

## INTRODUCTION

Over the past few years, China has transitioned to a digital payment era, replacing traditional methods and transactions.

Digital wallet users in China have grown to well over **300 million** and have completed more than **778 billion dollars'** worth of transactions as of 2014 (Larson, C., 2015). Factors including advertisements, high financial incentives, and promotional events have proven successful tactics in expanding the platforms' potential clients (Chen, 2017).

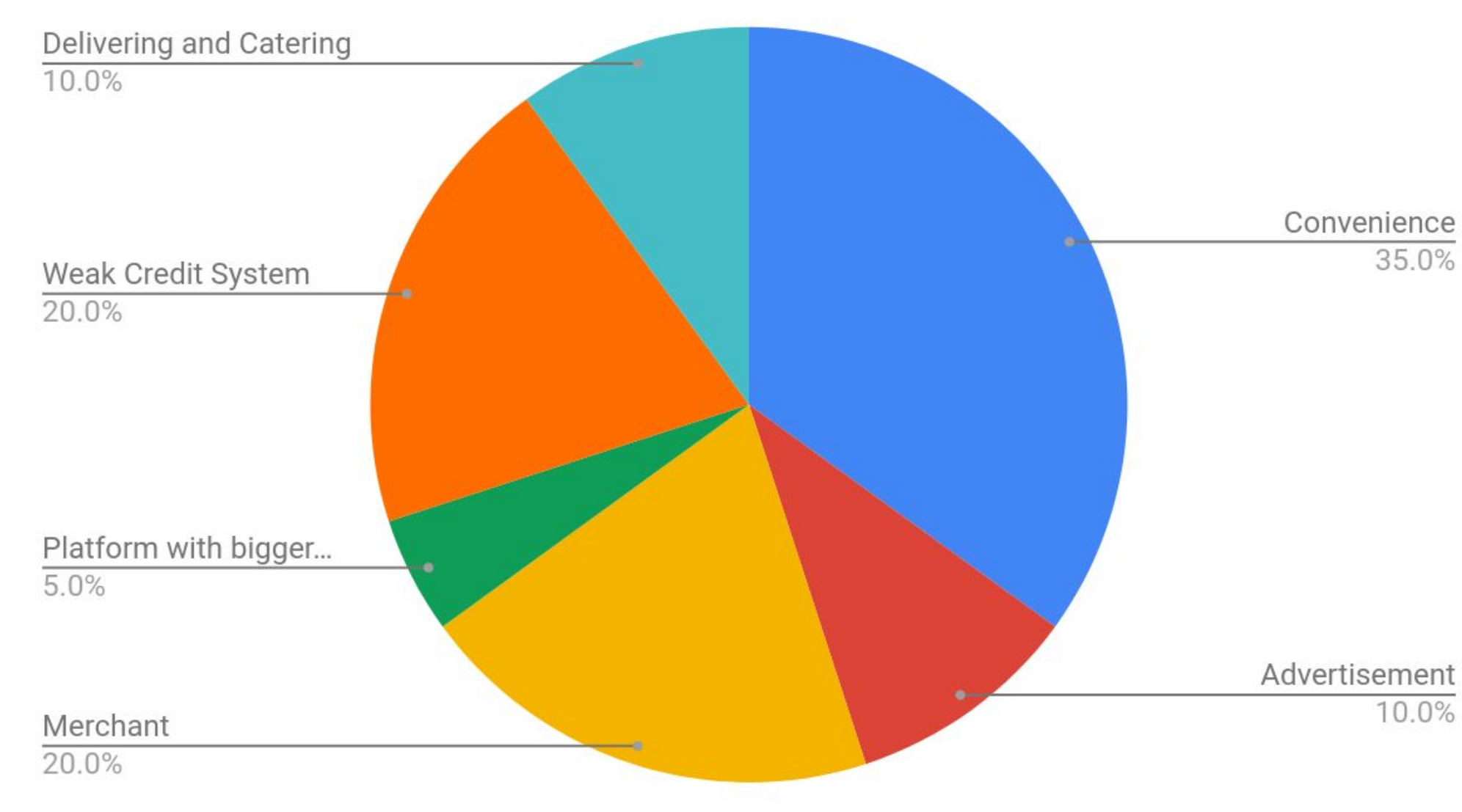
In the US, digital wallets also become more popular as technology advances, and more digital wallet platforms make their way to the US market.

However, in the US, digital wallets are less popular than the almost **ubiquitous** digital payments used in China.

There is a gap in success between US digital wallets and Chinese digital wallets, even though the US is one of the leading experts in mobile technology.

