

# M-Commerce – The Complete Picture

Matt Swan

Client Strategist



# **Contents**

1.0 Introduction	3
2.0 Mobile Devices vs. Tablets	4
3.0 Growth trends	5
3.1 Search	5
3.2 Display	6
3.3 Location based services	7
3.4 Quick Response (QR) codes	9
3.5 Augmented Reality	10
4.0 Mobile trends seen through Digital Window	11
4.1 Sales	11
4.2 Traffic	13
4.3 Conversion rates	15
4.4 Incentivised Traffic Dominating	16
5.0 Becoming 'mobile ready'	19
5.1 Improving user journeys	19
5.2 Benefiting from additional technologies	19
5.2.1 Mobile Site vs. Mobile App	19
5.2.2 Mobile Specific Affiliates	20
5.2.3 Affiliate Apps	20
6.0 Affiliate tracking requirements	22
6.1 Why affiliate tracking is important	22
6.1.1 Affiliates could promote you over competitors	22
6.1.2 Ability to work with additional technology partners	22
6.1.3 Decrease in disputed transactions through loyalty sites	22
7.0 Mobile platform partners	24
8.0 Summary	25
9 O Contacts	26



#### 1.0 Introduction

Mobile commerce is rapidly gathering pace. In Q1 2011 sales of smartphones outstripped those of PCs for the first time – nearly doubling in sales for the devices on Q1 of 2010. At the end of August Retail Week announced that John Lewis reported that sales of tablets outstripped desktop sales for the first time.<sup>1</sup>

With the growth of sales of mobile devices it is unsurprising that sales are widely predicted to outstrip that of PCs within the next few years.

More and more advertisers are looking to capitalise on the growth of the channel and media agencies are beginning to increase their mobile spend.

First Partner predicts that UK mobile advertising revenues will reach £1bn by 2015<sup>2</sup>. With mobile becoming an essential part of advertisers' strategies, this document investigates the current trends within mobile, focusing specifically on the opportunities within the affiliate channel. In this report we look at:

- Growth trends fuelling m-commerce
- Mobile trends seen through Digital Window
- What advertisers need to do to be mobile ready
- Tracking requirements for m-commerce
- Partners offering mobile platforms
- Opportunities with affiliates

<sup>&</sup>lt;sup>1</sup> Sales of tablets outstrip desktops for first time at John Lewis, RetailWeek, 26<sup>th</sup> August 2011

<sup>&</sup>lt;sup>2</sup>Western European Mobile Ad Market to hit €5bn by 2015, First Partner



## 2.0 Mobile Devices vs. Tablets

An important initial distinction is the difference between handheld mobile devices and tablets. Although tablets are included within mobile statistics, they are broken down separately within the data that we record through the network. It is important to separate them in terms of traffic, sales and conversion rates.

Tablets are more akin to laptops, rather than being a handheld device that is taken everywhere. 80% of tablet owners have said they mostly use the device at home. True mobile devices can be easily transported around and is typically kept on you wherever you go.

The iPad currently has a 97% share of the tablet market.

Additionally, mobile optimised sites are not necessarily needed for tablets — as long as the standard e-commerce site translates well on the devices. Optimised m-commerce sites can however provide a more intuitive user experience suited to tablet devices. Advertisers are able to determine whether their default site for visitors through tablet devices is a dedicated m-commerce site or the traditional e-commerce site.

Additionally sites can be developed especially for tablet devices. Not all m-commerce sites that are developed for handheld devices translate properly onto tablets. Advertisers may wish to use their standard e-commerce site for tablets rather than their m-commerce site.

Mobile devices on the other hand benefit significantly from having a fully optimised mobile site. It makes the site more user friendly on the smaller screen. A standard e-commerce site can be fiddly to navigate on a mobile device making it difficult to transact — a fully optimised mobile site can help advertisers get around the obstacles associated with transacting through a non-mobile site.



#### 3.0 Growth trends

Mobile commerce has seen a significant growth in recent months and this is a trend that is widely anticipated to continue.

Mobile strategies are becoming increasingly important and any advertiser that doesn't have a mobile presence could be missing out on a considerable amount of sales. Significant growth has been seen across a number of m-commerce channels, primarily driven by search and display.

The growth of additional technologies such as location based services and Quick Response (QR) codes are seeing the channel develop even further, providing a link between offline to online and vice versa.

