

COLUMNS

Mobile apps inspire next phase of retail personalization

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By **Kevin Walker**

A key trend to watch out for this year in retail is personalization. Though online retailers have been widely using personalization pioneered by Amazon for many years now, its new avatar in multichannel retail has been rapidly evolving into an extremely interesting and advantageous opportunity for retailers in the omnichannel space.

Driving this trend is the increasing use and growing success of mobile technology. Take a look at the following statistics:

More consumers nationwide are predicted to get on the mobile payments wagon over the next five years, and analysts expect the amount to reach \$90 billion by the end of 2017.

The time that consumers spend on retailer applications has increased by 525 percent from December 2011 to December 2012.

In a recent survey, a majority of retail executives said they anticipate considerable growth in mobile commerce in 2013, and regard mobile apps as a key channel of consumer engagement.

See change

As mobile technology allows consumers to access information instantly, irrespective of place and time, we are now witnessing a sea change in consumer expectations of retailers.

Convenience, the ability to explore options and choose the best deal quickly, and real-time interaction are a few factors that drive the increasing use of mobile devices.

Today's mobile consumers need to be able to choose the time, place, product and mode of payment while shopping.

Ease, availability of relevant information, innovative deals, good communication and mature understanding of the buying behavior are some of the key expectations that mobile consumers have of retailers.

A global report on multiscreen viewing behavior based on a study of 15,000 mobile Web users across 14 markets sheds light on how consumers engage with content across multiple screens.

The study reveals that mobile Web users spend 108 minutes of the average seven hours of media consumption per day using their mobile device.

Also, 75 percent of respondents had discovered something new about a product via their mobile device and 45 percent stated that mobile had influenced their in-store purchase behavior.

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Such things indicate that retailers need to have strong analytical capabilities in place to understand which and how consumers are likely to use what type of information, and implement the method that can work best a mobile site, an app, a text message, an email update or any other appropriate mobile delivery technique.

More retailers are turning to mobile apps

Today, a 100 percent of department stores and online retailers in Stores magazine's Top 100 and Hot 100 retailer lists offer a mobile app, according to a recent analysis by Digby. This is a significant increase compared to 2012 when 60 percent of department stores and 56 percent of online retailers offered an app.

Additionally, the same analysis shows that 100 percent of the top 20 revenue-producing retailers from 2012 are now offering branded mobile apps for customers.

A survey by Deloitte indicates that 85 percent of consumers who used a retailer's native app or site during their most recent shopping trip actually made a purchase that day, compared to 64 percent who did not use the retailer's app or site.

With showrooming becoming a distressing concern for retailers, dedicated apps can change the game.

Engaging in-store experience and relevant information on prices and deals can turn finicky mobile shoppers into valuable and loyal customers.

Retailers need to understand their customers' purchase behavior and loyalty potential in the new mobility dimension.

These insights can help create relevant mobile capabilities to address the needs of a mobile consumer before, during and after the purchase.

Leading retailers designing loyalty programs around mobility

Retailers are drawing customers to various loyalty campaigns by offering rewards such as discounts, special deals and other exclusive promotions on mobile.

Leading retailers such as Starbucks and Sephora have implemented successful mobile loyalty programs to increase repeat purchases.

Starbucks recently expanded its loyalty and rewards program to enable customers to earn rewards for grocery channel purchases that can be redeemed in Starbucks retail stores.

The company expects to double the number of customers enrolled in its programs in 2013.

Additionally, reports indicate that new mobile users are adopting the Starbucks mobile payment experience because of the benefits and the ability to track their loyalty status in an interactive and engaging way on their mobile devices.

Sephora offers up-to-the-minute information on reward status, beauty purchasing history and personalized recommendations as well as exclusive products chosen by Sephora's experts just for the loyalty members, based on their personal beauty profile.

VARIOUS TRENDS in mobile technology imply a continuous change in consumer behavior and expectations.

Retailers must truly understand the changing consumer psyche, and follow the mobile lead.

To leverage the mobility phenomenon for customer loyalty through personalization, retailers need the support of mature and innovative customer analytics.

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