

RESEARCH

## Retailers still dragging their feet in the mobile transition: report

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*Image courtesy of Bloomingdale's*

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Despite the future of retail clearly resting within the mobile space, many retailers are still in denial about the inevitability of the shift into the platform, according to a research study undertaken by NewStore.

The study was the backbone of the mobile retail platform's inaugural NewStore 2016 Mobile Retail Report, and graded the industry as a whole on a variety of categories, including mobile experience, search and share, personalization and engagement, path to purchase and fulfillment. NewStore's findings of the report indicate reluctance towards or at least a misunderstanding of adoption of mobile for various retail procedures, which runs deep enough within the industry as a whole that the study graded it at a C-minus.

"The purpose of the report is twofold: One, to highlight the disconnect between how consumers want to shop and what capabilities brands are offering to them to do so; and two, to provide clear and tangible takeaways for brands to improve in all aspects of mobile readiness," said Stephan Schambach, CEO of [NewStore](#). "The report is not intended to make the industry look bad.

"We are in the beginning stages of making an elegant end-to-end mobile shopping experience a reality," he said. "There are many brands that have mastered certain areas of mobile, but even those aren't fully equipped to offer the type of shopping experience that is expected in today's mobile age."

### Future of retail

NewStore's research method consisted of sending a team of secret shoppers to New York and tracking the customer and store associate journey from app to aisle. The study aggregated and assessed as many as 500 data points in its course, while incorporating the quality of mobile integration on the retailer's end.

Using data gleaned from this observation period, NewStore produced an analysis that it partitioned into five categories, all of which correspond to a component of the consumer retail experience. Each category was graded on the level of technological and mobile implementation that occurred within that experience.

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### *Retailers are failing to optimize the in-store mobile presence*

The ensuing results indicated that the retail industry may have a way to go before fully optimizing its mobile protocols. For the industry at large, mobile experience received a C-plus, search and share received a C, personalization and engagement received a C-minus, path to purchase received a D and fulfillment a D-minus.

"Fulfillment received the lowest grade in the entire Mobile Retail Report," Mr. Schambach said. "We live in a the time of instant commerce.

"This requires leveraging a host of new methods for satisfying immediate needs," he said. "For example, crowdsourced delivery is one of the most disruptive forces in retail: you're not going to be getting your packages from men in uniforms' anymore.

"Don't think of Uber as people sharing rides. Instead, think of them as part of a delivery grid that overlays the whole globe, waiting to be tapped at a much cheaper per-mile cost. Fulfillment is no longer a backroom concern: it's a battleground for competing retailers and carriers alike."

### Optimistic about mobile

While the report may leave a bitter taste in the mouths of some in retail, it may also prove to be the tonic that catalyzes a shift into more organic mobile integration.

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### *NewStore's research was held in New York*

As the necessity for mobile integration becomes more pressing, some brands are breaking the mold. Recently, a Nordstrom executive detailed how the department store chain leverages mobile to personalize the in-store shopping experience, continuing a legacy of positive technological adoption ([see story](#)).

And studies show that women are 86 percent more likely to make a purchase on mobile, suggesting that they may be the best demographic for marketers to turn their attention on ([see story](#)).

"An incredible mobile presence is essential to building a brand, and without it retailers face serious challenges," Mr. Schambach said. "Many industry players are still in the nascent stage of mobilizing' their brands.

"While consumers are living in a mobile-first world, the retail industry clings perilously to the past," he said. "While the world is busy musing about omnichannel, few brands are actually delivering.

"They rarely achieve transparent inventory for all stakeholders, modern fulfillment through on-demand delivery, social sharing capability, or app-enabled store associates. There are waves of new solutions readily available to bring these concepts to life, but many retailers have not even dipped their toes into the water."

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