#### 3.1 Search

Mobile search has been a significant growth area over the past year. Research conducted by Efficient Frontier highlights that mobile search spend accounted for just 0.34% of total search spend in June 2010. By March 2011 this had increased to 1.7% and mobile search is predicted to grow rapidly – potentially accounting for 4.3% by the end of the year<sup>3</sup>.

Currently click prices are typically lower for mobile search although this may vary significantly from sector to sector.

Additional research from Efficient Frontier has found that advertisers are experiencing higher click through rates through mobile search. On average, click through rates are 2.7% higher than desktop searches.

However, despite click through rates being higher, conversion rates are often lower than experienced through desktop<sup>4</sup>. This is likely to be down to the user experience. If a customer lands on a site through mobile search that has not been optimised for mobile, the user journey could be fiddly and cause the consumer to abandon their attempt to purchase. This again highlights the benefit of having a fully optimised mobile site.

Mobile search also lends itself to local searches. Often consumers could be looking for somewhere to buy locally. With the addition of phone numbers within mobile search ads, retailers could drive sales on a cost per call model. This is simple to set up and monitor, lending itself well to a cost per lead model. Conversion rates for well executed campaigns can be exceptionally high. Additionally, mobile search can tie in with location based marketing to drive footfall to stores.

<sup>&</sup>lt;sup>3</sup> UK Mobile Search Snapshot, Efficient Frontier, April 2011

<sup>&</sup>lt;sup>4</sup> CTR from mobile search is three times higher: study, Econsultancy, 18 May 2011



## 3.2 Display

Mobile display spend is also growing rapidly. The annual IAB PwC Adspend study showed that mobile display spend grew 62% in 2009 and 116% in 2010. This is widely anticipated to increase further in 2011<sup>5</sup>.

While mobile display has traditionally been dominated by entertainment and media, traditional advertisers such as finance, telecoms and consumer goods are really starting to understand the opportunities that mobile offers. Jon Mew, Director of Mobile and Operations at the IAB states: "Mobile advertising allows advertisers to target people on the move, and capture them when they're most receptive. It's an exciting time for mobile advertising, and for advertisers who use the opportunities".

Recent research from the IAB in conjunction with John Lewis has also demonstrated the effectiveness of mobile advertising. The research uncovered that unprompted awareness increased from 3% to 24%. The study also noted that having a mobile optimised site as the destination after the click had an immediate and positive knock on effect. 64% said they were either 'very impressed' or 'impressed' with the brand as a result of visiting the optimised John Lewis site.

Advertisers that did not have a mobile optimised site were at risk of losing customers with 30% of consumers saying they would either not purchase the goods at all, or opt to purchase from a competitor.

Some of the top tips that the study highlighted were:

- Use mobile to increase brand awareness mobile advertising increased unprompted awareness amongst those exposed to the advertising by 822%
- Invest in rich media to increase your cut through those exposed to the expandable banner were 25% more likely to remember the advertising than those who saw the static banners
- Target rich media to advanced smartphones to increase impact Android/iPhone users were 50% more likely to recall an expandable banner than other smartphone users
- Plan thoroughly although rich media is effective it can become an annoyance if irrelevant, with 11% stating so, compared to only 6% amongst those who saw the static banner
- Have a mobile optimised destination site to avoid a loss of potential revenue- 30% of consumers admitted they would take their business elsewhere if the mobile site experience was poor<sup>6</sup>.

<sup>&</sup>lt;sup>5</sup> IAB PwC Online Adspend Survey 2011

<sup>&</sup>lt;sup>6</sup> Mobile advertising increases brand awareness, IAB, August 2011



#### 3.3 Location based services

The convenience of mobile is opening up a number of opportunities for advertisers. In a recent Forbes editorial piece, Mike Tittel comments that mobile marketing is all about location.

He says that mobile devices have for the first time ever made location and context the most important things to consider in mobile marketing. With mobile devices being carried with consumers everywhere, the location of the customer with the device and what they are doing determines how receptive they are to mobile advertising<sup>7</sup>.

Advertisers are able to use location based targeting to reach out to customers who have indicated a willingness to be targeted by relevant ads. Starbucks ran a campaign with O2 More where customers input details about their age, gender and interests such as football, travel, cinema, coffee and beauty products. When opted in, customers within a geo-fenced area defined by Starbucks were sent a money off voucher for their next purchase. This enabled Starbucks to create brand loyalty, reinforce messaging and increase footfall to stores.

