

# South Africans are choosing contactless payments

A study conducted by Mastercard shows that South Africans are moving to contactless payments for everyday purchases, seeking touch-free payment experiences.



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As South Africa imposed necessary restrictions on social distancing in March, three-quarters of South African consumers (75%) say they are now using contactless payments, citing safety and cleanliness as key drivers. Consumer polling by Mastercard, studying changing consumer behaviours in 19 countries around the world, paints a picture of accelerated and sustained contactless adoption.

“The act of buying everyday supplies and other necessities has changed dramatically, with shoppers having to adjust to social distancing measures and other new challenges,” said Mark Elliott, division president for Mastercard, Southern Africa.

“According to the new Mastercard study, this shift in behaviour is particularly clear at checkout as people express a desire for contactless and voice concerns over cleanliness and safety at the point of sale.”

## Findings from South African respondents show:

- Perceptions of safety and convenience have spurred a preference for contactless cards and reminded consumers of the convenience of tapping. Nearly half (47%) of South African respondents have swapped out their top-of-wallet card for one that offers contactless.

- The disruption has led to increased concern from consumers on cash usage and positive perceptions towards contactless due to the peace of mind that it provides. Forty-four percent of South African respondents said they have reduced their use of cash while 20% say that they do not use cash at all since the pandemic began.

Eighty-seven percent of South African respondents are concerned about the cleanliness of signature or touch pads, and the majority (88%) view contactless as the cleaner way to pay. Furthermore, 79% say contactless payments are faster than cash, enabling customers to get in and out of stores quicker.

- Sixty-nine percent of South African respondents agree that contactless is now their preferred payment method, with 71% stating that they prefer shopping at merchants that accept contactless. The majority (78%) also say they will continue to use contactless post-pandemic.

The study revealed that since the beginning of Covid-19 in South Africa, 89% of South African respondents have been using contactless to pay for groceries, 60% for pharmaceutical items, 39% for other retail items, 15% for fast food, and 8% for transport.

## **Contactless Tipping Point**

“Mastercard has been spearheading the shift to contactless for several years in South Africa. Tap & Go is already quite prevalent in the country, though conditions resulting from this pandemic are advancing consumer adoption further. South African shoppers are increasingly recognising contactless as a safer, cleaner, and faster way to pay, especially as they seek out ways to quickly get in and out of stores without touching terminals or handing over their cards,” Elliott said.

Globally, Mastercard data reveals over 40% growth in contactless transactions globally in the first quarter of 2020. Further, 80% of contactless transactions are under \$25, a range that is typically dominated by cash.

Mastercard’s insights on grocery and pharmacy trends – two areas where many day-to-day essentials are being purchased – showed that South Africa experienced significant spikes in contactless usage, with the number of contactless transactions growing 13X in March 2020 compared to March 2019.

Furthermore, reinforcing changing behaviours and consumer checkout preferences, the number of contactless payments as a proportion of all face-to-face payments in South Africa was more than 10X higher in March 2020 than in March 2019.

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