



The State of **Mobile Wallet** Marketing

*Reach All Your App Users,
Regardless of Opt-In Status*



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Introduction

Mobile wallets are becoming part of our daily lives. Whether you use them or not, payment terminals are rapidly enabling contactless payment technology, giving rise to mobile payment options such as Apple Pay and Android Pay. But mobile wallets are not just payment tools — the ways businesses can use them to deliver value to customers are multiplying, and have few limits.

WHAT IS MOBILE WALLET?

There are two sides to Mobile Wallet: payment and non-payment. Mobile wallets (also referred to as “digital wallets”) contain content or information in the form of wallet passes or cards stored in Apple Wallet, Android Pay or Samsung Pay apps. While the payment side has received lots of attention, it’s the non-payment side of mobile wallet that will deliver true utility to consumers, reduce costs for businesses and ultimately drive mobile payment adoption.

Mobile wallets have the ability to transform the physical billfold to a fully digital utility, providing businesses an easy way to reach 100% of their customers on mobile — with or without an app. Multiple wallet items,

or passes, can be housed in each of these native wallet ecosystems for consolidated, easy access anywhere and everywhere.

SURVEY GOALS

As mobile wallets gain in popularity, both with consumers and businesses, we set out to understand peoples’ attitudes, expectations and adoption of mobile wallets, zeroing in on the marketing and customer service implications applicable to all businesses — whether they accept mobile payments or not.

Working with an independent survey firm, we provided a one-minute overview to 1,000 U.S. and 1,000 U.K. survey participants explaining how mobile wallets can be used to pay for purchases; apply coupon discounts and loyalty rewards at the register; and go paperless for boarding passes, movie tickets and more. The only filter for participation was ownership of an iPhone or Android smartphone, as mobile wallets come pre-installed.

What we discovered is nothing short of the next monumental shift in how consumers want to stay connected to businesses.

Respondent Profile

N = 2,000

The study was fielded between 31 May - 3 June 2016.

GEOGRAPHY



U.S.: 50% (1000)



U.K.: 50% (1000)

GENDER



51% female (1020)



49% male (980)

SMARTPHONE OPERATING SYSTEM



iOS: 42.3% (866)



Android: 56.7% (1134)

GENERATIONAL BREAKDOWN¹



Millennials (18-34): 29.5% (590)



Generation X (35-54): 36.5% (730)



Baby Boomers (55+): 34% (680)

ANNUAL HOUSEHOLD INCOME



Below \$59,999 (USD): 53.2% (1063)



Above \$60,000 (USD): 40.9% (818)



Preferred not to disclose: 6% (119)

¹We have gone with a common practice timespan for the purposes of this survey. Generations will always overlap by a few years.

Executive Summary

CONSUMERS ARE ALREADY USING MOBILE WALLET – AND WANT MORE

- More than half of those surveyed (54%) have already used a mobile wallet pass in one form or another. Especially among the younger set and those with above median household incomes (\$60k+), usage is more common.
- More than half of all survey respondents want to use mobile wallet for loyalty cards, coupons, order delivery updates, mobile payment, boarding passes, ID cards, event tickets and reminders (expirations, balances, etc.).

MOBILE WALLET LOYALTY CARDS BOOST PROGRAM PARTICIPATION

- Overall, 69% of respondents said they're more likely to use the loyalty card if it's on their phone, especially true for Millennials (82%) and households with higher incomes (78%).
- The biggest problems with loyalty program participation – forget they're members (40%) and forget the card (43%) – can be solved by using Mobile Wallet for loyalty membership.

MOBILE WALLET IS ONE OF THE TOP WAYS CONSUMERS WANT TO HEAR ABOUT SALES AND OFFERS

- Regardless of generation, mobile wallet (44% overall) is in the top four ways consumers want to be kept informed about sales.
- More than 57% of Millennials want information about sales, offers and coupons delivered via mobile wallet compared to email (most requested) at 63%.

INTERACTIVE ELEMENTS OF MOBILE WALLET PASSES WOULD BOOST COUPON REDEMPTION

- Expiration reminders, which can be sent directly to lockscreens from the wallet pass, would make 64% of consumers more likely to use the coupon.
- For Millennials overall, that number rises to 77%, increasing to 81% for U.S. Millennials.

Executive Summary

MILLENNIALS AND HIGHER INCOME HOUSEHOLDS SHOW THE MOST DESIRE AND PROMISE

- Millennials are more likely to have used a wallet pass in the last three months, and have employed them for more uses — 67% compared to 51% of Generation X respondents.
- Along the same lines, 62% of respondents with household incomes at or above \$60K USD have used mobile wallets in the last three months, compared to 39% with household incomes below \$60K.
- They also respond very positively to the personalization of content. Millennials (78%) and households with higher incomes (74%) are more likely to download a mobile wallet pass if it's personalized.

