

COLUMNS

Why stores are still key in an increasingly mobile-driven society

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By **James Orsini**

For many of us, online shopping has become our go-to method for satisfying our daily need for consumption.

Online shopping provides immediate information and images on desirable products and goods, and an easy way to avoid driving the 30 minutes in traffic to the mall.

However, online shopping fails to satisfy the customer's time-tested need for the in-store experience a need which still holds strong.

Despite heavy misconceptions, online commerce only accounts for 10 percent of sales from retailers, according to a Wall Street Journal article. This may be a surprisingly low figure, and it surely reinforces the fact that people are still shopping in stores.

Off the fence

CNBC Squawk Box recently shadowed eight students doing their back-to-school shopping for the upcoming semester. Not a single student did their shopping online. All wanted the in-store experience.

For mobile marketers, this validates an opportunity to assist with in-store sales, since mobile becomes a crucial tool for marketers and retailers when it comes to foot traffic.

Deloitte recently found in a survey that 5 percent of in-store purchases were influenced by mobile in 2012 and this figure is expected to grow to 20 percent by 2016. Are you prepared for the shift?

Geo-fencing is one method that has proven effective in creating in-store sales. Its basic function is to send out targeted ads to shoppers within close vicinity of a retail location.

Out of every 100 text messages sent via location based geo-fence, 53 percent visit the store and 22 percent make a purchase, according to the GSM association. This impressive conversion rate is compounded by an ever-growing generation of instant gratification.

Today's youth, an active demographic of mobile users, are open to sharing their personal information and location in exchange for an immediate and convenient good deal. This permeation of mobile in retail sales is fundamental.

InsightExpress found that 82 percent of consumers have used a mobile phone in store and 17 percent of users have shown a mobile phone picture of an item to a sales clerk. Mobile usage is becoming engrained into the process of in-store shopping.

The art of the coupon has been a focal element of recent digital marketing efforts, created to attract this generation of instant gratification.

In 2012, the amount of money spent on promotions and coupons was three times larger than advertising, according to Borrell Associates. This significant shift towards coupons can only be attributed to their efficacy in facilitating sales.

In a recent Omnibus Survey, 51 percent of respondents said they would be more likely to buy products in store if they received a mobile coupon while in close proximity to the store. The trend is logical, as customers are more likely to complete a purchase if they feel incentivized and in control of their savings.

Moments of truth

Our society's increasing dependency on mobile is undeniable.

Borrell Associates reports that by 2016, 88 percent of all local online advertising will be delivered on a mobile device.

In addition, by this time, mobile will be the only device that can deliver text, images, audio, video and social content to the user.

With increasing dependency on mobile comes great responsibility on behalf of mobile marketers.

Genuine engagement will pay off as more retailers focus on this mobile medium to communicate with customers.

Trust is an asset, not a commodity. It cannot be purchased and it must be earned.

Mobile can be used to engage potential customers in a personalized way so that they feel in control of the information they are receiving, and the actions they take as a result.

Instead of a one-way product promotion, the opportunity is for a two-way conversation between the mobile marketer and their mobile customer.

If this is done well, a given consumer will have two moments of truth during her shopping experience: one when she completes the purchase and, two, when she tries out the product for the first time at home.

Mobile marketers have the ability to target those who have the best chance of being real customers, and they should leverage these tools for the benefit of both parties.

A happy customer will become an advocate for your product, and will in turn give you access to their network of people with similar tastes.

ULTIMATELY, MOBILE has become a new dimension where the virtual world meets real-world rewards. Its functions and abilities become more compelling when stories are told and people are engaged.

Incentivized coupons and genuine dialogue will prove the most effective form of outreach to in-store shoppers.

There is a massive amount of data available on each potential customer, and it should be used to improve the sales experience for the customer, and increase in-store sales as a retailer.

James Orsini is president/CEO of [Single Touch Systems Inc.](#), Jersey City, NJ. Reach him at james.orsini@singletouch.net.