

Brandbank 2010 mCommerce Content Report

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EXECUTIVE SUMMARY

The following report delivers an analysis of consumer attitudes towards mCommerce, focusing on product imagery and data as a draw for consumers to a particular platform, as well as exploring the extent to which mobile retailing has moved towards the mainstream.

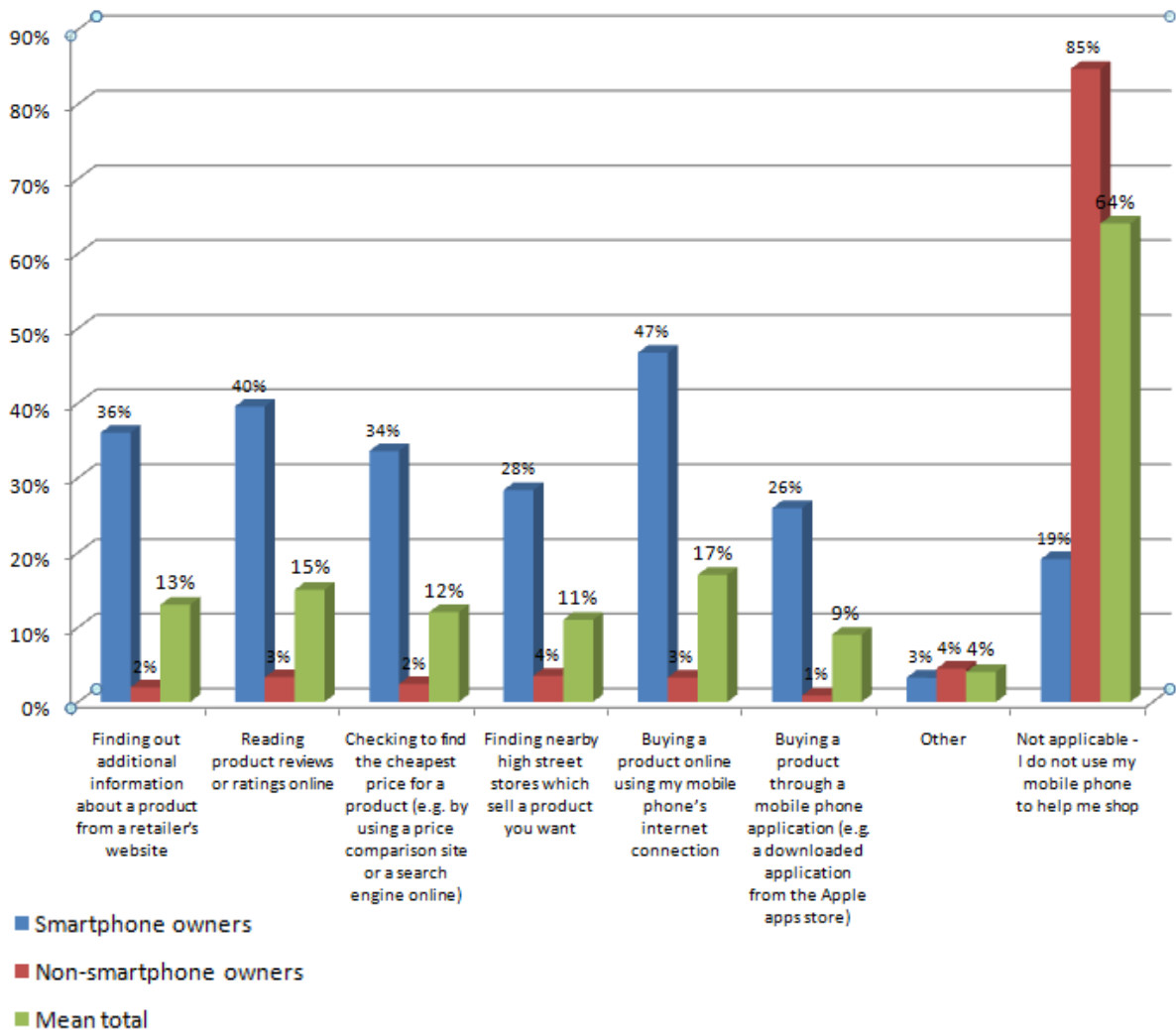
The research reveals that, as expected, Smartphone users are much more likely to use their mobile handset for mCommerce purposes than non-Smartphone users. Other than buying products online, consumers use their mobiles for a variety of commerce related tasks including reading product reviews and comparing product prices.

