The rise of E-wallet in Vietnam

OCTOBER 2021

Decision Lab

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Introduction

Study Objective

To understand the usage and behavior of E-payments users in Vietnam, with a focus on E-wallets

Disclaimer: This report has been prepared solely for information purposes over a limited time period to provide a perspective on the market. Information, analyses and conclusions contained herein should not be construed as definitive forecasts or guarantees of future performance or results. Decision Lab shall not be liable for any loss arising from the use of this report.

Achieved sample

SAMPLE for PENETRATION RATES

n=1001

Data was collected free-fall to get an overview
of the payment market

E-wallet SAMPLE

n = 589

Data of E-wallet users with location quota for
specific questions on E-wallet
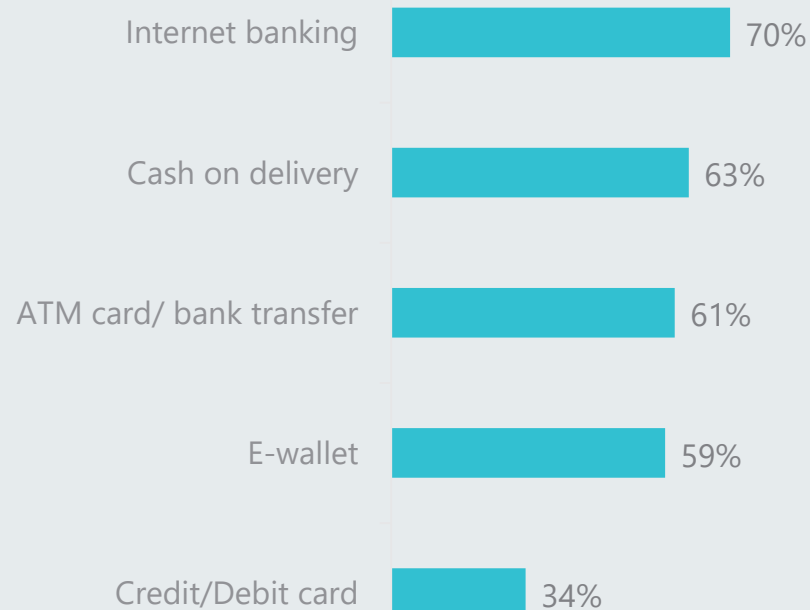
E-wallet usage overview

KEY FINDINGS

- E-wallet sees a **high usage rate** of **59%** in the past 3 months. **Seventy-seven percent** of its users log into the app **at least once per week**.

- **Fifty-seven percent** of users **intend to use E-wallet more** in the **next 6 months**, which shows the potentials of the digital wallet market.

- **Momo, ShopeePay, and ZaloPay** are the most popular E-wallets, which account for **87% of E-wallet users**.

- Among these top providers, **Momo** & **ZaloPay** win over their users' heart for **fast money transaction**, while promotions drive **ShopeePay's popularity**.

- However, the lack of customer loyalty stands out as a risk for most E-wallet providers with **65%** of users being **unsure about switching E-wallets or likely to switch their E-wallet**. **Frequent promotions** and development of **acceptance network** work best to retain disployal users.

- Seemingly, **partnerships with super-apps** and **higher security** would help to attract new users.
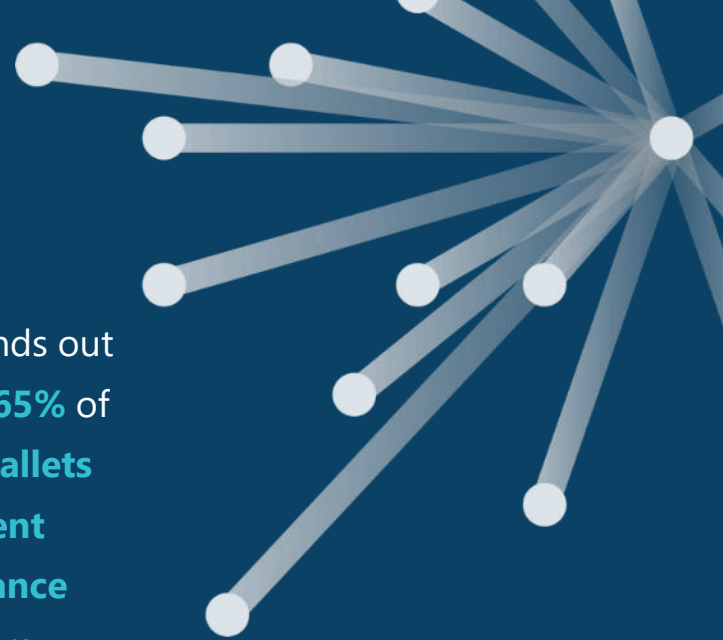
Over the past 3 months, digital payment has seen an increase in popularity, where 70% of the online population have used internet banking in place of COD. E-wallet is also becoming more popular with usage rate of 59% and is the most preferred payment method for online purchases.

Online transaction methods P3M

Method	%
Internet banking	70%
Cash on delivery	63%
ATM card/ bank transfer	61%
E-wallet	59%
Credit/Debit card	34%

Q. Please select the online transaction methods you have used in the past 3 months

n=1001

Preferred payment method for online purchases

Method	%
E-wallet	38%
Cash on Delivery (Pay when products received)	36%
ATM bank transfer	30%
Cash in retail stores (minimarket, etc.)	30%
Debit card/ATM card	29%
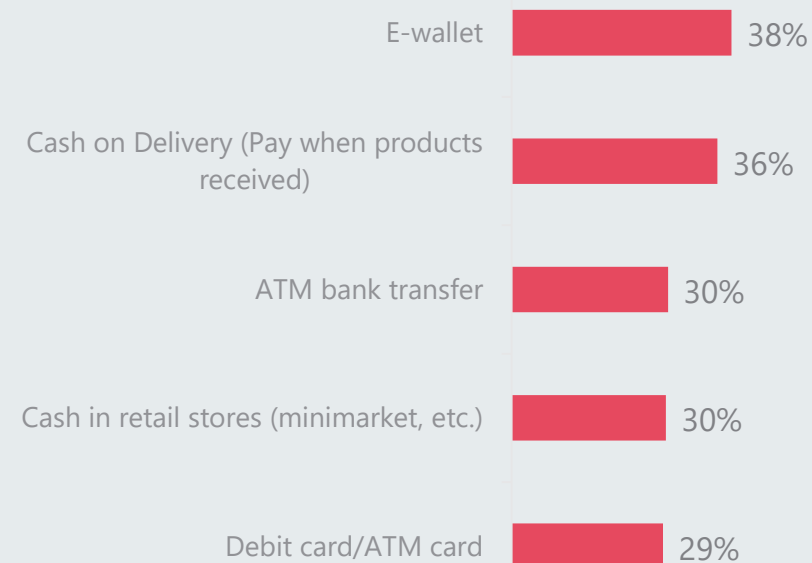
Q. Which, if any, from the following are your preferred method(s) of payment for online purchases? Please select all that apply. Source: YouGov Profile, Sep 2021

n=384
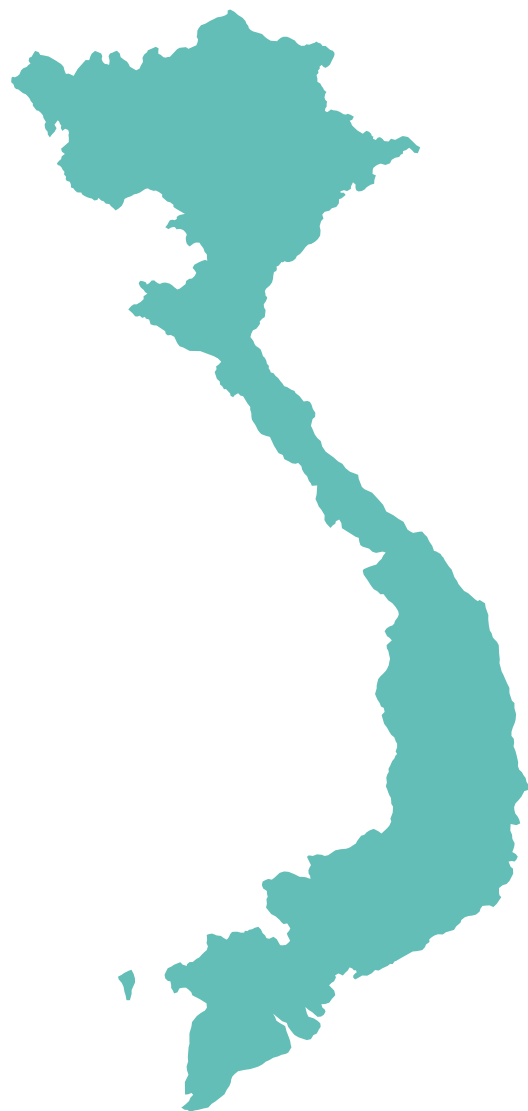
Fifty-nine percent of online consumers have used E-wallet in the past 3 months. The usage rate for E-wallets is higher among metropolitan users at over 64%.

E-wallet usage P3M in Vietnam

59%

Ha Noi (n=341)

64%

HCMC (n=354)

68%

Other locations (n=306)

42%

Q. Please select the online payment methods you have used in the past 3 months | n=1001
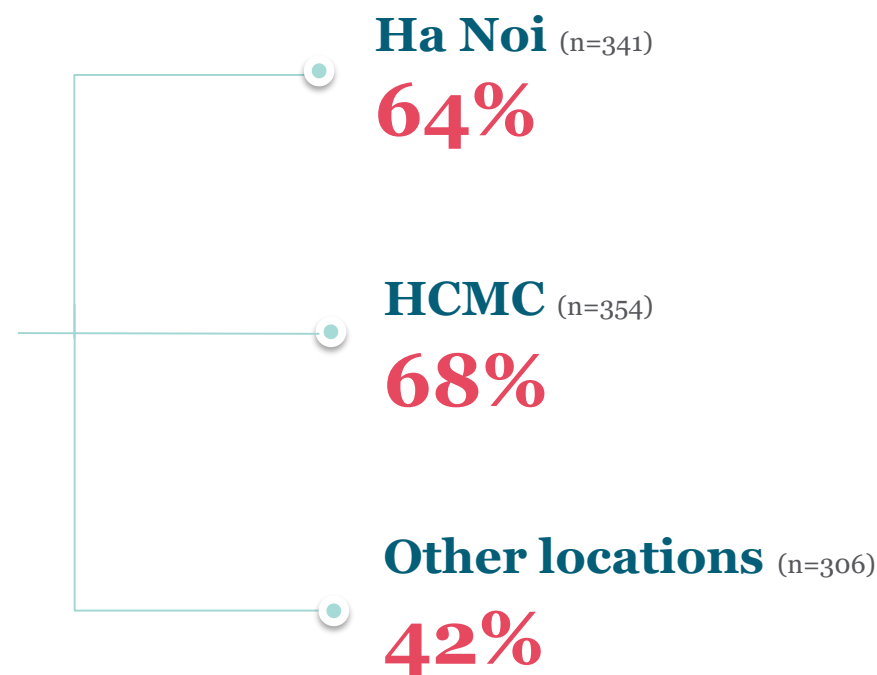
The digital wallet market has shown tremendous potentials for development, with 57% of users intending to use this platform more in the next 6 months.

