Mobile Commerce in the Modern World

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Introduction

There's no question: Mobile commerce matters.

In addition to driving half of all ecommerce traffic, mobile accounted for 30 percent of all US retail ecommerce sales in a recent three-month period. For some retailers, mobile accounted for as much as 40 percent.

What's more, approximately 40 percent of all digital sales were "cross-device" – meaning consumers used more than one device in the purchase journey.

In the following pages, we'll dive into some of the hot-button topics in mobile commerce today. We'll crack some common mobile commerce myths, discuss the pros and cons of different mobile site design methodologies, and leave you with some tips for making the most of mobile context.

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Cracking Mobile Commerce Myths

Despite this irreversible trend, less than a third of North American companies have a mobile strategy that looks ahead at least 12 months. This is partially due to mobile myths that prevent a business from making the organizational changes and investments required to maximize their mobile mojo. Let's break down a few of the most common mobile commerce myths.

Myth: Mobile is a separate channel

Truth: Shoppers don't think in terms of channels. They think of "the Web" and use their preferred device of the moment. Mobile is a key player in the customer journey. "Multi-screening," or using multiple devices to research, evaluate, and complete a purchase is common. Criteo reports 68 percent of shoppers use multiple devices to purchase a product at least half of the times they shop online.

Mobile devices also serve as a bridge between digital and physical, connecting consumers to the content, pricing information, and offers that influence their purchase decisions. Google reports 84 percent of smartphone owners use their device in-store. Almost half are on their devices for 15 minutes or longer while they are in-store shopping. One in three prefer to look up their own information rather than ask shop employees, and shoppers who use mobile in-store buy 25 to 50 percent more than those who don't.

Marketers that don't recognize mobile's role in the overall customer journey – both digital and physical – may erroneously believe mobile is its own channel, and silo people, technology and budget. This leads to underinvested mobile projects, and poor, non-integrated customer experiences. This can adversely impact ROI, reinforcing the notion that "mobile doesn't matter – just look at the numbers."

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Myth: Mobile is an extension of ecommerce

Truth: Some see mobile and desktop as a unified digital front, while others consider the mobile experience as just a scaled-down version of the desktop experience. This often leads to mobile sites that are not designed to serve the unique navigational, informational, and functional needs of the mobile context.

In such organizations, mobile technology, design, and maintenance may even be outsourced, further siloing mobile and Web teams, and disconnecting the customer experience. For example, changes to the desktop site may not update to mobile in real-time.

Myth: Mobile is about Millennials

Truth: Chances are you know (or are) a Millennial that's glued to his or her smartphone at all times. While Millennials have grown up with technology and live their lives through apps, they're not the only mobile Web users and shoppers. Boomers and seniors are mobile shoppers, too, with one in four mobile shoppers over the age of 55 (proportional to their share of the US population). The fastest growing cohort of mobile users is age 46-54. Businesses that believe that mobile is only for the Forever 21s, Starbucks, and Apples of the world, but not for their target age demographic, are misinformed.

Myth: "Tablets are like smartphones" or "Tablets are like desktop"

Truth: Tablets are the in-between device – the mobile-ness and touch screen-convenience of a smartphone without the constraints of the tiny screen size. They render desktop versions of a regular site fairly well, so it's tempting to make tablet design and optimization a low priority – or no priority at all.

According to the Monetate Ecommerce Quarterly Report, global conversion rates between tablet and desktop are very close (2.51 percent vs 2.71 percent respectively), compared to smartphone conversion rates of just under 1 percent.

Average order values for tablet shoppers have surpassed desktop for fashion/luxury and mass merchant categories, according to Criteo. For every $100 spent on desktop, Criteo reports that, on average, tablets drive $114 and $102 respectively. When experiences have been optimized for tablets, the results are even higher.

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Econsultancy found only 37 percent of marketers report they understand the nuances of how their customers use tablets and smartphones differently. Without this understanding, it's easy to make the assumption that they're the same or similar.

Failure to appreciate that tablets are valuable and deliver their own experience (both in form factor and user context) leads to a lazy design strategy. This can mean either letting the tablet's browser auto-scale down the desktop site, or design a tablet-sized version of the mobile site. This translates to sub-optimal customer experience, satisfaction, and conversion.

Myth: There's still time

Truth: The fact that the majority of transactions still occur on desktop is not justification to delay investment in mobile development and optimization, and doesn't mean the customer is satisfied with the status quo. And it's somewhat alarming that, given the importance of mobile, 49 percent of businesses report they don't understand how mobile fits into the customer journey (Econsultancy).

Mobile has arrived, and it's only increasing in importance to the customer. Mobile strategy should be highly important to your online business, and appreciated as an integral part of both the digital and physical experience, while requiring its own consideration of mobile's contextual role in the customer journey.

