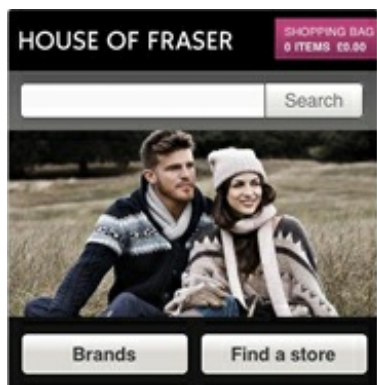COMMERCE

# What is the future of mobile commerce?

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By MICKEY ALAM KHAN

The world's largest mobile commerce platform company has a bird's-eye view of how brands, retailers and consumers are turning to smartphones and tablets for fulfilling searching, shopping and buying activity. Does Usablenet see a tipping point for mobile commerce on the horizon?

In this extensive interview, Jason Taylor, Usablenet vice president of platform strategy in New York, expresses optimism on the growth of mobile commerce in the United States as well as oversees. His view is informed by work done for 300 clients including Fairmont Hotels, Amtrak, Dell, J.C. Penney, Walgreens, Marks & Spencer, Expedia and Sunglass Hut.

"The worldwide smartphone market is rapidly growing, and consumers in Asia, Europe, and Latin America are often outpacing their U.S. counterparts in terms of mobile Web usage," Mr. Taylor said.

"In particular, we have seen an exciting level of mobile commerce growth in the U.K., where it was recently reported that 63 percent of smartphone users have used their mobile

phones for shopping," he said.

Mr. Taylor discusses how consumer shopping habits have evolved, the argument over smartphones versus tablets, U.S. adoption compared with European, Asian and Latin American uptake and the one area where the world's largest economy can take mobile lessons from others. Please read on.

Mobile is not a euphemism for mobile phones anymore, is it?

Exactly. Whereas for the last several years mobile referred specifically to mobile phones, we now view the consumer as mobile.

For brands to succeed in this new and rapidly evolving multichannel shopping environment, they must engage their customers wherever they are.

This means extending full Web site content and features, including ecommerce, to additional consumer touch-points including the mobile Web, mobile applications, tablets, social media sites like Facebook and in-store kiosks.

The tablet does seem to have blurred the lines between commerce and mobile. What effect is this having on retail stores?

Digitally-savvy consumers are already using tablets to make purchases, and we expect this trend to accelerate as consumer adoption of tablets continues to rise over the next couple of years.

The tablet user is typically from a high-tech, affluent demographic, and for brand-conscious companies looking to target these consumers, tablets provide an engaging channel to repackage their Web site content to create a unique brand experience for the consumer.

We see tablets being used by consumers as a tool to more deeply engage with the brand and inform purchasing decisions, and believe that they will ultimately be used by more brands and consumers alike to enhance the overall shopping experience.



Usablenet has more than 300 clients worldwide. What's their No. 1 expectation of mobile?

Usablenet works with some of the largest brands in the world, and customers of these brands expect the best mobile experience – one that is fast, robust, reliable, and provides compelling content that is a clear extension of the brand.

Beyond that, the brands we work with are also focused having the ability to scale.

For instance, Usablenet's platform provides the scale to handle large amounts of smartphone traffic, as well as the scale to support all International markets including Asia.

The Usablenet platform also provides the scale to handle all different types of output including mobile sites, mobile apps, tablets, kiosk interfaces and Facebook.

This whole argument over mobile sites versus apps versus tablet apps: it does seem rather small, doesn't it? After all, every channel has a role.

Every channel does have a specific role, and the brands that are leading the way in multichannel customer engagement are the ones that have figured out how to best maximize these various screens and touch-points in different ways.

For example, the mobile Web should be viewed as the primary way to reach all mobile consumers. It has the furthest reach, and with HTML5's increasing role, the mobile Web can now provide advanced app-like features that consumers crave.

Once brands have their mobile Web presence well-established, they should implement a mobile app strategy geared towards deepening brand loyalty. This means delivering unique features for the already loyal consumer to engage them on a deeper level.

How far along is U.S. mobile commerce? Numbers are so hard to come by.

Mobile commerce in the U.S. is gaining ubiquity and, by the end of this year, it is expected that over half of all mobile phones in use by U.S. customers will be smartphones.

In fact, PayPal recently reported that they experience $6 million in mobile payments per day, and by 2013 they expect total mobile payment volume to exceed $7.5 billion (see story).

As smartphones continue their huge consumer adoption rate and consumers use the mobile Web with increasing frequency, mobile commerce will continue its impressive growth.

Any distinguishing features of mobile commerce in the U.S. compared with Europe, Asia-Pacific, Africa and Latin America?

The worldwide smartphone market is rapidly growing, and consumers in Asia, Europe, and Latin America are often outpacing their U.S. counterparts in terms of mobile Web usage.

In particular, we have seen an exciting level of mobile commerce growth in the U.K., where it was recently reported that 63 percent of smartphone users have used their mobile phones for shopping.

What lessons can U.S. retailers learn from their counterparts overseas in terms of mobile adoption and best practice?

A great example of an effective mobile strategy that is far more advanced in Asia than the U.S. is the use of QR codes to drive customer engagement.

Asian consumers frequently scan QR codes in retail locations, printed advertisements, store window displays and more, and this practice has been effective in terms of increasing brand loyalty and driving traffic.

U.S. retailers should look to their Asian counterparts as an example of how QR codes can be used to improve the customer experience.

In fact, U.S. retailers like Best Buy, Macy's, and Pacific Sunwear have all recently integrated effective QR code strategies into their overall mobile marketing efforts, and this is a trend that we believe will pick up steam in the U.S. moving forward.

U.S. retailers are getting itchy and looking to expand overseas. Ecommerce and mobile commerce seem logical places to start. But it's not as easy as it looks, does it?

Overseas expansion is a key element for businesses to drive growth, and in terms of mobile engagement, they must ensure that their mobile site is optimized not only for the multitude of different devices that are common overseas, but also the different languages spoken in other countries.

The Usablenet platform provides the scale for brands to ensure that all consumers can access their mobile sites regardless of their device of choice or their native language.

You and your team have turned Usablenet into the dominant player among mobile commerce platforms. Of course, you put in the sweat equity. What are your plans for the company?

Usablenet is currently the largest mobile and multichannel engagement technology company with over 300 clients worldwide.

We've expanded our offices to the U.K. in the beginning of 2011, and currently already power the mobile sites of six of the top 10 U.K. retailers.

We've brought on 20 additional U.K. clients since then, and by Q3 we plan to expand to Asia as well.

What can we expect from mobile commerce this year? And what do shoppers expect from the mobile experience?

Shoppers expect the mobile Web experience to be just as good as the traditional Web, with additional features that maximize the capabilities of their phones such as location-aware

services.

With a growing number of consumers using their mobile phones to research before making purchase decisions, and over 20 percent of email marketing being read on the mobile phone, it is necessary for brands to ensure that their site is optimized for the best mobile experience.

Shoppers expect core brand functionality to be extended to mobile, all mobile phones to be supported, and optimal usability in terms of speed and design.

Mobile commerce has grown exponentially over the last several years, and as consumer adoption of smartphones continues to skyrocket, we expect this significant level of growth to continue moving forward.