

## TRENDS IN THE EVOLUTION OF MOBILE COMMERCE

Ciprian PAVEL  
Florea VLAD

**Abstract:** *In this digital age, social media is very important and to most, the benefits of social media advertising are clear. However, the evolution of the digital enterprise also presents significant challenges including new competition, changing customer engagement and business models, unprecedented transparency, privacy concerns, and cybersecurity threats. Marketers will need to work hard to tease out the opportunity for each of the different device types, and each one will have its own unique format and requirements.*

**Keywords:** *mobile commerce, thinking mobile-first, mobile technology, marketers with digital and mobile commerce initiatives, digital age.*

### Introduction

Mobile commerce is a type of e-commerce conducted via mobile devices such as mobile phones and other mobile devices with a wireless connection - including smartphones, tablets and netbooks and notebooks. A type of trade that spreads increasingly more, especially in the economically developed countries.

While e-commerce brings new sales opportunities online, mobile marketing can be used to expand coverage in this relatively new medium, online, so customers can interact with the brand much easier regardless of location or hour.

Thus we present the main ecommerce and mobile marketing technologies that could be used by small businesses and the business opportunities it offers.

Thus it is important to create mobile content and choosing a digital agencies and those systems of m-commerce payment and security.

In this digital age, social media is very important and to most, the benefits of social media advertising are clear. The cost is low, and such advertising has both a broad reach and a target focus; really, the best of both worlds for marketers. Social media advertising also allows brand owners to easily and instantaneously interact with a large number of consumers, and when those consumers “share” an ad with their friends or colleagues, it revitalizes the ad in ways traditional advertising just can't.

In our times brands around the globe use social media as a tool to generate publicity, creating hundreds of thousands of followers and subscribers. They were held all sorts of tactics and strategies of press releases and advertising to viral marketing promotions.

Rights of publicity is a really interesting subject. The evolution of the Internet has changed the way companies and brands advertise so dramatically, especially in the last years, that it's no longer the case where a company has to put a TV commercial together to advertise.

Today there are many different forms of advertising that are content based and we see social media companies such as Twitter and Facebook, and they have new and different contextual ads where the content is really the ad itself. So rights of publicity comes up in all different kinds of cases. Mostly in the marketing and advertising area where we see companies trying to increase brand awareness by implying a connection with a celebrity or using a picture of a celebrity.

### **Technology is changing the commerce**

Fueled by the convergence of social, mobile, cloud, big data and growing demand for anytime anywhere access to information, technology is disrupting all areas of the business enterprise. Disruption is taking place across all industries and in all geographies.

Enormous opportunities exist for enterprises to take advantage of connected devices that capture vast amounts of information, enter new markets, transform existing products, and introduce new business and delivery models.

However, the evolution of the digital enterprise also presents significant challenges including new competition, changing customer engagement and business models, unprecedented transparency, privacy concerns, and cybersecurity threats.

Technology is also changing the way that people work, and is increasingly enabling machines and software to substitute for humans. Enterprises and individuals who can seize the opportunities offered by digital advances stand to gain significantly, while those who cannot may lose everything.

#### **Important aspects of the trend in mobile commerce<sup>1</sup>:**

1. *Digital transformation* is changing business models — including revenue models

Digital advances create opportunities for businesses to offer new products and/or services and to develop recurring revenue streams. However,

---

1 <http://www.ey.com/GL/en/Issues/Business-environment/ey-megatrends-that-will-shape-our-future-2-digital-future>

this may require different pricing and delivery models and a different set of organizational skills to be successful.

2. *Declining PC usage* and increasing mobile device adoption is driving a “mobile first” world

Mobile is becoming a primary channel for commerce and an indispensable tool for work, challenging many organizations to upgrade their infrastructures and develop "mobile first" strategies.

The total e-commerce sales in 2015 was: \$638 billion, according to The Goldman Sachs Group Inc.

The number of smartphone and/or tablet users making purchases on their mobile devices will increase significantly in the years ahead, Goldman Sachs predicts. 535 million consumers around the globe will make a purchase on their mobile devices this year; that figure will grow 28% to 686 in 2015, increase 21% to 830 million in 2016, jump 16% to 961 million in 2017, and rise 13% to 1.09 billion in 2018, the investment bank says.

Based on m-commerce predictions from Goldman Sachs and population projections from the United Nations, in 2018, 14.4% of the 7.56 billion people on Earth will make at least one purchase on a mobile device<sup>2</sup>.

With the steady rise in mobile technology all around the globe in recent years, many businesses have made Mobile commerce, or M-commerce, a top priority for their business.

Whether using a tablet in a store building, or enabling sales through a mobile website, a wide range of business industries are seeking solutions to help them adapt to a world obsessed with mobility to terms of trade and more.

With the steady rise in mobile technology, and m-commerce here is expected the trends in 2016:

For sure, ‘*Mobile commerce will be nearly half of E-commerce by 2018*’ revealed a headline in a leading magazine recently<sup>3</sup>.

These are phenomenal numbers; so in order to gain an in depth insight into the global reach and influence of M-commerce, we must analyse a report by the investment bank, The Goldman Sachs Group, Inc. The study estimates that M-commerce sales will reach a staggering \$626 billion in 2018.

It is therefore amply evident that M-commerce growth is fast outgrowing that of E-commerce in a ratio of 3:1.

This indicates that web sales only on smartphones and tablets in 2018 will nearly equal web sales on almost all conceivable computing machines from just half-a-decade earlier.

