

M-Commerce: The Drastic Evolution of Retail

- Mobile commerce refers to business or purchases conducted over mobile devices like cell phones or tablets.
- Mobile commerce has rapidly increased as they have resolved security issues.
- Companies like Apple and Google have introduced their mobile commerce services.

1) Introduction

The E-Commerce and retail landscapes are constantly changing — and it's undergone a dramatic transformation during the pandemic. Ten years of E-Commerce growth has been scrunched into a matter of months as it has forced people to embrace online shopping and contactless payments. M-commerce is growing and not showing any signs of slowing down. We expect that people will make the majority of purchases using mobile devices in the coming few years. Given that, many businesses have already moved to the smartphone platform to boost their revenues, opening paths for M-Commerce.

With so much change, brands are naturally looking for ways to stay ahead of the curve. And there are plenty of people hyping m-commerce as retail's "next big thing." But here's the catch: M-commerce isn't just a passing trend that the next big thing will surpass. It's the next step in the evolution of E-Commerce, and it is here to stay.

2) What is M-Commerce?

M-Commerce, short for Mobile Commerce, is a branch of commerce that deals with the digital transactions made from the smartphone. It doesn't require physical contact between two people for sending or receiving the money.

In other words, we can say that M-commerce (mobile commerce) is the buying and selling of goods and services through wireless handheld devices such as smartphones and tablets. As a form of e-commerce, m-commerce enables users to access online shopping platforms without using a desktop computer.

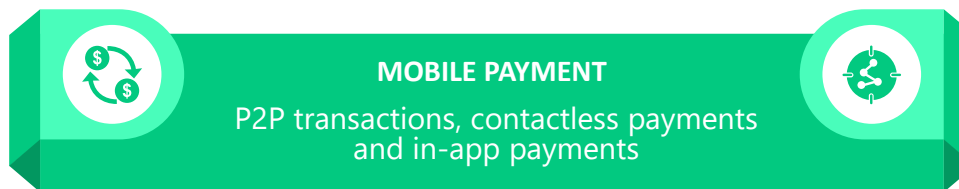
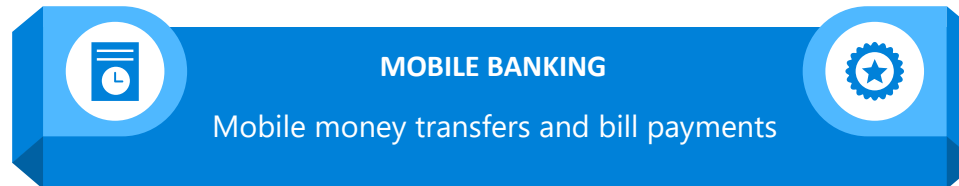
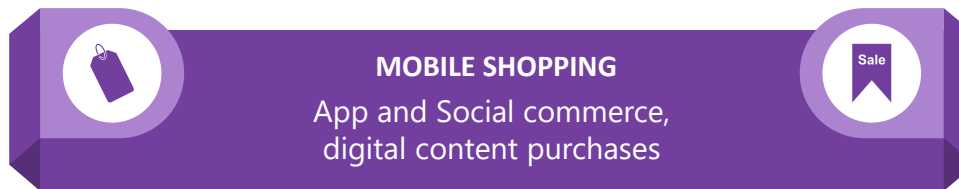
Examples of M-commerce –

- **Mobile Shopping** - App commerce, social commerce, location-based marketing, digital content purchases, electronic ticketing, and more
- **Mobile Banking** - Mobile money transfers, account management, and bill payments
 - **Mobile Payments** - Peer-to-peer transactions, contactless payments, and in-app digital wallets.

TYPES OF M-COMMERCE

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M-Commerce refers to all commercial transactions that are completed using a Mobile device like a Smartphone or tablet, including:



3) The different types of Mobile Commerce are-

a) Browsing for products online on your mobile – This type deals with surfing for products online like looking for Groceries, Daily essentials, and electronics. We're talking about dedicated apps, optimized websites, or even social media platforms like Facebook or Instagram that allow in-app purchases or linking to online stores.

b) Purchasing app-delivery stuff (Food delivery or e-commerce apps) – This type deals with the services related to ordering things like food, cab pickup, and others.

c) Mobile banking – Mobile banking is the method that involves accessing the features of the bank using online forms. We can make the transactions through various apps. Some financial services companies are now experimenting with chatbots or messaging apps to deliver customer service.

