CONSUMER INSIGHTS
Who uses China's mobile payment systems?

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Market Intelligence

Mobile payments have become immensely popular in China for various reasons, such as lack of access to traditional financial institutions, high prevalence of counterfeit banknotes and a mobile-first culture. China's transition into a cashless society is becoming a reality thanks to the massive popularity of mobile payment systems such as Tencent Holdings Ltd.'s WeChat Pay, Ant Financial's Alipay and China Unionpay Co. Ltd. Kagan's 2019 China online consumer survey revealed that UnionPay users stand out from WeChat Pay and Alipay users, most likely due to UnionPay's roots as a card payment provider.
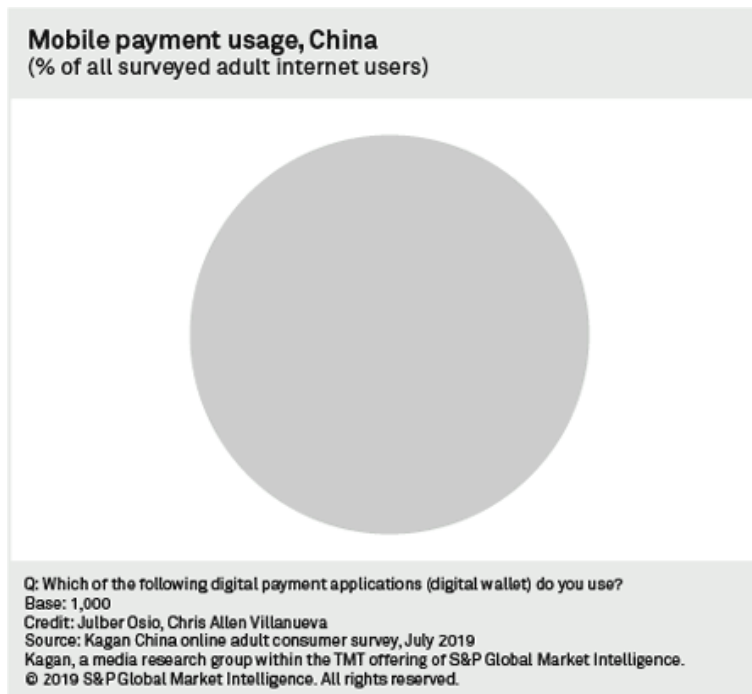
Access the supplemental Excel file for this article here.

Use this link to access the full 2018 China survey banner data in Excel.

