



Powering up the mobile and social customer experience





The sea of statistics about the stunning rise of mobile and social commerce is almost overwhelming. The good news is that these statistics all support the same notion that this is not a short-lived trend, it is not limited to the youth markets, and it needs to be treated not only as a new channel for retailers to reach their audience but also as way to develop new, interactive ways of reaching customers.

Let's jump into the water and pull out some of the more compelling points to paint a picture of where we've been, where we are today, and where the market is headed with these two paradigm-shifting additions to the commerce landscape.

A short time ago . . .

Hard to believe, but it was only a little more than a decade ago when shopping was largely done in a store or through the omnipresent catalog. A look back at that time by Wired Magazine's article "We Are the Web" by Kevin Kelly gives us an amusing view of society on the cusp of sweeping change.

In late 1994, Time magazine explained why the Internet would never go mainstream: "It was not designed for doing commerce, and it does not gracefully accommodate new arrivals." Newsweek put the doubts more bluntly in a February 1995 headline: "THE INTERNET? BAH!" The article was written by astrophysicist and Net maven Cliff Stoll, who captured the prevailing skepticism of virtual communities and online shopping with one word: "baloney."¹

By May of 1995, the US National Science Foundation (NSF) acquiesced and approved the Internet for commerce. Newfangled sites like Amazon and eBay sprang up, addressing the initial demands of the growing online community for 24x7 availability and, later, comparative shopping capabilities, expanding the shopping arena forever.

In order to remain competitive, traditional retailers were soon scrambling to follow suit and figure out how to best leverage this new channel to market without cannibalizing their existing channels and ultimately figuring out how to make all of these various ways to reach the customer actually complement each other and help up-sell and cross-sell. By the end of 2000, most retailers had launched some sort of Internet storefront.

1. Kevin Kelly: We Are the Web Wired magazine, Issue 13.08, August 2005
http://www.wired.com/wired/archive/13.08/tech.html?pg=1&topic=tech&topic_set=



Now in 2011, online sales are still growing year over year in the double digits with US-based ecommerce and online retail sales projected to reach \$197 billion, an increase of 12 percent over 2010², and we find ourselves once again at the brink of widespread change to the shopping experience driven by new technology users growing pressure for 24x7 availability and comparative shopping capabilities, but this time the customers want it in the palms of their hands. Are you positioning your company to meet this burgeoning demand?

A World Gone Mobile

According to Morgan Stanley Research, the ramp up of mobile Internet usage will be faster than that experienced with the growth of desktop Internet and, within five years, more users are likely to connect to the Internet using mobile devices than using desktop PCs.³

The widespread availability of smaller, relatively inexpensive devices such as smart phones (Blackberry, Droid, and iPhones), iPads, Kindles, tablets, and so on, and better data coverage are helping to drive this trend and have positioned the growth in mobile technology to significantly outpace the growth of any other computing cycle since the 1960s.

Google's study, "The Mobile Movement: Understanding Smartphone Users," conducted by Ipsos OTX, reveals that smart phones have become an indispensable shopping tool and are used across channels and throughout the research and decision-making process.

- 79 percent of smart phone consumers use their phones to help with shopping, from comparing prices to finding more product information to locating a retailer
- 70 percent use their smart phones while in the store, reflecting varied purchase paths that often begin online or on their phones and brings consumers to the store

But the really compelling reason why retailers need to pay attention to the mobile movement is that this same study found this fact:

- Half of those who see a mobile ad take action, with 35 percent visiting a website and 49 percent making a purchase

2. "Forecast of eCommerce Sales in 2011 and Beyond". Forrester Research, Inc.. <http://www.fortune3.com/blog/2011/01/e-commerce-sales-2011/>.

3. Source: Morgan Stanley "Internet Trends" April 12, 2010



Already the retailing giant eBay has seized the future and has begun capitalizing on it with incredible numbers and anticipated growth:

“Mobile is clearly becoming a new way people shop ... [eBay has] nearly tripled mobile GMV (gross merchandise value) year-over-year to nearly \$2 billion, with strong holiday shopping momentum in Q4. In 2011, we expect Mobile GMV to double to \$4 billion.”
John Donahoe, President & CEO, eBay CQ4: 10 Earnings Call.

By 2015, US mobile commerce revenue should reach 23.8 billion USD, representing 8.5 percent of all online sales, according to Coda Research Consultancy.⁴

Energized and Engaged by Online Conversation

People are talking online, and it has become almost an obsession with many to constantly connect with their network of friends and family.

By July of 2009, the number of social networking users surpassed email users and by November of the same year, actual usage in minutes for social networking (on sites such as Facebook and Twitter) also surpassed email usage.⁵

Among Internet users, social networking sites are most popular with women, young adults under age 30, and parents. Young adult women ages 18-29 are the power users of social networking; fully 89 percent of those who are online use the sites overall and 69 percent do so on an average day.

As of May 2011, over eight out of ten Internet users ages 18-29 use social networking sites (83%), compared with seven out of ten 30-49 year-olds (70%), half of 50-64 year-olds (51%), and a third of those age 65 and older (33%).⁶

4. Source: Internet Retailer “What, precisely, constitutes mobile commerce?” July 30, 2010. www.internetretailer.com/2010/07/30/what-precisely-constitutes-mobile-commerce

5. Source: comScore global, Morgan Stanley Research.

6. Source: Pew Research Center’s Internet & American Life Project Survey May 2011. <http://pewinternet.org/Reports/2011/Social-Networking-Sites.aspx>



Who uses social networking sites?

