

Mobile Shopping Ripe for Expansion

By JOCELYN ANDERSON

NEW YORK — The future of shopping fits in your pocket.

M-commerce, or the buying of goods and services from a wireless mobile device such as a cell phone, has long been seen as an opportunity for retail — and as the technology develops, experts predict it will get much bigger.

“There’s a future in anything mobile related at this point,” said Garrett Murray, a New York-based Web and mobile developer. “The market is growing at a huge rate, and estimates show that half the planet will have access to the Internet on their mobile phones by 2010.”

As of April 2008, there were 40 million active mobile Web users in the U.S., and 5 million accessed mobile shopping and auction sites — up 73 percent from April 2007, when the number was 2.9 million, according to Nielsen Mobile, a consumer research provider in the mobile arena.

Though the mobile market is dominated by sales of digital goods, such as ringtones, music and games, market watchers expect major growth in retail sites aimed at the same customers. Since the summer, QVC and Ralph Lauren have both launched mobile sites.

“We are constantly challenging ourselves to find new ways to present the world of Ralph Lauren to our consumer,” said David Lauren, Polo’s SVP of advertising, marketing and cor-

porate communications. “The mobile device was a natural next step.”

Zappos.com has also announced plans to introduce a mobile-enabled site during the first quarter of next year. As an extension of the e-tailer’s new Website, still in testing, the exact features of the m-commerce site are still in the works, though consumers will be able to search for and view product and price information through multiple carriers.

“We see ourselves competing with the brick-and-mortar retailers,” said Brent Cromley, director of development at Zappos. “So giving someone the ability to be on their device when they’re in a mall shopping and see the price — how it may compare with something they see in a store — we see that as being able to chip into the brick-and-mortar sales.”

Mobile Internet sites are optimized for wireless devices such as the iPhone or BlackBerry, and content is targeted for those on the move. Over time, more sites will allow users to scan barcodes with their camera phones, and others will be able to process purchases by a simple text message.

M-commerce is already prominent in Europe and Asia. In the U.S., privacy and security concerns among users have been an issue. But as

consumers become more accustomed to the technology, apprehension should dissipate.

Retailers already have started to address fears about safety. Most don’t require consumers to type in credit card information, instead allowing them to enter a customer login and ID number.

Security concerns aside, mobile shopping has so far seen a slow rise. Many of the pioneers of m-commerce are almost alone in their offerings. Amazon and eBay are among the most popular. eBay’s iPhone site has been so successful that in mid-September, the company announced it would make a new mobile application exclusively

for iPhone and iPod Touch users in Europe. According to the company, eBay Mobile already averages thousands of downloads each day in the U.S.

“The eBay application on iPhone has outstripped our expectations in terms of activity and enthusiasm from our U.S. users,” said Naoki Ogishi, senior product manager of eBay Mobile, in a statement. “With the new international version, millions more iPhone and iPod Touch users can go anywhere and stay connected to eBay without a computer in sight.”

With such potential for success, smaller retailers are also getting in on the action.

For example, online retailer ShoeMall.com launched a site in September 2007.

“We’re always looking for new ways to reach women who are passionate about shoes,” said Jodi Bresina, internet director at ShoeMall. “We’re going to continue experimenting with mobile marketing so we’re ahead of the curve. As the cell phone technology changes, [mobile] shopping will get much easier.”

In fact, additional marketing is an extra benefit to retailers with mobile sites, as m-commerce sites may not yet be completely sales driven. “I don’t know the figures, but I doubt Amazon is making even 1 percent of its profit through its mobile site, but that number will rise in the future, I’m sure,” said Murray. “At this point, it’s more about establishing your company’s presence in the mobile space. Then you can begin to build sales.” (Though Amazon does not comment on sales, Andrew Herdener, a spokesman for the company, said the company is pleased with Amazon Mobile usage and is “seeing more traffic all the time.”)

Retailers without mobile sites, such as Urban Outfitters and JCPenney, have been taking advantage of the immediacy of text messaging as part of their marketing campaigns. “Using nontraditional media, such as mobile marketing, allows us to break through the marketing clutter and reach our customers where they are, and on their terms,” said Kate Parkhouse, spokeswoman for JCPenney.

— With contributions from Jennie Bell

