

## Placecast Survey Shows Consumers are Engaging with Mobile Payment Services, and It's Anyone's Game

*Over four out of five smartphone owners have heard of mobile payment options offered by credit card companies, and more than one in three have used them*

San Francisco, CA -- Wednesday, February 25, 2015 -- More than four in five American smartphone owners are familiar with mobile payment services offered by credit card companies, and just over one in three have used them, according to newly released findings from a survey commissioned by [Placecast](#), one of the only enterprise-grade platforms for monetizing location data on mobile. Conducted online by Harris Poll in November 2014 among over 1,100 U.S. adults who own a smartphone, the survey also showed that smartphone consumers have almost equally used mobile payment services provided by their phone manufacturer, credit card companies, and Internet companies.

Of the smartphone consumers who have used mobile payments, there is no clear frontrunner for which provider will "win" the market. When [Placecast](#) compared mobile payments offerings from manufacturers, credit card companies, and Internet companies, the data revealed neck-and-neck competition: 31 percent have used a manufacturer's mobile payment service, 33 percent have used a credit card company's service, and 35 percent have used an Internet company's mobile payment service.

"This indicates that the market is ripe for the taking, and anyone can win the mobile payments race," said Placecast CEO Alistair Goodman. "Apple, Google, PayPal, Square, Citi, Chase, Samsung - they all have compelling mobile wallet offerings, and any one of them could pull ahead."

The market potential for mobile wallets is tremendous, which is why so many different companies are vying to become a leader in the space. Given the explosive growth of mobile devices, whoever dominates mobile wallets will essentially dominate commerce, whether the transactions take place online, in-store, via mobile, or a combination of these. However, there are a number of obstacles standing in the way. Until recently, [a majority of Americans remained unaware or confused by new payment systems](#), and many did not see the benefit of paying for something with a phone instead of cash or cards.

The [Placecast](#) survey indicates that the tide is beginning to turn. Not only have 4 out of 5 smartphone owners heard of mobile payment services, but also more people are becoming comfortable with using this technology. [Placecast](#) found that more than 2 out of 3 smartphone owners (68 percent) find it at least somewhat important to make a purchase online on their smartphone. This finding is in line with a recent InMobi survey that showed that 83 percent of global shoppers who use mobile devices plan to make a mobile purchase in the coming year. By the end of 2017, U.S. mobile users will spend

\$90 billion via mobile payments, a 48 percent increase over the \$12.8 billion spent in 2012.

“Consumers are clearly ready for mobile payments,” said Kathryn Koegel, Chief of Insights and Communications at Steampunkt Collaborative, who analyzed the Harris data for Placecast. “People are using their phones to conduct research, get discounts and deals, compare prices, find elusive items, and navigate around stores. We are only a short step away from completing that circle by finishing the actual transaction with a mobile wallet.”

The Alert Shopper Survey #5 also revealed these key findings about mobile payments among cell phone/smartphone owners:

- Millennials are a prime demographic: Almost half (47 percent) of Millennials ages 18-34 have used a credit card company’s mobile payments service at least once, and close to two in five (39 percent) use it regularly or occasionally. Nearly half (44 percent) of Millennials have used a manufacturer’s mobile payment service at least once and 35 percent use it regularly or occasionally. Similarly, more than half (51 percent) of Millennials have used an internet company’s mobile payment service at least once and 44 percent use it regularly/occasionally. Males aged 18 to 34 are the strongest users of mobile payment technology.
- Men are more likely than women to have heard of and used any of the listed mobile payments services:
  - Credit card company mobile payment services: 88 percent of men have ever heard of this versus 73 percent of women; 34 percent of men said they had used a credit card company’s mobile payments service, compared to only 17 percent of women.
  - Internet company mobile payment services: 86 percent of men have ever heard of this service versus 70 percent of women; 36 percent of men said they had used an internet company’s mobile payment service, compared to only 18 percent of women.
  - Manufacturer’s mobile payment services: 84 percent of men have ever heard of this service versus 67 percent of women; 30 percent of men said they had used a phone manufacturer’s payment service, compared to only 16 percent of women.
- Income comes into play: Awareness and usage of mobile payment services is significantly higher amongst those with a household income of \$50,000+.
- The next challenge? Increase the rates of engagement: Just 12 percent of smartphone owners using a manufacturer’s payment service use it regularly, 17 percent of smartphone owners using a credit card company’s payment service use it regularly, and 17 percent of smartphone owners using an Internet company’s mobile payment service use it regularly. While it appears that slightly more smartphone users regularly use mobile payment services offered by their credit card company or an Internet company – there is no clear “winner” in mobile payments – yet.

