

## Value of Digital Payment Acceptance in the UAE

Insights into consumer and retailer payment preferences



### What is driving usage in the UAE?

#### a. Digitally savvy consumers and their payment preferences



Growing consumer need for seamless and secure payment experiences are fueling the demand for digital payments driven by...



of the UAE's digitally savvy are young (millennials and Gen Z)



high smartphone penetration

#### b. Growing popularity of contactless



of UAE consumers are aware of contactless cards



of UAE consumers are aware of digital wallets



who have a contactless card use it at least once a week



who have a digital wallet use it at least once a week

#### c. Presence of digital wallets

Underpinned by high smart phone penetration, the use of digital wallets such as Apple Pay, Samsung Pay and Google Pay is prevalent in the UAE and demonstrates consumers' growing acceptance of alternative ways to pay



#### d. More merchants getting on board with digital payments

77% of the small retailers who accept card payments are intending to invest in new payment technologies in the near future. With more merchants using digital payments, it makes business sense for cash-only merchants to adopt digital payments to level the playing field and have access to similar advantages as other retailers.

#### Since acceptance of card payments:

**63%**

of the retailers claimed that footfall increased

**68%**

of the retailers witnessed growth in revenue

Meanwhile...

**46%**

of cash-only retailers admitted to losing a transaction because of customers not carrying cash

**50%**

of the cash-only retailers are open to new payment technologies



**More than half of the retailers who accept card payments have a contactless POS machine**

#### UAE Consumer Preferences

**88%**

of consumers are satisfied with card payments

**88%**

consumers prefer retailers that offer different modes of payments



For consumers, payments by cards are considered to be secure, seamless and accepted at a wide range of small retailers. They are also seen as faster (reduce waiting time at cashier) compared to cash payments



of customers in the UAE prefer a retailer that accepts different modes of payments and



of customers prefer to shop at a business with an online presence



#### Challenges faced by card users at UAE stores

**61%**

Unable to make a purchase by card at a store due to non-acceptance of payment cards

**55%**

Had to cancel their purchase due to non-acceptance of payment cards

**55%**

Unable to make a purchase by card due to purchased item being of low value

**37%**

faced all the 3 situations in the past 1 year

For more from Visa's experts, please click below:

1. [Secure digital payments: Good for businesses and consumers](#)
2. [The many benefits of contactless payments in the UAE](#)
3. [Plugging all loopholes to secure digital payments](#)
4. [Omnichannel payments: Which should you use?](#)
5. [Nearly two-thirds of UAE retailers see increase in foot traffic and revenue since accepting digital payments](#)

#### About the Study

Visa commissioned 4SiGHT Research & Analytics to explore the impact of digital payments on small retailers and evaluate the impact of digital payment modes on customer spending habits. 4SiGHT interviewed 208 small retailers in September 2018, out of which 50 accepted cash payments only and 158 accepted digital payments. The surveyed retailers were based in Abu Dhabi, Dubai, and Sharjah. Additionally, 400 users of digital payments were interviewed, out of which 150 were based in Abu Dhabi, 150 in Dubai, and 100 in Sharjah. The interviews took approximately 15 minutes and included a mix of nationalities and gender, representative of the UAE. Each had owned an active payment card, using digital payment methods for over one year.

#### About Visa Inc.

Visa Inc. (NYSE: V) is the world's leader in digital payments. Our mission is to connect the world through the most innovative, reliable and secure payment network - enabling individuals, businesses and economies to thrive. Our advanced global processing network, VisaNet, provides secure and reliable payments around the world, and is capable of handling more than 65,000 transaction messages a second. This company's relentless focus on innovation is a catalyst for the rapid of handling of more than 65,000 transaction messages a second. This company's relentless focus on innovation is a catalyst for the rapid of handling of more than 65,000 transaction messages a second. This company's relentless focus on innovation is a catalyst for the rapid of handling of more than 65,000 transaction messages a second.

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