

Mobile Thought Leadership > Global



The Mobile Revolution

Mobile technology is revolutionizing the way we live. The number of smartphone users globally has already topped the one billion mark, and continues to climb.¹ For the first time, smartphone sales now exceed feature phone sales. This expansion of new mobile technologies is transforming every aspect of how consumers interact with businesses – from product research to purchase; from how consumers seek advice to how they complain; from how they manage their money to how they manage their time. The mobile revolution is only just beginning and businesses must ensure they remain on the pulse of the needs of the new mobile consumer in order to make the most of the opportunity. As a leading provider of customer engagement and analytic solutions, FICO has a wealth of experience in helping businesses understand their customers and negotiate the multichannel environment in which they operate, including through mobile.

About this Report

This paper provides a snapshot summary of findings from FICO's research into smartphone users' attitudes and behaviors. The research was conducted with 2,239 smartphone users across 14 key markets (Australia, Brazil, China, France, Germany, India, Italy, Japan, Mexico, Russia, South Korea, Turkey, UK and US). The report outlines some general mobile trends before focussing on the individual industry verticals of banking, insurance and health care. Data was collected through an online survey. The data is weighted so that each market has equal influence on the global results.²

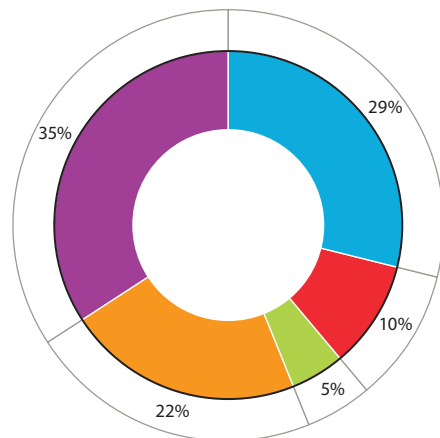
¹ Source: "2013 Mobile Trends For eBusiness Professionals," Forrester Research, Inc., February 13, 2013.

² Effective base size after weighting: 1,400.

One Size Does Not Fit All

FICO has identified five key smartphone user segments.¹ Each segment demonstrates a distinct set of attitudes and behaviors, underlining the need for businesses to carefully consider their target audience when developing mobile strategies and solutions.

- Mobile natives
- App shoppers & bankers
- M: webs
- Mobile-intenders
- ABC-mobiles



Percentages do not add up to 100% due to rounding.

Smartphone User Segment Overview

Mobile-natives – technologically savvy individuals that frequently interact with a wide range of organizations, and do so through numerous channels. They are keen to do more through mobile and are open to new ways of using mobile. They are more likely to be male, under 34 and affluent. They are open to, and see value in, sharing their personal information with organizations.

App shoppers & bankers – attitudinally similar to *mobile-natives* – they are comfortable with mobile technology and are keen to use it more in the future. However, they show a particular affinity for apps. They are also more likely to use mobile for banking and shopping than other areas such as insurance or health care.

M:webs – mobile web users rather than app users. They are open to doing more through their mobile, but less so than some other segments. They generally have fewer apps on their devices and are unlikely to select apps as a preferred means of interacting with businesses.

Mobile-intenders – currently have a low level of mobile interaction with businesses but are keen to broaden this in the future and are attracted by new ways of using mobile. They see the value of mobile and are willing to share personal information with organizations if it promises to benefit them.

ABC-mobiles – do not currently interact heavily via mobile and are measured in their desire to do so in the future. They generally have low trust in organizations and a corresponding reluctance to share data. *ABC-mobiles* are typically older than other segments.

¹ The segmentation is based on smartphone users' views and opinions on a range of questions related to: how they currently interact with different industry verticals (across several channels); openness to new mobile propositions; attitudes to data sharing; and desire to do more through mobile.

Mobile and Personalization

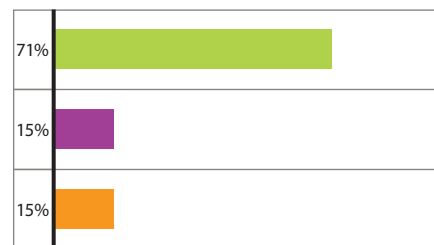
Smartphone users want tailored services from businesses – 71% dislike receiving irrelevant information. Over half of smartphone users (53%) like provider-initiated communications that are relevant to them.

While smartphone users are protective of their personal data, many are open to sharing it as long as the organization can demonstrate the value of doing so. For example, nearly half of smartphone users see the value in sharing personal data with organizations if it reduces fraud risk, compared to 39% if it just makes their lives easier.

