

PHOENIX



2014 Consumer Payments Monitor

Apple Pay & The New Environment for Mobile Payment Apps

The following charts are excerpted from the full presentation. For more information, please contact:

Mark Sutin
609-261-6332
Mark.Sutin@phoenixmi.com

Greg Weed
828-697-9192
Greg.Weed@phoenixmi.com

Leon Majors
410-860-2005
Leon.Majors@phoenixmi.com

- 2014 CPM survey fielded in September among 4,200 consumers 18+ who were responsible for paying bills or making purchases for the households.
- Previous year CPM survey was fielded in August (2013) among 4,200 consumers.
- Samples are aligned with age and income benchmarks drawn from the May 2014 Current Population Survey
- CPM is an online survey.
- Survey was fielded after the September 9 Apple introductions in order to get an early read on consumer reaction to Apple Pay in the context of prevailing consumer attitudes and usage of current in-market mobile payment apps.

Content Scope

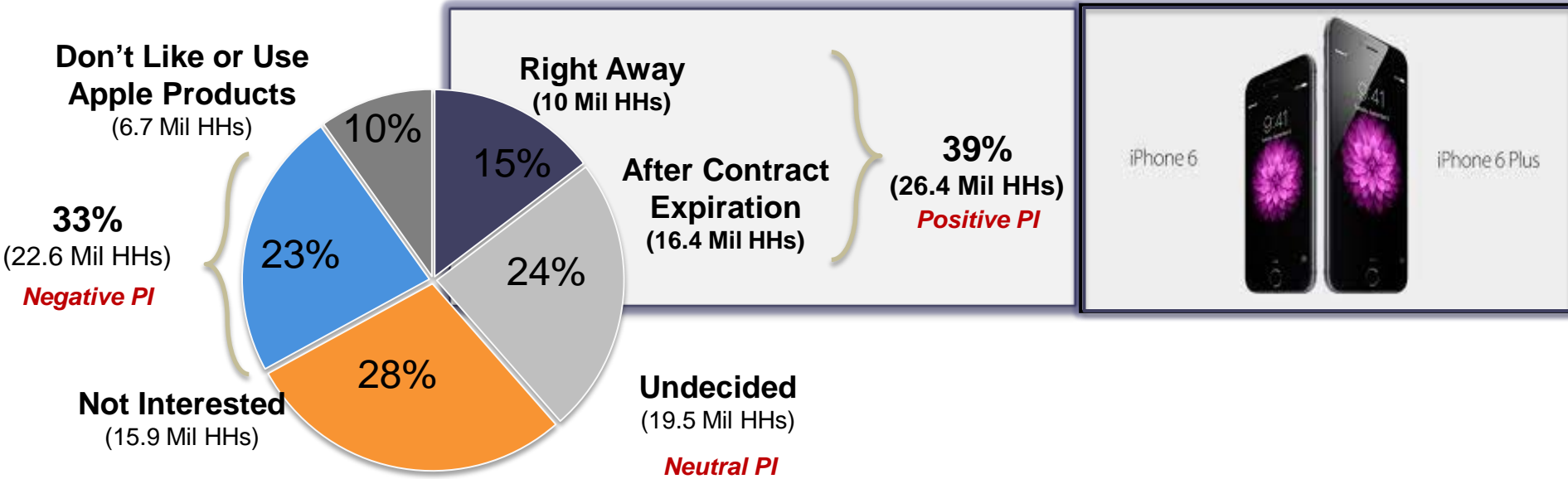
- Debit Cards
- GP & Merchant Credit Cards
- GP & Merchant Prepaid Cards
- EBT, Payroll & Other Payment Cards
- POS Purchases (24 Categories)
- Bill Payments
- Electronic Payment Services
- Electronic Wallets & Mobile Payments
- Apple Introduction of Apple Pay
- Payment Attitudes
- Technology Product Usage & Preferences
- ATM Usage
- Household Finances & Profiling Data
- Competitive Landscape
 - Product ownership & preferences by provider and type of financial product

iPhone6 Purchase Interest

Smartphone owners in 10 million households said they were ready to buy an iPhone6 – “Right Away”.