Previously it has been difficult to deliver customers offline from online and vice versa, certainly in a measurable way, but mobile has demonstrated the ability to bridge that gap. With the development of location based services, it allows advertisers to gain greater footfall to stores and target customers with rewards for purchasing. Within the affiliate channel location based targeting is used by a number of affiliate apps such as <a href="Vouchercloud">Vouchercloud</a> and <a href=Quidco</a> who promote offers to be redeemed in store. Location based marketing opens up a number of opportunities for advertisers to target customers effectively.

They are able to offer incentives online that can be redeemed in store through mobile. This is something that <u>Debenhams</u> has utilised to great effect.

Debenhams ran a promotion with Vouchercloud where they offered an exclusive 10% off voucher. If a potential customer was on the high street they could open up their Vouchercloud app and see that there was a 10% discount at Debenhams. This could then be redeemed in store at the point of sale. Debenhams had the technology to attribute the sale back to the affiliate channel and ultimately back to Vouchercloud as the affiliate.

Debenhams also ran this promotion through other media such as email, SMS and in print. Vouchercloud were able to demonstrate the best results delivering the offer to more than 1m people. The affiliate channel was the highest performing channel, driving significant sales both online and instore; in fact 57% of affiliate sales were recorded in high street stores.

One of the main benefits to Debenhams was that they were able to capture customer details so they could be added to their database for further promotions.

With the current lack of mobile optimised advertiser sites, affiliates have been instrumental in closing the loop between online and offline – driving sales in store where it is not convenient to

<sup>&</sup>lt;sup>7</sup> Mobile marketing is all about location, Forbes, August 2011



drive sales through a mobile website. An additional benefit of this to advertisers is they can capitalise on last minute sales before Christmas. When last order dates for Christmas have passed, retailers can drive footfall into their stores through incentivised, location based targeting.

This is something that is investigated further in section 4.4 of this document.

Quidco is another affiliate who has been successful in offering merchants a true multi channel experience. Since launching their mobile application in June this year, they have been able to drive footfall and convert customers in store as well as directing them through to mobile optimised sites. They have successfully used a combination of incentivised checkins, in-store cashback and vouchercodes. In order to feature as an advertiser within their application it is essential that they are part of the in store cashback tracking, checkins or at least have affiliate tracking in place on the advertisers site. The key benefit for merchants is that checkins and in-store cashback require no development or integration and no staff training and is completely transparent down to sale.

Some initial statistics from Quidco are very impressive. Since launch (June 2011) they have had in excess of 220k downloads, generated over 1.5m store views and been responsible for driving 65k customers into stores via check ins. As well as this they were listed at number 4 in the top free applications on iTunes in addition to being positioned at number 1 in the top free lifestyle apps.

Our latest data indicates that just under 4% of all Quidco sales through the network have been driven through mobile devices.

The screen shots below demonstrate how Quidco has been able to drive customers in store through their mobile app. By paying a minimal commission for a visitor 'checking in' to their store, advertisers are then able to target them with further promotions.





As we will discuss later, if operated via the affiliate channel it is essential that Quidco and any other affiliate partners have assurances that network tracking is in place on the mobile version of the site (see Section 6.0).

## 3.4 Quick Response (QR) codes

Whilst the technology is nothing new, it is only recently that Quick Response (QR) codes are becoming more widely used. They can be seen everywhere from till receipts to billboard advertising.

With more advanced <u>QR readers</u> becoming available as downloadable apps, the opportunity for using QR codes is increasing. When mobile devices start to have QR readers built in they will become even more mainstream.

By adding a QR code to a marketing campaign advertisers are able to create interactive media. QR codes contained in magazine adverts can be scanned to take consumers through to a mobile site or page giving more details on the product and the opportunity to transact. Again, if a fully optimised mobile site is not in place, conversion rates could be compromised.

Mobilecommercedaily.com reports that in the US, usage of QR codes was up by 1200% in the second half of 2010, representing a potentially massive opportunity for advertisers.<sup>8</sup> They can serve both as brand awareness and direct response vehicles. .

<sup>&</sup>lt;sup>8</sup> QR Code Usage Grows 1,200% in second half of 2010, Mobile Commerce Daily, Feb 2011



As with location based services being able to drive customers in store from online, QR codes demonstrate the ability to drive customers in the opposite direction.

Adoption of QR codes remains a challenge, with the majority of consumers unaware of their function and an even larger number who experience QR code 'blindness'.

