MAKING LIFE EASY FOR YOUR MOBILE CUSTOMERS

A guide to the mobile commerce revolution

judo · jumio® · DigitasLBi

FOREWORD

By Andrew McClelland, Mirador Digital

With the costs of customer acquisition and retention ever increasing and with customer loyalty appearing to be more fickle and brands having to manage their proposition in more places than ever, the advent of mobile technology appeared to provide a solution. As you will read later however, a number of key factors can really change a good experience to a bad one in milliseconds.

Looking at the background, mobile devices are accounting for an increasing number of digital transactions, in some sectors more than 50%. But what do we mean by mobile? Tablets are 'mobile' but rarely leave the sofa, and have multiple users so personalisation can be difficult. Tablets account for the majority of mobile transactions at the moment and their use in e-Retail is growing by 29% according to IMRG. By the same measure though, smartphone transactions are growing at 48% but conversions are around 1.9%. This figure is growing but does highlight one of the main issues of smartphone commerce.

The danger of 'lumping' mobile devices together is that it is easy to miss the very different usage cases that are applicable to each. Tablets are much more communal, with multiple users and the device being used for exploration as much as transactions. Smartphones however are in 'my' personal space. Usage is going to be driven by immediacy, prone to distraction and fitted in between other activities; waiting for the bus; reading a magazine; standing in a queue or under the table in meetings!

Our understanding of the user experience of the devices is still relatively immature but easing data entry, reducing steps in the transaction process and simple navigation are all investments in improving conversion rates. The following report brings together many of these elements and advocates a 'mobile first' strategy. Mobile certainly requires a different way of thinking, about your customer, proposition and technology offering. We aren't just talking omni-channel here, it is omni-present. Customers trade with brands not channels, but mobile – in all its forms – brings immediacy to brand communications, online and offline, printed and broadcast.

Your brand experience must be consistent; listen to your customers and be true to your proposition. Understand that mobile is Smartphone and Tablet and whilst you are talking to the same customer, they (we) interact with channels in very different ways, it is up to you to find the most convenient way for them to transact.

....

ABOUT THE AUTHOR

Andrew has been involved in the digital industry for over 11 years, latterly as the COO of IMRG, the UK's online retail trade association and as the Managing Director of Mirador Digital providing businesses with insight, strategic guidance and senior level management expertise. Authoring a number of reports and articles every year, Andrew comments on key developments and areas of interest for the digital professional.

andrew@miradordigital.co.uk · www.miradordigital.co.uk

MAKING LIFE EASY FOR YOUR MOBILE CUSTOMERS

So mobile commerce is easy isn't it? There are 35million[1] smartphones and 32.8million[2] tablets in the UK and their users are all headed to your site or app ready to transact and deliver millions of pounds of mobile commerce revenue.
Well not quite… Jumio's research shows that more mobile transactions are abandoned than are completed.

66%
OF PAYMENT PROCESSES ATTEMPTED ON MOBILE ARE ABANDONED BEFORE COMPLETION…

The Jumio Consumer Mobile Insights Study shows that abandonment of mobile transactions is now at an alarmingly high level of 66%. Let's just dwell on that briefly and visualise that in a traditional retail environment where nearly **seven out of every ten customers**, ready at the till, payment card in hand, just drop their basket and walk out of the store… can you visualise that? Were that to happen in the 'bricks and mortar' world then heads would roll, yet it's a curiously commonly accepted phenomenon of online retail.

It's fair to say that not all abandonment is within a merchant's control and mobile by definition allows for a universe of distraction that can stall or kill the transaction. In fact, here's an image of what might be going through the mind of a mobile shopper when they are on your site or your app.

