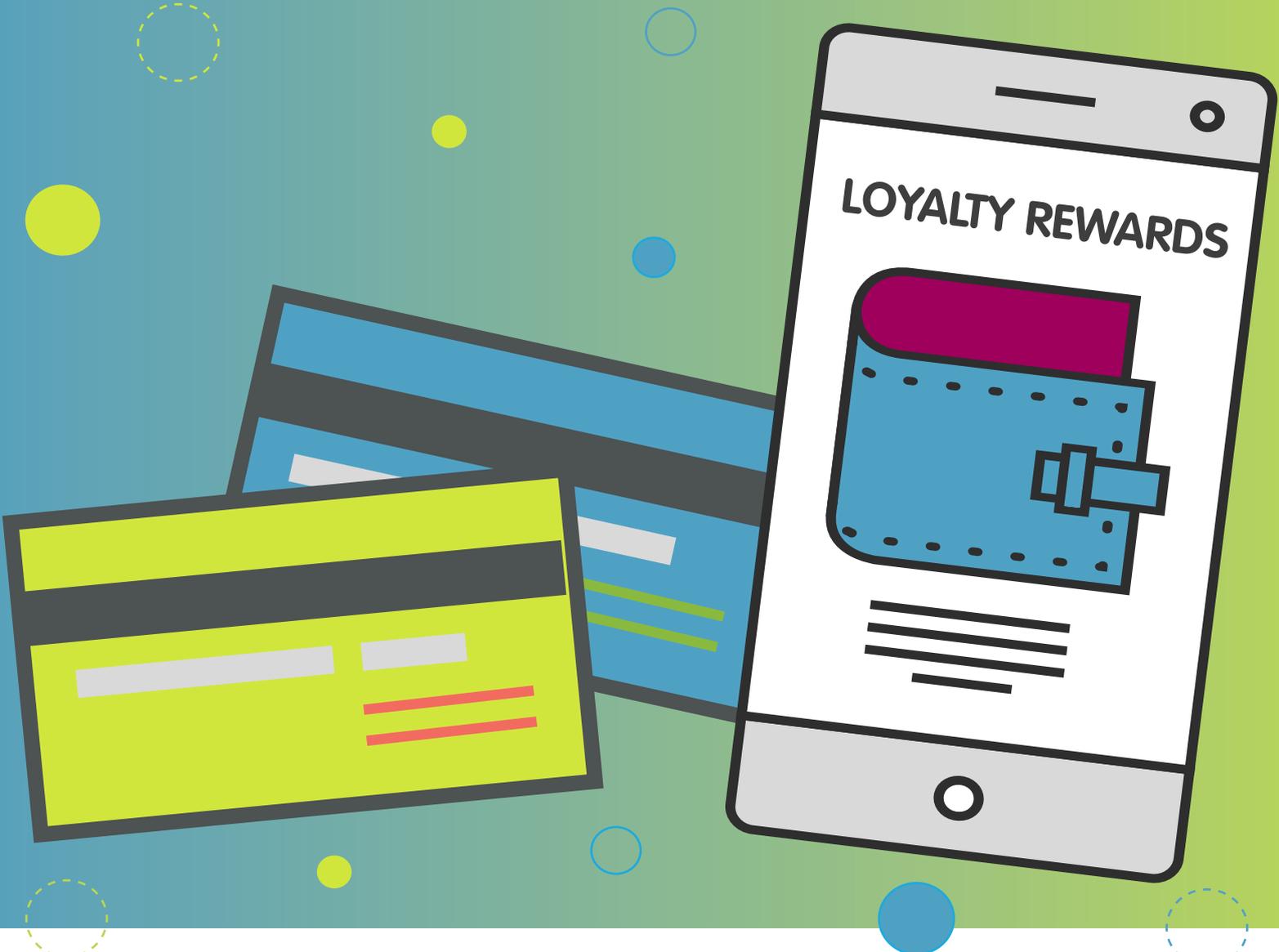




# 2016/2017 MOBILE AND LOYALTY SURVEY





## WHY THE SURVEY?

Veoo wanted to survey loyalty card holders to understand what the future holds for mobile wallet adoption, to understand what customers want from a mobile wallet solution and what will spur adoption and use. Veoo also wanted to find out how awareness and perception of mobile wallet solutions grown.

