



HOW WE WILL PAY



CONSUMERS, CONNECTED DEVICES AND THE FUTURE OF PAYMENTS



THIS STUDY ANSWERED THREE QUESTIONS ABOUT CONSUMERS, CONNECTED DEVICES AND PAYMENTS PREFERENCES

CONSUMERS KEPT ONE- AND SEVEN-DAY DIARIES AND WERE ASKED TO RECORD ANSWERS TO THESE QUESTIONS ABOUT DEVICE OWNERSHIP AND USAGE:

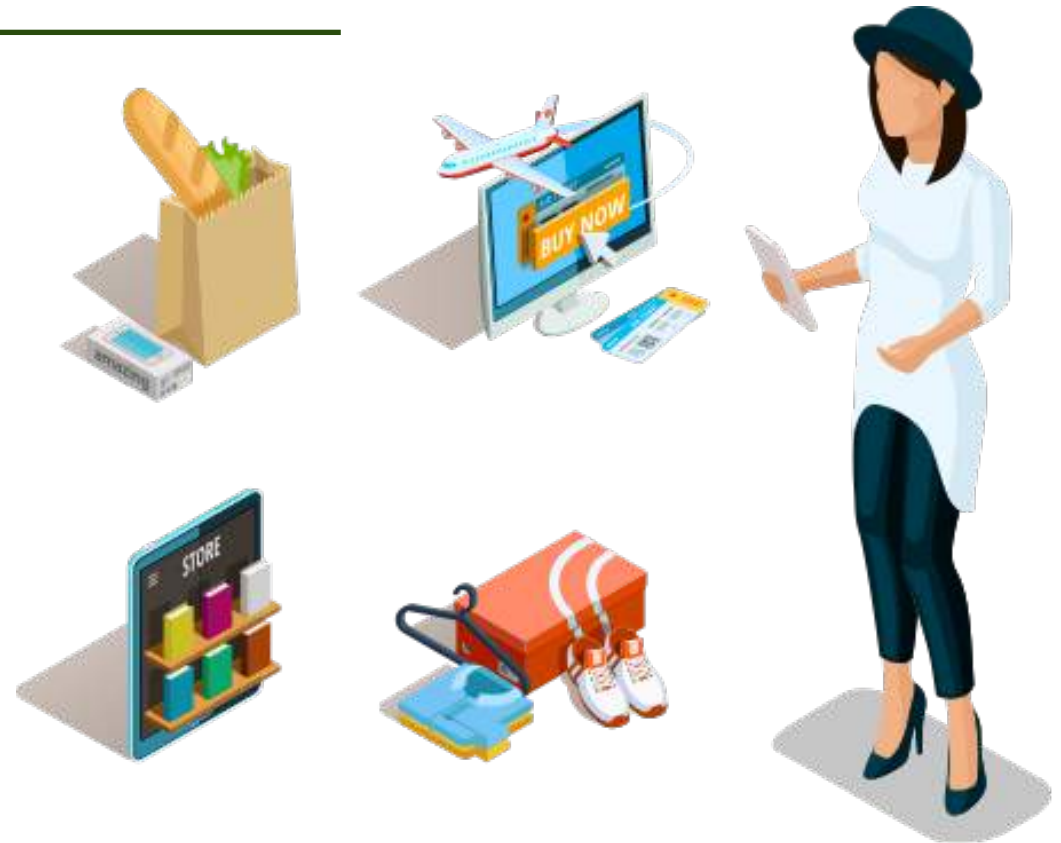
- Which connected devices do consumers own today?
- How do they use them to pay?
- How might they consider using them to pay in the future?



THIS STUDY POLLED A SAMPLE OF CONSUMERS WITH SMARTPHONES

WE RECEIVED RESPONSES FROM 2,584 U.S. CONSUMERS.

- We drew a random sample of approximately 2,600 shoppers from the United States.
- We required that each shopper own at least one smartphone to participate.
- We asked these consumers general questions about device ownership and usage, including specific connected device use cases.
- We also asked these consumers to complete a seven-day and one-day diaries to better understand their overall purchasing patterns, and their use of connected devices in support of those experiences.



6 MILLION

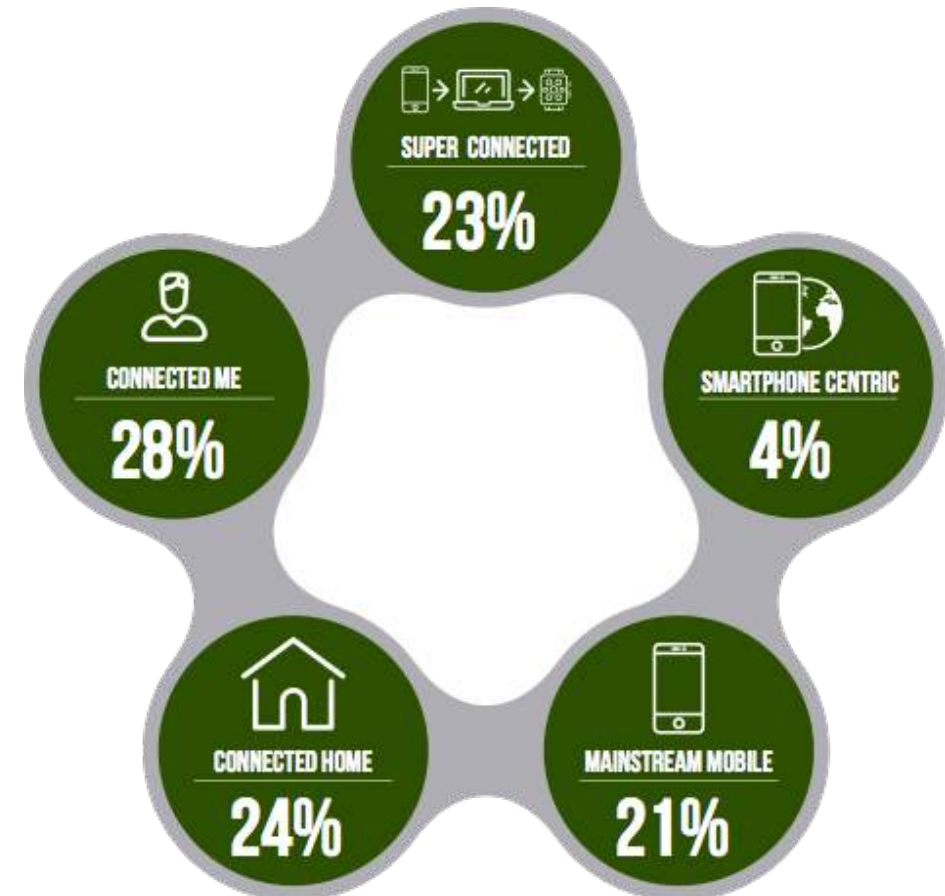
THE STUDY GENERATED MORE THAN SIX MILLION DATA POINTS AND A WEALTH OF INFORMATION ABOUT CONSUMERS' CONNECTED DEVICE OWNERSHIP, USAGE OF THOSE DEVICES AS RELATED TO PAYMENTS, INTEREST IN SPECIFIC CONNECTED PAYMENTS USE CASES AND WHERE CONSUMERS SEE OPPORTUNITIES FOR USING CONNECTED DEVICES AS PAYMENT METHODS IN THE FUTURE.

HOW CONNECTED ARE WE? THE FIVE CONNECTED CONSUMER PERSONAS

SEVENTY-FIVE PERCENT OF CONSUMERS OWN CONNECTED DEVICES IN ADDITION TO A SMARTPHONE, COMPUTER OR TABLET.

Sample By Persona Type (N=2,584)

- **Smartphone-Centric:**
This group just owns just a smartphone.
- **Mainstream Mobile:**
This group owns a smartphone and a tablet or computer.
- **Connected Home:**
Like Mainstream Mobile, plus own connected home devices (voice-activated devices, smart appliances).
- **Connected Me:**
Like Mainstream Mobile plus own wearables (activity tracker, smart watch or smart sports watch).
- **Super Connected:**
Like Mainstream Mobile plus own six or more Connected Me or Connected Home devices.



OWNERSHIP AND USAGE OF CONNECTED DEVICES ARE LIFESTYLE-DRIVEN

THERE IS VIRTUALLY NO DIFFERENCE IN THE AGES OR INCOME OF CONNECTED DEVICE USERS .

Who Owns Which Connected Devices And Why

4% of all consumers own only a smartphone

75% of all consumers own a connected device that is not a smartphone, computer or laptop.

- The most popular connected device after a tablet or laptop is



a video game console

47%



an activity tracker

41%

- Nearly as many connected consumers own



voice-activated devices

14%



as smart watches

15%



The “**Super Connected**” own six or more devices are early adopters of leading-edge technology such as voice-activated devices (e.g. Alexa, Allo), smart cars and wearables..



“**Connected Home**” consumers own devices that are more entertainment and home-centric, such as video game consoles, smart thermostats and voice-activated devices.



“**Connected Me**” consumers own devices that are more person-centric, such as activity trackers and smart athletic watches.

