

Acceptance and Use of Mobile Payment Services

by

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Presentation Goal

The purpose of this research is to answer these research questions:

- To what extent are consumers aware of and already using mobile payment services?
- Why are consumers using, or not using, their mobile phones for payments?

Why Study Mobile Payments?

Mobile payments is receiving increased attention in research and business because:

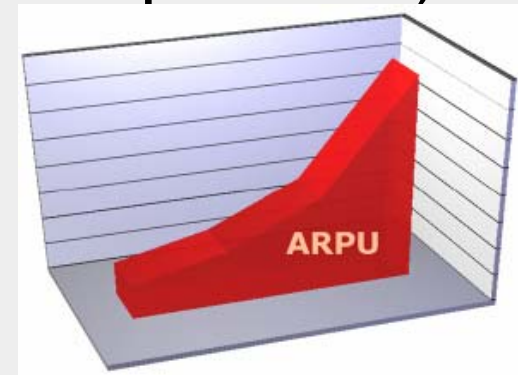
- Mobile phones are ubiquitous and consumers are beginning to expect they can use them for m-payments.
- For business, it is another payment method, one independent of time and location.
- For both business and consumers, transactions can be more easily tracked and monitored.



Why Study Mobile Payments?

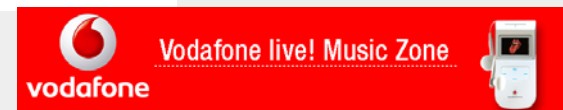
Mobile payments is receiving increased attention in research and business because:

- Mobile payments offer great promise for micropayments, more than any other e-payment method.
- For mobile phone operators, service fees can increase ARPU (average revenue per user).



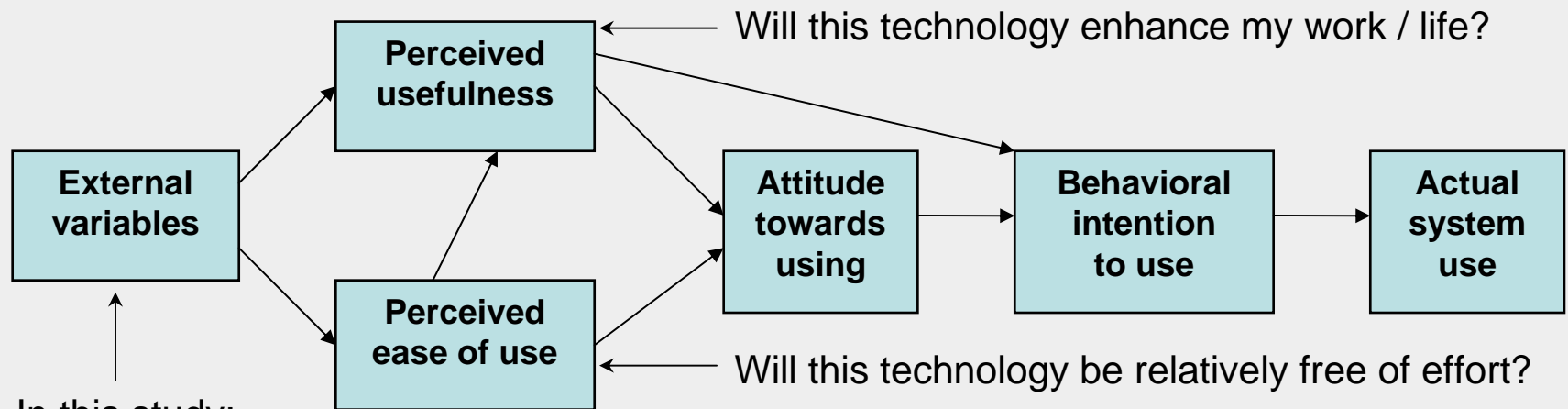
Mobile Payment Services in New Zealand

Service	Description	Fee	Operator
TXT-a-Park	Pay for parking meter (Auckland and Wellington)	50c	Vodafone and Telecom
HotLink	Top up pre-paid account / pay mobile account from bank account	none	Vodafone
mTicket	Buy a ticket to an event	\$2-2.50	Vodafone
Music Store VF Live! Music	Buy ringtones (\$2-7) or songs (\$3-3.50)	none	Telecom and Vodafone



Technology Acceptance Model

The Technology Acceptance Model explains how and why users accept and use a new technology.



