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The Ultimate Guide to Mobile Commerce

For today's businesses who want to grow faster

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Recent palm readings...

What is mobile commerce (mCommerce)?

Over the last few years, the line between offline and online has blurred significantly. With the likes of Apple Pay now fusing mobile payments with face to face functionality, mCommerce can be divided into five different types:

1. Mobile card readers
Where a mobile is converted into a card reader via acquisition device, inserted into the phone's headphone jack

2. Mobile wallets
Software that uses existing payment systems (e.g. credit cards) in smartphone apps
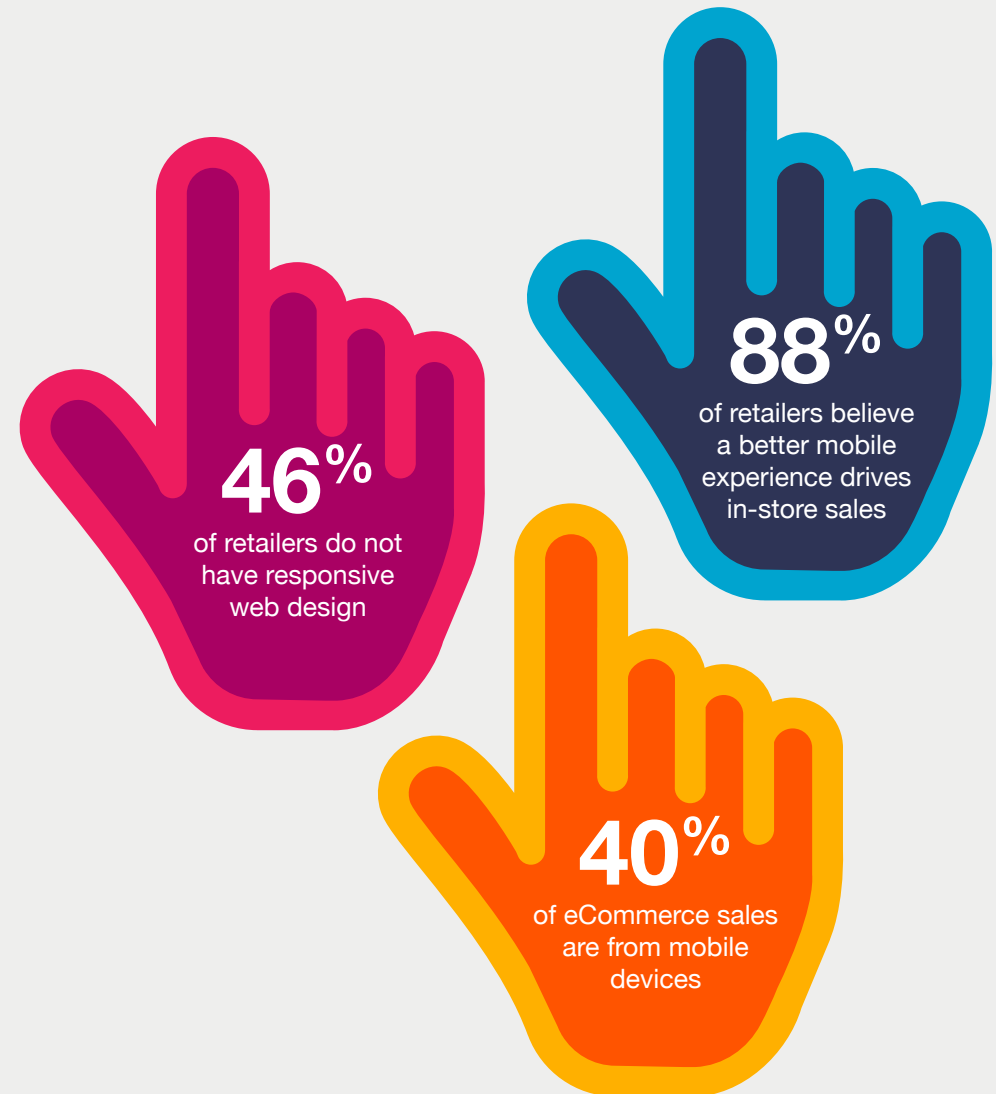
3. Money transfer agents
Allow customers to transfer money between virtual accounts via mobile device

4. Mobile optimisation
Where your website is browsable on a mobile device

5. Mobile apps
A programme designed to run on smartphones, tablets and other mobile devices

46% of retailers do not have responsive web design

88% of retailers believe a better mobile experience drives in-store sales

40% of eCommerce sales are from mobile devices

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Overview
Mobile commerce has truly reached a tipping point

Growing at **36%** and known as next generation eCommerce, mCommerce is fast becoming part of every business' expansion plan.