CONSUMERS SEE CONNECTED DEVICES AS A WAY TO ELIMINATE BUYING FRICTION

MORE THAN SIXTY PERCENT OF CONSUMERS FIND SHOPPING TEDIOUS AND FRUSTRATING



60%+

of consumers say that buying and paying for things — both online and in a physical store — is inefficient, unproductive and time consuming, and could be improved.

80%

of consumers made a purchase in a physical store over a seven-day period.

50%

purchased something online over a seven-day period — and did so in 11 of the 19 categories once reserved for shopping in a physical stores such as household furnishings, home supplies, jewelry and even groceries.

83%

view using connected devices as a way to eliminate friction from how they buy and pay for things — both on- and offline.



CONSUMERS FIND “AUTO PAY” APPEALING

BUT THEY ALSO WANT TO KNOW THAT THEIR DATA IS PRIVATE AND WHAT THEY ARE BEING CHARGED IS ACCURATE

Consumers are interested in using connected devices to enable a seamless payment experience.

44%

of consumers would like to auto pay for things they buy – without having to physically initiate checkout or stop at a counter in a store to do so.

8X

The *Super Connected* are eight times more likely to want their appliances to auto refill/auto pay

66%+

of consumers view connected devices as a way to pay for things while going about their day-to-day activities: eating breakfast, commuting, cleaning up after dinner, cooking and taking care of the kids.

Consumers want control over how their data is used and secured.

76%

of consumers want to know that their data is private when using connected devices to pay for things

70%

of consumers worry that they won't be charged the proper amount when using connected devices to pay for things

64%

of consumers aren't worried about learning how to use new connected devices to help them shop and pay

CONSUMERS TRUST THEIR BANKS/BANKCARD NETWORKS TO POWER THEIR CONNECTED PAYMENTS EXPERIENCES.

77 PERCENT OF CONSUMERS WANT THEIR BANK /BANKCARD NETWORK TO POWER THEIR CONNECTED PAYMENTS EXPERIENCE.

77%

view their financial institutions/bankcard networks as the most trusted enabler of a connected device enabled payment solution.

48%

trust Amazon to enable a connected payment experience

<30%

trust large technology enablers to provide such a solution, e.g. Google, Apple, Microsoft

8%

view Facebook as a trusted enabler of a connected payments experience





GETTING TO KNOW THE CONNECTED CONSUMER

WHO'S CONNECTED, WHICH DEVICES DO THEY OWN AND
WHY DO THEY USE THEM TO MAKE PURCHASES TODAY?

THE AVERAGE CONSUMER OWNS MORE THAN FOUR CONNECTED DEVICES

THE SUPER CONNECTED ARE THE EARLY ADOPTERS OF VOICE-CONTROLLED ASSISTANTS AND WEARABLES.

- Forty percent of the Super Connected own a voice-controlled assistant and 79 percent own an activity tracker.

- Only half of the Mainstream Mobiles own a tablet.

- Only the Super Connected own smart clothing.

	ALL COMBINED	SMARTPHONE CENTRIC	MAINSTREAM MOBILE	CONNECTED HOME	CONNECTED ME	SUPER CONNECTED
Average Number of Devices	4.4	1.0	2.5	3.9	4.3	7.1
Smartphone	100%	100	100	100	100	100
Computer/Laptop	92%	0	96	94	94	99
Tablet	70%	0	53	70	70	96
Game Console (e.g. PlayStation, X-Box)	47%	0	0	73	37	83
Activity Tracker (e.g. Fitbit)	41%	0	0	0	81	79
Reader (e.g. Kindle)	21%	0	0	23	10	54
Smartwatch (e.g. Apple Watch)	15%	0	0	0	20	40
Voice-Controlled Assistant (e.g. Amazon Alexa, Google Home)	14%	0	0	12	5	42
Connected Thermostat (e.g. Nest)	9%	0	0	8	2	26
Virtual Reality Headset	7%	0	0	7	2	23
Smart Sports Watch	6%	0	0	0	5	18
Smart Accessories (e.g. ring or wristband)	5%	0	0	2	1	19
Wearable Camera	5%	0	0	5	1	14
Smart Refrigerator	3%	0	0	2	1	10
Smart Clothing (e.g. Owlet Baby Socks, Sensor Running Socks)	1%	0	0	0	0	5

CONNECTED CONSUMERS ARE MORE ALIKE THAN THEY ARE DIFFERENT

AGE, INCOME AND GENDER ARE NOT PREDICTORS OF CONNECTED DEVICE OWNERSHIP, INTEREST OR USAGE.

- Connected device ownership and usage tends to align with lifestyle and is not income- and age-dependent.
- The Super Connected are more likely to be college educated with slightly larger households and with higher incomes – but only slightly.
- Mainstream Mobile tend to be slightly older than those who are more connected.

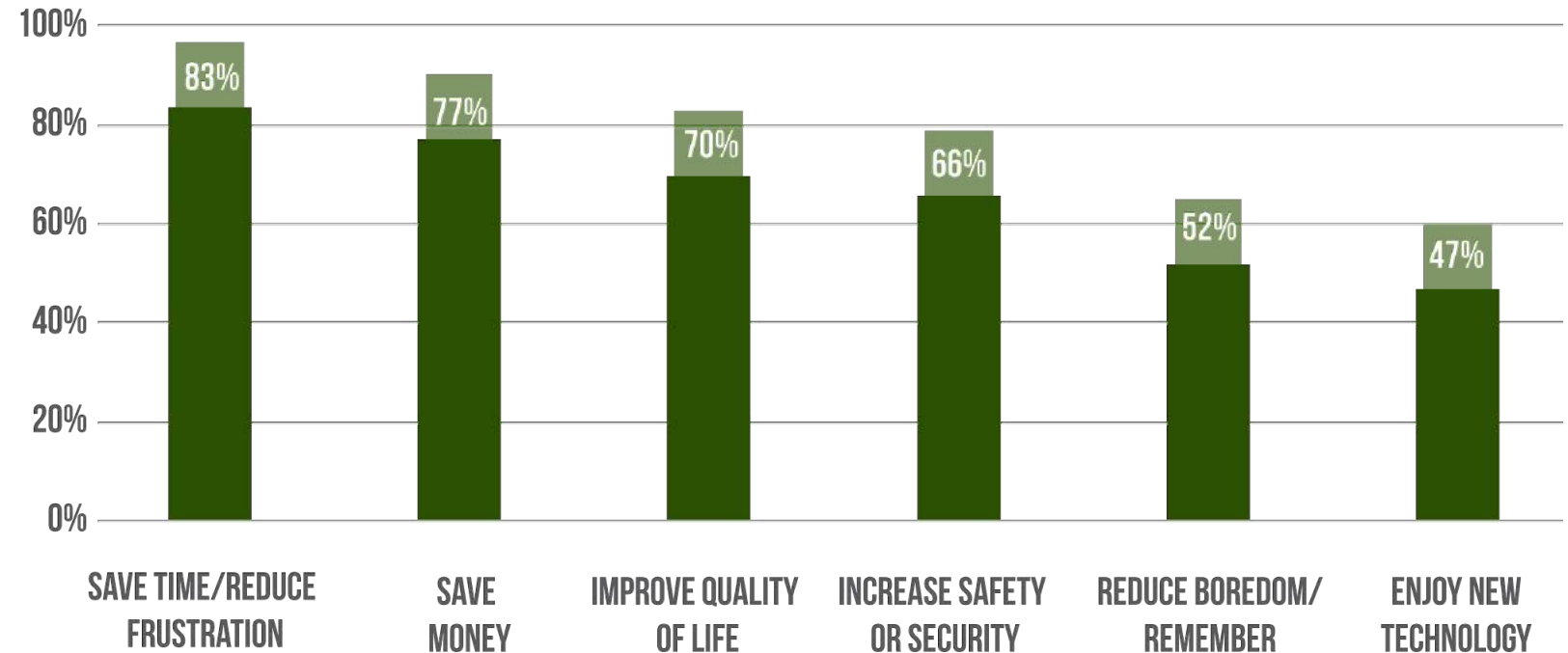
	ALL COMBINED	SMARTPHONE CENTRIC	MAINSTREAM MOBILE	CONNECTED HOME	CONNECTED ME	SUPER CONNECTED
Average Age	41.4	41.6	43.2	40.8	41.3	40.6
Average Income	78.3	76.7	76.4	78.1	79.3	79.3
Average Household Size	2.9	2.8	2.6	3.1	2.8	3.3
College-Educated	46.6%	34.8%	43.5%	36.8%	52.0%	54.5%
Female	50.0%	45.5%	50.0%	49.9%	56.5%	44.0%
Have Children	50.0%	51.6%	60.2%	47.7%	55.8%	36.2%

SAVING TIME IS WHAT DRIVES INTEREST IN USING CONNECTED DEVICES TO PAY

CONSUMERS VIEW CONNECTED DEVICES AS A WAY TO ELIMINATE PAYMENT FRICTION WHEN SHOPPING.

