

# MOBILE COMMERCE IN THE MODERN ERA

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**Abstract:** This paper is based on the major impacts of mobile commerce in modern society. And it illustrates how increasing the role of the mobile commerce sector is among all types of electronic commerce.

**Keyword:** mobile commerce, mobile payment, mobile banking, mobile shopping, omnichannel, customer security, digital economy, economy, enterprises, application, information communication technologies and global economy.

**Аннотация:** Эта статья основана на основных последствиях мобильной коммерции в современном обществе. И это показывает, насколько возрастает роль сектора мобильной коммерции среди всех видов электронной коммерции.

**Ключевые слова:** мобильная коммерция, мобильный платеж, мобильный банкинг, мобильный шопинг, омниканальность, безопасность клиентов, цифровая экономика, экономика, предприятия, приложения, информационно-коммуникационные технологии и глобальная экономика.

## **Introduction.**

Mobile commerce, also called m-commerce, includes any monetary transaction completed using a mobile device, such as a cell phone or tablet.

It is an advancement of ecommerce, enabling people to buy and sell goods or services from almost anywhere, simply using a mobile phone or tablet device.

But mobile commerce is more than just a simple evolution of electronic commerce.

It has also served as a trigger for new industries and services or helped existing ones grow, including: Mobile money transfers, Electronic ticketing and boarding passes, Digital content purchases and delivery, Mobile banking, Contactless payments and in-app payments, Location-based services, Mobile marketing, coupons and loyalty cards.

## **Different Types of Mobile Commerce**

*While m-commerce covers a wide variety of transactions, they can all be categorized as one of three types:*

**Mobile shopping.** This is mostly similar to ecommerce but accessible via your iPhone or Android. Mobile shopping is now possible through mobile optimized websites, dedicated shopping apps and even social media platforms.

**Mobile banking.** Mobile banking isn't too different from online banking, however you may find some transaction types are limited or restricted on mobile devices. Mobile banking usually involves a dedicated app, though some banks have started experimenting with the use of chatbots and messaging apps.

**Mobile payments.** There are so many diverse mobile payment options that we have chosen to cover them in detail further in this article.

As a business owner and user of BigCommerce, your exposure and interest in mobile commerce would mostly relate to shopping and payments, which is what the rest of this article will focus on.

## **Common Benefits of Mobile Commerce**

Not long ago, creating mobile apps and switching to mobile-friendly platforms may have only been an option for larger companies like Amazon and Walmart, but as the cost of going mobile drops, more and more companies are able to reap the benefits.

So, whether you're a big or small business, keep reading to find out some of the key advantages of mobile commerce and how it can help you scale your business.

### **Better overall customer experience.**

The advent of ecommerce was already a huge improvement in the way we shop. With the ability to shop from their desktop computer instead of walking into a store, customers could access a wider range of products, compare pricing quickly and shop from the comfort of their own homes.

But now, shoppers can still do all of these things, but they don't even need a desktop computer — they just need the phone in their back pocket.

Plus, the very nature of m-commerce means that it has certain capabilities that you simply can't find with ecommerce:

**Mobility:** Although desktop computers are portable, it's unlikely that a shopper will always have a laptop on-hand. But considering most people never leave the house without a smartphone, m-commerce makes online shopping far more convenient.

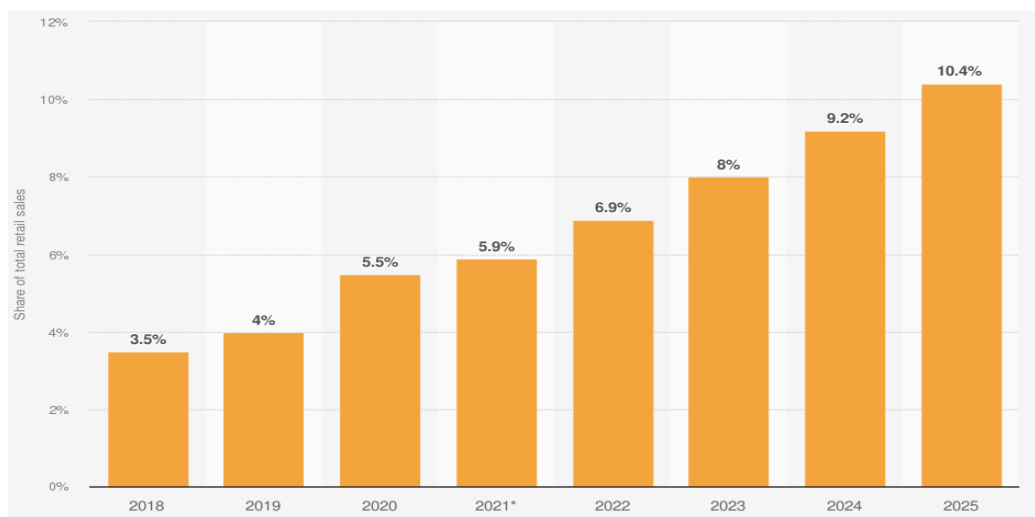
**Reachability:** With the ability to send customers SMS push notifications, online retailers can reach a wider range of customers even when they're on the go.

