

Trend: Mobile

Increasing acceptance of mobile payments through speed, flexibility and freedom of location

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paysafecard is the first European prepaid payment solution available to everyone for paying for digital goods online. No credit card or bank account is needed. With its core product, paysafecard, the company is present in over 500,000 sales outlets in 40 countries worldwide. Thousands of renowned online shops and online entertainment providers accept paysafecard as a payment method.

Intro / October 2015

Dear readers,

The conventional home desktop PC, like the static work computer, is losing relevance in everyday life. Flexibility and mobility, ubiquity and constant internet access (in our part of the world) along with the readiness to use it, all characterise the present-day landscape. This means new demands and new opportunities. Some of these are presented in the following reports.

**Best regards,
Your paysafecard team**

#Market: mobile games – a billion dollar business

Based in San Francisco, Amsterdam and Shanghai, Newzoo is a market research company specialising in the online gaming sector. Experts there have calculated the global turnover achieved by mobile games in 2014. It is in the billions: According to them, a good 25 billion USD was generated by mobile digital games in 2014 alone. The increase of 42% on 2013 is more than considerable. During 2015, mobile devices, such as tablets and smartphones, have already replaced conventional game consoles as the most important hardware for gaming.

As a dominating trend, mobile has penetrated leisure sectors, like gaming before it. As a provider of cash for the internet, this means that paysafecard offers precisely the right product at the right time, worldwide. A mobile society needs mobile solutions. With the inclusion of the scan2pay feature in the paysafecard app, paysafecard is consciously focusing on mobile payments, thereby delivering an important trend feature to the everyday lives of smartphone users. Because the path to becoming global market leader is based not least upon the continual development of products, the paysafecard service portfolio is consistently expanded to meet developing needs.

Informative figures for Germany — which so often can also be generally applied to Austria — are supplied by the Mobile Games 2015 study from Deloitte. Mobile games in Germany are a massive phenomenon: 37% of consumers play on their smartphone or tablet — 14% of them every day. Among these heavy users, female gamers have become dominant: 17% of women play at least once a day on their phone. Among men, this is only 12%. When viewed across age segments, usage is higher among younger consumers. However, mobile gaming has also captured older age groups. A quarter of those asked aged between 55 and 64 play at least once a week. This is also true for 15% of those over 65.

Also of interest is that the highest revenue-generating online gaming nations are China (6.5 billion USD), Japan (6.2 billion USD) and the USA (6 billion USD). The most significant growth was recently recorded by India (+75%), Indonesia (+72%) and the Philippines (+63%). It is clear from these figures that Asia is the dominant market.

#M-shopping: mobile shopping spree?

With smartphone distribution of 86% in Austria (according to MMAA), it's no wonder that more and more people there are also purchasing digital goods with their phones. However, what does the use of mobile end devices for shopping mean in concrete terms? They are most frequently used (68%) to find physical shops — meaning that they serve as media disruption. Searches result in product information and price comparisons, which are tasks that can actually be completed offline. Actual purchases or bookings made by mobile internet is actually a reality for only a third of users. However, the most widespread uses of smartphones named above can be considered as first approaches to actual online shopping, familiarising users with the process and lowering inhibition levels over the medium term.

The most popular purchases made by women on their mobile devices are clothing, including shoes (47.4%), followed by books (40%) and electronic devices (25.6%). The hit list of male purchase items is led by electronics (almost 39%), followed by clothing/shoes (31.8%) and games (21.2%).

Apps are also significant, but should be viewed in the total context: Findings in the USA by Forrester Consulting show that 60% of users who principally use their smartphones for online shopping, have installed only a single merchant app on their device and 21% do not have any installed. Many merchants have so far been unable to convince users of the advantages of their apps. This is also reflected in the behaviour of users when a merchant's app does not meet expectations: In such cases, 54% of users uninstall the app immediately; 28% simply do not use it anymore; and 21% start searching for a better app. The patience of users on mobile devices is less than on PCs or in physical stores. The mobile solution from paysafecard complements merchant applications, offering convenient services to its customers which can be used independently of the shop or merchant.

