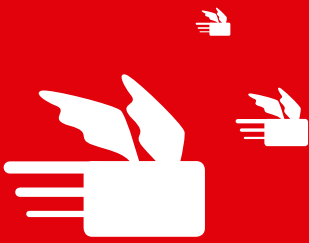




Phone-y Money: The Mobile Wallet in Canada

A Hotspex Syndicated Study*



Good-bye plastic?

Credit cards, debit cards, loyalty cards – are they all on the ‘endangered species’ list? Electronic payment is going mobile - networks, banks and mobile service providers are in the early stages of developing their m-wallet offerings. **Since 1996, Canada’s six largest banks have spent a cumulative total in excess of \$25 billion on technology.** Ironically, while this investment has erased barriers of time and geography, other barriers emerge which can pose challenges for marketers.

There’s no app for understanding the consumer.

Enabling consumers with new mobile payment technology is not the same as *engaging* them, as issues of personal data security (amongst others), may stand in the way of acceptance and need to be addressed. To date, there has been little understanding of the appeal, and potential consumer acceptance of the Mobile Wallet. Hence, the fast-growing need to identify the rational and emotional hurdles, to ensure a bullet-proof implementation and communication strategy. This Hotspex study offers high-value insights, key-success criteria, and actionable findings to help you gain a deep understanding and real traction with this mobile commerce initiative.



What do you get when you cross a smartphone with a wallet?

A recent Hotspex study answers that question in depth.

Key Findings:

- 1) **Winning Consumers’ Hearts and Minds:** While the Mobile Wallet concept appeals to 39% of respondents, only 27% would recommend the concept to others. Consumer feedback contained some interesting suggestions on how the Mobile Wallet concept could be improved to alleviate security issues and ensure acceptance in the Canadian marketplace.
- 2) **Early Adopter Indicators:** High-earners are the low-hanging fruit - those earning \$100k+ and those with a postgraduate qualification responded positively to the concept.
- 3) **Preferred Providers of the Mobile Wallet Revealed:** Who should and who shouldn’t? Results show that social network providers would be the least likely to be used.
- 4) **The Deal-Breaker to Acceptance:** What is the one thing consumers feel is necessary to make this a secure payment option? They want **proof**.
- 5) **Regional Differences are a Factor:** Across the country, there are notable differences which provide direction for an initial launch strategy. Comparatively, the Mobile Wallet concept does not resonate well emotionally in Atlantic Canada.



Report Highlights:

The trust issues are obvious but the solution isn’t.

AWARENESS: Simply making consumers aware of what a Mobile Wallet is increases usage intent by almost 100%, indicating that there is latent interest in, and significant potential for, the adoption of Mobile Wallets in Canada.

IT’S MORE EMOTIONAL THAN YOU THINK: Previous Hotspex studies prove that smartphones are the most emotionally driven category ever tested, on par with beer. When you layer security issues into the equation, two-thousand open-ended responses from consumers revealed a far more complex picture of what is required to gain trust.

TARGET AGE IS NOT A SIMPLE MATTER: Youth typically drives change in technologically-driven markets, especially in the mobile market. Yet a surprising finding of the study was that respondents in the 18-24 year age group had similar emotional responses to people in the 50+ age segment when asked about the Mobile Wallet concept.



Order the full report now to take advantage of pre-publication prices. Here's what you can expect to get:

- Forward-looking, actionable, and strategic recommendations
- A full presentation of findings (or web conference depending on location)
- Easy access to the Hotspex customer portal to browse consumer feedback
- Detailed tables with standard tabs; custom tabs can be provided at an additional cost

PRE-PUBLICATION CORPORATE LICENSE: \$4,950

valid until *September 23, 2011*

POST-PUBLICATION CORPORATE LICENSE: \$6,450

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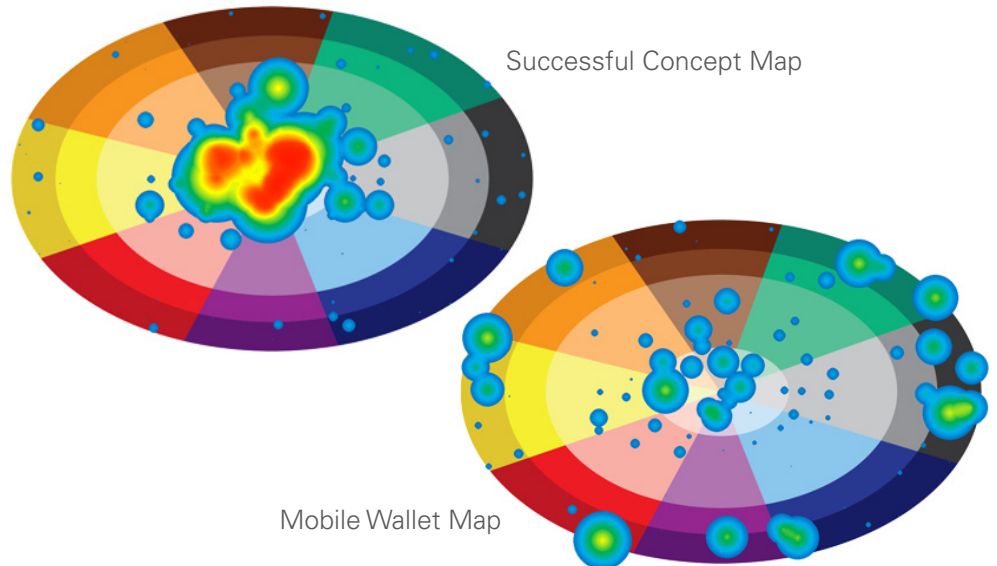


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e Why should this Hotspex report be on your 'Required Reading' list?

Our methodology uncovers the emotional and rational drivers – the e-rational response, to understand what is really going on in the Mobile Wallet marketplace. Six years of Hotspex R&D has culminated in a multi-layered toolkit which helps innovators and marketers activate the emotional customer relationship with ideas, experiences and brands. Instead of taking consumers' responses at face value, we provide them with a rich new visual vocabulary within an engaging, interactive platform to express how they really feel.

Emotional Barriers to Acceptance Uncovered with Emotional Science Methodology



Our heat maps are a visual representation of a concept's performance on emotional, personality and cognitive attributes.

On the left is an "Emoti" heat map of a concept that tested well, with a strong core of 'heat' at the center of the map. This is where emotional attributes consistently generate a high probability of positive impact on consumer behaviour measures such as trial, usage intent, and recommendation to a friend. There is very little activity around the outer ring, which indicates an absence of negative drivers, and barriers to success.

By contrast, the Mobile Wallet "Emoti" map does not have a strong core in the 'bulls-eye' but shows activity in the outer ring, indicating negatives associated with the concept's emotional appeal. With the integration of our cognitive and brand personality maps, we are able to provide a high-resolution roadmap to success.



How we did the study:

- Concept test examining core emotional and brand personality measures, to assess the likelihood of success of the Mobile Wallet concept in Canada
- 'ClickSpex' – Key positives (likes) and negatives (dislikes) to understand the strengths and weaknesses of the concept
- Research was conducted among a nationally representative sample of N=1,003 Canadian mobile handheld device owners/ smartphone intenders aged 18 and over.
- English and French
- Respondents were recruited from the Hotspex panel.
- Fieldwork was completed between June 9 and June 14, 2011.
- Data was weighted to reflect correct age, gender and regional population distribution for the Canadian adult population.

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