

RESEARCH 2016

# THE MILLENNIAL INFLUENCE

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HOW MILLENNIALS OF THE USA WILL SHAPE  
TOMORROW'S PAYMENTS LANDSCAPE

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# INTRODUCTION

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This research into US millennials' payments behavior is part of our long-standing commitment to play a leading role in the discussion about the future of payments systems.

Having been at the forefront of developments in our industry for 60 years, we see proprietary research and market analysis as a fundamental part of our offering. As providers of the infrastructure through which so much of business and personal commerce is conducted, we are uniquely well-placed to explore and offer insight on emerging trends and behaviors in the way people and organizations want to access and move their money. And, of course, customer insight is at the heart of our own product strategy development, so this research serves a dual purpose - to support the industry and enlighten our own innovation.

Millennials are coming of age - the oldest of them are hitting the peak of their economic productivity and their greatest purchasing power. Their choices, their behaviors and their concerns are set to profoundly shape developments across every spectrum of business and commerce, and nowhere more so than in how they access their money. Starting in the US, and moving to South East Asia and Europe, we are taking a close look at what millennials are saying about how they want to pay and what this means for the next generation of payments.

For us this has already been a fascinating journey, and we're only at the first stop. This report offers a snapshot of what young Americans are saying and thinking about their money, and how they see the future unfolding. One thing is certain, the assimilation of technology into everyday patterns of behavior isn't going to stop and we all need to respond - tomorrow will not be like today.

I hope you find these insights and themes both interesting and useful and encourage you to continue the debate through our online hub VocaLink CONNECT.

A stylized, handwritten signature of Cara O'Nions in dark blue ink.

**CARA O'NIONS**  
MARKETING AND CUSTOMER  
INSIGHT DIRECTOR

# WHAT ARE WE TALKING ABOUT?

This is, by definition, a technical subject so let's start by being clear about our references and meanings.



## MOBILE PAYMENT

A mobile payment is any payment made from or via a mobile phone or 'cell phone'. This could be using an application that sits on top of a contactless payment system such as Apple Pay, usually used to pay for low-value goods in a store. It could also be buying an app, music, digital content or shopping through a mobile phone. In this way, most of us who have smartphones have made mobile payments at some point.

Mobile payments therefore offer, and are increasingly being valued as, an alternative to conventional payments methods such as cash, check and credit or debit card.



## MOBILE BANKING

This means accessing and managing your bank accounts via a mobile phone – simple as that. For the purposes of this paper, if a person accesses their account via a tablet while out and about – in a coffee shop for example – that isn't mobile banking, it's online banking.

It is also possible to make a digital interbank payment via a mobile banking app, but that wouldn't count as a mobile payment either. In this study, mobile payments refers to payments services operated under financial regulation and performed via a mobile device. So, while all mobile payments are digital, not all digital payments are mobile.



## MILLENNIALS

For our purposes, millennials are the generation of people born between the 1980s and the year 2000 i.e. those who approached adulthood at or since the turn of the millennium and who are now 18-35.

For this study, we only interviewed millennials with access to a smartphone or tablet and who hold a bank account(s).