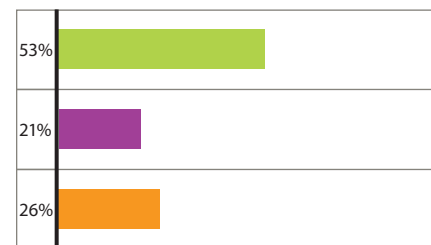
The wealth of data available through mobile technology opens new doors to businesses seeking to provide customers with a customized and personalized service. However, businesses must garner consumer trust and demonstrate value in order to capitalize on this opportunity.

Attitudes to Data Sharing¹

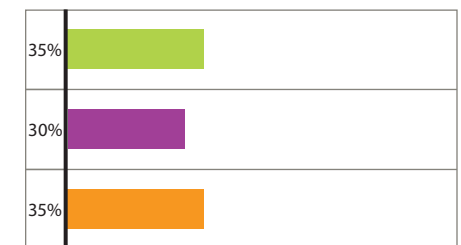
■ Applies
■ Neutral
■ Does not apply



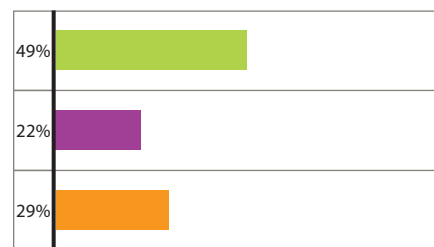
I dislike it when organizations send me information that is irrelevant to me



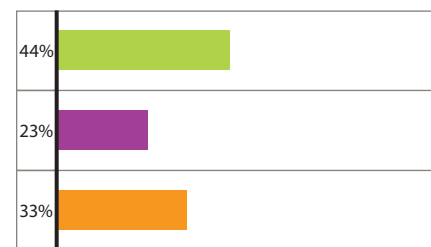
I like receiving information and communications that a provider initiates so long as they are relevant to me



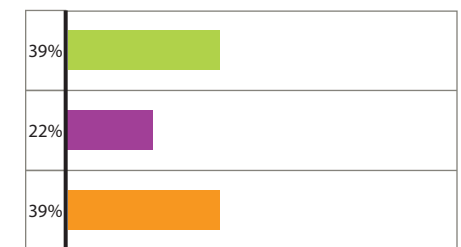
Organizations generally do not make sufficient use of the information they have about me



I can see value in sharing personal data with organizations if it reduces the risk of money being stolen from me



I can see value in sharing personal data with organizations if it saves me money



I can see value in sharing personal data with organizations if it makes my life easier

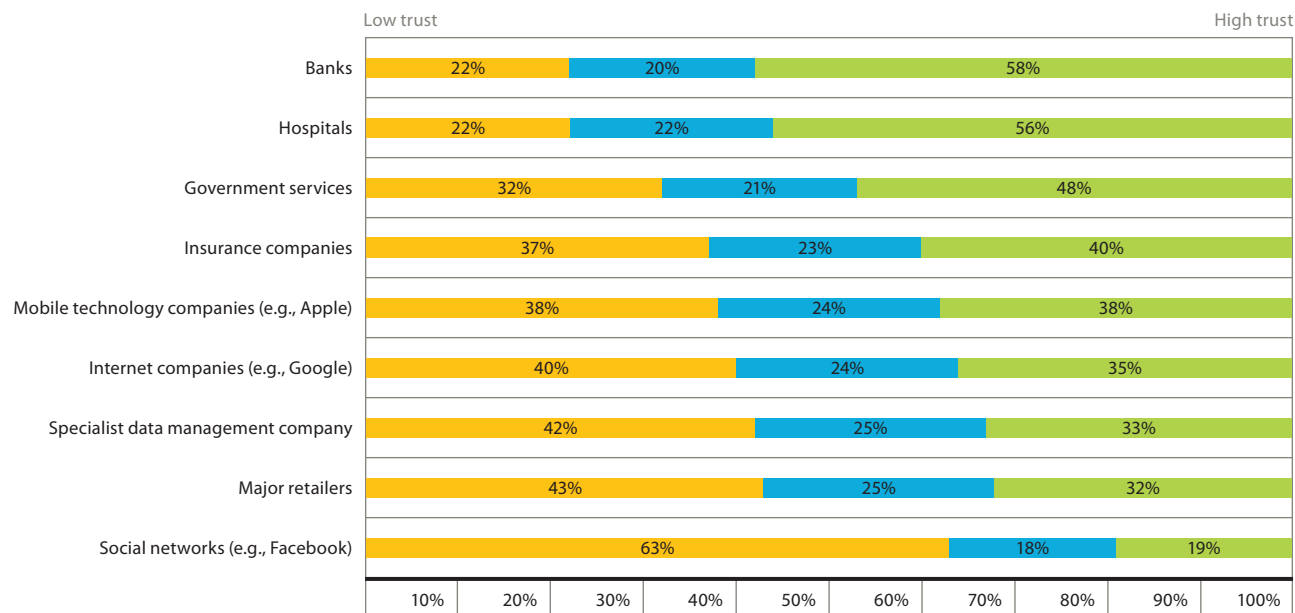
Percentages may not add up to 100% due to rounding.

