A concept of applications in the electronic commerce market
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Abstract

This article considers the potential of mobile applications in the e-commerce. The current state of e-commerce has been considered. The Internet users' involvement in the e-commerce has been analyzed. Analyzed example of the most popular applications for further analysis sphere of e-commerce. The work analyzes the successful e-commerce site on the market. The different concepts for using mobile applications on e-commerce market. Examples of the use of augmented reality applications aimed at providing services and are popular. Through the example of one of the most popular mobile applications the features of a successful mobile application for online retailing have been identified and considered.

Keywords: Mobile applications, online retail, e-commerce;
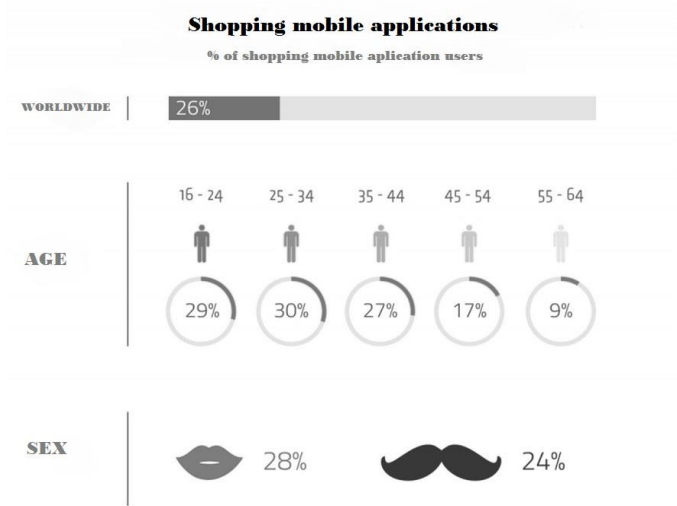
1. Introduction

Smartphones are becoming integral with their users, they are used more often than other devices and are closely linked to each of us. In turn, common usage of mobile phones and smartphones has led to one more phenomenon which is the development of application concepts.

Familiar Internet browsers are being replaced by mobile applications with increasing frequency. Mobile applications possess a great number of options which just a while ago required using the browser and heading over to a particular website. Everything has changed now, and there's no need to launch the browser to check e-mail, to read new messages in social networks, etc. Users are gladly turning to friendly and functional applications that make people's lives easier and do not demand too much effort for completing a particular task.

2. Discussion

One of the main tasks of mobile applications is arrangement of e-commerce. This raises the question: how often do users make purchases by means of applications? According to the international analytics which is presented in Picture 1, 26% of users have answered the question "What kind of shopping did you do last month?" with mentioning the applications for online purchase. The most active online shopping application users are people aged 24-34 (30%). Young people at the age of 16-24 are behind them with only 1% difference (29%). The third place in the ranking of the most active online-shopping application users take people aged 35-44 (27%). Elder

people use applications for making their purchases less frequently: people aged 45-54 – 17%, 55-64 – 9% [1].

Shopping mobile applications

% of shopping mobile aplication users

WORLDWIDE	26%				

|	16 - 24	25 - 34	35 - 44	45 - 54	55 - 64
AGE	29%	30%	27%	17%	9%

SEX	28%	24%

Picture 1. Age groups of mobile applications users

It should be pointed out that females use online-shopping applications more willingly than males. In particular, the percentage of female users is 28%, which is 4% more than the number of male users.

Business Insider Intelligence analysts draw up annual reports on e-commerce state. On the basis of these reports we may conclude that online shops are developing and expanding their market shares rapidly. The leader of the branch is Alibaba company which includes AliExpress, Tmall, Taobao. These companies drew ahead of Amazon in 2013. By the end of the year 2014 the number of Chinese e-commerce customers reached 350 million people [2].