An additional 16 million households intend to buy after contract expiration.

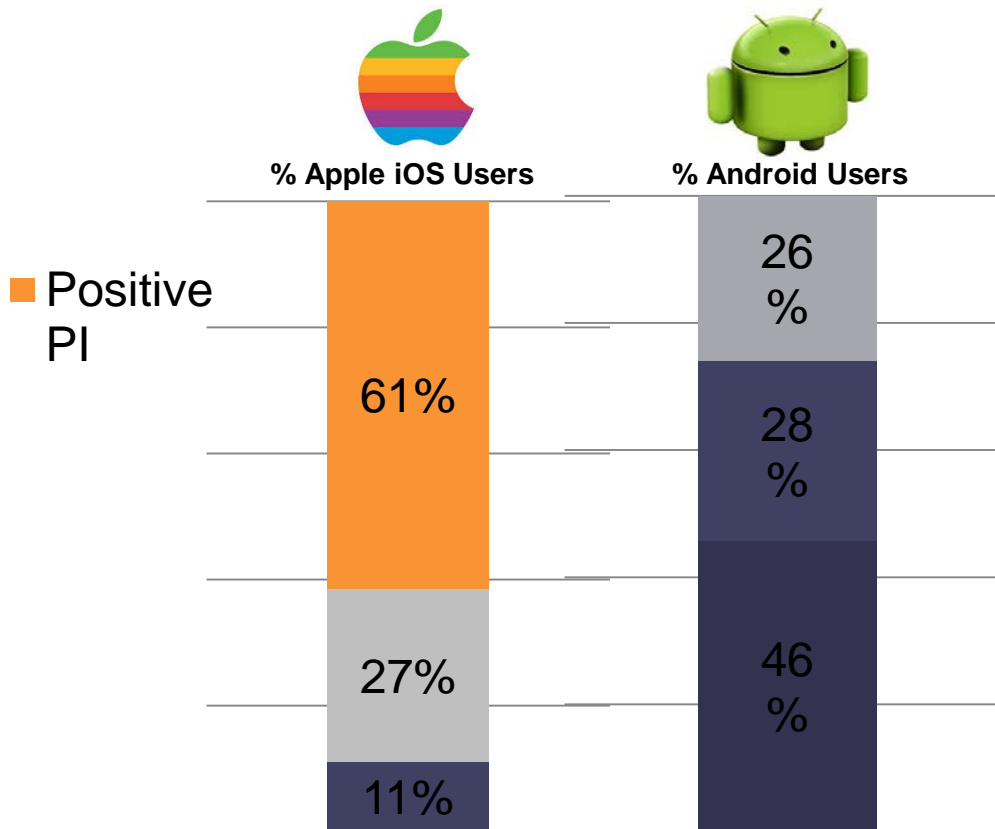
“Do you think you – or someone in your household – will purchase the iPhone6 or iPhone6 Plus...?”



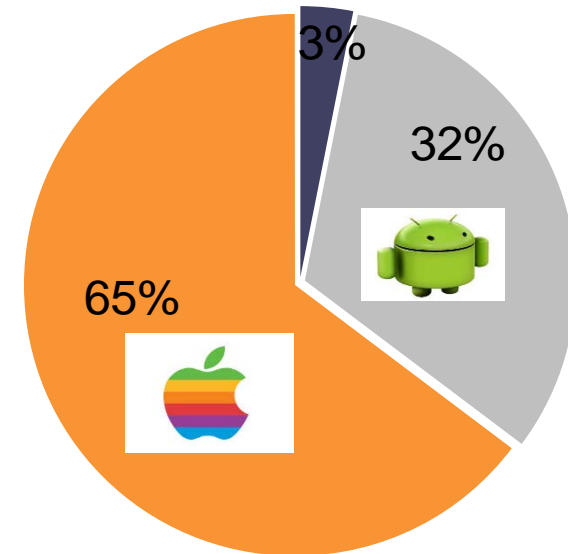
OS Wars – This Round Goes to Apple



iPhone6 purchase interest among current Android users is substantial.

