

The PayPal Official Insider Guide to

MOBILE PROFITS

Make money
anytime,
anywhere

Matthew T. Jones
with Kirsten Barta

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PayPal[™] / Press

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for Mary,

whose encouragement is the equal of all I may attain

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Foreword

I'm often asked when I think mobile payments will "take off" ... my answer is always that mobile payments has already taken off.

This is an exciting time to be part of the mobile payments business, and PayPal, as the industry leader, has seen tremendous growth in just the last few years. We're expecting to see \$3 billion in mobile payments volume in 2011, after \$750 million in 2010, and we process over \$10 million in mobile transactions each day.

What's driving this growth? The exciting news is that there's not just one factor. The penetration of smartphones, the innovation around features and use cases, the explosive growth of apps, and the fact that consumers are quickly becoming familiar with using their phones to shop and buy makes this the ideal time for merchants to adopt mobile.

Today, there's an \$8 trillion market in electronic transactions for mobile payments still to tap. We're thrilled to be at the center of mobile payments innovation.

PayPal helps customers pay for anything, almost anywhere, anytime, and in any way—especially now via their mobile devices. We've been changing the way the world uses money for over 12 years, and with 100 million active customers worldwide, the best is yet to come—in mobile payments and beyond.

—Laura Chambers
Senior Director, PayPal Mobile

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Introduction:

Welcome to Mobile Profits

A 2010 PayPal survey found that small- to medium-sized businesses that offered PayPal in addition to traditional credit and debit card payments registered up to a 14 percent increase in sales.

It follows reason, too, that adding PayPal Mobile will further enhance the reach and profit margins of your mobile sales venues.

Follow Our PayPal Mobile Guide

To appreciate what PayPal Mobile can do for your business, we'll show you all of the latest mobile payment services best practices, trends, stats, tools, tips, techniques, insights, and advice to help you make more money, including:

- How the world of mobile commerce works and how you can grow your new business.
- Which mobile selling techniques make sense—and make money.
- Why the best time to sell via mobile is right now (as the latest unique research shows).
- How to track mobile payment and selling trends and innovate for your business.
- Which mobile payment options are right for the way you sell.
- What it takes to make a successful mobile business, according to merchant examples.
- How to easily integrate and adapt PayPal Mobile Express Checkout, PayPal Mobile Payment Library software, the PayPal Mobile app, and more.
- Why you need to regularly assess—and improve—your mobile business.

- How to market your new mobile business for fast-changing consumer shopping patterns.
- What you can do to upgrade your mobile website or app to attract broader, deeper, and more profitable business.

We suppose that like most readers of this book, you already own a PayPal merchant account, and are mainly interested in learning how to add PayPal Mobile payments and related checkout features to grow your profits. That's good. That's why we wrote this book for you.

The following PayPal refresher, then, should help reinforce your knowledge and suggest where PayPal Mobile fits into your overall mobile payments and selling strategy.

For those merchants who are new to PayPal, we trust this introduction will prompt you to read a more detailed and complete explanation of all PayPal services, products, and functions at www.PayPal.com. And if you're a web or mobile developer, we suggest you visit the recently updated and expanded developer network website at www.X.com/mobile for PayPal integration tips, steps, code samples, and more.

PayPal and the Mobile Marketplace

PayPal is one of the world's largest online payment services, providing credit and debit card processing, accepting bank payments, and offering other transaction processes, along with shopping cart and checkout services.

And PayPal Mobile offers Mobile Express Checkout, Mobile Payment Libraries, the PayPal Mobile app, and much more.

PayPal worldwide serves hundreds of thousands of online and mobile merchants, as well as traditional retailers with an online presence.

Without PayPal, many online and mobile merchants would be unable to accept credit and debit card or bank payments, limiting their range of potential customers.

It follows, then, that the core PayPal business—in principle and practice—also offers a solid foundation and ongoing support for its mobile operations and your mobile revenue aims.

Today, businesses of all types and sizes use PayPal to handle their eCommerce—and, increasingly, mobile commerce—transactions, and PayPal is the leading provider of payment services in the small business market. Businesses can choose from various levels of service, from simple “click to buy” buttons to automated shopping cart and checkout functions.

PayPal Mobile, of course, optimizes such services for use with smartphones and other mobile devices.

PayPal continues to grow, improve, and expand its payments functionality. By the end of 2009, PayPal was facilitating \$72 billion in total payment volume per year from more than 87 million active accounts.

And younger sibling PayPal Mobile is fast gaining in global payments traffic, too, with \$750 million in mobile payments volume last year and nearly \$3 billion projected for 2011.

PayPal offers your customers added convenience because they don't have to enter their payment and shipping information every time they buy something from you online. Customers just log in to PayPal and that information is provided automatically when they're ready to buy your products or services.

With some PayPal Mobile products, customers can also remain logged in to their accounts, allowing them to skip the login page the next time they shop and enjoy a faster checkout.

PayPal also provides a more flexible checkout process, as your customers can choose multiple payment methods from a single “digital wallet.” They can store more than one credit or debit card in PayPal, or select electronic withdrawal from a bank account, and then choose the preferred payment method when they check out online or by a mobile website or app.

Most importantly, PayPal offers your business and customers enhanced safety and anti-fraud tools for online purchases. PayPal's Purchase Protection program protects customers from eligible unauthorized transactions.

And by having PayPal handle all of your customers' financial data, including securely storing credit card information, they don't have to worry about sharing that data with other merchants on the Web.

In the case of PayPal Mobile, minimal data entry for customers means faster, more convenient, and less complicated mobile payments made on the go and from wherever they are.

PayPal Mobile for Your Business

Some of PayPal's most important payment processing features for merchants include the following.

BROAD ACCEPTANCE

PayPal lets even the smallest sellers accept customer payments. This is especially helpful for new mobile app developers who want to accept and process purchases.

RELIABLE SHOPPING CART AND CHECKOUT SYSTEMS

Many merchants with small or mid-sized businesses like yours lack the ready resources to create their own online or mobile checkout system. PayPal, however, can provide a checkout system with a flow that looks like your website—only better.

SIMPLE SIGN-UP

PayPal's online registration for merchants is a simple process involving a minimum number of steps. And once you create a merchant account and obtain PayPal approval, you can start selling as soon as you're ready.

EASY INTEGRATION

Once you've created a PayPal account, you'll find it easy to integrate PayPal into your existing business accounting and financial systems. For extra help with integration—including installing mobile apps—merchants can follow detailed instructions and even get sample code for PayPal on the developer website, www.X.com/mobile.

FULL TRANSACTION MANAGEMENT

Whether you're integrating into a custom-built operation or manually processing your customers' transactions, PayPal's account management tools will come in handy. PayPal carefully tracks all payments and provides a detailed transaction history for you. You'll also appreciate PayPal's mobile-optimized transaction history tool, developed by popular demand.

FASTER ACCESS TO MONEY

PayPal works effectively and efficiently throughout your customer billing, order shipping, and payment processing. Even with the industry's variable processing times to deposit money into your bank account, PayPal's payment processing acts smoothly to allow a better cash flow and let you concentrate on other areas of your business. The same services work well in even fewer PayPal Mobile payment processing steps, further streamlining the time it takes to be paid and appreciate your profits.

ENHANCED SECURITY

PayPal offers enhanced security and fraud protection for consumers and an effective level of protection for companies of all sizes. And in a sometimes uncertain emerging mobile market, offering your mobile customers PayPal Mobile's trusted security assurances is an added incentive for them to shop with you and not your less-assured competitors.

MINIMAL FEES

In comparison to the complex charges of some credit card processing services, PayPal merchants merely pay individual transaction fees at comparable rates. The same standard applies, of course, to PayPal Mobile payments.

GREATER CREDIBILITY

Displaying the PayPal logo online or on your mobile website or app check-out pages can bring an immediate boost to your business's credibility, especially if you're opening a new venue. Consumers who already have confidence when paying with PayPal will also more readily trust your business—and that can help convert more sales for you.

INTERNATIONAL TRANSACTIONS

PayPal also makes it easier for you to reach more potential customers by accepting payments from international customers. PayPal handles non-U.S. payments in most major currencies—including allowing currency conversions. Happily, the same applies for PayPal Mobile.

The Opportunity Is There

More and more online and mobile consumers are discovering and relying on PayPal for multiple uses—from simple send- or receive-money personal exchanges to complex business mass payments. It's clear that “waiting until the mobile market sorts itself out” isn't the most prudent business decision.

Read on, then, as we show you how to apply PayPal Mobile to help you make mobile profits anytime, anywhere.

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1

Introducing the World of Mobile Commerce



Mobile technology is remaking the world of shopping and is revolutionizing how sellers and buyers choose to do business together.

Mobile commerce, or mCommerce, involves any ability to complete payments using a mobile device, such as a mobile phone, smartphone, tablet, PDA, portable game console, GPS, MP3 player, and more.

Mobile commerce includes all purchases made over mobile channels. These buys may involve

- Digital goods, like ringtones, games, or apps
- Physical goods, such as apparel or yard tools
- Services, such as booked flights and hotel reservations

Mobile consumers now have the ability to shop for products and services whenever and wherever they like.

Mobile Business Today and Tomorrow

Although the mobile payments field is still in its infancy, industry projections for its rapid growth have gained great attention from a wide range of influential consumers, manufacturers, carriers, content providers, press, industry analysts, and, of course, merchants like you.

Many merchants are beginning to invest heavily in mCommerce infrastructure, and many are building mobile-enabled websites and apps. According to Forrester Research, 75 percent of retailers now have strategic plans to engage consumers in the mobile space.

If you're an eCommerce merchant or new app developer who wants to migrate significant aspects of your business to a mobile website or create a custom app, we'll show you how to integrate your business and be paid through a broader range of customers and venues on multiple mobile platforms, browsers, and devices.

We'll also share specific mobile payments advice that will be valuable if you already run a mobile website and like to learn new sales techniques, own a physical store and want to maximize mobile for in-store sales, or sell products and services to other merchants.

Where Mobile Commerce Stands Now

According to ABI Research, U.S. mCommerce in 2011 will reach \$5 billion in sales and account for almost 2 percent of total eCommerce. And many merchants expect greater than 2 percent of their eCommerce sales will come from mobile in the near future.

That's a fast track. And with mobile sales projected to hit \$163 billion, or nearly 12 percent of all global eCommerce, by 2015, your business has more opportunities than ever to profit from mobile payments.

And Where It Figures to Go Next

It seems that there are as many opinions on the current direction of the mobile market as there are merchants. To be brief, let's cite one major mobile market trend called "location-based shopping" in the synthesis of consumer behavior, technology, and payments.

In this approach, customers use their web-enabled smartphones while shopping in physical stores to look up price comparisons and read shopper reviews online before deciding to buy in-store items.

This means that merchants may now develop a mobile website or app to help customers make more informed point-of-sale choices and profit by sharing various real-time promotions with them.

In support of this consumer interest, key emerging technology involves mobile phones with embedded microchips that can facilitate local, in-store "contactless payments." Essentially, once a customer decides to buy an item in the store, she can also pay for it with her smartphone at the physical store checkout.

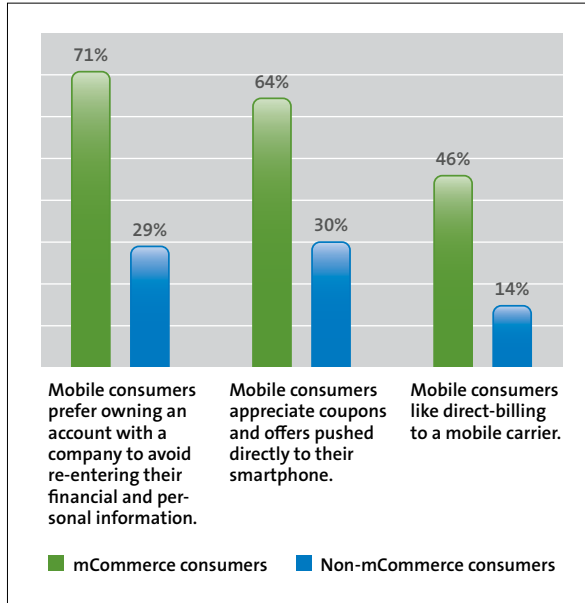
While the potential for mobile contactless payments is huge, to develop this capacity, such chips must be embedded in a wide range of mobile handsets, and merchants must have readers installed at the point of sale on a wide scale.

That, of course, is part of the biggest mobile market challenge today, as there remains much open debate on the matters and means of such technology adoption.

Of course, payment processors like PayPal Mobile must also provide relevant tools and keep pace with trends for the entire mobile market system of consumers, technology, and payments to work. And consumers must see the ongoing value and dependability of mobile shopping.

Figure 1.1

Consumers shopping on a smartphone prefer having a current account with the website, expect to get mobile coupons, and appreciate billing to a carrier.



According to research conducted by InsightExpress, as shown in Figure 1.1, there are at least three key criteria that encourage consumers to shop on a smartphone: 71 percent favor having an existing account with the mobile website (to avoid repeat entering of financial and personal information), 64 percent expect to receive coupons or special offers directly via their smartphones, and 46 percent appreciate billing to a carrier.



NOTE: The mobile industry is notorious for envisioning—and quickly promoting—new and exciting technology as “a done deal.” That’s expected and welcome from an innovative field. However, you shouldn’t be caught up in a fad, relying on future sales from today’s prototypes. We’ll highlight the projections and the promises of would-be mobile commerce breakthroughs throughout this book.

The Mobile Sales Landscape

While some merchants may equate complexity with scalability in building a mobile business, the most reliable mobile sales generally come to those who create an easy, user-friendly, successful shopping experience that reinforces brand loyalty across all possible venues. Convenience drives consumer adoption of your mobile offerings.

Common Sense Always Applies

Mobile merchants, for all their tools to entice and engage new buyers, must remember not to ignore their core business sense. The mobile sales landscape is littered with failed businesses that favored selling style over substance. For example, some novice mobile merchants who rush a launch may inconvenience their customers by announcing great deals on a mobile website that then must be paid for online via a PC.

Here are some key stats (according to the Harris Interactive Survey of Mobile Buyers) to ponder when considering your customers' expectations for mobile:

- 80 percent expect the mobile experience to be at least as good as in-store shopping.
- 85 percent expect mobile shopping to be at least as good as using a traditional PC.
- 63 percent would be less likely to buy from the same company via *other* channels if they had a problem conducting a mobile transaction.

For the educated merchant, these findings mean keeping the sometimes-mystifying mobile buying experience extra simple. Make sure your mobile website or app uses large, easy-to-recognize buttons. Minimize text to suit small screens and limited scrolling space. And take time to track and understand your buyers' *mobile* behavior, as it may differ from their other online shopping tendencies.

When you consider the varied mobile sales landscape, also bear in mind the differences in setting up a mobile website or an app. Mobile-optimized websites are accessible from any Internet-enabled phone and are easier to build. Some apps can be more challenging and expensive to deploy (you'll

likely need a separate app for every device), but these generally provide richer data and more specific utility.

Consumers Shop a Brand, Not a Channel

A word of caution: many mobile industry experts warn merchants to avoid forming a separate sales strategy *just for mobile*. The pros advise you to focus on reaching your consumers wherever they want to interact with your brand—across all channels, including your physical store, online website, mobile website, and app.

Think of your new mobile operation as an innovative way to enhance an overall multiple-channel sales strategy.



NOTE: PayPal surveys find that many consumers today use three or more channels and spend six times as much on mobile products as those who shop via a single online channel.

mCommerce, eCommerce, and Retail: Merging as One

You'll learn throughout this book about your newest customer: the “omni-present customer,” the one who shops multiple channels to perform a single transaction.

Forrester Research reports that 25 percent of shoppers use a mobile phone while in a store to competitively price-shop an item. That means your item on the shelf is now being considered with many others just like it—and maybe at a better price—on the customer's mobile phone. One prominent UK retailer estimates it loses 12 percent of its in-store sales to shoppers who buy elsewhere on mobile websites while in the store.

Further, new research by Nielsen and Yahoo found that 9 out of 10 mobile website users have logged on while in a store, and just over half of all in-store mobile research has led to a purchase. That means mobile shoppers accessing their smartphones while in a store are busy doing mobile website price comparisons, researching product and service reviews, and texting friends for gift ideas, among other buying decisions.

For you, the storeowner who also has a mobile website or app, this mobile consumer behavior gives you an expanded opportunity to market and sell directly to your visitors. According to research from InsightExpress, up to 35 percent of smartphone users look for a store coupon pushed to their phone while another 33 percent search product inventory when in a store.

You can focus the design of your new mobile website or app to help in-store shoppers with more immediate information about the store for their pre-shopping tasks, send real-time e-coupons, text them special deals, or even provide functions like scanning a barcode to get a price.

Therefore, your challenge as a marketer today adds up in this new sales equation: mCommerce plus eCommerce plus retail equals one simultaneous shopping experience for your prospective customer.

Moving from Online to Mobile Website Sales

It's a major step to embrace mobile commerce and build a version of your online website specifically for mobile devices. In addition to many new sales strategies to adapt for the medium, web design and functionality also need to be streamlined for mobile customers because it's more difficult to navigate a website on a phone than on a computer.

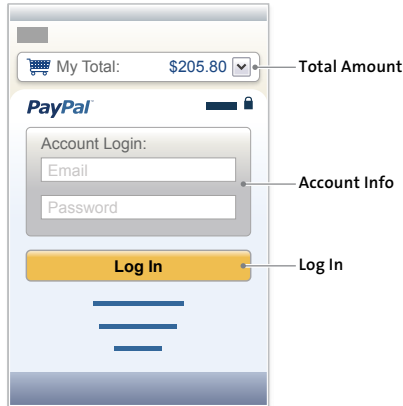
To that end, you'll need to develop a mobile version of your website that meets various mobile-friendly consumer needs, including mastering some of the following basics.

Minimize the Parts

One look at a mobile phone in your hand will reveal that you have literally little margin for error in getting your mobile website right. Only a few key content elements can fit well enough on a screen to interest or assist a customer.

No more than a half-dozen or so elements—images, text, or audio—should occupy a screen at a glance, if you want to engage your buyer with the best experience. (Also avoid overloading the small screen with extra-busy navigation information for further scrolling, clicking, or downloading.)

Figure 1.2
This PayPal Mobile login page shows just three main content elements for customer ease.



For a typical PayPal Mobile purchase, the login page, as shown in **Figure 1.2**, simply displays three main content elements for the total amount, account information, and a make-no-mistake log in button.

That means merchants must carefully plan which key parts of an online website must migrate to a mobile website (designers call this creating a content hierarchy). For more details on this, see Chapter 10, “Growing Your Mobile Business.”

Allow Effective Searches

Fewer content components inevitably mean less stuff readily available on your mobile website. With limited navigation options on any given mobile page, it’s imperative that merchants include advanced search functionality. Add a search field to your mobile home page and watch how your customers more quickly find the content—and shopping choices—they desire.

Fewer Images, Faster Sales

In the case of mobile website design, an adage works in reverse, as a “word is worth a thousand pictures.” Most successful mobile merchants realize that fewer images and more text equal sales that are more efficient.

As eye-catching as some big, splashy graphics can be, everyone dreads long download times, especially mobile customers. And with the limited

screen space, you can sell more with a few vital words than with a glut of file-size-hogging images.

Limit Text Entry

Lightning-fast, two-thumbed typists aside, for many users, entering lots of text on mobile phones can be daunting and time-consuming. Whether your would-be customer clicks, presses, or taps on a physical or digital mobile phone keyboard, the rule for merchants should be the same: require as few keystrokes as possible (especially for entering data in all-important forms).

Try providing more conveniently bundled demographic information, offering faster, easier ways to enter data via selectable radio buttons, drop-down menus, or lists, and give your customer's thumbs a rest.

Focus on Multiple Phones

It may come as a surprise to some merchants, but according to comScore, the popular, highly visible Apple iPhone currently serves only about 25 percent of the U.S. smartphone market. For those merchants looking to reach the broadest possible swath of mobile customers, the simple math says that you have more than three-quarters of the mobile phone market to make up.

That means when you move from an online to a mobile sales space, you need to design your mobile website as simply as possible, allowing your business to suit multiple operating platforms, phone sizes, screen resolutions, and more.

Assure Mobile Security

Don't be caught unaware when your customer inevitably asks about the security of your new mobile offering.

Security was a big concern for early online shoppers. According to Forrester Research, nearly 75 percent said that they avoided web shopping because they didn't want to give out personal information and another 70 percent also worried that their credit card details would be stolen.

Largely because web security has improved since the year 2000, mobile website and app shoppers are more confident in their modern concerns over mobile security. Still, according to a 2011 North American Technographics® Retail Online Survey, about 45 percent of all current mobile shoppers in the U.S. say they would spend more money on their smartphones if they had greater assurance that their phone numbers and transactions would remain private.

Most mobile devices use browsers much like a Web browser on a computer. A growing portion of phone subscribers pay for data plans to access information, services, and mCommerce on their mobile devices through these mobile browsers.

Most mobile browsers and devices support cookies with default “on” and support Secure Socket Layer (SSL) connections—a type of encryption for secure communications via the Internet. However, not all devices have met or implemented these standards.

PayPal INSIDER



Take a Cue from Our Mobile Design Guidelines

Here are some of the mobile website and app style guidelines our PayPal Mobile team follows and recommends for our merchant account holders:

- Minimize data entry and scrolling wherever possible.
 - Allow shoppers to find what they need with minimal clicks/taps and scrolling.
 - Use expandable sections when possible so most content fits on the screen.
 - Make sure links and buttons are large enough to click/tap on with small screens.
 - Place the Checkout button at the top and bottom of the screen.
 - Display the Add to Cart button throughout product and search result pages.
 - Provide autofill form fields where possible and provide a customer progress bar at the top of the screen to make checkout clearer and easier.
 - Allow customers to checkout as guests (without a lengthy login).
 - Automatically save the customer’s shopping cart contents for return visits.
 - Keep the design simple and clean—there’s no need to put entire website offerings on a mobile device.
-

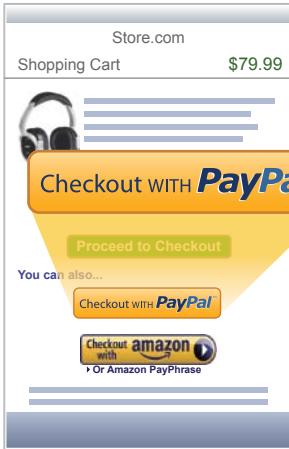


Figure 1.3

Note the Checkout with PayPal button that offers consumers an alternative—and more secure—payment method.

PayPal Mobile Express Checkout, you'll be glad to learn, is designed to support the vast majority of mobile devices sold by major carriers that can make secure mobile web connections. In fact, if a device or connection fails any of PayPal's extensive security checks, the customer won't be able to connect to the PayPal servers. That means PayPal customers will have more confidence using your new mobile business.

For example, as an alternative payment method in a mobile merchant checkout flow, PayPal Mobile can provide extra security and added assurance if the customer simply selects the Checkout with PayPal button, as shown in **Figure 1.3**.

How PayPal Mobile Can Help

There are many ways to attract and engage consumers to your new mobile website or app, but the best way to make them repeat visitors is to turn them into happy, *paying* customers. Allowing payments is an important part of any mobile website, not simply some functionality to add once you've built your mobile website or app.

And while a mobile store or app may be more convenient for a consumer to access than a web store, unfortunately, entering lengthy payment information is not.



NOTE: PayPal Mobile supports all versions of iOS and Android and all devices that run them. However, older versions of iOS and Android receive more limited support.

For a mobile customer, entering credit payment information can require lots of scrolling down screens, clicking through reams of pages, and selecting a dozen or more fields—all just to, well, buy something.

Thankfully, PayPal Mobile provides buyers with an easier checkout experience than that. In fact, because PayPal Mobile uses a merchant's existing online infrastructure for mobile checkout, customers can know the same faster, easier, and more secure shopping as on the PayPal website.

Analyst firm Gartner Research predicts that the number of mobile payment customers worldwide will exceed 108.6 million in 2011, a 54.5 percent increase from 70.2 million users in 2010.

PayPal Mobile alone closed out 2010 with \$750 million in mobile payments volume and more than 5 million customers actively using PayPal via mobile devices. PayPal Mobile expects to process \$3 billion or more in mobile payments volume globally in 2011.

PayPal Mobile has taken a pragmatic approach to choosing mobile programming platforms and browsers (see [Table 1.1](#)) to support.

Table 1.1 PayPal Mobile Browser Support

Android Devices	Supported Browsers
2.2	Android WebKit, Mozilla Firefox
2.1	Android WebKit, Mozilla Firefox
Apple iPhones	Supported Browsers
iOS4	Safari
iOS3	Safari

PayPal suits a wide range of devices by providing a mobile express checkout API built on mobile Web technologies.

At the same time, PayPal provides mobile payments libraries that let customers integrate PayPal payments directly into native iPhone and Android apps.

Mobile Express Checkout

With Mobile Express Checkout, PayPal offers merchants a convenient transaction tool for “pay almost anywhere” consumers shopping across multiple operating system platforms.

Customers speed through a checkout process that requires minimal data entry, offers an easy click-and-pay experience especially suited for small mobile screens, and reduces the amount of sensitive data entered in public settings.

Even better, there’s only minor mobile integration effort for merchants already integrated with PayPal’s Express Checkout on the Web.

Mobile Payments Libraries and Apps

PayPal Mobile also offers generous software libraries that allow merchants and developers to accept very simple PayPal payments for products and services.

The libraries provide a relatively quick and easy way for you to add checkout functionality for iPhone and Android devices that facilitate mCommerce for your apps.

Mobile Local Services

PayPal also offers new location-based services that allow PayPal iPhone app users to find businesses accepting PayPal wherever they happen to be.

Merchants may attract nearby customers to their stores by sending deals and promotions to customers’ iPhones, and customers can pay for goods or services at local outlets via PayPal.

Going Mobile

As substantially more sophisticated consumers access the Internet via their smartphones and other mobile devices, mobile commerce is becoming not only important but also vital to growing e-businesses. Most consumers have come to expect a mobile version of your online website, and may quickly desert your business if you don't provide one.

To make the most of this often bewildering, challenging, and promising opportunity, eventually you'll want to create mobile versions of your current web business. That means you'll need to know lots about all of the above—and more—to efficiently and effectively plan, market, and profit with these new mobile selling tools.

Not to worry, we have great advice for you from the PayPal Mobile experts who help design and build mobile businesses like yours to succeed.

PayPal INSIDER



Learn More at PayPal.com

Wondering what makes PayPal's web payments tick—even while pondering your first step into mobile sales? We'll show you how PayPal works in a number of ways throughout this book, but if you haven't discovered PayPal yet, here's a quick introduction.

Among several online payment options available for merchants today, PayPal is among the world's most experienced online payment services, providing credit card processing and other transaction

services, including Shopping Cart and Checkout, for individuals and businesses around the globe.

PayPal offers merchants a high level of service, as well as the possibility for increased sales, at competitive rates—and with fewer and simpler fees than typical merchant credit card processing services.

Want to learn more? Go directly to the source. You can contact PayPal at www.paypal.com or phone 1-866-837-1863.

How to Use This Book

To help you better understand what we mean by profiting with mCommerce, here's a quick summary of the valuable information merchants can gain by reading—and applying—the PayPal Mobile advice in the upcoming chapters.

Maximizing Mobile Sales Opportunities

In the first few chapters, we provide a mobile sales primer covering the differences between online and mobile payments, available platforms and devices, and key PayPal Mobile products to consider.

We also present the mobile payments ecosystem for you, especially discussing how to manage your interactions with ever-changing consumers, new technologies, the latest mobile industry direction, and more.

Wondering when it's the right time to jump into mobile selling? We explain why and how—with PayPal Mobile guidance—you can now catch and even surpass your mobile competition. Then it's up to you to try our mobile sales strategies.

We have proven methods for your kind of business, whether you're building a mobile website or an app to sell physical products or digital goods.

Profiting with Your Mobile Business

In later chapters, you'll learn how to identify and compare trends in mobile payment options for your business operations, tools, and techniques.

We help you ask—and resolve—the most important questions for launching your new mobile business. We cover such considerations as scoping your market participation; determining which payment products make sense; planning effective product launches; soliciting and maintaining key industry partnerships; keeping pace with changes in payment technologies; and scaling your mobile business for continued growth (including global marketing).

Integrating PayPal Mobile for Checkout

We realize that our opinions only matter if you understand and value how to use PayPal Mobile for your business needs.

Toward that end, we devote a large section of the book to explaining specific PayPal Mobile products and services for a variety of aims. We go into detail to cite how PayPal Mobile products, like the consumer favorite Express Checkout, suit many mobile merchant sales scenarios for mobile websites and apps.

In short, we help you assess the various mobile payment methods to decide what works best for you.

And what use would any mobile payment methods be if you didn't know how to integrate them properly? Merchants and developers alike can learn from our systematic explanation.

You'll discover how to connect with your PayPal accounts; choose either direct or mobile-partner integrations; apply tools to design, build, and test various mobile payment functionalities; and maintain a range of custom quality controls.

As a doer, we expect you'll appreciate the many hands-on examples throughout this book. In the process, you'll also see how the advice helps merchants and developers understand, practice, and apply precisely the payment functions they require for their new or evolving mobile businesses.

Making the Most of PayPal Mobile Payments

The more "mobile" you make your business, the more profitable you make your bottom line.

As you read, count on this book to help you assess—and reassess—your current and future mobile business best practices, from choosing the best ways to accept payments to making the most promising business projections.

We also discuss the growing social/local/mobile (or “SoLoMo” in the industry vernacular) Triple Crown of media marketing opportunities. If you haven’t made money yet through such collaborative mediums as mobile and Facebook, for example, there is still a lot of room for you to grow.

There are also some new ideas merchants can learn about their online customers. We show you how to help your existing buyers make the move along with you to mobile shopping.

And, of course, the fast-moving mobile business is all about recognizing and applying innovations. By the time you finish this book, we expect you’ll be in a greater position to anticipate, adapt, and help lead the latest standards in merchant mobile payments.

Summary

Mobile commerce is now more than simply another e-tailing offshoot or short-term selling trend. Mobile business has become a stand-alone industry, and is more mainstream than ever, as greater numbers of companies onboard their brands, invest in the mobile ecosystem, and add to the infrastructure.

The scramble is on for new mobile merchants to catch up with increasingly sophisticated mobile consumers to understand their shopping interests and serve their checkout experience expectations.

Toward that end, read our “Mobile Sales 101” primer in Chapter 2, where we’ll show you how accepting mobile payments, selling on multiple mobile devices, and using PayPal Mobile may be among the smartest business choices you make in a mobile device world.

2

Mobile Sales 101



Today's merchants have several options for accepting payments via online websites, mobile websites, mobile apps, and other venues.

Mobile merchants are learning which medium—or combination of mediums—offers the widest popularity and scalability to suit new products and services.

Whatever venue a merchant uses or a consumer prefers, PayPal Mobile, following the best ideals of the mobile industry, offers effective payment tools to make the seller and buyer exchange a faster, easier, and safer experience.

Let's look at some ways that the mobile sales ecosystem makes mCommerce indispensable for all.

Accepting Mobile Web Payments

Among the first and most fundamental steps in setting up your business to accept mobile payments is deciding how you want to maintain a traditional online website, associate that website to your new mobile website, include apps as part of your core market presence, and align these to the latest mobile consumer needs and behaviors.

Bridging Online and Mobile Web Payments

As noted in Chapter 1, in most cases your mobile website offering will need to be a lot simpler than its desktop computer counterpart. There are obvious reasons for this, including screen size and processing power, to name just a couple.

The best approach, then, when sharing or converting your sales presentation from website to mobile is to master good content migration.

First, work to reduce the amount of old content you pull over to your mobile website or app. It's like getting rid of outdated odds and ends from your closets when you move to a new home. If no one has used the content on your existing website in the last five or so years, chances are you don't need it, so don't bring it along to your new mobile space.

And if you still have too much content to suit your new mobile business, just dump it. Create fresh content to describe new features that satisfy your mobile customers' needs. You only have so much room for mobile content, so use it sparingly and wisely. You can't fit ten pounds of content into a five-pound bag, or so the conventional wisdom goes.

Also remember to reconfigure the content type size, line spacing, and margins, so the copy is sized properly for smaller mobile screens. You don't want to display any confusing line breaks, or, to use the industry term, "truncated copy," that can disrupt—or worse, drop off—portions of sales messages. Making careful type specifications is especially important for any text messages or notifications you intend to send to customers, as there may be carrier-mandated character counts that limit the length of the text.

Finally, repurpose much of your existing online website content when moving it to a mobile website or app. Once you've done all the copy cutting and reshaping possible, simply revise the core copy to reflect your current business. Update image captions, product definitions, forms, marketing banners, billing and shipping instructions, and more so that the copy remains relevant for your new mobile customers.

Of course, not all of your existing online customers will want to use your new mobile website. Some could still prefer to use the full website because of its familiar navigation, more legible screen, or advanced functionality, and you should accommodate this desire.

However, forward-thinking merchants should help inform traditional customers that the newest smartphones have better web browsers than many older models, and that these phones can now render almost anything that an online website can. Besides, it's often in your best interest as a merchant to provide your customer with clearly better choices.

It also helps existing customers adopt and shop on your mobile website sooner if you redirect them to the mobile website automatically, at least initially, while you're still establishing the relationship between your online and mobile web businesses. Just make sure that you offer customers a clear link back to the full website.

Monetizing Mobile Websites

Beyond obvious differences in material size, volume, and portability, what are some of the key distinctions between selling via a traditional online business and a mobile version of the same business?

In many ways, it's about the power in poll numbers. Mobile Web use is fast gaining on traditional personal computer-based Web use. A CTIA report shows that 96 percent of all Americans had a mobile phone subscription at the end of 2010. An IDC report further states that there were close to 1.4 billion new mobile phones sold in 2010, making this the fastest-selling item in consumer electronics.

These round numbers for consumer mobile Web use suggest a major marketing advantage for those selling on mobile phones vs. personal computers. Take an even closer look at mobile Internet usage. In a 2009 report, the Pew Research Center found that 35 percent of all mobile phone users worldwide have employed their phones to access the Internet. Such mobile access is likely to increase. Gartner Research studies estimate that mobile Web usage will surpass PC-based access by 2013.

And—music to merchants' ears—these mobile users are spending money. Lots of it. ABI Research reports that in 2009, \$1.2 billion in purchases were made from mobile devices in the U.S.

Consumer mobile device shopping offers recent sources of revenue too major for astute merchants to miss. What business today can afford to dismiss hundreds of millions of potential customers, however they choose to connect to a business on the Internet? For all the industry's bells and whistles, the mobile phone is simply another helpful tool to make money from products and services you already sell online.

Selling via Mobile Apps

In many consumers' minds, mobile shopping is all about the apps. Finding and downloading the latest popular apps and—better still for merchants who offer them—*sharing* the apps with friends makes this e-shopping for physical and digital goods highly appealing for buyers.

