

Forrester Research projects sales from consumers shopping on mobile phones will increase to \$38 billion this year and sales from tablets will hit \$76 billion.



Dial-up the Power of m- Commerce

Mobile Marketing

Digital Frontier

Mobile commerce or m-Commerce is the use of mobile as a platform to enable transactions. With the explosive growth in smartphone and tablet usage, mobile has come to become the first screen in a multi-screen environment. Thus bringing about a marked shift in the way consumers interact with brands. As brands continue to fortify their response to this realignment, it is worthwhile to identify the primary purchase drivers, the paths to purchase, and the technology enhancements required to drive m-commerce success.

To put things in perspective, m-Commerce contributes significantly to brands' top line. According to a report from comScore and BI Insights, in the US, "m-Commerce now accounts for 11.1% of e-Commerce; up from 8.6% during the same quarter last year." So how do you leverage the power of mobile to drive up revenue? This whitepaper seeks to answer that question.

The whitepaper lists down the six distinct areas that contribute to mobile commerce, explains how to maximize conversation opportunities to drive up conversions, discusses technology drivers to boost m-commerce sales, provides a handy m-commerce optimization checklist you can reference and lastly but most importantly provides ways to track and measure revenue via mobile.

Serving the Mobile Consumer

According to IBM benchmark data, smartphones drove a quarter of all online traffic and 7.2% of all online sales during Black Friday shopping, 2013. It is but obvious that the traffic and revenue growth among retailers with mobile optimized sites was far higher. According to Branding Brand data, "compared to 2012, smartphone optimized sites saw 76.5% more visits, and sales were up by 186.54% on Black Friday, 2013, compared with the same day last year."

Challenge

As with any marketing initiative, generating ROI from your mobile marketing initiatives is perhaps a metric you care about. While some of your prominent channels derive the benefits of your mobile marketing initiatives, including walk-ins, calls, appointments, visits, downloads, etc, unfortunately not all of these metrics are trackable. Consequently, the real impact of your mobile marketing and m-commerce initiatives do not get captured. This whitepaper seeks to identify areas impacted by mobile in a multi-channel marketing scenario and how you can attribute revenue derived to the right source.

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57% of users say they won't recommend a business with a poorly designed mobile site

40% have turned to a competitor's site after a bad mobile experience

Data from Google MobilePlay Book

In serving the mobile consumer, the challenge is to cater to the fragmented nature of devices, form factors, browsers and operating systems. Therefore, Responsive Web Design, a design framework that enables content delivery optimal to varied screen-sizes, has come to the fore and is being used widely. A recent Forrester Research estimates that "only 38% of smartphone owners and 31% of tablet owners will purchase on those devices in

2014." Therefore, sites that are not mobile optimized will not deliver to their full potential.

Addressing technological complexities is one part of the challenge, the other is to identify and maximize conversation opportunities to drive up conversions. Being an organization that is open to voice based conversations helps brands to better connect with prospects, assuage customer concerns, drive speedy grievance redressal, assist conversion closure rates and build a perception of "being approachable." Therefore, brands should actively seek to identify mobile-specific conversation opportunities across channels. For instance, Pay-Per-Click ads let you integrate "Click-to-Call" as an

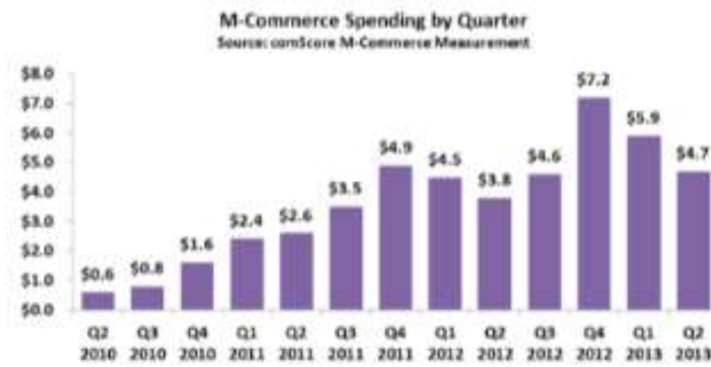
extension to your search ads. IPSOS, an independent market research company, conducted a study to understand consumer attitudes about click-to-call within organic and paid mobile search results. The findings showed that 70% of mobile searchers use click-to-call. Further, the IPSOS study broke down the purchase process into four component phases: Inspiration, Research, Purchase and Post-purchase. The research found that "calling is most important during the research and purchase phases, where 52% and 61% of mobile searchers respectively say it's important to have the ability to call."