Mobile shopping has become a significant part of modern consumer buying behaviour, where a continued demand for convenience has led to the progression from shopping on the high street or desktop to the palm of a hand.

A natural move when you consider that **66%** of consumers take their smartphones to bed with them, and pick up their smartphone on average about 200 times every day.

The UK is a nation obsessed with technology. This, in turn, has powered a different approach to how we spend. Advances in technology has afforded us an 'as and when'

lifestyle and pertinently, when it comes to shopping, consumers are now used to shopping whenever they want, however they want.

Convenience and time have become a consumer driven commodity and businesses are locking horns to buy it. Giving consumers the ability to buy via mobile device – smartphone or tablet – is a powerful move but one where only simplicity wins the race.

What has powered mCommerce?
The popularity of mobile shopping hasn't been reached through innovation within the payments industry, but instead mainly through the adoption of the smartphone. We're now looking at a new wave of digital shopping trends, like the adoption of retail apps and eWallets as well as contactless functionalities like Apple Pay and Android Pay that are merging the face to face payments market with mobile.

In this eBook we'll look at the key mobile trends and how offering mobile payment methods can fuel as well as future-proof your business

FINGER PRINT	ANDROID	APPLE PAY
WIRELESS	MOBILE	TABLET

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The Smartphone

From a consumer perspective, mCommerce has already moved past the adoption stage. Latest figures from IMRG detail that four in every 10 (40%) of the UK's online retail sales are completed on either a smartphone or tablet. mCommerce is certainly growing in popularity – this 40% is an increase from 2014's 32%. Purchases via smartphone, and not tablet, have increased by 5% from last year – a small yet significant increase.

For businesses, mCommerce is now synonymous with the adoption and appeal of the smartphone.

70% of the UK now own one; whether it's Android, Apple or Samsung, there's no doubt that the once simple communication device has quickly morphed. Smartphones are a social tool which we use to connect to the world, engage with through multi-media and now shop.

Thanks to these advances in technology, consumers are now more confident than ever when using their smartphone to make purchases.

With 34% of consumers shopping over three different channels, there's no doubt that for businesses operating in the retail and hospitality industries especially, this shift in consumer shopping habits is apparent.

What about tablets?
Tablets were once thought to be the undisputed future of the mCommerce scene. However, smartphone users outnumber tablet users in almost every country.

Smart retailers and businesses have taken massive steps towards improving their mobile platform, making them more user-friendly and secure. This is key to delivering a solid and successful mCommerce strategy

