



NFC Forum Survey Results

2024 Survey

Andrew Zignani and Phil Sealy | Research Directors

February 2024

© 2024 ABI Research • www.abiresearch.com

The material contained herein is for the individual use of the purchasing Licensee and may not be distributed to any other person or entity by such Licensee including, without limitation, to persons within the same corporate or other entity as such Licensee, without the express written permission of Licensor.

Foundation and Screener Questions

Introduction and Methodology

- As with previous surveys, the goal of the survey was to provide a renewed understanding of consumer adoption, familiarity, and experiences with Near-Field Communication (NFC)/contactless technology at both a global and regional level.
- In addition, the 2024 survey added several new questions centered upon innovative NFC user experiences and use cases, technical innovation, as well as perceptions versus competitive technologies
- The survey achieved **2632** total responses across 9 countries, targeting approximately 500 each from the US, Europe, China, Japan, and South Korea
- The survey intended to capture responses from users of contactless technology, therefore the following screener question was asked to filter respondents.

Have you ever used a smartphone or smartwatch to make a contactless payment?

- For those respondents who had not used either of these options, the survey was terminated. This meant that only respondents who have used contactless technology were included in the survey results.
- In total, there were 562 survey terminations, resulting in over **82%** of respondents having used a smartphone or smartwatch to make a contactless payment
- By region, this represented **89%** of respondents in the US, **83%** in China, **81%** in Japan, **80%** in Europe, and **79%** in South Korea

No. of respondents by Country

US	520
UK	127
France	114
Italy	102
Spain	101
Germany	117
China	517
Japan	516
South Korea	518

No. of respondents by Age Group

18-24	357
25-34	789
35-44	828
45-54	410
55-64	176
65-74	44
75 and above	28

Executive Summary (Part 1)

Key Findings from the 2024 Survey

- Payment card remains the most popular solution, however, there is a clear shift to digital first approaches via NFC mobile and smartwatch payment wallets
- Alternative payment wallets beyond Apple Pay, Google Pay, and Samsung Pay are growing in popularity, driven by successful localized platforms such as We Chat Pay
- There is a paradigm shift as it relates to security, convenience, reliability and ease of use in favour of mobile payment wallets. This further reinforces the shift to digital first approaches
- People are using their mobile payment platforms more often, with daily usage significantly increasing and greater reliance on contactless
- Familiarity and understanding of NFC technology continues to grow which aligns with increased adoption, new applications, and higher usage
- Customer satisfaction in payment related applications is extremely high – this needs to be replicated within other emerging NFC mobile wallet applications. Mobile payments should be the benchmark against which new applications are measured

Executive Summary (Part 2)

Key Findings from the 2024 Survey

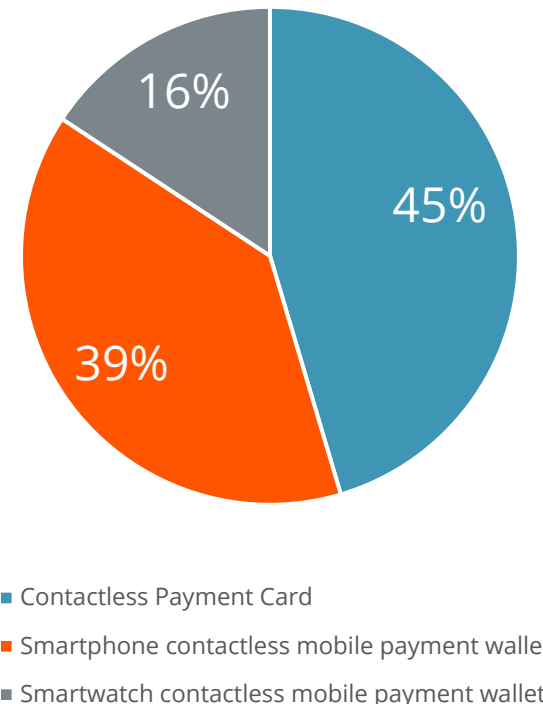
- End users are becoming less reliant on physical wallets. The strong desire for multiple actions to combine payments and other mobile wallet functionality such as loyalty schemes, discount codes, receipts, will enable users to be even less reliant on physical solutions over time
- Mobile wallets are more than just NFC – although this is the foundational technology, other technologies (e.g. QR code, barcodes, one-time passcodes) are now becoming increasingly complementary. The perception of mobile wallets are now more closely tied to security rather than a specific contactless technology, enabling multiple use cases beyond payments
- Sustainability is a key consideration for many consumers, and there is broader desire for NFC to be integrated into more products for additional product information. Combining these two will be very compelling in accelerating wider NFC usage and tag adoption. However, there is a need to educate brands on the value proposition and ROI of integrating NFC to further incentivize adoption. This could be through increased customer engagement and retention, certifying the quality and authenticity of a product, alongside enabling loyalty schemes and innovative location or AR based interactions
- With people willing to leave cash or physical wallets at home, NFC is becoming fundamental in enabling various daily activities. This aligns with the need for multi action support and enabling additional mobile wallet use cases. E.g. users can now leave drivers license, ID, keys, train tickets, coupons, concert tickets behind or be fully digitized. This shift from physical to digital wallets will continue to accelerate in the coming years.