¹ "To what extent does each of the following statements apply to you?" – Respondents provided a score between 1 and 7, where 1 is "does not apply at all" and 7 is "applies perfectly." In the above graphs, "does not apply" refers to those answering 1, 2 or 3; "neutral" refers to those answering 4; and "applies" refers to those answering 5, 6 or 7.

There is a clear opportunity for more traditional institutions such as banks, health care providers, and, to a lesser extent, insurance providers to capitalize on the mobile data opportunity and provide a personalized service. These organizations have the advantage of being amongst the most trusted by consumers when it comes to taking care of personal data.

Level of Trust in Organizations to Take Care of Personal Data¹

Low trust
Neutral
High trust



Percentages may not add up to 100% due to rounding.

¹ "To what extent do you trust each of the following types of organizations to take adequate care of any personal information that you may need to share with them?" – Respondents provided a score between 1 and 7, where 1 is "do not trust at all" and 7 is "trust entirely." In the above graphs: "low trust" refers to those answering scoring 1, 2, or 3; "neutral" refers to those answering 4; and "high trust" refers to those answering 5, 6, or 7.

Mobile in Banking

The way that consumers interact with banks has already dramatically changed in recent years. Consumers have shifted from physically visiting a branch towards managing their bank accounts online. Over 50% of consumers now consider online to be their preferred channel for checking their accounts, transferring money and making payments.

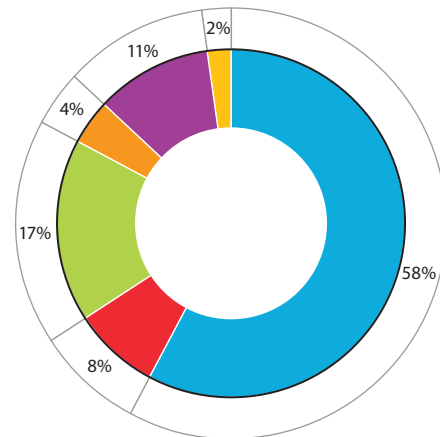
All signs suggest that as mobile technology develops, it will also become a central part of banking for consumers. Of smartphone users, 17% already consider using apps as their favored means of checking their account balance.

Many banks have already adopted mobile technology solutions and have capitalized on a surge in take-up. However, there are further opportunities to exploit.

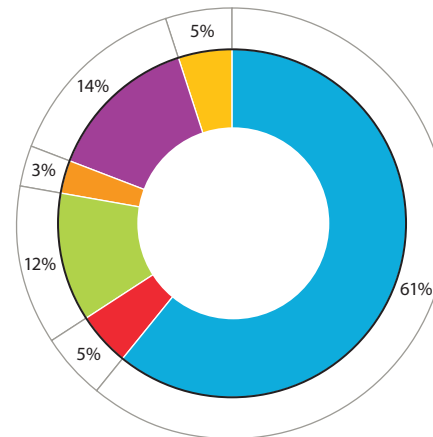
Preferred Pull Communications – Banking¹

- Online using a computer
- Using websites through your mobile device
- Using an app on your mobile device
- Through telephone banking
- At a bank branch / on an ATM
- None of these

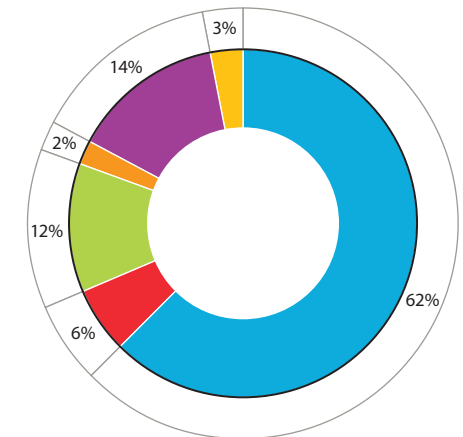
Checking your balance / statement



Transfer money between your own accounts



Make payments from your account



Percentages may not add up to 100% due to rounding.

