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*“The Zogby Analytics Difference: we bring four decades of experience in measuring attitudinal behaviors among a wide array of sectors, target audiences and geographic locations all over the world in order to establish meaning and context for your research needs.”*

## Highlights

Following are highlights from the survey:

- Popular images of young people glued to their smart phones or stereotypes of a group of young people all speaking into or viewing a smart phone is not an exaggeration. Slightly less than nine in ten (87%) Millennials say that their smart phone never leaves their side, while 80% say that the first thing they do in the morning is reach for their smart phone. Three in four (78%) spend more than two hours each day using their smart phone and just under seven in ten (68%) say, for personal use, they prefer to use their mobile device over their laptop or desktop computer. Given the level of smart phone usage by Millennials the myth that little room is available for new uses is easily formed, the truth is dramatically different. Millennials want more banking, easier password authentication, and businesses to have dedicated apps.
- More than half of respondents each say they would deposit checks by snapping a picture and depositing it via a bank’s app (54%). Another 34% have already deposited a check by taking a picture with their mobile smart phone camera, resulting in a potential marketplace with 88% of Millennials having used or being willing to use a smart phone camera for check deposits. Over half(54%) would pay for goods using their mobile device as a mobile wallet instead of credit cards or checks if these services were available to them.
- Eighty-six percent say it is a drawback that there are still many websites that don’t offer good mobile functionality, while 71% say the fact that lots of companies don’t offer mobile apps is a drawback. Just under seven in ten (69%) say that the tiny keyboard available on their smart phone is a drawback.
- More than half (52%) think that native (downloaded) apps are safer than mobile websites to use for banking or purchasing transactions. While 38% of smart phone users under 34 think that their mobile device is safer than using a PC, 51% disagree.
- When using their mobile device, 42% say security is more of a priority than convenience (20%), while 32% say both are a priority.
- The importance of the camera function cannot be downplayed – 91% say having a camera function on their mobile device is important, including 61% who say it is very important. More than one in three (37%) use the camera on their mobile device at least once a day, while another 22% use that function every other day. Add to those two groups the 28% who use the camera function at least once a week and you have 87% of Millennials with smart phones using

## Z-File:Executive Insights

Polling and Market Research

the camera function weekly. Three in four (76%) who use the camera function say they do so in order to post pictures or videos on social media sites; two in three (66%) use their camera function to take pictures to remind them of tasks or things they have to do in their everyday life.

- When it comes to purchasing, 81% say it is important for retailers to have high quality mobile apps available for customers and nearly half (47%) say that they access businesses via a mobile website at least once a day, including 27% who do so multiple times a day.
- Fifty-eight percent have tried to enroll for a new service or account using their mobile device and 75% of those were able to complete the process. Though convenience is a desirable feature of mobile devices, 83% say they would be willing to take a few additional steps to verify their identity when opening a new service or account. Fingerprint scanning (60%) is by far the method of choice for security or authentication instead of typing in a password. Following distantly is facial recognition (36%) and about one in four each say they would rather use voice recognition (27%) or signature validation (25%) rather than sign in with a typed password.
- Just under half (48%) wish banks would adopt more mobile imaging functionality and 41% say this about the retail industry. One in three each wish this was true of all the other industries tested.
- Sixty-six percent of respondents say they spend about one to five hours a month paying bills; 51% use the biller's website to pay their bills. Just under half (49%) use their bank's website, and 26% still use the old-fashioned way, sending paper checks and bill through the US Postal Service.

### 18-24 year olds

With every smart phone now coming with at least one if not two cameras, younger millennials (18-24) likely cannot remember a time when cell phones didn't have a camera. In reality, the first phone sold in the United States with a built-in camera went on sale in early 2002. It is no wonder then that 88% of respondents age 18-24 use the camera/video function in their smart phone weekly, including 44% who use it every day. Looking deeper into 18-24-year-old respondents, those aged 22-23 are the highest weekly users at 93% and 94% respectively and 21-year-old respondents have the highest daily usage of their device's camera/video function at 59%. With such high frequency of camera usage it is not surprising that 89% of those under 25 say the camera function in their mobile device is important to them, including 65% who say it is *very important* to have a camera function in their mobile device. The 23-year-old cohort has the highest level of importance at 95% saying the camera function in their mobile device is important.