Through an analysis of consumer expectations in relation to mCommerce, this report demonstrates that customers have a high demand and a short attention span when it comes to buying products on mobile phones. If consumers have a negative experience on a retailers' mobile website, the likelihood is that the retailer will lose the sale.

Only a small number of consumers find mobile purchasing hassle-free, with the biggest gripes being visual presentation and usability.

MOBILE'S ROLE IN THE COMMERCE CYCLE

Typical mobile usage patterns in consumer shopping

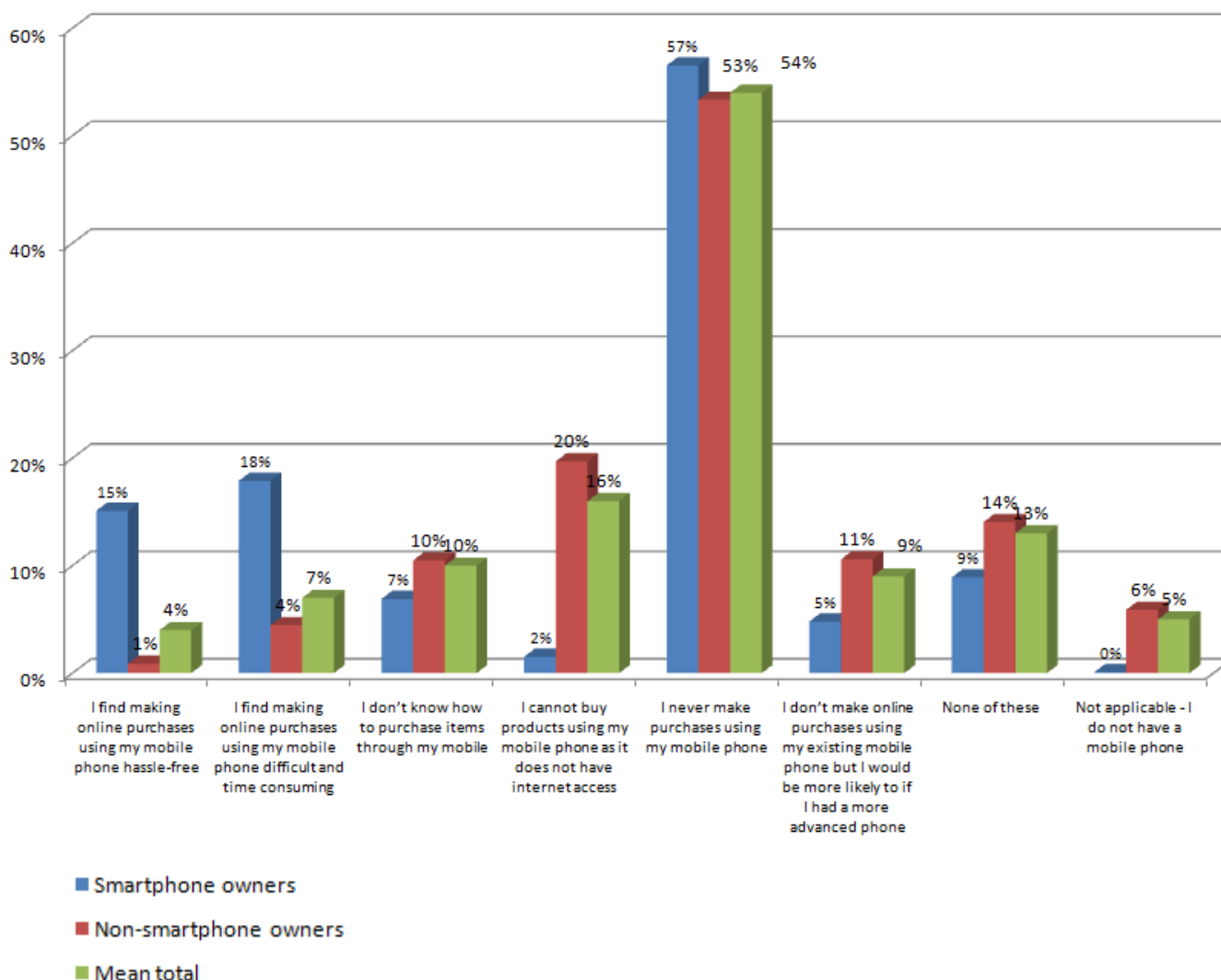


A significant 64 per cent of people said that they never use their phone to help them shop, though the difference between Smartphone (85 per cent) and non-Smartphone owners (19 per cent) is substantial.

The most popular use for using a mobile phone in the shopping cycle is purchasing products via mobile browsers, followed by using devices to read product ratings and reviews. A large amount of mobile internet users also use their devices to find out additional information about a product from a retailer's website (36 per cent), and to compare prices of a product across different retailers (34 per cent). 26 per cent of consumers use apps to purchase products rather than trying to access a retailers web page via their mobile internet.

