

## 10.4: eCommerce on specific channels

eCommerce refers to electronic business transactions across the entire Internet. There are some specific channels on which eCommerce is gaining popularity, namely mobile and social commerce.

With mobile becoming the channel of choice for accessing the web and with Facebook, along with other social media platforms, continuing to dominate the time users spend online, businesses need to ensure they operate in these spaces if they want to continue to appeal to, and retain, their users.

In short, having eCommerce that operates across mobile and social is an online business necessity. Failure to move into these spaces means users may simply look for alternatives that do facilitate eCommerce through these channels.

### Mobile commerce (m-commerce)

**Mobile commerce** (m-commerce) is the use of wireless handheld devices such as cellular/mobile phones to conduct commercial transactions online. While the growth of desktop eCommerce has slowed down, mobile continues to thrive, with dramatic year on year increases. Over a third of all eCommerce transactions now take place on mobile devices, and this is expected to grow by another 30% in 2017 to overtake desktop transactions. While in China, mobile shoppers already account for 68% of online purchases (SmartInsights, 2017). The importance of m-commerce is undeniable and should be included in every business' eCommerce strategy.

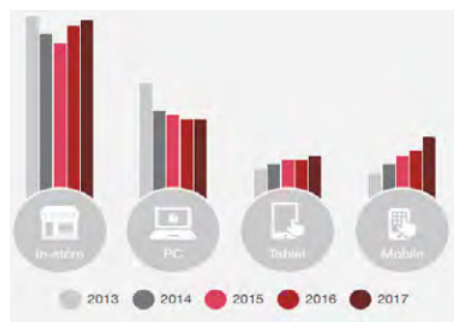


Figure 10.4.1: Usage of shopping channels over time *Adapted From PWC, 2017*

### Reasons for growth in m-commerce

M-commerce transactions continue to grow as a result of the following:

- The **number of global mobile users is steadily increasing** every year, resulting in an increased demand for mobile websites and applications.
- The **rapid adoption of eCommerce** means that evolving customers are looking for more options across more devices.
- **Improved technology** has given mobile devices advanced capabilities and faster internet access enabling m-commerce to be available on even the most affordable devices.
- **Broadband technology** and **lowering data costs** mean more consumers have access to m-commerce even on affordable devices and data plans.
- Mobile users are looking for **instant gratification** online; this includes their online shopping needs. Increase in m-commerce for fast food, fresh produce and basic household items such as toilet paper, nappies, bread and eggs have been driven by this need for customers to get what they need when and where they want it.

### Benefits of m-commerce

M-commerce has a range of benefits over traditional eCommerce. These include:

- **Access**

Gaining access to the Internet through mobile is easier and more affordable than desktop options. The falling costs of data and improved Internet access on mobile mean more and more users have access to the Internet via mobile than any other device.

- **Convenience**

Mobile phones are always with us and being constantly connected enhances the benefits of anytime, anywhere use with no need to plug in to or log in to computers wherever they are situated. Mobile is an appropriate name as these devices are with us wherever

we go, making it easy and convenient to transact online at any time convenient to the consumer.

- **Costs**

Mobile devices are more affordable than computers and offer multiple uses reducing the need for an additional computer. Calls, messaging services, social media and news content are just a few of the reasons consumers would prefer to use a single device making mobile phones the obvious choice.

- **Ease of use**

Mobile phones are relatively easy and simple to use, and there is no need for a particularly digitally skilled consumer. They allow consumers to make instant purchases with little technical skill.

- **Mobile payments**

Security around online payments remains the biggest barrier to eCommerce. Mobile payments allow alternative options for transactions via mobile currencies, mobile wallets and alternative mobile only payment methods. Such easy and secure payment options make mobile the preferred choice for many users.

- **Rich content**

The advances in mobile processing power and cheaper data rates mean GIFs and videos can be easily used on mobile web and mobile applications (apps). Such rich media allows brands to better demonstrate a product's key features, to share testimonials of happy consumers, and to showcase the use/look of the product or service.

### Mobile web vs. Mobile applications for m-commerce

Google is the largest search engine used by mobile consumers globally, and thus access to m-commerce sites is mostly via Google search. Email marketing, and social media are the next largest drivers to m-commerce platforms, also via mobile browsers. As a result, traffic and transactions on mobile browsers outperform traffic and transactions on apps.

However, this does not mean that mobile apps are not important. Just because most traffic is through mobile browsers, doesn't mean that your business cannot operate mainly through the app. Mobile applications should be considered, and if applicable for your business, used in conjunction with mobile websites to enhance consumers' overall shopping experience. If most of your mobile traffic is through apps, then you will need to consider using the app as your primary m-commerce platform.

