

# The 2014 Mobile E-Commerce Strategy Playbook



# “Why has mobile traffic grown so quickly, yet mobile conversion rates are still so low?”

That's the question a lot of e-commerce executives are asking right now, disappointed with the mixed results that mobile commerce initiatives have delivered so far. It has proven extremely difficult for organizations to grow mobile business metrics at the same rate as consumer mobile adoption, and it's a challenge that many are looking to address in 2014.

To help online retailers increase their mobile conversion rates, revenue, and customer satisfaction, we've compiled this mobile e-commerce strategy playbook. It contains four key ways you can increase valuable mobile metrics and accelerate your mobile ROI.

## **Four Strategic Plays for Mobile E-Commerce Success:**

- 1. Integrate mobile into core marketing activities*
- 2. Establish a culture of mobile measurement*
- 3. Optimize design for conversion*
- 4. Integrate tablet commerce into your mobile strategy*

## INTRODUCTION

Many e-commerce companies are now seeing between 20-45% of total site traffic coming from mobile devices <sup>[1]</sup>. These aren't edge cases either; the online retail industry has passed a significant tipping point, where mobile now accounts for 59% of time spent on US e-commerce sites <sup>[2]</sup>.

However, conversion rates on both smartphones and tablets are not growing relative to consumer adoption. There's a disconnect between consumer adoption of mobile devices and their satisfaction with mobile shopping experiences. Visitor expectations have grown, but existing mobile websites have struggled to meet these expectations.

### **So how and why did this disconnect happen?**

Like the evolution of web strategy in the early 2000s, mobile web strategy over the last few years has been dominated by a strong culture of cautious experimentation. In order to explore the possibilities of mobile – while also keeping the total cost of ownership low – many companies have opted to keep mobile initiatives at an arms length from other business activities.

Siloing the mobile channel both internally and for customers has limited the opportunities for mobile to grow in line with consumer behaviour and scale with internal company objectives. This low-risk, cautious approach has delivered some unfortunate challenges. For example:

- *Insights into how mobile devices support overall sales, not just sales made through the mobile channel, are quite limited.*
- *The mobile site contains inferior content and features compared to the desktop site.*
- *Strategies do not scale to other mobile devices, like tablets.*
- *Design and branding is inconsistent between mobile and desktop sites.*
- *Customers opt out of the mobile website and choose to go to desktop site.*

The presence of any or all of the above challenges delivers a disjointed, unoptimized mobile channel. This, in turn, makes it extremely difficult to bridge the gaps between business objectives and the customer experience.

With the ever-changing landscape of smartphone and tablet web channels, e-commerce leaders require increased agility to provide better experiences for customers. It's the only way to maximize profitability and continue aggressive month over month growth.

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# Integrate Mobile into Core Marketing Activities

Many of the mobile web challenges faced by e-commerce companies are caused by separating mobile technologies and processes from other core business activities. This is the primary reason mobile typically falls out of sync with internal business processes, measurement and growth opportunities.

The key benefit of aligning mobile more closely with core business practices is that it makes mobile more transparent within an organization. This builds empowerment and accountability, and promotes understanding into the value of mobile both upstream and down. The result is deeper insights and a better ROI on the rest of marketing spend – when mobile begins to amplify existing efforts rather than hinder them.

For example, many desktop e-commerce websites are now running deep personalization, segmentation and user-centric marketing programs, but most of these modern practices don't flow across to the mobile counterpart. By integrating mobile into these marketing activities, it is possible to deliver a consistent and valuable experience across all channels.