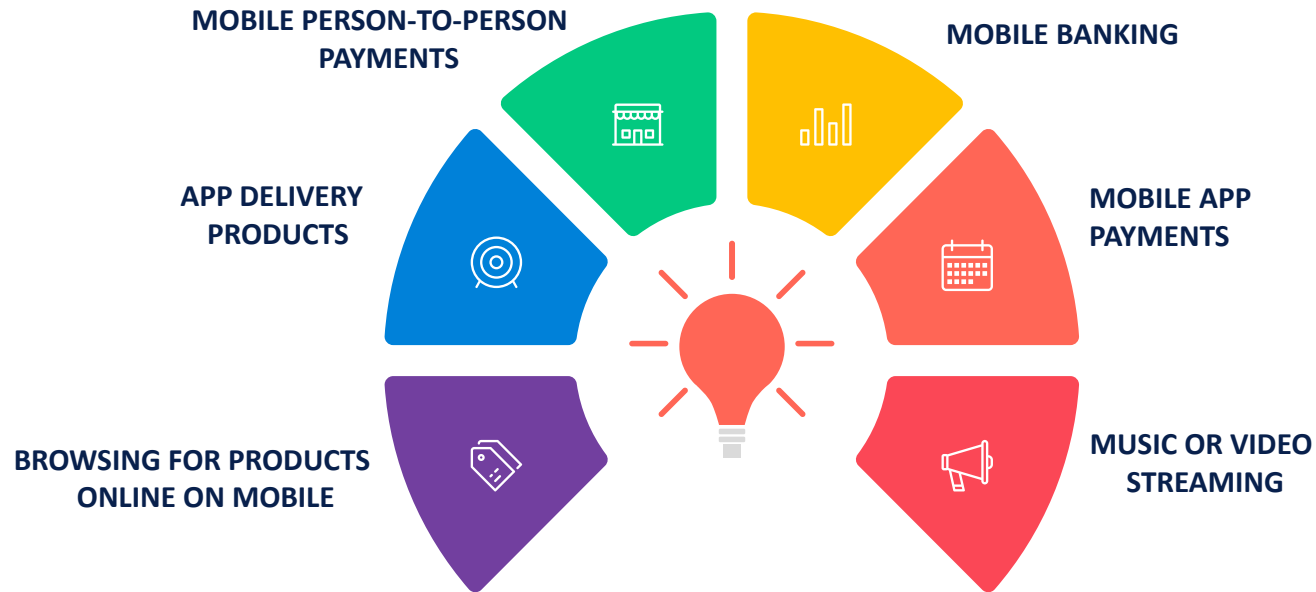
d) Mobile App payments – This type primarily focuses on making payment transactions through apps. The user can register their credit or debit card and then use it whenever they want.

e) Purchasing or renting digital content on a mobile device – This involves buying or renting online services like Music Streaming, Video Streaming, or commodity-based on a rent basis.

f) Mobile person-to-person payments – This type involves sending money from one person to another, whether for buying or sending it to someone in need. You can make this type of transaction by sending money to someone's number or their bank account.