Intention to use E-wallet N6M

6%

Use E-wallet Less

57%

Use E-wallet More

37%

Same
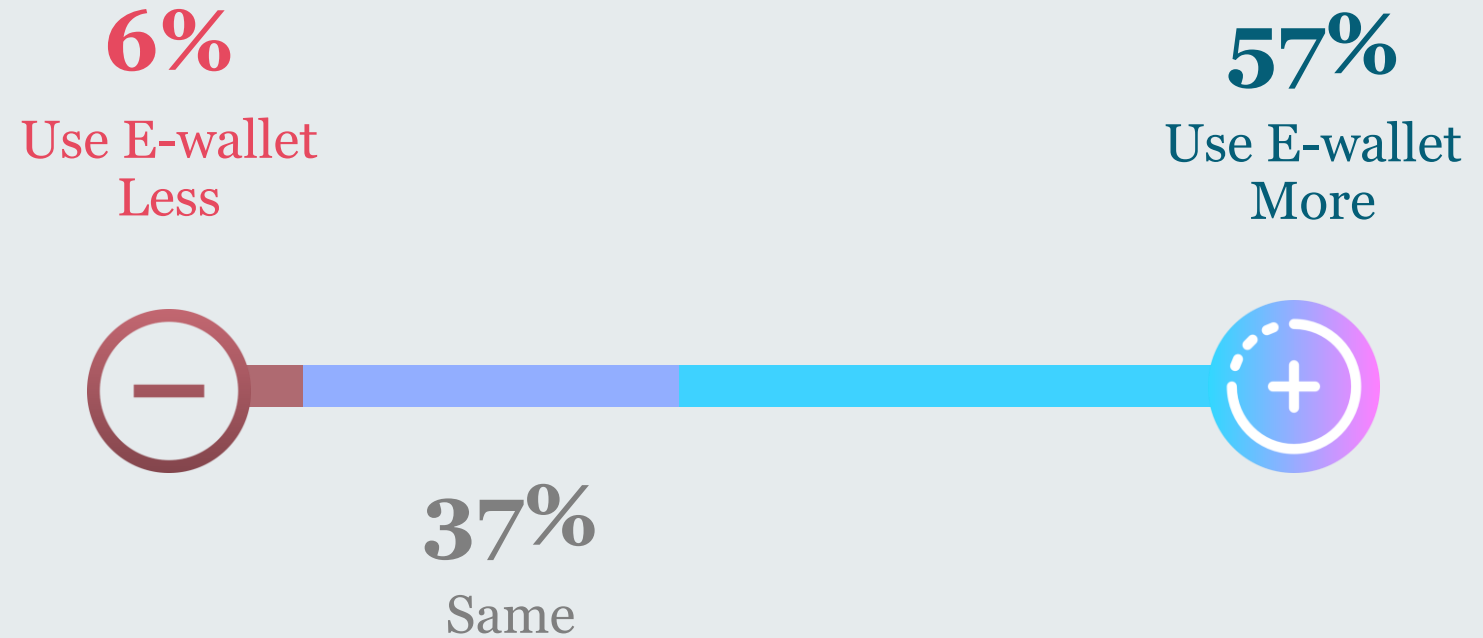
Q. Please indicate your intention to use E-wallets in the next 6 months

n=589

E-wallet enjoys a high usage frequency, with 77% of users using it at least once per week to make payments or transfer money.

Frequency of E-wallet usage

More than once a day — 9%
Daily — 21%
3-5 times a week — 35%
Once a week — 12%
2-3 times a month — 18%
Once a month — 2%
Less than once a month — 2%
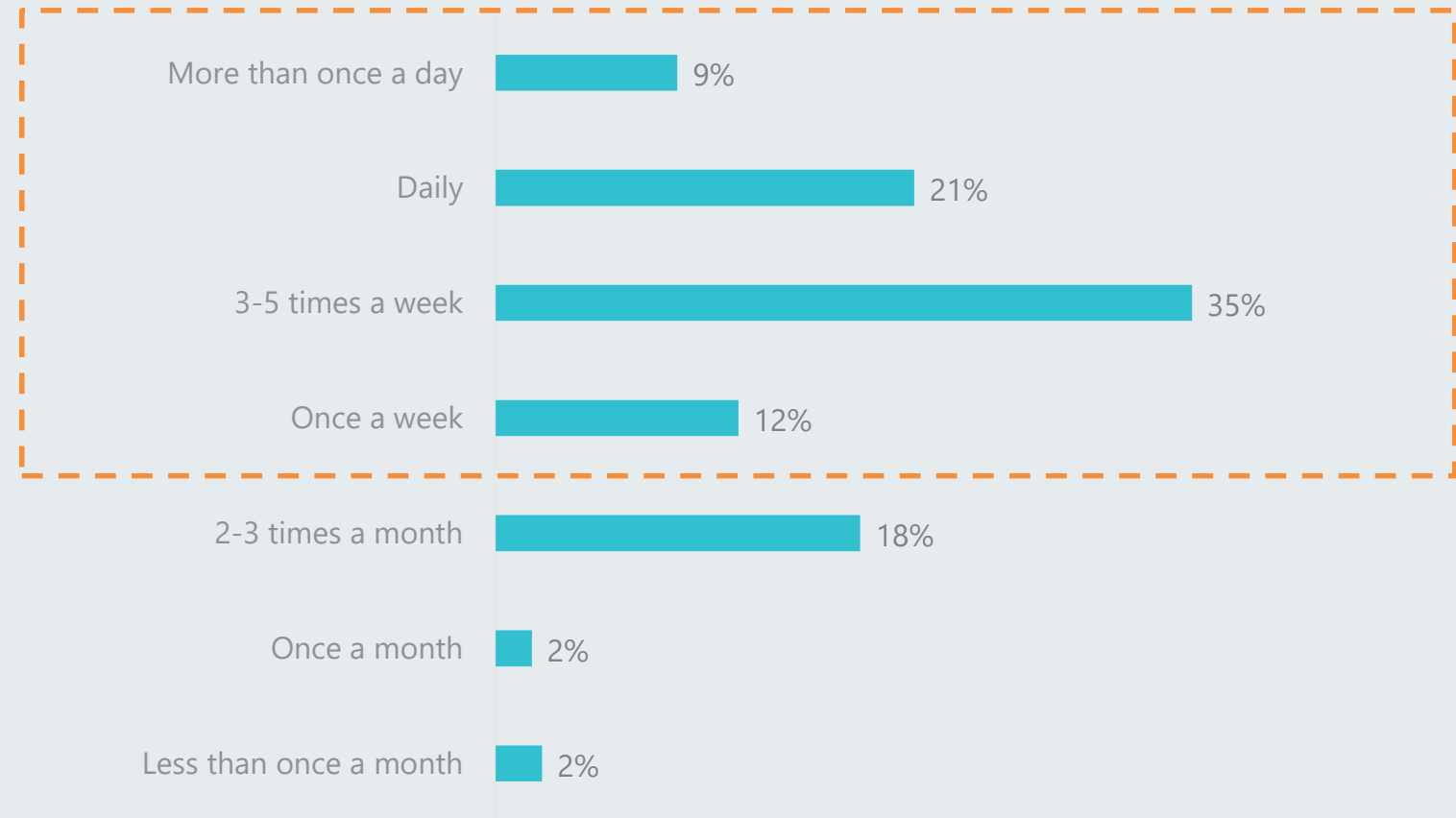
Q. Please indicate the frequency of your E-wallet usage

n=589

Despite the similarity between E-wallets & digital banking apps, most Vietnamese customers are well-aware of the difference between the two.

76%

Understand that Internet banking & E-wallets have similar functions, but are inherently different

Source: Decision Lab

Decision Lab

A striking **62%** of users have 2 or more wallets in use.

Number of concurrent E-wallets

Use 1 app	39%
Use 2-3 apps	44%
Use 4+ apps	18%

Source: Connected Consumer Report Q3 2021 | n=461
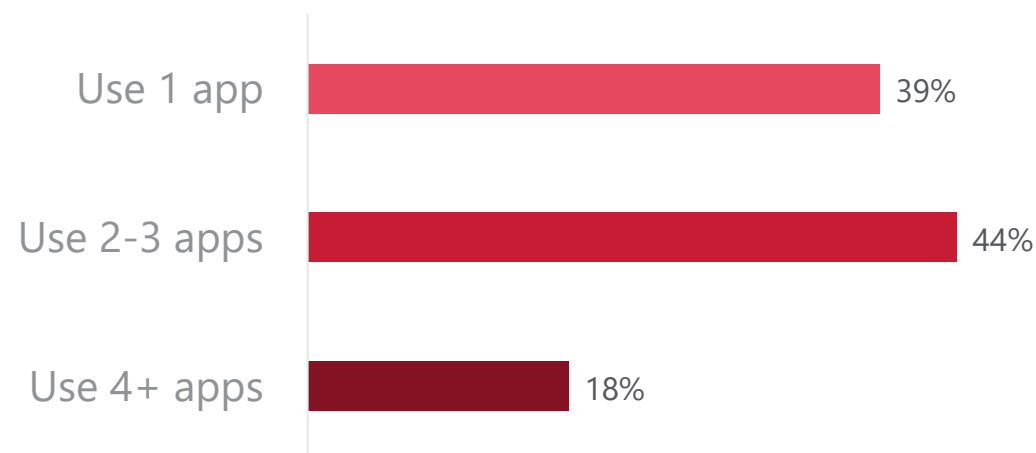
Customers choose E-wallets over other payment methods for its key functionalities such as easy money transfer, fast online payment, and/or convenient bills payment. Notably, promotions also make E-wallet a more preferred payment method.

Key reasons to choose E-wallet over other payment methods

Reason	%
Easy to transfer/receive money from friends/family	66%
More promotions	65%
Faster online payments (more convenient)	63%
Functions to pay for bills more conveniently	61%
Better at collecting points	49%
Has many functions I like (e.g. buying movie tickets, travel, etc)	44%
Integrated in app	42%
Faster offline payments (more convenient)	42%
Easy to track spending	40%
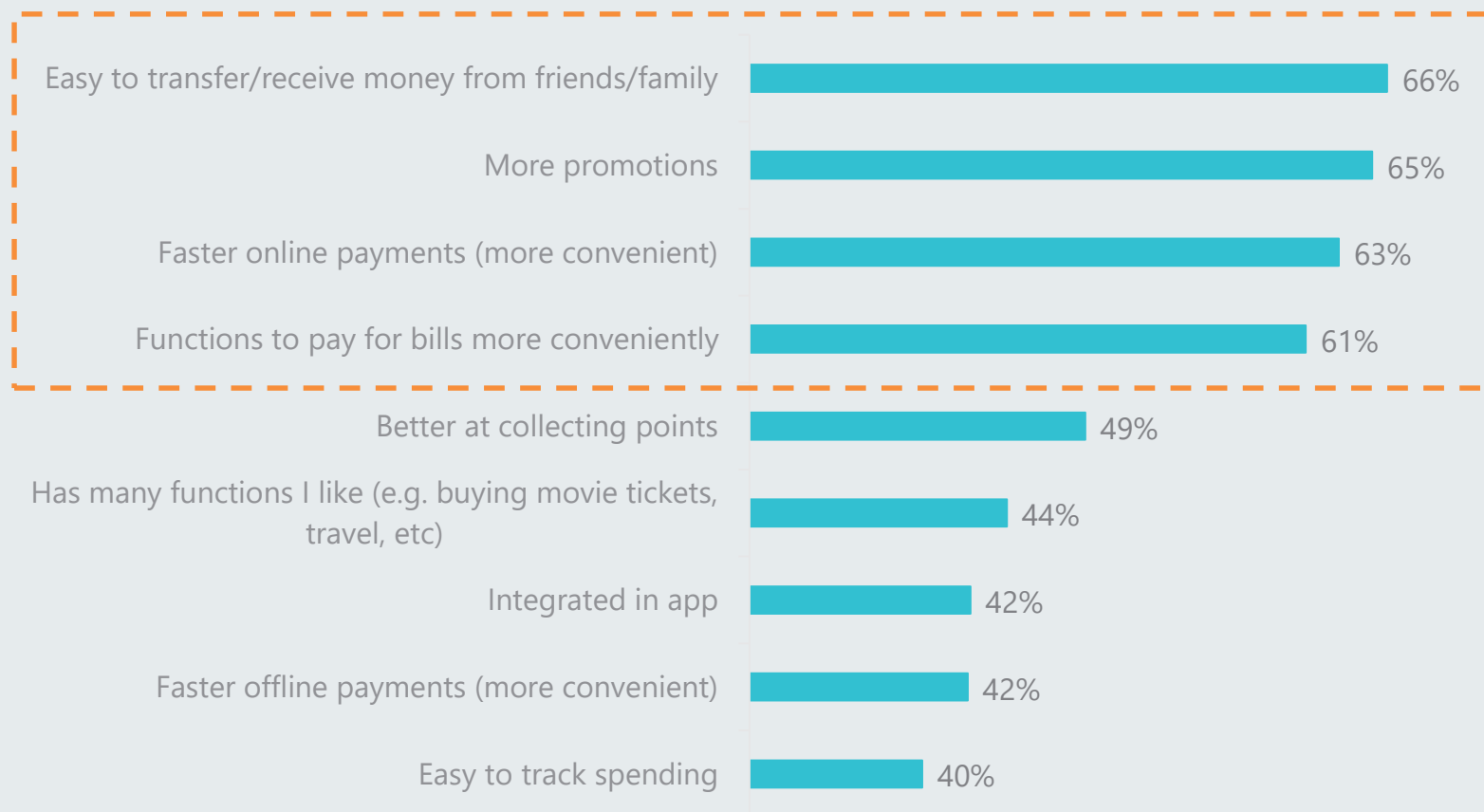
Q. Please select the key reasons for you to choose E-wallets over other payment methods

n=589

Mobile top-up, bill payment, money transfer, and online shopping are the main reasons for using E-wallets.