## DATA AND FINDINGS

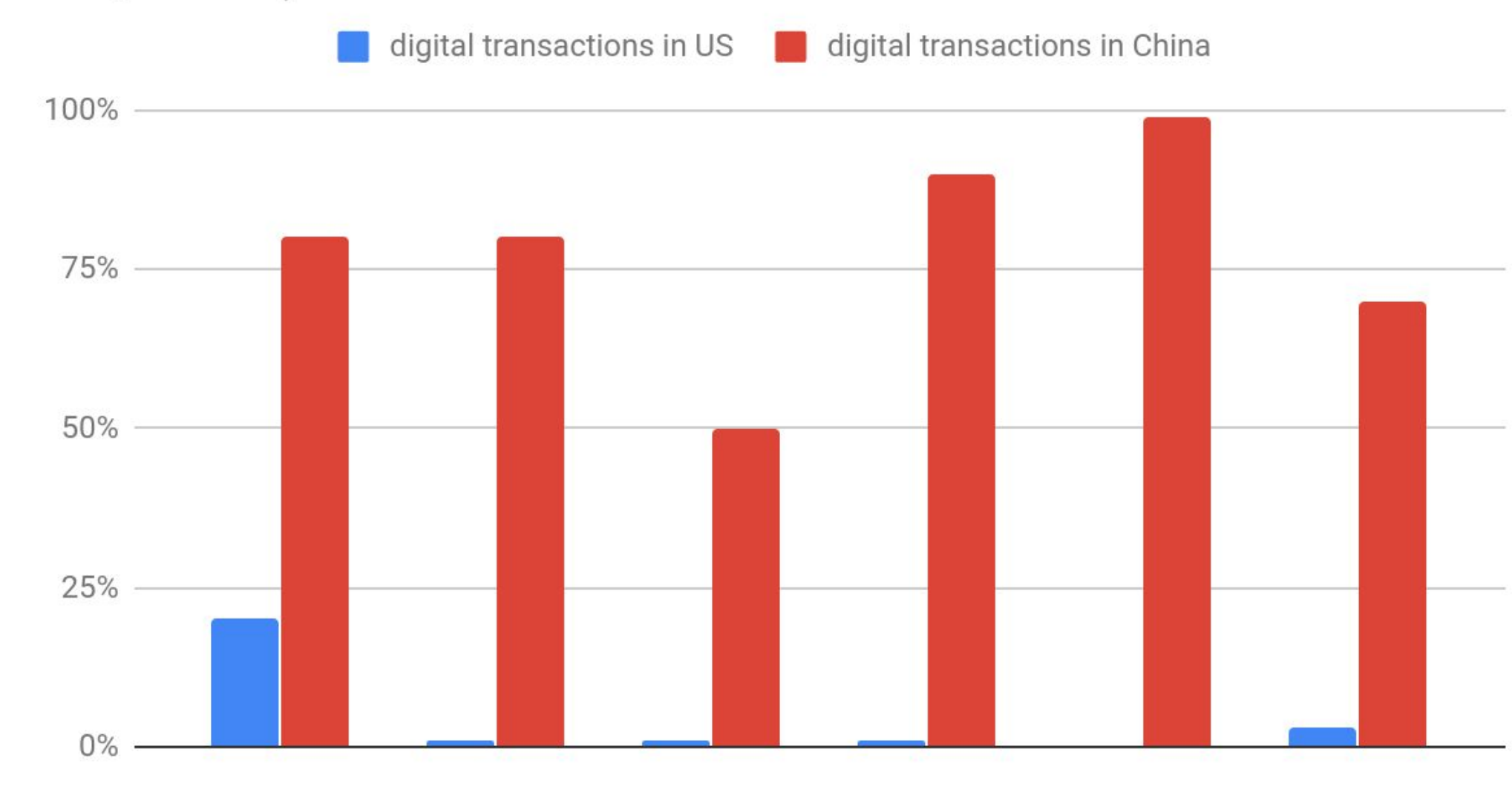
Reasons Behind Chinese Digital Wallets' Success



### Important Quotes:

- "It will be **very difficult** [for US digital wallets to become more popular] and will take a long time. Even American Express is losing their markets. Maybe another **5-10 years**."
- "In the US, the credit card is very popular... they call it ubiquitous. In China, credit cards are not popular other than for blue collar workers... only **40-50%** people use the credit card...The delivery system and catering system all depends on it."
- "I love digital wallets so much because they are **convenient** and easy to manage."

Digital transactions in the US versus in China(interview responses)



In summary, the major factors in the success of digital wallets in China that are different from the American digital wallet are listed below:

