

Vietnam's Remote & Proximity Mobile Payments Rises in 2024

Di động Không tiếp xúc Từ xa & Gần của Việt Nam Truyền thông tầm gần Thanh toán Con rồng trỗi dậy vào năm 2024

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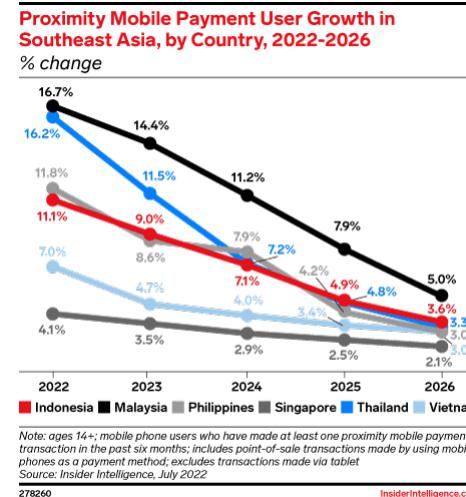
Proximity vs Remote Payment Landscape in Vietnam in 2024

Proximity - NFC Technology Adoption

- Near Field Communication (NFC) technology is the fastest-growing segment in Vietnam's mobile payment market.
- It offers features like enhanced security, faster transaction processing, and driving demand for smartphones & Smartwatches.
- The growth of NFC usage is part of a broader trend towards contactless payments in Vietnam.

• Remote Payment Adoption

- A dominant sector in Vietnam's mobile payment market includes mobile banking & online e-commerce payments for convenience & flexibility with financial transactions.
- QR Code Payments are widely adopted, and popular in Vietnam.
- Major mobile payment providers offer QR code payment options.
- Mobile Web Payments are significant & popular only requiring a smartphone to scan the QR code to use



Vietnam Proximity & Remote Mobile Payment Market	
Aspects	Details
 By Type	<ul style="list-style-type: none">• PROXIMITY PAYMENT• REMOTE PAYMENT
 By MODE OF TRANSACTION	<ul style="list-style-type: none">• Short Message Service• Wireless Application Protocol• Near-Field Communication
 By END USER	<ul style="list-style-type: none">• PERSONAL• BUSINESS
 By APPLICATION	<ul style="list-style-type: none">• Hospitality & Tourism• Media & Entertainment• Retail• Healthcare• Energy & Utilities• IT & Telecommunication• Others
 By Type	<ul style="list-style-type: none">• Airtime Transfer & Top-Ups• Money Transfers & Payments• Merchandise & Coupons• Travel & Ticketing• Others
 Key Market Players	VIETUNION ONLINE SERVICES CORPORATION (PAYOO), ORANGE, ONEPAY, VNG CORP, M_SERVICE, MOVI, PAYPAL HOLDINGS, INC, NGANLUONG.VN, SOHAPAY ELECTRONIC PAYMENT TOOL, NATIONAL PAYMENT CORPORATION OF VIETNAM (NAPAS)

Vietnam's Mobile E-Wallet – Rise of Super Wallets

- **Choose between Domestic/Foreign wallet providers**
PayPal is often more convenient for expats, and AliPay & WeChat pay are convenient for Chinese users.
- **Local E-Wallets:** Momo and ZaloPay cater more to local needs. There are many locally tailored Vietnamese wallets.
- **Fees & Exchange Rates:** Consider the transaction fees and conversion rates on currency exchange for expats.
- **Merchant Acceptance:** Choose an e-wallet accepted where you shop often; check local e-commerce platforms or expat forums.

