



# nerej

## **Mobile commerce - There are plenty of apps for it**

August 25, 2011 - Retail

We've all heard about consumers using their smart phones for comparison shopping or downloading coupons while in a store. Well tech savvy retailers are leveraging the impact and influence mobile commerce has across all channels to drive traffic, generate sales, enhance loyalty and gain insight on consumer buying behavior. The majority of in store shoppers have the web readily available at their fingertips, providing the opportunity to make price comparisons, check product availability, and the ability to shop anywhere, anytime.

According to a recent survey conducted by comScore, Mobile users rely on their mobile devices to guide them through every step of the purchase process. Over half (52 percent) of respondents use their mobile phones to determine if they need a product. Some 42 percent of consumers research products on their phone to decide which ones best satisfy their needs, while 38 percent use mobile when making a purchase.

In order to capitalize on this trend, a large number of retailers are utilizing a multi-channel format by operating traditional stores, online, call center, catalog, wholesale and mobile or a combination of these channels. Retailers can also use mobile messages to affect or shape brand awareness, favorability, purchase intent, preference and loyalty.

A great example is Aeropostale which recently launched a fully integrated Facebook store. The store allows Aeropostale Facebook fans to shop directly on the page, eliminating the need to navigate to a separate site. The retailer's fans can also "like" and share their purchases with their Facebook network.

St. Michael's College's instructor of retail management, Marie-France Nelson recognizes mobile commerce not only as a tool for retailers to further get directly involved in the consumer buying process, but as a way to gain crucial customer feedback.

"Mobile commerce is an essential dimension of retail management and ensures retailers' ability to instantly satisfy consumers, evaluate their buying experience and create customer loyalty," says Nelson.

"A memorable example of this is when Gap's Facebook followers responded with such an outpour of negative comments on a new logo design the company had planned to use. The company was able to react quickly and pull the new logo avoiding a costly marketing mistake. The power of e-commerce not only allows instant gratification, but a measuring tool of consumer behavior," she says.

Mobile commerce is enabling retailers to reach their customers with fewer stores, determine how much space they need and where to locate their stores. Since the buying behavior of consumers is being altered by smart phone technology, the concentration of smart phone usage is a new demographic used in shaping a retailers growth strategy.

Also, the effective use of business intelligence and customer analytics gained from mobile

technology will enable retailers to develop localized merchandising strategies to increase foot traffic and increase sales performance at their bricks and mortar locations.

JCPenney recently installed over 120 interactive, 42 inch touch screen "Findmore" kiosks that allow in-store shoppers to access the entire online store inventory as well as find sizes, colors, and provide answers to their questions.

Mobile commerce is also having an effect on the design and operations of shopping centers. Like retailers, shopping centers and malls are extending their brand message using mobile technology and introducing new services and navigation to facilitate an enhanced shopping experience. London based Hammerson Plc is testing software developed by Path Intelligence to track visitors' movements around a mall using the signal from their mobile phones. Collecting information on customers shopping habits will help landlords locate retailers in mutually beneficial clusters of tenants.

Shopping center owners are using mobile technology to their advantage. Westfield recently opened an online virtual mall and Simon Properties introduced a smartphone application that alerts their visitors to promotions available from retailers.

Mall of America has more than 270,000 followers on Facebook, the most of any other shopping center in the world.

And if you're into racking up frequent flier miles then try the frequent shopper equivalent Four Square. Four Square is another smart phone application which rewards shoppers for publicly "checking in" over social media sites such as Twitter and Facebook, awarding them with coupons and retail store discounts.

2011 is the year of mobile commerce, so download that app and get shopping!

Jim Kimball is a principal with Phase Zero Design in Duxbury, Mass.

New England Real Estate Journal - 17 Accord Park Drive #207, Norwell MA 02061 - (781) 878-4540