

The Hi-media Micropayment Observatory

December 2010

Section 1: Methodology

Section 2: Micropayment: Awareness & Perception

Section 3: Micropayment: Usages by Country

Section 4: Micropayment:

Focus on specific verticals:

- Music
- Online Games
- Information Media

Conclusion



Section 1

Methodology

- The Observatory was conducted by Harris Interactive:

Country

Europe (*France, UK, Germany, Spain*)



- **US**



Sample size

- **1000 respondents per country**
- Sample of the Internet users population aged 15 y.o. + for each country.
- A representative sample was ensured using the quota method (gender, age, social class).

Online quantitative survey

CAWI
Self-administrated questionnaire by email to members of the Harris Interactive Access Panel.

Fieldwork dates

August, 17-26, 2010

Section 2

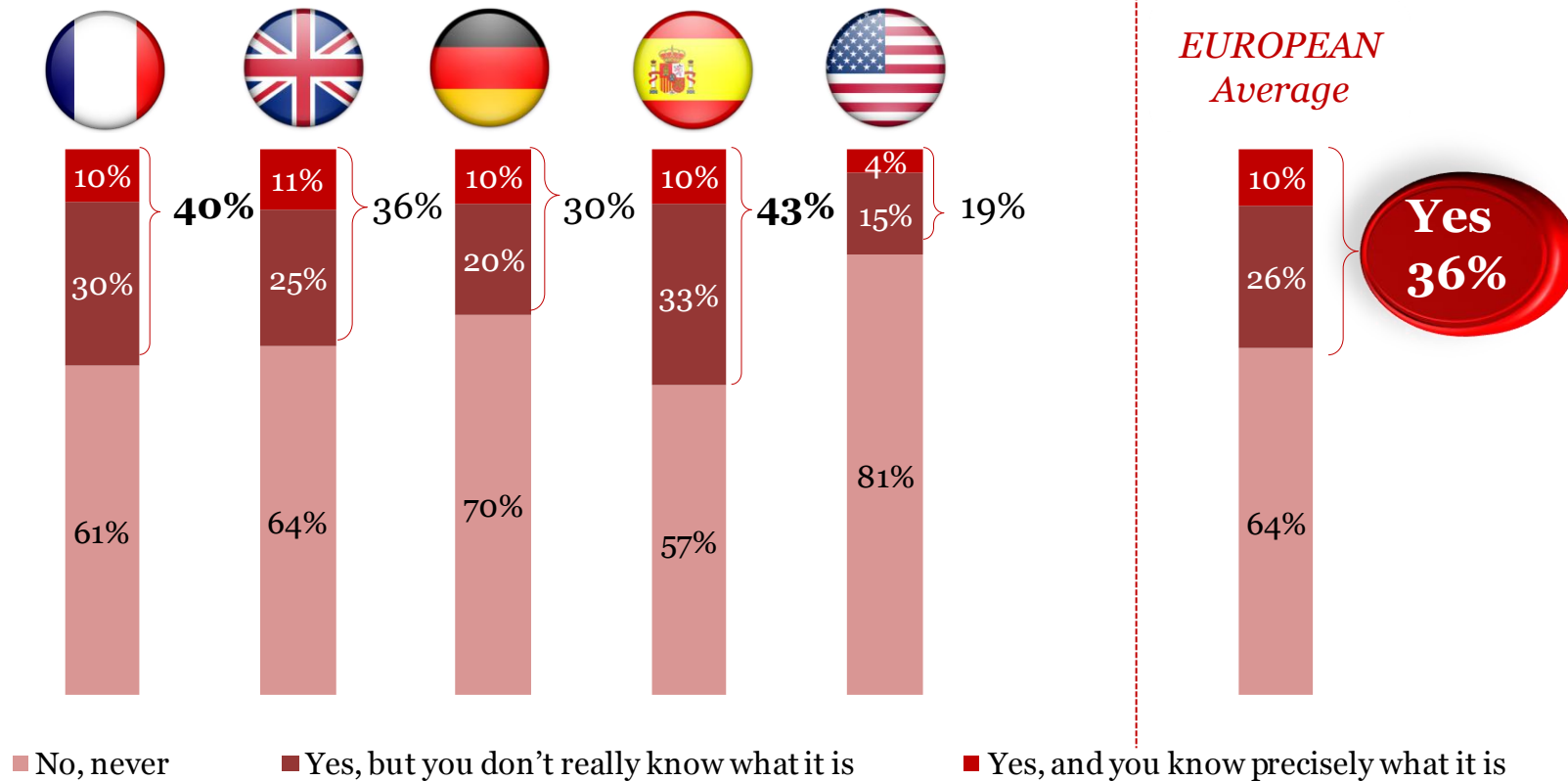
Micropayment : Awareness & Perception

higher than in the US

- Significantly high in Spain and France.

Question: Have you personally already heard the term "micropayment"?

