




THE DEATH OF CASH

BUSINESS INSIDER INTELLIGENCE

BUSINESS INSIDER
INTELLIGENCE

PROVIDING IN-DEPTH INSIGHT, DATA, AND ANALYSIS OF EVERYTHING DIGITAL



**Two inverse trends will
reshape payments over
the next five years**

Source: Pexels

BUSINESS INSIDER
INTELLIGENCE

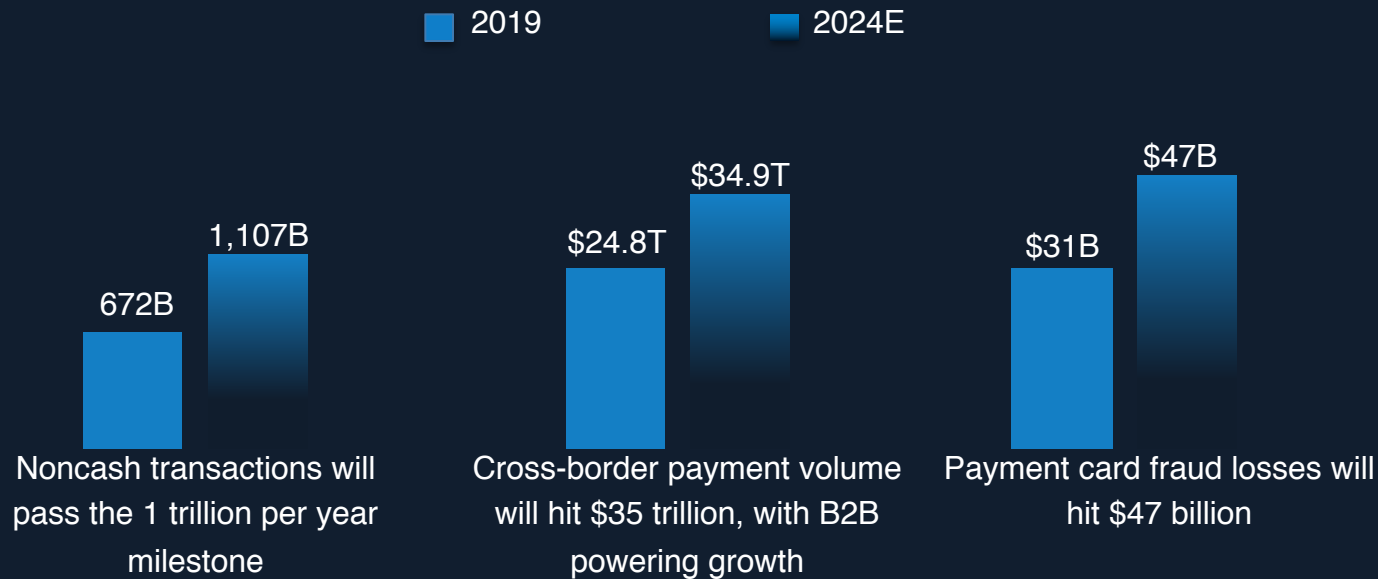
The slow death of cash and the fast rise of digital payments