You can market your mobile website via a mobile app that suits any number of mobile device manufacturers. The biggest market for mobile apps today is Apple's iPhone and iPad. Google Android and RIM BlackBerry phones also offer scalable selling opportunities with apps.

Most apps are available via an app store, such as Apple's App Store or the Android Market. Consumers access such digital catalogs directly from a mobile device. Of course, some providers, like Apple, Google Android and BlackBerry RIM, allow their customers to locate apps online via a PC and synchronize the content with a smartphone.

Apps are highly popular with mobile consumers because they are inexpensive (and often free), easy, quick, and highly varied shopping tools.

Some downloaded apps, however, have a short shelf life of just a month or so, while others may be quickly mothballed—or worse, never opened—by jaded users.

Still, Nielsen Research reports that the average consumer today has 10 to 40 apps installed on his phone. While that total is expanding exponentially, there's still design time, consumer interest, and marketing opportunity to launch your own mobile shopping app. That window of opportunity, we must remind you, remains open only as long as you maintain a compelling, updated, and relevant app.



NOTE: For more on this, read Chapter 8, “Implementing PayPal Mobile,” which details everything from setting up payment libraries to following developer instructions to going live.

A mobile app typically performs a single task, or multiple tasks within a defined set. Apps can display others' ads alongside more functional content, thus enabling a merchant to realize additional revenue within the app. Merchants can also use more convenient, consumer-friendly “in-app” promotions or sales.

Typically, merchants promote their apps from their mobile website because it convinces the customer to put that icon on the home screen of his mobile device. For example, eBay creates apps tailored to attract and retain new customers who otherwise wouldn't visit the website. The presence of the brand there is a huge win for the merchant, since it's a constant visual reminder of the services the merchant offers.

You should also promote the mobile website that supports the app. That way you can use the app to attract consumers and convert them into repeat customers for your mobile website.

Toward that end, make it easy and worthwhile for app users to access your mobile website and get more information and services or make a purchase. For that matter, you can design an app especially for purchases via a mobile device.



TIP: In addition to making the most of your app's advertising potential, you must engage, inform, or even entertain your customers if you want them to value your app and your business—especially if you charge a fee for the app.

For example, say you own a dry-cleaning business with a choice of in-store pick-up or on-site delivery. You could design an app that lets your customers conveniently arrange to pay for the service they desire directly from a mobile phone.



NOTE: You can read about similar options in the discussion of PayPal services in Chapter 9, “Obtaining Money with the PayPal Mobile App.”

Selling on Multiple Mobile Devices

The once nascent “cell phone” industry (and when was the last time you recall using that term?) has become both highly productive and diverse in just the last 18 months. Now it’s not enough to cite imminent advances in mobile phone technology; merchants must also track the latest mobile device implementations.

These new, widespread, and popular, if sometimes still-to-be-networked devices, offer great ways to reach a diverse and ever-more-mobile consumer community. Merchants now have greater potential to reach customers simultaneously on such mobile devices as smartphones, MP3 players, tablets, PDAs, portable game units, and others that allow third-party apps or include a browser to load sales content. There are many more mobile device variations still to come in the mobile product pipeline.

Selling across multiple mobile devices may mean significantly more design work and technical customization for your mobile website to suit various mobile formats. That also means you’ll likely need even more sophisticated mobile selling strategies to effectively engage and serve shoppers on the different devices.

You’ll want to consider the best way to sell, for instance, a detailed and colorful wallpaper on a small 2-inch smartphone screen versus marketing the same



NOTE: See chapter 10, “Growing Your Mobile Business,” for more on specific mobile sales strategies for your business, from selling through social media to point-of-purchase sales to offering more ways to pay.

item—or a grouping of similar items—on a much larger 10-inch tablet screen. And it's not just the differences in visual quality to consider, but also how you can bundle items and cross-sell products on a particular device, such as when you market new games or controller accessories to players engaged—in real time—on a portable video game player.

The sheer range and types of products and services available to today's mobile shoppers also point to the increasing flexibility your customers have to make purchases on the devices of their choice—ringtones on smartphones, music on MP3 players, or plane tickets on tablets, just to name a few examples.



TIP: According to several surveys, among the most popular mobile purchases in 2011 have been books, videos/DVDs, event tickets, music, apparel and accessories, airline tickets, food and beverages, consumer electronics, and cosmetics and beauty products—each accounting for about 5 to 10 percent of all mobile buys. Merchants selling in these categories certainly have room to grow.

For example, a customer may find and buy your video game on a Nintendo Wii console at home and later purchase an upgraded version or app of the game on a smartphone while at the mall. You need to understand, then, how your mobile customers think and what they have come to expect for their shopping choices on multiple, related mobile devices.

Let's take a look at just how fast the mobile ramp-up has happened and how greatly consumers have become connected to their multiple mobile devices over the last decade. According to a recent Forrester Research study, there were about 1 billion desktop computers accessing the Internet in 2000, while there were more than 10 billion mobile devices logging on to the Web in 2010.

The positive impact for your mobile business within this sometimes-confusing diversity of mobile devices and selling options is that, according to Gartner, the number of mobile payment users worldwide will exceed 108.6 million in 2011, a 54.5 percent increase from 70.2 million users in 2010.

The Smart Money Is on Smartphones

What makes the current batch of so-called smartphones so *smart*? The basic advantage for merchants of Web-enabled smartphones over simpler mobile phones is, of course, the data bandwidth for direct selling capabilities.

Most smartphones today allow advanced and robust data plans for Internet, e-mail, GPS, video, text messaging, and other means for consumers to access products and services and communicate their wishes to merchants.

While mobile handset buying dominates 87 percent of the emerging electronics market, even exceeding the rate of new purchases among cable TV, Internet access, and personal computers (per Nielsen Research), there are now nearly 200 million smartphones in use worldwide, with the fastest growth in Latin America, and 50 million of these are operating in the U.S.

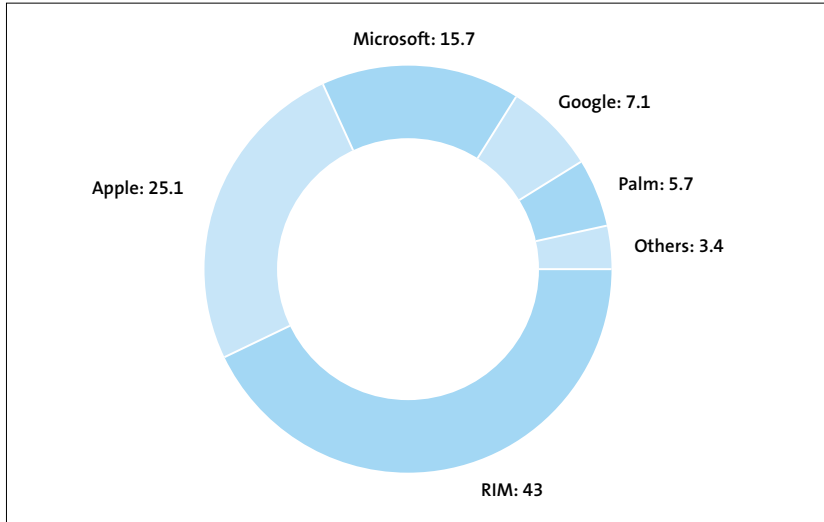
According to Gartner sources, 25 to 30 percent of mobile phones are now smartphones, and the latest estimates project that total to surmount nearly 50 percent in late 2011.

Though Apple's popular iPhone still commands much of the consumer attention, like the mobile device field in general, the smartphone market is well divided among several options competing for customer use.

Significant comScore data, as shown in **Figure 2.1**, cites shares of the early 2011 U.S. smartphone platform market as follows: RIM, 43 percent; Apple, 25.1 percent; Microsoft, 15.7 percent; Google, 7.1 percent; Palm, 5.7 percent; all others, 3.4 percent.

Certainly, this smartphone diversity is good for business—especially new mobile businesses like yours—as it gives novice mobile merchants broader access and more opportunities to attract potential customers across any of several smartphone models.

Increasingly, merchants have the option to customize their sales presentations to suit a variety of smartphone formats. For example, you can build specific mobile website pages to suit the iPhone touch or BlackBerry click keyboards. PayPal Mobile also optimizes the design of its web payment

**Figure 2.1**

Significant comScore data cites the shares of the early 2011 U.S. smartphone platform market. Google Android is closing the gap with Apple iPhone, having gained more than 5 percent in its share over the past year.

flows to suit specific smartphones, such as iPhone and Android models. Design a simple mobile website, and there will likely be a smartphone to accommodate your business.

Without question, smartphones will get a lot smarter and mobile browsers more sophisticated for the benefit of buyers and sellers alike. In the meantime, you can help educate yourself by learning the real-world mobile sales success strategies of other merchants cited in chapter 5, “Best Practices for Building Your Mobile Website or App.”

Other Mobile Devices Boost Peripheral Sales

Though sales through smartphones currently dominate the mobile market, you can bet that the proliferation of other mobile devices will increase peripheral sales and contribute a fair share of your mobile revenue.

The overall consumer electronics industry saw only incremental growth (about 3 percent) in 2010. Much of the growth across the industry can be attributed to a handful of mainstream electronic product categories, including stereo-3D TVs and Blu-ray players.

But hot mobile devices, such as portable video games, e-book readers, MP3 players, and tablets contributed significant profits among the billions of dollars that made up the industry's bottom line last year.

Upscale (read: pricey) mobile devices with large screens and computerlike capabilities, for example, are becoming increasingly popular and ideal for mobile games and video. Still, industry analysts rightly note, consumers must enjoy a quality experience across such multiple mobile devices—appreciating the flexibility and convenience of, say, shopping and sharing data from smartphone to tablet to game console—for the market to grow as expected or hoped.

And that's where you come in. Open-minded merchants who see the big-picture potential of selling via multiple channels can help create and improve the consumer experience with clearly mapped buying options.

Of course, the mere fact that you maintain a commercial presence on multiple devices is a plus, much in the same way that offline promotion in various retail stores, print media, direct mail, and more help diversify your product message. You can use your mobile website to alert smartphone users to offerings on several other mobile devices. Consider the following scenario, for example.

While walking the aisle of a big-box electronics store that displays Internet-ready TVs, Alex is price comparing the same models on your mobile website with his smartphone. He notices that, unlike the in-store deals, the TVs you sell on your mobile website include discounts for other downloadable entertainment, including video games, movies, and music. Alex buys your video games and movies instantly and shares them conveniently between his new Web-enabled TV and his other mobile Internet devices, like a game console, MP3 player, or 4G tablet.

The growth of such networked mobile devices promises to offer merchants more cross-platform selling opportunities and, we will endeavor to show you, increased profits.

When it comes to covering all of your mobile market bases, it merits exploring which mobile devices—and combination of devices—make sense as additional sales outlets for your kind of business.

Using PayPal Mobile

Now that you have an overview of some main mobile sales techniques and tools, we'll share the basics about how PayPal Mobile tools can work for you. The following offers a merchant's guided tour of PayPal Mobile Express Checkout, Mobile Payment Libraries, and local services.

Table 2.1 provides a quick glance at some major PayPal Mobile product features and uses. A more detailed discussion and comparison of these products and their integration with your mobile website and apps is provided in Chapters 7, 8, and 9.

Table 2.1 Key PayPal Mobile Product Features and Uses

Features	Uses
Integration	Merchants can integrate PayPal products into their mobile websites and apps as easily as on the PayPal website
Multiple platforms	PayPal Mobile supports Apple iPhone, Google Android, RIM BlackBerry, and Windows Mobile
Repeat business	Customers can schedule recurring or subscription-based payments
One-click payments	Customers can check out faster without having to log in and authenticate a PayPal account
Cards	Merchants can accept customer credit and debit card payments
Bank payments	Merchants can accept customer bank payments
Carrier billing	Merchants can accept some carrier billing, as purchases are charged directly to a customer's mobile phone

Mobile Express Checkout works with most Web-enabled phones and lets merchants offer the same secure, more convenient PayPal website Express Checkout experience for mobile buyers. This includes allowing mobile-based disputes, reporting, and reconciliation.

The secure, simple, two-click mobile checkout experience lets consumers remain logged in across apps for even easier and faster purchasing.

The customer also doesn't need to enter billing, shipping, or payment information when making a purchase, since PayPal already stores this information.

Mobile Express Checkout also features a Guest Checkout option for merchants to accept customers' credit card payments in addition to PayPal. This is handy for merchants who want to accept payments from customers who don't already own a PayPal account.

In addition, the Mobile Express Checkout Library offers software for merchants and developers to embed Express Checkout in their apps for iPhone, iPod touch, iPad, and Android devices and accept PayPal for products and services.

The Mobile Payments Library provides an easy way for merchants to integrate payments into iPhone, iPod touch, and iPad apps. You can download the library from www.X.com/mobile, a PayPal developer network website, and integrate it into your app using only a few lines of code.

When your buyer makes a payment, the Library controls the checkout experience—logging in, reviewing, and completing the payment. That saves you a few steps on your end of the transaction. After the buyer completes the payments, the Library returns him to your app.

PayPal iPhone app users can also find businesses accepting PayPal for local services wherever they happen to be.

Merchants can attract nearby customers to their stores by sending deals and promotions to customers' iPhones, and customers can pay for goods or services at local outlets via PayPal.

Mobile Express Checkout

PayPal's Mobile Express Checkout runs in mobile browsers and within apps, with payment pages tailored for faster checkout and for smaller mobile screens and keyboards.



CAUTION: Only buyers with existing PayPal accounts can check out with the mobile experience.

If you already have Express Checkout implemented online, minimal programming changes let you take advantage of the mobile checkout experience.

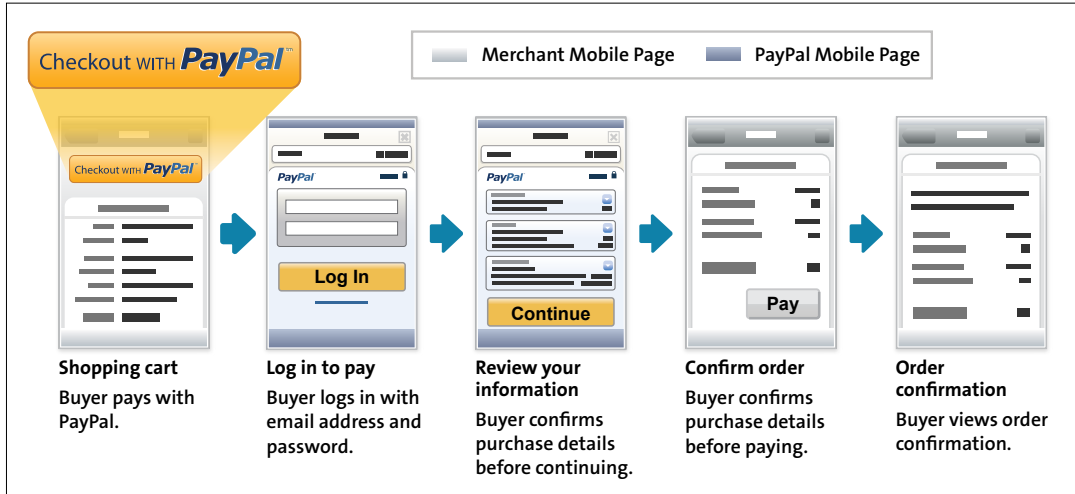


Figure 2.2 An Express Checkout payment begins on a merchant's mobile website and finishes with the opportunity to view the completed order details.

The Express Checkout experience on mobile devices begins on your mobile website when a buyer is ready to pay you, as shown in **Figure 2.2**.

The buyer clicks Checkout with PayPal on your mobile website cart to pay with PayPal.

The buyer then types PayPal login credentials on the PayPal Mobile login page and clicks Log In.



NOTE: Because the buyer's shipping address and payment information are already pre-populated in the form fields, there's actually very little data he must enter on his smartphone—part of PayPal Mobile's promise to limit click-through screens.

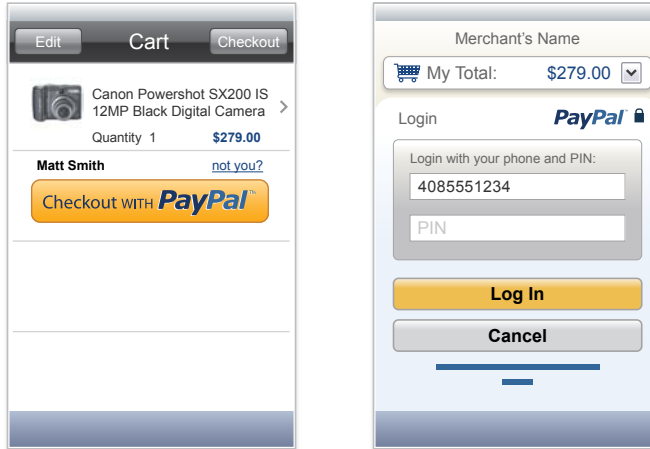
Next, the buyer reviews/confirms purchase details on the PayPal Mobile review page and clicks Continue.

Finally, the buyer reviews/confirms purchase details and pays on your mobile website (and receives order confirmation).

To pay with a debit or credit card, the buyer clicks a link and types billing information on the full PayPal website.

You can shorten the Express Checkout experience on mobile devices by letting buyers pay on the PayPal Mobile website.

Figure 2.3
The PayPal Mobile Express Checkout Library lets you embed Express Checkout in a number of apps.



When a buyer pays on the PayPal Mobile website, the buyer first clicks Checkout with PayPal on your mobile website.

The buyer then types PayPal login credentials on the PayPal Mobile website login page and clicks Log In.

Next, the buyer reviews payment details on the PayPal Mobile website review page and clicks Pay Now.

Finally, the buyer views and confirms the order on your mobile website.

Mobile Express Checkout Library

PayPal Mobile has created a library version of its Mobile Express Checkout product that can be used in your mobile app. The PayPal Mobile Express Checkout Library lets you embed Express Checkout (Figure 2.3) in Android as well as Apple iPhone, iPod Touch, and iPad apps.

You can download the library from www.X.com/mobile and include it in your app. The www.X.com/mobile website provides full integration steps and code. You need only a few lines of code to integrate the library and your Express Checkout implementation in your mobile app.

When using the Mobile Express Checkout Library, you'll place a PayPal "shortcut" button, "Checkout with



NOTE: To learn more about the PayPal Mobile Express Checkout Library for apps, see Chapter 8 on "Implementing PayPal Mobile."

PayPal,” in your mobile app. This means that your checkout process begins and ends with the screens in your mobile app, and you’ll be embedding only the mobile Express Checkout payment pages in a website view.

After your customer clicks the Checkout with PayPal shortcut button, you’ll need to call a `SetExpressCheckout` API to begin a PayPal payment. Then the library will redirect the customer’s web browser to PayPal.

Include the device token from the library (by making a call to initialize the library) and the checkout token from `SetExpressCheckout` as URL parameters.

PayPal displays the mobile PayPal Review page after the customer completes a successful login (the customer may log in with an email address and password or a mobile phone number and mobile PIN).

When your customer is satisfied with the payment information on the Review page, he clicks the Continue button to complete the payment in your mobile app. (If the customer pays in the PayPal pages in your implementation of Express Checkout, the button label on the Review page reads, “Pay Now” instead of “Continue.”)

Mobile Express Checkout Device Support

Express Checkout supports the mobile checkout experience on specific mobile devices and their embedded mobile browsers only, as shown in Table 2.2.

Table 2.2 PayPal Mobile Express Checkout Device Support

Supported Mobile Devices	Software Versions
Android	All OS versions
iPhone, iPod Touch, iPad	All OS versions
Palm Pre	web OS
BlackBerry	4.6+, 5.x, 6.x OS
Windows Mobile	WP 7



TIP: Merchants with a global customer base can set the locale for Express Checkout pages on mobile devices to any of the countries generally supported by PayPal, with a few exceptions. PayPal displays the login page in the default language for the country that you specify. The default locale is the United States.

Mobile Payments Library

The PayPal Mobile Payments Library offers a fast and easy way for customers to buy items from a merchant's or developer's app without ever leaving the app. That means a seamless checkout experience for the customer and better customer retention for you.

With a few API calls, you'll be able to accept payments for your products and services without linking to an outside website.

PayPal INSIDER



How We Can Help You Launch a "Killer App"

So you've just created your Android app, and now you're ready to share it with the buying public. If you have products or services to sell in your app, using our PayPal Mobile Payments Library and the developer integration tools on www.X.com provides an easy way to integrate customer payment capabilities into your app.

Simply follow a few guided steps to use a PayPal Test Application ID while building and testing your app, and then get our PayPal Production Application ID to go live.

Our Mobile Payments Library provides a button you can use for the checkout process. All you need

to do is create some sizing parameters and implement some code for the button. The windows tasks are all in the Library, so we manage the customer payment flow for you.

Once you set the proper Application ID, the Library takes care of all the calls back to PayPal. You just handle the return, and deliver your product to the customer.

When you download the Library via www.X.com/mobile, you'll get our complete PayPal Mobile setup package, including how-to documents, tutorials, code samples, tools, and more.

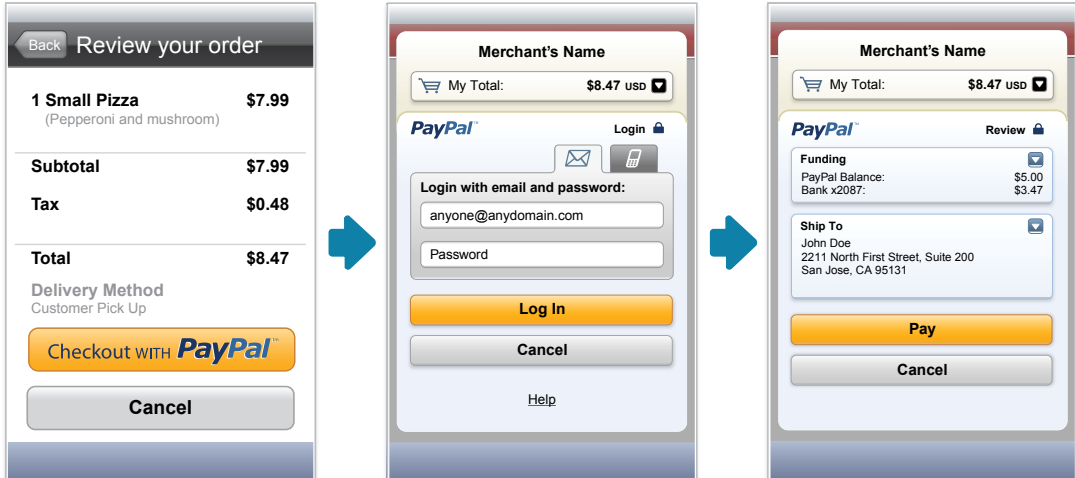


Figure 2.4 A typical customer purchase flow using the Mobile Payments Library: the buyer reviews his order and selects the Checkout with PayPal button, logs in to his PayPal account and selects the Pay button to complete a payment.

Many current apps have inefficient checkout methods, such as requiring credit card entry, redirecting the buyer to another web browser, or making the buyer go online to create an account. With the Mobile Payments Library, you need only create a few lines of code to integrate your business. Having an in-app option will make your customer transactions easier, faster, and more secure.

Here's how the Mobile Payments Library works. You tell PayPal Mobile how much you want to charge and who the money should go to. PayPal Mobile then slides up a screen on the phone for the customer to confirm the payment. When that step is completed, PayPal Mobile slides the screen back down.

When a customer goes through the payment flow, PayPal Mobile will control the mobile experience that allows the customer to log in to a PayPal account and complete the payment. When the payment is made, PayPal Mobile returns the customer to your app.

Figure 2.4 shows an example of this process, citing key mobile pages that your customers will see after you integrate the Mobile Payments Library.

Mobile Local Services

A new location-based feature allows PayPal Mobile iPhone app users to find small businesses accepting PayPal wherever they happen to be. Here's how it works.

PayPal connects consumers to local PayPal merchants and service providers with a physical presence within about 30 miles of the consumer's location.

Shoppers can further customize their search by categories or by distance to the merchant's location.

This mobile feature can come in handy when, say, the town softball team is away at another neighborhood park and with the game over, it's pizza time. Someone can easily use his smartphone and PayPal to find your restaurant just blocks away, order a stack of the Saturday Slice Special, pay for the pies (including the team tip!), and provide directions for their delivery direct to the dugout.

Small businesses, possibly like yours, including those selling via flea markets or estate sales, outdoor garden or crafts shows, or even some mall kiosks, can use the free advertising to attract nearby customers to their location by sending special promotions and offers directly to customers' mobile phones. Because consumers will have the mobile option to pay for products or services at a local outlet via PayPal, they can make more spontaneous—and convenient—shopping choices.



NOTE: PayPal merchants are charged PayPal's standard rates and transaction fees for accepting e-mail payments.

Anyone with a PayPal account can use PayPal's local services. There's no integration required, so mobile merchants will be able to sign up for the service in just a few simple steps on the PayPal website. For more information, see Chapter 9.

Summary

Congratulations, you've passed our Mobile Sales 101 mini course. Seriously, we trust you've gained a working insight into some of the basics of accepting mobile payments, selling on multiple mobile devices, and using PayPal Mobile products, services, and features.

Perhaps the most important keys to remember are the differences between how you have *been* selling online and how you *want* to sell on mobile. Be sure about that decision, and the transition, set up, and selling will come a lot easier and faster.

Of course, we'll also provide you with continuing education on these and related topics in the following chapters, even as we remind you how to maintain a successful mobile business and profit margin.

So, looking toward the next chapter, we'll raise the question, "Why sell via mobile now?" and offer, being the number crunchers and entrepreneurs that we are, compelling figures and peer advice that will, we believe, ultimately help you determine the right answers for your business.

3

Why Sell via Mobile Now?



Since you've had a chance to survey the wide and expanding mobile payments market—and, hopefully, begun to envision places where your mobile sales can grow—let's answer the compelling business question: why sell via mobile *now*?

The short answer is that many of your customers are already buying via mobile and more of your competitors are already selling to them via mobile.

Astute merchants are seeking—and acquiring—ever more innovative mobile ways to attract customers, boost their brand to on-the-go buyers, and lift existing online sales.

You Can Set the Standards

Many merchants in your field and other areas are beginning to better appreciate and maximize their mobile payments opportunities. Those that succeed now will capture an early lead in a mobile sales channel that ABI Research says is expected to represent 12 percent of all eCommerce sales in the next few years.

With the rapid and broad adoption of mobile markets, technologies, and strategies, it should come as no surprise that consumers are using their upgraded smartphones and other emerging mobile devices to shop and buy the products and services they seek. Now is the time you can help set the standards for how they shop and how you're paid.

The Numbers Say So

The good news for would-be mobile merchants is that mobile consumer sales are growing faster than traditional Internet consumer sales. As Forrester Research reports, mobile commerce now accounts for 73 percent of all mobile payments, while web commerce sales are just 35 percent of all web payments.

Common Goods Are in Big Demand

This clearly suggests that the larger number of mobile buys is for typical consumer goods (a merchant's business sweet spot), not the glut of "other payments," like advertising purchases, usage fees, digital services costs, or similar payments unrelated to profits, that pad the total of Internet transactions.

Consumers are also adopting higher functioning smartphones and fully featured mobile devices more rapidly than almost any previous communications technology. According to the National Retail Federation, in the U.S. alone, 61.5 percent of Americans age 13 and older owned a smartphone by

the end of November 2010. That means more consumers are now looking for your products and services on the go and from wherever they are.

More Tablets than Ever

More than 60 companies will introduce new mobile tablets in 2011, and shipments could swell to more than 100 million tablets by 2012, says a Morgan Stanley report. And with new handheld devices and high-speed wireless networks coming to market as quickly as manufacturers and telecommunications firms can build them, there's no sign of the industry's upward growth slowing.

While alert mobile technologists aptly predicted that smartphones would become a gateway for major mobile shopping and payments services in the U.S.—after all, much of Asia had already been using smartphones for several years, and the first commercial launch of 3G also occurred in Japan—the speed of adoption and the wide potential of mobile payment scenarios in America has surprised mobile industry forecasters.

More Consumers Are Shopping on Mobile

Increasingly, consumers are using their smartphones as the primary portal of their digital lifestyle—as a planner and organizer, web browser, game console, navigator, and of course, a personal communication device for phone calls, text messages, email, and social networking.



NOTE: According to a 2011 Kleiner Perkins Caufield & Byers study, typical time spent per day on smartphone tasks includes 10 minutes for mobile websites or apps, 27 minutes for calls or texts, 7 minutes for email, and another 40 minutes for games, maps, social networking, and other utilities.

Figure 3.1

The technical range of mobile tools is growing exponentially—and merchants are offering increasingly more shopping features and payment options on smartphones and other mobile devices.



Greater Uses for Smartphones

When it comes to managing various aspects of their mobile shopping cycle and payments, as shown in Figure 3.1, customers are also using their smartphones to:

- gather promotions and coupons
- find store locations
- make in-store price comparisons
- manage shopping lists

One of the fastest growing uses of smartphones involves making “impulse buys” at places like movie theaters. It’s easy to see why.

Imagine a customer standing in line—in 100th place, say—for the latest hit film, with only 15 minutes until show time. Is she out of luck? Not necessarily.

If you own the theater and have a PayPal merchant account, you can post special ticket offers via your mobile website to customers who may opt for another attraction.

More Traditional Items for Mobile Buyers

Even with the exciting growth in mobile purchases of digital goods, you can't ignore the fundamental change in how consumers are buying more traditional physical products on their smartphones. As noted by Informa Research Services, purchases of traditional and many innovative physical goods via mobile devices is increasing—especially as more handsets and more mobile merchants flood the industry—from \$30 billion in 2009 to a projected \$230 billion by 2012.

With mobile technology taking such a mainstream role in connecting buyers to so many kinds of sales offerings—on the Web, in stores, through apps, via push notifications, by call centers, and via catalogs, to name a few—clearly merchants would be wise to begin executing their mobile sales strategy sooner rather than later.



NOTE: For thorough advice on deploying a mobile sales strategy, see Chapter 10, “Growing Your Mobile Business,” where we’ll share more about assessing, marketing, and upgrading your mobile business.

More Merchants Are Selling on Mobile

More merchants than ever are eager to gain an early advantage in mobile and are already learning from their peers' experiences, investing in their mCommerce initiatives and infrastructure, and ramping up mobile marketing strategies.

In its report, *The State of Retailing Online: Marketing, Social Commerce, and Mobile Report, July 2010*, Forrester Research found that 75 percent of retailers now have strategic plans to engage in mCommerce, and they expect approximately 2.5 percent of all of their eCommerce sales to be mobile transactions within the near future.

Forrester Research further predicts that another boom is coming, as they conclude that mobile commerce is expected to reach \$31 billion by 2016, up from \$3 billion in 2010.

Three-quarters of your competitors are already betting big with their (micro) chips. Isn't it time for you to get into the mobile game, too? And if you're quibbling over the initial small sales percentage, don't ponder too long—you can be sure that other merchants will ante up their investment with each incremental increase in industry profit margins.

Rapid mobile adoption by consumers means that they no longer look at mCommerce as a novelty—they now *expect* leading merchants to provide them with a convenient, available-everywhere mobile shopping experience.

And because mobile has the ability to influence in-store retail sales, with so many price comparison and location-based marketing mobile apps now available, mCommerce is as much an imperative as an opportunity for merchants.

Better Mobile Payment Options Are Available

To succeed, many merchants are moving beyond simple mobile browsing and product comparisons of their offerings and integrating mobile shopping technology. Providing ways for customers to browse and compare products is great for merchants that wish to increase their brand awareness, and these features can help bring customers to physical retail locations, but you need to provide a mobile checkout option to actually make sales on many smartphones and other mobile devices.

You may be cautious about creating your first mobile website or app and opt for a “look but don't touch” display of your products or services. In other words, consumers can peruse your mobile business but not buy anything.

Perhaps a year or two ago, when the mobile experience was “new,” consumers might have found such a website or app intriguing, even helpful, because it offered a picture and a description of a merchant's offerings. Not so much today. This kind of mobile shopping experience can lead to frustration.

Today's consumers want more than minimal mobile shopping functionality. However much they enjoy window-shopping on their smartphones (because the browsing is fast, varied, and, well, mobile), once they decide to buy, they'll want to navigate to your checkout flow to make a purchase. That is, if you have one.

Therefore, again, we say that the time is ideal for you to accept mobile payments from your potential buyers. Otherwise, you risk having enthused but ultimately disappointed customers, who will purchase similar offerings from competing merchants that already provide this service.

Think you can wait indefinitely to create a mobile checkout option? Consider this news: a recent Lightspeed Research survey revealed that 48 percent of smartphone owners shop on their mobile devices. That's nearly half of all visitors to your mobile website or app who are primed to buy, if you're ready to accept their money.

Customer Convenience Pays

To thrive and build profits, merchants should choose a mobile payment system that provides a simple, convenient, dependable experience and, where possible, reinforces brand loyalty among customers.

PayPal Mobile realizes that when it comes to mobile shopping, customers making payments are too often sent to a third-party checkout website that does not necessarily suit the customer's mobile browser. Shoppers may be required to scroll or click through multiple pages, and then key in, by hand, sensitive personal and financial information, often within row upon row of tiny form fields, and perhaps even resize the mobile screen in the process. Are we having fun yet?

To no one's surprise, many buyers get frustrated in this effort and simply abandon a purchase altogether. Many consumers find that it takes as many as five taps to pay with a credit card, while one can check out with PayPal Mobile in just two taps.

Perhaps two of the most grievous mobile consumer frustrations involve a confusing shopping experience and concerns over a secure checkout. These frustrations arise in large part from poorly organized, faulty, or failed mobile experiences.

The following, then, is a list of mobile consumer gripes you don't want to find about your mobile website or app shopping/checkout experience:

- Awkward shopping experience (such as confusing page flows/links)
- Concerns over sharing credit card information (especially in public places)
- Slow display time (we warned you about overloading content, didn't we?)
- Poor product images (avoid any image resolution lower than 150 dpi)
- Limited product selection (frankly, this is on you)

Marketers consistently claim that online and mobile merchants win a sale with a customer's good first impression of a website or app. But you should also consider how to avoid losing a sale with a poor *last impression* of your mobile business based on a missing or mismanaged checkout system.

High Customer Expectations

According to a Harris Interactive survey of mobile buyers, consumers have high expectations for mobile websites or apps that include a fully functioning checkout system. Mobile consumers who have difficulty navigating a checkout flow or are unable to complete an order say such transaction problems are more frustrating than being stuck in traffic. Ouch.

A 2011 Econsultancy study notes that just 9 percent of respondents believed their mobile customer payment process experience was good—46 percent believed it was poor. On the bright side, 52 percent of the merchants surveyed see the value of a well-functioning mobile business, and plan to increase investment in mobile over the next 12 months, giving them a head start on competitors and earning more customer confidence and loyalty.