Q. What Is "Very" Or "Extremely" Important When Using Connected Devices To Pay?

- Eighty-three percent of consumers say using connected devices to pay will save time and/or reduce their frustration in making a payment.
- In doing so, consumers say that connected devices will improve their quality of life.
- Overall, consumers are less interested in using connected devices "just because" they are new technologies.



CONNECTED CONSUMERS VIEW CONNECTED DEVICES AS A WAY TO IMPROVE PAYMENT SECURITY

SAVING MONEY IS ALSO SOMETHING CONNECTED CONSUMERS VIEW AS VERY IMPORTANT.

	ENTIRE SAMPLE	SMARTPHONE CENTRIC	MAINSTREAM MOBILE	CONNECTED HOME	CONNECTED ME	SUPER CONNECTED
	Percent	Index Mainstream Mobile = 100				
Save Time/Reduce Frustration	83%	117.1	100.0	117.4	120.3	126.6
Save Money	77%	116.1	100.0	125.9	120.3	125.6
Improve Quality Of Life	70%	135.3	100.0	119.1	119.6	127.2
Increase Safety or Security	66%	120.0	100.0	120.8	125.1	130.0
Reduce Boredom/Remember	52%	132.4	100.0	100.5	104.0	120.6
Enjoy New Technology	47%	135.1	100.0	120.9	112.9	142.1

SEAMLESS CHECKOUT APPEARS TO BE THE “KILLER APP” FOR THE CONNECTED DEVICE

THERE IS STRONG INTEREST IN USING CONNECTED DEVICES TO PAY, EVEN FOR DEVICES AND USE CASES THAT DO NOT YET EXIST.

Q. Which uses cases are of most interest when using a connected device to facilitate a payment with a merchant?

- Consumers place a strong emphasis on devices that make payments part of a seamless buying experience.
- Devices that enable “auto payment” are interesting to all connected consumers.
- Devices that enable “auto ordering” and payment are less interesting to all consumers.

	ENTIRE SAMPLE	SMARTPHONE CENTRIC	MAINSTREAM MOBILE	CONNECTED HOME	CONNECTED ME	SUPER CONNECTED
	Percent	Index Mainstream Mobile = 100				
Auto Pay At Store	44%	89.5	100.0	118.6	125.5	154.5
Pay At Pump	41%	91.6	100.0	116.6	130.6	169.8
Auto Fit/Auto Buy Clothing	40%	80.9	100.0	111.0	124.1	142.5
Auto Pay At Restaurant	37%	85.8	100.0	134.5	133.3	178.2
Auto Parking Spot Discovery/Auto Pay	36%	65.5	100.0	109.8	131.5	157.9
Auto Car Trouble Alerts/Auto Pay For Repairs	34%	97.8	100.0	121.1	132.0	164.9
Auto Home Trouble Alerts/Auto Pay For Repairs	30%	101.1	100.0	122.9	145.6	169.1
Fridge/Pantry Auto Orders Grocery	27%	112.2	100.0	113.7	138.8	189.2
Window Shop/Auto Buy And Pay	25%	111.1	100.0	114.3	125.9	159.7
Appliances Auto Order Refills (Excluding Fridge)	25%	119.2	100.0	134.0	157.9	221.0
Car Personal Assistant Initiates Order Ahead	24%	109.2	100.0	114.6	138.4	202.6
Auto Order For Worn Out Shoes/Clothes	15%	127.3	100.0	95.7	137.4	181.8

CONNECTED DEVICE DATA SECURITY, PRIVACY AND TRANSPARENCY CONCERN ALL CONSUMERS

THESE CONCERNS COULD DETER CONSUMERS FROM ADOPTING NEW CONNECTED DEVICE PAYMENTS USE CASES.

Q. What would keep you from using a connected device to pay a merchant?

- Consumers expressed concerns over being charged incorrectly when payments are automatically made via a connected device.
- Twice as many consumers expressed concerns about data privacy than learning how to use new technology.
- For the Super Connected device reliability is nearly as much of a concern as data security when using connected devices to enable new ways to pay.

	ENTIRE SAMPLE	SMARTPHONE CENTRIC	MAINSTREAM MOBILE	CONNECTED HOME	CONNECTED ME	SUPER CONNECTED
	Percent	Index Mainstream Mobile = 100				
Data Privacy	76%	85.4	100.0	109.8	108.8	108.8
Data And/Or Product Security (Theft)	71%	80.5	100.0	108.2	105.6	112.1
Ability To Verify The Correct Products And Amounts Charged	69%	81.8	100.0	109.7	112.0	114.5
Reliability Of The Technology	67%	68.7	100.0	110.8	106.2	116.7
Cost To Use Technology	59%	89.6	100.0	114.2	106.5	116.7
Loss Of Detailed Knowledge Of Spending	54%	79.6	100.0	107.1	106.1	112.4
Reduction In Customer Service	40%	103.3	100.0	99.8	98.5	112.9
Difficulty In Learning To Use The Technology	36%	103.3	100.0	96.3	94.4	109.3

CONSUMERS TRUST CARD ISSUERS AND CARD NETWORKS TO ENABLE CONNECTED DEVICE PAYMENT EXPERIENCES

SEVENTY-SEVEN PERCENT OF CONSUMERS TRUST BANKS OR BANKCARD NETWORKS TO POWER THEIR CONNECTED PAYMENT EXPERIENCES.

Q. Who do you trust to enable a connected device payments experience?

- Banks are, by far, the most trusted by consumers to enable connected device payments.
- The more connected a consumer is, the more he or she tends to trust financial services providers to enable new connected device use cases.

	ENTIRE SAMPLE	SMARTPHONE CENTRIC	MAINSTREAM MOBILE	CONNECTED HOME	CONNECTED ME	SUPER CONNECTED
	Percent	Index Mainstream Mobile = 100				
Bank And Bankcard Networks (Bank, V, MC)	77%	76.0	100.0	104.6	104.0	108.8
My Bank	68%	71.8	100.0	110.9	107.9	111.3
Card Networks (V, MC, AmEx, Disc)	49%	64.5	100.0	111.3	109.6	133.5
Amazon	48%	102.8	100.0	149.8	150.6	183.3
Bankcard Network V, MC)	42%	56.3	100.0	111.7	108.1	134.2

CONSUMERS LIKE AND TRUST CARD PRODUCTS WHEN PAYING FOR THINGS — BOTH ON AND OFFLINE

SPEED AND TRUST ARE WHAT MOST CONSUMERS LIKE ABOUT USING CARDS AND MOBILE OVER CASH.

Q. Why do you use cards and what would make you use cards more?

- Sixty-one percent of all consumers say speed or trust is most important reason for using credit or debit cards.
- Two-thirds of people prefer using credit or debit cards or mobile options over cash.
- Seventy-seven percent of people would patronize stores even if they dropped cash.
- Sixty percent of consumers would want to use cash sometimes, even if they could pay with cards and mobile everywhere.

	ENTIRE SAMPLE	SMARTPHONE CENTRIC	MAINSTREAM MOBILE	CONNECTED HOME	CONNECTED ME	SUPER CONNECTED
	Percent	Mainstream Mobile Index = 100				
What is most appealing about paying with a card or device?						
It is faster and more convenient.	34%	105.1	100.0	111.6	96.0	99.4
I trust the payment network to keep my information secure (e.g. Visa, MasterCard).	26%	75.4	100.0	96.3	101.1	111.2
I can collect rewards.	21%	113.9	100.0	81.9	95.2	81.8
It feels safer to not carry cash in my wallet.	19%	107.0	100.0	107.7	112.4	109.4
Select the statement that represents your position on making payments.						
I never use cash and I am excited to be able to pay everywhere using my card and mobile devices.	26%	82.6	100.0	108.2	119.6	121.7
I sometimes use cash but prefer to use my card or mobile device.	64%	105.4	100.0	99.1	97.8	98.5
I always use cash and prefer it to my card or mobile device.	10%	104.4	100.0	88.7	73.6	65.7
If a store I visit frequently went cashless (exclusively accepting electronic and mobile payments), I would:						
Continue to shop there using card or mobile device.	77%	82.6	100.0	112.9	111.6	105.8
Shop there more frequently.	14%	169.5	100.0	62.4	74.3	101.9
No longer shop there.	8%	109.4	100.0	73.0	63.7	60.1
Select the option you agree with most to complete the statement, "I can imagine myself not using cash to make payments..."						
If cards were accepted everywhere today.	32%	90.5	100.0	89.7	97.8	93.9
If mobile payments were accepted everywhere.	13%	129.9	100.0	80.5	87.9	96.9
If both cards and mobile payments were accepted everywhere today.	40%	96.9	100.0	113.3	117.3	127.5
Only if I do not have cash in my wallet and an ATM is not nearby.	15%	102.8	100.0	110.9	81.5	61.5



THE CONNECTION TO PAYMENTS

HOW DO CONNECTED CONSUMERS VIEW BUYING AND PAYING?

CONNECTED CONSUMERS BUY MORE THINGS — THE MORE CONNECTED, THE MORE THEY BUY

THE SUPER CONNECTED LIKE TO BUY EXPERIENCES, ELECTRONICS AND ACCESSORIES, LIKE JEWELRY.