Base: total





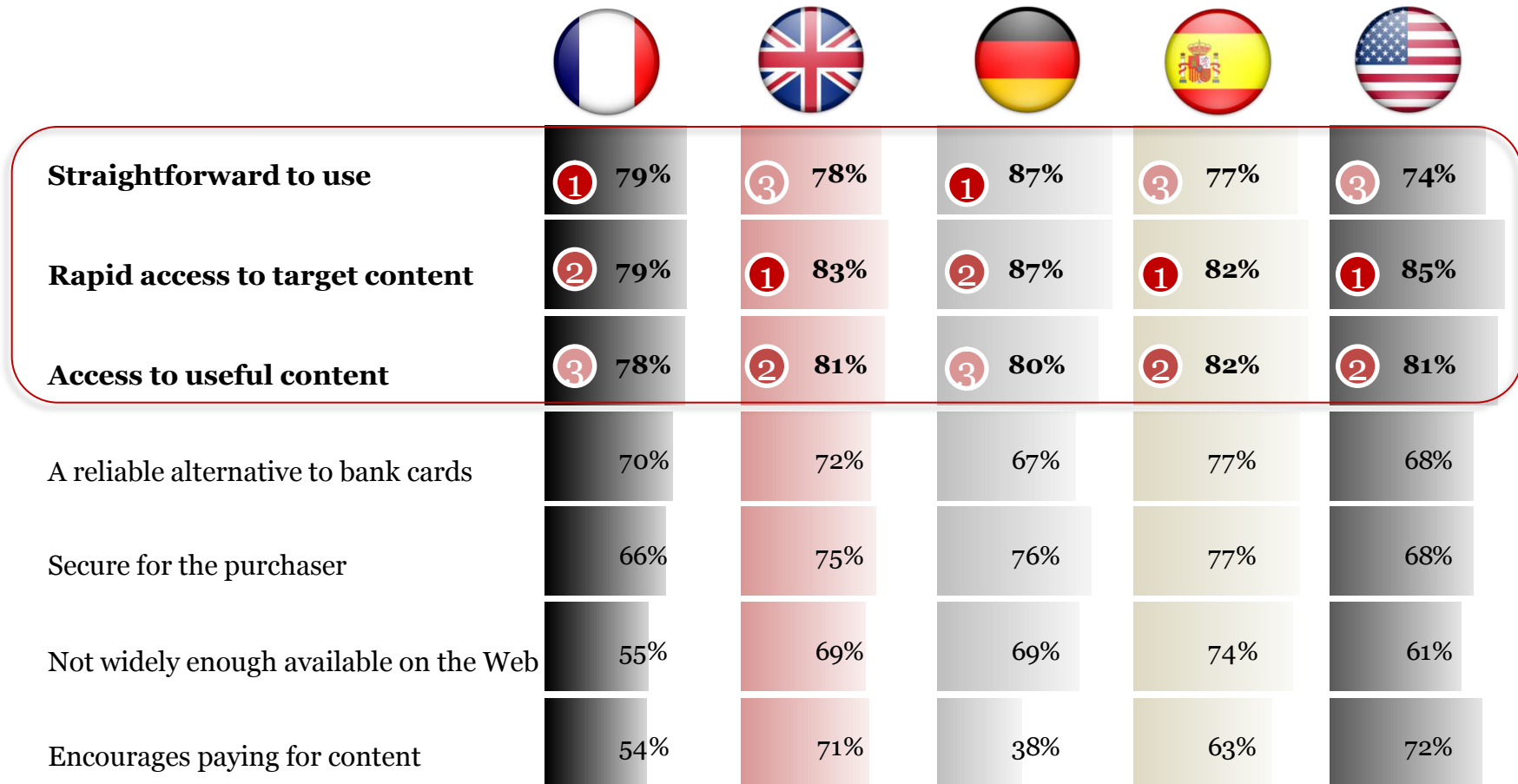
led by 2 players

- Allopass and PayPal are the first two players spontaneously mentioned by French micropayment users.

- With **56%** prompted awareness, **Allopass** ranked as the second micropayment solution mentioned.

Speed, Straightforwardness and Usefulness are the 3 key advantages of Micropayment across all countries.

*Question: What is your level of agreement regarding to micropayment solutions?
(% of micropayment users that are agree are included in the table below)
Base: users of micropayment*



Micropayment, especially in Spain

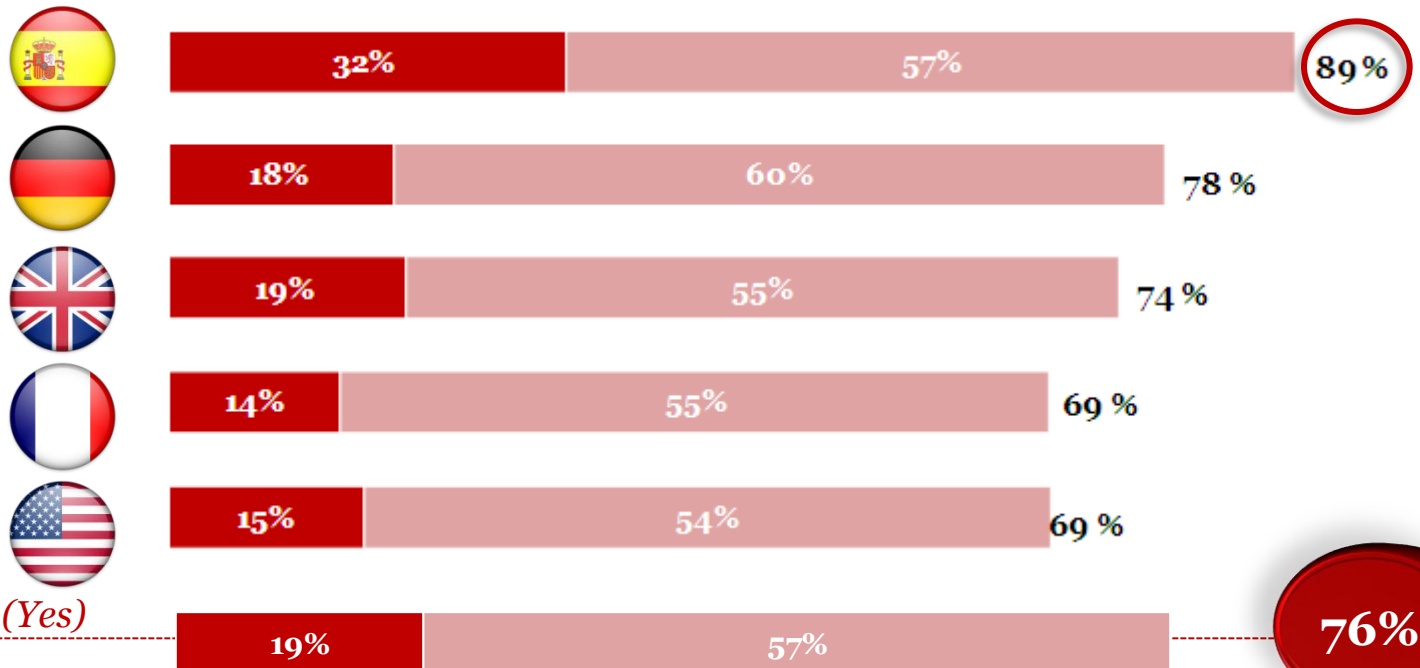
More than 75% of European users and nearly 70% of US users would recommend it to their relatives

Question All in all, would you definitely, probably, probably not or certainly not recommend to your relatives (family, friends, work colleagues) the use of micropayment solutions to access online paid services or online paid content?

