

COLUMNS

3 trends to consider for mobile retail success

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By **Dan Dufault**

The entire retail ecosystem is converging because consumer buying habits are becoming conditioned around mobile commerce and smartphones.

Even when people are shopping bricks-and-mortar, they are using their phones to research products and compare prices.

For example, a recent Nielsen survey showed that 45 million U.S. smartphone owners used an application from the shopping/commerce category in June 2012.

In many cases, consumers are turning to mobile for comparison shopping, loyalty benefits and, ultimately, contextual deals. As such, smart retailers will consider these three trends when forming their mobile strategy.

Comparison shopping

More often than not, consumers are comparison shopping for the best deal.

A recent study by the Interactive Advertising Bureau found that 73 percent of smartphone owners say they have used their mobile phone in a store.

For example, two consumer retail shopping tools that are leveraging this trend are AisleBuyer and ShopSavvy. These two companies let customers search for the best deal possible by simply scanning a product through their mobile device.

Retailers who offer better mobile deals than their competitors have a better chance of having customers choose them while comparison shopping.

Retailers must consider employing a mobile strategy for in-store and pre-store interaction or they will lose customers. By listing prices with these services, merchants of any size can compete with the largest retailers.

Loyalty

Overall shopping experience can differentiate mobile commerce for merchants.

Customer loyalty and reward programs are not a new concept. However, retailers should start thinking of revamping their program.

Small retailers, in particular, have much to gain through mobile loyalty technology that creates value-added and cost-effective programs to help them succeed in an increasingly competitive environment.

One company, LevelUp, has provided an innovative way to engage customers in loyalty and reward programs to keep them coming back. Many retailers have seen an increase in retention due to their implementation of a LevelUp

Keep them coming back many retailers have seen an increase in retention due to their implementation of a 2-step reward program.

In exchange for their loyalty, today's shoppers expect a deal.

Customers want special offers and their expectations are that these rewards, coupons or deals be more and more relevant or personalized.

Retailers should leverage these strategies and make them unique to their store. In return, they will see enhanced customer engagement and retention.

Take a cue from Starbucks. To capitalize on the growing popularity of mobile devices, the coffee shop chain has created its own loyalty program and has seen an increase in customer retention ever since the effort was implemented.

Starbucks has also seen a boost in sales and a ten-fold increase in mobile-payment use over the course of a year.

Context: the future of shopping

By using context, retailers have great insight into a shopper's needs based on the information he or she is willing to share.

There has been an increase in the need for value, personalized deals and real-time offers due to the introduction of mobile payments and technology.

Customers want retailers to offer them ideas for purchases based on their personal preferences.

In response, merchants of all shapes and sizes are looking for payment solutions that focus on customer engagement rather than simply transactional processing.

By implementing a mobile strategy, retailers will be able to understand what their customers want to buy and will be able to send them targeted offers.

Along with having insight into buyer behavior, retailers can produce deals customized by location.

For example, imagine a consumer in your loyalty program who has opted for location-based offers based on insights provided by their location.

This consumer has checked into a sporting event through a location-based app and is interested in buying a team jersey. At that moment, your mobile commerce site knows this consumer's location and understands that he or she is interested in a team. This location data can enable retailers to offer more personalized deals.

It may sound Big Brother or far-fetched, but it is already being done.

Think back to the History Channel's success on foursquare. When users checked into locations near historical landmarks, the History Channel would alert users to historical facts about their surroundings.

Essentially, the History Channel was using foursquare check-ins as a way to inform users about its core product based on the context of a user's surroundings.

This new technology will allow retailers to adapt to their customer base and learn what will help their business grow as well as giving them a leg-up on the competition.

RETAILERS MUST CONSIDER how consumers use their mobile devices beyond purchases and how to leverage mobile commerce, loyalty and reward programs, and emerging contextual tools to deliver the deepest user experience possible.

By integrating these concepts into a mobile strategy, mobile commerce retailers will be prepared to thrive in the converging retail environment.

Dan Dufault is vice president of marketing at [Merchant Warehouse](#), Boston. Reach him at ddufault@merchantwarehouse.com.