## 3.5 Augmented Reality

Augmented reality is a relatively new technology, but one that opens up exciting opportunities for advertisers. With a number of apps readily available to overlay a street view with information, retailers can provide consumers with an interactive view of the high street.

Consumers can use their smartphone to gain information as they walk down the street. Retailers are able to display their latest products or promotions in an attempt to drive them into stores. When in store, they then have the ability to up sell and cross sell to them. While QR codes bridges the gap from offline to online, augmented reality can stimulate interest online to convert offline<sup>9</sup>.

With all of the latest technological advancements to enhance a mobile strategy, it is important that advertisers have fully optimised mobile sites in place to reap the rewards. Directing consumers to a site that is not mobile ready could result in a poor user experience and they may be unlikely to return.

<sup>&</sup>lt;sup>9</sup> What is mobile augmented Reality for?, The Guardian, Feb 2011

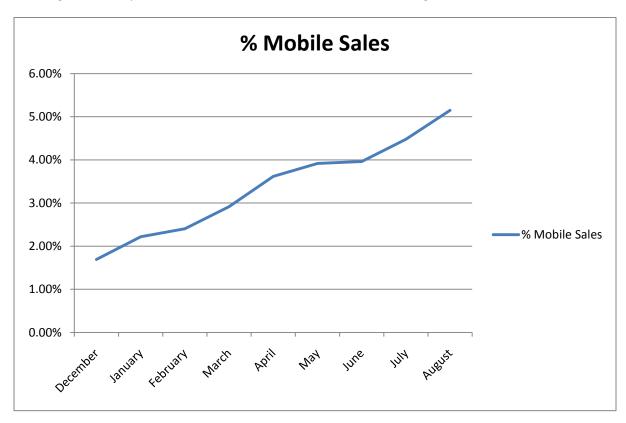


## 4.0 Mobile trends seen through Digital Window

In line with the growth of m-commerce, we have been actively investigating sales through mobile devices since late 2010. In this time we have seen a steady increase in mobile activity. We have been closely monitoring the volume of traffic and sales through mobile devices as well as conversion rates for each device.

#### 4.1 Sales

Phenomenal growth has been seen through mobile devices across the network. In December 2010 just over 1.5% of all transactions were through mobile. This has increased month on month and the latest figures for July 2011 show 5% of all transactions are now through mobile devices.

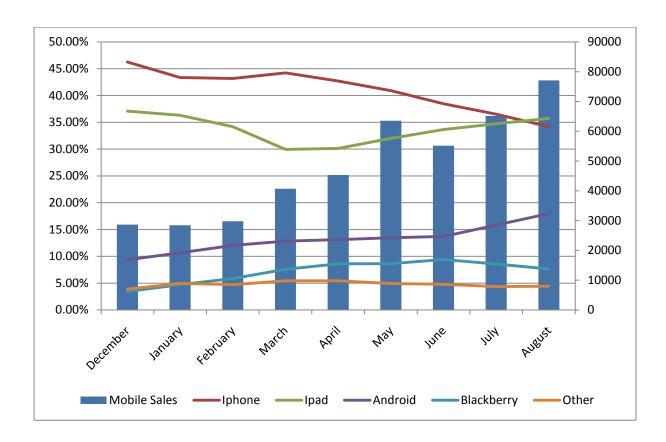


77,000 transactions came through mobile in August and we expect this to increase further in the coming months.

The iPad was responsible for delivering the greatest volume of transactions for the first time in August, overtaking the share seen through the iPhone. Interestingly, this ties in with the announcement from John Lewis that sales of tablet devices outstripped sales of desktops for the first time. With the penetration of tablet devices increasing, we can expect them to take a greater share of sales in the coming months.

The share of sales through Android has also been increasing but it is still a long way behind the share that is seen through the iPad and iPhone.