Base: users of micropayment

■ I would definitely recommend ■ I would recommend probably

would recommend

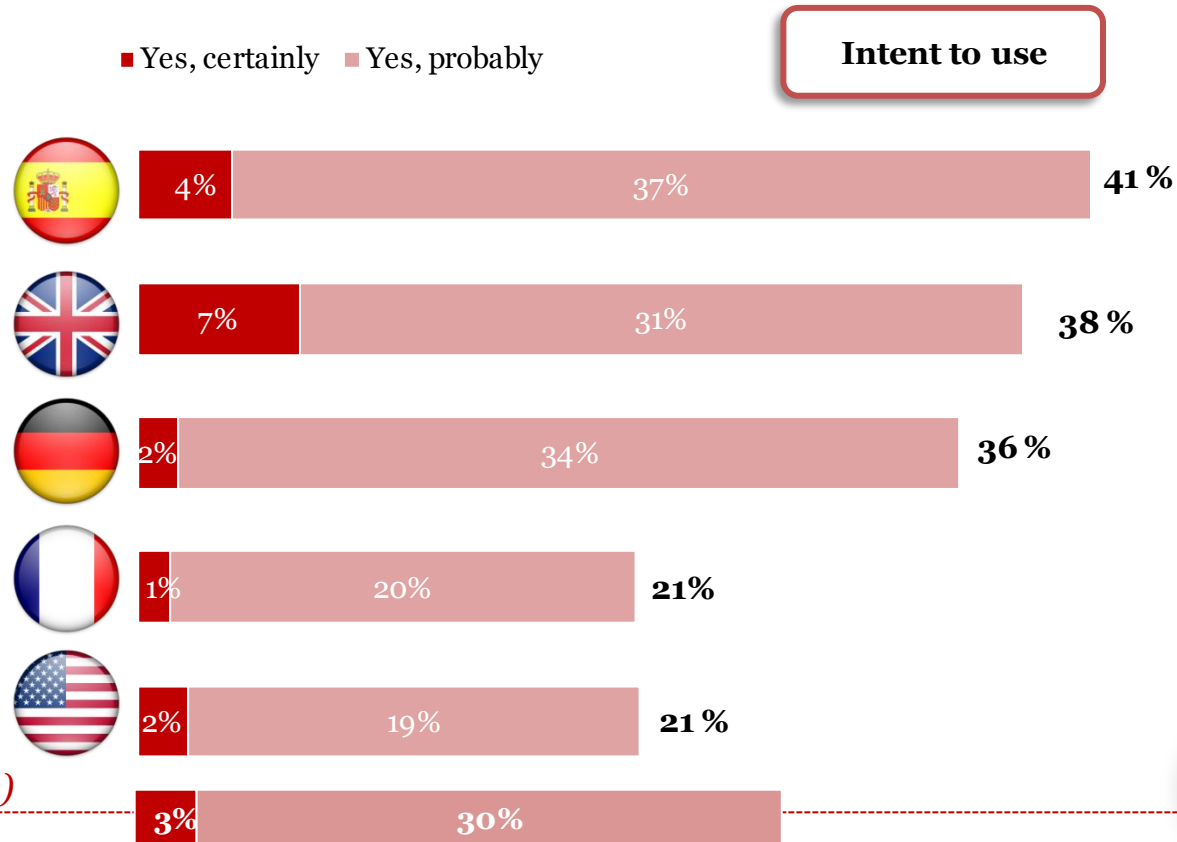


express future intent to use

1/3 of non-users intend to use Micropayment

Question: In the future, do you envisage using micropayment services for accessing services or content/products on the Internet for an amount totaling under £10/€10/\$10?

Base: non-users of micropayment



Section 3

Micropayment: Usages by Country

On average, **40%** of Internet users say they use Micropayment

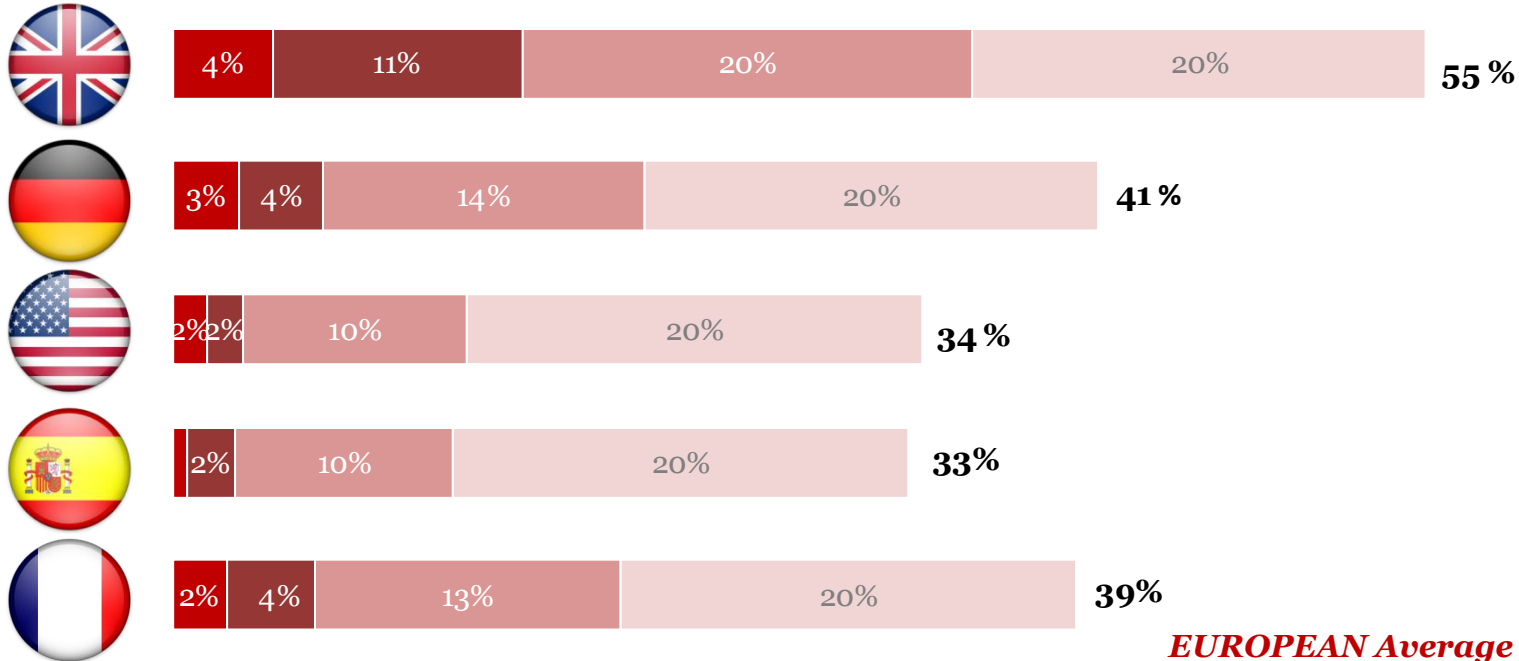
... commonly used in the UK (55%)

Question : How often would you say you have personally used micropayments to pay for services or content/products over the Internet for an amount totaling under €10/£10/\$10 (online games, gambling websites, online music, newspaper articles, virtual currency, placing small ads...)?

