

Mobile commerce in 2016



Level C1/C2

Before you watch. Consider the following questions:

- Do you use your smartphone or tablet for shopping?
- Why / why not?
- What are the most important elements of good consumer experience with mobile shopping?



Where mobile commerce is going in 2016

<http://www.digiday.com>

By: Steve Olenski, March 17, 2016

The 2015 holiday shopping season was a clear indication: Mobile commerce isn't slowing down.

"It was a fantastic season for mobile purchasing and mobile giving," said Matt Asay, vp of mobile at Adobe Marketing Cloud, "despite the fact that buying on the smartphone in particular causes a lot of stress."

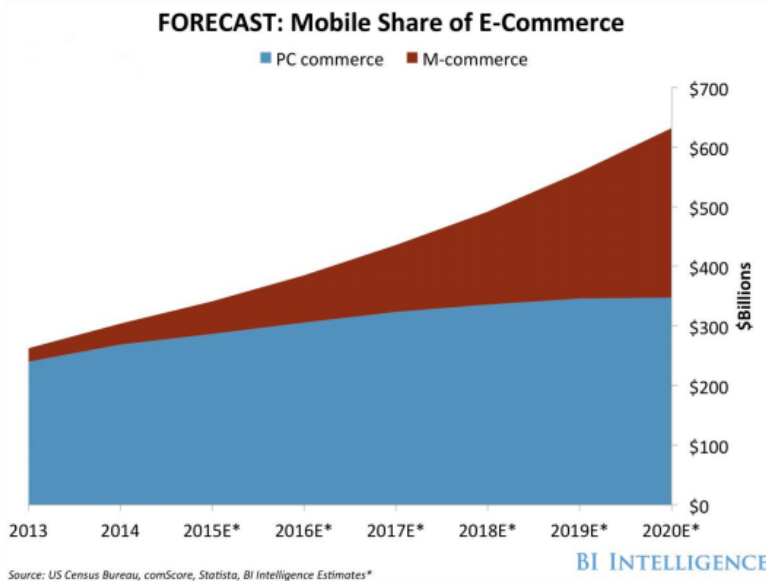
Customers, according to Asay, are ahead of retailers in that sense. They know what they want from the smartphone shopping experience, but retailers have yet to catch up to provide it. Conversion is still the biggest problem for mobile commerce, as mobile checkout remains a major pain.

Fresh off the holidays, here's how retailers are gearing up for a mobile-heavy 2016.

Mobile-commerce traction will continue its climb

A BI Intelligence report states that by 2020, mobile commerce will make up 45 percent of total e-commerce, equaling \$284 billion in sales. That's more than three times what's expected for 2016: BI Intelligence predicts mobile commerce will hit 20.6 percent of overall e-commerce, or \$79 billion.

"This year, the increase in mobile commerce will be driven by a few things," said Jaime Toplin, a research associate with BI Intelligence. "Millennials use their phones as their primary device, and as they make more, they'll spend more. And on the retailers' end, they are going to create more opportunities for people to buy."



For retailers, the money is in the mobile Web, not the app

Google searches, email newsletters and social media promotions all lead shoppers to the same place: their mobile browsers. Only the leaders with the biggest reach, like Target, Amazon and Walmart, have been able to get enough regular usage on their mobile apps in order to outpace their traffic and purchases on the mobile Web, according to a study by Moovweb, a mobile optimization platform.

“Whatever makes sense for Amazon isn’t an industry strategy,” said Moovweb’s founder and CEO Ajay Kapur. “Everyone else really needs to focus on mobile Web over mobile apps. Retailers like to think that people will want their app icon on their home screens, but that’s not really the case.”

Still, 2015 saw plenty of retailers climbing into the app store for the first time. Everlane, Alex and Ani, and BaubleBar all released their mobile apps last year. In 2016, retailers won’t be abandoning their apps (they weren’t easy to make, after all), but they should be finessing them to be a go-to source of perks and benefits for the brand’s most loyal consumers.

“The mobile strategy has been, ‘we’re going to build an app and then we’re done,’” said Asay. “In 2016 that’s going to change. A holistic mobile approach needs to be the first consideration for retailers because it’s the first consideration for their customers.”

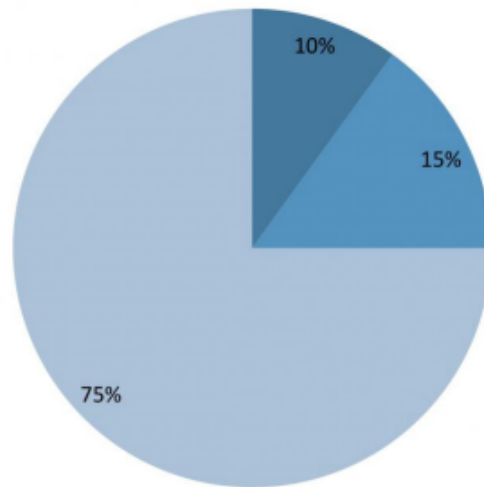
So, optimized mobile checkout will be a top priority

BI Intelligence found that while mobile commerce is on the rise, its conversion rates are still behind desktop’s. That’s because, thanks to a smaller screen, harder-to-find product details and finicky credit card form fields, it’s easy for shoppers to give up on a purchase.

Share of Digital Orders By Device

US adults, Q3 2015

■ Tablet ■ Phone ■ Desktop



Source: Smart Insights, Monetate

BI INTELLIGENCE

Toplin said that in 2016, an increasing percentage of retailers will incorporate seamless payment services, like Apple Pay, into their mobile Web checkout pages. Moovweb's Kapur said that quick fixes for clunky checkout pages include fewer form fields and a cleaner user experience.

"People have a bad checkout experience once, and they remember that poor experience," said Kapur. "A very small fix, like eliminating a redundant entry field, gets results."

Physical stores will support the mobile surge

The beacon is a battered, former retail industry darling. **"People have been talking about beacons for years and no one has done anything with them," said Asay.**

That doesn't mean the technology itself is dead. According to Asay, it's going to move away from app-based push notifications to an information hub. That can work both on the consumer and retailer side: A consumer can easily pull up product reviews and details based on where they're standing in the store, and the retailer can understand how people move through their brick-and-mortars.

"We're in a period of time where location and analytics has become a big deal when it comes to understanding what users are doing," said Ravi Shah, product director for IBM Commerce's mobile solutions. **"Retailers are looking to location data to learn about users. As we move into 2016, we're seeing a greater level of sophistication — and not just among the early adopters."**

Discussion. Answer the following questions:

- According to your knowledge or observations, how does the picture presented in the article compare to the situation in Poland?
- In what sense are customers ahead of retailers? Can retailers ever catch up with them?
- What drives the growth in m-commerce sales according to the article? Do you think there are any other important drivers?
- What is the status of m-commerce apps? Should smaller retailers use apps at all?
- What should be the elements of a holistic strategy for m-commerce?
- What are the best ways to improve checkout experience?
- Do you think the beacon technology will eventually be successfully used in retail?
- Can the rise of m-commerce be really helpful for physical retailers, or is it rather a threat to them?



How beacon technology is customizing the shopping experience

<https://www.youtube.com/watch?v=aZ8vJUxZIVk>

Discussion. In what way, according to the speaker, is shopping in general changing as an experience? Do you agree with her?

Before you watch the next video, take a moment to think what a retail store of the future might look like. What other technologies could be put to use? What facilities would you like the store of the future to have?



The Digital Store of the Future

https://www.youtube.com/watch?v=CRaiadNn_nw