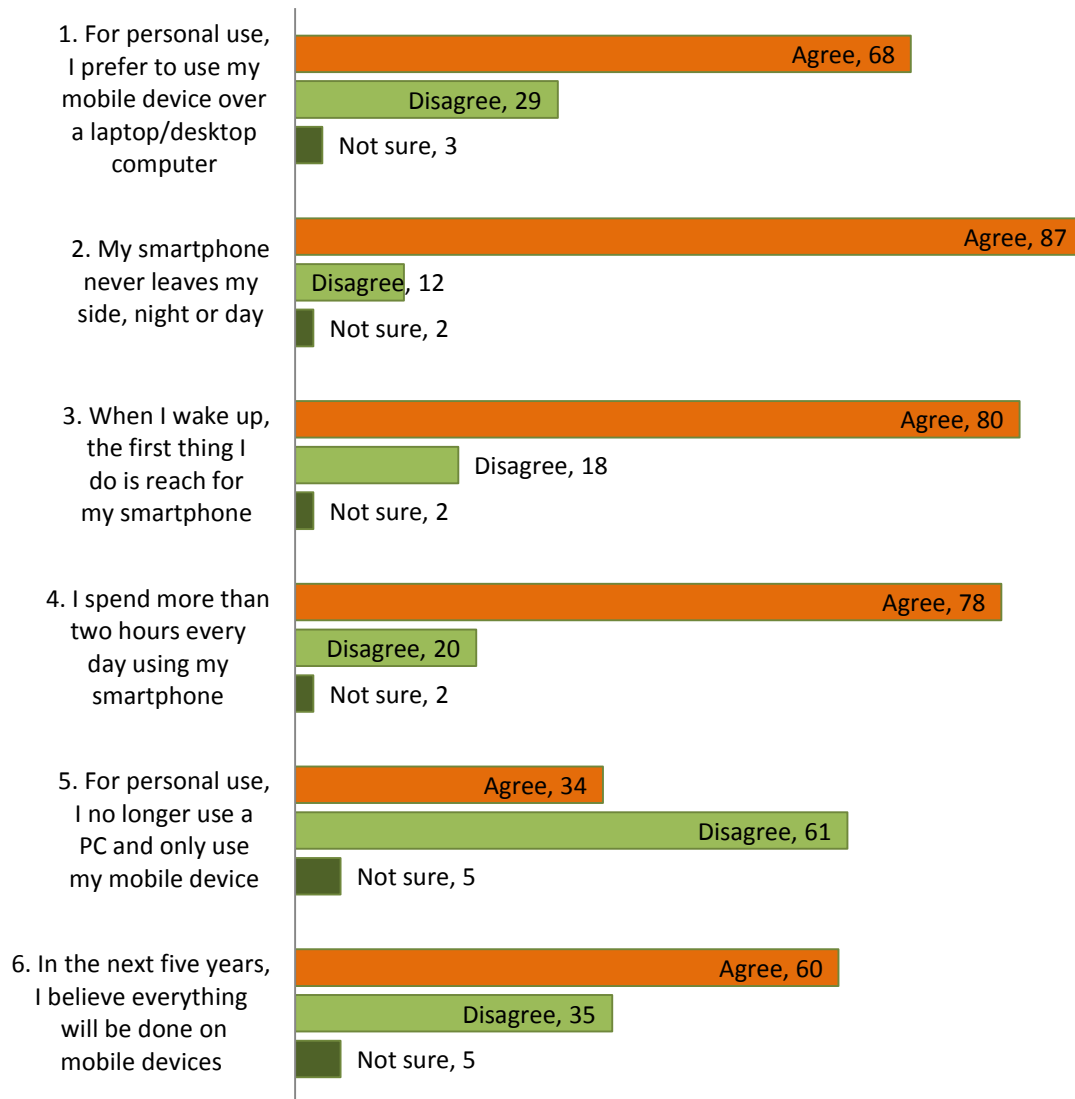
Technology continues to make repetitive daily tasks simpler and easier, or at least it tries to. This simpler and easier philosophy of technology being helpful is an integral function of smart phones. Several new technologies are allowing smart phone users an alternative to passwords for their security and authentication. Among 18-24-year-old respondents 59% would prefer fingerprint scanning, 41% facial recognition, 25% voice recognition, and 21% signature validation. The two age cohorts among the 18-24-

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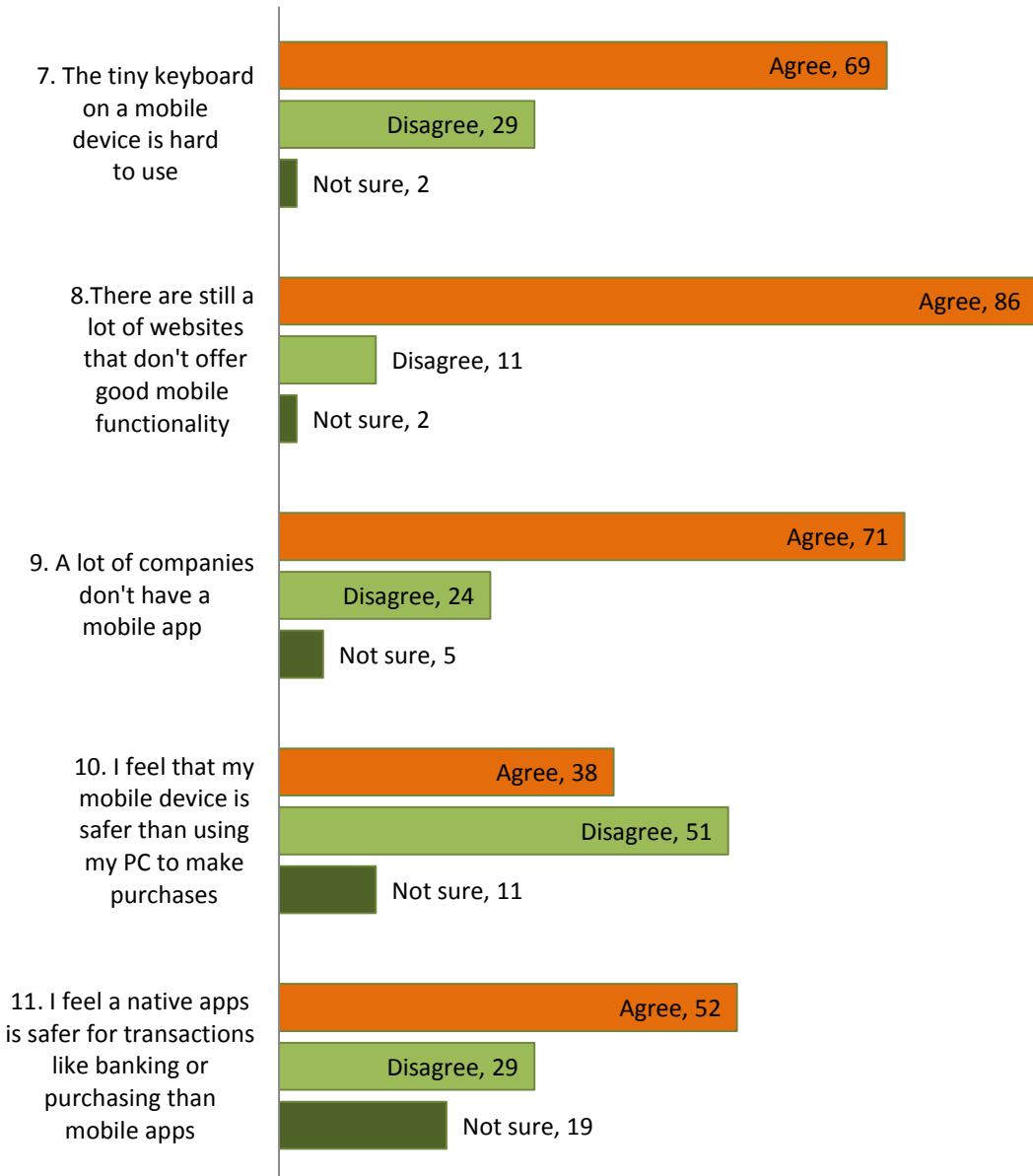
year-olds with the highest level of preference for fingerprint scanning as an alternative to typing a password were 19-year-olds at 67% and 21-year-olds at 69% saying this.