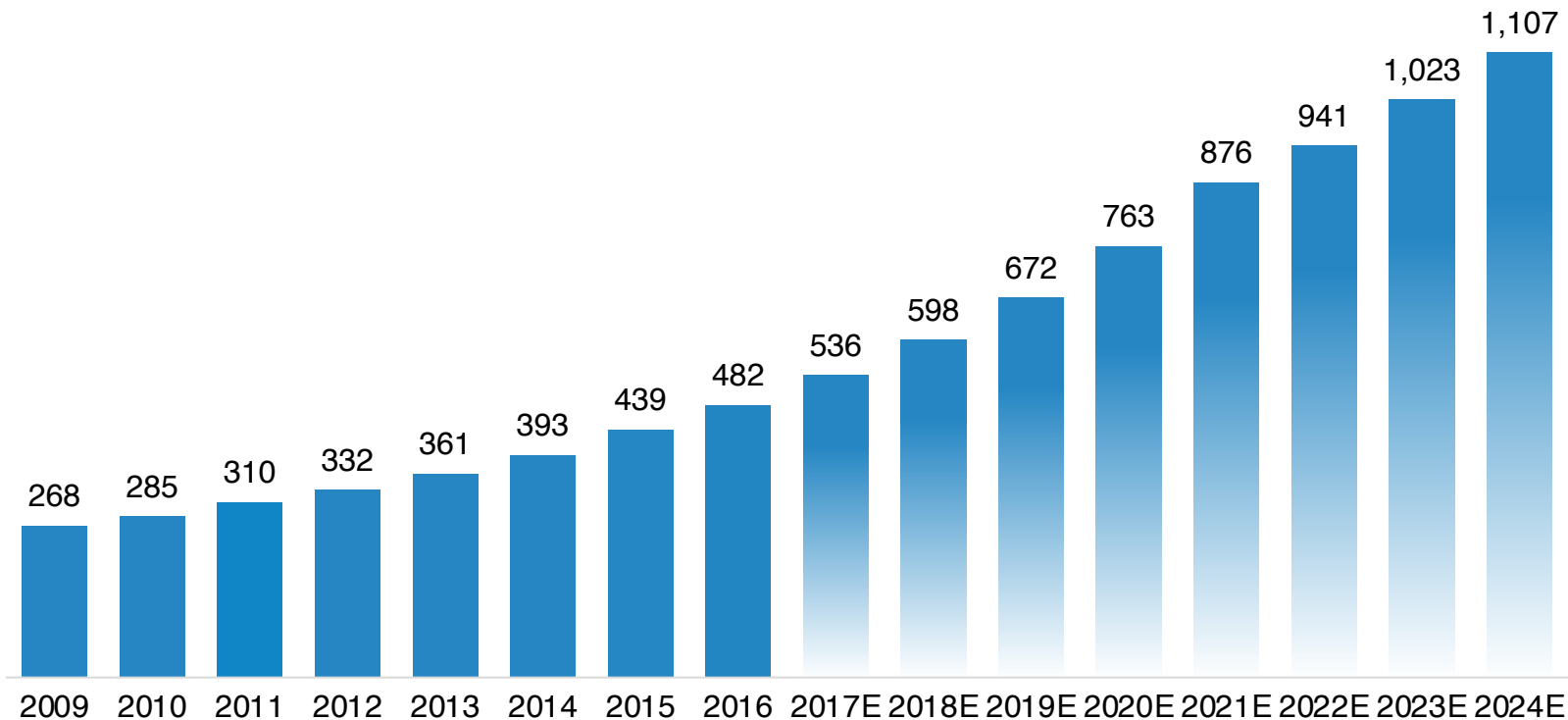
Source: Unsplash

BUSINESS INSIDER
INTELLIGENCE

Digital's rise will transform how consumers, businesses, governments, and even criminals move money



Global Number Of Total Noncash Transactions (Billions)



Note: The 2019 to 2024 CAGR is 10.5%

Source: Business Insider Intelligence estimates, Capgemini, ECB Statistical Data Warehouse, BIS Red Book

Global Number Of Total Noncash Transactions

Definition: Noncash transactions include debit card, credit card, direct debit, and credit transfer transactions conducted offline or online by consumers or businesses.

2024 AT A GLANCE

- In 2024, consumers and businesses globally will make 1.1 trillion noncash transactions, up 64% from an estimated 672 billion this year.
- The majority of those transactions will be made using cards and digital wallets, but direct debits will become increasingly popular, particularly in Europe.

PREDICTIONS

- The prevalence of regulations that protect cash access for underserved consumers will increase.
- The first cashless society, where virtually all transactions are conducted electronically, will emerge by the end of the decade — likely in the Nordics.