¹ "Of these, which would be your preferred way of doing those activities?"

When receiving bank-initiated communications, email and text messages are the most popular channels for most interactions.

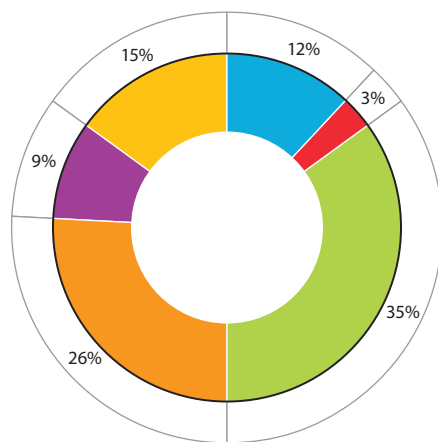
The popularity of text messages which, from a user's perspective, are not dissimilar to push-messages, suggests that there is considerable room for growth through this emerging channel.

One key advantage of mobile is the ability to integrate several channels, for instance email, push-messages and phone calls, into a single mobile solution, which will provide further value to customers.

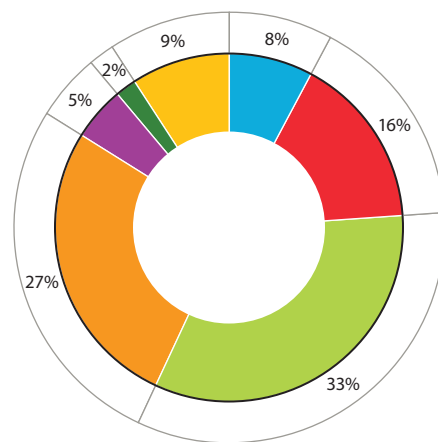
Preferred Push Communications – Banking¹

- By post
- Phone call
- Email
- Text message
- Through a mobile app
- Through social media
- None of these

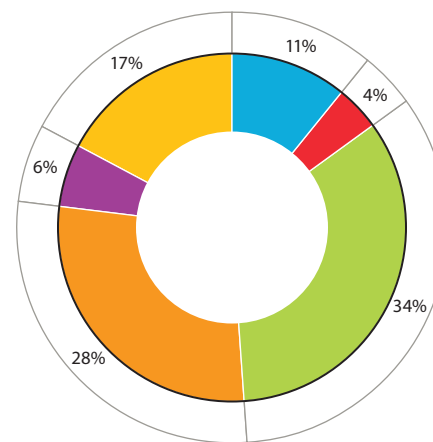
Automated account balance updates



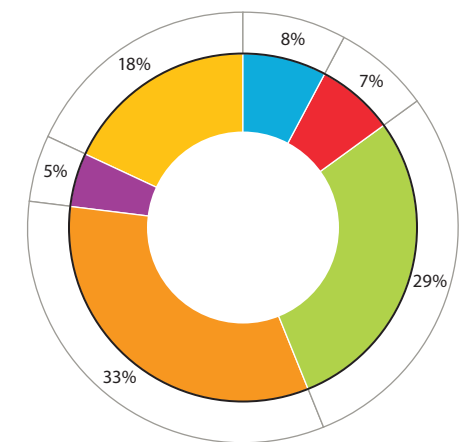
Security checks / notification of potentially fraudulent activity



Credit card bill payment reminders



Credit card limit warnings



¹ "Of these, which would be your preferred way of receiving those communications?"

Over three quarters of smartphone users are keen to do more of at least one type of banking interaction through mobile in the future. The most popular, among that segment, include checking account balances (75%), and receiving security checks / fraud notifications (59%).

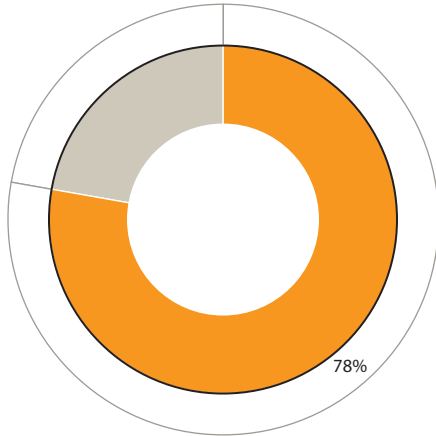
In addition, FICO tested several more specific mobile banking propositions with consumers, including app-based suspicious transaction alerts, bill alerts, bill payment functionality and automatic international payment verification. Each was well received by consumers; however, the most popular was functionality that alerts users of suspicious activity on their account.