### P2P

Person-to-person

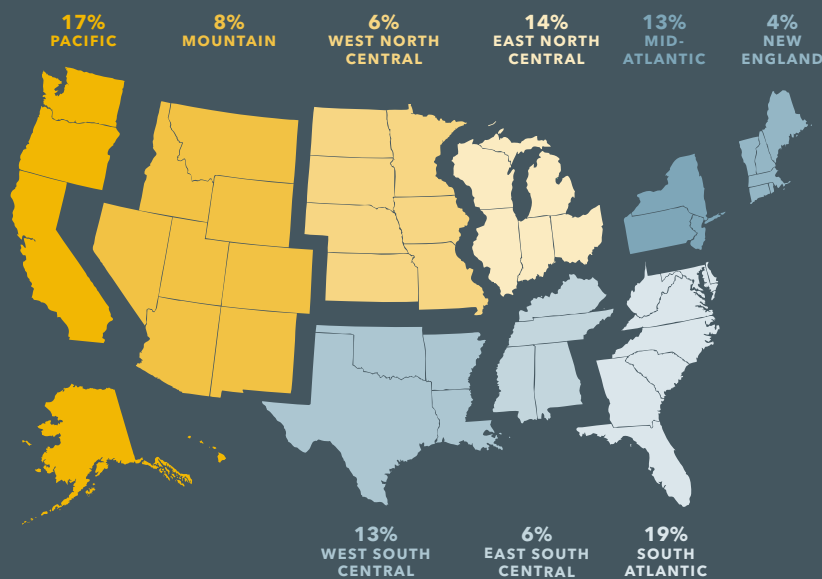
### P2B

Person-to-business

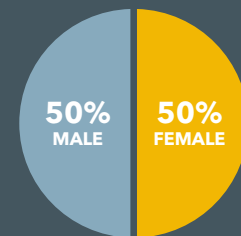
### B2B

Business-to-business

# OUR AIMS AND APPROACH



**5,027 MILLENNIALS**  
TOOK PART



**38%** 18-24 YEARS  
**23%** 25-29 YEARS  
**39%** 30-35 YEARS

Much has been written and said about the millennial generation – their attitudes and expectations, ambitions and concerns and, perhaps most of all, their behaviors.

They are, above all else, digital natives – they’ve never known a world without the internet and increasingly they can’t imagine a world where most people didn’t carry a phone in their pocket or bag. And, given that there are so many millennials – they are the largest generation since the baby boomers of the mid 1940s to mid 1960s – it’s not surprising to see the digital world tracking their behaviors closely and looking for signs of what will be the ‘next big thing’.

The dramatic spread of mobile phone technologies around the world, in both developed and developing economies, and the rapid pace of development in the payments industry, prompt some

important questions: how do millennials pay for goods and services? Why do they choose these methods? And, how do they see behaviors and preferences evolving as technology advances?

As a pioneer in the development and integration of new payments systems, VocaLink has an important role to play, both in understanding the perceptions and behaviors of millennials, and also in helping the wider financial and commercial world to understand how millennials’ preferences will impact their demands for products, services and the infrastructure that supports commerce.

So, we set out to research how millennials are using the payment technologies and methods currently available to them. Our initial study looks at the US, though we are also conducting comparable studies in SE Asia and Europe. We held four focus groups with millennials – men and women aged between 18 and 35 – in New York City and Houston, Texas (11 and 12 February 2016), and surveyed

the opinions and behaviors of 5,027 millennials across the US through the leading market research provider Ipsos MORI. Data was collected via an online survey between the dates 26 April - 11 May 2016.

The specific aims of the study were to:

- Understand how technology and social media influences the lives of millennials
- Explore attitudes and trends in millennials’ current payment behavior – and examine how this may evolve in the future, looking in particular at: banking behavior; how money comes in and goes out of their accounts, including P2P, P2B, regular financial commitments, transport and day-to-day consumption
- Explore how millennials see and want payments to operate in the future.

# MILLENNIALS AND THEIR TECH



**98%**

USE A SMARTPHONE



**80%**

USE A PC / MAC



**57%**

USE A TABLET



**20%**

USE A WEARABLE

It should come as no surprise to anyone that millennials and mobile technology are inextricably linked: where one goes, the other follows. But we wanted to take a closer look at precisely which devices millennials are using, before going on to look at what they use them for.

## 98% OF MILLENNIALS USE SMARTPHONES

Perhaps unsurprisingly, Apple products feature highly in our findings and nowhere more so than here with 40% of millennials using an iPhone 6 or newer model. With 19% of millennials using another iPhone model, Apple smartphones account for well over half of all smartphones in our sample. Samsung, again unsurprisingly, has the next largest share, with 22% of millennials using a Galaxy S6 or newer, and a further 19% using another Samsung model.

## TABLETS HAVE YET TO ECLIPSE LAPTOPS AND PCS

While 57% of millennials use tablet computers, the largest share of which use iPads of various generations, 80% use PCs or laptops, 27% of which are Apple devices.

