

Does **electronic payment** methods make people **spend more**?



Group name: WHY2 Wong Wai Fung 1155110236 , Yeung Lok Hang 1155064605 , Yiu Ho Tin 1155110541

Introduction

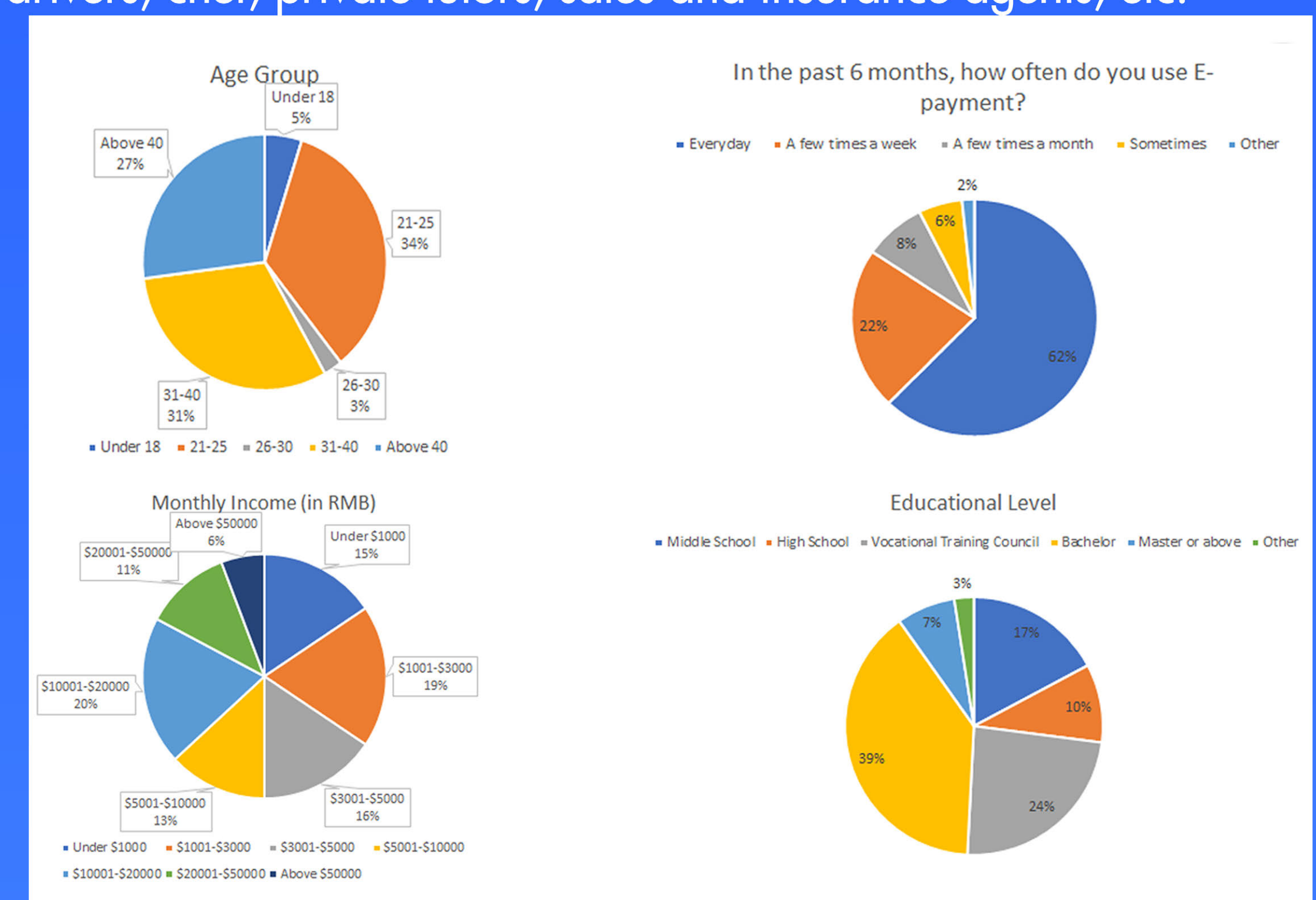
Did you know that nowadays, 40% of Chinese regularly carry less than RMB100 Cash? Electronic payment is becoming a part of everyday life for Chinese citizens, from online to offline, supermarkets to restaurants, taxis to high-speed railways, even hawkers and wet markets. Mobile payment is being applied everywhere. Both of the e-payment giants in China (WeChat Pay & Alipay) claim to have surpassed 1 billion daily active users in 2019.