Analytics Tables and Charts

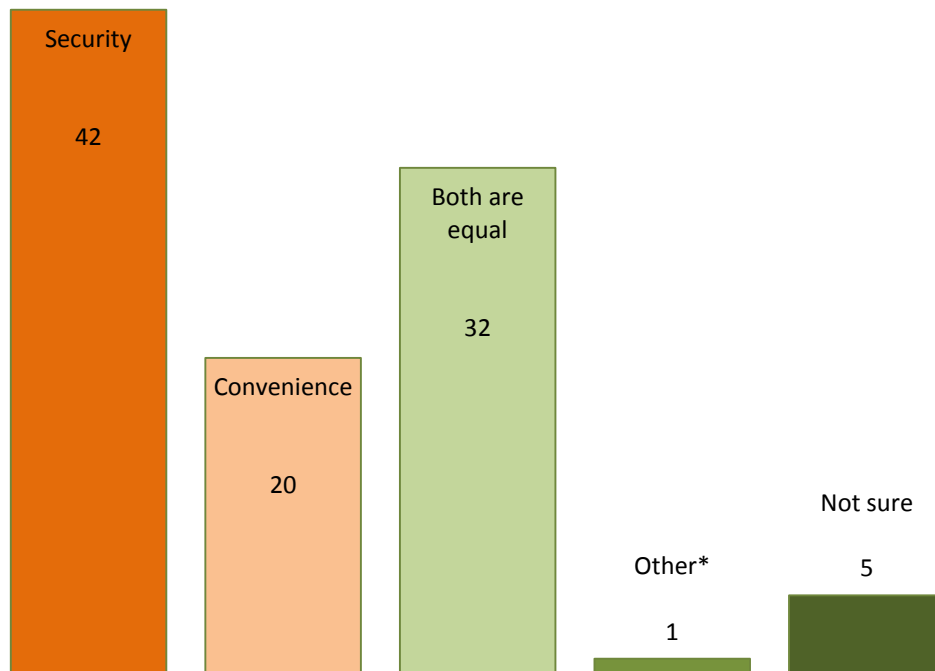
For the following, please indicated if you strongly agree, somewhat agree, somewhat disagree, or strongly disagree with each.



Please indicate if you strongly agree, somewhat agree, somewhat disagree, or strongly disagree that it is a drawback using a mobile device vs. a computer.



**12. Would you say that security or convenience is a higher priority for you when using your mobile device**

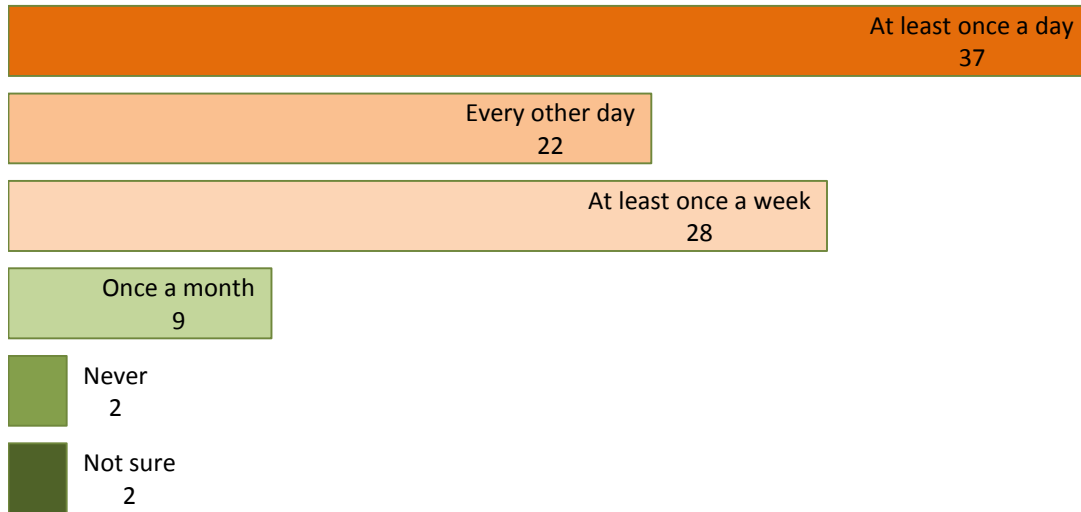


\*Other: No (2); Size

**13. What is your favorite feature or function on your mobile device? (Number responding)**

Apps	136	Ease of use	25
Internet	116	Keyboard/Swype keyboard	21
Camera	94	Touch screen	20
Texting	69	Voice recognition/voice to text	17
Everything	56	It's good	16
Mobility/portability	42	4g wifi	16
Games/game apps	36	Google apps	16
Email	29	GPS	14
Convenience	29	Security features	14
Facebook/social networking	28	No answer/don't know	113
<p>Phone (12); Music (10); Clock/alarm (9); Banking (9); Video call (7); Fingerprint lock (6); Android (5); Navigation (5); Customization (5); Samsung (5)</p> <p><b>Three each:</b> Weather; Japan; Screenshots; Siri; Bigger screen</p> <p><b>Two each:</b> Nokia; Speed</p> <p><b>One each:</b> ATT; Blackberry hub; Bluetooth; Headphone; I can use it as a remote; I lose my phone quite often so being able to call out to it and it having the touchless feature is very nice; Multiple screens; QR codes; Settings; SMS; Unlimited data, talk and text; Water resistance</p>			