## ONE IN FIVE MILLENNIALS USES A WEARABLE DEVICE

20% of millennials wear their technology, either in the form of an Apple Watch (12%), Samsung Gear (9%) or other smartwatches (4%).

## MILLENNIALS VALUE TECHNOLOGY THAT CAN BE ADAPTED TO THEIR NEEDS

Smartphones have become an integral part of millennials' daily lives, and while older observers may believe that millennials have become slaves to their phones, millennials themselves see them as sources of liberation, including the way in which they handle their finances.

- **69%** agree they couldn't live without their smartphone
- **78%** agree that technology gives them more control over their daily lives
- **83%** say that they like technology that allows them to tailor things to fit their needs
- **79%** agree that mobile banking is easy to use.







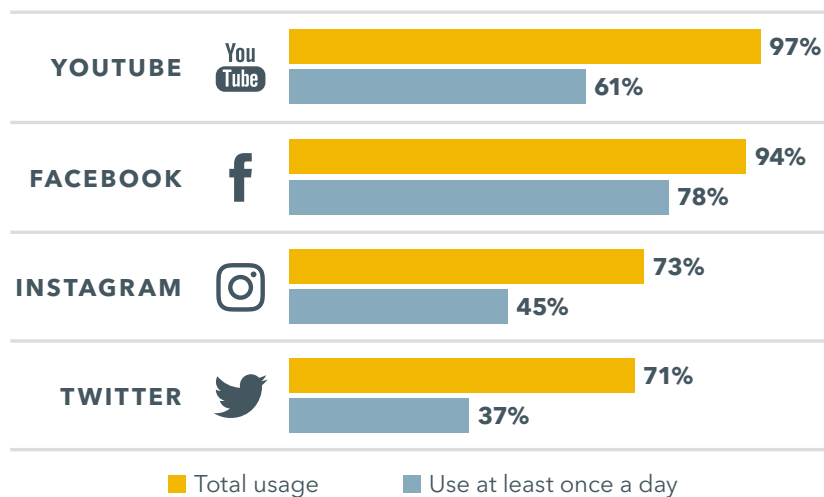
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# SOCIAL MILLENNIALS

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Millennials are the first truly digitally connected generation and they have embraced social media enthusiastically - to the extent that it has become an integral part of their daily lives.

Paradoxically, despite sharing many of their most intimate thoughts and experiences on social media, they do still have concerns about data security - a fact that will be of particular interest to banks and those in the payments industry.

67% agree that 'Social networking is an essential method of communication to me'. But while 78% use Facebook at least once a day, 68% agree that 'I am concerned about the amount of information available about me on social media.'

Of course, social media is a broad category and millennials vary in their use of different social media platforms. Older millennials make greater use of Facebook, Twitter, Google+ and LinkedIn than their younger counterparts, while the highest usage of more recently introduced channels such as Snapchat and Instagram tends to be among younger millennials, those aged 18-24.

**78%**

USE FACEBOOK AT LEAST  
ONCE A DAY

# MILLENNIALS AND THEIR MONEY

Our core purpose in conducting this study was to understand how millennials like to move their money, within the context of evolving financial technologies and an ever-more digitally connected world.

In particular, we wanted to examine how far their comfort with living in the digital world extends to payments and their financial management – and what this means for stakeholders in the banking and payments industries.

Overwhelmingly, millennials now manage their money online, either through a PC/Mac or via mobile – using a browser or app.

In fact, millennials already seem equally happy to manage their personal finances using their mobile devices as they are via a desktop or laptop computer.

However, within these figures there is evidence that millennials are more likely to check account balance, bank transfer to/from someone, and receive account alerts using mobiles than they are through PC/Mac.

These are core payment activities and the fact that users are performing them on mobile devices more than laptops and home computers, suggests a clear appetite to manage finances in the moment, when the thought occurs, rather than having to defer action until a keyboard and screen presents itself.