#Maximum: security even while mobile

People are so infatuated with their smartphones (a quarter of Americans are practically constantly looking at them, "every few minutes") that security is important to almost each of them. When it comes to paying or online banking, 78% of those asked (study by the Bank of America) would like to feel more comfortable with the security features available. At the top of the hit list: fingerprint scanning (49% agreement), four-digit PIN (43%) and iris scanning (34%). Both facial recognition and voice recognition would also be desirable to almost a third of those asked.

However, the greatest security risk is and remains users themselves. For this reason, security must complement the availability of technical sophistication with changing user behaviour — this is according to experts at IDC, based on their latest study, Mobile Security in Germany 2015. According to estimations by IT heads, an average of 43% of IT security incidents in companies are the result of user error or user behaviour. Frequently, the cause is the irresponsible use of mobile technologies by staff. For example, 30% of department heads asked have lost a smartphone with sensitive company data on them in the last two years; 10% more than once. The securing of mobile devices, apps and files requires not only technological but also organisational precautions. In the opinion of IT heads (46%), staff training represents the best measure, followed by the implementation of a mobile security policy (41%) and training for IT personnel (38%).

When it comes to mobile payments, users are much more concerned with security. When questioned, the two most frequent answers given by those who have never made a mobile payment are, "Worried about protecting my data" (36%) and "Worried about hackers" (30%) (study by PwC in Germany, June 2015). Fear and worry dominate and it lies with providers such as paysafecard to demonstrate the advantages of online payment solutions that are safer due to the fact that they do not transmit any personal information. Payment providers such as paysafecard steer against such reservations by using secure payment mechanisms such as two-factor authentication. Customers first open the paysafecard smartphone app, select the scan2pay QR code scan feature and log in with the username and password of their my paysafecard online payments account. They then simply scan the paysafecard QR code displayed in the online shop's payment panel. Payment is confirmed by entering their personal 4-digit security code into their phone or scanning their fingerprint. This creates greater trust in security while also increasing user-friendliness and convenience.

Additionally, such security concerns range widely across regions: paysafecard asked 800 users across Germany and Italy how much effect a significant increase in security would have on their online shopping behaviour. In Italy, 64.6% would shop a lot more online; in Germany, this was only 32.1%. Crucial to increasing acceptance of mobile payments are primarily convenience, speed and the flexibility offered by the freedom of location. According to the paysafecard study, as shopping becomes more convenient and simpler, consumers tend towards spontaneous purchases and become open to the advantages of mobile payments. It found that 28.5% of Germans and 29.6% of Italians are looking forward to being able to shop spontaneously without the need for a wallet and using a mobile telephone. A further 24.8% of the Germans asked and 33% of the Italians find paying convenient; 24% of the Germans and even 36.1% of the Italians find it quick; and 17.5% of the Germans and 25.9% of the Italians find it simple. 20.8% of the Germans asked and 32% of the Italians find it exciting to be able to shop freed for the restrictions of location.

#Mastermind: watch out for those mobile trends!

Trend 01: smartphone as partner substitute

Even those people with a partner love their smartphones more: According to a study by the Bank of America, the first thing that 35% of users need in the morning is their smartphone. Only 17% choose coffee; only 13% choose brushing their teeth; and only 10% their partner.

Trend 02: always on

People under 24 predominantly agree with the statement "I am constantly checking and using my phone." The keyword "constantly" often meaning "multiple times in an hour".

Trend 03: mobile banking & paying

This is becoming natural to more and more people. 76% already do this at least once a week and more than half multiple times a week.

Trend 04: mobile in the bedroom

For three quarters of users in the USA, this is already a reality. 3% also sleep with their phone in their hand.

Trend 05: wearables

The USA is also the pioneer here. 42% of users have already purchased a wearable or are considering it. The paysafecard app supports Android Wear wearables and now also the Apple Watch to help users easily find local sales outlets.

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