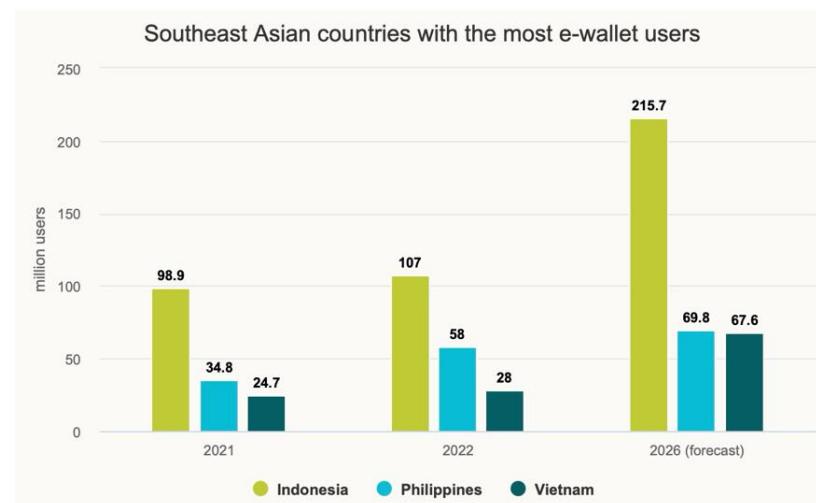


Momo Wallet in Vietnam is a digital E-wallet and mobile payment service that allows users to store, transfer money, make payments, and pay for goods and services. A full in-app banking experience. Send/receive money to/from other MoMo customers. Cash in & cash out at any MoMo agent.



- **Vietnam is one of the top countries in Southeast Asia for e-wallets**
- **62% of respondents use QR codes for transactions (proximity, remote)**
- **58% utilize online/internet wallets,**
- **16 transactions per month involve QR scanning.**

The number of active digital wallets in Vietnam will surge by 40% to 50 million by the end of 2024 and was 36 Million in 2023



Making Proximity & Remote Payments with E-Wallets in Vietnam In-Store or Online Shopping

• In-Store Purchases

- Scan QR Codes – Scan the QR code
- NFC Payments (Tap-to-Pay) Tap POS terminal with a Smartphone or Smartwatch for Apple - Google – Samsung Pay, or other stand-alone E-Wallets on Smartphones.

• Online Shopping:

- Browse and Shop online from your PC or Mobile phone, Select the e-Wallet, log in, and confirm the remote payment option.
- Here are some major E-Wallet Apps in Vietnam; Apple Pay, Google Pay, and Samsung Pay are the proximity payment options available if you own those devices.



Local actors : MOCA, M-Pay, VNTPAY, VinID Pay, ZaloPay, 9Pay, MoMo, Vimo



Top Player's Company Profiles

- MoMo (Vietnam) NganLuong (Vietnam)
- ZaloPay (Vietnam) ViettelPay (Vietnam)
- Alipay (China) Techcombank (Vietnam)
- AirPay (Vietnam) ShopeePay (Singapore)
- Agribank (Vietnam) Timo (Vietnam)

PayPal (United States) Moca (Vietnam)

1Pay (Vietnam) GrabPay (Singapore)

SendoPay (Vietnam) VietinBank (Vietnam)

SmartPay (Vietnam) VTC Pay (Vietnam)

VNPay (Vietnam) ACB Bank (Vietnam)



On-Line vs Off-Line payments



- **1. Mobile Proximity Payments:**
- **Technology:** Mobile proximity payments 3 types
 - **NFC (Near Field Communication),**
 - **Bluetooth Low Energy (BLE),**
 - **QR codes.**
- NFC is the most commonly used technology for proximity payments, enabling secure, contactless transactions by bringing two devices within close range (usually less than 4 cm).
- **Examples:** Apple Pay, Google Pay, Samsung Pay, and other mobile wallets allow users to store card information on their phones and make payments by tapping the phone at a compatible terminal.
- **Security:** These payments are highly secure, often using tokenization, encryption, and biometric authentication (such as fingerprint or facial recognition) to prevent fraud.
- **Use Case:** Retail purchases at stores, public transportation fare payments, and vending machines.

2. Offline Mobile Payments:

- **How It Works:** In offline mobile payments, the transaction can be initiated without an active internet connection. The payment information is stored locally on the device or card, and once the device is reconnected to the internet, the transaction is processed.
- **Technology:** Some mobile wallets and payment solutions allow for offline payment using **stored transaction data**. Solutions like **Rupay Contactless**
- **Example:** Purchasing a subway ticket using a mobile wallet app in an area with no internet connectivity, with the transaction processed once the phone reconnects to the internet.