Base : total

■ Very often ■ Fairly often ■ From time to time ■ Rarely

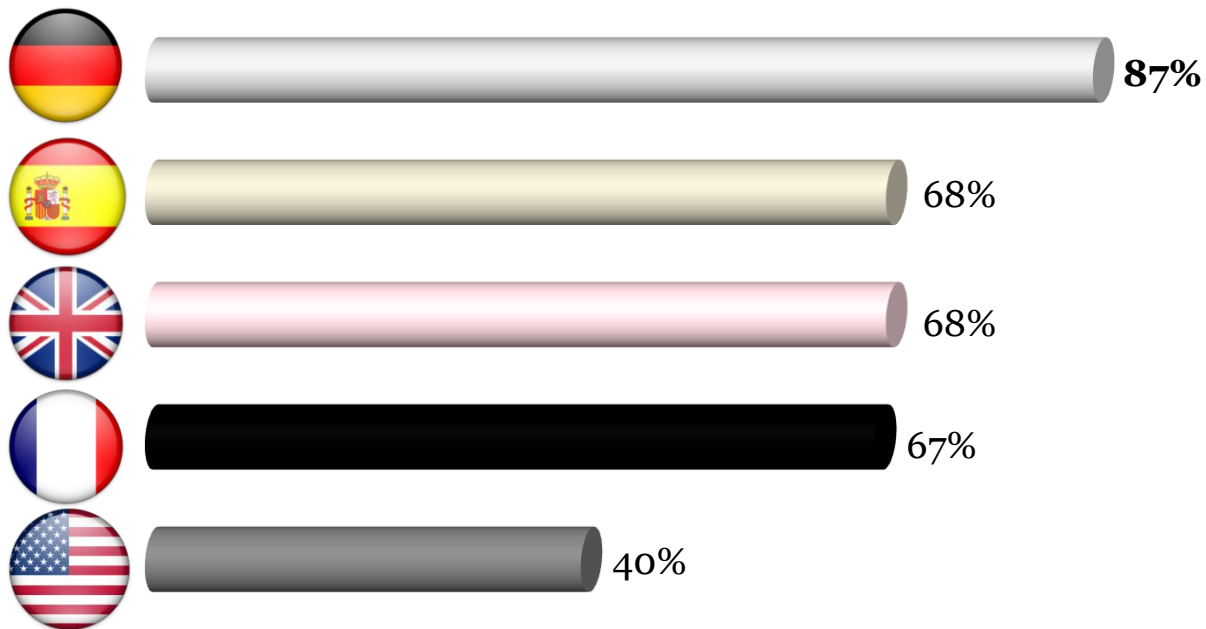
Total Internet users



EUROPEAN Average (Yes)

40%

74% of **European** micropayment users use another mean of payment to bank cards for their micropayment purchases.



**EUROPEAN
Average**

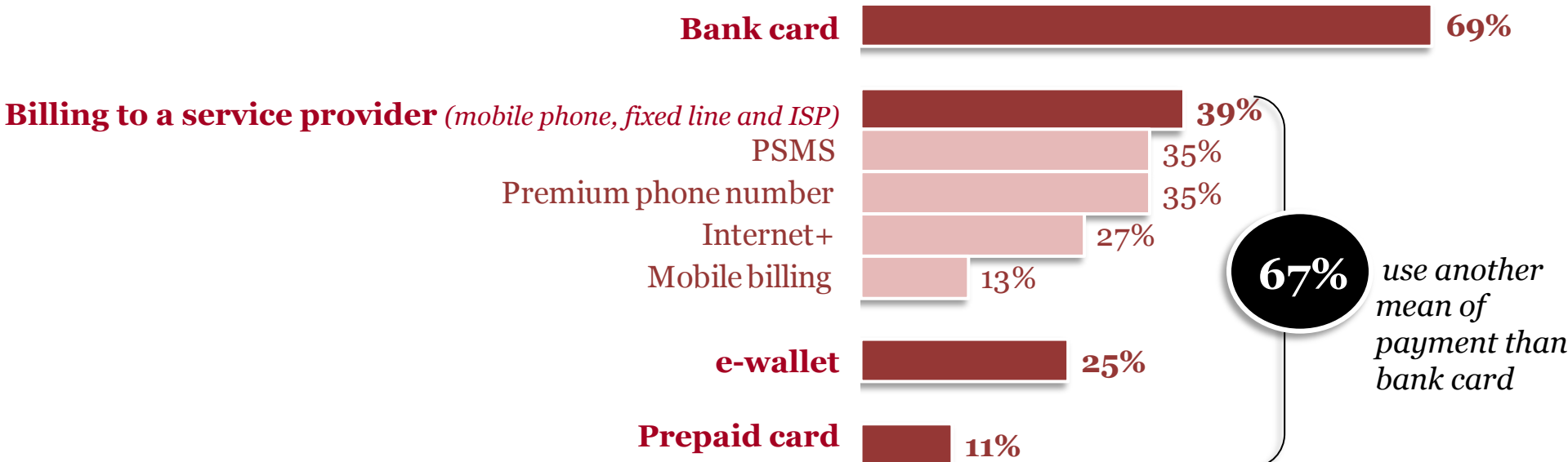
74%



France

- **More than 1/3** of users choose billing to a service provider (mobile phone, fixed line and ISP)

- Note the widespread use of Premium SMS in France (35%), compared to other countries (24% in Europe on average)