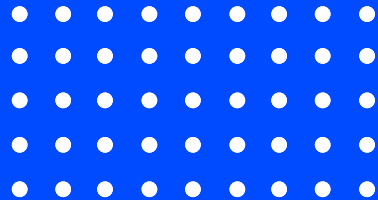
U.S. AND U.K. CONSUMERS EXHIBIT SIMILAR MOBILE WALLET BEHAVIORS AND DESIRES, WITH SOME KEY DIFFERENCES

- Overall U.K. mobile wallet adoption is lower — 63% of respondents from the U.S. have used a pass vs. 45% in the U.K — but this may be the result of Apple Pay and Android Pay launching later in that region.
- U.K. respondents use loyalty cards more often (78% “always” or “often” use them vs. 72% for the U.S.) and carry more cards with them daily.

THE FUTURE OF MOBILE PAYMENTS WILL BE DRIVEN BY MOBILE WALLET USAGE IN OTHER AREAS

- Already 55% of respondents are likely to use their phone to pay for things at the register. That likelihood rises to 73% when loyalty discounts and offers are automatically applied — a whopping 32% increase.
- These numbers are even more dramatic for households with lower incomes, who are 42% more likely to pay via mobile phone when loyalty discounts and offers are automatically applied.

Consumers are
Using Mobile Wallet
— and Want More



Consumers Have Been Exposed to Mobile Wallet

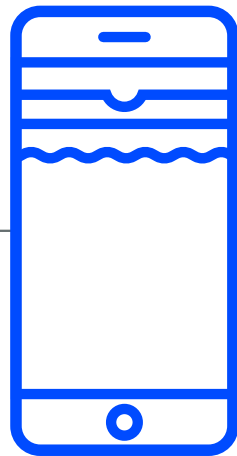
THE MAJORITY OF RESPONDENTS
HAVE USED A MOBILE WALLET PASS:

