

Survey reveals more about IoT payments

A new report from Juniper Research has found that the IoT payments market will grow at an average of 75% per annum over the next five years; reaching \$410bn by 2023. This is up from an estimated \$24.5bn in 2018; the biggest growth will come from in-vehicle payments.



Source: pixabay.com

The new research, [*IoT in Finance: Payments, Insurance & Banking Opportunities, Transaction Forecasts 2018-2023*](#), has found that the automotive sector will become the most lucrative IoT platform by 2021; accounting for \$63bn in transactions that year, 55% of the overall market, compared to just over \$50bn for connected home devices, including smart speakers and TVs.

However, car-based spend will mostly be payments for fuel and tolls, but with little increase in spend overall.

Voice payments to reach \$51bn in transactions

Meanwhile, smart speaker voice-enabled commerce transactions are forecast to reach \$51bn annually by 2023. Goods purchased through these devices will account for just under 12% of connected home transactions by volume over the next

five years. The majority of purchases will be for digital content, typically made through connected TVs.

“Full financial service products will be slow to come to voice commerce, as the automated processes need to satisfy compliance requirements”, remarked research author James Moar. “However, with voice assistants already supplying advisory and finance updates, there will be much data to draw on once the regulatory requirements are met.”

Caution needed as insurers implement IoT

The research found a significant opportunity for players in the IoT-enabled insurance market which will exceed \$334 billion by 2023, primarily through telematics-based motor policies. However, this will reduce premiums; impacting insurers' gross revenues. Juniper believes that this decline in premiums will be offset by improved overall profitability due to reduced costs per claim; this will become more immediately evident in home insurance, with automated accident prevention through the IoT.

For more insights into how the IoT will enhance financial services, download the free whitepaper, [How the IoT will shape Financial Services Delivery](#).

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