


Chapter 2

Analysis of a Mobile Payment Scenario: Key Issues and Perspectives

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ABSTRACT

The objective of this chapter is to evaluate the scenario in which mobile payments are currently inserted to offer those interested in developing research in this area a broader understanding of the mobile payment ecosystem and its evolution. A study by Dahlberg, Guo, and Ondrus revealed that researchers are focusing on the same topics (especially consumer adoption and technological aspects) with a limited accumulation of foreground. Therefore, it is believed that the limited scientific literature regarding the history of mobile payment and its development in recent years surely makes it difficult to generate research on other perspectives. In this way, this chapter presents the general scenario of financial technologies, explaining how these changes completely changed the global economic scenario and gave rise to innovations in financial solutions for companies and consumers. The authors conclude the article by giving some recommendations for the diffusion of this payment system and for future investigations of mobile payment systems.

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INTRODUCTION

The trend of mobile devices is global and irreversible. These devices are increasingly present in our lives and their adoption is growing faster than initially predicted. The development of the offer of these devices and the increase of their use has modified our routines. This trend has been determined in a very special way by the emergence and subsequent evolution of smartphones since they have the ability to add applications that are in constantly developing that solve operations that previously required a greater investment of time.

In this new era in which mobile devices become the center of daily activities, many existing services that were efficient before the existence of these new devices will end, as will all the profound changes affecting social customs (TicWeb, 2016). In the same manner, other services will spring forth and develop in an optimized and innovative way.

Following this trend, the mobile market in recent years has led lenders, banks and technology companies to orient themselves toward the mobile market for future payment solutions. Financial technologies are currently growing exponentially. The FinTech industry that brings together all the financial service companies using the latest technologies to offer innovative financial products and services currently generates millions of euros that directly influence the financial and technological industry. This importance and financial potential is one reason why the industry is able to change traditional business models in virtually all financial services and functions: banking, insurance, money transfers and payments, market provisioning, investment management, deposits and loans, obtaining capital, etc.

The FinTech industry has begun to have a significant effect on international ecosystems as it has had a major impact on the trends, on the flow of funds between market players, and on the attention of financial control agencies. The Financial Stability Board (FSB), an international body that monitors and makes recommendations on the global financial system, as well as other experts on the subject (Andresen, 2016, Mesropyan, 2016), believe that FinTech has become a vital element for international ecosystems, and will be a clear trend for the future.

In recent years, FinTech has grown and has gone from being a small-sized or figurative niche to becoming a global and relevant industry with impact (KPMG, 2017).

In light of the above, we can point out that the financial innovation generated by the growing use of new technologies is a factor of change in the financial system and inevitably, its importance will increase with the passage of time. Therefore, understanding these innovations is vital for a complete understanding of the structure and function of the financial system as well as the future commercial development of mobile payments.

In conjunction with the features mentioned above, these financial solutions open the doors to a multitude of possibilities for marketing if we consider the content they can generate. Information is, more than ever, fundamental and identifying the tastes and preferences of each customer's purchases allows the retailer to generate a more assertive message towards them, bringing the customer closer to the trade leading to results that are more efficient.

Hence, the implementation of mobile marketing can be a relevant strategic decision (Störm, Vendel & Bredican, 2014). The offer of services such as loyalty programs, coupons and product information, among others, can be important motivators in the process of adopting the FinTechs.

Although many experts claim that mass adoption of mobile payments is inevitable, many of the mobile payment solutions launched around the world in recent years are having a hard time consolidating. In this scenario, it is necessary to carry out more analysis on the mobile payment scenario and on the

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