Mobile App – A Strategic Weapon for Retailers

Research shows the increasing need for a mobile app in the retail space, for online as well as physical players. But how does one ensure successful app implementation? Anuj Ramachandra, Business Consultant (Digital Commerce) for Embitel Technologies, shares insights from his extensive experience on implementation for maximum benefit.

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Today's consumers are in no way closely comparable with that of the previous generation of consumers. There is a sea change in the way these new age consumers transact with retailers (both online and physical). With the help of smart mobile phones consumers are transforming how they shop with the retailers with their fingertips, quite literally! With mobile as an epicenter in the game of retailing, several physical retailers have successfully rolled out their multi-channel and Omni-channel capabilities – that's how critical is the role of a mobile channel.

While the advancements in the mobile technologies are rapidly changing the retail (physical and online) game at break neck speed, it is the consumers who are driving innovation in each and every industry and retail is no different. Right from finding if a local competitor has a lower advertised price, checking in-store product availability, checking aisle location of the product, to finding the price of the products, scanning a product on the mobile to get detailed product information, price, ratings & reviews and additional content, re-ordering the prescription to re-fill medicines, to checking customer reviews, to bypassing lengthy queues in the checkout counter by checking out virtually and finally, share their experiences by leveraging extensively on social media channels, consumers expect and demand their shopping experience to be a completely seamless experience. So retailers who shy away from fulfilling the needs of their customers by not meeting the new reality of exceeding the consumer's expectations will have to sooner or later surrender to other mighty retailers or new entrants in this industry and this will be the new norm.

The Big Dilemma - Mobile Web vs. Mobile Apps

Retail organizations have an option to either choose mobile web (responsive design) or develop a mobile app for their business, both of which have inherent advantage and disadvantages. However, a little deeper look at both of these options makes us realize that mobile applications will be able to leverage the core capabilities of smart mobile devices like multitouch from one or more simultaneous gestures, digital compass, RFID reader, biometrics, gyroscope, camera, Bluetooth, GPS, push notifications, WAP, Wi-Fi, accelerometer, speakers, audio input, motion and temperature

The Rise of Mobile Apps
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The mobile app economy already contributes close to $26 billion to GDP and has created some 800,000 jobs in the 13 countries, according to a research carried out by a global firm.

In India, mobile app usage outpaced global app usage; mobile app usage in India grew 131 per cent. In 2014, monthly app download in India stood at 150 Mn+.

The conversion rate for shoppers using retailers' dedicated apps in the U.S. was found to be 21% higher than those not using such apps – mostly on account of a more relevant and customized shopping experience, according to recent research by Deloitte Consulting LLP. As per Gartner Research, the estimated number of consumers using smartphones in 2016 will be 2.16 billion, with over 268 billion times 'apps' will be downloaded by 2017, while in India 200 million consumers are estimated to be using the smartphone with 9 billion apps downloaded in 2015.

sensors, NFC, etc. Unlike the mobile web, a mobile app gives businesses the advantage of residing in the consumer's smart mobile phones.
Retailers gain more control over the consumer's presence with the help of mobile app when compared to that of the mobile web, since consumers would have already downloaded and installed the app on their smart mobile phones. For instance, although a mobile app can be closed or inactive, but it is still capable of working in the background for sending geo-targeted push notifications and gathering data about the customer's preferences and behavior. It's also much easier to access a mobile app than a mobile website — all it takes is one tap, versus having to open a web browser then type in a URL.

Mobile web clearly lacks the capability to leverage on the above mentioned capabilities of the smart mobile devices. In addition, due to inherent disadvantages of the mobile web like the need for internet connectivity, dependence on the speed of the network, limitation to send push notifications, lack of ability to offer a personalized consumer experience, slower performance, lack of user friendly experience, limited access to hardware functionality and poor user interface and controls are some of the reasons why 85% of consumers preferring mobile apps and thereby making the mobile app option a far superior one for the retailers.

However, it should be clearly understood that with just the help of developing mobile apps, retailers will not be able to effectively justify the investments that are needed for developing mobile apps.

8 Steps to Successful Implementation of a Mobile App

Here are eight key steps to be adopted to ensure success and justify the expense and time demanded by the development of a mobile app.

