

## Global Study Identifies Impact of Smartphone Use on Mobile Banking and Payments

### Research by ACI Worldwide and Aite Group Identifies Smartphonatics Responsible for Driving Mobile Banking and Payment Services Demand

New York, NY & Boston, MA — May 14, 2012 — A study of mobile banking and payment adoption rates in 14 countries by ACI Worldwide (NASDAQ: ACIW) and Aite Group has discovered a new category of consumer, known as Smartphonatics, that is driving the demand for mobile payments and banking. A Smartphonatic is someone who changes their shopping, financial and payment behavior as a result of owning a smartphone. The report identifies a stark difference between mobile adoption among Smartphonatics and other consumers: while 80 percent of Smartphonatics have used their smartphones for mobile banking only one-third of non-Smartphonatics report doing so. Similarly 70 percent of Smartphonatics have used their smartphones for mobile payments, less than a quarter of non-Smartphonatics have done so.

The report asserts that Smartphonatics' behavior is shaping consumers' needs and requirements for mobile payment and banking solutions in today's market, and sets the bar for how financial institutions and retailers will have to respond over the next five years to stay competitive. The full report is available for free download at [www.aciworldwide.com/mobile](http://www.aciworldwide.com/mobile).

"Smartphonatics enthusiastically use their smartphones when they shop for products and services as well as when they interact with their banks," said Ron Shevlin, senior analyst, Aite Group. "They exist around the world and while they may be more concentrated in some countries it is quite clear they are an emerging consumer force. Smartphonatics are driving the adoption of mobile banking and payments and will be an agent for change. Financial and retail institutions will need to adapt or risk being left behind."

#### Smartphonatics vary by region and age: Smartphonatics more common in India and China than in the U.S. and Europe.

The report details specific geographic and demographic trends among this emerging market segment. Principal findings include:

- Globally, nearly 25 percent of consumers can be classified as Smartphonatics.
- Identified Smartphonatics' by country represent a country's mobile maturity level: India has the highest percentage of identified Smartphonatics, at 60 percent, followed by South Africa (42 percent). The fewest are found in Germany (10 percent), France (8 percent) and Canada (7 percent). The United States ranks in the middle at 20 percent.
- Mobile banking adoption: India also ranks highest for mobile banking adoption at 76 percent, followed by China. Germany, with a 24 percent adoption rate, and Canada at 18 percent have the lowest rate of adoption.
- Mobile payment services: (i.e. use of the smartphone to make a payment in a shop or to another person) from surveyed countries ranges from two-thirds of respondents in China and India to only 15 percent usage reported by Canadian participants and 13 percent reported by the French.
- Smartphonatics are young: 36 percent of Gen Yers (between the ages of 20 and 31) are Smartphonatics as are nearly one-third of Gen Xers (ages 32 to 46). The number drops significantly among both Baby Boomers (ages 47-65) at 18 percent and Seniors (66+) at six percent.

#### Mobile will not replace traditional banking or payment systems

The study also determined that the emergence of Smartphonatics will not result in the demise of traditional banking or payment systems. The findings indicate that while using a mobile device is the preferred method of payment and banking in many groups, it is not expected to be the only method. Smartphonatics are more willing than other consumers to experiment with different approaches to mobile payments and banking. Also, simply owning a smartphone does not make one a Smartphonatic.

"Consumers expect to shop and transact anywhere, at anytime making mobile the hottest area of opportunity for financial institutions, processors and retailers today," said Ralph Dangelmaier, president, Global Markets and Services, ACI Worldwide. "These organizations need to plan strategically for mobile as part of their overall channel strategy, alongside ATMs, POS, branch and online banking. The most successful companies are leveraging their existing banking and payments systems to implement innovative mobile services. That way, they can cut down costs and time to market for new mobile ventures."

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## Methodology

This study consisted of an online survey of 4,200 consumers from 14 countries in three main geographic regions, the Americas, (North & South America), EMEA (Europe, Middle East & Africa) and APAC (Asia/Pacific). For the purposes of the analysis, the data survey was weighted to represent the overall age distribution of each country's population. The study was conducted during Q1 of 2012.

## About ACI Worldwide

ACI Worldwide powers electronic payments and banking for 1,650 financial institutions, retailers and processors around the world. Through our integrated suite of software products and hosted services, we deliver a broad range of solutions for electronic payments, transaction banking, mobile, branch, and voice banking, fraud detection and trade finance. To learn more about ACI and understand why we are trusted globally, please visit [www.aciworldwide.com](http://www.aciworldwide.com). You can also find us at [www.paymentsinsights.com](http://www.paymentsinsights.com) or on Twitter @ACI\_Worldwide.

## About Aite Group

Aite Group is an independent research and advisory firm focused on business, technology and regulatory issues and their impact on the financial services industry. With expertise in banking, payments, securities, investments, and insurance, Aite Group's analysts deliver comprehensive, actionable advice to key market participants in financial services. Headquartered in Boston with a presence in Chicago, New York, San Francisco, London and Milan, Aite Group works with its clients as a partner, advisor and catalyst, challenging their basic assumptions and ensuring they remain at the forefront of industry trends.

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