

COLUMNS

## Mobile commerce and the consumer packaged goods arms race

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By [Patrick Moorhead](#)

You see them all the time. Shoppers scanning bar code labels with their smartphones, presenting coupons that they have retrieved through special applications, and paying with their mobiles.

Shoppers today are feeling their power.

And if you find yourself in the right store, shoppers there might be using a single app that performs all of these functions and more, and one that is designed to build a highly personalized relationship between consumers, retailers and brands.

Look around you: The consumer packaged goods (CPG) arms race is on. It might not be a fight you started, but it is one you are going to have to join.

CPG scan

“Personalized marketing is the advanced weaponry of today’s retail battle,” Gary Hawkins writes in his book, “The Essentials of Shopper Technology.”

Mr. Hawkins cites the “personalized, relevant offers and savings” that CVS and Safeway shoppers receive through their loyalty programs as examples of successful uses of retail

technology.

The next step is mobile commerce: taking the fight from backend servers and into the palms of the 78 percent of shoppers who use their mobile devices in stores, according to statistics gathered by Google.

And the key to success will be incorporating the three essential pillars of mobile commerce: convenience and control, time saving and money saving.

Stop & Shop is doing it. Walmart is, too. These retailers encourage shoppers to download a unique, branded, scan-and-bag app that tracks their purchases and suggests additional or alternative items in real time.

Mobile commerce apps running on shoppers' smartphones definitely affect purchasing behavior.

A mobile commerce app can suggest vanilla ice cream, the one a shopper bought two weeks ago, to go with the apple pie that she has just scanned into her cart, for example.

Or it can provide an offer for a discount on new brand of vanilla ice cream, saving the shopper money while getting her to try a new product.

In fact, according to a recent survey from research firm Ipsos, more than a third of adults would be more inclined to make a purchase in-store if they could find a coupon for the item on their mobile device.

#### Pillars of strength

The reason that shoppers will turn to mobile commerce is that these three pillars – of convenience/control, time saving and money savings – are clear.

People do not like to start a mission, but they love to complete one. A smartphone equipped with an integrated mobile commerce solution – one that facilitates the shopping experience but does not add any extra steps or hassle – makes the task quicker and easier, while saving the shopper money and is the ultimate mission completion device.

Take, for example, Stop & Shop's Scan It! Mobile. Shoppers using the app can quickly and easily scan items in the aisle as they shop, placing them directly into shopping bags while receiving targeted offers and paying via express lanes.

Shoppers using the app see an up-to-the-minute tally of what is in their carts, so they can see their savings and stick to their budgets.

Convenience and control. Check. Time saving. Check. Money saving. Check.

And mobile commerce offers another bonus to CPG and grocery retailers: a way to keep up with the exceptionally convenient experience provided by ecommerce retailers.

While ecommerce sites offer a highly personalized experience, comparison-shopping and cost saving options, mobile apps speak to consumers' hunger for immediacy.

AN MCOMMERCE APP that provides a personalized and engaging experience – while

offering convenience and saving time and money – will satisfy shoppers’ need for an integrated mobile commerce experience.

This is the first in a series of columns I am contributing to this publication. In upcoming pieces, we will look at how personalized, relevant value drives mobile commerce adoption, and how it is important to make the mobile phone a seamless extension of the in-store experience.

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