77%
Mobile top-up

74%
Pay bills

67%
Transfer/
receive money

66%
Online
shopping

Q. Please indicate the key reasons for using E-wallets   n=589

The majority of E-wallet users maintains a typical balance of up to 500K VND, but 51% of them are willing to perform transactions with values of up to 1M VND.

E-wallet average monthly spending

Category	Percentage
Less than 100,000 VND	4%
From 100,000 VND to 500,000 VND	24%
From 500,000 VND to 1,000,000 VND	23%
From 1,000,000 VND to 1,500,000 VND	14%
From 1,500,000 VND to 2,000,000 VND	11%
From 2,000,000 VND to 3,000,000 VND	11%
More than 3,000,000 VND	13%
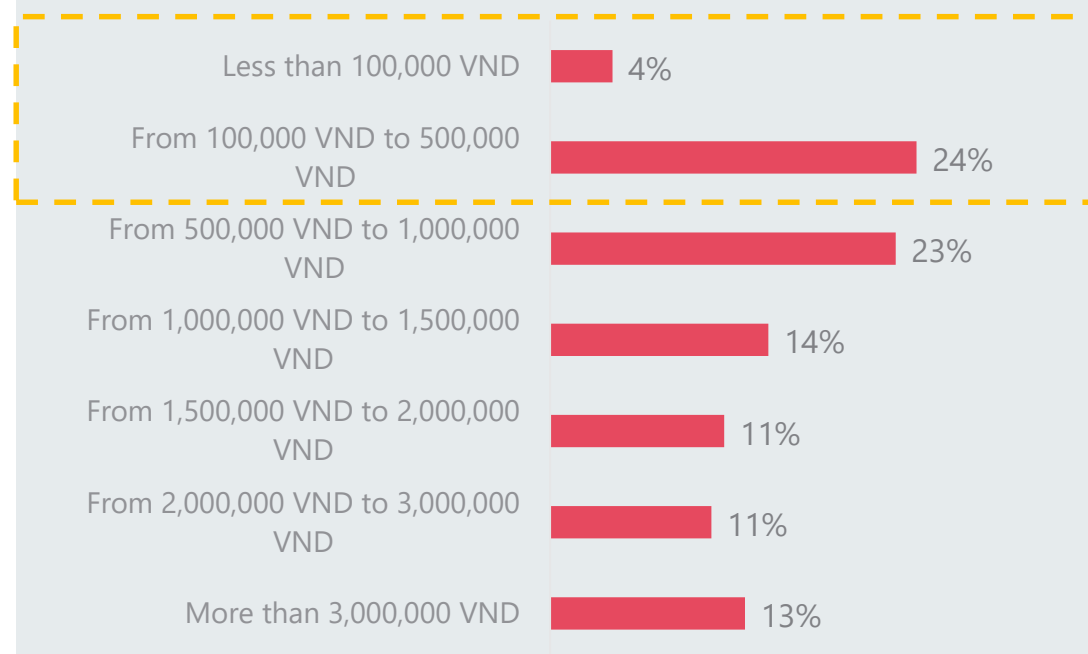
Q. Please indicate the usual balance in your E-wallets   n=589

E-wallet usual balance

Category	Percentage
Less than 100,000 VND	21%
From 100,000 VND to 500,000 VND	25%
From 500,000 VND to 1,000,000 VND	15%
From 1,000,000 VND to 1,500,000 VND	12%
From 1,500,000 VND to 2,000,000 VND	6%
From 2,000,000 VND to 3,000,000 VND	9%
More than 3,000,000 VND	13%
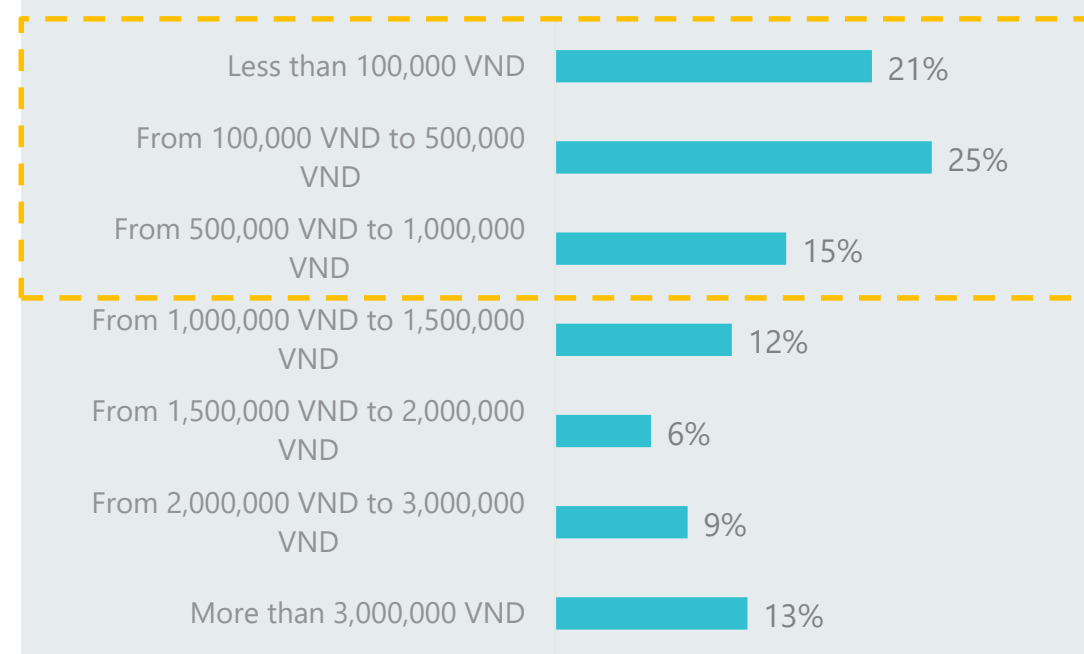
Q. Please indicate your average monthly spending using E-wallets   n=589

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In terms of brand positioning, Momo is the most popular & most used E-wallet with 86% usage rate. Furthermore, even though ZaloPay is more popular than ShopeePay, the latter is used more often.

E-wallet brand in use

Brand	%
Momo	86%
ZaloPay	64%
Shopee (Airpay)	48%
ViettelPay	45%
Moca	20%
VNPT Pay	12%
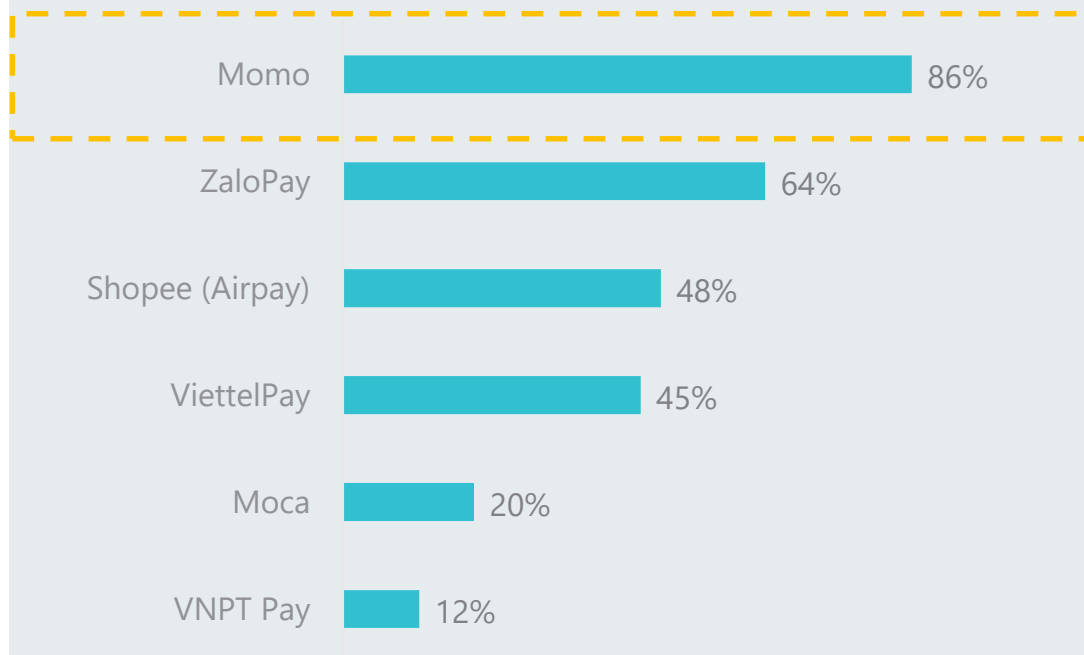
Q. Please indicate which of the following E-wallets you are using   n=589

E-wallet brand used most often

Brand	%
Momo	56%
ShopeePay (AirPay)	17%
ZaloPay	14%
ViettelPay	8%
Moca	2%
VNPT Pay	1%
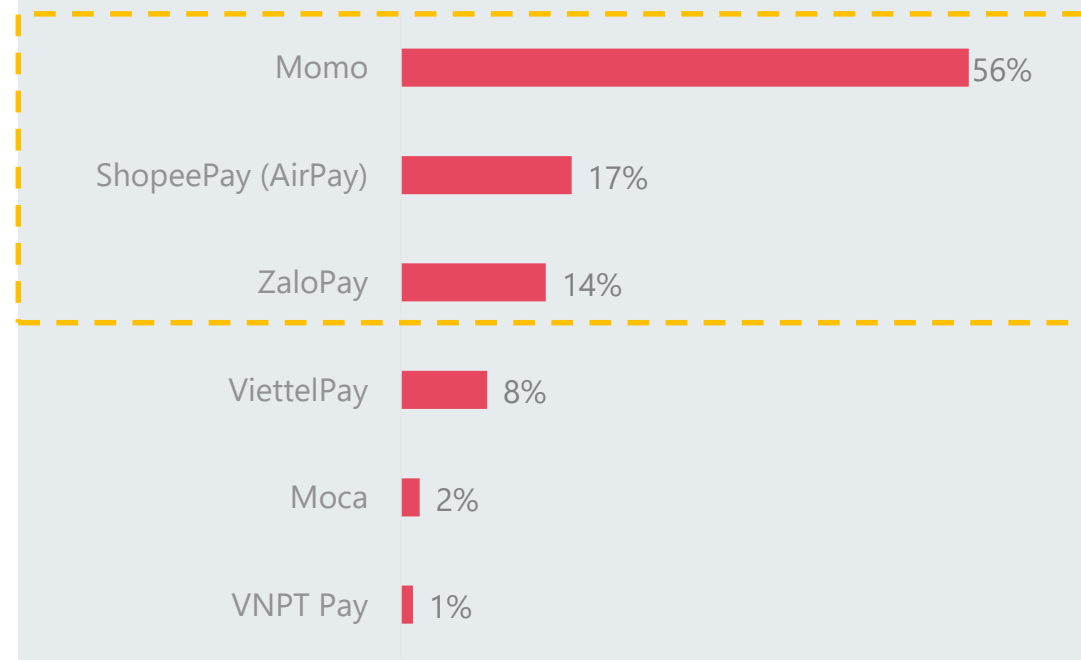
Q. Please indicate which of the following E-wallets you use the most   n=589