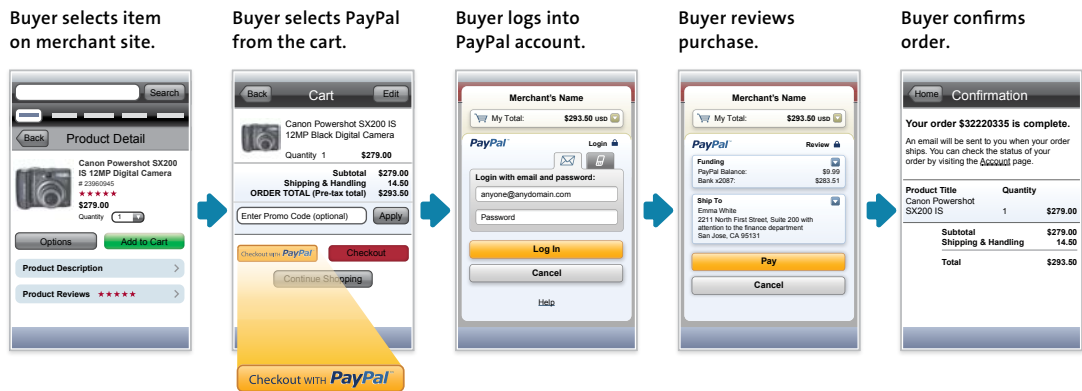


Figure 3.2 According to PayPal's research, nearly 90 percent of all PayPal Mobile buyers click convenient Shortcut placements on merchants' websites, like the simple five-page checkout flow depicted here.

PayPal Mobile Payments Can Help

Thankfully, PayPal Mobile payment options provide a reliable experience across many smartphones and mobile devices, enabling your customers to shop as they wish, when they wish, and always through a faster, easier, and more secure checkout.

As with many popular mobile products and services during this fast ramp-up in mobile shopping, demand is growing among merchants for PayPal Mobile's advanced mobile payments system. PayPal Mobile research notes that today more than 8 million PayPal members regularly use PayPal Mobile on their mobile devices.

This vast and growing membership means that with your PayPal merchant account you get a large built-in class of knowledgeable consumers who are already handy with PayPal Mobile tools and are prepared to make payments through your business.

With such a highly promising payment technology for merchants to serve their latest customers on smartphones and other mobile devices, PayPal Mobile is nearly indispensable for consumers making daily mobile shopping choices and completing purchases.

In fact, PayPal Mobile offers merchants a "Shortcut payment system" for their customers, as shown in **Figure 3.2**.

PayPal gets all the form data (billing, shipping address, cart info, and so on) from the merchant (if the merchant has already pre-populated the information on the website payment flow pages), so the customer can make a secure purchase using PayPal and without having to reenter any credit card data or related details.

The result is that the PayPal Mobile “Shortcut” saves your customer some checkout steps, encourages her to shop again safely on your website, and helps inspire repeat business.

We’ve already presented some significant big-picture sales stats for the mobile industry that may be incentive to explore and enter the mobile market now, but let’s go into detail—and with more validation—about your investments of time and expense.

We can offer at least three major reasons for merchants to be excited and confident about selling via mobile websites and apps today:

- There’s room in the mobile marketplace.
- Customers want more buying options.
- Combined media selling is growing.

There’s Room in the Mobile Marketplace

Leading merchants want to use mobile payments to lift sales, acquire more customers, and boost their brand to on-the-go customers who increasingly live, work, and buy using mobile devices. And while first-to-market merchants hold some early advantages over those who are just entering the field, there’s plenty of room for more innovative mobile entrepreneurs.

The triple-digit percentage increase in consumer mobile web usage and app store proliferation over the last three years has broadened the business opportunities for merchants and developers alike.



NOTE: We’ll discuss the full strategy and effects of marketing within the mobile payments ecosystem of customers and competing merchants in Chapter 4, “Tapping Trends in Mobile Selling and Payments.”

More Apps Are Welcome

Since 2009, the mobile industry has seen more than three billion apps downloaded by consumers and 100,000-plus developers join the market to design, build, and sell even more app choices.

Even with such impressive app download numbers, consider this compelling stat: *DC Weekly* reports that current app sales are 1 percent of eCommerce spending. If you're an app developer, or a merchant who employs one, that means you're staring at an opportunity that has 99 percent room for profit growth. Not quite as rabid as the nineteenth-century gold rush, perhaps, but a modern mobile treasure grab is underway.

App stores like Apple's App Store and Google's Android Market are continually innovating by providing a new value chain with additional monetization models like buy and try, in-app offerings, subscriptions, and more to invite ever more consumers and merchants into mCommerce.

As far as some merchants and developers are concerned, having a mobile website or app is as critical to your brand today as an Internet presence was in the late 90s. And having *both* a mobile-optimized website and a consumer friendly app is an unbeatable media combination for merchants seeking mobile brand dominance.

A consensus of major mobile industry surveys notes the majority of merchants and developers are convinced that mobile payments are going to be an ever-greater profit area. Raise a hand if you're doubtful, and you'll see that you're among the few who think mobile payments will soon peak and flatten out. As we said, the momentum is toward more mobile selling and profits now.

To be clear, though, most merchants doubt that the mere option of mobile purchasing will change consumers' payment behavior overnight. They know that only the continued ease, speed, and safety of mobile shopping will bring them confident, repeat customers. Still, the mobile marketplace is largely unsaturated and many opportunities exist for merchants and developers willing to experiment with payment services in the new medium.

Still an Open Market

How open is the mobile marketplace? Among merchants like you who are considering means to accept mobile payments, about a third have or are developing these capabilities. And while these mobile start-ups are currently focused on basic customer information gathering and transaction functions, their strong interest in more dynamic and advanced mobile payment features indicates that the growing majority of merchants are getting an education and making an investment in more mobile profits.

About a third of developers open to learning more about mobile commerce have already begun to develop mobile apps. More importantly, 5 out of 10 developers now say that they're satisfied with current mobile payment options available for the websites or apps they create.

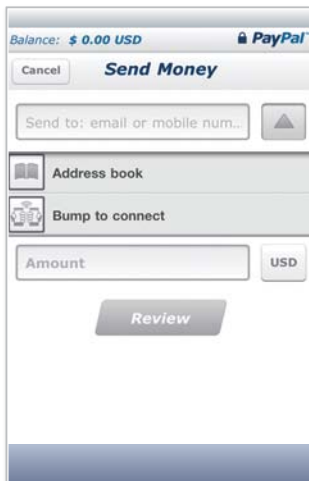
PayPal Mobile, credit cards, online credit, bank payments, and mobile phone carriers are some of the top payment solutions currently supported on popular mobile platforms like industry smartphone giants Apple iPhone, Google Android, and RIM BlackBerry.

But whatever mobile payment system you ultimately adopt, there's room for your business to compete for those consumer payments.

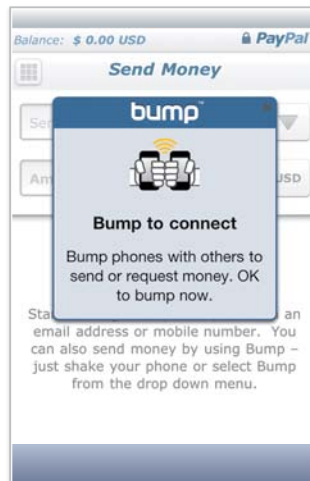
Consumers Want More Mobile Buying Options

Consumers are rapidly adopting mobile shopping as a preferred way to buy physical and digital goods and services. This means customers are starting to *expect* their favorite merchants to have a mobile presence *and* to offer more varied and flexible payment options.

Buyer selects “Bump to connect.”



Buyer bumps phones with another user.



Buyer enters email of other user and amount, then presses “Send.”

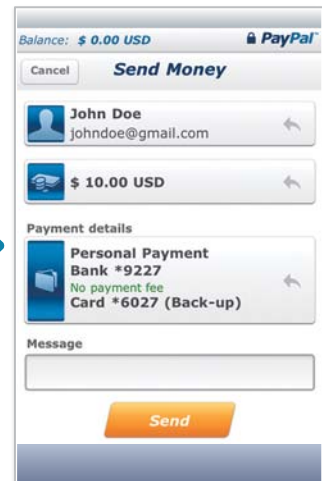


Figure 3.3 Consumers with PayPal accounts can “bump” their iPhones together to share money between accounts and split costs.

PayPal Mobile Customer Options

With PayPal Mobile, consumers have many new mobile shopping, account management, and payment options—and various iterations—available on apps for iPhone, Android, and BlackBerry, including:

- Send, request, and receive money
- Check balance/transaction history
- Make bank transfers
- Donate to charities
- Enable mobile check captures
- Make local point-of-sale buys

In March 2010, PayPal unveiled a PayPal Mobile app for iPhone that allows friends to “bump” two iPhones (or iPads) together and connect their PayPal accounts to instantly share money, as shown in **Figure 3.3**.

This enables them to split the check for group meals, collect money from friends for joint gifts, pay team dues, or share funds for community events.

How did consumers take to the latest PayPal Mobile app? In the first few weeks after launch, customers downloaded the app more than *one million* times. Now that's fast consumer adoption.

Merchant Payment Processing Options

You can have similar success serving your new mobile customers with various payment and transaction options. As you consider choosing a mobile payment processing system, it's good to know the range of consumers using such services.

Gartner Research notes that the number of mobile payment users worldwide exceeded 108.6 million in 2010, a 54.5 percent increase from 70.2 million users in 2009.

And Lightspeed Research's latest U.S. mobile market findings indicate that the *proportion* of consumers adopting mobile shopping is relatively even across men and women of all ages, with customers ages 18 to 34 who have purchased via smartphones now topping 50 percent.

As more consumers adopt mobile shopping options and demonstrate new buying patterns, there are sure to be some surprises for all participants in the mobile marketplace. Over the next two years, we'll likely see significant changes in consumer mobile payments, with many diverse and creative merchants coming into the field and testing new ideas with their customers.

Now the “Digital Wallet”

For example, many mobile merchants today talk about the future of the “digital wallet.” If you look closely, the PayPal Mobile payments service is in essence a digital wallet, not just a means to use a single credit card or bank account.

Your customers will want access to this kind of digital wallet on the go. The preferred wallet will include most of their latest mobile payment sources, coupons, receipts, and more.

Stay tuned—in the next year, PayPal Mobile promises to add a lot more digital wallet functionality that can help make mobile shopping more convenient for your customers and more lucrative for you.

PayPal INSIDER



Making Payments via Mobile and Multimedia

The expanding interface of mobile devices and digital home “Internet appliances” is adding excitement and opportunity. These networks include synergies of wireless web-linked TVs, Blu-Ray DVD players, smart refrigerators, e-thermostats, and even mobile-activated garage door openers. Such novel mobile and multimedia connections and related marketing opportunities interest merchants with their eyes on other revenue streams.

In May 2011, PayPal and Microsoft joined this trend with the announcement of our expanded mutual integration. Now for the first time, Xbox 360 consumers can pay with PayPal directly on their Xbox game consoles.

Xbox 360 owners in more than 20 countries around the world will be buying Microsoft Points, Xbox LIVE Gold subscriptions, and Games on Demand

titles directly from their game console-connected TVs using PayPal, after choosing us as the payment option on xxx.Xbox.com.

Games purchased on the console are also suitable for mobile-optimized portable game players, making PayPal Mobile another option to complete purchases and upgrade game options.

Gamers have always been a tech-smart group—they were some of the first to recognize the value PayPal adds to their increasingly digital lifestyles.

According to an Ipsos Vantis study in March 2011, nearly 75 percent of people who identify themselves as gamers also have PayPal accounts. This is a group of consumers who get what PayPal is all about—and yet another customer target for merchants in the growing mCommerce ecosystem.

Combined Media Selling Is Growing

Industry debate continues over the future of mobile shopping. What makes the best long-term business investment for merchants: mobile apps or the mobile Web?

Mobile-optimized websites are accessible from any Internet-enabled phone and generally easier to build. Mobile apps can be more challenging and expensive to deploy (as you need to provide a unique app for multiple mobile devices), but they can often provide richer data, greater discoverability, and more utility (such as access to cameras, personal contacts, GPS, and other features). Still, some consumers balk at having to visit various app stores to download an app for each merchant.

Your choice may not be as simple as favoring one medium over another, as their combined use has doubled in just one year. In the able merchant's hands, each medium can offer compelling options to attract plenty of shoppers.

Research by Morgan Stanley found that U.S. consumer use of mobile apps and websites is about even right now, and will likely remain so over the next year (though app use still suggests some of the best potential for another growth spurt). The research shows that in 2009 there were about 18 million smartphone app and web users; that figure doubled to 38 million just a year later.

What should matter to you is the market commitment you make to either or both mediums. This isn't like choosing Betamax over VHS back in the day—and making a costly investment misstep. Deciding for mobile apps or websites right now is a win-win. Success simply depends on what medium works best for your business.

Both mobile apps and websites offer compelling characteristics. Native apps provide a tailored shopping experience that's well delivered but limited. The mobile Web, on the other hand, is like a huge shopping mall with seemingly limitless stores and tons of options all under one giant roof. As long as there's an easy way for consumers to shop from their mobile devices, both apps and websites serve a purpose for merchants of all kinds.

Mobile Apps Are Able Moneymakers

Think of a mobile shopping app as a way to create a unique experience with your customer. Because the app is custom-designed and built for a specific device or platform, such as the PayPal Mobile payments app integrated for Android and Apple phones, the app can tap the full range of your business offerings as well as the greater potential of your customer's mobile device capabilities.

Therefore, when a customer launches your mobile app to search for your specific products or services, the streamlined shopping steps and simple checkout process provide ease and success.



NOTE: A 2011 report by the Small Business & Entrepreneurship Council, "Saving Time and Money with Mobile Apps," found that small business owners who use mobile apps estimate they are saving 372.8 million hours of their own time and 725.3 million employee hours annually.

The Mobile Web Offers Sales Wins, Too

In contrast, the mobile Web today offers far more accessibility and many more mobile stores than apps presently offer shopping venues (though mobile apps are growing exponentially).

Merchants can also offer their customers the mobile Web's mostly free access and more robust and flexible features. Perhaps the most obvious advantage of the mobile Web over mobile apps—at least from the consumer's point of view—is that customers don't need to download programs from app stores to their handset to begin shopping; they need only type a web address into their mobile browser and begin spending.

Being Paid—Whatever Mobile Mediums You Choose

Whatever mobile medium your business deploys—mobile apps or websites—you'll ultimately need an accurate, reliable, and streamlined payment processing system—you know, to be paid and make money.

Some payment processes for mobile apps and mobile websites can complicate the steps and unnecessarily require consumers to type lengthy credit card information or account numbers, security codes, and passwords into their smartphones.

PayPal Mobile, however, offers faster, easier, and more secure mobile payments that are simple to add, especially for merchants who already own a PayPal business account. Merchants with a website that currently provides PayPal Express Checkout, or a plan to launch it, can easily integrate PayPal Mobile Express Checkout.

Current PayPal merchants just use their existing Express Checkout APIs to include the same transaction functionality that's already part of their online website. (See Chapters 7–9 for a full discussion and instructions about how to integrate these PayPal Mobile products and features.)

Summary

In this chapter, we let the positive consumer and market numbers help you answer the question, “Why sell via mobile now?” We presented the data and reasoned which mediums may make the most sense for your kind of business in the mobile marketplace today. We introduced some of the current and emerging payment processing systems and the notion of a “digital wallet.”

It’s important to remember that you must ask this business question regularly with each shift in the fast-changing mobile market, if you want to know why consumers are buying and what you need to be selling them at any given time.


And, hopefully, the facts and our advice have convinced you to consider mobile sales because that’s what this book aims to help you do. But we know stats alone can’t make the case. You need to know what merchants like you are *doing* with the encouraging mobile market information.

With that in mind, in the next chapter we’ll report on a number of developments. We’ll note the most meaningful mobile merchandising trends, share innovative consumer social shopping patterns, and explore point-of-sale purchases that may revolutionize how you target mobile customers where and while they shop.

4

Tapping Trends in Mobile Selling and Payments





Consumer adoption of popular mobile devices, such as smartphones, tablets, e-book readers, netbooks, and other portable media, has become so mainstream that many mobile trends now have as much to do with new selling and payment opportunities as with updates to hardware and software technologies.

Consumers have begun to expect such prevalent access to mobile content, products, and services that merchants must keep pace with fast-moving mobile trends. You must adapt ways to synchronize your content, rely on the Internet “cloud,” and maintain the consistency of your shopping and checkout experience across multiple mobile devices.

Adapting to Business in the “Cloud”

Mobile industry analysts speak of the cloud as a single point of access to multiple servers via a digital network, such as the Web, that’s offered through a cloud provider or other commercial organization. Cloud users, including your customers, may more conveniently connect via their net-book, tablet, smartphone, or other mobile device to your information in the cloud. The cloud server provides and manages various apps and data, including product information, presentations, chats, documents, blogs, videos, photos, and more, so customers don’t need to download and install the information on their own devices.

Whether they’re eager to join with customers in the cloud or not, a large number of companies today either don’t have a mobile strategy or are only planning one. Those with a working strategy can improve their approach and move to the next level of mobile business mastery. In each case, merchants will do well to understand and apply the major mobile selling and payment trends.

Appreciating New Consumer Options

Consumers are rapidly expanding their spending with smartphones. It’s easy to see that mobile selling and profits are on the way up. Across various industries, merchants have reported that consumer shopping activity and buying are rising, even as more mCommerce services are emerging.

According to John Donahoe, President and CEO of eBay, “Mobile is clearly becoming a new way people shop. . . . [eBay has] nearly tripled mobile gross merchandise value year-over-year to nearly \$2 billion, with strong holiday shopping momentum in late 2010. And in 2011, we expect mobile to double to \$4 billion.”

Along with this consumer behavior that promises increased profits come added initiatives for mobile merchants. There was a time when smartphones did well to provide access to the Internet, apps, email, calendars and contacts, text messaging, games, music, videos, and shopping. But in 2011, merchants with mobile websites and apps need to keep pace with consumers' increased demands for many next-generation mobile shopping features.

These include common smartphone website and app features:

- Location-based mobile services that help consumers find real-time deals and offers in physical stores.
- “Transparent” pricing that allows comparison-shopping among mobile and physical stores (and, if the buys are better, potentially favoring more mobile than in-store purchases).
- Mobile website and app product reviews about what to buy and what to avoid. Consumers can now scan a product's bar code to immediately pull up web ratings about the item's pros and cons and make an informed purchase.
- Social shopping that lets consumers interact with peer opinions while reading and comparing mobile product and service reviews.
- Discount offers and coupons pushed to consumers' smartphones to notify them of instant shopping bargains and drive “foot” traffic to offline stores (according to a Forrester Research report, 34 percent of U.S. smartphone users received such notifications in 2010).
- Immediate gratification in obtaining various products, services, and content—especially of digital goods, like music and video—delivered instantly and wirelessly.

This is just a sampling of the latest consumer shopping options in the fast-changing world of mCommerce. Knowing what consumers expect and anticipating what the industry may offer them will help you apply sensible, appropriate options for your mobile customers.

Serving Social Shopping Preferences

Many merchants who are new to the mobile market are all atwitter about today's Internet social shopping buzz. The industry has coined a term for this trend called "SoLoMo," or Social, Local, Mobile. This acronym suggests that web consumers are social in their shopping choices, local in their buying preferences, and mobile in their purchasing solutions. But what are some of the more meaningful preferences that can lead to profits?

Well, according to Forrester Research, in terms of social shopping preferences, consumers in late 2009 were drawn to sharing shopping ideas with friends and making buying choices via websites like Twitter and Facebook (253 and 662 million unique visitors, respectively). They also turned to gaming—and buying digital services—in social groups on websites like Zynga (130 million active monthly gamers). Other social shopping consumers began pooling their e-coupons on some of today's hottest trendsetter websites like Groupon (51 million subscribers).

Of course, there are other meaningful examples of mobile consumer social shopping preferences for niche websites, including sharing music lists (Shazam, Pandora), communication (textPlus, Digg), store locations (foursquare, Whrrl), and, of course, the consumer opinion websites that merchants frequent as well, including those with customer product and service reviews (Yelp, Epinions).

So how do you make money serving mobile consumers' social shopping preferences? In one example, if you're a mobile game developer, you can

now select PayPal as a payout option when you integrate credits as the virtual currency in your Facebook games. Adding PayPal brings a secure and flexible payout method that makes integrating the virtual currency even easier.

For more information about how to monetize your mobile website or app through social media, see Chapter 10, "Growing Your Mobile Business."



TIP: When signing up for Facebook Credits for the first time, you can now add an existing PayPal account in the onboarding flow. You can also sign up for a new PayPal account by securely repurposing all the information you entered for Credits Onboarding to create a PayPal account.

Offering More Digital Goods for Sale

Digital goods include, well, virtually anything intangible that you can purchase on a smartphone or other mobile device. Consumers are now making such purchases on a regular basis, spending as much as \$50 per month on any single type of mobile digital good, according to a recent Kleiner Perkins Caufield & Byers study.

This means consumers are buying digital products, such as games, music, videos, news content, reservations, tickets, GPS maps, and downloadable podcasts as well as services, such as in-game currencies, points or rewards, subscription codes, data storage, media tools, and other enhancements.

What does this have to do with your mobile business? Plenty, if you sell—or are encouraged to sell—digital goods. The same Kleiner Perkins Caufield & Byers study cited above found that mobile digital goods revenue jumped from \$500 million in 2008 to more than \$2 billion in 2011.

When it comes to making the most of your business presence on social interaction websites, it pays to offer a payment option.

Targeting Tablets

Without going into a deep dive on the technical comparisons of various mobile devices, we can make a few basic observations that should help you further understand the devices that consumers use and how you can reach them through the most popular mediums.

Of course, we suggest you extend your mobile website or app presence to cover multiple mobile devices (and platforms) at once (more on this in Chapter 6, “Finalizing Your Mobile Launch”), but some devices clearly offer better reach and potentially broader access to your customers.

Tablets Attract Customers

More and more, tablets are becoming the digital space where mobile merchants find their customers. Optimizing your mobile website or app design and functionality to suit tablet usage makes sense when you realize that, according to a recent Apple report, the company's iPad now outsells the iPhone nearly 5 to 1 (due in large part to large shipments of the new iPad 2) and the iPod greater than 10 to 1 in global markets.

PayPal INSIDER



Q & A on Mobile Trends

Laura Chambers, Senior Director of PayPal Mobile, surmises where mobile is headed next—and how PayPal will play an important role in the coming changes for merchants.

Competition is heating up in the mobile payment space. What advantages does PayPal Mobile offer?

In a recent survey, consumers reported that they see us as the most trusted brand in mobile payments. This trust is driven by PayPal's outstanding focus on security and consumers' familiarity with paying through us on their mobile devices. Across the competitive landscape, some people miss the idea that to be a mobile payments company, you actually have to be a payments company first. This is a hard thing to do, but PayPal has been doing payments for over 12 years. We have a full set of risk and analytics tools, outstanding customer support, and over 100 million customers and merchants who favor us. So the transition to mobile payments is significantly easier for us than for companies coming from the device world only, or the carrier or search worlds.

Can you provide some meaningful statistics on mobile payments and the use of PayPal Mobile?

Three years ago, we did \$25 million in mobile payment volume, and in 2011, we're going to do well over \$3 billion. We have over 8 million active users, and process over \$10 million in mobile payments every day. This growth is being driven by the strength of our products and position, as well as the adoption of smartphones and the continuing improvement of mobile commerce and shopping experiences on mobile phones. People are simply becoming more familiar with making mobile payments, and we keep payments very easy and secure.

What will the development of so-called "proximity technology" and local shopping mean for PayPal Mobile?

Local shopping is a very exciting arena for mobile payments. The lines between offline and online shopping are rapidly blurring, and mobile is at the heart of that transition. Proximity technology,

A Morgan Stanley survey also drove home the point that whether you share your mobile business via a smartphone or a tablet, the pair of mobile devices combined is projected to outship desktop and notebook PCs by nearly a billion units globally in 2011.

A recent e-tailing group survey showed that 68 percent of tablet owners say they used their devices to make a purchase compared with 48 percent of smartphone owners. This makes the point that even though consumers

which includes technologies such as mobile near-field communication (NFC), Bluetooth, QR code scanning, Wi-Fi, and audio, is a great way to get devices to talk to each other. However, this is just a communication method. It's much more important to focus on the holistic consumer experience. A "tap" of your smartphone is not that much simpler than a "swipe" of a card to make a payment, and it requires a change in behavior. So proximity technology alone will not radically change local shopping. But if proximity technology is combined with other value for consumers in a meaningful way, it could be revolutionary.

How is the development of mobile apps working on the PayPal developer open platform?

It's going very well, because we're offering developers a lot of flexibility. Previously, the only way developers could monetize their mobile apps was by getting users to download and pay for them. That obviously created friction for the users of those apps. Since we've developed the PayPal Mobile Payments Library, developers have found

many ways to monetize their apps—and they're innovating. We solved the payments problem for developers, so they can leverage payments from within their apps and don't have to rely simply on up-front fees for downloading their apps.

What do you see in the future for PayPal Mobile and mobile payments?

Over the next two years, we'll see massive changes in mobile payments, with many tests and trials of new ideas and technologies. Your wallet will be digital and available in the cloud wherever you are. Consumers will have access to a variety of payment methods, coupons, receipts, and more to make their mobile shopping a richer and better experience. In the next year, we'll also be doing many programs with offline stores, bringing this holistic experience to the market. We're going to keep innovating at PayPal Mobile to meet the new and growing needs of our merchants and their customers.

may access the Web via tablets less frequently than they do via smartphones, they're buying on tablets more regularly.

The same e-tailing group survey noted that 88 percent of respondents rated their tablet shopping experience as somewhat to very satisfactory, compared with 73 percent of those using smartphones. Both numbers are encouraging for mobile business, and, apparently, the mobile device gaining the most customer attention is the tablet.

Tablets May Overtake Smartphones

Tablets may soon become consumers' preferred mobile device over smartphones (outside of making calls, of course)—and a better mobile outlet for product and service displays—for several key reasons. Tablets have the obvious creature-comfort advantage over smartphones (not to mention laptops) when chosen for extended reading or viewing time in an easy chair. Tablets also offer increasingly higher-resolution displays or more engaging visuals; more rich content for mobile web browsing, videos, and e-publications; longer battery life (thanks to better processors); and more app marketplaces offering a wider array of options.

Tablets can be a boost to merchants who need to clearly display products in a highly visual way on their website or mobile app. For example, if you want to sell the fine details in, say, the high relief of collectible coins, tapping and zooming the image on a tablet can render more accurate detail. The same image enlarged on a smaller smartphone screen may actually further blur the specifics.

And as more merchants and developers create apps exclusively for tablets, specialty content will be in higher demand. Some have already made tablet apps showing classic print magazine ads with large, splashy photo spreads to “flip” through or catalogs with rows of product images for “window-shopping.” Such features may make the case for greater mobile sales through tablets.

This is not to say that tablets will entirely replace other mobile devices. Many consumers view tablets as an accessory mobile device. According to a Morgan Stanley report, 55 percent of potential tablet users do not expect

their tablet to replace the purchase of other mobile technology platforms, such as a smartphone.

From your mobile merchant perspective, then, suffice it to say that optimizing your mobile business for today's fast-proliferating tablets is the broad-minded and forward-thinking path to pursue.

Engaging the Emerging Global Market

Though an International Telecommunication Union study says that five countries, including China, Russia, Brazil, India, and the U.S., comprise 46 percent of all global mobile consumers today, other mobile market trends suggest that growth among international mobile web customers is literally all over the map.

A Kleiner Perkins Caufield & Byers survey notes that the following countries boast some of the world's fastest growing populations of mobile web subscribers (subscriber numbers are in millions): Korea, 40; Italy, 31; Australia, 18; Taiwan, 11; Saudi Arabia, 8; South Africa, 7; Israel, 5; and Singapore, 4.

Our point is that if you're a U.S.-based merchant and need to focus your new business only on the U.S. mobile customer market for now, there are global mobile profits waiting for you when you're ready to expand internationally.

Of course, how quickly and easily you expand into global markets may have to do with the kind of products you sell, from physical items to digital goods. Some kinds of merchandise are better suited for international sales, considering the impact to your business of shipping costs, cross-border fees, regional regulations, and the like. It's smart to learn from the real-world global selling experiences of your merchant peers.

PayPal Mobile makes a number of its international payments and transaction tools available for merchants, including helping you handle cross-border payments, make currency conversions, and more.

Assessing Mobile and Point-of-Sale

The trends we've discussed may be interesting to many, but what can these developments mean for your mobile selling and payments? What exactly is *point-of-sale* (POS) and how is it a potential opportunity for your mobile profits?

Mobile point-of-sale payments can allow more immediate purchases and impulse buying with related proximity hardware, including smartphones and other mobile devices. Enabled mobile devices can offer rich-media consumer experiences and a suite of new selling tools for merchants.

A POS Shopping Scenario

For example, imagine yourself as a consumer using the convenience of point-of-sale services. Your smartphone notifies you of a nearby store with an offer for an item that you've been eager to buy (say, that anniversary present that's, ahem, "been on your mind" recently). You like the Internet product reviews and recommendations you've read on your smartphone, and you've prudently saved the offer in your mobile "wallet." You make your way to the physical store, find the item, and pay for it using a payment method stored on your phone. Upon the successful payment, the offer is applied, customer loyalty accumulated, and a purchase receipt automatically stored in your mobile wallet (not to mention a spousal deed well done).

If you take advantage of mobile point-of-sale features as a merchant, you can use mobile device screens for a number of marketing and payment functionalities.

Pre-transaction features can help your customers locate a physical store, find products, get coupons, review financing terms, and learn about warranties.

During the transaction, your customers can pay with convenience, custom services, and confidence.

Once the transaction is completed, you can continue to control the mobile device screen and the customer experience to confirm the purchase, check the receipt, provide customer notifications, manage returns, supply refunds, handle product recalls, ensure loyalty awards, update payment method preferences, and cross- or up-sell merchandise to encourage additional shopping.

POS Success Factors

Why does this new mobile technology matter? Because mobile point-of-sale payments can create greater buying and checkout options for you and your customers. To be effective, however, a point-of-sale service should reflect much of the following:

- The consumer experience should be intuitive and the payment means clear and valuable.
- The point-of-sale service should work across multiple mobile devices, reach a meaningful demographic of consumers, and be available at the places where consumers shop the most.
- Merchants must realize the point-of-sale service value through lower costs of sales or higher customer conversion rates and tie payments to the best pre- and post-transaction customer experiences.
- The technology must be scalable, with easy-to-integrate message formats, and simple for consumers to access, regardless of their carrier or mobile device.



NOTE: A “tap” won’t beat a “swipe” at a point-of-sale transaction. According to PayPal, 12 percent of U.S. payment cards have tap technology enabled, with nearly 150,000 points of acceptance through high-sales merchants, but only 0.01 percent of transactions go through tap technology. A tap may be more convenient than a swipe, but it hasn’t been widely adopted.

True, the new technology has to prove it's compelling enough to change current consumer behavior. And yet there are significant numbers of smart spenders and mobile shopping trendsetters to justify providing them with more point-of-sale coupons, discounts, local store referrals, and checkout and payment options.

Despite the newness and still-evolving state of point-of-sale operations, there should soon be better mobile capabilities for consumers and fresher profits for you by adopting the tools.

A Closer Look at POS

Let's take a closer look at such point-of-sale payments with proximity hardware, and then you can judge the value and potential for yourself.

In point-of-sale and proximity hardware operations, there are at least three criteria through which consumers and merchants may interact:

- Payments
- Credential storage
- Coupon exchanges

Regarding payments, the mobile market over the next year or two should help determine whether most consumers will remain committed to paying "remotely" via the Web or if they will increasingly adopt point-of-sale payments with their smartphones.

Mobile credential storage and exchange criteria will likely include means for finer customer personal identification, social networking and buying possibilities, and location-based marketing.

Personal identification tools will allow merchants to better note returning and repeat customers as well as various loyalty-program members as they enter an offline store.

More social networking and buying possibilities will enable your customers to solicit product opinions among their extended interest groups like those on Facebook, Twitter, YouTube, Yelp, Google+, and other social interaction websites.

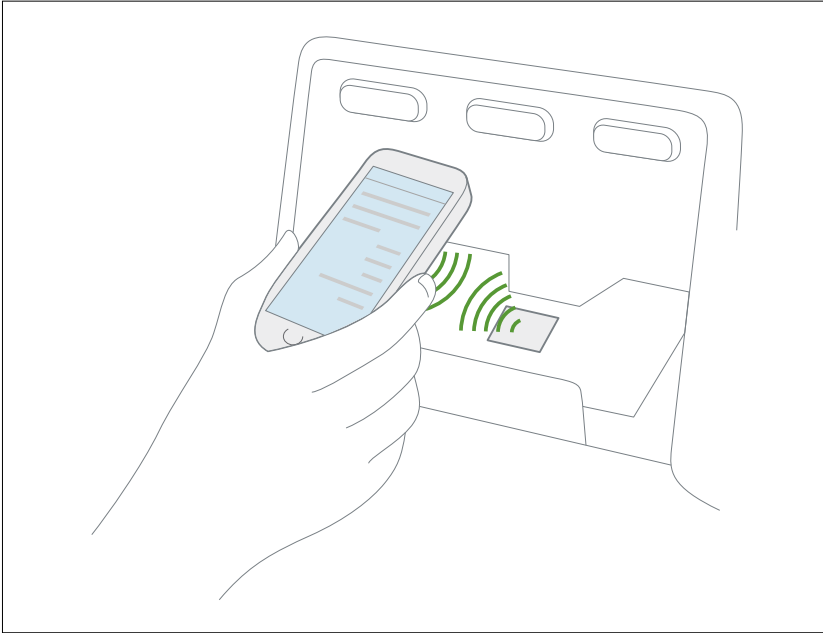


Figure 4.1
In this depiction of a near-field communication action, a customer uses his NFC-equipped smartphone for identification to access his bank account at an ATM terminal.

The mobile merchant's basic ability to push (or pull) offer coupons and provide various notifications for their point-of-sale customers is also helping determine the merits of this system and its potential broad adoption.

As you might have guessed, there are also several competing standards for point-of-sale features and technologies, with varying strengths and weaknesses.

Let's define a couple of the major terms: *near-field communication* and *contactless payments*.

Near-field communication (NFC) payments allow simplified transactions, data exchanges, and connections between NFC-equipped devices with a simple touch. A smartphone or tablet with an NFC chip can make a credit card payment or serve as a keycard or ID card, such as at an ATM terminal, as shown in **Figure 4.1**. NFC devices can also read NFC transponder tags on retail displays, such as posters or signs, to find more product information as well as present a marketing audio message or video clip. NFC can also share contacts, photos, music, apps, or pair Bluetooth devices.

Contactless payment systems—sometimes called “touch and go” or “wave and pay” operations—involve credit cards and debit cards, key fobs, smartcards, or other devices that use radio-frequency identification (RFID) for making secure payments. An embedded chip and antenna enable consumers to wave their card or fob over a reader at the point-of-sale.