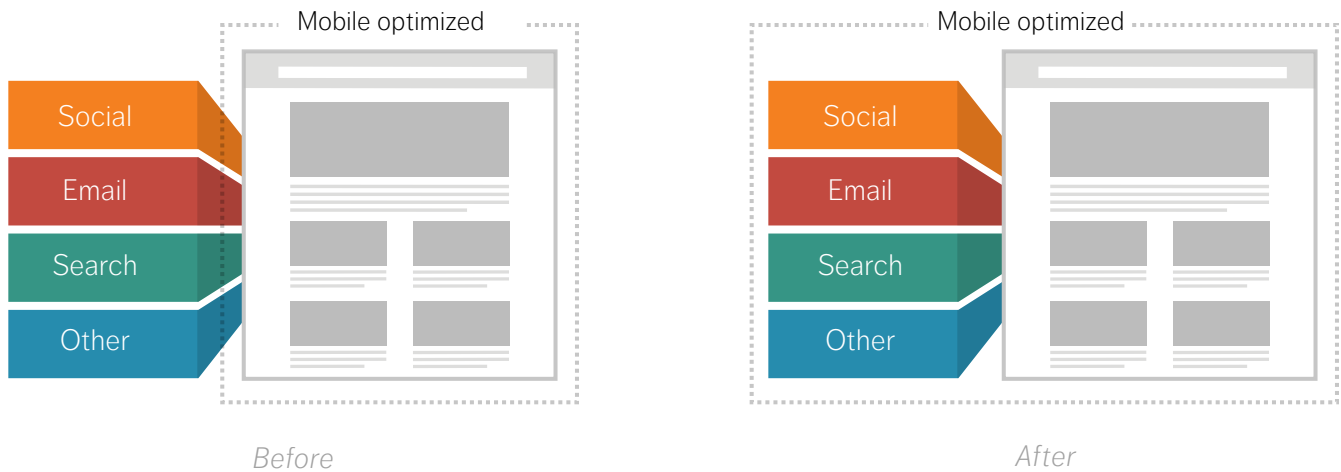


## How to do it:

### **Treat mobile as an attribute of everything you do.**

Mobile is not a mysterious layer that sits on top of your other business activities – rather, it is an attribute of those activities. This is arguably the most important and profound shift away from how e-commerce companies are thinking about mobile today.

The most compelling application of this idea is in the area of user experience. Instead of considering the mobile user experience as a separate entity to the desktop user experience – governed by different rules, content and business logic – consider the mobile user experience as an attribute of the existing user experience. The goal is for customers to be able to see all the same content and use all the same features on their mobile device as they can on a desktop computer.



*For example: Over 40% of emails are now opened on mobile devices <sup>[3]</sup>. However, most email templates are designed only for large screens, so they typically offer a poor mobile user experience. To overcome this, many companies have started creating email templates that adapt to all screen sizes. The flexibility of the email template means that a good mobile experience is simply one attribute of the overall success of the email marketing campaign.*

*Companies that have implemented responsive email templates that adapt for different devices have already shown a 10-20% increase in click through rate <sup>[4]</sup>.*

## **Form a mobile S.W.A.T team with representatives from all relevant departments.**

The idea of 'mobile as an attribute' is a powerful one, and to really succeed with changing how mobile is perceived internally, you'll need to promote the value of mobile to different departments.