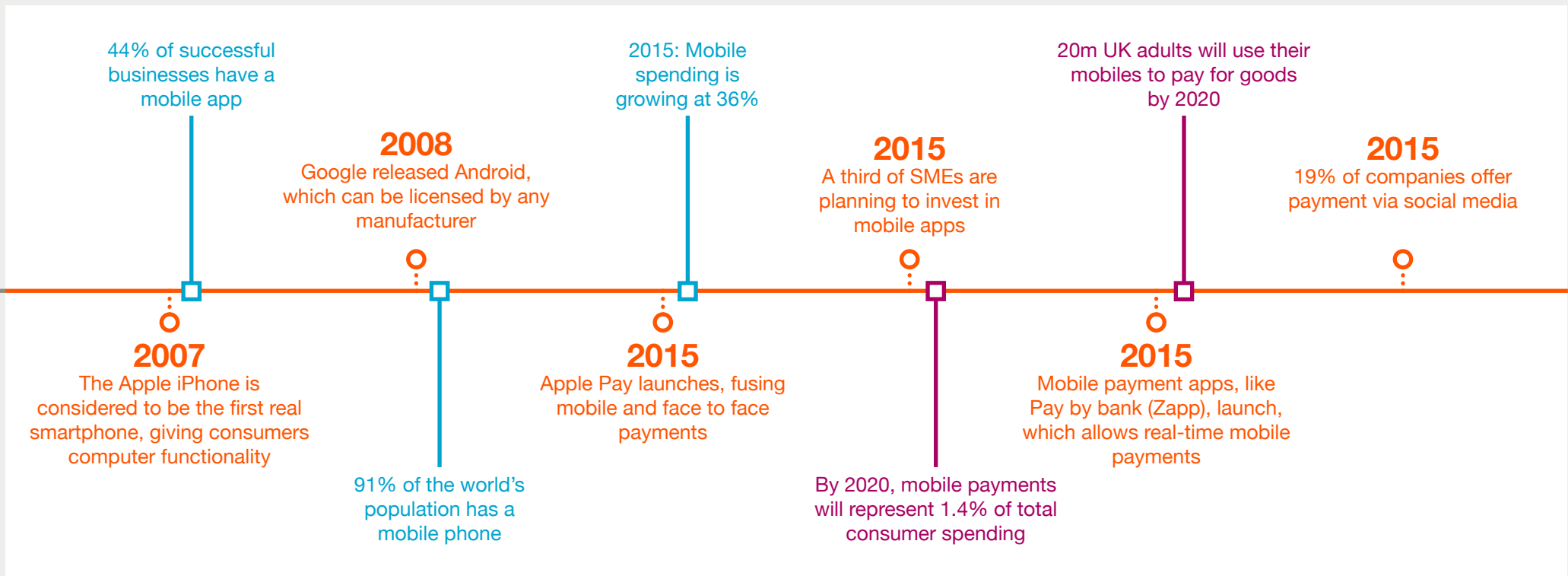MOBILE

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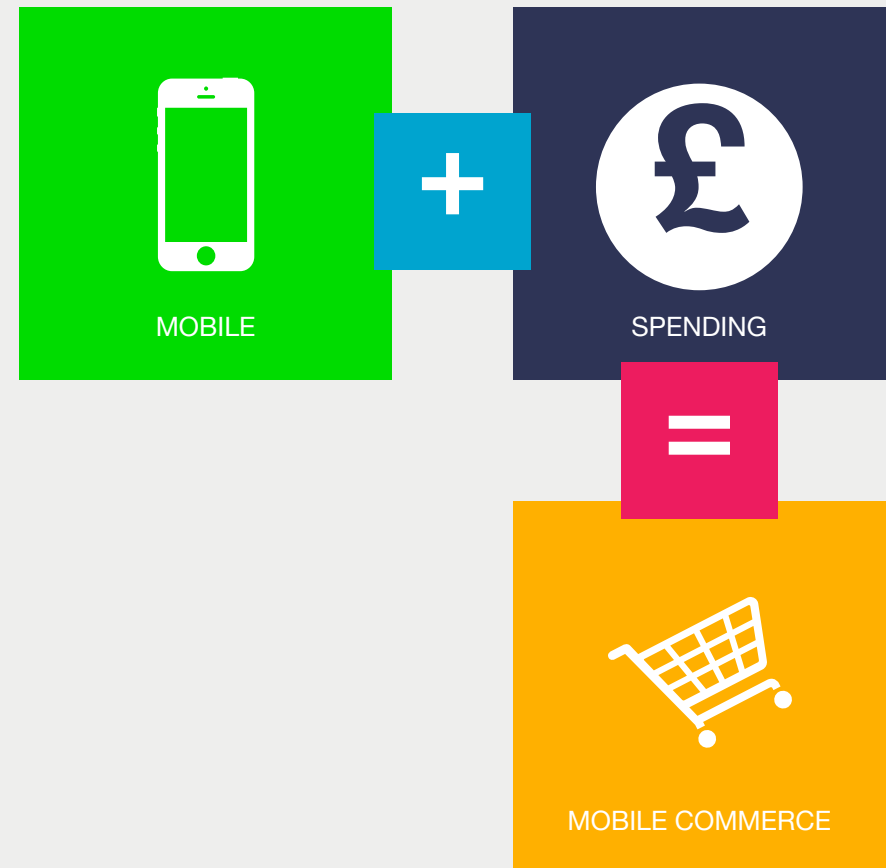
The evolution of mobile shopping

Smartphones have powered a multi-channel consumption model and evolved the shopping process. Consumers now research on their mobiles, and either buy on another channel or check-out via mobile too.

