Survey: Which mobile shopping apps do consumers value most?

Prepared by
Dr. Phil Hendrix, director of immr and Gigaom Research analyst

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Executive Summary

The second in a two-part series, this report calibrates consumer interest in some 20 types of mobile shopping apps that span the entire consumer experience, from prepurchase (discovery, shopping) to buying and postpurchase (service, support). Data from a recent immr survey (cosponsored by Gigaom) of U.S. smartphone owners reveal the mobile shopping apps that consumers value most. The findings allow retailers, brands, local businesses, and developers to identify needs of mobile shoppers, prioritize investments, and focus development efforts on “high-value” mobile apps.

Among the key findings:

- A sizable number of consumers (nearly 1 in 2) are not happy with their shopping experience. Fortunately, mobile apps -- especially those that make shopping easier and more rewarding -- improve the experience and lift customer satisfaction.

- Although use of mobile shopping apps is significant (approximately 1 in 4 smartphone owners currently use one or more mobile shopping apps), interest in the most valued types of apps is considerably higher. Almost two-thirds of consumers are “very interested” in apps that save time and money.

- By a wide margin, the two types of apps that consumers value most -- mobile coupon and price comparison apps -- involve saving money.

- Apps that allow consumers to manage loyalty and rewards are also highly valued.

- Making shopping easier is a common thread in the two next most valued types of apps (product finders and apps that allow consumers to skip checkout).

While independent developers have led innovation in mobile shopping apps, retailers, brands, and local businesses are facing an imperative -- integrate high-value mobile shopping capabilities into their customers’ experiences or risk disintermediation. Fortunately, solutions are increasingly available from SaaS (Software-as-a-Service) providers with white-label “plug and play” modules and platforms that reside in the cloud.

Driven by significant consumer interest, these trends will fuel massive deployment of mobile shopping apps across verticals and widespread adoption among consumers.

The first report in this series, “Why mobile must be part of the shopping experience,” which makes use of the same survey data, is here. The author participated in this related podcast and Mapping Session.
Introduction

Nine out of 10 smartphone owners "almost always" have their mobile device nearby or on their person, making mobile the connected consumer’s constant companion. The effects of mobile on consumer behavior and even entire industries are profound. Consider, for example, the following:

- Consumers are shifting their attention from the internet and devoting more time to mobile apps. As a result, the time spent on mobile apps is rapidly approaching the time devoted to TV.
- Mobile is reshaping how consumers interact with local businesses and brands -- in some categories more than 50 percent of searches are now done on mobile devices. For movies, restaurants, and other discretionary purchases made at the last minute, consumers are increasingly accessing and reading reviews on mobile before finalizing their plans.
- The effects of mobile are also being felt sharply in shopping and retail. With devices and apps in hand, consumers are using mobile devices for everything from making lists to comparing prices, checking hours and availability, and, of course, sharing comments and photos of their favorite (and not-so-favorite) experiences.
- Mobile devices are also emerging as a payment vehicle, both for cash purchases and, over time, purchases made with debit and credit cards. With Key Ring and Apple’s Passbook providing the functionality, mobile devices can replace the dozen or more loyalty cards the average consumer carries. Digital receipts, beamed to the device at point-of-sale, are another popular capability.

As these examples suggest, mobile devices are becoming the “remote control in individuals’ lives,” especially as they shop for products and services and interact with businesses. Frustrated by their experience, many consumers are dissatisfied with the shopping experience as a whole, especially in brick-and-mortar stores. With GPS, cameras, and other sensors extending their capabilities, mobile devices are becoming increasingly important, even indispensable, to consumers as they shop in stores and online.

Merchants, however, view mobile as both friend and foe. On the one hand, mobile offers a useful medium for reaching customers, especially those on the go. The downside is that mobile is enabling the phenomenon of showrooming: in essence, consumers using brick-and-mortar stores to shop, only to purchase from an online retailer or at a competitor’s store.

To date, many of the most popular mobile shopping apps and solutions have been developed by mobile platform and solution providers (Google, Facebook, PayPal, etc.) and third-party application developers. While retailers and brands are closing the gap, they are in danger of relinquishing control and face the very real risk of being disintermediated.