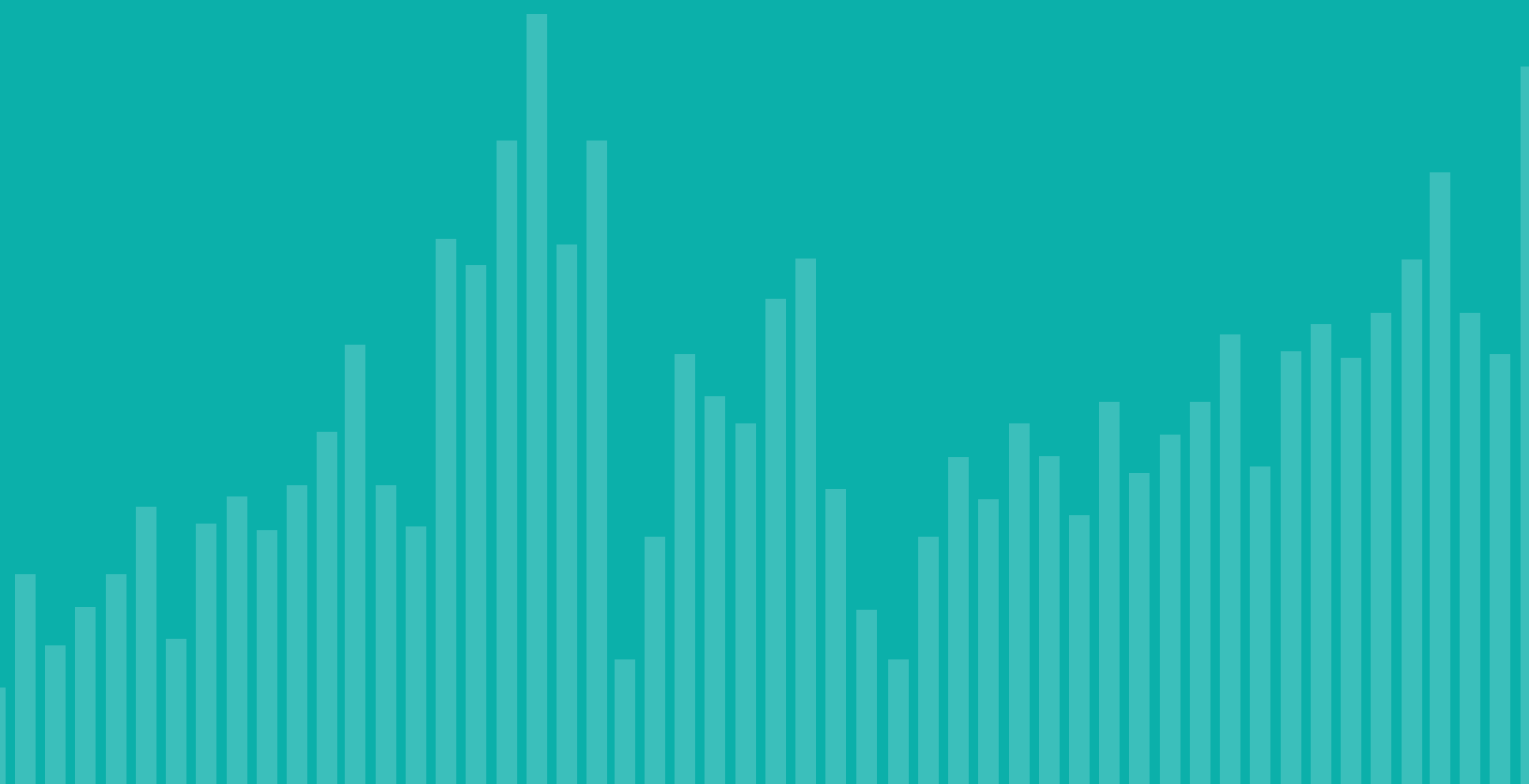
The simplest way to do this is to form a mobile committee with key stakeholders from each department. You'll need their help to get buy-in across the organization, and to get a better understanding of how mobile could better augment their existing work.

Many of the challenges of existing mobile strategy are due to scalability issue with the technology that was available at the time. To future-proof your mobile solution for the next two to four years, make sure to include technical teams in the conversation early and often.



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# Establish a Culture of Mobile Measurement





“Mobile is a new, innovative, and radically disruptive technology. Of course it's ahead of measurement. But brands still need to go where consumers are heading, even while a holistic data picture is lagging behind.”

**- Bob Goodman, SVP and Director of User Experience,  
Arnold Worldwide**

Mobile has grown so quickly that many organizations are still wondering how they should be measuring success. More detail is needed to understand visitor behavior on smartphones and tablets, as well as the journey users take through multiple devices.

Given that 90% of users switch between devices to complete a goal <sup>[5]</sup>, there's a strong chance that customers are visiting your website on their smartphone and then completing the transaction on a desktop or tablet. The implications of this are important: a low smartphone conversion rate is less concerning if customers are shifting to other devices to make purchases.

For this reason, it is critically important to attribute revenue according to a visitor's journey. Leading e-commerce and retail enterprises are using insights from analytics data to make smarter and more profitable business decisions. Rather than simply looking at the last touchpoint, it's important to attribute the interactions on smartphones, tablets and desktops in the path to conversion.

In doing so, you'll have a much better picture of the ROI from your mobile channel. You'll also be able to identify which pages cause mobile visitors to bounce and make adjustments to better serve their needs.