The increasing competition among E-wallets has inevitably accelerated market fragmentation in the last few years. Each provider, thus, has its own strength to keep their users engaged.

e-Wallets in Vietnam
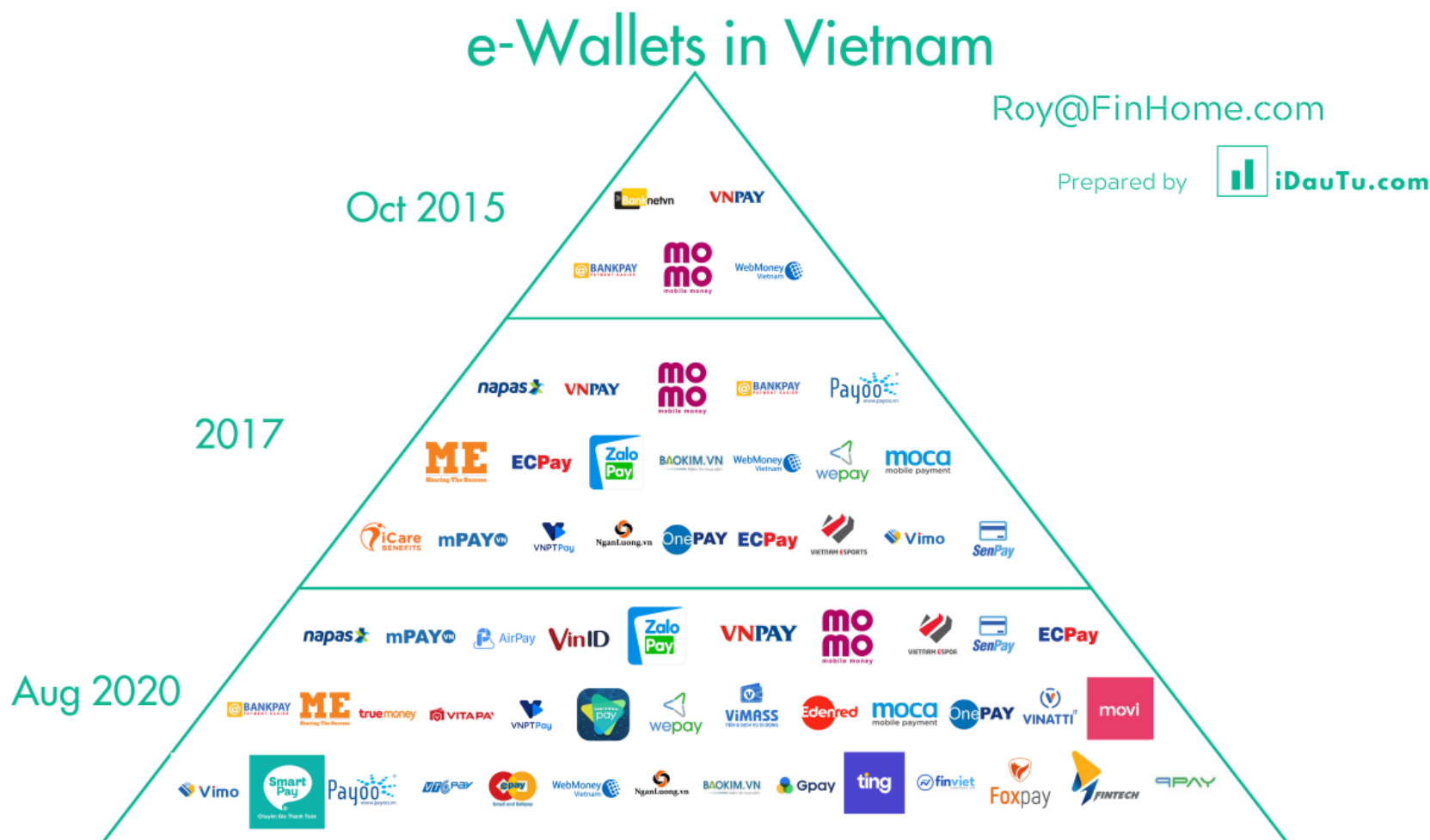
Momo portrays the key benefits of using E-wallets well, as users turn to Momo mainly for fast transaction process and wide acceptance coverage, while usage of ShopeePay is mostly driven by promotions. ViettelPay is preferred for its brand reputation. Interestingly, users are attracted to ZaloPay by similar reasons as Momo; however, while Momo users choose the app due to peer influence, ZaloPay users are influenced more by promotions.

momo — mobile money

Faster payment	59%
Is accepted at many online stores/platforms	57%
Used by many friends/family	56%

Shopee Pay

Promotions more relevant to my needs	62%
Faster payment	49%
Integrated with frequently used apps	38%

Zalo Pay

|	
Faster payment	57%
Is accepted at many online stores/platforms	49%
Promotions more relevant to my needs	48%

Viettel pay

Better brand reputation	62%
Faster payment	54%
Connects with more bank cards/accounts	50%

Q. Please select the key reasons for which you use [most used E-wallet] more frequently than other E-wallets

Momo: n=329 | ShopeePay: n=99
ZaloPay: n=84 | VietterPay: n=50

19

Expectedly, 65% of users are indecisive or likely to switch their digital wallets. To retain users, frequent promotions and acceptance to various locations/platforms are the most important factors.
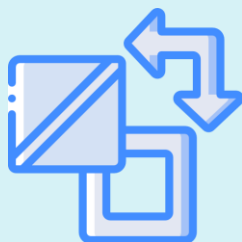
65%

are neutral to very likely to switch to another E-wallet

Q. Please indicated your intention to switch to another E-wallet | n=589

Reason to continue using E-wallet

Frequent promotions	73%
Can be used at many locations/platforms where I...	70%
Attractive point collection scheme	55%
Provides relevant services (e.g. movie tickets, travel, etc.)	50%
Many friends/family use it	46%
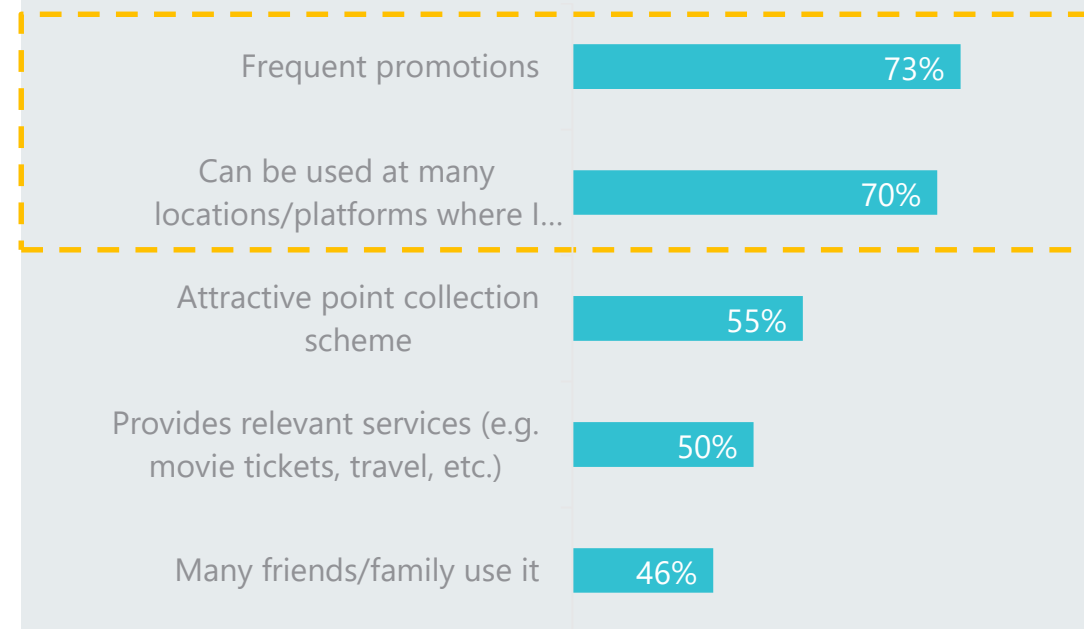
Q. Please indicate the main reasons for which you will continue to use the E-wallet   n=589

Point collection and promotions can also boost usage frequency. Additionally, since E-wallet is used mainly for basic payment functions, having too many features on display is unnecessary.

T2B Pain points with E-wallet
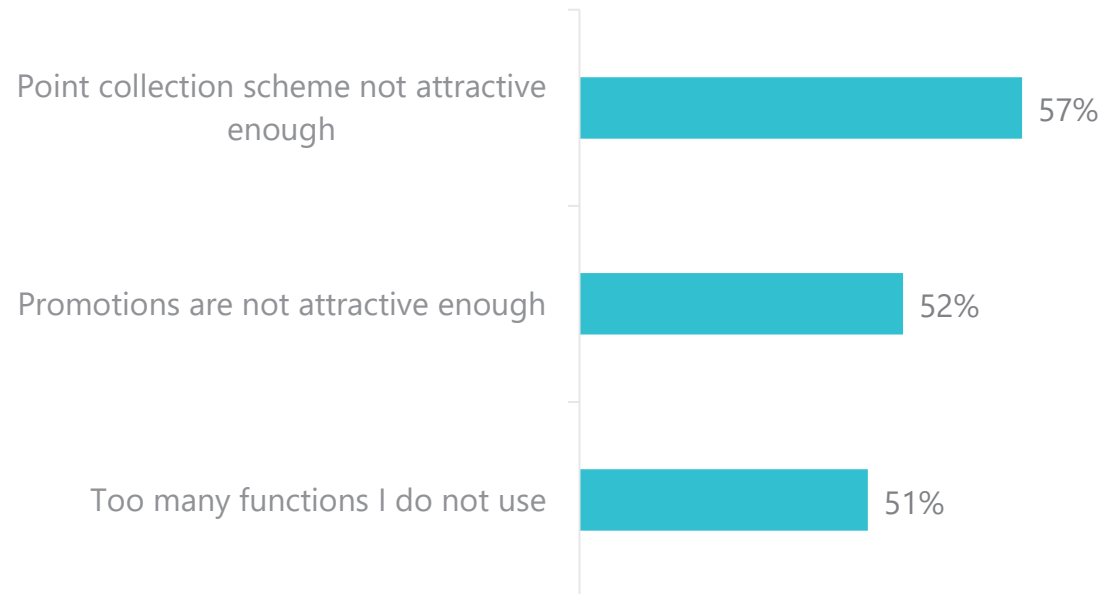
Point collection scheme not attractive enough	57%
Promotions are not attractive enough	52%
Too many functions I do not use	51%

Q. Please indicate your level of agreement for the following obstacles/pain points with E-wallet | n=589

Needless to say, keeping current users 'happy' is key to retention. On the other hand, to acquire new customers, an E-wallet needs to differentiate itself from competitors and address security concerns. Seemingly, partnering with a super-app is also very helpful to broaden customer base.