Shopping has evolved into channel hopping and information-based buying, where the consumer always buys at their convenience. The most convenient channel always wins – and that is rapidly becoming mobile.

TOP 3 MOBILE PURCHASES:

1. Films, music and games

2. Clothes

3. Electronics

44% of successful businesses have a mobile app

2008
Google released Android, which can be licensed by any manufacturer

2015: Mobile spending is growing at 36%

2015
A third of SMEs are planning to invest in mobile apps

20m UK adults will use their mobiles to pay for goods by 2020

2015
19% of companies offer payment via social media

2007
The Apple iPhone is considered to be the first real smartphone, giving consumers computer functionality

91% of the world's population has a mobile phone

2015
Apple Pay launches, fusing mobile and face to face payments

By 2020, mobile payments will represent 1.4% of total consumer spending

2015
Mobile payment apps, like Pay by bank (Zapp), launch, which allows real-time mobile payments

Merging of payment worlds: face to face & mobile

Mobile is no longer restricted to mCommerce and eCommerce. The physical handsets are becoming part of the face to face payments world as emerging players like Apple and Android introduce in-store mobile functionality, where customers pay for goods via an app.

Consumer demands and channel integration

Consumers expect businesses to deliver simple mobile payment experiences. The complexity of shopping on the go has to be minimised. mCommerce isn't just about being able to buy via mobile device, but the process is part of a wider, integrated picture; from receiving in-store notifications about offers and discounts, to services like prescription refill messages, the integration between offline and online worlds is now a consumer expectation from the payments industry.

Benefits of offering consumers the choice to buy in-store or online via a tablet in-store:

Contactless

The single tap payment, made via card terminal with a debit or credit card has fast become a consumer favourite as demand for convenient ways to pay increases. The momentum at which consumers have adopted contactless payments is undeniable with an increase of 275% over the last year alone.

Keen to capitalise on the adoption of contactless, major players Apple and Android have released their own contactless payments technology – Apple Pay and Android Pay.

Apple Pay

Having a major player like Apple breaking into the payments market earlier in 2015 means a few things:

- Fingerprint technology has the potential to become popularised
- A form of contactless payment, Apple Pay bridges the gap between face to face payments and mobile technology

Benefits for merchants:

- Contactless payments via bank card is ideal for businesses who deal with frequent, low value transactions (£30)
- Queue times are reduced
- No additional set up required – terminals come preprogramed
- Accept contactless payments from all major debit and credit cards and apps like Apple Pay & Android Pay

Cloud Connect

dermacia PHARMACY

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Mobile Case Study: Dermacia

Dermacia is a family-run health and beauty business, with both a physical premises based in London and website run on the Magento eCommerce platform.

Customer
Dermacia

Industry
Pharmaceuticals

Location
London

Product
Sage Pay Cloud Connect via Integrated Payment Solutions

Result
Integrated and flexible technology driving sales

The Challenge
As a traditional London pharmacy, Dermacia's existing technology felt out of date and inadequate - no longer reflecting the needs of their business nor their customers. Inefficient systems needed changing - to be replaced by a solution that was much more cost effective and advanced.

The Solution
Enterprise grade ePOS solution from Sage Pay and it's Platinum Partner eBizmarts, which uses an iPad and a wireless card machine to take in-store payments and is fully integrated with the Magento platform. This solution enables Dermacia's operation to be fully omnichannel, creating a seamless experience, both online and in-store. Using iPads allows Dermacia to sync products, pricing, promotions, customers and stock, through a cost-effective, flexible and real-time solution.

The Result
Integrated and flexible technology driving sales.

'We took over an old pharmacy in Islington in early 2014. It was in a great location but the existing technology was extremely out of date and insecure. It relied on old tills that were costly and inefficient to run. Products often went mysteriously missing from the stocking lists, and the tills themselves actually ceased to work after a while. It gave us the opportunity to find a slicker, more technically advanced solution for taking our payments.'

