m-commerce

Global Status Check 2012

The Status of m-commerce

Single User Licence

1ˢᵗ of Februar 2013

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1. Preface

research2guidance is a specialist research organization that focuses on providing insights into mobile market developments. Our aspiration is to provide business leaders with guidance and a fact-base that will assist them in better understanding the most important trends shaping mobile markets today.

This report gives a short summary of the m-commerce global survey that was conducted in the summer of 2012.

To access additional research documents on the smartphone applications market, please visit http://www.research2guidance.com/. research2guidance offers different content and format options to provide you with the information that you need.

A. Reports: Our reports explore the major trends and developments affecting the market in detail. Separate research papers cover both the entire market, as well as concentrating on specific parts of it. The reports contain key insights for companies looking to enter or deepen their engagement in the mobile applications market, providing data and analysis on all relevant aspects of the market to ease investment decision-making.

B. Ready-to-use results (1-50 Power Point pages): Take advantage of our broad selection of Power Point presentation slides by selecting specific content that can easily be downloaded and incorporated into your presentations.

C. Research projects: Projects are tailored specifically to address your mobile application market information needs. Examples of projects include: developer surveys, mobile application strategy definition, and competitor and country analysis.

As with all research2guidance projects, the research behind these reports has not been commissioned or sponsored in any way by any business, government, or other institution.

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2. Introduction

Mobile Commerce (m-commerce) is on the rise: more online merchants are joining the quickly expanding market, more m-commerce applications are being published, and more people are turning to their mobile devices to make speedy and usually simple transactions. m-commerce is hyped, but what is the real status?

m-commerce, for the purpose of this report, is defined as any commercial transaction that is made with the help of a mobile webpage or application.

This report examines the current status of m-commerce, by providing answers to top 20 questions of m-commerce today:

1. **The rational:** Why do companies invest in m-commerce and what do they envision the role of m-commerce will be in 5 years.
2. **The status of acceptance**: The number of m-commerce applications is being published per active company.
3. **The experience level**: The experience level in number of years that companies today have with this new channel to the customer.
4. **The typical m-commerce budget**: The budget that companies spend on m-commerce applications today and the planned budget in the near future.
5. **The staff needed**: How many employees are necessary to manage m-commerce solutions per company.
6. **The outsourcing level:** To what degree companies rely on outsourced capacities or white label solutions for their m-commerce applications.
7. **The technology preference**: Whether native or web based applications are preferred by m-commerce vendors.
8. **The platform preference:** To what degree secondary mobile platforms like BlackBerry or WP7 are being used by m-commerce companies.
9. **The device preference**: To what extent companies tailor their m-commerce application for tablets, smartphones or other devices like feature phones or game consoles.
10. **The preferred functional features**: What are the main functional features like social network integration that are being incorporated into an m-commerce application.
11. **The preferred payment methods**: Which payment methods e.g. credit card or operator billing are being preferred by mobile shop owners.
12. **The download numbers**: The number of downloads m-commerce application generate.
13. **The generated revenue**: The revenue mobile shops generated in 2010, 2011 and 2012(e).

14. **The share of mobile business**: Mobile sales as a percentage of total online sales today and in the next five years.
15. **The reach of active users**: How many users mobile shops have.
16. **The products that are offered most on mobile**: Type of products sold through m-commerce applications.
17. **The projection for the future**: Mobil shop owners projection of m-commerce revenue in 2017.
18. **The revenue share of m-commerce**: The share of m-commerce revenue has on total e-commerce revenue for 2010, 2011 and 2012 (e).
19. **The differences between m-commerce leaders and followers**: The way today's non-active companies view the market and how this view differs from that of m-commerce practitioners.
20. **The key learnings**: What companies would do differently again, based on their experiences in the market.

The status report is based on the results of a global online survey conducted in Q3/Q4 2012. More than 600 companies have provided insights on how they make use of the mobile channel to sell goods.

The following table gives an extract of participating companies.

