Sizing The Mobile Payments Market

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Dramatic growth ahead

Mobile payments, though they have yet to take off substantially in North America, are a hot topic, with major companies like Google joining startups in the space and hoping to grab a slice of billions of dollars in potential transactions.

Research firms disagree on the current size of the nascent market, but project strong growth in mobile payments and their users.

Juniper Research estimated in July that worldwide mobile payment volume would reach $240 billion this year. This forecast included both remote mobile payments (that is, payments for both digital and physical goods to a remote merchant via an e-commerce system) as well as payments made with a mobile phone at the point of sale, such as with a near-field communications device.

By 2015, Juniper predicted, worldwide mobile spending on remote and POS payments would rise to $670 billion, nearly triple this yearâ€™s figure.

Gartner had a more conservative estimate for 2011 spending: $86.1 billion worldwide, a 76% increase over 2010 payment volume. The figure includes POS transactions made through various technologies as well as purchases made over the mobile internet.

Gartner noted that in developed markets, the success of app stores and major retailers driving mobile sales means that most transactions in those locations are online purchases of physical goods.

Yankee Group also released an estimate of mobile payment transaction value in July, putting the total for 2011 at $246 billion, close to Juniperâ€™s figure.

Yankee Group estimated that two-fifths of mobile payment volume would come from Europe, the Middle East and Africa, while a third would come from Asia-Pacific.

Juniper Research also agreed on the top regions for mobile payments: North America, the Far East and China, and Western Europe.

Juniper did not report a specific market breakdown based on region, however.

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