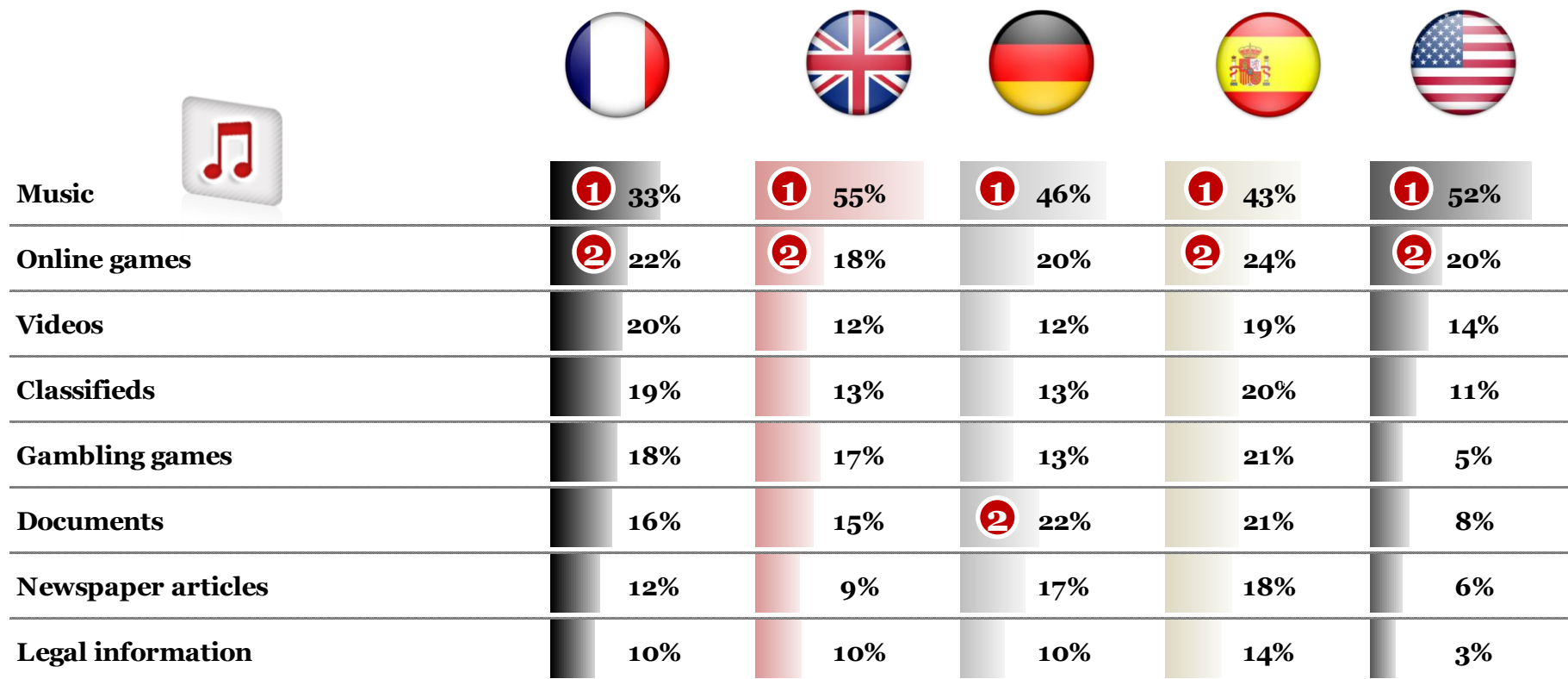


• A variety of uses in every country

• Music heads the list

Question : You said you use online micropayment services. For which services or content/products on the Internet do you use these (available over the Internet and for a price under €10/£10/\$10)?

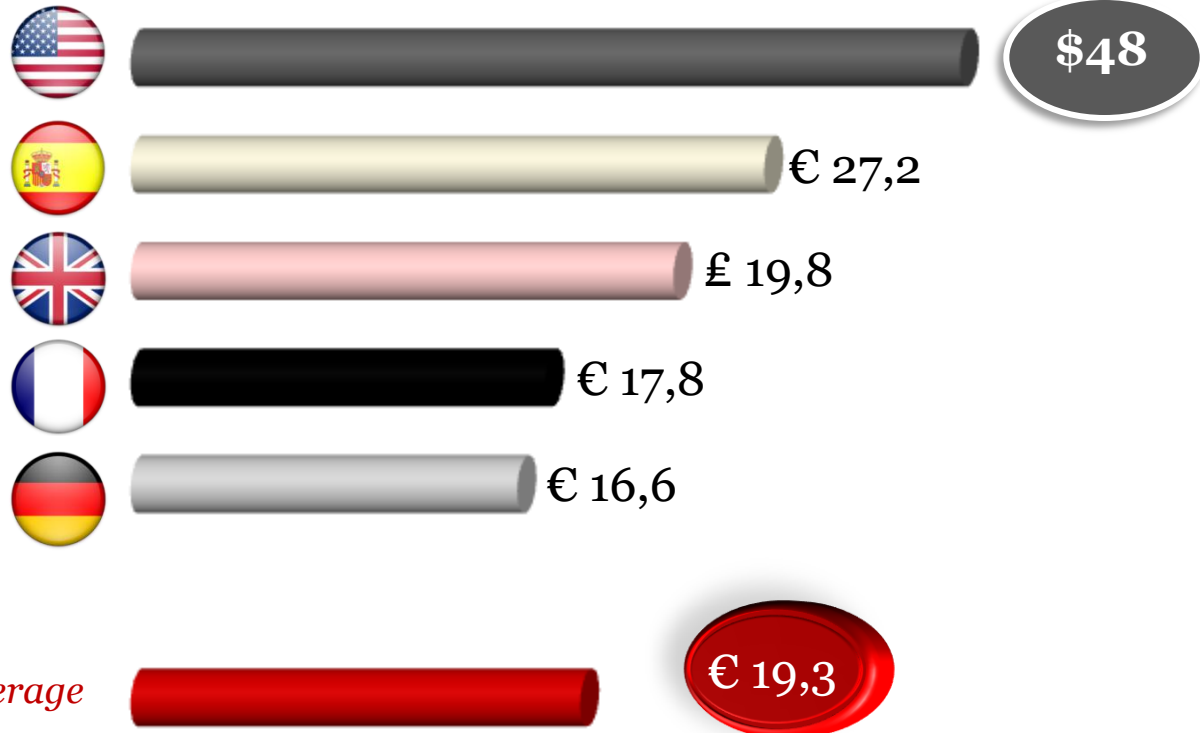
Base: users of micropayment



Strong differences between countries

US consumers are the biggest spenders :

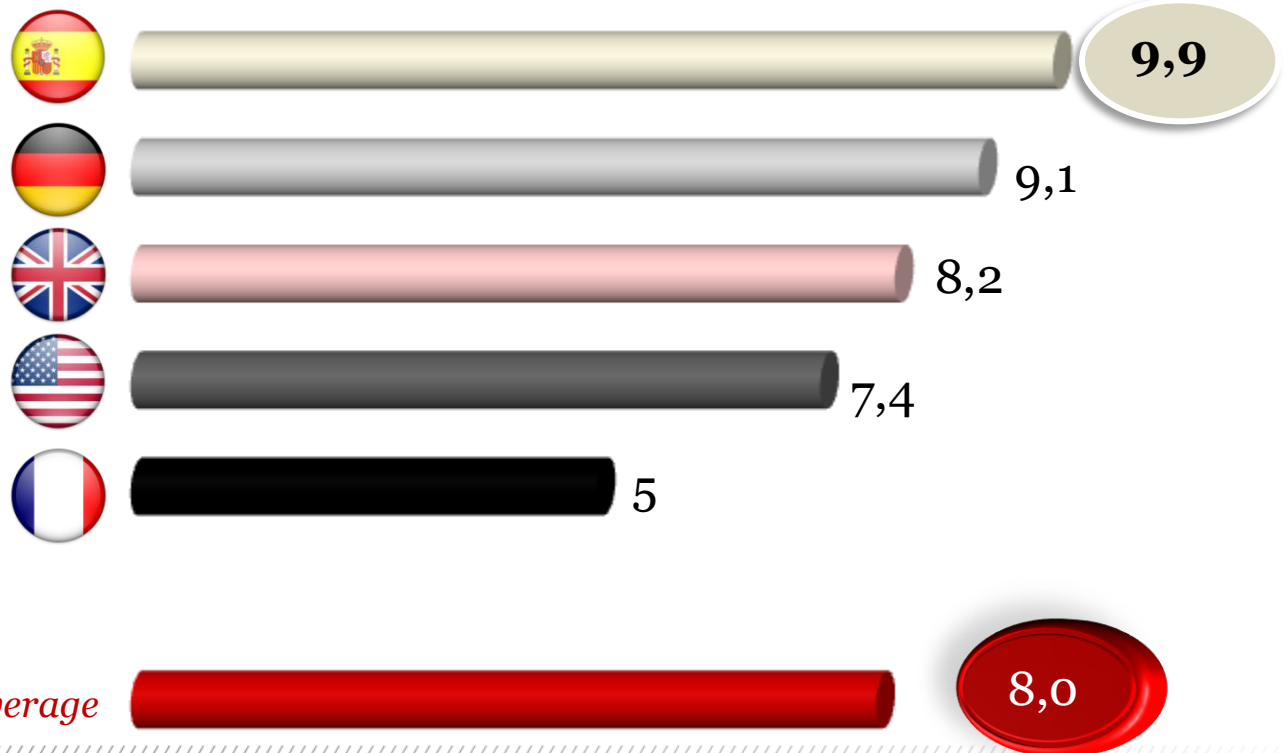
Average expenditure per month



Spanish consumers carry out the highest number of transactions :

