

MOBILE COMMERCE MARKETING GUIDE

*Holiday
Edition*

2015

LOGO





Introduction

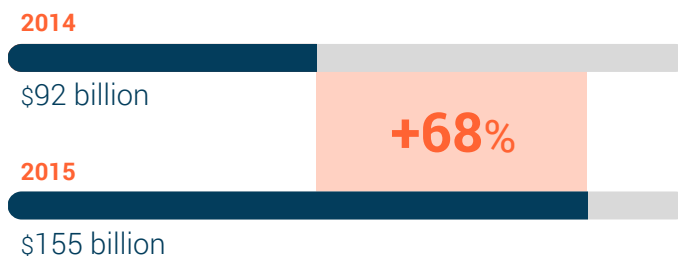
As we head into the 2015 Holiday season, retailers are refining their e-commerce and in-store strategies, and this year mobile is top of mind.



As it should be – **mobile sales are on pace to grow 35% in 2015 in the U.S.**, which is more than twice the growth rate of total U.S. e-commerce sales in the first half of 2015.

Globally, the 500 biggest **mobile commerce companies are anticipated to hit collectively \$155 billion in mobile sales, up 68% from \$92 billion in 2014.** The holiday season is a critical time for retailers, and mobile traffic is leading the way. In 2014, between November 1st and December 31st, smartphone and tablet traffic increased 45% from the same time in 2013, and retail sales from mobile devices grew 28% year over year. In this guide, we will discuss m-commerce strategies for mobile marketers to implement as we head into the important holiday season.

Anticipated mobile sales





iOS vs. Android & Smartphone vs. Tablet

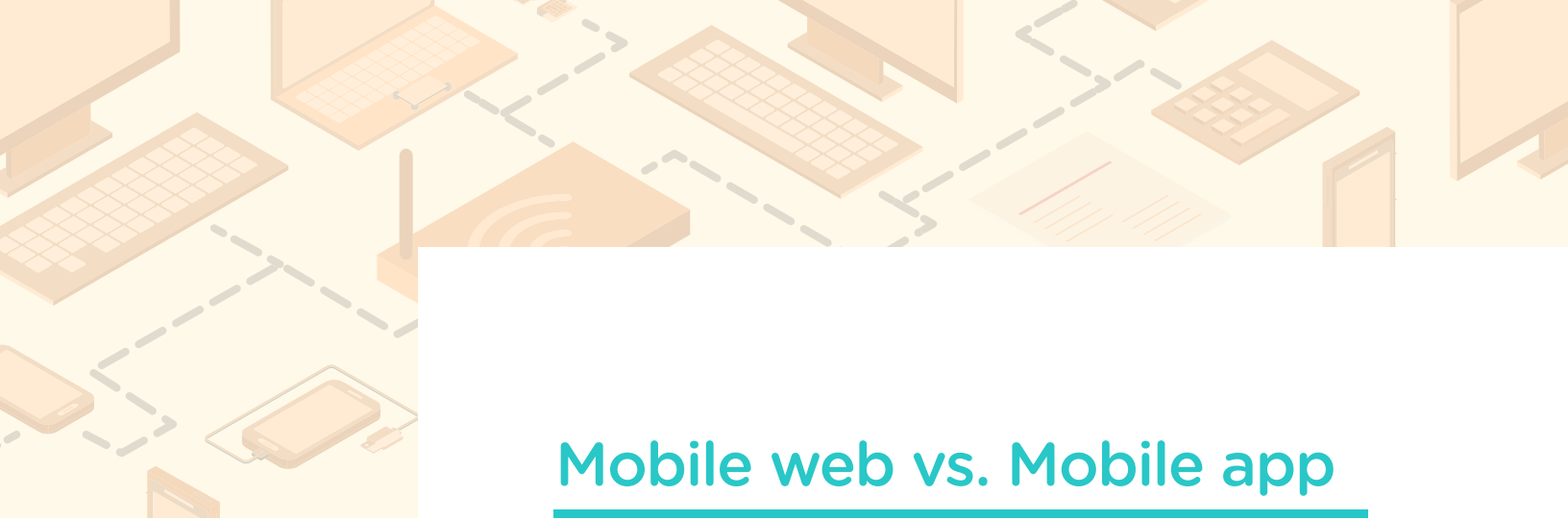
ICON

In 2015, smartphone shoppers will continue to outnumber tablet shoppers (150 min vs. 123 min, respectively), but tablet owners are much more likely to purchase on their device vs. smartphone users. Additionally, conversion rates and average order values (AOV) are higher with tablets vs. smartphone shoppers. Likely, though, is that the tablets' mobile revenue share has topped out, and smartphone m-commerce revenue share will continue to grow.

While iPads generated almost half of the US m-commerce sales in holiday 2014, it is important for mobile marketers to review iOS to Android sales and projected sales as a focus for development for holiday 2015.

ICON

In the first quarter of 2015, iPhones transacted 60% more revenue than Androids, while **the ratio of Android to iOS users is 52% to 43%, respectively**. The higher purchasing levels of iOS users is due to the higher AOV and conversion rates, but higher-end Android devices have similar to higher conversions as iOS users. The key to this point for mobile marketers is that the user interface the user is shopping on equates to more purchases, so designing for larger screens and improved mobile websites is key.