To guide businesses, this report examines consumers’ interest in having and using mobile apps across their entire experience, from discovering, shopping for, buying, and using products. Using data from a recent immr survey of consumers (see the Appendix for details), the report reveals which types of mobile shopping apps consumers value most, from a comprehensive (though not exhaustive) list of 20. Given the rapid growth and widespread use of smartphones, the report focuses on smartphone owners (now a majority in the U.S.). The conclusion summarizes key findings and provides recommendations for retailers, brands, and local businesses, providing insights that are important for app developers and investors as well.
Mobile shopping apps across the consumer experience

Consumer shopping encompasses a wide range of experiences. For the purposes of this report, the most important fall into four phases:

- **Discover.** The discover phase entails learning of and finding out about products while shopping or while in passive, non-shopping mode (e.g., while watching TV, reading, seeing ads, etc.).

- **Choose.** This involves reviewing information, comparing and deciding between products and brands as well as the stores (online and brick-and-mortar) at which to shop, determining which stores have the product in stock, etc.

- **Buy.** The buy phase includes deciding whether and when to buy as well as ordering, paying, applying coupons, etc. Rewards are an important component, especially in travel, hospitality, and financial services.

- **Use.** This encompasses all things postpurchase, from owning and using, service and support (in- and out-of-warranty), managing receipts, and other aspects.

In this survey, consumers rated their interest in some 20 types of mobile apps (see complete list in the Appendix). While not exhaustive, this list provides a comprehensive view of the apps that consumers most value.
Retailers at risk

Based on a number of indicators, including customer satisfaction, market share, and others, retail is in dire straits. To gain understanding of the consumer’s perspective, the survey asked respondents to rate their shopping experience with nine types of retail stores using the following question: “Overall, how would you rate your experience shopping in each of the following types of stores?” The top two rating options consisted of “satisfied” and “very happy.”

On average, 3 out of 4 consumers are “satisfied” or “very happy” with their experience shopping in brick-and-mortar stores. Of course, merely satisfying consumers will not be sufficient to forestall the competitive onslaught that retailers face. Shown below is the percentage of consumers “very happy” with their experience shopping in each of nine types of retailers.

Amazon clearly sets the bar with more than half of customers surveyed “very happy” with the Amazon shopping experience. While the average for brick-and-mortar stores is 27 percent, scores range from 33 percent for membership warehouse clubs (like Costco and Sam’s Club) to a low of 18 percent for consumer electronics and appliance stores (like Best Buy, H.H. Gregg, etc.). These results show that few retailers are delivering a shopping experience that delights customers, which puts stores at risk of being disintermediated by online retailers and other competitors, including a growing number of mobile commerce solutions.
Consumers’ ratings of mobile shopping apps

To better understand the relative value of mobile shopping apps, the survey asked respondents to rate their level of interest in some 20 types of apps that span the four phases of shopping: discover, choose, buy, and use. For each app key features and benefits were presented in a concise, graphical format, as shown below. The percentages of respondents who rated their interest in the two highest levels (“very interested” and “invaluable”) are reported below, along with a brief discussion of each set of findings.

Discover: Learning about products, businesses, and events

Updates on products, businesses

Consumers stay informed about products and businesses of interest in a variety of ways -- viewing and reading news stories, social media (especially Facebook and Pinterest), talking with other consumers, etc. About 3 in 10 respondents are at least “very interested” in a mobile app that allows them to get news and information about new products and businesses tailored to their interests. Several features will drive adoption and use: newsworthiness and UI (user interface), as Pinterest has demonstrated, and curation and personalization, so that updates match interests at particular points in time.

Events and entertainment

Despite the availability of numerous sources, learning of and getting information about local events and entertainment is challenging for consumers. Information remains fragmented, with curation limited at best. Not surprisingly, a significant number of respondents -- 4 in 10 -- are “very interested” in apps that make it easy for them to discover events, read reviews, make arrangements (reservations, seating, etc.), and purchase tickets. One question is whether special interest apps -- those for music, sports, performing arts, etc. -- offer enough added value to compete with other more general sources such as Facebook.
Offers and deals

Via newspapers, mail, TV, email, the internet, and other sources, consumers are bombarded with offers and deals on products and services. However, only a small percentage of offers are tailored to an individual’s interests. As a result, “deal fatigue” has grown and redemption rates are shrinking. Mobile apps that present timely offers and deals that consumers can use -- based on preferences, location, intent, and other digital signals -- garner significant interest, with 41 percent of consumers at least “very interested.”

