Capitalize on Mobile Commerce by Optimizing the Mobile Shopping Experience
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Introduction

Online shoppers are browsing and buying more frequently than ever before, and they are doing so from multiple networks, locations, and mobile devices across the globe. This brief highlights the opportunities mobile commerce presents, as well as the importance of and challenges associated with ensuring optimal performance for mobile commerce experiences. It also shares a tried and tested method to overcome these challenges and satisfy the expectations of today’s always-on, tech-savvy consumers.

By 2016, mobile commerce sales in Europe are expected to grow by 71% year over year, in Latin America by 60% and in China by 249%.1 Indian e-commerce is projected to explode from $10 billion to $43 billion in the next five years2, with 50% or more of total online orders coming from mobile.3

The Irresistible Rise of Mobile Commerce

For the retail, travel and hospitality industries, mobile has become a major aspect of the brand and commerce experience. It’s no wonder, with smartphone subscriptions projected to increase by an average of 15% a year through 2020.4

Global smartphone subscriptions will reach 6 billion by 2020.5

Mobile’s Growing Influence on Commerce

China, 2014 - 2018

Whether they are researching before making a purchase in store or buying directly from their mobile devices, today’s consumers use their smartphones throughout the shopping experience, influencing a significant percentage of consumer spending. Consider that in the UK, nearly 20% of e-commerce shopping happens during the daily commute.6 The portion of mobile revenues for Alibaba’s China commerce retail business grew by 448% year-over-year.7 Moreover in India, two major online travel agencies generate about half of their traffic from their mobile sites and apps, and India’s largest e-commerce website Flipkart Ltd and its business unit Myntra drive the bulk of site traffic from mobile apps.8 In Australia, mobile traffic is up 65% in just one year, with mobile devices making up more than 60% of all Internet traffic.9
A recent survey indicated that 75% of store shoppers use their mobile devices while shopping in stores, and mobile usage is said to have influenced upwards of 50% of retail store sales during the 2014 holiday season. What's more, digital interactions are expected to influence 64 cents of every dollar spent – in other words, $2.2 trillion – in retail stores by the end of 2015.

According to Starwood Hotels & Resorts Worldwide Senior Vice President of Global Digital Julie Atkinson, the hotel chain’s most loyal members “are incredibly active and booking huge volumes through our mobile apps. I’d say right now they are our fastest-growing channels.”

These trends are prompting retailers and travel and hospitality brands to rethink their approach to how they engage consumers as they shop. Kohl’s is unveiling an “in-store mode” for its app, to accompany shoppers while they browse the store. Target already offers an in-store app that allows shoppers to build their weekly shopping list and view an interactive map of each Target store. Similarly Gamestop is bringing the richness of the online shopping experience to the store. Upon arrival, shoppers using Gamestop’s mobile app are directed to see ratings, reviews, and trailers for new releases.

In the U.S., Starwood Hotels & Resorts Worldwide is focused on delivering unique content and functionality specific to the consumers’ device. For example, the company’s smart phone app makes it easy for mobile travelers to use it with just one eye and one thumb while walking through an airport or at their destination.

All this helps explain why Goldman Sachs estimates global mobile commerce sales will hit $626 billion in 2018.

**Mobile Users Buy More Often and Spend More:** 35% of mobile users make a purchase once a week or more, compared to 15% of desktop users, and mobile users outspend the average desktop shopper by $810 per year.

Starting April 21, 2015, Google incorporated the “mobile friendliness” of a site in its ranking algorithm. Find out how your site is viewed by consumers on mobile devices.

**What is responsive design?**

At its simplest, responsive design refers to a website designed to dynamically display optimally on any device. The ultimate goal is to use responsive design to optimally deliver a site tailored to the visitor’s device and needs.
Why It’s Challenging to Satisfy Customer Expectations

To convert site visitors on their mobile devices to buyers, retailers and brands must deliver a fantastic user experience that meets – and better yet, exceeds – customer expectations. This is especially important during peak traffic times during which – in the case of the holiday season – such surges can represent anywhere from 15-30% of a retailer’s annual revenues. But this is easier said than done.