Reason not to start using a new E-wallet

Happy with my current e-wallet	53%
Do not see the difference with current e-wallet	45%
Security concerns	45%
Already have too many e-wallets	40%
Complicated link-up with bank account/ top-up process	29%

Q. Please select the main reason for which you do not intend to start using a new E-wallet

n=503

82%

users start using an E-wallet because it's available for in-app purchases (E.g. on Shopee, Grab, Zalo, etc.)
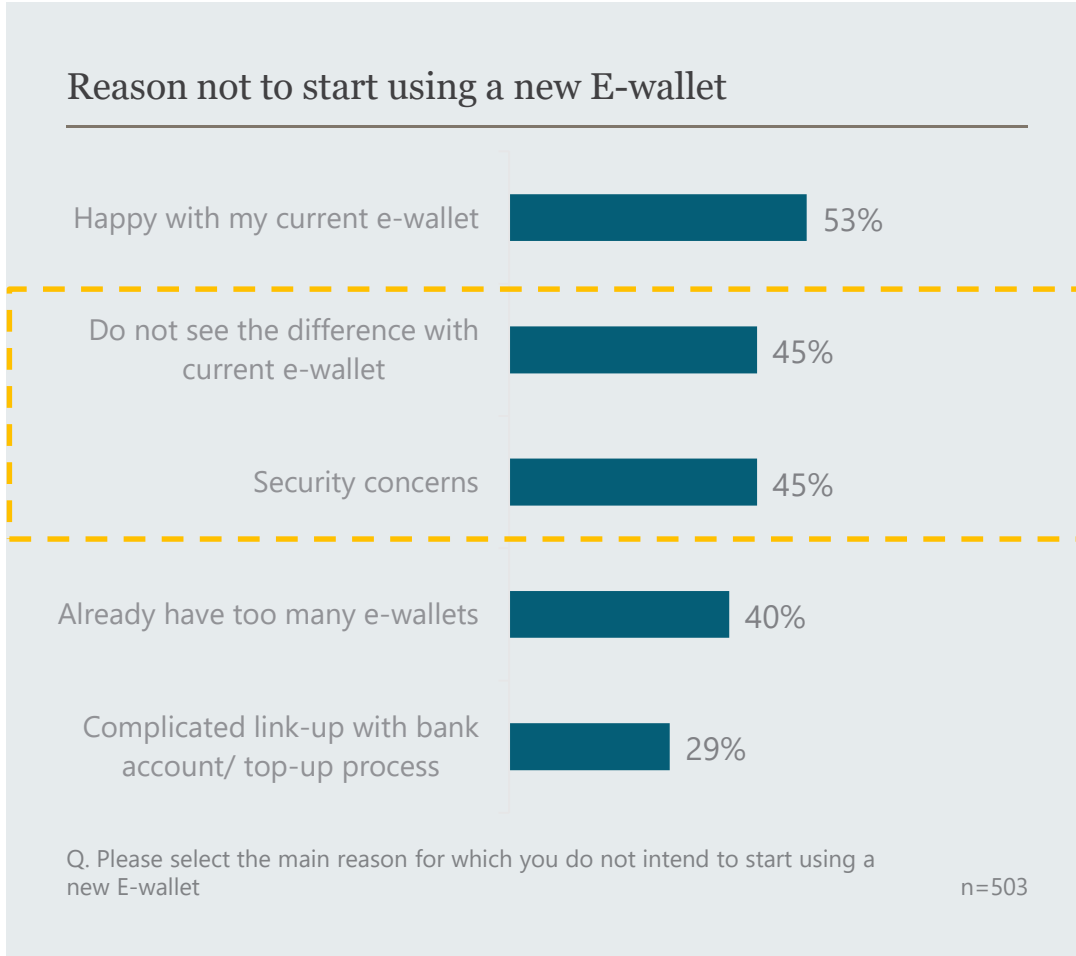
Q. Please indicate the main source of influence for you to start using an E-wallet | n=589

A wide network of acceptance points and store partners is considered to be among the top triggers for brand consideration.

Factors considered when choosing or considering an E-wallet

Factor	Percentage
Is accepted at many online stores/platforms	66%
In-app promotions	63%
Connects to more bank accounts/card	62%
Brand reputation	61%
Is accepted at many offline stores	57%
Ease of sign-up process	55%
Used by many friends/family	53%
Integrated with frequently used apps	50%
User experience	44%
Money management services	31%
Balance limit	23%
Ability to chat/interact with other users	23%
Transaction limit	22%

Q. Please select all factors that you consider when choosing an E-wallet

n=589

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Reasons not to use E-wallets for non-users

Used to other payment methods	47%
Trust issues - privacy & security	25%
Limited ability to connect accounts/card	22%
Lack of understanding	21%
Limited choice of provider	20%
Complicated sign up process	15%
Stopped using	5%
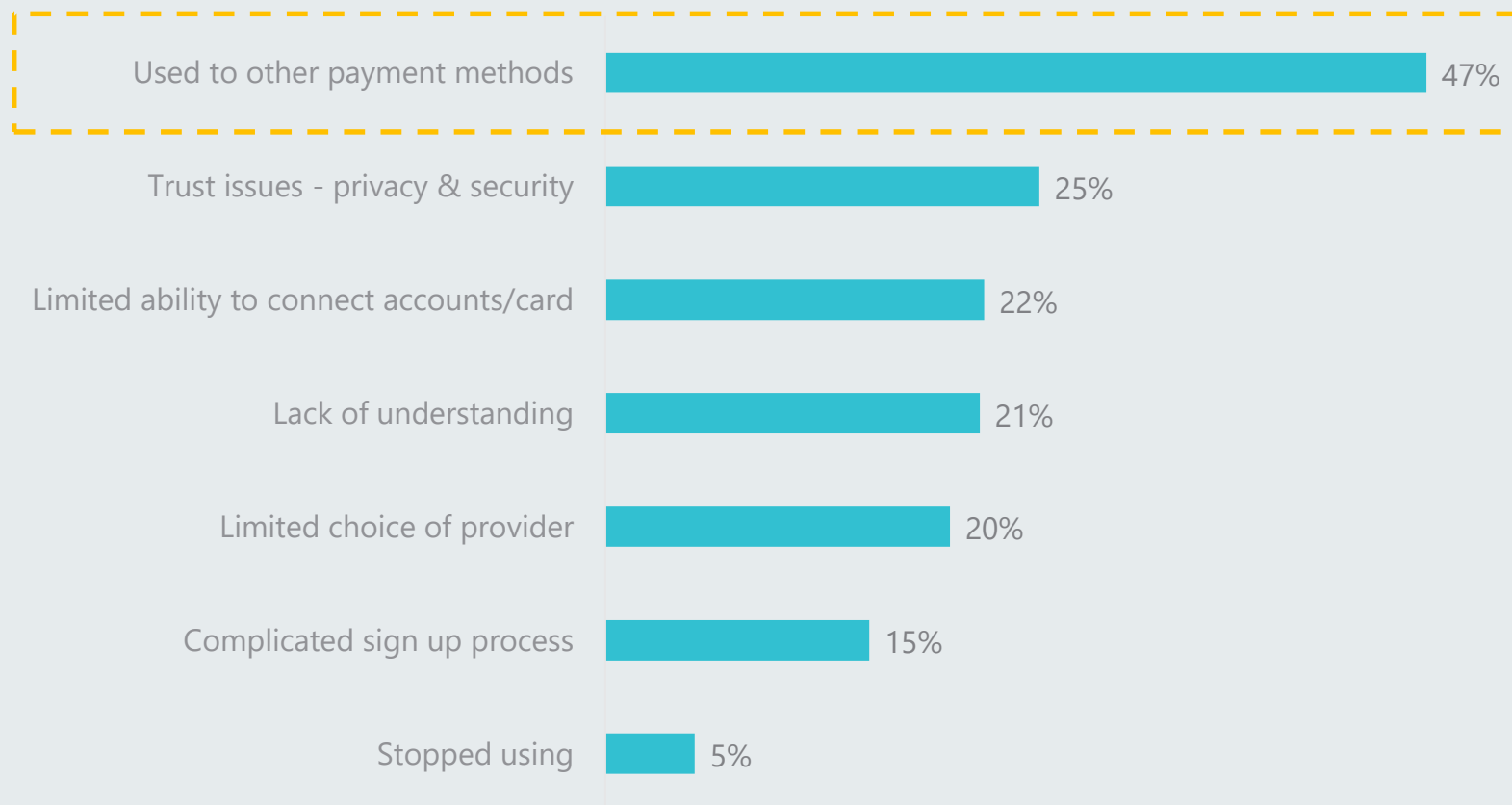
Q. Please select the reason for which you do not use E-wallet (E-wallet non-users)

n=412

Familiarity with other payment methods is the biggest barrier for non-users to start using E-wallets. The benefits of using E-wallets should be made more apparent.

Potential triggers to convert non-users
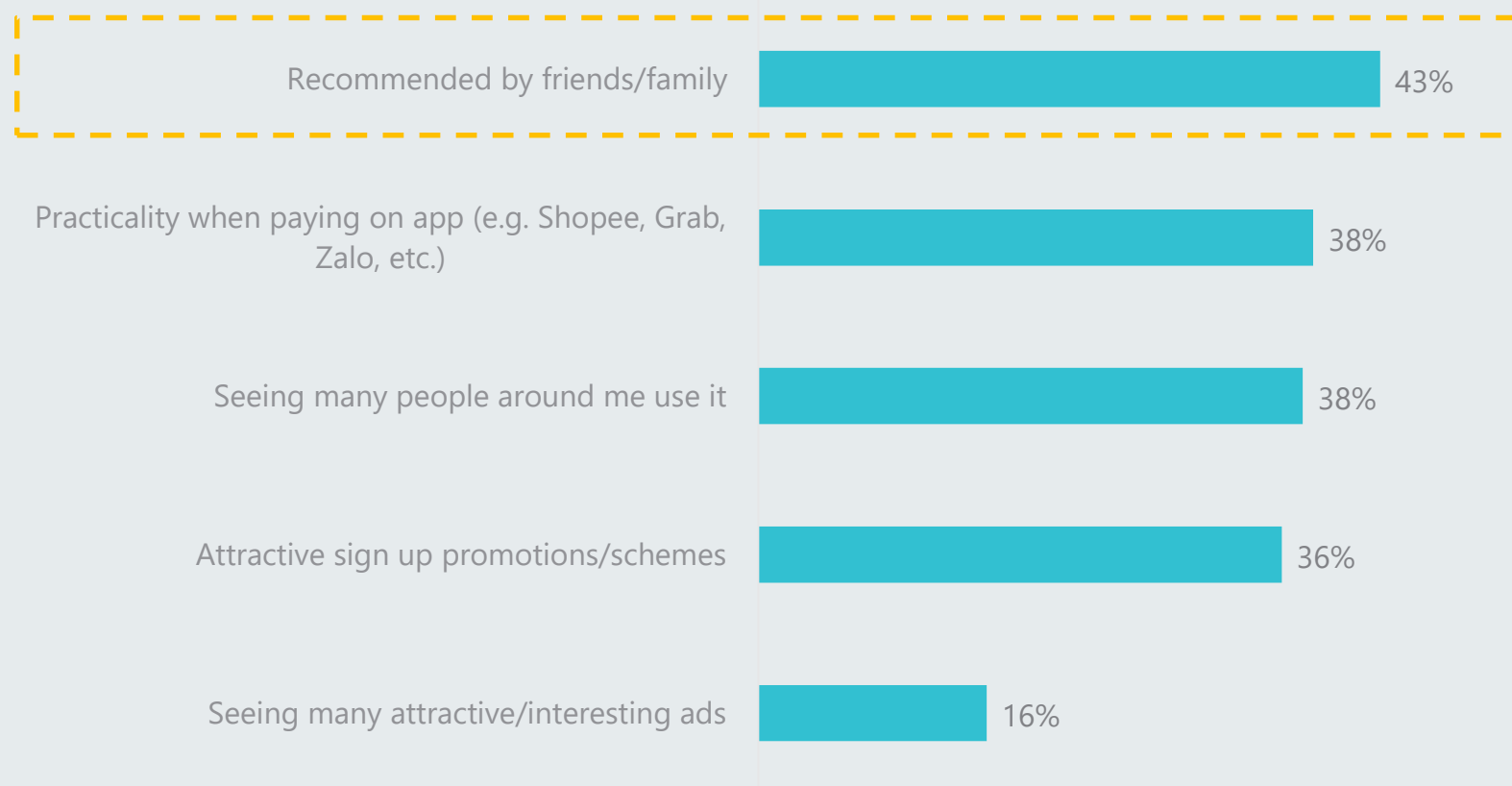
Recommended by friends/family — 43%

Practicality when paying on app (e.g. Shopee, Grab, Zalo, etc.) — 38%

Seeing many people around me use it — 38%

Attractive sign up promotions/schemes — 36%

Seeing many attractive/interesting ads — 16%

Q. Please indicate the main source of influence for you to start using an E-wallet (E-wallet non-users)   n=412

To attract non-users, boosting referral schemes from friends and family appears to be the most effective method.