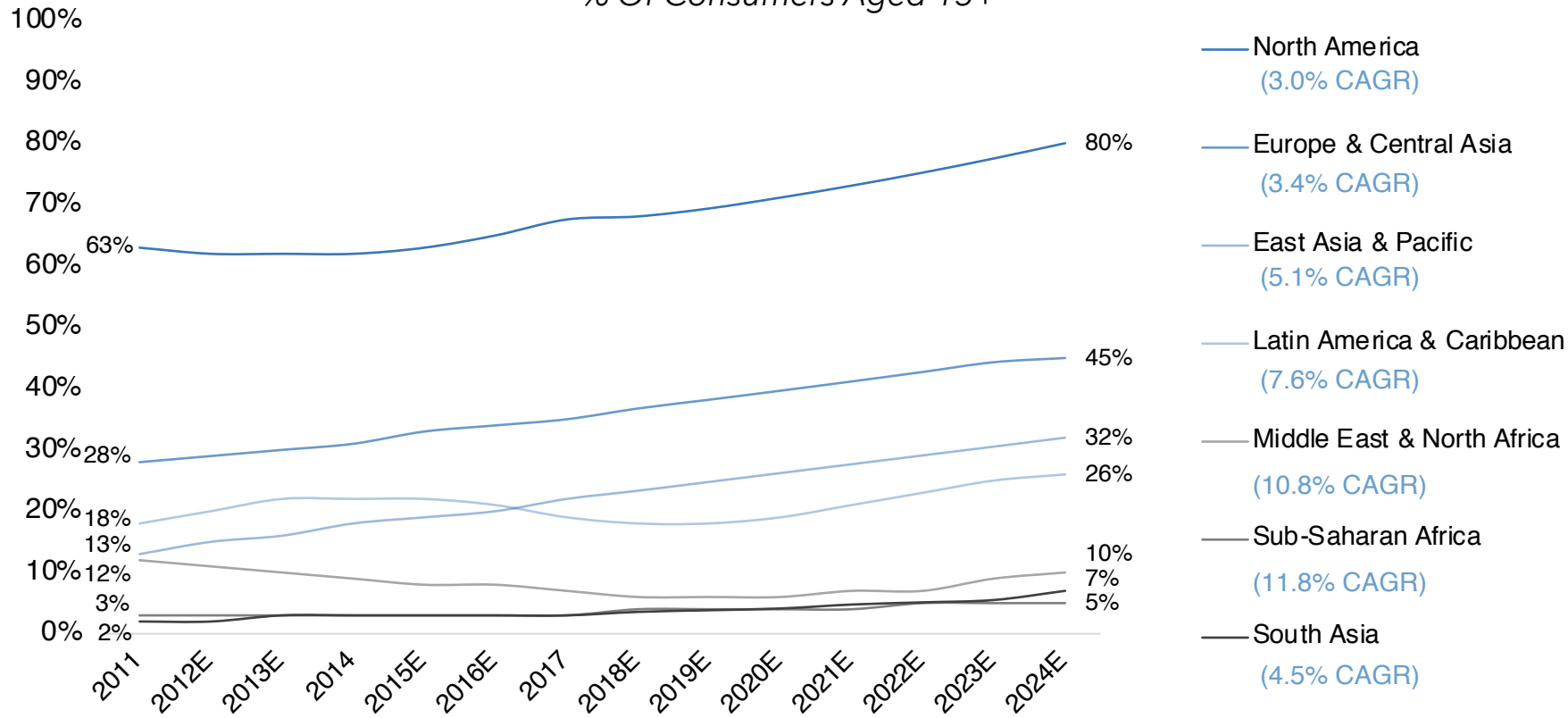
GROWTH ENGINES

- Governments are enticing digital payments, with China opening its card market; open banking and PSD2, which gives banks more access to consumer data they can use to develop payments platforms, in Europe; and the launch of Faster Payments in markets worldwide.
- Mobile penetration will exceed 90% by 2022, giving more customers access to the internet and in turn digital financial services like mobile wallets or neobanks.



Credit Card Adoption, By Region

% Of Consumers Aged 15+



Note: The CAGRs above refer to 2019 to 2024.