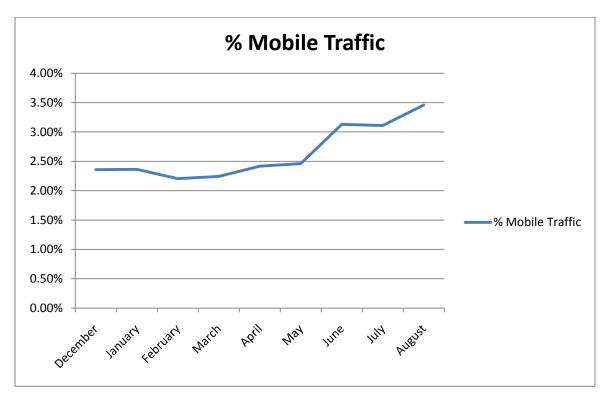






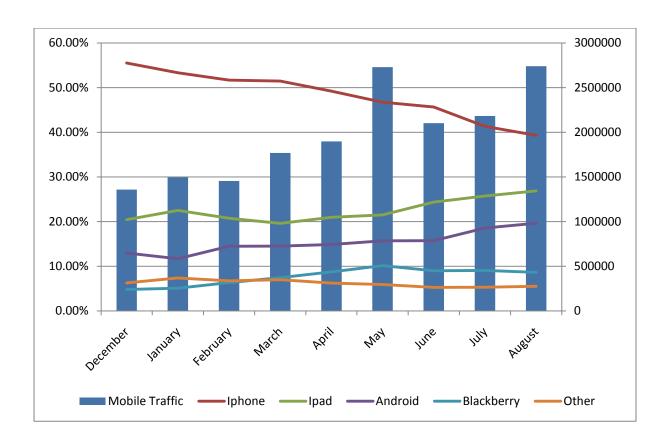
## 4.2 Traffic

Each month traffic seen through mobile sites has been over 2%. The latest stats show that over 3% of all traffic is now coming via mobile devices. The percentage of sales through mobile is greater than the percentage of traffic which is indicative of strong conversion rates through mobile devices (and therefore the affiliates who are driving mobile traffic).



The majority of traffic is delivered through iPhones – accounting for just under 40% of all traffic seen through mobile devices. As with sales, the share of traffic held by the iPhone has been decreasing as other devices increase their share. iPad and Android devices are showing the greatest growth in traffic.

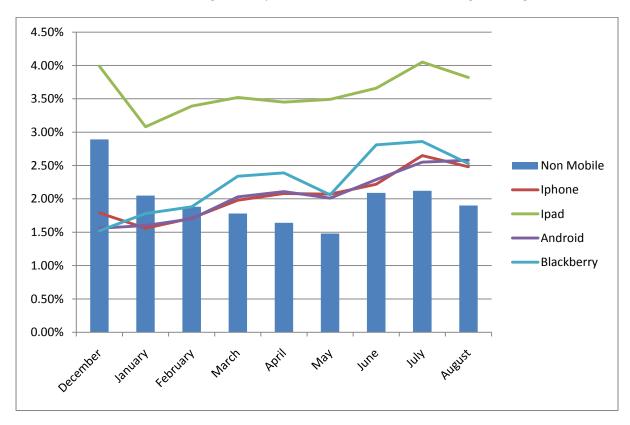






## 4.3 Conversion rates

Strong conversion rates are being seen through mobile devices with each device converting at a greater rate than we see across the network as a whole. In July the iPad reached its peak conversion rate of just over 4% - the highest that has been seen through any mobile device. This dropped off slightly in August but is still at an impressive 3.8%. With tablet devices seen as an alternative to a laptop and used in a similar way, higher conversion rates are expected. The iPhone, Blackberry and Android devices are all converting at a very similar rate — around 2.5% throughout August.





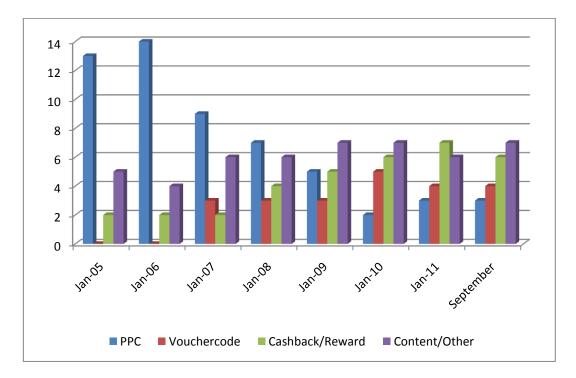
## **4.4 Incentivised Traffic Dominating**

Incentivised traffic has been dominating the growth of mobile. The nature of incentivised traffic follows the trend of how consumers are using mobile. They are looking for the best offers and cheapest prices. Incentivised sites are able to provide a range of offers for consumers who have 'checked in' to a store. Similarly, mobile users are able to opt in to receive push notifications when they are near a store of interest. These advertisers are able to target relevant consumers with special offers and price discounts.