**14. How often do you use your device's camera/video function (all ages)?**



**14. How often do you use your device's camera/video function (18-24 year olds)?**





**15. How important to you is the camera function of your mobile device (all ages)?**

■ Not at all ■ Not sure

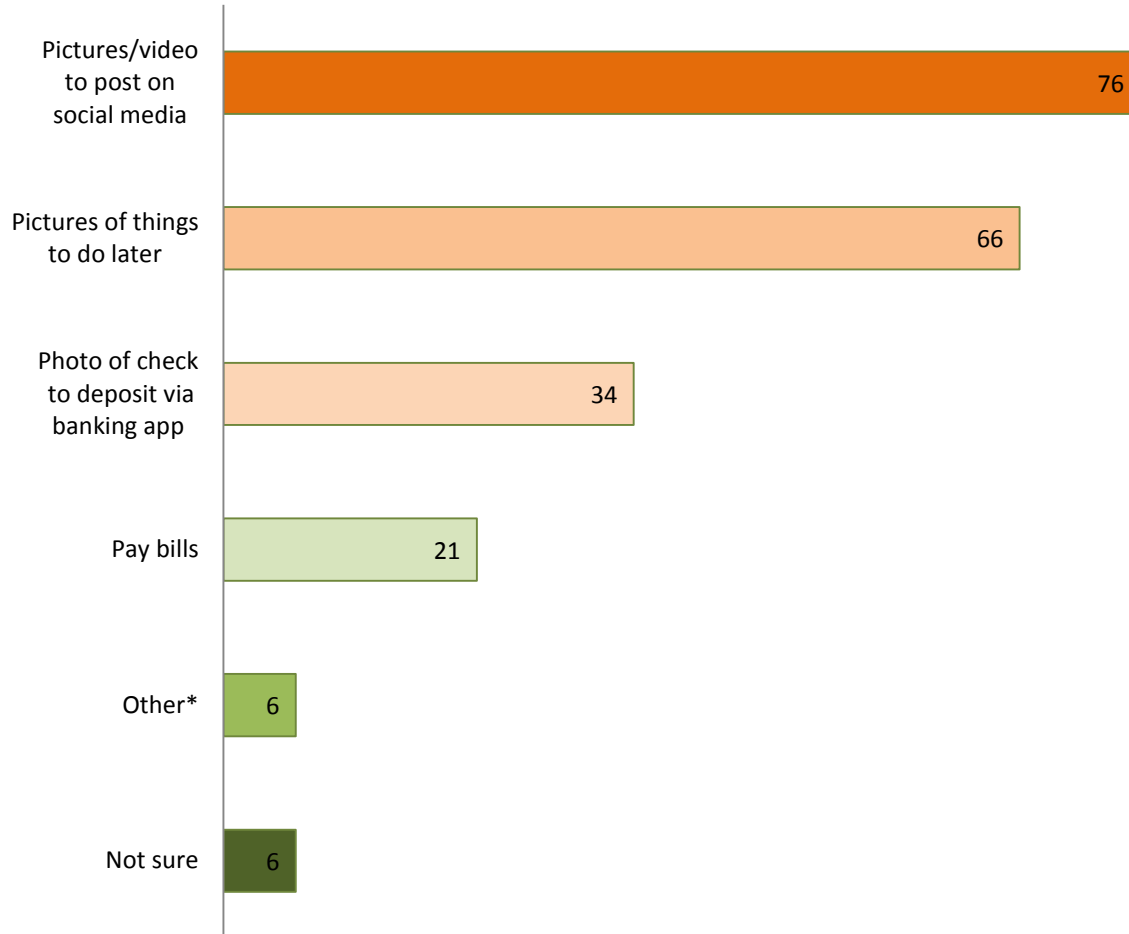


**15. How important to you is the camera function of your mobile device (18-24 year olds)?**

■ Not at all ■ Not sure



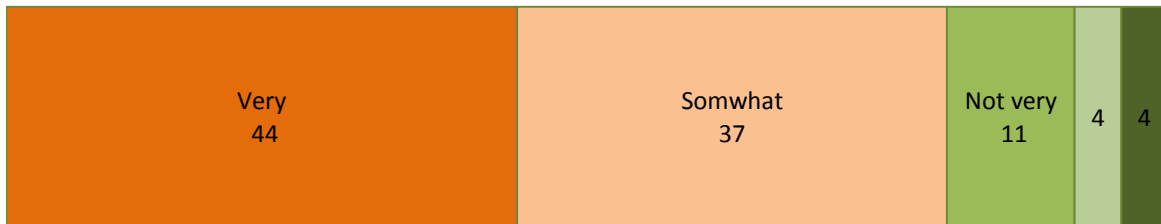
16. For what things do you use your smartphone camera?