54%

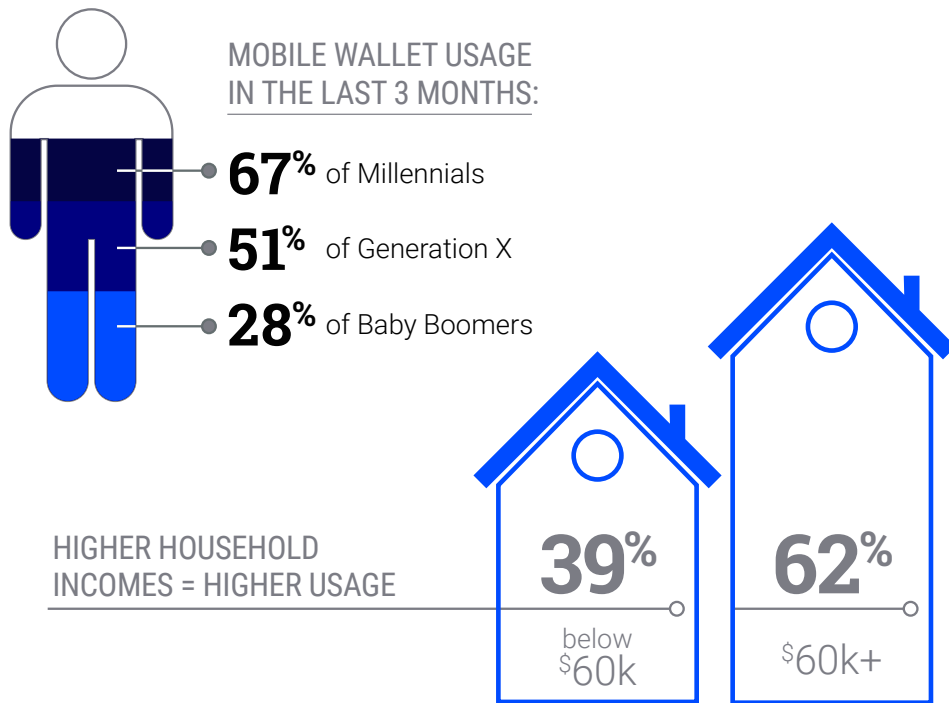
of all respondents

30%

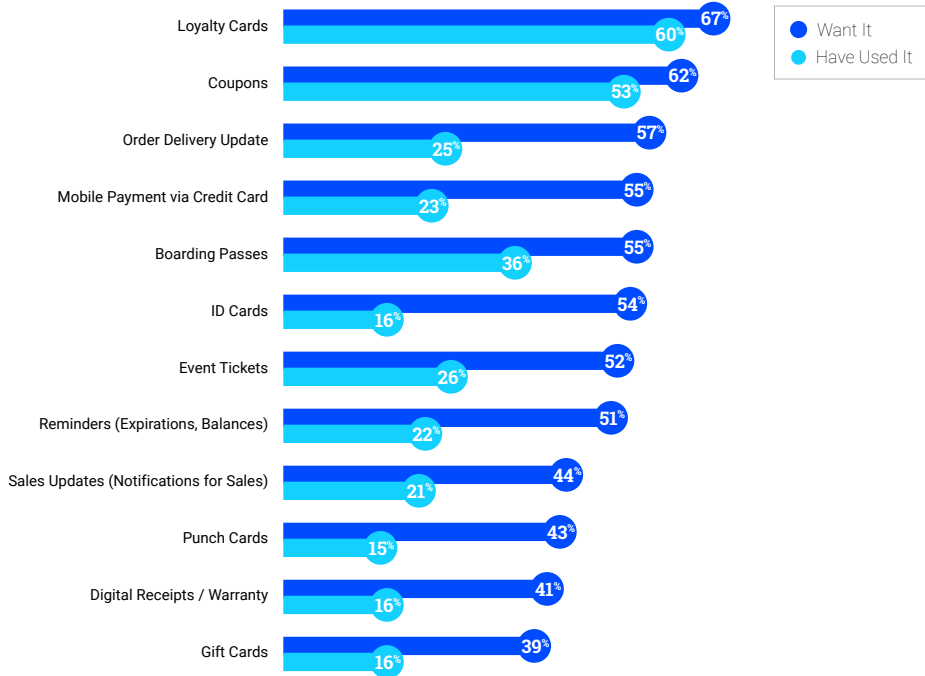
have used a mobile wallet
pass in the last week



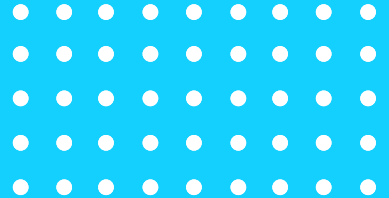
Current Utilization
is Especially High
for the Young &
Above Median
Incomes



Consumers Show Diverse Adoption and Desire for Mobile Wallets

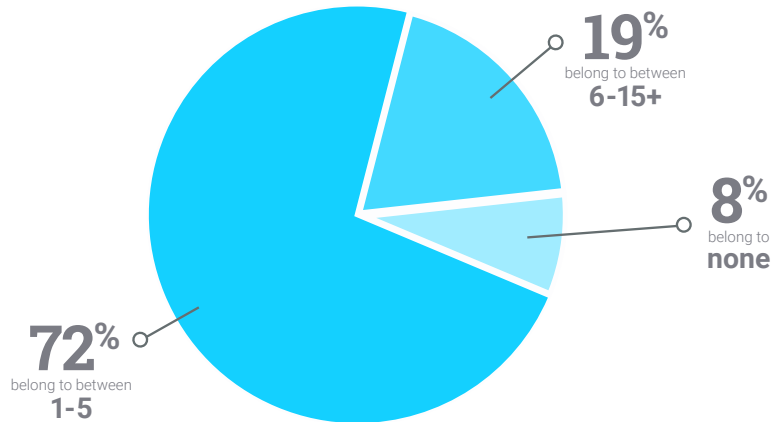


Mobile Wallet Drives Loyalty Program Membership



Consumers Love Loyalty Programs (and Belong to Many)

THE NUMBER OF LOYALTY PROGRAMS² RESPONDENTS BELONG TO:



² We defined "loyalty programs" as those accruing reward points, providing special discounts, punch cards, buy 10 get one free, etc.

Message to Brands: Value My Loyalty

NEARLY HALF OF CONSUMERS FELT MOBILE WALLET
LOYALTY PROGRAM BENEFITS³ WERE EXPECTED:



46%

of respondents felt
loyalty program
benefits are expected

LOYALTY BENEFITS POSITIVELY IMPACT BRAND PERCEPTION:

74%

overall viewed brands
who provided those
benefits positively

83%

viewed brands
who provided those
benefits positively

MILLENNIALS

80%

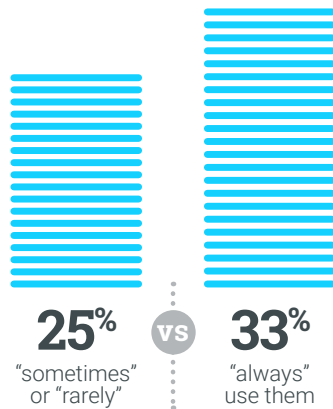
viewed brands
who provided those
benefits positively



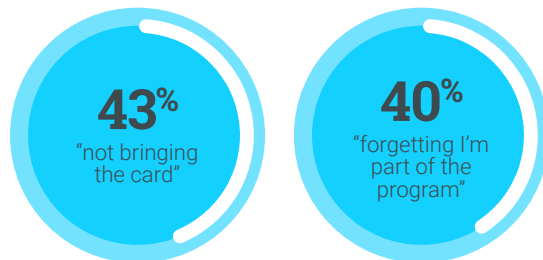
³ Loyalty program benefits were defined as "special offers and alerts, double/triple points days, birthday messages, links to exclusive content, etc."

The Loyalty Card Problem: What Card?