In some cases, a consumer can obtain a “contactless sticker” chip from a commercial provider that adheres to a smartphone and links to a money account for making direct payments. The provider, in turn, equips merchants in given areas with payment devices that work with its chip.

Technically, contactless stickers are a subset of NFC technology, as they share the same RFID protocol. Most payment readers now integrating the NFC/RFID part do so at a significant additional cost.

From a replacement point of view, the cost is not prohibitive. However, the merchant must upgrade infrastructure to align with the Visa or MasterCard requirement of online Dynamic Data Authentication. This puts the burden of the upgrade on the merchant, not the acquirer. In this sense, adopting contactless payments can be an expensive proposition for some merchants.

Near-field communication is the early front-runner among the competing standards, but there are certainly some worthy challengers. We compare them in **Table 4.1**.

NFC payments may offer convenience and a smoother consumer experience, but so far not many merchants are onboard with this innovative payment technology.

Most experienced mobile merchants are familiar with NFC, thanks to the growing number of contactless payment readers being deployed and the National Retail Federation’s effort to promote NFC awareness through industry white papers.

However, a large number of merchants have yet to be convinced that the expense of adopting this novel technology will have a clear return on their investment.

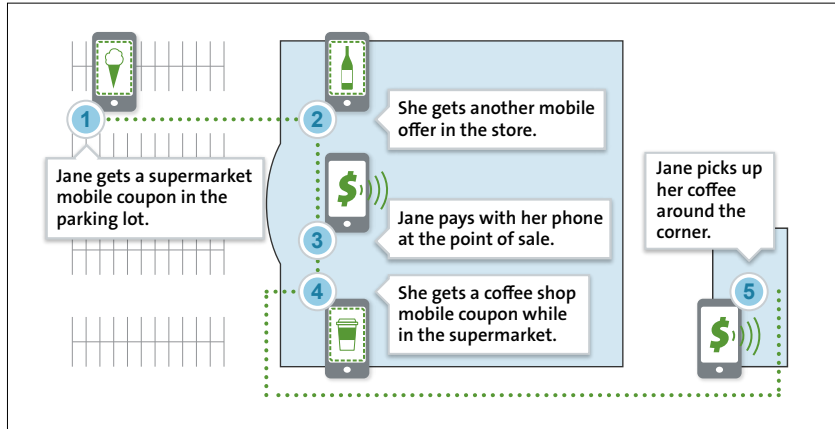
Most industry forecasters see NFC becoming available on major smartphones by late 2011, with the tool being adopted only for other mobile devices and by mainstream merchants about mid-to-late 2012.

Table 4.1 Comparing Point-of-Sale Standards

Standard	Consumer experience	Merchant experience	Opportunity for large scale adoption
Near-field communication	Likely among the most popular early adoptions	Can be expensive hardware	Effective up to 2" from store payment readers and 12" from transit pass readers
Contactless payments sticker	It's "on" the smartphone	Can be expensive hardware	Early iterations are promising
Audio	Need an app	Mostly inexpensive hardware	Works on all smartphones
Bar code scan at point-of-sale	Need an app	Need point-of-sale hardware	Some limit on the quality of the mobile device's screen display matched with the bar code reader's ability to adapt from the glass reflection
Bar code scan for in-app purchase	Need an app (but generally a good experience)	Software integration only	Limited use cases
Software solutions	Need an app	Software integration only	Limited use cases
Credit card at point-of-sale	Same as card	Same as card	Not differentiated
Hands-free: No need for a smartphone, just a phone number and PIN	No smartphone required	Requires some integration	Works on most PIN pads

Figure 4.2

In this point-of-sale shopping scenario, Jane uses her smartphone to receive instant mobile coupons and buy from several local stores at once.



POS Purchasing from End to End

Looking at point-of-sale capability in the following scenario shows how mobile can play a key and comprehensive role in making such purchases successful, as shown in Figure 4.2.

1. Jane drives into the parking lot of her local Safeway supermarket on a hot Tuesday afternoon. Before she enters the store, Safeway sends her a “Buy 1, Get 1 Free” mobile coupon for her favorite ice cream.
2. Jane continues into the store and shops for the items on her list. Knowing her interest in red wine, Safeway also sends her a “\$2.00 off” mobile coupon for a new brand that the store has begun to stock.
3. Jane proceeds to checkout and, again via her smartphone, pays for her goods at the point-of-sale using her bank as the payment method.
4. While still at the checkout station, Jane, a regular Starbucks customer, receives a mobile offer from the nearby coffee shop and uses her phone to buy an ice-cold Frappuccino for just \$3.00.
5. Once Jane exits Safeway and loads her groceries into her car, she drives over to Starbucks, where the coffee treat is ready for her to pick up.

POS Steps Using a Smartphone

The following explains what a similar point-of-sale scenario looks like in a typical shopping and checkout flow on a customer's smartphone, as noted in the steps below and shown in **Figure 4.3** on the next page.

You'll see that in just a few steps a customer can do everything to complete a POS purchase on his smartphone, from choosing a payment method to scanning a product bar code to locating and picking up a purchased item at a physical store.

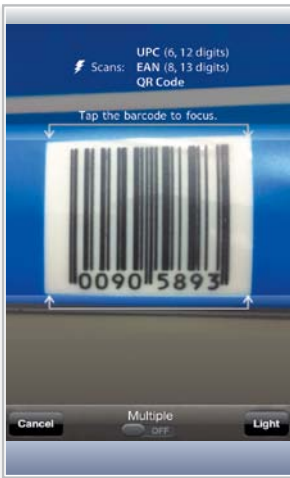
For example, say that David is shopping in a physical store and has access to payment methods via a smartphone. Here are steps he may take to complete a POS purchase:

1. David shops for a desired item, makes a selection, and scans the product bar code with his smartphone.
2. David views the product scan results for local stores and their product inventory and prices.
3. David then locates a preferred store nearby via the GPS function on his smartphone, and selects the product for purchase and in-store pick-up.
4. David selects to process the purchase on his smartphone.
5. David then chooses a payment method (via a credit card, bank, or other).
6. Once at the store, David picks up his product (already paid for via mobile phone) and, on the way out, swipes the electronic receipt on his smartphone at the store's security reader.

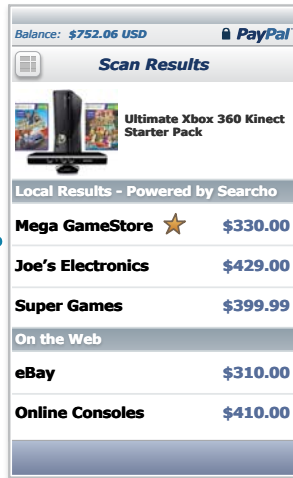
As you can see, the entire product shopping, purchasing, and pick-up cycle takes place with a smartphone all in the palm of a person's hand. This unprecedented consumer buying power and convenience means a host of new marketing opportunities for mobile merchants.

With mobile tools, you can control the mobile point-of-sale customer buying experience from end to end. This means that in a single, synchronized,

Buyer scans product barcode.



Buyer views scan results.



Buyer locates store.

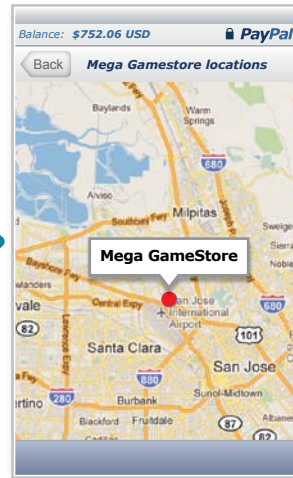


Figure 4.3 This sample point-of-sale shopping and payment flow on a smartphone reveals a seamless end-to-end experience, from scanning a product bar code to locating a store for pick-up to completing a payment. (Note: The PayPal screens depicted are suggestions only, and not part of a current live POS checkout flow.)

Buyer selects PayPal checkout. Buyer selects payment method. Buyer captures receipt.

Balance: \$752.06 USD

Back **XBox 360 Kinect**

Ultimate Xbox 360 Starter Pack
Product # 23098713
Our Price: **\$330.00**
Average Customer Rating (3 reviews)

In the Box:
- Xbox 360 4GB S Console
- Kinect Sensor
- Kinect Adventures rated "E"
- Xbox 360 Black Wireless Controller
- Xbox 360 Composite A/V cable (SD)
- 1 Month Xbox LIVE Gold Membership
- 1 year limited warranty on console (90 days on accessories)

447 Great Mall Drive,
San Jose, CA 95128
Date: 08/10/2011
Mega GameStore

City Item Price
Xbox 360 Kinect \$330.00

Cancel **Pay** Total: **\$330.00**

Adopting “Augmented Reality” Apps for Selling

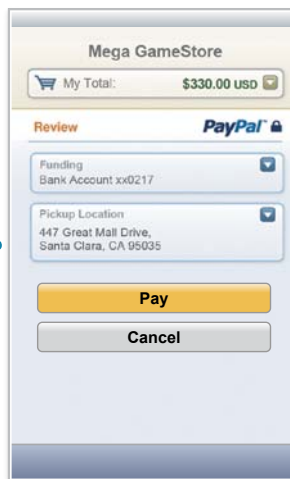
1 2 3 4 5 6

Mobile “augmented reality,” a new technology now being tested in various prototypes and functioning apps, promises to bring still more mobile “cool tools” for consumers and more mobile merchant selling opportunities for you.

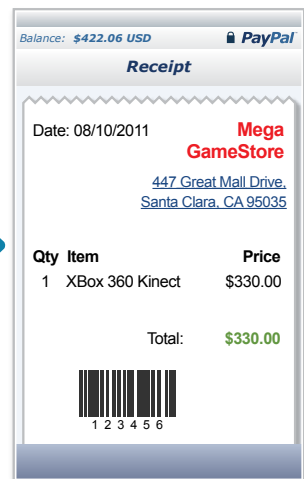
Buyer selects PayPal checkout.



Buyer selects payment method.



Buyer captures receipt.



Augmented reality apps basically provide an overlay of digital information on real-world views (or a window of data associated with actual objects), as seen through a smartphone's camera.

How Do Augmented Reality Apps Work?

In the simple analysis, augmented reality adds captions to the pictures you see through a smartphone camera viewfinder.

For example, imagine you're a realtor and your clients are busy house hunting. They're out for a drive through a favorite neighborhood, and spot a great house with a For Sale sign.

It's raining and they don't have time to take a home tour, but using a smartphone equipped with an augmented reality app, they can point their phone's camera at the house as they drive by, click on an information label associated with the house for sale, and see a write-up and photos from the real estate listing on the phone screen.

Assuming they're thrilled with the house details, you may thank your mobile augmented reality app for leading to a sale.

Or consider this “augmented” selling scenario. Say the same house hunters are also in the market for your home improvement materials, but all salespeople are occupied with other customers in your store.

Simply by taking a smartphone camera view of your flooring samples (tagged with augmented reality information), they can learn anything about the products, from available finishes, colors, sizes, and textures to information about where to order and pick up supplies.

And, as the couple is waiting in the store checkout line by the reading rack, they can also point their smartphone camera at an augmented-reality-enabled magazine to read a short review of your paints for their new home, too.

What’s the Value of Today’s Augmented Reality Apps?

Right now, mobile augmented reality tools are mainly the work of small startups that have built their fledgling apps on Apple’s iPhone and Google’s Android platforms.

And while ABI Research noted in a 2010 study that augmented reality app revenues totaled a mere \$21 million, the same finding suggested that with rapid development improvements and broader marketing, the income total could exceed \$3 billion by 2016.

That means there’s room for mobile growth and selling opportunities using augmented reality apps in your marketing, search, social networking, selling, and PayPal payment processing methods. The key to product development, consumer adoption, and your potential profits will be moves made by mobile tech giants like Apple and Google.

Such companies will need to provide updated computer vision technologies for various smartphone cameras to send their image information to the growing data cloud and then back to the customers’ phones to complete an action.

Of course, the long-term benefits for merchants and consumers alike will depend on how quickly augmented reality technologies are integrated with a wide range of apps running on various mobile devices and platforms.

Summary

No matter how you interpret the business prospects of such mobile industry trends, we can focus the decision for you this way: it's never enough to follow trends (or, frankly, our advice alone) in lockstep; you'll do better to apply the most relevant industry initiatives as part of your own well-planned course.

That could mean several fresh approaches, including

- Reconsidering your current online customers as mobile shoppers.
- Repositioning your products via social shopping websites or apps.
- Restocking inventory to offer items of more interest to mobile consumers.
- Redesigning your mobile website or app to attract tablet consumers.
- Adapting parts of your core business for the international mobile market.
- Timing participation in mobile point-of-sale ventures to maximize your profits.
- Investigating emerging technologies like “augmented reality” and others so that you remain aware and able to adopt your business to how your customers prefer shopping.

Taken as a whole, we ask you to consider these trends and their impact on your mobile plans along with industry best practices that will help drive your new mobile business, the subject of our next chapter.

5

Best Practices for Building Your Mobile Website or App



According to many industry discoveries and projections, the potential for mCommerce—and the promise of your mobile profits—is encouraging.

However, there's no mobile money magic in the notion that, when it comes to your new mobile website or app, "if you build it, they will come." If your mobile website or app is conceived with great expectations but hastily built with poor design, clumsy logic, or a broken checkout system, customers may visit once, but they're unlikely to return.

To succeed, merchants must ensure that their mobile websites are attractive, ease-to-use, and have a simple checkout.



Figure 5.1 eBay migrated complex content from a large, online website page to a simpler, more compact mobile website screen, making a good fit while ensuring proper function.

Build Less, Not More

What we've said bears reinforcing here: you want your mobile website or app to be as simple as possible for customers to access easily and often, follow clearly and smartly, and shop eagerly and loyally.

The reason is obvious, if you imagine yourself in the role of the consumer. Even with some of the better devices, your mobile customer must use a technology that, compared with a PC, offers relatively lower processing power, less powerful browsers, smaller screen sizes, and more demanding keyboards.

But when a merchant understands that creating a mobile website calls for less (not more) and a simpler (not involved) presentation, the design can both complement and extend the brand of the online website. For example, **Figure 5.1** shows how eBay’s designers adjusted main portions of a large, sophisticated online website—including the Sign In button, search field, left column navigation links, and the spotlight “daily deals” box—to suit a smaller, simpler mobile website screen.

Optimize for a Small Screen

It’s also important to remember that the mobile browser is not a scaled-down version of the traditional web browser. In most cases, a “mini me” version of your full website will not work for a mobile consumer. Any design not optimized for the smaller smartphone screen runs the risk of images appearing out of scale (imagine a car ad with only half the body showing) and copy being hard to read or completely cut off (picture a sales price missing the added shipping and handling amount), leaving the frustrated customer to guess at your sales message.

That’s why it helps to create a unique “one-screen” look and feel (with a single sales message on a screen at a time) or a separate theme—but one consistent with your brand—for your mobile website, so that your business will be both relevant and useful for the mobile consumer.

Remember, however, that when it comes to priority content, small doesn’t mean insignificant. If the desktop computer version of your website includes customer-favorite sections like product reports, price comparisons, feature updates, and the like, neglecting to include these segments on your mobile website will only surprise and disappoint followers.

Also strive, where possible, to identify the navigation paths to these popular content sections with the same wording and link orientation as your online website. Your customers may not mind elective browsing, but they won’t appreciate unanticipated wandering around your website.

Organize Links Effectively

Many consumers who visit your mobile website or app will be doing so from devices equipped with touchscreens, so they'll be clicking buttons—buying—with their fingers. And not all fingers are created equal when it comes to typing dexterity.



TIP: Make sure that radio buttons in your website design have at least 44 pixels of space between them to assure easy and successful touch selection.

If links on a mobile page are too tightly bunched, for example, a customer may tap her preferred link, only to find that the link delivers her to an unintended page.

This means that she must tap the Back button, relocate the desired link, zoom the page for better legibility, and angle her finger precisely to try the link again.

The responsibility is yours to create a good mobile design that arranges links clearly and spaces them evenly to allow simple-to-spot and easy-to-tap links.

Use Proper Browser Code

There are nearly as many browsers on the market now for mobile devices as there are for desktop computers—Mozilla, Skyfire, Dolphin, Internet Explorer, Opera, and Safari, to name a few. Each of these browsers relies on its own rendering engine. Mozilla uses Gecko, Skyfire uses WebKit, Internet Explorer uses Trident, and Opera uses Presto, for example. And while each follows the W3C standards established for XHTML Basic 1.1 and CSS2.1/CSS3, not all can fully support the standards yet.

As a result, the same website on one mobile browser might look different than it does on another. This case is, of course, similar to what can occur for desktop computer browser support; but remember, your preferred mobile website appearance is further compromised by small mobile screen sizes.

That's why it's critical to use proper browser code when designing your mobile website. One suggestion: use the W3C markup validation service website at <http://validator.w3.org/> to check your browser code for valid markup and CSS.

Enable Redirection to Your Mobile Website

When a customer inputs your domain URL from an iPhone, you have a choice: you can either direct her to your online website or to your new mobile website. Redirection to your mobile website is necessary to provide the best possible user experience. It's important to correctly identify the platform being used, and then redirect based on the browser's user agent (UA). (A user agent is composed of several different pieces of information added together into a string.)

Every user agent includes a number of key attributes in a format as follows:

```
[REF]: Mozilla/[version] ([system and browser information])  
[platform] ([platform details]) [extensions]
```

A common example of this format practice is the Apple iPad user agent:

```
Mozilla/5.0 (iPad; U; CPU OS 3_2_1 like Mac OS X; en-us)  
AppleWebKit/531.21.10 (KHTML, like Gecko) Mobile/7B405
```

You can use a simple regular expression algorithm to check the user agent for certain phrases or words and then redirect based on the result. For example, if you wanted to redirect the visitor to your mobile website from an Android mobile device, you can search for the term "Android" in the UA. You can further enhance this search string so that only Android OS version 2.2 is redirected by searching the UA string for "Android 2.2."

Other typical command user agents are noted in Table 5.1.

Table 5.1 Mobile Platforms and User Agents

Platform	Browser User Agent
Android 2.3.3	Mozilla/5.0 (Linux; U; Android 2.3.3; zh-tw; *DEVICENAME/build*) AppleWebKit/533.1 (KHTML, like Gecko) Version/4.0 Mobile Safari/533.1
Opera Mobile	Opera/9.80 (Android; Linux; Opera Mobi/ADR-1012221546; U; pl) Presto/2.7.60 Version/10.5
Opera Mini	Opera/9.80 (J2ME/MIDP) Opera Mini/9.80 (S60; SymbOS; Opera Mobi/23.348; U; en) Presto/2.5.25 Version/10.54
RIM BlackBerry	Mozilla/5.0 (BlackBerry; U; BlackBerry 9800; zh-TW) AppleWebKit/534.8+ (KHTML, like Gecko) Version/6.0.0.448 Mobile Safari/534.8+
Apple iPhone	Mozilla/5.0 (iPhone; U; CPU iPhone OS 4_2_1 like Mac OS X; en-us) AppleWebKit/533.17.9 (KHTML, like Gecko) Version/5.0.2 Mobile/8C148a Safari/6533.18.5

Go Flash-Free

As some merchants are aware, Adobe Flash, for all its obvious online qualities in providing impressive animation for games and ads, rich music files and video clips, and other user interactivity, is not always ideal when designing mobile-friendly websites.

This is in part because the visual dynamics don't translate as well to smaller smartphone screens (though larger tablet screens may improve the performance) and the fact that some mobile web browsers include "flash blockers" that default to *not play* Flash content.

In addition to these limitations, Flash is not currently supported by Apple; it's only supported by Android version 2.2+. Thus, if you must use Flash, know from the start that you're eliminating a large pool of potential customers.

Still, if you want to include Flash for your mobile website or app, make sure that the functionality is only for mobile devices that support it.

Limit Load-Time

Fast-loading websites are especially critical for successful mobile businesses. While traditional online websites must avoid loading lag, mobile websites and apps must load even faster, if possible (mobile consumers expect this speed)—or a mobile merchant risks a high percentage of customer drop-off.

Customers Won't Wait

Most mobile web consumers will wait only a very short time—some estimates say just a couple of seconds or so—for your mobile website or app to load before trying a different website. Other external factors, such as network type and download speed, can have a huge impact on your mobile website's ability to open quickly and smoothly for customers.

It's vitally important, then, if you only have a potential customer's attention on your URL for maybe three seconds, that you build your website or app primarily for speed, so that your content loads as quickly as possible. There are only so many facets of website or app performance that you can control for a positive customer experience, and a great loading speed is one of the easiest ways to impress a new customer.

Of course, the need for speed means that you must skip bandwidth-hogging graphics, use photo editing tools like Adobe Contribute to round corners, and create shadows and gradients instead of full images.

Customers Must Know What's Happening

One other bit of advice from any customer who has ever had to wait in loading-time limbo for a merchant's pitch to power up: if your mobile website or app needs to make API calls or gather data before rendering a page, make sure that you show a progress indicator (or, to borrow an industry term, the "whirligig thingy") with instructional copy. A customer is more likely to be patient—and interested—if she's told what's happening and sees the website in the process of doing *something* for her.

Establish Superior Search Engine Optimization

We probably don't have to remind you about search functionality, but we'll offer you some additional advice anyway because—say it with us—if customers can't find you, they can't buy from you.

Engines Differ

Just as many mobile websites offer features other than those on the traditional Web, major mobile search engines like Google, Bing, and Yahoo differ in key ways from their standard Internet counterparts. Mobile search engines rely on different data and new forms of data, and have to provide a good result based on minimal information. Mobile search engines today can also detect a device's location and base the search result set on that, as well as the keywords entered.

Successful SEO Tips

Among the important criteria for a successful search that locates your specific mobile website or app, we suggest the following:

- **Use correct code.** XHTML 1.1 is standardized, and it's what most mobile search engines expect. Make sure that your mobile website or app is validated to help consumers find your business more readily.
- **Make proper use of header HTML tags (<h1>, <h2>, and so on).** Mobile search engines still look at these tags. Make a point to describe images with an accurate "alt" tag, as this tag is examined by image search engines and will affect your search results listing.
- **Include your business on Google Maps.** Google's mobile search engine will return results based on your keywords; however, those results are numbered based on your location information as well, so including your mobile business on Google Maps will help list you among many search results.

- **Create a URL that accurately represents your mobile website or app.**
You should always use a subdomain of the full online website that you own or run. For example, PayPal Mobile's URL is "m.paypal.com." In this case, the "m" stands for mobile, but you can also spell out the full word "mobile," if you prefer, as in "mobile.mybusiness.com." Of course, submit your mobile URL to all of the relevant domains, including Google, Bing, Yahoo, and Ask, to name a few.

Adapt to the Mobile Money Ecosystem

The mobile industry ecosystem is filled with entrepreneurs, established merchants, and other enterprising types who have many of the same business aims as yours. Now is the time to play nice. Players can become partners in the blink of a mobile screen.

Common Goals

Most anyone in the emerging ecosystem of merchants, manufacturers, developers, carriers, content providers, industry analysts, and others will likely admit that one of the field's biggest challenges is how to coordinate common goals with often counter-purpose efforts.

In the rush for mobile gold, or simply because new technologies often arrive without consideration for their effective interaction, companies and individuals that influence mobile progress each decry sometimes duplicated, contradictory, or wasted initiatives. After all, what's the benefit to an industry when product and service disconnects confuse consumers with an already dizzying array of choices?

You can make it a matter of mobile business best practices to act on your immediate self-interest while supporting cooperative and beneficial industry partnerships. You can do this when you build genuine and consistent business partner (and consumer) trust, even as you build real value into your new mobile website or app.

Who Participates in the Mobile Money Ecosystem?

Knowing the participants in the mobile money ecosystem—and who may help with necessary or advantageous matches for your business—largely determines how you invest and build your mobile business.

Here's a sample lineup (in no particular order of importance) of professional players in the mobile money ecosystem who can help your business in their specific ways:

- Mobile network operators
- System integrators
- Service and billing providers
- Application and software providers
- Platform providers
- Network and infrastructure providers
- Device manufacturers
- Vendors and component providers
- Content providers
- Media and entertainment providers
- Photography and digital imaging designers
- Cable providers
- Gaming providers
- Internet service providers

As you engage these contributors to help your business, you're likely to find them indispensable partners in your mobile profit-making ventures. Now is a good time to meet them, as you begin planning your mobile business. See a list of key mobile money ecosystem contacts—through industry organizations, blogs, events, and more—in our Appendix, “Mobile Information Resources.”

Peer Engagement

There are a number of ways to form rewarding business relationships in the mobile money ecosystem. Engaging a reliable payment processor like PayPal Mobile to handle checkout can help ensure that the money you make makes its way to you. You would also do well to collaborate with a competent Short Message Service (SMS) aggregator to set up an SMS infrastructure for various notifications (text messages) pushed to your customers. Developing your website or app with popular tools and designs of aligned device manufacturers and content creators—such as pairing a smartphone card reader with an interactive store coupon—can create new ways to sell.

Partnerships like these—and others you'll find suitable for your website or app business—lead to mutually profitable synergies that support the efficiency and effectiveness of the mobile marketplace.

Provide Faster, Easier, More Secure Checkout

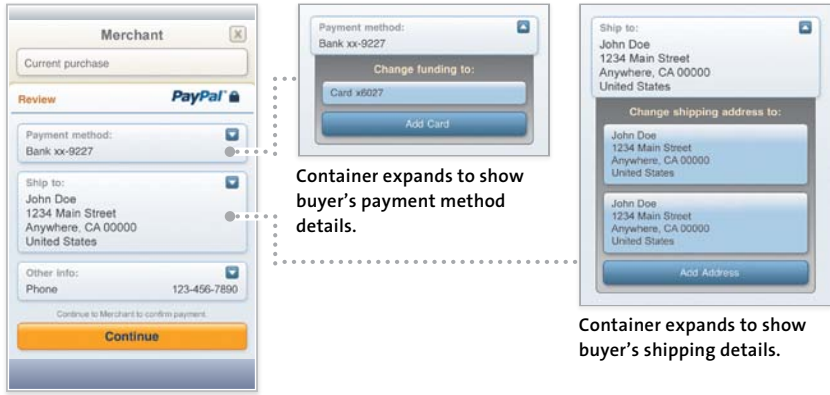
Just as mobile shopping should involve as few data entries, clicks, and page searches as possible, so should the mobile payment process and checkout be quicker, simpler, and more secure than ever for your customer.

Most smartphone consumers are, as you may have learned, easily distracted while on the move, prone to impulse navigating decisions, and subject to mobile service area interruptions. Moving them effectively through the mobile shopping and checkout process is good for customer service and sales success.

Mobile Checkout Options

PayPal Mobile Express Checkout also helps merchants apply best practices with its proven payment processes. With the rapid transfer of consumers from desktop web shopping experiences to more mobile buying choices, Mobile Express Checkout provides faster, easier, and more

Figure 5.2
Expandable content containers help organize lengthy but key transaction information to keep the screen clean and simple yet highly useful for your customers.



Container expands to show buyer's payment method details.

Container expands to show buyer's shipping details.

secure checkout experiences for better customer conversions, broader sales, and greater adoption of consumer mobile channels.

Built with the same powerful features of the full PayPal website Express Checkout, Mobile Express Checkout provides a streamlined experience designed especially for mobile commerce. This includes an easy-to-use, well-designed mobile interface authorization, recurring payment setup, and guest checkout.



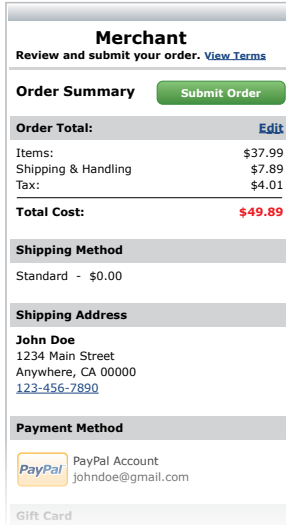
NOTE: For details about PayPal Mobile's Recurring Payments tool, see Chapter 10, "Growing Your Mobile Business."

For added ease, Mobile Express Checkout provides unique value with a Checkout with PayPal button that merchants can place clearly within their shopping carts. This means that a customer doesn't have to enter her billing and shipping addresses, email, phone number, or credit card information.

She need only enter her existing password or PIN and make a couple of key taps. PayPal then sends the required information for the transaction to the merchant, which allows you to skip displaying the data collection pages.



TIP: Some ways to provide a better payment process for your customer include allowing her a "guest" checkout via PayPal Mobile, so she can skip creating a PayPal account; supporting her login across multiple mobile platforms; and automatically saving her shopping cart, in case she loses the mobile connection or is distracted and does not complete the checkout.



Merchant
Review and submit your order. [View Terms](#)

Order Summary [Submit Order](#)

Order Total: [Edit](#)

Items:	\$37.99
Shipping & Handling	\$7.89
Tax:	\$4.01
Total Cost:	\$49.89

Shipping Method
Standard - \$0.00

Shipping Address
John Doe
1234 Main Street
Anywhere, CA 00000
[123-456-7890](#)


Payment Method
 PayPal Account
johndoe@gmail.com
Gift Card

Figure 5.3

Keep transaction pages especially simple and clear for your customers, as this review page depicts only the most vital details to complete a checkout, including shipping, payment, and total amount information.

Compact Checkout Flows

Other convenient Mobile Express Checkout features include pages with expandable content containers, as shown in **Figure 5.2**, which allow you to compact (hide) details for a clean look, while enabling the customer to view and edit information such as her purchase details, payment method, and shipping information—at any time. Of course, you may want to use the same technique elsewhere on your mobile website or app to provide relevant content wherever you need to save space.



TIP: As a merchant, you can highlight paying with PayPal on your mobile website homepage, among various content categories and with product description sections. You can also store the PayPal payment method on file for your customers who have already created accounts.

As a best practice in designing an order review page, **Figure 5.3** illustrates the three main sections: shipping, payment, and total amount information. Organize the order review details concisely, so that the customer can read them all at a glance and still find the Submit Order button—the buying action—without having to scroll. You may, of course, include brief

marketing messages on this page, such as coupons, promotions, codes, and gift card details. Many customers will welcome this information. But, as we've said, mobile is a "one screen" world, where every image and word counts, so be careful to avoid content clutter that distracts the customer from her main goal of finishing the checkout.



NOTE: PayPal works equally well within a mobile app, and currently supports iPhone, iPad, iPod touch, and Android devices. PayPal Mobile's rendering engine supports payments on other major mobile devices as well.

PayPal INSIDER



Perfecting the Payment Method Page

Part of PayPal Mobile's best practices—for our merchants' benefits as well as our own—is to provide customers with a payment method page that is easy to access, clean, and unambiguous.

To that end, we require each merchant who implements our PayPal Mobile Express Checkout feature to note this clearly on the mobile website payment method page. As shown in the presentation of the various payment methods (Figure 5.4), the shopper's choices are obvious, balanced, and easy to select.

As a side note, our payments experience has shown us that even when customers elect not to choose PayPal within their shopping carts, nearly 25 percent of them will still choose PayPal once they reach the merchant's payment methods page. More specifically, our survey respondents say that they choose PayPal at this point in the check-out process simply to avoid entering their credit card data.

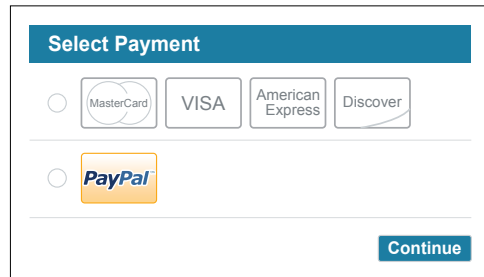


Figure 5.4 Payment method choices are clearly labeled.

Here are other payment page best practices we can pass along to our merchants:

- Make all available payment options clearly visible without scrolling prior to interaction.
- Provide clear and distinct choices among payment options.
- Ensure that no payment options are defaulted.

Summary


Best practices are best when they are, well, *practiced*. That means having the confidence to apply—as prototypes and pilot projects at least—the above tips or the bright ideas you get from business mentors, peers, competitors, consumers, or others with related experience in the mobile industry. In addition to your planning for an effective mobile website or app, keep an open eye and eager ear for insights from unexpected sources. Attending industry trade shows and exchanging ideas within mobile business communities and organizations are ways to learn the latest best practices and test your ideas among expert opinions.

While we trust the discussion here will help you build an effective mobile website or app, in the next chapter we go into more detail and raise key questions to ask yourself before your launch. Our inquiries will prompt you to consider your core mobile business strategy (challenging assumptions about your business identity now can save problems later), determine what you'll sell and who'll buy from you (including existing online inventory and new lines for your mobile customers), and choose the proper payment tools to help grow your mobile business (that's the bottom line, after all).

6

Finalizing Your Mobile Launch





How do you know when you're ready to launch a mobile business website or app? It always helps to revisit and maybe refresh your plans.

This mobile readiness check should help you consider your mobile launch, from assessing your business type and platform to determining your sales line and targeting your customers.

We raise these key questions in this chapter, and answer them in part for you. More thorough consideration should make you significantly confident—and capable—to launch your mobile website or app and begin making mobile profits.

What's Your Mobile Business—Website, App, or Both?

We've mentioned various matters of business importance for merchants with a website or app. Clearly, before you picked up this book, you had some inclination toward one mobile business focus or the other. It's not for us to convince you which medium works best for your specific goals, but there are marked differences to ponder.

We can shed light on what other merchants in your position have found and what they understand about the advantages of running a mobile website or creating an app.

Common Issues for Websites and Apps

In general, the primary concerns for experienced merchants with mobile websites or apps involve meeting development and maintenance costs as well as regularly adding or improving functionality.

Merchants selling via websites and apps have similar issues about how to attract and retain mobile customers. According to a recent Ipsos Vantis study, more than 60 percent of mobile merchants are concerned about customers' lack of awareness and understanding about how to find and use their website or app.



TIP: For many new mobile merchants, the first concern is discoverability. How will consumers find your mobile offering? It's easy for consumers to locate a big brand just by typing the company name or URL into a browser. Many smaller developers and companies may start with an app because an app store offers improved discoverability.

This concern is prevalent because consumers still have much to learn from new mobile website or app businesses about their shopping options. But mobile merchants are in flux about the best ways to gain new customers. About half of all mobile merchants spend regularly on mobile advertising to promote their businesses. Other new mobile merchants rather rely on social “viral marketing” by satisfied customers who share good news about their business.

