COLUMNS

Why mobile is central to omnichannel customers

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Today's customers are not just already omnichannel, but smartphones have completely changed their behavior and expectations.

Consumers now expect to engage at any time and from anywhere with your brand. They expect to engage before, during and after transactions with your brand. They will jump between online, in-store and mobile touch points and expect your brand to stay consistent with information, offers and service.

Marketers cannot merely worry about demand generation anymore. They must be ready for "on demand."

Omnichannel is not a buzzword anymore. Leading brands in more than a few verticals are mid-execution and fast discovering that for their consumers mobile is at the center of omnichannel.

One new mantra is closing the gap between store, desktop and mobile. However the marketer's mantra has always been reaching customers wherever they are and in today's world that means mobile.

Here is an easily accessed statement online – no consultant required – in regard to

"customer desire:" "The omnichannel consumer wants to use all channels simultaneously, and retailers using an omnichannel approach will track customers across all channels, not just one or two.

"In the bricks-and-mortar channel, digitally savvy consumers are entering stores already well-informed about a product's features and prices, and expect store employees to know more than they do.

"Using omnichannel retailing while working with the 'Connected Consumer,' all shopping channels work from the same database of products, prices, promotions, etc.

"Instead of perceiving a variety of touch points as part of the same brand, omnichannel retailers let consumers experience the brand, not a channel within a brand.

"Merchandise and promotions are not channel specific, but rather consistent across all retail channels. The bricks-and-mortar stores become an extension of the supply chain in which purchases may be made in the store, but are researched through other 'channels' of communication.

"With omnichannel retailing, marketing is made more efficient with offers that are relative to a specific consumer determined by purchase patterns, social network affinities, Web site visits, loyalty programs, and other data mining techniques."

If Wikipedia –not an overpaid consultant – is saying this, and your brand does not have omnichannel initiatives already working, then your brand is behind.

This customer desire is further complicated by burgeoning smartphone and mobile device usage. The divide between desktop and mobile is getting hazier. Sixty-five percent of email campaigns are opened on mobile, 76 percent during Christmas.

An estimated 147.9 million people in the United States own smartphones, which is a 62 percent mobile market penetration.

A brand's messaging, product or service information, offers and loyalty platform are very likely to be accessed on mobile and abandoned if not optimized for mobile.

Eighty-four percent of shoppers with smartphones use their devices to help shop in the store and 54 percent compare prices in the store on their mobile devices.

One in three uses their devices to find information rather than ask store personnel.

Further, consumers expect in-store interactivity including digital walls, couponing and checkout to be mobile accessible.

The most telling trends, however, are:

First, the ever-increasing share of mobile in global transactions.

According to the report from Ayden, approximately 20 percent of global transaction came from a mobile device in December. This is up from 12.6 percent of global transactions coming from mobile devices in 2012.

Travel, digital goods, gaming, retail and ticketing are all areas where mobile payments are thriving.

Next is the uptick in mobile acquisitions by marketers including Kroger, Walmart and Amazon.

Mobile couponing is both location-based and interest-based.

Also, there is the planned Facebook acquisition of WhatsApp, a mobile chat application, and eBay's purchase of PhiSix, which is a virtual fitting room.

So what is a marketer to do?

Begin by understanding the landscape of mobile within omnichannel and what is actually being done and then form a plan specific to your brand.

You are going to need to understand and evolve brand and segment specific acquisition and retention paths and strategies while simultaneously building the infrastructure to support them.

What are brands doing in mobile and omnichannel?

If you still think all of this is just a bunch of buzzwords, then start by looking at what 120 leading marketing executives say about the benefits of omnichannel to brand recognition, expanding customer base, customer lifetime value and profit growth in this survey by the Winterberry Group and the Interactive Advertising Bureau. They scored the omnichannel approach benefits these important metrics between 3–3.4 on a scale of 0–4.

Not yet convinced? See what some leading brands – some of who might be competitors of your brand – are attempting and accomplishing:

Sears launched a "Shop Your Way" mobile app that facilitates mobile purchase with mobile supported in-vehicle pickup.

That is right: order on mobile, drive to the store, enable GPS on your mobile phone, initiate pickup and a store clerk will come out in five minutes with your purchase and verify your transaction. Then you can provide feedback on your app.

Shop Your Way also allows store proximity-based unlocking of personalized offers, instant loyalty membership and benefits and browse/review/share of merchandise.

This past holiday season Macy's focused on in-store navigation and scanning. Macy's is also putting WiFi in all its stores, enabling one-tap mobile payment via Google Wallet, displaying information via in-store kiosks, interactive digital catalogs and digital mannequins.

In an effort to allow "buy anywhere" and "fulfill anywhere" Macy's is enabling stores for direct-to-consumer fulfillment. Macy's is also applying Motorola RFID chips for wall to wall visibility and to allow twenty times faster inventory at 95 percent accuracy.

Specialty retailer Guess recently unveiled a new mobile app for iOS and Android devices

aimed at providing a seamless shopping experience across its stores and online channel.