USE PHYSICAL LOYALTY CARDS:

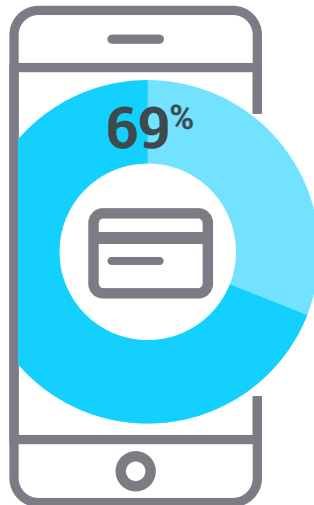


THE TOP TWO REASONS FOR NOT ALWAYS USING LOYALTY CARDS WERE:

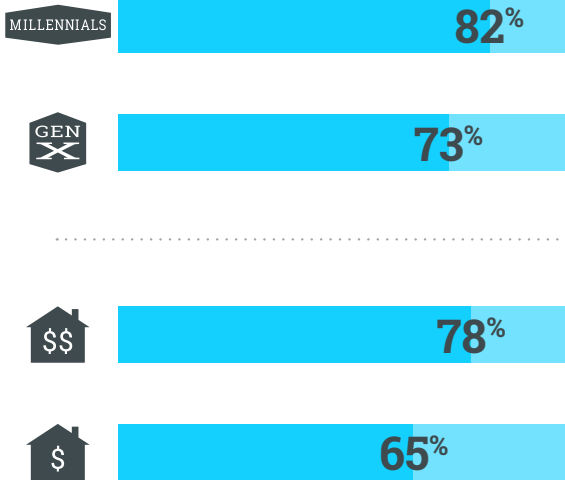


Mobile Wallets Boost Loyalty Program Participation

IF IT'S IN THEIR MOBILE WALLET, IT'S MORE LIKELY TO BE USED:

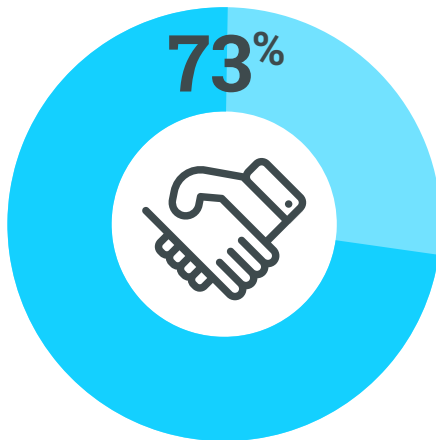


of consumers more likely
to use a loyalty card on
their phone



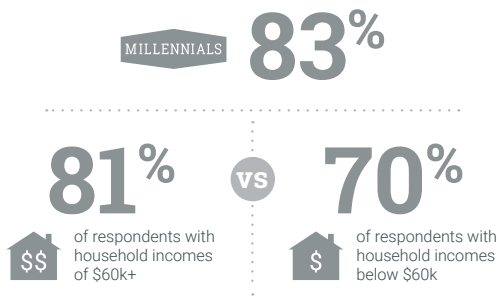
Always Current Rewards Increases Loyalty Sign-Ups

IF LOYALTY POINTS AND REWARDS WERE AUTOMATICALLY ADDED
AND IMMEDIATELY VISIBLE WITHIN THEIR MOBILE WALLET LOYALTY CARD:

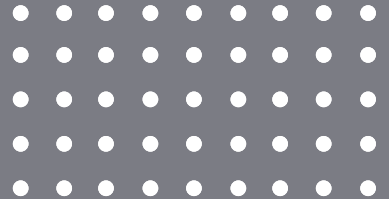


of respondents are more likely
to join the loyalty program

MORE LIKELY TO JOIN:

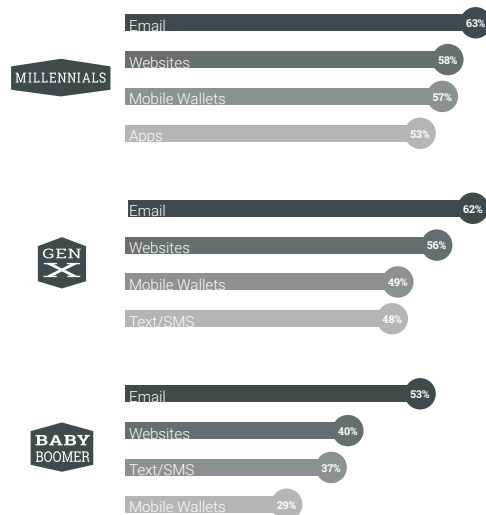
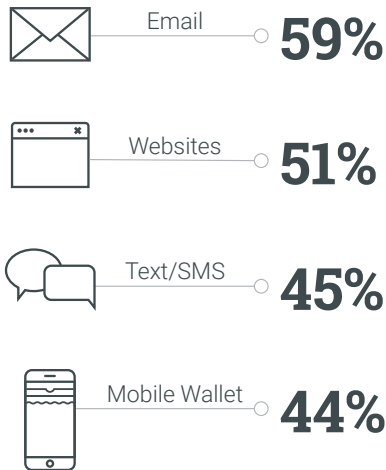


