South Africa received a score of 29.1 on the MasterCard Mobile Payments Readiness Index, a number mainly driven by lack of partnerships as well as lagging Infrastructure and overall Environment scores. It’s important to note that Consumer Readiness scores were higher than average primarily due to familiarity with and willingness to use P2P payments, though familiarity is relatively high among all payment types. This propelled South Africa to the twenty-sixth spot on the Index.

**Market Forces**

In South Africa, there are no existing partnerships among banks, telcos, and payments companies—other than small programs by South African telcos that mainly focus on SMS transfers. The regulatory environment is burdensome in

\[ \text{South Africa household consumption expenditure per capita: } \$4,500 \]

Household consumption expenditure in South Africa

Index Average: \$11,015

South Africa; however, other areas of the overall environment require attention before any party can seriously attempt to mount a move to mobile payments.

Specifically, household consumption expenditure per capita is low compared to the Index average (\$4,000 compared to \$11,015). Only 12 percent of South Africans have access to the Internet compared to the Index average of 52 percent. The

**WHAT YOU NEED TO KNOW**

- There are no existing partnerships between banks and telcos in South Africa
- Only 12% of South Africans have access to the Internet
- 26% of South Africans are willing to use P2P payments

**COUNTRY OVERVIEW**

**SUMMARY**

South Africa received a score of 29.1 on the MasterCard Mobile Payments Readiness Index, a number mainly driven by lack of partnerships as well as lagging Infrastructure and overall Environment scores. It’s important to note that Consumer Readiness scores were higher than average primarily due to familiarity with and willingness to use P2P payments, though familiarity is relatively high among all payment types. This propelled South Africa to the twenty-sixth spot on the Index.

**WHAT YOU NEED TO KNOW**

- There are no existing partnerships between banks and telcos in South Africa
- Only 12% of South Africans have access to the Internet
- 26% of South Africans are willing to use P2P payments

**MOBILE READINESS FACTORS IN SOUTH AFRICA**

\[ \text{South Africa mobile phone prevalence*: } 54\% \]

\[ \text{South Africa internet penetration: } 12\% \]

*Calibrated to the highest country average
percent of mobile phone subscriptions per capita is on par with the Index average. NFC terminalization in South Africa is in early days but could pave the way for mobile payments at the POS.

**Consumer Sentiment**

**Ninety-two percent of South African consumers own some type of mobile phone and approximately 18 percent own a smartphone.** South Africans show, on average, a greater degree of willingness to use mobile payments than their global counterparts. Willingness in all three mobile payment types—P2P, POS, and m-commerce—is higher than the Index average with P2P payments receiving the highest rating (26 percent). Familiarity with mobile payments is on par with the Index average for all types of payments with the exception of m-commerce; only 15 percent of South African consumers are familiar with this payment type compared with the Index average of 20 percent. Overall willingness to use mobile payments is high among South Africans aged 18 to 49, demonstrating their mass appeal. Mobile payments are of equal interest to both males and females. High- and medium-income earners in South Africa tend to favor P2P and m-commerce over POS. While usage is still low in South Africa for all payment types, it is greatest among consumers with high incomes.

To view this data in more detail, visit mobilereadiness.mastercard.com/southafrica

**Mastercard Conclusion**

The market infrastructure in South Africa will require some work in order to adequately handle mobile payments. While consumers show willingness to use their mobile devices for all payment types, the biggest opportunity within South Africa is likely in improving the mobile experience for P2P payments, as it appears to hold the greatest interest among consumers.