

Digital wallets transaction value to grow by 60% by 2026 globally

A new study from Juniper Research has found that the value of digital wallets transactions will exceed \$12tn in 2026, from \$7.5tn in 2022.



Source: 123RF

To capitalise on this substantial growth, the research predicts leading digital payment vendors will diversify their payment products to include new solutions, such as buy-now-pay-later and cryptocurrencies.

Digital wallets are software-based systems that securely store users' payment information for many payment methods in one location.

The new research, *Digital Wallets: Key Opportunities, Vendor Analysis and Market Forecasts 2022-2026*, found that increasing merchant acceptance of digital wallet methods at eCommerce checkouts has been a driving force behind enabling further digital-wallet use.

It predicts that APIs (Application Programming Interfaces) that connect financial institutions to local retailers will be key to the international growth of digital-wallet usage for large, cross-border eCommerce merchants.

The research also recommends that digital-wallet vendors look to offer value-added services, such as loyalty rewards and

credit, to diversify their revenue streams; capitalising on a highly active user base.

Juniper Research's competitor leaderboard for the digital-wallets market has identified the five leading market vendors as follows:

- PayPal
- Alipay
- WeChat Pay
- Apple Pay
- Google Pay



Source: Supplied.

Research co-author, Damla Sat elaborated: "The digital-wallets market is heavily saturated, meaning finding a source of differentiation is critically important. We have ranked PayPal as an established leader as it has successfully grown an expansive, differentiated offering; leveraging its strong merchant acceptance by expanding quickly into buy-now-pay-later and QR code payments, as well as signing partnerships with key merchants to scale its innovative solutions."

Juniper Research's competitor leaderboard provides an independent assessment of the market standing of the leading digital-wallets players. It includes a robust and transparent assessment methodology, including heatmap analysis and a thorough explanation of each company's market position.

The leaderboard tool assesses each vendor's capacity, capability, and products. This analysis includes assessing the size of their operations, financial performance and the sophistication of their digital-wallet offerings.

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