## How to do it:

### **Segment mobile traffic by device type.**

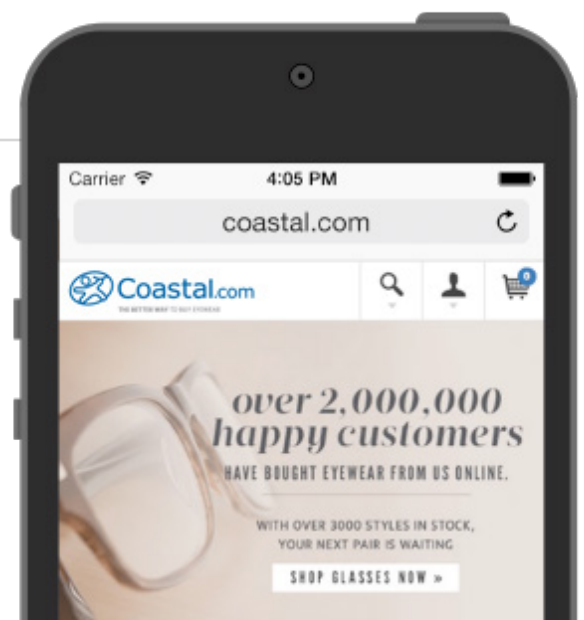
Users behave very differently between tablets and smartphones, so it's important to segment out each device family separately. You'll get much richer insights about how your customers are interacting with your website across different devices.

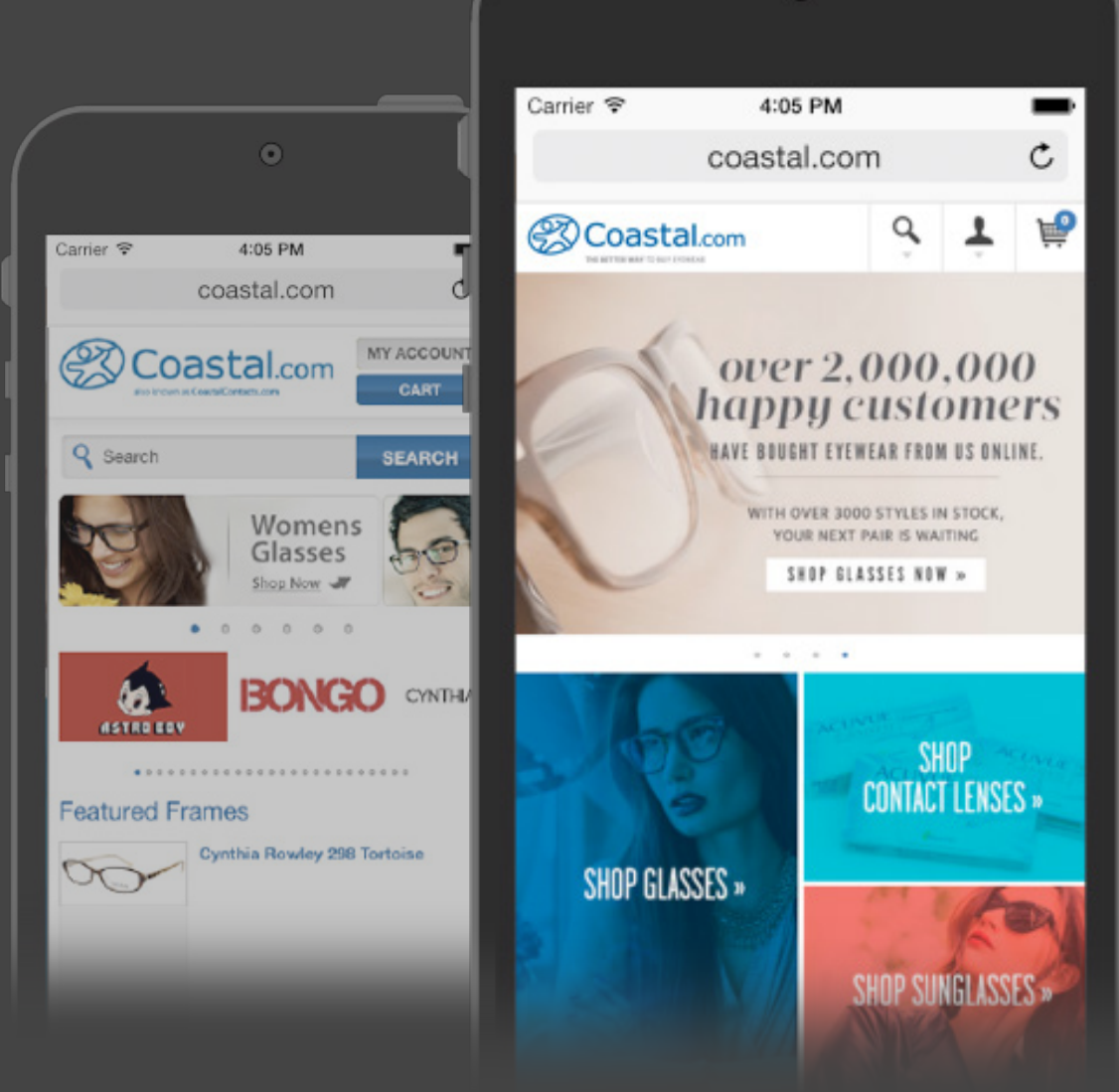
Aim to establish the following the data points from your analytics platform:

- *Identify top mobile content. It's possible that visitors prioritize goals differently when they are on a mobile device, so you may need to restructure navigation or content hierarchies.*
- *Identify the most important mobile devices. If 90% of your revenue from tablets is coming from the iPad mini, it makes sense to prioritize conversion rate optimization for this device.*
- *Identify user experience barriers by comparing the bounce rate and pages per visit between desktop and different device types.*

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See how Coastal Contacts used analytics to make a better smartphone website:





## Coastal Contacts Case Study

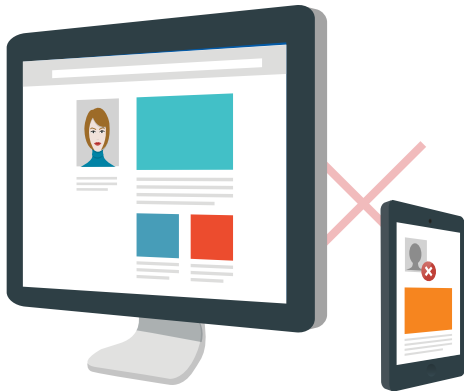
After segmenting analytics by channel, the Coastal Contacts team noticed that smartphone users were spending a lot of time navigating back and forth between different pages before leaving the website. By only focusing on smartphone traffic, it became clear where the problem lay: the navigation elements. The website was presenting customers with too many options for them to easily make choices, and they were getting lost.

In the second release of the mobile website, the team made a significant change to the top-level navigation and immediately saw users move through the site with increased fluidity. **The result was a 50% increase in smartphone conversion rates** [6].

## **Give customers a reason to be logged in on every device.**

It's important to measure the customer journey across devices. This can help explain how smartphones and tablets support overall sales, and why smartphone conversion rates are so low (as customers move between devices to make purchases).

When users are logged in, you get a better understanding into how they interact with different devices to fulfill goals. This will enable you to move away from looking at pageviews, events and visit analytics and instead get a single view of the customer.



*Can't attribute the customer's path to purchase between smartphone and desktop*



*Single view of the customer's journey, includes attribution*

For example: An existing customer visits a product page on their smartphone on the bus to work. They find a product they like, and decide to come back to the site during the day to make a purchase. While on a lunch break, they log in on their desktop computer at work. They browse a few more products, and then decide to purchase the item they found in the morning.

If the customer isn't logged in on their smartphone, they will appear as two separate visitors and you wouldn't be able to tell if the same person moved between devices. Nor will you be able to report on their total purchase across devices. This limits the amount of insight you can get into your customers and their purchasing behaviors.

To avoid this scenario and track customers across devices, find ways to incentivize them to log in. One strategy is to allow customers to save products to an untimed cart or wish-list. You can also provide a history of items that a customer has recently viewed. Both options make it easy for them to move between devices, while staying logged in.

You'll also need to make sure that signing in and registering a new account is as frictionless as possible, with minimal form fields.



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# Optimize Design for Conversion



# Did you know?

- **57% of users say they won't recommend a business with a poorly designed mobile site** <sup>[7]</sup>.
- **41% of people have turned to a competitor's website after a bad mobile experience** <sup>[8]</sup>.