Ads on mobile

By all accounts, mobile advertising is growing rapidly, but it remains a contentious issue with consumers. As previously reported, of all 20 aspect measured, consumers rated their experience with mobile advertising least favorably, for reasons that Doug Stephens and others have noted. While proponents argue that personalization and hyperlocal will boost relevance and deliver ads that are desirable, there is a large gap between the promise and the reality. Despite the general consumer displeasure about ads on mobile, only 1 in 4 respondents are interested in an app that allows them to tailor the ads displayed on their mobile devices. This apparent disconnect between need for and interest in solutions may be due to lack of understanding or even skepticism as to how the app would work.
Choose: Evaluating, comparing, and selecting products

Comparing products

For many consumers, comparing products and selecting the brand and model that best matches their needs can be difficult, especially in categories such as consumer electronics, where features are complex and new products are introduced frequently. Nonetheless, as previously reported, most consumers are satisfied with their experience comparing and choosing among products. However, tighter economic conditions and a growing number of features and options have given rise to even more comparison shopping, particularly when consumers shop in stores. As a result, a sizeable number (4 out of 10) are very interested in mobile apps that make the process easier and/or improve the outcome, e.g., better choices at lower prices.

Comparing prices

Since saving money has become the “new normal,” the first report in this series predicted that consumers will embrace mobile apps that allow them to compare prices on products and services. Not surprisingly, over half (54 percent) are very interested in price comparison apps. As additional features and functionality -- such as comparing prices in local stores vs. online, click-to-call, and price matching -- are incorporated, price comparison apps are likely to become indispensable and near universal.
Choosing service providers

Although consumers spend a significant part of their budget on services -- home and auto maintenance, personal care, health care, etc. -- interest in mobile apps that help them compare and choose between service providers lags. Less than 30 percent express significant interest in the app. One reason could be that selecting service providers is more deliberate and planned and therefore more likely to be done on a PC or tablet. Consumers may also prefer specialized vertical apps that focus on distinct categories, such as restaurants, home improvement, health care, etc. Still, this percentage represents a sizable number of prospective users for developers who provide a compelling solution to comparing and selecting service providers.

Finding products in local stores

As previously reported, many consumers are frustrated with the difficulty they encounter trying to confirm which local stores have a particular product in stock. When shown the InStock app, nearly half (46 percent) of consumers are “very interested.” Developers, including Retailigence and a handful of others, are attacking this problem by increasing their coverage (markets and stores) and the types of data available. They are also adding features and functionality to their apps, such as identifying stores that are willing to price match. These apps, like others that remove friction and save consumers time and money, will undoubtedly grow in popularity, especially as competition between online and brick-and-mortar stores intensifies.
Shopping for gifts

While shopping for the right gift can be a challenge, a relatively small percentage (20 percent) of consumers are “very interested” in apps that make the task easier. It is possible, of course, that the features shown in GiftGuru -- such as engaging one’s social network to help with the process -- have narrow appeal. Consumers may also be adopting other solutions to the challenge that reduce the need for a personal gift-shopping app. The need for apps in this category could also be situational, e.g., on gift-giving holidays and occasions, such as birthdays, anniversaries, etc. But again, despite being in the bottom tier of apps in this survey, 20 percent of respondents still represents a sizable market.
Buy: Consumers’ experience remembering, ordering, using coupons, paying, and rewards

Remembering what to buy

Although most consumers are relatively satisfied with their current methods of making and keeping lists, there is significant interest in shopping list apps. Given the frequency and variety of shopping, especially in families with children, smart lists can save shoppers a lot of time, money, and grief. The primary question is whether the usability and functionality of shopping list apps trump the status quo -- e.g., paper list, a text message, or even the proverbial string around the finger.