When already in stores, consumers are able to use mobile technology to price match. They can scan the barcode of the products to find out where it is cheapest and then complete the purchase offline. Even if an advertiser has been successful in driving footfall to their store through mobile, they may be losing out to competitors if they are not price competitive.

A number of the leading apps for m-commerce are associated with discounts/price comparison. This is a trend that is being led by consumer behaviour.

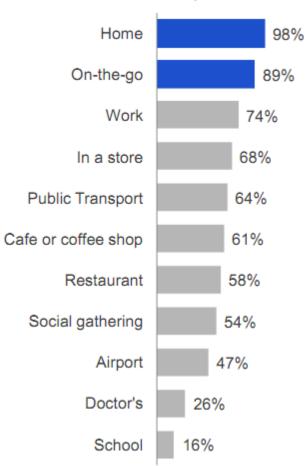
Indeed this behaviour has been seen online, so it is only natural that this will be reflected through mobile. Over the past few years the affiliate landscape has been changing and incentivised traffic is now dominating. The graph below highlights how the top 20 affiliates on the network have evolved over time.



Stats from Econsultancy's UK Mobile statistics demonstrate how the affiliate channel is perfectly placed to take advantage of how people are interacting and engaging with mobile devices on the move.



# Where Smartphone Is Used



This highlights the potential for advertisers to target consumers when they are on the move. They can also target them with special offers when they are in a store.

Additionally, the data below highlights the type of emails they prefer seeing on their phone. Special offers and Promos and Vouchers lend themselves perfectly to the affiliate channel.



This is something that affiliates such as My Voucher Codes and Vouchercodes.co.uk are capitalising on. They are able to target consumers while they are out and about on the high street and drive footfall to stores. This is further evidence of how affiliates are able to close the loop between online and offline.

10% of traffic to myvouchercodes.com is now coming through mobile devices. Only a fraction of this traffic is converting online but they are able to deliver a considerable amount of footfall to stores. Their top performing sectors include high street retail, restaurants and days out/leisure.

They have found that the stronger the offer, the further consumers are willing to travel to purchase in store.

Vouchercodes.co.uk has also seen an increase in the number of sales that they are driving offline. By communicating strong in store offers online, through their newsletter and social media channels, more demand is created in store.

Advertisers who have traditionally used vouchers in print are turning to mobile to drive sales. The costs of running an offer in a magazine can be high and it is questionable how many consumers tear out the offer to take with them. Mobile provides this opportunity as consumers always have their phone on them while they are out and about and provides the opportunity for location based targeting.



## 5.0 Becoming 'mobile ready'

With all the statistics pointing towards the continued growth of mobile, it is increasingly important advertisers become 'mobile ready'. Outside of the affiliate channel, advertisers are missing a great opportunity by not investing in a mobile presence.

## **5.1** Improving user journeys

When visiting a site through a mobile device, users will automatically be diverted through to a mobile version of the site as long as this exists. If not, they will go through to a standard e-commerce site that will not be optimised for mobile.

Standard e-commerce sites can often be fiddly on a mobile device and result in the consumer abandoning their journey. With a dedicated mobile site in place, conversions are likely to increase. We are currently seeing mobile devices converting at a greater rate than PCs. Where advertisers currently have a dedicated mobile site in place, conversions have been even greater.

## 5.2 Benefiting from additional technologies

As well as benefitting from additional opportunities through the affiliate channel, there are a number of additional benefits outside the channel of a well executed mobile strategy.

#### 5.2.1 Mobile Site vs. Mobile App

One of the conundrums facing advertisers is whether to develop a mobile site, a mobile app or both. There are arguments in favour of both apps and mobile sites. While some advertisers believe that priorities should be focused on one or the other, in reality consumers are using both. An integrated approach is the most recommended mobile strategy.

#### 5.2.1.1 Mobile Site

The benefit of having a mobile site is that it can be found within the search engines. This is either through conducting a paid search mobile campaign, or through the natural listings. This can be particularly beneficial if a company does not have a strong brand presence. It is also beneficial for any local searches where consumers are looking for somewhere to buy.

Research from the IAB indicates that mobile searches convert within 1 hour on average, compared to desktops being a much longer process of a month on average. This indicates that mobile searches are conducted by consumers who are ready to purchase there and then.

Another major advantage of having a mobile site is owners of all devices with an internet connection are able to visit a mobile sites whereas apps are limited to just smartphone users. Also, when opting for an app the decision needs to be made to develop the app exclusively for the iPhone, Android devices, or for both.

