



The Barriers to Mobile Payments

How to improve your mobile payments flow





Introduction

The growth of smartphones means we're now always connected. Whether we're in the office, on the move or at home, a huge portion of us have a smartphone device either in our hands or close by.

This drastic change has not only influenced our behaviour but also our expectations. This small device can impact what we eat through to who we date, and we expect each of these mobile experiences to be seamless.

However, despite the rise in usage, consumer purchases made from mobile devices still lag behind those on desktop.

So, why are there still barriers to people using mobile payments? And how do we remove them?

This report explores further.

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Why do we want to pay by mobile?

To understand the barriers to mobile payments it's important to first look at why people want to pay using their phones in the first place.

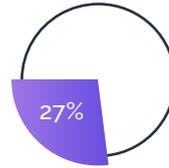
Speed

30% of UK consumers choose to pay by mobile because they presume it's quicker.



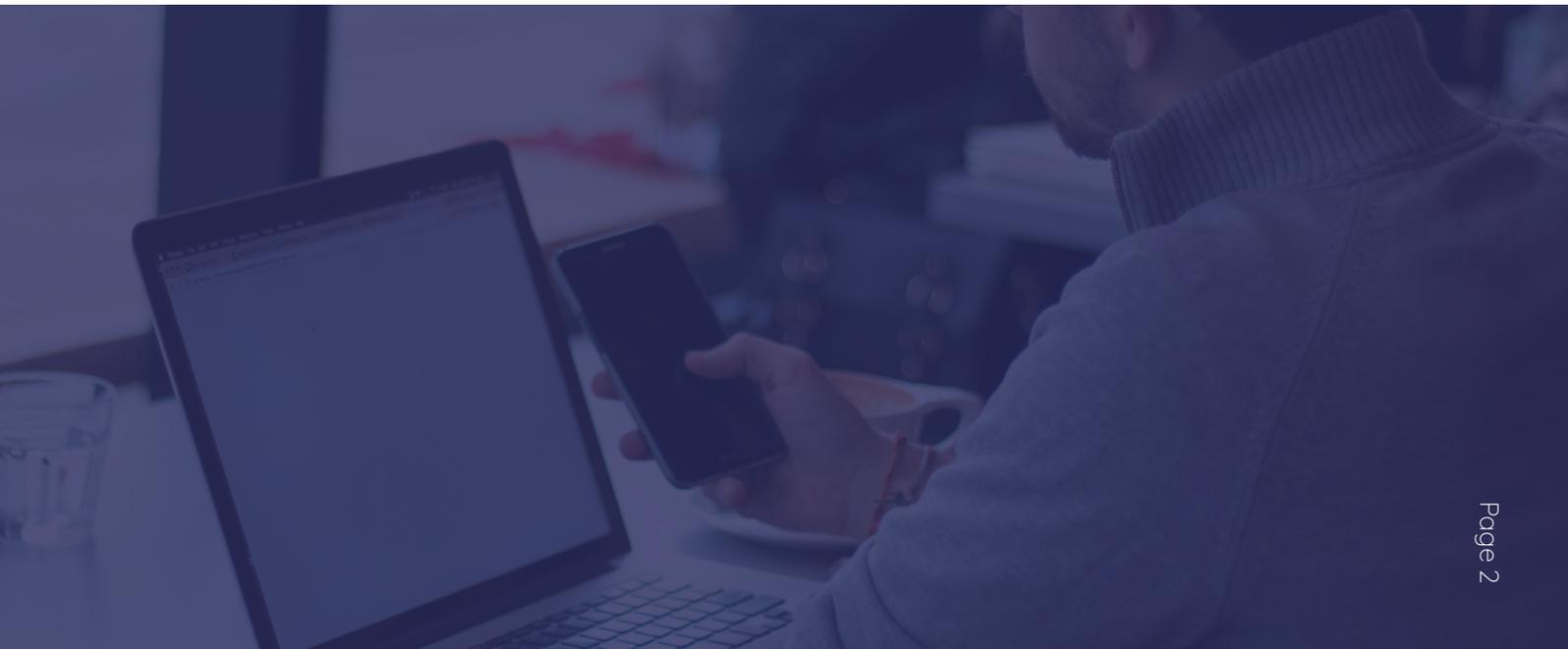
Convenience

And over a quarter (27%) of UK consumers choose to pay by mobile because they think it's the most convenient channel.



Flexibility

Nearly 1 in 3 UK millennial consumers (30%) choose to pay by mobile because it allows them to 'pay on the go'.





What's holding m-commerce back?

Despite the continued growth of mobile commerce, many businesses still haven't launched mobile-friendly checkouts; resulting in frustrated shoppers, lost sales and a poor customer experience.