Alipay started way back in February 2004 initially as a payment platform for e-commerce sites Taobao Ltd. and Tmall. WeChat Pay started later in August 2013 but it has managed to gain equal footing today with Alipay. The secret ingredient for WeChat Pay's success is the digitalization of red envelopes during the 2014 Lunar New Year season, allowing people to send digital cash to each other.
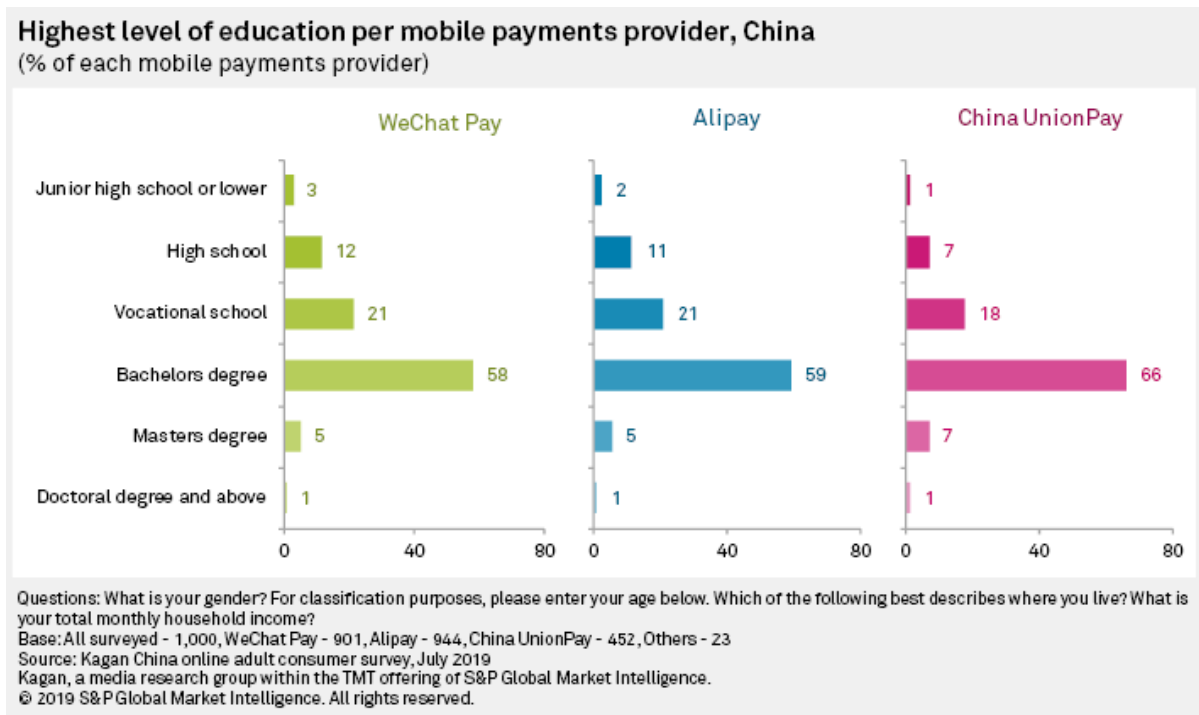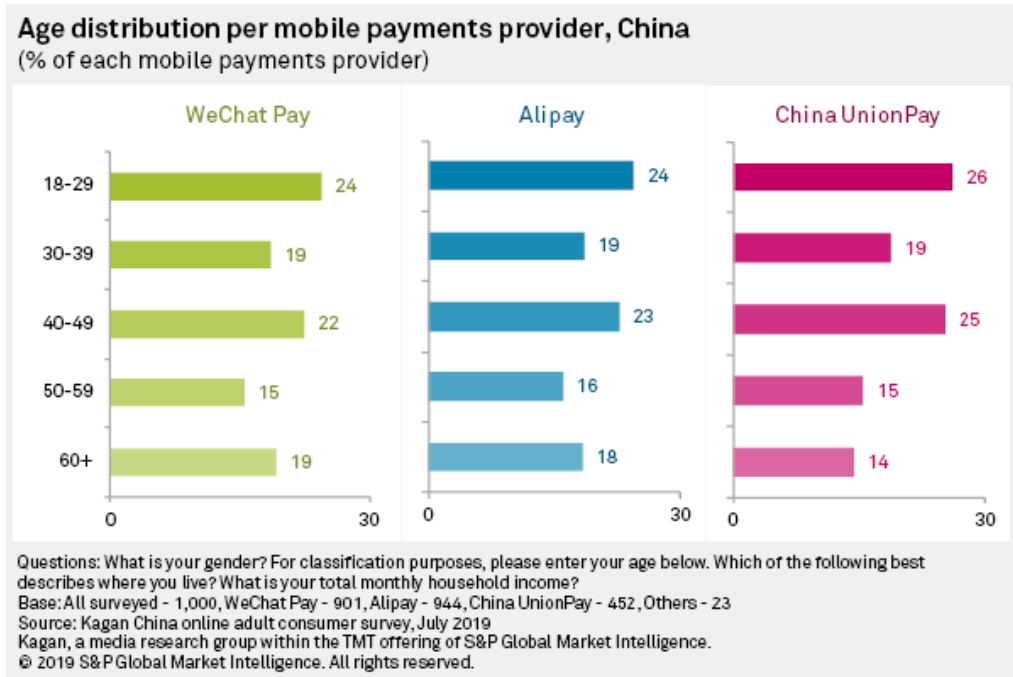
WeChat Pay and Alipay essentially form a duopoly in China's mobile payments industry. Our survey revealed that 90% of adult internet users in China use WeChat Pay, while 94% use Alipay. And there is a large overlap for these two services, with 86% reporting that they use both.

We also asked about UnionPay's mobile payment system, which was reportedly used by 45% of our respondents. 43% of UnionPay users are also users of WeChat Pay, while 44% also use Alipay. Due to limited brand exclusivity for all three, we chose to analyze all users of each provider regardless of whether they also use another provider.

Mobile payment usage, China
(% of all surveyed adult internet users)

Q: Which of the following digital payment applications (digital wallet) do you use?
Base: 1,000
Credit: Julber Osio, Chris Allen Villanueva
Source: Kagan China online adult consumer survey, July 2019
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UnionPay is a debit and credit card provider that recently entered the mobile payments scene in May 2017. Its main advantage is its wide bank network, which means that anyone with an account in any of its partner banks is already linked to its system. This, however, also means that banks are included in the equation when using UnionPay's mobile payment system. This is different from WeChat and Alipay, where payments are directly transferred from the users to merchants, bypassing banks in the process.

The bulk of mobile payment users in our survey came from cities with population above one million. For all three providers, young adults aged 18-29 form the largest group, followed by adults aged 40-49. WeChat and Alipay have higher proportions of users above 60 (19% and 18% respectively), compared to UnionPay (14%). In contrast, UnionPay had the highest proportion of users with bachelor's degrees (66%) and master's degrees (7%) compared with WeChat and Alipay.

