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A TREND INVESTIGATION AND SWOT ANALYSIS BASED ON EXAMPLES OF CHINESE PROVIDERS

LAUNCHING MOBILE PAYMENT SYSTEMS IN THE DACH REGION

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Descriptors

#mobilepayment #proximitypayment #alipay #wechatwallet #fintech #dachregion #china #comparison #trends #cashless #innovation #SWOT

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Abstract

Purpose – To investigate and understand the trend of proximity mobile payment and its rapid development in China compared to the low adoption rate in Austria, Germany and Switzerland. The purpose of this paper is to further provide a base of information, organized in a SWOT-Analysis to indicate obstacles and to plan implementation and business strategies.

Design/methodology/approach – The companies, which serve as a base case are WeChat Wallet and Alipay, therefore they are examined precisely by desk and field research. Additionally, the markets of Germany, Austria, Switzerland and China are studied intensively. The author attended the Mobile in Retail Conference 2018 in Berlin, where she collected information during key notes of stakeholders of the DACH payment market. This analysis follows guidelines of information valuation and organization.

Findings – The results show that the market in the DACH region is far more complex than in China and divided by different technologies and providers of PMPS services. The innovation adoption needs to overcome several obstacles like missing alignments, unstandardized technologies and the vacantly ubiquity of proximity payment systems, thus cash is still the most used payment method in DACH. Moreover, m-payment systems are not perceived as trustworthy or secure. In general, the development of the market is detained by poor communication and confusion. However, China turned into an almost cashless society, though the payment market is fully controlled and monitored by the government and the monopoly of Alipay and WeChat.

Research limitations/ implications – A trend research needs a constant investigation of the trend development and the degree of change, thus permanent research needs to be done to constantly picture the current trend movement. This paper is limited to the status quo. It is not aiming to portrait e-commerce or e-banking in general.

Practical implications – With regard to the practical perspective, the cases of Alipay and WeChat may serve as profound examples of successful product launches and market positioning. Currently, the providers in DACH position their payment products without communicating the additional value to the customer. Therefore, their marketers should rework its marketing and education process to gain the users' trust and to support the implementation. Additionally, an overall alignment of the payment structure could help to manage the users' confusion.

Originality/Value – This paper summarizes and defines the reasons of the low implementation rate of the mobile payment trend in the DACH region, by providing a summary of the main issues and mistakes and the past development of the market by comparing its evolution with the successful Chinese market. Thus, this analysis helps executives to understand their barriers and to build new strategies for a successful product launch.

Table of Content

Descriptors ..... **III**

Acknowledgements ..... **IV**

Abstract ..... **V**

List of Figures ..... **IX**

Index of Abbreviations ..... **XI**

References ..... **XIII**

1 Introduction **1**

1.1 Research Background & Objective 4

1.2 Research Structure 6

2 Theoretical Framework **7**

2.1 Mobile Payment Definition 7

2.2 Mobile Payment Services in the P2B Market – Overview 9

2.3 Proximity Mobile Payment Platform– Business Models 10

2.4 Proximity Mobile Payment – Technologies 12

2.5 Anatomy of Trends & Innovation Adoption 16

3 Methodology **19**

3.1 Concept of Trend Investigation 19

3.2 Concept of SWOT-Analysis 22

4 Status Quo & Trend Investigation – China vs. DACH Region **24**

4.1 Cultural Aspects 24

4.2 The Past & the Status Quo in China - Economic & Governmental System 28

4.3 The Past & the Status Quo in DACH 39

4.4 Costumer or Trade - The Chicken or Egg Dilemma in DACH 54

4.5 PMPS Provider Landscape – Google and Apple vs. Local Providers (DACH) 55
4.6 China vs. DACH Region – A Comparison 56

5 Discussion of Findings 61

6 The Résumé via SWOT-Analysis – The Launch of M-Payment in DACH 65
6.1 Strengths 65
6.2 Weaknesses 68
6.3 Opportunities 71
6.4 Threats 74
6.5 Conclusion 76

7 Trend Outlook & Research Proposal – DACH 78
7.1 Research Limitation 81

8 Conclusion 83

List of Figures

Figure 1: Dimensions of Mobile Payment 8
Figure 2: P2B Mobile Payment Solution Pillars 9
Figure 3: Proximity Mobile Payment Models 11
Figure 4: QR code Example 14
Figure 5: The NFC Payment Process via Smartphone 16
Figure 6: Variables influencing the Rate of Innovation Adoption 17
Figure 7: Attributes of Innovation Adoption 18
Figure 8: Trend Research Cycle 19
Figure 9: Trend Research Keywords 21
Figure 10: The Six Cultural Dimensions according to Hofstede 25
Figure 11: The Manifestations of Hofstede's Dimensions in DACH 26
Figure 12: Cultural Comparison Austria, China, Germany, Switzerland 28
Figure 13: WeChat Wallet Services 34
Figure 14: Alipay User Interface 36
Figure 15: Homeless with QR Code 38
Figure 16: Street Food Market & QR Code Payments 38
Figure 17: Innovation Diffusion Rate of PMPS 39
Figure 18: Why have you not used Mobile Payments in Stores yet? 40
Figure 19: Highlights of Mobile Payment Development in Germany in 2018 42
Figure 20: Google Pay and Apple Pay User Interfaces 43
Figure 21: Google Pay & Apple Pay List of collaborating Banks 43
Figure 22: PAYBACK PAY Payment Process 45
Figure 23: PAYBACK Pay Partners 45
Figure 24: Bluecode's User Interface 47
Figure 25: Mobile Payment Applications by Bank Institutions in Austria 48
Figure 26: Apple Pay in Switzerland – Collaborating Banks 51
Figure 27: Samsung Pay Bank in Switzerland – Collaborating Banks 52
Figure 28: Swiss Payment Provider Twint 53
Figure 29: SWOT-Analysis Definition 65

Figure 30: Top 3 Advantages of Mobile Payment 66
Figure 31: Duration of Checkout-Processes by Methods 67
Figure 32: Payment Card Ownership in Germany in 2008- 2017 in % 69
Figure 33: Preferred Mobile Payment Provider in % 73
Figure 34: SWOT-Analysis Summary 77

Index of Abbreviations

AI	Artificial Intelligence
App	Application
Approx.	Approximately
API	Application Programming Interface
B2B	Business-to-Business
CCP	Chinese Communist Party
DACH	Germany, Austria and Switzerland
E-commerce	Electronic Commerce
E.g.	Exempli gratia - for example
Fintech	Financial Technology
FPÖ	Freiheitliche Partei Österreichs (Freedom Party of Austria)
GDP	Growth Domestic Product
IMF	International Monetary Fund
ISP	Independent Service Provider
M-commerce	Mobile Commerce
M-payment	Mobile Payment
MiRC	Mobile in Retail Conference
MSP	Mobile Service Provider
NFC	Near-Field-Communication
ÖVP	Österreichische Volkspartei (Austrian People's Party)
P2B	Person-to-Business
PMPS	Proximity Mobile Payment Systems
POS	Point-of-Sale