Q. What purchases did you make over the last seven days?

- Not surprisingly, consumer spend is concentrated on clothing and food.
- The Connected Me are more likely to buy personal care services and travel than the Connected Home group.
- Connected Home are more likely to buy entertainment-related items.
- The Smartphone-Centric spend more on accessories and home repair.

	ENTIRE SAMPLE	SMARTPHONE CENTRIC	MAINSTREAM MOBILE	CONNECTED HOME	CONNECTED ME	SUPER CONNECTED
	Percent	Mainstream Mobile Index = 100ed				
Clothing, Apparel Or Footwear	69%	92.4	100.0	107.9	116.7	131.1
Food To Consume At Home	64%	85.5	100.0	110.1	111.4	115.4
Personal Care Products	56%	67.6	100.0	112.0	112.7	133.4
Household Supplies	53%	81.1	100.0	115.1	104.9	130.8
Gasoline	50%	72.1	100.0	108.4	108.2	118.3
Food To Consume Away From Home	41%	59.1	100.0	102.7	106.2	123.8
Healthcare Goods And Medications	36%	62.6	100.0	116.8	123.6	162.4
Household Furnishings Or Equipment	28%	91.4	100.0	122.1	115.2	168.1
Entertainment Other Than Reading Material	26%	52.3	100.0	163.5	139.0	258.7
Goods Or Services For Pets	26%	44.7	100.0	126.3	137.5	197.8
Reading Material (Books, Newspapers, Magazines)	23%	63.4	100.0	117.8	139.3	189.8
Accessories Such As Jewelry	22%	128.7	100.0	129.7	130.0	210.2
Electronics (Tablet, Computer, Smartphone, Etc.)	22%	95.5	100.0	152.0	126.5	224.4
Tobacco Or Alcohol	19%	65.7	100.0	125.1	98.7	145.6
Automobile Services	18%	77.7	100.0	129.9	109.7	174.7
Personal Care Services	17%	53.3	100.0	95.3	138.0	184.7
Travel Services Such As Airline Or Bus Tickets	16%	49.4	100.0	110.2	124.5	189.0
Housing While Away From Primary Home (E.G. Hotels)	14%	53.3	100.0	128.1	155.2	245.5
Household Repair Services	10%	117.9	100.0	190.5	169.2	325.7
None Of These	3%	90.2	100.0	40.2	19.1	5.0

CONNECTED CONSUMERS STILL SHOP AT PHYSICAL STORES

ALMOST 80 PERCENT OF CONSUMERS VISITED A PHYSICAL STORE OVER A SEVEN-DAY PERIOD AND MADE A PURCHASE.

Q. What did you use to pay for the things you purchased in the last seven days?

- The Super Connected are much more likely to shop using a connected device than any other connected persona.
- They are also seven times more likely to use a voice-controlled assistant.
- They are more than five times more likely to use a car with connected capabilities.
- And, while infrequent, the Super Connected are much more likely to use other connected devices to pay for things.

	ENTIRE SAMPLE	SMARTPHONE CENTRIC	MAINSTREAM MOBILE	CONNECTED HOME	CONNECTED ME	SUPER CONNECTED
	Percent	Indexed to Mainstream Mobile = 100				
Visiting A Store	77%	99.0	100.0	98.0	98.4	97.3
Using A Website On Mobile/tablet	28%	43.3	100.0	110.9	115.1	153.6
Online, Using A Desktop	25%	79.2	100.0	120.1	119.5	162.1
Using An App On A Mobile/tablet	18%	90.5	100.0	116.3	115.6	154.3
Placing An Order Over The Phone	10%	174.3	100.0	116.0	108.1	166.0
Connected Or Smart Tv	2%	240.7	100.0	106.3	84.5	193.9
Car With Connected Capabilities	2%	350.4	100.0	229.4	122.9	561.1
Game Console (E.G. Playstation, X-box)	1%	159.3	100.0	185.9	294.4	594.7
Voice Controlled Assistant	1%	0.0	100.0	175.9	129.6	680.5
Other Option	1%	0.0	100.0	117.1	231.6	740.0
Activity Tracker (E.G. Fitbit)	1%	n/a	n/a	vl	vl	vl
Smartwatch (E.G. Apple Watch)/smart Sports Watch	0%	n/a	n/a	n/a	vl	vl
Smart Refrigerator	0%	n/a	n/a	vl	vl	vl
Wearable Camera (E.G. Go Pro)	0%	n/a	n/a	vl	n/a	vl
Smart Clothing Or Accessories	0%	n/a	n/a	n/a	n/a	vl

“vl” indicates “Very Large.” In these cases, the Mainstream Mobile response was zero and therefore the persona index could not be calculated. In that case, the response would be very large compared to the base unless the response for that persona was zero as well.

“n/a” means that both the persona and Mainstream Mobile were zero.

CONSUMERS USING CONNECTED DEVICES TO BUY THINGS IS NOW WIDESPREAD

PURCHASING VIA A CONNECTED DEVICE OVERTAKES SHOPPING IN A PHYSICAL STORE IN KEY CATEGORIES.

Q. Where did you shop and which device did you use to make the purchase over the last seven days?

- Shopping at physical stores is still the most common way to shop, particularly for groceries, gas and home supplies.
- In 11 out of 19 categories, 50 percent or more of consumers purchased online over a seven-day period.
- Online via any connected device beats physical stores in entertainment, reading materials, travel, household repairs, electronics, household furnishings and clothing for all consumers.

	VISITING A STORE	ANY ONLINE	USING A WEBSITE ON MOBILE/TABLET	ONLINE, USING A DESKTOP	USING AN APP ON A MOBILE/TABLET	PLACING AN ORDER OVER THE PHONE
Tobacco Or Alcohol	99%	7	4	3	2	2
Gasoline	96%	7	4	2	2	2
Food To Consume At Home	93%	48	25	22	20	17
Household Supplies	87%	42	21	20	16	5
Personal Care Products	86%	44	23	21	17	5
Food To Consume Away From Home	85%	47	22	18	18	17
Healthcare Goods And Medications	81%	50	20	19	17	15
Goods Or Services For Pets	80%	47	23	23	13	7
Personal Care Services	76%	50	25	24	16	12
Clothing, Apparel Or Footwear	73%	76	44	43	26	8
Automobile Services	69%	54	27	25	16	11
Household Furnishings Or Equipment	66%	72	41	35	20	10
Accessories Such As Jewelry	64%	63	35	30	22	8
Travel Services Such As Airline Or Bus Tickets	62%	97	50	32	10	9
Housing While Away From Primary Home (E.G. Hotels)	55%	93	49	29	14	13
Electronics (Tablet, Computer, Smartphone, Etc.)	54%	78	46	42	28	11
Entertainment Other Than Reading Material	46%	76	44	36	35	12
Reading Material (Books, Newspapers, Magazines)	43%	75	40	34	30	7
Household Repair Services	42%	74	36	31	29	13

ROUGHLY 60 PERCENT OF CONSUMERS DISLIKE THE CURRENT SHOPPING EXPERIENCE

ALL CONSUMERS – ACROSS ALL CHANNELS – FIND SHOPPING TIME-CONSUMING AND INEFFICIENT.

Q. How would you describe your shopping experience over the last seven days?

- Most (approximately 60 percent) don't find shopping fun or productive, regardless of how or where they shop.
- More than 25 percent of consumers say shopping is time-consuming and inefficient.

	ENTIRE SAMPLE	SMARTPHONE CENTRIC	MAINSTREAM MOBILE	CONNECTED HOME	CONNECTED ME	SUPER CONNECTED
Percentage Of Respondents						
Productive	39%	32	40	39	40	38
Fun, Stimulating	39%	47	38	38	3	41
Time Consuming	27%	26	25	27	24	30
Index (Mainstream Mobile =100)						
Productive	97.0%	79.7	100.0	97.5	99.3	93.7
Fun, Stimulating	102.5%	123.1	100.0	99.1	100.8	106.9
Time Consuming	105.5%	104.2	100.0	106.5	95.0	117.4

TWO-THIRDS OF CONNECTED CONSUMERS THINK THE SHOPPING EXPERIENCE COULD BE BETTER

ALL CONNECTED CONSUMERS SEE ROOM FOR IMPROVEMENT WHEN BUYING THE BASICS: FOOD AND CLOTHING.

Q. Based on the items you bought over the last seven days, do you see an opportunity for improving how you made those purchases?

- The areas in which most consumers would like to see payment method improvements *in a physical store* include groceries, household supplies, prescriptions, household furnishings and repair services (home and auto repair).
- For all but the Smartphone-Centric, the areas in which most consumers would also like to see improvements *online* include travel and hotel bookings.