Today many of us still have bulky wallets. On average, each of us has four credit cards, a driver's licence, a handful of plastic loyalty cards, and a few membership cards. While the dream of doing away with bulky wallets completely may not yet be upon us, mobile wallets offer a solution that moves us a step closer to achieving this aspiration by consolidating many of the plastic cards we use daily onto our phones.

The key question, however, is whether we are ready for mobile wallets and value added solutions? As consumers how do we feel about mobile wallets?

Leading global mobile consultancy, Veoo, alongside its US partner Vibes, commissioned a UK and US Survey to find out what the future holds for mobile wallet adoption. Veoo has its own mobile wallet solution and was keen to find out how the general public views loyalty cards and whether a mobile wallet solution would indeed provide added value.

**43% WOULD NOT SIGN UP TO A LOYALTY PROGRAM IF THEY COULDN'T FIT ANOTHER CARD IN THEIR PHYSICAL WALLET!**

## HIGHLIGHTS

### THE BIG OPPORTUNITY

The survey shows that the value proposition for mobile wallets is definitely understood and while the UK market is still maturing it could accelerate, as there is still a big appetite for loyalty cards and reward programs.

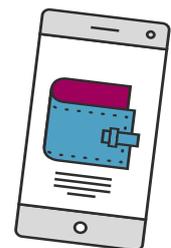


**1/4** UK loyalty card holders are already using mobile wallet solutions

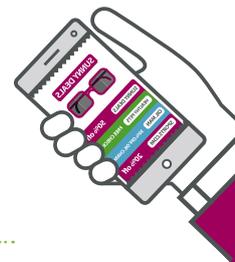
**95%** of all those surveyed hold anywhere between 1 and 10 physical loyalty cards in their wallet.



**84%** of those who use mobile wallet solutions, hold between 1 and 10 loyalty cards in it.



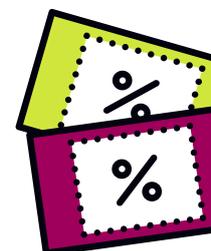
**4** is the average amount of loyalty cards respondents held in comparison to 3 being typically held by those who use mobile wallet solutions.



**93%** use between 1 and 5 of their loyalty cards stored in their mobile wallet solution every month. With over 89% using anywhere between 1 and 4 of their physical loyalty cards every month.



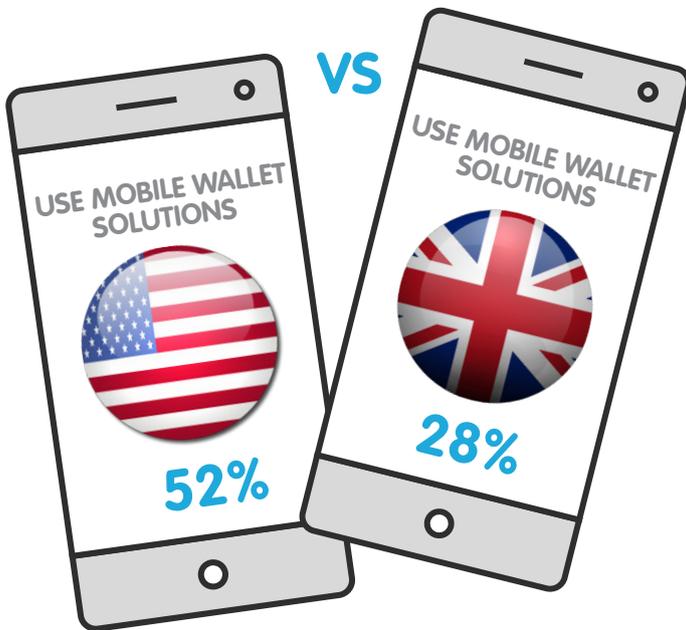
**97%** of the total respondents carry anywhere between 1 and 10 of their physical loyalty cards around with them all the time and 97% their mobile loyalty versions.



## IN EVERY ASPECT THE US IS FURTHER AHEAD

The US is much further ahead than the UK when it comes to using mobile wallet solutions.

52% of US respondents versus 28% of UK respondents are using mobile wallet solutions for offers and coupons. 30% of US respondents versus 19% of UK respondents for airline boarding passes, and 48% US versus 29% UK for loyalty cards.



