



# BuzzCity Mobile Money Survey

## A Global View

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## Executive Summary

This Mobile Money report highlights the results of BuzzCity's fifth global survey investigating consumer mobile behaviour. The survey was conducted across countries representing the Americas, Asia, Africa, Western Europe and the Middle East and shows that 90% of mobile users have purchased either products or services using their mobile phone. This would seem to suggest that mobile transactions have gone mainstream, but what insight can we gain when we look behind the statistics?

This study examines the two key themes when it comes to 'mobile money'. Firstly – the use of the mobile platform for banking services. 47% of respondents did not know whether their banks offered banking services and an additional 15% were aware of the offer but had not taken it up. This would indicate that banks still have some way to go in educating consumers about the availability and benefits of mobile banking services.

The second area to explore was the use of the mobile platform for transactions. The survey shows that although most of these purchases (68%) are related to mobile phone use, such as mobile content and prepaid airtime, users also buy other mainstream products with their mobiles. In fact, 23% have bought from online stores, paid a bill, bought prepaid utilities and made bookings – all through their mobile.

There are clear opportunities for mobile transactions to grow as users, in this and previous surveys, indicate that they want to be able to use their mobiles to buy more goods (such as books, music, travel services, household utilities and electronic appliances)

Although there have been some developments in transforming the mobile into a banking and payment device with 29% of the global mobile population still without access to a bank account and 56% without a credit or debit card, banking and mobile transaction providers are overlooking a much wider audience. The potential opportunities are huge but the diverse challenges faced by the global mobile audience must not be overlooked – mobile consumers have money to spend but they must be provided with the opportunity to do so.

This BuzzCity survey has identified three areas where progress is needed:

- User education about mobile banking services to increase uptake
- Increased partnerships between banks, carriers and merchants to increase the number of products available for purchase
- The development of new services to enable mobile transactions for those without access to traditional banking facilities



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## **Background**

The primary objective of this multi-country survey is to investigate the consumer traits in the area of mobile transactions particularly in the area of purchasing, payments and transfers.

This survey is the fifth of a multi-market study of mobile users conducted by BuzzCity. In addition to observing local trends at a national level, the survey results also invite direct comparisons between markets.

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## Objectives

The transactional capabilities of the mobile phone are clearly demonstrated with the popularity of mobile Value Added Services where carriers act as a service and/or billing provider. If m-commerce and mobile marketing are to flourish, mobile transactions will need to become “mainstream” with more banks and other suppliers fulfilling a similar role.

In particular, this survey aims to provide insight on the consumers’ usage of their mobile phones to transact. The results may also influence the design of future mobile commerce services and their related marketing campaigns; all of which make up integral elements of adoption and experience of the mobile lifestyle.

The big question: Are mobile transactions now mainstream?

In the context of this survey, “mobile transactions” are taken to include

- account based (storage) services provided by financial services
- purchasing and payment services provided by various service providers to facilitate transactions (e.g. telecom carriers)
- Remittance services provided by banks, carriers and money transfer services



## Survey Methodology

The survey was kept short to cater to the media of choice, the mobile internet. Participants were asked 12 questions: nine multiple choice, two free-form responses and one multiple selection question.

The survey was conducted from October to December 2009 in 12 countries representing very different geographic regions: Americas, Asia, Africa, Western Europe and the Middle East. All the countries selected are among the Top 20 traffic generators in the BuzzCity Ad Network. (The Philippines dropped to 27 place in the fourth quarter of 2009 but was well placed in the Top 20 for the first three quarters).

The countries are listed here in order of the number of pageviews each market generated in 2009:

	Country	Annual Traffic 2009
1	Indonesia	12 billion
2	India	3.5 billion
3	United States	1.7 billion
4	South Africa	1.5 billion
5	United Kingdom	469 million
6	Egypt	394 million
7	Kenya	385 million
8	Philippines	366 million
9	Nigeria	364 million
10	Malaysia	355 million
11	Bangladesh	278 million
12	Thailand	273 million



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Text banners placed on various sites on the BuzzCity Mobile Internet Ad Network publicised the survey. When clicked, the banner ads directed users to the survey questionnaire. To minimize intrusion, the advertising server was set to ensure that a member saw the ad no more than five times.

1798 surfers responded to the survey. Each respondent was allowed a single response. Survey participants in each country were entered into a lucky draw with the chance to win G\$5000.

The final results reported in this survey report are a mix of quantitative data and qualitative analysis, including informal semi-structured interviews, member feedback sent to BuzzCity's mobile community, myGamma, and results from previous lifestyle surveys.