Angelo Alexandrou
Dermacia

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Sage One: Empowering businesses on the go

Apps now account for 86% of consumer time spent on mobile devices, and while they might not be shopping all the time, social sharing and engagement has afforded the buying public increased familiarity with applications. Main high street banks have released their own apps for mobile banking and now it's becoming much more usual to conduct business via app – a practical solution for those on the go.

The benefits of mobile working

Mobile working helps you make efficient use of your time. Travelling time becomes productive as you can work on the train, or quickly catch up with outstanding orders and invoices as you wait for a bus, taxi or local tram service.

With mobile apps and online access you can send out invoices or check performances with just a few screen taps.

Turning up for a meeting with a customer or supplier with all your business details at your fingertips can help create a confident impression and secure a better deal.

When you're busy juggling lots of different tasks, mobile working can really help you save time, work more efficiently and add value to your bottom line.

Sage One: For businesses on-the-go

Today, business stops for no one; whether we're working from home, on the train, or in transit between flights, there's no reason why meetings can't go ahead and work shouldn't be completed.

Sage One provides business people, whatever your industry, with viable on-the-go online accounting and payroll solutions that ensures it's business as usual every day.

Cloud-based so you can access your business systems from anywhere, anytime, using any Internet-enabled device including laptops, mobiles or tablets, Sage One works on PCs, Macs, Android and iOS. Simply download the app and you'll be able to do things like integrate your bank reconciliations in Sage One.

Power your business with Sage One

- Work anywhere
- Collaborate with your account – share app access
- We keep all your data secure
- Stay compliant – you're always up-to-date with the latest legislation
- Free 24/7, plus web chat advice
- No training necessary – Sage One is easy to use, so no experience is necessary. Get started today.

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Responsive payment pages

Mobile shopping – whether via smartphone or tablet – has increased dramatically over the past few years and is driving the need for businesses to adopt a mobile-first mindset. The latest mobile purchasing trends reflect a new breed of channel agnostic consumer that is set to grow and grow. Where you might see multiple channels and purchasing streams, your customers see just one.

Delivering a consistent brand experience has now become essential towards providing a customer experience that answers these key mobile purchasing trends. One in every five people own a smartphone.