Conducted among over 2,000 U.S. adults, this was the fifth survey in Placecast’s Alert

Shopper series, one of the longest running research series around how consumers interact with various marketing and purchasing mechanisms. This year's poll reveals the latest trends in mobile commerce and provides key insights for brands and technology providers on how to engage with the highly connected consumer in 2015.

For more information on The Alert Shopper Series, visit <http://www.placecast.net/research/>

### **Survey Methodology**

This survey was conducted online within the United States by Harris Poll on behalf of Placecast from October 17-21, 2014 among 2,066 adults ages 18 and older (among which 1,832 are cell phone/smartphone owners, 1,181 are smartphone owners) and on November 10-12, 2014 among 2,010 adults ages 18 and older (among which 1,792 are cell phone/smartphone owners and 1,172 are smartphone owners). This online survey is not based on a probability sample and therefore no estimate of theoretical sampling error can be calculated. For complete survey methodology, including weighting variables, please contact Lauren Barlow at [Lauren@vscpr.com](mailto:Lauren@vscpr.com)

### **About Placecast**

Placecast is the world's leading provider of location-based marketing programs for advertisers, mobile operators and payments companies. The company's ShopAlerts geofence marketing platform is specifically designed to use digital marketing on mobile devices to drive consumers into physical stores. PlaceAd is the industry's first location-based mobile DSP, combining the precision of programmatic buying and geotargeting, the reach of billions of impressions from across the mobile display ecosystem for advertisers, and measurability down to the individual store level. Brands such as Starbucks, L'Oreal, Subway, Pizza Hut, Kmart, HP, Chico's White House Black Market, Kiehls, and SC Johnson have all run location-based campaigns on Placecast's platform.

Placecast is backed by ONSET Ventures Quatrex Capital, and Voyager Capital.

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# MOBILE PAYMENTS

IT'S ANYONE'S GAME!

## 1 MOST SMARTPHONE OWNERS ARE FAMILIAR WITH MOBILE PAYMENTS



**4 IN 5** smartphone owners are familiar with Mobile Payments

## 2 PEOPLE WANT TO MAKE PURCHASES ON THEIR PHONE!



(2 OUT OF 3) smartphone owners find it at least somewhat important to make a purchase on the phone



## 3 THERE IS NO CLEAR FRONT-RUNNER IN THE MOBILE PAYMENTS RACE

**1 IN 3** smartphone owners have used mobile payments



of them have used manufacturer's mobile payment service



of them have used credit card company's mobile payment service



of them have used internet company's mobile payment service

## 4 MILLENNIALS ARE A PRIME DEMOGRAPHIC

On average, about

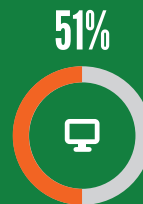
**ONE HALF**

of the Millennials surveyed said they have used a mobile payment service at least once.

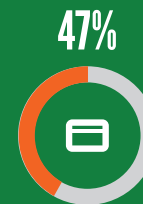
Males aged

**18 TO 24**

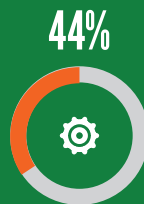
are the strongest users of mobile payment technology.



from an internet company



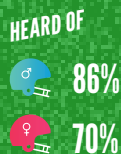
from a credit card company



from a manufacturer

## 5 MEN ARE MORE LIKELY TO HAVE HEARD OF, AND USED, MOBILE PAYMENTS SERVICES THAN WOMEN

**86%** of men have heard of an Internet company's mobile payment service, as compared to **70%** of women.



Men are twice as likely to use this type of service, with **36%** of men saying they have used an Internet company's mobile payment service, compared to **18%** of women



## 6 INCOME MAKES A DIFFERENCE

Awareness of mobile payment services are high amongst the **\$50K+** group, while usage is highest in the **\$50K-74.9K** group



## 7 MOBILE PAYMENT COMPANIES NEED TO INCREASE THE RATES OF ENGAGEMENT

Across the board, regular use of mobile payment services was reported by a small number of survey participants. Just **12%** of smartphone owners who using a manufacturer's payment service said they use it regularly, and **17%** of smartphone owners who use

either a credit card company's payment service or an Internet company's service claimed to use it regularly. This low rate of engagement and the slight difference among providers again indicates that there is no clear "winner" in mobile payments – yet.

