

Why Mobile Matters — Now More than Ever

(Hint: It's All About the Money!)

by **Sunil Jagani**

It wasn't too long ago that ecommerce was still a new phenomenon. The idea of shopping online from your computer was first met with hesitancy, but soon became an integral component of any marketing strategy. Now things are changing again, with the mobile device quickly becoming a major player in online purchases of products and services.

In fact, in February of 2010, ABI Research published a report on the state of mobile commerce in the U.S. that estimated that mobile purchases would top nearly \$5 billion by the end of the year. ABI wasn't far off in its predictions. At the end of the fourth quarter of 2010, new media information hub The Next Web reported that 44 percent of smartphone users made \$3.4 billion in m-commerce purchases — an increase of \$1.4 billion in just one year.

So what's behind this major increase in mobile purchases? And how is it reshaping the face of ecommerce? Understanding the ways in which mobile has radically impacted the way the world does business offers a unique insight into the future and underscores the need for companies of all sizes to embrace that future — right now. And while it may be difficult to grasp just how much of an impact mobile technology is having on the economic landscape, it appears as though many companies (54 percent of Fortune 50 companies, according to The Next Web) do not yet have a clear way forward for adapting mobile technology into their overall business strategy.

But the company that omits mobile technology does so at its own peril. Following are five reasons why mobile matters now more than ever, and why companies of all kinds should be taking note.

- 1 Everyone has a smartphone
- 2 More and more, we're living life on our phones
- 3 With mobile technology, the consumer is in charge.
- 4 Mobile tech is so easy, even a baby can use it.
- 5 Wallets are optional.

1

Everyone has a **SMARTPHONE**

More people than ever before own smartphones with online data plans that are enabling them to buy more often from these mobile devices. In fact, in many developing countries where Internet access is scarce and few even own a computer, the mobile phone serves as communication device, bank teller, information resource, and online retailer, all rolled into one. Here in the United States, mobile operating systems like Android and popular new devices like the iPad are helping to drive this number up. Indeed, according to a report released by Gartner, Inc. in late 2010, smartphones sales for that year were up 417 million units, a 35 percent increase from the previous year, representing the third consecutive double-digit increase in sales year-on-year.



2

More and more, we're living life on our phones

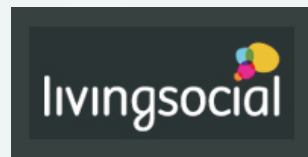
It wasn't too long ago that many approached the online experience as something apart from their day-to-day activities. Building relationships, shopping for goods and services, and other activities that are now considered part and parcel of our everyday lives were considered with a wary eye. Was it safe to meet someone online? Was it prudent to give your banking information over the Internet? Today, the social and emotional stigma we attach to electronic devices is changing — to the point of becoming a central part of how we live, work, and play. Abandoning much of the scepticism associated with the online world, many people are more likely to fold mobile devices into their social lives and use them for pleasurable activities that include games, social media, and, yes, shopping.



3 With mobile technology, the consumer is in charge.



Perhaps we can attribute our propensity for bargain hunting to our caveman brains that were formed when our very survival depended on our ability to hunt down and consume the best resources available. Whatever the reasons for it, many of us love finding the best deals out there. Thanks to price-comparison mobile apps and increasingly-popular online coupon services, like Groupon and LivingSocial, it's easier than ever to find those deals. And because these deals are accessible whenever, wherever thanks to smartphones, savvy consumers shopping at a retail stores are now able to compare the prices of items on the shelf with online prices using a mobile device. In instances such as these, if time is not an issue, price is beating out convenience more and more often.



4 Mobile tech is so easy, even a baby can use it.

Or so the marketing folks at E*Trade would have you believe. Truth is, they're not too far off. And not only are mobile technology interfaces simple to navigate (with the newest models even allowing for consumers to browse while on a phone call), the nature of the smartphone itself lends itself to ease and accessibility. Consumers are more likely to make a buying decision when they are relaxing or socializing. Because mobile devices can be used while watching TV, helping kids with homework, or even lying in bed, the marketplace has changed from one that depends on location for visibility to one that can accommodate a consumer any time, in any place.



5

WALLETS

are optional



Smart retailers know that they need to accommodate to the consumer's preference for how a transaction will take place, and not the other way around. And those that are hip to this new trend are enjoying the benefits. Take Starbucks as one example. This worldwide café now provides customers with the option to order their coffee from their mobile devices while in the café. Why? Recognizing that some people may have mobile phones but not credit cards, Starbucks devised ensured that their mobile phone applications were linkable to bank accounts or other incentive accounts. In a society where many consumers no longer carry cash, it may well be that plastic may soon be a thing of the past.

In the end, smart mobile technology is at its best when it can be described with one word: easy. Easy-to-use technology that supports a simple user interface makes for easy buying decisions and simple transactions. More and more, your customers are demanding mobile technology. Meeting them on their terms where they live, work, and play, will be key in competing in the new and changing m-commerce marketplace.

[Sunil Jagani](#) is Founder and CTO of AllianceTek, a Malvern, PA-based IT solutions company that has been defining, designing, and delivering elegant IT strategies for companies around the world since 2005. To find out how mobile technology can improve your business and increase profitability, contact AllianceTek online, at info@alliancetek.com, or call 484-892-5713.