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Mobile Commerce: Responsive, Dynamic, or Hybrid?

We've established that mobile matters in the world of commerce, but how you present your product via mobile is a big topic for debate. Responsive? Dynamic? Hybrid? Each design approach has its benefits and drawbacks, but which is the best approach for mobile commerce?

Death of m.dot

In the early days of mobile-targeted web design – circa 2009, mobile domains (m.dot or .mobi sites) were the norm. Home pages were nothing more than a list of menu links. Some sites, like Best Buy, offered only search tools and store locators with no browse navigation, product photos or checkout functionality. Mobile platform vendors like Usablenet, mPoria, and Digby powered over 80 percent of these early m-commerce sites, while the remainder were built in-house.

We've come a long way since then, and m.dot sites are all but dead. A recent survey of the Internet Retailer 500 found use of m-dot sites for ecommerce has dropped from 79 percent in 2013 to 59 percent in 2014, with dynamic serving and responsive sites increasing 12 percent and 15 percent, respectively.

Despite the appeal of responsive design, dynamic serving is trending higher in 2015 than responsive among m-commerce sites, expected to pass 20 percent this year.

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Responsive vs Dynamic

Responsive design uses a combination of flexible grids and layouts, images, and CSS media queries to serve the best fit of design and content to a device's size and specs.

One of the biggest advantages of responsive design is that it works off one set of URLs and HTML code. Rather than maintaining a separate m.dot (or t.dot) site, updates can be made universally through a single CMS, simplifying maintenance and ensuring real-time consistency of content.

One set of URLs is also better for SEO. Google prefers to only need to crawl one domain, eliminating duplicate content, and websites benefit from consolidated backlinks, rather than having some links point to the desktop and others the mobile domain.

Designers have the flexibility to modify and reduce content delivered to mobile screens, giving some control over experience optimization. However, with all this code in a single HTML file, the page load can slow significantly – a factor that's bad for both user experience and SEO.

The dynamic (also called adaptive) approach uses predefined layouts based on screen resolution combined with CSS and JavaScript. The right layout to serve can be detected by the server or by the client (device). Like responsive sites, dynamic sites can also keep a single URL structure (not having to use a m.dot domain), and generally load faster than responsive sites because they don't require one set of HTML.

Dynamic sites also allow for device-specific targeting and experiences. For example, iOS devices currently use a less-than-optimal multi-option selection tool by default.

To make it more user friendly, a designer might target Apple devices with a checkbox/button grid or custom selection tool. Custom layouts also accommodate radically different mobile experiences (vs. desktop) if desired.

Both responsive and adaptive must design and test for the most common screen resolutions. Both are time consuming and expensive in that regard, but for smaller sites, the responsive approach may be more cost-effective, especially considering the variety of device sizes. Smartphones have been trending larger, tablets smaller, and the distinction between is more blurry. Each year even the most popular devices release new dimensions, and it takes work to keep up with these changes.

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The big advantage to adaptive is faster load time, which has tremendous impact on user experience and bounce rates, conversion rates and revenue. This may be the reason it's most popular among top online retailers despite the increased cost and maintenance.

Hybrid Responsive Web Design

HRWD – Hybrid Responsive Web Design, also referred to as RESS (responsive with server-side components) is an alternative approach where the server detects the device class (e.g. mobile) and delivers the optimized layout from a single set of URLs and code. Rather than the user's client having to load all the HTML, the server can detect and select only the scripts, markup, and stylesheets that are required for the device. The flexible property of responsive design handles the scaling of images and other design elements to ensure everything looks good (vs. the adaptive requirement of multiple resolution layouts).

For example, an ecommerce site might wish to serve an app-like experience with major navigation controls appearing pinned at the bottom of the page as the user scrolls up and down, vs the desktop's layout of across the top header.

The downsides to HRWD are complexity, which may be above and beyond what your solution requires and what your development team can deliver, and cost. As an emerging solution, it doesn't yet fill all the gaps left by responsive and adaptive solutions.

Which to choose?

There's no cut-and-dried method to follow. Your choice will depend on your budget, internal resources, experience goals, and trade-offs between the pros and cons of each.

However, responsive, adaptive, and hybrid are all more desirable than stand-alone m.dot sites for more efficient scale and maintenance.

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Making the Most of Mobile Context

Delivering excellent mobile commerce experiences is not just about mobile-friendly design, but also about mobile context – the right experience at the right time given what you know about the customer. In some cases, this is a unique experience to the mobile visitor.

Mobile's role in the buying journey

While it's not possible to predict every mobile visitor's intent and stage of the buying process, there are clues you can use to tailor the experience.

Referral Source

Did the visitor arrive via an email campaign? You may be able to identify this visitor through a unique URL parameter to personalize the entire experience. Otherwise, consider an email referral as a "returning visitor" and apply the same personalization you would to desktop referring visitors.