Therefore, a question came to our minds. Does mobile payment methods make people spend more? We have decided to find the answer through data research and surveys, so that people could understand more between the relationship of new-generation payment solutions and their consumption & expenditure.

Demographic Analysis

Sample size: 122 interviewees

Occupation of our interviewees included accountants, bus drivers, chef, private tutors, sales and insurance agents, etc.



Methodology:



Survey & Market Data



Aspect 1 : Convenience

- more than half of interviewees think that E-payment is convenient (Figure 1)
- WeChat Pay & Alipay have high level of market penetration
- Most businesses in China accept E-payments, from hawkers to hotels

Aspect 2 : Security concerns

- Interviewees who chose security as one of the reasons they choose e-payment have the highest frequency of e-payment usage (Figure 2)
- Interviewees are willing to pay more if the payments are secured
- If the e-wallet is safe, they are willing to buy most of things via their phones

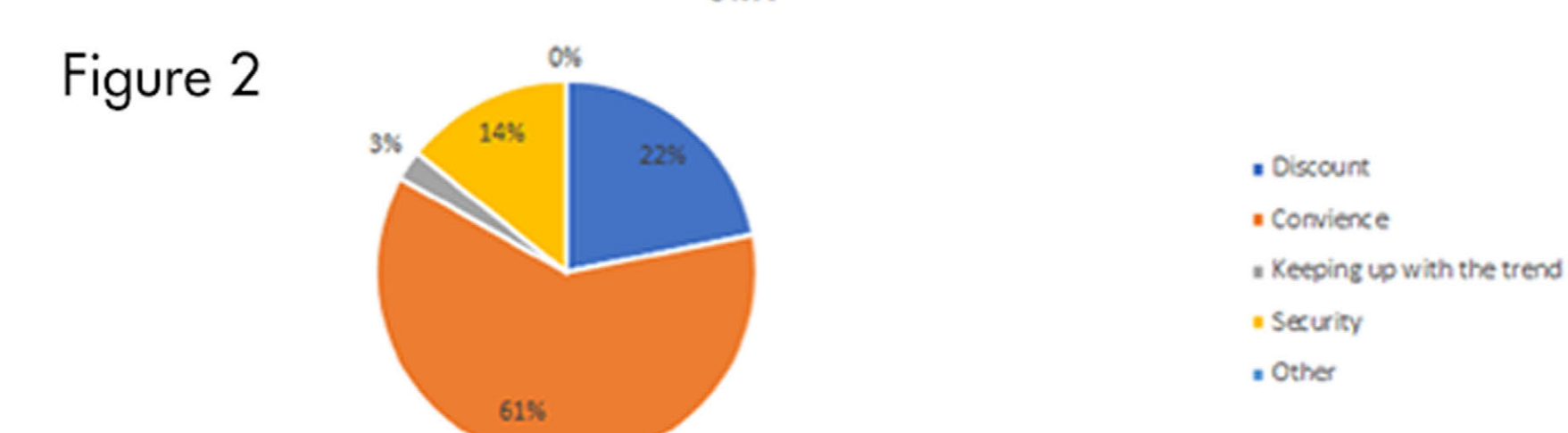
Aspect 3: Psychological effects

- More than half of the interviewees agree e-payment made them spend more (Figure 3)
- Approximately 70% of interviewees prefer e-payment discounts over traditional promotion methods (Figure 4)

Figure 1 Why are you choosing E-payment?