Businesses now understand very clearly that mobile users expect to be able to do anything and everything on their device that they can also be done on a desktop. Stop-gap measures like a 'Go to Desktop Site' link are still in use to mitigate a user's frustration with a bare-bones mobile website. However, users quickly lose interest as they pan, zoom and stumble through a site not designed for their device and screen size.

An end-to-end design rethink is required to maximize the user's experience and avoid losing conversions and ultimately, revenue.



## How to do it:

### **Set up mobile A/B testing.**

For e-commerce marketers, A/B testing has become one of the most important elements of the conversion-optimization toolkit. It's the most effective way to measure the impact of user experience changes and drive smart, data-driven decisions about mobile content and features.

While many e-commerce sites are running continuous A/B testing programs on their desktop site, mobile has not received the same treatment. Fortunately, mobile A/B testing isn't particularly different or difficult, and with such low conversion rates on mobile, the gains you stand to make can be significant.

Don't be afraid to test broad UX themes as well. A/B testing isn't just about focusing on the minutiae – you can also test bigger picture ideas about the customer experience on mobile.

## **Choose technology that supports rapid changes.**

Today, most mobile websites are limited by the capabilities of first-generation mobile website technology. For many e-commerce companies, the rapid deployment of updates to the mobile site is a pipe dream.

This legacy technology makes it difficult to:

- *Maintain content parity between different versions of the site*
- *Iterate on new features, and*
- *deliver advanced functionality to mobile devices*

To solve this problem, e-commerce leaders need to implement mobile technologies that support the above activities. Common red flags include complicated 'black box' server environments, proxy solutions that scrape the desktop website, and solutions that require complex bi-directional mobile and desktop redirects.

Current alternatives include responsive web design and JavaScript Adaptive solutions. These approaches adapt the existing desktop website layout, content and features by harnessing the capabilities of a user's device.

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For more information about specific mobile design tactics that convert well, please see our checklist, ***25 Ways to Make Your Mobile E-Commerce Revenue Skyrocket*** <sup>[9]</sup>.





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# Integrate Tablets into Your Mobile Commerce Strategy

“As the tablet market matures, the advantages of desktop and laptop browsing will erode...To engage customers who use tablets, companies should adopt tablet-specific strategies instead of offering experiences identical to those of smartphones or desktops and laptops.”

- **Adobe 2013 Mobile Consumer Survey Results** <sup>[10]</sup>

Unlike smartphone conversion rates, tablet conversion rates are typically only 15% lower than desktop before optimization <sup>[11]</sup>. When a site has been specifically optimized for tablets, preliminary data shows that conversion rates go above and beyond today's gold standard, the PC.

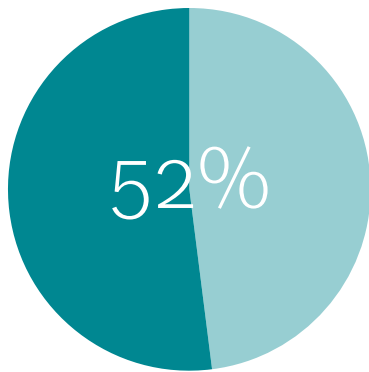
The quality of traffic represented by these tablet owners is also remarkably high; research shows that tablet owners typically come from high-income households <sup>[12]</sup>, and are prepared to spend as much as 20% more per purchase than regular desktop visitors <sup>[13]</sup>.

To capture this audience, a website needs to be responsive to the common interaction patterns of tablet users, and ensure that the journey from discovery to purchase is both easy and enjoyable. This means providing a great shopping experience on a device that is tailored to the unique context of a large touch

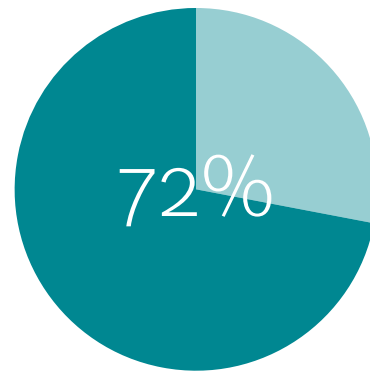
screen. After all, users swipe, prod, rotate and hold their tablets like a book while lounging, walking, chatting and watching TV. These actions don't automatically translate from a desktop environment.