Participants to the mCommerce Survey 2012		
012 Smile	Grizzly Analytics	Panlogic
3Cinteractive	Harvad Alumni	Park84.net
Ahoy	Health Startup Europe	PerfectStorm Media
Amiando	Hf consulting	Proaxia Consulting
AppCarousel	Hilton	Qbuy
ArwoConsult	Hunkemoller	RDZ Media Group
Associated Integrated Marketing	iCrossing	Reactive
Association for Computing Machinery	Iddon Agenda	RECHTSANWALTSKANZLEI
Atosho	IG	Reloop
ATT	iiNet	Rosner GmbH
Bambinoworld	Incelligence	Sapient
Be Digital Now	informa	Sisma Capita Group
bemoko	Istituto Superiore Mario Boella	Sixpack mobile applications
Bluelight Partners	IT BizFlow	Socket mobile
BTD Group	ITgma	SponsorPay
Business to You	Keypoint Technologies	Spyder
Bwin party	Komli Media	Startapp
Cablevisión Fibertel	Komli Media	StateofAppiness
Carat Content	LBI	Sybase
CareerCafe'	Life Wire	Tata Group
Cherry Media	Markenbildung	Telefonica
Cidway	mDiagnostica	Telenet
Colderice	MedHand International AB	Tellmemore
Commonsense Advisory	Medien System Haus	Tempos 21
Comviva	Medtronic	Test.de
Convisual	Meteda	The Luciano Group
Creacciones	mHealthsys	The Wollen Group
Davidoff	Michael Page	Timwe
Deutsche Telekom	Mob4Hire	Todacell
Diligent.	Mobidia	Top Toy
Dimagi	Mobile Backstage	touchGrove
Dr. Walter Wintersteiger	Mobile Fashon Shop	TRIFORK
DST output	Mobile Strategy	Uhopper
DZEN interaktiv	Mobile zeitgeist	Understanding eCommerce
eCommera	mobileweb company	United Bank Limited
Elisa	Mobmendit.com	Unwiredplaza
Empirical Media	Moma	UOL
Ericsson	Multiace	VenistaVentures
ETRONIKA	Ndot	Walgreens
Eurofides	Neckermann.de GmbH	Web.de
Everbridge	NeuralDiagnostic	Webgistix
F.biz	NicheCommerce	wePutUonline
Fantastic 1	Nimbuzz!	Wima
Fit4 market	One stop webshop	WSI
Fuel	OptiMedis AG	XMI Pte Ltd
Gemina Technologies	Oriental Trading -	Yoc
GMX	P3 group	Youda Games
Go Accomplish	Paidthx	YQBahrain
GRANDE Communication	PamConsult	Zooz

The m-commerce status report is a benchmark for all online retailers, mobile first shop runners and companies that plan to sell products with the help of a mobile application.

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Figure 13: Total number of downloads achieved by m-commerce apps
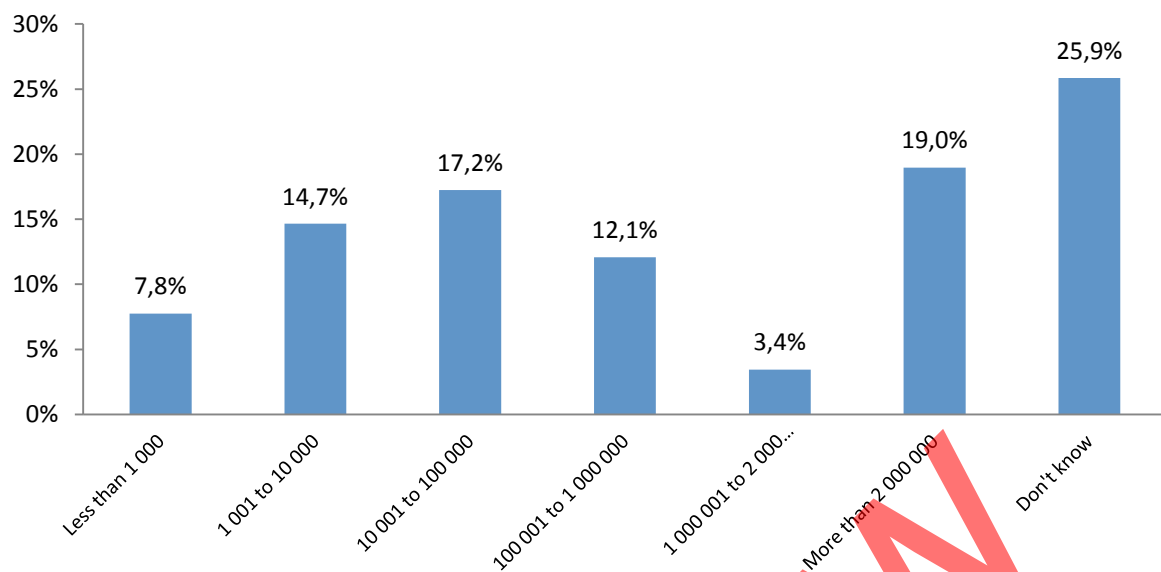
The number of active users is defined as returning users an m-commerce solutions has. The active user number is smaller than the download number. This reflects the fact that pure mobile web shops attract fewer visitors than their native counterparts. Secondly, even in native application with high reach (high downloads), returning user share is reported to be less than 50% on average. Nevertheless, more than 25% of today's mobile shops have 100.000 or more returning shop users. A great share (44%) instead must build their business models around 10.000 or less returning users.

