

Embracing smartphone shopping



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Smartphones: the first thing you look at in the morning and the last thing at night. The love affair between our smartphone and us knows no bounds, yet brands have been slow to capitalise on this relationship...



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According to the Advertising Expenditure Forecast from ZenithOptimedia, global advertising spend will grow by 4.9% to reach \$545 billion in 2015 as the world's economy continues to improve. Of that, mobile advertising will be the main driver, and it's expected to account for 51% of all new spend between 2014 and 2017.

In advertising, context is everything and many have struggled to unpack consumers' complex relationship with their phones. This is particularly acute in the retail space, where the hype surrounding mobile shopping has often failed to deliver sustainable returns.

The promise of technology has not stacked up against experience so far. When it comes to using smartphones in the retail environment, brands really need to ask themselves whether they are doing something because it's 'cool' or because it has a significant, positive, impact on a business through building meaningful connection with consumers.

In the rush to be first, brands are missing the opportunity to harness smartphones' true power to deliver the elusive 'single-customer view'.

Fewer consumers are shopping in stores because the world of digital is available at our fingertips, so retailers need to think carefully about how they connect with them. But before this happens, you need to get the technology in place to understand the consumer across channels.

To move beyond the hype, here are some ways marketers can embrace the opportunity smart shopping provides.

Get the basics right

Being able to be connected, can no longer be viewed as a utility but as a necessity; companies investing in digital signage, wireless technology and location based services should offer connectivity without question.

There is no doubt that consumers' experience of online shopping has heightened their expectations in the real world, creating a friction point of which brands need to aware. Many of us use takealot.com to locate products quickly, but it is difficult to replicate that experience in-store. On the other side of the coin, the browsing experience cannot be replicated online. Consumer expectations will only ever rise, creating the need for brands to get the basics right. At the core, you need to strengthen relationships with customers, not sell 'stuff' as the first objective when entering smart shopping, but rather engage in a relationship that encourages them to return for more. From this relationship, as a marketer you can learn, listen, analyse, and understand consumers. The power of sites like takealot.com, Amazon, etc. is their ability to learn from the data provided by users and the creation of a custom user experience that anticipates the users wants and needs.

Look beyond the 'new'

The word 'new' has a lot of power and we tend, as humans, to fixate on new technology in isolation. Brands need to tread carefully and not be fooled into thinking the latest technology will solve multiple problems. Today's marketing mix is less about omnichannel and more about deploying the right technology to meet business objectives.

Even if you do buy into a new technology as the silver bullet for shopper marketing, questions remain as to what actually to do with the data. To make a real difference, the data must be consolidated accurately and consumer behaviour interpreted so as to lead the targeting to create the ultimate shopping experience.

Know your place

Imagine every brand in your trolley wanting to have a one-on-one conversation with you via your smartphone. The cellphone is a private item we all carry with us, but also a tool to broadcast our lives. Privacy must be respected.

While brands such as Über have shown the benefits of using smartphones for location-based services, there are just as many who have over-estimated the degree to which consumers want to engage with them. In a supermarket, would you want to engage with every brand on the shelf, or in your trolley for no reason? When doing the weekly shop many people multi-task and use their smartphone to escape the boredom of grocery shopping by looking at the rugby score, chatting on WhatsApp or checking Facebook.

But the real value of the smartphone is in its ability to help consumers achieve goals, whether to learn, to be entertained, to save money, to communicate, etc. A consumer won't always engage with a brand in-store or at the point of sale, or use mobile to make the in-store experience come alive. By it's very nature, mobile can be anywhere, so when you are at home you have the time as a consumer to look for ways to engage with a brand. If the engagement helps me achieve my goals, i.e. I find an item I am looking for, get a deal or book a ticket - that is a successful engagement.

Address the service economy

Enhancing the customer experience through tailor-made additional services is of key importance. Virgin Atlantic is a great example of a brand embracing mobile to improve its customers' experience in real time. Virgin is currently trial-testing

technology that enables it to deliver live updates as travellers move through the airport, such as the gate number of their flight and other customer-service messages in real time.

But before you spend valuable budget on something 'new' you must have enough of a user base to justify the outlay of developing a dedicated app. And even then you need to have a genuine reason to connect with consumers and add value to their experience. Nike+, an app that launched eight years ago, is still the go-to example of a brand successfully embracing the service economy, which shows how few brands have grasped this opportunity.

Start with a value proposition, real-time stock controls, scan-as-you-shop, or location-based services - establish permission to talk to customers and ensure a structured schedule. If there is a brand takeover every five minutes, it won't work.

Make the single-customer view more than a sound bite

Building on the relationship consumers have with their smartphones is the key to boosting sales, data collection, data analysis and empowering brands to communicate with customers as individuals.

Consider embedding Radio Frequency ID (RFID) chips or iBeacons Bluetooth transmitters into showroom items to communicate with other smart devices and store users' data - it is well positioned to be a key area for marketing innovation, but used alone it won't achieve the elusive single customer view - many technologies need to be deployed to achieve this.

Burberry hit the marketing headlines for its digitally integrated flagship London store. Its commitment to a 'Customer 360' drives its marketing. This data-driven shopping experience builds personalised customer profiles across channels, seamlessly marrying buying history to their social media profiles.

The notion that brands need to shun the channel-based approach to business is firmly buried. In its place, you find a unified brand story across all platforms, powered by a consistent and customer experience-focused model. No one technology can be used, rather a blend is needed, but, arguably, it is the biggest opportunity available to marketers to make a difference on the bottom line and build valuable consumer relationships.

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