Locating products in stores

Since the majority of shopping is done in familiar surroundings, consumers are relatively satisfied with their experience finding products within stores. However, navigating to the correct aisle and finding a product on the shelf can be frustrating in a number of instances: (1) in big box stores, where the selection can be overwhelming; (2) in malls, where multiple stores are likely to carry a particular product; and (3) when shopping for a product that is new or unfamiliar to a consumer (e.g., perhaps one requested by a family member) or in a new or unfamiliar store. Apparently these instances are not uncommon -- nearly 40 percent of consumers are “very interested” in apps that help them find and navigate to products in stores and malls.
Ordering food and beverages

Of all the consumer shopping tasks examined, ordering food and beverages is likely the most common. Typically ordering goes smoothly and consumers are relatively satisfied with the experience. However, for recurring experiences (e.g., coffee at Starbucks) ordering while waiting in line or in the drive-through can save time. Likewise, ordering on a mobile app in a sit-down restaurant makes the consumer less dependent on servers who may be tied up with other tables, especially at peak times. Finally, in some venues (e.g., sports arenas, movie theaters that serve food, etc.), ordering can be a hassle -- for instance, stepping over other guests or missing the action while away from one’s seat. As an added benefit, ordering via mobile allows the consumer to verify that their order was placed correctly. There is significant interest in apps that enable ordering via mobile, with some 41 percent of consumers “very interested.”

Finding and using coupons

In a recent immr survey (see Engaging Connected Consumers), 62 percent of respondents said they “try to buy things on sale,” even if it means waiting. For many consumers, however, conventional paper coupons are an inefficient, hit-or-miss proposition. Consumers rate mobile coupon apps their favorite by a wide margin, with nearly 6 out of 10 giving a rating of “invaluable” or “very interested.” Digital coupons on mobile devices offer a number of significant advantages to consumers, brands, and retailers. For consumers, the ability to scan, store, and retrieve coupons at point-of-sale increases the ease -- and therefore likelihood -- of use. For brands and retailers, digital coupons offer better and more selective targeting. For instance, coupons could be offered to first-time customers as they enter the store. As filtering, curation, and the UI improve, mobile coupons will become commonplace.
Paying with mobile

Four out of 10 respondents are “very interested” in using their smartphones to pay for purchases. Relative to other studies, consumers expressed higher level of interest in mobile payment, perhaps because this sample app contained two key features: security via a PIN number and the ability to receive digital receipts. By and large, consumers are relatively satisfied with current methods of payment. When mobile payment solutions are tested, concerns about security are one of the main obstacles, and the benefits of mobile payment may not be apparent. These results suggest that consumers are interested in mobile payment apps, provided they are secure and deliver benefits over conventional payment methods.

Mobile for cash purchase

Cash is still the prevailing method of payment in many instances: vending machines, tolls, ticketing, and so on. Despite its prevalence, carrying and paying with cash presents significant risks and drawbacks, including potential loss or not having sufficient cash on hand. A sizable percentage of consumers -- 43 percent -- are very interested in using their mobile device to make purchases that typically require cash. Based on other research, the flexibility to choose and designate the account from which the funds are drawn (a feature included in this app) is also important to consumers. In addition to consumer benefits, mobile for cash payments offers advantages to vendors, including reduced risk of theft and faster and easier settlement (compared to coins and bills that must be physically retrieved, counted, and deposited). Given the benefits to both consumers and vendors, paying for cash purchases with mobile is likely to drive adoption of mobile payments.
Checkout and line-busting

Nearly 1 in 2 consumers are very interested in apps that allow them to skip the checkout line. While “checkout” may conjure up an image of the line at grocery stores, when taking into account all instances of waiting to pay -- at restaurants, bars, convenience stores, etc. -- it can take up as much as 10–15 minutes a day. Of course, most consumers have grown accustomed to waiting and, unless the wait is lengthy, do not object too much. Still, many consumers would welcome apps that give them back time that is otherwise wasted. No wonder that Wal-Mart and other leading merchants are experimenting with line-busting apps. Logistical issues complicate implementation in grocery and retail stores, so these apps are likely to see the greatest adoption early on in bars, restaurants, and other venues.