Wallet Passes are
Key to Greater
Coupon Use
& Redemption



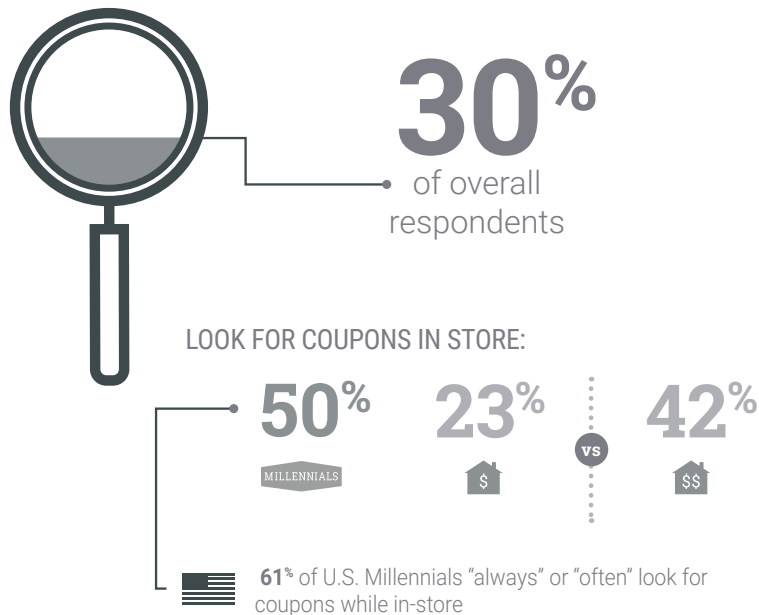
Mobile Wallet Is Now in Top Four Preferred Communications Channels for Sales, Offers & Coupons

TOP RESPONDENT PREFERENCE FOR SALES/COUPONS COMMUNICATIONS CHANNEL:



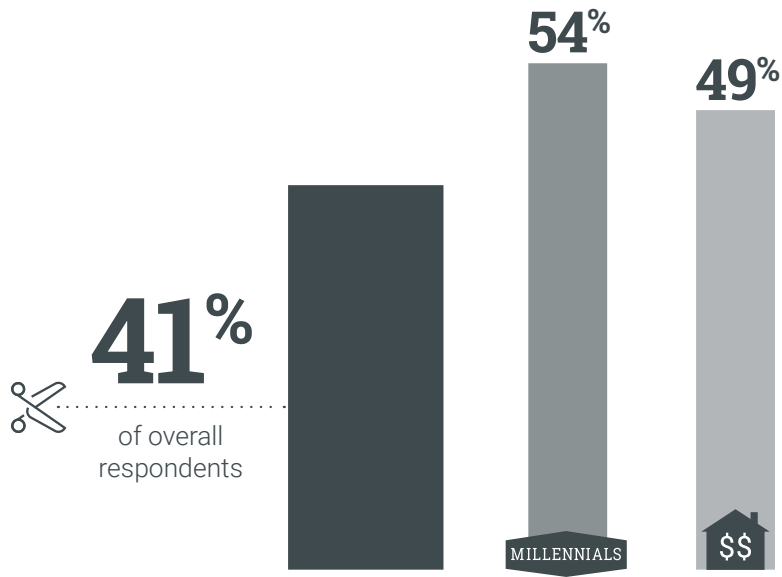
In-Store Coupon Searching is Growing in Popularity

THOSE WHO "ALWAYS" OR "OFTEN" LOOK FOR COUPONS WHILE IN-STORE:



The Coupon Redemption Problem: They're Forgotten!

RESPONDENTS WHO "ALWAYS" OR "OFTEN" FORGET TO BRING PAPER COUPONS WHILE SHOPPING:



The Other Issue: Expiration of Coupons & Offers

WHEN ASKED HOW OFTEN THEY LET COUPONS FOR PRODUCTS
THEY ARE INTERESTED IN EXPIRE OR GO UNUSED:



48%

of all respondents
said "always" or "often"

60%

"always" or "often"
let coupons go
unused or expire

MILLENNIALS

45%

"always" or "often"
let coupons go
unused or expire



vs

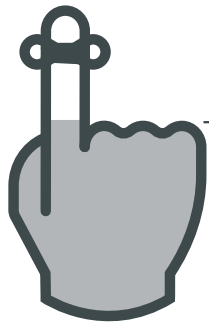
55%

"always" or "often"
let coupons go
unused or expire



Timely Expiration Reminders are Critical to Coupon Redemption

IF COUPON HOLDERS RECEIVE EXPIRATION REMINDERS, WHICH CAN BE DELIVERED TO THEIR LOCKSCREENS FROM A WALLET PASS:



64%

of them are more likely to use the coupon

77%

are more likely to use coupons with expiration reminders

MILLENNIALS

73%

are more likely to use coupons with expiration reminders



vs

59%

are more likely to use coupons with expiration reminders



U.S. Millennials are even more excited about expiration reminders -- **81%** would be more likely to use the coupon.

