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M-Retail Snapshot #1: Security still a challenge

SKOPOS Market Insight has recently completed the first wave of MTrack™, a series of studies examining mobile behaviour in the UK.

Findings indicate that 1 in 6 respondents (17%) had paid for some form of products via their mobiles and 1 in 8 non-rejectors see *no disadvantages* with the procedure. Mobile purchasing was favoured due to the appeal of flexibility and pragmatism. This was demonstrated by the fact that a majority of relevant respondents (56%) said m-purchasing would be beneficial due to its convenient/on-the-go nature.

Within the retail arena, Tesco, Argos and Asda were the companies most associated with mobiles, at 12%, 7% and 6% respectively. Other significant British brands were Virgin Media (16%) and the iconic BBC (15%). However, unsurprisingly, the heavyweights of the digital platforms reigned supreme, with Apple leading at 37%.

On average people had downloaded 11 Apps with half downloading approximately 5. While results do not indicate a clear preference for either mobile app or web shopping, it was apparent that those who favoured mobile web did so out of familiarity whereas for apps, the major pull factor was visual appeal.

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Hacked or stolen: Security remains a barrier to trust

While 17% is a promising figure for a retail platform that is still in its infancy, it is a far cry from being the status quo that many have been predicting. A significant challenge facing large-scale mobile-retail practice ironically lies in the payment procedure. Nearly 40% of respondents who were current or potential m-purchasers named security as a disadvantage of shopping and paying for products on their mobile devices. Most of these were concerned with storing and losing credit card information on their mobiles. The feared scenarios range from losing web connection halfway through a payment transaction, to Bluetooth hacking or physical phone theft.

"*Someone can hack in. (Shopping and paying via a mobile device) takes too much time - need to concentrate fully to do these things*."

In comparison 13% of respondents cited the small screen as a drawback to shopping and paying on their mobiles—a majority of whom felt the need to view details for the products they were purchasing, which the small screen does not fully facilitate.

Tablet and M-retail Searching Opportunities

With this an opportunity arises for tablet retail. Like the mobile it offers mobility while shopping without compromising on product visibility. 8 out of 9 iPad users who answered our survey claimed to use the device regularly (more than half claimed daily usage). The same number (8 out of 9) used their iPads for leisure purposes. 2 out of 5 claim to have ordered products or services via the tablet.

The popularity of m-retail searching is also apparent. 45% of respondents said they would use phones with scanning facilities that would enable them to search and source the best prices. Furthermore, 29% would do so if the phone could receive deals or discounts based on their location.

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Although the results demonstrate the attractions and restrictions that encapsulate mobile retail purchasing, there remains important findings with regards to what mobiles users find acceptable to pay for on their devices. For instance, the ability to play games on a mobile device means that 29% found it acceptable to pay for downloading new games. For now, it seems mobile retail has a few skeletons to deal with before achieving its full potential as a major platform for shopping and retail. Even more has been rumoured to change with the introduction of NFC-enabled/ touch-and-pay mobiles, due to be rolled out in the UK by some of the most reputable brands across related industries.

In this dynamic and exciting environment, MTrack™ will continue to uncover insightful and relevant trends on M-retail and mobile behaviour. To have the UK active digital society answer any burning questions required to advance your business, join in with some cutting-edge brands in the industry to conduct Wave 2 of the study - being launched now. Contact SKOPOS via e-mail at ask@skopos.info or paula.juson@skopos.info, or by telephoning +44 0207 953 8359.