

Asian Consumers Lead World Into Banking And Buying Via Mobile

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Using a phone to bank or shop could become the global norm, as Asia's consumers spearhead adoption thanks to their high trust in mobile technology.

World leading insights consultancy TNS has found that as many as half of mobile users in the fast growing markets of Indonesia (59 percent), Malaysia (52 percent) and China (48 percent) are interested in starting to use their phone as a mobile wallet to pay for goods via an app or sensor.

The figures released today shed light on the anticipated 61.9 percent increase in worldwide mobile payment transactions revealed by Gartner last month. It predicted that mobile payment users will reach 212.2 million in 2012, with transactional values surpassing \$171.5 billion.

However, TNS's report reveals that this growth will be patchy, centred around key hotspots in the world's fastest-growing economies, unless providers can remove big barriers to adoption. Worry about security is a primary barrier and a key reason given for slow take-up of mobile wallet in Europe and the US, which have half the number of users of Developed Asia. While mobile wallet is perceived to be safer than carrying cash in Indonesia (71 percent) and Uganda (43 percent) this view is shared by just 6 percent in Portugal and 9 percent in Denmark.

Despite different drivers and slower uptake across Europe and North America, appetite is there; 26 percent of mobile owners in the US, 27 percent in France and 36 percent in Italy say they are interested in adopting mobile wallet – providing it is delivered in the right way.

“All the figures are pointing to the fact that we have reached a tipping point in worldwide desire for mobile financial services,” says James Fergusson, Global Head, TNS Connect. “Globally, people are opening their minds to using their mobile to bank or buy. But when we unpick the motivations behind this we see the classic pattern of new technologies driving fast take-up in emerging markets like China while the cautious west are taking a while to get on the bandwagon. It's reverse innovation caused by contrasting infrastructure and demand.”

He continues:

“As the benefits of mobile wallet start to be realised in highly developed Asian markets, with a quarter of Japanese mobile users now managing their finances and paying for products via mobile, we can expect the rest of the world to wake up to its potential.”

TNS's annual Mobile Life study (www.tnsglobal.com/mobilelife), which explores mobile use among 48,000 people in 58 countries, reveals huge potential to take mobile financial services mainstream – but shows that a deeper understanding of consumer needs is required to help them make the switch.

The preferred provider of mobile wallet services presents another level of complexity. More than half of people globally say they would prefer it to be provided by a bank (53 percent) rather than mobile networks (14 percent), large retail stores (7 percent), or credit card companies (19 percent). Understanding these local nuances is critical to unlocking growth through strategic partnerships; in Cameroon, 83 percent of people stated a bank was their preferred mobile wallet provider compared to just 29 percent in Switzerland.

When it comes to checking bank statements and making online transactions with a mobile, Asia has the greatest proportion of consumers interested in adopting the service. A massive 64 percent in Indonesia and 48 percent in China said they wanted to use the technology compared to just 24 percent in Germany and the US. Growth in actual usage rates, however, is uniform across both Asia and the West suggesting there is untapped demand in Asia which banks have the opportunity to capitalise on.

It is in the developing markets of Sub-Saharan Africa, where only 50 percent of consumers have access to a traditional bank account, that mobile services are showing some of the greatest potential by providing financial services to those who can't access them via traditional means. By providing a convenient and accessible method of payment and money handling, providers have already prompted 36 percent of Ugandans to use their phone as a wallet, compared with just nine percent globally.

James Fergusson continued:

“The big success stories with mobile financial services – be it mobile banking or wallet – are where providers identify an unmet need and show how they can meet it. In India this has meant helping people access their money where banking infrastructure is limited. But there is huge opportunity in developed markets too; our research shows that while only 1 in 10 global mobile users are already using mobile wallet, just 25 percent are actually averse to it – which leaves the majority open to being converted. The key for brands is to look at where and how uptake is working, understand how the mobile will fit into the repertoire of existing banking channels and find ways to simultaneously

reassure and incentivise consumers, supporting them through this exciting transition.”

About Mobile Life

Mobile Life is an annual investigation into the behaviours, motivations and priorities of the world’s mobile phone users. Now in its seventh year, Mobile Life is the most comprehensive view of how the world’s consumers are using their phones today and the opportunities this presents for brands.

Based on 48,000 conversations in 58 countries, Mobile Life is designed to capture the entire population of mobile users in each market and includes: Argentina, Australia, Belgium, Brazil, Cameroon, Canada, Chile, China, Colombia, Cote D’Ivoire, Czech Republic, Denmark, Egypt, Finland, France, Germany, Ghana, Greece, Hong Kong, Hungary, India, Indonesia, Ireland, Israel, Italy, Japan, Kenya, Malaysia, Mexico, Netherlands, New Zealand, Nigeria, Norway, Pakistan, Philippines, Poland, Portugal, Romania, Russia, Saudi Arabia, Senegal, Singapore, Slovakia, South Africa, South Korea, Spain, Sweden, Switzerland, Taiwan, Tanzania, Thailand, Turkey, UAE, Uganda, UK, Ukraine, USA, Vietnam.

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