The number of smartphone and/or tablet users making purchases on their mobile devices will increase significantly in the years ahead. A whopping

---

2 Idem

3 <https://www.internetretailer.com/mobile-commerce-will-be-nearly-half-e-commerce-2018>

686 million consumers around the globe will make a purchase on their mobile devices in 2015. This figure is set to increase 21 per cent to 830 million in 2016 and subsequently rise 16 per cent to 961 million in 2017, and peak 13 per cent to 1.09 billion in 2018, according to The Goldman Sachs Group.

Gartner Inc., found in a recent survey<sup>4</sup> that mobile commerce currently generates 22 per cent of digital commerce revenue. The American information technology research and advisory firm predicts that by 2016, 89 per cent of companies will realize that reaching out to their customers through a multi-channel approach will be mandatory, and hence peg customer experience as their primary basis for competition.

Industry experts state that the reality is that focusing innovation on new products - and even new business models - is subject to shrinking periods of competitive advantage. This is because competitors and alternatives abound. To meet this challenge, nearly three-quarters of companies expect to increase technology spending on customer experience in 2015.

Marketers with digital and mobile commerce initiatives need to focus on encouraging the development of cross-functional teams - including IT, sales, customer support and legal - to create seamless path-to-purchase experiences, and post-purchase relationships with consumers who are increasingly using mobile devices to research and purchase products and services.

Mobile marketing teams should investigate how to leverage mobile wallets, with the expected reinvigoration of consumer interest in mobile commerce and payments.

In fact, Gartner reveals that by 2017, U.S. customers' mobile engagement behaviour will drive mobile commerce revenue to 50 per cent of U.S. digital commerce revenue. Mobile commerce will account for 24.4 per cent of overall ecommerce revenues by the end of 2017.

Some sectors will migrate more quickly than others to accepting mobile payments and promoting mobile commerce. For example, big-box retailers may not need to move as quickly as other industries because the in-store experience is still a critical part of their value proposition and the customer experience, making digital and mobile commerce a smaller portion of their overall revenue. Customer experience management will naturally be at the forefront of all these initiatives.

However, new credit card standards will cause a shift in liability for fraudulent transactions in 2015, requiring retailers to update their point-of-sale systems for safer credit card transactions in 2016<sup>5</sup>.

---

4 [www.gartner.com](http://www.gartner.com)

5 <http://www.entrepreneur.com/article/272761>

*3. Digital transformation and a proliferation of data is changing the relationship between businesses and their customers*

An explosion of data offers unprecedented opportunities to understand customers' needs and preferences. New means of communication amplify customer voices and challenge organization's abilities to control messages about themselves, things that come with new risks.

*4. Digital disruption is changing the market context and competitive environment of most industries*

The depth and power of new technologies are blurring sector boundaries, as companies across industries develop their own digital strategies and solutions. Relationships between companies are becoming more fluid, with partners in one channel becoming competitors in another.

*5. It is becoming harder to safeguard data, intellectual property, and personal information*

Rapid digitization and rising connectivity of people, devices and organizations expand vulnerabilities for cybercriminals to exploit. As cyber risks increase, organizations will need to mount concerted and sustained efforts to secure digital assets and protect confidential information. And of course to protect the client and its information .

*6. Work styles and the means to engage talent are becoming more agile in the digital world*

Generational shift and technological advances are enabling many organizations workforces to become more virtual. While employees will have greater discretion on how and when they connect to work, organizations will be able to engage talent on a more flexible basis. So, a win-win situation also sees both sides.

*7. Digital and robotic technologies will increasingly augment or replace workers*

Technological advances are rapidly expanding the number and types of jobs susceptible to mechanization. This will create opportunities for some but will displace many.

## **Conclusions**

Now that most social platforms and many of the companies doing business on them are thinking mobile-first, we can say that mobile commerce is and will especially be an integral part of the strategy of any company.

Brands are realizing that more and more customers have more than one device — and that they need to engage with them appropriately. More than 50 percent of Google search queries worldwide were done using mobile phones<sup>6</sup>.

In some countries, consumers spent more time interacting with their applications than they did watching television.

Mobile no longer means just your phone or tablet, but increasingly your watch, your car, even your fashion accessories and the clothes you wear. The rise of wearables is going to have a profound effect on mobile marketing overall. Wearables, by their very nature, are more intimate and provide deeper data about consumers.

Marketers will need to work hard to tease out the opportunity for each of the different device types, and each one will have its own unique format and requirements.

## References

1. Kotler, Ph., Armstrong G., Principles of marketing, Editura Teora, 1998, București
2. Pavel C, Negrut C, Bazele marketingului, Editura Eurobit, 2011, Timisoara
3. <http://www.entrepreneur.com>
4. <http://www.ey.com>
5. <https://www.internetretailer.com>
6. <https://www.gartner.com>
7. <http://www.mobilecommercedaily.com>

## NOTES ON THE AUTHORS

**FLOREA VLAD** is Associate prof. at the Faculty of Management in Tourism and Commerce Timișoara, „Dimitrie Cantemir” Christian University. He holds a PhD. in Management with the thesis Management in the Logistics and Distribution of Oil Products. He is the author of numerous books and articles on management, the latest one being *Management strategic, metode de elaborare*, Eurostampa, 2010.

**CIPRIAN PAVEL** is lecturer at the Faculty of Management in Tourism and Commerce, Dimitrie Cantemir Christian University Timișoara. He holds a PhD. in Marketing since 2010, with a thesis entitled Contribuții cu privire la politica de comunicare în marketingul produselor și serviciilor bancare. He is author or coauthor of various books and articles: *Politica de comunicare în marketingul produselor și serviciilor bancare*, Editura Universității de Vest, Timișoara, 2013, *Bazele marketingului*, Editura Eurobit, Timișoara, 2011. He is a member in AGER and American Marketing Association

---

<sup>6</sup> <http://www.mobilecommercedaily.com/top-10-mobile-marketing-trends-for-2016>