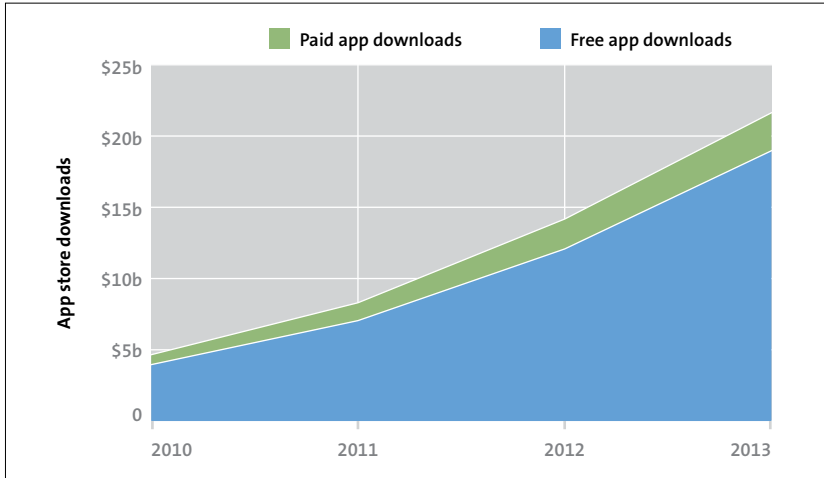


Figure 6.1

A Gartner Research report on app store downloads from 2010–2013 shows that revenue is still growing and is expected to exceed \$29 billion by 2013.

Furthermore, about half of all mobile payment-enabled merchants who own a website have their payment transaction services developed, maintained, and managed in-house, not by an outside service provider.

This do-it-yourself approach may surprise you, considering how we've touted the popularity of PayPal Mobile's payment processing integration. But bear in mind, all partners in the mobile money ecosystem are still in the process of growing the industry together, which creates fascinating business opportunities for everyone.

As far as app developers selling digital goods, the current popular categories remain strong. According to a 2011 Nielsen Research survey, the top 10 apps downloaded by category/percent include: games/64; weather/60; social networking/56; maps/51; search/50; music/44; news/39; entertainment/34; banking/32; and videos/22.

Still, there's a shift coming in the current trend of packing major app stores wall-to-digital-wall with competing apps. At a time when the sales of downloadable apps is peaking for app stores, as shown in **Figure 6.1**, merchants are looking for greater choice in how and where they display their apps as a way to generate and retain more revenue.



NOTE: Seventy percent of mobile merchants express uncertainty about how to alleviate their customers' mobile website or app security concerns—especially when the safety of payment information is involved.



NOTE: According to industry estimates, the Apple App Store has seen more than 2 billion apps downloaded, 100,000 plus developers, and approximately \$140 million in revenue.

Depending on your goals, it may become obvious that only a mobile website or app will work for your customers.

Therefore, monetizing your mobile website or app involves managing key customer purchasing actions, including:

- Joining your mobile website or buying your app
- Purchasing items through your mobile website or app
- Buying in groups via social shopping
- Purchasing your premium or bundled content
- Responding to your mobile advertising
- Purchasing virtual credit from you

In addition, merchants who base their mobile revenue on creating successful mobile websites or apps must also pay attention to specific technology needs, including:

- Compatibility with different smartphones and platforms
- Ease of integration
- Tools for customer service and record keeping
- Peripheral mobile device integrations
- Text notifications to specific mobile devices
- Functional upgrades (like adding PayPal Mobile tools for recurring billing)



NOTE: According to Ipsos Vantis figures, 91 percent of mobile merchants indicate that they have or will develop browser-based apps, while 51 percent indicate that they'll produce native apps.

Website and App Payment Processing

Many mobile merchants with websites or apps highly regard PayPal for its payment processing service. According to PayPal findings, among merchants with mobile websites that are interested in allowing payments, 79 percent favor PayPal as the best solution, while banks and mobile carriers are preferred equally by 41 percent of the merchants surveyed.

Curiously, however, in the same research results, mobile merchants developing apps favor a bank for payment processing by fully 86 percent. (This is driven by what's accepted on Apple and Android as in-app payment methods, where they block PayPal.) PayPal Mobile, in-app solutions offered by platforms, and carriers for mobile payment processing are favored by 35 to 45 percent of other app merchants.

The point here is not to begin, much less resolve, a debate about the relative profit potential of a website or app but to consider some basics involved in the decision.

And the point may still be moot if you've already determined, by necessity or design, which of these two media will best suit your business aims.

But read on—whatever your choice, you'll need to ask yourself additional questions about how to get the most out of your preferred mobile selling medium.

Which Mobile Platforms Will You Use?

Perhaps one of the most fundamental mobile launch decisions you can make is choosing the mobile operating system, or platform, you use. Compared with PC platforms that may be familiar to you, mobile platforms are simpler and more concerned with wireless broadband and local connectivity, multimedia formats, and varying input methods. There may also be more heated competition among carriers and mobile phone manufacturers to promote their various platforms.

A platform is a system that can be programmed and customized by outside developers. It can also be adapted for countless needs and niches that the original developers couldn't have contemplated or accommodated.

Types of Platforms

There are four basic platforms:

- Open platforms expose highly configurable APIs to promote third-party innovation. These platforms can attract developers, spur innovation, and accelerate growth to build and sell apps (and make it easy for customers to buy and share them).
- Closed platforms offer standard, off-the-shelf APIs to distribute existing products.
- On-destination platforms augment the platform sponsor's core experience.
- Off-destination platforms add functionality to third-party websites.

Choosing Platform Features

The major platforms for today's smart mobile devices (beyond mere feature-based mobile phones) include Apple iOS; Google Android; RIM BlackBerry OS (all current PayPal Mobile operating platforms, with others to be added in 2012); Microsoft Windows Mobile; Linux; HP webOS; Samsung Bada; Nokia Symbian, Maemo, and MeeGo; and Qualcomm Brew OS, among others.

Here are some major functions and aspects (these differ widely from one platform to another):

- OS family
- Programming language
- Licensing
- Package manager
- Wireless firmware
- Multiuser capability
- Per app run time
- Non-English support
- Browser "on" state with shutdown or crash
- Internal search functions
- Proxy server

- On-device encryption
- Phone number linking to dialer
- Default web browser/engine
- Browser save, text reflow, file upload
- Tethering USB/Wi-Fi/Bluetooth
- Desktop synchronization
- Email synchronization
- Push notifications
- Rich multimedia
- App store
- Software Development Kit (SDK)
- Text/document support
- Interchangeable memory
- Multitasking
- Voice over Internet Protocol (VoIP)
- Open Virtual Private Network (VPN)

As diverse as these features are, when you create a mobile business and select a platform, you'll most likely look first at platform market share and handset distribution. Secondly, you may consider which of the top platforms best supports the mobile experience you want to deliver. Whichever platform configuration you choose, there are numerous variations to combine for your particular needs.

Working with Platform Service Providers

Mobile website and app businesses are increasingly turning to smaller, more nimble “specialty-platform” service partners. PayPal Mobile's Express Checkout works with the service providers covered in this section.

Whichever platform services you choose, you should watch for version iterations and upgrades, so your mobile website or app always functions properly for your customers.

CARDINALCOMMERCE

CardinalCommerce offers secure, hosted mobile platform services. Card processors, issuers, payment brands, and merchants can extend their eCommerce, bill payment, account access, and card loading mobile phones. Merchants can attract shoppers, and customers can access the functionality through a text message, mobile website, or app.

USABLENET

Usablenet enables merchants to extend their current web offerings to mobile devices. There is no system integration or web development for client-customers. Usablenet acts as a proxy for a merchant's website and redirects customers to a mobile-optimized view.

DIGBY

Digby helps merchants create downloadable apps within their platform. The apps are customized with the merchant's online website look-and-feel optimized for mobile devices. The platform integrates with the retailer's back-end systems to receive and enable live catalog information, rich product images, transactional information, social engagement, and analytics across all devices in a secure, enterprise-grade environment.

MAGENTO

Magento manages multiple mobile devices with a single installation to extend merchant mobile presence to iPhone/iPad and Android devices. With the Magento mobile admin, merchants can bring the functions of eCommerce to a mobile commerce channel, including full integration with an online store catalog, checkout, inventory, reporting, and more. App merchants can deploy device-specific features and branded themes with just a few clicks to quickly update the colors and appearance of an app, even after customers have downloaded the app.

ARTEZ INTERACTIVE

Artez Interactive is a mobile fund-raising platform offering tools that help nonprofits raise money. The Artez Interactive mobile solution creates a range of fund-raising campaigns specific to mobile that engage donors and fund-raisers.

MOOVWEB

Moovweb ports merchants' online websites to a mobile platform. Depending on a company's mobile strategy, that can include apps, full capability of a desktop website for mobile, or just a landing page. Moovweb technology

handles all the technology implementation, so merchants can focus on creating great mobile experiences for their customers.

BRANDING BRAND

Branding Brand optimizes merchants' online websites for all types of mobile devices, including iPhone, iPad, BlackBerry, and Android. Branding Brand can also reexpress an online website as a phone or iPad app, including additional functionality. Branding Brand can also replicate an online website on a Facebook fan page tab.

UNBOUND COMMERCE

Unbound Commerce enables merchants and manufacturers to extend their online brand to a mobile website using existing web assets—including content, applications, and data—so current systems and processes remain intact. Unbound Commerce's mobile platform is delivered as a hosted service to further minimize project scope, deployment costs, and time to completion.

How Will You Secure Your Data?

When it comes to successful mobile commerce, your customers' trust and security are key to your business. Data safety issues can be vexing but vital to manage for merchants when collaborating with payment processors like PayPal Mobile.

Make certain that your payment processor takes full precautions to authenticate customers, so you know that your customers are who they claim to be. Double-check that the process for creating a username and password is secure, so purchases will be made only by the authorized customer—not just anyone who possesses his mobile device at the time.

A customer also needs to know that even if his smartphone or other mobile device is lost or stolen, his financial information remains safe. Look for a payment-processing partner that provides sure ways to protect customer payment information, and makes it easy for customers to report their missing mobile devices.

Also ensure that your customers have the same buyer protection with mobile payments as they do with online eCommerce payments. Customers will trust your mobile payment methods and be more likely to buy from you on their mobile devices once they're confident about your security measures.

Astute merchants can use the information in a mobile transaction—beyond the username and password—to spot and stop fraud. This could include such fraud-detection capabilities as the location of the phone and how the customer interacts with the app (or web page), which ensure that the app actually resides on the customer's mobile phone.

You should handle hackers smartly, too. Hackers often try to invade a transaction, including hacking into your merchant or payments app. Make sure that your app can't be easily hacked. Also ask your mobile payment processor how it ensures that mobile apps and processes are secure.

Which Mobile Selling Venues Will You Choose?

Whether you're interested in building a new mobile website or app to display and deliver your mobile products or services, you'll need to decide the best venue for your sales. In other words, it's not always enough to open a virtual store just anywhere and expect customers to know automatically where to find you. "Location, location, location," may be the watchwords of the real estate field, but the same caveat often applies in the mobile industry, too.

Location Is Everything

Making your mobile website or app available via certain platforms, devices, or carriers can determine which customers—and how many of them—find your mobile business "location." When it comes to selling through an app in particular, some current industry considerations about how apps are sold may influence where you place yours.

For example, the *Financial Times* publishers recently launched a web app that allows readers to consume content on any mobile device. Why was this noteworthy? Because the app can't be found in any app store.

Significant debate continues in the mobile industry about the best ways to monetize digital content and the preferred places to offer it in the market.

There's little doubt that customers increasingly expect to access and purchase content almost anytime, anywhere, any way. Driven by that reality, publishers, among other content sellers, are eager to reach new, increasingly connected readers who are clearly willing to pay for quality content. One of the most important questions is where to sell to them.

Is an App Store Presence Required?

With hundreds of thousands of apps already in the marketplace, and many more on the way every day, discovering fresh and valuable apps is becoming more difficult. Publishers continue to explore various means of selling digital content where it will matter most to their customers.

Bucking the practice of many app merchants that display in an app store catalog may sound risky for your sales. But doing so also means your company may streamline app development, deployment, and distribution processes, and have more control over digital content. Perhaps more importantly, your company, especially if you're the developer or owner, can manage the relationship with customers—and retain more revenue.

While popular platforms like the Apple App Store and the Android Market will always present innovative apps, more consumers may soon buy apps based on relevancy.

Your customer may ask for app content tailored to his favorite web locations, so where he finds the app can be as important as what he gets from the app. Say, instead of displaying your app only in an app store, you also show it on your Facebook business page.

If your app appears where social networkers are already engaged in looking for and sharing digital content, you can offer them another handy, relevant, meaningful form of information.

Ultimately, of course, merchants and consumers will determine if any single point of entry into the mobile web shopping space makes sense—or will even matter in a cloud-based data environment.

What Will You Sell?

Depending on your established selling strategies and success, or simply a knack for knowing what your customers want to buy, your mobile sales may be primarily through material or digital lines.

Physical Products, Digital Goods, or Mobile Services?

Physical products for mobile sales include almost any traditional items consumers can purchase in a brick-and-mortar store or via most eCommerce websites. Research shows that consumers are becoming more comfortable making all types of purchases of physical goods on mobile devices at various price points—from a \$9 pair of socks to a \$150 set of noise-canceling headphones to a \$1,500 diamond bracelet.

Digital goods can include media items like videos, music, and e-books as well as virtual currencies, awards, and points for many website or app games.

Mobile services can include website or app hosting or development, travel and entertainment booking, and mCommerce support systems like search engine optimization or PayPal Mobile's payment processing.

You can imagine many other physical products, digital goods, or mobile services—in any combination—to help your mobile sales. Of course, when it comes to your new mobile business, it makes sense to sell your primary line, but there's certainly an opportunity to test-market some items that may be more peripheral to your main offerings.

If you have an eager marketing mind—and an open mobile wallet—to consider some of the hottest selling items via mobile today, you can add to the profit margins of your existing business.

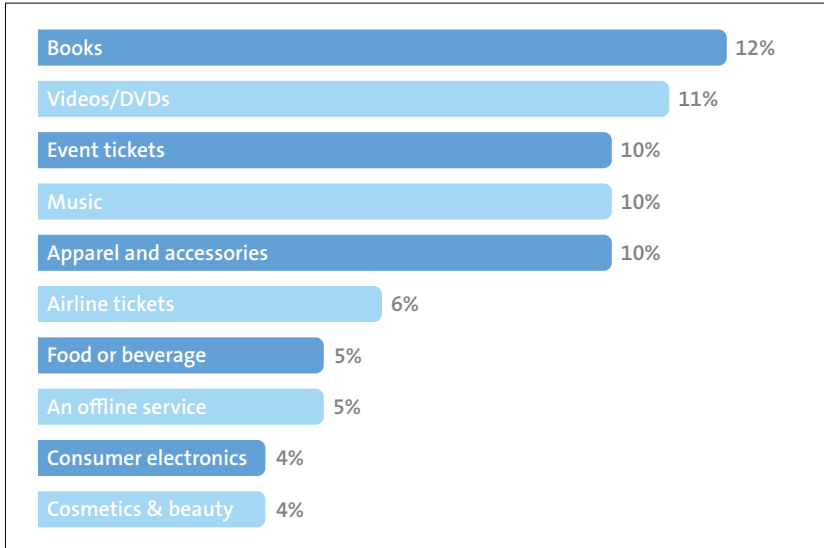


Figure 6.2

A Forrester Research survey citing mobile consumer shopping preferences notes that videos, event tickets, music, and apparel are among the most popular purchases, with 12 percent of respondents reporting that they buy books most often.

According to Forrester Research, books, videos, event tickets, music, and apparel are among the most preferred purchases via smartphones (Figure 6.2). If your business already suits any of these segments, three cheers for you—the mobile market is an open invitation for profit making. But beyond the specific items that you may or may not sell, let's look at a few of the promising industry developments that can bring you positive mobile sales.

Mobile Ticketing

According to PayPal research, mobile-based ticket sales are expected to grow to more than \$70 billion in total payment volume in 2011. Chief among these sales is entertainment and event ticketing, with \$2.6 billion in mobile tickets expected to be delivered to 208 million mobile devices.

As for selling transportation ticketing via mobile devices, there's now wide global adoption of ticketing owners and mobile carriers. Mobile ticket transactions are expected to grow from 37 million transactions in 2007 to 1.8 billion in 2011.



NOTE: As a direct merchant benefit, mobile boarding passes are expected to save airlines about \$500 million annually in 2012.

Smartphone Impulse Buying

Among its many values for fast access to web services, a smartphone can also be a customer's favorite speed-shopping tool for mad money mobile spending. Many mobile merchants have come to count on such impulse buys.

Consider your many opportunities to sell to impulse shoppers on the go, including offering everything from last-minute gifts for birthdays and holidays (flowers and chocolates for mom) to will-call tickets for nearly sold-out sports or entertainment events (nosebleed seats for a rock concert) to phone-it-in refill prescriptions for your family (toddler twins with the flu).

As we noted about point-of-sale opportunities in Chapter 4, merchants can also use "push" notifications from an installed app and send text messages (combined with SMS images) to promote instant deals to smartphone consumers. This additional mode of advertising always helps, but the main value lies in the consumer's ability to *buy* instantly from his phone.

Something else to consider when a mobile customer buys from you is *timed* buying. One of the fastest growing areas of mobile shopping, timed buying borrows a standard practice from the offline retail world in offering a repeating purchase. Mobile buyers now have more options and means to schedule subscriptions for content, from e-magazines to podcasts to videos or the e-game of the week. A logical follow-up to this timed buying is timed bill paying.

Mobile Bill Paying

PayPal research has determined that there's a \$1.3 trillion billing market (online and mobile combined). There's strong interest from billers and billing providers to develop more mobile ways to collect money and save costs in accepting payments by mail or from walk-in remitters at physical locations.

Along this line, mobile merchants are realizing additional convenient billing options for their website or app customers.

As more mobile functionality becomes available, merchants can provide various transaction tools for timed payments like “bill later,” or recurring payments (read more about this in Chapter 10), or even one-time delayed payment options for approved customers.

And you thought the days of retail layaway items were over.

Which Mobile Customers Will You Serve?

There are numerous well-researched, useful marketing reports profiling mobile consumers in specific ways.

Of course, the profiles that matter most are those that reveal *who'll buy from you*.



TIP: Remember, even as you target your mobile customer, you want to attract all customers to interact with your brand via multiple coordinated channels—physical store, online website, and mobile websites or apps. Mobile is the latest additional tool to help build greater customer engagement and loyalty, but serving and retaining customers properly is still up to your policies.

Who Is Your Mobile Customer?

We don't know your particular business and can't paint the ideal demographic portrait of your buyer, but if you already own or run an online business, we can tell you that the mobile customer you're most likely to serve is already shopping with you.



TIP: Your mobile website or app is not only an additional unique interface to present to your existing customers but another way to engage with them when they aren't on your online website.

Even with the plentitude of potential mobile buyers, the customer who merits the most attention (and retention) for your mobile start-up is the one who already buys from you. Future customers may dazzle your entrepreneur's eye, but at least in the short-term, you need to dance with the one you brought to the eCommerce party.

That means shepherding existing customers as you migrate content to your mobile website or app. Considering their needs for clarity, coherence, and continuity in the process will help assure that they appreciate and adapt to buying from you via mobile devices.

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Grow with Us

With Gartner Research estimating that worldwide smartphone sales will increase by nearly 60 percent from 2010 to better than 465 million units sold in 2011, it seems that smartphone demand may be outgrowing manufacturer availability. The industry is also asking for more mobile consumer goods to satisfy increased consumer shopping and to alleviate the current paucity of products in the global mobile marketplace.

PayPal Mobile has done its part recently to make products more attainable by providing payment options for an additional four million goods. We're now working with three of the leading Chinese mobile marketplaces—DHgate, *LightInTheBox*, and *TradeTang*—as the exclusive payment option for each company's mobile website and app offerings.

In the short term, this obviously boosts the number of products in the current global mobile market to help meet the escalating demands of mobile shoppers. But we think working with our partners is the key development. PayPal Mobile may be supporting three additional companies, yet these businesses are merely part of a larger merchant consortium now cooperating to provide more mobile products to consumers as fast as possible.

If you have any doubts that your mobile venture can grow, the above case should signal good prospects for your business opportunities. As more smartphones reach consumer hands, better technology provides wider access to web stores, and PayPal Mobile expands unique payment options, there are more promising profits than ever for your mobile launch.

Toward that end, you may help existing customers moving to your mobile presence adapt their consumer habits. For example, you may want to make the process more familiar for them by providing portions of the same or similar functionality on your mobile website or app.

This may be as simple as presenting a design or page on your online and mobile websites with a common look-and-feel and with functions for the following: shopping (inventory, ordering, shipping); product or service selection (displays, buttons/links, spotlight deals); billing methods (instant, pay later, recurring, subscription); and payment sources (card, bank, balance, payment processor).

There's no reason not to maintain this interface permanently, if sales prove that your customers are shopping via both media. That can be a win-win for combined online and mobile profits.

Where Is Your Mobile Customer?

Another key to identifying your potential mobile customers and marketing to them in real-time is knowing *where* they are. A number of current and upcoming mobile technologies can make it easier for you to find your buyers and for your buyers to find you.

Location-based technologies—drawing strategically on GPS services—on smartphones can help provide tracking information about where your customer is presently shopping, so he can take advantage of sales notifications you may push for a given store location. (Of course, that's *only if* the customer hasn't turned off his smartphone preferences enabling you to find him at a specific store location.)

Related location data may also supply information noting if the customer is online using your mobile website or app, and if he has indicated any immediate interest in specific products or services at your physical store. Again, if the customer owns an account with your business (and perhaps a PayPal account as well), you may have a location-based opportunity to make a sale and collect a payment.

What Is Your Mobile Customer Profile?

As you consider distinguishing your mobile customer profile, following the specifics of your mobile business plan (website or app, product/services, marketing, ordering policies, payment processing, etc.), we can help you with a “straw person” as a guide.

According to our synthesis of much mobile industry consumer research, we can create a general, workable, conglomerate mobile customer profile that assumes the following shopper characteristics.

We’ll call our typical customer “Moby.” Moby is 30-something, male, makes about \$50,000 in annual salary, and uses a smartphone primarily to send/receive texts and emails, update his contacts, browse and shop the mobile Internet, enjoy social networking, and play digital games, all *at least* once a week (many of these activities are several times daily).

As far as the types of mobile website stores/apps Moby prefers, these include, in order of most visits/downloads, all-purpose stores (general merchandisers, auction websites, big-box clubs), specialty stores (groceries, pharmacies, clothing), and technology companies (mobile device manufacturers, software sellers, service providers).

Moby purchases mainly music, apps, electronics, clothing, books, movies, and tickets, and, like most of us who buy many small-ticket staples and entertainment throughout the year, Moby waits until the fall holiday season to do the biggest mobile buying.

After product/service selection and price, Moby’s biggest buying consideration involves the security of the purchase. Moby requires the utmost safety for sharing his financial information for transactions.

When shopping a physical store, Moby spends more than half of the time on a smartphone talking/texting with friends, checking product descriptions/prices, and showing photos of products to store clerks for shopping help.

Other places Moby regularly visits with a smartphone in hand include a doctor’s office/hospital, sporting event, plane/airport, movie-theater, and, surprise, church.

At home, Moby prefers to use a tablet more than a smartphone, and three-quarters of the time, Moby turns on a tablet to use apps, mainly to enjoy reading an e-book or e-zine or listening to Internet radio stations, podcasts, or music downloads.

When Moby wants to know what's new or exciting on the mobile Web, he taps a smartphone to access social, search, video, news, and shopping channels, in that order of importance.

If you recognize any of “Moby's” characteristics as the makings of your desired mobile customer profile, then we urge you to do more consumer research on your own to define—and refine—precisely the mobile customer that you'll serve.

Summary

As you've pondered the questions in this chapter, we trust that you've gained insight and assurance that your mobile venture is headed in the right direction. Perhaps, too, the consideration has raised other, unanticipated questions for your business. That's a good thing because it means you're moving forward carefully and prudently with your plans.

As you do, make sure you ask trusted business partners about any important steps you might have skipped, taken too lightly, or dismissed too simply. Also ask them if you have weighed some consideration too heavily and if that may be inhibiting your progress.


Remember, whatever your mobile launch looks like on the first day that you're “open for business”—whether or not you feel you're completely ready for customers—your mobile website or app will surely appear significantly changed six months or a year later. You'll have experienced your mobile business strengths and weaknesses, learned 1,000 percent more about the industry and your customers, and applied any technical or strategic fixes to maintain a reliable course.

Our advice here and in the next chapter, “Designing Your Mobile Payment Flow,” can help, too, with installing the proper PayPal customer checkout system and tools that have made start-ups like yours a success.

7

Designing Your Mobile Payment Flow





Now that you've had a chance to ask some important questions about the current conduct and future expectations of your mobile business, let's look at how best to integrate PayPal Mobile payment tools with your planned mobile ventures.

First up: designing a mobile payment flow that works for your business and utilizes PayPal's best practices. Then, in Chapter 8, we'll show you how to set your plans in motion by integrating PayPal Mobile into your mobile website or app.

Creating Mobile Purchase Capabilities

One of the easiest ways to generate profits with mobile technology is to create a mobile website or app with purchase capabilities. Your customers can use their mobile devices to find products and services quickly and easily. PayPal has created mobile versions of its online Express Checkout functionality for use in mobile websites or apps.

If you're already using PayPal Express Checkout on your online website, setting up the mobile website version is a great way to expand your business's market reach. Your customers can get the same helpful PayPal experience, no matter which electronic method they use to buy from you. If you're building a mobile app, PayPal has several mobile payment libraries, including libraries for Android, iPhone/iPad, and the library version of Express Checkout.



TIP: PayPal Mobile serves more than just “for profit” businesses. If you run a nonprofit organization that accepts donations from the public, you can use PayPal to accept these funds on your mobile website or your app. For more information, see Chapter 9, “Obtaining Money with the PayPal Mobile App,” send an email to compliance@paypal.com, or go to www.PayPal.com.

What PayPal Mobile Tools Mean for Your Business

PayPal designed its mobile tools to fit your business needs and those of your customers. By providing an easy way for consumers to buy products and services from you using their mobile devices, you can ensure a positive customer experience and a likely increase in repeat business.

Most mobile customers will tell you that the fewer clicks and steps it takes to complete a payment, the more likely they will be happy with their experience. PayPal provides a unique “shortcut” in the mobile website checkout process, as shown in **Figure 7.1**. The customer can select PayPal from the shopping cart page and skip entering his billing

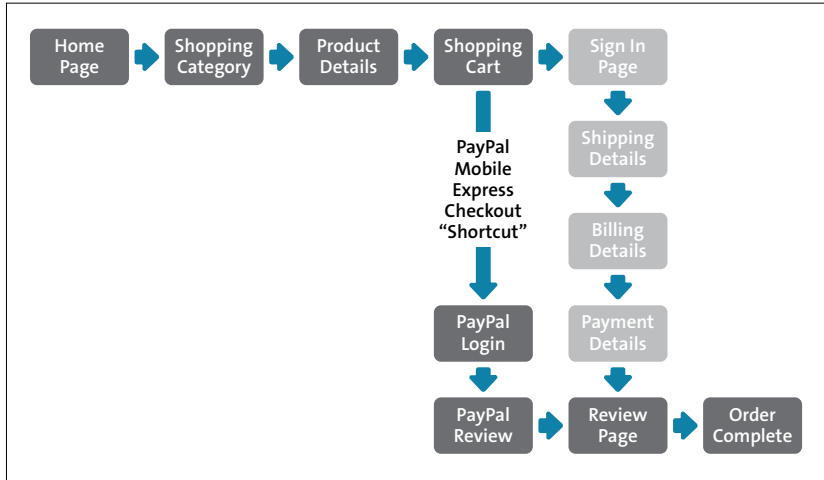


Figure 7.1
PayPal provides a “shortcut” in this sample mobile checkout flow, as the customer skips the merchant page sign in, shipping, billing and payment entries (grey pages) and simply enters his PayPal password and PIN.

information, shipping details, email address, phone number, or credit card number and simply enter his password or PIN. PayPal then provides the required transaction information to the merchant.

What PayPal Mobile Does for You and Your Customers

PayPal Mobile provides a number of conveniences for you and your customers, including:

- One-stop shopping that supports credit and debit card payments in addition to PayPal transactions
- Availability in 180 countries (and still expanding)
- International payments in multiple currencies
- Simple login and click-to-buy
- Secure checkout
- Login across mobile devices
- Availability for mobile apps with iOS and Android
- Acceptance of payments for products and services
- Acceptance of donations for charity

- Easy setup with the existing PayPal APIs
- Increased conversion of mobile shoppers into paying customers
- Greater adoption of your mobile channels
- Easy-to-track scheduled payments
- Mobile-optimized user experience
- Access to more than 100 million active PayPal customers
- Ability to stay logged in to PayPal on your app, thereby decreasing pages in the checkout flow and increasing buyer conversion
- Automatic disbursement of funds to many recipients at once
- Inclusion of invoice or customized information in your reports
- Reference transactions—preapproved payments that enable customers to create billing agreements with you for recurring payments or subscriptions
- Ability to pass shopping cart information, enabling buyers to purchase multiple items at once
- Immediate settling of payments to your PayPal account
- Quick integration into your mobile app, with no need to code user-interaction payment pages
- Multiple payment models

Designing a Payment Flow with PayPal Mobile Tools

Providing your customers with a great mobile payment experience centers around three important concerns:

- How many clicks does it take to complete the purchase?
- How much data entry is required?
- Is there a fee?

The fewer steps involved in making a purchase, the more likely your customers will complete their transaction and be happy with their experience. Integrating PayPal Mobile is a great way to simplify the mobile payment flow while assuring customers that their purchases are secure. PayPal customers who already trust the Checkout with PayPal button on your online website will certainly trust PayPal on your mobile website or app as well.







Using PayPal Mobile Buttons

When you're considering how to design a mobile payment flow, it literally pays to determine the information you'll require from the customer. Do you need a shipping address? Do you need to apply taxes, shipping charges, gift-wrapping fees, and so on, to the final order? Do you need the customer's other personal information, like a phone number or email address? Once you know the answers to these questions, you can design a custom payment flow with PayPal Mobile that meets everyone's needs, sellers and buyers alike.

Of course, you'll need to make sure that customers know how to find PayPal Mobile on your mobile website or app checkout system and payment flow. PayPal Mobile provides two different ways to help customers do this.

Customers can access the PayPal checkout flow via a Checkout with PayPal Shortcut button or a PayPal logo "Mark" button. These are, of course, PayPal Mobile's terms for the customer's selection options, but you can get a better idea of how these visual cues work in [Table 7.1](#).

Table 7.1 PayPal Mobile Shortcut and Mark Button Functions

Button	What It Does	What It Looks like
Shortcut	This is the standard Checkout with PayPal button, just like the one on the online website Express Checkout flow. The Shortcut button is placed on the merchant's shopping cart page. This is required when integrating PayPal Mobile. (Note: If you run a nonprofit organization, you'll use the Donate with PayPal version of this button.)	
Mark	The PayPal logo Mark radio button goes on the merchant's payments page in the list of acceptable payment types. When integrating PayPal Mobile, this button is optional if the merchant doesn't have a listing of acceptable payment types, but it's required if she does.	<input checked="" type="radio"/>  <input type="radio"/>    

The Shortcut and Mark buttons let you set up a payment flow that's streamlined and easy for customers to navigate. The fewer steps your customers have to go through to complete a purchase, the better.



TIP: For more help with PayPal Mobile implementation needs, you can read Chapter 8, "Implementing PayPal Mobile," and consult www.X.com, a specially created technical website resource for developers.

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How Do Your Customers Use PayPal Mobile?

Of course, we're always happy to refer consumers to merchants who accept PayPal, but when your customers aren't shopping on your mobile website, they still use PayPal Mobile's website <https://m.paypal.com> and apps for a number of money transactions.

We thought you'd be interested to learn what activities they have as options. After all, just like you, we have a mobile website that we want our customers to appreciate, use regularly, and make successful. Hopefully, understanding how our PayPal customers share money with one another will give you insight that will help you sell to them more effectively the next time they use PayPal on your mobile website or app.

Here are a few of the tasks PayPal Mobile users can do with PayPal's various mobile products and services:

Send money to almost anyone with a PayPal account and an email address or mobile phone number.

Request (and receive) money from others for products or services as well as accept personal payments.

Collect money from multiple individuals for joint gifts, team dues, concert tickets, or other group purchases.

Split the bill to divide a payment and reimburse one another for, say, the cost of a meal, including tip and tax, for up to 20 people.

Donate money for various nonprofit fundraising efforts.

Bump phones to exchange money instantly by simply logging into a PayPal account and touching, or "bumping," phones together.

PayPal Mobile Payment Flow Options

PayPal offers your customers two different ways to pay with PayPal. Customers can click the Shortcut button (the “Checkout with PayPal” button) or PayPal logo Mark button that you display in your list of accepted payment options.

The question you must answer is whether your payment flow needs to accommodate the collection of extra information, such as a shipping address, or gift-wrap instructions, or whether you’ll need to add extra fees to the transaction for items like shipping charges and taxes.

We’ll describe both of these payment flows and the various ways that customers get to them. When you’ve decided on the payment flow(s) that works best for your business and are ready to implement an option, we’ll share more about the set up parameters in Chapter 8.

Paying from the Shortcut Button

When the customer clicks the Shortcut button on the shopping cart page, you have two options regarding the payment flow steps this customer will take to complete the sale. To decide which option to use, you need to think about your answers to the questions we asked you elsewhere in this chapter. You must determine if the customer can simply pay and be finished or if additional information or fees need to be collected.

For example, if you sell digital goods, you probably don’t need to charge tax or shipping, or collect any shipping address information. If you sell physical goods, you might need to collect money for taxes and shipping. PayPal Mobile works in both scenarios.

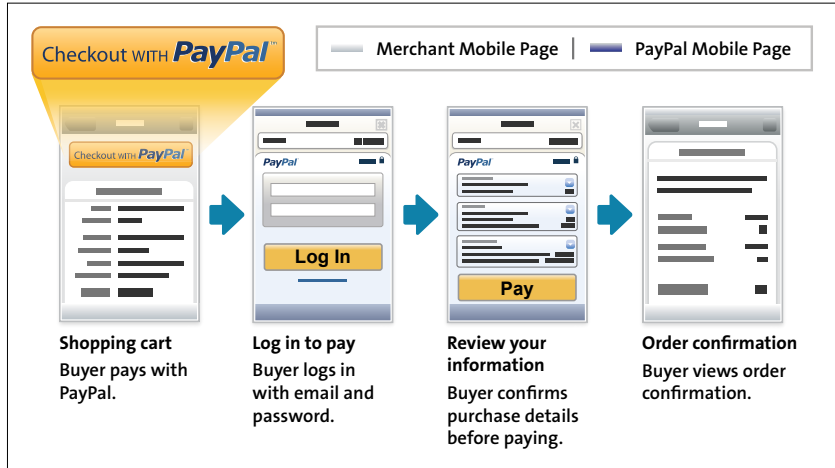
Using PayPal Mobile, the customer moves from your website to PayPal and either completes the sale on the PayPal pages or returns to your website for additional fees or to confirm information.



NOTE: The Shortcut button (the “Checkout with PayPal” button) is required and must point the user to the PayPal Mobile pages.

Figure 7.2

The checkout flow as it appears when the customer pays on the PayPal Mobile pages.



WHEN THE CUSTOMER PAYS ON THE PAYPAL MOBILE PAGES

The following scenario, as shown in Figure 7.2, describes a payment flow for which the customer doesn't need to supply any further information, and for which you don't need to add taxes or fees to the order amount. The shopping cart total is the final amount, and the customer simply needs to pay.