% of internet users within each group who use social networking sites

All internet users		65%	Household Income	
Gender			Less than \$30,000	68
Men	60		\$30,000-\$49,999	70
Women	69*		\$50,000-\$74,999	63
Age			\$75,000+	68
18-29	83***	Education level		
30-49	70**	Less than high school	68	
50-64	51*	High school grad	61	
65+	33	Some college	65	
Race/Ethnicity			College+	67
White, non-Hispanic	63	Geographic location		
Black, non-Hispanic	69	Urban	67	
Hispanic		Suburban	65	
(English- and		Rural	61	
Spanish-speaking)	66			

Note: * indicates statistically significant difference between rows.

Source: The Pew Research Center’s Internet & American Life Project, April 26 – May 22, 2011 Spring Tracking Survey. n=2,277 adult internet users ages 18 and older, including 755 cell phone interviews. Interviews were conducted in English and Spanish.

Social networking has taken a prominent role in the way we live our lives and is heavily influencing how we make decisions when we shop. From product reviews, sharing news of retail promotions, group buys, and recommendations for cool new products and services, knowing how to engage and capitalize on the online conversation phenomenon is paramount to a successful retail future.

But “going social” means actively engaging with your customers online, not merely pushing out information like business has done in more traditional communication channels. When companies try to treat the social network like other forms of communication, they come off as out of touch, uncaring, and insincere. It is like going to a networking function and meeting someone who launches into a canned commercial



about themselves. It can be off-putting. You may remember what they said, but you haven't formed a personal connection and are not likely to hang around for additional conversation. And you're even less likely to form a real bond based on a personal relationship.

Aligning your customer experience with growing demand

The Sirius eCommerce for Retail solution, powered by the efficiency and security of IBM WebSphere Commerce, offers retailers the means to quickly start tapping into the ready mobile market and leveraging social commerce to brand advantage with a single integrated system. Within a few months organizations can launch

- Mobile storefront that sits on top of your existing ecommerce site
- Bridge to push customer ratings and review content between customer's social networks
- Ability to proactively respond to negative product and service social commentary to manage impact
- Ability to immediately reward power social commerce users onsite
- Ability to put content controls for merchandising and marketing in the hands of marketing, sales, and product professionals through browser-based tools

Mobile Storefront Open for Business

Sirius eCommerce for Retail offers the most rapid go-to-market mobile capability through the first prebuilt mobile storefront that sits on top of existing ecommerce capability.

Newly acquired mobile capabilities allow customers to browse, buy, check status, and read ratings and reviews on their mobile devices. It also allows customers to buy from their mobile device and pick up the item in the store. The addition of mobile access to the customer experience can be evolutionary, enabling browsing initially and then moving on to adding transaction capability.

Launching their mobile storefront earlier this year allowed Sirius customer Performance Bicycle to provide yet another channel for delivering customer content, buying power and convenience features like buy on mobile, pick up in store. And with a customer



who typically is faced with a product need during a weekend adventure in the woods or on the road, mobility is already proving a successful endeavor.

Manage Social Commerce

Consumers are active on Facebook. Per the 2011 ChannelAdvisor Consumer Survey, consumers like to “Like”—81% do so regularly—and are surprisingly supportive of retailers. Globally, 34% are “fans” of companies, and in the US, the percentage is closer to half (46%).

Sirius eCommerce for Retail makes it easy to link product (sharing, Like) and ratings and review content with the major social sites of the world, including but not limited to Facebook, Twitter, and Dig. In addition, after you build participation in onsite or linked social activities, the built-in marketing tools allow you to reward the contributors by way of targeted promotions and incentives. For example, you might reward a customer who contributes 10 reviews with a coupon for 10 percent off their next purchase.

Another intrinsic benefit of social content and social bridging is increased search engine optimization. The added rich content around products you offer differentiates you from your competitors within the search crawlers and aids in bubbling your content to the top of the major indexes.

Personalizing Message Based on Channel

The solution distinguishes between customers visiting by traditional browsers and those accessing by a mobile device. This distinction allows the marketing team to be able to personalize with clear and concise messaging according to the channel, which is critical to the quality of the customer experience. What works on a traditional PC-based browser likely does not play well in the smaller mobile device windows.

Jumping Out of the IT Queue

Because Sirius eCommerce for Retail puts the power of update capability with drag-and-drop functionality into the hands of marketing, your organization can avoid time delays required when queuing in IT production for ad tweaks or resizing for different channels.



With one tool that allows business users to quickly adjust merchandising and marketing offers, the responsibility and control for ecommerce returns to the line-of-business. With a single, integrated system, you no longer need to toggle between systems or duplicate information in multiple systems.

To learn more how you can quickly power up the mobile and social customer experience, contact:

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About Sirius Computer Solutions

San Antonio-based Sirius is a nationally recognized technology firm that designs full-spectrum, advanced infrastructure solutions. Backed by 30 years of IT experience, Sirius is dedicated to helping clients address business problems, increase competitiveness, and bring a positive return on investment.



About IBM Smarter Commerce

IBM brings a wealth of experience, leading solutions and platforms to drive smarter commerce for business. The company maximizes clients' investments by offering solutions in a modular approach to address key challenges today and into the future, with a full spectrum of strategy and implementation services, superior technical support and comprehensive educational offerings to ensure success.

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