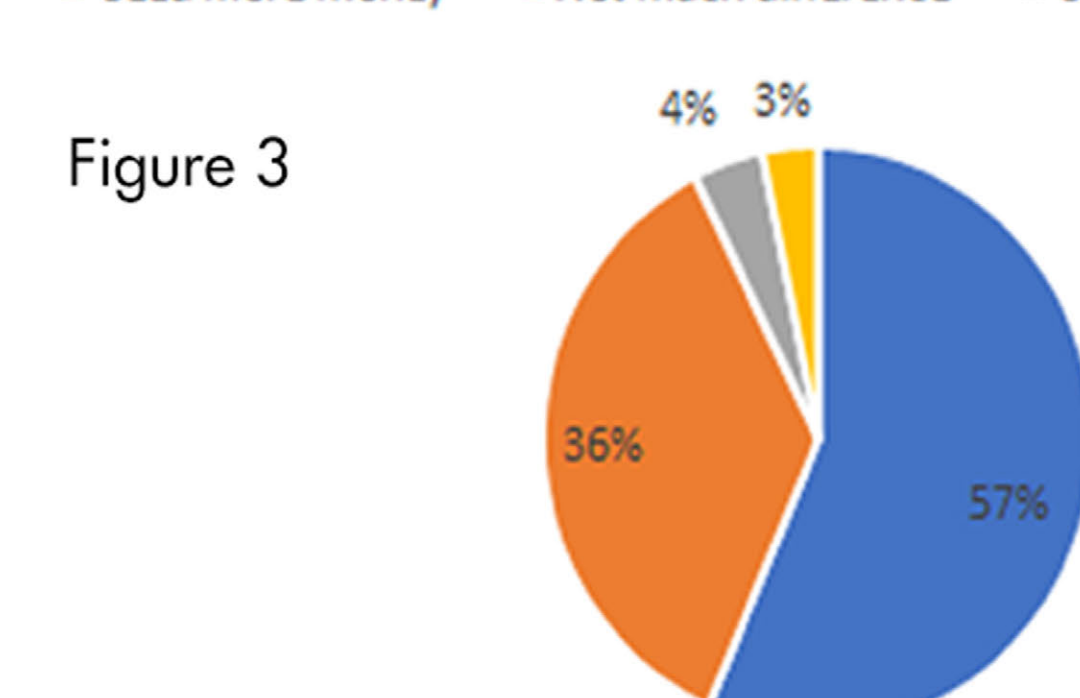


For people who use E-payment every day, they choose E-payment because of..?



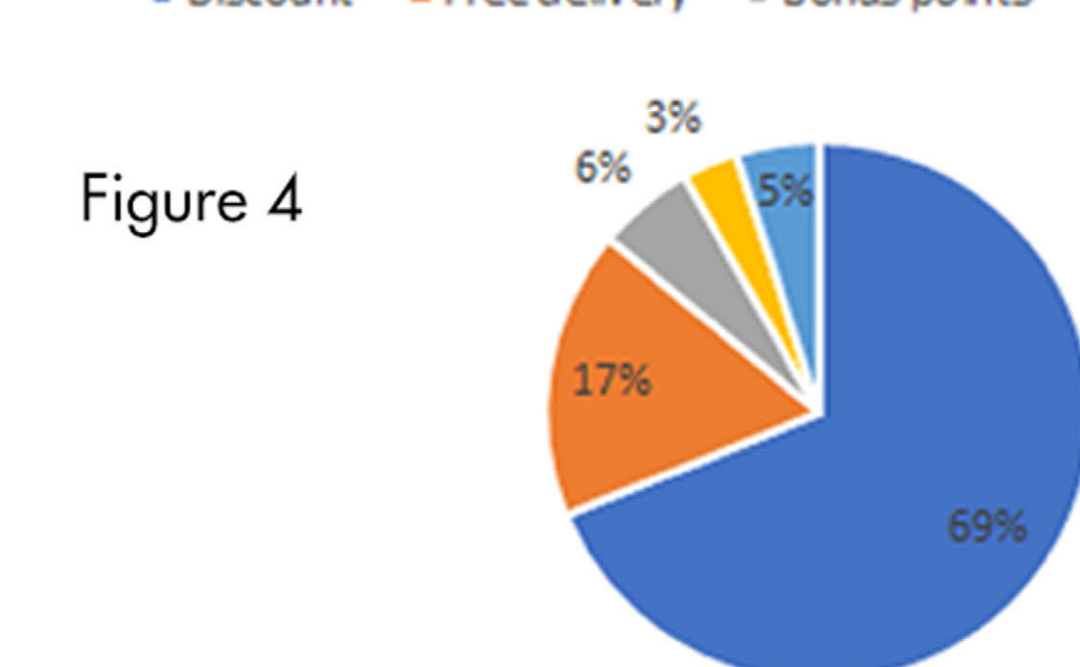
Comparing with traditional payment method, E-payment has made you...

Used more money Not much difference Used less money Other



Which marketing promotional method do you like best?