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Understanding the E-wallet generations

KEY FINDINGS

Though **Gen X users** are likely to **maintain a smaller balance** in their E-wallet (100K to 500K VND) compared to younger age groups, they are more willing to make transactions of **higher values.**

In terms of brand performance, **Momo** has the highest number of Millennial users (at **59% usage rate**). Gen Z users prefer **ShopeePay,** whilst Gen X-ers tend to use multiple apps for their bill payments, though they prefer **ZaloPay.**

Overall, different E-wallet usage behaviors can be observed across age groups:

- **Gen Z users** mainly use E-wallet for **money transfer**. Many **functions/notifications** are **irrelevant** to them. To boost Gen Z retention, frequent **promotions** are necessary.

- **Millennials** tend to use E-wallets for many purposes from **mobile top-up** to **food ordering**. Thus, they are more sensitive to **promotions.**

- **Gen X users** tend to use multiple E-wallets and digital banking services due to their high needs for bill payments.

Interestingly, older age groups like **Gen X** and **Millennials** are more open to a new E-wallet as long as **security** and **practical functions** are ensured. **Gen Z** and **Millennials** are more likely to be influenced by **peers.**

E-wallet usual balance

Legend: Gen Z (n=189) — Millennials (n=313) — Gen X (n=70)

	Less than 100,000 VND	From 100,000 VND to 500,000 VND	From 500,000 VND to 1,000,000 VND	From 1,000,000 VND to 1,500,000 VND	From 1,500,000 VND to 2,000,000 VND	From 2,000,000 VND to 3,000,000 VND	More than 3,000,000 VND
Gen Z	24%	23%	19%	11%	7%	5%	10%
Millennials	20%	24%	13%	13%	4%	10%	14%
Gen X	17%	29%	13%	6%	11%	11%	13%

Q. Please indicate the usual balance in your E-wallets

Users of all age groups typically keep from 100K-500K VND in their E-wallet balance.

E-wallet average monthly spending

Gen Z (n=189) · Millennials (n=313) · Gen X (n=70)

Surprisingly, Gen X are likely to spend more money via E-wallets than other younger groups, particularly Gen Z who tends to make transactions of lower value mostly from 100K-500K VND.

Q. Please indicate your average monthly spending using E-wallets

While Millennials use E-wallets for features such as mobile top-up or food ordering, Gen Z prefer to use E-wallets for money transfer. For Gen X, bill payment is the most frequently used function.

Purposes to use E-wallet

Gen Z (n=189) Millennials (n=313) Gen X (n=70)

	Mobile top-up	Pay bills	Transfer/receive money	Online shopping	Promotions	Order food/drinks
Gen Z	75%	65%	72%	67%	54%	46%
Millennials	79%	75%	64%	65%	51%	50%
Gen X	74%	87%	60%	70%	50%	47%

Q. Please indicate the key reasons for using E-wallets
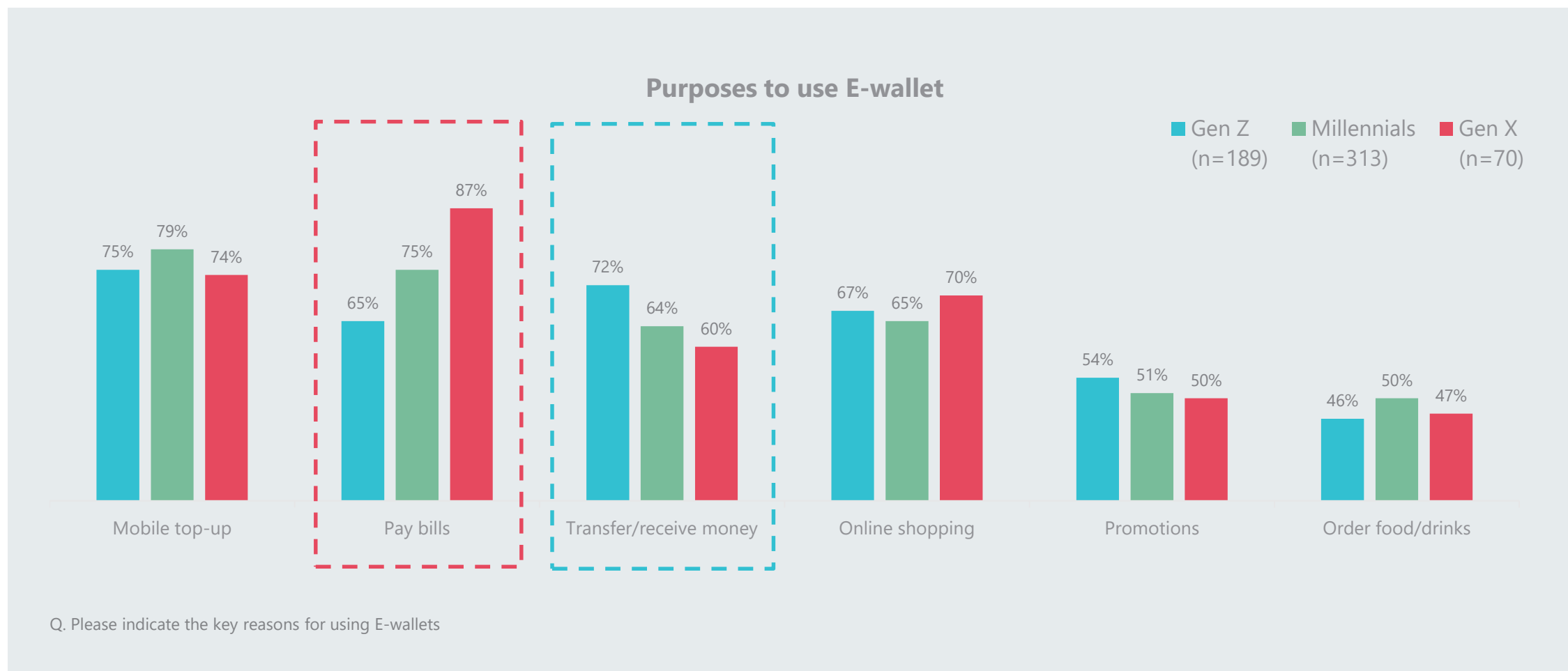
E-wallets' ability to cater to diverse users' need is their main attractor. Gen Z choose E-wallet over other payment methods due to easy money transactions, and Gen X choose E-wallets to pay bills. However, promotions are essential to Millennials, which might be due to their needs for various payment services.

GEN Z

72%

Easy to transfer/receive money

MILLENNIAL

66%

More promotions

GEN X

71%

Functions to pay for bill more conveniently

Q. Please select the key reasons for you to choose E-wallets over other payment methods

Gen Z: n=189 | Millennials: n=313 | Gen X: n=70

Convenience & promotions are key for all age groups to keep on using E-wallets. Only Gen Z & Millennials care more about frequent promotions, whilst Gen X are more interested in the ability to use E-wallets at many locations.

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GEN Z

MILLENNIAL

GEN X

	GEN Z	MILLENNIAL	GEN X
Frequency promotions	75%	71%	73%
Can be used at many locations/platforms where I purchase/sell	70%	68%	80%

Q. Please indicate the main reasons for which you will continue to use the E-wallet

Gen Z: n=189 | Millennials: n=313 | Gen X: n=70

32

Most used brands

Legend: ■ Gen Z (n=189)　■ Millennials (n=313)　■ Gen X (n=70)

	Gen Z	Millennials	Gen X
Momo	54%	59%	47%
ShopeePay (AirPay)	24%	16%	1%
ZaloPay	13%	13%	27%
ViettelPay	6%	8%	13%
Moca	1%	2%	6%
VNPT Pay	1%	0%	6%
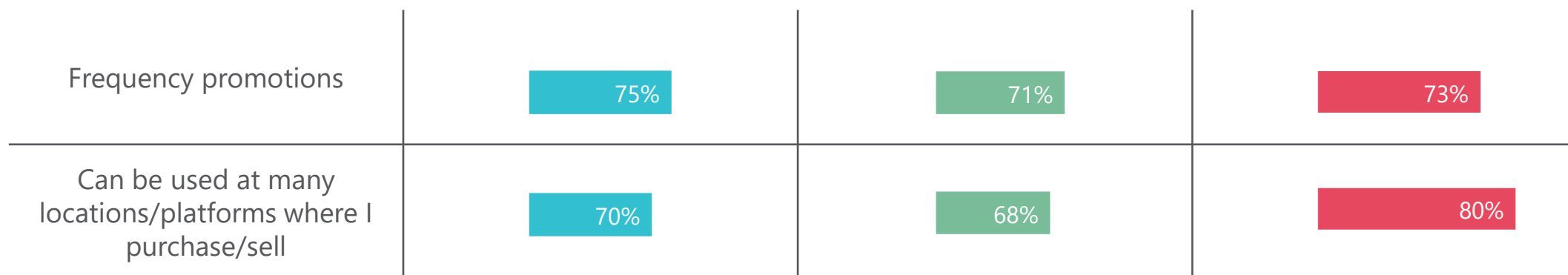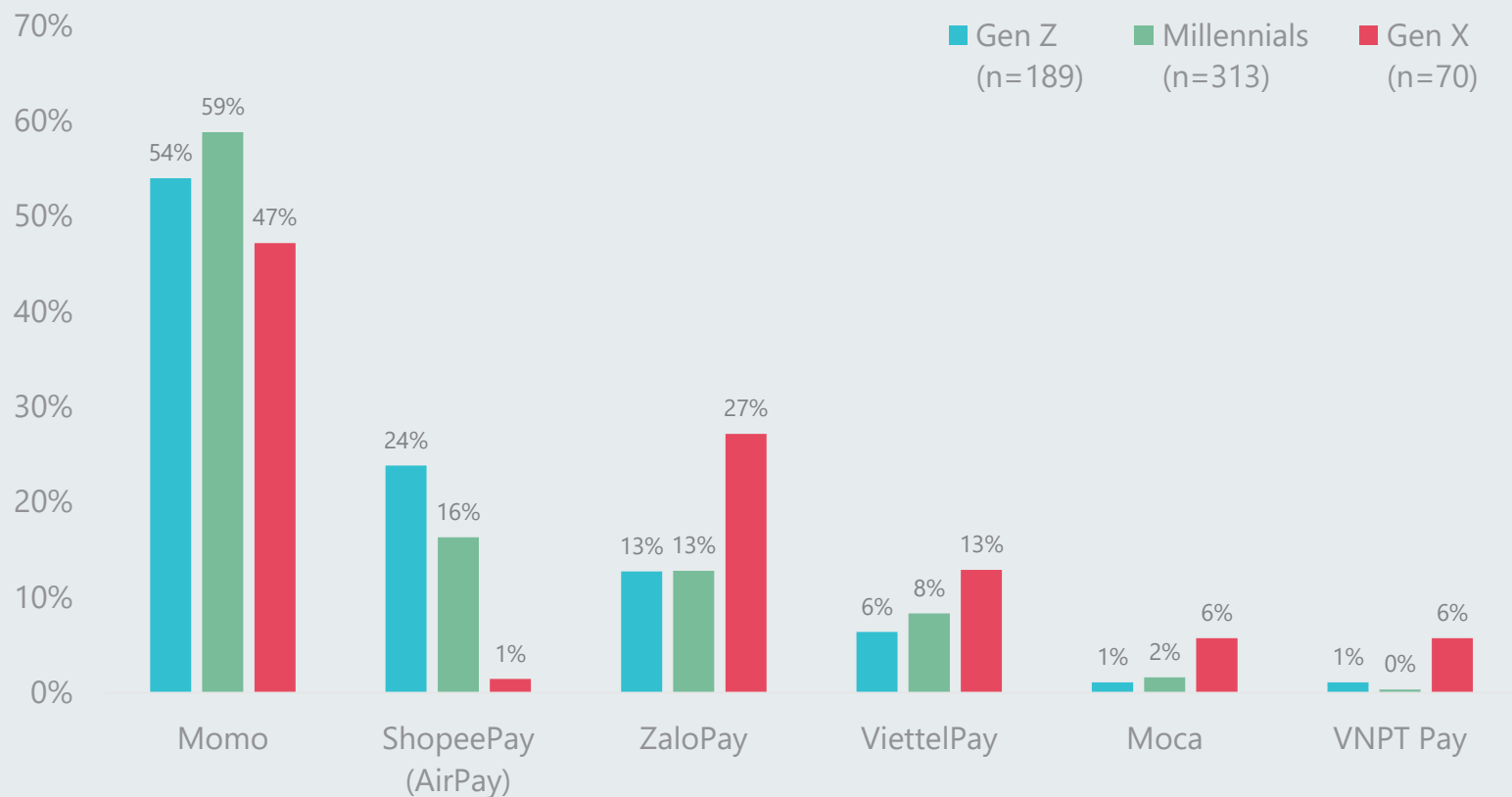
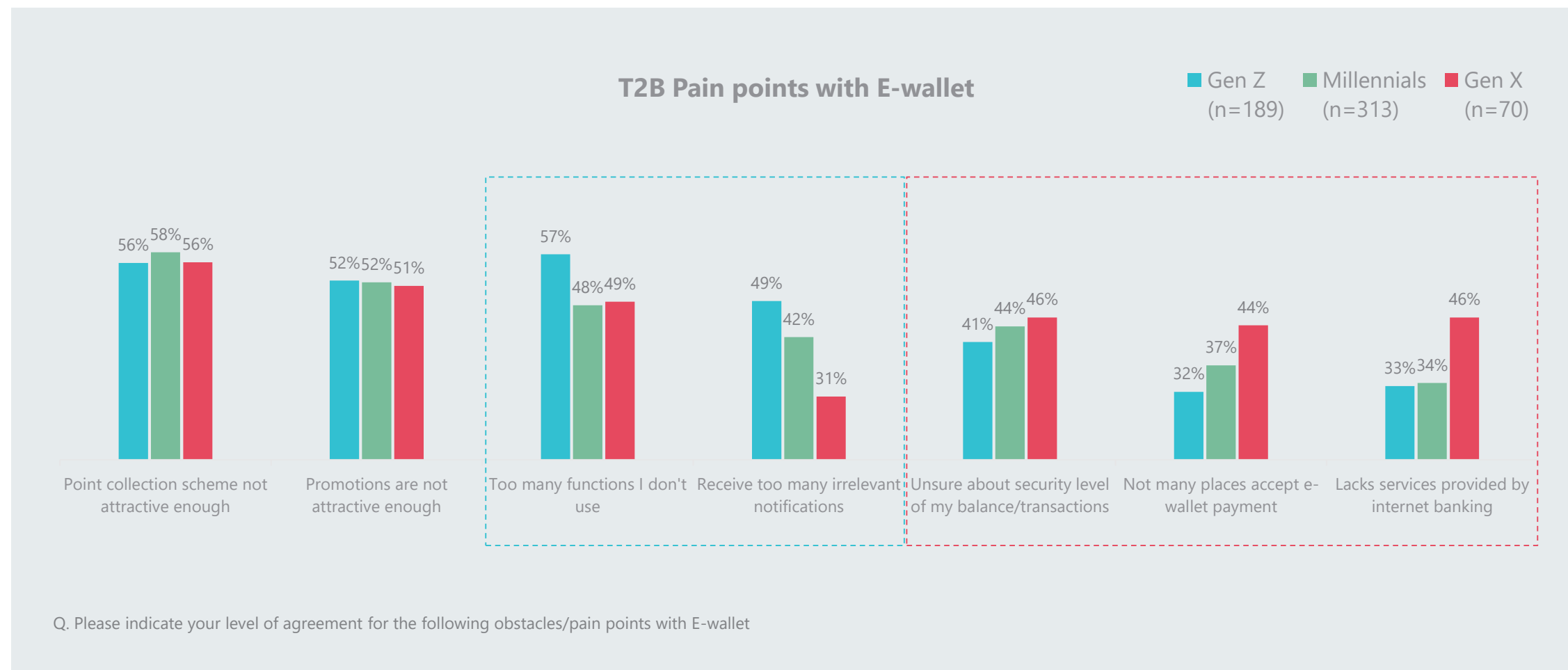Q. Please indicate which of the following E-wallets you use the most