However, the beginning of mass e-commerce transition from separate websites to corresponding applications currently can be seen. EBay, Amazon and other major players already have such applications. While mobile applications for EBay and Amazon is a new opportunity to expand their potential and to increase the users' involvements, for more determined retailers these applications become a major alternative to the website. One of such retailers is the Internet-shop Myntra. Picture 2 presents the sections of its website. It's impossible to make a purchase now, but the download link for this app is available [3].
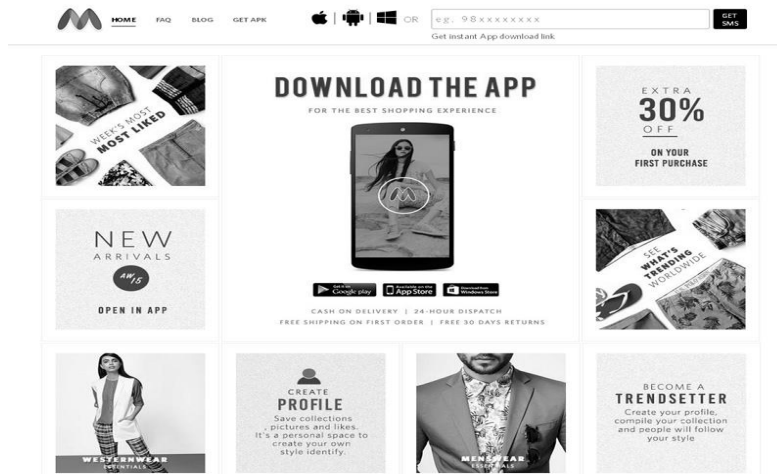
Picture 2. The website of the Internet-shop Myntra

Probably such decisive actions in the frame of universal transition into mobile environment are not justified yet, however, the first step has been taken and the general trend of modern trade development will eventually lead to realization of mobile applications. Even today possessing a functional, user-friendly and efficient mobile application is necessary for any promising project targeted at a vast audience. After all, applications have a variety of advantages that are worth paying attention to:

Interactivity of applications. In contrast to websites mobile applications are more functional and flexible. They connect to the network faster and easier, are extremely succinct and moreover they enable to use such useful options as geolocation, contact list, Bluetooth, camera and QR codes scanning.

Users' preferences. More and more users are considering smartphone to be the main communication device with an opportunity of using various services. Consequently, users expect that certain service or shop would offer the applications for Android or iOS.

The development of customer loyalty. Users tend to take a smartphone and mobile applications more seriously than any other platforms. Besides, users are attentive to notifications and messages from mobile applications. Thus, the potential of mobile devices that involves customization and elaboration of customer loyalty is very high.

High application efficiency by collection and analysis of data regarding user's behavior. Mobile applications not only appeal to users, but also offer massive opportunities for tracking the users' behavior in detail. Predictability of mobile application users as well as clear and reliable interpretation of their actions are obvious advantages for marketing experts who analyze users' behavior.

Easy service and merchandise payments. Buying goods by means of mobile applications is convenient particularly because of ease of making payments that is common for mobile devices. Many users certainly have already installed the application of mobile banking or e-wallet on their smartphones. Compared with a desktop PC or a laptop these options enable to make payments faster and easier.

Augmented reality. Using of such an unconventional method as an augmented reality is already in the near future. For instance, the IKEA catalogue for 2015 allows customers to plan purchases with the help of an augmented reality function available in the mobile application. All that users have to do is just to put the catalogue on the room space where they would like to place a new furniture item, scan it by means of AR-application on their mobile device and choose the furniture. Picture 3 shows how the augmented reality function adds the item in household furnishing through superimposition on the room image displayed via mobile camera in real-time mode. The

application should help users to get an understanding of correlation between the furniture item and their living space as well. [4]

Picture 3. Demonstration of the IKEA AR-application

The approaches to creation of mobile applications are changing together with the development of mobile devices and culture of using mobile applications in everyday life. Nowadays there are approximately 500 free online-purchase applications for Android OC in the application market (Picture 4). The leader of this list is the AliExpress application which is also recommended by the editors of the renowned application store Google Play.
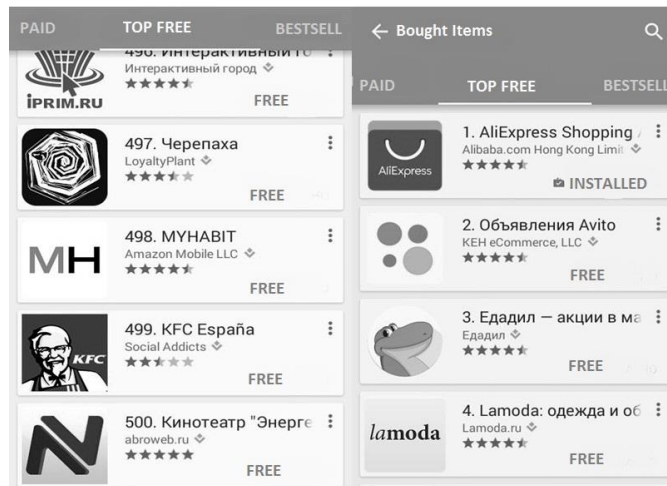