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## Global Outlook

A total of 1798 respondents were surveyed. Responses were recorded from surfers in Bangladesh, Egypt, Indonesia, Kenya, Malaysia, Nigeria, The Philippines, South Africa, Thailand, United Kingdom and United States of America.

On a global average, 33% of respondents are Female and 67% Male. The three most used handsets for surfing are Nokia (46%), Samsung (12%) and Sony Ericsson (11%).

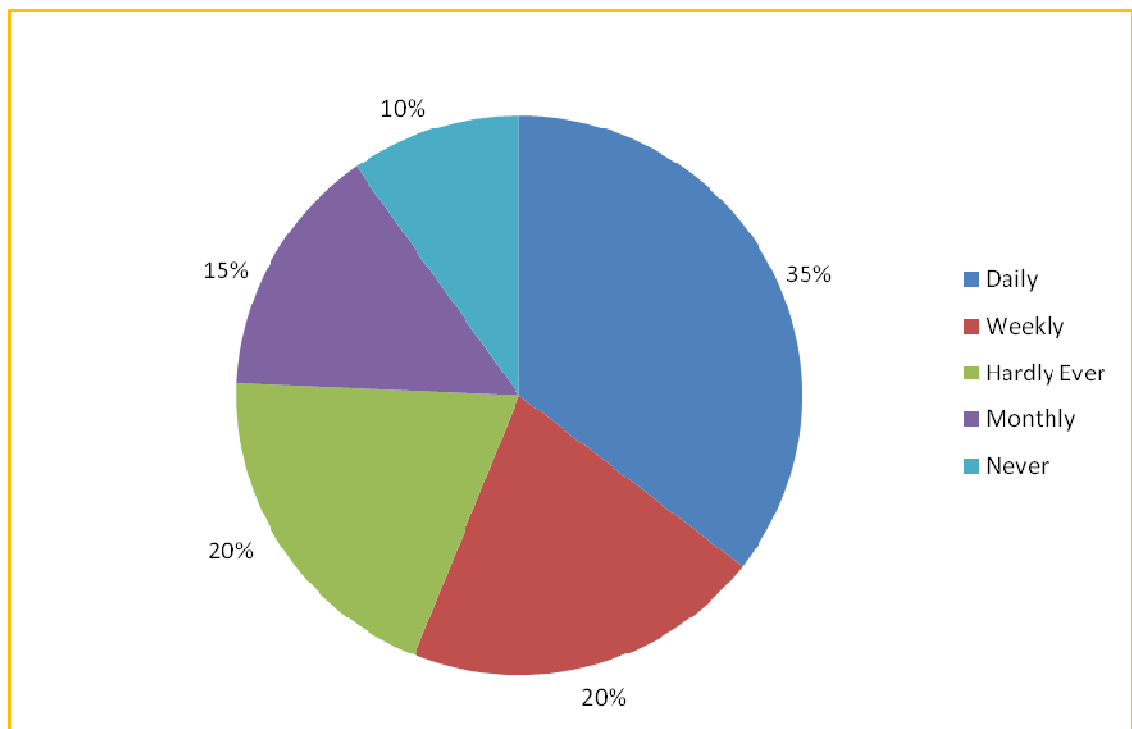
Some 6% of respondents accessed the survey via the PC's.

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<sup>1</sup> Previously recorded at 10% in 'Digital Lifestyle Report' by BuzzCity, July 2008

