

COLUMNS

## How mobile ties in with shopper behavior

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By [Andrew Paradise](#)

This is the year that retailers will take back their stores through mobile commerce.

Smartphone penetration nationwide is predicted to increase from 28 percent to an astounding 50 percent by year's end.

It is no surprise then that more people are shifting their daily activities, such as maintaining a calendar, making payments and entertainment purposes, to their mobile devices.

The move toward using smartphones to make purchases shows no signs of slowing down.

It clicks

According to ABI Research, mobile shopping sales have tripled each year for the past three years, from \$396.3 million in 2008 to \$3.4 billion in 2010.

From the development and adoption of near field communication-enabled devices to branded mobile commerce applications and mobile-optimized Web sites, retailers are scrambling to join the mobile bandwagon lest they get left behind.

According to Luth Research, 51 percent of customers surveyed said they would be more willing to shop at a store with mobile functionality, but only 4.8 percent of U.S. retailers have a mobile application, Web site or feature.

The greatest strengths of mobile commerce are two-fold: convenience for the consumer and instant access to product information.

Ten years ago, if a customer walked into a store, spent an hour picking out items, and ultimately left without making a purchase, the retailer was none the wiser about a consumer's purchasing habits and decision-making process.

Today, if a retailer has a dedicated mobile application or mobile commerce site, they are privy to every click, scan and purchase made, lost or saved.

As retailers struggle to keep up with growing demand, they have to consider which mobile strategy to adopt and how it will affect their customers.

With mobile commerce, the goal is simple: allow customers flexibility over when and how they make purchases.

Convenience and usability should be driving forces behind the implementation of a mobile strategy.

The second biggest consideration should be the retailer's ability to strengthen its relationship with shoppers.

This growing connection will allow the retailer to better serve consumers and will, in turn, promote brand loyalty.

On target

Detailed customer information provides retailers with the most value.

Retailers can use behavioral data to personalize promotions, coupons and special offers so that each customer receives deals tailored to his or her interests and purchasing history.

Some retailers are already using past purchase history to suggest items, and customers are on board.

According to a recent Accenture study, 79 percent of smartphone users would redeem mobile coupons, which is 31 percent higher than those who would download and print coupons from their computer.

With even more insight into shoppers' behavior, the potential for a hyper-targeted user experience increases.

While some consumers still worry that stores will know too much about their purchase history or the security of making purchases via a mobile device, the majority of consumers prefer targeted advertising precisely because it offers an experience designed specifically for them.

According to Joe Meyer, CEO of HopStop, location-targeted mobile ads are 20 times more effective than online ads.

Furthermore, customers that have a strong user experience are more likely to make repeat purchases on their mobile device.

The same Accenture study found that 90 percent of those who have downloaded a retail-specific app found the experience extremely beneficial and would very likely use it again.

From bar code and QR code scanning to NFC-enabled devices, both retailers and shoppers will benefit from a variety of new technologies in 2011 that make shopping more convenient, efficient and fun.

With smartphone penetration predicted to increase rapidly by the end of the year, it is clear that mobile is definitely the future of shopping.

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