	ENTIRE SAMPLE	SMARTPHONE CENTRIC	MAINSTREAM MOBILE	CONNECTED HOME	CONNECTED ME	SUPER CONNECTED
	Percent	Index Mainstream Mobile = 100				
Any Of These	66%	74.2	100.0	106.1	109.1	124.2
Gasoline	27%	54.9	100.0	102.0	100.1	126.4
Food To Consume At Home	24%	66.9	100.0	123.5	112.8	123.7
Household Supplies	24%	57.3	100.0	118.1	97.1	150.3
Personal Care Products	20%	55.7	100.0	115.5	99.2	168.2
Clothing, Apparel Or Footwear	20%	103.3	100.0	96.9	116.7	138.4
Healthcare Goods And Medications	16%	84.6	100.0	135.5	118.1	212.4
Food To Consume Away From Home	11%	45.4	100.0	115.5	85.5	139.4
Household Furnishings Or Equipment	11%	102.2	100.0	147.1	132.2	249.5
Automobile Repair Services	10%	74.8	100.0	122.9	114.4	192.0
Goods Or Services For Pets	8%	51.1	100.0	135.2	162.3	292.3
Travel Services Such As Airline Or Bus Tickets	7%	24.5	100.0	133.2	112.5	208.7
Electronics (Tablet, Computer, Smartphone, Etc.)	6%	133.3	100.0	167.1	97.2	193.4
Household Repair Service	6%	144.3	100.0	165.8	174.0	291.9
Personal Care Services	6%	0.0	100.0	99.6	188.3	256.6
Housing While Away From Your Primary Home (E.G. Hotels)	5%	102.2	100.0	113.9	144.3	242.4
Accessories Such As Jewelry	5%	129.1	100.0	112.4	91.1	256.6
Tobacco Or Alcohol	5%	49.0	100.0	99.1	54.8	164.3
Entertainment Other Than Reading Material	4%	87.6	100.0	146.4	154.6	256.6
Reading Material (Books, Newspapers, Magazines)	3%	0.0	100.0	484.0	577.0	769.9

CONSUMERS DON'T YET SEE HOW CONNECTED DEVICES CAN MAKE THE SHOPPING AND PAYMENT EXPERIENCE BETTER

CONSUMERS MOST WANT IMPROVEMENT IN THE CATEGORIES THAT THEY VIEW AS "ESSENTIALS" – ESPECIALLY GROCERIES

Q. For which activities would you find it valuable to have a connected device available to make a purchase?

- Shopping and cleaning were the only activities in which more than 10 percent of consumers saw an opportunity for a connected device to improve how they purchase while going about their day-to-day activities.
- The Super Connected see more ways that connected devices could make it easier to buy things while they are going about their daily activities.

	ENTIRE SAMPLE	SMARTPHONE CENTRIC	MAINSTREAM MOBILE	CONNECTED HOME	CONNECTED ME	SUPER CONNECTORS
	Percent	Index Mainstream Mobile = 100				
Grocery Shopping	18%	60.0	100.0	113.3	113.3	160.0
Cleaning House	12%	112.5	100.0	162.5	237.5	200.0
Shopping, Not Including Groceries	11%	87.5	100.0	150.0	125.0	187.5
Paying Household Bills	10%	57.1	100.0	128.6	128.6	200.0
Watching Tv	9%	62.5	100.0	112.5	100.0	137.5
Preparing Meals	9%	33.3	100.0	166.7	166.7	216.7
Doing Laundry	9%	42.9	100.0	157.1	100.0	171.4
Cleaning Kitchen After Meals	9%	33.3	100.0	166.7	166.7	216.7
Commuting To Work	7%	83.3	100.0	100.0	116.7	150.0
Recreational Activities	6%	250.0	100.0	150.0	150.0	200.0
Eating Dinner	6%	50.0	100.0	125.0	150.0	200.0
Working At Main Job	5%	125.0	100.0	125.0	100.0	175.0
Eating Lunch	5%	75.0	100.0	100.0	125.0	175.0
Eating Breakfast	4%	100.0	100.0	133.3	133.3	166.7
Caregiving	3%	0.0	100.0	400.0	200.0	400.0
Yard Work	2%	200.0	100.0	100.0	100.0	300.0

CONSUMERS SEE SMART CARS AND WEARABLES AS IMPORTANT ENABLERS OF THE CONNECTED PAYMENT EXPERIENCE

CONSUMERS VIEW THE SMARTPHONE AS IMPORTANT, BUT NOT THE DEVICE THAT WILL TRANSFORM THEIR SHOPPING AND BUYING EXPERIENCE

Q. For the kinds of purchases you made today, which devices would you find valuable in improving that experience in the future?

- Consumers like and use connected devices today, but they have trouble seeing how those devices can improve a seamless buying experience in the future.
- Despite the widespread ownership and usage of smartphones, more than 60 percent of consumers do not think they are using a device that will deliver a seamless buying experience.
- Connected consumers view smart accessories, smart cars and wearables as devices that could enable a more seamless buying experience in the future.

	ENTIRE SAMPLE	SMARTPHONE CENTRIC	MAINSTREAM MOBILE	CONNECTED HOME	CONNECTED ME	SUPER CONNECTED
	Percent	Index Mainstream Mobile = 100				
Smartphone	38%	55.6	100.0	113.9	102.8	105.6
Smart Car	14%	69.2	100.0	115.4	92.3	115.4
Tablet	9%	28.6	100.0	114.3	100.0	171.4
Smart TV	6%	33.3	100.0	100.0	83.3	116.7
Smart Accessories	6%	220.0	100.0	60.0	100.0	160.0
Smart Watch	4%	200.0	100.0	100.0	400.0	800.0
Game Console	3%	0.0	100.0	300.0	100.0	500.0
Voice-Controlled Assistant	2%	400.0	100.0	100.0	100.0	300.0
e-Reader	2%	200.0	100.0	200.0	100.0	300.0
Smart Sport Watch	1%	vl	n/a	vl	vl	vl
Smart Clothing	1%	200.0	100.0	100.0	100.0	200.0

“vl” indicates “Very Large.” In these cases, the Mainstream Mobile response was zero and therefore the persona index could not be calculated. In that case, they would be very large compared to the base unless the response for that persona was zero as well.

“n/a” means that both the persona and Mainstream Mobile were zero

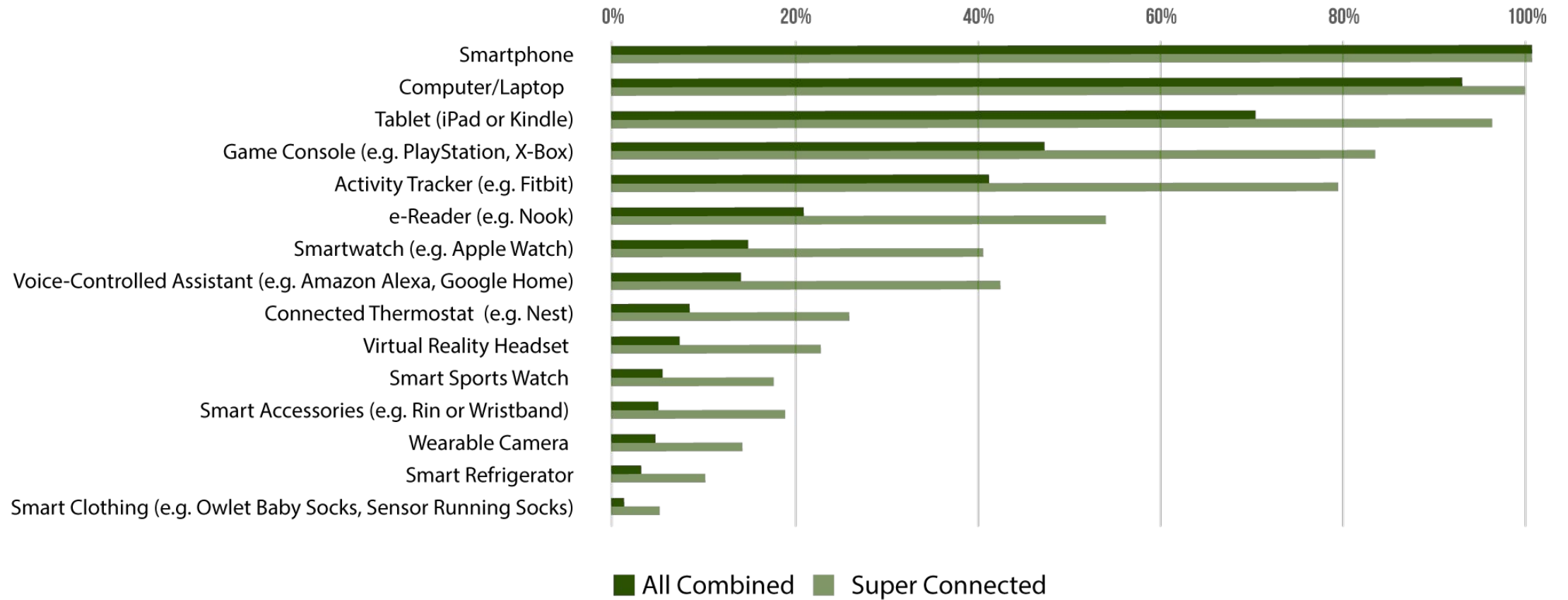


GETTING TO KNOW THE SUPER CONNECTED CONSUMER

HOW DO THEY USE CONNECTED DEVICES TODAY, HOW DO THEY SEE USING THEM
IN THE FUTURE AND HOW DOES THAT COMPARE TO ALL CONSUMERS?