Vietnam's rapidly evolving payments landscape



More Trends on Cashless Economy

Buy Now Pay Later (BNPL) is widely embraced

BNPL adoption #1 Vietnam among Southeast Asia

High-valued item: Top purchased by BNPL

- 59% Electronic gadgets
- 51% Home appliances
- 47% Fashion & accessories
- 40% Health & beauty
- 39% Home & living

Top 4 drivers for BNPL take-up

- 52% App is easy to use
- 42% Easy to track payment cycles on the app
- 48% Free vouchers for activating BNPL on apps
- 41% Reward points given for using BNPL

Real-time payment (RTP) gains momentum

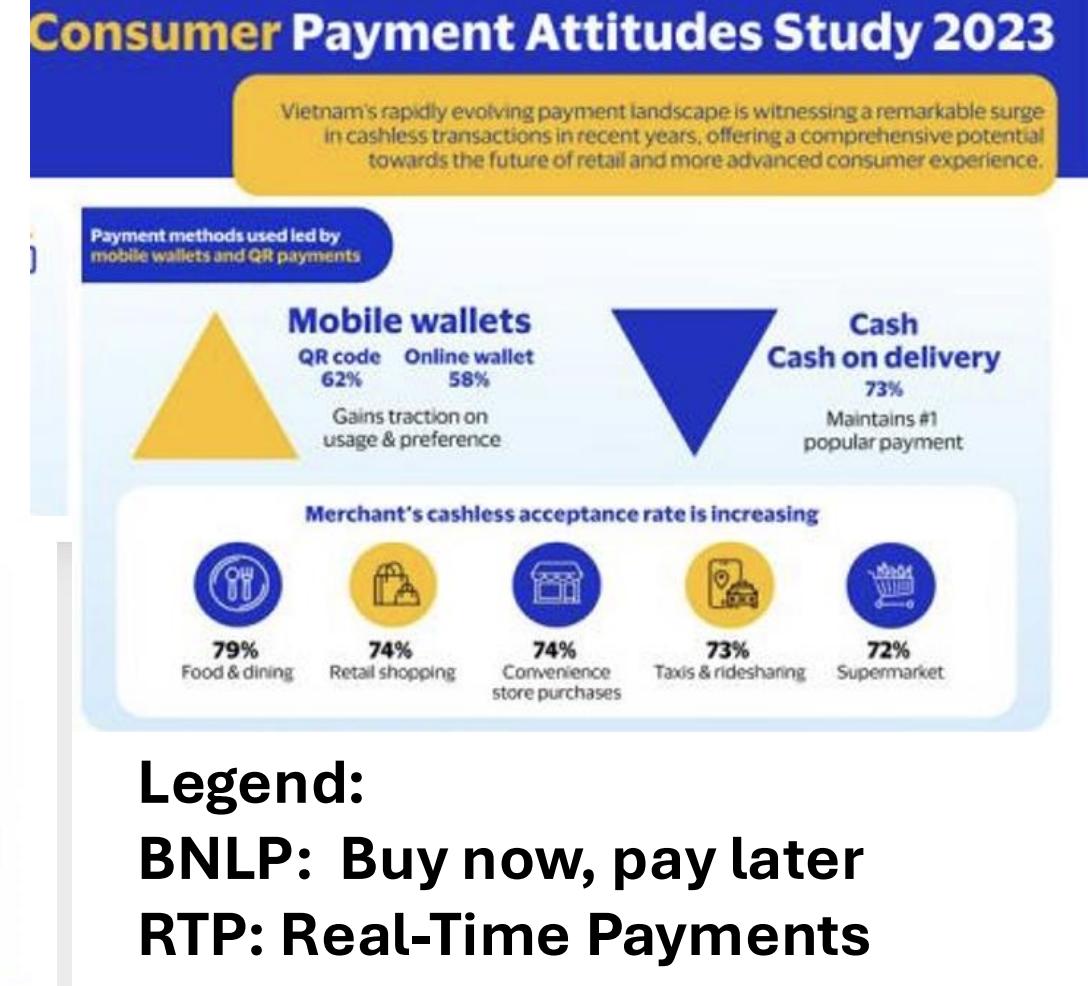
2 in 5 consumers used RTPs

84% use RTPs at least once per week

Top real-time payment transactions

- 77% Send cross-border real-time payments