Location-Aware Mobile Expiration Reminders Have the Potential to Drive Retail Foot Traffic

IF THEY RECEIVE COUPON EXPIRATION REMINDERS WHEN THEY'RE NEARBY:



63%

of overall respondents are
likely to go into a store

79%

say they'd be more likely
to go into a store

MILLENNIALS

45%

say they'd be more likely
to go into a store



vs

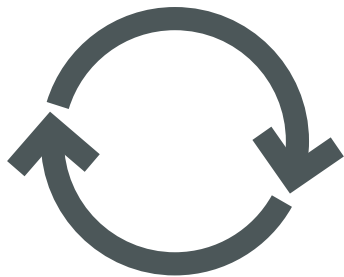
55%

say they'd be more likely
to go into a store



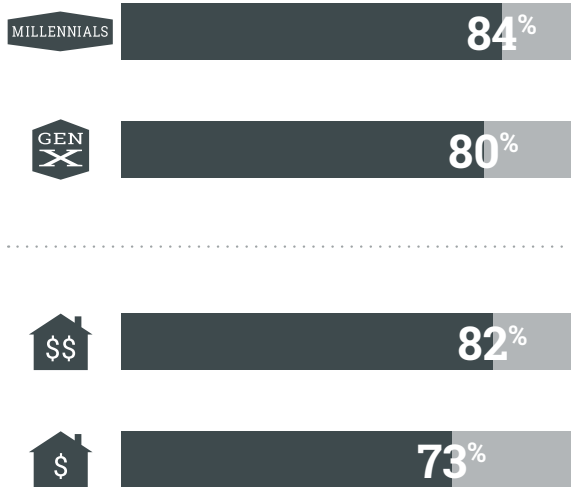
Keep Providing Utility: Consumers Want Coupons & Offers Updated

INTEREST LEVEL IN HAVING WALLET PASSES UPDATE TO NEW OFFERS AFTER EXPIRATION:

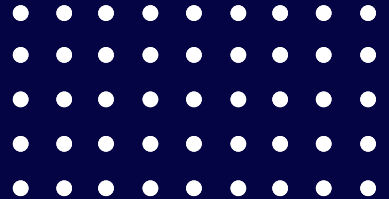


77%

of consumers are interested
in having expired coupons
automatically update to new
offers on their phones



Personalization
& Convenience
Will Be Key to
Broad Adoption



Easily Deliver Wallet Passes How & Where Consumers Want Them

PREFERRED METHOD FOR INSTALLING MOBILE WALLET COUPONS/SPECIAL OFFERS

 Email — **56%**

 Websites — **55%**

 Apps — **50%**

 Text/SMS — **49%**

PREFERRED METHOD FOR INSTALLING MOBILE WALLET LOYALTY CARDS

 Apps — **56%**

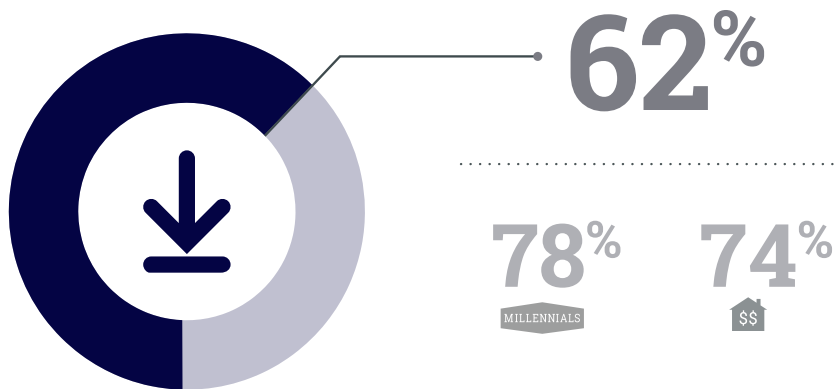
 Email — **54%**

 Websites — **51%**

 Text/SMS — **46%**

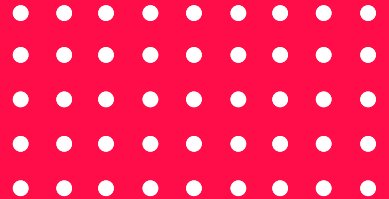
Personalization Drives Greater Adoption

LIKELIHOOD TO DOWNLOAD A MOBILE WALLET PASS IF ITS PERSONALIZED⁴:



⁴ Personalized = adding the customer's name, balance or interests to the pass.

Similar, but Different,
Mobile Wallet
Patterns Seen
in the U.K.



U.K. Mobile Wallet Users Not Far Behind

While most sentiments overall for the U.S. and U.K. were similar, there were a few standout areas where the U.K. differed more broadly from the median. While Apple Pay and Android Pay mobile wallet platforms launched in the U.K. later than the U.S.⁵, the ubiquity in contactless payment enabled terminals is expected to drive faster adoption than in the U.S.

HAVE USED MOBILE WALLET PASSES:



63%



45%

HAVE USED MOBILE WALLET IN THE LAST 3 MONTHS:



74%



60%



66%



53%

⁵ Apple Pay UK launched in July 2015 vs. September 2014 in the U.S. and Android Pay UK launched in March 2016 vs. May 2015 in the U.S.