THE SUPER CONNECTED ARE MUCH MORE LIKELY TO OWN CUTTING-EDGE CONNECTED DEVICES

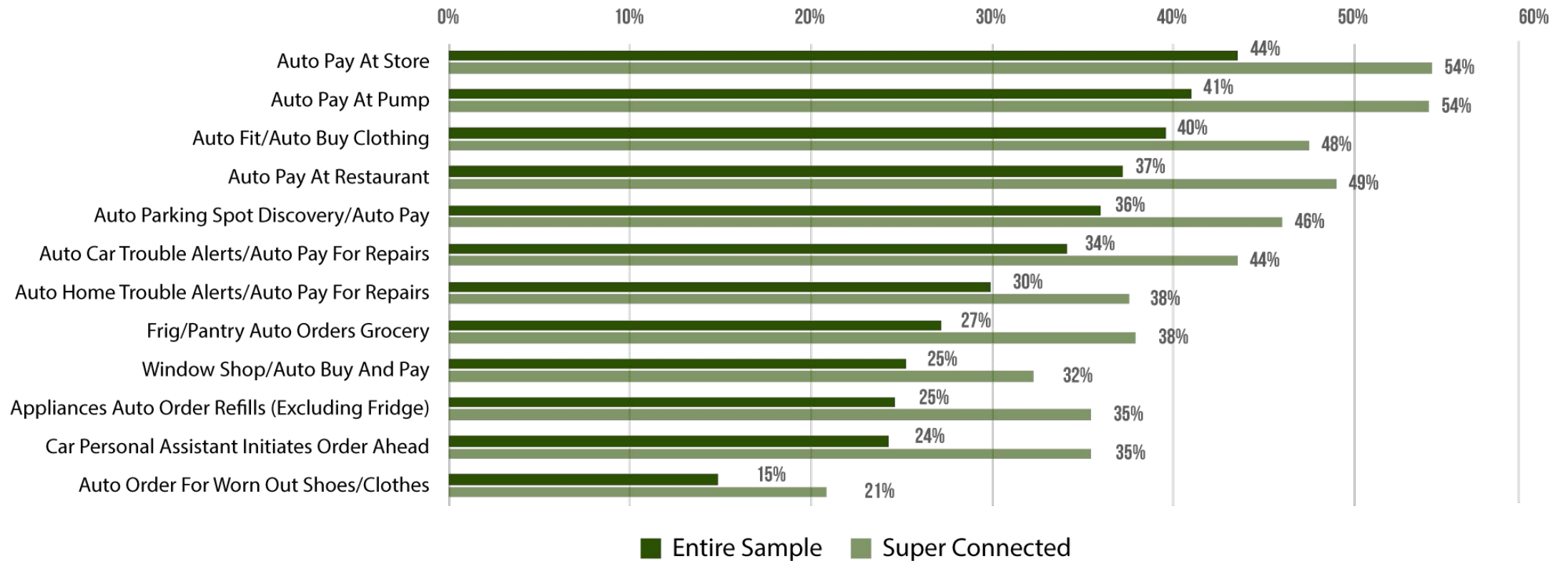
THE SUPER CONNECTED ARE MORE THAN SEVEN TIMES MORE LIKELY TO OWN A VOICE-ACTIVATED ASSISTANT.



THE SUPER CONNECTED ARE MORE INTERESTED IN SEAMLESS PAYMENTS ACROSS ALL NEW USE CASES

FIFTY-FOUR PERCENT OF THE SUPER CONNECTED ARE INTERESTED IN USING AUTO PAY AT A STORE OR AT THE PUMP.

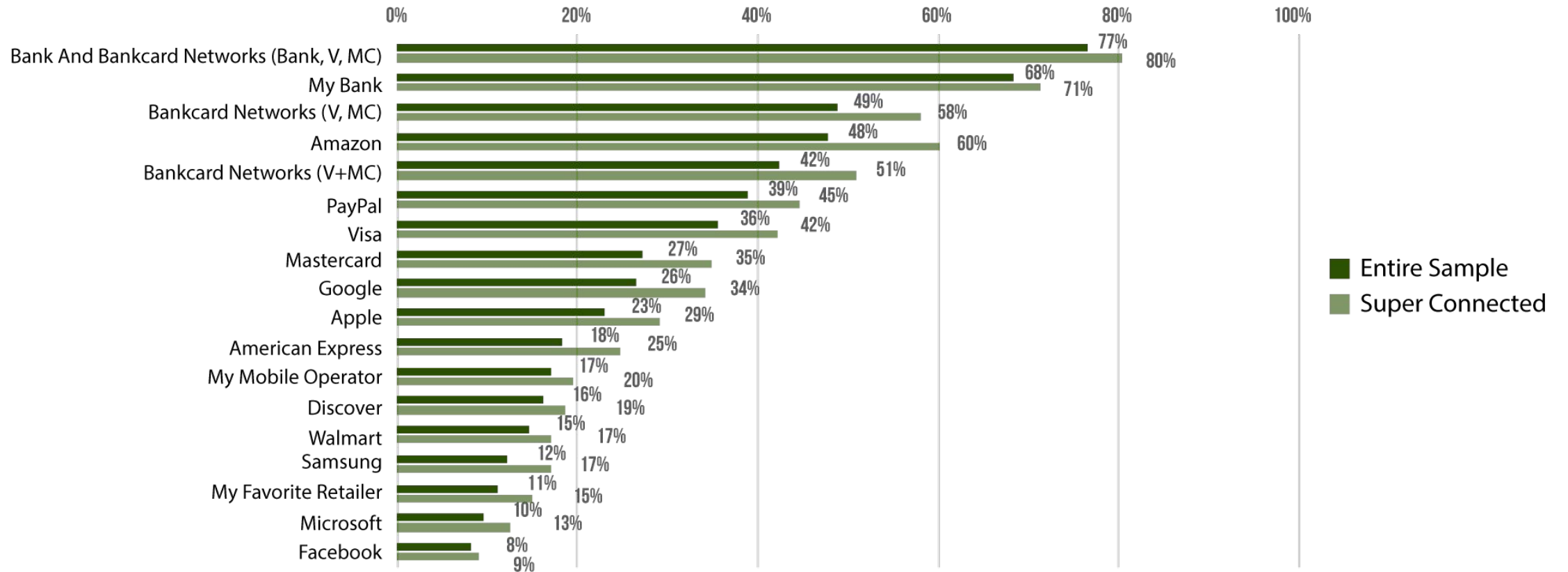
The Super Connected view connected devices as a way to make paying for things a seamless experience across almost every aspect of their lives.



THE SUPER CONNECTED TRUST BANKS TO ENABLE A CONNECTED DEVICE PAYMENT EXPERIENCE

EIGHTY PERCENT TRUST THEIR BANKS AND BANKCARD NETWORKS TO ENABLE THEIR CONNECTED PAYMENT EXPERIENCES.

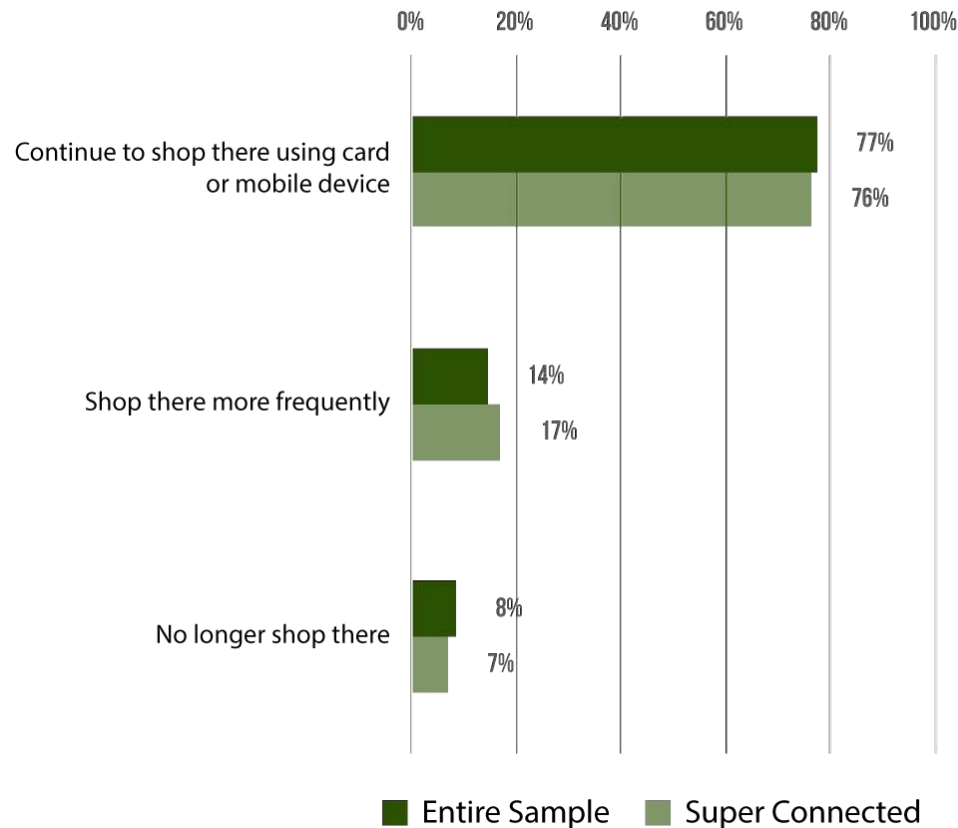
Even the Super Connected take a dim view of social networks and technology companies as the enabler of their connected payments experience