- 59% To pay/transfer money to family members/peers
- 58% To pay merchants/retailers

Consumer Payment Attitudes Study 2023



When Using Credit cards or Cash in Vietnam

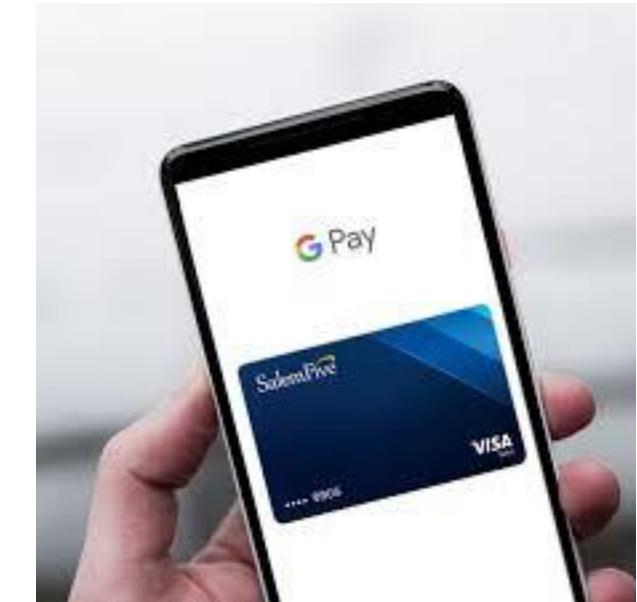
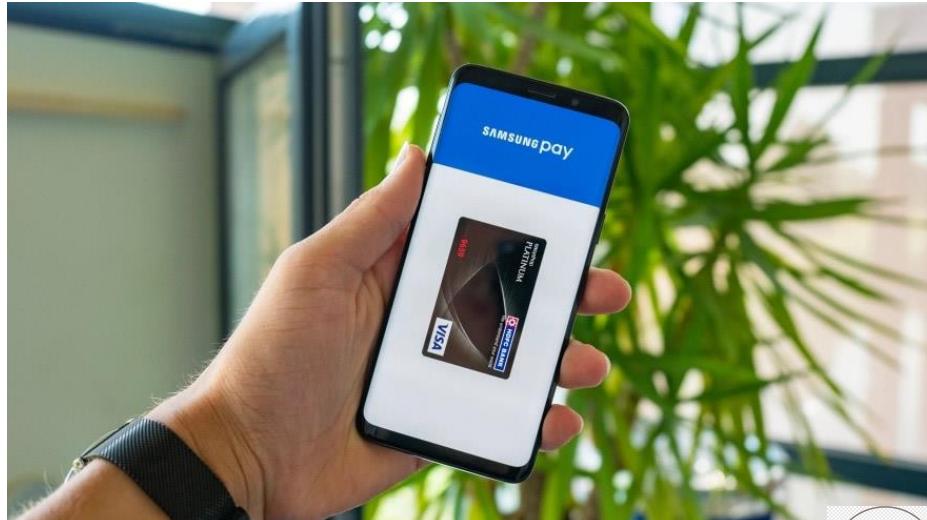
- **How cash-centric is Vietnam?**
- Many people still prefer paying with cash in Vietnam, but cash payments have dropped by 30 percent in 2024.
- Both cards and Smartphone mobile wallet payments are becoming increasingly popular, especially for proximity NFC and QR Code transactions in Vietnam.
- It's better to keep smaller denominations of Vietnamese dong on hand for tipping and Small banknotes for small purchases and market visits. Cash is still used everywhere, from hotels and taxis to street stalls and temple entrance tickets.