Other referral sources such as social networks and third-party apps (like Houzz, RedLaser) tell you something about your mobile visitor, and may influence what content and offers you show the visitor.

Site Navigation

Does the visitor immediately search or browse? Is he or she using sort features? Reading reviews? Certain navigation patterns signal different stages of the buying process and levels of intent.

Landing Page

Did the customer land on the home page, a category page, or a product page? This gives you some insight into purchase intent and stage of the research/evaluation process.

Device Type

Tablets, smartphones, and their wearable companions each have a different use context. Tablets are "lean-back" devices. Though mobile, they're used more often from the comfort of one's home during leisure time. Smartphones are about "snackable" content – mobile moments consumed on-the-go and in-store. And smart-watches are about "glanceable" content that doesn't require complex navigation or interaction.

Mobile's Unique Experience

Mobile devices also have their own unique native features that experience designers can use to serve contextual features.

Geolocation

Location can be detected on desktop, but precise geolocation can be gleaned from mobile devices, including proximity to physical stores (or even presence inside a store). Push-content, geo-targeted merchandising, and other features can be served to mobile visitors.

Even if the visitor is not in a retailer's physical store but is in a mall or retail shopping district, the experience may be tailored for "showrooming" behavior, such as price comparison, reviews, and immediate purchase. The visitor may be served a time-limited coupon or other incentive, or be shown a product page layout where low price is emphasized.

Macy's recently developed a merchandising feature that optimizes search and category results based on what's in-stock in nearby stores based on a mobile visitor's geolocation.

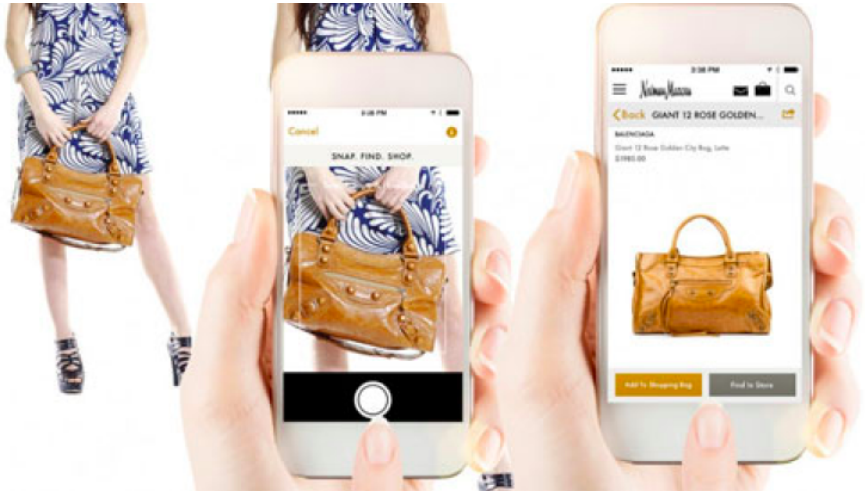
Voice Input

Most smartphones come equipped with voice-recognition technology that can be accessed from the keyboard. Few customers are aware of this, and few retailers have harnessed the potential of voice-assisted search.

Mobile commerce sites and apps can take this feature even further. Below is a designer's mockup on what an eBay voice search feature could look like, including prompts for refinements or even suggestions such as "do you have a preferred color?"

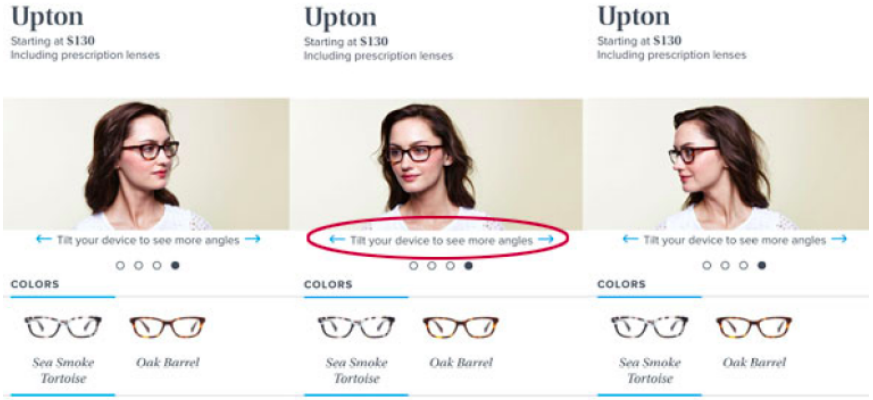
In the future, expect to see mobile site search handle spoken queries using natural language processing and artificial intelligence to become an interactive virtual sales consultant. For instance, "show me red leather pumps in a size 8 with a stiletto heel." Voice search eliminates the need to fiddle with menus and refinement tools.

