

COLUMNS

Driving the customer-engagement flywheel with mobile

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Mobile's not a tall order for Starbucks

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For years after the Internet took off, many retailers who had already established bricks-and-mortar spaces simply added a Web site, viewing ecommerce as an afterthought.

Having never properly aligned leadership objectives with online and in-store sales incentives, most of these retailers see only a small percentage of their sales coming from their ecommerce platforms just **7.8 percent** in the first quarter of 2016.

With more people accessing the Internet **solely through their mobile devices** than on desktops today including those shopping online these retailers now have the opportunity to drive in-store customer engagement via mobile marketing.

Power of the medium

Given the overall lack of executive-level recognition of the power that mobile now wields, even retailers that say they have embraced a mobile-first strategy have often not made significant changes in their organizational behavior.

Retailers seeking to measure and improve their mobile customers' online shopping experience to boost in-store engagement face a few challenges.

First, unless you are using promotional codes or e-receipts, online customers are difficult to track offline.

New loyalty programs, sensors and other developments make the process more efficient, but this data remains elusive for most retailers.

Speaking quantitatively, mobile devices now serve as the busiest front door of any retailer's business, influencing about **\$1 trillion** in in-store purchases in the United States in 2015.

With three-quarters of all of those purchases occurring the same day and most within just a few hours via customers engaged with a store on their smartphones or tablets, these numbers show a tremendous opening for retailers to drive conversions via mobile.

Here are three ways you can use mobile to target customers, track their behavior and employ that data to activate the customer-engagement flywheel:

1. Incorporate the real world into marketing initiatives. Linking real-world activities with mobile campaigns allows customers to interact with your brand in their daily lives, and that level of integration directly leads to sales.

This can be accomplished through a streamlined customer experience via mobile platforms, as Sephora proved recently during the holiday shopping rush.

By using QR codes to allow customers to buy and ship gifts through its application, the beauty retailer saw a **167 percent increase** in mobile sales.

Starbucks also does a fantastic job of driving in-store purchases through mobile.

With its **Mobile Order & Pay app**, users can order and pay ahead of time, skip the line and pick up their drinks.

This wise move not only increased customer loyalty among Starbucks' mobile customers, but it also brought in **20 percent** of its in-store sales via the mobile app and it even upped foot traffic by 4 percent.

2. Tailor both passive and active content to individual customers. Take an individualized approach to reach customers in real time based on their location.

Passive content is displayed when a user visits your Web site, whereas active content is a push notification or SMS message equivalent to reaching out and tapping the customer on the shoulder.

If a customer shows interest in a product by adding it to her shopping cart, for example, send her an offer for in-store pickup or same-day delivery via mobile.

A recent study found that while **80 percent** of customers like to research products online, 75 percent prefer making purchases in-store.

Consequently, individualizing mobile content establishes a stronger connection between in-store and online sales.

Moreover, another study showed that 40 percent of in-store pickup orders originating online resulted in additional purchases being made in the store.

3. Use in-store location data. Beacon technology, which can identify a customer's exact location, is an important tool for customizing product offerings to directly inspire sales.

Most importantly, these customized location tools can show your customers where the closest store is, what kind of deals they can find there, and real-time inventory information.

Beacons can be used to send coupons or other special offers directly to customers while they are actually out shopping or otherwise actively engaged with your brand's product.

For example, Grolsch, a Dutch beer company, recently added **beacons to its bottle caps**, offering customers free movie tickets when they touched the cap to their smartphones.

Unfortunately, only **3 percent** of retailers currently use beacons. They might be reluctant to ask customers for permission to access their mobile devices because of privacy concerns.

But currently, about **eight out of 10 mobile shoppers** are willing to share their location data to receive discount offers, early access or other perks.

Mastering mobile-first marketing

Faced with ever-increasing competition for consumers' money and attention, retailers must create marketing strategies that reach customers exactly where they are and that means via mobile.

Several major brands have mastered the mobile marketing art.

Target, for example, has capitalized on mobile with its **Cartwheel program**, which allows customers to create shopping lists on its app and features an interactive map that makes it easy for shoppers to find products in-store.

What is more, Target customers can use the app to read customer reviews and purchase items for delivery or in-store pickup.

IT IS NOT enough to just direct online customers to your physical store.

Your brand's mobile experience must also help them find exactly what they are looking for and have it waiting for them at the pickup counter.

You can bring your store and products directly to the customer by using customization in your mobile-first campaigns.



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