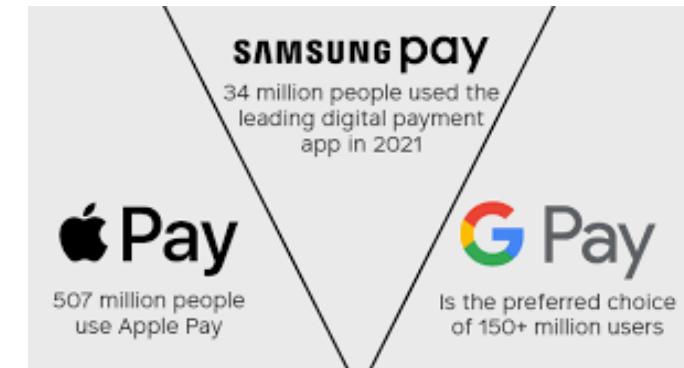
NAPAS: Domestic Payment Card Scheme in Vietnam; the primary debit card scheme in Vietnam. Cardholders have a 31% market share for online payment in 2024, to help embrace digital transactions moving forward.

Payment for...	Card	Cash
 Taxis	Sometimes (when booked via taxi booking apps) ³	Yes
 Convenience stores	Usually	Yes
 Temples	Sometimes	Yes, often preferred
 Public transport	Depends on transport	Yes
 Restaurants and cafés	Usually	Yes
 Spas and massage parlours	Yes	Yes

Vietnam's growing e-commerce is driving major investments from Samsung, Apple, and Google in 2024

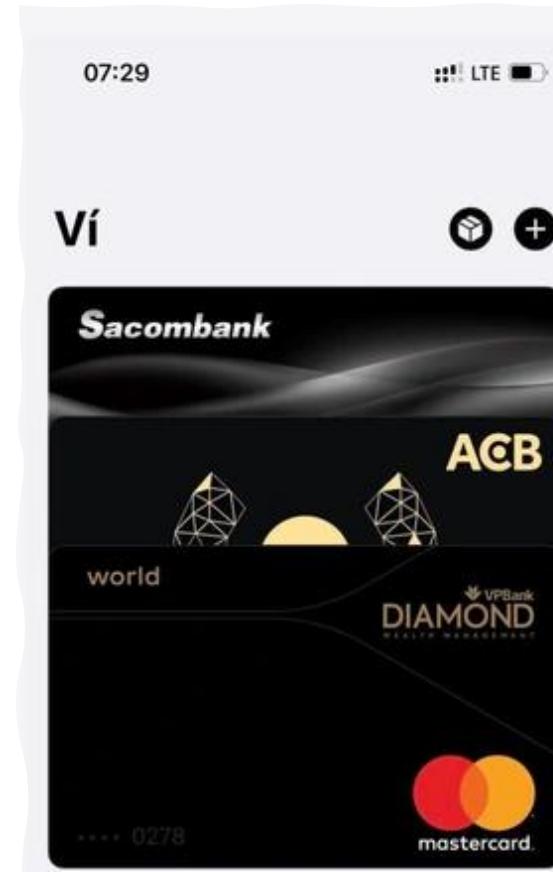


Apple, Google, and Samsung Pay usage is growing in Vietnam, as each player jockeys for a position with their mobile wallet application offering e-commerce, combined with high-level security. MoMo is the most popular digital wallet in Vietnam and Mastercard or Visa card pay is implemented, allowing you to pay like a local, however, digital wallets and QR payment apps are reserved for citizens or foreign nationals who are officially working in Vietnam since the wallet needs to be connected to Vietnamese bank accounts, and this is a very common practice globally.