## 1. How often do you buy with your phone?

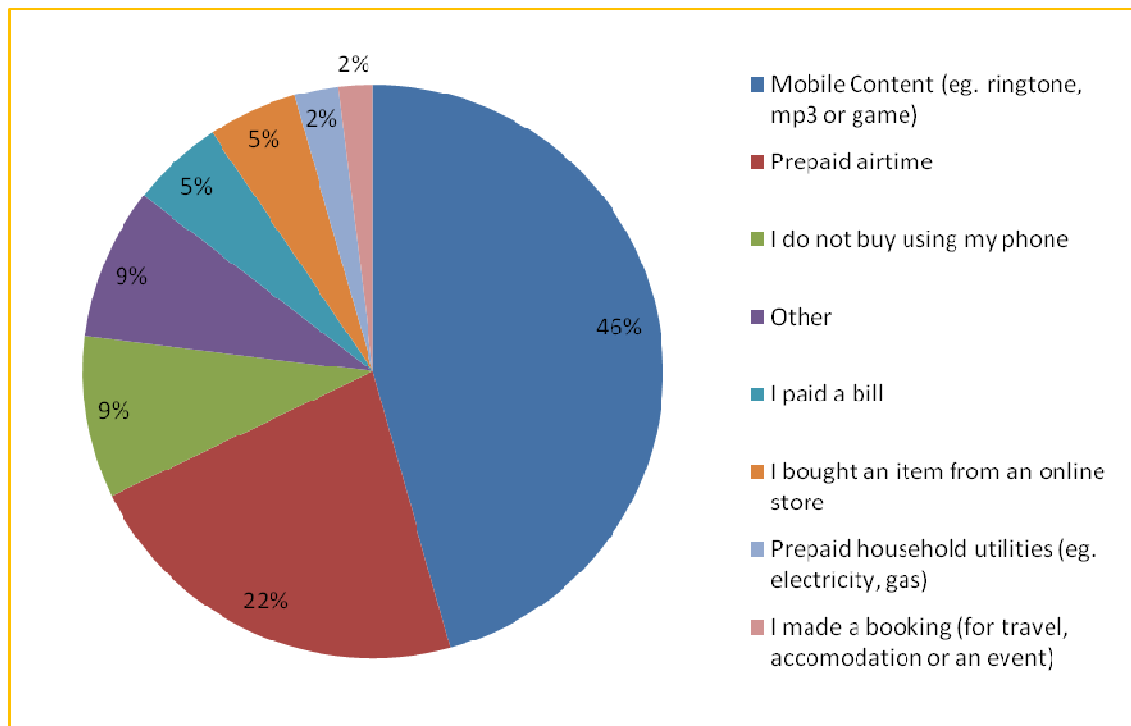
Across the globe, 70% of surfers have bought something with their phone<sup>2</sup> while a remaining 30% hardly ever or never buy things with their mobiles. 10% claim to never make purchases on their mobiles. Of those who do but with their phones, 35% make daily purchases, 21% make weekly purchases and 15% make their purchases monthly.



<sup>2</sup> Also reported in "Digital Lifestyle Report" by BuzzCity, July 2008

## 2. What did you last buy with your handset?

Among respondents, mobile content (46%) ranks high among the most recent purchases followed by prepaid airtime (22%).

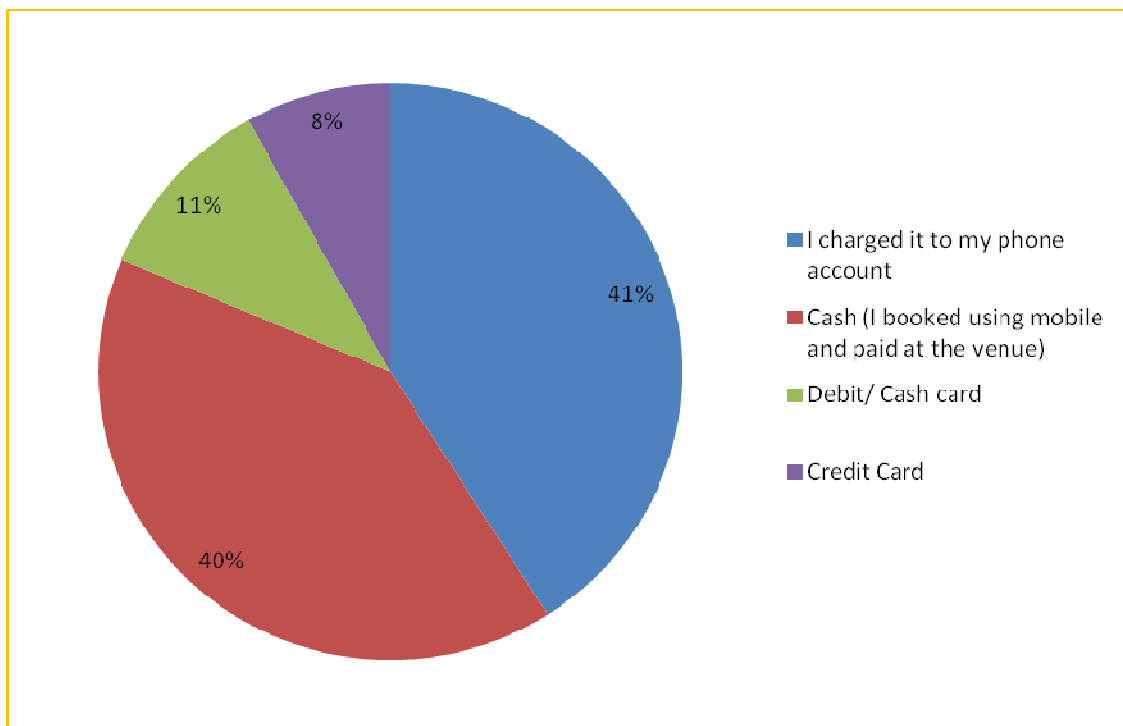


Almost 70% of mobile transactions are related to the use of the mobile – many content services are based on daily subscriptions package and prepaid users in many markets make small top-ups for each days’ usage.