Preferred Payment Solution

Question 2: What is your preferred contactless payment method?

- Contactless payment cards remain the preferred contactless payment method, with **45%** of respondents ranking this first
- Smartphone contactless payments remained the second favourite (**39%**), with smartwatches a distant third (**16%**)
- This is broadly aligned with the takeaway that NFC payments are viewed as complementary to cards
- However, there is clearly an increasing shift to digital first approaches. In the 2022 survey results, **53%** preferred contactless payment cards, **33%** smartphones, and **14%** smartwatches. In 2024, the majority (**55%**) now prefer digital solutions, with a 6% increase in smartphone and 2% increase in smartwatch
- This is also reflected later in the survey where mobile and smartwatch payments are ranked higher in terms of security, convenience, reliability, and ease of use
- While this shift is ongoing, it is clear that cards are going nowhere, and users will continue to utilize both technologies. Part of this is likely due to familiarity with cards and several years of experience that it will work. Contactless payment cards are viewed as more reliable than QR codes

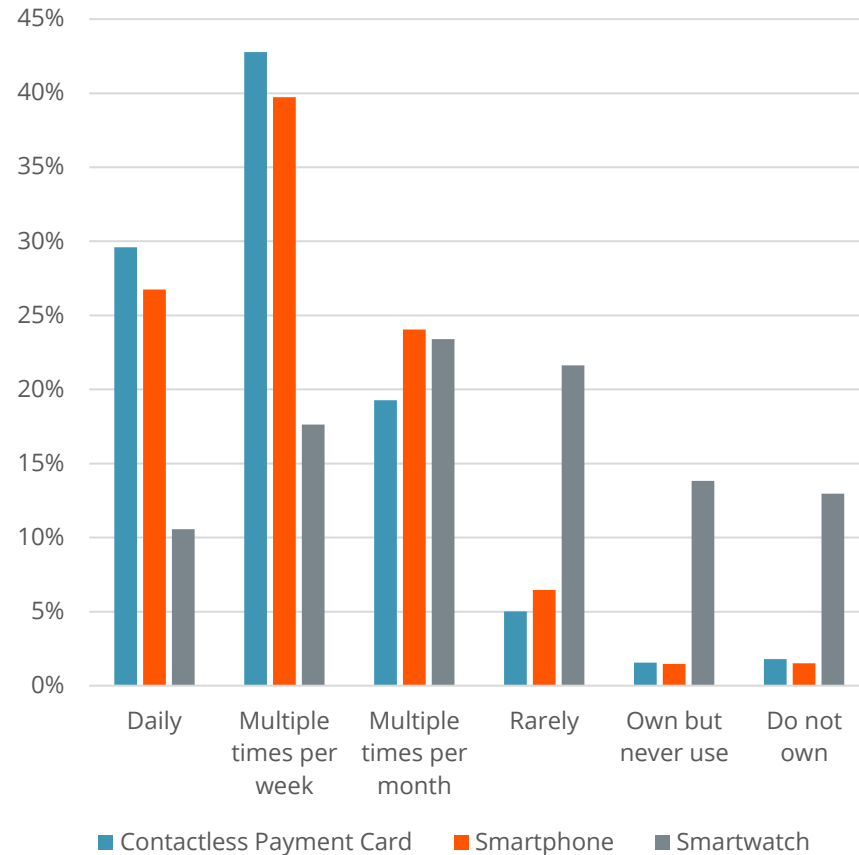
% of Respondents Rank 1



Frequency of Use

Question 3. How frequently do you use each of the following contactless payment methods?

