Consumers Flock to Shopping, Travel and Hospitality Mobile Apps

Security threats lurk as cyberattackers target customer detail as mobile usage grows during the pandemic.

NowSecure™
MOBILE APP TRENDS

As brick-and-mortar retailers and restaurants operate with reduced hours and social distancing, many consumers opt to use mobile applications to shop and order food for takeout or delivery. Meanwhile, travel and hospitality mobile app usage are rebounding after restrictions eased.

Retailers, grocers, food delivery services and travel and hospitality companies significantly expanded their mobile presence in recent years by launching new apps or enhancing them with new features to meet demand, improve customer service and grow revenue. However, they must develop mobile apps that are secure and protect consumer privacy or they risk data breaches and compliance failures that can lead to revenue and customer loss.

$28.1 billion

Estimated increase in digital shopping revenue via smartphone in 2020, equating to 55% YoY growth[2]

Mobile Shopping Surges

Mobile shopping is on the rise as 59% of Americans prefer to shop on their smartphones and tablets.[1] That's particularly true of Millennials and Gen Z'ers: 90% of 25-to-34-year-olds and 78% of 18-to-24 year-olds prefer mobile shopping.

E-commerce boomed during the first half of 2020 in large part due to the pandemic and reached growth that would normally take four to six years to achieve, according to App Annie.[3] In Q4 2020, U.S. consumers are expected to spend one billion hours in shopping apps on Android devices, a 50% increase from Q4 2019.[4] Digital-only storefronts such as Amazon, eBay Shop and Wish and apps from traditional brick-and-mortar retailers such as Kohls, Target and Walmart make it easy for people to do their holiday shopping without leaving their couches.

People also hunger for food delivery services such as mobile apps from DoorDash, Grubhub and Uber Eats during the pandemic. Average weekly sessions of food and drink mobile apps jumped 45% in Q2 2020 from Q4 2019.[5]

Not surprisingly, travel and hospitality app traffic dropped during the height of the pandemic. But mobile usage of airline apps and websites increased 22% between April and August 2020, while hotel, resort and home-sharing apps and sites rose 65%, according to Comscore.[6] Overall, travel app usage grew 30% in the United States during the summer and Airbnb, Google Maps and VRBO were popular.[7]

Consumer Mobile Apps Boost Convenience

Innovations in shopping, travel and hospitality apps improve convenience and help keep consumers safe. Some recent enhancements include:
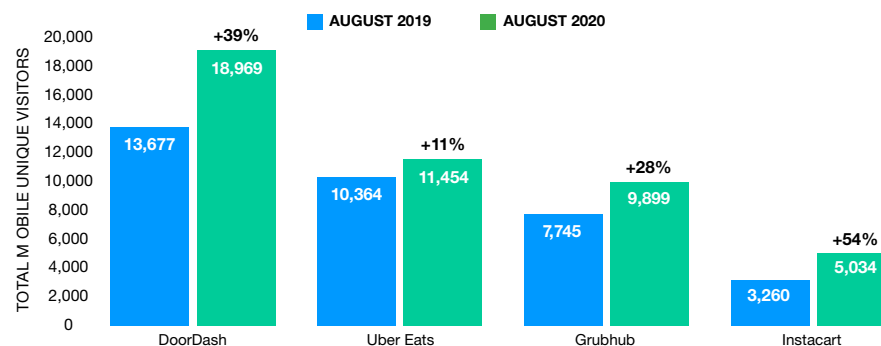
- **Contactless features**: Delivery services DoorDash, Grubhub, Instacart and Postmates added no-contact delivery options to their apps, while grocer apps like Kroger and Walmart now offer mobile checkout apps and curbside delivery. Virgin Hotels joined other hotel chains including Hilton, Hyatt and Marriott in allowing guests to use their phones as digital room keys and check in and check out without having to visit the front desk.[8]
- **Same-day delivery**: DoorDash inked deals with PetSmart and Walgreens,[9]

Appetite for Food Delivery Mobile Apps Grows

The chart below shows year-over-year growth of total mobile unique visitors of food and grocery delivery apps in 2020.[6]

US TOTAL UV YOY CHANGE - AUG '19 TO AUG '20 - SELECT MOBILE FOOD ORDERING & DELIVERY APPS WITH UV (000) > 500

■ AUGUST 2019 ■ AUGUST 2020

TOTAL MOBILE UNIQUE VISITORS

App	August 2019	August 2020	Change
DoorDash	13,677	18,969	+39%
Uber Eats	10,364	11,454	+11%
Grubhub	7,745	9,899	+28%
Instacart	3,260	5,034	+54%

Image By: gpointstudio

while Instacart partnered with Bed, Bath & Beyond, Best Buy and Sephora to offer same-day deliveries of wares.[10]
- **Augmented reality**: With consumers worried about social distancing, retailers such as Macy's increasingly add augmented reality features to their mobile apps to help customers shop and virtually try on clothes and other merchandise.[11]

Shopping apps fuel the e-commerce boom sparked by COVID-19.

Security and Privacy Issues Abound

As retail, travel and hospitality brands increase their reliance on mobile apps, they must address mounting security and privacy threats. Such incidents result in lost business, brand reputation and regulatory fines.

A NowSecure review of 410 Android and iOS retail, food, travel and hospitality apps found that 73% leak sensitive data such as username, geolocation or device. And keep in mind these recent mobile app security breaches that occurred in 2020:

- **Walgreens** warned that its mobile app exposed customer information such as name, prescription details, store number and shipping addresses.[12]
- **Marriott** disclosed a security breach that exposed personal data of 5.2 million users of its Marriott Bonvoy loyalty app.[13]
- **Tim Hortons** was investigated by the Canadian government due to concerns about its mobile ordering app's data gathering practices. The app reportedly continually tracked customer locations and visits to competing stores.

Protecting Mobile Apps and Mobile Customers

Retail, travel and hospitality brands can better protect their customers

73% of retail, travel, food and hospitality apps leak sensitive data

by adopting best practices for security by design and privacy by design supported by testing for issues throughout the software development lifecycle.

Automated mobile application security testing tools enable AppDev, AppSec and DevSecOps teams to test apps on demand or perform continuous security testing directly in the development pipeline. The NowSecure solution analyzes risks of Android and iOS mobile apps so organizations can quickly address them and ultimately deliver high-quality secure mobile apps faster.

About NowSecure
NowSecure offers a comprehensive suite of automated mobile appsec testing solutions, penetration testing and training services to reduce risk. Trusted by many of the world's most demanding organizations, NowSecure protects millions of app users across banking, insurance, high tech, retail, healthcare, government et al. The company is SOC2 certified and was recently named a mobile security testing leader by IDC, a DevSecOps transformational leader by Gartner, and a Deloitte Technology Fast 500 winner.

Visit www.nowsecure.com to discuss strategies for strengthening the security of mobile apps without slowing down developers.

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