

## M-Commerce: From Usability to Adoption

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In spite of all the buzz, m-commerce is still just a promise. There are plenty of usable platforms and services, but customers still not adopting them. According to Forrester Research (2009)<sup>17</sup>, only 14% of web buyers with a mobile internet-enabled device have purchased products through it. So what should be done to enhance the adoption of m-commerce? Three levers drive m-commerce embracement.

### Usage

At the core of m-commerce is the notion of *occasion* and time saving. Contrarily to e-commerce, m-commerce users tend to be persons running around absorbed by their everyday life, while trying to carry out time-critical tasks, or to turning dead time into productive/enjoyable time. This means that the interface between the user and the technology needs to be *simple, fast and straight to the point*.

Additionally, m-commerce is all about *personalization* and *context*. Mobile technology is extremely associated with a single user. This means that m-commerce has to leverage the power of ownership through features such as individual preferences. Moreover consumers' needs can be looked through the lens of the particular context they live in, enabling marketers to automatically understand what the most relevant thing for their potential clients is, in that particular place and moment.

Putting it simple, m-commerce is all about *convenience*: consumers will be willing to use mobile commerce if it *makes their life simpler* and more *pleasant* in any specific context.

### Price

M-commerce and e-commerce consumers have different consuming notions. While most users have the idea that *wired internet* is *free*, they know that they *pay* for *mobile internet* and everything related to mobile devices. Such perception of price impacts m-consuming activities given that, additional to the price of the product/service,

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<sup>17</sup> Forrester Research, *The emerging opportunity in mobile commerce*, 12/2/2009, by S. Mulpuru <http://www.forrester.com/Research/Document/Excerpt/0,7211,47881,00.html>

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consumers will consider the cost of using the internet. To overcome this barrier, consumers must understand, simultaneously: first, the price they pay for using the m-commerce service and its various payment options. Second, the added value related to the use of mobile service when compared to conventional ways.

## Trust

In a virtual environment trust is critical for success of any kind of business. Compared to e-commerce, gaining customer trust in m-commerce is even more difficult because of factors related to devices' characteristics, the wireless and the network features. It is not sufficient to have a *good market image*. The future of m-commerce depends on *safety* and *reliability* that players can build on their systems. Users want to be guaranteed that the security and privacy of their data is assured. Simultaneously, users should be able to use m-commerce services anytime and everywhere, with no apprehensions about accessibility or speed reduction due to overcharge.

We are optimistic about the future of m-commerce. Nevertheless, we believe that it still needs a strong jump-start to address the issues raised above. The foundations of such jump-start have already begun through three main dimensions.

First, related to equipment and/or infrastructure. As internet-enabled mobile phones become cheaper and more diffused, consumers will be able to use the existing m-commerce platforms and services. Additionally, the market has witnessed a paradigm shift with the recent introduction of iPhone. Contrarily to previous smartphones, it was able to transform the internet into something easy to access and use through a mobile phone. Surprisingly, 89% of iPhone users access the internet, and more than a half of them access on a daily basis<sup>18</sup>.

Second, services. While the first generation of m-services tended to be related to social and entertainment purposes (e.g. MMS, mobile digital content), a new generation of m-services is starting to flourish. This new generation is directed to commercial purposes and to simplify users' life. For instance, we have witnessed to a recent emergence (although shy) of the adoption of m-services ranging from simple services, such as cinema tickets booking, to more sophisticated services such as online payments in shops, advanced banking services or stock trading. Nowadays m-commerce usage is spreading to the 'old economy'. There are many services which allow consumers to capture bar codes with mobile devices, supplying users with information such as the

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<sup>18</sup> Forrester Research, *Benchmark 2008: Mobile is everywhere*, 21/7/2008 by C. Golvin, <http://www.forrester.com/Research/Document/Excerpt/0,7211,44130,00.html>

location of nearby stores selling the product, the product specifications or its price comparison between stores.

Third, the dimension we expect to be the ultimate responsible for m-service adoption: social. Propensity towards mobile commerce is strongly correlated with age – it comes with no surprise that Generation Y is the most predisposed to m-business<sup>19</sup>. This is good news given that they are growing up and becoming consumers with high income. But this is in the mid-term. What about the short-run? Good news also. This generation has the power to ‘evangelize’ the word they believe in and to convince others to adopt the means they think are the best, as happened during e-commerce first steps.

Now you can ask: “So what can I expect from m-commerce in the future?” Well... Let’s say that we would not be surprised if in a few years time *everyone* replaces their legal documents, wallet and keys by a mobile phone incorporated in their clothes, with safety assured by biometric identity systems.

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<sup>19</sup> Forrester Research, *US Mobile Commerce 2007: Low Reception*, 14/3/2007, by T. Mendelsohn, <http://www.forrester.com/Research/Document/Excerpt/0,7211,39922,00.html>.