Six Distinct m-Commerce transaction enablers:

- i. Click-to-call
- ii. In-app
- iii. In-store
- iv. In-feed Social transactions
- v. Multi-channel
- vi. Mobile wallets

Click-to-call: Click-to-call integration strategically across your digital assets and digital ads lets you maximize conversions, and increase ticket size. Potential integration points include:

- a. Premium payment page
- b. Product purchase page
- c. Checkout page
- d. Service cancellation page



- e. Feedback/complaints page
- f. Get directions page
- g. Pay-per-click ads
- h. Social app tabs/iFrames

While the list above is not exhaustive, it provides a flavour of the conversation opportunities available. Further, click-to-call can be automatically programmed to

be pushed to customers that are on high-value pages for a pre-determined period of time.

In-App: Mobile apps present a significant transaction opportunity. Depending on your industry vertical, and the opportunity for pull-based transactions, mobile apps can be leveraged to drive in-app purchases, payment completions, driving renewal premium payments, etc. There are efficient tracking systems that help measure and attribute revenue generated via apps. Will save this topic for another write-up!

In-Store: Mobile devices are being used efficiently as robust Point of Sale (PoS) solutions. Besides being a key differentiator in retailing strategy, reducing store space, improving cross-selling opportunities and reducing checkout time, data derived from Mobile PoS can be used to gain significant understanding of in-store purchase behaviour, average checkout time and its implications on cart size, inventory management, and other critical metrics.

In-Feed Social Transactions: Social media platforms are increasingly gearing towards transactional models, in an attempt to convert high engagement within social feeds into

90% of consumers **move between devices** to complete a task

40% of smartphone users **watch TV while browsing their smartphones**

65% of multi-screen consumers report that they **began their shopping process from a smartphone.**

84% of all multi-screen shopping experiences **included mobile either as the first of second interaction**

Data from Google MobilePlay Book

business leads; better still transaction completion. There is news around Twitter having alpha introduced a 'Buy' functionality within its platform. Twitter has already rolled out lead cards and website cards in the past. Facebook is expected to roll-out a complete commerce capability that will let consumers complete transactions without having to leave the social container. Given the significant uptick in social media engagement via mobile, facilitating a mobile-friendly environment for transactions through social touch points is a logical step forward. **Multi-channel:** A recent Econsultancy

multichannel retail survey shows that 44% of smartphone owners have used their mobile to

find details about a retailer (e.g. nearest outlet or opening times), up from 32% in 2012. Given the ephemeral nature of brands, the proliferation of devices, screen sizes and platforms, marketing in a multi-channel world is more complex than ever. Mobile provides an opportunity to bridge the gap across channels to drive channel agnostic transactions and amplify social and local efforts.

The use of QR codes to drive transaction completion, coupons to drive online-to-store behavior, etc are common knowledge. Besides this, mobile can be used for “ring fencing,” for instance, to drive walk-ins to retail stores when consumers are shopping within a certain radius of a mall.

Mobile Wallets: This has a significant potential to revolutionize and transform shopping as we know it. However, a significant stumbling block is the ability to create a conducive ecosystem with accessibility to a merchant pool large enough to cater to a wide variety of products and/or services.

On-going Optimization:

To identify opportunities, and derive on-going benefits from m-Commerce, brands will have to identify optimization areas on an on-going basis. This includes:

- Key changes in mobile behavior
- The untapped opportunity to drive call-in sales
- In-bound call analytics to your SEM dashboard
- In-bound call analytics into actions that drive more conversions

m-Commerce success drivers:

Brands will have to continue to leverage technology to spruce-up mobile assets. This includes:

- i. Load time improvements
- ii. Optimized page weight
- iii. Content Delivery Network (CDN) deployment
- iv. Enhanced mobile checkout features: One of the stumbling blocks for mobile payment processes has been the cumbersome Checkout process. To address this services such as PayPal have introduced Mobile Express Checkout. Essentially, Mobile Express Checkout is a two-click mobile payment system developed to create ease of use for end users

Optimization Checklist:

Here is an optimization checklist that you can use to continue to refine your mobile marketing campaigns and increase m-commerce revenues:

94% of smartphone users search for location info

51% visited a store

48% called a store

29% made a purchase in-store and did so quickly

Data from Google MobilePlay Book

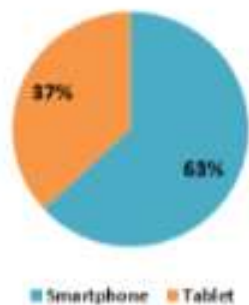
- Analyze which of your SEM keywords drive quality calls. For example, if some keywords are driving customer service calls instead of sales calls, you may want to decrease or eliminate your spend for those keywords.
- Identify which campaigns convert better offline. By tracking offers and campaigns that drive calls, you can optimize landing pages, ads and messaging to encourage calls.