In this study:

- security
- convenience
- no other option
- "give it a go"
- etc.

Research Methodology and Respondents

- Research Methodology
 - How: electronic, Web-based self-administered survey
 - Target population: all mobile phone users in NZ
 - Time: late October - early November 2006
- Respondents
 - How many (N): 132 usable responses
 - Age: under 21 = 26%; 21-30 yrs = 46%; over 30 = 28%
 - Phone ownership: 1 mobile = 70%; 2 mobiles = 26%
 - Experience: 50% have used a phone for more than 5 yrs
 - Texting: 49% send >20 texts / week; 4% send 0-1 texts
 - Income: 41% earn < \$10k; 29% earn \$10-25k
- Sample seems to match population, except income level.

Audience Participation: Knowledge and Use

- What percentage of New Zealanders have heard of the service?
- What percentage of New Zealanders have used the service at least once?

M-payment service	Know of this service:	Used at least once:
Telecom Music Store / Vodafone Live! Music	60%	29%
Vodafone HotLink	55%	25%
TXT-a-Park	52%	21%
Vodafone mTicket	14%	17%
None at all	12%	--

Consumer Knowledge and Use of M-Paymt Services

M-payment service	Know of....	Not Used	Used 1-2 times	Used 3-4 times	Used 5+ times
Music	60%	75%	9%	6%	10%
HotLink	55%	71%	10%	4%	15%
TXT-a-Park	52%	79%	10%	3%	7%
mTicket	14%	83%	11%	6%	0%
None at all	12%	--	--	--	--

HotLink is the most widely used service (29%), followed by music stores (25%), TXT-a-Park (21%) and mTicket (17%).

Perceived Usefulness and Ease of Use

New Zealanders have mostly positive perceptions about usefulness, ease-of-use and convenience of m-payments.

	Not useful at all	Not useful	Neutral	Useful	Very useful
Perceived usefulness	2%	7%	32%	36%	24%
	Not easy to use at all	Not easy to use	Neutral	Easy to use	Very easy to use
Perceived ease of use	1%	7%	36%	41%	15%
	Not improve at all	Will not improve	Neutral	Will improve	Very much improve
Convenience	2%	7%	45%	35%	12%

Perceived Usefulness and Ease of Use

- New Zealanders have positive perceptions about how useful m-payments are:
 - 60% consider mobile payments "very useful" or "useful"
- Almost as many New Zealanders perceive m-payments as easy to use:
 - 56% rate m-payments as "very easy to use" or "easy to use" (comparable figure in a US study was 78%)
- Fewer New Zealanders (47%) consider m-payments "convenient", but almost as many (45%) were "neutral" (i.e., not sure)

Consumer Concerns About Security

- NZrs are far more concerned about security than in a 2004 study in the United States (e.g., only 27% of Americans were concerned about confidentiality).
- Why? Probably increased media exposure in 2006.

	Not concerned at all	Not concerned	Neutral	Concerned	Very concerned
Confidentiality	2%	4%	16%	28%	51%
Authentication	2%	3%	22%	34%	39%
Data integrity	1%	5%	22%	29%	43%
Non-repudiatn	0%	9%	31%	35%	26%

Why Use Mobile Payment Services?

- A contribution of this study was to explore underlying reasons for use / non-use of m-payments.
- The top three reasons for using m-payments relate to convenience.

Reasons for Using Mobile Payments	
No coins available	60%
Convenience of buying goods and services	38%
Easier than cash	36%
Trying new technologies	32%
Novelty of using m-payments	29%
Easy to learn and simple to use	24%
Better quality obtained	18%

Why Not Use Mobile Payment Services?

- As expected, the cost of service fees and security are major deterrents for consumers.
- Convenience (lack of it) also rates high.

Reasons for Not Using Mobile Payments	
Dislike paying service fees	61%
Proper security may be lacking	30%
Easier to pay with cash	30%
Service is easy to use, but registration is hard	29%
Prefer to try new technology later	15%
Don't want to change how things are done	11%
Don't like sending text messages	5%

Open Forum

- Questions?
- Comments?
- Discussion?