However, despite their increasing comfort with online banking and payments, US millennials remain surprisingly attached to a payment means from another century – the personal check. 87% have deposited a check in the last three months, with the vast majority of them (69%) having done so manually. 14% of millennials say that they write over 30 checks per month.

The introduction of technologies that make it possible to deposit checks online, through scanners or cameras,

may be serving to perpetuate this ‘analogue’ attachment: a total of 44% of millennials have used online technologies, via PC/Mac, smartphone or tablet, to deposit a check in the last three months. Checks are fast dying out in other countries, notably the UK where many retailers no longer accept them, but in the US, for now at least, checks continue to play an important role.

## 87%

HAVE DEPOSITED A CHECK  
IN THE LAST 3 MONTHS

	PC/MAC	MOBILE
Check account balance	54%	56%
Bank transfer to/from someone	24%	25%
Transfer between accounts	43%	41%
Paying bills	45%	35%
Receive account alerts	31%	40%







# HOW MILLENNIALS LIKE TO PAY

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## THE BEGINNING OF THE END FOR CASH?

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So, if millennials are increasingly happy to use technology to access and manage their accounts, how is this affecting the way they like to pay for things? The search for an alternative to cash has produced many false dawns over the last few decades, but are we now reaching the beginning of a new era in payments?

Among US millennials, cash is no longer king. In fact, cards have comprehensively eclipsed cash for all forms of transaction except peer to peer (P2P) – and even here cash only just holds on to its crown. Across outgoing P2P transactions, cash is used by 48% of millennials and cards by 44%. Mobile payment – contactless or other app by phone or tablet – is the next most used method having been used by 22% of millennials.

In all other types of transaction – P2B, financial commitments such as rent and utilities, transport and travel, and consumption – card payments

are dominant, and by a considerable margin. US millennials let their cards take the strain in most situations, even those involving large and predictable payments such as rent and utilities. However, in nearly all types of transactions, the third choice payment means is mobile – ahead of bank transfers, prepaid plans and PayPal; ahead even of checks. In fact, when it comes to paying a business, millennials are more likely to use mobile payments than they are to use cash – which really could herald the beginning of the end for cash.

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**// With Houston being a big metropolitan city, with people of different nationalities traveling all over the world, it would be a lot more convenient when abroad to pay for a taxi or split a bar tab, just using a phone. //**

**HOUSTON, 26-35**

There's also a high degree of coincidence between mobile payment use and social media activity. Across the entire millennial spectrum, if you are currently making mobile payments, you are much more likely to be regularly active on social media – and that applies to all forms of social media.

What do we take from this? Social behaviors carry through to payments behaviors, and vice versa. If you are at ease sharing your life online – and remember for many forms of social media that's about sharing the moment *in the moment* – then you are likely to be happy paying for it through the same device with which you socialize.

Within these broad categories, there is further insight that suggests an evolution in the way millennials pay for goods and services.



# 30%

OF THOSE WHO PAY FOR CABS  
USE MOBILES TO PAY

# 48%

SEND INTERNATIONAL  
PAYMENTS

// My mum [in Colombia] isn't savvy with technology, so I could simply show her how to find my name in her contacts, click my name, and submit the money and that's it. //

**NEW YORK, 26-35**

## PAYING PEOPLE

P2P payments are made largely by card and cash – no surprises there. These payments include tips for service, giving or lending money to an individual, paying for work done or sharing a bill. One type of P2P transaction is different: sending money internationally. Of the 48% of millennials who make this kind of payment, 48% have done so by card. But physically sending cash is risky and only 21% choose this method, while 27% use mobile payments – the same amount that use PayPal – which for many is a form of mobile payment anyway since they can access it via

their smartphones. This suggests that mobile payments are becoming a real competitor to conventional international transfer channels.

## PAYING FINANCIAL BILLS

When millennials come to meet their regular financial commitments – utility bills, rent or mortgage and other regular commitments – cards dominate, a pattern that contrasts with the UK where a significant proportion of these are paid by automated bank transfers. But for millennials in the US, mobile payments are closing the gap with other payments methods and when paying their utility bills, millennials are just as likely to use mobile payments as they are checks.

