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## Apple execs remain optimistic about Apple Pay, despite slow uptake

BY JESSE HOLLINGTON [@JHOLLINGTON](#) • 1 DAY AGO



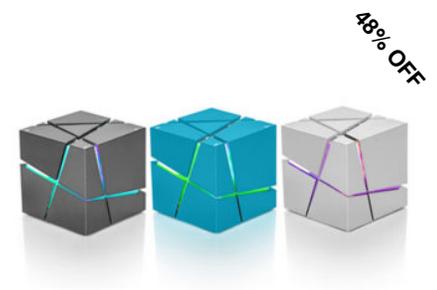
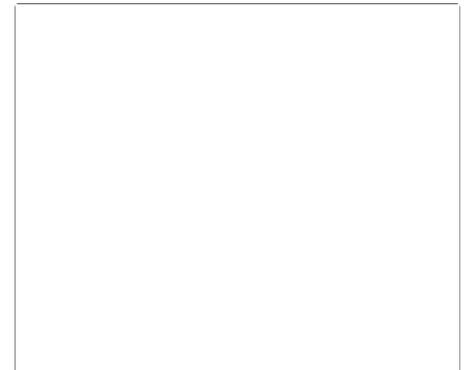
Senior executives at Apple remain optimistic about the long-term adoption of Apple Pay, despite the slow pace of adoption by U.S. retailers and consumers. A new article in the [Wall Street Journal](#) highlights some of the challenges Apple has faced in gaining more ubiquitous mindshare for its two-year-old mobile payment service, such as a consumer wariness over security concerns and reliability and adoption by U.S. retailers. The report notes that Apple has also not done much to market the payment platform, nor made much of an effort to train its own employees, although Apple SVP Eddy Cue said that Apple Pay has been adopted faster than other mobile payment systems, and still believes that it will eventually replace cash, debit, and credit cards, but suggests that Apple is playing the long game with the service,

“ Does it matter if we get there in two years, three years [or] five years? Ultimately, no.”

Loup Ventures analyst Gene Munster revealed that even “to conservative expectations” the adoption of Apple Pay has been disappointing thus far, revealing that only 13 percent of the estimated 680 million iPhone users have used Apple Pay, and estimating that Apple Pay handled around \$36 billion in transactions last year, well short of his original \$207 billion prediction. Technology research firm Creative Strategies suggests that 40 percent of U.S. consumers remain concerned about security risks associated with adding a credit card or debit card to their iPhone, and 60 percent aren’t familiar with the concept of contactless payments — a system that, while long ubiquitous in other countries such as Canada, remains relatively uncommon among U.S. retailers; a report from payment-industry trade publication the Nilson Report notes that only a third of U.S. stores accept Apple Pay as a form of payment, although it notes that the rate of acceptance has more than doubled since 2015. Nilson Report publisher David Robertson believes that Apple Pay is on the cusp of broad acceptance, and a report by payment advisor First Annapolis Consulting reveals that U.S. consumers are still twice as likely to have used Apple Pay as any rival service.

A former employee on the Apple Pay project suggested to the Wall Street Journal that Apple had overestimated the impact of Apple Pay when it first launched, expecting customers to embrace it with the same enthusiasm as the 2003 iTunes launch, however when retailers were slow to come on board, Apple executives were more reluctant to promote the service and invest in retail terminals.

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However, the Wall Street Journal notes that several big-name stores such as Wal-Mart still do not accept Apple Pay, and adds that even in stores where Apple Pay is accepted, cashiers remain unfamiliar with the service. Apple's Jennifer Bailey, VP of Apple Pay, stated that the company does have a team that works with merchants to help educate cashiers and also add instructions to retailers' training materials, and noted that more than half of the largest 100 merchants in the U.S. have adopted Apple Pay since its launch — a significant achievement considering that contactless payments were virtually nonexistent among U.S. retailers prior to the launch of Apple Pay.

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