[1]. Deloitte 2014 http://www.deloitte.co.uk/mobileuk/
[2]. emarketer 2015 http://www.theguardian.com/technology/2015/mar/11/uk-population-tablet-2015-emarketer-apple-ipad

So given the challenges of commanding the attention of the mobile shopper long enough to complete your transaction with them, one of the most important questions in m-commerce is how to speed the customer through checkout as quickly as possible. Here are three quick ways to make life easier for your mobile customers to reduce checkout abandonment and increase basket conversion.

1. Don't make your customers think

It's the merchant's job to be an autocue for their customers so that the data they enter into checkout requires minimal thought and can be completed quickly and easily. Many apps and mobile sites still don't help the customer with simple and intuitive steps such as automatically flicking between the alphabetical and numerical keyboards based on what data is being entered.
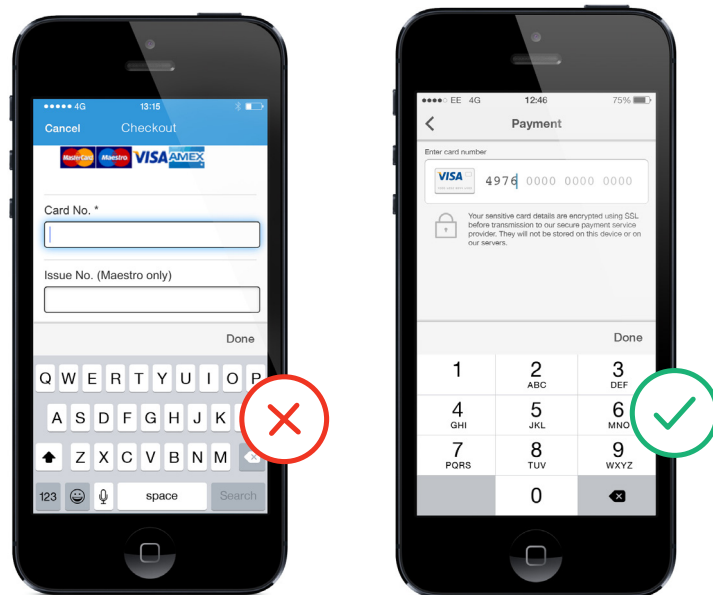
Another example of poor checkout design is where customers are asked to enter phone number STD or prefix into one field and then the number into a separate field. Customers commonly encounter this when asked for telephone data, upon entering their whole phone number are 'rewarded' with an error message asking them to enter parts of their phone number into two separate fields!

It's simple to intelligently parse the data behind the scenes, avoiding unnecessary error notifications.

In summary, the merchant who makes it easy for customer to fall into data entry traps will experience higher abandonment than those that don't ask their customer to think during the checkout process.

2. Help the customer picture themselves receiving their goods

So, you've almost got the customer to cross the finishing line and they are at the final hurdle selecting delivery options... which of these two situations would leave you as the customer more emotionally committed to the transaction with greater momentum?

Delivery in 5 working days

Estimated delivery 20th June

At this point in time the customer is thinking, *'When can I get it? I have my payment card in my hand but when will I able to wear my new shiny dress/ play with my new video game/ fire-up my new lawn-mower etc. What date does five working days mean? Is Saturday a working day? Where will I be in three working days?'*

Questions create doubt, clarity creates certainty. Putting yourself in the mind of the customer to hone and refine your checkout processes will lead to lower abandonment and more completed orders.

judo · jumio · DigitasLBi

3. Make checkout quicker and reduce keystrokes and chances for error & frustration

Given the distractions that mobile shoppers face, the quicker the checkout process, the less chance for interruption and for frustration. Research shows that a web form with **4 fields has a 160% higher completion rate than a web form with 11 fields** and Jumio's technology is specifically designed to eliminate manually typing payment and personal data to create a quicker and more intuitive checkout process.

When Jumio's computer vision technology is integrated into a merchant's app or mobile site, instead of being asked to manually type in up to 75 keystrokes, customers can just show their payment card or ID document to their device camera. Jumio then instantly sees, extracts and auto-populates forms with ID and payment data. As a result, checkout happens in seconds not minutes, increasing m-commerce transaction completion rates by over 10%.

