

The Evolution of PAYMENT METHODS

OVERVIEW OF THE HISTORY OF PAYMENTS

Bartering

Before money as we know it was invented, people acquired what they wanted and needed by exchanging goods and services in a system known as bartering. Popular items used in bartering included weapons, salt, spices, skins and food.

Gold and Silver Coins

Minted coins that became official currency were first used in Lydia, an ancient kingdom in what is now Turkey. They were made from gold combined with other metals.

Paper Notes

China started using paper currency in 900 A.D.; it was much easier to carry around than silver, gold, copper or iron. When Marco Polo returned from China to Europe in 1296, he talked about the use of paper money, but the idea was so unbelievable to Europeans that they did not believe him.

Checks

In the U.S., the first printed checks began circulating in 1762. Before that, checks were written out by hand, more like an old-fashioned IOU note.

Credit Cards

Diner's Club and American Express issued the first charge cards in the 1950s, but the balance had to be paid off each month. Bank of America then launched the first modern credit card, which later evolved into the Visa card. Ten years later, the Master Charge card followed, which evolved into MasterCard.

Electronic Payments

Though some forms of electronic transfers existed, it wasn't until the internet that electronic and digital payments took off. In the early days, special equipment and software was needed.







Cryptocurrency

Digitally traded currency, like Bitcoin, whose production and transmission are regulated by data encryption, not a central authority like a government or bank.

TIMELINE

- 600 B.C. • Metal coins first minted
- 960 A.D. • Paper banknotes first used in China
- 1600 • Paper banknotes first used in Europe
- 1786 • U.S. dollar first issued
- 1909 • U.S. penny first minted
- 1914 • First charge card issued by Western Union
- 1938 • U.S. nickel first minted
- 1958 • American Express introduces charge card
- 1958 • Bank of America introduces first credit card
- 1965 • U.S. dime and quarter first minted
- 1967 • First networked ATM cash machine
- 1979 • Online transaction processing is invented
- 1983 • Basic online banking introduced
- 1984 • First nationwide debit card system
- 1989 • The World Wide Web is invented
- 1996 • Visa and MasterCard create electronic payments
- 1997 • ExxonMobile launches first contactless payment
- 1997 • Amazon.com launches
- 1998 • Paypal launches
- 2007 • iPhone introduced
- 2007 • First digital/mobile wallet payment system
- 2009 • Cryptocurrency invented

PAYMENT OPTIONS

-  Printing physical checks and sending them through the mail
-  Transferring money through direct deposit into a bank account (ACH)
-  Loading a prepaid card
-  Offering cash pickup at a money transfer service
-  Digitally transferring money to a mobile wallet
-  Accessing wages or commissions immediately after earning them via apps

TOP DIGITAL WALLET APPS

-  Square Cash
-  Apple Pay
-  Google Pay
-  Samsung Pay
-  Alipay
-  WeChat Pay



In-store mobile payments are expected to overtake credit cards and grow from **\$75 billion** in 2016 to over **\$500 billion** at the end of 2020.

“ Payments should be **EASY, CONVENIENT** and **CUSTOMER-CENTRIC.** ”

CHINA'S MOBILE PAYMENT ADOPTION BEATS ALL OTHERS

Number of users in 2019