Products not directly related to mobile use account for 23% of all transactions on mobile. These include payment of bills, online purchases, bookings and purchase of prepaid utilities. ‘Other’ products account for 9% of purchases and across the numerous markets can include low premium insurance products, devotional products and virtual items.

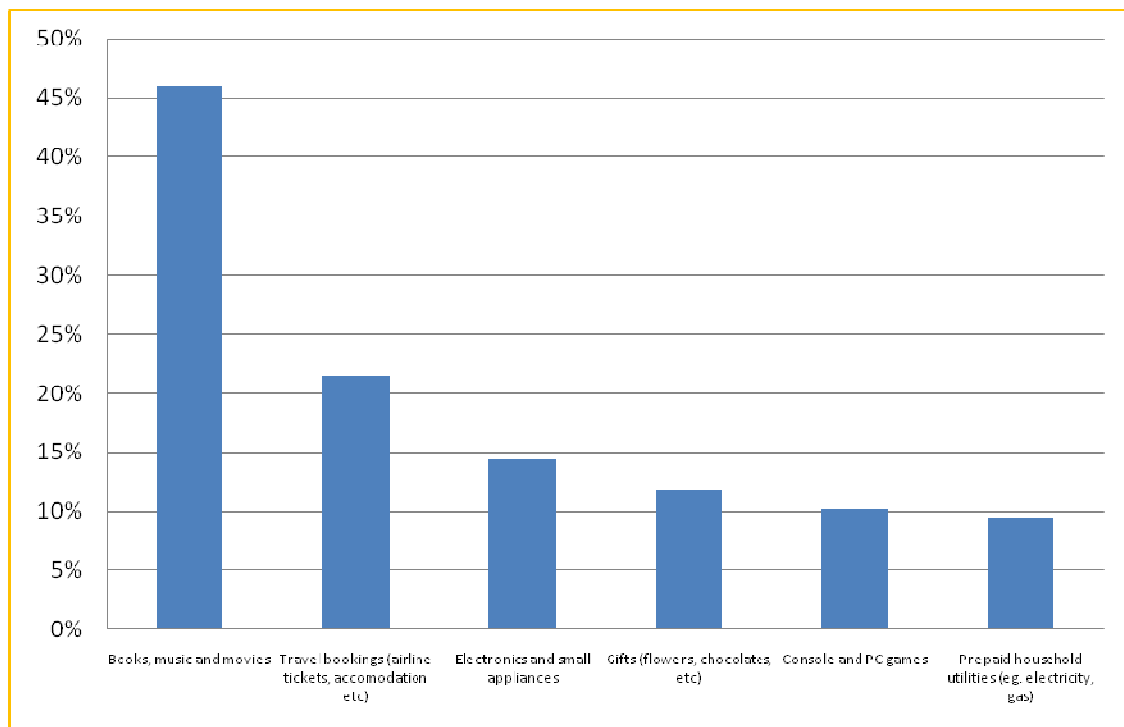
### 3. How did you pay?

Cash remains the most convenient means of payment for 51% of users, either with hard cash or debit / cash card. While 41% of users are comfortable charging their purchases to their phone account another 40% prefer to book using their mobile and pay at the venue. Only 8% transact with their credit cards.



#### 4. What other items would you buy with your phone?

In addition to mobile content, a large range of consumer goods are in demand among mobile users which they are prepared to purchase using their mobiles. Books, music and movies are the most sought after (45%) followed by travel bookings (22%) and small appliances (11%)<sup>3</sup>.