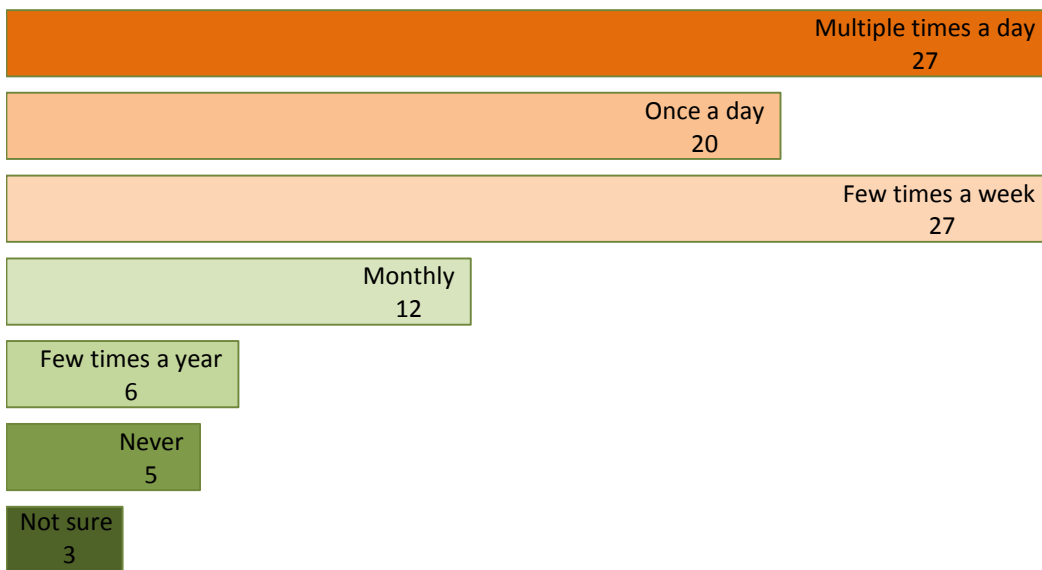
\*Other: My main camera/memories (39); For work/job (11); For fun (2) Camera quit working; Check emails; Checking current weather, texting, phone calling; Flashlight; Gaming, Writing; Listen to music Play games & surf the web; Proof; Refill prescriptions; Surveys; Watch videos and listen to music.

**17. How important is it to you that retailers, banks, insurance companies, etc. have a high quality mobile app and functionality designed for smart-devices?**

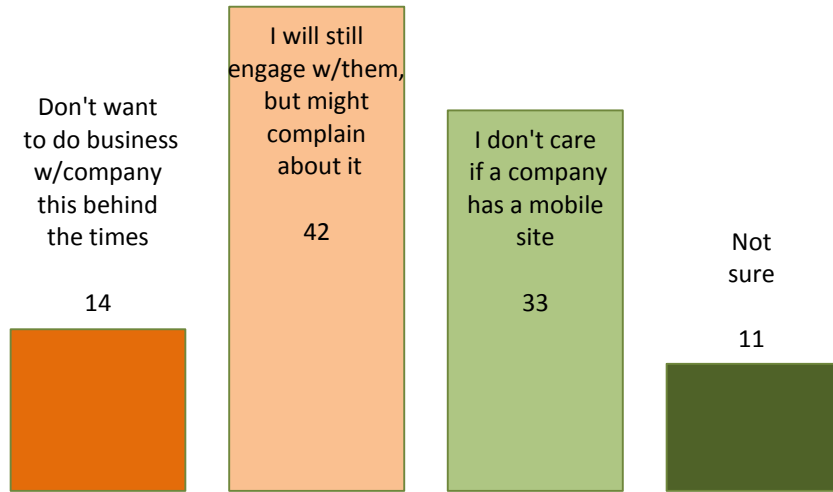
■ Not at all ■ Not sure



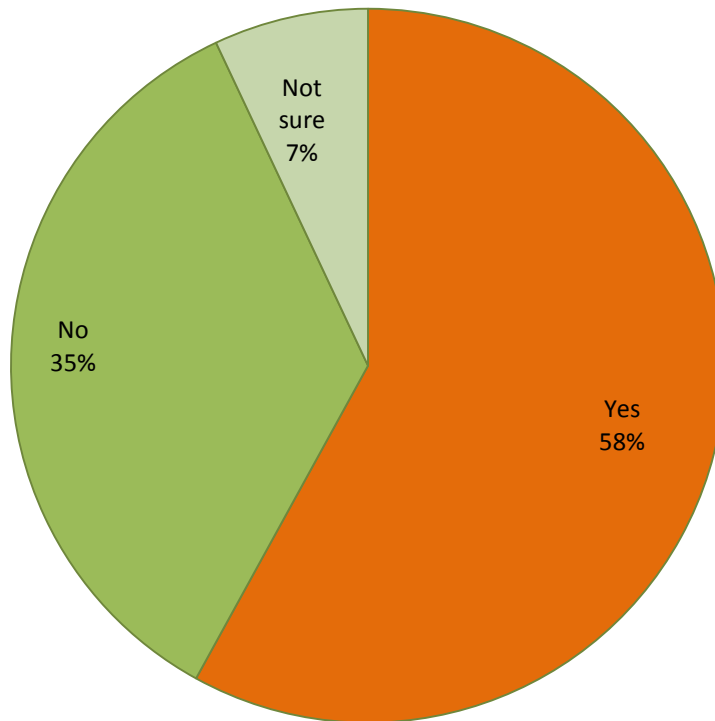
**18. How often do you attempt to access the mobile sites of businesses on your smartphone/tablet?**



**19. What most accurately describes your reaction to a business that doesn't have a mobile website or native app?**



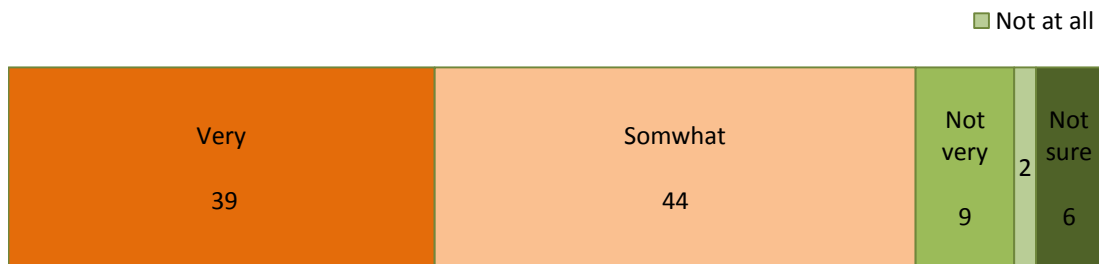
**20. Have you ever tried to enroll for a new service or new account from your mobile device?**