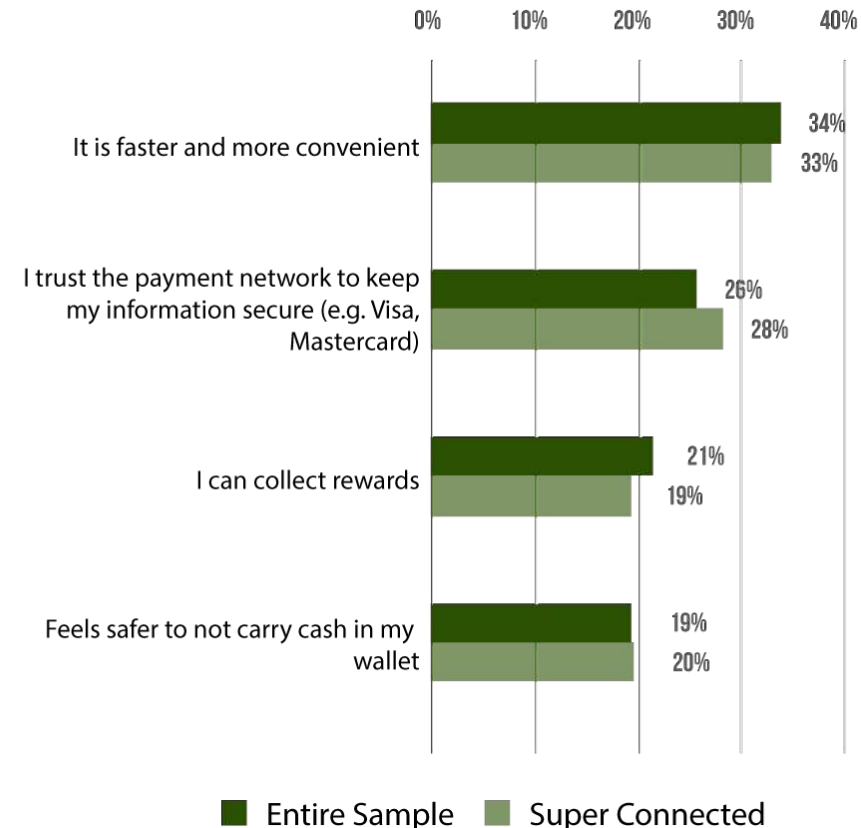
THE SUPER CONNECTED VALUE SPEED AND TRUST WHEN USING CARDS AS MUCH AS ALL CONSUMERS DO

REWARDS ARE LESS IMPORTANT TO THE SUPER CONNECTED, AND SPEED AND SECURITY ARE SLIGHTLY MORE IMPORTANT.

Consumers' Reaction To Having Their Favorite Stores Go Cashless



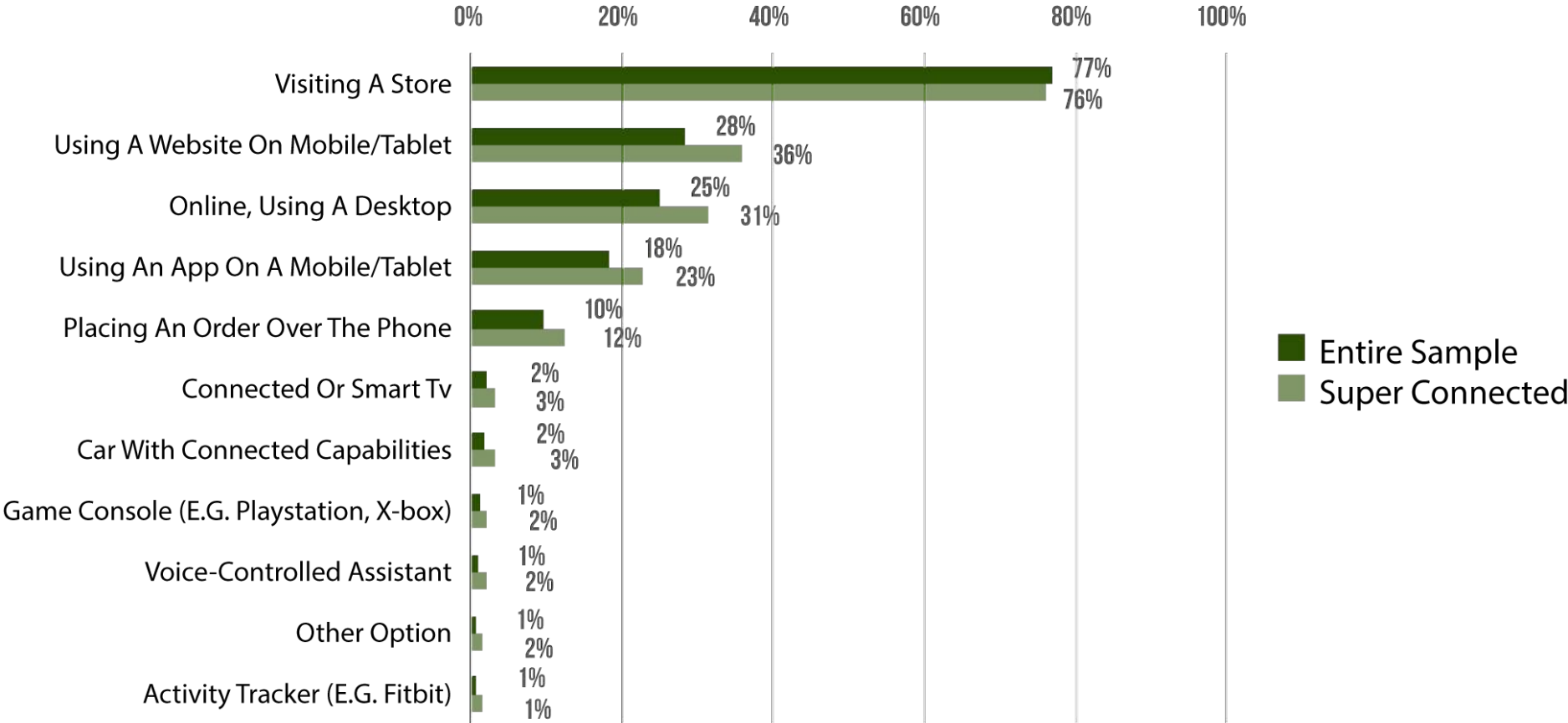
Why Consumers Say They Like Using Cards or Mobile Over Cash



THE SUPER CONNECTED SHOP AT PHYSICAL STORES AS MUCH AS EVERYONE ELSE

BUT, THE SUPER CONNECTED ARE MORE LIKELY TO USE ONLINE CHANNELS TO MAKE PURCHASES.

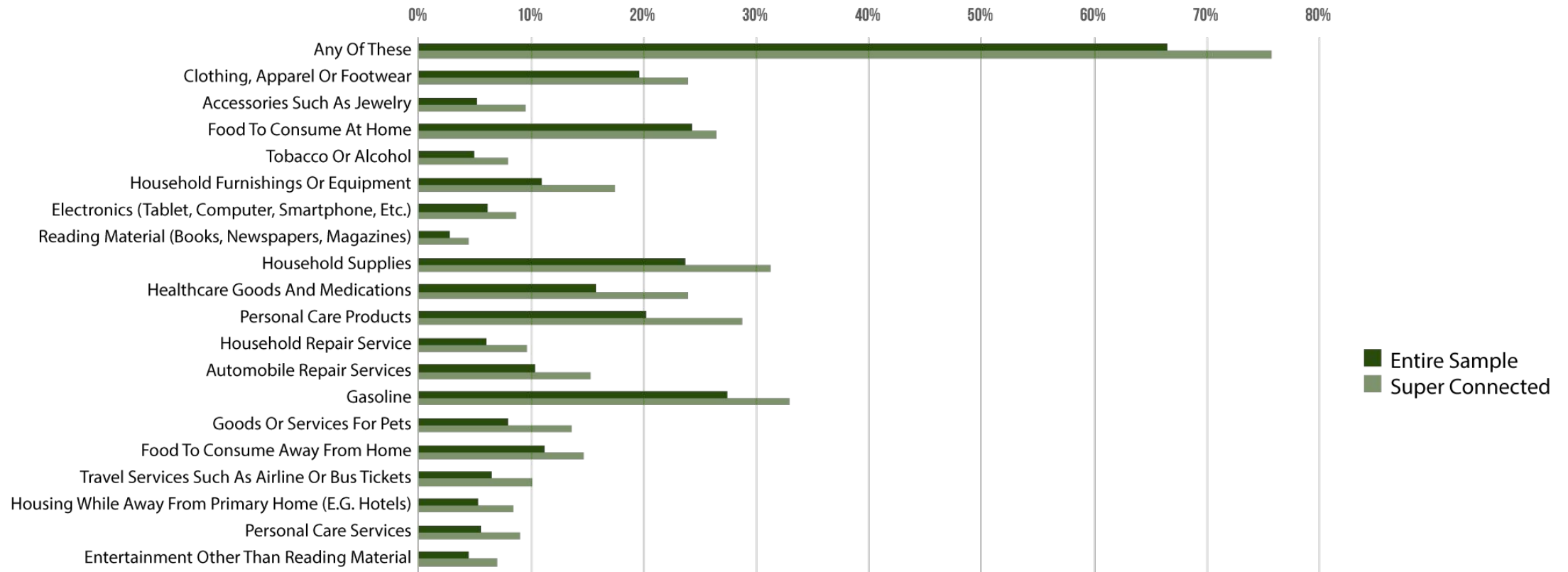
The Super Connected still use their laptops to buy things, but are early adopters of voice activated speakers and connected cars to make purchases