<sup>3</sup> Refer to 'Digital Lifestyle Survey', BuzzCity July 2008

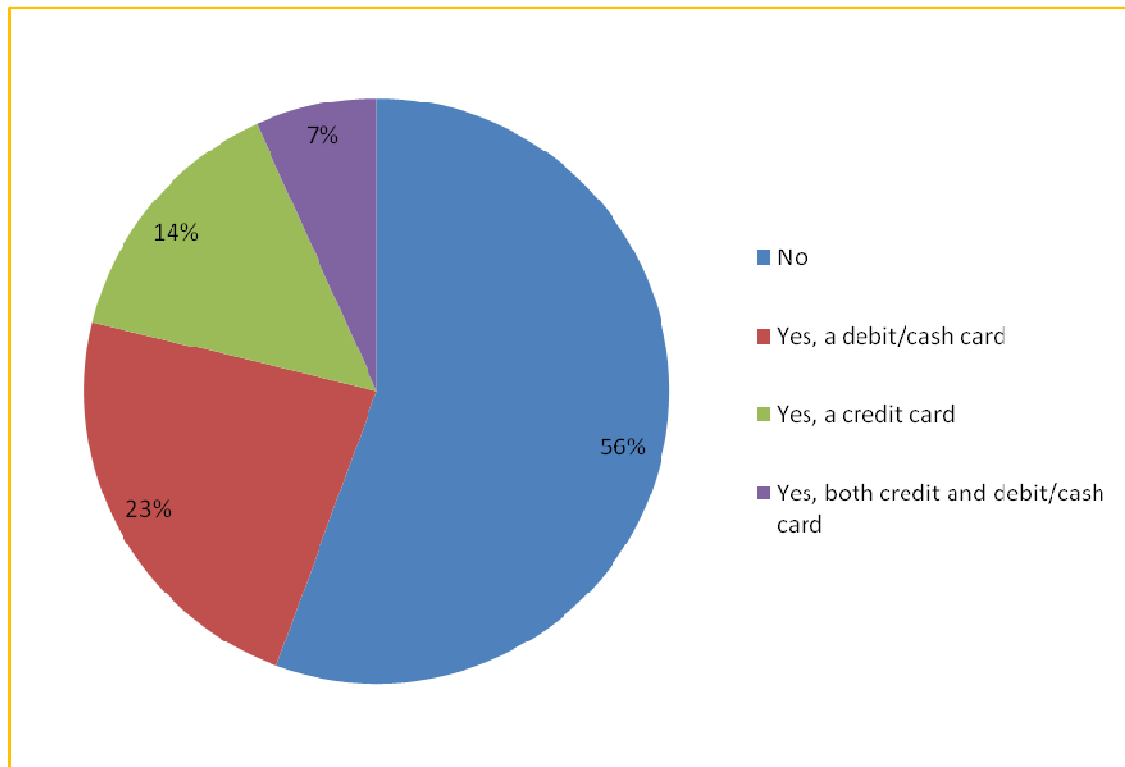


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## 5. Who do you bank with?

While (understandably) no single bank emerged as the preferred bank, it was also clear that 29% of respondents do not even have a bank account. This in part explains the preference for cash payments at the venue as they may not have other methods available to enable electronic transactions.

