The Case

Mobile payment industry in the US

In the U.S, PayPal is the most widely used payment acquirer, processing over $4 billion in payments in 2011. PayPal payments are generated by using an user’s existing account or with a credit card. Money can be sent directly to an email address, which can also prompt potential users to sign up for a new PayPal account. Additionally, PayPal also allows its users to send money through PayPal payment network, which is a feature that only a few payment gateways provide.

Besides PayPal, there are some others popular alternatives, either as an online money transfer service or E-Commerce payment method, including Google Wallet, Amazon Payments, Dwolla, Apple Pay, Stripe, WePay, and some others.

Mobile payment in China

- The boom of WeChat Payment

In August 2013, WeChat 5.0 came out, and along with this updated version, WeChat introduced the debut of a new online payment method: WeChat payment. The WeChat payment is based on the WeChat platform itself, which grants the method both incredible convenience and potential challenges. WeChat already has more than 4 billion users in the world. Alipay, however, is still currently the dominant mobile payment method in China. Therefore, with such a strong and “time-honored” competitor, it will not be easy for WeChat payment to take shares after entering the online payment market.

- Challenges for Alipay

As China’s leading Mobile Payment platform, Alipay provides various services including online payment, credit card payment, and all kinds of bill pay. Founded in December 2012, Alipay was first created to improve the security of trading in Taobao, one of China’s biggest online shopping platforms. Because of the large customer base of Taobao, as well as Alipay products’ strong relativity to people’s daily life, Alipay has had 300 million registered customers and made up 70% of the e-commerce market till 2010. It also reaches daily maximum trading of 2 billion US dollars till 2013.

However, as the biggest mobile payment platform, Alipay also faces a lot of challenges. First and the biggest challenge is the pressure from government policy. Also, due to the rapid development in e-commerce, companies start to compete the variety of their services with others to increase their market share.

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