Momo, well-rated for its payment features, is the most used brand in all age groups, especially among Millennials.

Gen X users, who have the most demand for bill payments and range of payment points, use ZaloPay, ViettelPay, Moca, and VNPT Pay more often than Millennials and Gen Z.

ShopeePay, on the other hand, is most appealing to Gen Z.

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Having fewer needs, Gen Z find the excessive functions & notifications on E-wallets as their main downsides. Gen X find faults with E-wallets' lack of online banking services, security issues and limited acceptance as a payment methods by merchants.

T2B Pain points with E-wallet

■ Gen Z (n=189) ■ Millennials (n=313) ■ Gen X (n=70)

Category	Gen Z	Millennials	Gen X
Point collection scheme not attractive enough	56%	58%	56%
Promotions are not attractive enough	52%	52%	51%
Too many functions I don't use	57%	48%	49%
Receive too many irrelevant notifications	49%	42%	31%
Unsure about security level of my balance/transactions	41%	44%	46%
Not many places accept e-wallet payment	32%	37%	44%
Lacks services provided by internet banking	33%	34%	46%

Q. Please indicate your level of agreement for the following obstacles/pain points with E-wallet

Gen Z users seem to be overwhelmed with the wide variety of E-wallets. Thus, only unique payment solutions can draw their attention to a new E-wallet. Unlike the younger users, Gen X & Y users are less willing to try new E-wallets due to security concerns.

GEN Z

50%
Already have too many E-wallets
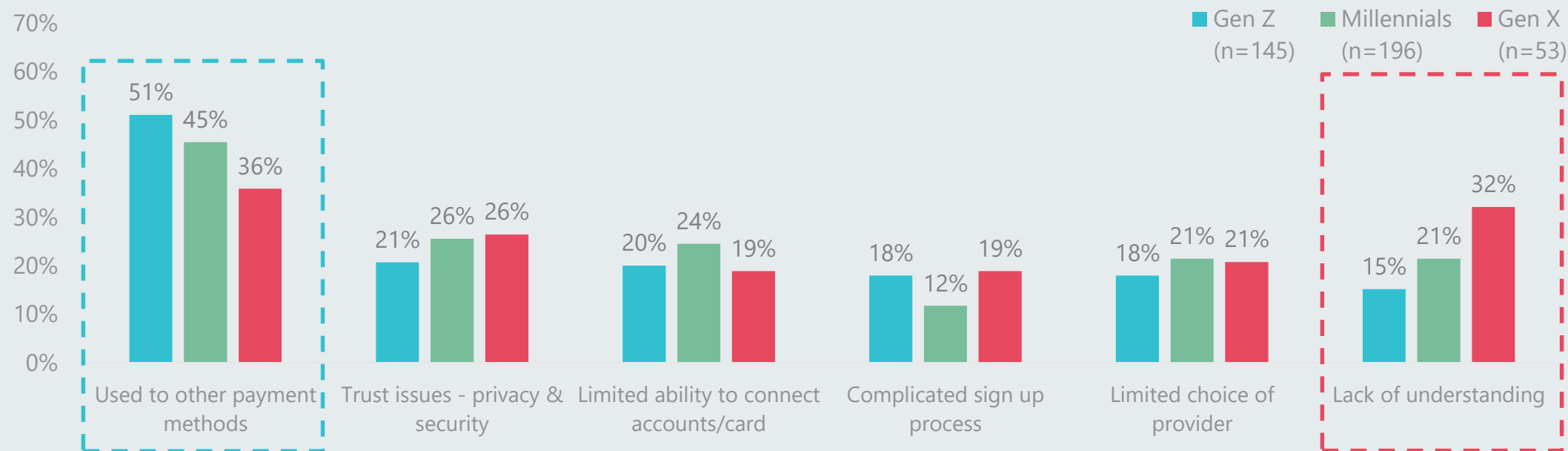
MILLENNIAL

48%
Security concerns

GEN X

45%
Security concerns

Q. Please select the main reason for which you do not intend to start using a new E-wallet

Gen Z: n=163 | Millennials: n=265 | Gen X: n=60

For E-wallet non-users, it seems harder to attract new Gen Z users due to this generation's familiarity with E-wallets and higher E-wallet adoption. In contrast, to attract new Millennials and Gen X users, providers should educate users of these generations to enhance understanding of E-wallets.

Reasons not to use E-wallet for non-users

Legend:
- Gen Z (n=145)
- Millennials (n=196)
- Gen X (n=53)

Category	Gen Z	Millennials	Gen X
Used to other payment methods	51%	45%	36%
Trust issues - privacy & security	21%	26%	26%
Limited ability to connect accounts/card	20%	24%	19%
Complicated sign up process	18%	12%	19%
Limited choice of provider	18%	21%	21%
Lack of understanding	15%	21%	32%

Q. Please select the reason for which you do not use E-wallet (E-wallet non-users)

A wide acceptance network would be the most effective source of influence for Gen X. For Gen Z and Millennials, friends/family recommendation is a key trigger.

GEN Z

46%
Recommended by friends/family

MILLENNIAL

44%
Recommended by friends/family

GEN X

40%
Available for in-app purchases (e.g. on Shopee, Grab, Zalo, etc.)

Q. Please indicate the main source of influence for you to start using an E-wallet (E-wallet non-users)

Gen Z: n=145 | Millennials: n=196 | Gen X: n=53

How to attract users in each geographical locations

KEY FINDINGS

- **Forty-eight percent** of users in **Hanoi** and **44%** of users in **HCMC** can't differentiate among E-wallets. Promoting the E-wallet's **convenience, relevance,** and **acceptance coverage** should be helpful to retain users at these locations.

- For users in **other locations**, **ease of use, promotions** and **trendiness** appear to be the key drivers of intention to use a new E-wallet.

- Expectedly, **security concerns** remain the biggest barrier for new users, notably in Hanoi and other locations outside of HCMC. On the other hand, users in HCMC expect more **connections to accounts/cards**.
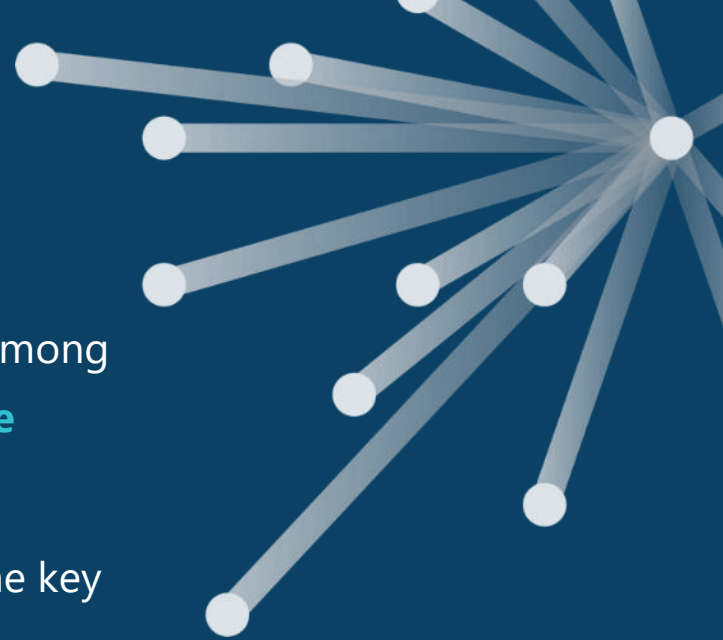
Mobile top-up, utility bill payment, and money transfer are the most common services across locations. However, users in HCMC and HN are more driven by promotions and food ordering features than users in other locations.