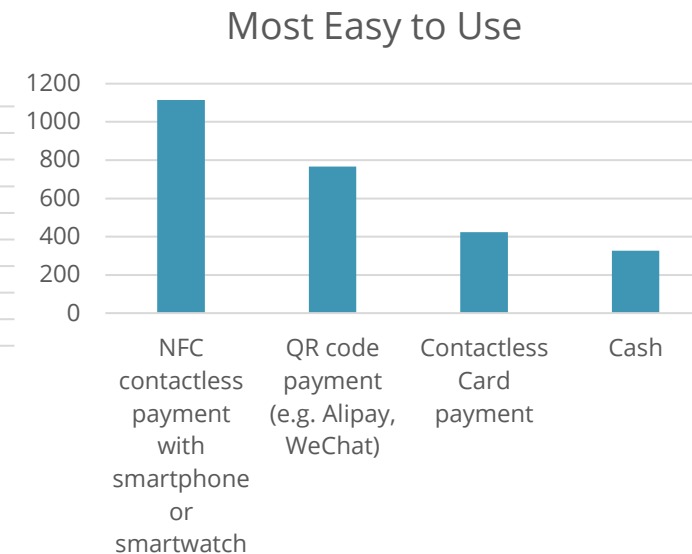
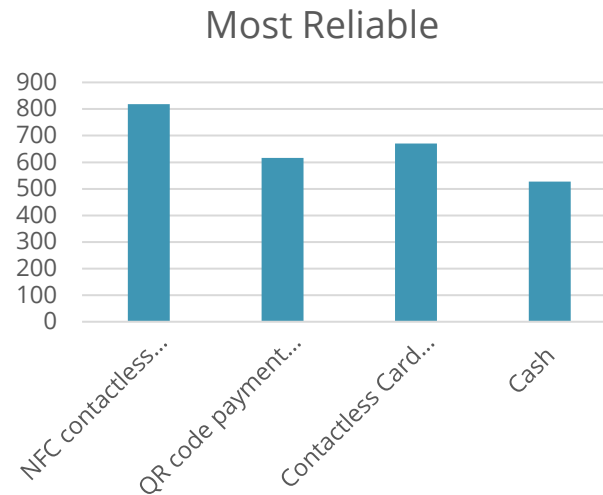
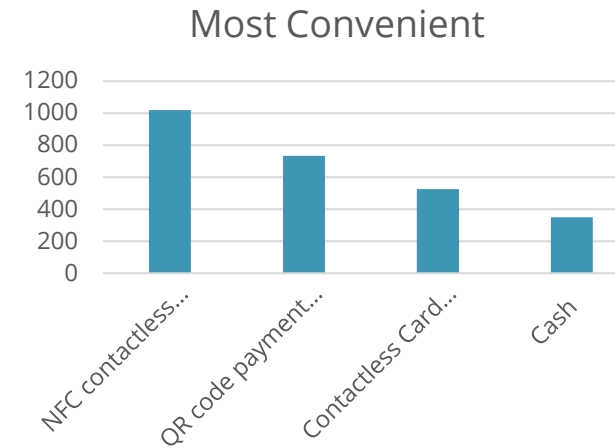
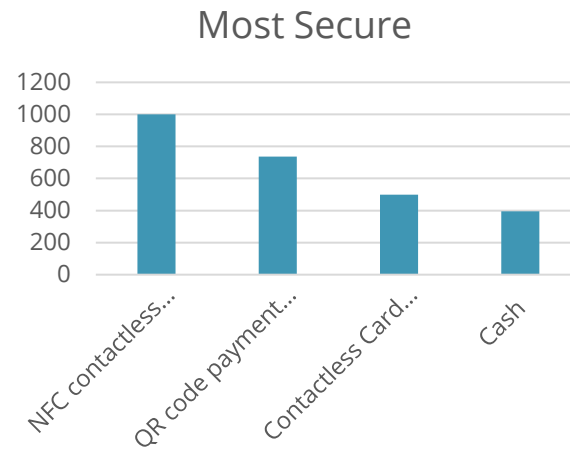
- For payment cards and smartphone wallets, the majority (**43%** and **40%**) of respondents use them multiple times per week, aligned with the 2022 survey findings
- Once again, this is aligned with mobile wallets being complementary to contactless card payments
- Smartwatch payments are used much less frequently, with nearly **69%** of respondents using them multiple times per month or less frequently
- Smartphones were slightly behind contactless payment cards in daily and multiple times per week responses, yet higher in multiple times per month. This could suggest smartphones are being leveraged for bigger purchases due to higher spending limits, e.g. a larger grocery shop multiple times per month
- Daily usage for is up significantly vs the 2022 survey. In 2022, **15%** of respondents used one of these solutions daily, while **30%** of payment card users and **27%** of smartphone users use it daily in the 2024 survey
- **72%** of payment card users, **66%** of smartphone users, and **28%** of smartwatch users use it multiple times per week or more. This extends to nearly **92%**, **91%**, and **52%** for multiple times per month or more