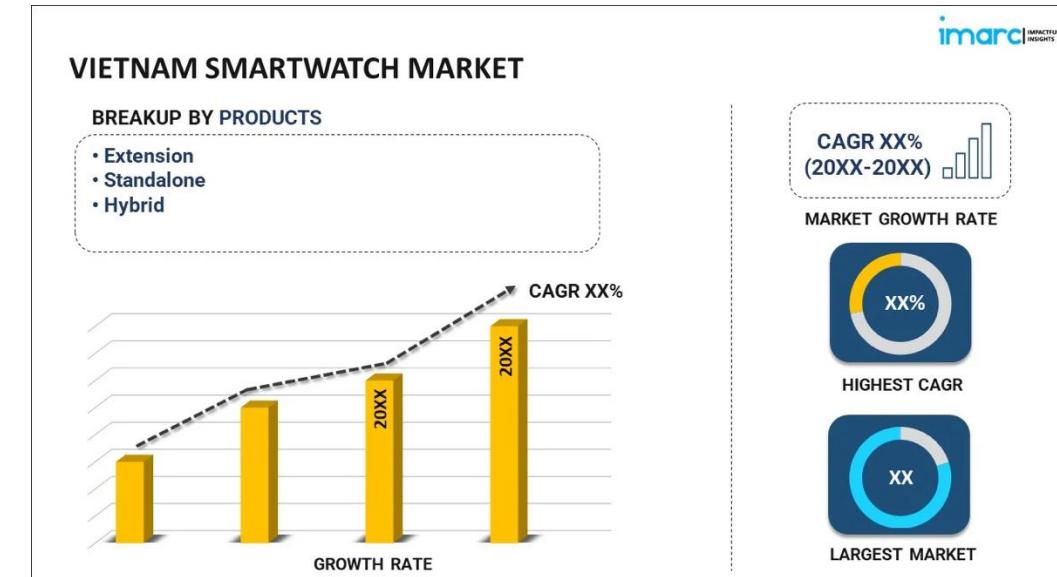
Apple Pay & Starbucks support the Vietnam market in 2024

- Vietnam in 2024 supports Apple-Samsung-Google Pay! Users can add debit/credit cards from select banks to their iPhone and Apple Watch Wallet app, enabling them to use the Apple Pay feature.
- Several banks, such as Vietcombank, Sacombank, Techcombank, VPBank, and MBBank, among others, have integrated Apple Pay as a payment option.
- Starbucks is the leading coffee chain in the “cashless” model in Vietnam; they accept payments with credit cards, e-wallets, and Apple/Google Pay now!



Smart wearable devices with mobile payments in Vietnam – growing fast

- **Garmin Vietnam is expanding its contactless payment service, Garmin Pay, through a collaboration with five major banks, ACB, MB, Sacombank, Techcombank, and Vietcombank, the company announced on April 1, 2024**
- **Google Wallet for Google Pay on Fitbit devices is now supported in Vietnam, along with Google Pay on Android os Devices that support Samsung, and Google Smartwatches.**
- **Apple Pay on iWatches is supported in Vietnam the same as on Apple iPhones with Apple wallet.**
- **Fitness is one reason for a Smart Sports watch but so is contactless mobile NFC or QR code payments. Expect this to be popular for Vietnam's public transportation sectors in the coming years.**



Summary Analysis

Vietnam's Mobile Payment market is rapidly expanding in 2024, due to the rise of Smartphone growth from Samsung, Apple, Google, and 2-3 Mainland Chinese Smartphone OEMs, as well as the rise of e-commerce and the Vietnamese Government's support of digital payment projects. Local Wallet players have carved out strong market demand, including MoMo, ZaloPay, and ViettelPay. Global players, like Paypal, Alipay, and WeChat Pay, bring in more innovation and a greater market rivalry. Contactless Mobile NFC payments, digital wallets, and QR Code payments are booming now. There are still issues with the software security on Smartphones. One day Vietnam will build a Smartphone





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Thank You!
謝謝你
Cảm ơn rất nhiều

Karl J. Weaver 魏卡爾 is The Chinese Mobile Payment Industry Rainmaker pivots into Vietnam !
Chuyên gia bảo mật thiết bị và thanh toán di động của Trung Quốc hiện đang chuyển hướng sang Việt Nam