ATTITUDES TO MOBILE TRANSACTIONS

Consumer attitudes to making purchases via mobile handsets

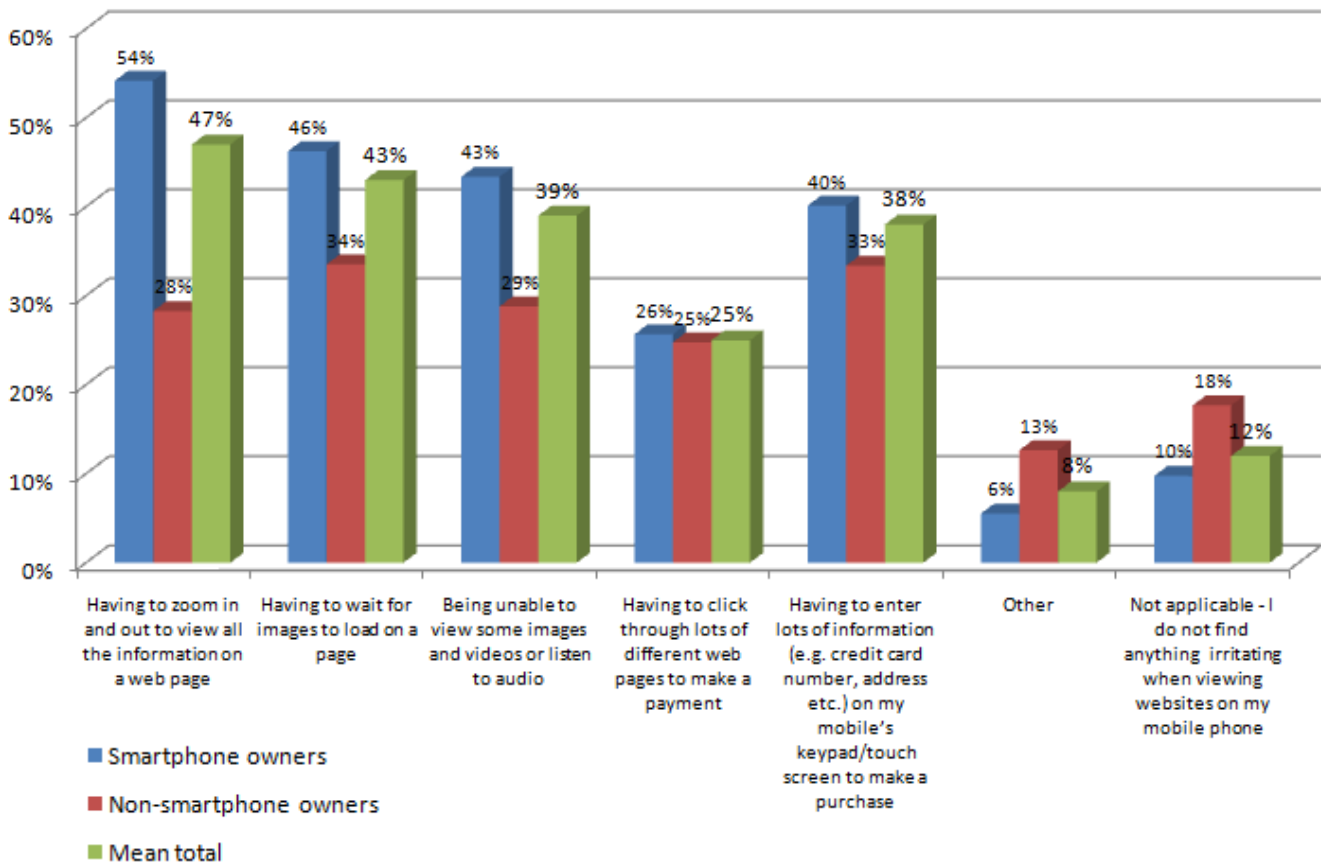


More than half (54 per cent) of UK consumers have never made a purchase using their mobile phone. 16 per cent of these say that they can't buy products because they don't have internet access on their phone while an additional 10 per cent cite a lack of understanding of how to buy products using their phones. Nine per cent of respondents say that whilst they don't make mobile purchases now, they would if they owned a more sophisticated handset.

Only four per cent of respondents say that they find making purchases through their mobiles hassle-free. This increases to 15 per cent for