Camera



Smartphone users love their cameras. While some brands and advertisers have harnessed the camera function for barcode and QR code scanning, retailers like Macy's, Neiman Marcus and Tesco are already leveraging image recognition technology to support visual search.

Accelerometer

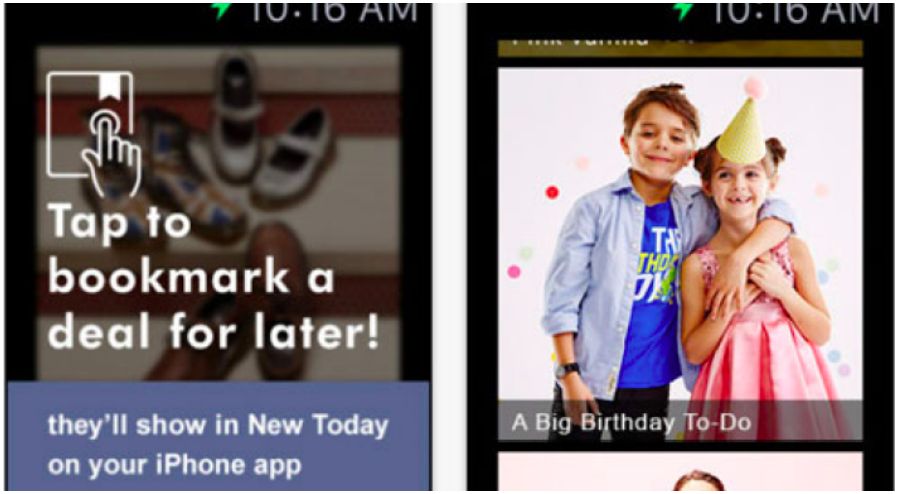


The accelerometer inside a mobile device detects movement, from slight tilts (to determine landscape or portrait orientation) to vigorous shakes and bumps. Warby Parker's mobile site allows customers to view multiple product images by slightly tilting their devices left and right, saving the hassle of tapping tiny dots.

This could also be applied to category and search pages in lieu of scrolling or pagination links.

In addition to the cool-factor, this is a practical way to incorporate tapless-interaction and control that can be applied to any ecommerce site today. And like voice, movement gesture may find its way into the wearable commerce experience soon.

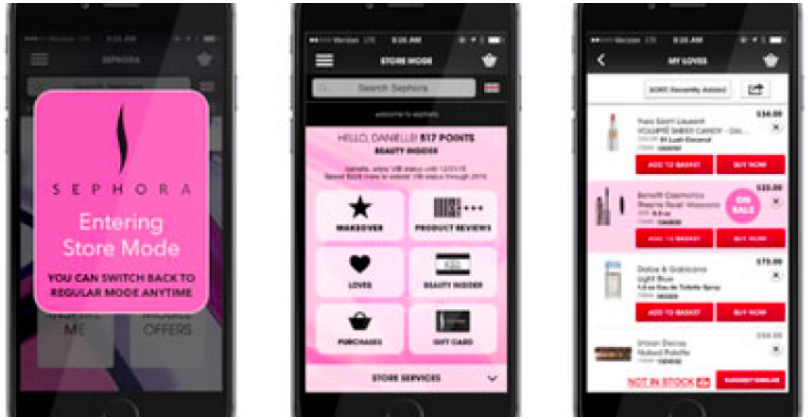
Device Pairing



Beacons are gaining traction with omnichannel retailers like Timberland and Kenneth Cole, allowing customers to access targeted digital content and offers in-store through Bluetooth Low Energy devices and smartphones.

Beyond the store, smartphones can also pair with wearable apps like those developed for the Apple Watch to capture "mobile moments" any time. Zulily's Apple Watch app allows users to manage wish lists, set alerts and bookmark sale items to view on a larger screen when they have time – features that fit well into the flash-sale experience.

Optimizing for Mobile-in-Store



GPS, camera input, and device pairing with beacons are particularly useful to the in-store context. Recall that 84 percent of smartphone owners use their device in-store, and spend 25-50 percent more than those who don't.

Earlier this year, Sephora introduced a "store mode" for its mobile app that turns on additional beacon-powered features including scanning products for rating and review info, quick access to purchase history and "Loves list," access to loyalty status information, and an augmented reality feature where a customer can snap a selfie and receive make-up application tips tailored to her face shape.

Expect more retailers to explore "store mode" for mobile apps. Mobile websites may also behave as though they are in "store mode" with a combination of geolocation and device detection.

Conclusion

Mobile commerce is only growing more important as time moves on. Mobile deserves as much, if not more attention than desktop. Understanding the fundamentals of mobile design, technology, and it's role in the customer journey today will set you up for customer experience success now and in the future.

LET'S TALK