The Rise of Mobile Apps

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In the United States of America, the time consumption every day over web and mobile app has seen a drastic change. In June 2010, consumers on an average spent 43 mins a day on the mobile app and 64 mins a day on mobile and desktop web. However, in December 2011, consumers on an average spent 73 mins a day on mobile and desktop web and 94 mins a day on the mobile app.

Each of these steps has got a positive and cascading effect on the other steps and hence implementing them in the right priority in a phased manner is of utmost importance.

1) Identify Capability
To develop appropriate applications, retailers should identify the mobile phone's in-built capabilities like camera (to scan barcodes, upload a picture of the product to be displayed with all the relevant products in the web or physical store, scan the received product's bar code to instantly write a review or request for returning of defective product received), location sensors to identify consumers location (for personalization).

2) Evaluate need across the consumer's journey:
Not all consumers are in the same stage of their buying lifecycle. Buying behavior of consumers also varies significantly across the channels from which they shop (online or physical) and hence online retailers should develop mobile applications that empower consumers with functionalities that will help consumers to get a shopping experience similar to that in a physical retail outlet, while physical retailers should develop functionalities (which will translate as features) that will help them to experience online shopping in the real world.

3) State the business objectives:
Business objectives vary significantly based on what stage the consumers are in their buying lifecycle, identifying which among the core capabilities of the smart mobile phones can be fully leveraged to fulfill
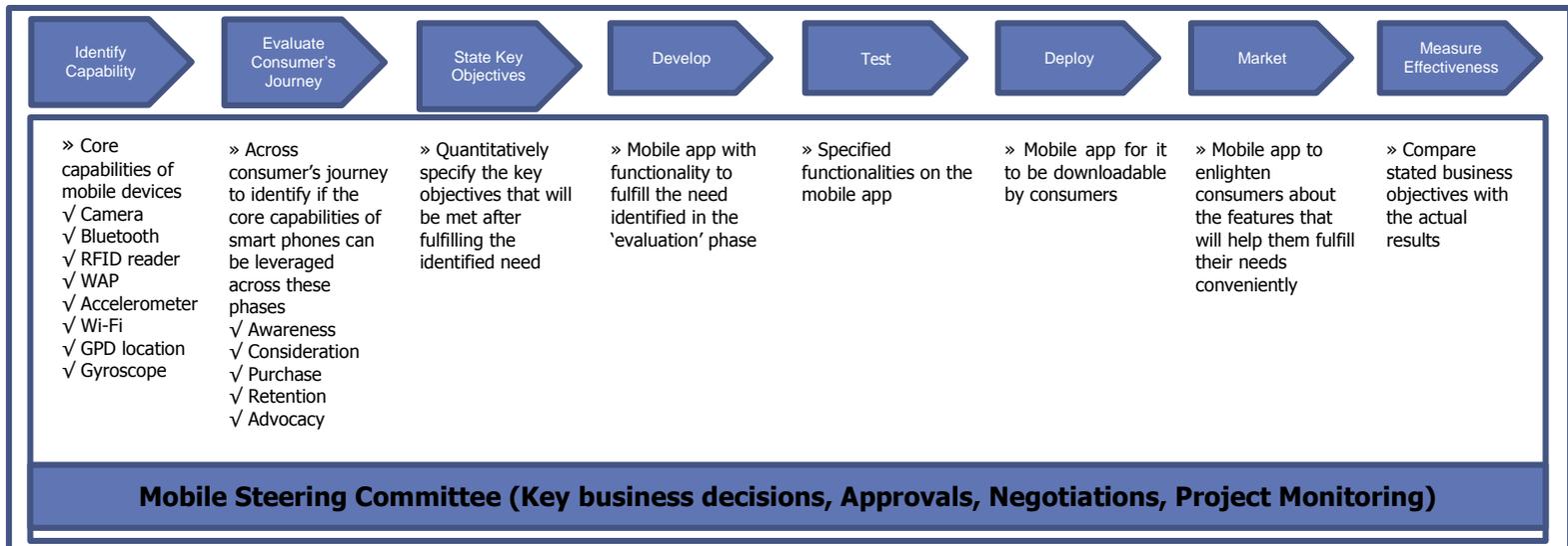
the identified needs and a holistic assessment of how the consumer's journey can be enhanced using the mobile app across each of the channels (online or physical).