“We are very excited by the results in the study as they reinforce the need for banks to communicate more effectively with consumers. I’ve seen firsthand how organizations use FICO’s automated customer communication tools to transform their businesses – reducing costs and risks while deepening customer relationships.”

Stuart Wells
Chief Technology Officer
FICO

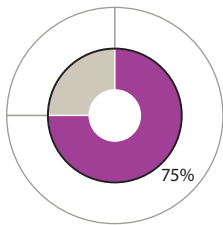
Desire to Increase Mobile Interactions – Banking¹

Consumers that would like to do more banking interactions via mobile in the future.

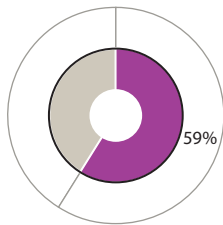


Of those that want to do more through mobile, the most popular interactions by percentage are:²

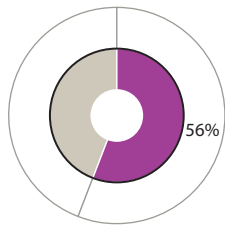
Check your account balance / statement



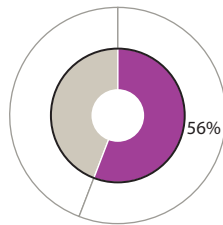
Receive security checks /notifications of potential fraudulent activity



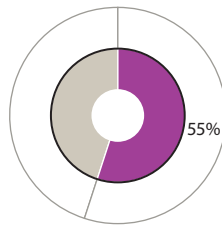
Receive automated account balance updates



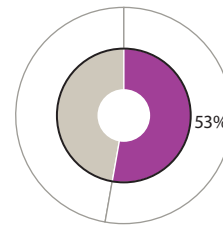
Make payment from your account



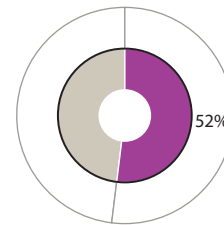
Receive credit card limit warnings



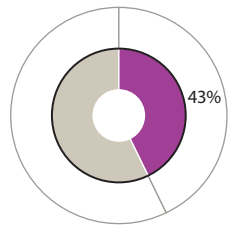
Receive credit card bill payment reminders



Transfer money between your own accounts



Receive information about new products and services



¹ "Which of these, when required, would you like to do more of through your mobile device in the future (either via phone call, text, email or an app)?"

² Percentages based on those that selected at least one interaction.

Mobile in Insurance

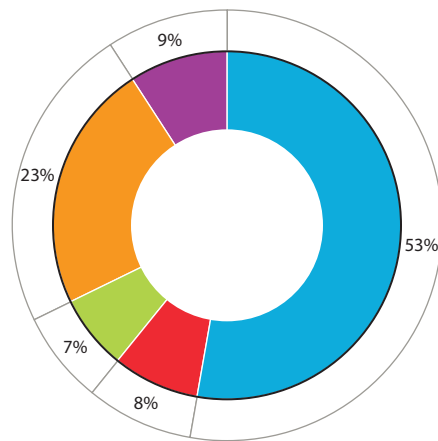
While mobile technology has not, as yet, been adopted as extensively in insurance as in some other industries, smartphone users already display an appetite for mobile interaction in this vertical.

At present, most smartphone users prefer managing their insurance policies and looking for insurance quotes online using a computer. However, despite limited coverage, a growing number (approximately 15%) already prefer on-the-go mobile channels such as mobile websites and apps.

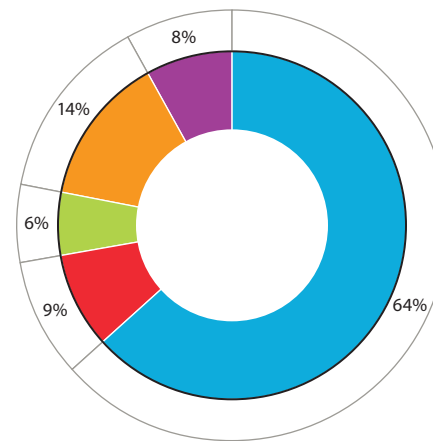
Preferred Pull Communications – Insurance¹

- Online using a computer
- Using websites through your mobile device
- Using an app on your mobile device
- By calling insurance providers / brokers
- None of these

Manage your insurance policy
(or policies)



Looking for
insurance quotes



Percentages may not add up to 100% due to rounding.