## PHYSICAL COUPONS STILL BEING USED

70% of UK and 69% of US respondents still keep track of coupons and offers by keeping the physical coupons in their wallet/purse. 52% of US respondents are now saving offers/coupons to their mobile wallet solution whereas only 28% of respondents are doing this in the UK.

## CONVENIENCE IS THE TOP REASON FOR USING A MOBILE WALLET SOLUTION

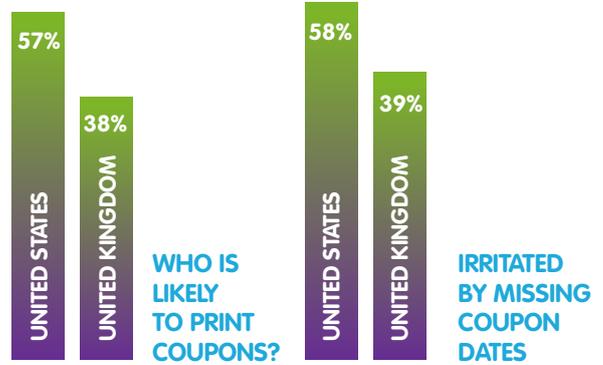
Overall, for those that use a mobile wallet, over 80% of both UK and US respondents view mobile wallet solutions as much more convenient.



## THRIFTY US CONSUMERS

The US it is very much a consumer based society with intense pressure to maximise every dollar spent.

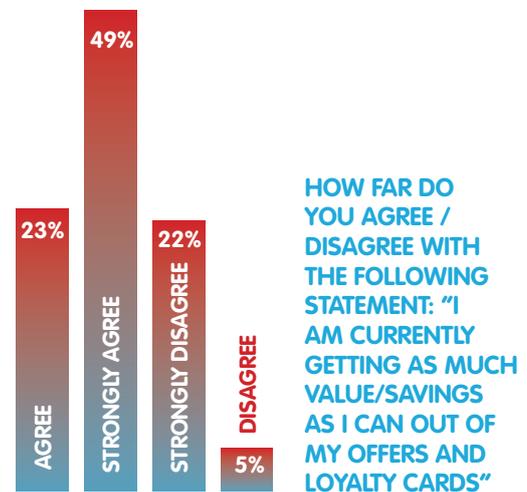
57% of US respondents are much more likely to print out coupons and redeem instore than UK (38%). Equally, US respondents get far more irritated (58%) about missing expiration dates on offers than those in the UK (39%).



## CAUTION TO RETAILERS

28% of the total respondents surveyed do not believe that they are getting as much value out of offers and loyalty cards as they could. 73% sign up to new loyalty programs just so that they can get the rewards.

Retailers be aware, more than two in five of those surveyed (43%) agreed they would stop signing up for new loyalty cards if they could not fit them into their physical wallet.



## THE TIDE IS CHANGING

Overall, 31% of the total respondents would have a much more positive opinion of a loyalty program if they were able to save plastic loyalty cards to their smartphone and have instant access to point balances, rewards and exclusive information. This figure changes to 20% when looking at UK respondents only and 41% for the US respondents.

**80% OF RESPONDENTS VIEW MOBILE WALLET SOLUTIONS AS MORE CONVENIENT**

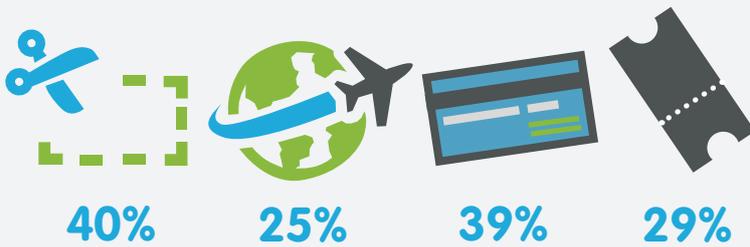


# FULL SURVEY FINDINGS

## MOBILE WALLET USAGE:

Survey respondents were asked whether they use a mobile wallet to store information such as offers/coupons, airline boarding passes, loyalty cards and tickets. 40% of the total survey respondents (both US and UK) said yes they use a mobile device for offers and coupons. One quarter (25%) said yes they use it for airline boarding passes, 39% said yes for loyalty cards and 29% said yes they use it for booking tickets.