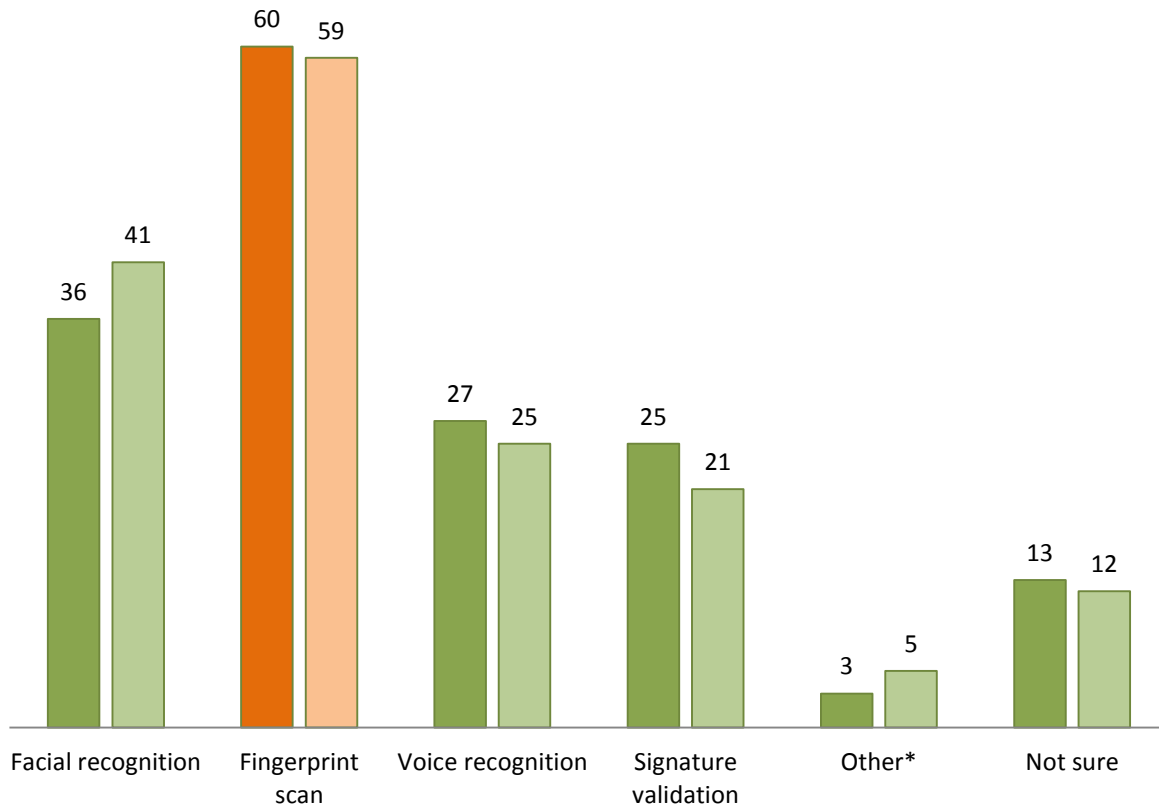
**21. How far did you get in the mobile enrollment process?**



**22. How willing would you be to take a few additional steps to verify your identity when opening an account or enrolling in a new service?**



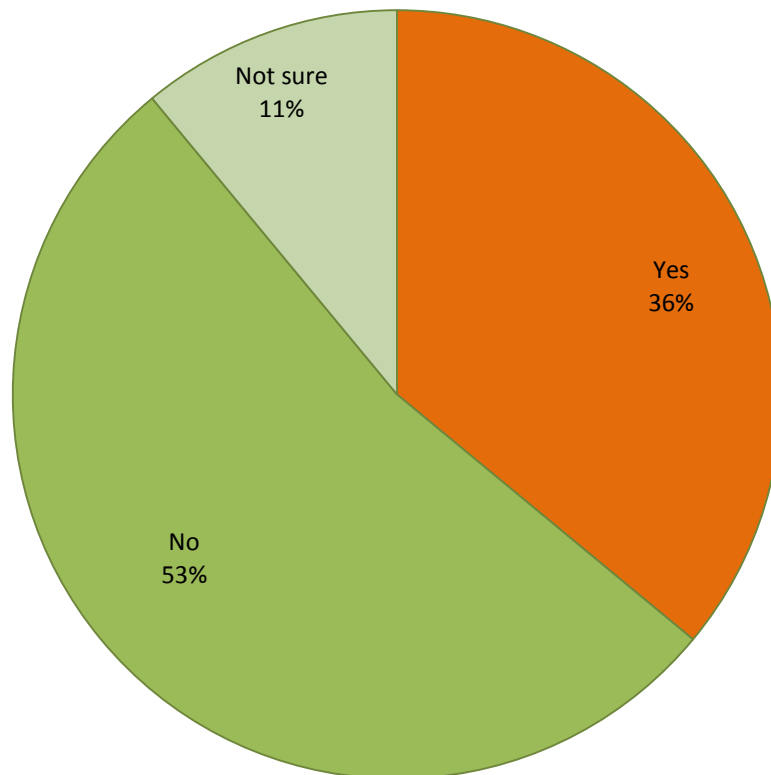
**23. For security/authentication, which of the following would you prefer to use instead of typing a password? (First column in each series is all ages; second column is 18-24 year olds.)**



