

COLUMNS

Best practices for advertising in mobile commerce

January 15, 2016



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The Internet changed the retail industry forever by ushering in the age of ecommerce. While Amazon expanded from an online book retailer to an fast-moving consumer goods (FMCG) behemoth, traditional industry giants such as Sears and RadioShack struggled. Now, mobile has the potential to make even bigger waves than ecommerce.

Globally, transactions made on mobile devices both smartphones and tablets will reach \$707 billion by 2018.

In the United States, mobile devices account now for 30 percent of retail commerce, while sales are expected to total over \$100 billion.

However, in Asia, China currently leads the charge: mobile accounts for almost half of its online sales. It is also home to the world's top five largest mobile commerce players. Latin American mobile commerce is also poised to grow steadily, and merchants in Brazil, Mexico and Chile will earn \$1.43 billion in revenue.

Given the huge growth and revenue opportunities, hundreds of retailers are looking to provide a mobile commerce option, but a successful mobile commerce application cannot thrive without a thoughtful marketing strategy.

Know your market

In the United States, millennials are mobile-savvy, digital natives and more likely to make purchases directly on mobile applications.

However, mobile commerce in emerging markets is an entirely different scene. These consumers often rely on mobile phones or tablets as their primary devices, and in a mobile-first market, all age groups shop on mobile.

In fourth quarter of 2014, 9 percent of India's population reported making a purchase on mobile in the past month that is more than 100 million people.

Traditional barriers to entry, such as online payment solutions, which are difficult in areas without strong financial services, have been swept aside by the convenience of mobile commerce. For example, retailers in India allow cash-on-delivery payments for mobile shopping.

Target the right customers

Attracting the right people to your app means knowing whom to target and why. It is critical that you nail down your ideal buyer profile, not only because you will learn how best to reach your customers, but also because you will

discover who you are competing with for these customers' attention.

Myntra's ideal consumers are college-aged students of both sexes who have an interest in fashion, while Limeroad only targets women with an interest in fashion. Once you pinpoint your preferred group of consumers, advertising to them becomes much more efficient.

Get your marketing mix right

Since the final transaction happens on mobile, advertising on this channel should be the crux of your direct marketing campaign. However, without the support of traditional advertising formats such as television, mobile ads can fall prey to banner blindness.

A mix of TV, offline and mobile all working in tandem generate an organic uplift in user acquisition. Conversion rates on mobile spike massively during an offline campaign. TV ads deliver high brand recall and, when supplemented with similar mobile video ads, drive much higher conversion rates and customer value.

Retain customers on your app

Mobile commerce players often see a drop-off rate in the first week. To improve retention, keep users engaged with your app by using push notifications. Moderation is key here, or you risk annoying people.

If you are scheduling push notifications based on past events in the app, note that the time of download really matters. If the user opened your app at 3 p.m. on two consecutive days, send a push notification on the third day at 2.55 p.m. with a link to the last product the user looked at, or the deal of the day.

There are various third-party tools such as Apsalar, Tune, ISDK and AppsFlyer that can help you handle push notifications.

Make your customers market your app

Content marketing is not just a hot trend. It is the new currency that drives engagement.

Implementing a user-generated content (UGC) strategy encourages customers to interact with your brand, and adds a human factor into your marketing messages.

There is no better marketing than a happy customer who refers other users to your app. After people make their purchases, encourage them to leave reviews and share their experiences.

Incentivize customers to market your app via social media by offering them, and the new users they attract, promotional codes.

If you are fully integrated with social media networks, you can enable wish lists, which can then be shared across users' social channels.

Retarget the customer

Because consumers can easily migrate from one app to another, most mobile commerce companies will encounter user attrition. New services can help retarget your previous customers and guide them back to your platform, but retargeting is still in its nascent stages, and the lack of cookies on mobile makes it difficult to execute.

Should you decide to retarget, you need to figure out who you want to retarget, and to what extent you want to retarget them. The key elements you need to look for in a retargeting partner include the ability to perform dynamic retargeting, dynamic creative building, the ability to build an automated product feed and their pricing strategy. Currently, Tap Commerce and Vizury are proving to be good partners for mobile commerce companies.

Add value to the user experience

Delivering a valuable user experience is a challenge: you need to mitigate the creepiness factor while still tailoring product offerings to specific users' needs and truncating the path to purchase as much as possible.

Adding value also means educating users. For example, many older consumers are happy to engage with apps, as long as you bridge the knowledge gap for them.

Finally, it is important to build social and ease of transaction into your app, much like the games industry has done. Brands need to follow suit and build this same functionality into their apps.

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