

# How Visa Is Working to Develop Mobile Payments in Latin America

A Q&A with Visa's Rubén Salazar Genovez

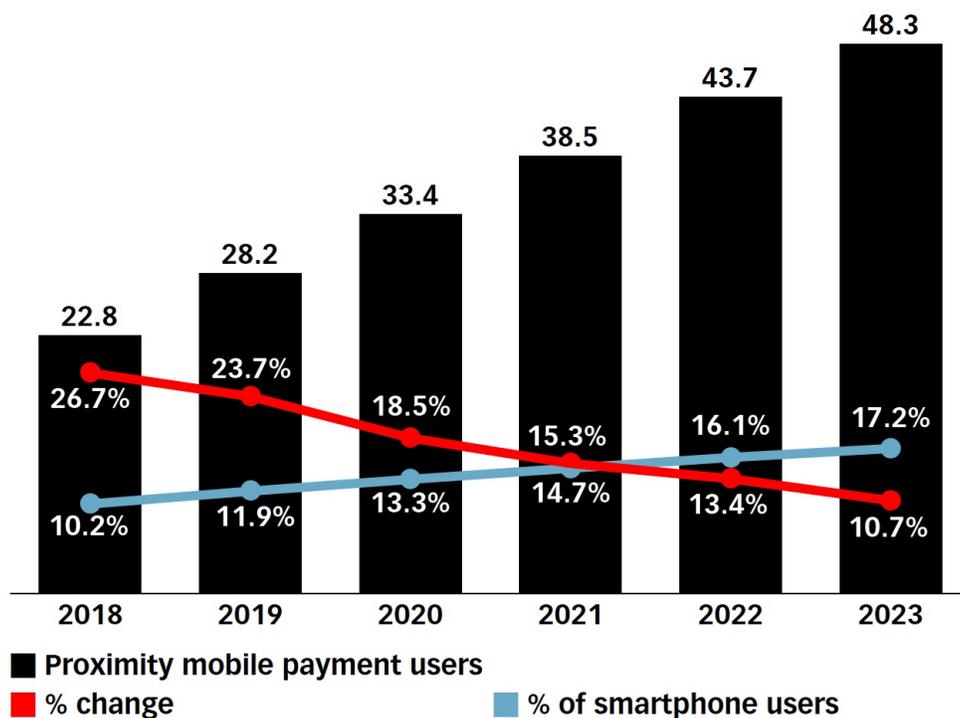
**ARTICLE** | **NOVEMBER 11, 2019**

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**P**roximity mobile payments are reshaping traditional payment methods in Latin America, providing consumers with a faster, more convenient and streamlined payment experience for their everyday purchases. This year, we forecast that 13.3% of Latin America smartphone users ages 14 and older will make at least one proximity mobile payment. That represents 33.4 million individuals or 6.7% of the region's population.

## Proximity Mobile Payment Users in Latin America, 2018-2023

millions, % change and % of smartphone users



Note: ages 14+; mobile phone users who have made at least one proximity mobile payment transaction in the past six months; includes point-of-sale transactions made by using mobile devices as a payment method; excludes transactions made via tablet

Source: eMarketer, October 2019

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We spoke with Rubén Salazar Genovez, Visa's senior vice president of products and innovation for Latin America and the Caribbean, about how the company is working to further develop the region's mobile payments ecosystem for our recent report, "[Latin America Mobile Payment Users 2019: What's Driving Adoption in Argentina, Brazil, Mexico and Other Markets.](#)"

### What role are traditional banks vs. fintech companies playing within the region's proximity mobile payment space?

Consumers in Latin America are changing fast. They are constantly reinventing themselves and are willing to embrace the latest

innovations. To be able to meet these interests, banks and the payments ecosystem at large need to act with even greater agility, speed and flexibility to accelerate the digital transformation in our region.

In order for this to happen, collaboration is key. By working together with a broad range of partners that tap into the agility of fintechs and the scale of big banks and merchants, innovation will be able to flourish in Latin America.

### **How important is cash for consumer purchases in Latin America?**

Cash is still predominant in the region. Nevertheless, we have a very large opportunity to accelerate the adoption of digital payments — especially through the use of QR codes. QR codes complement other forms of acceptance, such as contactless payments, and help boost the migration of cash to digital payments.

In Peru, we recently launched a new payment solution enabled by Visa Direct that allows customers to “scan to pay” using QR codes. This first-of-its-kind solution in Latin America and the Caribbean will help businesses overcome the infrastructure and interoperability challenges for accepting payments by allowing consumers to make instant payments from their smartphones.

In any case, contactless payments are certainly chipping away at cash payments, but there is still a long road ahead.

### **What types of purchases do consumers in Latin America pay for with proximity mobile payments?**

Contactless payments have been shown to be effective at converting cash to card-based payments, particularly in everyday spend categories such as quick-service restaurants, grocery, vending and parking. This has proven to be true as we see adoption rise in the region.

Public transport is an important catalyst for expanding the use and consumer habituation toward contactless payments. If a commuter pays for their ride on the train or bus twice a day to and from work using contactless technology, that is shown to increase habitual usage

of contactless in other categories —like gas, coffee and groceries — based on internal spending data trends we've observed.

### **Could you elaborate on any recent regional partnerships that Visa has entered into?**

Together with NovoPayment, we are delivering frictionless payments experiences for tens of thousands of delivery drivers that work for Rappi, the Latin American on-demand delivery platform. With Rappi, we are also partnering to expand financial inclusion through the RappiPay contactless Visa card, which can be easily topped-up in a number of ways.

As a certified Visa Token Service Provider, YellowPepper is helping us speed up the implementation of tokenized payments in the region, ensuring that nearly any internet-connected device can become a more secure place for commerce.

In Brazil, we recently partnered with MetrôRio to launch our first major open-loop transit contactless solution in Latin America. This solution is scalable and will be crucial for displacing cash and accelerating the adoption of digital payments. Now, transit riders in Rio de Janeiro have a simple way to pay for their fare with a contactless card, mobile phone or wearable device. Within just two months after its launch, MetrôRio has already processed 50,000 contactless payment transactions.

For more analysis on mobile payments in Latin America, eMarketer PRO subscribers can read our recent report:

**Report** by Matteo Ceurvels Oct 24, 2019

**Latin America Mobile Payment Users 2019**

**LATIN AMERICA  
MOBILE PAYMENT  
USERS 2019**

What's Driving Adoption in  
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REPORT BY  
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October 24, 2019

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