



Research Report

THE NEW MCOMMERCE REALITY

Streamlining the customer experience
with mobile chat.

BOLDCHAT by LogMeIn

Smartphones and tablets have changed everything: the way we communicate, the way we meet, the way we get around, the way we shop and more. The connected, on-the-go customer has literally shifted the balance of power in our society. Mobile users have easy access to information, unlimited options, and the ability to publically and instantaneously express praise or dissatisfaction. It's no surprise that mobile devices are changing the way consumers purchase online and in stores. It's important to recognize, however, that mCommerce is one aspect of a larger commerce landscape. The following discussion examines ways that companies can embrace these changes and turn them into long-lasting competitive advantages.

MCOMMERCE: THE NEW GLOBAL RETAIL FRONTIER

According to Forrester Research, U.S. mobile retail sales are estimated to grow from \$12 billion in 2013 to \$27 billion by 2016 – a \$15 billion increase in only 36 months.¹ The rise in mobile commerce isn't just an American phenomenon – it's a global one. A study by Havas Worldwide found that half of Chinese online consumers have used a mobile device to shop, while 48% of online consumers in Singapore and 42% in India have shopped online with their mobile devices.²

mCommerce is more than using a mobile device for making purchases – it actually encompasses a variety of activities throughout the shopping and buying process. Consumers use smartphones and tablets to purchase products and services, but mobile devices are also important tools for gathering information during the buying process. iModerate separates mobile shoppers into three categories:³

- **Express shoppers** – These are individuals who use smartphones and tablets to quickly gather information and then make a purchase
- **Browsers** – These consumers use mobile devices during leisure time to research product information and compare prices
- **Researchers** – These individuals research products and services with their smartphones or tablets, but often make their purchases in-store

Providing a good mobile experience is essential to all types of mCommerce participants. A survey by Latitude found that 61% of consumers have a better opinion of brands when they offer a user-friendly mobile experience.⁴ To achieve this goal, online businesses must be cognizant that at least three distinct experiences need to be optimized.

MCOMMERCE IS BECOMING MORE PERSVASIVE

- *Research suggests that mobile retail will account for 8% of total U.S. eCommerce sales by 2016, up from 5% in 2013⁵*
- *Over half of mobile shoppers (60%) use smartphones while in-store, and another 50% use them while en-route to a store⁶*
- *While traveling to a store, almost three quarters (70%) of smartphone shoppers use store locators to plan their shopping trip⁷*
- *mCommerce frees consumers to buy anywhere – 4% of Americans say they've made a mobile purchase while at a social gathering⁸*

MCOMMERCE IS PART OF A LARGER COMMERCE ECOSYSTEM

In recent years, consumers have grown accustomed to buying through many different channels – brick-and-mortar stores, computer-based online purchases and via mobile devices. No matter how customers make a purchase, however, they expect the same level of service. Forrester Research discovered that over one-third of U.S. online consumers (37%) would like the same level of online customer service on their mobile devices as they receive when shopping on their personal computers or laptops. This desire is particularly strong among people in the 18- to 31-year-old age group.⁹ Another survey conducted by Forrester asked participants to use a scale of 1 to 5 (where 5 is agree strongly) to rate the question “I would like to have the same level of online customer service function on my mobile device as on my PC or laptop.” Close to half (46%) of Generation Z respondents (age 18 to 22) rated the question as a 4 or 5, and 47% of Generation Y respondents (age 23 to 31) responded with a 4 or 5. The trend is clear: no matter the channel, customers demand satisfaction. And in an increasingly mobile world, retailers need to pay attention to mobile devices now more than ever.

EVEN AS MOBILE INCREASES, THE HUMAN TOUCH IS ESSENTIAL

It may seem counterintuitive, but mobile optimization can't succeed if the need for human interaction is ignored. It's ironic that in a world so consumed and altered by mobile technology, one of the keys to optimizing it is facilitating one-on-one human contact. Research by Krillion revealed that 56% of consumers say that a good sales associate can affect their final product selection more than a website.¹⁰

Incorporating the human touch through mobile chat can be a real differentiator for mCommerce and can create a seamless customer experience across different purchasing channels. When asked in a recent survey about challenges associated with mobile interactions, 22% of respondents said “I'm not interacting with a human being,” and 20% indicated the lack of quality customer service.¹¹

Consumers who use live chat while shopping online are 7.5X more likely to buy than website visitors who don't chat²⁸

Retailers must develop a seamless customer experience, including service across different channels

MCOMMERCE AND THE HOLIDAY SHOPPING SEASON

Smartphone and tablet owners are ready to use their mobile devices to research and buy holiday gifts. Experts predict that between Thanksgiving and Cyber Monday in 2013, more than 20% of online sales will occur on mobile-optimized sites, up almost 50% from last year.¹² A recent survey of American consumers found that 68% of smartphone owners and 63% of tablet owners plan to use their phone for holiday shopping.¹³

Consumers who plan to use their smartphones to shop for the holidays expect to spend \$480 for gifts, on average. Multichannel shoppers (those who will shop in stores, on the web and via mobile device) plan to spend \$558 on gifts – 32.5% more than the average shopper and 56.7% more than consumers who shop only in brick-and-mortar stores, without smartphones.¹⁴ In fact, people walking through store aisles with a smartphone in hand are 14% more likely to purchase.¹⁵

Mobile technologies aren't just for consumers – they are for educating sales associates as well. A recent survey by Deloitte found that 54% of consumers are more likely during the holiday to purchase in-store from retailers with knowledgeable store associates. About one-third of respondents (32%) felt that store associates that are equipped with the latest mobile technologies can provide customers with a better shopping experience.¹⁶

LIVE CHAT CAN BE USED THROUGHOUT THE CUSTOMER LIFECYCLE

One way to inject the human element into an optimized mobile experience is through live chat technology. Live chat is familiar to most consumers and many actually choose it as their preferred method to communicate with an online business.¹⁷ The percentage of consumers that have used online chat for customer service has been increasing steadily – from 30% in 2009 to 43% in 2012,¹⁸ and surveys have found that 40% of people would use mobile live chat if it was offered by retailers.¹⁹ In fact, Generation X and Generation Z report higher satisfaction rates with online chats conducted with live agents than with phone conversations with a customer service representative.²⁰

Consumers leverage smartphones and tablets from the beginning of the purchase process through checkout. As a result, mobile chat can play a productive role in the exploration stage through purchase and ongoing customer engagement.

