



## West Minster eForum Event

Mcommerce Speech Given by Bob Warner on 01/03/11

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### The Issue

I have been fascinated by the discussions on how product and market changes are likely to change the industry structure. But I want to say a little bit about the customers of all this stuff and what they might be feeling.

I am still chastened by being on the BT team, which, together with Natwest and HSBC, introduced stored transferable value on a smart card in 1994. It did everything that old fashioned cash did, but sadly it didn't do it as well. It did have one advantage over cash but that was never enough to encourage the customers to take it up.

And we have seen these same themes recurring in the research which the Consumer Communications Panel have done into the take up of broadband and usability of mobiles. The recurring three questions from consumers are:

- What is the benefit for me?
- Is it secure?
- Will I be able to use it?

These become important, because for m-commerce to be successful it needs to convince older consumers. And older customers worry about security and usability. Already 33% of the UK population are over 55. These customers are important, not just because they are an expanding demographic, but for mCommerce, that's where the spending power is.

I won't talk about the benefits to customers. That is really for you. But I do want to dwell a bit on security and usability because the research that we have done has some implications for mCommerce development.

Consumers' concerns about security break down into 3 elements. They want practical reassurance that things are secure, but they need it on an emotional level from people that they trust. That's why brands are so important here. But lastly they want reassurance that if things go wrong (as they surely sometimes will), that they have somewhere to go for redress. That's where the industry structures

discussion comes in. It will be complicated but the customer doesn't want to have a 10 slide pack on the structure of the industry to find out where to go for compensation.

This will be a complex industry and, I venture to suggest, that the players that can give confidence about security and be clear about redress will be the ones that win through. Getting the regulatory structure right for consumers is a key part of this as well and that's why Bradley's discussion on behalf of PhonePay Plus is so important.

## On Ease of Use

In January the Communications Consumer Panel published research on the usability of mobile phones for older and disabled people. Which eventually means all of us. We were not looking at specialist phones but at how mainstream phones worked for those whose eyesight, dexterity or hearing was deteriorating. One of the key findings was that because so many features of phones are delivered by software rather than the hardware of the phone, it is possible to significantly increase the usability of mobile devices for all people by good design and thought for these users at an early stage. If it is factored into the design in the early stages then the marginal cost is small. That will be equally true for mCommerce devices.

So my message is: think about the over 35's and the over 55's. That is where the customers and the money are and a key to cracking them is to provide reassurance on security and devices that are easy to use. You still have to convince them of the benefits of the products but it worth keeping these other two factors in mind when developing and marketing the products.