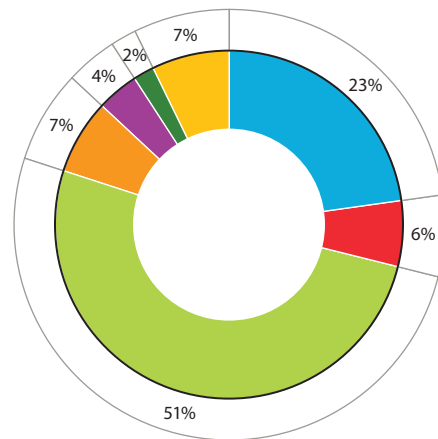
¹ "Of these, which would be your preferred way of doing those activities?"

Overall, the most popular insurance notification channel is email alongside some appetite for text notifications. With emerging mobile technology, it is possible for insurance providers to capitalize further on these preferences. For example, app solutions can have an inbuilt e-mail inbox for alerts. This has the added advantage of enabling alerts to be seamlessly integrated with other functionality contained within the app – insurance policy renewal for instance.

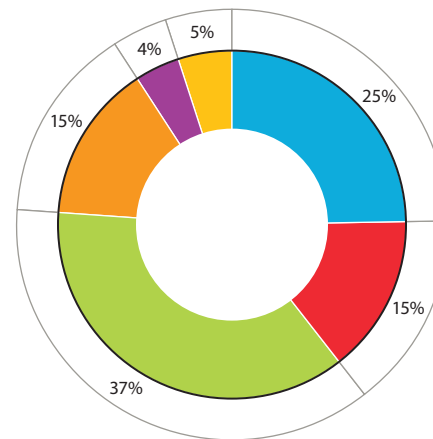
Preferred Push Communications – Insurance¹

- By post
- Phone call
- Email
- Text message
- Through a mobile app
- Through social media
- None of these

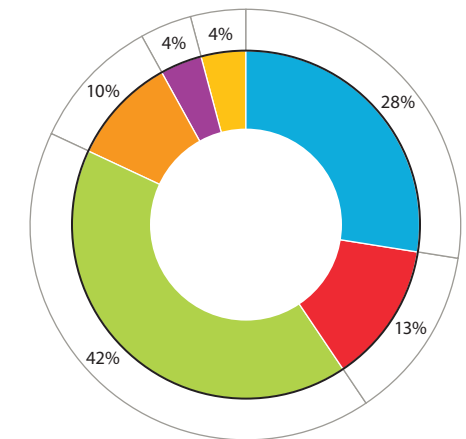
Information about new products and services



Reminders of when your insurance needs renewing



Notifications of any changes to your insurance policy



Percentages may not add up to 100% due to rounding.

¹ "Of these, which would be your preferred way of receiving those communications?"

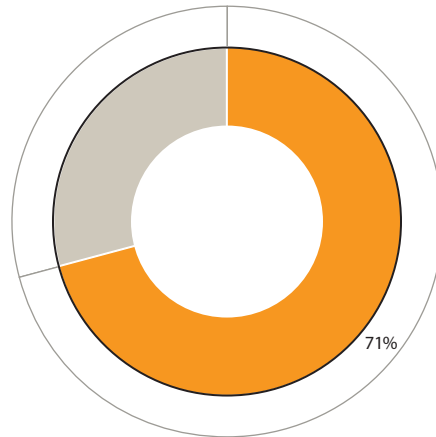
Over 70% of smartphone users would like to increase their use of mobile for one or more insurance-related interaction. The most popular mobile interactions are those related to alerts – in particular, renewal reminders. However, more involved interactions, such as managing policies, are also attractive for some.

“The opportunity for insurers to engage with smartphone consumers is significant. FICO’s experience with insurers supports this finding; we have helped insurers win back an extra 20% of lapsed policyholders with innovative customer communication strategies.”

Russ Schreiber
Vice President - Insurance and Health Care Practice
FICO

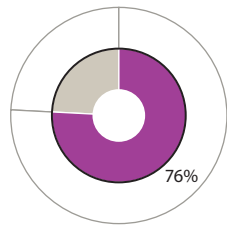
Desire to Increase Mobile Interactions – Insurance¹

Consumers that would like to do more insurance interactions via mobile in the future.