**Location-tracking:** M-commerce apps and online stores can pinpoint user locations using GPS technology and Wi-Fi, which helps provide content that is personalized and location-specific.

### **Phenomenal growth potential.**

Although mobile commerce already has a large user base, the industry growth shows no sign of stopping.

In 2021, mobile ecommerce sales were expected to account for 6% of all US retail sales. But by 2025, Statista forecasts that m-commerce sales will make up over 10% of all US retail sales, which would be a growth of 7 percent points since 2018.



**Figure 1. Mobil commerce sales as percentage of total retail sales in the United States from 2018 to 2025**

**A true omnichannel experience.**

Omnichannel commerce refers to selling both in-store and online through multiple channels — on your ecommerce website, Amazon, eBay, Instagram, etc — to create a seamless experience and cohesive brand message across all touchpoints.

But more than that, creating an omnichannel experience is about meeting your customers where they are and making it easier for them to buy.

Therefore, mobile devices are the ideal medium for omnichannel commerce, since you can expect that most of your customers have their smartphones on hand at all times.

### **Variety of payment options.**

To make the buying process even easier, emerging mobile payment solutions have opened the door for a variety of payment options, such as Apple Pay, PayPal One-Touch, Visa Checkout and Amazon Pay.

Many ecommerce sites now offer one-click checkout functionalities, which allow customers to enter their payment details only once, and then they can use the one-click option every time they make a purchase thereafter.

### **Disadvantages of Mobile Commerce**

#### ***Constant need for optimization.***

Although m-commerce is on the up and up, we can't forget that desktop still matters. In fact, desktop still holds many advantages over mobile.

According to Retail Touch Points, the average desktop device has a conversion rate of 3.9%, which is more than double the 1.8% average rate for smartphones.

However, the reason for this is likely the difference in screen size rather than mobility, considering tablets held a conversion rate of 3.8%, while other devices with smaller screens (i.e. smart watches) had a rate of only 0.1%.

On top of that, desktop devices are also farther ahead of mobile devices in terms of order value. Statista found that, in 2019, smartphones accounted for 64% of global retail website visits but only generated 46% of ecommerce revenue, which was the same as desktop devices.



**Figure 2. Average value of global online shopping orders as of 3<sup>rd</sup> quarter 2020, by device (in U.S. dollars)**

Thus, there is an evident need for mobile commerce optimization.

As consumer behavior continues to change, you will need to be aware of the latest technologies and applications to ensure that your online store is not just mobile-friendly, but also fast, convenient and easy to navigate.

### **Variety of payment methods.**

While the abundance of payment methods can be an advantage, unfortunately, not all payment platforms and mobile wallets are available in all regions. Plus, customers in different regions often prefer certain payment options over others, making it more complex for online retailers to manage their business on a global scale.

You might think that offering more payment options would simplify the mobile experience, but sometimes less is more.

In fact, a 2000 study found that offering too many product choices often leads to decreased sales and customer satisfaction.

Thus, you'll want to figure out the right mix of payment options for your area of business and the locations you're serving. It may seem difficult at first, but as you

gather data about your customers and understand their preferences, you'll be able to gauge which payment options work best for you.

### **Easier for customers to compare prices.**

One of the pitfalls of simplifying the mobile user experience is that it makes it much easier for customers to quickly compare prices across a variety of stores. In just a few clicks, customers can find out how much a similar product costs from your store and ten others — and often they'll search until they find the cheapest product for the highest value.

So, how do you combat this? By — just like your customers — being aware of how you match with your competitors. Look out for when competitors drop or raise their prices, as well as shipping costs, and be ready to react.

### **Customer Security.**

According to a study by Forrester, 30% of smartphone users said they don't make online purchases on their mobile device, because they don't feel secure using mobile payment services, and 14% said they were afraid of their phone information being sold to third parties.

Therefore, when customers give permission to access their data through their mobile devices, ecommerce businesses hold a greater responsibility to protect their personal data and steward it well.

You'll need to comply with a wider range of regulations but also be transparent with your customers in how you're using their collecting and sharing their information.

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