SUPER CONNECTED ARE MORE LIKELY TO BELIEVE HOW THEY BUY THINGS COULD BE BETTER

SEVENTY-FIVE PERCENT OF THE SUPER CONNECTED SEE ROOM FOR IMPROVEMENT IN AT LEAST ONE OF THESE BUYING EXPERIENCES.

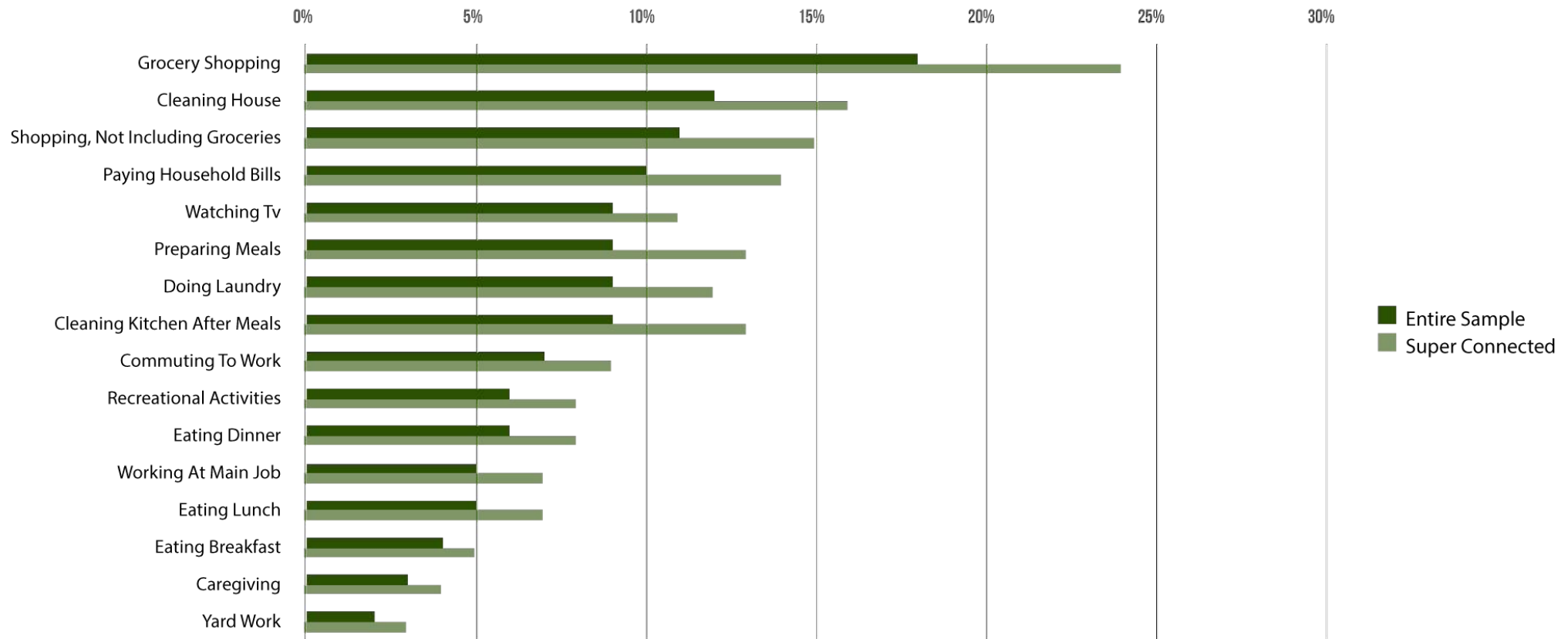
The things that the Super Connected buy in physical stores are the areas in which they view the most opportunity for improvement

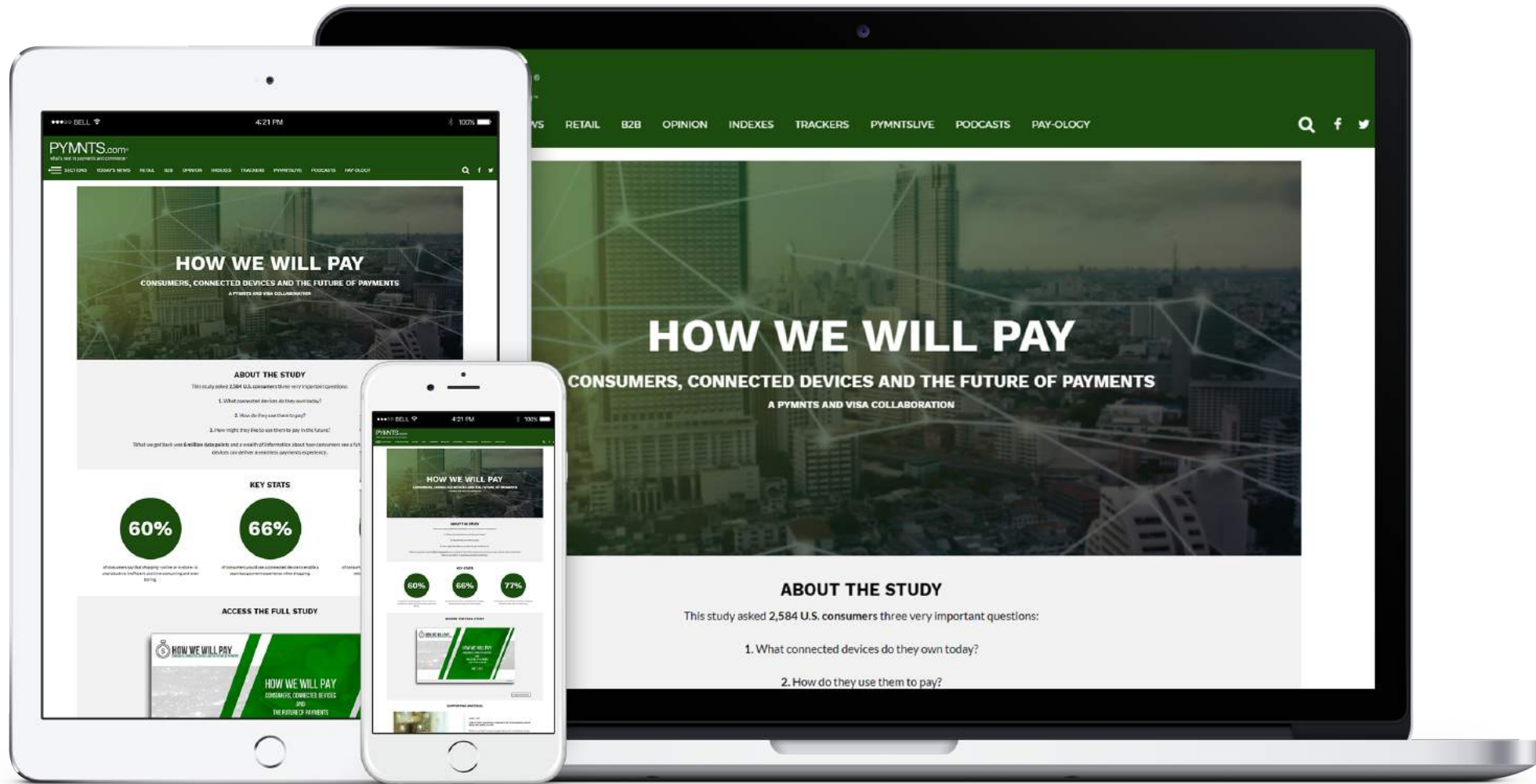


THE SUPER CONNECTED WANT DEVICES TO HELP THEM BUY THINGS WHILE THEY PERFORM OTHER ACTIVITIES

MORE THAN ANY OTHER CONNECTED GROUP, THE SUPER CONNECTED SEE HOW USING CONNECTED DEVICES TO PAY CAN ADD VALUE TO EVERY ACTIVITY THEY UNDERTAKE.

The Super Connected see connected devices as a way to “contextualize” commerce by enabling the purchase of goods and services while going about their every day lives





For the most up-to-date results, visit: <http://www.pymnts.com/how-we-will-pay/>