TYPES OF MOBILE COMMERCE

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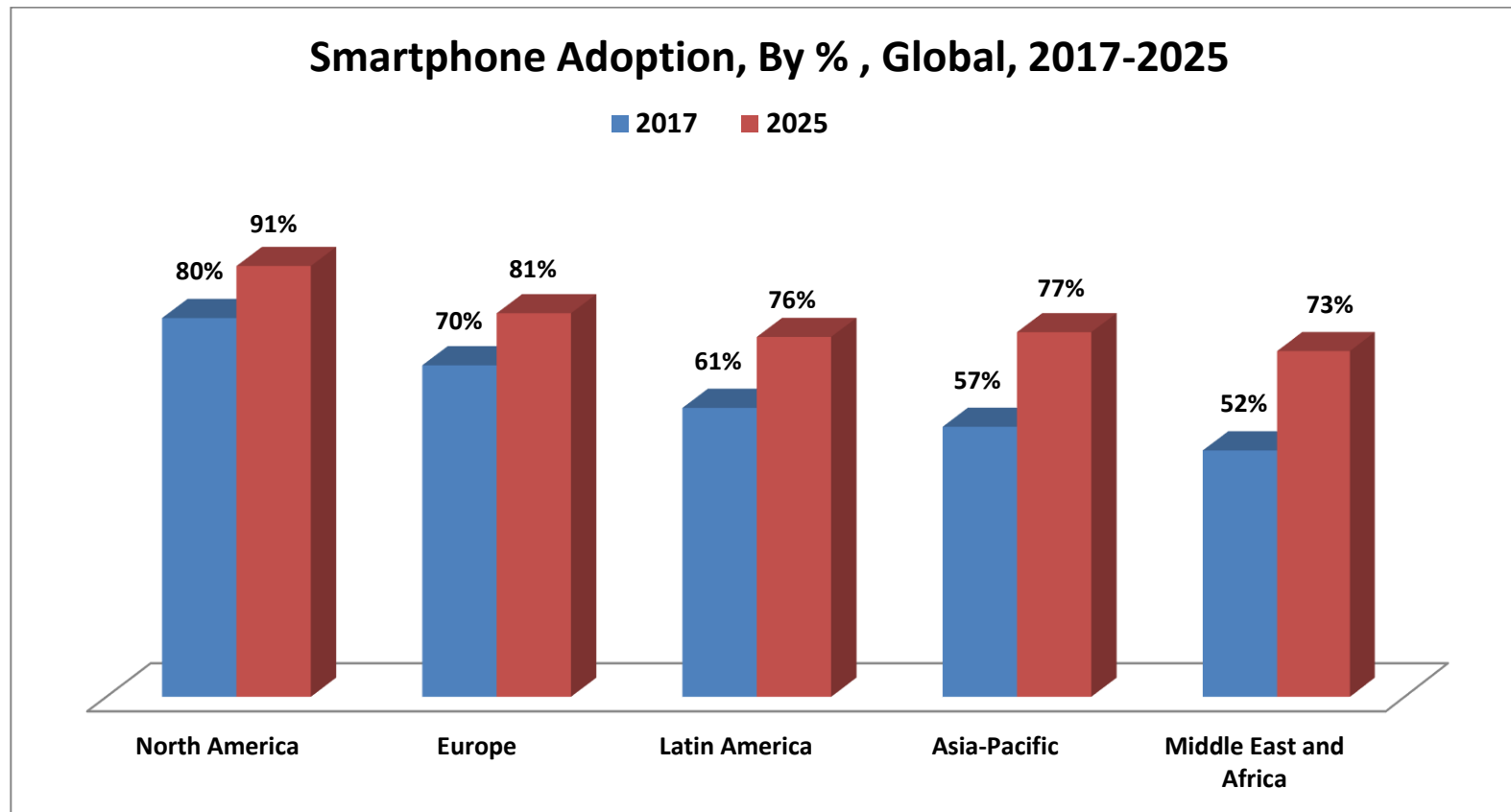


4) Some Statistics on M-Commerce

Here's a handful of statistics that show the current and future impact of M-Commerce:

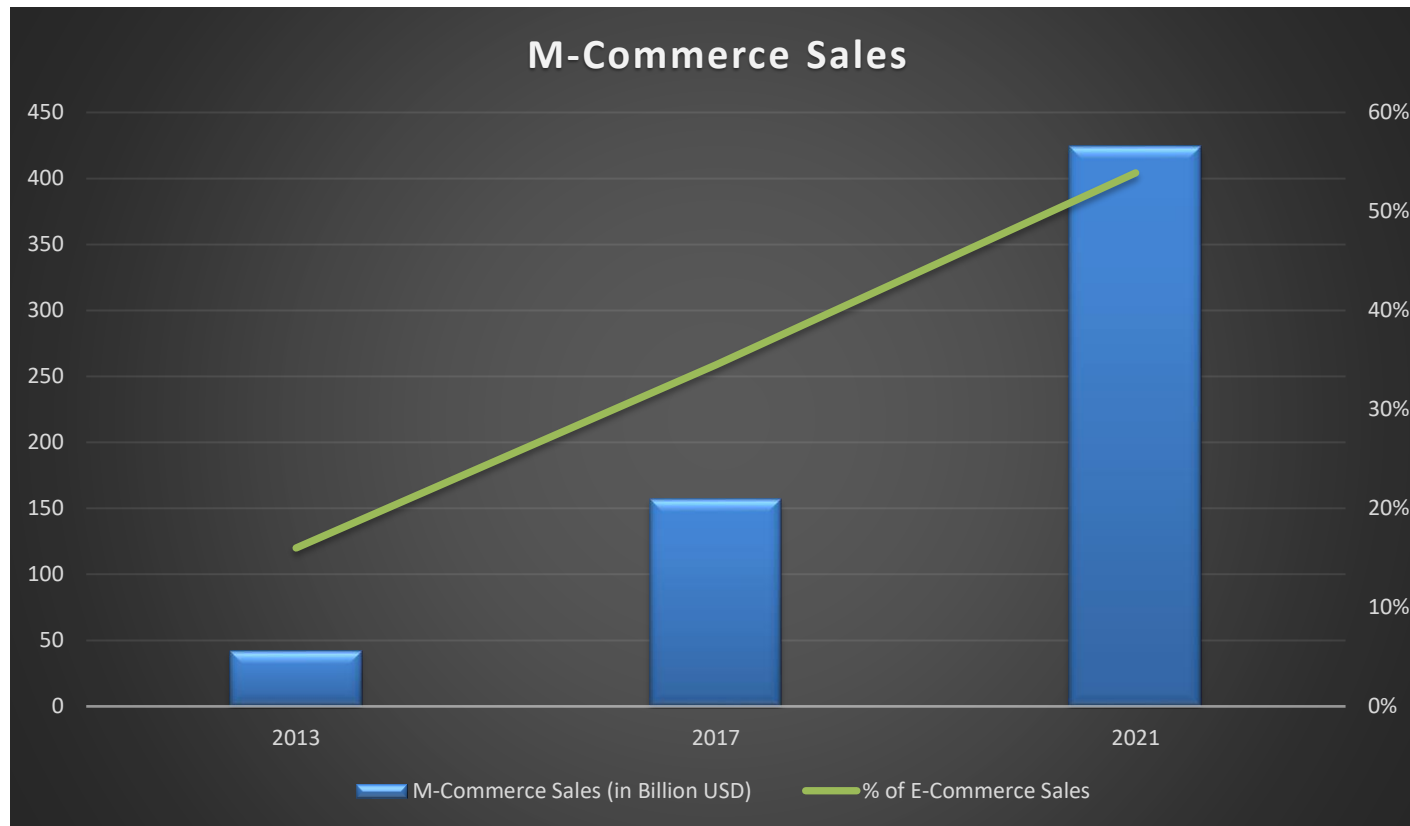
- By 2021, mobile commerce sales will account for 53.9% of total eCommerce sales (Businesswire).
- One-third of consumer decisions to make a purchase is influenced by researching products on mobile devices (Invesp).
- More than half (53%) of retailers have created a mobile app, and more than 50% want to build one (Pew Research).
- In Q2 2019, Mobile Commerce spending in the U.S. reached \$41.2 billion (Statista).
- The total number of U.S. shoppers who make mobile purchases is expected to reach 168.7 million (Statista).

- The volumes of mobile commerce sales will more than double between 2017 and 2020, reaching a smashing \$336 bn in 2020 (Statista).



5) Some Major Trends for M-Commerce indicating Great Future Scope-

Smartphones have become the driving force behind e-commerce growth. Business Insider Intelligence predicts m-commerce's U.S. volume to rise at a 25.5% compound annual growth rate (CAGR). It will grow from \$128.4 billion in 2019 to hit \$488.0 billion, or 44% of e-commerce, in 2024. And two critical devices are driving the m-commerce revolution: Smartphone and tablets.