#### Note

If you want to learn more about whether a mobile app or mobile website is better for your business go to Human Service Solution at [www.hsolutions.com/services/mobile-webdevelopment/mobilewebsite-vs-apps/](http://www.hsolutions.com/services/mobile-webdevelopment/mobilewebsite-vs-apps/)

### Social commerce (s-commerce)

Social commerce is a subset of eCommerce that involves social media, or other online media that supports social interaction, and user contributions, to assist users with the online buying and selling of products and services. S-commerce uses social networks to facilitate eCommerce transactions – it brings eCommerce functionality directly into social media platforms. And with users increasingly spending their online time in these social media spaces, bringing eCommerce to where users are spending most of their time makes good business sense.



Figure 10.4.2: Social media captures 30% of online time Adapted From Global Web index, 2016

When customers are satisfied with your business, social media makes it easy for them to share and recommend your brand. Because of this shareable nature, social media is a place where content goes viral. This is known as social influence. Social media

channels play a very important role in driving conversions if you have happy customers, but such channels can also cause brand degradation if a customer is unhappy.

Social media enables conversations to spread at lightning speed so how you will harness these conversations to drive sales needs to be considered as part of any eCommerce strategy. Enabling users to purchase the products and services that are being talked about and shared on social media is the most effective of way of using the platform to drive conversions. Various platforms now enable users to buy products directly and instantly through the platform.

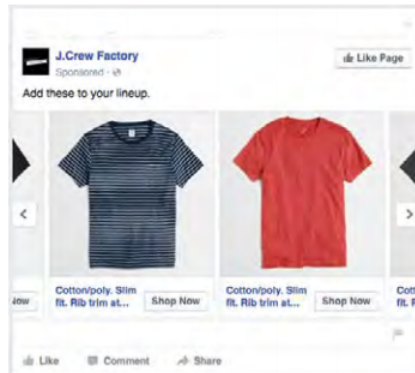


Figure 10.4.3: Shopping on Facebook using the 'Shop Now' button Adapted From Social media examiner, 2017



Figure 10.4.4: Shopping on Instagram. Users can purchase highlighted items directly Adapted From Getsidecar, 2017



Figure 10.4.5: Buyable Pins on Pinterest Adapted From Demandware, 2017

To find out more on using Facebook for s-commerce go here:

<https://www.facebook.com/business/in...-and-eCommerce> and about Buyable Pins on Pinterest go here.  
[www.demandware.com/pages/pinterest](http://www.demandware.com/pages/pinterest)

### Benefits of s-commerce

Just like m-commerce, there are certain benefits that s-commerce has over traditional eCommerce. These include:

- **Audience growth**

As of January 2017, over 2.7 billion people were on social media. This is more than a third of the global population. This number is also up over 20% from 2016. A tremendous growth, with little sign of slowing down (Chaffey, 2017). One of the most important considerations for any eCommerce business is how to reach and sell to its target customer audience, and from these statistics it is safe to say that a large proportion of any brand's market is on social media.

- **Higher search engine ranking**

Using social media for s-commerce increases traffic to your website which will influence your ranking on search engine results. Sharing links to products and content on your website through social media is an excellent way to drive traffic using social media users. It also allows your audience to engage with a product, like or share it, and to reach an even larger audience.

- **Authentic engagement and traffic**

The most significant benefit of using social media for s-commerce is the engagement and reach that businesses can get whenever they share content. By appearing in followers' updates or feeds on a regular basis, you're participating in a powerful branding opportunity. Users who have regular positive contact with a company are more likely to recommend that company.

Operating on social media encourages users to connect with a business through two-way communication. This allows customers to not only engage with your business on a commercial level, but it also gives them the opportunity to use social media as an efficient customer service channel where it's possible to solve problems. Social media word-of-mouth (sharing/ reposting) helps with audience building, as well as increased engagement and website traffic.

- **Customer loyalty**

S-commerce is not purely focused on selling but uses the social platforms to help the business build relationships with potential and existing customers. Such relationships can deepen trust and loyalty between consumers and the brand. This in turn creates happy, satisfied customers, who will likely be customers who make repeat purchases, i.e. a loyal customer.

- **Analytics**

Social media platforms make it easy to track, measure and evaluate conversions that happen through s-commerce. Facebook, Twitter, Instagram, Pinterest and LinkedIn all offer built-in analytics tools for measuring traffic, clickthrough, fans/followers, likes, sentiment and actual conversions coming via the social platform. This is a huge benefit for monitoring your ROI.

Learn more about social media as a digital marketing tactic in the [Social media platforms](#) and [Social media advertising](#) chapters.

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