

## PRESS RELEASE

### Mazars publishes Mobile Payment Index highlighting growth potential for telcos

- China the top market for opportunities, leading the way to a cashless society

*Mazars announces the release of the Mazars Mobile Payments Index, which identifies those markets worldwide where mobile financial services opportunities are the greatest. In the Index – which analyses 17 markets and ten variables related to consumer behaviour, mobile payment penetration, and regulation and infrastructure - China, the US and the UK emerged as the markets with the most potential; South Africa, Mexico and India ranked bottom of the Index.*

**19 September 2019:** Mazars, the international audit and advisory firm, today announces the release of its new study “*Future of Telcos: Winning the client experience battle. The case of mobile financial services*”. Containing insight from ten internal experts, the report reveals how telecommunications companies stand to strengthen customer loyalties and grow their bottom line if they can use mobile finance capabilities to shape, own and brand seamless customer experiences.

A centrepiece of the report, the Mazars Mobile Payments Index demonstrates how great the opportunities are for telcos to use mobile financial services to win the customer experience battle. From the 17 markets analysed, the top three countries are China, the US and the UK, while the bottom three are South Africa, Mexico and India.

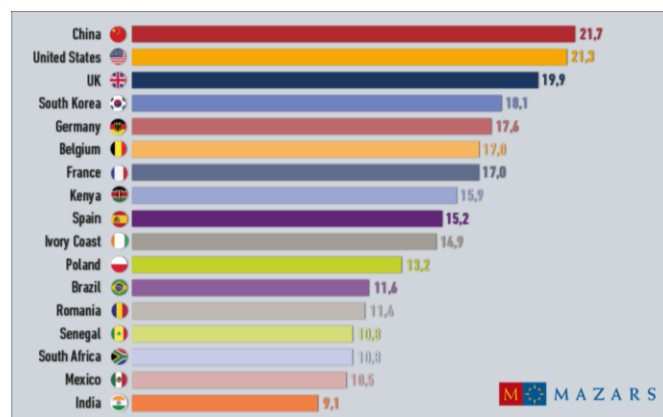


Figure 1 Report screen shot of the Mazars Mobile Payments Index

Julien Huvé, Head of Telecommunications Services at Mazars Group comments, “The business of telcos is changing. Connecting people is no longer enough – instead, telcos want to play a leading role in shaping customer experiences. By using their devices to unlock shared, autonomous cars and ‘shop and go’ without having to reach for a physical wallet, customers are on the verge of a new seamless era. This is where the opportunity lies for telcos, which can use mobile financial services to turn possibilities into reality.”

Huvé adds, “The Mazars Mobile Payments Index reveals which markets present the greatest opportunities and challenges to telcos looking to grow their businesses and evolve their offering beyond simply connectivity and digital access.”

By analysing the markets based on ten different variables related to regulation and infrastructure, consumer behaviour and mobile payment penetration, the Index provides an equivalent basis on which to compare mobile financial services opportunities around the globe.

### **Focus on China: A cashless society rising**

Ranked first in the Mazars Mobile Payments Index, China is well ahead in terms of usage. Mobile payments have seen a tenfold increase since 2012 in China, a market that is continually shaped and driven by its two tech giants: Tencent's WeChat Pay and Alibaba's Alipay.

Some key figures for China:

- **6.8** trillion USD value of mobile payments market in China (2018)
- **132%** rate of registered mobile payment accounts reported to adult population (2017)
- **13.5%** share of mobile payments market for telco
- **9.2%** share of population using mobile-only banking

### **Focus on the US: A mature market in gradual transition**

Ranked second in the Mazars Mobile Payments Index, the digitisation of financial services in the US has been gradual. While the US market is fragmented, it nevertheless offers excellent conditions for the implementation of mobile financial services.

Some key figures for the US:

- **36%** share of adult population actively using mobile payments (2017)
- **3.8%** share of mobile vs non-mobile payments (2017)
- **+55%** US consumers reporting their concern about data privacy year over year between 2016 and 2017

### **Focus on the UK: A European trailblazer**

The United Kingdom emerges as the European trailblazer in the Mazars Mobile Payments Index mostly thanks to its strong performance on regulation and infrastructure. The sandbox approach promoted by the UK regulator appears to be extremely effective in fostering innovation.

Some key figures for the UK:

- **+225%** increase rate of contactless transactions (2016)
- **40** competitors on mobile payments
- **14%** mobile vs non-mobile payment share (compared to <8% European panel average)

### **Focus on East Africa: A continent of telecoms opportunities**

Over the last decade, Africa has become a global leader in mobile financial services - more than half the world's mobile money companies operate on the continent. Kenya and Ivory Coast were the continent's best-in-class in terms of mobile financial services usage. Notably, mobile financial services play a transformative role for economic and social inclusion across the continent, particularly on women.

Some key figures for East Africa:

- **82%** average mobile penetration rate in Africa
- **70%** expected smartphone penetration rate in 2024
- **40** competitors on mobile payments

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## **About Mazars Group**

Mazars is an internationally integrated partnership, specialising in audit, accountancy, advisory, tax and legal services. Operating in 89 countries and territories around the world, we draw on the expertise of 40,000 professionals – 24,000 in the Mazars integrated partnership and 16,000 via the Mazars North America Alliance - to assist clients at every stage in their development.

## **About Mazars Mobile Payment Index - Methodology**

The scope of the Index focuses on payments, as definitions of other financial services are too dependent on local specificities to provide a base for robust comparative analysis. Variables are measured using Mazars' proprietary data or public data issued by international organisations. The regulation and infrastructure dimension is weighed on four factors: efficiency of the legal system in challenging regulations; effectiveness of law-making bodies (data from the World Economic Forum); GSM connectivity; mobile network download speed (both data from the GSMA). The consumer behavioural dimension is weighed on three factors: smartphone penetration (data from Newzoo's Global Mobile Market Report 2018; spread between banked population and population using internet to access an account (data from World Bank), technology readiness score (data from World Economic Forum). Finally, the mobile payments dimension is weighed on three factors: active users (share compared to total population of country); mobile payment transactions in million USD per registered account; mobile vs non-mobile payment share. All these are proprietary Mazars data, provided by IHS Markit. Scores are normalized by applying the min-max method.