## PAYING FOR TRAVEL

In other kinds of transactions, mobile payments are also gaining ground. Payments for transport or travel continue to be dominated by cards and cash, but in paying for public transport

and, in particular, paying for cabs and cab share, mobile payments are offering a serious challenge to cash with 30% of users having paid by mobile. This is almost certainly an expression of the Uber-effect – the exponential growth of the online car booking service that allows users to book rides from their smartphones.

## PAYING FOR FOOD AND FUN

Payments for things such as food, eating out, clothes and entertainment, continues to be dominated by cards and cash but here too, mobile payments are growing in popularity. In areas that are themselves digital, such as digital media, entertainment subscriptions and, increasingly, gambling, mobile has already outstripped cash – a sign of things to come perhaps, and certainly an indication of the potential for mobile to move into and take over payments previously made using card and, especially, cash.



# THE MILLENNIAL INFLUENCE

## US MILLENNIALS AND THEIR MONEY



**48%**

Nearly half of US millennials send international payments



**45%**

Of working millennials receive salary by bank transfer, 31% by check



**60%**

Entrepreneurial millennials currently sell items online



**87%**

Deposited a check in the last 3 months



**84%**

Pay for everyday eating out/drinking on card vs 44% using cash



**30%**

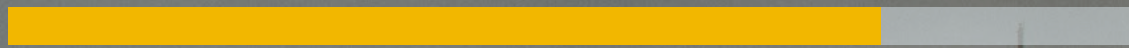
Of those paying for cabs or cab shares do so using mobile payments



## TECHNOLOGY



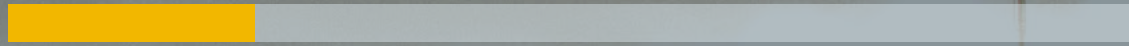
Millennials agree that technology gives them more control



78%

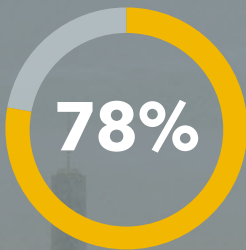


Wearable users i.e. Apple Watch/Samsung Gear

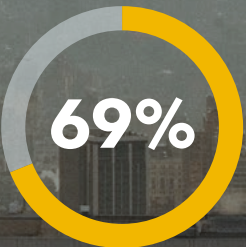


20%

## SOCIAL



Use Facebook at least once a day



Millennials who couldn't live without their smartphone

## MOBILE PAYMENTS



Millennials who are currently making mobile payments



4 in 5

Mobile payment users have encountered some type of problem when making a payment

1 in 4

Millennials tried mobile payments but has lapsed since, mainly down to security concerns

70%



Would be more likely to use a new mobile payment service if provided by their own bank

## THE FUTURE



67%

Prefer fingerprint to verify a payment (cellphone/card) instead of signature or PIN



58%

Would prefer to use eye scans instead of signature or PIN



73%

Would like to make instant payments, regardless of who they bank with

# HOW MILLENNIALS LIKE TO BE PAID

When it comes to receiving money, there is equal complexity and nuance, with each transaction type telling its own tale.

Most millennials receive their salary from work via bank transfer (45%) or check (31%) – though 14% still receive cash in hand. The growth of PayPal as a trusted interface is apparent across all transaction types, challenging or outstripping checks in transactions that might be described as financial commitments, such as receiving payment for someone else's share of a utility bill or rent. And when they sell something online themselves, 47% of millennials receive payment by PayPal, or given their comfort online, mobile payment is more frequently used than the faithful old check.

But, in many ways all that's business or admin – what about transactions that would normally involve someone handing over some notes?

Cash remains the most common method for repayment in a P2P context, with the exception of payments from people you know personally, such as friends and family. For example, if you've subbed a friend for a purchase or for their share of a utility bill – mobile payments are already used broadly in line with checks and bank transfers as a method to pay this back.