## 6. Do you have a credit or debit/cash card?

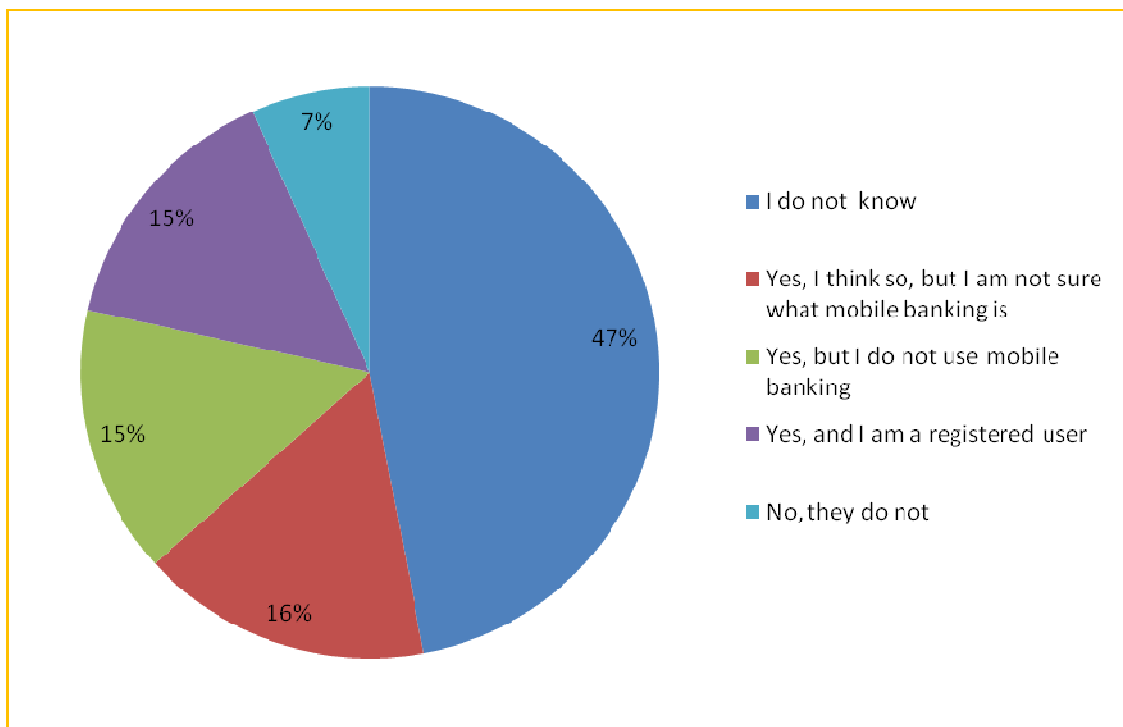


A large portion of respondents (56%) do not have credit or debit cards while 14% have a personal credit facility in the form of a credit card.

44% are 'enabled' for electronic transactions either with a credit or cash card.

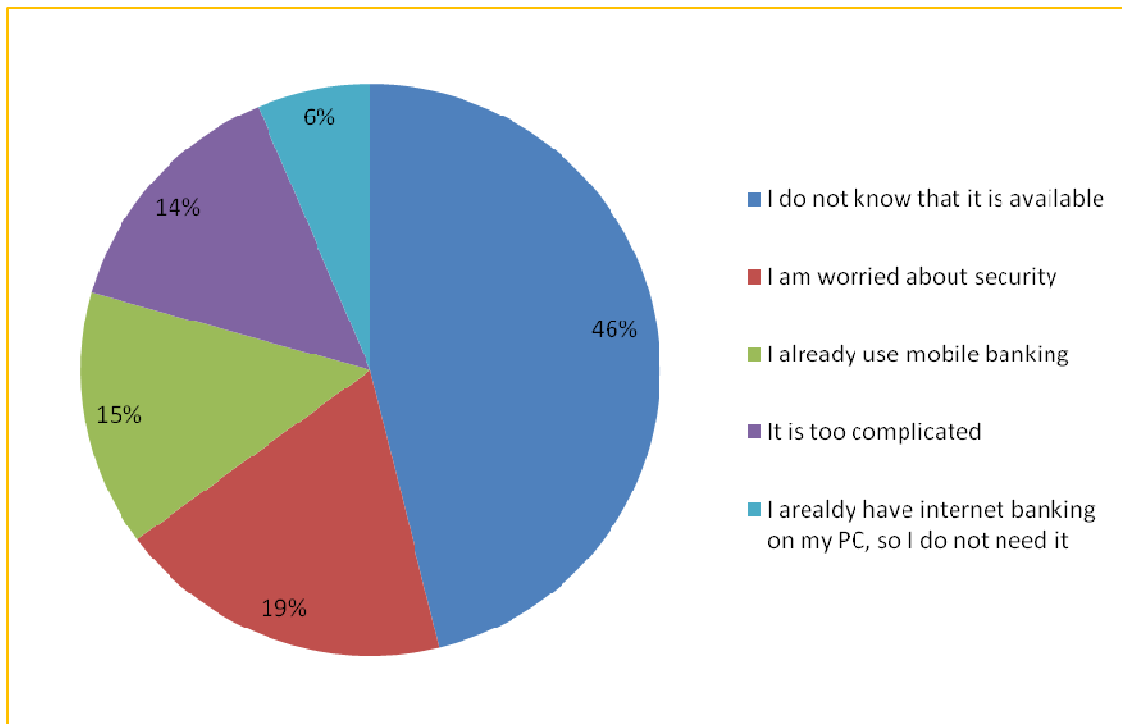
## 7. Does your bank offer mobile banking?

On a global scale some 30% are registered for mobile banking although only 15% bank through their mobile. A large portion (63%) of users either do not know if it is offered or think it might be but are not sure.

