MOBILE

Mobile coupon users to total 1B by 2019: study

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Mobile coupons are on the rise, can brands and retailers keep up?

By Michelle Saettler

A new report from Juniper Research has found that there will be 1.05 billion mobile coupon users by 2019, up from just under 560 million this year.

The report, Mobile Coupons: Consumer Engagement, Loyalty & Redemption Strategies 2014-2019, claimed that the surge in user numbers would in large part be driven by increased retailer engagement with various mobile channels, as retailers are now integrating coupons into loyalty programs to a greater extent, while focusing on delivering coupons direct to consumers rather than relying on aggregator sites. However, brands are increasingly leveraging the retail database to deliver targeted coupons, and the lack of adequate point of sale redemption technology remains the key hurdle to greater deployment and adoption of mobile coupons.

"POS continues to be the primary bottleneck – just about every platform provider we spoke to agreed that this was still the case," said Winsor Holden, head of consultancy and forecasting with Juniper Research.

"Despite the capability of mobile couponing to increase customer engagement, to deliver targeted coupons to consumers, to drive retail footfall, to enhance customer lifetime value, there remains a high level of skepticism within the industry about the extent to which introducing the required scanners will deliver sufficient ROI."

Transitioning to mobile

Juniper expects retailers to become more agile and efficient, and better able to implement faster changes as they reconstruct their businesses around the greater use of online

engagement channels.

In the medium term, brands will move away from MMS to deliver coupons and turn towards technologies such as NFC and iBeacon in order to drive in-store engagement.

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Beacon pushed offer

While NFC has failed to achieve traction thus far, the emergence of a cloud-based secure element through Host Card Emulation is likely to stimulate greater integration into wallets.

"Certainly couponing could galvanize the use of these technologies: both allow for brands and retailers to push pertinent offers to consumers in-store; NFC – and conceivably iBeacon – could then enable redemption as well," Mr. Holden said. "But it is still early days for both technologies."

The study also revealed that geotargeting has boosted the success of SMS-delivered coupons, with retailers seeing high redemption rates from coupons sent to consumers close to their stores.
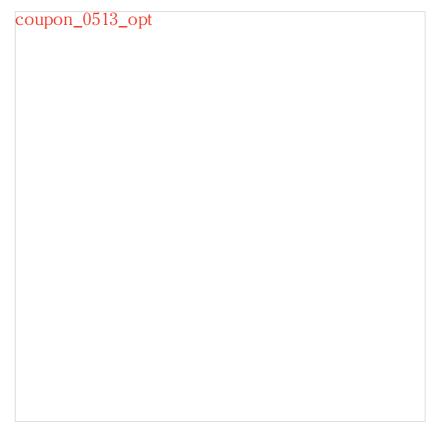
Creating seamless experiences

The speed with which the marketing landscape is changing is dizzying. Technologies, trends and opportunities within the omnichannel universe have placed retail and brand marketers in a bit of a spin as they try to manage the cycle of change. One of the key challenges for marketers is to ensure their customers have a seamless brand experience, whether in-store or online,

sitting at a desktop or engaging on-the-go with mobile devices.

With continuous advancements in consumer technology, it is no surprise that the consumer is increasingly less bound to a desktop, mobile device or tablet. On the contrary, they are using two or more devices in the same day, and in some cases, at the same time according to the MMA. As the use of multiple devices becomes commonplace, consumers now expect all digital engagements to support their distinct browsing behaviors.

A Google survey conducted by Sterling Research and SmithGeiger in July 2012, found that users are five times more likely to abandon the task they are trying to complete if the site is not optimized for mobile use, with 79 percent saying they will go back to search and try to find another site to meet their needs. Not surprisingly, these consumer expectations make it critical for marketers to consider all device types and experiences when crafting digital campaigns.

With promotions in particular, a consumer may interact across a number of screens in a given day and expect each engagement to be fully optimized to support his or her preferred method of interaction. Yet, when it comes to print-at-home coupons, marketers are not optimizing for mobile or tablet to the fullest extent. Often times, promotions are run in silos with one channel or one desired consumer path in mind - an approach resulting in lost opportunity. Adding a multi-device approach to promotions increases traffic and conversions among digital offers driving in-store.

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Print at home coupon

Brands should optimize promotions for all devices, including mobile and tablet, so consumers

have a seamless brand experience; Provide options for consumers to send and save the coupon to another device; Include a mobile experience that allows the consumer to print at a later time If the brand does not support mobile coupons; Incorporate very clear redemption instructions for each device and enable data tracking so marketers can refine targeting and campaign performance with detailed consumer insights.

With promotions designed around these best practices, marketers can increasingly rely on mobile devices and tablets to play a critical role in the commerce cycle.

"We certainly expect to see strong growth in the PAH segment," Mr. Holden said.

"But if you look at other forms of print coupon – in newspapers, in magazines – then we expect that their popularity will continue to diminish.

"The fact remains that print media eyeballs are diminishing sharply – between 2006 and 2013, sales of leading daily newspapers in the U.S. fell by more than 50 percent - so they are less attractive from a marketing perspective," he said.

Final Take

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