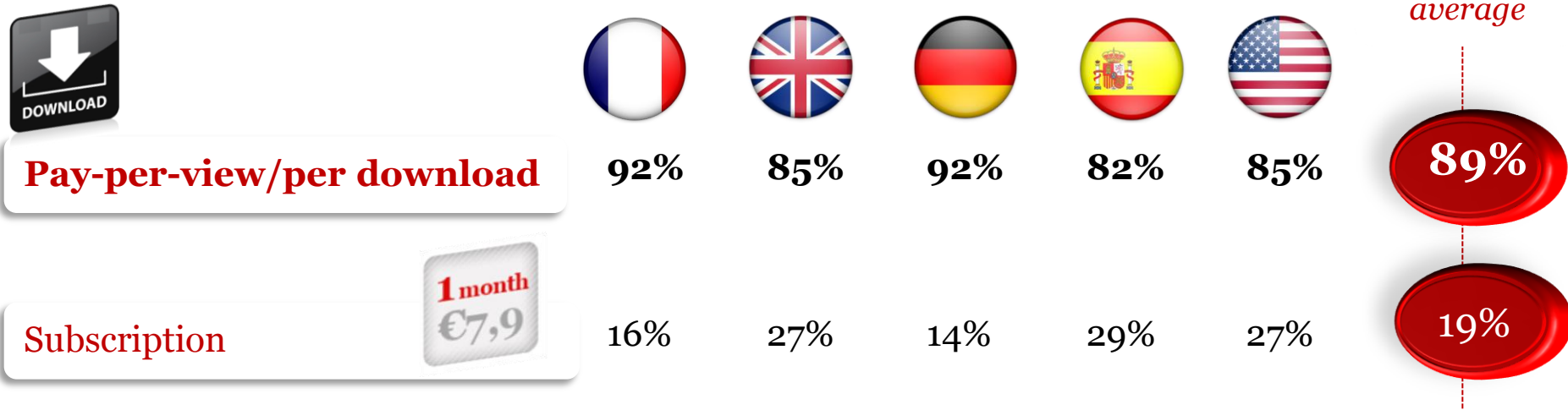
... France is lagging slightly behind

Average number of global transactions per month



- Pay-per-view is the primary payment method

*Question: And could you specify the payment method used to make your online transactions; did you pay per-view/per download or pay a subscription?
Base: Users of micropayment for each services or contents/products*



• whatever the country

• whatever the content/service

Micropayment users ...

...skew male

...are primarily between
15 - 34 years old
(up to 39 in the US)

...have a higher social
status in France
(less pronounced divide
in other countries)

...are more common in
municipalities of more
than 200,000 inhabitants

• *no difference between countries*

Micropayment: Section 4
Focus on specific verticals:

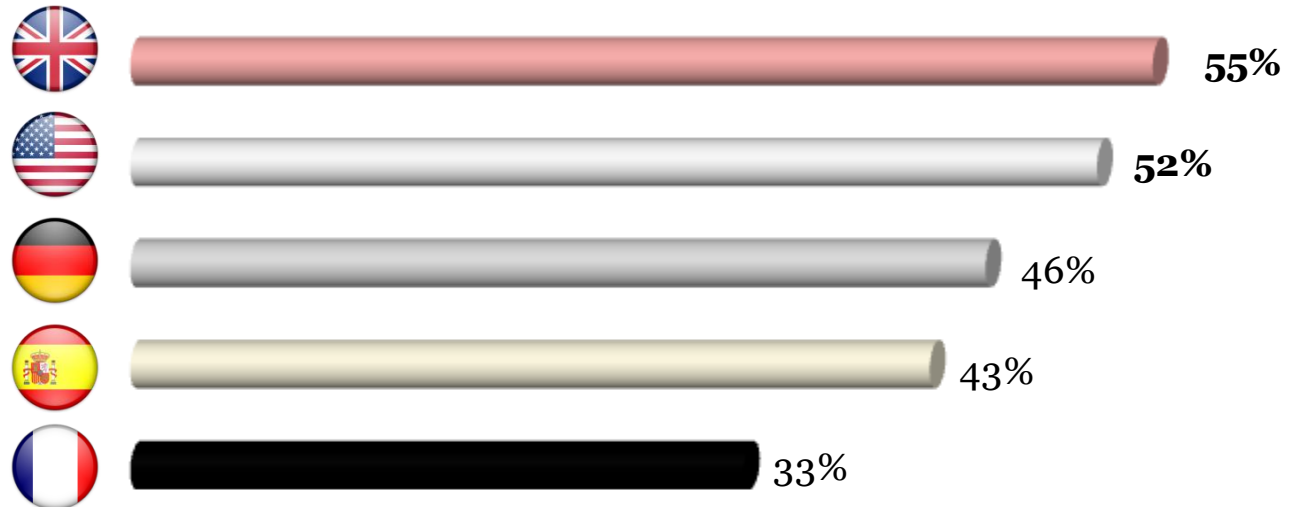
- **Music**
- **Online Games**
- **Information Media**



the most common content purchased via Micropayment

Nearly Half (47%) of European users buy online Music

English-speaking users are the largest consumers



EUROPEAN Average (Yes)