MOBILE HOLIDAY SALES

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- **Pre-Purchase: Support Customer Research and Exploration** – Over half of American consumers (57%) report going to retailers' websites before buying.²¹ They may read product reviews, check store locations and hours, or gather information about product availability. Smartphones are used during the pre-purchase phase for every product category, from relatively inexpensive commodity purchases to high-involvement, expensive investments like cars. One study found that 67% of consumers spend up to half an hour researching commodity items on their smartphones, while 78% spend as much as a few hours researching a new car.²² During the exploration phase of the buying cycle, mobile chat can be used to help consumers become more informed. Cosmetics provider e.l.f., for example, uses chat to connect professional make-up artists with shoppers on their site.
- **Online Purchases: Answer Urgent Questions** – During the purchase phase, often questions arise related to product details, shipping, return policies and more. Mobile chat is an efficient way to respond to customer inquiries and to shorten the buying cycle. Research has found that 45% of consumers will abandon online purchases if they can't find answers quickly and easily.²³ Mobile chat is an effective method for intervening, responding to questions that may be a barrier to purchase, and reducing shopping cart abandonment. Close to one-third of shoppers (31%) in the United States and United Kingdom reported that they would be more willing to purchase a product or service after a live chat.²⁴ In addition to real-time assistance, chat sessions provide a written record for consumers about what was discussed, which they can refer to later.
- **In-Store Purchases: Enhance the Brick-and-Mortar Experience** – In a recent survey, over half of consumers (60%) reported that they have used a mobile device while shopping in a store.²⁵ That same study revealed that over three-quarters (79%) of people are interested in having information like product-related videos or product recommendations delivered to their mobile devices *while* shopping in a brick-and-mortar store. Mobile chat makes it possible to offer in-store customer service in a personalized and real-time manner. Neiman Marcus, for example, has created an app that is designed to personalize customers' in-store experience. Customers can bookmark products and connect with live sales staff through online chat.²⁶
- **Post-Purchase: Engage Customers** – Customer engagement is essential for building long-term customer relationships. Mobile chat is an ideal tool for answering post-purchase product questions, resolving problems and more. Over two-thirds of consumers (69%) say they would recommend a store or company if resolving a problem is easy, and that percentage increases to 79% if the interaction is enjoyable.²⁷ Mobile chat can play a central role post-purchase by providing real-time assistance and information when necessary to customers.

TIPS FOR MOBILE CHAT DEPLOYMENT

Many businesses are familiar with online chat in the context of their traditional websites. Mobile chat, however, is a little bit different. Here are four tips for a successful mobile live chat deployment:

- 1. Invitations to chat should be mobile optimized.** Mobile chat invitations shouldn't be too obtrusive. In addition, participating in a chat must be the customer's choice. Chat invitations shouldn't be hard to decline, and the invitation language should clearly explain that assistance will be provided via chat.²⁹
- 2. Decide whether to use proactive or reactive chat.** Sites that use proactive chat detect when customers may have questions, based on metrics such as the length of time spent on a web page or on the checkout process. Proactive chat invites customers to participate in chat sessions to resolve any questions they might have. Reactive chat, in contrast, is a mobile chat capability that customers initiate themselves.
- 3. Recognize that the mobile experience is different than the laptop or PC experience.** Since screen real estate is limited on mobile devices, especially smartphones, it's important to keep mobile chat responses fairly short. It's also a good idea to avoid content that is hard to access or view on mobile devices, such as sending customers hyperlinks or directing the customer's screen to different web pages.³⁰ Additionally, respond quickly – the fact that the user is chatting from a mobile device is indicative and deserving of a sense of urgency.
- 4. Ensure the in-chat experience is pleasing for customers.** With the wide variety of mobile devices and browsers on the market today, companies will need to rely on technology that can either be customized to fit, automatically sense and adjust based on screen dimension detection, or a combination of both. In any case, online businesses need to ensure that the chat experience keeps the chat text in view, minimizes scrolling – especially horizontal scrolling – and can survive changes from portrait to landscape viewing.

CONCLUSION

Mobile devices are increasingly used by consumers online and in-store for product research and purchases. Organizations that create a seamless customer experience for consumers will reap the greatest benefits from mCommerce. Mobile chat is a proven way to incorporate the human touch into mobile interactions throughout the customer lifecycle. Though technology keeps us apart in so many ways, adding that human factor can ultimately turn it into one that brings companies closer to their buyers.

BOLDCHAT

BoldChat is a market-leading live chat solution enabling businesses to quickly and effectively engage visitors on their websites. BoldChat is offered in different editions and includes other integrated communications technologies like click-to-call, email management, SMS management and co-browsing. Organizations of all sizes – from small proprietorships to large eCommerce enterprises – can drive more conversions and higher customer satisfaction by using BoldChat.

For more information: Phone: **(866) 753-9933**, Email: **info@boldchat.com**

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