U.K. Consumers Show More Regular Loyalty Card Usage, and Carry More Cards

"ALWAYS" OR "OFTEN" USE THEIR LOYALTY CARDS:



72%



78%

PHYSICALLY CARRY 3-5 CARDS:



33%



41%

Wallets, Not Websites? Oh My!

U.K. MILLENNIALS PUT MOBILE WALLET AHEAD OF WEBSITES AS A PREFERRED CHANNEL TO RECEIVE SALE/COUPON INFORMATION:



Email

59%



Mobile Wallet

54%



Websites

52%

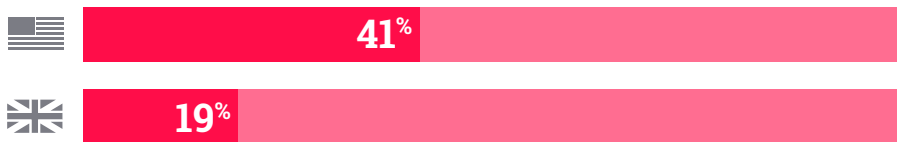


Apps

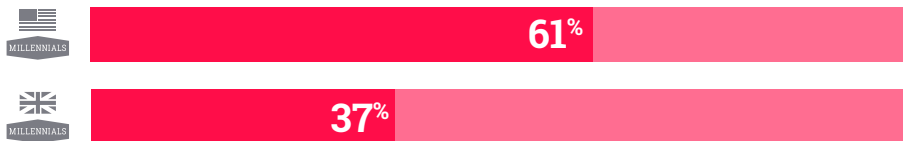
46%

Most U.K.
Shoppers
Don't Use Their
Phones for In-
Store Coupon
Searches... Yet

TWICE AS MANY U.S. SHOPPERS LOOK FOR COUPONS IN-STORE:



AND AGAIN, THE NUMBERS ARE HIGHER FOR MILLENNIALS:



U.K. Millennials Want – and Will Use – Coupon Expiration Reminders

FORGET TO BRING COUPONS/OFFERS WHEN SHOPPING:

"always" or "often"



LET COUPONS GO UNUSED OR EXPIRE:

"always" or "often"



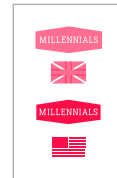
BUT, WHEN PROVIDED WITH AN EXPIRATION REMINDER:

more likely to use

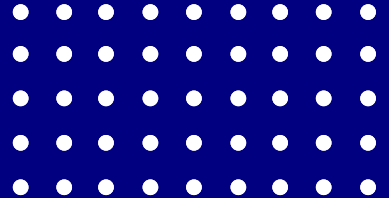


AND YOU CAN GET THEM INTO THE STORE!

more likely to go into a store when prompted by an expiration reminder



The Future of Mobile Payments Depends on What Else Is in Your Wallet



Increasing Mobile Payments: Tie Payment to Loyalty Program Benefits

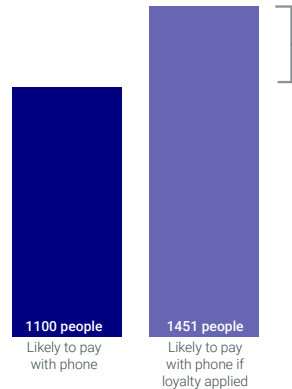
N = 2,000

LIKELIHOOD OF USING THEIR PHONE TO PAY AT THE REGISTER:



73%

are likely to use mobile payments if loyalty rewards and discounts are automatically applied



32%

Nearly a third more consumers will adopt mobile payments if benefits are applied automatically.

Millennials Are Especially Likely to Pay via Phone if Loyalty is Applied

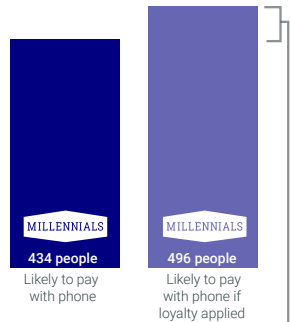
n = 590

LIKELIHOOD OF USING THEIR PHONE TO PAY AT THE REGISTER:



83%

of Millennials are likely to use mobile payments if loyalty rewards and discounts are automatically applied



14%

more Millennials are likely to use mobile payments if benefits are applied automatically

Lower Income Households See Even Greater Benefit in Tying Loyalty and Payment Together

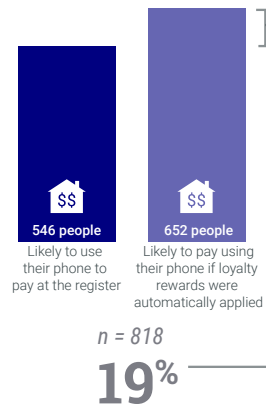
LIKELIHOOD OF USING THEIR PHONE TO PAY AT THE REGISTER:



more lower income households will use mobile payments if benefits are automatically applied



81%
of respondents with household incomes of \$60k+ are more likely to use mobile payments if loyalty rewards and discounts are automatically applied



more higher income households will use mobile payments if benefits are automatically applied