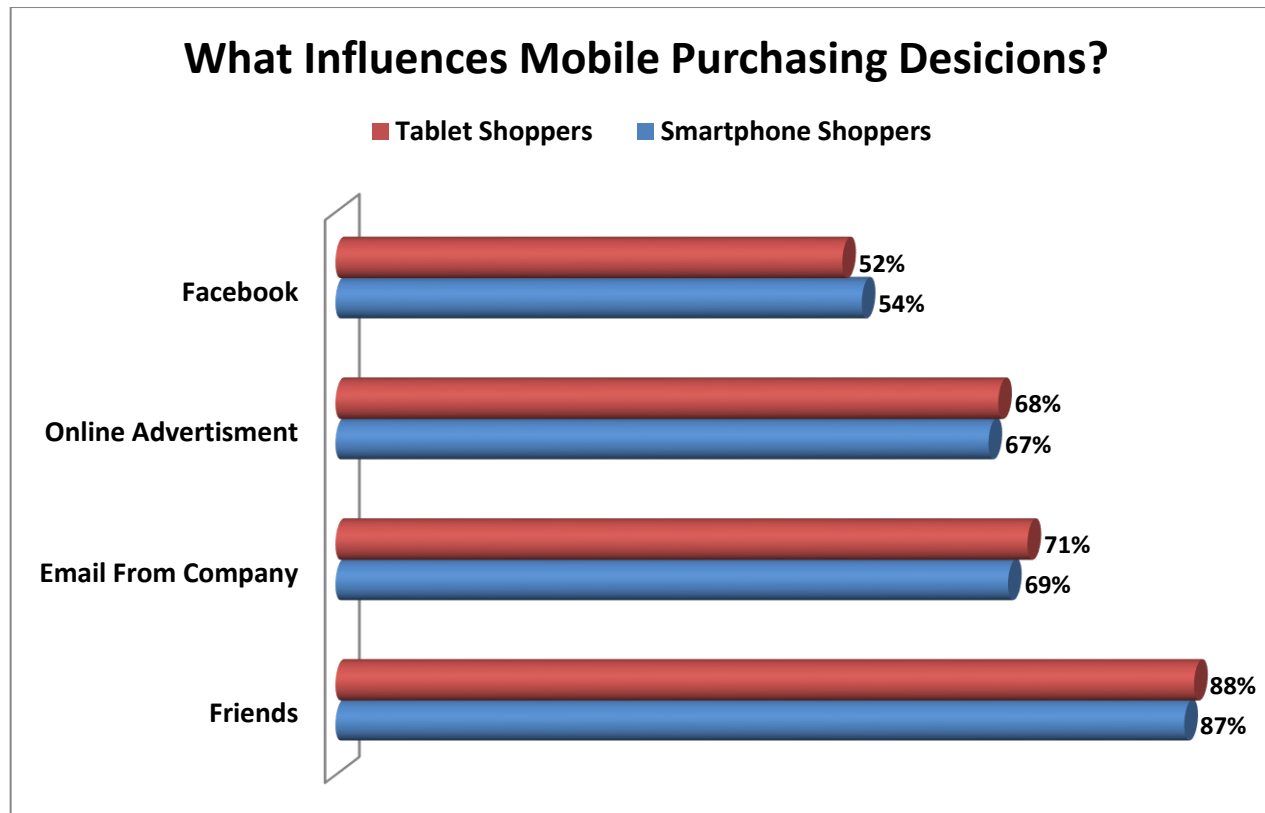
Mobile commerce is on pace to control 73% of the global eCommerce market share by 2021, up from 59% back in 2017. Over the last six months, 79% of mobile users made an online purchase using their mobile devices.

- The mobile wallet market will grow to \$5.3 trillion by the end of 2020 – Mobile wallets have made our life easier by reducing the hassle of carrying a wallet with us everywhere. It offers the convenience of making as many transactions as we want by just storing our credit or debit card details just once. A proof of this trend is that mobile wallets' market size has grown from \$1.65 Trillion to \$5.3 Trillion between 2013 and 2020.