An end-to-end strategic framework for retailers to build a consumer-oriented mobile app

Identify Capability	Evaluate Consumer's Journey	State Key Objectives	Develop	Test	Deploy	Market	Measure Effectiveness
» Core capabilities of mobile devices √ Camera √ Bluetooth √ RFID reader √ WAP √ Accelerometer √ Wi-Fi √ GPD location √ Gyroscope	» Across consumer's journey to identify if the core capabilities of smart phones can be leveraged across these phases √ Awareness √ Consideration √ Purchase √ Retention √ Advocacy	» Quantitatively specify the key objectives that will be met after fulfilling the identified need	» Mobile app with functionality to fulfill the need identified in the 'evaluation' phase	» Specified functionalities on the mobile app	» Mobile app for it to be downloadable by consumers	» Mobile app to enlighten consumers about the features that will help them fulfill their needs conveniently	» Compare stated business objectives with the actual results

Mobile Steering Committee (Key business decisions, Approvals, Negotiations, Project Monitoring)

4) Develop the functionality:
Based on the functionality identified in the evaluation phase, develop mobile applications that will help consumers to fulfill their needs.

5) Test:
Before deploying, test the developed mobile application to check whether the stated functionality has been strictly adhered to.

6) Deploy:
The mobile app should be made accessible by deploying it in the relevant mobile app stores, so that the consumers will be able to download the app.

7) Market:
Developing and deploying mobile app for consumers will not fetch the desired outcome of meeting the business objectives unless the mobile app has been aggressively marketed through both digital and traditional media campaigns. Customers generally don't tend to download multiple retail apps unless there's some real need to use it. Retailers (online and physical) who have succeeded at this task of helping consumers download their mobile app have continuously understood the consumer's needs, have developed certain functionalities on their mobile application to fulfill the needs in a simplistic manner and have marketed the developed mobile apps aggressively among the defined target segment of consumers thereby effectively implementing an end-to-end mobile app strategy.

8) Measure effectiveness:
Post implementation, the steering committee should be actively involved in measuring the effectiveness of developing, deploying and marketing the mobile app by comparing the stated business objectives with the actual results by gathering reports and analytics data from multiple sources that would include analysis from tools like Google Analytics, Clicky, etc.

Some interesting case studies of retailers who have developed functionalities for their mobile apps that will help consumers leverage core capabilities of smart mobile phones:

Virtual Fitting Room - IKEA

IKEA's mobile app feature helps consumers visualize what furniture items might look like in their own home, exactly to scale and where one would want each item to fit.

Near Store Notifications - Nordstrom
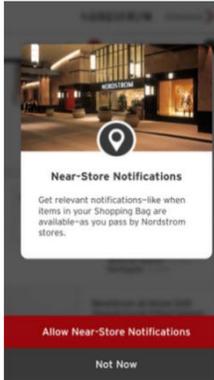
Nordstrom's mobile app feature helps consumers get relevant notifications – like when items in your shopping cart are available – as consumers pass by Nordstrom stores.

Personalized Offers – Target

Target's mobile app feature help consumers select from hundreds of discounts ranging from 5% to 50% and add them to your personalized Cartwheel barcode.

Personalized Recommendations – Target
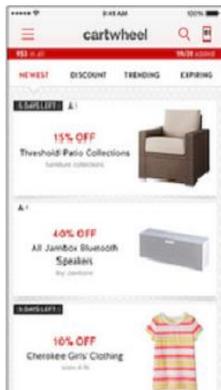
Target's personalization engine serves up more relevant Cartwheel offers to guests in the 'For You' section of their mobile app.

Scan and Self-Checkout – Sam's Club

With Sam's Club mobile app 'Scan & Go' feature, customers can use their devices to scan their items as they put them in their cart and then pay by phone at a self-check-out.

Augmented Reality – Office Depot

Office Depot's mobile app feature helps consumers experience a highly contextual mobile experience with the objective of adding another layer of interactivity to the exclusive, limited edition product collection.

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Nearby Sorting – Macy's

Macy's is enabling users of its iPhone app to sort items by what is available at a nearby store for those who prefer to purchase from the app and pick up in store.

Price Check – Amazon

Amazon's mobile app feature allows consumers to scan bar codes in local stores and compare prices directly with Amazon.

Find Similar Products - Flipkart

Flipkart's mobile app feature helps consumers find visually similar products to a product already listed on Flipkart.