BUILDING LOYALTY WITH A PHYGITAL STRATEGY

> ## phygital
> /ˈfɪ.dʒ.ɪ.təl/
>
> *adjective*
> The combination of the physical and digital world.
> **'Let's get phy-gi-tal... phy-gi-tal'**
> *synonyms:* **omnichannel**

As ownership of smartphones nears saturation, consumers are inevitably and rapidly adopting a mobile first approach to commerce. With all growth in digital commerce now coming from mobile channels, the marketplace has no choice but to adapt – over 85% of businesses report that mobile commerce is now essential to their digital strategy.

However, a holistic digital commerce strategy requires more than just making your website legible on a tiny screen. Businesses that are winning customers' loyalty are those who are finding innovative ways to enhance their customer's lives by making their brand accessible and enjoyable to interact with across all platforms.

As consumers we are more powerful than ever, with all the information we need at our fingertips, but we are also busier. Consumer trends increasingly show that **brand loyalty is won by those businesses that treat us as intelligent, informed individuals** who are precious about how we spend our time.

70% of UK consumers now mix digital and in-store experiences when completing a purchase. Customers expect every single step of that experience – including payments, regardless of whether it is digital or in-store – to be seamless, personal and tailored to their preferences.
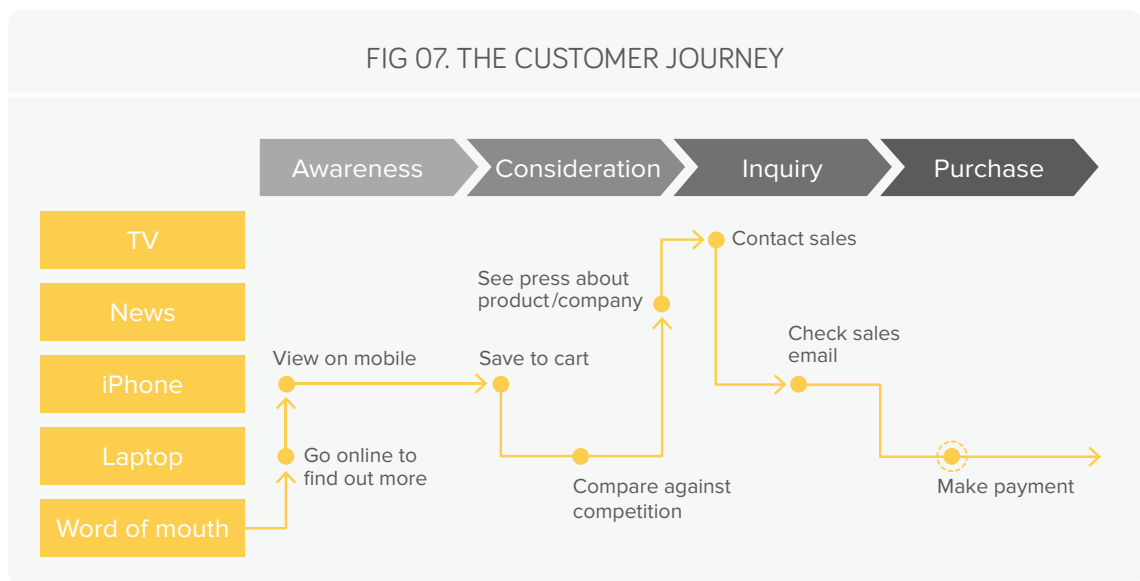
85%
OF BUSINESSES REPORT THAT M-COMMERCE IS NOW ESSENTIAL TO THEIR DIGITAL STRATEGY

So how can businesses build customer loyalty as consumers are becoming increasingly 'phygital'?

Think mobile first

Thinking 'mobile first' means aiming to provide your customer with the easiest and fastest way to buy on all channels. A mobile first approach does not mean an exclusively mobile-centric approach, it means catering for a customer that is truly mobile and who is looking to engage with a brand in whatever way suits them most, wherever they happen to be.

