Mobile Now

With the latest mobile technology, the ability to deliver seamless, omnichannel consumer experiences is finally within reach.

BY MATTHEW EGOL, FABIAN SEELBACH, AND NASEEM SAYANI
Imagine this: On a commuter train to Manhattan, a young woman named Suzy searches for vacations on her smartphone and saves several locations in a travel app. Her husband Jason gets a notification on his phone that Suzy has created a new destinations list. He selects London, browses upcoming events there, and highlights a few. That afternoon, Suzy opens her tablet, peruses links to London hotels, which have been recommended by the travel app based on her browsing history and personal profile, and “favorites” the ones she likes.

When Suzy and Jason sit down to watch TV that evening, a personalized travel ad featuring a video about London appears. Following the video, Suzy launches the TV’s Web browser so the couple can review additional information on the hotels and events they each identified earlier, along with packages and pricing. Jason modifies the choices on his tablet, which automatically update on the TV. They pick the options that they like best and book the trip using the TV’s remote.

On the flight to London, Suzy skims a list of restaurants compiled on the basis of current offers and five-star ratings by travelers with similar profiles, and makes a dinner reservation for the next night.

Throughout their vacation, Suzy and Jason receive daily itineraries, confirmations, curated guides and offers, and tailored maps on their mobile devices. They use their devices to access reviews and recommendations, ask questions and get real-time answers, and post pictures and videos to share with their friends and family. They pay for their purchases with their smartphones’ mobile wallets, and their purchases are automatically recorded in loyalty programs.

You may recognize elements of this functionality. Perhaps you have benefited from some yourself. Indeed, most of the technology needed to deliver Suzy and Jason’s vacation experience already exists—but it is being deployed in piecemeal ways. Companies that seize the lead in weaving together available mobile functionality to create truly personalized consumer experiences will gain a distinct advantage in the near term—and set themselves up as the strongest competitors in the mobile-driven future.

Mobile Is the Glue

Increasingly, mobile is serving as the adhesive that holds a consumer experience together. It can link together all other marketing touch points, including TV, outdoor, print, online, word-of-mouth, and in-store channels. And because consumers carry their devices everywhere they go, it bridges the digital and physical realms. Mobile is changing the game for the entire consumer marketing ecosystem—across brand manufacturers, retailers, credit card companies, mobile carriers, media...
companies, and marketing services providers. Companies that grasp the transformative capabilities of mobile and follow the four principles below will find that true omnichannel marketing is within their reach.

First, realize that mobile is personal. Mobile devices are a direct connection to the information consumers access, the brands with which they engage, and the social tools with which they connect to others. Vast amounts of data about the personal preferences and activities of consumers, including their physical locations, are generated by their interactions across digital media, which are increasingly conducted via mobile devices. With these rich new streams of data, marketers can personalize any shopping occasion and deliver far more relevant solutions to consumers.

Mobile enables marketers to link and sync consumer data and personas across touchpoints. Mobile can make TV and print personal — consumers can read or see an ad, scan a code, and receive individually tailored offers. In the store, shoppers can receive personalized information while walking down an aisle or at the register, and react to that information instantly. The multidirectional nature of such interactions provides marketers with additional data they can use to further tailor content to consumers, and to glean insights they can employ to improve the consumer experience.

To achieve this level of personalization, companies will need to obtain data across devices and platforms, and then integrate it into a holistic consumer profile. They must be able to generate insights from the data that can be used to inform segmentation, marketing strategies, and spending. And, of course, they will need algorithmic and engineering expertise to deliver relevant, personalized messages to consumers wherever they are.

Second, think three years out, but start building today. Companies face a challenge as they try to get out ahead of the mobile curve. If they don’t build now, they risk ceding leadership positions to their competitors. But if they commit when the endgame is not completely clear, they risk betting on the wrong capabilities and wasting valuable resources.

Start by creating a vision that involves and is embraced by the full organization — not just by marketing and sales, but by all the functions that will help bring it to life, such as IT, human resources, and finance. Just as some companies have been using “digital first” as a way to focus on the online experience, they should now rally around “mobile first” as a way to inspire groups throughout the organization to create integrated customer experiences that stretch from pre-store research to in-store engagement (both at the shelf and online) to post-store sharing via social media.

With a vision in place, companies have the basis for developing the detailed road map needed to bring that vision to fruition. To begin building a mobile capability today that will still be relevant and differentiated by the time it is built out, companies need to leverage best practices in agile development and rapid prototyping, apply a user-centric perspective, and be able to iterate quickly to find the best ways to drive engagement and conversion.

Third, don’t just advertise, activate. Although mobile advertising campaigns can be highly effective if they are contextually relevant, to fully capture the mobile opportunity, don’t think of mobile simply as a delivery channel for advertising. Instead, think of it as a connector between digital and physical life. The primary role of mobile technology in the marketing
**Smartphone to Aisle Nine**

A new study, conducted by Google in conjunction with the Google Shopper Marketing Agency Council, suggests that tomorrow’s big sales driver will be the smartphone.

