

# Inside Secure Research Reveals over 17% more Consumers will take the Mobile Payments Leap and Use Smartphones for In-Store Purchases this Holiday Season

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*However, Identity Theft, Payment Fraud and Data Privacy Concerns Remain the Biggest Barriers to Mass Adoption of Mobile Payment Services*

Aix-en-Provence, Nov. 18, 2015 - Inside Secure (Euronext Paris: INSD), a leader in embedded security solutions for mobile and connected devices, today announced the results of a survey about consumer in-store mobile payment trends by Research Now. Evaluating the mobile payment preferences of 1,217 consumers from the U.S., the survey revealed that 17 percent of respondents who did not make holiday purchases with their mobile phone last year, plan to use a payment service such as Apple Pay, Android Pay, Samsung Pay or a proprietary service from their bank or card issuer to make the leap to mobile payments this holiday season. People who will not be using their mobile device to make in-store purchases cite identity theft, payment fraud and privacy concerns as the primary reasons.

"It's exciting to see the evolution of in-store mobile payments from last year to this year," said David Monahan, Research Director of Enterprise Management Associates. "However, for mobile payments to make the leap to full-scale adoption, the industry must create the consumer confidence that the technology is more secure than traditional card-based payments having the security to prevent identity theft and privacy compromise they have been experiencing."

## In-Store Mobile Payments Are Growing in Popularity

Mobile payment services or digital payment wallets are smartphone payment apps used to pay for goods and services at the point-of-sale (POS). Examples include Apple Pay, Android Pay, Samsung Pay, Google Wallet, Softcard, Starbucks' mobile payment app, and card issuers' proprietary payment apps. The research reveals growth in the popularity of mobile payment services this holiday season.

- Thirty-nine percent of respondents plan to make in-store holiday purchases with their mobile device this year compared to 33 percent last year.
- Seventeen percent of respondents who did not use their smartphone to make holiday purchases last year, plan to make the leap to mobile this year.
- Men (53%) are ahead of women (47%) in their plans to use mobile payments this holiday season.
- Mobile payments are most popular with people 18-44 years of age. Sixty-four percent of consumers planning to use their smartphone at the point-of-sale are between the ages of 18-44 years old versus 36 percent of consumers aged 45 or older.
- iOS users are more likely than Android users to be using mobile payment services at the POS this holiday season. 45 percent of iOS users will make a mobile payment, whereas only 26 percent of Android users will do so.

## Security Concerns are the Biggest Barriers to Mass Adoption

People who are not planning to use their phone to make in-store holiday purchases are more concerned about payment fraud, data privacy and identity theft compared to those that will be using their mobile device at the POS this holiday season. Those same concerns were manifest both last year and this year.

- Seventy percent of people who are not planning to use their smartphone to make in-store holiday purchases state that their concerns about identity theft prevent them from using in-store mobile payment applications.
- Seventy percent state that their concerns about mobile payment fraud prevent them from using in-store mobile payment apps.
- Seventy-one percent stated that the privacy of their transaction data was a top concern.

## Banks May Have the Advantage

Research showed that despite the explosion of payment wallets from third parties like Apple, Samsung and others, banks and financial institutions may have a strong edge on consumer trust.

- Fifty-one percent of mobile payment holiday shoppers said they would prefer to use an app from their bank instead of third-party services like Apple Pay, Android Pay or Samsung Pay.

Inside Secure and Research Now will disclose additional survey findings about in-store mobile payments pertinent to banks and card issuers in the new year.

## Inside Secure Mobile Payment Solutions

Inside Secure is trusted by financial institutions worldwide to secure their mobile apps for banking, payment, and internal use. As an embedded security expert with a long history of delivering mobile app security and payments solutions, Inside Secure is uniquely positioned to offer an HCE (Host Card Emulation) mobile payment solution compliant with Visa and Mastercard's functional and security requirements. Banks and other card issuers can use Inside Secure's HCE payment application solution to establish a two-way interaction with their customers and as a single solution for Android fragmentation.

## Resources

- Download the infographic here: <http://www.insidesecond.com/static/survey/infographic.php>
- For additional information on Inside Secure HCE Mobile Payment Solutions visit: <http://www.insidesecond.com/Markets-solutions/Payment-and-Mobile-Banking>

## About Inside Secure

Inside Secure (Euronext Paris FR0010291245 – INSD) provides comprehensive embedded security solutions. World-leading companies rely on Inside Secure's mobile security and secure transaction offerings to protect critical assets including connected devices, content, services, identity and transactions. Unmatched security expertise combined with a comprehensive range of IP, semiconductors, software and associated services gives Inside Secure customers a single source for advanced solutions and superior investment protection.

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