Reasons to use E-wallet

Legend: Hanoi (n=219) — HCMC (n=241) — Other (n=129)

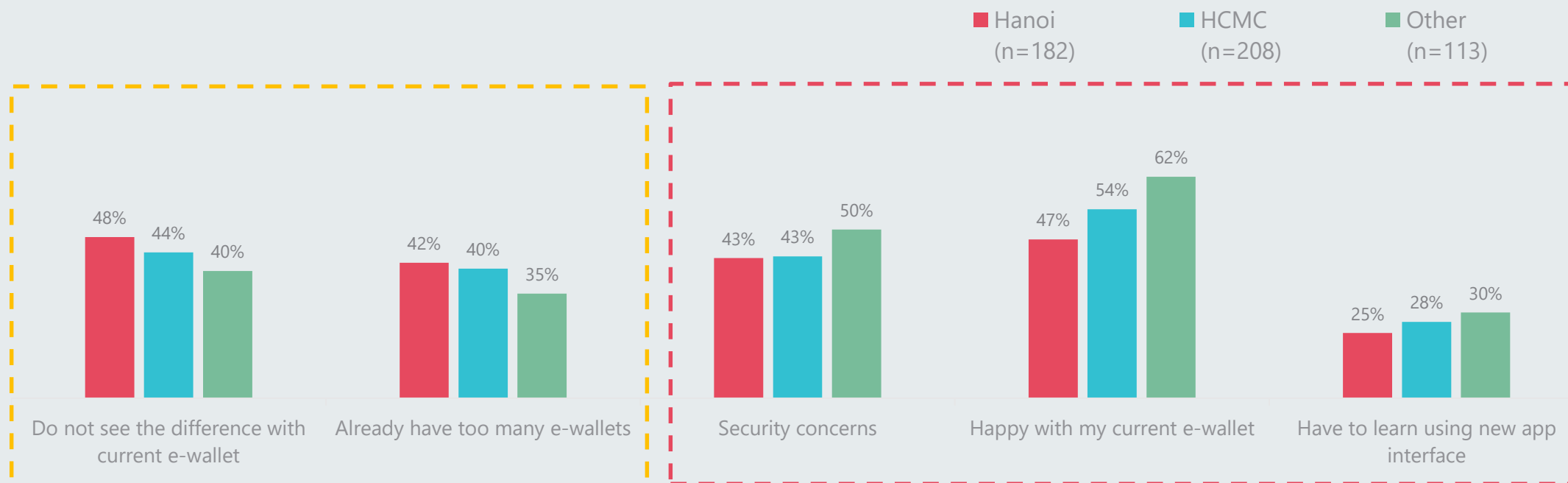| Reason	Hanoi	HCMC	Other
Mobile top-up	69%	80%	82%
Pay bills	71%	78%	71%
Transfer/receive money	60%	73%	65%
Online shopping	64%	70%	64%
Order food/drinks	48%	55%	34%
Promotions	53%	54%	45%

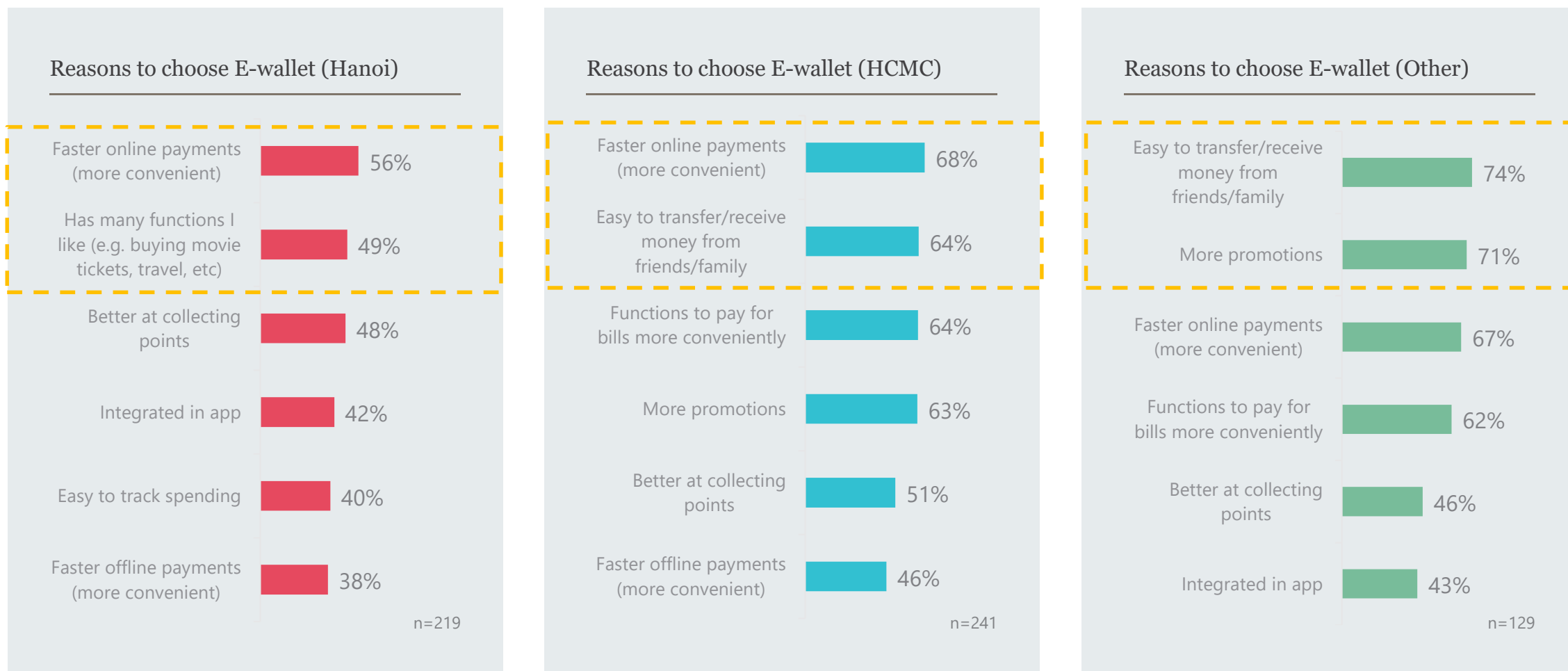Q. Please indicate the key reasons for using E-wallets

Seemingly, urban users are experiencing app fatigue, notably in Hanoi, where 48% of users are tired of many identical E-wallet options. Despite being happier with their current E-wallet (62%), users in other locations are more reluctant learners: 30% of them are not willing to use a new interface and have doubt about its security.

Reason not to use a new E-wallet

Legend:
- Hanoi (n=182)
- HCMC (n=208)
- Other (n=113)

Reason	Hanoi	HCMC	Other
Do not see the difference with current e-wallet	48%	44%	40%
Already have too many e-wallets	42%	40%	35%
Security concerns	43%	43%	50%
Happy with my current e-wallet	47%	54%	62%
Have to learn using new app interface	25%	28%	30%

Q. Please select the main reason for which you do not intend to start using a new E-wallet

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Thus, relevant and convenient payment functions work best to retain urban users, whilst ease of use and promotions are most appreciated by users in other locations.

Reasons to choose E-wallet (Hanoi)

Reason	%
Faster online payments (more convenient)	56%
Has many functions I like (e.g. buying movie tickets, travel, etc)	49%
Better at collecting points	48%
Integrated in app	42%
Easy to track spending	40%
Faster offline payments (more convenient)	38%

n=219

Reasons to choose E-wallet (HCMC)

Reason	%
Faster online payments (more convenient)	68%
Easy to transfer/receive money from friends/family	64%
Functions to pay for bills more conveniently	64%
More promotions	63%
Better at collecting points	51%
Faster offline payments (more convenient)	46%

n=241

Reasons to choose E-wallet (Other)

Reason	%
Easy to transfer/receive money from friends/family	74%
More promotions	71%
Faster online payments (more convenient)	67%
Functions to pay for bills more conveniently	62%
Better at collecting points	46%
Integrated in app	43%

n=129

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Q. Please select the key reasons for you to choose E-wallets over other payment methods

Similarly, availability of E-wallets in multiple apps is an effective source of influence for new urban users, but users in other places are more influenced by trends.

Hanoi

41%
Available for in-app purchases (e.g. on Shopee, Grab, Zalo, etc.)

HCMC

41%
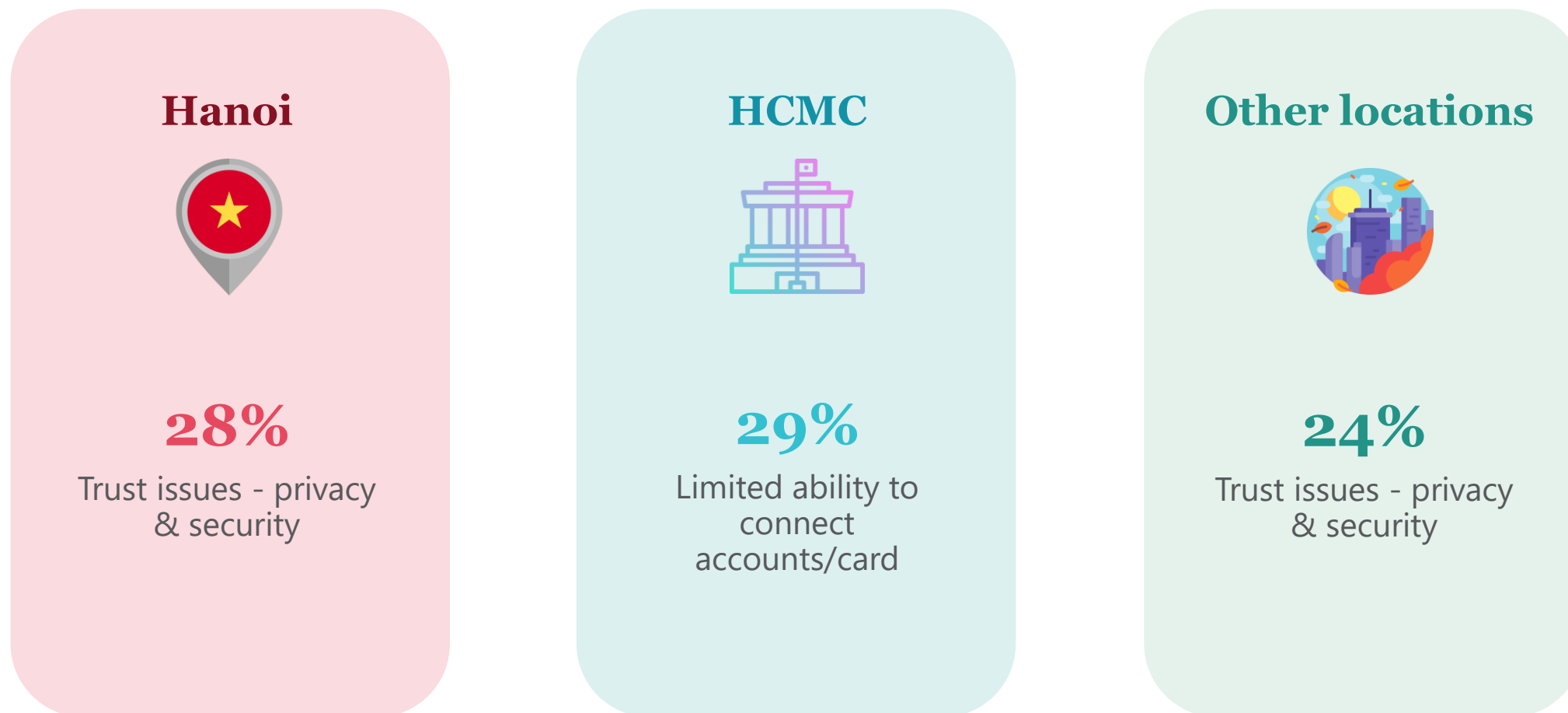Available for in-app purchases (e.g. on Shopee, Grab, Zalo, etc.)

Other locations

38%
Seeing many people around me use it

Trust issues stand out as a major obstacle for attracting new users, notably in Hanoi and other locations excluding HCMC. To HCMC users, increasing the number of accounts/cards to which E-wallets can connect could help providers acquire new users.

Hanoi

28%

Trust issues - privacy & security

HCMC

29%

Limited ability to connect accounts/card

Other locations

24%

Trust issues - privacy & security

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