



A study on Engagement of Mobile in Retail – A dawn of Mobile Influence

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ABSTRACT

It's fair to say that high street retail sector is going through turbulent times; sales have been hit particularly hard by e-commerce and the difficult economic times. Mobile and the demand for devices with internet capability are continually increasing and customers are becoming more confident in using their phone to research products, compare prices and purchase goods.

So is m-commerce a help or hindrance to high street retailers? We believe retailers should grasp this lifeline and look to embrace mobile technology to meet customers' expectations for offers and services via any device in any location. Consumers are using the mobile internet in all locations and the physical retail store is no exception to this new trend. This paper looks at how customers are using mobile internet in-store, what they're researching and their actions as a result of browsing. It also covers customer's acceptance of retailers to send them information in-store.

Keywords:

Introduction:

The mobile is a highly personal device. It is smart, always connected and capable of two-way interaction. Mobile retail isn't just about moving your wallet to your device or delivering internet sites to your mobile; it has the potential to revolutionize the entire retail experience. For example, the way we search the internet, the way we receive marketed, make buying decisions and pay for things. We believe that one of the ways to realizing the true potential of the mobile device is when you put the checkout on the device itself. Your mobile already has the technology to identify a product almost any way via mobile – through an alpha-numeric code, through a transactional QR (bar) code or through image or audio recognition. Product identification can take place anywhere a customer sees a product. It might be a billboard advert, in a magazine or newspaper, in a retailer's Smartphone app, mobile website or on a social network – even in-store, where an out-of-stock size is required.

A mobile can provide an instant, universal checkout in any channel. If your preferred payment and delivery details are stored securely on your own mobile device, you can purchase anywhere, any time at the touch of a few buttons. If you move a universal checkout experience itself to the mobile, you streamline a process that is turning customers off left, right and centre.

We have all read the predictions and heard the buzz words but this isn't a fad. This is a fundamental shift in consumer behavior and retailers have a unique opportunity to move quickly and take advantage of the true power of mobile.

Objective of the Study:

- To analyze the key factors driving growth across the mobile retail market.
- To have an overlook at the evolution of mobile retail.
- To have an overview on how much is the mobile retail market worth..
- To Study the key strengths and weaknesses of mobile as a retail channel.

Development in Mobile Retail : The trajectory of retail evolution has climbed far and high in terms of lifecycle maturity, and especially in the developed retail economies of the world today it seems so far ago that retailers knew their loyal neighborhood customers engaged them in conversations that held

personalized meaning, and were able to enrich shopping experiences by providing information and offers that were relevant and valuable to their loyal customers, while they were in the store, shopping.

The mobile device has a central role to play now and increasingly in future as customers do their shopping at supermarkets, stores, bookshops. Explosion of Smartphone's, growth of mobile web, availability of high speed mobile broadband networks, and the ever-growing usage of SMS are offering retailers, brands and merchants new opportunities to communicate with potential customers and to offer them the flexibility to shop through mobile.

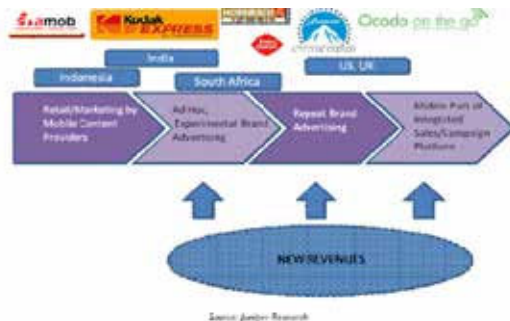
Increasingly the retailing industry and brands are becoming aware of, and implementing the mobile device into this process. They realize that sometimes, even ahead of their wallets, people will usually make sure they do not leave home without their mobile device. Retailers, merchants and brands are also becoming aware that the mobile device is being personalized more and more and therefore is becoming an opportunity for unique, individual personal marketing programmes. Mobile channel offers merchants an opportunity to differentiate between their competition and acquire customers who become loyal.

Evolution of Mobile Retail: Mobile retail and marketing has evolved (and is continuing to evolve in broadly linear fashion)

As depicted in Figure below. In the first instance, the overwhelming majority of products

Available for sale via the mobile (and the products advertised/marketed via the medium) are Forms of mobile content: games, ringtones, screensavers, videoclips; the mobile content Providers simply take out on- or off-portal banner space to promote their products. From the Perspective of the mobile industry, this is not ideal, because while it helps to promote sales of Digital products, there is no interaction with the world of retail beyond the mobile; no new Advertising revenues enter the business. The next stage involves external brands – selling goods or services from beyond the mobile environment – trying out the medium for the first time, usually in the form of an ad-hoc advertising campaign, and it is at this stage for the first time we see new revenues enter the industry.