- Calculate paid search ROI by

accounting for online and call conversions. One of the easiest ways to make informed optimizations is just having accurate performance data, that includes both online and offline conversions.

- Google AdWords bid adjustment features help you reach potential customers more easily and effectively in the multi-screen world. Bid adjustments allow you to adjust search bids by device, location, and time of day. Download your keyword data into a spreadsheet to segregate high-converting keywords and bid up/down basis the data in front of you.

M-Commerce Spending by Platform
Source: comScore M-Commerce Measurement, U.S., 1H 2013



M-Commerce Spending per User
Source: comScore M-Commerce Measurement, U.S., 1H 2013



m-Commerce grew 48% YoY in the US, to about \$8 billion in Q2, 2013, according to data released by comScore and the US Census Bureau. That's the fastest increase in m-Commerce since the first quarter of 2012. According to the report "one in ten e-commerce dollars are now spent on mobile."

Measure Revenue

Besides being a transaction enabler, mobile plays a significant role as a "conversion assist." To get a 360° view of the impact mobile has made on your marketing efforts and the ROI derived, measure the \$ value derived from:

- Sales resulting from appointments generated via mobile. I am not even suggesting measuring lifetime value (LTV) here!
- Footfalls to branches from mobile couponing
- Missed call activation campaigns

Key Takeaways

Given the ephemeral nature of brands, the proliferation of devices, screen sizes and platforms, marketing in a multi-channel world is more complex than ever. Mobile provides an opportunity to bridge the gap across channels to drive channel agnostic transactions and amplify social and local efforts.

Being an organization that is open to voice based conversations helps brands to better connect with prospects, assuage customer concerns, drive speedy grievance redressal, assist conversion closure rates and build a perception of “being approachable.”

Click-to-call integration strategically across your digital assets and digital ads lets you maximize conversions, and increase ticket size.

Mobile apps present a significant transaction opportunity. Depending on your industry vertical, and the opportunity for pull-based transactions, mobile apps can be leveraged to drive in-app purchases, payment completions, driving renewal premium payments, etc.

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- Clicks on ‘Get Directions’ leading to store walk-ins and consequent transactions.

Concluding Notes

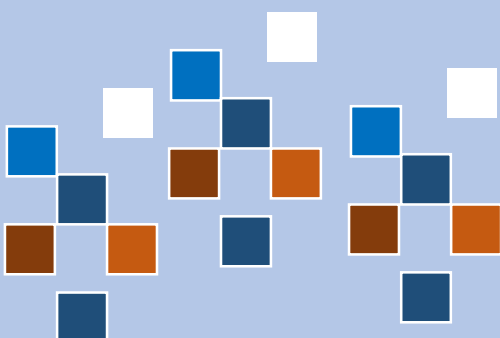
Mobile offers significant value levers from a transactional perspective that both B2C and B2B organizations can take advantage of. With in-depth tracking and reporting mechanisms there is significant value waiting to be unlocked. Go ahead, dial-up the power of m-commerce!



Vikas Anand

Vikas brings twelve years of work experience in the areas of consulting, digital media strategy, e-loyalty, online advertising, branding, social media, mobile marketing and web analytics. Prior to Digital Frontier, he worked with leading organizations such as Google, Infosys and HDFC Life.

Vikas has held senior management positions prior to founding Digital Frontier. At HDFC Life, he worked in the capacity of Senior Manager, Digital Marketing, driving the brand's digital efforts pan-India. At Infosys, he worked as part of the Management Consulting Services unit as part of the Communications, Media and Entertainment (CME) practice. During his stint there, Vikas has led strategy for e-commerce transformation of clients in the UK and Hong Kong. Prior to that, he worked with Google for four plus years and worked with advertisers in the North American market in verticals ranging from Financial Services to Retail. With hands on expertise in various digital disciplines including, online advertising, mobile apps, e-commerce and social media, Vikas is passionate about the digital landscape. He builds key differentiation to client engagements with a deep understanding of both media and transaction based outreach mechanisms.



About DigitalFrontier

Digital Frontier is a full service digital media and marketing agency offering best-in-class consulting and campaign management expertise in search marketing, social media, branding, mobile marketing, web analytics and other emerging digital disciplines including mobile apps, etc. We offer digital consulting in the areas of Online Reputation Management (ORM), SaaS deployment, content marketing, rich media and video marketing, digital commerce, content marketing, multi-channel deployment, digital asset management, etc.

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