Source: Business Insider Intelligence estimates, Global Findex, The World Bank, Gallup

Credit Card Adoption, By Region

2024 AT A GLANCE

- In mature markets like North America, credit penetration will expand modestly as customers remain interested in credit thanks to enticing offers like rewards programs and startup bonuses.
- Latin America will see a brief decline in penetration in 2019-20 as issuing slows in markets like Mexico, per MAI, and Venezuela bans Visa and Mastercard in 2020.
- In some emerging markets, including MENA, penetration will rise as banks find new ways to attract users through partnerships and fintechs offer credit.
- Markets where customers largely transact through nonbank methods, like sub-Saharan Africa, will see flat, low penetration.

GROWTH ENGINES

- Issuers will ramp up rewards offerings to attract customers in major markets, since 79% of customers cite rewards as the top factor in choosing a credit card.

A horizontal bar chart with a blue bar representing 79% and a grey bar representing the remaining 21%.

Category	Percentage
Rewards as top factor	79%

- Major card markets like China are opening up their ecosystems to global providers, which could push more customers to apply for more credit cards.

INHIBITORS

- A global recession could hit as early as next year, per CNBC, which — if 2008 is any indication — could limit credit appetite and slow growth in major markets.
- Rising popularity of POS financing around the globe could push customers to other methods of paying for large purchases — particularly younger users, who are less interested in credit than their older counterparts.

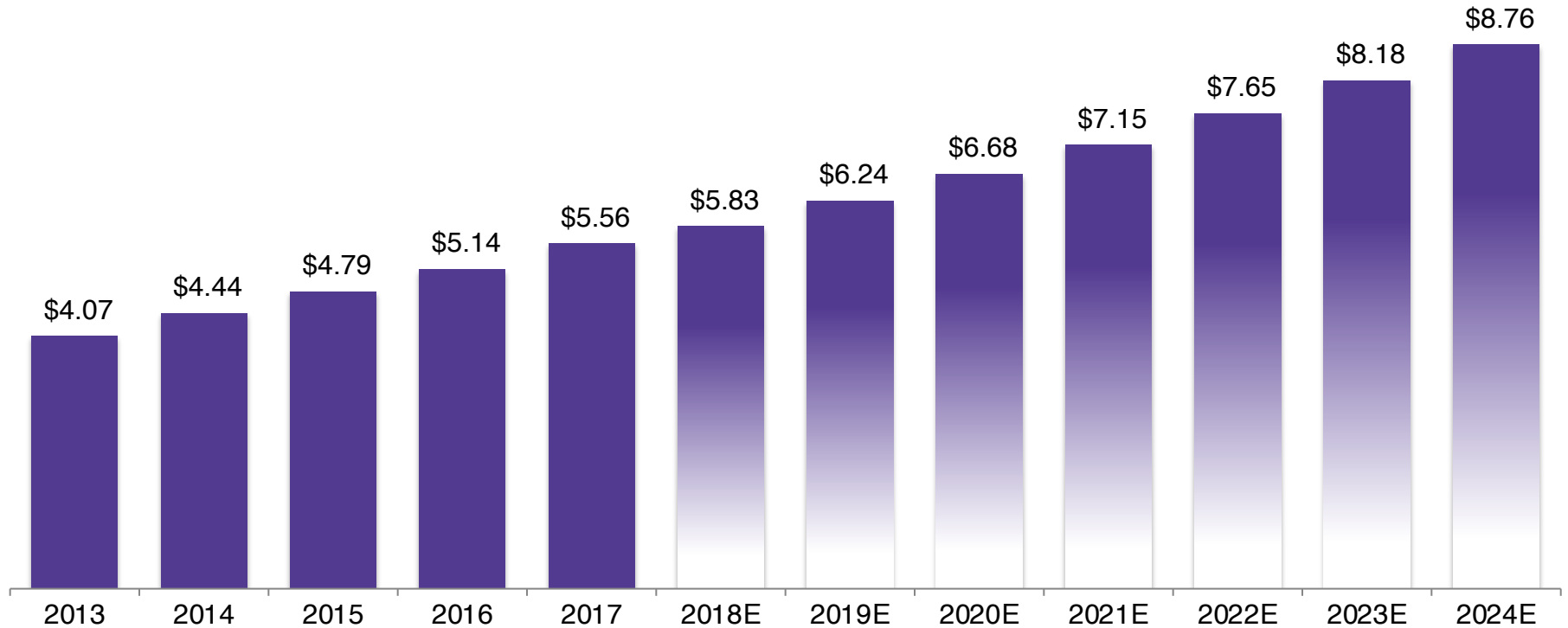
A horizontal bar chart with a blue bar representing 47% and a grey bar representing 53%.