Say you run an online game company, SuperGames, where customers pay a membership fee to play games (only the hottest ones, of course). When a gamer uses your mobile app, she can pay the membership fee with PayPal directly from the app. Since SuperGames doesn't need to charge tax or handle any shipping information, you've set up PayPal Mobile so that the customer completes the payment on the PayPal pages. This makes paying for membership faster for the gamer.

Once your customer has filled her shopping cart and is ready to complete payment, the following steps apply:

1. Select Checkout with PayPal in your mobile app.
2. Type PayPal login credentials on the PayPal Mobile login page and then select Log In.
3. Review payment details on the PayPal Mobile review page and then select Pay.
4. View order confirmation on your mobile app.

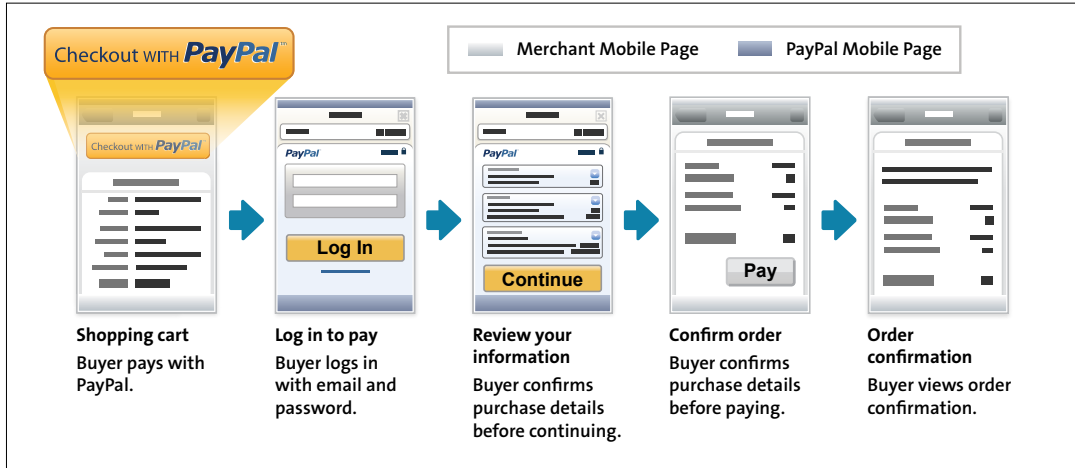


Figure 7.3 The checkout process as it appears when the customer pays on your mobile website.

WHEN THE CUSTOMER PAYS ON YOUR MOBILE WEBSITE PAGES

The following scenario, shown in Figure 7.3, describes a payment flow where the customer needs to supply further information (shipping address, phone number, and so on), and you need to add state sales tax and shipping costs to the order amount. The shopping cart total is the subtotal amount, and the customer must return to your website to supply this information and agree to the extra fees before completing the transaction.



NOTE: If you know the amount to charge for shipping and tax, and you already have the shipping address for the customer, then you won't need to follow this payment flow.

Say your family's third-generation grocery store in New York sells many kinds of regional gourmet foods. When customers come to your mobile website to make a purchase, you need to collect sales tax if they're New York state residents, and you must charge them for shipping. This means that you've set up PayPal Mobile so that the customer completes the purchase on your website, and you can properly add the sales tax and shipping charges.

Your customer has filled her shopping cart and you've tallied a subtotal. Now she needs to complete the payment steps before you can add taxes and shipping charges and confirm her shipping address. Your customer will take the following steps:

1. Select Checkout with PayPal on your mobile website.
2. Type PayPal login credentials on the PayPal Mobile login page and then select Log In.
3. Review payment details on the PayPal Mobile review page, select the shipping address, and then select Continue.
4. Confirm the order details (including added tax, shipping costs, and the shipping address selected in Step 3) and pay on your mobile website.
5. View order confirmation on your mobile website.

Paying from the PayPal Logo Mark Button

If your customer doesn't immediately choose the Checkout with PayPal button, he can still choose to pay with PayPal by selecting the PayPal logo Mark button that you've listed with your other accepted payment methods. Commonly, when a customer chooses the PayPal logo Mark button during checkout, you'll set the flow so that the customer pays on the PayPal pages. This payment flow option makes sense when you build your flow to collect additional information and tabulate extra fees prior to the customer selecting a payment method.

The customer arrives at the shopping cart page, and instead of clicking the PayPal Shortcut button, she chooses a standard credit card payment flow, and then chooses PayPal as her payment method. While the customer is in the standard credit card payment flow, you can collect shipping information, add taxes or fees to the amount, and then present her with a total when she selects a payment method. Now the customer need only enter information on the PayPal pages to complete the payment.

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Consumer Activities and PayPal Mobile

We with PayPal Mobile are always interested in learning more about the products and services our customers like to shop for and buy from mobile merchants using their PayPal accounts.

We thought you'd be intrigued to discover their preferences, too, as the information may help you form ideas about selling via mobile.

Here's a simple list of the current mobile activities we find consumers engaging in most often (in no particular order):

- Researching products
- Booking events, flights, and hotels
- Trading stocks
- Locating nearby restaurants
- Gaming
- Couponing
- Shooting photos and videos
- Loading music files
- Ticketing
- Group shopping

And here's a quick glimpse, based on Insight Express research, of likely PayPal Mobile customers and their profile:

- Average age is 35
- Spend up to 7 minutes per day on a mobile device
- 36 percent usually make a purchase on their smartphone while in a store
- 72 percent are smartphone users
- 54 percent are male, 46 percent are female
- 52 percent make more than \$50,000 annually while 32 percent make over \$75,000 per year
- 32 percent own an iPad

Best Practices for Your Mobile Payment Flow

We trust this book will help you benefit from the experience of other merchants who have already applied PayPal Mobile to their mobile website or app. Additionally, see **Table 7.2** (on the next page) for PayPal's take on the best practices for designing a payment flow.

Table 7.2 PayPal Mobile Payment Flow Best Practices







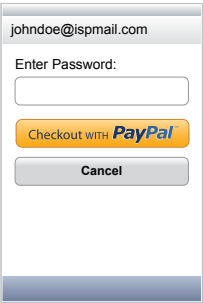

Payment Flow Criteria	PayPal Mobile Best Practice	Why It Makes Sense
<p>Shortcut button placement</p> 	<p>Shortcut button placement involves the Checkout with PayPal button that customers select to be able to buy on your website.</p> <ul style="list-style-type: none"> • A Shortcut button is required for all PayPal Mobile integrations • The Checkout with PayPal button must be used • The Shortcut button must take the customer directly to PayPal Mobile pages 	<ul style="list-style-type: none"> • Shortcut button placement cuts multiple pages and input fields that could otherwise cause mobile customers to drop off a checkout flow • More than 75 percent of PayPal Mobile buyers click Shortcut button placements • Product detail placement is suggested, as many customers buy one item at a time on a mobile website
<p>Order completion</p>	<ul style="list-style-type: none"> • To complete a payment, after the PayPal pages there should be no more than two additional pages in the payment flow 	<ul style="list-style-type: none"> • The best customer sales conversion happens when the Submit Order page immediately follows the PayPal Mobile pages • Every extra page in a payment flow means another potential 10 percent drop off of customers
<p>PayPal logo Mark button placement</p>     	<p>PayPal logo Mark button placement involves the PayPal logo displayed as a payment option in your list of acceptable payment types.</p> <ul style="list-style-type: none"> • Mark placement is required if there's a payment page • All available payment options are clearly visible prior to customer interaction • There must be a clear and distinct choice between payment options • PayPal Mobile must have equal prominence with other payment options • Radio buttons should have at least a 44-pixel space between them to make touch-selection easy and prevent missed fingering 	<ul style="list-style-type: none"> • Even if the customer doesn't select the Shortcut button, according to PayPal's research, about 10 percent of PayPal Mobile buyers still choose the PayPal logo Mark button to avoid entering their credit card information

Table 7.2 PayPal Mobile Payment Flow Best Practices (*continued*)

Payment Flow Criteria	PayPal Mobile Best Practice	Why It Makes Sense
<p>Graphics</p>	<ul style="list-style-type: none"> PayPal Mobile-supplied graphics cannot be resized or altered by the merchant The Shortcut button must be the PayPal Mobile version of the Checkout with PayPal button because it's designed for a touch interface 	<ul style="list-style-type: none"> You risk lower payment volume if PayPal customers don't recognize the design, are confused by the navigation buttons, or don't trust that the PayPal Mobile button is authentic
<p>Reference transactions</p>  <p>The screenshot shows a mobile checkout interface. At the top, the email address 'johndoe@ispmail.com' is displayed. Below it is a 'Enter Password:' label and a password input field. The main focus is a large orange button that says 'Checkout with PayPal' and includes the user's email address. A smaller grey 'Cancel' button is positioned below the main button.</p>	<p>Reference transactions are PayPal transactions with a billing agreement between you and your customer.</p> <ul style="list-style-type: none"> If a buyer has a billing agreement, you must display a Checkout with PayPal Shortcut button that shows the customer's email address If the buyer does not have a billing agreement, you must display the standard Checkout with PayPal button 	<ul style="list-style-type: none"> Showing the email address (see figure at left) personalizes the customer experience and helps minimize customer drop off
<p>Upstream messaging</p>  <p>The logo features the text 'NOW ACCEPTING' in a small font above the 'PayPal' logo, which is enclosed in a rounded rectangular border.</p>	<ul style="list-style-type: none"> Place the Now Accepting PayPal graphic "above the fold" (or top half) on the homepage of your mobile app or website 	<ul style="list-style-type: none"> Tests have shown ~20% increase in PayPal volume when this graphic is used PayPal customers will know right from the start that you accept PayPal

PayPal Mobile Payment Enhancements

PayPal has several ways to offer your customers a more informative user experience. Some of these enhancements will also help make your record keeping and accounting tasks easier.

To enhance your payment flow and improve your customers' purchasing experience, PayPal suggests the following:

- Make sure that the logo you display complements the overall design of the mobile page.
- Choose your website's background and border colors to work well with the PayPal Mobile pages.
- Consider the native tongue of your customers when you choose the language of your content.
- Use content from your website checkout experience in your mobile checkout experience for consistency, but don't overload your mobile website or app with too much content (less is more).
- Display order details, including pricing and tax information, so customers will know that the information is accurate.
- Add shipping information, such as the customer address on file with PayPal Mobile or in your records.
- Make order tracking easier by assigning an invoice number to a payment.
- Ask for a shipping address, if you need one.



NOTE: Failure to display this order information is a major cause of customers abandoning their purchase during checkout.

Summary

In this chapter, we've explained the purposes and basics of how to design a great mobile payment flow. Our best practices and enhancements for deploying PayPal Mobile should also help you create a better mobile payments experience for your customers.

We further recommend that before you engage a developer to help build PayPal Mobile, or do the work yourself, you consult the PayPal merchant services customer specialists at www.PayPal.com or 1-866-837-1863. They can help you with a fully personalized walk-through.

Next up: Chapter 8 covers instructions for how to integrate PayPal Mobile for your mobile website or app.

8

Implementing PayPal Mobile



Now that you've defined your payment flow, it's time to get PayPal Mobile up and running on your mobile website or app. This chapter gives you basic instructions for setting up PayPal Mobile on your mobile website using PayPal's Mobile Express Checkout product. If you're creating a mobile app, we'll show you how to implement PayPal's Mobile Payment Libraries. Both Mobile Express Checkout and the Mobile Payment Libraries can be set up in only a few steps, but they require a certain amount of technical expertise.

You can do the setup yourself, or if you prefer, you can bring in third-party developers to do the work for you. This approach is especially handy if you're already hiring an outside firm to design your mobile website or app.

Choosing Your PayPal Mobile Product

Now that you’ve learned about the various checkout products that PayPal offers, it’s time to pick your product. **Table 8.1** gives a high-level view of the features of each product.

Table 8.1 Choose the Right PayPal Product for Your Business

Feature	Mobile Payments Library In a Mobile App	Mobile Express Checkout Library In a Mobile App	Mobile Express Checkout In a Mobile Website
In-app payment	●	●	
Runs without back-end API integration	●		
Quick integration	●	●	●
Credit-card checkout (no PayPal account needed)		●	●
Supports authorization/settle payments (authorizes the transaction and then settles the amount at a later time)		●	●
Supports recurring payments	●	●	●
If you’re using Express Checkout already		●	●
If you’re using Adaptive Payments already	●		
If you’re using Web Payments Standard already	●		

How the www.X.com/mobile Website Can Help You

PayPal Mobile includes lots of helpful advice on www.X.com/mobile, a website specially created as a technical resource for developers. The website includes developer community resources, forums, documentation, sample code, software developer kits, and other information for developers and merchants eager to learn how to integrate PayPal Mobile and other services.

Many areas of www.X.com/mobile can help you:

- Design your mobile transaction flow using best practices that improve a customer's checkout experience and the number of transactions completed.
- Install the PayPal Mobile buttons and graphics and implement the APIs.

Once you've created your mobile payment flow and are ready to launch your system, you'll need to test your payment flow with PayPal. This involves

- Creating a PayPal merchant account, if you don't already have one.
- Setting up and managing your mobile test accounts in the Sandbox.
- Working in the Sandbox to test your payment flow.
- Uploading the build to your www.X.com/mobile account under My Apps for approval.

The www.X.com/mobile website is continually updated with new documentation, discussions, and technical enhancements. You'll always find valuable information, like integration guides, best practices, and helpful tips from other merchants and app developers, so be sure to check the website often.

Connecting Your PayPal Account

Of course, you'll need to set up your PayPal merchant account for mobile transactions before you implement PayPal Mobile. This includes

1. Setting up the mechanism you'll use to communicate with the PayPal server. This will be based on the PayPal product you choose and the protocol (NVP, JSON, SOAP, or XML) you'll use. The Adaptive APIs and the Permissions Service APIs use special endpoints, while the API Signature and Certificate vary, depending on the PayPal product you select. We'll provide more details about APIs elsewhere in this chapter.

2. Going to <https://developer.paypal.com> to sign up for a PayPal Sandbox account. You'll use this account to test your integration and make sure your payment flow is working the way you want.
3. Signing up for API credentials for your live accounts when using Mobile Express Checkout.



TIP: PayPal's API credentials include an API username and password (not those used to log in to www.PayPal.com), and a signature or a certificate. The certificate file contains cryptographic information about how your systems should communicate with PayPal. The signature is a text that your scripts send, along with the username and password, when communicating a request to PayPal.

Getting API Credentials

PayPal's API credentials consist of three items: an API username and password (which are different from the username and password that you use to log in to www.PayPal.com) and either a signature or a certificate.

A certificate is a file that contains cryptographic information about how your systems should communicate with PayPal.

A signature is simply a piece of text that your scripts send, along with the username and password, when communicating a request to PayPal.

If you're using a third-party shopping cart, the shopping cart will determine whether you need a certificate or a signature.



NOTE: You can have either a signature or a certificate—not both. If you choose a certificate, and find later that you need a signature, you'll have to delete the certificate to get a signature.

Most shopping carts use the signature. If you're new to programming, PayPal recommends the signature because it's easier to implement. You can switch between a signature and a certificate at any time, so there's no worry about selecting the wrong one.

To obtain your API credentials, follow these steps:

1. Log in to your PayPal account and go to your Profile.
2. Select Request API credentials.
3. Select My Selling Tools; expand "Selling online," if needed.

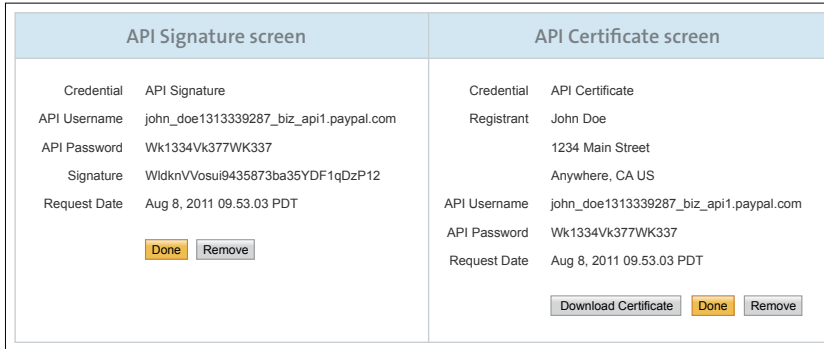


Figure 8.1
This is how the API signature and certificate screens appear when you request either of these API credentials through PayPal.

4. Select API access. Click Update and click Request API Credentials or View API Certificate (if you've previously requested API credentials).
5. If this is your first time requesting API credentials, choose either an API certificate or an API signature. Then select Agree and Submit.
6. If you requested an API signature, this will be displayed with your API username and password. If you requested an API certificate, your API username and password will be displayed, and you'll need to click Download Certificate. See **Figure 8.1**.

How to Integrate PayPal Mobile Payment Libraries

If you're building a mobile app, PayPal has several Mobile Payment Libraries to suit your needs. If you're already using Express Checkout on your website, PayPal has a library version of Mobile Express Checkout that will be right for your mobile app. If you're not using Express Checkout, PayPal has mobile libraries that can be integrated directly to your app. All the libraries support iOS and Android.

Whether you do the work or hire a third party, you'll want to review www.X.com for valuable implementation guides, sample code, and tips and techniques provided by other app developers. This information will guide you in implementing the Mobile Payment Libraries and provide helpful insight to build a fully featured, well-functioning mobile app with a reliable customer experience.

Quick and Easy Setup

Depending on which library you choose, there are different integration steps. In this section, we'll talk about integrating the PayPal Mobile Payments Library. In the next section, we'll talk about Mobile Express Checkout and the Mobile Express Checkout Library.



NOTE: The code samples here are from the PayPal Mobile instructions available on www.X.com/mobile and are current at the time of this book publication. Please refer to specific sections on www.X.com/mobile for code updates and related information.

SETTING UP THE MOBILE PAYMENTS LIBRARY

PayPal offers the Mobile Payments Library for merchants who aren't already using Express Checkout on their websites. The Mobile Payments Library works with iOS and Android.

To complete the setup:

1. Download and integrate the Mobile Payments Library.
2. Test your finished app in the PayPal Sandbox.
3. Submit the app to PayPal and get your live App ID.
4. Point the app to the live website and submit it to the app store.

A SAMPLE INTEGRATION FOR IOS

Here's a sample integration for iPhone and iPad. Once you complete your integration, it's uploaded to PayPal for review. If everything is working correctly, you'll be notified and your integration will go live.

To complete the integration:

1. Set up your Sandbox accounts, if you haven't done so already. You can create Sandbox accounts by going to <https://developer.paypal.com>.
2. Add the PayPal library into your xCode project. You can drag and drop the whole folder into your project, so it has the .a and .h files. Then modify your code to import the .h files into the .m file, where you'll be using PayPal.

For example:

```
#import "PayPal.h"
#import "PayPalInvoiceData.h"
#import "PayPalInvoiceItem.h"
#import "PayPalPayment.h"
#import "PayPalReceiverAmounts.h"
#import "PPReceiverPaymentDetails.h"
```

3. Initialize the library by using the `initializeWithAppID` method. You'll pass in your App ID and the environment. The environment can either point to Live, Sandbox, or None. The "None" environment puts the library in a demo mode that makes no server calls, so you can continue coding, even if you don't have a connection. You can also set the language here.

For example:

```
[PayPal initializeWithAppID:@"APP-80W284485P519543T"
forEnvironment:ENV_SANDBOX];
```

4. Place a PayPal button on the screen. You can choose from several different button sizes in the integration guide. You'll also pass an `onClick` function that should be called when the button is pressed as well as the type of payment and the location to place the button.

For example:

```
UIButton *button = [[PayPal getInstance]
➔getPayButtonWithTarget: self
andAction:@selector(simplePayment)
andButtonType:BUTTON_294x43];
[self.view addSubview:button];
```

5. Implement the `onClick` function. This is where the actual checkout call happens. You'll specify all of the payment parameters (amount, currency, tax, shipping, and recipient's email). You can also use some optional methods to recalculate the amount based on an address.

For example:

```
-(void)simplePayment{
    PayPalPayment *payment = [[[PayPalPayment alloc] initWith]
    ➤ autorelease];
    payment.recipient= @"example-merchant-1@paypal.com";
    payment.paymentCurrency= @"USD";
    payment.merchantName= @"Joe's Bear Emporium";
    payment.subTotal= [NSDecimalNumber
    ➤ decimalNumberWithString:@"10"];
    [[PayPal sharedInstance] checkoutWithPayment:payment];
}
```

6. The library will call one of three delegate methods (`paymentSuccess`, `paymentFailed`, `paymentCancel`) based on how the payment ended. When you receive these calls, you can continue in your app by thanking the buyer or asking him to try later.

For example:

```
- (void)paymentSuccessWithKey:(NSString *)payKey
andStatus:(PayPalPaymentStatus)paymentStatus {}
- (void)paymentFailedWithCorrelationID:(NSString *)
➤ correlationID
andErrorCode:(NSString *)errorCode andErrorMessage:(NSString*)
➤ errorMessage {}
-(void)paymentCanceled{}
-(void)paymentLibraryExit{}
```

7. Once you've finished your application, you can submit it to www.X.com/mobile (under the My Apps tab). For PayPal to test it, you'll need to add PayPal's UDID to a provisioning file and submit an ad hoc build.

For example, you can use the following UDIDs:

```
General: 396ea30899bb294607270258115a8eb9c929c021
Europe: 7754a0e4b281fd313f20d9e13c87534e26b091e3
iPad: 92e19f163eb553d42dfed00487fcdf73f7521c6e
```

8. PayPal will review the app in about one business day (for apps using simple payments) and send you a valid App ID for the live environment. You'll just need to update the "init" method to point to Live with this new ID. (Don't forget to update the recipient to your live email address.)

A SAMPLE INTEGRATION FOR ANDROID

Here's a sample integration for Android. Once you complete your integration, you'll want to test it in the PayPal Sandbox. Then you'll need to submit it for review by PayPal before it goes live.

To complete the integration:

1. Set up your Sandbox accounts, if you haven't done so already. You can create Sandbox accounts by going to <https://developer.paypal.com>.
2. Add the PayPal library (a .jar file) into your Eclipse project, and then add the JAR file to the build path. You can right-click on the JAR file to do this.
3. Update the AndroidManifest. The manifest will need to include the new activity "com.paypal.android.MEP.PayPalActivity". It will also need to declare the permissions for READ-PHONE-STATE, INTERNET, and ACCESS-WIFI-STATE.

For example:

```
<activity android:name="com.paypal.android.MEP.PayPalActivity"
    android:theme="@android:style/Theme.Translucent.NoTitleBar"
    android:configChanges="keyboardHidden|orientation/>
    <uses-permission
        android:name="android.permission.READ_PHONE_STATE"/>
    <uses-permission android:name="android.permission.
        ➤ INTERNET"/>
    <uses-permission
        android:name="android.permission.ACCESS_WIFI_STATE"/>
```

4. Import the classes. Open the java file where you're adding the PayPal functionality. You'll need to declare the various PayPal classes to use in your project.

For example:

```
import com.paypal.android.CheckoutButton
import com.paypal.android.MEP.PayPal;
import com.paypal.android.MEP.PayPalActivity;
import com.paypal.android.MEP.PayPalPayment;
import com.paypal.android.MEP.PayPalAdvancedPayment;
import com.paypal.android.MEP.PayPalInvoiceData;
import com.paypal.android.MEP.PayPalInvoiceItem;
import com.paypal.android.MEP.PayPalReceiverDetails;
```

5. Initialize the library by using the `initWithAppID` method. You'll pass in your App ID and the environment. The environment can point either to Live, Sandbox, or None. The "None" environment puts the library in a demo mode that makes no server calls, so you can continue coding, even if you don't have a connection. You can also set the language here.

For example:

```
PayPal pp = PayPal.initWithAppID(this, "APP-80W284485P519543T",
    PayPal.ENV_SANDBOX);
```

6. Place a PayPal button on the screen. You can choose from several button sizes in the integration guide. You'll also pass the type of payment (hard goods, service, donation, or personal payment). Then set the `onClick` listener for the button.

For example:

```
LinearLayout layoutSimplePayment = new LinearLayout(this);
    layoutSimplePayment.setLayoutParams(new
LayoutParams(LayoutParams.WRAP_CONTENT,
    LayoutParams.WRAP_CONTENT));
layoutSimplePayment.setOrientation(LinearLayout.VERTICAL);
CheckoutButton launchSimplePayment = pp.getCheckoutButton(this,
PayPal.BUTTON_194x37, CheckoutButton.TEXT_PAY);
    launchSimplePayment.setOnClickListener(this);
    layoutSimplePayment.addView(launchSimplePayment);
    content.addView(layoutSimplePayment);
```

7. Implement the `onClick` function. This is where the actual checkout call happens. You'll specify all of the payment parameters (amount, currency, tax, shipping, and recipient's email). You can also use some optional methods to recalculate the amount based on an address. You'll then create a new intent based on the `PayPalActivity` class and add the payment you just created.

For example:

```
Public void onClick (View v) {
    PayPalPayment payment = new PayPalPayment();
    payment.setSubtotal(new BigDecimal("8.25"));
    payment.setCurrencyType("USD");
    payment.setRecipient("bike-store-sandbox@gmail.com");
    payment.setPaymentType(PayPal.PAYMENT_TYPE_GOODS);
    Intent checkoutIntent = PayPal.getInstance().checkout(payment,
    ➤ this);
    startActivityForResult(checkoutIntent, 1);
}
```

8. You'll receive the results through the `onActivityResult` method. It will either return `OK`, `Cancelled`, or `Failure`, based on how the payment ended. When you receive these calls, you can continue in your app by thanking the buyer or asking him to try later.

For example:

```
@Override
public void onActivityResult(int requestCode,
    int resultCode, Intent data) {
    switch(resultCode) {
        case Activity.RESULT_OK:
            break;
        case Activity.RESULT_CANCELED:
            break;
        case PayPalActivity.RESULT_FAILURE:
    }
}
```

9. Once you've finished your app, you can submit it to www.X.com/mobile (under the My Apps tab). For PayPal to test it, you'll need to attach a .zip file containing your .apk. PayPal will review the app in about one business day (for apps using simple payments) and send you a valid App ID for the live environment. You'll just need to update the "init" method to point to Live with this new ID. (Don't forget to update the recipient to your live email address.)

How to Integrate PayPal Mobile Express Checkout

PayPal's Mobile Express Checkout product can be used in mobile websites and mobile apps. PayPal has created a library version of the Mobile Express Checkout product that can be used in your mobile app, and the regular Mobile Express Checkout product is great for mobile websites.

In both cases, you'll choose Mobile Express Checkout because you're already using Express Checkout on your website. It's important to understand that if you're a large business merchant, Mobile Express Checkout requires server-side interactions, which tend to be easier to implement.



NOTE: In PayPal terms, a large business merchant shows more than \$30 million in annual online credit card payment volume.

Setting Up the Mobile Express Checkout Library

When using the Mobile Express Checkout Library, you'll place the PayPal Shortcut button in your mobile app. This means that your checkout process begins and ends with screens in your mobile app, and you'll be embedding only the mobile Express Checkout payment pages in a website view. Be sure to check out www.X.com/mobile for full integration steps and code.

To complete the setup:

1. Fetch a device token from the library just before you display the mobile app screen where you show a PayPal button. Include a pointer to your delegate method that receives the device token.
2. Get a PayPal button from the library, and place it on your mobile app screen. Include a pointer to your delegate method that handles the button-click event.
3. When buyers select the PayPal button, your delegate method is called, and you do the following:
 - a. Call a routine on your mobile website server, passing the payment information.
 - b. On your mobile website server, send a `SetExpressCheckout` request with the payment information to PayPal.
 - c. Pass the checkout token returned in the `SetExpressCheckout` response from your mobile website server to your mobile app.
 - d. Open a website view, and redirect the browser to PayPal with the mobile command, the device token, and the checkout token as URL parameters. The URL will be:

```
https://www.paypal.com/cgi-bin/webscr?cmd=_express-checkout  
-mobile&drt=valueFromMobileExpressCheckoutLibrary&token=  
valueFromSetExpressCheckoutResponse
```
4. Monitor the website view for a redirect from PayPal to your return or cancel URL.
5. If PayPal redirects the website view to your return URL, call surrogate routines on your mobile website server that send `GetExpressCheckoutDetails` and `DoExpressCheckoutPayment` requests to PayPal to complete the payment.



NOTE: Never send Express Checkout requests from your mobile app directly to PayPal. The requests require your PayPal API credentials. Placing your credentials on devices exposes you and PayPal to unacceptable security risks. Send Express Checkout requests only from secure servers.

Mobile Express Checkout for Your Mobile Website

If you choose to implement Mobile Express Checkout on your mobile website, you'll want to check out the information and documentation found on www.X.com/mobile, including detailed setup instructions and explanations on enhancements to your mobile website that create a profitable customer experience.

Implementing Mobile Express Checkout involves four main actions. Whether you do the work yourself or hire a third-party developer, the following actions are required:

- Integrating the mobile APIs
- Developing
- Hosting
- Managing



NOTE: An API, or Application Programming Interface, provides a set of standards that a website or software program can employ to tap the services and resources provided by other web pages or programs.

The Five Steps of Integration

There are five basic steps to integrate Mobile Express Checkout with your mobile website.

Here's what you need to do:

1. Place PayPal Checkout buttons and PayPal payment Mark images in your mobile website checkout flow.
2. For each PayPal button that you place, modify your mobile website page to handle the button click.
3. Use a PayPal Express Checkout API operation to set up the interaction with PayPal, and redirect the browser to PayPal to initiate buyer approval for the payment.
4. On your Order page, use PayPal Express Checkout API operations to obtain the shipping address and accept the payment.
5. Test your integration using the PayPal Sandbox before taking your pages live online.

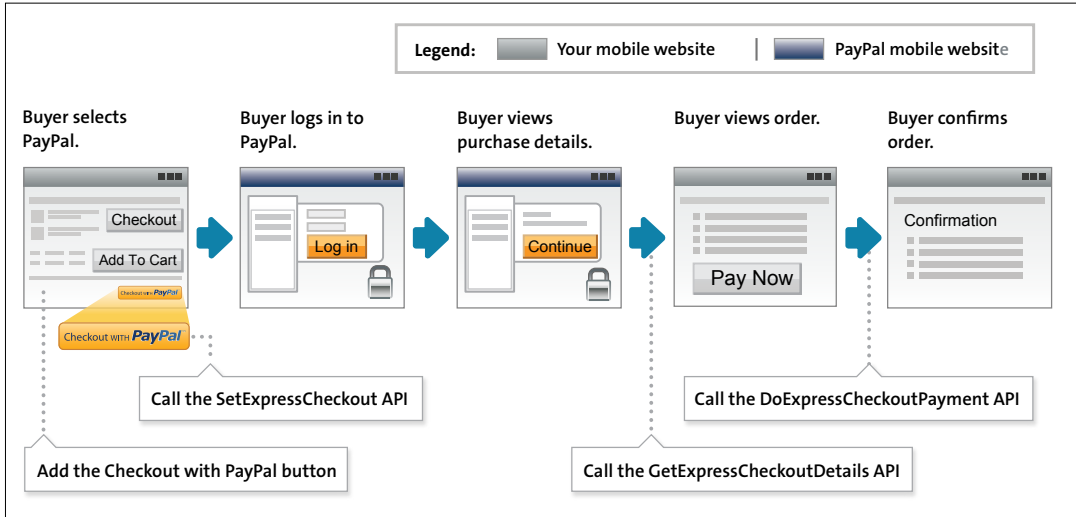


Figure 8.2 Implementation of the PayPal Mobile Express Checkout APIs in a customer payment flow.

The Building Blocks of Mobile Express Checkout

The following developer building blocks combine to help create the Mobile Express Checkout payment flow:

- Mobile Express Checkout buttons
- PayPal Mobile API operations
- PayPal Mobile commands
- Tokens



NOTE: A token is a value assigned by PayPal that associates the execution of API operations and commands with a specific instance of the user experience flow. (Tokens are not shown in Figure 8.2.)

Building a correctly functioning Mobile Express Checkout involves following the steps and using the tools noted here and as shown in Figure 8.2:

1. Add the PayPal Mobile Checkout with PayPal button to your mobile website so the customer can click a button to choose the PayPal Mobile payment option.

2. Call the `SetExpressCheckout` API, which redirects the customer to the PayPal Mobile website log in.
3. Call the `GetExpressCheckoutDetails` API, which redirects the customer to your mobile website.
4. Call the `DoExpressCheckoutPayment` API to enable the customer to view purchase details and complete the payment.

APIs to Implement

Table 8.2 shows the various APIs that you need to implement. Again, for more specific and detailed information about these APIs, consult www.X.com/mobile.

Table 8.2 Mobile Express Checkout APIs

API Name	API Purpose
<code>SetExpressCheckout</code>	Sets up the transaction. You'll need to specify values in this API to handle the payment currency type, the URL buyers use to return to your mobile website after placing their order, and the payment action.
<code>GetExpressCheckoutDetails</code>	Obtains transaction details, such as the customer's shipping address and Payer ID.
<code>DoExpressCheckoutPayment</code>	Conducts the transaction after you have called the <code>SetExpressCheckout</code> API.



NOTE: The `GetExpressCheckoutDetails` API is optional, since you may not require a shipping address or other transaction details from the customer for a given product or type of sale.

If the customer is paying on the PayPal Mobile website, you can set the total amount of the order when you call the `SetExpressCheckout` API. If, however, the customer is paying on your mobile website, you can change the amount before calling the `DoExpressCheckoutPayment` API.

Summary

We've shown you the basics of integrating PayPal Mobile Express Checkout and Mobile Payment Libraries, so you can make simple, informed decisions about what you want to implement and whom you want to do the build. We've also referred you to assistance on www.X.com, where we further suggest that you join a forum that can give you more specialized feedback. You can also consult PayPal Merchant Technical Services at www.paypal.com/mts or 1-866-837-1863, as they can help you with more immediate questions about your PayPal Mobile integration.

In the next chapter on "Obtaining Money with the PayPal Mobile App," we'll show you how your mobile customers interact with your business through the PayPal Mobile consumer apps. We'll cite several examples to help you realize what this use means for your mobile profits.

9

Obtaining Money with the PayPal Mobile App



Many PayPal account holders have appreciated PayPal payment processing for their traditional website transactions. Now more of them are discovering the financial tools of the PayPal Mobile app on iPhone and Android devices.

These consumers, merchants, and fundraisers are experiencing novel ways to use the PayPal Mobile app—from localized services to integration with third-party operations—and reaping the benefits.

The PayPal Mobile app allows customers to send money directly to merchants from their smartphones, merchants to request money from their customers via most mobile devices, and fundraisers to use many of the same means to accept donations.

How Customers Can Pay You with the PayPal Mobile App

The PayPal Mobile app includes a rich set of features that many consumers already appreciate and use regularly. The single app (available on Apple iOS and Google Android platforms) provides great core features, including

- Sending and receiving money
- Requesting money
- Managing transaction history and account balances

And here's more good news: All of these options run within PayPal's enhanced security for payment processing.