The app provides personal customer services, local store and fashion updates, loyalty points for connecting via the app to social networks, location-based offers, invites to events and high-resolution image and video displays of merchandise based on customer declared preferences.

In-store interactivity with augmented reality (Nike, Shiseido and TopShop), high-resolution interactive in-store displays (Sears, Adidas, BMW, Amazon and eBay), beacon-based offers (Alex and Ani) and mobile checkout (Marriott, REI and Amazon) is all the rage these days.

The Specialty Fashion Group – a large fashion retailer in Australia used a core component of omnichannel: cross-channel analysis of its customer base to increase email campaign conversion by 60 percent and campaign margin by 80 percent.

Here are other amazing stories of one-on-one relationships being cultivated by brands via mobile and omnichannel:

Trunkclub (premium clothing for men shipped to you) – 40 percent traffic coming from mobile and rising fast

Leviev showcases its diamonds globally on an exclusive basis in a mobile experience and even enables in-store experiences and service via mobile

What you can do
So how can a marketer address and engage this new anytime, anywhere customer?

The following three stages should be considered along your path in building a nimble and mature engagement platform:

Stage 1 Minimum ante: Mobile optimization, cross-channel data

The phrase mobile-first is just the tip of the iceberg. The minimum expectation from today's customer is that she can reach, see and interact with content from your brand from anywhere and at any time i.e. most likely a mobile device.

Your online presence and all outward bound messaging must be mobile-optimized messaging. This means all digital ads and offers, Web pages, email campaigns, landing pages and any product or service information.

Further, all of this messaging should be targetable based on a 360-degree view of customer and behavior.

This means that all customer information and behavior must be consolidated and clarified across all channels and touch points so that they can be analyzed and leveraged for targeting and personalization.

So the minimum entry to be effective in this new on-demand world is messaging and content infrastructure that is mobile-optimized along with consolidated cross-channel customer data that can be leveraged for targeting.

Achieving stage 1 is an extension of your current IT efforts. You might engage mobile creative and development partners but this is a core competency and it is probably best to start building internal competency around mobile as soon as possible.

Stage 2 Really good hand: Loyalty program, location-based offers, social network

Customers of multiple industries, from healthcare to travel, have come to expect personalized interactions across different channels.

IBM's study shows customers are willing to share details about themselves, particularly if they receive a personalized experience in return.

Many brands use personal details to enhance offers to increase lifetime value as well as to create lucrative loyalty rewards programs.

The new expectation is that customers can access such personalized interactions and loyalty programs on demand on their mobile devices.

Contextualization of offers has achieved another dimension with location-based capability.

Customers appreciate offers and services that are not just based on interests and wish-lists but based on proximity as well.

In stage 2, marketers need to connect personal data with behavior data across channels and enable offers and loyalty rewards on mobile in a way that reach customers with location based specificity.

Further, they need to empower customers to instantly share all of this with their social networks and extend brand reach.

Achieving stage 2 may require finding and integrating technology solutions around loyalty and offer management with infrastructure from stage 1 or with previously developed loyalty and offer programs in other channels.

Look for technology that allows integration of multi-faceted customer data or omnichannel data will not be easily usable.

Stage 3 All in: Fulfillment tracking, customer service, in-store interactivity, mobile checkout

Price consistency across shopping, the ability to ship items that are out of stock in-store directly to their home, the option to track the status of an order, consistent product assortment across channels and the ability to return online purchases in-store round out the top five attributes prized by customers in IBM's survey.

While pricing and fulfillment may not be a marketer's responsibility, providing access to consistency and fulfillment tracking differentiates and delivers on brand promise. This means connecting fulfillment to customer profiles or loyalty programs and making it visible on mobile.

Many brands already enjoy incredible customer loyalty by providing exemplary customer service both before and after sale. Leading brands are making this customer service available anywhere and anytime via mobile.

Look at Guess and Trunkclub's fashion advisors. Making customer services in various forms available on mobile is another important and incredibly engaging aspect of the brand.

Connecting in-store interactivity with product information, hyper- local offers and immediate checkout is a powerful way to drive brand enthusiasm and retention.

NFC might be in doubt but Google Wallet, Square, PayPal and a half-dozen other companies are making mobile payments easy.

Many brands are piloting or adopting mobile payments widely.

Steady increase in mobile transactions indicates mobile checkout will fast become an expectation from your customers. It provides a great opportunity to connect customer paths in-store directly into a loyalty program with immediate rewards for the purchase.

Brands are charging forward with isolated efforts along these lines. However, while such efforts command attention from customers and create new brand enthusiasts, they bear greater returns in combination with stages 1 and 2.

ACHIEVING STAGE 3 is complex. Technologies in multiple areas need to be evaluated and integrated. Prioritize your path through this maze based on anticipated customer engagement balanced against your current capabilities in technology.

Brands that can connect a completely mobile-accessible brand messaging and experience backed by cross-channel data along with services, fulfillment tracking, in-store interactivity and checkout on mobile for their customers would have reached a fully rounded engagement platform for the new anywhere, anytime customer.

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