*by Heidi Froseth, Tina Manikas, and Ken Madden*

With a market penetration already exceeding 54 percent in the United States, smartphones—the most ubiquitous of mobile devices—are poised to transform shopper behavior faster and more dramatically than many marketers and retailers realize. To plumb the role of smartphones as a shopping tool, the Google Shopper Marketing Agency Council recently conducted a study of a representative sample of 1,500 U.S.-based smartphone owners over age 18. The survey revealed that 79 percent of them are using their devices in shopping-related activities at least once per month and that smartphone usage is pervasive across key product categories.

“This is quite high,” says Adam Grunewald, mobile marketing research manager at Google, “but I don’t imagine that the percentage of smartphone shoppers will stay at 79 percent. As retailers and manufacturers respond to mobile, the percentage of smartphone shoppers will go up. There will be more apps, more mobile-friendly websites, and more mobile payment solutions. Not only will the number of smartphone owners increase, but the percentage of smartphone shoppers will increase as well.”

Among current smartphone shoppers, roughly half use their devices to assist in pre-shopping activities, including looking up store locations, hours, and promotional offers; making price comparisons; and browsing products. Once they get into the store, however, shopping-related smartphone use—often in the form of searching out product information, promotions, and pricing—rises sharply, to 84 percent of smartphone shoppers. The figures for in-store use are higher yet in certain categories: 89 percent of smartphone shoppers in grocery category, and 87 percent in electronics and baby-care categories.

The Google research also found that smartphone shoppers use their phone for shopping-related activities when in the store for a significant period of time. Almost half use their mobile phone for 15 or more minutes per store visit, a finding that suggests that shoppers are obtaining a good deal of value from smartphone use and will take the time to use their devices in the aisles, even in categories where dwell time has historically been measured in seconds rather than minutes.

Further, in a finding that is likely to presage a rush into mobile by many retailers and manufacturers, in-store smartphone shopping appears to result in increased basket size—and the increase is greater with greater frequency of smartphone use. Indeed, the median purchase of the 17 percent of smartphone owners who use their phones while shopping at least once per week is...
higher than that of monthly smartphone shoppers: high-frequency smartphone shoppers reported baskets that were 50 percent larger in health and beauty, 40 percent larger in appliances, and 25 percent larger in household care.

“Frequent smartphone shoppers are probably using their phones longer while they’re in the store,” says Grunewald, “and they may be using them in more sophisticated ways, with more apps and the like. This increased usage may cause shoppers to buy additional items—via coupons, for example—or to upgrade, based on reviews. Or the ability to do research in the store might simply bolster a shopper’s confidence about a purchase.”

One in three smartphone shoppers is using mobile to replace or supplement interaction with store employees. They search for relevant content, such as ratings and reviews, nutritional content, or other products that go well with what they just put in their shopping basket. This suggests that there is an untapped opportunity for retailers to add value and enhance differentiation by empowering their frontline employees with better tools and information to engage shoppers or to curate the in-store experience in a way that eliminates the need for a shopper to talk to an employee.

The most common in-store smartphone shopping activity is price comparison. Fifty-three percent of smartphone shoppers are comparing in-store prices, which can lead to “showrooming”: using mobile to find a better deal online or at another store and then making the purchase elsewhere. Rather than trying to quash this behavior and risk alienating shoppers, however, retailers should be thinking about how to provide a better overall experience to keep smartphone shoppers in the store, perhaps by using mobile to unlock exclusive offers and rewards.

Finally, search is the most common way in which smartphone shoppers access information in the store: 82 percent of shoppers are using search engines to browse for product information in a store, versus 62 percent using the store website or the store’s app as the access point. Therefore, marketers and retailers that want to capture smartphone shoppers in the store should have a strong presence on each.

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is to be the glue that holds once disconnected parts of the consumer experience together, it will necessarily cross the internal and external boundaries of the marketing ecosystem. Mobile takes a team.

Today, marketing is more fragmented than ever before. There are myriad channels; consumer touch points; and sources of data, content, and tools. To deliver an integrated consumer experience, manufacturers and retailers need to tear down organizational silos and promote collaboration.

Every team needs a coach. Coaches are responsible for providing a vision for how to win and what plays to run, and for engaging players to unlock their full potential. Similarly, teams need a general manager, who will guide decisions on personnel and resources. How much of, and what parts of, the consumer experience will the organization curate itself? How will the company secure the additional talent, data, and tech-enabled platforms they need to win from an extended team of partners?

The “mobile first” approach creates opportunities across a broad set of players. Media companies can add new value to their relationships with retailers and manufacturers by helping produce content, apps, and insights. They can also help drive adoption by integrating ad campaigns with their content. Marketing services providers and technology companies can support brand manufacturers and retailers by developing and providing specialized mobile capabilities.

**Getting Mobilized**
The mobile future begins now. The four principles outlined here will help companies secure the vision, the
plans, and the capabilities required to deliver seamless consumer experiences that bridge the digital and physical worlds and create greater value for consumers. Companies that begin this work today will be able to achieve transformational improvements in the coming years. Those that wait too long will strain for years to catch up, if they ever do.

Resources

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