Image Recognition –Target


Target's mobile app feature allows consumers to point their phone at any object and receive suggestions for similar products within the brand app.

Visual Search–Home Depot

Consumers, with the help of camera function, take a picture of a tool or other home item and then the app automatically displays results for similar items within the retailer's inventory.

In-Store Pick-Up - Tesco
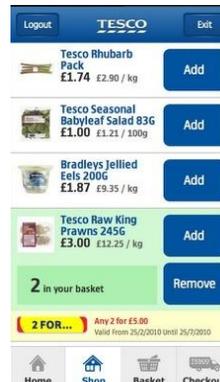
Tesco's mobile app lets customers to buy items online and pick them up in a store, thus avoiding shipping and scheduled delivery charges.

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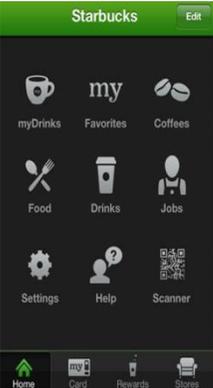
Store Map - Walmart

Walmart's mobile app feature displays an interactive store map enabling customers to click on items and see where they are located and price information during Black Friday sales.
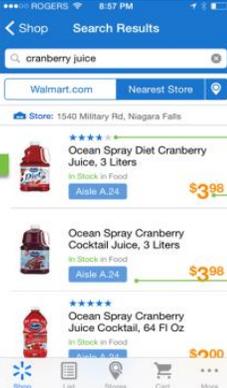
Scan QR Code - Target
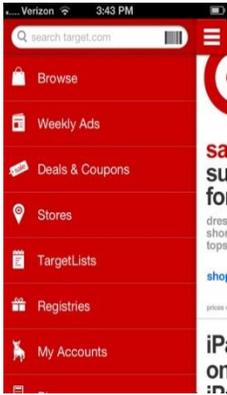
Target's mobile app feature helps consumers scan QR codes and buy the items.

Order & Pay - Starbucks

Starbuck's mobile app features 'Order and pay' that lets consumers pay for drinks and reload their balance quickly, thereby making the checkout process quicker and smoother.

Find Items Quickly – Walmart

Walmart's mobile app feature help customers find the items they need quickly along with aisle # of product, making shopping more convenient at Walmart.

Conclusion

While there are several retailers who have perished from the retail scene, there are others who have strengthened their positions and we believe they have done this by being receptive to change, adapting to technological advancement and constantly engaging with technology-enabled consumers. It is in the intersection of what today's consumers expect and retail business demands that a clearly defined mobile app strategy be laid out.

Several retailers have adapted to the new reality by developing mobile application as a multi-edged business strategy that fulfills the need of the consumers conveniently, while at the same time creating personalized shopping experience to increase the stickiness of consumers with their business thereby increasing the barriers of switching to some other retailer, increase basket size, increase brand visibility, increase conversions, increase repeat purchase, etc. In a consumer-facing business, by developing mobile applications the retailers will be able to shift the major purchasing power for consumers who were previously unable to access the Internet. Retailers have to carefully walk on the tight rope by balancing between consumer's expectations and business objectives.

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About the Author

Anuj Ramachandra is a Business Consultant in the Digital Commerce practice within Embitel Technologies. He has about 8+ years of experience across various business functions including digital marketing, consulting, business development, product management and strategic business planning with a specific focus on digital commerce and provides advice to several leading Indian and International retailers on their Digital Commerce strategies. With strong focus on Omni and multi-channel implementations, he along with the team are responsible for helping clients develop strategies for integrating sales channels like mobility, e-commerce and retail stores to provide a cohesive customer experience. Anuj can be reached at anuj.r@embitel.com

About Embitel Technologies

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Embitel's mobility solutions and consulting services are laser focused on delivering exceptional end to end capabilities in helping retailers, brands and manufacturers achieve enterprise agility to succeed online. We work with clients to deliver actionable plans that help them thrive in their e-business. Headquartered in Bangalore, India with 180+ employees (including several certified Magento and hybris developers in India), we have representatives in Sweden, France and USA. A silver ecommerce solution partner of Magento and hybris ecommerce platforms, Embitel Technologies is a recipient of **Deloitte Technology Fast50 India** awards and is ranked among the top **100 Most Innovative** IT Companies by **NASSCOM**.

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