Smartphone users, compared to just one per cent of non-Smartphone users – most likely because such a small percentage of non-Smartphone users actually make purchases using their mobiles. However, on the contrary, 18 per cent of Smartphone users claim to find mobile purchases difficult and time consuming.

CASES OF NEGATIVE MOBILE BROWSING EXPERIENCES

Sources of consumer irritation from mobile commerce



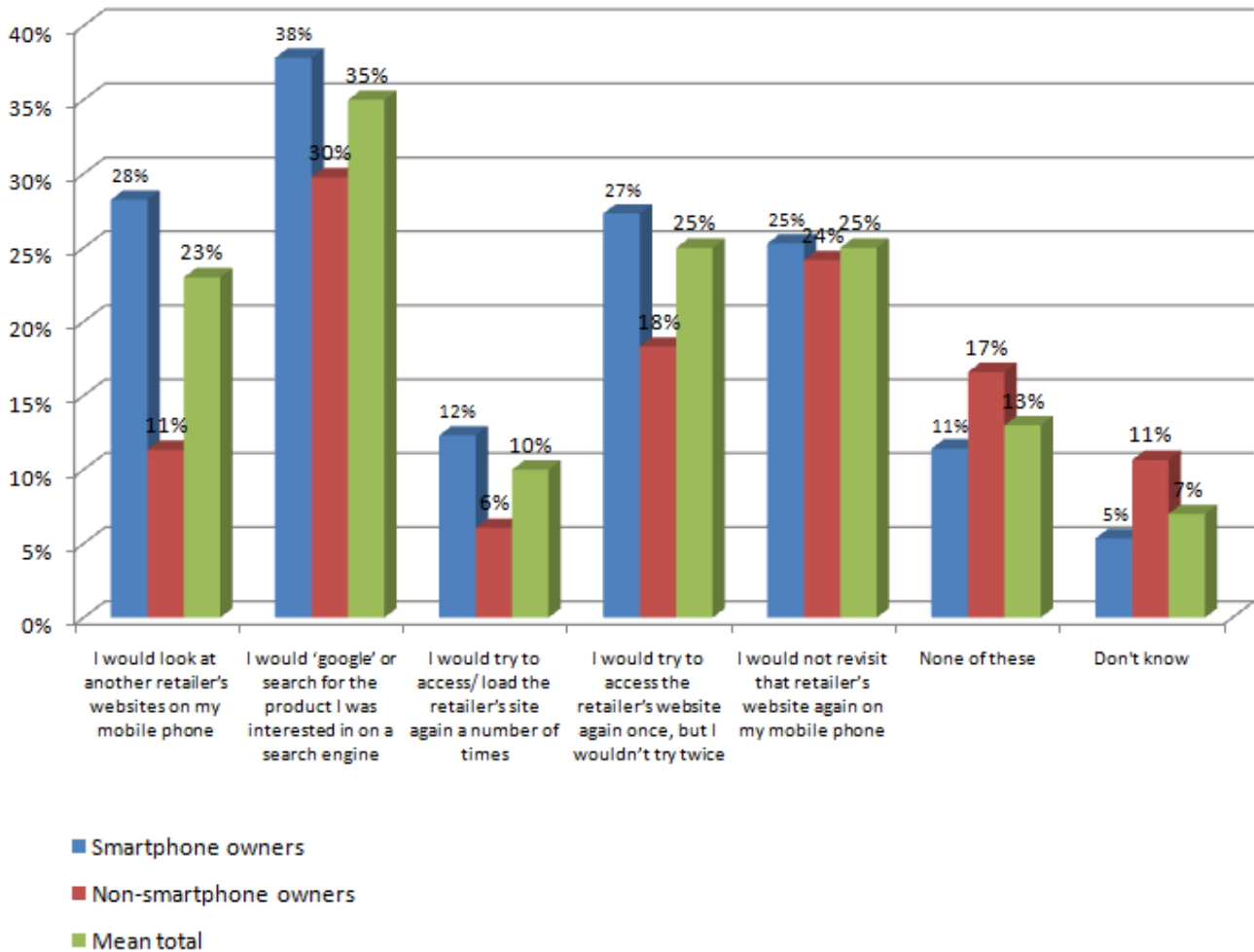
The most common complaint made about the mobile browsing experience is the need to zoom in and out to view all information on a web page, with 47 per cent finding this irritating. The second most annoying feature for consumers is waiting for images to load on a page (43 per cent).