**\*Other:** Password is just fine (7); Retinal scan (4); Pattern recognition (3); PIN (2); Answer security questions (2)

**One each:** All of the above; Email verification; Finger print swipe (just scanning the finger print isn't good enough in today's tech world); Site key; Swipe code; Text code

**24. Have you ever made a decision on where to spend money or switched companies based on what they allowed you to accomplish with your mobile device?**

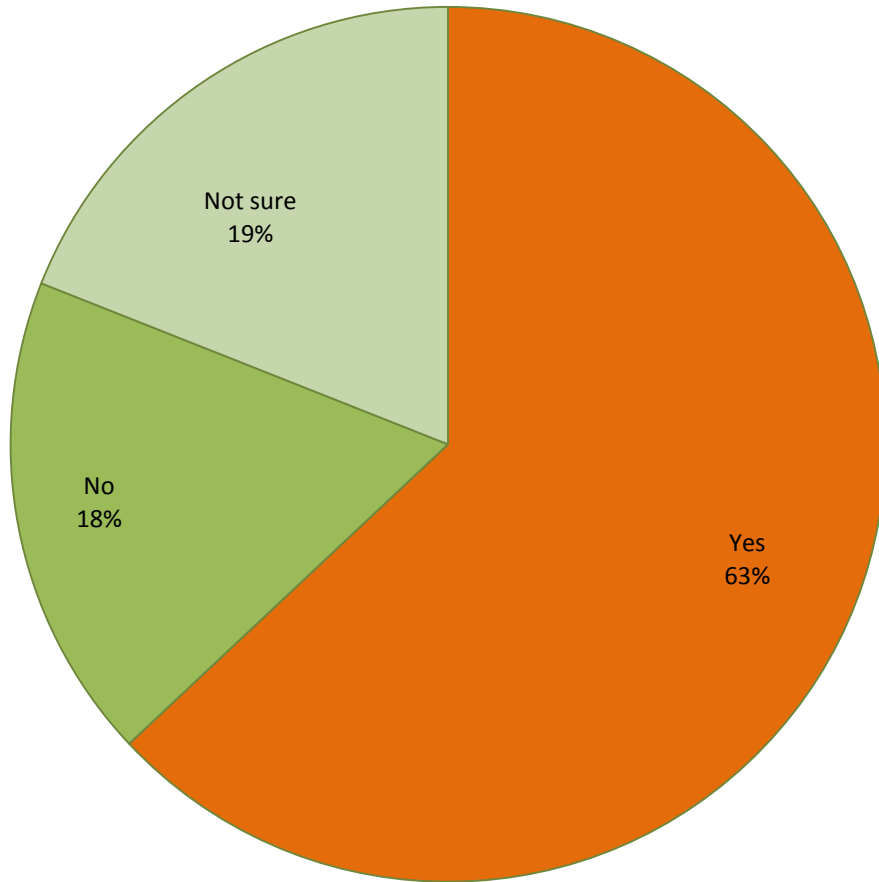




25. Today or in the future, would you do any of the following with your mobile device if they were possible?	Percent
Deposit checks by snapping a picture of the check with your device camera via a mobile app	54
Pay for goods, using the device as a mobile wallet instead of credit cards or checks	53
Pay bills by snapping a picture of your bill with your device camera	45
Search for a better insurance rate by snapping a photo of your driver's license and your current insurance card	36
Enroll for everything from a new credit card to a gym membership by taking a picture of your driver's license	33
Accelerate the tax return process by snapping a picture of your W2 and other tax documents	33
Not sure	19

26. Which of the following industries do you wish would adopt more mobile imaging functionality (using your mobile device camera to take photos to auto-populate data instead of manually entering data)?	Percent
<b>Banking</b> – mobile check deposit, mobile photo bill pay	48
<b>Retail</b> – sign up for loyalty programs without filling out any paperwork	41
<b>Insurance</b> – ability to take photos to get quotes, enroll in a plan, claims	35
<b>Credit cards</b> – ability to get an instant rate, conduct balance transfers, etc.	34
<b>Healthcare</b> – the ability to take pictures for enrollment, authentication, etc.	33
<b>Education</b> – enroll and pay for classes transfer funds on to meal cards all by taking a picture	33
None	9
Not sure	13

**27. Would you download an app to enroll in a product or service or pay a bill?**



**28. What do you wish you could do with your smart phone that you can't do today?**

Banking/shopping	85	Play games	14
Control household electronics/car	36	Everything	14
More apps that work	30	Better voice command	12
Work more like my home/work computer; connect with home/work computer	19	Less apps/getting rid of unwanted apps	12
Connect w/o wifi anywhere anytime	17	Monitor health	12
Fill out forms/sign documents	17	Better battery	11
Better camera	16	No answer/nothing/don't know	593