Picture 4. The Google Play application store

There are different concepts and peculiarities connected to working principles of one or another e-commerce project. However, it's possible to make a list of up-to-date and generally applicable guidelines for creating of high-quality application. The most successful AliExpress application for OC Android is considered as the example.

Images play an important role here, as well as in the case of websites. Despite absolutely different format and significant restrictions, a mobile application of high quality still should include large, bright and clear pictures presenting the goods. Any customer chooses goods relying on

images, and only then looks at their prices and so on. The AliExpress application not only gives such an opportunity, but reminds their users of it (Picture 5).
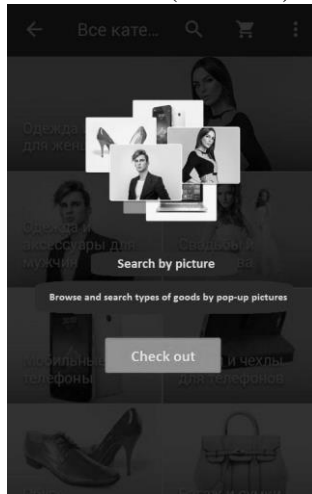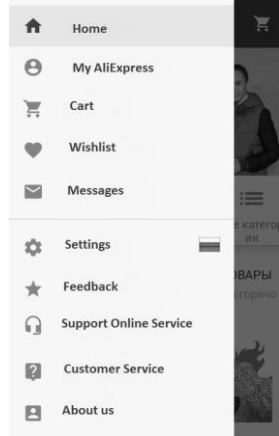

Picture 5. The AliExpress mobile application

Types of goods. The user-friendly and intuitive interface together with bright pictures of high quality enable users to find the goods they look for without any problems (Picture 6).
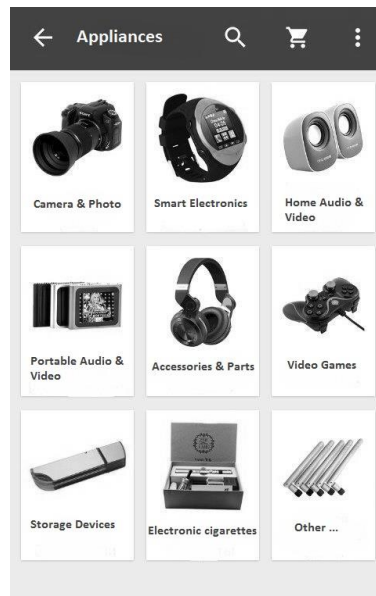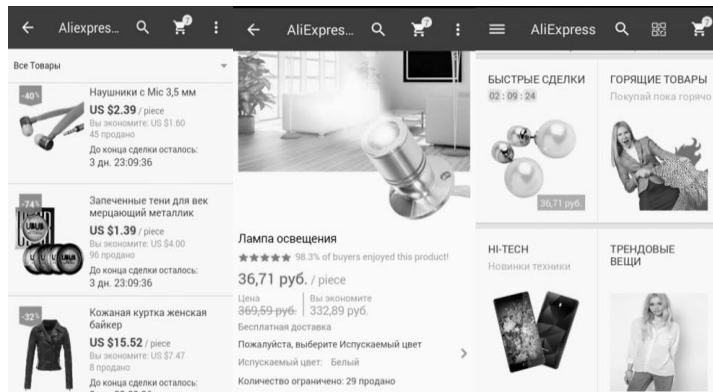