Consumers expect businesses to provide an immersive, dynamic experience characterized by rich interactions and imagery. Retailers, travel companies and hospitality brands must contend with numerous challenges when delivering sites and apps to mobile devices: they must ensure optimal viewing on multiple devices, multiple screen types, and different operating systems. However, it’s nearly impossible for companies to overcome these issues on their own since mobile sites and apps are dependent on a public Internet that is fraught with bottlenecks, latency and security issues. In other words, optimizing the viewer experience is hard in a fast-changing and increasingly fragmented mobile world.

Many businesses are embracing responsive design to help solve the device fragmentation challenge. While responsive web design is a Google-endorsed technique that can help companies overcome device fragmentation, it does come with performance pitfalls. Namely, it’s difficult to ensure that a chosen design will render quickly on any device in any location, regardless of mobile network connectivity and Internet conditions. Consider Android devices, which make up over 80% of market share: there are 18,796 distinct models running 7 different API levels. This mind-boggling array of device versions and types underscores the complexity businesses face when trying to exceed the expectations of shoppers on mobile devices.

Despite all of these challenges, it’s critical to deliver rich, dynamic experiences at lightning-fast speeds since 52% of smartphone users expect pages to load in 2 seconds or less, and 20% expect pages to load instantly. We’ve seen, however, that meeting smartphone users’ high expectations can be exceptionally challenging. In a recent study of mobile users, one-third of respondents reported apps and/or mobile sites being slow to load. In fact, Akamai’s Consumer Web Performance Expectations survey found that mobile users have the least satisfying e-commerce experience.

These failures to meet consumer expectations can dramatically impact a company’s bottom line. Consider the following: more than half of US smartphone owners have abandoned a mobile transaction because of usability issues, slow loading times and poor navigation and check out, costing retailers as much as $24 billion in revenue. At the same time, more than half of UK smartphone owners have abandoned a mobile transaction because of similar issues, costing retailers as much as £6 billion in lost revenue.
How to Ensure Fast-Loading, High-Quality Mobile Experiences

In a hyperconnected world, consumers expect high-quality performance on a variety of devices from countless locations across the globe. In the consumer web performance expectations survey referenced above, the top two reasons for consumer dissatisfaction on mobile devices were that “the website was slow to respond” and “the website was not available.” With that understanding, it’s critical to ensure websites display quickly and reliably on any mobile device – ideally without installing, integrating, and managing numerous solutions from multiple vendors.

To address these challenges, retailers and travel and hospitality brands can partner with Akamai to quickly and easily:

- Optimize native application delivery via API operations, API acceleration, API response and media support
- Optimize mobile website performance achieve by simplifying development, accelerating content and reducing infrastructure investment
- Overcome challenges of cellular network-based latency through content acceleration
- Automate the image workflow, and intelligently deliver the best image to every end user

Conclusion: Take Charge and Engage Today’s Mobile Shoppers

As more commerce activity – whether researching or buying – is conducted on mobile devices, it becomes more challenging for those in retail, travel and hospitality to create and deliver engaging experiences. Yet doing so is critical to the future of their businesses.

Akamai provides a range of integrated, on-demand services proven to help overcome these issues and consistently deliver an optimal experience to consumers anywhere, on any device. With Akamai’s solutions in place, retailers and travel and hospitality brands can supercharge their web and mobile delivery and conduct business globally – on any device, anywhere. And they can do so with peace of mind based on Akamai’s extensive security and industry experience.

Want to find out if your website is ready for mobile? Sign up for a complimentary, customized report: https://content.akamai.com/PG1984-PerfInsights-Mobile-Images.html
Source

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As the global leader in Content Delivery Network (CDN) services, Akamai makes the Internet fast, reliable and secure for its customers. The company's advanced web performance, mobile performance, cloud security and media delivery solutions are revolutionizing how businesses optimize consumer, enterprise and entertainment experiences for any device, anywhere. To learn how Akamai solutions and its team of Internet experts are helping businesses move faster forward, please visit www.akamai.com or blogs.akamai.com, and follow @Akamai on Twitter.

Akamai is headquartered in Cambridge, Massachusetts in the United States with operations in more than 57 offices around the world. Our services and renowned customer care are designed to enable businesses to provide an unparalleled Internet experience for their customers worldwide. Addresses, phone numbers and contact information for all locations are listed on www.akamai.com/locations.

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