Managing rewards

As noted in the previous report, loyalty and rewards programs are widespread, with the average consumer enrolled in more than a dozen such programs. With many of the programs, a significant percentage of awarded points go unredeemed, reflecting the difficulties consumers have in tracking and using rewards. Key Ring and other apps have tackled the problem and allow consumers to manage their rewards much more effectively. Interest in such apps is high, with 1 in 2 consumers saying they are at least “very interested.” These apps make it easy for consumers to discover, enroll, and earn points in new programs, and allow rewards programs to dynamically target users based on their usage profiles. As a result, rewards apps are likely to see significant take-up over the next 12–18 months.
Use: Consumers’ experience with support, warranties, and receipts

While postpurchase may not be viewed as part of shopping, it does include experiences that determine consumer satisfaction, loyalty, word-of-mouth, and many other important outcomes. As a result, several apps related to use and ownership of products are examined below.

Service and support

With the exceptions of Amazon, Zappos, and a handful of other exemplary companies, getting service and support can be a frustrating experience for many consumers. Since the need for service arises infrequently, consumers may not have ready access to basic information needed, such as a company’s contact numbers, product model and serial numbers, etc. Apps that make getting service and support easier garner significant interest, with 3 out of 10 “very interested” in support apps.

Warranty tracking

Warranties are common but vary in length -- from 30 days up to four years or more. Some products, such as cars, require scheduled maintenance, and all products are subject to recall. For many consumers, keeping up with warranty, maintenance, and recalls is challenging. More than 1 in 3 consumers are “very interested” in apps that make warranty activation and tracking easier.
Keeping track of receipts

For many consumers, paper receipts are the bane of their existence. Few take the time to organize and store receipts systematically. As a result, remembering the date or even the store from which a product was purchased can be difficult. While bank and credit card statements provide a digital record, often the information is cryptic (e.g., listing just retailer name, not the product purchased) and therefore inadequate. While not everyone is interested in getting digital receipts, a substantial number (4 out of 10) are. With advanced features, such as tagging and automatic summaries by type of expense, receipt apps are appealing to consumers who wish to be better organized.
How mobile impacts consumers’ shopping experience

To determine the impact of mobile on consumers’ behavior, two groups of consumers’ ratings of each of 20 specific shopping experiences are compared: consumers who use a mobile app for that purpose and those who do not.

The table below shows consumers’ ratings on 10 of the aspects examined for both groups. For instance, for the aspect “managing rewards earned on purchases,” 32 percent of consumers who use a mobile app for that purpose are “very happy” with the experience, compared to only 13 percent who do not use a mobile for that purpose.

As shown in the previous report, consumers who use a mobile app are much happier with their shopping experience on every one of the 20 aspects examined. On average the difference in percent for “very happy” is 2:1 (25 percent of those using an app very happy vs. 12 percent for those not using an app). These results demonstrate that mobile can dramatically improve consumers’ shopping experiences.
Current adoption of mobile shopping apps

While mobile shopping apps are proliferating, consumer adoption and use lag levels of interest by as much as 20–30 percentage points. For example, as shown in the chart below (from the first installment of this report), only 28 percent of smartphone owners use a mobile app to find coupons. However, as reported above, nearly 60 percent are “very interested” in coupon apps. Likewise, the percentage of respondents interested in price comparison apps (54 percent) is double the number that uses them.

<table>
<thead>
<tr>
<th>Purpose</th>
<th>Use by Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>Find coupons</td>
<td>28%</td>
</tr>
<tr>
<td>Compare prices</td>
<td>27%</td>
</tr>
<tr>
<td>Find upcoming events</td>
<td>25%</td>
</tr>
<tr>
<td>Get offers and deals</td>
<td>25%</td>
</tr>
<tr>
<td>Shop for gifts</td>
<td>20%</td>
</tr>
<tr>
<td>Compare products</td>
<td>20%</td>
</tr>
<tr>
<td>Check stock in stores</td>
<td>19%</td>
</tr>
<tr>
<td>Remember products to buy</td>
<td>19%</td>
</tr>
<tr>
<td>Keep up with new products</td>
<td>18%</td>
</tr>
<tr>
<td>Manage rewards earned</td>
<td>16%</td>
</tr>
</tbody>
</table>

**Conclusion**

While adoption generally lags behind stated interest, a number of factors are fueling mobile shopping app adoption and use:

- Saving time and money are important, pressing priorities for many consumers.
- As consumers gain experience with smartphones, they are exposed to apps used by friends, family, and other sources. Increasing awareness and exposure lead to trial and, assuming the experience is positive, usage.
- More accurate location, better imaging capabilities, NFC (near field communication), and other sensors are making smartphones even more useful for mobile shopping. Combined with more
ubiquitous and faster wireless connections, the UX (user experience) for mobile shoppers is continually improving.

