

Is Cash Still King? Consumers Talk Mobile Payment Pain Points

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While many shoppers still pay with cash, mobile payment utilization continues to increase. To keep adoption rates on the rise, however, better improvements to visibility, quality, connection and usage instructions will need to be implemented.

In an April 2019 survey from ad agency Hill Holliday, 55% of US smartphone users said they hate the idea of life without cash, and 45.3% don't see any reason to use mobile payments. However, an aversion to new transaction tech may be due to a lack of awareness. The study also found that:

- 23% of respondents said they don't know how to use mobile payments.
- 23% reported being unaware of whether stores will accept mobile payments.
- 48% said they wouldn't recommend using mobile payments.

According to an October 2018 study from RootMetrics and IHS Markit, more than one-third of US smartphone users said they don't use mobile payment apps because they think using a credit card or cash is easier (37.4%), or they worry that their data isn't secure (36.3%). One

in 10 respondents said they don't use them because they've experienced connectivity issues in the past.

Additionally, GfK surveyed US internet users last August on their feelings about mobile payments. Around half of millennial and Gen Z respondents said they preferred to pay with their mobile device. They also said they feel the method is easier and faster.

But Gen Xers and boomers (ages 39 and older, per the survey) found little use for mobile payments, with just 28% and 11% noting it as their preferred payment method. Across the board, security concerns plagued mobile payments—more than half of consumers of all ages said they were worried about the security of their personal information when using mobile payments.

How Do US Internet Users Feel About Mobile Payments?

% of respondents, by age, Aug 2018

	1	2	3	4	5
1 Prefer to pay with mobile device					
2 Easier than other methods					
3 Faster than other methods					
4 More efficient than other methods					
5 Concerned re: security of personal info w/ mobile payments					
Gen Z (19-28)	49%	56%	58%	55%	57%
Gen Y (29-38)	48%	58%	58%	57%	59%
Gen X (39-53)	28%	37%	44%	39%	60%
Baby boomers (54-72)	11%	17%	18%	17%	61%
Average	30%	37%	40%	38%	59%

Source: GfK, "FutureBuy 2018," Jan 10, 2019

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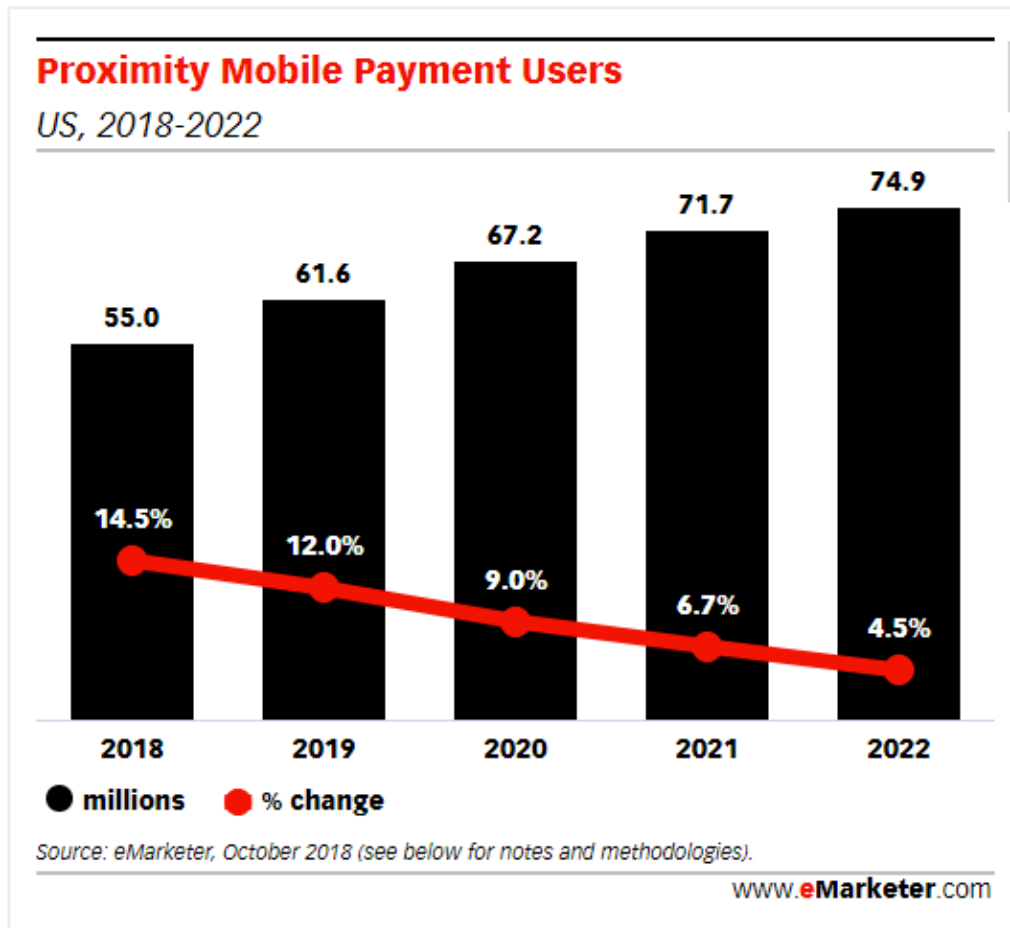
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And while the Hill Holliday survey found that respondents were actually twice as likely to feel safe vs. unsafe making mobile payments, it uncovered other pain points. Thirty-five percent of smartphone users said their mobile payment methods crashed frequently, 29% wanted visual cues describing how to use the payment method, and 27% said limited internet access was a barrier.

Among mobile payment users, 58% started using the technology in the past year, and 51% said their use of mobile for in-store transactions was driven by family or friends introducing them to it. Additionally,

improvements to the aforementioned consumer pain points would influence 63% of respondents' willingness to go cardless and cashless.

Making the transaction experience more user-friendly is important, as 61.6 million people in the US are expected to be proximity mobile payment users this year, according to our estimates. That figure is up 12% year over year and will account for 27.4% of smartphone users. By 2022, the number of mobile payment users will reach 74.9 million.



The survey results above indicate that consumer willingness to use mobile payments does exist—especially among younger consumers—but more widespread awareness about how and where to use these payments is key.

Marketers also need to fine-tune their payment methods to avoid transaction hiccups and ensure consumers' information is safe.