FIG 07. THE CUSTOMER JOURNEY

| Awareness | Consideration | Inquiry | Purchase |

TV

News

iPhone

Laptop

Word of mouth

View on mobile

Go online to find out more

Save to cart

Compare against competition

See press about product/company

Contact sales

Check sales email

Make payment

77% of customer searches take place on a mobile even when a PC is nearby. However, a customer might search for an item on your mobile site, browse on your desktop site, return to purchase the item in your mobile app while opting for in-store collection. The customer journey is no longer confined to a single channel, which means your mobile first approach has to be seamless from end to end.

Thinking mobile first also means ensuring consistency for your brand no matter where and how your customer might interact with it. It's on a smartphone that a consumer is most likely to begin their customer journey, accordingly it sets the tone for their whole experience, which they'll expect to find mirrored on every other channel, including how your in-store staff engage with them when they step out of the digital and into the physical world.

A mobile first approach requires your business to adapt to changes as quickly as your customers. The data you can collect from your customers' engagement with your mobile channels provides real-time insight into preferences and browsing history, which allows you to stay in sync with their desires and gives you the opportunity to offer a tailored experience.
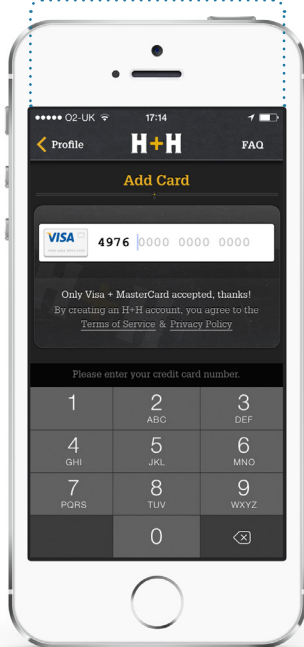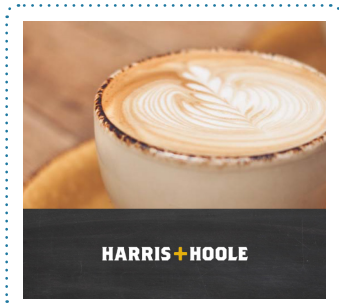
Reward loyal customers

When it comes to repeating a purchase, customers want to be able to do it as quickly and easily as possible. They want paying for goods and services to not only be effortless, but also rewarding. Businesses with payments and loyalty programs integrated into their mobile channels are seeing more frequent repeat visits from customers.

For example, Harris and Hoole, a London coffee shop chain, created a mobile payment and loyalty app in an attempt to provide a more personal coffee ordering experience. With the app, customers can save their favourite drinks, order their 'usuals' on the go, collect loyalty points, and pick up their drinks without even taking out their wallet. **The result of their phygital approach is 25,000 mobile app downloads, 250,000 check-ins, and strong customer feedback.**

It is essential for businesses to establish loyalty programs to encourage return purchases, but to truly win in this the phygital game, businesses should enable their loyal customers to keep track and claim their rewards using the device that is constantly in their pockets.

Build trust in your brand

Trust in your brand is inherently crucial to customer loyalty. Major card data breaches like the ones that struck Target and Staples can be crippling not only to revenue, but also customers' loyalty towards your business. It is of utmost importance for businesses to use a fraud prevention system that can protect its margins on all digital channels.

In 2014, surveyed businesses saw m-commerce account for 14% of total transaction volume, but 21% of fraudulent transaction volume.

Businesses can win customer loyalty through having a deeper understanding of customers' expectation on mobile

6x

JUDO'S PAYMENT PLATFORM INCREASES CONVERSION BY 6X

Fraudsters are keen to exploit our rapid shift to mobile, but many businesses are still sceptical of new mobile-centric fraud prevention tools and wary of extra cost.