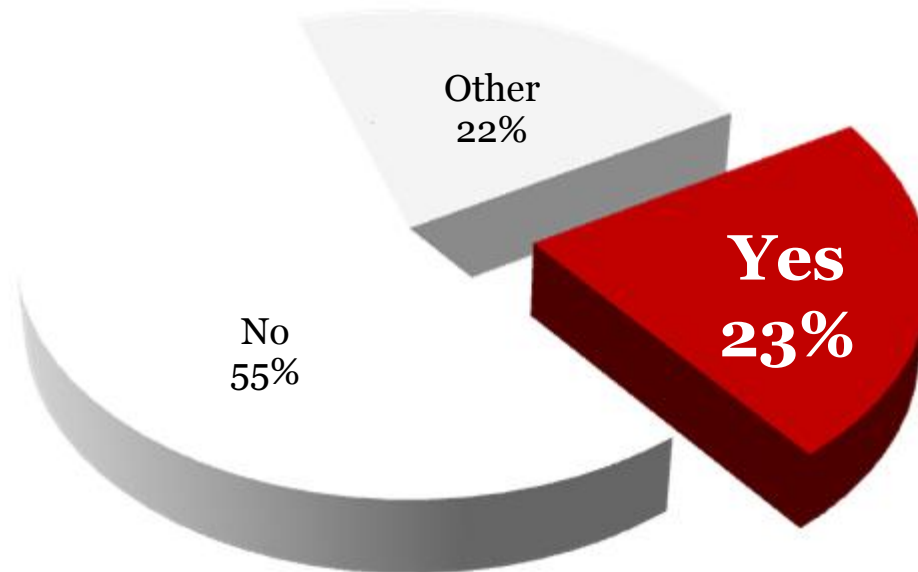




and 23% of potential buyers

23% of French online users are willing to pay for Online Music

% of online users who are willing to pay for online Music
Base : Total

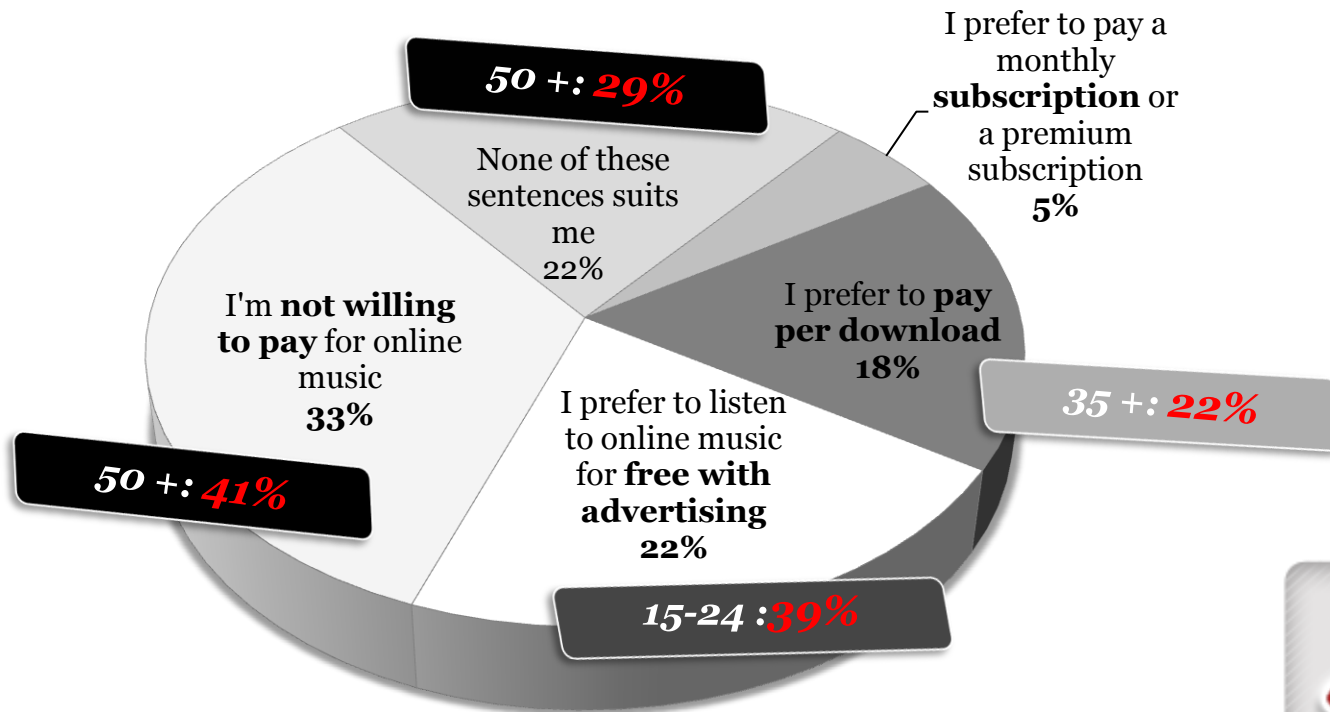




Each age group has its own preference

Question: Regarding music, can you tell us what phrase best describes your expectations for accessing online music (on your mobile phone, mp3, computer ...)?

Base: Total



Micropayment:

Section 4

Focus on specific verticals:

- **Music**
- **Online Games**
- **Information Media**



2nd most purchased category in Micropayment

20% of European users buy Online Games:

- with a monthly average frequency of **3.2 transactions**
- for a monthly average expenditure of **€8**

Average number of global transactions/month



1,8



3,8



3,1



3,6



5,8

EUROPEAN
Average

3,2



Average expenditure/month



€7.1



£8.5



€7.0



€10.3



\$27.1

€8.0

US users: more frequent spenders than Europeans

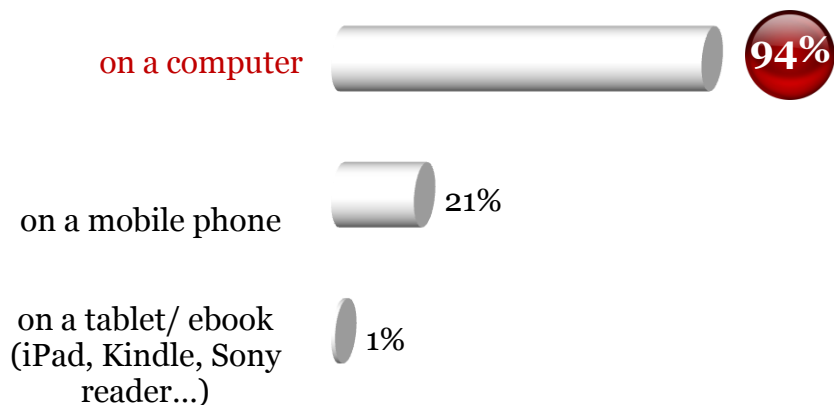


Online Games

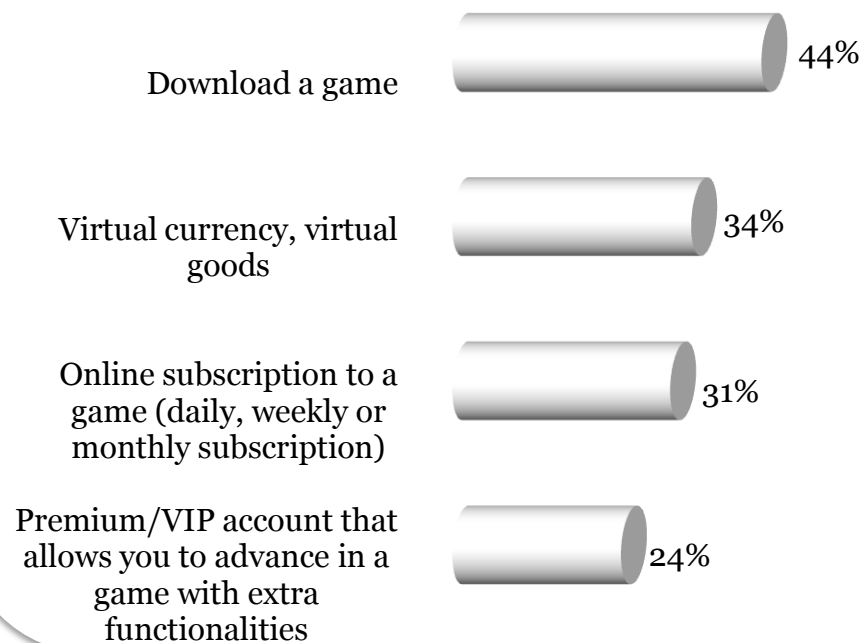
... essentially on a computer

... with varied purchased contents for an online game

Device used for paid games



Kind of content purchased for paid games



Micropayment:

Section 4

Focus on specific verticals:

- **Music**
- **Online Games**
- **Information Media**

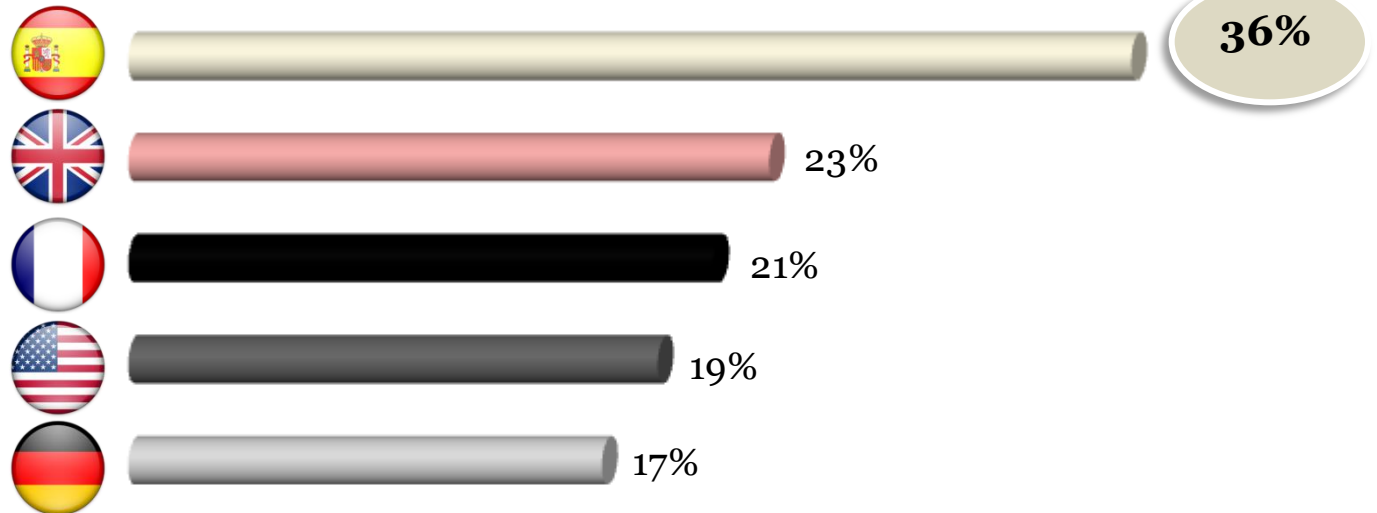


Online News & Information

Spanish users are, by far, the most willing to pay for Online News & Information (36%)

Question : Regarding online News & Information, are you willing to pay to access real time news (business, sports, cultural, international,... news)?

Base : Total



EUROPE AN Average (Yes)



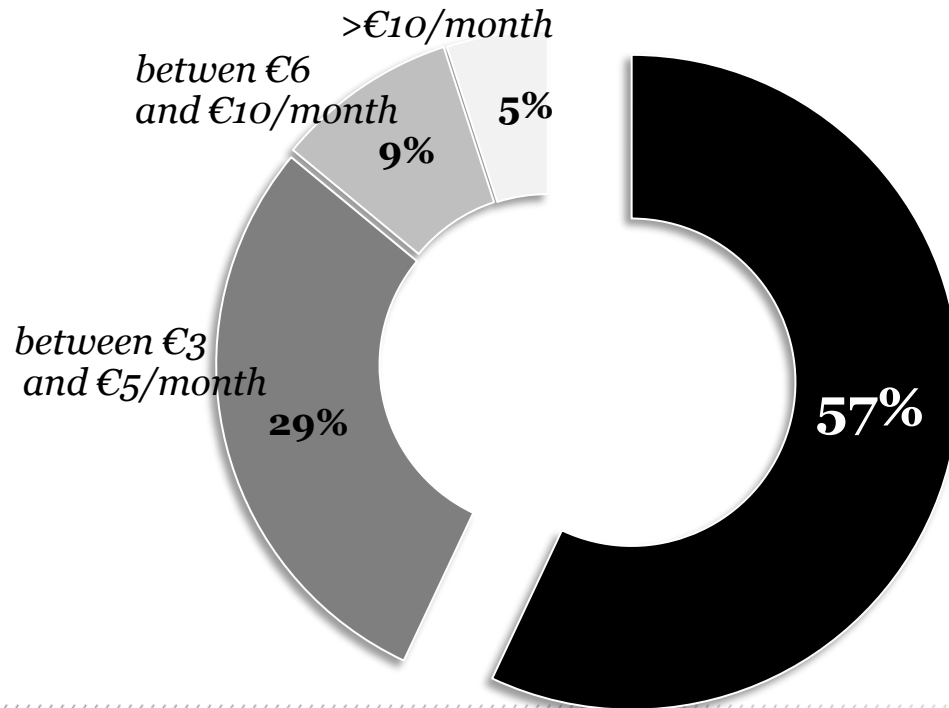
21% of French online users are willing to pay for Online News & Information



The vast majority (57%), for an amount less than **€3/month**

Question : You mentioned that you may be prepared to pay to access to real time information. How much are you most willing to pay per month?

Base : France, users willing to pay for Online News & Information



< €3/month



Conclusion

Key Findings

1

Micropayment is very appreciated by users and has a very good image:

- Speed, Straightforwardness and Usefulness are the 3 key advantages of Micropayment whatever the country.

2

The Micropayment solution is more popular as users become increasingly willing to recommend:

- More than 75% of European micropayment users, and nearly 70% of American users recommend micropayment solutions to friends and family.

3

With **56% of prompted awareness**, **Allopass** distinguishes itself for French users and is ranked as the 2nd Micropayment solution in spontaneous and prompted awareness.

4

Micropayment is used on average **by 40% of Internet users**, whether European ou American.

5

Among users of Micropayment, **74% of Europeans** choose an alternative payment method to bank cards for their online purchases for an amount totaling under €10.

6

Micropayment is particularly popular among Internet users for **online music and games**:

- *Music heads the field:*
 - 47% of European users and 52% of American users buy online music.
- *Followed by Online Games:*
 - 20% of European and American users buy online games.

7

Micropayment has **potential for growth**, particularly in online media information:

- 22% of European internet users are willing to pay for online news & information.



For more information,
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