Most Secure, Convenient, Reliable and Easy to Use

Question 11. Please rank the following payment options in terms of how secure, convenient, reliable, and easy to use you think they are.

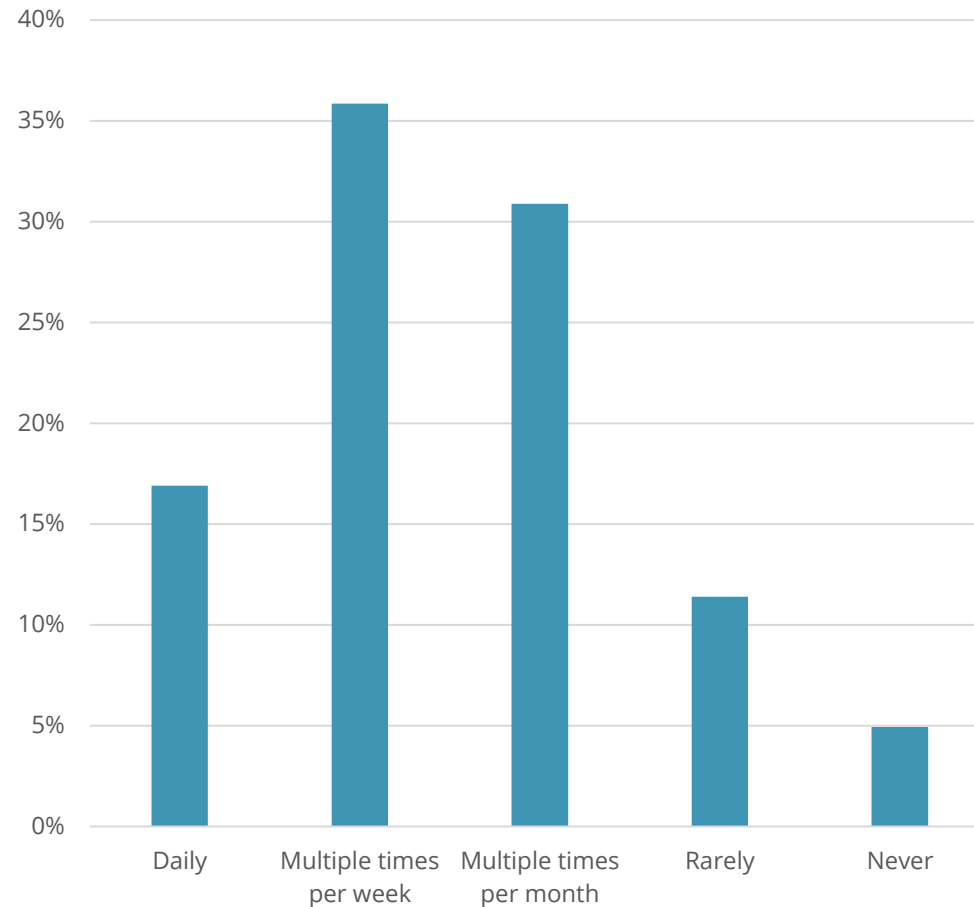
- **Security:** 38% of respondents ranked NFC contactless payments as the most secure, followed by QR code (28%), contactless card (19%), and cash (15%)
- **Convenient:** 39% of respondents ranked NFC contactless payments as the most convenient, followed by QR code (28%), contactless card (20%), and cash (13%)
- **Reliable:** 31% of respondents ranked NFC as the most reliable, followed by contactless card (25%), QR code (23%), and cash (20%)
- **Easy to Use:** 42% of respondents ranked NFC as most easy to use, followed by QR code payments (29%), contactless card (16%), and cash (12%)
- A positive takeaway from a reliability perspective is that both NFC wallet and contactless card is preferred to QR codes. Meanwhile, the results also emphasise a growing shift to convenient and easy to use digital solutions over physical first approach
- There is a strong security, convenience and ease of use message for NFC mobile wallets thanks to inherent additional security of smartphone / watch solutions via biometrics
- Cash ranked last, most likely as it is no longer accepted everywhere, less convenient to carry, and more difficult than a tap