**31% OF WORKING MILLENNIALS RECEIVE THEIR SALARY VIA CHECKS**



**45% OF WORKING MILLENNIALS RECEIVE THEIR SALARY VIA BANK TRANSFER / ONLINE BANKING**

## TAKING THE EFFORT OUT OF CHECKS

A closer look at the use of checks offers an insight into both the typical scale of these kinds of P2P transactions, and the way that millennials are adapting their behavior to embrace greater convenience. Millennials continue to write and receive checks in large numbers: 70% write a check at least once a month, with 20% writing 21 or more, while 56% use check imaging – scanning of photographic techniques – to deposit checks into their accounts. This is a relatively new facility but its uptake illustrates the extent to which millennials value convenience and control over having to visit a branch bank to deposit payment. Around 32%

of millennials use imaging to deposit checks six times or more per month, with 16% depositing over 30 checks this way. Evidence from our focus groups suggests that at least some of this scanning is by millennials transferring money between accounts and avoiding bank fees charged on transfers.

The rapid adoption of imaging may serve to prolong the life of the check – it's certainly supporting it at the moment – but perhaps in the long term this is more an indication of a desire among millennials to further reduce their physical interaction with their bank, where there is a viable alternative.









# MILLENNIALS AND MOBILE PAYMENTS

Having looked at millennials' financial behaviors and how they make and receive payments we wanted to take a closer look at their perceptions and use of the latest wave of payments technology – mobile payments, starting with which platforms they have heard of and which ones they actively use.

What becomes immediately apparent is that our digital natives are not quite as fast to adopt new technologies as perhaps they imagine.

While 82% have either definitely heard of or think they have heard of Apple Pay – the largest and most high-profile of the new mobile platforms – only 8% of iPhone users say they currently use it. The same is true of Samsung Pay with awareness/adoption rates of 71%/8%. Both of these figures represent low conversion for the major brands behind them, although Samsung Pay is much newer to market so has had less time to gain traction. Perhaps more surprising is the case of PayPal, which has been around for years now and is widely recognized and used as a payment method and money transfer channel – but not as a mobile payment app, attracting just 9% of millennials.

## MOBILIZING MOBILE

So why are figures for adoption of mobile payment so low when awareness is so high – what's preventing millennials from embracing payment systems that would appear custom-made for their increasingly digital lifestyles?

The answer is problems with using them – either on the part of the user or the vendor. Just over half of millennials (52%)

// When you pay with it at certain places, the people there aren't trained and they don't understand what your trying to do, so you have to revert to credit card. //

HOUSTON, 26-35

are current users of mobile payments in one form or another and 86% of contactless mobile payment users say they have experienced problems, either in the form of technical issues, in-store issues – such as the terminal not working or the store not accepting such payments – or feeling hassled or self-conscious when getting to grips with the mobile platform. But that's the people who are using mobile payments – and despite any issues they have faced they are continuing to use mobile payments.

What about those who aren't using them? A quarter of millennials have tried mobile and stopped – why? Most (47%) have discontinued use because of concerns over security – most commonly because they were worried about storing and/or losing financial data on their cell phones, or because they feared the network itself wasn't secure. Is there an



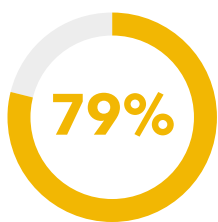
**4 IN 5 MOBILE PAYMENT  
USERS HAVE EXPERIENCED  
A PROBLEM WHEN MAKING  
A PAYMENT**

**52%**

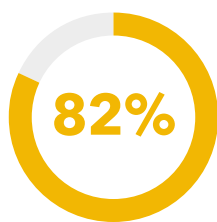
CURRENTLY MAKE  
MOBILE PAYMENTS



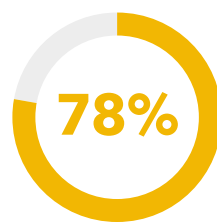
**1 IN 4 MILLENNIALS HAVE  
TRIED MOBILE PAYMENTS  
BUT HAVE DROPPED  
OUT, MAINLY CAUSED BY  
SECURITY CONCERNS**



