Strategies for Mobile Investments

Part 2: Ensuring Success

How does a business decide what is important and what will deliver good return on a mobile commerce investment?

Members of the *Universal Commerce Innovation Exchange* discussed the question in March with guest presenter Arkady Fridman, a Senior Analyst with Aite Group. The Innovation Exchange, sponsored by First Data, is a membership organization of industry leaders who provide views and information to help businesses cultivate mobile commerce business strategies. Aite Group is an independent research and advisory firm that focuses on financial services.

In Part 1 of this 2-part series, we looked at the importance of addressing fundamental business strategy and engagement questions from a customer-centric point of view. Part 2 takes a closer look at how to implement a mobile commerce strategy to help a good return on investment.

Thinking Differently about Mobile Commerce ROI

When planning a mobile commerce strategy, businesses need to recognize that mobile commerce is not an initiative for which there is a simple ROI calculation. Mobile commerce is a strategy that keeps the business viable and competitive. The move towards mobile commerce is not just about understanding how you achieve ROI today. It's about learning from current trends and collecting data so you can innovate with your customers over time and meet your ROI in the future.

To accomplish this, it is important to recognize these essential characteristics of mobile commerce:

- **Mobile is not just a channel – it is a cross-channel experience.** One of the big pitfalls in thinking about mobile commerce is trying to create a stand-alone mobile strategy.

For instance, launching a mobile feature to reduce operational costs may result in some success. However, that feature is going to have broader business implications. Mobile commerce directly links online and in-store activities. It crosses different locations; touches on points-of-sale; and incorporates search, social media, and other forms of engagement.

- **There is interplay between channels.** What happens in one channel influences activity in other channels in ways that are measurable through mobile commerce. Businesses can use mobility to create a powerful multi-channel experience for consumers. However when customers have a negative experience in one channel, it impacts other channels. If there is dissatisfaction with an experience on a mobile device, the dissatisfaction is not with the device. It's with the brand.

- **Mobile commerce is about more than just the device.** It's about the whole experience, which may be about what happens on the device and then what happens in the store. For instance a customer can have a great mobile experience. But when they get to the store, if an employee is unfamiliar with the offering and cannot help a customer that becomes a bad brand experience. To get the best return out of a mobile commerce strategy, all channels need to work together.

> *"It's about learning from current trends and collecting data so you can innovate with your customers over time and meet your ROI in the future."*
>
> **Arkady Fridman,**
> Senior Analyst,
> Aite Group

Strategies for Mobile Investments
Part 2: Ensuring Success

Implementation Strategies to Help Assure Success

During the presentation, Mr. Fridman and Innovation Exchange members, all of whom have considerable mobile commerce experience, offered valuable advice on best practices for rolling out a mobility strategy:

- **Managing scope creep:** It is often necessary to develop consensus between all stakeholders, and given the multi-channel character of mobile commerce, there can be many. The need to accommodate everyone's good ideas can result in a strategy that is overly complex. Build in a reality check to make sure the strategy remains true to customer engagement expectations and business objectives.
- **Managing teams:** Rolling out a mobile commerce strategy involves clients, partners, and technology solution providers working together in ways that may be new to them. It is critically important that each participant be totally focused on the end result and the user experience. They also need to be clear on their role in delivering on that. Failing to have this kind of discipline can result in engineering difficulties and introduce breakpoints that are difficult to diagnose. End-point clarity between all players is essential.
- **Start with early adopters:** Use business objectives and knowledge about customers to prioritize new mobile features. The best place to start is with early adopters, who are often a business's most loyal customers. They provide a great test bed for new capabilities, and as a group, they are more forgiving when things don't work as planned. It is those loyal, more frequent users responding to new capabilities that provide a blueprint for a broader deployment.
- **Be mindful of channel preferences:** Consumers have channel preferences for certain kinds of commerce activities. Some customers prefer to do research through a mobile device but make payment in person. Others prefer to see a product in a store and then purchase online. Prioritize mobile commerce offerings in ways that optimize customers' engagement preferences.

- **Leverage mobility to create unique value:** Don't just replicate existing business activity in digital format. Using customer knowledge and mobile technology to deliver more targeted, personalized, and timely offers makes it possible to increases the ROI of promotions and loyalty programs. It also becomes possible to coordinate multi-channel pull strategies designed to entice customers into engaging. Mobile commerce enables businesses to deliver more context-specific promotions that are tied to a better overall experience for the customer. Part of that experience may include better service, savings, incremental value, or even opportunities to do good – for instance if a purchase triggers a contribution to a charity. These kinds of engagements build a positive experience the customer will want to repeat.

Deriving a good return on mobile commerce investments depends on recognizing that mobile commerce is first and foremost a multi-channel strategy. A "stand alone" mobile commerce solution will not serve a business well. It is also important to recognize that mobile commerce is not just about mobilizing traditional business practices. Mobile commerce makes it possible to engage in entirely different ways and craft multi-channel experiences for customers that give them reason to do business with you.

To learn more about realizing a good return on a mobility investment, see the first part of this series, "Strategies for Mobile Investments Part 1: Planning for Maximum ROI," or contact Aite Group at info@aitegroup.com with questions.

About Aite Group
Aite Group is an independent research and advisory firm focused on business, technology, and regulatory issues and their impact on the financial services industry. With expertise in banking, payments, securities and investments, and insurance, Aite Group's analysts deliver comprehensive, actionable advice to key market participants in financial services. Headquartered in Boston with a presence in Chicago, New York, San Francisco, London, and Milan, Aite Group works with its clients as a partner, advisor, and catalyst, challenging their basic assumptions and ensuring they remain at the forefront of industry trends. Aite Group is not affiliated with First Data or its subsidiaries.

4480 0513