Once brands have successfully engaged in an initial ad hoc campaign, they will hopefully return for repeat advertising, which may for the first time enable direct purchase – via the mobile – of the marketed products. Lastly, having (again, hopefully) reaped sufficient benefits from repeat marketing, brands will then seek to make mobile part of their integrated multimedia/multiplatform strategy, both in terms of marketing and direct sales.



The Challenges in Mobile Retail

Many retailers have already seen customers using mobile devices while shopping in their stores but are unsure how to start to develop their own mobile strategy in order to capitalize on this trend in order to maximize sales, create brand awareness and increase customer loyalty. Retailers are struggling to answer key questions necessary to be successful in executing a mobile multi-channel strategy:

- How should mobile be incorporated into my multi-channel strategy to enhance my customers in-store experience?
- How should I design a mobile strategy that is most appropriate for the stores within my specific retail segment?
- Is it possible to develop a cost effective, in-store mobile application that will meet both customer and business needs?

The Opportunity in Mobile Retail

Mobile commerce has grown into an independent and sustainable channel that has enormous potential to add value to the customer shopping experience. Retailers who develop their strategy wisely will be able to reap substantial rewards by taking advantage of the technology capabilities that are already in the palm of the consumers' hands. Retailers who are thoughtful about how their customers can use mobile to enhance all touch points throughout the overall shopping experience and have an integrated mobile, web, social and in-store strategy will see the biggest rewards.

The retailers that are successful in developing their multi-channel strategy will be able to attract more customers, increase customer retention and loyalty, realize more sales, increase revenue per customer, gain insight into customer shopping behaviors, deliver more relevant marketing messages and deepen the relationship with the customer. Beyond improving customer experience, retailers will be able to reduce marketing and sales costs, reduce customer service costs and ultimately reduce distribution costs by optimizing inventory management.

Core features that can enhance all customers touch points in the Mobile Retail, both in and out of the store

As 3G and Smartphone technologies have evolved, geographic barriers have been removed and consumers can now interact with retailers in a personalized way, anytime and any-

where through an integrated multi-channel platform. For selected retailers, we are truly entering an era when the whole world can be your store.

The optimal mobile platform for retailers is comprised of a downloadable rich app, a mobile optimized website, and in-store mobile engagement. Once this platform is launched, the benefits to the consumer will be tremendous. While there is unlimited potential to engage with consumers through this multi-channel platform, there are several core features that can enhance all customer touch points, both in and out of the store.

Limitations, Gaps and Risks to a Mobile In-Store Strategy

Although incorporating mobile into an in-store multi-channel strategy has countless benefits, there are many risks and limitations that should be considered before proceeding. Like all businesses, retailers are often faced with limited resources and should carefully determine which elements of a mobile in-store strategy are most valuable for them. Below are several focal points that should be thought through:

- Extensive development and implementation costs will be necessary before mass-market systems are adopted.
- Not all consumers are equipped with mobile phones that will be compatible with new in-store mobile solutions and there are challenges associated with the technology adoption curve.
- New technology must be compatible with existing retail POS systems and with all consumer electronic mediums (Android, Apple, RIM, Windows Phone etc.) Differences in infrastructure in retail locations are a potential barrier to mass market rollouts.
- Extensive online and offline security risks exist with mobile POS, user information etc.
- Many competing mobile solutions (FB, Twitter, Google, etc., merchant apps) result in confusion for consumers.
- For many people, mobile will never replace in-person customer service.

Conclusion

For more than five years, leading technology enterprises, mobile carriers, mobile platform providers, banks, trusted service managers, and mobile application providers undertook several mobile commerce innovation efforts and pilot programs. These efforts were targeted towards retail and other industries involving the use of mobile or smart phone-based marketing and payment applications by end-customers.

So far, successful full-scale roll-outs of these applications have been more widespread in Japan, South Korea, and Taiwan due to first-mover advantages, consumer engagement, and favorable market regulations. Meanwhile, companies in Europe and the Americas are continuing to make headway with more standards-based deployment strategies. While there are several success stories and actual deployments by retailers in Europe and the Americas, mobile retail growth requires better awareness around 'readily-usable and mass market-ready' standards that promote widespread adoption by consumers and enterprises alike. From a technology standpoint, the underlying architecture or backbone of such applications are supported by numerous technologies (i.e. SMS, Quick-Response (QR) code software, 2-D barcodes, NFC), and other mobile-ready wireless network applications that enable location-based customer identification, targeted marketing, and quick mobile transaction techniques.

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