

EDITORIALS

Preparing for a mobile-led shift in consumer behavior

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Discussions around mobile in 2013 should no longer focus only on technology or marketing, but include a harsh reality about to hit marketers: consumer behavior toward marketing, shopping, entertainment, information and communication is rapidly changing.

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Since the iPhone's launch five years ago opened the possibilities of using the phone as a computer, much has changed with the way consumers search, shop, play, communicate, inform themselves, read news and respond to advertising and marketing. One thing is for sure: consumers have become more demanding and less willing to tolerate shoddy experiences on any platform, least of all, mobile.

So where does this leave today's marketer, also strained by a slowing economy, unrelenting investor expectations and a customer base whose fidelity to the brand easily can be tested with lower price and fewer trimmings?

The new name of the game is adapting. Start with the evolving behavior at the three key locations in a consumer's life.

Work

As businesses shift from desktops to laptops and from servers to cloud, consumers are

moving toward smaller laptops, tablets and smartphones. Bring your own device, or BYOD, is catching on. This has vast implications for data security and corporate IT departments. Employees keep their smartphone next to their computer, at hand to text, email, tweet, post on Facebook, listen to music, shop, search, map or check the news. On the road, they are leaving the laptop behind for the dual comfort of tablet and smartphone, both connected to corporate email. Now, perhaps, is the time to debut a personalized application per employee that contains all files and folders needed while on the road or in the office.

Home

The tablet is becoming the in-house device of choice for entertainment and news, second only to the television set. At some point, expect the tablet to replace TVs in each bedroom, starting with the kids' room. The new norm is to watch TV, check out the Web and apps on the tablet, and text or tweet via the smartphone – all while conversing with loved ones in the bedroom, den, kitchen or living room. The Mobile-Driven Life is now a reality. What effect will this have on advertising as consumers tune out of commercials while immersed on tablet activity? That is something for agency media planners and brand and marketing managers to consider. And what of news and entertainment consumption? The signs are positive: big media brands such as The Wall Street Journal and The New York Times are training consumers to pay for digital content. With time, publishers will get more sophisticated with mobile advertising on smartphones and tablets. But low mobile CPMs of under a dollar may not save publishers' dwindling ad revenues. So go ahead and erect those paywalls – that will save the media brand and targeted advertising will get to live another day.

Shop

Why beat around the bush? Amazon is the biggest threat to retailers. Amazon's PriceCheck app is the Trojan horse in retail. Consumers wise to the game do not just walk into bricks-and-mortar stores to browse and touch-and-feel. They also want to check out the merchandise and compare prices by scanning the bar code on Amazon's app, which then offers an overlay of the price and availability of the same product sold by the Internet retailer. Amazon is turning all its competitors' stores into its own showrooms. So take showrooming seriously. It did not take long for Amazon to train consumers to shop by price and for convenience, and it will not take long for the company to train shoppers to compare prices and then make the 1-Click or one-tap purchase in its store. Some offerings such as same-day delivery, more loyalty dollops and matched pricing may help, but also break the bank. Focus on strengthening the relationship with the customer base to make the switching costs higher.

This is the new reality: mobile devices such as smartphones and tablets – with their content, commerce, entertainment and communications sophistication – have enabled consumers to run their work, home and play lives with the utmost freedom, untethered and uncommitted to nothing but their own satisfaction and instant gratification. Mobile is taking product and pricing transparency to a new level. Mobile is calling the emperor

naked.

Marketers, for their part, are nonplussed. Their margins are squeezed. No longer can they profit from the gap in information or eliminating for consumers the stress of aggregating or assembling a product. And the mobile-armed consumer is way too sharp to tolerate high margins for labor rendered. Mobile has simply accelerated the handover in pricing control. What then is left? Building stronger ties with consumers by offering products or services that cannot be matched elsewhere for quality, ease of shopping, speed of delivery and, yes, pricing.

The choice for marketers in 2013 is clear: either mobile-first or end up last.

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