

Vendor Insight

In-Store Systems

What's In Store For Retailers?

Technology trends for shops and shoppers

by Robert Russell

A number of factors can draw you into a store. Maybe a new title from your favorite author catches your eye. Or, you can't resist bold letters proclaiming "Half-priced DVDs — today only!"

Or, your phone vibrates as you're strolling through the mall, and a coupon to a nearby clothing store pops up on your mobile device's screen.

Shopping has changed. While flashy signs and window displays can still serve to grab consumers' attention, retailers today also have an arsenal of technology available to them to help elevate their marketing campaigns.

The modern, multichannel shopper communicates with their favorite brands in a variety of different ways — online, through mobile apps, in catalogs — but nothing can replace the experience of touching a down comforter or bouncing around in a new pair of sneakers. That's why retailers are looking for ways to blend the concreteness of in-store shopping with the thrill of advanced wireless capabilities.

Drawing Customers

Many retail companies have taken advantage of the opportunities that smartphones can offer before, during, and after a customer's visit to a store.

Retail branded mobile-optimized websites, for instance, provide consumers with a method for searching, browsing, and buying products on their devices. By featuring rich product images, ratings and reviews, detailed product information, and even videos, retailers can engage their audiences and pique their interest. In some cases, that curiosity leads to a purchase — right then and there.

Location-based capabilities on mobile devices also come in handy with geo-fencing, which allows companies to draw virtual borders around their stores. When loyal customers download a business' mobile application and then enter the geo-fenced area, they can receive alerts welcoming them to the store and asking whether or not they'd like to "check in."

Then, seizing upon the consumer's proximity to the store, the company can send a highly targeted promotion — 5% off any item bought in the next two hours, for example.

Helping Consumers Shop

Once a retailer successfully directs or entices a customer to its doorstep, efforts to actively engage that customer through technology should continue. Deloitte's 2011 Spring Consumer Pulse Survey revealed that 43% of smartphone users have taken advantage of their phones' capabilities to help with shopping in stores.

As more shoppers use mobile devices to check product reviews and compare prices, various major chains have adopted in-store Wi-Fi to support increasing bandwidth requirements. Free Wi-Fi services are a convenience that can boost

highly connected consumers' loyalty and drive customer satisfaction.

Also within the four walls of a store, retailers can display mobile bar codes to promote products. With a quick scan of a smartphone, a consumer can access a vast range of information, from demo videos and promotions to user ratings.

Understanding Consumers' Motives

Providing mobile applications, websites, check-in capabilities, and in-store Wi-Fi for consumers not only enhances customer experience but also allows businesses to track behavior and analytics at a more meaningful level than ever before.

Unlike direct mail and TV advertising, mobile marketing turns around results instantly. Retailers can find out which people took advantage of coupons sent to their mobile devices — and which ones chose to walk away. For example, by logging in to a mobile console that enables retailers to send customized offers and promotions down to the individual store level, retailers can learn about consumer buying preferences to help them serve the customer better in the future.

In a Forrester Research study, 54% of respondents strongly agreed that "ads are intrusive." On the other hand, when those advertisements relate to the consumers' interests, more than 70% "don't mind ads."

Mobile marketing has the potential to give retailers insight into the advertising that works by drawing a buyer into a store versus advertising that's just plain bothersome to an uninterested passerby. The investment needed to launch a successful multichannel mobile strategy can lead to a significant payoff in business intelligence and customer satisfaction, which dozens of retailers have already experienced.

Besides, are today's connected consumers more likely to find a store on a mobile device or in the phone book? Would they rather carry paper coupons or download discount codes on their smartphones and store them within the retailer's mobile app? Retailers should spend their marketing budgets accordingly. ■



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