



M-Commerce: The Seamless Mobile/PC Experience

The secrets behind Estée Lauder's successful m-commerce launch in Japan

In 2009, Estée Lauder selected us to work with its in-house digital team to develop a mobile commerce (m-commerce) program for the Japanese market. In this interview, Eric Johnson, Vice President, Estée Lauder APAC, explains why Estée Lauder chose Japan for its first m-commerce initiative, why the program succeeded beyond the company's expectation and why it made more sense to work with a global technology services provider like us than a creative agency or local mobile specialist.

Q: Why did you choose Japan for Estée Lauder's first major m-commerce initiative?

Johnson: M-commerce is a part of our overall e-commerce strategy in the region. We launched in Japan because it has a history of adopting advanced technology in mobile phones. The Japanese are way out in front in terms of usage patterns and mobile Internet, and the carriers have been active in promoting usage.

Q: What was the strategy you undertook?

Johnson: We decided to take advantage of Japan's mobile phone sophistication by having Cognizant work with our in-house technology partners to develop a multi-device platform so Japanese consumers could browse and shop for our products either through their mobile phone or their PC, and the experience would be seamlessly integrated.

Q: Why was mobile/PC integration important?

Johnson: It's important to have a consistent experience. If you are building a purchase at work or home on your PC and you don't have time to complete it, you can pick up where you left off while on your commute home via your mobile phone. It's fully synchronized.

We actually found that the conversion rate in mobile phones is higher than with PCs, so it appears to be a very efficient platform for the future.

Q: What were the technical challenges?

Johnson: There were quite a few. For example, when we architected the mobile site, we had to create a more abbreviated content strategy. Browsing with two thumbs or a finger requires that you get to the information most efficiently. A lot of work went into developing a mobile experience that was both consistent with our overall marketing approach and optimized for the mobile phone.

Q: What were the results?

Johnson: M-commerce has proved to be a very worthwhile investment and continues to be the core of our Japan rollout strategy for digital commerce. The technology and the platform worked as we hoped. From a business standpoint, some of our brands achieved much better results than we had anticipated.

Q: Which brands in particular were successful? Were they high-end brands?

Johnson: All our brands are in the luxury cosmetics category. Some are more popular with young people. Those have done better on mobile phones. It makes sense that younger consumers are spending more time viewing the Internet through their cell phones.

Q: How did you measure success?

Johnson: An m-commerce program is fairly straightforward. We had clear sales targets – budget expectations based on the mix of PC and mobile. Other marketing programs are harder to measure, such as driving in-store traffic or mobile communication programs. This was clearer.

Q: Why did you choose Cognizant for this? What role did they play?

Johnson: They were intimately involved in developing our roadmap and building out the capability. Cognizant worked with our in-house technology partners as co-creators, if you will. I was quite familiar with the Cognizant work methodology. They were already working for us around content management and flexible platform development in Asia-Pacific. We tried to take advantage of as many of those teachings and tools as possible.

Q: It sounds like m-commerce is really a technology play. Yet many consumer goods organizations might work with a creative agency out of habit. Does it make more sense to let a technology company take the lead and make the creative agency a secondary?

Johnson: We are blessed with an in-house division that specializes in e-business, e-commerce and digital marketing, so we're able to pick best-in-class service partners like Cognizant. Those companies without an e-commerce-savvy in-house group might choose to go with a marketing agency and end up burning through a lot of money. They may not get something sustainable.

One big take-away is the significant quality assurance needed in mobile. It's tenfold more complicated than your typical PC rollout. That's

been an area where we've really had to invest, and it's a good example of where you wouldn't want to go with a creative agency. They'll have no idea what they're getting into when it comes to rolling out a program across hundreds of different phone devices. The quality assurance is a big undertaking. That's where technology service providers are essential.

Q: Is this first-in advantage for you? Will others have trouble catching up?

Johnson: There's a pretty steep learning curve. One of the challenges other companies will have in Japan is they will tend to go with a local agency that specializes in mobile. But that can make it very difficult to create a unified experience with your other platforms. Often what's created is a one-off mobile experience not integrated into other marketing programs. We avoided that risk by doing our homework and working with Cognizant and our technology team to really dig into the marketplace and understand the technology.

Q: From what you know, is Estée Lauder at the cutting edge of m-commerce?

Johnson: In our category, in Japan, yes. I think the cross-platform experience is unique. We haven't seen other brands with quite as sophisticated a program.

Q: How will you expand on your success?

Johnson: In Japan, we plan to roll out more brands. We also want to optimize our site for new phones, particularly the iPhone. And we will likely leverage what we learn in Japan in other markets.

Q: Do you have similar plans for the rest of the region?

Johnson: Each Asian market is unique. We're developing our Korea mobile strategy, our China mobile strategy and a Southeast Asia mobile strategy. In all markets, consumer behavior and how people use phones differ. We may or may not include commerce, but we definitely want to take advantage of this platform in all our digital marketing programs.



About Cognizant

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