Category	Percentage
Online shoppers interested in POS financing	47%

53%

- Online shoppers interested in POS financing

Total US General Purpose Card Volume (Trillions)



Note: The 2019 to 2024 CAGR is 7.02%

Source: Business Insider Intelligence estimates, The Nilson Report, US Federal Reserve, comScore, Visa, Mastercard

Total US General Purpose Card Volume

Definition: General card payments include purchases made by consumers or businesses at merchants for goods and services, on credit or debit cards usable anywhere.

2024 AT A GLANCE

- Card payments made on credit and debit cards will swell at a 7.02% CAGR to hit \$8.76 trillion in the US in 2024 as customers become less reliant on cash.

PREDICTIONS

- Cards will be the preferred payment method for 85% of consumers by 2024, per estimates based on TSYS data.
- Seven out of every 10 retail purchase dollars spent will be spent on cards.



- Businesses will be able to use corporate cards more easily thanks to the emergence of providers like Marqeta and Extend.

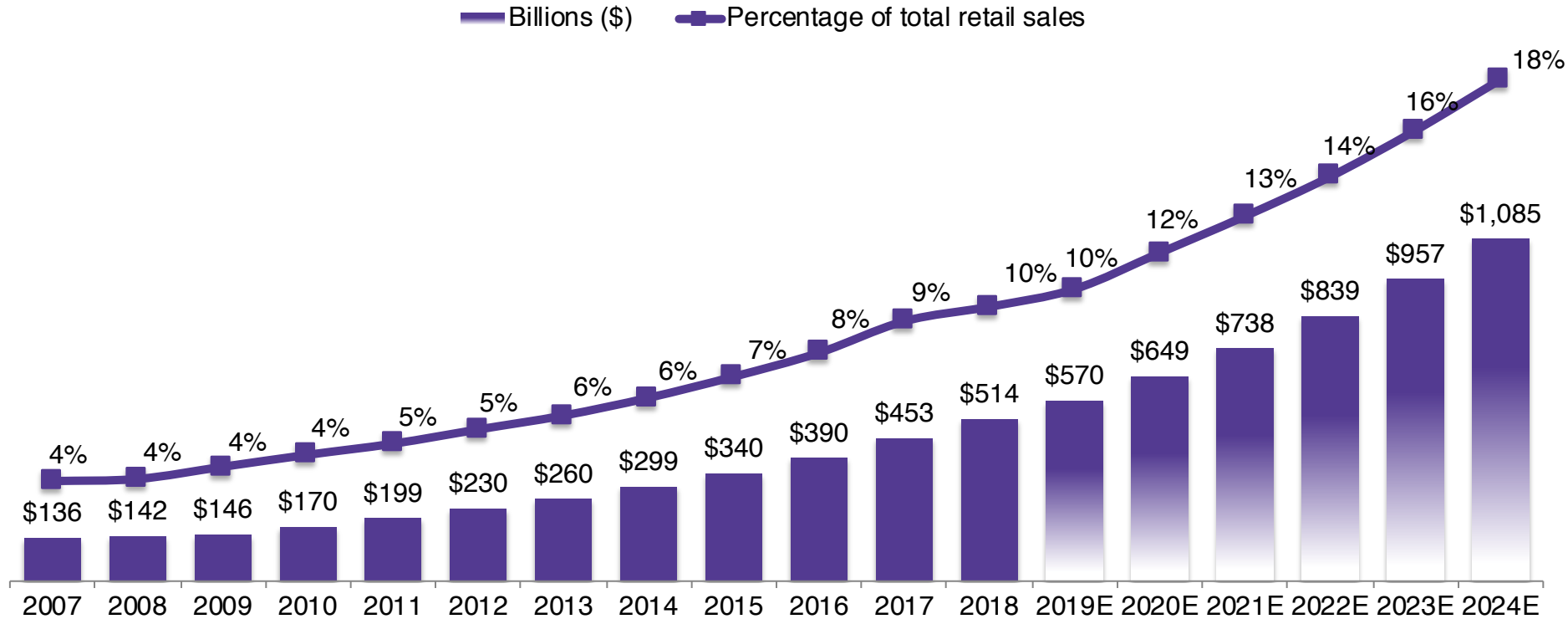
GROWTH ENGINES

- The share of smaller merchants that accept cards will exceed 50%, up from around 37% now.
- Remote payments (i.e. e-commerce, the gig economy) will comprise 37% of total consumer card payments, up from 24.6% in 2017, per the Fed.