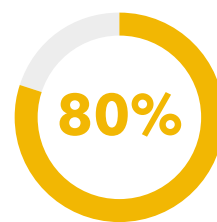
MOBILE BANKING IS  
EASY TO USE



PAYMENTS ON MY CELL  
PHONE WILL NEED A  
GUARANTEE THAT THEY  
ARE SECURE



I'D LIKE TO BE ABLE  
TO SEE AVAILABLE  
BALANCE TO SPEND  
WHEN I MAKE A  
PAYMENT WITH MY  
CELL PHONE



I EXPECT MY BANK TO  
GUARANTEE SECURITY  
OF CELL PHONE  
PAYMENTS

inherent contradiction here, given the way millennials are so happy to live and share their personal lives over social networks? Or is it that millennials make a more concrete distinction, such as: *'That's my holiday/my pet/my party/my bikini - but money is money, and it's much more private.'*

Our focus groups told us that some millennials certainly do have some reservations about using a mobile payments system linked to their social media accounts, the main one being a fear that people would be able to see what or with whom they spend their money.

Looking more deeply at this data we can see that greater familiarity with mobile payments does lead to a reduction in concerns over security - users

**// You don't hold up the line. It's kind of like a drive through experience, a lot less waiting, I would use it. //**

#### NEW YORK, 18-25

who tried mobile only once or twice were significantly more likely (51%) to abandon it due to security concerns than users who tried mobile a few times (43%). This, combined with the 22% of millennials who have yet to try mobile payments, indicates a huge incentive to payments providers to refine their offer and improve the user experience.

The greatest barrier seems to be encouraging people to try mobile: nearly 4/5 (79%) of those that currently

use their mobile to pay say they are likely to increase their usage, whereas only 40% of non-users can see themselves going mobile - although, of course, that figure includes those who have tried and abandoned mobile and who may take more persuading than those who have no unsatisfactory experiences to overcome.

#### COFFEE TO GO

Coffee chain giant Starbucks launched its own mobile payment service and, while not quite threatening cash, it has achieved a level of take up that other mobile payment platforms can only envy - for now. While only 53% have heard of the app, 7% are already using it - a much higher level of conversion than

others. In fact, Starbucks says that in Q1 of 2016 24% of all transactions were made using mobile\*, either in-store or via an app or via its Mobile Order & Pay app - in December's peak shopping time that figure rose to 22%.

\* STARBUCKS Q1 EARNINGS PRESENTATION,  
REPORTED IN BUSINESS INSIDER, APR 26TH 2016



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# MILLENNIALS AND THE FUTURE

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## INSTEAD OF USING A SIGNATURE OR PIN, WHICH WOULD YOU PREFER TO VERIFY YOUR PAYMENTS?



67%

USE FINGERPRINT  
TO PAY USING  
CELL PHONE



67%

USE FINGERPRINT  
TO PAY USING  
PAYMENT CARDS



58%

USE EYE SCANS  
TO PAY



47%

USE FACIAL  
RECOGNITION  
TO PAY



46%

USE VOICE TO PAY

As the pattern of payments evolves, millennials are definitely open to the introduction of new technologies – indeed they are eager for them. It will be interesting to see whether their willingness to adopt them when available matches their enthusiasm for new concepts.

We asked our sample to consider a number of potential biometric techniques for verifying payments in place of the signature or PIN. The biometric methods which were the most preferred overall over signature or PIN were fingerprints (67% preference), followed by facial (47%) and voice recognition (46%).

However, when considering the strength of preference, it is fingerprint recognition to validate card payments that appears to have the edge over validating payments via a cell phone. Just over one third (34%) of millennials 'very strongly prefer' fingerprint card validation over signature or PIN compared to only 27% who 'very much prefer' cell phone fingerprint validation over signature and PIN. This reveals a somewhat contradictory – even perverse – urge to adopt new technologies at the same time as retaining old ones; a pattern that echoes millennials' enduring love affair with the check.

