



# DIGITAL PAYMENTS METHODS

**Growing Emerging  
Technology  
Potential**

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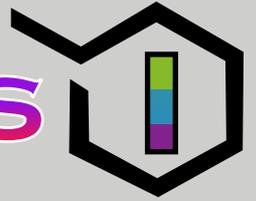
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# DIGITAL PAYMENTS METHODS

GROWING EMERGING  
TECHNOLOGY POTENTIAL

Customers' trends, referring to value added services, are becoming more and more dominant in the fintech industry area. To this direction, regulatory authorities promote collaboration among the direct stakeholders and certain ecosystems. Business requirements for continuous innovation and adoption of emerging technologies like Internet of Things (IoT), real time payments, and cryptocurrencies, among others, create a unique environment for differentiation and evolution.

A negative effect, being taken seriously into consideration, is the cybersecurity associated with all the cyber tech included on fintech frameworks. These past years, a significant number of cyber risk issues arose regarding mainly fintech apps highlighting, this way, the dangers of the adoption of this technology. New defensive moves against attacks are continuously developed while regulations are becoming stricter. Being enhanced by the regulatory and computing infrastructure evolutions, the current financial trends include on the core the 'Avant Garde' of new technologies, such as Artificial Intelligence (AI) and Machine Learning. Digital cases of the aforementioned fintech trends can be grouped into three main categories:

- Mobile Payments
- Online Banking Payments
- Cryptocurrencies

### Potential Advantages of AI and Machine Learning

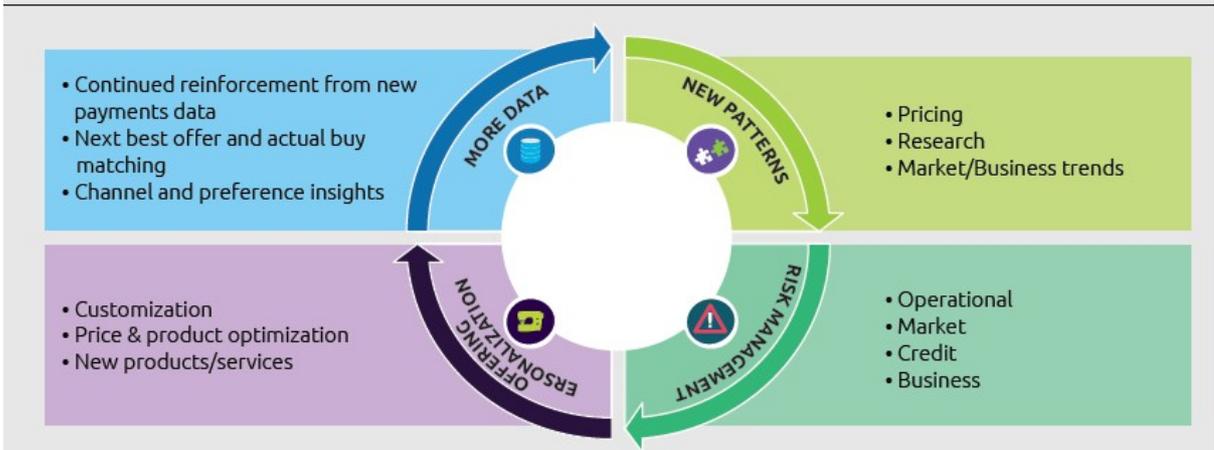


Fig 1 Potential Advantages of AI and Machine Learning. Capgemini Research Institute. (2018). WORLD FinTech REPORT 2018.

More customers find it easy to use their phones to make payments, with mobile phones being extensively used up over the years. The focus is towards the strength of user experience taking into account the increasing flexibility, accuracy and instant payments. While this trend was less adopted when it was first introduced, because plastic cards and money payments were not giving added value, it is now more appealing owing to enhanced payment effectiveness. Based on this direction, banking institutions are now upgrading their services with innovative banking apps<sup>1</sup>.

