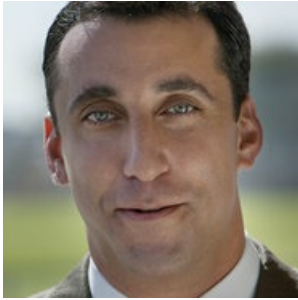


COLUMNS

Leveraging mobile to service multichannel customers

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By **Michael Hemsey**

Considering that I am one of those Americans who increasingly purchases small-ticket items through credit or debit card transactions my morning coffee, lunch or at a card swipe parking meter I was surprised to read these statistics: according to a recent survey, 79 percent of U.S. consumers paid for something with cash in the last seven days compared to only 65 percent who did so with a credit or debit card. And with bank charging steep transaction fees, the slide back to cash may be speeding up.

The survey's takeaway: Cash is still king.

Cash may still be king, but challengers are eager to dethrone it. Not so much through traditional plastic cards, but through mobile.

Juniper research estimates that in 2013 the number of mobile bankers those who manage their bank accounts on smart devices will exceed a half-billion.

Meanwhile, a separate Bain & Company survey found that 33 percent of its respondents performed a mobile banking transaction in the last three months, up from only 20 percent in 2011.

As the mobile tide turns, it is likely a growing number of businesses will invest in the technology and the staff training to handle these transactions.

Mobile as an omnichannel conduit

As we have witnessed in other verticals such as retail, hospitality, entertainment and travel, mobile is very much a communications and marketing medium that augments other channels.

In other words, either as a point-of-sale device, product research assistant or linkage to social media, mobile continues to prove itself the linchpin of an omnichannel experience.

Think of customers who pay with cash in-store, but use their smartphone or tablet to research a product, redeem a coupon or tweet about an in-store deal others should explore.

In those instances, mobile is leveraging enhanced multichannel use.

More than that, it also addresses a pressing issue with financial services brands' embrace of omnichannel loyalty tactics, as too often the rush to engage consumers across all channels trumps the quality of how those channels are used.

Omnichannel loyalty, an initiative to drive, track, measure and reward incremental behavior throughout the enterprise and customer experience, requires seamless integration and engagement with those channels.

For marketers, mobile provides the opportunity to create a strategy that can help service a customer through multiple channels in an engaging, experience-driven way.

Take American Express.

In February, the credit card giant announced it will be linking payments to Twitter accounts in what is being called the first "pay by tweet" service.

American Express customers link their credit cards to their Twitter accounts and pay for items via hashtag without having to leave the site.

Uniting customer-engaging brand marketing with payments into a single experience reduces the chance of lost transactions or what some retailers have come to call shopping-cart abandonment where consumers load their virtual shopping carts only to discard their items just as they are about to buy.

Advertisers, meanwhile, are incentivized to join Twitter as potential customers flock to the social media site which, as of September 2012, recorded over a half-billion active members and was adding 150,000 members daily.

The Twitter-American Express partnership also lends itself to further loyalty program enhancements.

Instead of a "twitpic," what about "Twitter tender" you know, "This note is legal tender for all debts, public and private" printed on our money?

Such usage could easily be wedded to social experiences, where Twitter members are incentivized to tweet about positive experiences to earn rewards from companies joining the American Express campaign.

Cash, concerts, credit cards and loyalty

In addition to linking with social media, other credit card companies are breaking down points-for-rewards stereotypes and turning them into experiences as well, using mobile to do it.

Many, in fact, use their status as event and concert promoters as a means to offer loyalty program members perks such as pre-concert seating, backstage access and celebrity meet-ups, among others.

Assuming your credit card comes with an app likely and a loyalty program, mobile effectively merges virtual and real-world experiences across multiple channels.

Citi credit card members and Citibank debit card customers, for example, benefit from the company's Citi Private Pass, an entertainment loyalty rewards program that gives members access to presale tickets, preferred tickets and VIP packages to concerts and shows. It also includes discounts on dining, golf, nightclubs, shopping and family entertainment.

As in earlier examples, mobile may or may not be the method of payment transaction.

But you can be sure it is increasingly being used to enlighten and enhance the purchasing experience with on-the-go product/event/dining/retail information and loyalty perks knowledge very much the equivalent of another retailing phenomenon, the process of showrooming.

That is when in-store purchases are informed by research performed on the mobile Web, something which data suggests 20 percent of U.S. shoppers are doing.

Mobile as the ultimate channel connector

In view of the fact that there is some \$1.2 trillion in U.S. currency circulating today, it is unlikely the cashless society long envisioned is on tomorrow's doorstep.

I may buy my next cup of coffee with a debit card, but many will not.

What is more up for grabs is the way in which smart mobile devices, thanks to expanding adoption rates, are fundamentally changing the way that multiple channels work together.

While it is encouraging that mobile transactions are growing, the financial services industry must do more to ensure that those adoption numbers rise and the experiences delivered create not curtail loyalty.

In some countries, the days of cash are numbered, despite my above assertions. And, yes, mobile payment

transactions are on the rise as are the number of people who sleep with their devices.

The point: in the future we will be discussing how card-based transactions and not paper money are the last holdouts in an entirely mobile world where even the desktop-based Internet is so "early 21st century."

I am predicting in that not-too-distant future, mobile will secure its position as the ultimate omnichannel connector. Of that, you can bank on.

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