In all aspects UK respondent's usage was lower than in the US. 28% of UK respondents use a mobile solution for offers and coupons, 19% for airline boarding passes, 29% for loyalty cards and 24% for tickets.



## CONVENIENCE A DRIVING FACTOR :

Respondents who answered yes to using mobile wallet solutions were then asked why they use mobile devices. Convenience was clearly the driving factor with 88% claiming this to be the case for offers and coupons, 78% for airline boarding passes and loyalty cards, and 77% said this for tickets.



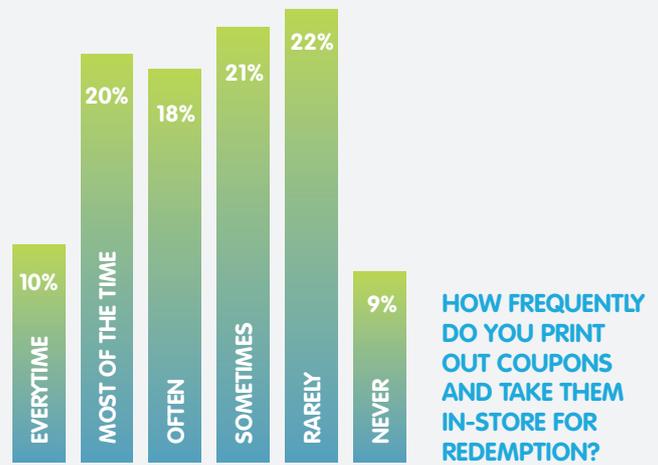
## KEEPING TRACK OF COUPONS

When we asked how the respondents currently keep track of coupons and offers over two thirds or 69% stated that they keep physical coupons in their wallet or purse. This statistic was similar for both the UK and US (70% and 69% respectively).

Overall, 25% of the respondents save coupons to their mobile wallet solution but this is much higher in the US than the UK with 16% of UK respondents stating that they do this versus 35% in the US. 15% of UK respondents admit that they don't keep track of coupons at all versus 10% in the US.

## TAKING PRINTED COUPONS IN-STORE:

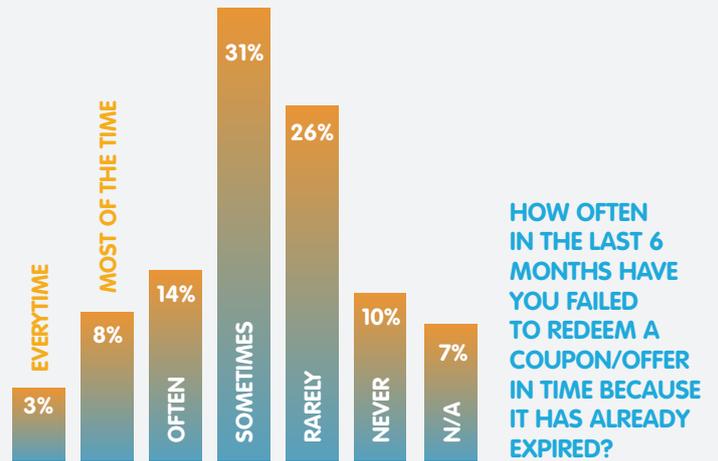
When we asked how frequently they print out coupons and take them in-store for redemption, over half (52%) stated they either never (9%), rarely (22%) or sometimes (21%), whereas only 10% stated every time they shop. 20% suggested that they do this most of the time and 18% said often.



When looking at the UK statistics only 62% stated they either never (13%), rarely (26%) or only sometimes (23%) print out coupons and take them in store for redemption versus 43% in the US.

## FAILING TO REDEEM COUPONS :

When asked how often in the last six months have you failed to redeem a coupon or offer in time.



The UK respondent's figures were almost the same with 24% stating that this was either every time (2%), most of the time (8%) or often (14%). 27% suggested sometimes. In the US 6% stated never versus 13% in the UK,



## HOW IRRITATED DO WE GET?:

The survey asked how irritated respondents felt when they miss the expiration date on an offer or coupon they wanted to use. Nearly half of the total respondents surveyed (48%) stated that it either irritated them every time (21%), most of the time (15%) or often (12%) if they miss these redemption timeframes. Only 8% suggested that they never miss them meaning that 92% of the total respondents will at some stage be irritated.