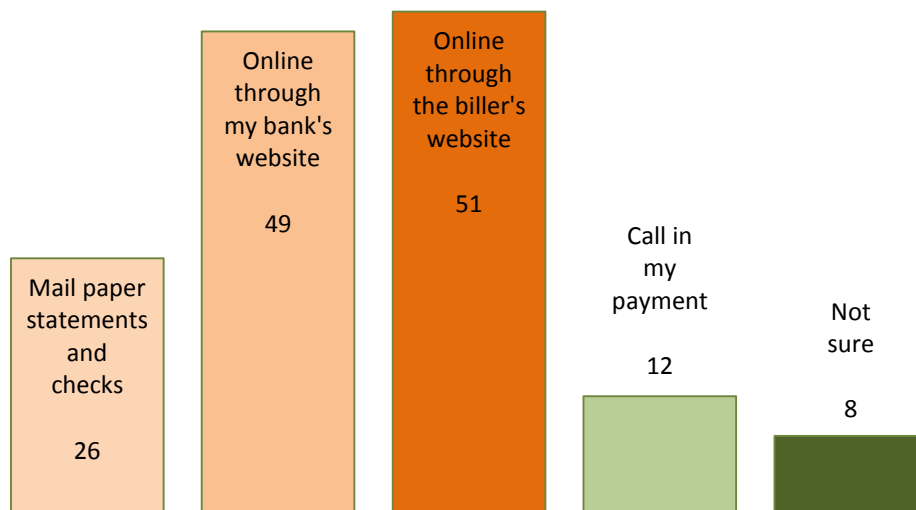
Actually be a smart phone (10); Less expensive (9); A real keyboard (9); Allow flash player to work (8); Print/make copies (8); Allow use of Microsoft Word (8); Better security (8); Hologram/projector (7); Water resistant (6); Better video player (6); Make easier to chat/call (5); To take surveys easier (5); Fingerprint ID (5); Enable Skype (4); Listen to songs on YouTube while able to go to other pages/sites (3); Find me a date (2); 3D (2); Exercise aid (2);

**One each:** As a gem and mineral enthusiast a gem scale that is accurate would be beneficial; Charge it via solar power; Figure out winning lotto numbers; I wish I could use it to access the turnstiles in the subway; I wish my phone knows where my husband is all the time; I wish they have smart phone that has an electronic shock device attach to it to attack these crazy people in this world – it's not safe no where no anymore; Loud ring; Make measurements with a smart phone; Ringtone; Sync Bluetooth better; Sync my iTunes with every car I get into; Uncracking screens; Unlimited storage; Vote!

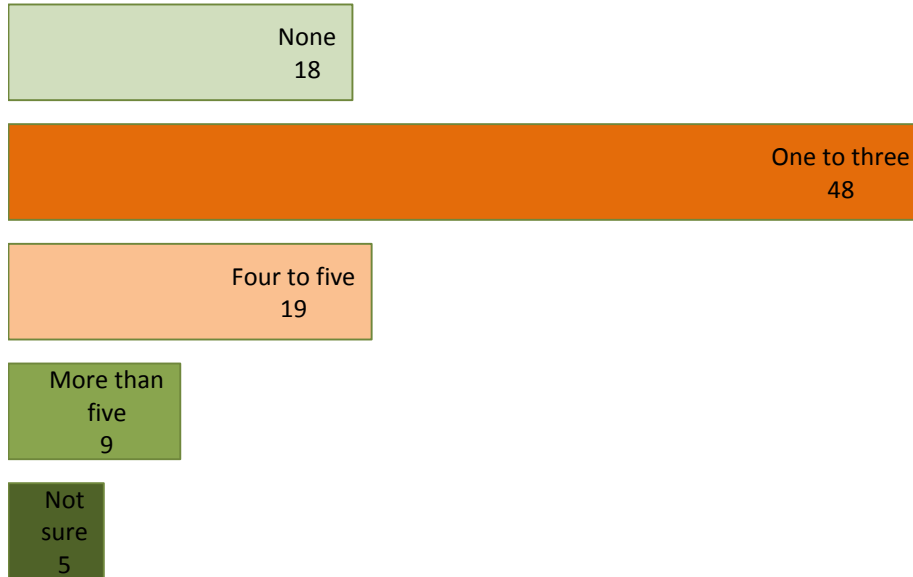
### 29. How many hours each month do you spend paying bills?



### 30. How do you currently pay the majority of your bills?



**31. How many paper bills do you receive monthly?**



**32. If you have ever deposited a check using mobile deposit from your mobile device, what word describes the experience?**

Easy/simple	136	I have done it	13
Excellent/good	77	Slow	12
Awesome/amazing	34	Frustrating	12
Quick/fast	27	Cool	9
Not good	14	No answer/don't use	594
Weird/scary (8); Didn't/doesn't work (7); Complicated (5); Difficult (4); Interesting (3); Hassel (3); Fun (2)			
<b>One each:</b> Innovative; Intelligent; Yes, it is the only way I deposit checks			

## Z-File:Executive Insights

### Methodology

Zogby Analytics was commissioned by Mitek Systems, Inc. to conduct an online survey of 1019 Millennials who have a smart phone. For the purposes of this survey, “Millennials” are defined as adults between the ages of 18-34. All interviews were completed May 30 through June 6, 2014.

Using trusted interactive partner resources, thousands of adults were invited to participate in this interactive survey. Each invitation is password coded and secure so that one respondent can only access the survey one time.

Using information based on census data, voter registration figures, CIA fact books and exit polls, we use complex weighting techniques to best represent the demographics of the population being surveyed. Weighted variables may include age, race, gender, region, party, education, and religion.

Based on a confidence interval of 95%, the margin of error for 1019 is +/- 3.1 percentage points. This means that all other things being equal, the identical survey repeated will have results within the margin of error 95 times out of 100.

Subsets of the data have a larger margin of error than the whole data set. As a rule we do not rely on the validity of very small subsets of the data especially sets smaller than 50-75 respondents. At that subset we can make estimations based on the data, but in these cases the data is more qualitative than quantitative.

Additional factors can create error, such as question wording and question order.

##

#### **About Zogby Analytics:**

For three decades, the Zogby companies have produced polls with an unparalleled record of accuracy and reliability. Zogby telephone and interactive surveys have generally been the most accurate in U.S. Presidential elections since 1996.

Zogby Analytics is composed entirely of senior level executives from Zogby International. Zogby Analytics, along with renowned pollster John Zogby, have continued in the tradition of conducting telephone and interactive surveys, while keeping an eye on the future by incorporating social media tracking and analysis into our work.

Zogby Analytics conducts a wide variety of surveys internationally and nationally in industries, including banking, IT, medical devices, government agencies, colleges and universities, non-profits, automotive, insurance and NGOs.

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