- Corporate cards will popularize for business expenses, with volume growing 33% to \$763 billion by 2022, per Accenture.

INHIBITORS

- The battle over interchange pushes sellers to incentivize cash payments with a discount, which discourages some card payments and stymies growth.

US E-Commerce Payments Volume



Note: The 2019 to 2024 CAGR is 13.73%

Source: Business Insider Intelligence estimates, US Census Bureau

US E-Commerce Payments Volume

Definition: E-commerce includes retail sales originating from all Internet-connected devices (including mobile). The figures exclude automobile sales, consistent with the US Census definition.

2024 AT A GLANCE

- US e-commerce sales will climb at a 13.7% CAGR to reach \$1.09 trillion in 2024 — surpassing the \$1 trillion mark for the first time.
- E-commerce will represent nearly a fifth of total US retail sales.
- E-commerce spending growth will outpace that of traditional retail, but still slow slightly in tandem with an overall decline in consumer spending in 2019-2020.

PREDICTIONS

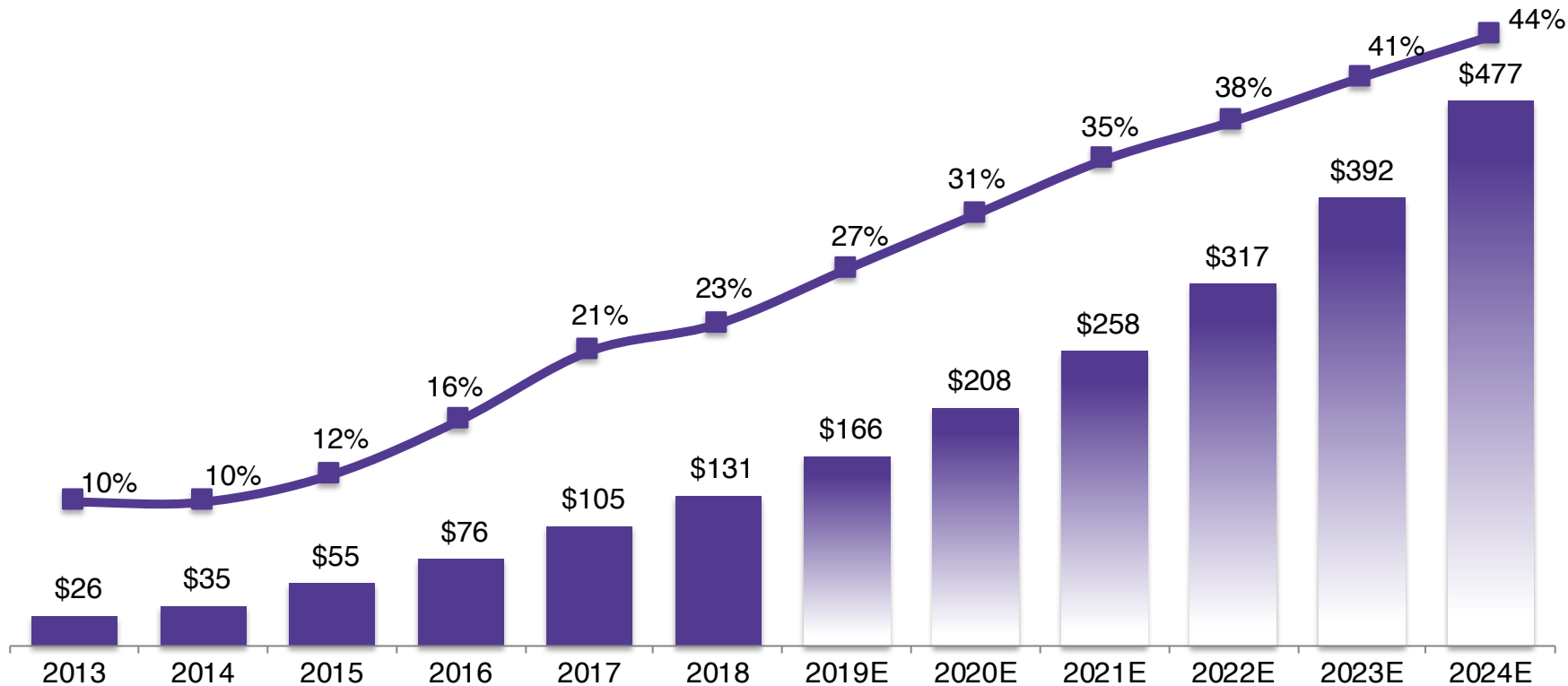
- More marketplaces and platform providers will add tools like analytics dashboards and advertising to help small business sellers improve their digital commerce offerings, which can drive up online shopping.

