

The News and Intelligence You Need on Luxury

MOBILE

Mobile flash sale apps lack inspiration, require larger brand presence

August 28, 2015



HauteLook's acquisition by Nordstrom underscores the need for major brand backing with flash sale sites

By Alex Samuely



As more flash sale applications on mobile see declining sales, their flagging popularity may be attributed to the lack of inspiration for consumers to download another app onto their prime smartphone real estate, and the lack of star power from a larger retail brand.

Mobile-savvy shoppers are increasingly flocking to larger ecommerce retailers boasting a plethora of products from recognizable brands, rather than relying on standalone flash sale sites or apps to snag great deals while on-the-go. While social media can occasionally prove beneficial in spreading the word about mobile flash sales, smaller retailers must get more creative in how they push sales to stay afloat.

"Consumers are experiencing app fatigue and retailers are competing for precious screen space," said Ken Morris, principal at Boston Retail Partners, Boston. "Retailers need to provide compelling reasons for consumer to download their mobile app and keep it in their collection of apps.

"Smaller flash sale sites will find it difficult to inspire consumers to download their app without the help of a larger retail brand that offers products and services that are appealing," he said. "A large retailer with loyal brand enthusiasts can be the catalyst to make a flash sale a huge success."

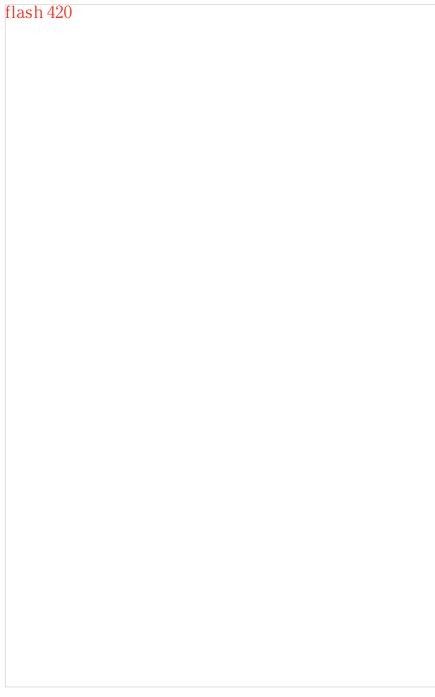
Crowded market

The sector for private sales on mobile is becoming increasingly tighter as larger brands race to snap up smaller sites and combine the standalone apps' customized features with their own extensive product inventory.

QVC's recent acquisition of ecommerce retailer Zulily points to the shopping network's desire to ramp up its mobile offerings to millennial moms and proves that mobile-optimized flash sale sites are increasingly retreating under the umbrella of larger brands (see story).

While Zulily has built up a targeted base of mobile-savvy mothers, QVC believes it can effectively leverage Zulily's personalization tools and entice its audience as well as a slew of new consumers with its own video expertise and significant item offerings.

Meanwhile, MyHabit has been snatched up by retail conglomerate Amazon, while Nordstrom runs fellow flash sale site HauteLook. This makes it easier for more consumers to browse the sites' private daily deals, as they may sign in with their Amazon or Nordstrom account and immediately begin shopping.



Lilly Pulitzer's printed phone cases sold out despite consumers' yearning for discounted dresses on social media

If brands opt to advertise their flash sales on mobile, they must ensure featured products are of interest to fans, and that they use several different platforms for their marketing efforts.

"As with any promotion or campaign, it is imperative for retailers to advertise flash sales across multiple media platforms including social media," Mr. Morris said. "Flash sales have the potential to become viral, but it won't happen without a passionate social media following."

For example, resortwear brand Lilly Pulitzer recently threw its biannual sale and tapped its Instagram account to spread awareness of two additional flash sales occurring on mobile during the online selling blitz.

Despite the strong sales push, many loyal followers were disappointed with the products showcased and were let down by the chance to purchase some additional sale items via mobile. This suggests that consumers are seeking a slew of different product options to purchase during a private sale, which gives larger retailers and conglomerates the upper hand in keeping customers' attention – as well as a large portion of their wallets.

Consolidating assets

Smaller sites or apps devoted to quick-selling of last-minute inventory would be wellsuited to join forces with larger online retailers. This strategy would offer a wider consumer outreach and likely result in more revenue, especially if they tap the retailer's area of expertise.

The constant connectivity of mobile ultimately offers great potential for driving revenue during flash sales. However, many consumers do require the name recognition of major brands or a strong call-to-action to participate.

flash other 420

brands' umbrellas

"The fate of a flash sale is tied more than ever to mobile devices, given the consumer's increased time spent there," said Jeff Hasen, cofounder of Gotta Mobilize, Seattle. "Elements of a successful effort include compelling prices, ease of purchase via Web or an app, confidence by the user that the transaction is safe, and, of course, awareness of the sale in the first place.

"Social certainly can help drive attention to the sale, as could mobile ads on relevant sites and apps," he said. "More often than not, a flash sale will flail or knock it out of the park depending on the products and prices."

Final Take

Alex Samuely is an editorial assistant on Mobile Commerce Daily, New York

Embedded Video: https://www.youtube.com/embed/nhlR3ama3hE?rel=0

© Napean LLC. All rights reserved.

Luxury Daily is published each business day. Thank you for reading us. Your feedback is welcome.