

SCOPE OF MOBILE COMMERCE

Impacts of a Mobile App

A Whitepaper by
Tatsat Pandey
Business Analysis Division



Abstract

When the concept of Mobile Commerce was first introduced in 1997 at the launch of the Global Mobile Commerce Forum, Nobody imagined that by the end of its teenage in 2017, M-Commerce would reach a staggering worth of \$230 billion.

The driving factor of this growth has primarily been the immense growth of the mobile phone, especially smart phone, industry in the past decade. The provision of Mobile Value Added services (MVAS) by the network providers has triggered the entire development making M-Commerce a huge industry today. One of the biggest driver of this growth has also been the introduction of mobile apps in the past decade and through this whitepaper, we would look at the impacts an app has on the M-Commerce segment.

Introduction- M-Commerce

When we talk about M-Commerce, We are referring to the transaction of goods and services on mobile devices such as Cell phones, PDAs etc. which are not only electronic but also mobile in nature.

The M-Commerce market has been hugely affected by the ever increasing sales of cell phones across the world. In fact, by the end of 2017, the sale of the twentieth billion mobile phone would have been made. This is also one of the reasons that the Mobile commerce market is expected to grow at a 300% faster pace than the traditional E- Commerce.

However, one of the biggest advancement in the mobile industry which has turned out to be a boon for M-Commerce has been the development of mobile applications in the past decade. According to a recent research, more than 85% of the time spent on a smartphone is on mobile apps.

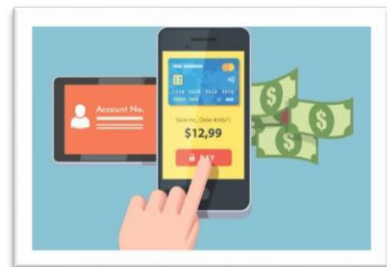
Services offered via M-Commerce



Mobile Ticketing

It is the process by which the customers can obtain tickets by using mobile phones or other PDAs. These involve airline, cinemas, railways etc. The mode of purchase can be online, via SMS, delivery, scanning, redemption etc.

This is a major service for the younger generation who consider smartphone a necessity more than a luxury.



Mobile Money Transfer

This refers to the payment services operated under financial regulations of a country and carried out on a mobile device. In many developing economies, mobile banking has been used as a means of extending financial services to the underbanked population. It includes services like Mobile wallet, SMS based transactions, direct mobile billing, contactless NFC etc.



Mobile Browsing

In order to browse the websites on phones and PDAs, the mobile browser technology has played a significant role. Today, the full featured browsers are capable of HTML, CSS, ECMA Scripts as well as WML etc. Currently, Android leads the market as the most popular mobile browser.



Mobile Marketing

Marketing activities carried out on cell phones and PDAs come under Mobile Marketing. This includes SMS/MMS Marketing, App based marketing, In-game Mobile marketing,, QR Codes, Bluetooth, LBS etc. With the growth of mobile usage by 58% year to year, this becomes more prominent.



Content Purchase

With the evolution of 4G and high speed internet, there has been a rise in content sharing across the M-Commerce domain. This involves media content such as pictures, videos, songs etc. For example, services such as Netflix have come to life owing to this fact only.



Location Based Services

Capitalizing on the Mobile feature of the wireless devices, the M-Commerce industry provides various location based services to the users. These involve services such as localized discounts, geotagging, Turn by turn navigation to any address, location based recommendations of other services etc.



Mobile Apps and M-Commerce

Compared to the 29 hours a person spends monthly on the apps of his cell phone, he spends only 3 and a half hours on the browsers. This clearly reflects the dominance of mobile apps in the M-Commerce industry. According to research, an app can increase the sales of a normal E-Commerce business by up to 45%.

In US, 2015, over 950 million people accessed shopping websites via mobile apps alone. By 2017, the total number of apps to be downloaded worldwide might reach to 270 million leading to a revenue of approx. \$42 billion. Gone are the days when mobile phone was used for mere calling purposes.

Now let us have a look at the benefits that the apps provide to a customer in the M-Commerce segment.

Benefits of an App in the M-Commerce segment



Online Ordering

The most primary benefit of all. It has been observed that offering the users to browse through your products and making a choice has a direct impact on your sales. In 2015, Mobile apps accounted for more than 35% of all online sales.

Push Notification

The average opt in rate for push notifications in M-Commerce is 46% and they result in 92% higher retention rate. 60% of the people who opt for push notifications do it to avail the exclusive offers and 54% of these actually get converted.



Value Added Benefits

Incorporating Value Added always boosts sales for any people said that they used Benefits to customers business. In 2016, 67% apps for the exclusive benefits offered via apps. Simple data mining can help a business offer customized Value added benefits to a customer.

Convenience

Convenience is the factor that makes a customer come back for the service. For example: Delta airlines app offers the passengers to book the ticket, choose the seats and even display the boarding pass through the app. 95% of the users prefer apps because of the convenience factor involved.



mCommerce Development at SoftProdigy

Realizing the importance of apps in M-Commerce, SoftProdigy has quickly adapted itself to this new area of development. Their latest product, OnGoBuyO.com has been developed to convert an E-commerce website to a mobile app in order to make it enter the booming M-Commerce industry. The process is also extremely simple.

For an E-Commerce website based upon the Magento platform, one simply has to register at OnGoBuyO.com, download the Magento connector for the dashboard, install the OnGoBuyO extension for the website and the website will synchronize with the app automatically. The best part about this is that the website owner can try the Basic version for free and then move on to the higher versions to suit himself. The app that is built through this can be submitted to the Google PlayStore or the iOS App store to be listed there.

About the Author

Tatsat Pandey

Tatsat Pandey is a Business Analyst at SoftProdigy.com. He finished his Post-Graduation from the Indian Institute of Management, Indore in 2016 in Marketing and joined SoftProdigy in April 2016. His specialization in MBA was Marketing, Sub domains being Consumer Behaviour, Marketing of Services, New Product Development.

About SoftProdigy

Founded in 2006, SoftProdigy is an award-winning organization with expertise in the areas of Web & Mobile Technologies and Consulting services. Over the last few years, the organization has made a reputation for building quality solutions for its clients that helped them get more out of their business. SoftProdigy's customers range from start-ups to Fortune 500 companies such as Intel, Hyundai and Sony Ericsson. The company has worked with entrepreneurs as well as established corporate houses across the globe to put their ideas into inception and take it to the market. It employs over 150 technology and management professionals who work closely with each other. With a consistent growth track record that has surpassed the industry trends year on year since the company's inception, what sets it apart is the philosophy of pursuing, quoted as "measured success".

For further details contact us at sales@softprodigy.com.

References:

- <http://www.smartinsights.com/mobile-marketing/mobile-marketing-analytics/mobile-marketing-statistics/>
- <http://www.statista.com/topics/1002/mobile-app-usage/>
- https://en.wikipedia.org/wiki/Mobile_commerce#cite_note-18