- M-Commerce market will see new contenders between 2020 and 2025 – Currently, old players are capturing the payment market. But in the coming years, you can see an increase in the number of new contenders charging the majority amount of market share. They will bring more opportunities for customers and share the market share more uniformly.
- The mobile commerce revenue is expected to hit \$3.56 Trillion by 2021. The revenue generated has been increasing with each passing year and will touch \$3.56 trillion by 2021. This is proof of the increasing demand for mobile-based shopping.

6) U.S. M-Commerce Insights -

- 96% of Americans own a cellphone.
- 8 out of 10 Americans shop on their Mobile devices.
- Mobile commerce is expected to outgrow non-mobile commerce in 2021.
- Mobile digital advertising spend is double that of desktop advertising spend—\$71 billion was spent on mobile advertising in 2018, while only \$37 billion spent on desktop (Statista).
- On Black Friday of 2018, 66% of shopping occurred on mobile devices (Tech Crunch).
- In 2021, mobile commerce sales will account for more than half of total e-commerce sales (E-Marketer).
- Today, one-third of purchasing decisions is influenced by researching products on mobile devices (Invesp).
- More than half of retailers already have a mobile app, and over 50% of the rest will build one soon.
- In mid-2019, mobile e-commerce spending in the United States reached a smashing \$41.2 billion (Statista).
- The total number of US-based shoppers who make mobile purchases will reach 168.7 million (Statista).
- The volume of mobile commerce sales will be more than double between 2017 and 2020, reaching \$ 336 billion this year (Statista).



7) Advantages of M-commerce

M-commerce has the potential to become a significant channel for shopping and to change consumer shopping habits. Consumers rely on digital devices now more than ever. Business Insider Intelligence predicts that mobile will inch closer to becoming consumers' preferred channel for online shopping within the next five years.

- Ability to reach more consumers: With M-Commerce, there's no limit to your potential audience. People can access your shop from anywhere just by downloading the app or browsing the mobile web.
- Faster customer journey: Things like mobile and voice search, social commerce, and one-click ordering make it easier and faster than ever for people to find and purchase your products.

- New and useful technologies: Apps allow for helpful features like augmented reality, allowing consumers to virtually try out your products; chatbots that provide instant customer service; and real-time inventory that enables people to view products available nearby.
- Greater convenience for customers: Mobile puts the world of retail at consumers' fingertips. They get access to a wider variety of products and services, the convenience of shopping anywhere and anytime, easy access to customer support, plus the ability to compare products and prices between retailers.
- More effective engagement: Instead of fighting for your customer's attention via saturated channels like social and email, you can send a push notification, SMS, or in-app message. Customers expect a complete omnichannel experience, and mobile allows brands to deliver.
- A fully personalized shopping experience: Data-driven campaigns make it possible to create uniquely customized experiences for every user, from personalized product recommendations and discounts to geo-targeting campaigns.
- Access to convenient and secure payments: Options like mobile wallets, one-click ordering, and installment payments make it easy and safe for customers to transact.

ADVANTAGES OF M-COMMERCE

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8) These are the M-Commerce trends to watch for in 2021 and beyond:

- **Social Commerce**: Shoppable posts on Instagram and Facebook where brands can tag products just like they tag people make it easier to convert social traffic into sales. The entire shopping experience happens in one spot: customers can discover products, read reviews, and complete checkout, all without leaving their social media page. (CleverTap)
- **Voice Shopping**: 40% of adults use voice search at least once a day. 36% of consumers use voice to add items to their shopping lists. 22% make a purchase using voice, and 17% reorder items. (Buildfire)
- **Wearable Payments**: Mobile wallets have proven themselves a preferred payment option for consumers, and that will extend to wearables like smartwatches, health sensors, and fitness trackers. Wearable payments will drive more than \$100 billion in transaction volume in 2025. (PayVision)

9) Conclusion

As app usage grows, it will significantly contribute to sales growth, especially with Millennials and Gen Zers holding massive spending power. These tech-savvy consumers can boost volume, as they are more likely to do a wider share of shopping on their smartphones. We at CogentHub deploy future ready technology to keep you ahead of the curve. CogentHub achieves excellence by deploying immaculately planned operations without any compromise. Partner with us to take your business to new heights.