Only 14% of UK consumers said they feel calm when making a purchase on their phone.



20% of consumers said making a purchase on their mobile made them feel either anxious, stressed or frustrated.



Consumers in Leeds feel the least calm when it comes to buying items on a mobile (90% don't feel calm).



Your checkout should be the easiest part of the customer journey. If they've made it to this page, they're ready to buy.

So why are we still seeing a huge drop off at the checkout?



69%

Taking data from 41 different studies, the average rate of cart abandonment is 69.57%

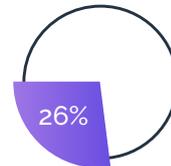
(Stat: from Baymard Institute).

But what is causing consumers to abandon their baskets?

For almost a third of UK consumers nothing frustrates them more than when a merchant's mobile payment process doesn't work or is slow.



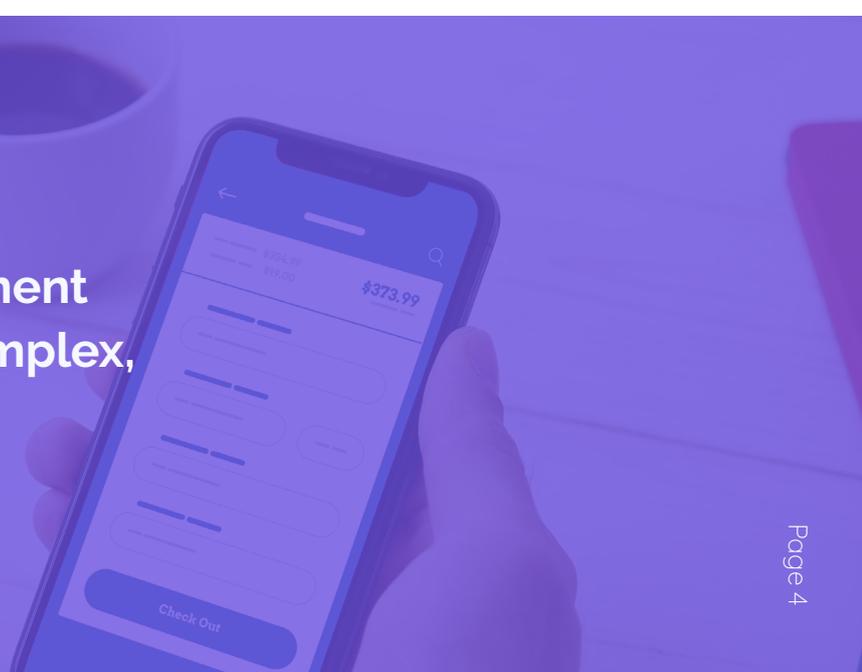
Over a quarter of UK consumers (26%) find a merchant's mobile payments process not working or being slow more frustrating than queuing in a shop.



Over a third of under 35's in the UK find a merchant's mobile payments process not working or being slow more frustrating than going through airport security.



Speed is key. If your payment process is slow or too complex, it's costing you business.





49% aren't likely to use a retailer's app or website again if their mobile payment process doesn't work or is too slow

When consumers make a purchase they expect the payment to be seamless and instantaneous. When the payment process becomes too slow, 1 in 6 UK consumers will abandon their purchase.

Main reasons respondents abandoned a mobile payment:

Time



Lack of trust



Signal issues



Mobile display issues



As with any business decision it's always important to look at who your customers are and how you can tailor the mobile experience to meet their needs.

GenZ are the most likely to abandon a mobile payment, with 20% of UK Consumers aged 16-24 stating that they've never abandoned a mobile payment.



The over 55's are the least likely to abandon a mobile payment with nearly half of them (49%) stating that they've never abandoned a mobile payment.





Trust issues

Now that data is more valuable than oil, it makes sense that people want to look after it; with data privacy now high on the public agenda.

Our research revealed that privacy issues are a significant barrier to mobile payments.

An overwhelming 61% of respondents think that shopping through mobile increases the likelihood of big tech companies (e.g. Facebook and Google) having access to their data.

61%

Millennials are the least suspicious, nearly a quarter of 25-34 year olds don't think that shopping on their mobile increases the likelihood of big tech companies (e.g. Facebook and Google) having access to their data.

25%

Only 5% of people choose to pay by mobile because they feel it's more secure than PC.

5%

For customer that aren't paying with their mobiles - why not?

Our research has revealed that privacy is the number 1 reason why people don't want to use their phone to make a payment. Retailers and merchants need to appreciate what consumers feel is acceptable when it

comes to their data. Younger consumers, perhaps those that are more tech savvy, are the most comfortable with their data being used to shape better retail experiences.