“ Soon it's going to go into biometrics where it will be able to read your personal identification of your eyes or fingerprints...it's kind of scary because that information will be controlled by 'we don't know who'. ”

### HOUSTON, 26-35

It's also interesting and revealing to see how millennials regard the role of the banks in the evolution of new payment methods. Despite their avowed interest in all things new, millennials most closely associate payment and the security of their money with banks. Asked whether they would be more or less likely to adopt mobile payments if it was provided by a range of different possible providers, millennials strongly favor the idea of mobile payments being offered by their bank (70%), by PayPal (64%), by a card provider (62%) or by a service provider endorsed by their bank (49%). And, despite the seemingly irresistible march of giant technology companies (like Apple and Google) in other areas of commerce – and their very significant role in our survey respondents' lives through social media – millennials do not regard

them, ISPs, telcos or the Government as likely sponsors for mobile payments that they would use. Furthermore, just 27% of millennials say they would be more likely to use mobile payments if it was introduced by a new-to-market company. So it's not social media or utility providers, nor a new brand, but banks and other payments providers that millennials are looking to for progress in mobile payments. As well as launching or driving mobile payments, it may be that banks, as trusted champions of payments, are best placed to inform and educate users about innovation. Exactly half of our millennials agree that they would 'always go to the bank to educate me on new banking/payment technology'.

“ If I was going to do something like that and I have never used mobile person to person payments, I would feel more secure using something from my actual bank vs a third party. ”

### NEW YORK, 26-35

# DESIGN FOR LIFE

As we have seen, concerns over security are one of the major obstacles to the adoption of mobile payments.

What's the answer? An overwhelming 82% of millennials agree that 'payments on my cell phone will need a guarantee that they are secure' and 80% agree that they 'expect my bank to guarantee security of cell phone payments'.

What kind of service are millennials looking for in the future? As with all developments, users are looking for progress allied to simplification. Millennials already agree that mobile banking is easy to use (79%), but 78% agree that they would like to see that they have available funds before making a purchase and 74% agree that they would like to be able to manage their accounts through a single app or

website. A further 73% agree that they would like to be able to make instant payments - with the emphasis on instant - both to businesses and people regardless of their bank and 64% agree that they would like to see more services available through their mobile banking app.

These insights, alongside millennials' view that it is banks and others payments companies that would make the best sponsors of mobile payments, is the clearest possible invitation to banks to accelerate their offers in the world of mobile payments. The opportunities are vast and the market is holding the door open and beckoning them to enter.

// The ability to have the physical, tangible option, the personal P2P payment, to pay online on a phone and on a desktop using one platform - I like that. //

**NEW YORK, 26-35**

## EVERYTHING GOES MOBILE

When we asked millennials just how far their relationship with their mobiles should extend and what additional services would be valued, we received some interesting insights. We've already seen that there are some concerns about the security of data held and transferred via mobile so it's perhaps surprising that approaching 3/5 of millennials would like to be able to use their mobiles to start their cars.

They would also like to use them to control household appliances - a

development that is already a reality in some homes, where central heating/air conditioning can be activated remotely by phone. Other forms of personal administrative support were positively received but, continuing the theme of simplification, almost 3/4 of millennials would like their cellphone to automatically recognize loyalty programs when making a purchase. No more shuffling through endless loyalty cards looking for the right one for this particular coffee shop or sandwich bar - now that really would be progress.



## TECHNICAL NOTE

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This research has been conducted in partnership with Ipsos MORI and has been commissioned by VocaLink.

The first stage of the research consisted of four face to face focus groups across Houston and New York over the 11/12 February 2016. We split the groups by age (18-25 and 26-35 year olds) and by usage of mobile banking apps.

This was followed by the quantitative phase of the study which was conducted via the Ipsos Mori's online global panel. A nationally representative sample of 5,027 US millennials took part. Quantitative fieldwork completed from 26 April to 11 May 2016, with millennials being defined as 18-35 years of age and respondents had to hold bank accounts and be able to access smartphone or tablets. The data has been weighted to match the known national profile for online millennials.

This is the first part of wider global study looking into the payments behavior of the millennial generation.

For any further questions on the research, please contact:

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