Age distribution per mobile payments provider, China
(% of each mobile payments provider)

Age	WeChat Pay	Alipay	China UnionPay
18-29	24	24	26
30-39	19	19	19
40-49	22	23	25
50-59	15	16	15
60+	19	18	14

Questions: What is your gender? For classification purposes, please enter your age below. Which of the following best describes where you live? What is your total monthly household income?
Base: All surveyed – 1,000, WeChat Pay – 901, Alipay – 944, China UnionPay – 452, Others – 23
Source: Kagan China online adult consumer survey, July 2019
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Highest level of education per mobile payments provider, China
(% of each mobile payments provider)

Education	WeChat Pay	Alipay	China UnionPay
Junior high school or lower	3	2	1
High school	12	11	7
Vocational school	21	21	18
Bachelors degree	58	59	66
Masters degree	5	5	7
Doctoral degree and above	1	1	1

Questions: What is your gender? For classification purposes, please enter your age below. Which of the following best describes where you live? What is your total monthly household income?
Base: All surveyed – 1,000, WeChat Pay – 901, Alipay – 944, China UnionPay – 452, Others – 23
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The total monthly household income distribution for WeChat Pay and Alipay are essentially the same, peaking between 10,000 yuan and 15,000 yuan. UnionPay's distribution is slightly skewed to the higher end, breaching the trend for all respondents between 20,000 yuan and 150,000 yuan. This means that UnionPay's user base has a greater share of affluent users compared to the two mobile payment giants, which is possibly underpinned by its large share of young and highly educated users.
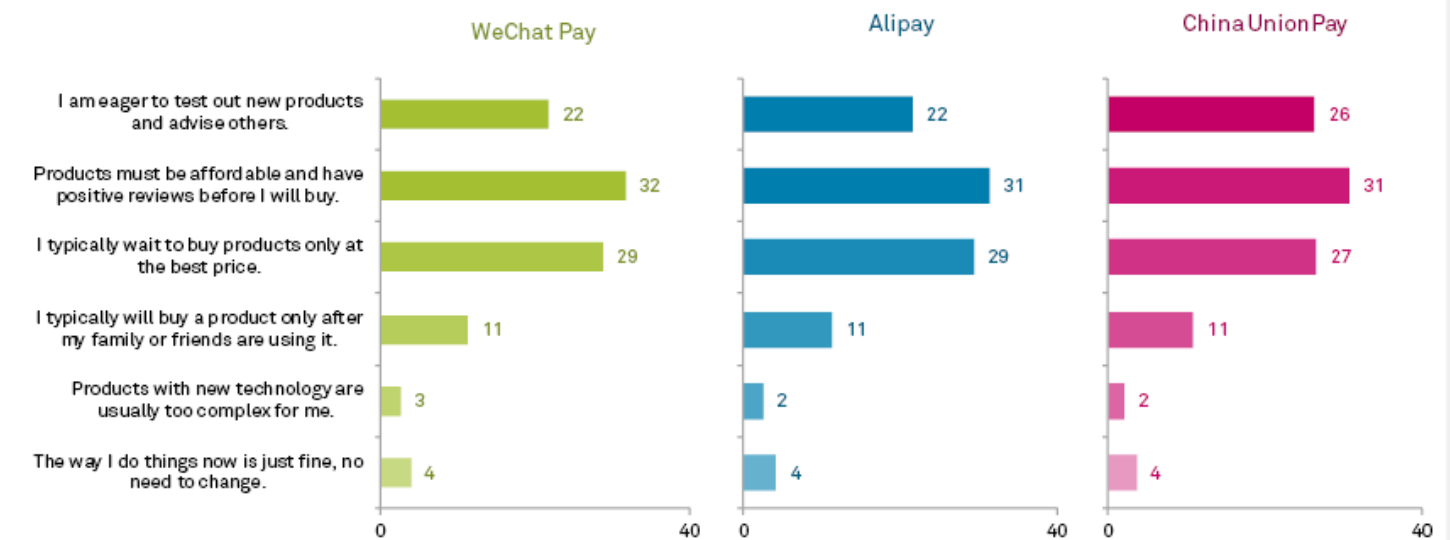
Monthly household income per mobile payments provider, China
(% of each mobile payments provider)
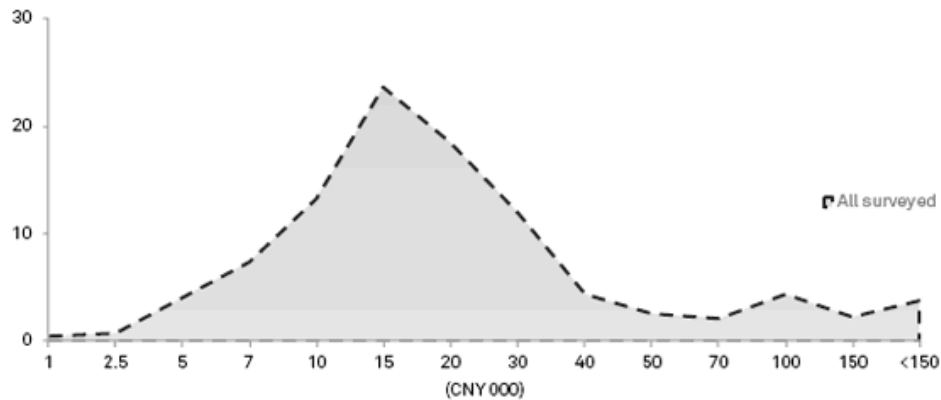
All surveyed