Where the UK is concerned, we appear to get less irritated about this with only 39% claiming that this is the case if they miss an expiration date on an offer or coupon every time (14%), most of the time (13%) or often (12%). This is compared to 58%, more than double that in the US who claim to get irritated when they miss an offer every time (27%), most of the time (18%) or often (12%).

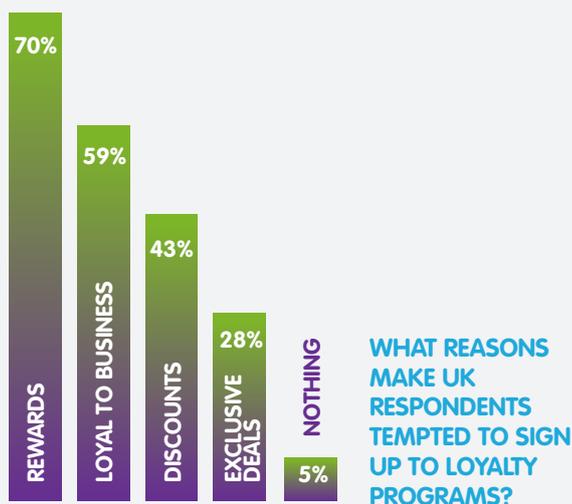
When respondents were asked how far they agreed or disagreed with the statement: I am currently getting as much value/savings as I can out of my offers and loyalty cards, over one quarter (28%) either disagreed (5%) or somewhat disagreed (22%) with only 23% agreeing and 49% somewhat agreeing with the statement.

## 28% OF THE TOTAL RESPONDENTS DO NOT BELIEVE THAT THEY ARE GETTING AS MUCH VALUE OR SAVINGS OUT OF OFFERS AND LOYALTY CARDS AS THEY COULD

### PERCEPTIONS OF RETAILER:

Perceptions of a retailer would change for over half (51%) of those that surveyed to a much more or somewhat more positive view of that retailer if they started to deliver digitised coupons and offers that the consumer could save to their smartphone. One third (33%) stated that it would have no impact on their opinion of the retailer at all and only 5% said that it would diminish their view.

In the UK, 38% of those surveyed would either have a much more positive opinion or a somewhat positive opinion of the retailer. 40% claimed that it would make no impact on their opinion and 7% stated that it would weaken or diminish their view.



### PERCEPTIONS OF A LOYALTY PROGRAM:

In the UK perceptions of a loyalty program would change if the respondent was able to save plastic loyalty cards to their smartphone. 20% would have a much more positive opinion of the program and 32% would have a somewhat more positive opinion of the loyalty program. 41% stated that it would have no impact at all and 7% said that it would diminish their opinion.

# 95%

## OF UK RESPONDENTS COULD BE TEMPTED TO SIGN UP TO A LOYALTY REWARD PROGRAM

### CONCLUSION

The research really speaks to the need for a mobile wallet solution as more than two-fifths of the US and UK respondents (43%) stated that they would stop signing up for new programs if they could not fit any more plastic cards into their wallets.

In terms of getting consumers to sign up for a new loyalty program, there needs to be an easy registration process and the programs need to be easy to use. A mobile wallet solution can significantly enhance usage. Let's face it, these numbers are great under a bad physical system. How much better could it be under an electronic system? Mobile provides convenience and immediacy which makes it the go to device for consumers in the UK. Brands and retailers must capitalise on that shift.

The other benefit of mobile wallet solutions is that they can cope with the dynamic element of loyalty programs. Retailers want to change aspects of these programs to stimulate purchases all the time as well as making changes to the rules of the program and so on. To overhaul or even do a slight tweak with the physical loyalty and reward programs is expensive as new paperwork and new loyalty cards are needed. By relying on traditional distribution channels for coupons and offers, retailers are missing out on opportunities to bolster their connection with consumers. For customers, being able to access coupons and offers on the go makes for a better, more convenient shopping experience.

Mobile wallet solutions are lightweight and dynamic. Retailers and brands can change and update the program as their business develops and in the long run can save the retailer a huge amount of money.

If you are interested in finding out more about the Veoo mobile wallet solution and how you can implement it in your business, please don't hesitate to [contact us](#).

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### METHODOLOGY

- An online quantitative survey undertaken with UK and US residents
- Fieldwork conducted in September 2016
- A total of 2,003 respondents
- All were loyalty card holders, age 18+