#### **5.2.1.2** *Mobile App*

The continued uptake of smartphones has increased the opportunity to reach consumers through applications.



Mobile apps are most successful where there is a strong brand involved. Consumers already know the brand and have chosen to interact by downloading the app. Within the app advertisers are able to give customers a richer experience. Applications are most suited to consumers who regularly visit a particular site – a branded app can allow them to visit at a touch of a button.

The recommended strategy for any advertiser is to develop a mobile site as well as a mobile app. We partner with companies that are able to offer both (please see <u>Section 7.0</u> of this document for more information).

### **5.2.2 Mobile Specific Affiliates**

There are a number of affiliates that have mobile specific sites or a technology that is suited to mobile devices. With a dedicated mobile site in place, the consumer journey will be a smoother process and likely to result in an increased conversion rate.

If a dedicated mobile site is in place, it is essential that affiliate tracking is in place. Without this, affiliates are not likely to feature you on their mobile site and a considerable amount of sales could be lost out on because of this.

Additionally, consumers are visiting a number of affiliate sites through mobile devices that do not necessarily have optimised mobile sites. By having a mobile ready landing page, the consumer journey will be improved. At present it is fair to say we are recording most of our mobile originated sales despite, rather than because of, any concerted efforts by our advertisers to drive these sales through mobile handsets.

#### **5.2.3** Affiliate Apps

A number of affiliates also have their own applications. Companies such as <u>Quidco</u>, <u>Vouchercodes.co.uk</u>, <u>Top Cashback</u>, <u>Vouchercloud</u>, Vouchacha, <u>Shop Style</u> and <u>Sky Scanner</u> all have mobile apps that their most loyal customers use.

If advertisers have a site optimised for mobile, users will be directed to the mobile version of their site automatically giving consumers the smoothest experience of transacting. However, if affiliate tracking is not in place, the advertiser cannot be listed within the app. The lack of tracking would mean that affiliates would not be rewarded for the sales they had delivered via their apps. Consequently competitors who have a mobile site with affiliate tracking in place will gain greater exposure.

Maureen McDonagh, eCommerce Director at Nectar comments "At Nectar there are two main challenges that we see in terms of mobile. The first one is the lack of advertisers that have fully optimised mobile sites in place. If a consumer is visiting our mobile site or purchasing through our app, then lands on an advertiser site that has not been optimised for mobile, this can be a poor user journey and conversion rates can be affected. The second challenge is getting affiliate tracking placed on advertiser's mobile optimised site. This can often be an afterthought but it is vital to ensure that we are rewarded for the sales that we generate so we can give Nectar points out to our



customers. To that extent, we will only feature advertisers within our app that have mobile tracking in place."



## **6.0 Affiliate tracking requirements**

In order for affiliate sales to track through mobile devices, it is essential that the affiliate tracking tag is added to the confirmation page of the mobile site. This is the same tracking tag that is used on the e-commerce site. More information on adding affiliate tracking to your mobile site can be found in the <u>Technical Tracking Guide here</u>. It cannot be emphasised enough how important this is. In the past year we have seen a number of our key brands launch m-commerce sites both with and without affiliate tracking place. As we will see there are a number of reasons why this can impact how affiliates will promote merchants.

## 6.1 Why affiliate tracking is important

There are a number of reasons why it is essential to add affiliate tracking to your mobile commerce platform. These are highlighted below.

#### 6.1.1 Affiliates could promote you over competitors

If you have a mobile site but do not have mobile tracking in place, affiliates could be missing out on a significant amount of sales that should have been allocated to them. If a competitor is able to offer tracking through their mobile site, affiliates are likely to give them increased exposure due to increased conversions. This will become even more significant as traffic through mobile devices increases even further in the coming months.

#### 6.1.2 Ability to work with additional technology partners

Mobile tracking opens up your campaign to additional technologies that certain affiliates are able to offer. Companies such as <a href="Snap Now">Snap Now</a> and <a href="Sccope">Sccope</a> offer the ability to increase sales through mobile devices. More and more affiliates are developing mobile sites themselves which will enhance user experience through mobile devices.

#### 6.1.3 Decrease in disputed transactions through loyalty sites

As mentioned previously, the nature of mobile commerce fits perfectly with the concept of incentivised traffic. When a customer visits an incentive site through a mobile device and then clicks through to an advertiser site, if the advertiser has a mobile site the customer will be automatically directed to the mobile site. If the advertiser does not have affiliate tracking set up on their mobile site, any purchases will not track. The customer would not be aware that this transaction would not track and they would raise a missing transaction.