For all three providers, users who prioritize affordability and good user feedback before buying new technology constitute the largest group. UnionPay, however, had the largest proportion of early adopters (26%).

Attitudes towards new technology per mobile payments provider, China
(% of each mobile payments provider)

	WeChat Pay	Alipay	China UnionPay
I am eager to test out new products and advise others.	22	22	26
Products must be affordable and have positive reviews before I will buy.	32	31	31
I typically wait to buy products only at the best price.	29	29	27
I typically will buy a product only after my family or friends are using it.	11	11	11
Products with new technology are usually too complex for me.	3	2	2
The way I do things now is just fine, no need to change.	4	4	4

UnionPay users beat WeChat Pay and Alipay users in terms of using the social media sites that we surveyed—except for WeChat, which is WeChat Pay's home platform. The same is true for UnionPay users for all e-commerce platforms in our survey. The largest variance between UnionPay users and WeChat Pay and Alipay users come from Jingdong Group Co., Ltd.'s Jingdong Mall, Pinduoduo Inc., Suning.com Co. Ltd., Vipshop Holdings Ltd.'s VIP, Alibaba Group Holding Ltd.'s 1688.com, Xiaohongshu, Yihaodian and Kaola.

Social media sites and e-commerce platforms used by mobile payment users, by service, China
(% of each mobile payments provider)

Social media sites	WeChat Pay	Alipay	China UnionPay	E-commerce platforms	WeChat Pay	Alipay	China UnionPay
WeChat	96	95	92	Tmall	87	86	88
Tencent QQ	73	72	77	Taobao	83	83	84
Sina Weibo	46	45	54	Jingdong Mall	72	72	78
Meituan	42	42	53	Pinduoduo	42	41	47
Zhihu	27	27	36	Suning	27	26	37
Baidu Tieba	26	27	35	VIP	24	23	32
Toudou Youku	22	22	30	1688	24	23	32
Meitu	15	14	19	Xiaohongshu	20	20	27
Douban	12	12	18	Yihaodian	14	14	20
Momo	9	9	14	Kaola	14	14	19
Others	2	2	3	yMatou	5	6	7
None of the above	0	0	1	Mia	4	4	6
				Others	2	1	2
				None of the above	1	0	0

Questions: Which of the following social media sites do you use? Which of the following e-commerce platforms do you use?
Base: All surveyed - 1,000, WeChat Pay - 901, Alipay - 944, China UnionPay - 452, Others - 23
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UnionPay users have the highest engagement for all smartphone activities that we surveyed, most notably using the smartphone app for mobile payment at a physical retail store (68%) and purchasing physical goods online (68%). Unsurprisingly, more UnionPay users accessed their bank accounts through their smartphone (72%) as compared to WeChat (64%) and Alipay users (63%).

Smartphone activities over the past 3 months per mobile payments provider, China
(% of each mobile payments provider)

Additional smartphone activities over the past 3 months	WeChat Pay	Alipay	China UnionPay
Using your smartphone app for mobile payment at a physical retail store	66	65	68
Purchased physical goods using a mobile app or website	65	64	68
Accessed your personal bank accounts from your bank's mobile app or website	64	63	72
Purchased online music	25	25	33
Downloaded a paid mobile app	23	23	28
Remotely monitored a smart appliance or home security system	21	21	29
Purchased e-books	20	19	26
Purchased online digital games	19	18	22
None of the above	5	6	4

Questions: Which of the following activities have you performed on your Smartphone over the past 30 days? Which activities have you done over the past 3 months using your smartphone?
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As of Aug. 9, US$1 was equivalent to 7.06 yuan.

For more information about the terms of access to the raw data underlying this survey, please contact support@snl.com.

Data presented in this article was collected from Kagan's 2019 Asia Consumer Insights survey. The online survey consisted of 1,000 adult internet users in China and was completed during July 2019. Data from the survey has a margin of error of +/-3 ppts at the 95% confidence level. Percentages are rounded up to the nearest whole number.

Consumer Insights is a regular feature from Kagan, a group within S&P Global Market Intelligence's TMT offering, providing exclusive research and commentary.

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