The payment process is also an issue of irritation with 38 per cent of respondents getting annoyed at having to enter lots of information onto their mobile's keypad/touch screen to make a purchase. A quarter of respondents also said that they find having to click through lots of different web pages to make a payment is considerably irritating.

Responses vary between Smartphone and non-Smartphone owners with Smartphone owners most likely to get more irritated, with these respondents more likely to access the internet on their phones.

RESPONSES TO NEGATIVE MCOMMERCE EXPERIENCES

Typical consumer responses to negative mCommerce experiences

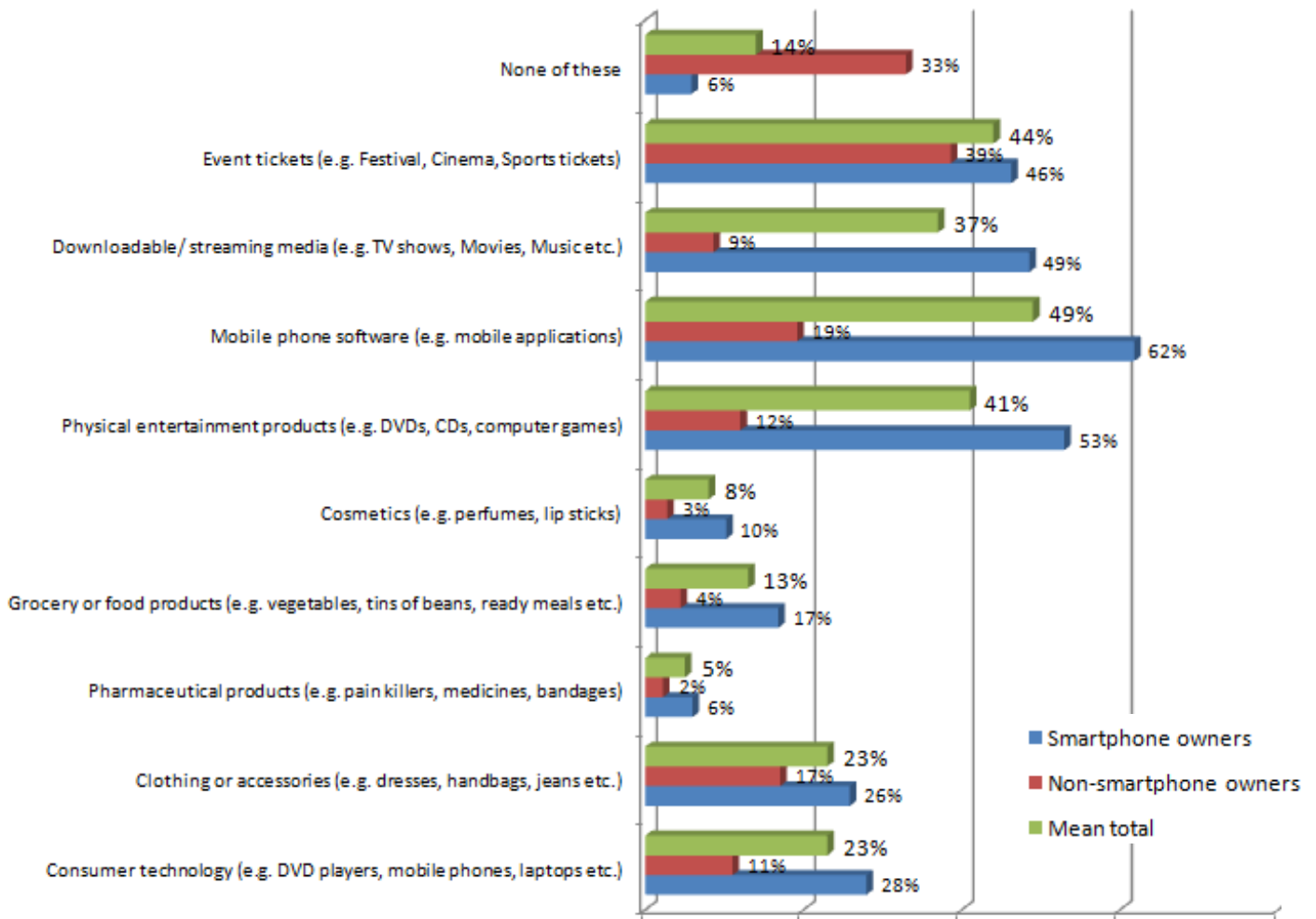


When respondents were asked what they would do if they had a negative experience on a specific mCommerce website, the most common answer was that they would conduct an internet search of the product they were interested in (35 per cent), potentially resulting in a lost sale for the retailer.

Just 10 per cent of consumers claim that would try to reload a page more than once, 25 per cent say they would try the page again but wouldn't try twice while 25 per cent say they would never revisit that retailer's website again on their mobile phone. 23 per cent say they would look directly at another retailer's website.

MCOMMERCE DEMAND BY VERTICAL

Products consumers are most likely to purchase via mobile device