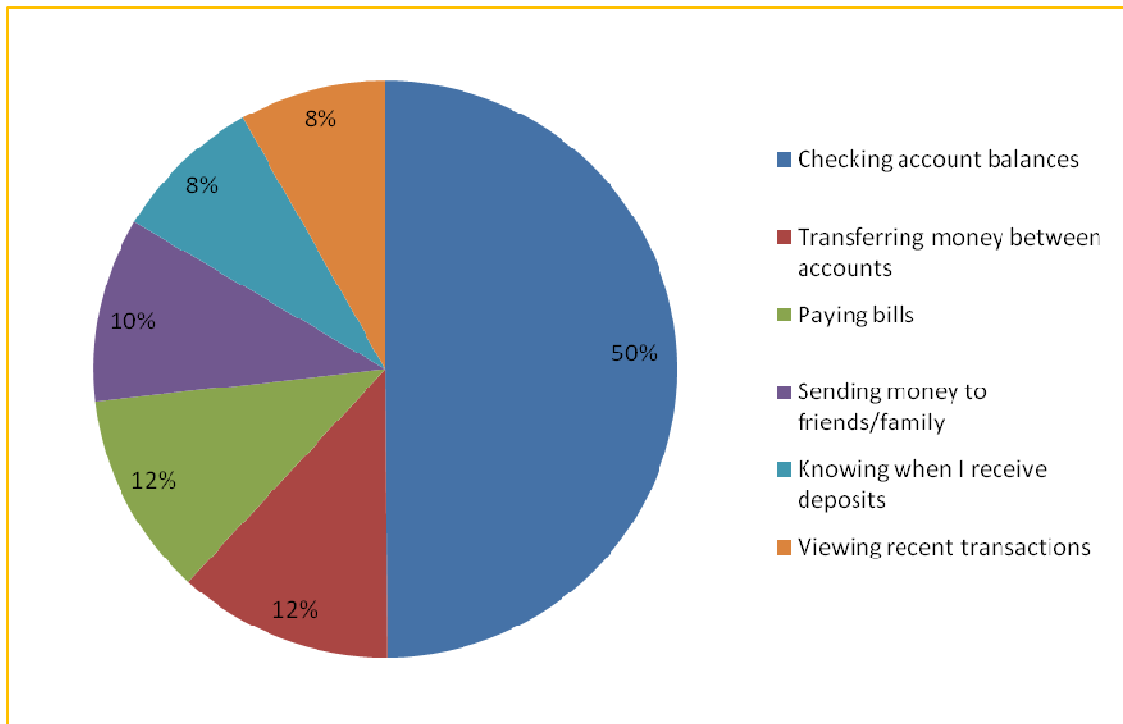


### 8. If you don't already use mobile banking, why not?

A large portion (46%) of users do not know that mobile banking is available. 19% are worried about security and 14% think it's too complicated. 20% of mobile surfers use electronic banking: 14% use mobile banking while 6% already enjoy the convenience of internet banking via their PC.



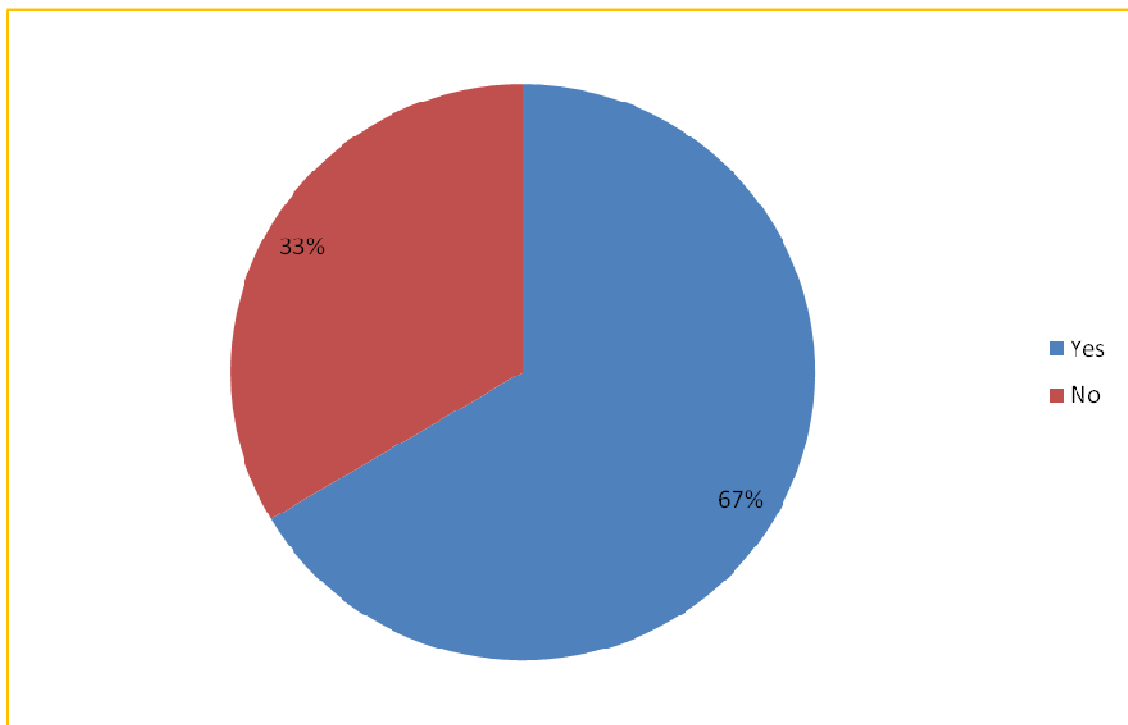
**9. Which of the following mobile banking transactions do you think are most useful?**