Picture 6. The AliExpress application interface

Convenient navigation. An application menu should perplex its users under no circumstances. Compactness, simplicity and minimalism are those enduring values that are proper to really well-thought-out menus of high quality. As a bright example of a convenient interface the menu of already mentioned above AliExpress application is presented. On the home page of the application users can find a very simple menu with a minimal number of categories. Users can come over to the more detailed menu on their own (Picture7).
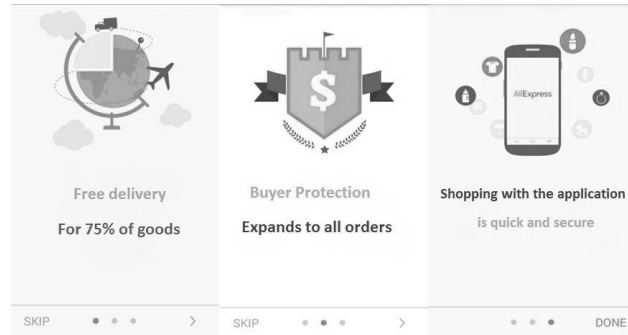
Picture 7. The AliExpress application interface

Pricing strategies. In this respect, successful mobile applications of online retailers are not too different from the original websites. As this refers to the human psychology, means of pricing and users' motivation stay the same. It's obviously, that in the first place is a price-play which creates an illusion of lower costs. Aside from customary discounts the AliExpress application has a separate category "Super Deals" which includes all goods with discounts up to 90% (Picture 8).
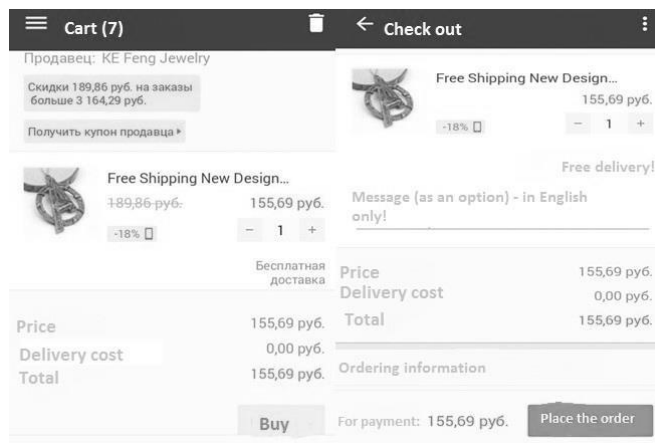

Picture 8. The AliExpress application interface

Security of orders and convenience of "shopping cart". First of all, users are concerned about security of purchases they made in an online-shop. At the first start-up of the AliExprerss application users are informed that shopping is secure and buyer protection expands to all orders (Picture 9) and lasts for a period of time up to 90 days. During this period of time a buyer can contact a seller who sent the ordered goods or reject the goods at all and get a refund.

Picture 9. The AliExpress application interface

Another important factor is an option "shopping cart". If a buyer came up with the idea of what to buy and does not want to spend a lot of time on checking out, the application mentioned above provides an opportunity to place an order by means of pressing two buttons and choosing a method of payment (Picture 10).

Picture 10. The AliExpress application interface

The poll made by Harris Interactive company found that the majority of people (76% of 781 respondents) expect each brand to have a mobile application. 38% of surveyed admitted that mobile applications of their favorite companies are far from perfect. The explanation was as follows: those applications are one-off and not convenient. But these are only the details which retailers are ready to eliminate. This is because the main reason for their presence in mobile devices is raising of already existing customer loyalty [5].

3. Conclusion

To conclude, it can be said that relevance of mobile applications for e-commerce market is rapidly increasing. Nevertheless, the question that has to be answered is whether conventional

retailers need to create mobile applications. On the one hand, creation of mobile applications starts out small, namely with setting aside a budget for the application development. In the longer term this offers prospects of not only e-commerce market share expansion, but of getting some dividends, such as raising of already existing customer loyalty and sales level, getting new customers, etc. On the other hand, these extra costs cannot be justified and might do a lot of harm to current condition of the company if there's a lack of finances or no interest in development. It's always a company who takes a decision, but if no steps towards e-commerce are taken now, in the future it will become a must to come back to it but that might cost vast resources.

Nowadays the following quotation by Bill Gates is as relevant as ever: "If your business is not on the Internet, then your business will be out of business". The same can be said about mobile applications in the e-commerce market as well.

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