Figure 14: Total number of active users m-commerce per company

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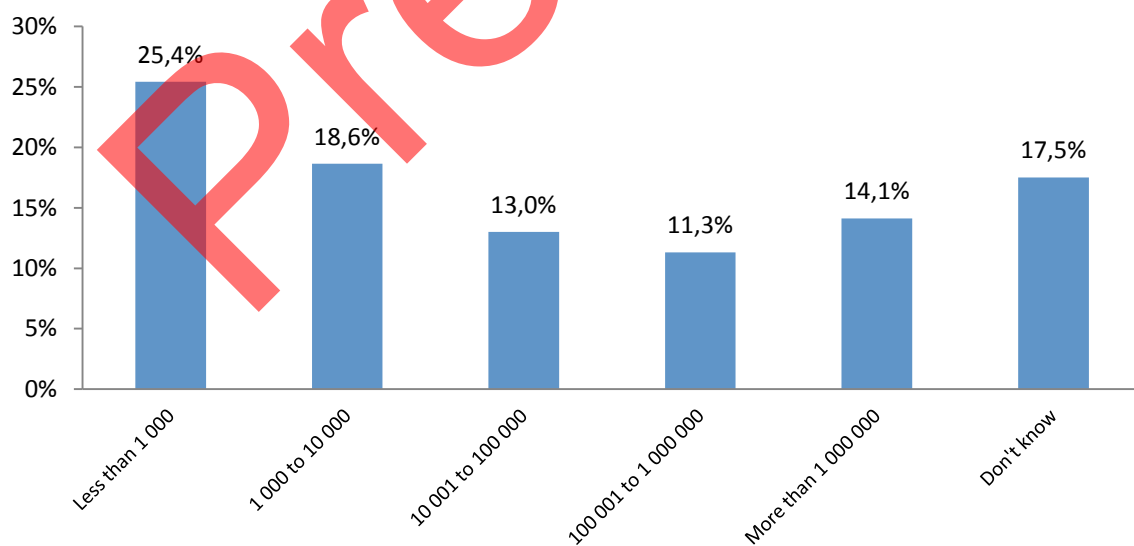
3.5. m-commerce budgets and revenues

The budget spent on developing and operating m-commerce solutions varies significantly. 13,2% of mobile shopping operators spent upwards of US$ 1 Mio. in 2012. On contrary, the budget of almost one third of companies is less than US$ 20.000. Budgets tend to increase slightly from 2011 to 2012.

Figure 15: m-commerce budget for 2011 and 2012 (US$)

The relative low budget did match with the revenue m-commerce solutions generated in the early days in 2010. A great part (40,6%) of the mobile shops made a turnover of less than US$ 100.000. Some mobile shops have made more than US$ 1 Mio., but their share was relatively low (14,4%). The share of "plus US$ 1 Mio. mobile shops" has increased since then, reaching 31,4 % in 2012 (estimated).

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5.2. About research2guidance

research2guidance is a market intelligence and consultancy company specializing in the mobile apps market.

Our service offerings

- **Reports and PowerPoint slide-sets:** market insights on selected topics
- **Bespoke research:** custom-made research for your individual needs
- **Knowledge center:** a subscription to a wealth of data, analyses, profiles, and daily news and opinions
- **Consulting services:** projects tailored to assist you in developing your mobile strategy

Our monitoring analyst team

Ralf-Gordon Jahns

Ralf is the Managing Director of research2guidance. He has worked for more than 17 years in the telecom and media industry. Prior to research2guidance he worked as a partner for Capgemini Telecom Media & Networks. Ralf is a frequent keynote speaker on mobile industry events, publisher of a multitude of mobile market reports and executive consultant of more than 30 clients in the telecom and media industry.

Zekarias Assefa

Zekarias is a Research Analyst at research2guidance. He has studied Global Economics and Management at Jacobs University. He has previously worked as Data Analyst for the Bremen Graduate School as well as a Marketing Analyst and as a Data Management Assistant at BaseCase Management and ResearchGate. He was the project manager of the global m-commerce survey and participated in the m-Health and in-app advertisement projects of research2guidance.

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