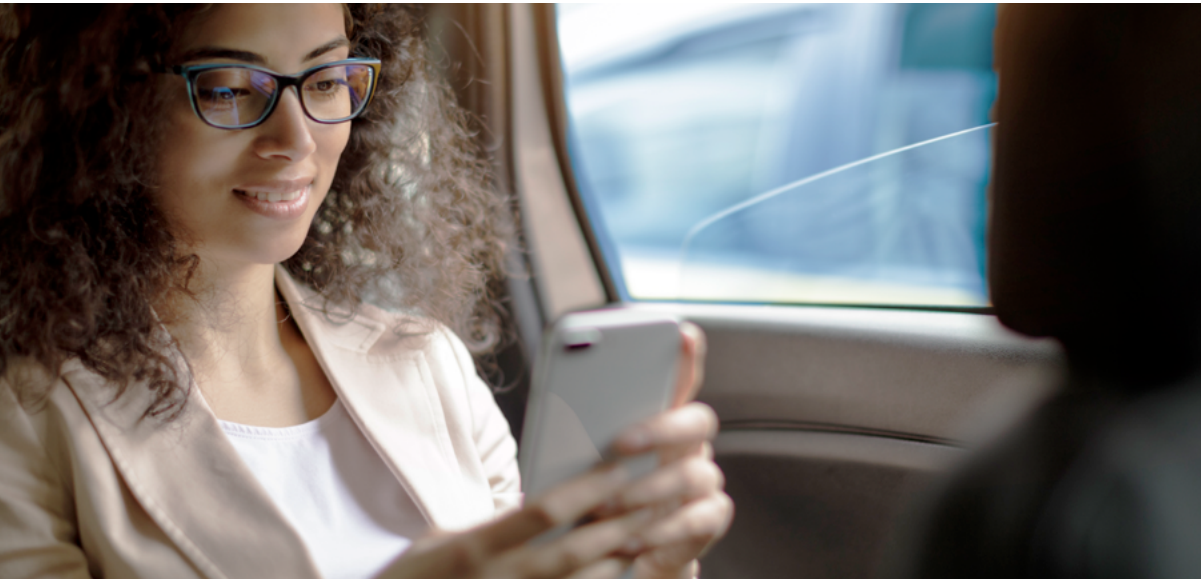




# Factors driving mobile payment adoption

How technology, consumer expectations and business needs are accelerating the shift to mobile payments.



Mobile payment adoption has surged in recent years. For consumers, the growth has been fueled by convenience and ease of use. Mobile payments offer a seamless way to shop online or in stores, pay bills and transfer funds without using a physical card.

For businesses, the rise of mobile wallets, in-app payments and digital transactions, has encouraged development of mobile apps with integrated, innovative payment solutions. Mobile payment technology is reshaping traditional business-to-business (B2B) payment processes, offering greater efficiency and security – and adoption continues to rise.

Here's what's driving this trend:

## The prevalence of smartphones

Smartphone usage continues to be a foundational driver of mobile payment adoption. Smartphones have not only revolutionized the way we live and work but how we connect to each other as individuals and with businesses.

With most Canadians carrying a device capable of handling a secure transaction, mobile payments are becoming an everyday part of life. Similar reasons encourage businesses to adopt B2B mobile payment solutions. From managing mobile wallets to accessing peer-to-peer (P2P) payment apps, smartphones enable quick and easy payment experiences.

## The growing influence of younger generations

Younger generations, particularly Millennials and Generation Z, grew up with smartphones and digital technologies. They're used to (and prefer) digital, fast and seamless experiences. As these tech-savvy individuals move into decision-making roles, they expect the same user-friendly, immediate payment processes they've experienced as consumers, making mobile payments a key component in shaping the future of B2B transactions.



## **Influence of consumer payment trends**

Consumer adoption of mobile payments has skyrocketed, with billions of people worldwide using mobile payment services.<sup>1</sup> This widespread acceptance in the consumer sector has influenced B2B expectations, as businesses seek the same level of convenience and efficiency in their professional transactions.

## **Demand for faster payments**

In today's fast-paced business environment, the ability to send payments as quickly as possible is crucial. Mobile payment platforms facilitate instant fund transfers, reducing the time lag associated with traditional payment methods. This immediacy enhances cash flow management and strengthens business relationships by ensuring timely payments to suppliers, vendors and employees.

## **Expansion of the contactless payment infrastructure**

Even before the smartphone, there's always been a need to find the balance between convenience and data security in payment innovation. This is what drove the adoption of debit and credit cards, followed by the widespread use of PIN technologies, the EMV® chip and now, mobile wallets and contactless credit cards.

Mobile wallets offer an easy and secure way to pay for goods and services. With a mobile wallet, individuals can store their consumer or corporate credit card information on their smartphone rather than carry their physical plastic card.

Innovations like near-field communication (NFC), tokenization and biometric authentication also make payments more secure and reduce the risk of fraud. NFC is a wireless technology that allows two close-range devices, like smartphones and payment terminals, to exchange encrypted data instantly. Tokenization ensures sensitive credit card information is securely stored in the mobile wallet. By replacing the credit card number with unique tokens, it renders the information useless to fraudsters. Smartphone biometrics add another layer of security.

As retailers and merchants upgrade their point-of-sale (POS) systems to accept contactless payments, mobile payment options have become more accessible than ever. Using mobile wallets like Apple Pay®, Google Wallet™ and Samsung Wallet have become second nature for many.

<sup>1</sup>["Mobile Payments App Revenue and Usage Statistics \(2025\)." Business of Apps. 22 January 2025.](#)

## Impact of the COVID-19 pandemic

The pandemic significantly accelerated the adoption of mobile payments for B2B transactions. It highlighted the importance of flexible and resilient payment systems, prompting businesses to integrate mobile wallets into their financial operations. Additionally, concerns over virus transmission through physical contact led consumers and businesses to adopt contactless payments as an alternative.

## The future for mobile payments in Canada.

As payment innovation continues to evolve and businesses continue to streamline and integrate mobile payments, it's expected that adoption will continue to rise. In fact, the North American mobile payment market is expected to reach \$145.3 billion USD by 2030<sup>2</sup> with significant growth driven by B2B adoption.

It's clear that both business-to-consumer (B2C) and B2B mobile payments adoption will continue to expand, and companies will continue to integrate mobile payments as part of their payments mix. But user experience will ultimately drive adoption. As companies who haven't adopted this technology begin to see the benefits mobile payments provide their customers and employees, they won't be far behind on the adoption curve.

<sup>2</sup>["North America Mobile Payment Market Size & Outlook."](#) Grandview Research, 30 September 2024

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