On the same wavelength, online banking payments are an immediate alternative to mobile banking. An increasing number of bank clients, currently, prefer not to admit traditional engagement on their services, as they are adequately offered through their innovative mobile apps. Newly-built e-banking stores are also enhancing this movement. Another state-of-the-art approach, which has not yet been adopted by the broader client bases, are the so-called cryptocurrency payments. This kind of payments currently lacks of standard service infrastructure, but it is supposed to be a disruptive banking framework for the future. The early adopters are gradually recognized by top banking institutions which are now turn their eyes on this high promising distributed framework. Digital Payments are generally adopted as an effective way to manage, spend, and use your funds for taking the full advantage of easiness and speed in your transactions.

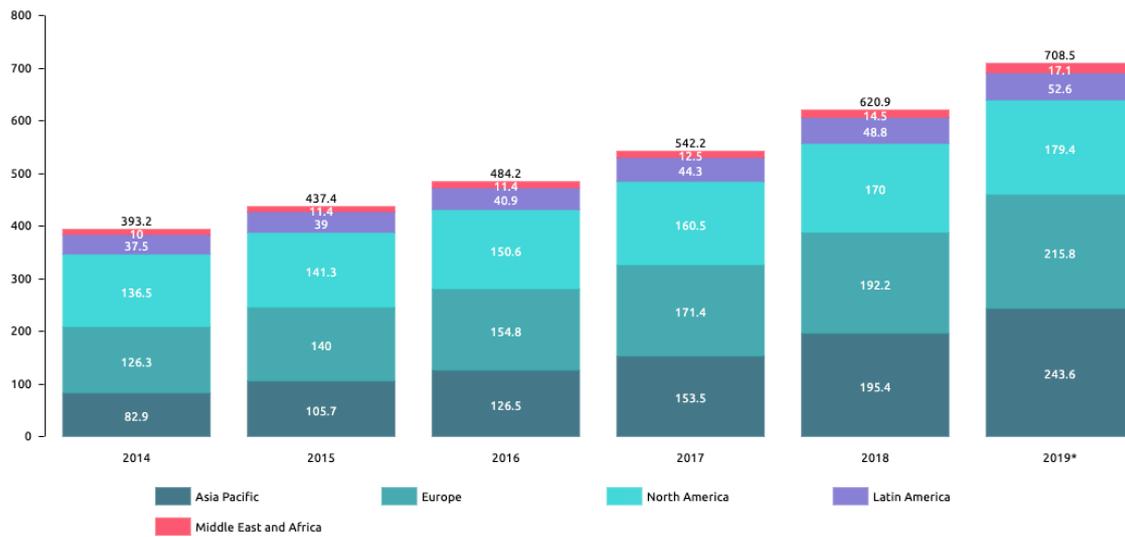


Fig 2 Worldwide non-cash transactions (billions), by region, 2014-2019. Capgemini Research Institute. (2018). World Payments Report 2018.

NON-CASH TRANSACTIONS  
ARE ESTIMATED TO  
ACCELERATE WITH ANNUAL  
GROWTH RATE OF  
**12.7% globally.**

Non-cash transactions are estimated to accelerate with annual growth rate of 12.7% globally. Emerging markets that now account for approximately one-third of worldwide non-cash transaction volume are anticipated to contribute to almost half of the world's volume by almost three times more than that of mature economies in 2021. Asian markets are now key players in the digital payments landscape with a compound annual growth rate (CAGR) to be estimated in an increasing trend of 28.8% between 2016 and 2021. With reference to industrial global players as Amazon, Alibaba, Google etc., global e-transaction volumes, they support through their infrastructures, are up to over USD 41.8 billion between 2016-2018<sup>2</sup>.

Emerging technologies and innovation will play a vital role in the connection of multiple players, systems, and technologies for both the limitation of the underlying cybersecurity concerns and the perspective of developing modern high-tech and innovative financial institutions. The ecosystem, as it is today, imposes to the participants as a whole to properly adopt and implement new technological concepts and paradigms.

## REFERENCES

1. Capgemini Research Institute. (2018). WORLD FinTech REPORT 2018.
2. Capgemini Research Institute. (2018). World Payments Report 2018.