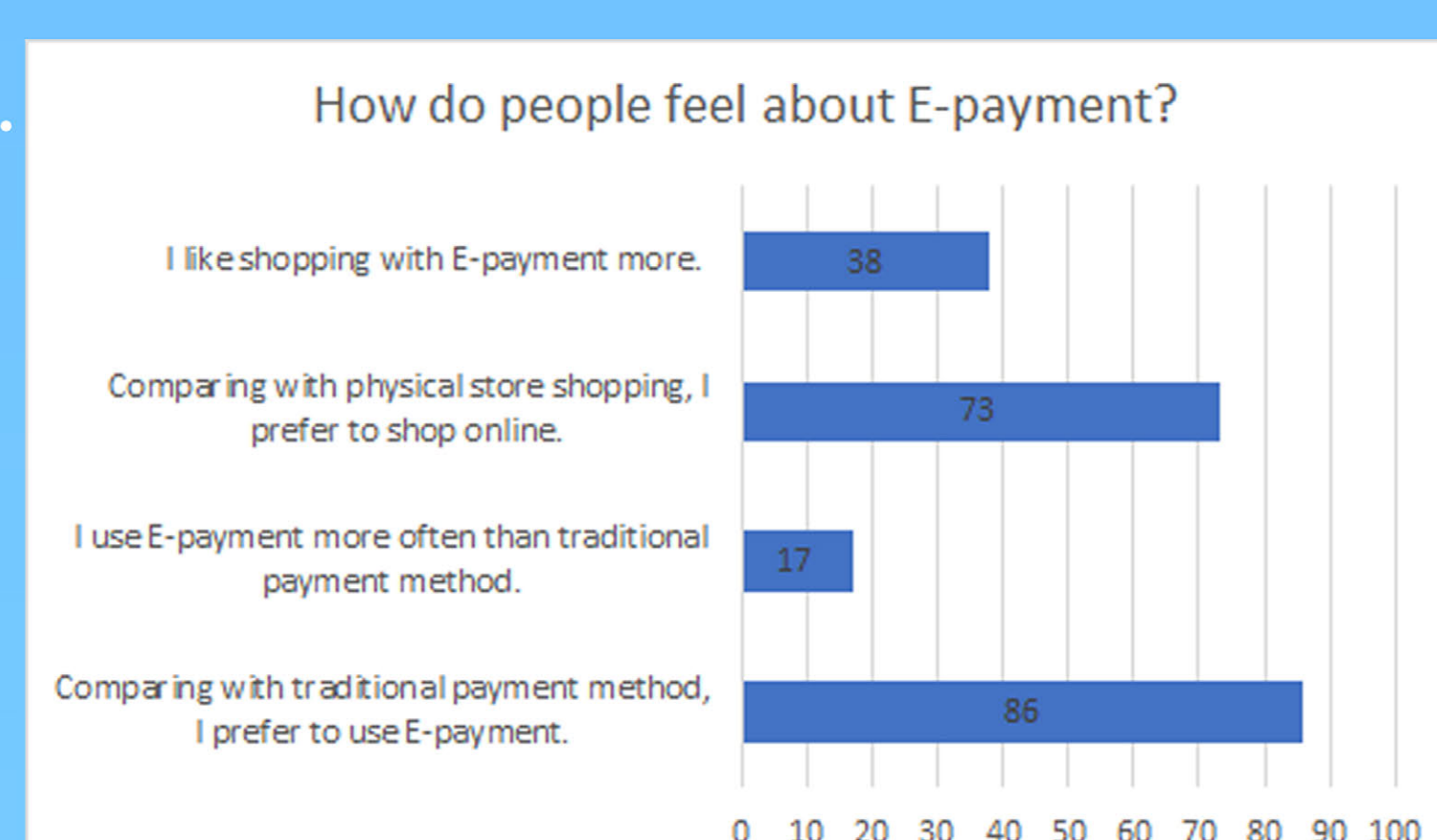
Discount Free delivery Bonus points Free gifts Other



Conclusion

1. E-payment stimulates impulsive purchases due to its convenience, thus make people spend more (Figure 1)

2. High transaction cost (e.g. carrying large amount of cash, fear of robbery) in the past was reduced by e-payment solutions, therefore people have higher incentives to consume



Suggestions

1. Further increase coverage: besides existing aspects like daily expenses (food, commuting, clothings & utilities, etc.), car renting, paying fines, e-payment services may expand their coverage to every aspect of people's lives
2. Improve data security: Prevent future crimes like stealing funds from other people's accounts by establishing a protective mechanism for consumers, as well as legislation of e-payment related laws
3. Mobile-less e-payment: Develop payment methods like face-scanning to further increase convenience for users