Best in class mobile fraud prevention systems are mobile first, not mobile only. They build on top of what is essentially commoditised information for preventing traditional e-commerce fraudulent transactions to expand the protection to mobile initiated transactions.

Mobile first fraud prevention systems take advantage of increased data transfer speeds and our rapidly growing and increasingly wide digital footprints to secure transactions. Using mobile first methods like device fingerprinting and ID authentication, data is fed through algorithms and assessed against past device behaviour and what's normal for your business. Through a series of tailored rules, mechanisms and risk thresholds, a mobile first fraud prevention system can better protect you and your loyal customers across all channels.

Businesses can win customer loyalty through having a deeper understanding of customers' expectation on mobile and their increasingly phygital behaviour. Leveraging mobile technology to reward loyalty and building trust in your brand with mobile first fraud prevention encourages customers to remain loyal to your brand.

Here at judo we are mobile experts. Our payments platform increases conversion by up to 6x and our mobile first fraud prevention protects margins across all digital channels. Get in touch today and see how judo can help you sell more and risk less.

FIRST AND FOREMOST
A LISTENING CHANNEL

2BN
PEOPLE WILL OWN
SMARTPHONES BY
THE END OF 2015

Scale and diversity

No one can doubt the scale of mobile. By the end of 2015 two billion people will own a smartphone, making it the dominant personal consumer device that acts as the key connector between physical and virtual worlds.

The smartphone sits at the heart of a consumer's digital landscape. It's the touchstone of an ever-widening continuum of devices, which includes the myriad connected objects that are emerging all around us, personal devices in their wearable, phone and tablet form factors, and the traditional PC sitting in your home office.

FIG 09. CONSUMERS' MOBILE USAGE THROUGHOUT THE DAY
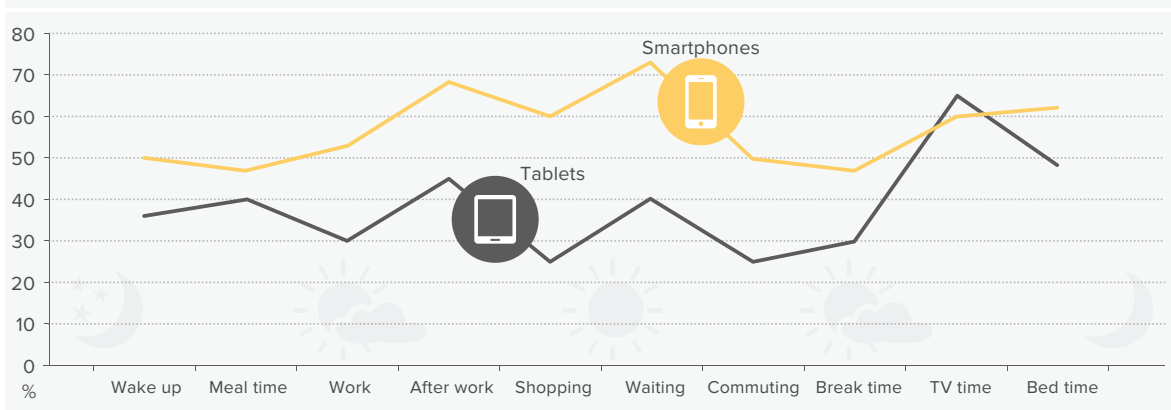
Mobile devices – in all their guises – are more powerful than ever before, with the ability to sense and understand you and the world around you. They provide not only a diverse range of interaction points, but also a rich contextual tapestry, offering an unprecedented wealth of information about their keeper and the environment itself.

Mastering both the scale and diversity of mobile, whilst taking full advantage of the implicit opportunity to learn about and interact with a customer, is key to unlocking mobile revenue growth.