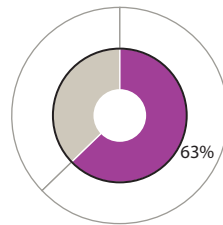


Of those that want to do more through mobile, the most popular interactions by percentage are: ²

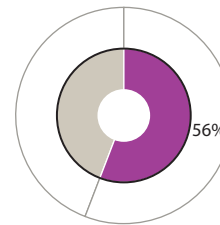
Receive reminders of when your insurance needs renewing



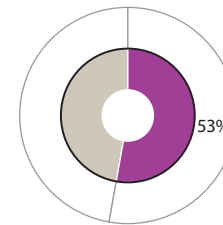
Receive notifications of any changes to your insurance policy



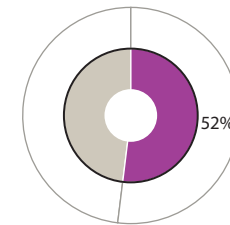
Receive information on new products and services



Manage your insurance policy (or policies)



Look for insurance quotes



¹ "Which of these, when required, would you like to do more of through your mobile device in the future (either via phone call, text, email or an app)?"

² Percentages based on those that selected at least one interaction.

Mobile in Health Care

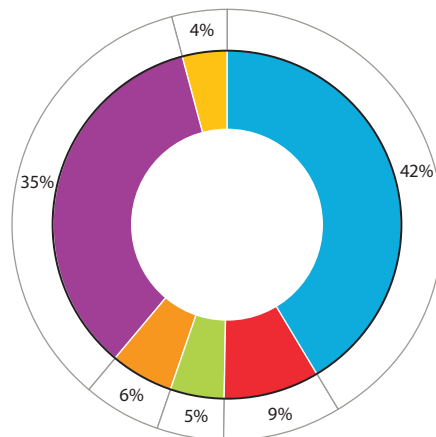
Health care has been slower to react to the opportunities provided by mobile technology. However there are clear opportunities, for example, for mobile health and treatment trackers to support the day-to-day management of illnesses.

The potential for mobile in health care ties in with another emerging trend – an increase in the use of alternative advice channels. Almost two-thirds of smartphone users like the option of seeking medical advice through channels other than physically visiting a health care professional.

Preferred Pull Communications – Health Care¹

- Online using a computer
- Using websites through your mobile device
- Using an app on your mobile device
- Through calling the health care providers
- By visiting a health care professional
- None of these

Look for medical advice



Percentages do not add up to 100% due to rounding.

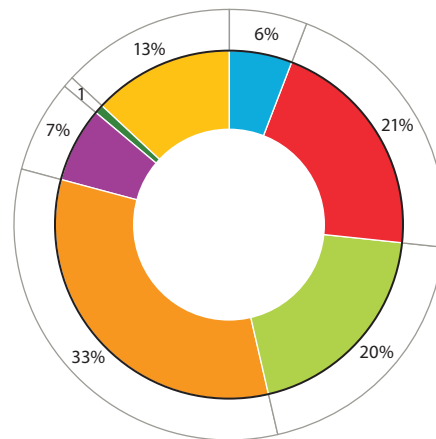
¹ "Of these, which would be your preferred way of doing those activities?"

Text and email are both popular ways of receiving notifications from health care providers. The functionality of both of these can be incorporated into a mobile solution through an inbuilt in-box with push-messages. The appetite for this is underlined by the fact that up to 10% of smartphone users already would prefer apps as a means of receiving certain notifications from health care providers.

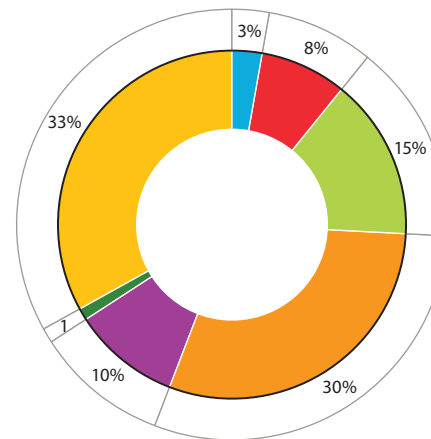
Preferred Push Communications – Health Care¹

- By post
- Phone call
- Email
- Text message
- Through a mobile app
- Through social media
- None of these

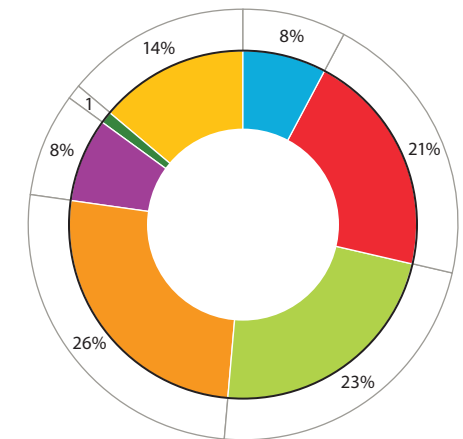
Reminders of upcoming appointments



Reminders for taking your medication



Reminders to arrange an appointment / health checks



Percentages may not add up to 100% due to rounding.