GROWTH ENGINES

- Online grocery, e-commerce, and furniture — three top e-commerce categories — will see spending shift to online, propelling growth:
 1. Online grocery will explode as 70% of consumers engage with the category at least once.
 2. E-commerce will account for about half of apparel sales.
 3. Tools like AR will make it easier to buy furniture online.
- Omnichannel tools, like buy online, pick up in-store, will see adoption expand from 72% of retailers in 2019 to 90% in 2024, bringing brick-and-mortar volume online.

US M-Commerce Payments Volume

— Billions (\$) — Percentage of e-commerce sales



Note: The 2019 to 2024 CAGR is 23.5%

Source: Business Insider Intelligence estimates, US Census Bureau, comScore, Criteo

US M-Commerce Payments Volume

Definition: Business Insider Intelligence defines mobile commerce (m-commerce) as e-commerce volume that comes from smartphones and tablets.

2024 AT A GLANCE


- US m-commerce will swell at a 23.5% CAGR to hit \$477 billion, nearly three times the \$166 billion expected this year.
- Mobile sales will account for 44% of e-commerce, with 86% of this figure coming from smartphones.
- The average US customer will spend \$1,311 on mobile annually.

PREDICTIONS

- Secure remote commerce (SRC) deployment will begin in late 2019, creating a universal buy button in the browser that will streamline checkout.

GROWTH ENGINES

- Conversion rates, which currently hover around 2%, will improve as new features reduce friction points caused by smaller screens and make buying on mobile simpler:
 1. 84% of retailers will offer a mobile-optimized browser experience by 2021, which will ease pain points where most mobile shopping occurs.
 2. Digital wallets will capture a rising share of digital spending because of increased merchant acceptance and the ease of single-touch checkout.

An aerial, high-angle photograph of a dense urban skyline, likely New York City. The Empire State Building is the most prominent structure in the center, with its iconic spire reaching towards the sky. The surrounding area is filled with numerous other skyscrapers and buildings of varying heights and architectural styles. The sky is a pale blue with some light, wispy clouds. The overall image has a slightly desaturated, blue-toned aesthetic.

Like what you're reading? Join
a conversation with the people
who matter most in retail!

Payments & Commerce Pro

from Business Insider Intelligence includes dozens of research reports, weekly charts and data, industry forecasts, and more for today's most forward-thinking business professionals.





Here are some research reports that may be of interest to you

- ✓ **The Online Grocery Report:** We discuss future strategies major grocers can use for success in online grocery
- ✓ **The Payments Ecosystem:** A ground-up overview of the industry today
- ✓ **The In-Store Checkout Revolution:** We forecast the growth and payments volume of autonomous checkout stores

With **Payments & Commerce Pro**, we keep you up to date on the trends, companies, and people moving the payments industry forward with our morning Briefing and the complete Payments Ecosystem Report.

Learn more about [Payments & Commerce Pro](#)