Mobile Apps for Retail and Entertainment

MAS 490: Theory and Practice of Mobile Applications

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Smart and Mobile

- The Gartner Group predicts that 40% of the total mobile handset market will be smartphones in 2012.

- Consumers carry their smartphones at all times, including (or especially) while shopping.

- Equipped with location-awareness and cameras, smartphones are a powerful, personalized medium for offering innovative sales and service experiences to customers.

- Retailers are investing in mobile apps to reach their customers on a more personal level than ever before.

Retail Mobile Applications

- Most retail mobile strategies involve getting the websites optimized for mobile browsing and sending messages about offers to consumers' phones.

- But mobile applications are feature-rich and allow customers to drill down to specific tasks without having to browse through an entire retailer website.

- They help customers search for products, information or stores; serve as a channel for marketing, promotions, building loyalty, customer engagement and payment; and address a wide range of consumer shopping needs.

Searches

- Location-specific apps ensure that consumers can search for and locate stores, products, price comparisons and product reviews — when and where they need the information.

- Search apps leverage cameras, scanning, voice and GPS capabilities in smartphones. Users can click pictures or scan barcodes of products to locate where they can be purchased or locate the nearest outlets of a retailer.

Promotions and Coupons

- Location-based marketing and promotional applications add tremendous value to the mobile marketing strategies of retailers.

- Apps such as SnapTell and Mobot allow users to take pictures of print ads and products on their smartphones and send them to retailers in exchange for coupons, product reviews and other retailer offerings.

- Ralph Lauren's fashion app, Target's Gift Finder app and Subway Restaurant's SMS couponing app are examples of mobile applications for retailers that notify customers about current offers and schemes in a particular location.

Customer Engagement

- For well-established retailers, creating rich shopping experiences is a big part of their value proposition.

- Walmart's iPhone app for its consumer electronics allows users to connect with friends on Facebook or e-mail for suggestions and advice on the product they are looking to buy.

- The GAP StyleMixer iPhone app allows users to mix and match garments from GAP and share results via GAP's home-grown social community, e-mail or Facebook to get real-time tips from fashion-savvy friends.

Integrated and Secure Mobile Presence

- For small to medium-size retailers, the best strategy is to start small with a high-engagement retail mobile application and build on more feature-rich applications in a phased manner.

- Retailers must ensure that their mobile strategies and apps focus on offering maximum customer privacy and integrate well with operations across other channels.

Online vs. Brick and Mortar

- Online holiday sales in 2011 grew 15 percent over 2010 to $37.6 billion. Retail sales in physical stores increased by only 3.9 percent to $469.1 billion

- Best Buy recently reported a 29 percent drop in profits because of discounts and advertised sales of top grossing electronics in an attempt to compete with Amazon.

- Amazon is now offering discounts to consumers on any product purchased via its price comparison mobile app, another huge blow to physical retailers.

Online vs. Brick and Mortar

- Brick and mortar retailers need to figure out a way to compete with Amazon and other e-commerce giants that doesn't eat into their margins. Deals and coupons simply aren't enough.

- Think about this statement: "Retail isn't broken, stores are."

- Mobile technology is what e-commerce companies are using to hurt physical stores.

- It is also the technology that may save these stores. Personalization and data are the two key factors that could save retail stores; and the vehicle that uses these technologies is the mobile phone.

Why Mobile?

- comScore recently reported that two-thirds of all smartphone owners performed some sort of shopping activity on their phones, including comparing products and prices, searching for coupons, taking product pictures or locating a retail store.

- Slightly more than one in three purchasers used their smartphone to make a purchase while in a store.

- E-commerce companies have been quick to capitalize on this trend while brick and mortar retailers have not caught on in quite the same way.

Incentivize

- Brick and mortar stores need to figure out not only how to drive traffic, but also how to increase the purchase amount and conversion rates, create loyalty and return customers.

- Shopkick automatically recognizes when someone with the free Android or iPhone app on their phone walks into a participating store. Once a Shopkick Signal is detected, the app delivers reward points called "kickbucks" to the user for walking into a retail store, trying on clothes, scanning a barcode and other actions. These rewards can be used towards purchases.