¹ "Of these, which would be your preferred way of receiving those communications?"

Encouragingly, 80% of smartphone users would appreciate the option of using their mobile device for interacting with health care providers and identify ways that they would like to do more through mobile.

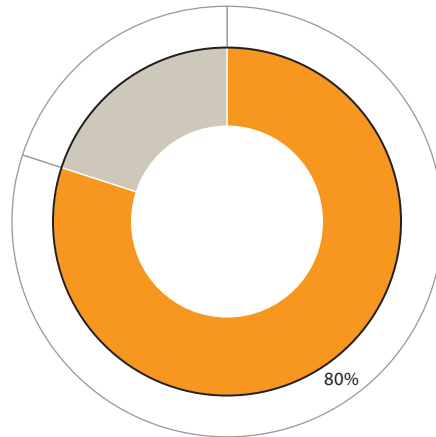
Appointment reminders and health check scheduling reminders are the most popular mobile interactions with smartphone users. Over two-thirds of those keen to do more through mobile selected these interactions.

“Consumers are hungry for mobile applications that can help them improve their health with medication reminders, or alerts on personal health risks. We are committed to improving patient outcomes via sophisticated analytics that generate smart communication strategies.”

Russ Schreiber
Vice President Health Care & Insurance Solutions
FICO

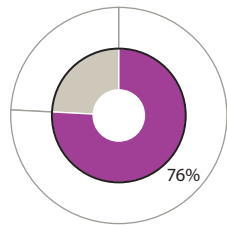
Desire to Increase Mobile Interactions – Health Care¹

Consumers that would like to do more health care interactions via mobile in the future.

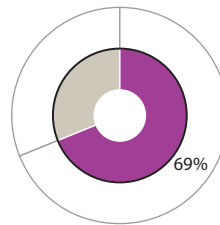


Of those that want to do more through mobile, the most popular interactions by percentage are:²

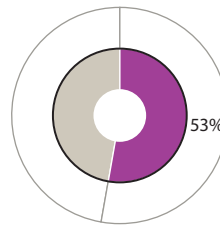
Receive reminders of upcoming appointments



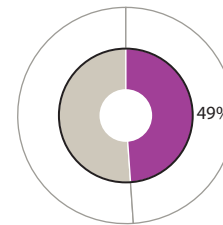
Receive reminders to arrange appointments / health checks



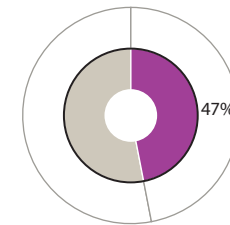
Receive reminders to take medication



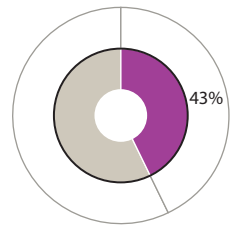
Receive reminders to monitor personal health risks



Look for medical advice



Receive general news and service information



¹ "Which of these, when required, would you like to do more of through your mobile device in the future (either via phone call, text, email or an app)?"

² Percentages based on those that selected at least one interaction.

FICO helps organizations deepen customer relationships and grow profits by blending powerful analytics with the right customer communication strategies on mobile and traditional channels. To learn more about our current customers and our capabilities explore www.fico.com.

About FICO

FICO (NYSE: FICO), formerly known as Fair Isaac, is a leading analytics software company, helping businesses in 80+ countries make better decisions that drive higher levels of growth, profitability and customer satisfaction. The company's groundbreaking use of Big Data and mathematical algorithms to predict consumer behavior has transformed entire industries. FICO provides analytics software and tools used across multiple industries to manage risk, fight fraud, build more profitable customer relationships, optimize operations and meet strict government regulations. FICO solutions leverage open-source standards and cloud computing to maximize flexibility, speed deployment and reduce costs.



For more information
www.fico.com

North America toll-free
+1 888 342 6336
info@fico.com

Latin America & Caribbean
+55 11 5189 8222
LAC_info@fico.com

Europe, Middle East & Africa
+44 (0) 207 940 8718
emeainfo@fico.com

Asia Pacific
+65 6422 7700
infoasia@fico.com

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