Reliance on Mobile Wallets

Question 8. How often do you leave your physical wallet/purse at home and only take your smartphone/smartwatch mobile payment wallet with you?

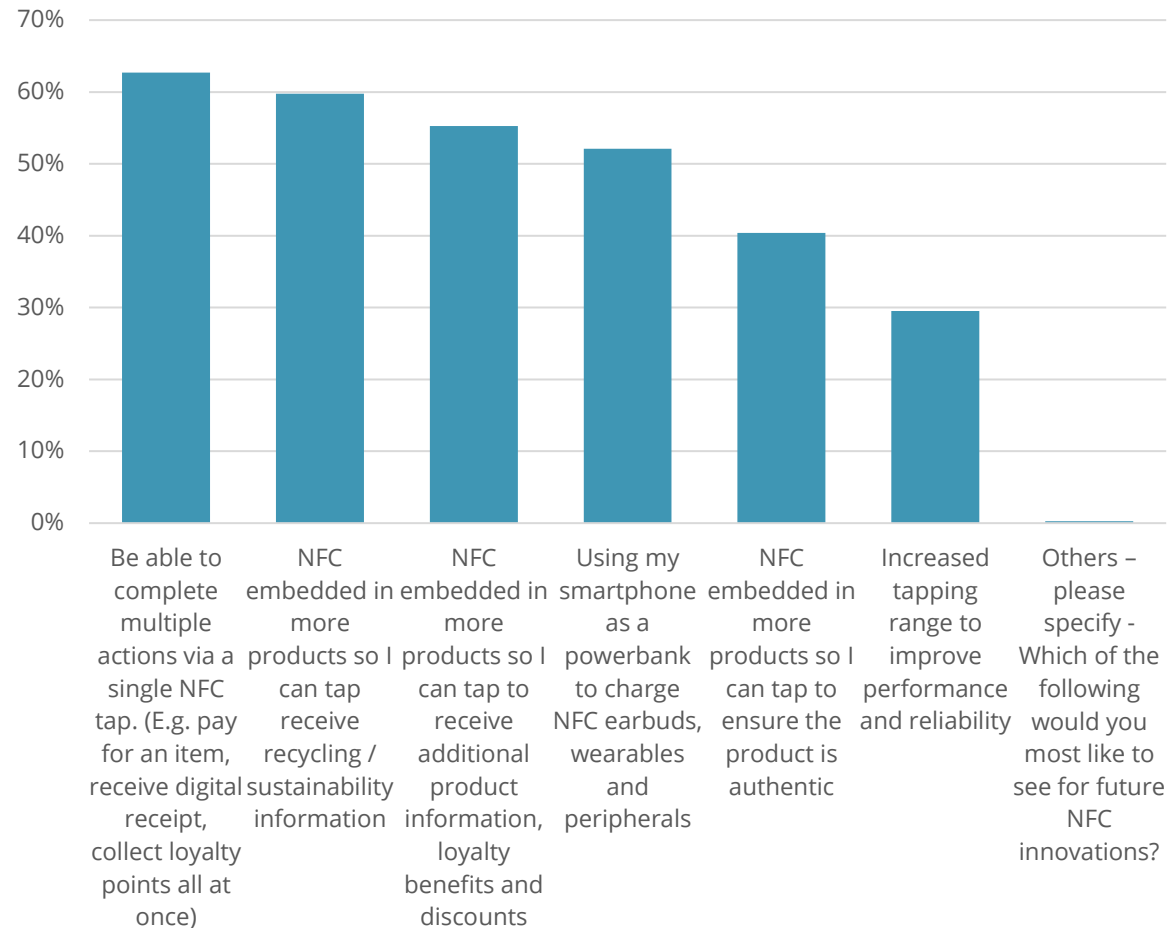
- **95%** of respondents have left their physical wallet or purse at home in favour of taking a mobile payment at least once
- In terms of frequency, **17%** of respondents do this on a daily basis, **36%** do this multiple times per week, **31%** do this multiple times per month, and **11%** do this rarely
- Almost **84%** of respondents leave their physical wallet behind at least multiple times per month, with over half (**53%**) doing this at least multiple times per week
- This is consistent with earlier survey questions and the growing reliance on mobile wallets. However, it also shows that people are still hesitant to leave their physical wallets at home at all times, and prefer to have an alternative payment solution available, whether cash or card