Mobile web vs. Mobile app

When comparing the use of mobile web vs. mobile apps, mobile retailers often develop a mobile site first. The strategy is they are:

- 1 Easier for discovery and search
- 2 Cheaper to design
- 3 Universal
- 4 Not limited to their core shoppers
- 5 Include a landing page for emails



Mobile shoppers often visit the e-tailers' website to shop as the user experience is easier to navigate than the often less-optimized mobile app. But while only about 20% of US consumers use a shopping app to make a purchase, 42% of mobile revenue comes from apps. From this data, it can be inferred that mobile app users are the most loyal, and this core 20% is the most valuable. So in anticipation of holiday 2015, mobile marketers should plan for their core shoppers on mobile apps and its more complex strategies.



Mobile payments

Optimizing the mobile shopping experience for easy checkout is one of the leading factors in increasing mobile purchases.

New mobile payment services such as Apple Pay, Android Pay, Paypal's One Touch and Google's buy buttons are integrations that can translate to higher conversions.





Social commerce

Social commerce has also made headway in 2015. In June, Pinterest announced 'Buyable Pins' – blue 'Buy It' pins within home feeds, boards and in search results. Pinterest users have the option to pay with Apple Pay – and these options are rolling out to iPhone and iPad now. Also in June, Instagram announced new 'Shop Now' **buttons that take the user to a mini-browser within the app**, and after purchase the user is immediately taken back to Instagram for a **seamless user experience**.



Loyalty programs

Strong retail marketing strategies often contain a hybrid of offline and online retail experiences.

For the holiday, incorporating loyalty programs and contests can drive additional purchasing and in-app engagement. Marketing campaigns can be integrated during Black Friday and Cyber Monday as they are peak shopping days that bring both repeats as well as new deal-seeking customers. One retailer campaign is to develop a **seasonal app that alerts customers about Black Friday deals, and users of the app have a chance to win a prize to be redeemed in-store once they've downloaded the app.**



iBeacon technology

Proximity marketing is targeting the right shopper, in the right place, at the right time. Using tools such as iBeacon, retailers can learn about a shoppers pre-purchasing behavior in real-time.

iBeacons are devices that work via Bluetooth with smartphone apps in stores and send (opted-in) shoppers targeted offers and messages. This is a powerful tool for marketers, as in the past customer information could only be analyzed post-purchase when in store, or measured online via the web and mobile analytics. For retailers with mobile apps, they can tap into early beacon adopters to manage their loyalty cards and personalized offers via the app in-store. Beacons are anticipated to influence \$4 billion in U.S. retail sales in 2015 and should be one of the top priorities for a brick & mortar retailer.

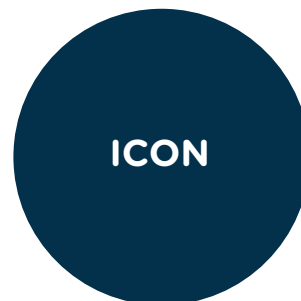
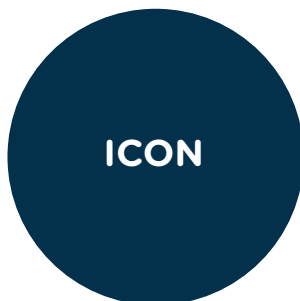


Deep linking

One tool that is highly effective but not used by enough retailers is deep linking. **Deep links are links that take the mobile user directly to the product or relevant page that they are looking for, which minimizes the number of clicks and can increase conversions.**

Mcommerce marketers and developers should incorporate deep links from offers, ads, and mobile alerts directly to the product page.

A highly effective strategy, only 3/500 retailers in the Mobile 500 are coding their Android apps for deep linking, and 66/500 are doing this for iOS. It's also recommended to include deep links, both Apple and Google can find these links and include app search results.





SMS

Layering SMS marketing into a mcommerce marketers' holiday strategy is smart, **yet getting customers to opt-in can be challenging as they are often considered to be intrusive.**

The solution to this is two-fold:

- 1 Craft a strong value proposition and clear call-to-action,
- 2 Prominently position the SMS opt-in message across your digital platforms – website, email, social media channels, and mobile websites.

Customers opt-in to SMS to receive coupons and deals, personalized alerts, and meaningful content, and keep the user experience in mind for the strongest opt-in for SMS.



Improved UX = Increased conversions

One study showed that **31% of customers use a number of channels as they move through the digital purchasing funnel, from websites to mobile apps, tablets and mobile websites.** While consumers' reasons for switching devices vary, the quality of the user experience is the most common. While mobile has been top of mind for several years now for retailers, as of April 2015, Google updated its mobile search algorithm to promote sites that are mobile friendly.

But 44% of the Fortune 500 websites failed to pass Google's test, a signal that retailers of all sizes need to follow suit to keep up.

For savvy marketers, exploring "smart UX" tools such as **VuFind's AI-Commerce solution** take a shoppers' experience to the next level with intelligent, personalized product recommendations based on a users unique profile.