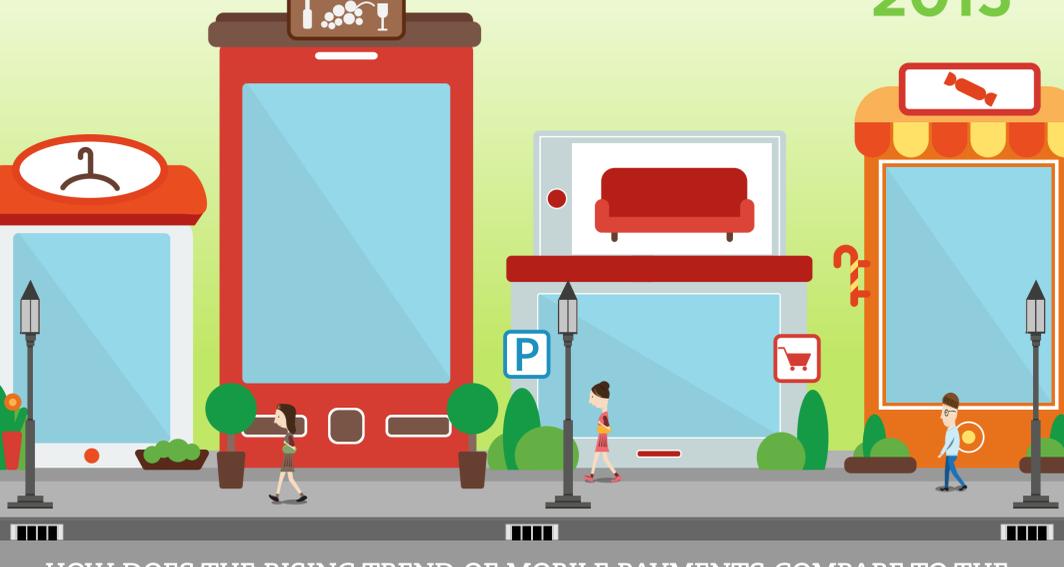


THE STATE OF MOBILE COMMERCE

2015



HOW DOES THE RISING TREND OF MOBILE PAYMENTS COMPARE TO THE IMPLEMENTATION OF MOBILE PAYMENT SYSTEMS BY MERCHANTS?

CONSUMER TRENDS IN MOBILE COMMERCE

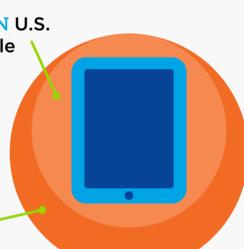


In 2013, 87% of the U.S. adult population owned a mobile phone.

By the end of 2015, it is predicted that there will be a mobile device to account for every person on earth—that's almost 7.2 BILLION.



In 2013, 73.2 MILLION U.S. users accessed mobile shopping services on their tablet device.



This number is expected to reach 119.6 MILLION in 2018.

In 2013, 53.5 MILLION U.S. users accessed mobile shopping services on their smartphones.



This number is expected to reach 97.5 MILLION in 2018.



ONE OUT OF EVERY TEN consumer e-commerce dollars is now spent using either a smartphone or a tablet.

MOBILIZE TO SURVIVE

Adapting mobile will undeniably pose a huge opportunity for many retailers. However, most businesses still have not taken the steps forward.



CONSTANT CONTACT also recorded in a recent survey that 72% of respondents do not incorporate mobile into their marketing campaigns, and only 13% have created a mobile-friendly website.



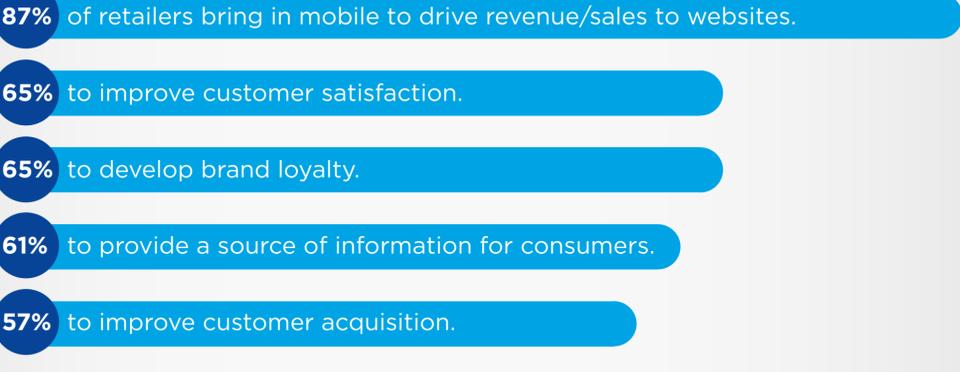
The U.S. is currently ranked **THIRD** in mobile payment readiness with a score of **41.5 OUT OF 100**.



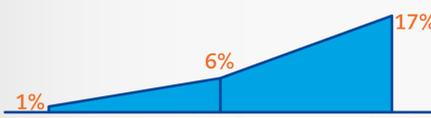
Shopify cites that **71% OF RETAILERS** provide online experiences that are **NOT** mobile-friendly.

ADVANTAGES OF BEING MOBILE-FRIENDLY FOR RETAILERS

Becoming mobile friendly allows for companies to address the consumer's desire for an easy, convenient way of purchasing:



WHAT TYPE OF MCOMMERCE ARE CONSUMERS ADAPTING?



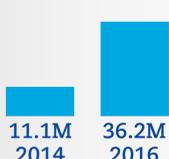
Tremendous growth occurred in the share of people who reported making a POS purchase with their smartphone in the past 24 months



During the second quarter of 2014, it was found that 45% of smartphone payment users paid for goods and services by presenting a **BARCODE OR QR CODE** on their device screen for cashiers to scan.



37% waved or tapped their mobile phone at the register (**NEAR FIELD COMMUNICATION OR NFC**).



In 2014 alone, 11.1 MILLION U.S. users accessed near-field-communications or other contactless technology. Research estimates that in 2016 near-field-communications will be accessed by 36.2 MILLION U.S. users.

Many retailers have **NFC-BASED**, contactless payment terminals already in place.

Phones compatible with Google Wallet and Apple Pay can currently use these terminals.

WHAT ARE CONSUMERS PURCHASING? HOW ARE THEY BENEFITING FROM THIS?

Size of purchase individuals are prepared to make using their smartphones:



for small purchases



for medium purchases



for large purchases

Consumers feel mobile payment systems offer the following advantages:



CAN RETAILERS KEEP UP?

Where can consumers pay with their mobile device today?



3,800 RETAILERS have already adapted LevelUp payment systems.



Square has nearly 2 MILLION active users.



APPLE PAY, a top mobile payment system, already works in 40,000 Coca Cola vending machines, with a "tap to pay" feature that will soon be found on 200,000 vending machines nationwide before 2016.

Consumers will be able to **TAP-TO-PAY** at vending machines, laundromats, parking terminals, and other automated checking out systems with their iPhones, rather than having to carry the change.



Starbucks has over 13 MILLION mobile app users in the U.S.



These mobile payments comprised 16% of the company's total transactions.



Starbucks averages more than 7 MILLION mobile transactions in their stores each week.

FORECASTS FOR THE FUTURE



think mobile payments will become widespread over the next three years.



of consumers would like to be able to take advantage of store-specific loyalty programs using just their phone.



said they are interested in using mobile devices to pay for goods and services.



said they would be driven to use mobile payment technologies if they could apply discounts and coupons from their mobile devices.

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Sources:
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