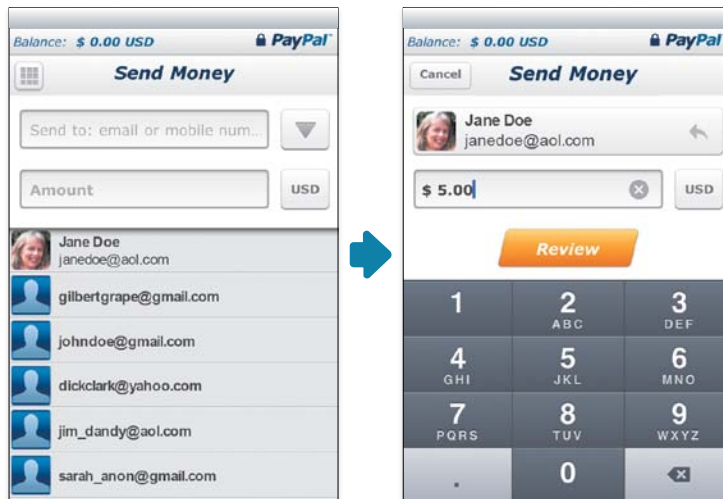
Sending and Receiving Money

The PayPal Mobile app for iPhone, iPad, and Android allows customers to send money for goods and services and to make personal payments.

PayPal Mobile has also tapped native features of mobile devices, including "Bump" and near-field communication (NFC) technology, to make

Figure 9.1

It takes only a few simple steps—providing contact and amount info, reviewing the transaction details, tapping Send, and receiving PayPal confirmation—to send money with the PayPal Mobile app.



sending and receiving commercial and personal payments even faster and easier.



NOTE: Two new mobile technologies offer even more convenience. “Bumping” two phones together allows consumers to connect their PayPal accounts and instantly share money (see Chapter 3). Near-field communication (NFC) allows consumers to make transactions and transfer data between two NFC-equipped devices, such as making a payment via a smartphone at a checkout reader (see Chapter 4).

WHEN A CUSTOMER SENDS MONEY TO YOU

As a PayPal account holder, a customer can send money to your email address or mobile phone number. Sending money takes only a few simple steps, as noted below and as shown in Figure 9.1.

To send money through the PayPal Mobile app, the customer.

1. Inputs your contact information and an amount.
2. Reviews the transaction details.
3. Taps Send to send you the money.
4. Receives PayPal confirmation that the money was sent.

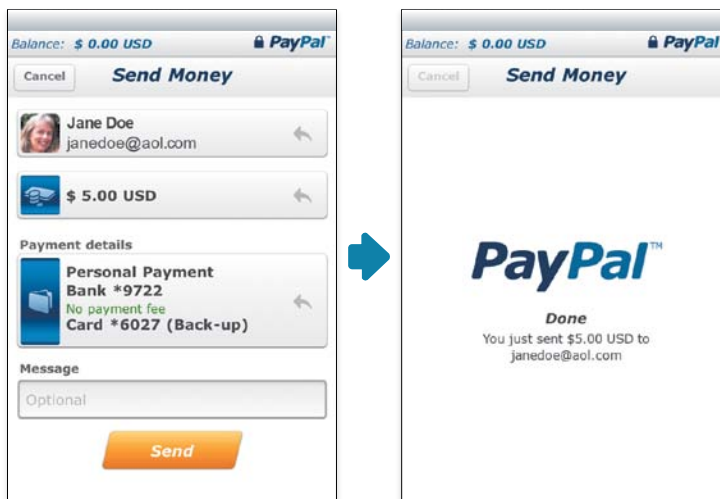
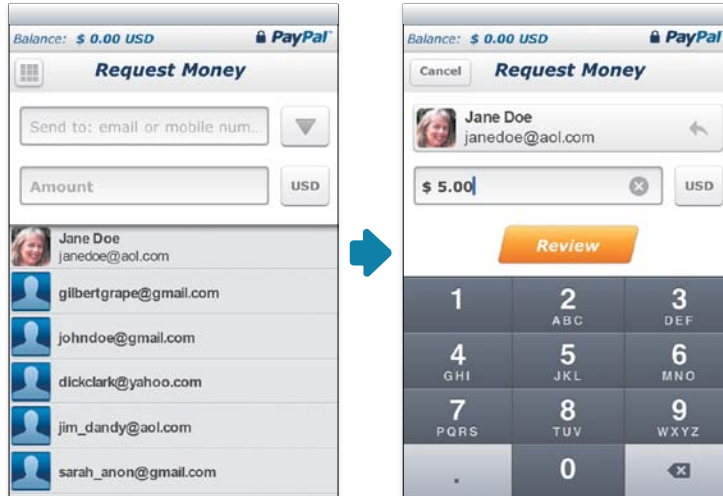


Figure 9.2

To request money from a customer through the PayPal Mobile app, simply enter her contact information and an amount, review the transaction details, and then tap Request. PayPal will send you confirmation of the request. (Making a timely payment is up to the customer.)



WHEN YOU RECEIVE MONEY FROM A CUSTOMER

Once your customer sends you money, PayPal sends you an email noting that you've received money. If the money is sent to your mobile phone number, you may be alerted in a couple of ways.

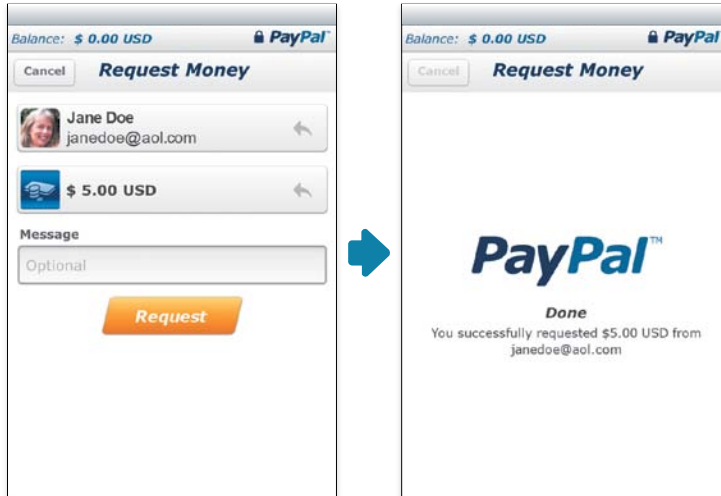
The standard notification is a text message sent to your mobile phone number indicating that you've received a payment. You can view this payment on the PayPal Mobile website (<https://m.paypal.com>), or you can open the PayPal Mobile app.

If you have an iPhone or iPad, you can turn on “push notifications” in your Profile preferences, so that you'll see a message pop up in the PayPal Mobile app. The message will tell you that money has been received. Then you can go to your History page to review the payment.

Requesting Money

The PayPal Mobile app also allows you to request money from your customers. The process is easy—it takes just a few steps—and offers another convenient way to remind a customer that a payment is due.

Here's how the process works, as shown in **Figure 9.2**.



To request money through the PayPal Mobile app, you

1. Enter the customer's email address or mobile phone number and an amount.
2. Review the transaction details.
3. Tap Request.
4. Receive PayPal confirmation that your request was successful.

Transaction History and Balance Tools

The PayPal Mobile app's convenient transaction history and account balance management tools provide meaningful ways for you to track mobile business payment receipts and outstanding money requests.

When you're paid through the PayPal Mobile app, the money conveniently appears directly in your PayPal account balance. Another helpful feature of the app allows you to maintain a balance for all currencies that you accept for payments.

And just like the full PayPal online website, the PayPal Mobile app allows money transfers, so you can move money easily and as often as you wish between your balance and bank account.

How You Make Money with PayPal Mobile App Local Services

The PayPal Mobile app also includes new payment processing tools to suit mobile location-based services. Essentially, these services let merchants create mobile business profiles that serve consumers within a specific local area.

How Mobile Local Services Work

PayPal uses the latest mobile location-based technologies that provide search results for businesses within about 30 miles of a consumer's smartphone or other mobile device.



NOTE: For more about PayPal Mobile local services, see information detailing the Where app later in this chapter and point-of-sale opportunities in Chapter 4.

When a customer opens the PayPal Mobile app's local services, she's shown business address listings within a certain local radius. She can then select a business listing, open an overview, and read details about the business's offerings, contact information, hours of operation, and more.

Merchants "in the neighborhood" that accept PayPal payment methods may offer PayPal Mobile customers special sales or discounts when they pay with a PayPal account. This service amounts to free real-time, mobile promotion for merchants to reach consumers within the immediate vicinity of their physical store, outdoor stand, or mall kiosk.

For example, **Figure 9.3** shows the PayPal Mobile app local services landing page (left) that displays listings and details about area businesses. Once the customer taps a listing—say, BigPicture Photography, as shown in the figure—a business listing page displays (right). This page reveals the listing's specific store hours, address, and any mobile customer-targeted offers as well as information for using PayPal.

Promoting your mobile business to new mobile customers via local services requires very little setup. PayPal Mobile allows you to create a free business profile and share offers within the local services pages.

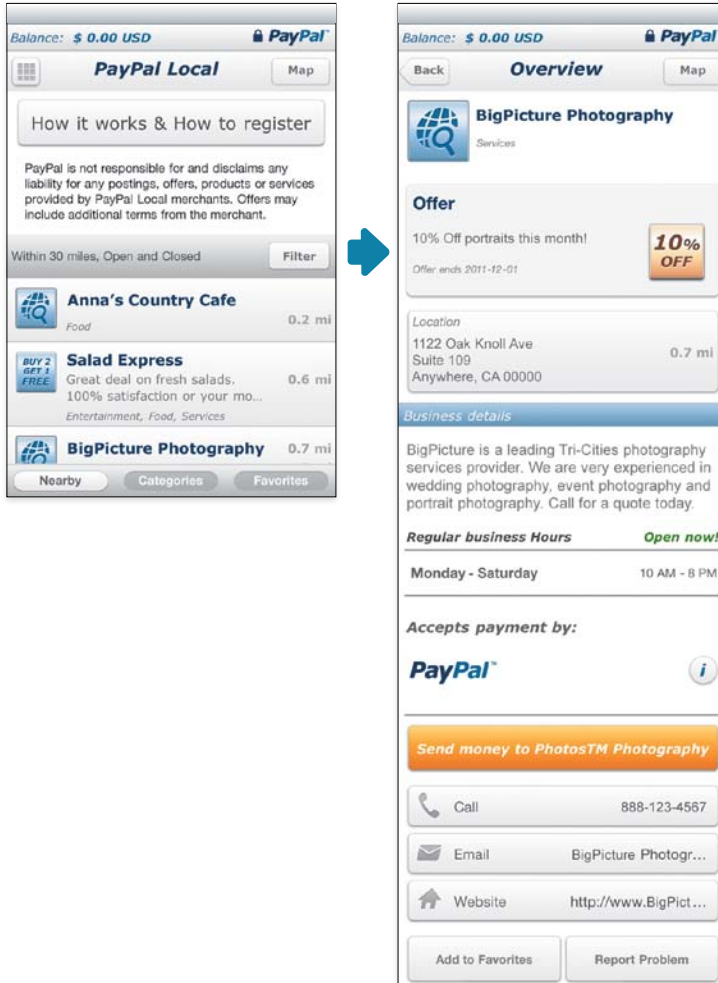


Figure 9.3
 With PayPal Mobile app local services, a customer can browse multiple area merchant listings (left) and select specific listings for details about a business and any special regional offers (right).

Registering for Mobile Local Services

If you include your profile directly in the local service page flows, as shown in **Figure 9.4** on the next page, you simply register basic information about your company, including business hours, address, phone number, and business type (restaurant, movie theater, pharmacy, auto repair garage, hotel, or other) and determine any optional deals or discounts you'll offer customers who make purchases from you with PayPal.

If you have an iPhone or iPad, you can create your business profile directly in the app; otherwise, go to <https://apps1.paypal-labs.com/lbs/> to complete the process.

Figure 9.4

Once you've completed the form in the local services registration process, you can create a local offer for customers who pay with PayPal.

Registering

Balance: \$ 0.00 USD

Registration

Please complete the form to register your business with PayPal Local. You can edit your business profile at www.paypal-labs.com/local

Name: BigPicture Photography

Business location (where customers can find you)

Address 1: 1122 Oak Knoll Ave.
 Address 2: Suite 109
 City: Anywhere
 State: CA
 Zip code: 00000
 Country: United States

Business categories (Choose up to 3)

Category 1: Services
 Category 2: None
 Category 3: None

Business description
 Optional

By checking this box, I confirm that I have read and agree to the **PayPal Local Terms of Use**. These Terms of Use are in addition to the User Agreement and any other agreements that you have entered into with PayPal, which will also apply to your use of PayPal Local. If you have not read or do not agree with the PayPal Local Terms of Use, you should not click **Agree and Register**.

Agree and Register



Choosing to create an offer

Balance: \$ 0.00 USD

Registration

Congratulations!

Your business is now registered with PayPal Local. Now PayPal customers in your neighborhood can find your business quickly and easily.

You will receive an email with more information about this feature.

If you want to change or update your profile, click Settings in this app.

Create Offer

More About Offers

Continue Without Creating Offer



Creating an offer



Of course, you can edit your business profile and change your offers at any time. Just remember to keep the offers up-to-date; that way you'll encourage more repeat visits to your local profile.

offer

Creating an offer

Balance: \$ 0.00 USD PayPal

Back **Create Offer**

Choose an image for your offer

OFFER FREE GIFT BUY 2 GET 1 FREE 2 for ONE

5% OFF 10% OFF 20% OFF 30% OFF

Offer description

10% Off portraits this month!

Expiration date (optional)

Expiration date 12/1/11

Create Offer

Reviewing the profile

Balance: \$ 0.00 USD PayPal

Back **Overview** Map

BigPicture Photography
Services

Offer

10% Off portraits this month! **10% OFF**

Offer ends 2011-12-01

Location

1122 Oak Knoll Ave 0.7 mi
Suite 109
Anywhere, CA 00000

Business details

BigPicture is a leading Tri-Cities photography services provider. We are very experienced in wedding photography, event photography and portrait photography. Call for a quote today.

Regular business Hours **Open now!**

Monday - Saturday 10 AM - 8 PM

Accepts payment by:

PayPal

Send money to PhotosTM Photography

Call 888-123-4567

Email BigPicture Photogr...

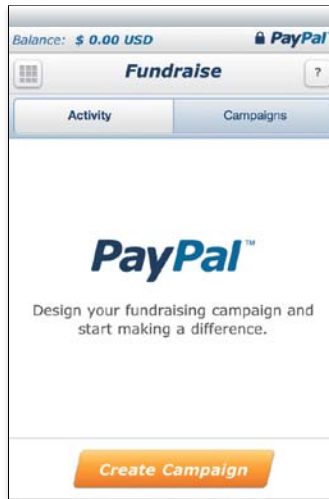
Website http://www.BigPict...

Add to Favorites Report Problem

Figure 9.5

In this PayPal Mobile app flow, a fundraiser creates a campaign, enters specifics in a form, confirms the campaign, and maintains a page to track contributions and messages.

Choosing to create a campaign



Creating the campaign



Confirming the ca

How Nonprofits Raise Money with the PayPal Mobile App

In addition to serving the payment needs of consumers and merchants in mCommerce, the PayPal Mobile app can also work for organizations seeking PayPal transaction tools for fundraising and donation capabilities.

Fundraising

The unique fundraising feature in the PayPal Mobile app can help staff and volunteer fundraisers accumulate contributions via a simple Facebook interface.

PayPal has collaborated with FundRazr, whose fundraising app on Facebook helps nonprofit organizations and their team members create and maintain fundraising campaigns. PayPal's relationship with FundRazr means that fundraisers can now create and track their FundRazr campaigns within the PayPal Mobile app.

Fundraisers can create free campaigns directly in the PayPal Mobile app, as shown in **Figure 9.5**. The fundraiser completes a form with details citing

Confirming the campaign

Balance: \$ 0.00 USD PayPal

Cancel Review Edit

My Big Campaign
Not active yet

Created by: John Doe
PayPal account: johndoe@gmail.com
Date created: Not created yet
Supporters: 0
Shared: Never

Raised: Not active yet Goal: \$50000

Description
Fundraising account

Sharing
 Share on my Facebook Wall
 By checking this box, I confirm that I have read and agree to the [FundRazr Fees and Terms of Use](#)

Create

Reviewing the campaign

Balance: \$ 0.00 USD PayPal

Back Campaign Manage

My Big Campaign
Active

Created by: John Doe
PayPal account: johndoe@gmail.com
Date created: Aug 1, 2011
Supporters: 0
Shared: Never

Raised: \$0 Goal: \$50000

Tap to view donation totals

Recent activity
No activities yet

Add Comment

Description
Fundraising account

Sharing
 Share on Facebook
 Tweet about Campaign
 Send an Email

the fundraising campaign and cause, and decides the amounts of money to accept as contributions.

Once the campaign is created, the fundraiser can post the information on her Facebook wall and also email and tweet announcements about the campaign. Contributors can access the campaign on Facebook and send their contributions using PayPal. The PayPal Mobile app makes it easy to track these contributions directly from the fundraiser's mobile device.

As money is contributed via PayPal, the PayPal Mobile app's campaign page notes the activity, displaying the total amount collected compared with fundraising goals, while also sharing messages from donors.



TIP: For more information about the FundRazr app for Facebook, visit www.FundRazr.com.

Accepting Donations

The PayPal Mobile app Donate feature on Android devices aligns with eBay's Giving Works program to highlight nonprofit organizations that accept donations through PayPal.

Donors can search for their favorite charities by category and location, and make donations directly from their Android mobile devices.

As shown in **Figure 9.6**, a donor selects a charity listing, chooses a donation amount, reviews the transaction details, and taps Send to make the donation. She then receives PayPal confirmation of the completed transaction.

Figure 9.6
To make a donation through the PayPal Mobile app on an Android device, a contributor simply selects a charity listing, chooses a donation amount, reviews the details, and sends the money via a PayPal account. She then receives confirmation from PayPal.

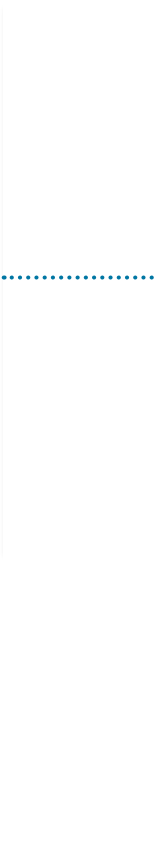
Selecting a charity



Choosing a donation amount



Sending the donation



Register your charity or nonprofit for free with eBay Giving Works—and MissionFish, which manages the eBay Giving Works program—and you can begin collecting direct donations and selling donated goods and services on eBay.

All of the charities registered with eBay Giving Works appear in the Donate feature of the PayPal Mobile app on Android devices, allowing a greater pool of potential donors via mobile.



TIP: For more information about MissionFish, a mobile app and nonprofit organization that manages the eBay Giving Works program, along with successful fundraising tips, visit www.MissionFish.org.



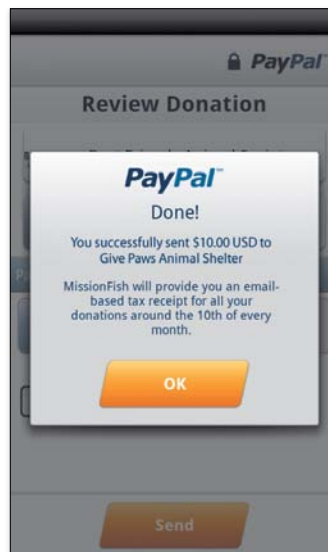
TIP: Eager to list your charity? You can learn more about eBay Giving Works at <http://www.ebaygivingworks.com/nonprofit-info.html>.

amount

Sending the donation money



Completed transaction



BENEFITS OF EBAY GIVING WORKS

Charity organizations that register with eBay Giving Works get

- A listing in the eBay Giving Works database of nonprofits
- eBay privileges to sell donated goods and services and raise money for a cause
- A dedicated page that describes the organization and lists the items for sale to benefit the cause
- Reports that track proceeds

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Knowing *Where* to Attract Local Mobile Profits

Wondering *where* to post your mobile business information to attract more local mobile customers? Well, eBay and PayPal Mobile have a great answer for you in our new affiliation and developing business with Where.com.

By claiming their business listing page at www.Where.com, merchants can get an instant, customizable mobile presence. The free mobile business listing page includes a click-to-call phone number and click-to-get-map directions that bring new customers to local businesses. Pages can be customized to add pictures, links, and even a “Join My Email List” feature for merchants.

Merchants can extend their reach beyond the 4 million-plus active Where app (Figure 9.7) customers to an audience of over 50 million consumers through geo-targeted advertising via the Where Ads network, the nation’s largest location-based mobile ad network. Where publishes these ads across more than 350 popular mobile websites and apps, including AccuWeather, Pandora, and CBS.

Merchants can also create location-targeted offers to drive additional business when needed. Consumers can purchase deals directly through the mobile device using PayPal.

Promoting your mobile business to new mobile customers via local services requires very little set up. PayPal Mobile allows you to create a free business profile and share offers within the local services pages.



Figure 9.7
Find Where to get the best local area deals.

- Tools to help raise money—including the PayPal Mobile app Donate feature for Android

EBAY GIVING WORKS SIGN-UP

It's a simple four-step process to sign up with eBay Giving Works as the fundraiser:

1. Completes the form through MissionFish:
<https://www.missionfish.org/charity/web.us/register.jsp>.
2. Checks email for confirmation that the account has been created.
3. Creates an online password.
4. Sends in the necessary documentation to verify charitable status.

Registering for eBay Giving Works is free. Fund-raisers should have the following items ready to share when signing up:

- A working email address
- An electronic copy of the organization logo (.jpg or .gif format, 50 KB maximum)
- A mission statement of 512 characters maximum (about 40 words)
- A 501(c)(3) letter or other proof of tax-deductibility
- A voided organization check

Summary


It's clear that the PayPal Mobile app offers resourceful payment tools for consumers, merchants, and fundraisers alike. The PayPal Mobile app can suit their mutual aims, too. For example, consumer payment options serve merchants' selling plans while merchants' donations support nonprofit fundraising campaigns.

In our next chapter, "Growing Your Mobile Business," we'll expand on ways to obtain money via mobile websites and apps, focusing on effective, long-term selling strategies in a rapidly evolving mobile industry.

10

Growing Your Mobile Business





Whatever your intended mobile business website or app, nurturing your new venture will take more than continuing financial investment and creative innovation; the effort will require getting smarter about growing your profits.

That means you must continually evolve your mobile business strategies to keep pace with mobile market, technology, and customer changes. Toward that end, we'll share a number of mobile enhancements that you can make along the way, including building consumer traffic, messaging more customers, adopting the latest mobile marketing tools, upselling your lines, promoting higher-profit products and services, adding social media sales, and expanding your payment options.

Boosting Sales with Better Mobile Traffic

When you're using multiple mobile marketing means to promote your business, how do you know which are working and which are not? How do you know which of your promotions drive the most sales?

The key to determining the success of your mobile marketing activities is to employ analytics tools. These allow you to collect and analyze data about your mobile website or app customers to measure the amount, source, and activities of consumer traffic.

What kind of data is measured? Web analytics can track such metrics as unique visits, page views, bounce rates, engagement time, and click-throughs, to name a few. Here are some ways to interpret these analytics:

- *Unique visits* track the number of page requests (via cookies) made by a customer on your mobile website or app (with no more than 30 minutes between each request and without accessing another domain) in a defined period (day, week, or month). This information indicates when customers prefer to shop with you, so you can schedule special offers to suit the busiest mobile buying times.
- *Page views* can tell you how many times a customer accesses a specific page on your mobile website or app, allowing you to better understand which pages are most popular with your shoppers.



TIP: Page views are often confused with “hits,” which count multiple parts of a page—images, links, titles, and so on—as page views, thereby inflating the total number of page views and leading to an inaccurate assessment of actual customer page use.

- *Bounce rates* cite the percentage of visits by customers who open and close the same page without visiting any other pages on your mobile website or app (typically a homepage). If you optimize your website

or app, you'll see a lower bounce rate on the homepage and more page views on subsequent pages. While this can help you determine poorly performing mobile pages, an unusually high bounce rate can also help you identify automated click fraud.

- *Engagement time* statistics can tell you the average amount of time that a customer spends interacting with one of your mobile website or app pages, including tracking taps, scrolls, and so on, so you can assess which areas retain customers well.
- *Click-throughs* can help determine which links, buttons, or images your customers are clicking on your mobile website or app, so you'll know what areas get the most shopping attention.

Analytics also track the paths taken by your mobile website visitors, including what websites lead them to your website and what pages they view. You can even assess information about where your visitors live and what kind of mobile devices they're using (including information such as the mobile device model, manufacturer, screen resolution, capabilities, service provider, and preferred user language).

Many mobile marketers use the analytics tools supplied by their mobile ad networks to measure the effectiveness of campaigns. You can also use third-party analytics tools, which are especially effective for tracking a campaign across multiple networks and platforms. Some of these analytics tools, such as Google Analytics and Yahoo! Web Analytics, are free; others, such as Flurry and Bango, come at a cost but offer more features.

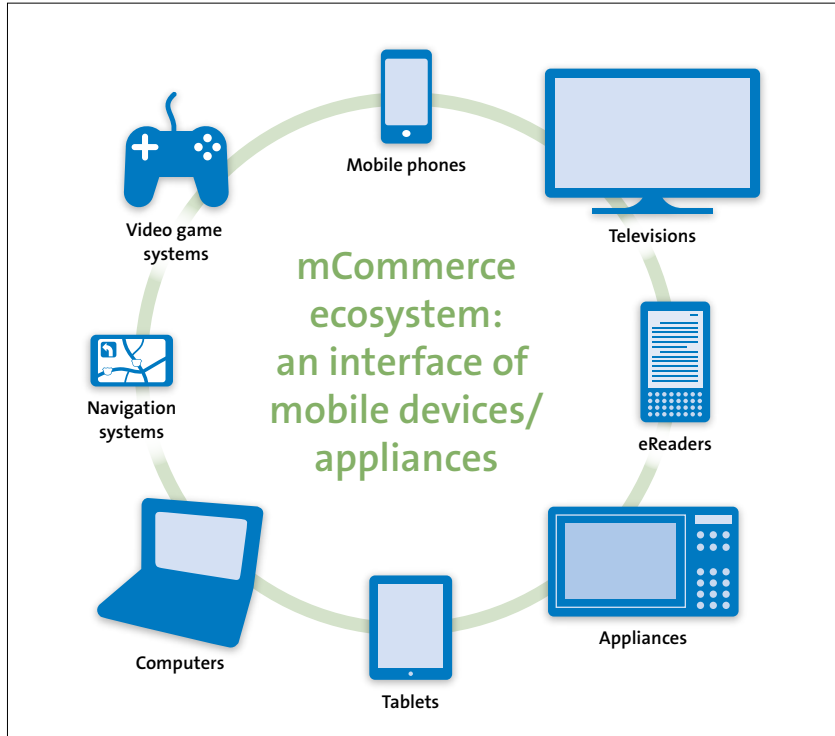


TIP: If you're a developer interested in both mobile analytics tools and related software developer kits, check out Adobe, which has an extensive catalog of such tools.

Next we'll look at some of the most important metrics for measuring the performance of your mobile marketing activities.

Figure 10.1

According to an Ericsson forecast, the mCommerce ecosystem—an interface of mobile devices and Internet appliances—is expected to reach 50 billion interconnected devices globally in 2020. That makes careful consumer traffic analysis across multiple platforms a key study for your mobile business prospects.



Monitoring Traffic Sources

A “traffic source” is the mobile web location visited just before a consumer lands on your mobile website. When you analyze your customers’ website visits and the content they were browsing before coming to your website, you can better anticipate their mobile searches and responses to ads.

Traffic sources can be mobile search engines, referral websites that link to yours, ads, or direct traffic (when a visitor manually enters your mobile website’s URL).



TIP: According to a Cowen report, mobile search queries peak during low usage periods for desktop search, including lunchtime, at night, and on weekends, as your customers are “away from their desks” on smartphones. You can tap this mobile search “prime time” with an ad to attract new buyers. As with a desktop computer search, mobile search yields high customer acquisition, since traffic costs are low.

Another consumer traffic source now being tracked by merchants and industry analysts is the particular mobile device a consumer uses to find a website or app.

The growing diversity of the mCommerce ecosystem, including greater variations of interconnected mobile devices and web appliances (Figure 10.1), has led merchants to study consumer traffic coming from different—and interfaced—mobile platforms to understand how to boost sales across multiple mobile venues.

In sum, then, the percentage of visitors you get from each traffic source tells you what part of your mobile website or app marketing plan is most effective and helps you decide where to direct your future promotional activities.

Measuring Keywords

Most mobile website merchants quickly learn that search engines are among the top traffic sources. Using mobile-specific search analytics, you can drill down to find out what specific interests led consumers to your mobile website or app.

Toward that end, you can look at the keywords metric in your mobile web analytics. These are the top terms searched by visitors who came to your website from a search engine.

Knowing what people are searching for helps you determine what keywords to use in your website's search engine optimization (SEO).



TIP: Online searches on a PC can reveal up to 10 more results per page than mobile searches on smaller smartphone screens. So choose your mobile keywords carefully—especially using regional terms to identify your business, as mobile consumers like to shop locally—to gain higher results page rankings and avoid listings on subsidiary pages.

Attracting Customers with Mobile Messaging

Any merchant offering products or services via a mobile website or app should know that well-planned, proactive, persistent mobile messaging is an essential part of effective marketing. That's because mobile emails, text messages, push notifications, and coupons use direct marketing to increase brand awareness, drive traffic, update customers on your business offerings, and, most importantly, solicit sales of a particular product or service.

A mobile messaging and marketing effort is similar to an online email campaign, except that in this case you send targeted messages that your customers can read instantly on their smartphones or tablets anytime, anywhere. These messages can highlight upcoming promotions, new products, other ways to pay, and more. You can use mobile messaging to great advantage to entice more sales from your existing customers. And, as many traditional marketers know, it costs less to get sales from current customers than it does from newcomers.

There are many types of mobile messages that you can use to promote your business. Let's look at some of the most effective means.

Texting

Text messages are, of course, highly popular for peer-to-peer exchanges (whose teenager hasn't busted the budget of a text data plan more than once?), and they also let merchants communicate with the vast majority of mobile customers. A precise marketing message sent to a clearly targeted consumer base can be a powerful way to reach customers instantly—where they are and when they shop—to make immediate sales for your mobile website or app.

Many marketers also send texts to mobile phone numbers to remind customers of bills—and use the opportunity to cross-market more convenient or cost-saving payments to loyal customers.

Sending Promotional Blasts

These are one-time, full- or partial-mailing list sales messages that promote one or more items at a special price. You can use mobile promotional blasts effectively to promote a once-a-year sale, clearance item, special purchase, or sale timed to a major holiday.

Making Coupon Offers

In this case, the messages themselves serve as electronic coupons—complete with basic product information and perhaps a simple graphic—that can be redeemed during the mobile checkout process. Mobile messages like these are great ways to track customer response and product or service popularity. For example, the Where app (see Chapter 9) offers locally targeted mobile coupon sales. This allows merchants to share messages with customers in the immediate vicinity of their physical stores and track drop-in shoppers.

Sending Repeat Messaging

These are messages you send out regularly—once a quarter, each month, or even every week. You might include monthly product announcements, note weekly sales specials, or, if the offers are truly novel and especially desirable, announce daily deals. If you manage this frequent messaging with some flair and fun, your customers won't trash them in their junk mail folder but stash them in their "to buy" folder.



TIP: Check out www.Groupon.com for examples of highly engaging mobile couponing, which feature enticing photos, helpful write-ups, and clearly marked sales along with mobile coupon deals.

Offering e-Newsletters

The electronic equivalent of the traditional printed newsletter, these more substantial mobile messaging tools can help some long-term mobile campaigns. This messaging model assumes regular customers subscribe to your e-newsletter for useful information, updates, news, and opinions in your field *along with* your product or service advertising.

For example, if you're in the discount travel business, you may send repeat customers a monthly mobile e-travelogue describing great vacation spots—and your bargain deals that go with them. Perusing your article on an e-book reader, tablet, or smartphone and learning about a great rate for a Fiji getaway can be enticing to a customer on a 3-hour airport layover.

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Remember to Include an “Unsubscribe” Option

If you encourage customers to subscribe to your mobile messages for offers, you also need to give them the option of *unsubscribing* at any time. The PayPal website offers clear and convenient means for customers to unsubscribe from most email messages (other than legally required messages, of course). If you own a PayPal account, go to www.PayPal.com, Profile, More Options, and click Notifications under My Settings to see some sample unsubscribe options that may work for your business. (Of course, text messages also have their own requirements—per carrier—for opt-in or double opt-in statuses.)

More than extending a simple courtesy, this option tells your customer that you care about his convenience and won't spam a smartphone email inbox with phishy, confusing, or intrusive messages.

You can set up a preference center on your mobile website for customers to manage their email, text, push notifications, and other message choices. This page can provide the unsubscribe option as well as

the option to receive multiple messages. Toward that end, a preference center may include:

- A description of each promotional message, with links to samples
- A check box sign-up to receive each message
- A check box to unsubscribe from each message
- A check box to unsubscribe from all messages
- The customer's preferred delivery format—plain text or HTML
- A text box to enter or correct the recipient's email address
- A link to your mobile website's privacy policy
- A Contact Us link to your customer services

Remember, a preference center can do more for your customer than simply provide an unsubscribe option; a dedicated page can enable your customer to make changes to his email address, mobile phone, PIN number, shipping and billing addresses, and other contact information.

Sending Push Notifications

While this mobile messaging often serves mundane purposes—confirming customer devices, updating registrations, citing policy changes, and so on—smart mobile merchants can also notify customers about more substantial services. For example, you can send push notifications acknowledging that a new mobile device has been added to a customer’s account while also messaging him that your business is available on other mobile platforms as well.

Cross-selling Related Items

Depending on how you word your mobile messages—simply noting another catalog item or offering to enhance a product—your cross-selling tips can either update a listing or close a sale. As you learn from your web analytics, you may send cross-selling mobile messages to customers that you know have already viewed certain product channels multiple times.

Look at this kind of message from the customer’s view. Wouldn’t you like to know that the Omicron 3000 digital camera you bought last spring from www.WeAreCameras.com now offers added-memory cards for sale? That’s a product option—or mobile cross-selling message—that no astute customer can ignore.



TIP: To avoid overwhelming customers with too many messages, you may want to combine similar offerings across mobile platforms.

Maximizing Mobile Marketing Tools

Unlike some direct messaging approaches we’ve discussed, other mobile marketing tools, like display advertising, blogs, PR pushes, podcasts, and video promotions, don’t necessarily drive immediate sales. The best outcome of these efforts is realized over time, when a long-term mobile marketing strategy can deliver positive, often significant sales results.