Choose a better audience

As stated earlier in this paper, businesses can *'win customer loyalty through having a deeper understanding of customers' expectations'*. Mobile, in its broadest sense allows brands to listen more intently to their audience in order to understand where they can be of greatest value. It is a common fallacy that advertising, especially on a mobile platform, has more of a 'direct response' relationship with potential customers: see the ad – click the ad – buy the product advertised in the ad.

What we are seeing, and are increasingly able to measure, is the influence mobile interactions have on customers' decision-making. This inside knowledge is invaluable and should help brands choose a better audience to talk to, a more relevant audience, an audience more likely to buy their goods or services via any of the available channels.

Taken to its logical conclusion, the increased number of signals to listen for results in a better understanding of the customer. This ultimately makes it possible to speak directly to each person individually but at a scale previously only possible by mass communication.

Listen first, then deliver a better customer experience

Interactions on mobile feel more personal than they do with other channels. This means that an ad must be orders of magnitude more relevant to a consumer, otherwise it will stick out like a sore thumb, be ignored, or worse feel intrusive. You might tolerate an irritating ad on a billboard, you might even tolerate it in your living room via your TV but you really don't want it in your pocket.

Whether mobile delivery takes place through the web or an app, as part of a purchase or while delivering a service, it is vital to learn more about your customers. From the interaction with an ad we can learn about interests and intent, from the purchase itself we can learn about preferences and tastes, and from usage of a mobile app we can discover both deeper preferences and understand wider behavioural patterns. And the lessons learned from analysing someone's mobile behaviour can be applied more broadly.

—
Win customer loyalty through having a deeper understanding of customers' expectations

The depth and richness of information available from mobile interactions is typically greater than via traditional channels. This is a result of the capability of the device, the depth of access provided by apps, and user acceptance of implicit information exchange. **We are at our most personal on our phones.** These learnings should shape a process and attitude of continuous improvement for delivering mobile products with a guiding principle of optimising the customer experience, making mobile the primary listening channel for companies seeking to better understand their customers.

A customer-centric view that tracks lifetime value is essential if we are to be able to accurately apportion mobile influence

Across multiple platform and interaction points

While each interaction has particular signals to listen for, best practice dictates the need for an underlying unified analytics framework that is able to track customers across all interactions and channels and which enables delivery of data-led business insights. In reality this is not always possible, but aspiring to a customer-centric view that tracks lifetime value is essential if we are to be able to accurately apportion mobile influence when considering the complete customer journey across all touch-points.

This consideration highlights the importance of a holistic mindset taking in interactions across multiple platforms and devices. **Customers are increasingly unforgiving when they encounter gaps in a brand's omni-channel experience and expect cohesion and flexibility across all touch points**. While implementing this is a major challenge for any company, the potential rewards are commensurate, as it leads to a continuous conversation with the customer, unlocking both operational efficiencies and new revenue opportunities while improving customer retention, loyalty and advocacy.

Cultivating the ability to address the biggest of all markets in a more targetable manner, while listening and learning more, will ultimately make business more effective across all channels, not just more effective on mobile.

Ignore it at your peril.

About judo

Judo is the UK's leading provider of simple, secure payment solutions for mobile. Our patent pending technology is built specifically for mobile, which allows for faster transactions, higher completion rates and lower checkout abandonment. We combine technology and design to deliver a flawless mobile payments experience to thousands of customers across the UK.

About Jumio

Jumio is a leading identity management and credentials company that helps businesses reduce fraud and increase revenue while providing a fast, seamless customer experience. The company utilises proprietary computer vision technology to reduce customer sign-up and checkout friction and verify credentials issued from over 120 countries in real-time web and mobile transactions.

About DigitasLBi

DigitasLBi is a global marketing and technology agency that transforms businesses for the digital age. Present in 26 countries around the world, across 40 offices, there are more than 6,700 digital experts working to enrich people's lives via our unique blend of strategy, creativity, media and technology.

We act as strategic partner to some of the world's most exciting brands across travel, financial services, FMCG, publishing, telecoms and retail.