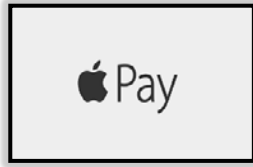


% Smartphone Owners with Positive Purchase Interest in 1Phone6



A third of iPhone6 users could be former Android users – based on stated purchase interest and in the absence of response from Google.

Smartphone owners' initial reaction was quite positive – and considerably more positive than past measurements of consumer interest in using a payment app.

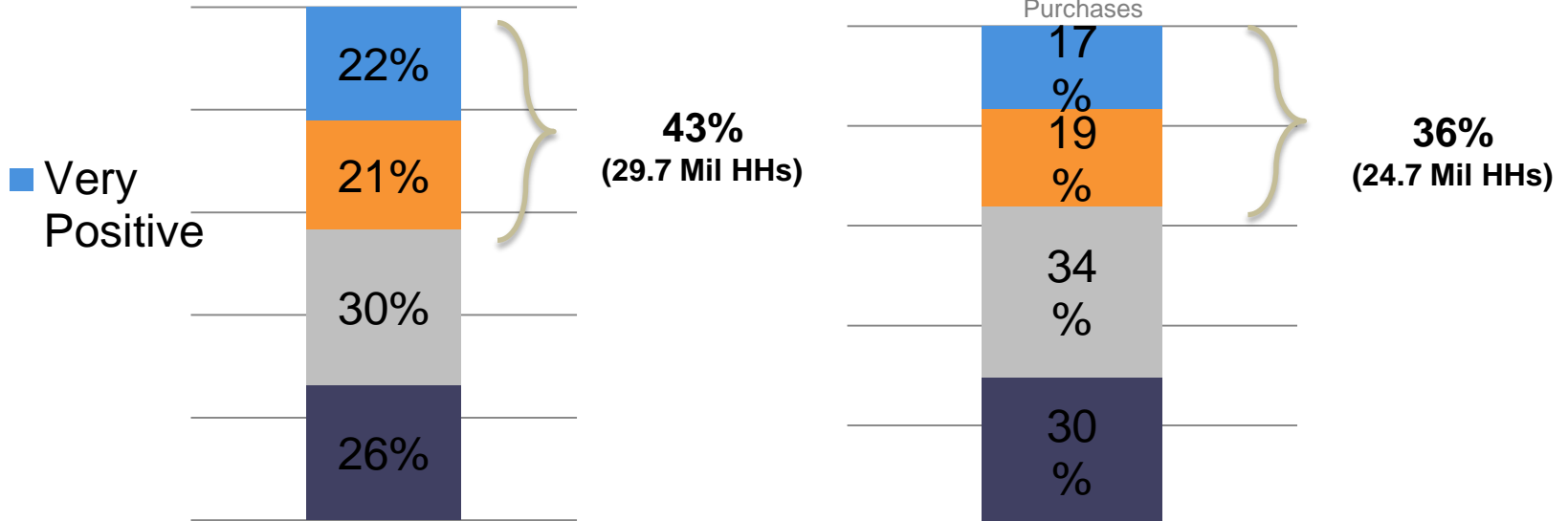


“Based on what you know about these products, is your overall reaction ...?”



To Make Online or In-Store Purchases With Your iPhone6

Syncs with iPhone6 and Can Be Used to Monitor Fitness and Make Purchases





The user base for smartphone payment apps would nearly double if all ready-to-use apps were in fact used.

In addition to the 9 million smartphone households using a payment app, an additional 8 million users would be added if installed base were converted.

Ready-to use: have phone with native purchase app or downloaded/installed a mobile payments app to the phone.