- Wireless coverage is expanding and indoor coverage improving, allowing consumers to use apps such as Key Ring (which digitizes loyalty cards) and Zingle (which allows consumers to order while standing in line) in more stores, malls, and other locations.

- Consumers are increasingly using social media to share, discover, and obtain feedback, often about products and services of interest. Pinterest and Pretty in My Pocket (which focuses on cosmetics) are two examples. As more shopping apps incorporate social content and functionality, their appeal rises.

- Innovation by third-party developers, brands, and retailers is occurring at a rapid pace. Developers are also enhancing the functionality and usability of mobile shopping apps. Take LocalSocial, for example -- developed and continuously refined over the last three years by Rococo Software in Ireland, the app now incorporates personalization, location, and context-aware capabilities.

- Retailers are investing significantly to improve the shopping experience. Home Depot, for example, is providing in-store maps and other aids to help smartphone users locate products, find deals, and even pay at checkout. With the Neiman Marcus mobile app, customers, upon entering the store, can alert sales associates and give them access to their shopping history and Facebook profile.

- Developers such as m-ize and Phunware have introduced mobile shopping platforms that retailers and brands can adopt, in whole or part. With white-label solutions, these platforms provide an easy on-ramp into mobile shopping for companies large and small.

- Finally, the epic battle for dominance in mobile commerce and payments is driving innovation and competition among industry giants Google, PayPal, MCX (Merchant Customer Exchange), Isis (a consortium formed by mobile operators AT&T, Verizon, and T-Mobile), and others, not to mention banks, credit unions, and other incumbent financial institutions. As the most recent PayPal release demonstrates, these mobile wallet initiatives are including more and more mobile shopping functionality.

Given these powerful drivers, conditions are ripe for innovation and rapid growth in mobile shopping apps. The biggest question is which of the many startups vying for funding and traction and giants who are investing considerable resources will be among the winners -- time will tell.

Implications for retailers, brands, and local businesses

Top priorities for retailers: Reduce friction and recreate experience

As discussed in part one of this two-part report, consumers are frustrated and annoyed with many aspects of shopping, especially in brick-and-mortar stores. As saving time and money becomes even more important to consumers, retailers who fail to simplify the shopping experience will be penalized. Among the priorities for retailers:

- Leverage digital and mobile platforms to make circulars, coupons, and other resources that make it easy for consumers to find and use offers, much as they do online. Cloud-based platforms by
Key Ring (recently acquired by Gannett) and other solution providers allow retailers to implement these solutions quickly and with minimal investment.

- Deploy in-store digital plus mobile solutions like aisle411 to help shoppers more easily discover and find products in stores.
- Better integrate online (search, internet, and digital shopping) and in-store experiences by implementing what Darrell Rigby of Bain calls "click-and-mortar" strategies.
- Personalize and enhance consumers’ shopping experience using digital signage and immersive technologies such as augmented reality from companies such as Merlin Mobility.
- Partner with brands to source and curate relevant content.
- Following the lead of Neiman Marcus, make relevant social content available to consumers as they shop in stores.

Priorities for brands: Engage consumers along the journey

Instead of engaging consumers, many brands continue to rely on traditional interrupt strategies to merely promote products. While the particular strategies depend on consumers’ involvement and interest with the brand or category, brands can employ a number of strategies to engage consumers. The top priorities include:

- Work closely with search platforms and retail partners to ensure that consumers can easily determine where your products are available
- Leverage consumers’ location, interests and other digital signals to provide more contextually relevant communications and offers, in-store and out-of-store
- Provide more targeted, compelling offers and track their ROI using apps such as ibotta and platforms such as Sparkfly
- Encourage retailers to make their inventories and prices visible to consumers in real time using solutions like Retailigence.
- Integrate consumers’ online and offline experiences using solutions like shopkick.
- Provide information and help consumers compare, evaluate, and get opinions, as illustrated by the fashion app Go Try It On (now part of Rent the Runway), which allows consumers to get advice and suggestions from community members and experts in real time.
- Advise consumers on how to use and maximize the value of your products, as illustrated by Tide’s Stain Brain.
- Employ big data and advanced analytics to uncover variations in consumers’ shopping patterns. Tailor product and promotional mixes to various segments.