- » **1 in 3** female UK consumers stopped paying with their phone because they're not comfortable sharing their data
- » **24%** stated that data sharing was a barrier to them using their mobile to pay
- » **15%** won't pay via mobile if they think a product is too expensive
- » **39%** UK consumers are comfortable with the companies that they buy from having their data to help improve their next shopping experience
- » **49%** of GenZ and **47%** of millennials are comfortable with the companies that they buy from having their data to help improve their next shopping experience



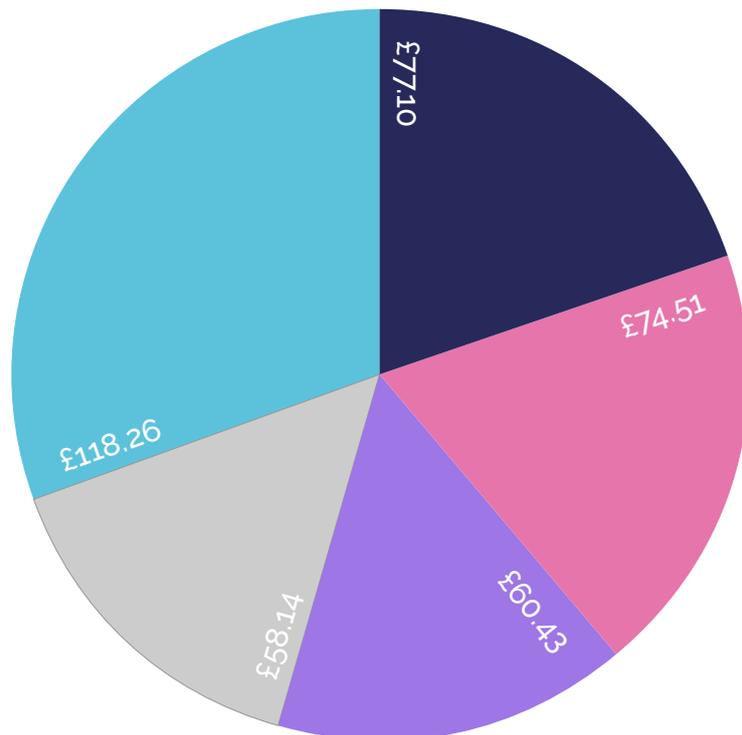
Location, Location, Location

Using our phones to pay is more convenient and means we can make purchases on the go. However, this can also make the customer journey that little bit more complicated.

We're no longer just paying in-store - we can be signing up to the gym when strolling down the street, ordering a takeaway on the train or shopping for clothes while sat at home. It's important to know where your customers are likely to be when shopping so you can further improve their experience.

For example, if you know your customers spend the most during rush hour it means there are likely to be more distractions (e.g. loss of wifi, limited time to checkout) which could be reducing your conversion rate. An optimisation in this case, could be to minimise the number of re-directs and data entry steps at your checkout.

- The average consumer spends £77.10 each week on their phone while at home.
- The average consumer spends £74.51 every weekend on their phone while at home.
- The average consumer spends £60.43 each week purchasing on their mobile on their commute or whilst travelling.
- The average consumer spends £58.14 each week purchasing on their mobile whilst at work.
- Millennials spend the most money whilst commuting/ travelling with an average of £118.26 being spent on their mobiles each week.





Conclusion

To remove the barriers to mobile payments, businesses need to focus on creating better experiences.

Our research revealed numerous ways mobile checkouts can be improved, such as reducing the number of form fields, ensuring the checkout

isn't too slow and stating how consumer data will be stored and used.

With consumer expectation and mobile usage continuing to grow, it's vital that companies implement these changes now or risk losing customers.

Payments have to be fast



Consumers want mobile checkouts to be fast. Technology has opened up a world where everything is instant, setting a high expectation. Businesses need to implement this mindset in their mobile payment process too.

Payments have to be seamless



Mobile checkout journeys aren't meeting consumer expectations, we're frustrating people at the very moment we're asking them to give us money. The barriers that are stopping consumers from adopting mobile payments and causing bad experiences when accessing them need to be ironed out.

A good checkout experience will increase sales



Mobile payments are too slow and time is money. Once a consumer loses patience they won't come back, and a lost customer is lost money. Consumers remember the start and the end of their 'customer journey' – brands need to focus on making these sections the best they can possibly be when it comes to their mobile checkout journey. Get these parts right and the customer's experience will improve almost immediately.

Brands need to build trust around customer data



Consumers have got their guards up. The recent digital scandals involving big tech companies make this trust even harder to gain. Brands need to be extremely sensitive to any data use, even if they're using it to simply create a better retail experience.

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