Organizations that have taken steps toward optimizing the customer tablet experience are already seeing scalable benefits, both in leading metrics and overall revenue. On the other hand, companies that haven't optimized yet are unprepared for the surge in tablet commerce, which is likely to result in customers that are dissatisfied with the un-optimized tablet shopping experience<sup>[14]</sup>.

### Consumer Behavior on Tablets



**52% of tablet users say that they prefer to shop on their tablet rather than their PC.**<sup>[15]</sup>



**72% of tablet owners make purchases from their device on a weekly basis.**<sup>[16]</sup>



## How to do it:

### Analyze the ROI of optimizing for tablets.

On Cyber Monday 2013, average conversion rates on tablets were more than twice that of smartphones, with tablets at 5.4% and smartphones at 1.8%<sup>[17]</sup>. More and more data is beginning to support the hypothesis that smartphones browse, while tablets buy.

If you are currently serving up your desktop website to tablets, consider what opportunities might be unlocked by optimizing the experience for customers in this channel. If your tablet website converts only slightly lower than your desktop site, but doesn't provide a great customer experience, there's likely to be significant gains made from optimizing specifically for tablets. There's no reason why tablets can't surpass desktops as the highest converting platform!

## **Get started with quick fixes.**

Unfortunately, a standard e-commerce desktop site doesn't work very well on a tablet. As consumers move away from monitors, keyboards and mice for everyday tasks, usability issues start to become more apparent. For example:

- *A typical 12-pixel font is too small on a high resolution tablet screen.*
- *Buttons are frustratingly compact.*
- *Lengthy form inputs drive people away.*
- *Images are fuzzy and pixelated.*
- *Links accidentally get tapped.*
- *Load times can seem much longer than expected.*
- *Some features, like 'hover' states, just don't work.*

It's possible to dramatically improve the experience of your website with some small enhancements. Changes like touch-enabled interface elements, larger buttons, and smart input forms will go a long way to transforming a user's tablet experience and augmenting their shopping experience. It really is the small things that matter.

## **Shoot for the stars with a tablet-first experience.**

An alternative to focusing on small fixes to drive incremental conversion growth is asking yourself, "What's the best possible experience our customers could have on a tablet?"

By acknowledging that tablets and PCs represent completely different environments and are used in completely different ways, you'll start to see different opportunities to refactor your website for the most optimal tablet user experience.

Depending on the outcome of your ROI analysis, it can make as much business sense to focus on a bespoke tablet build as on a smartphone-optimized one. The opportunities are tremendous, for customer satisfaction, conversion rates, and revenue growth.

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For more information and ideas about optimizing websites for tablets, see *The Ultimate Guide to Tablet Web Design* <sup>[18]</sup>

## CONCLUSION

It's pretty clear just how far mobile web strategy has come since the pre-smartphone era of the early 2000s. Even within the last three years, the landscape has shifted dramatically; consumer expectations have skyrocketed, and the market has become flooded by devices with truly astounding capabilities.

Hopefully this playbook has given you everything you need to successfully revise your mobile web strategy, start increasing your mobile revenue, and gain a better understanding of how to improve the ROI on your mobile spend.

**Good luck!**

**Do you have any questions about mobile strategy?**

We'd love to help answer them! Feel free to get in touch with one of our mobile commerce experts by emailing [contact@mobify.com](mailto:contact@mobify.com), or giving us a call on +1 (866) 502-5880.



Mobify is a mobile e-commerce solution that helps high-volume online retailers maximize revenues across all devices. It is fast to implement, easy to maintain, and fully compatible with your existing technology solutions.

On average, Mobify customers see a 100% lift in smartphone conversion rates and 20% improvement of tablet conversion rates.

If you're interested in learning more about how you can use Mobify to augment your mobile strategy, and would like to connect with a mobile commerce expert, please visit **<http://www.mobify.com/contact/>**.

## FURTHER READING

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9. 25 Ways to Make Your Mobile E-commerce Revenue Skyrocket: <http://www.mobify.com/go/mobile-e-commerce-revenue-guide/>



## FURTHER READING

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17. Cyber Monday Results 2013: <http://www-01.ibm.com/software/marketing-solutions/benchmark-reports/cyber-monday-2013.html>
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