Once you’ve set a budget and assembled your creative resources, you can deploy some of the following marketing tools to help grow your mobile business.

Display Advertising

If you have realistic expectations for mobile advertising, recognizing the small yet still-evolving market and consumer audience, you can appreciate the opportunity to share your new business venture with mobile consumers.

Traditional online banner ads placed on aptly targeted mobile websites will catch the attention of many consumers. Still, these have generally lower click-through rates than pay-per-click ads placed on major search engines.

Even so, if you purchase ad space on enough high-traffic mobile websites, even a low click-through rate can generate significant consumer traffic. Bear in mind that consumers can still respond to a compelling message from a banner ad even if they don't click on the ad.



TIP: You can buy pay-per-click ads on major search engines (Google, Bing, Yahoo, and others). There's no cost to create or place the ad. When someone searches with a keyword you've chosen, your ad shows on the search engine. The customer can then click to your website (this is when you're charged) and proceed with a purchase.

Blog Marketing

To help drive mobile sales, you can emphasize your company's expertise in a particular product or service category by creating an authoritative corporate mobile blog. Make sure the intention and content of your blog is clear, consistent, and helpful. Don't waste blog space bragging about your offerings and how you deliver more bang for the buck.

Instead, use your mobile blog to show how your business makes a difference in your field (such as contributing a portion of each backpack sale to an environmental cause) and supports your customers' broader interests when buying to suit their lifestyle.

For even greater credibility, encourage other mobile industry bloggers to review your website or app, as positive, objective views of your business can drive more consumer traffic.

Public Relations

Convincing mobile bloggers to write about your offerings is part of an effective mobile web public relations strategy. So is tasking your PR staff to get company, product, or service mentions on influential mobile industry websites that your customers are likely to visit.



TIP: Keep your mobile product or service news in front of your customers. Online publications like *Mobile Commerce Daily* and *Internet Retailer* offer daily or weekly e-newsletters dedicated to educating the public about significant mobile industry news and activity.

You may also consider producing or hosting live “mobilecasts” to educate consumers on vital topics and offerings in your field.

For example, a mobile merchant marketing health care supplies may host a real-time mobile panel of physicians, product sellers, and patients to discuss the latest issues in insurance coverage and the positive economic impact of the company’s product innovations. Or, for instance, an app merchant selling music may present a live mobile concert directly involving customers who can text votes for their favorite songs (as well as buy and download the music at the same time).

In similar ways you can share your knowledge leadership in a category and establish your new mobile business expertise—all while promoting your products and services.

Podcasting

Many mobile merchants also like to promote their products or services via syndicated audio podcasts—programs or infomercials—to their customers’ smartphones or tablets. Unlike single downloads or one-time streamed content, podcasts are serialized segments that you can use to share regular messages that can help drive sales.

The benefit of mobile podcast marketing is that many times your customer may listen to your latest broadcast while already shopping in a mall or store, where your message can immediately influence him to make a purchase.

Video Marketing

The hottest mobile marketing tool right now is a timely custom video that can convey more promotional pop in a single minute than some ad copy can cover in an entire brochure.

Of course, the caveat is that your most popular viral video on YouTube can be quickly replaced by the next must-see video clip five minutes later.

So while it may be exciting to have your amazing product or service demo displayed for tens of thousands of viewers to see at once, the best mobile video marketing involves plans for more regular viewing (like adding the video to your mobile website or blog).

Toward that end, simply create a video (about a five-minute clip should do) that shows what your product or service is or does, and aim to inform while you entertain your customer. Then your marketing video can build consumer interest in visiting your mobile website or downloading your app and lead to sales.

Upselling via Mobile

One tried-and-true offline and online approach merchants use to generate more revenue (and more profit) with each sale is to upsell customers. That is, you encourage your customers to buy additional items tacked onto the initial purchase.

For example, if you're a florist selling via your mobile website or app, you may market various bunches of flowers and upsell accompanying containers or cards as well as faster or better-ensured deliveries. While these offers certainly give your customers more shopping options, they also generate extra revenue for you—at virtually no additional sales cost.

Offering Extras

No matter what products or services you sell via mobile, there are extras you can offer your customers, once they've decided to buy from you. Another battery pack or an extended warranty to go with a video camera purchase, say, can help increase your profit margin.

What sort of upsell options can you offer? Here are some common examples (you'll think of others for your line):

- Supplies for the original purchase (inks for a printer)
- Related products (a matching tie and shirt)
- Installation accessories (tools for repairs)
- Hookup cables (a stereo/TV setup)
- Luxury finishes (embellished furniture)
- Monogramming (a personalized briefcase)
- Extended warranty or service contract (lawnmowers or laundry machines)
- Premium service (special tech support)
- Training courses (CDs or online classes)
- Printed manual or e-book (setup instructions)

Of course, you can also upsell to a higher-priced version of a product. You can offer a fancier custom frame, a notebook with more features, or simply a pricier model or brand of coffee maker. Obviously, this type of upselling must be done before the purchase is finalized.

For example, if you're trying to upsell a customer to a more expensive digital camera, you need to do so before he clicks the mobile website Purchase button. On the other hand, if you're upselling the customer to buy a discount on the future purchase of a memory card, you'd do best to complete the camera sale first.

Post-sale Techniques

When it comes to upselling after a mobile website sale, you can show a special page that displays only after the initial purchase has been completed. This upselling is more about making sincere and valid recommendations of related products or services, not badgering your customer into buying "just one more thing" to complete a sale.

When you create an upsell page for your mobile website or app, here are some consumer-friendly phrases you may want to include:

- “Customers also bought ...”
- “You might use these for ...”
- “Popular attachments are ...”
- “Other colors or sizes include ...”
- “Recommended accessories are ...”
- “An extended warranty offers ...”
- “An upgrade is available ...”
- “You can buy several for ...”

Remember, what you may consider as extras that lock down sales, customers may regard as add-ons that bump up costs. So even as you approach your mobile business with the mind of a marketer, also operate with the wisdom of an established website or app owner, and always allow your customers to opt in or opt out of a web purchase.

Selling Higher Profit Products and Services

Many merchants have pricey products or services that are simply more profitable than lower-ticket sales. So, similar to an upsell effort, you can direct mobile customers to your higher-price-point—and higher-profit-margin—products or services.

While early industry evidence suggests that most mobile consumers prefer to buy lower-priced convenience items—mostly because they tend to make impulse buys while on the move—selling some higher-priced brands at a higher profit margin can mean more money for you.

Make Pricey Items More Prominent

How can you influence mobile customers toward a particular product line? Consider your mobile website or app design, and the products or services that you feature most prominently. Be strategic about what products you display and where you show them. Some merchants present their most impressive, elegant, or exotic items front and center on a website homepage (haven't we all been drawn into a website by a "best of" products display?).

Of course, you don't want to emphasize expensive items to the detriment of the cost-saver specials that attracted customers to your business in the first place. But showing customers top-end items says that you know the best in your business and care about quality, whatever the price.

Key Product Categories

You can also adjust your pricing so that big-ticket items benefit from being displayed on key product category pages as specials at attractive prices. For that matter, you can bundle additional items with higher-price products to make them more of a value.

Even if you nudge only a small percentage of mobile customers to purchase higher-priced offerings, you'll boost revenue beyond the low-profit convenience items many hasty smartphone shoppers buy.

Building Mobile Business through Social Media

Social media are popular—though often underused—target markets for mobile merchants, and include websites and services that let participants of all kinds connect with each other every day (and on the hour) to share what they think, feel, want, do—and buy.

People create groups of "friends" or "followers" that they connect with through short messages, status updates, statements, opinions, requests, invitations, photos, videos, audio, and third-party content. Social networks

like Facebook, Twitter, YouTube, LinkedIn, Yelp, Flickr, Google+, and many more in niche categories are among the fastest-growing websites, and an increasingly important part of many companies' mobile marketing aims.

As you build your mobile business through social media, consider the following questions:

- What is your social media strategy?
- How will you identify and extend your social brand?
- How will you measure your social media success?
- What social communities will you join?
- How will you interact with customers in these communities?

Setting a Social Media Strategy

Here are some points to address for a profitable social media strategy, depending on the size and goals of your mobile business:

- Determine what you will spend on developing your social media presence. Most of your money will go to planning, as many social media placement costs are minimal or free.
- Establish a friendly but professional social media account “voice”—and be consistent in this personality. Don't make the mistake of creating a different identity for different followers.
- Set a schedule for multisite postings (news, updates, revisions, etc.).
- Know how your social media marketing integrates into your overall mobile business strategy.



TIP: Typically, the only way for mobile developers to make money from Facebook apps is through ads, virtual goods, and currency transactions. But now www.Zuora.com offers an on-demand subscription billing and payment service closely integrated with PayPal. Zuora helps Facebook developers monetize their apps through recurring pricing, usage-based fees, one-time charges, or other subscription pricing.

Branding and Social Media

The first step of a successful and long-term social media plan for mobile is to manage your company identity.

Having a consistent social media username and identity helps establish trust with followers—and potential customers—who may belong to multiple communities with you. To help with username registration, you can go to www.Knowem.com and search a large listing of social media websites and available usernames. Many social media communities welcome mobile businesses like yours, and actively solicit them for group shopping on smartphones or tablets.

Even though intriguing individuals can inspire a huge following on websites like Facebook, the most successful social media merchants keep their customers interested in the company “story.” However your company’s narrative proceeds, with personal accounts of product uses or services, announcements of industry or charity events you sponsor, or peer surveys you’ve conducted, your story must be genuine and compelling and encourage readers to share your news with others in their social network.

Measuring Social Media Metrics

You’ll want to quantify your social media success, including the attention you build for your brand, the knowledge you gain about followers, the customer traffic you create, and the leads and sales you make with your social media presence.

Just as you wouldn’t “set and forget” an SEO campaign, you’ll need to monitor your social media presence and look at your mobile business metrics to determine if your efforts have been successful or if you need to revise your plans.

Toward that goal, give your social media launch at least 90 days to show results before you change anything. After that initial review, pay special attention to mobile metrics, noting if your rankings have increased based on traffic and links, followers have engaged with your content and made purchases, social review/voting websites have favored your business, and sales have grown in your trial period.

Choosing Communities

Plan your social media presence so that your mobile business “belongs” to appropriate communities, and you don’t waste time and effort trying to identify with groups that don’t understand or appreciate your mobile products or services (in other words, don’t join a community of seniors if your business sells extreme skydiving sports equipment).

Before simply signing up for every social media website that accepts your entry, first investigate various communities to learn their members, content interest, modes, values, habits, online etiquette, privacy terms, and so on. Every community operates differently, so you want to know the proper behaviors for each.

Locating Consumers in Groups

The good news is that some social media participants may already be aware of your mobile business and commenting on your products or services in their social shopping groups. Some may be chatting about your services on Facebook fan pages, following your product updates on Twitter, connecting with your company leaders on LinkedIn, displaying photos of your services on Flickr, writing reviews about your offerings on Yelp, and posting feedback about your company on similar social media websites.

Once you locate them, you can interact with these communities as you choose. Social media participants may not make up a large portion of your mobile customer base yet, but they’re a special group of highly motivated, knowledgeable, and active media users who may become your most loyal buyers.

To find them, you can visit major social media websites and search for your company name, competitors’ names, your keywords, a specific industry, and so on, and decide if there’s enough mobile shopping activity to merit joining the community.



TIP: If you look for potential customers via Twitter, for example, you can use tools like the website’s own Advanced Search or other websites like www.Tweet.Grader.com and www.Twellow.com to find social media customers who may be interested in hearing about your mobile products or services.

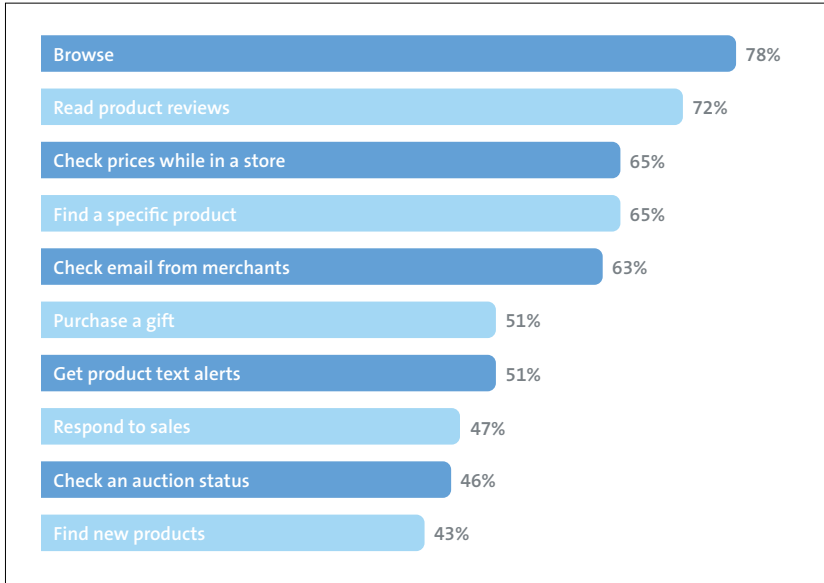


Figure 10.2
According to a Lightspeed Research study, 60 to 75 percent of smartphone consumers enjoy sharing product reviews and getting messages from merchants as part of reasons that they shop on a mobile device.

To appreciate how social media participants use their smartphones to browse and buy, see **Figure 10.2**. You'll notice that they spend most of their time accessing and sharing product reviews, price comparisons, specific products, email from merchants, purchases of group gifts, surprise sales, and new products.

Engaging Social Media Customers

When you post mobile messages in a social media space as a business, you'll want create a meaningful and invigorating dialogue with your community members, even as you describe your products or services.

As you interact with your customers, you can respond to them with unique mobile links to your product and service comment forums and shopping resources. But for every marketing announcement you share, you need to include ten purely social messages.

Social media is not simply about another venue where you can sell to new mobile customers. It's about connecting with customers on a personal level, so that when they have a need for your product or service advice or support, they can regard your business as a trusted "friend" in their community. To earn that friendship and customer loyalty, you'll

need to participate regularly in social media with personalized posts, tweets, pokes, tags, and more for individual customers.

Adding Recurring Payments with PayPal Mobile

We couldn't close this chapter without mentioning another method to grow your mobile business with PayPal. While you've already learned the basic ways that PayPal Mobile processes transactions—so that you can be paid on time, properly, and securely—the following explains a special mobile “recurring” payment option (Figure 10.3) with Mobile Express Checkout.

Scheduled payments are necessary for e-magazine and e-newsletter subscriptions, of course, but you can also use them for your mobile service and support plans, automatic product upgrades, monthly club memberships, and more.

For example, an electronics merchant might offer an enhanced tech support plan for customers who purchase a particular tablet. A computer software supplier could sell yearly upgrades to application programs. Or an e-book publisher may market bonus editions with an annual club membership. In each case, the merchant can arrange PayPal Mobile's recurring payments option to automatically charge his customer for a set amount recurring at established periods.

When you support mobile recurring payments for a buyer, you need to create a recurring payments profile. The profile contains information about the recurring payments, including details for an optional trial period and a regular payment period. Both periods contain information about the payment frequency and payment amounts, including shipping and tax, if applicable.



NOTE: When using PayPal Mobile Express Checkout, the buyer can also cancel a recurring payments profile.

After you create a profile, PayPal Mobile automatically queues payments based on the billing start date, billing frequency, and billing amount. Payments recur until the profile expires, there are too many failed payments to continue, or you cancel the profile.

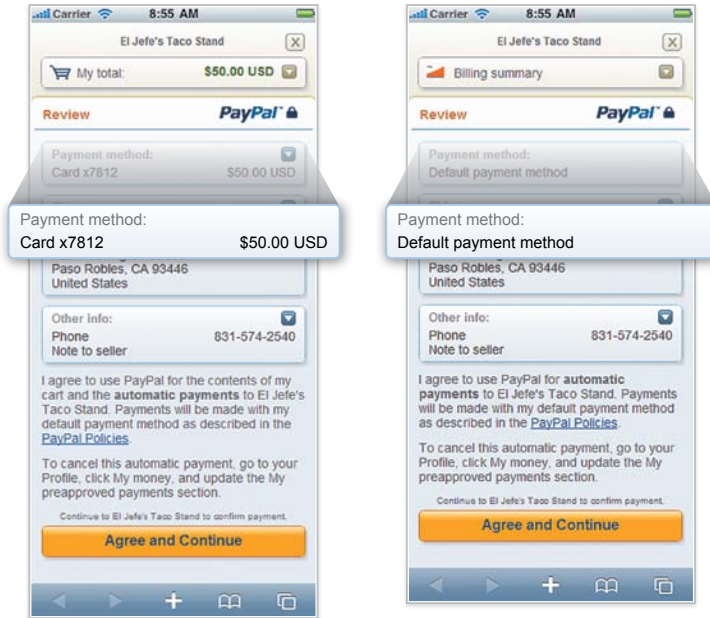


Figure 10.3
The screen at left shows the first recurring payment made (via credit card) at the time of the agreement; the screen at right shows a future recurring payment to be made (via default method) once the agreement is set up.

When a buyer uses PayPal Mobile Express Checkout, queued payments are made using the standard payment method hierarchy within the buyer's PayPal account.

After you create a recurring payments profile, you can view recurring payments details or cancel the recurring payments profile from your PayPal account. You can also access recurring payments reports from the PayPal Business Overview page.

The customer logs in to PayPal and reviews the first payment before completing it. All future purchases can be automated.



NOTE: There's no charge for the PayPal Mobile Express Checkout recurring payments service, aside from standard PayPal transaction fees. (For more information about PayPal fees, you can visit www.PayPal.com.)


Summary

When you follow the advice we've shared about mobile setup, selling, and payment tools for a standalone venture or as part of a combined physical store/online/mobile business, you may maximize opportunities to grow mobile profits.

Appendix

Mobile Information Resources





To provide you with more information about the mobile field and guides for your specific mobile business aims, we've created this list of key resources on current mobile industry data, news, trends, advice, and much more.

You can refer to categories of Industry Organizations, Research Firms, Trade Shows and Conferences, Blogs, Knowledge Bases, Communities, and Publications for the information you need now to help build your new mobile venture.

Industry Organizations

Near Field Communications (NFC) Forum

www.nfc-forum.org

The forum helps develop standards-based NFC specifications for devices and protocols, encourages the development of products, works to ensure that products comply with NFC Forum specifications, and educates consumers and enterprises globally.

GSM World

www.gsmworld.com

Spanning 219 countries, GSM unites nearly 800 of the world's mobile operators, as well as more than 200 companies in the broader mobile ecosystem, including handset makers, software companies, equipment providers, Internet companies, and media and entertainment organizations.

Open Handset Alliance (OHA)

www.openhandsetalliance.com

The OHA is a group of 83 technology and mobile companies that have joined to accelerate innovation in mobile and offer consumers a richer, less expensive, and better mobile experience. The organization supports developers building open mobile app and platform services for mobile handsets.

LiMo Foundation

www.limofoundation.org

The LiMo Foundation is an industry consortium for creating an open, hardware-independent, Linux-based operating system for mobile devices. Backing from major industry leaders puts LiMo at the heart of the mobile industry and makes LiMo a unifying force in Mobile Linux.

CTIA—The Wireless Association

www.ctia.org

CTIA—The Wireless Association is an international nonprofit organization that has represented the wireless communications industry since 1984. Membership in the association includes wireless carriers and their suppliers as well as providers and manufacturers of wireless data services and products.

The Mobile Marketing Association (MMA)

www.mmaglobal.com

The MMA's focus is to establish mobile as an indispensable part of the marketing mix. The MMA works to promote, educate, measure, guide, and protect the mobile marketing industry worldwide. MMA members include agencies, advertisers, handheld device manufacturers, carriers and operators, retailers, software providers, and service providers.

International Telecommunications Union (ITU)

www.itu.int

ITU is the United Nations specialized agency for information and communication technologies. The ITU allocates global radio spectrum and satellite orbits, develops the technical standards that ensure networks and technologies seamlessly interconnect, and improves access to information and communication technologies to underserved communities worldwide.

Small Business and Entrepreneurship (SBE) Council

www.sbecouncil.org

The SBE Council is an advocacy, research, and training organization dedicated to protecting small business and promoting entrepreneurship. It works to educate elected officials, policymakers, business leaders, and the public about key policies that enable business start-up and growth.

Research Firms

Juniper Research

www.juniperresearch.com

Juniper Research offers market sizing and forecasting, together with competitive analysis, strategic assessment, business modeling, independent analysis of current and emerging opportunities, and paid-for research covering mobile content and apps, mobile commerce, handsets and devices, mobile markets and strategies, and networks and technologies.

InsightExpress

www.insightexpress.com

InsightExpress is a provider of digital marketing research solutions, specializing in the measurement of advertising and brand communications. The company offers message evaluation, advertising effectiveness, creative development, and cross-media optimization. InsightExpress helps agencies, media, and marketers optimize marketing initiatives across online, mobile, and other media.

Forrester Research

www.forrester.com

Forrester Research is an independent research company that provides advice to global leaders in business and technology. Forrester works with professionals in key roles at major companies, providing proprietary research, customer insight, consulting, events, and peer-to-peer executive programs.

ABI Research

www.abiresearch.com

ABI Research is a market intelligence company specializing in global connectivity and emerging technology. The firm offers a blend of quantitative forecasting and trends analysis for decision makers in the technology industry.

Ipsos Vantis

www.ipsos.com

The company conducts research in advertising, innovation and brand, media, content and technology, social and corporate reputation, customer and employee research, survey management, data collection, and delivery specialists.

TNS Global

www.tnsglobal.com

TNS is a custom market research company of industry-sector-expert consultants. The company provides global marketing information for innovative market research across various product life cycles.

Yankee Group

www.yankeegroup.com

The Yankee Group is a research and advisory firm for mobile that provides proprietary research and analytics on the attitudes, behaviors, and usage patterns of mobile users and a range of actionable data, insights, and advice to marketing, strategy, and product executives.

comScore

www.comscore.com

comScore provides syndicated and custom solutions in online audience measurement, eCommerce, advertising, search, and video and mobile, and offers dedicated analysts with digital marketing and vertical-specific industry expertise. Advertising agencies, publishers, marketers, and financial analysts refer to comScore to craft digital, marketing, sales, product development, and trading strategies.

Morgan Stanley

www.morganstanley.com

Morgan Stanley is a prominent financial advisor to companies, governments, and investors around the world. The firm focuses on finance and advises clients on strategic transactions, expansion into finance and capital markets, and new opportunities for individual and institutional investors.

Kleiner Perkins Caufield & Byers (KPCB)

www.kpcb.com

Kleiner Perkins Caufield & Byers has backed over 600 ventures, including Amazon, Amyris, Bloom Energy, Electronic Arts, Genentech, Google, Intuit, Netscape, Sun, Symantec, and Zynga. Entrepreneurs share matched portfolios of companies and associations with global business leaders for strategic alliances, partnership opportunities, and insights to build new ventures.

Harris Interactive

www.harrisinteractive.com

Harris Interactive is one of the world's leading custom market research firms, leveraging research, technology, and business acumen to transform relevant insight into actionable foresight. Harris offers expertise in healthcare, technology, public affairs, energy, telecommunications, financial services, insurance, media, retail, restaurant, and consumer package goods.

Nielsen Research

www.nielsen.com

Nielsen Research provides a comprehensive view of what consumers watch and buy through powerful insights that clarify the relationship between content and commerce. The company's analysis and insights help inform decision-making for brands and content providers as well as the research activities of universities and industry standards bodies.

Pew Research Center

<http://pewresearch.org/>

The Pew Research Center is a nonprofit, nonpartisan “fact tank” that provides information on the issues, attitudes, and trends shaping America and the world, by conducting public opinion polling and social science research, by analyzing news coverage, and by holding forums and briefings.

International Data Corporation (IDC)

www.idc.com

The IDC is a premier provider of global market intelligence, advisory services, and events for the information technology, telecommunications, and consumer technology markets. The IDC helps information technology professionals, business executives, and the investment community make fact-based decisions on technology purchases and business strategy.

National Retail Federation (NRF)

www.nrf.com

The NRF’s global membership includes retailers of all sizes, formats, and channels of distribution from the U.S. and more than 45 countries. The NRF is a nonprofit foundation that conducts industry research, develops education and workforce development programs, and promotes retailing as a career destination.

Informa Research Services

www.informars.com

Informa Research Services is a provider of competitive intelligence and market research to the financial industry. The company gathers competitive product information, branch experience measurements, and consumer opinions and delivers market information, analysis, and targeted recommendations.

Cowen and Company

www.cowen.com

Cowen and Company, a business group of Cowen Group, Inc., offers industry-focused investment banking for growth-oriented companies, domain knowledge-driven research, and a sales and trading platform for institutional investors. Their hosted conferences are industry events targeting top institutional investors and leading companies in technology, health care, consumer and retail, aerospace and defense, and alternative energy.

Lightspeed Research

www.lightspeedresearch.com

Lightspeed Research delivers data to help clients make informed business decisions. The firm operates proprietary online panels throughout the world to collect and analyze data to support research studies that vary in scope and complexity.

Trade Shows and Conferences

Innovate

<https://www.innovateregistration.com/main.aspx>

This annual X.commerce conference helps developers, entrepreneurs, and industry experts convene with eBay, PayPal, Magento, GSI Commerce, and others to share solutions, code, and camaraderie.

4G World

www.4gworld.com

4G World is an industry conference covering the ecosystem for next-generation networks supporting high-speed broadband and full mobility. 4G World will showcase the first 4G mobile broadband networks being launched in 2012 using mobile Worldwide Interoperability for Microwave Access (WiMAX) technologies and the evolution of 3G mobile networks to support mobile Internet using Long-Term Evolution (LTE) technologies.

IQPC Mobile Commerce Forum

www.iqpc.com

The IQPC Mobile Conference Forum will showcase mobile commerce design and strategy, and incorporate discussions on mobile payments. The program will highlight many of the key topics, issues, and challenges in the mobile commerce industry, with a dual focus on strategy and development and mobile payments.

Retail Mobile Executive Summit

www.rila.org

Organized by the Retail Industry Leaders Association (RILA), the Retail Mobile Executive Summit attracts progressive retailers and innovative mobile technology solution providers worldwide. RILA helps inform lawmakers of the impact and consequences of industry decisions and provides a forum to discuss common operational practices, areas of concern, and pragmatic solutions.

eTail East

www.wbresearch.com

eTail is a major multichannel retail conference dedicated to supporting the growth of the retail industry through high-level networking and extensive thought leadership. eTail Boston (<http://www.wbresearch.com/etailusaeast/>) will help e-tailers innovate across every aspect of their business to refine eCommerce strategies and optimize growth in 2012.

Mobile Commerce Forum

<http://mcf.internetretailer.com>

The Mobile Commerce Forum supports e-tailers with information on events and news relating to mCommerce retailing and hosts the annual Mobile Commerce Forum retailer conference.

Mobile Contactless Payments Summit

www.paymentinnovations.net

The Mobile Contactless Payment Innovations Summit is a major conference in the mobile payments arena, merging perennial concerns with current issues. The summit is part of the Alternative Payment Systems Innovations (APSI) conferences and focuses on strategies for the buy-side and payment processors solutions, phone carriers, and innovators/disruptors.

Mobile Insider Summit

www.mediapost.com

The Mobile Insider Summit (<http://www.mediapost.com/events/?/showID/MobileInsiderSummit.11.Tahoe#fbid=d289A1qQdcF>) event draws mobile marketers to share leading edge information and experiences while exploring new technology, strategies, and tactics for mobile as a marketing vehicle. The summit includes 50 of the top marketing and agency executives who network, debate, and collaborate about marketing via mobile.

Mobile Social Communications

www.cvent.com

The Mobile Social Communications conference (<http://www.cvent.com/events/mobile-social-communications-case-studies-and-roundtables/event-summary-d2a52a6823a04e2e9028ed9b03904ce2.aspx>) shares the best case studies of how real brands are achieving tangible business goals by integrating mobile social strategies into their overall marketing and communications approach.

Mobile 2.0

<http://mobile2event.com/>

Mobile 2.0 Silicon Valley draws leaders throughout the mobile ecosystem, including entrepreneurs, investors, mobile carriers, device manufacturers, mobile app developers, and web technologists. The event focuses on understanding and leveraging mobile ecosystems, building and successfully monetizing new mobile apps and services, and exploring disruptive mobile innovation and business models.

Interop

www.interop.com

Interop assembles the most qualified mobile IT professionals, technology providers, and business decision makers in one place to discuss today's most compelling means for selling products, generating leads, and increasing brand awareness.

Mobile World Congress

www.mobileworldcongress.com

The Mobile World Congress 2012 will be held in Barcelona, Spain, and will include visionary keynotes and panel discussions, exhibitions of 1,400 companies, awards highlighting innovative mobile solutions around the world in one of the world's best venues for mobile industry networking, business opportunities, and deal-making.

Mobilize

www.gigaom.com/mobilize/

GigaOM's Mobilize conference focuses on the conjunction of mobile computing and cloud-based services to cover the new wave of product and market growth opportunities.

Blogs

Cellphones.org

<http://cellphones.org/blog/top-25-cell-phone-blogs/>

CellPhones.org comprises a list of the top 25 mobile blogs focused on comprehensive mobile discussions, not just “gadget” chats. The blogs are conveniently organized based on a number of key factors, including reader traffic, the broad value of the topics, and the degree of “editorializing” among the posts.

mobiThinking.com

<http://mobithinking.com/blog/>

mobiThinking provides practical advice and insight on mobile web marketing from top practitioners—plus insight about trends. The website also provides guides to mobile agencies and top mobile markets, offers interviews and analysis, showcases websites, provides case studies, notes mobile industry events and awards, and cites major mobile statistics.

InsightExpress

<http://blog.insightexpress.com/>

InsightExpress surveys consumers and industry experts and reports on topics like the in-market measurement of brand communications, advertising effectiveness, media optimization, creative development, and digital marketing research.

Forrester Research

<http://blogs.forrester.com/>

Forrester Research provides expert, highly detailed blogs and opinions on mobile technology, data, metrics, usability, and mobile metrics.

ABI Research

http://www.abiresearch.com/news/analyst_blogs.jsp

ABI Research's blog provides extensive reports, analyst opinions, forecasts, and perspectives of the mobile world. Information is available in detailed categories classifying the mobile industry by device, technology, current and future trends, and technology.

Ipsos Vantis

<http://www.ipsos-mori.com/newsevents/blogs.aspx>

Ipsos provides a forum for discussing politics, social media, and consumer issues. The blogs weigh a variety of immediate-interest mobile topics. A Reputation Center also provides information on how clients monitor and manage their industry reputation.

The Mobile Retail Blog

<http://themobileretailblog.com/>

The Digby platform team's blog provides a medium for those interested in retail mobile commerce to inquire, share, and learn about mobile industry trends, news, strategies, and best practices.

Mobilemarketer

<http://blog.mobilemarketer.com/>

The Mobile Marketer's blog is for marketing professionals and deployment experts in the mobile field to provide news, blogs, videos, and event information for the industry.

Knowledge Bases

SearchMobileComputing.com

<http://searchmobilecomputing.techtarget.com/>

SearchMobileComputing.com is a free source of news and information for IT managers regarding deployment, management, and security of a mobile computing workforce. The website provides comprehensive coverage of all major mobile and wireless news and trends, and hands-on, practical advice for selecting, managing, deploying, tracking, supporting, and securing mobile devices.

Spiceworks

http://community.spiceworks.com/how_to/channel/16

This knowledge center provides research, training, tips, techniques, and how-to's for over 1.5 million IT pros in small-to-medium size businesses. Free membership.

HP/Palm Forum

<http://forums.palm.com/>

HP provides forums for posting questions and feedback on the HP webOS, Palm OS, and Windows Mobile devices. Open to registered members.

Communities

ARM's Community

<http://www.arm.com/community/>

The ARM's community for mobile products and trends provides featured blogs, articles, videos, latest products, and key apps.

Econsultancy

<http://econsultancy.com/us>

Econsultancy is a community where the world's digital marketing and eCommerce professionals meet to sharpen their strategy, source suppliers, get quick answers, compare notes, help each other, and discover how to improve online business.

HP Software Solutions Community

<http://h30499.www3.hp.com/t5/HP-Software-Solutions-Community/ct-p/sws-top>

Hewlett-Packard's Enterprise Business Community page provides options and links on HP software products, solutions, and trends. Several mini-communities are available for help and troubleshooting on issues, and connecting with others in the community to share thoughts, ideas, and best practices.

Open Source Mobile Developer Community

<http://opensourcemobile.ning.com/>

This website allows all open source community subject-matter experts and practitioners to share their experiences, mentor one another, and facilitate a broader networking experience to build community.

Java Mobile Developers Community

<http://community.java.net/mobileandembedded/>

This is a gathering place for developers to collaborate and innovate, while driving the evolution and adoption of the Java Platform, Micro Edition (Java ME) for mobile and embedded devices.

Funambol Open Source Community Forge

<https://www.forge.funambol.org/DomainHome.html>

This community provides a project workspace with all the tools developers need to create, build, and execute apps using open source for a variety of mobile handsets. Users can also synchronize data in various emails and apps into several mobile handsets.

Publications

etaildtail

http://www.etaildtail.com/weblog/mcommerce_mobile_commerce/

This e-newsletter reports on mCommerce channel marketing, events, analyst views, and customer relationship management. The publication especially addresses eCommerce marketing issues experienced by mid- to large online merchants as well as marketing and advertising agencies, while suggesting long-term, scalable, cost-effective solutions.

VentureBeat's MobileBeat

<http://venturebeat.com/category/mobile/>

This publication provides mobile news, blogs, videos, developer news, entrepreneurial tips, and articles categorized by mobile device name. VentureBeat focuses primarily on mobile innovation news for industry executives.

Mobile Commerce Trends

<http://www.mobilecommercetrends.org/>

This e-magazine produces comprehensive information on mobile banking, payments, coupons, marketing, social networking, trends, location-based services, products, and reviews.

Mobile Commerce Daily

www.mobilecommercedaily.com

This trade publication targets retail brands, marketers, and commerce firms who use the mobile channel for sales on mobile devices or to drive traffic to and from other channels such as retail stores, catalogs, television, or the wired Web.

Internet Retailer Magazine

www.internetretailer.com/magazine/

This monthly e-magazine covers strategies and practices that produce success in e-retailing. The e-magazine provides objective business information on mobile market trends, technology, competitive practices, and people that are shaping the industry.

Insidermobile

<http://www.insidermobile.com/news>

InsiderMobile delivers the latest mobile news and features from various leading experts in the wireless communications industry. The publication provides professional and unbiased opinions about the latest trends in mobile commerce, mobile technologies, and mobile devices.

Cell Phone Knowledge Base (CPKB)

http://www.cpkb.org/wiki/Main_Page

CPKB is a collaborative encyclopedia for all matters related to mobile phones and accessories. The “wiki” format allows anyone to create, edit, and correct articles instantly, without registration, so contributors work together to create the website’s rich mobile industry information database.

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