1. Credit Card
2. Financial Benefits
3. Merchants
4. Catering and delivery system
5. Fast Wifi
6. Few security concerns

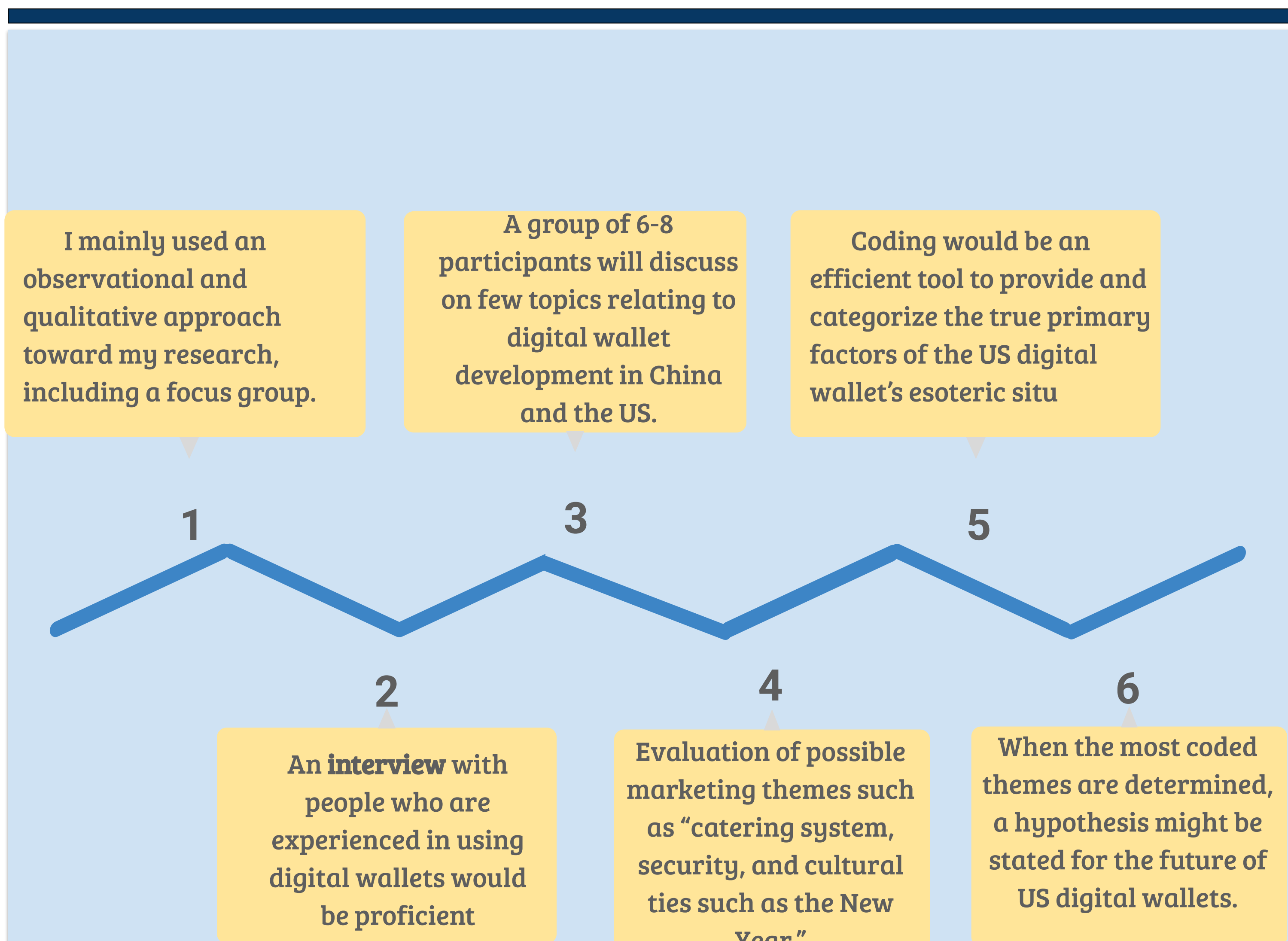


## IMPLICATIONS AND NEXT STEPS



In the next step, it's very important to **identify whether the US digital wallet will be successful**. I will try to come up with a hypothesis regarding whether it is possible for short term or long term digital wallet success in the US. This is very crucial since the basis of the research was to compare Chinese and US digital wallets to see if US digital wallets will thrive in the future. The most important next step would be to access **databases comparing China and the US** regarding credit and banking system, spending patterns, and phone usage data.

## RESEARCH METHODOLOGIES



## CONCLUSIONS AND ANALYSIS

**In conclusion, all of the participants in the interviews agreed that digital wallets are more popular in China than in the US.** All of the participants rated the usage digital wallets in China as higher than in the US.

**Most of the respondents believed that it would be very hard for the US to gain popularity for various reasons.** Some claimed that it would be very hard for them to abandon traditional payment processes and pick up a new one. Only one participant out of the six was very optimistic about digital wallets in the US. "I think that it is very possible for digital wallets in the US to flourish. (Wang)"

**Credit and Wifi is a big factor.** Participants recognized the fact that the credit system in China is very weak compared to the US, and that is possibly one of the reasons for Americans' reluctance in using digital wallets. Respondents during the interview said that the strong wifi system made digital wallets possible.

**Most people decided to switch to digital wallets because it was so convenient due to many merchants accepting digital wallets.**

## ACKNOWLEDGEMENTS / REFERENCES

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### \*\*\*Works Cited:

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