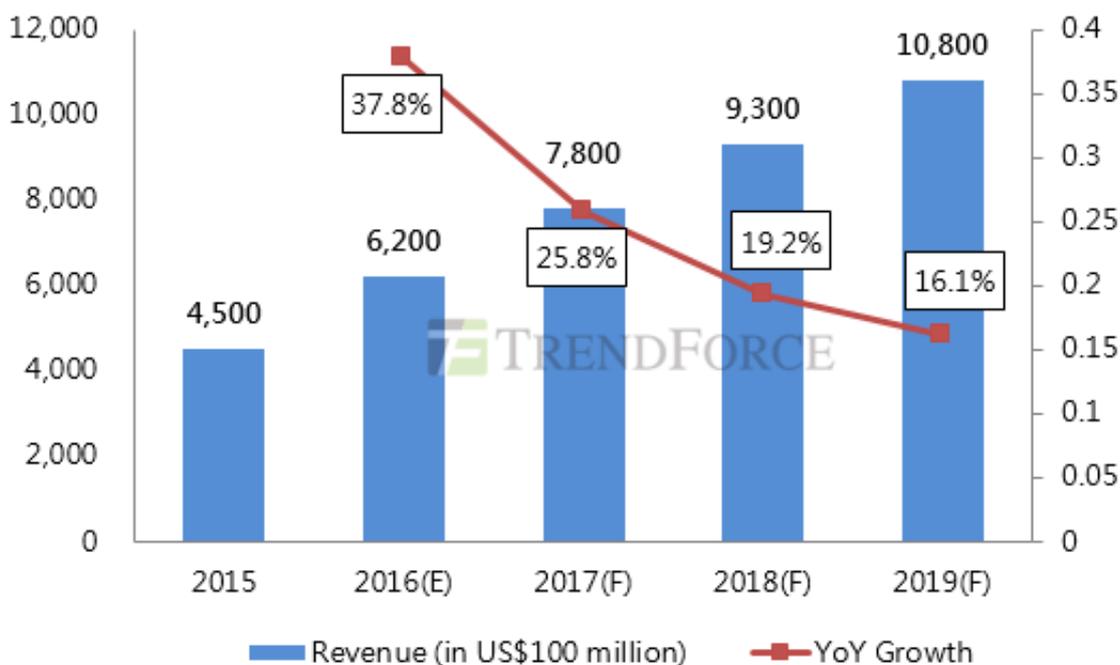
TrendForce Says Global Mobile Payment Market to Reach US\$620 Billion in 2016 with Apple and Samsung Staking Large Claims in the Ecosystem

2016-02-01 [Kelly Hsieh](#)

With major smartphone brands Apple and Samsung making a big entrance into the mobile payment business, the total revenue of the worldwide mobile payment market in 2015 reached US\$450 billion, according to the global market research firm [TrendForce](#). By the end of 2016, the total revenue is estimated to arrive at US\$620 billion, representing a massive growth of 37.8% year on year.

Apple Pay and Samsung Pay especially have been scrambling to China, which makes up a huge slice of the mobile payment market. The rival service providers both struck a deal with the government-run Chinese bank-card payment processor China UnionPay earlier this year. Hence, Chinese iPhone and Samsung phone users will be able to make mobile payments this year, provided that their models are of the latest generation with upgraded software.

Figure: Total Revenue of Global Mobile Payment Market, 2015~2019



Source: TrendForce, Feb., 2016

The rapid diversification of mobile payment services have accelerated the collaboration among the participants of the industry ecosystem (e.g. financial institutions and telecom operators), resulting in the formation of industry-wide standards and the maturation of related technologies. "Service charges from banks, telecom operators and third-party payment platforms constitute an enormous business opportunity in the mobile payment market," said Kelly Hsieh, senior manager for mobile communication and end device research at TrendForce. "However, hardware and software developers also have significant roles in the industry."

Hsieh added: "For instance, the takeoff of the mobile payment has led to the rapid market growth of fingerprint sensor chips. Since Alibaba's Alipay and Tencent's WeChat Payment incorporated fingerprint recognition into their payment verification processes, the number of smartphones that come with a fingerprint scanner has risen. In fact, this biometric technology is now a standard feature in most mainstream smartphone models. We can

expect over 40% of the smartphones worldwide will be able to read fingerprints by the end of this year.”

Main battlegrounds for competing mobile payment service providers will be banking and retail sectors

Large international banks have been energetically building their mobile payment networks around the globe. Hsieh said that banks will be instrumental in choosing the dominant mobile payment method in this market. Additionally, the related technologies will expand into more applications and sectors if large banks lead the collaboration between financial service providers and retailers.

One mobile payment technology that is seeing increasing adoption among banks is host card emulation (HCE). The list of institutions that deploy HCE include Union Bank & Trust in the U.S., Italy’s Intesa Sanpaolo, Turkey’s Yapi Kredi and National Australia Bank. HCE is a software-based alternative to hardware-based secure elements (SE), which are SIM or microSD cards modified to hold encrypted electronic identities. Previously, making a mobile payment requires a device that has near-field communication (NFC) function and contains a SE. Under a HCE-based payment mechanism, encrypted banking information reside in cloud servers or smartphone apps. Therefore, mobile users who wish to make payments via NFC will neither need to get another modified SIM card, nor will they be limited in their carrier options.

Besides financial institutions, retailers are also looking into developing their own mobile payment services. Leading U.S. retail chain Walmart, for example, launched Walmart Pay last year with the hope of building its payment business on its customer base of 22 million. Walmart Pay is expected to be available in all of Walmart’s U.S. stores this year. Target, the second largest discount retailer in the U.S., will soon launch its mobile wallet solution as well to assert control over its mobile transactions.

About TrendForce

TrendForce is a global provider of the latest development, insight, and analysis of the technology industry. Having served businesses for over a decade, the company has built up a strong base membership base of 435,000 subscribers. TrendForce has established a reputation as an organization that offers insightful and accurate analysis of the technology industry through five major research divisions: DRAMXchange, WitsView, LEDinside, EnergyTrend and Topology. Founded in Taipei, Taiwan in 2000, TrendForce has extended its presence in China since 2004 with offices in Shenzhen and Beijing. For more details about TrendForce, please visit www.trendforce.com

Major research divisions:

DRAMeXchange focuses on memory, storage and the consumer electronics industry including PC DRAM, Mobile DRAM, Server DRAM, NAND Flash, SSD and smartphone.

WitsView offers comprehensive coverage of the display industry from upstream components, midstream panels/touch modules to downstream system integrators, brands and channels.

LEDinside covers all aspects of the LED supply chain from upstream equipment/materials, midstream chip/packaging to the downstream backlight and lighting market.

EnergyTrend specializes in green energy research, such as solar energy, lithium battery, energy storage systems and xEVs.

Topology studies structural trends of technology industries in the Greater China Region and beyond, focusing on semiconductors, photovoltaic technology, telecommunications, and IA.

Media Contact

Lindsay Hou +886-2-8978-6488 ext.667 Lindsayhou@TrendForce.com

Source URL: Trendforce - Press Center [TrendForce Says Global Mobile Payment Market to Reach US\\$620 Billion in 2016 with Apple and Samsung Staking Large Claims in the Ecosystem](#)