UK consumers claim they are most likely to buy software – such as applications – using their phones with 49 per cent of all respondents purchasing this. The difference between Smartphone and non-Smartphone users is considerable in this category, with 62 per cent of Smartphone owners saying that they would be likely to purchase this type of software, compared with just 19 per cent of non-Smartphone users.

The second most common purchase via a mobile is event tickets – with 44 per cent of respondents saying they would buy these through their mobile phones. 41 per cent of respondents would buy physical entertainment products like DVDs or CDs, though there is a 41 per cent difference between Smartphone and non-Smartphone users who would purchase these products (with 53 per cent of Smartphone users compared with 12 per cent of non-Smartphone users).

Respondents are least likely to buy pharmaceutical products with only four per cent of respondents saying that they would be likely to purchase medicines through their mobile phones.

INDEX DATA METHODOLOGY

The statistics and data quoted in this report are based on responses from Brandbank's mCommerce Content Report conducted by You Gov. Data collection took place between the 25th and 27th May. The voluntary sample of respondents comprises of 2255 consumers with a demographically representative sample as follows:

Gender

Male – 1,082

Female – 1,173

Age Group

18 to 24 – 271

25 to 34 – 407

35 to 44 – 360

45 to 54 – 428

55+ – 789

Social Grade

ABC1 – 1240

C2DE – 1015

Regions

North of England - 555

Midlands – 370

East of England – 216

London – 289

South of England - 516

Wales – 113

Scotland – 196