With the volume of traffic we have seen across the network through mobile devices steadily increasing, the number of missing transactions that require a resolution are also likely to increase if mobile tracking is not added.

"At Quidco, we are seeing an ever increasing volume of traffic coming to our site through mobile devices. This rise in traffic, combined with greater numbers of retailers with dedicated mobile sites which lack integrated affiliate tracking, has led to us receiving far higher levels of missing transaction enquiries related to sales made via mobile devices.



"The rising popularity of mobile device use has made the mobile channel one of increasing importance to all publishers, and Quidco is no different. Due to our business model, where we pass any commission we earn back to our members as cashback, any proactive promotion of retailers within the mobile channel will require the retailer to have affiliate tracking integrated into their mobile site.

"As such, we fully support Affiliate Window's drive to implement mobile tracking." Joshua James, Head of Commercial Products, Quidco

Since <u>New Look</u> launched their mobile site complete with affiliate tracking it has gone from strength to strength, as Rav Dhaliwal, Multi-Channel Marketing Manager at New Look explains.

"New Look has invested heavily into mobile technology and we are one of the few merchants on Affiliate Window who have a mobile optimised website with fully supported affiliate tracking. With mobile internet usage already tipped to supercede the PC by early 2012, the scope for growth and innovation is undeniable.

"We recently released our Q1 results for our mobile optimised website and the results were fabulousan increase in mobile traffic of over 500% and mobile sales by over 800%.

"I think it is important that the affiliate industry evolves further from its current perspective on mobile; which is largely mobile based ventures that can drive traffic to in-store.

"The next evolution will be driving traffic to mobile-optimised websites. We look forward to embracing this with our affiliates."



## 7.0 Mobile platform partners

With mobile commerce rapidly growing, there is an increased demand for mobile optimised sites. Digital Window has partnered with two companies who are able to offer mobile solutions to advertisers.

To make mobile commerce accessible to all advertisers, there are different levels of the product available. This ranges from enterprise solutions for blue chip advertisers through to a self managed product relevant for SMEs.

The self managed solution allows for advertisers to fully control their mobile site, offering a range of options for layout and product category setting. A full product catalogue can be uploaded to the mobile site by uploading an xml feed within the self managed interface.

As well as offering a self managed mobile site, a mobile app can also be made available – this eradicates the decision of whether to develop an m-commerce site or a mobile app. The app will be designed for both iPhone and Android platforms to give the greatest reach within the market.

As well as being able to offer a mobile presence, they are also able to provide advertisers with a Facebook store – again increasing the reach of advertisers.

Crucially, partnering with one of these companies will ensure that the required affiliate tracking is present on an advertiser's mobile site. As well as capitalising on affiliate traffic through mobile devices, advertisers will also be better placed to convert all traffic through mobile devices.

The price of the service is based upon the technical work that is required to integrate the campaign and also the products required.

More information and rate cards for each of the mobile commerce platform providers can be provided on request.



## 8.0 Summary

Now is the time for advertisers who do not have a mobile strategy in place to seriously start thinking about developing one. There is a wealth of opportunities to be exploited through mobile commerce.

With mobile commerce expected to overtake sales through desktop devices, having a fully optimised mobile site is essential. Directing consumers through to a site that has not been optimised for mobile can be detrimental to a brand. A fully optimised mobile site creates a seamless user journey and has demonstrated superior conversion rates.

Although advertisers face the decision on whether to launch a mobile site or an app, it is highly beneficial to have both in place to cater for different audiences. We work with partners who are able to offer both a fully functional mobile site as well as an app with affiliate tracking in place.

If running an affiliate campaign, it is vital that affiliate tracking is in place. Without the tracking, affiliates will be missing out on sales that they have driven through mobile devices. With affiliates at the cutting edge of technology, not having a fully optimised mobile site in place could lead to advertisers missing out on future opportunities.



## 9.0 Contacts

If you are interested in any of the affiliate opportunities that are mentioned in this document, please contact us at <a href="mailto:strategy@affiliatewindow.com">strategy@affiliatewindow.com</a> and we will pass your contact details onto them.

Further reading around m-commerce can be found in the <u>A4U Mobile Commerce Report</u> in association with Affiliate Window and buy at.

Kevin Edwards' presentation from the A4U Expo can also be <u>viewed here</u>.