The Mobile Wallet Opportunity for Businesses

- **Mobile wallet use is already diverse and plentiful.** Most consumers surveyed have already used it, many of them recently. And they're open to expanding use to new applications.
- **Mobile Wallet provides another persistent messaging channel on the smartphone.** Consumers have already indicated they want to use wallet passes for updates and offers. And, Mobile Wallet is in the top four preferred channels to learn about coupons and special offers.
- **Millennials and higher-income households show the biggest propensity to use mobile wallets.** Both segments skew higher than average in behaviors that make traditional coupons and loyalty cards inefficient, as well as in their desire to adopt the richer functionality mobile wallets offer to solve those challenges.
- **Mobile wallets can help drive coupon redemption.** Considering that coupons/promotions are a key strategy to help bring in sales and foot traffic, mobile wallets provide another channel to reach consumers with details and are much less likely to be left at home.
- **Consumers want to be updated about coupon expiration.** Consistent across the board, all segments of consumers want to be updated when coupons are about to expire and, more importantly, want those offers to be updated to new offers once they do lapse.
- **Mobile wallets combined with location have the ability to drive greater in-store traffic.** Millennials and those with higher household incomes are very likely to act on location-aware reminders.
- **Increase mobile engagement without an app.** Mobile wallets reach customers you might not typically have access to, with a lower barrier to entry for both consumers and businesses.

The Mobile Wallet Opportunity for Businesses

CATCH THE WAVE

With smartphones always at our sides, and the ability for mobile wallet passes to send notifications (expiration reminders, loyalty updates, location-aware information, etc.), there's tremendous potential to change long-standing consumer behaviors.

Consumers already see the benefit of using wallet passes. Combining that interest with even greater benefits (integrated loyalty updates, targeted sales/coupons, etc.), clearly demonstrates how growth in the payment side of mobile wallet could be driven by non-payment usage.

It's clear that mobile wallets present a huge opportunity that has yet to be fully tapped. Marketers cannot afford to ignore the new channel mobile wallets provide.

Those who unlock the potential now will not only be industry leaders, but will differentiate themselves by standing out from the competition and meeting growing consumer desire for mobile wallets ahead of the pack.

Additional Wallet Resources

Airship offers many valuable resources for helping you reach and engage your target audiences via mobile channels.

Visit our [Content Library](#) to find the following assets and more:

- [Mobile Wallet Inspiration Guide](#): Take a deeper look into how mobile wallet passes work and the most common uses.
- [Mobile Wallet Idea Book](#): Think there's no application for mobile wallets in your consumer-facing business? Think again.
- [SXSW 2016 Uses Mobile Wallet to Lower Costs and Extend Digital Experience](#)
- [POLITICO Europe Uses Mobile Wallet for Brexit Coverage](#)
- [Sprint Goes for the Goal at Copa América with Mobile Wallet](#)
- [The Perfect Pair: Mobile Wallet Meets the Modern Love Podcast](#)

THE AIRSHIP BLOG

[Our blog](#) offers a wealth of information about the latest industry trends down to best practices for onboarding app users or implementing mobile wallets. [Sign up today](#) to receive a weekly digest of articles aimed at making your job easier and improving the ROI of your mobile efforts.

About Airship Reach

The easy way to give your customers anything that fits in their mobile wallet – which is everything.

In the age where mobile is king, relevant and timely marketing matters. Cut through the clutter and deliver value when and where it counts with Airship Mobile Wallet, the world's leading Mobile Wallet marketing solution. Whether your brand is new to mobile marketing or you have an existing strategy in place, Airship Mobile Wallet allows you to directly connect with 100% of your customers on mobile.

As mobile wallets emerge as a powerful marketing channel, marketers can use it to deliver relevant real-time offers, move loyalty programs to a mobile-first solution and regularly update content through dynamic pass updates. Mobile Wallet allows businesses to build deeper, richer and more compelling customer engagement quickly, easily and cost effectively.

WITH AIRSHIP MOBILE WALLET, YOU CAN:

- Increase your mobile reach to customers
- Communicate on mobile with customers not yet using your app
- Deliver mobile wallet updates in real-time for items such as loyalty balances and new sales offers
- Send notifications such as coupon offers and other content to customers' smartphone lockscreens
- Cultivate brand loyalty through continuous, timely, relevant and contextual messages.

[Airship Mobile Wallet](#) leverages what's already available on the latest mobile devices, no app required.

About Airship

Airship provides the world's leading mobile engagement platform, helping thousands of businesses of all sizes form a direct and lasting connection with their customers. With Airship, companies gain total control of their mobile footprint — apps, wallets and user-level data — to deliver experiences that get noticed and drive action across mobile or any other customer touchpoint.

More than 40,000 apps and some of the most innovative global brands trust Airship to accelerate their business through mobile marketing with an independent study calculating an average 878% return on investment for customers.



Portland

San Francisco

London

New York

New Delhi

Paris

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[AIRSHIP.COM](https://airship.com)