Future Innovations

Question 15: Which of the following would you most like to see for future NFC innovations? Please select the top 3 and rank in order of performance.

- The most common innovation ranked in the top 3 among respondents included the support for multiple actions with **63%** of respondents selecting this
- This was followed by NFC being embedded in more products for recycling / sustainability (**60%**) and additional product information (**55%**) – this is relatively consistent with the previous question
- In terms of those ranked number 1, multi-action came first within **26%** of respondents, followed by additional product and loyalty info (**20%**), then followed by sustainability (**17%**) and wireless charging (**15%**)
- This confirms the desire for streamlining the payment, loyalty, and membership process into a single action, alongside the continued need to embed NFC tags in mainstream consumer products and mass market goods. Authenticity has remained surprisingly low (**13%** ranking 1st) despite a big recent industry focus
- Technical performance and range seems less of a priority or concern for most respondents with just **10%** ranking this the number 1 need



Top 5 Takeaways

Key Things to Know from the 2024 Survey

- Contactless has flipped from a card-first to digital-first user experience: 55% of respondents prefer to use their phone or watch to pay over a card. Two years ago this was 47%.
- When compared to QR codes, Contactless Cards, and Cash, NFC Contactless mobile/watch payments was rated the Most Secure, Most Convenient, Most Reliable, and Most Easy to Use way to pay.
- Daily use of contactless grew drastically from 15% in 2022 survey to 57% of respondents.
- Consumers are becoming more reliant on digital wallets - 95% of respondents have left their physical wallet or purse at home in favor of taking a mobile payment at least once
- When looking at "future innovations" of NFC, Multi-purpose tap and support for Sustainability features rated highest.

THANK YOU

Andrew Zignani and Phil Sealy



© 2024 ABI Research

ABI Research is uniquely positioned at the intersection of end-market companies and technology solution providers, serving as the bridge that seamlessly connects these two segments by driving successful technology implementations and delivering strategies that are proven to attract and retain customers.

+1.516.624.2500 in the Americas, +44.203.326.0140 in Europe, +65.6592.0290 in Asia-Pacific or visit www.abiresearch.com.

2024 Survey Question List

What other findings does the survey uncover?

- Question 1: Which brand of device and mobile payment wallet do you most frequently use for contactless payments?
- Question 2: What is your preferred contactless payment method?
- Question 3: How frequently do you use each of the following contactless payment methods?
- Question 4: How many payment cards do you store in your mobile payment wallet and how long you have used it for?
- Question 5: On a scale of 1-5, how would you rate your experience of using a mobile payment wallet?
- Question 6: How often, if at all, have you experienced any of the following issues while using a mobile payment wallet?
- Question 7: How confident are you in the safety and security of mobile payment wallets?
- Question 8: How often do you leave your physical wallet/purse at home and only take your smartphone/smartwatch mobile payment wallet with you?
- Question 9: Have you ever made a contactless tap-to-pay payment directly to another smartphone device without the use of a separate card reader?
- Question 10: How familiar would you consider yourself with NFC (Near-field communication) contactless technology?
- Question 11: Please rank the following payment options (payment wallet, QR code, contactless card, cash) in terms of how secure, convenient, reliable, and easy to use you think they are
- Question 12: Outside of payment cards, what other things do you store within your mobile wallet and how often do you use them?
- Question 13: How important are the following NFC use cases to you? Please select the top 3 and rank in order of importance. (Includes tapping for additional product info, sustainability, digital key and others)
- Question 14: Would the ability to use your smartphone as a powerbank to charge items such as earbuds, wearables, and peripherals impact your decision to purchase NFC enabled accessories in the future?
- Question 15: Which of the following would you most like to see for future NFC innovations? Please select the top 3 and rank in order of performance.