Mobile banking is primarily used for checking account balances (50%), transferring between accounts (12%) and paying bills (12%). In close succession are sending money (10%), updates on deposits (8%) and recent transactions (8%).

## 10. Do you use any other services to send money?

Besides their banks, 67% of surfers also rely on other service providers to send money. This was an open ended question and a variety of responses were secured. Notable was the role of the post office in each market (money orders, postal orders, posting of cash presumably via registered post), airtime credit transfers and independent remittance services (e.g. MoneyGram and Western Union).



## Conclusions

1. Mobile users are comfortably experienced with the use of mobiles and many (35%) transact daily using their phones:
  - a. While most (68%) of this is related to their mobiles - mobile content and prepaid airtime - users do buy other 'mainstream' products with their mobiles
2. Users also want to use their mobiles to buy more goods (e.g. books, music, make travel bookings, pay for household utilities, electronic appliances etc.)
3. The provision of these services may be impacted by payment methods:
  - a. Many users (41%) charge their purchases to their phone account (more likely for mobile content and airtime) while,
  - b. Another 40% make their payments at the venue having used their mobiles to make bookings
  - c. A smaller number (19%) of users use other forms of electronic transaction (cash card or credit card) for payments
4. Many users may not have all the tools for online transactions (mobile or otherwise) as:
  - a. 29% do not have bank accounts
  - b. 56% do not have cash cards or credit cards

5. However, some are equipped with the means to pay directly through bank facilities:
  - a. 44% are 'enabled' for electronic transactions either with a credit or cash card.
  - b. 14% have a personal credit facility in the form of a credit card
6. Bank-led online transactions via mobile may be limited as:
  - a. A large portion (63%) of users either do not know if it is offered or are not sure what mobile banking is
  - b. 15% feel it is too complicated
  - c. 19% are worried about security
  - d. Only 15% bank through their mobiles although twice that number are registered for it (6% bank via their PC)
7. Purchases and payments are not top of mind when surfers think of mobile banking:
  - a. Most think of the additive characteristics<sup>4</sup> (checking balances etc.) of m-banking probably for the convenience.
  - b. Paying bills (12%) and sending money (10%) are also considered which are arguably transformational<sup>5</sup> characteristics
  - c. This transformational nature is taken up by many (67%) who use various other providers (some bank owned) for remittances. While no providers emerge as clear leaders across the globe Western Union and the local Post Office are consistently mentioned in nearly all markets

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<sup>4</sup> The phone is merely another channel for an existing account holder.

<sup>5</sup> Products aimed at those who don't have accounts

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## Recommendations

1. User education is clearly inadequate as many are not aware of the m-banking services on offer. While education needs to be stepped up, this should take the form of more than a simple laundry list of functions. It must promote the convenience and ease of mobile payments
2. This will mean banks and carriers will need to develop more merchant partnerships in order to meet the user demand for more consumer items - particularly in the travel and consumer electronics sectors
3. Opportunities for new services are emerging as users also demonstrate a clear preference to pay on-site for their mobile purchases. This opportunity could possibly be taken up by postal services that already have widespread physical distribution, particularly in rural areas



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## About BuzzCity

BuzzCity is a mobile media company offering brand owners and agencies access to a global advertising network on the mobile internet. The network is made up of publishers from across the world and BuzzCity's own mobile media properties. As a leading international player, BuzzCity has developed in-depth knowledge of the mobile consumer and provides marketers with clear opportunities to reach this audience via its advertising and publisher programmes.