

MOBILE

## Purchases via iPad worth 20pc more than average mobile buy: Kenneth Cole exec

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By PETER FINOCCHIARO

NEW YORK – Consumers buying items via iPads spend an average of up to 20 percent more per purchase than other mobile shoppers, according to a Kenneth Cole Productions executive at the Mobile Marketing Summit: Holiday Focus 2010.

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**Luxury Daily**

The number of Kenneth Cole shoppers using the iPad for purchases has increased exponentially since the device's release in April, and the average sale generates significantly more revenue. The discrepancy in average purchase price can be partly attributed to the consumers owning Apple's tablet PC, who tend to follow an early-adopter profile and boast higher disposable incomes.

"We're seeing a significant uptick in iPad sales," said Tom Davis, vice president of ecommerce at Kenneth Cole, New York. "It's compounding in revenue, 45 percent each month since April.

"Not only is it compounding – the average order on the iPad is about 15 to 20 percent higher than on any other mobile device," he said. "iPad users have discretionary funds and they're discretionary shoppers."

Mr. Davis' "How mobile is influencing Kenneth Cole's retail strategy for the holidays and beyond" presentation focused on the importance of mobile commerce for retail strategies.

Kenneth Cole holiday strategy

Mr. Davis emphasized the importance of Kenneth Cole's mobile-optimized Web site for the retailer's holiday strategy.

Mobile purchases accounted for 1.5 percent of **Kenneth Cole** revenue, before the company even had an optimized mobile Web experience ([see story](#)).

The retailer partnered with **Usablenet** to develop a mobile site and released it on July 19, a 79-day turnaround.

“We learn something every day on our site about what we can do better,” Mr. Davis said. “But [developing a mobile site] can be done very fast if you put your mind to it.”

Kenneth Cole focused on developing its mobile site in 2010, with an emphasis on getting it set up in time to drive sales during the holiday season.

The main objective was to learn from the experience, so the retailer could then refine its mobile strategy in 2011 and 2012.

The most important component of mobile commerce is analytics, because the effort is wasted if retailers do not track how their customers are behaving.

The end result of the research and analysis is a better idea of how mobile can be integrated into a multichannel retail strategy.

“We’ve kind of changed from this mentality to, for lack of a better word, a Galilean mentality,” Mr. Davis said. “Put the customer in the middle and let them choose what kind of outlet they want to shop in, whether it be desktop or in-store or waiting for direct mail and catalogues.

“We’ve enabled and empowered customers to define how they want to shop,” he said.

The growth of mobile Web

Mr. Davis cited a Morgan Stanley study which found that iPhone and iPod touch are the fastest-ever adopted consumer electronics technologies.

The Apple devices accumulated an estimated 86 million mobile Web subscribers in their first 20 quarters on the market.

By comparison, desktop Web service Netscape amassed around 18 million subscribers in its first 20 months, while AOL accumulated 8 million subscribers by the same point in its lifecycle.

The smartphone market is booming, and will likely surpass the desktop and laptop PC markets in the next two years.

In 2010, desktop and notebook PC sales will combine for an estimated 350 million shipments, compared to about 250 smartphone shipments.

However, smartphones are expected to account for nearly 500 million shipments in 2012, leapfrogging desktops and laptops.

In addition, mobile Internet users will surpass desktop Internet users in 2014.

“From a global perspective, there will be an inflection point by the end of 2012,” Mr. Davis

said. “By 2013, more smartphones will ship than desktop and laptop computers.

“The inflection point is going to be sooner than people maybe think,” he said. “Your thought process should be ‘I have to get in the game now.’”

Doing mobile commerce right

Retailers diving into mobile commerce need to think outside the box and understand that mobile drives sales in more ways than via mobile shops, applications and store locators, Mr. Davis said.

The Kenneth Cole executive highlighted multiple examples of mobile activities that drive sales, but are not immediately associated with commerce.

Examples included individuals sending pictures to one another asking advice about purchases, showing off cool new products to friends and using PDFs of bar codes from tickets or receipts that were never intended for mobile use in order to receive discounts.

“Mobile commerce is more than just putting transactions through mobile devices,” Mr. Davis said. “It is everyday occurrences in everyday life.

“Texting and twittering about items – all those interactions with friends and family are driving commerce whether you think about it or not,” he said. “It’s amazing what people are doing without even realizing it.”

Shoppers evolved from enabled via wired Internet in the 1990s to empowered by companies such as Google and Amazon in the early 2000s, according to Mr. Davis.

The next step in that progression is towards entitled shoppers, who have the expectation of speed and convenient commerce experiences through their mobile devices.

“As a retailer, there is a certain level of expectation consumers have from the marketplace, and if you don’t have it, you’re forgotten about,” Mr. Davis said. “There’s no ‘location, location, location’ on the Internet.

“If [a retailer’s mobile commerce] experience is subpar, the customer can move between storefronts much faster and more efficiently in than in the real world,” he said.

“[Commerce] is going to evolve into something else.

“I don’t know what it will be, but it will comprise itself heavily in the mobile market.”

[Please click here to view the Kenneth Cole deck](#)

Here are some photos from the keynote panel:

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peter-session-2-panel-1

Final Take

*Tom Davis, vice president of ecommerce at Kenneth Cole, New York*

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