

# Payments in Italy – status quo and perspectives

Von Sergio Moggia



**Im Hinblick auf das Zahlungsverhalten der Verbraucher liegt Italien hinter anderen europäischen Ländern zurück, meint Sergio Moggia. Noch dominiert das Bargeld, dessen Marktanteil – ähnlich wie in Deutschland – jährlich nur um etwa einen Prozentpunkt zurückgeht. Im Kartenbereich dominiert das nationale Debitsystem, die Anzahl der Kreditkarten ist 2015 gesunken. Um den Anschluss an Europa im Sinne einer bargeldlosen Zukunft zu finden, kann Italien nach Einschätzung des Autors jedoch auf einer guten Infrastruktur für den elektronischen Zahlungsverkehr aufbauen. Nun komme es darauf an, sich auf mobile Services zu konzentrieren und intensiv an der Kundenkommunikation zu arbeiten. Für den Erfolg sei dabei die Unterstützung aus der Politik eine zwingende Voraussetzung. Red.**

The Payment Market is considerably increased in the last few years. Activities on the offer let the market improve as a whole and the spread of new technologies let the users more expert and demanding.

There is a point, which is the most important limited factor: cash money use. Today cash money is the principal payment element used for payments in Italy – the ef-

fect of cash use is about the 82 percent and it decreases only one point per cent per year.

Even though the innovation increases both on the European payment and on the technologies' market, different considerations have to be made on the specific habits and behaviours of Italian payers.

The Acquiring network for payments – POS and ATM – represents the success story in Italy. For this reason the widespread availability of ATMs around the territory is large adequate even if the number of ATMs is decreasing due to a rationalization of the network, as a result of the Bank branches decrease (1 220 people per 1 ATM).

More detailed and fully developed is the POS payment network. Today there are up to 1,7 million terminals around the territory. The widespread of new technology and innovative POS is gradual. This development is very important for incentivizing the card use and electronic payments in Italy.

Together with this prospective relevant change, as mentioned before, it is impor-

tant to focus our attention on the development of the virtual network.

The market sector shows how the innovation is always increasing, at cross-media domain level. Even though the home banking services are day by day more technical, complete, efficient and secure, the new frontier is represented by the digital, mobile and app industry. The new industry is becoming established in the Italian families thanks to the widespread and the equipment of the new technologies.

The growth rate of the direct cross-media is still increasing (+ 18 percent compared with 2014) depending on the new social system and the new banking customers.

## More debit and prepaid cards, less credit cards

Payment Instruments, at payer disposal, are evolving as well following the market expectations, especially regarding payment cards.

In 2015, there were more than 97 million cards around Italy, with an increase of the 4 percent compared to the previous year and of the 17 percent compared to 2011 to 2015 period. On details the debit card increasing was around 5 percent, the prepaid card have increased by 14 percent, while credit cards fell by 4 percent in the same period.

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These percentages show how payment card use is growing year by year in Italy, but the most required are the “pay now cards” i.e. the debit or pre-paid cards.

### Domestic schemes are Italian leader on debit cards market

Bancomat and Pagobancomat domestic payment schemes are Italian leader on debit cards market (2015 estimated):

- about 37 million Bancomat and Pagobancomat cards;
- more than 840 million withdrawal transactions equivalent to about 160 billion euro – 87 percent market share;
- more than 1,4 billion payment operations equivalent to about 83 billion euro
- with an average value of 59 euro per transactions – more than 87 percent market share.

### New digital payments

In this background, it is important to focus our attention on the so-called “New Digital Payments”, which will be very relevant in the next few years, for the widespread diffusion of the electronic payment use.

In 2015 there was a significant increase of these new kind of payments (+ 5,6 percent), depending on the success of these new innovative payment in particular by the ecommerce.

On details, the amount of digital payments calculated in 2015 was equal to 156 billion euro, and the volume of “new digital payments” is equal to 31 percent i.e. about 21 billion euro. “New Digital Payments” includes e-commerce and e-payment, mobile payment, contactless payment, mobile POS e-mobile P2P; and it is important to underline the priority role and weighting of e-commerce and

e-payment compared to the others due to the massive promotion of payments with card.

Basically, Mobile payments are expected to have a bigger evolution in Italy both in remote payment, generally used with mobile phones and in proximity payment, which are probable to grow in the next few years.

### P2P is going to grow

Focusing on P2P, in the last years new instant payment solutions were developed by new start-ups and by some banking operators next to more traditional and consolidate services. All of these solutions mix the on real time ease money transfer with the potentiality of the mobile phones.

In 2015 the value of P2P mobile was estimated about 10 million euro. It is surely going to grow in the next few years, thanks to both the extension of offer and the characterization of the service (i.e. the opportunity to pay, in a shop, the amount of a purchase with a P2P payment instead of a traditional transaction).

Another important aspect of the actual and future configuration of the electronic payment area is the incoming of new big operators defined Over the Top, through whom the payment system is definitely open and integrated with other sectors.

These Over The Top (OTT) produced an extension of subjects and solutions offer, but even if the customer experience is the same around the world, each service is adjusted depending on the Country in which it is to be used.

### Filling the gap bei focusing on mobile service

The situation shows how Italy is a bit late, compared to the other European Coun-

tries, even if this late must be analysed in a more complex context, which should consider people individual attitudes and behaviours.

Italy has to move in the following directions to fill this gap:

- settle the new digital payments offer by focusing on mobile service and
- acting on communication and education on the new payment methods.

As explained above, Italy has an high performant digital payment infrastructure and a good widespread of payment cards, as a result of a strong and smart Financial System in this direction.

### Governmental support ist necessary to obtain long lasting results

To reduce cash money use, it is important to realize efficient and time to market solutions, to better satisfy the Italian payment needs which have to consider the following unavoidable aspects:

- promotion and governmental support;
- people communication and education on the new payment methods.

The governmental support is necessary to obtain efficient and long lasting results. These kind of operations have been successful in some of the European and Extra Europe Countries. This is to underline that this kind of incentivisation is the right way to follow.

At the same time, it is important even to support citizens to the understanding of electronic payment instruments’ to inform them about their advantages and strongly support them in the awareness of their use. That for a cashless future.

Quelle für die genannten Zahlen: Consorzio BANCORMAT market survey – Bank of Italy Annual Report – Politecnico di Milano Mobile Payment & Commerce Observatory