Smart businesses are investing in building websites to deliver mobile-optimised user journeys with responsive payment pages that support a smooth check-out process and can boost revenue.
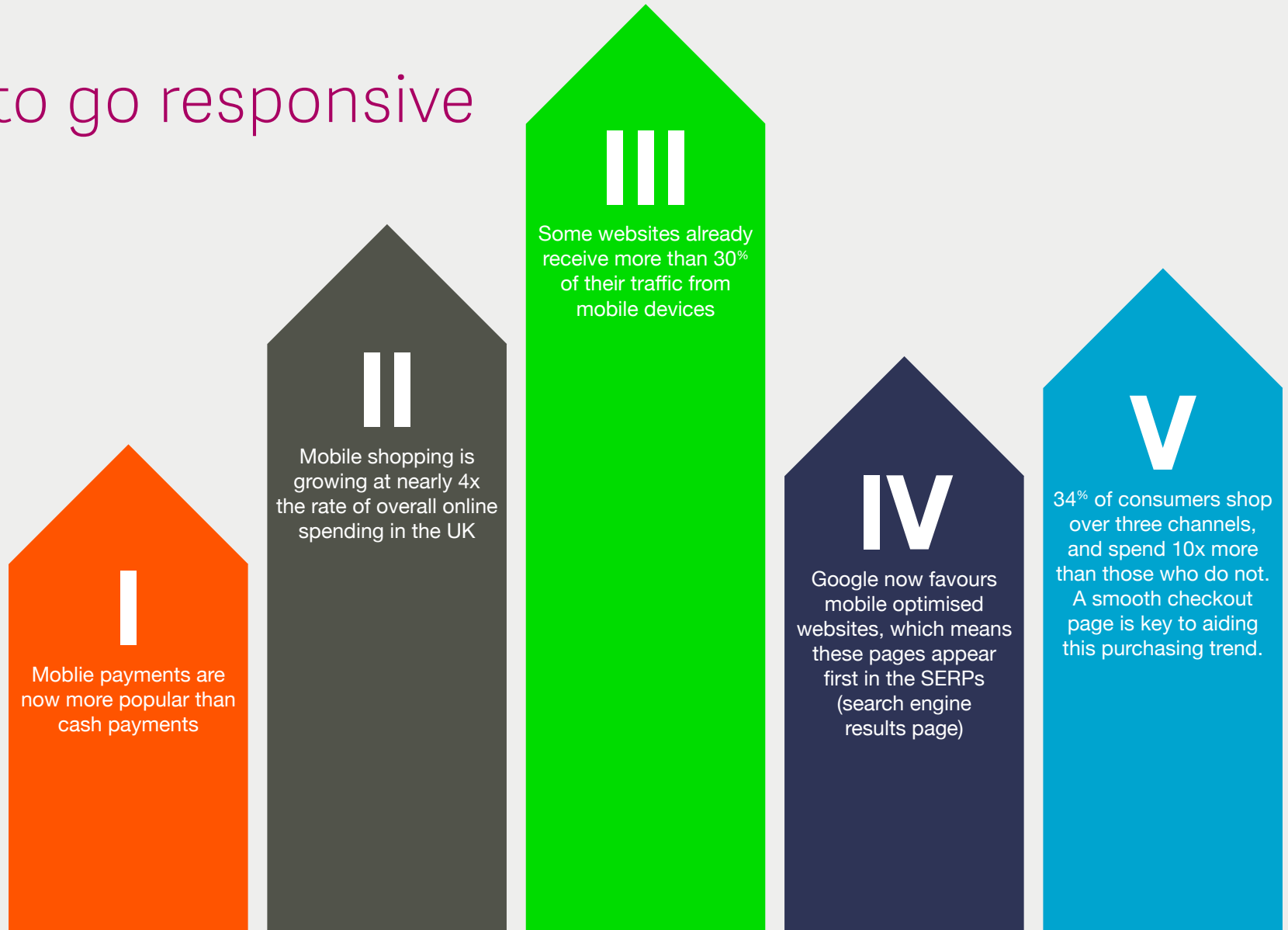
Responsive web design provides an optimal viewing and interaction experience – easy reading, minimal resizing and scrolling across a range of devices. Smart businesses are investing in building websites to deliver mobile-optimised user journeys with responsive payment pages that support a smooth check-out process and can boost revenue.

Benefits of choosing Sage Pay
- No extra set up is required
- Works with all major operating systems
- Retain all features and payments functionality including being able to accept payments in 25+ currencies and PayPal
- Gain traction and loyalty with your customers
- Give your customers a seamless payment experience

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5 reasons to go responsive

I

Moblie payments are now more popular than cash payments

II

Mobile shopping is growing at nearly 4x the rate of overall online spending in the UK

III

Some websites already receive more than 30% of their traffic from mobile devices

IV

Google now favours mobile optimised websites, which means these pages appear first in the SERPs (search engine results page)

V

34% of consumers shop over three channels, and spend 10x more than those who do not. A smooth checkout page is key to aiding this purchasing trend.

mCommerce strategy

Mobile strategy should not be standalone, but be integrated into your business' overall strategy. There are, however, a few mobile specific areas you can focus on to ensure that your customers are met with a slick and consistent brand experience when they open your app, or view your website on a mobile device. Here are some tips and things to consider when reviewing your current or future mobile performance:

Speed & responsive payment pages
For every 100 millisecond delay in opening a webpage, is a 1% decrease in sales. Increasing your website's speed will decrease bounce rates and improve the user experience.

Imagery
Always use high quality images to strengthen both the layout and customer loyalty.

Navigation
Use clear calls to action and ensure all links and buttons are user friendly.

Simplicity wins the race
Keep mobile pages clean and simple – clutter and unnecessary information detracts and pushes potential customers away.

Limit text
Use drop-down menus, pre-populated fields and checklists to minimise the amount of text on screen.

SEO
Google now favours mobile optimised websites, placing them on top of the SERPs. Always be mindful of search and what will bring your customers to your mobile site – do your keyword research.

Conversion
Shopping carts should always be visible – top right is traditionally the best position.

Redirect & app download prompts
If a shopper is visiting from a mobile or tablet, automatically redirect them to the mobile version of your site.