Recognizing the challenges and opportunities presented by mobile shoppers, leading brands are employing a variety of approaches, including hackathons and competitions, to spur innovation. For example, Mondelēz International (the global snack company formed by the separation of Kraft Foods) partnered with Kicklabs last fall to launch the Mobile Futures initiative. After identifying some 30 promising startups in the initial round, Mondelēz selected nine startups to partner with its brands, which
include Oreo, Halls, Trident, and others, focusing on “challenges in the areas of consumer engagement and path-to-purchase that have not yet been solved.” By partnering with innovative startups such as Banjo, Lisnr, Roximity, and Endorse, Mondelēz is clearly thinking outside the box.

**Priorities for local businesses: Leverage location and immediacy**

Despite their small size and lack of technical expertise, local businesses are well positioned to engage mobile consumers as they shop. Consumers often use mobile to make and carry out plans the same day and in many instances right away. That immediacy puts a premium on proximity and convenience, where local businesses often have an advantage. Fortunately, an expanding array of solutions allows merchants to do what they do best -- serve as a familiar, trusted source and serve customers’ immediate needs. Top priorities for local businesses include:

- As basic as it may seem, ensure that the business location, hours, and other details (menus, directions, etc.) are accurate and up-to-date.
- Leverage location-based services and strategies, including geo-targeting and geo-conquesting (targeting customers who in or around a competitors’ location), offered by companies such as xAd and YP
- using tools such as Thinknear, reach shoppers with time sensitive offers based on time-of-day, current inventory and other criteria
- Employ smart rewards programs such as access, recognition, co-op, and special offers valued by consumers.
- Engage with customers on social media, utilizing location-aware solutions such as Citymaps and tools such as NeedTagger that detect signals of needs, interests, and intent.

A recent immr survey found that smartphone owners are more willing to share their social media profile with a local business (favorite local restaurant) than with their bank or credit card company. By providing targeted, relevant offers and convenient, rewarding experiences, local businesses are well positioned to engage mobile consumers.
### Appendix: Ratings across all mobile apps

<table>
<thead>
<tr>
<th>Mobile Shopping Apps</th>
<th>Very Interested</th>
<th>Invaluable</th>
</tr>
</thead>
<tbody>
<tr>
<td>MyCoupons - receive digital coupons</td>
<td>44%</td>
<td>15%</td>
</tr>
<tr>
<td>PriceCompare - compare product prices</td>
<td>44%</td>
<td>10%</td>
</tr>
<tr>
<td>RewardsMax - track, redeem loyalty rewards</td>
<td>40%</td>
<td>9%</td>
</tr>
<tr>
<td>InStock - find where product is in-stock</td>
<td>38%</td>
<td>8%</td>
</tr>
<tr>
<td>SkipCheckOut - pay w/ mobile, bypass line</td>
<td>35%</td>
<td>11%</td>
</tr>
<tr>
<td>ShoppingList - smart list</td>
<td>37%</td>
<td>8%</td>
</tr>
<tr>
<td>Cashpay - cash purchases w/ Mobile</td>
<td>33%</td>
<td>10%</td>
</tr>
<tr>
<td>MobilePay - pay w/ phone, securely</td>
<td>32%</td>
<td>9%</td>
</tr>
<tr>
<td>OrderM - order food/drinks on mobile</td>
<td>33%</td>
<td>8%</td>
</tr>
<tr>
<td>MyDeals - recommended deals, offers</td>
<td>36%</td>
<td>5%</td>
</tr>
<tr>
<td>ReceiptGenie - receipts sent to mobile</td>
<td>33%</td>
<td>8%</td>
</tr>
<tr>
<td>ProductGuru - compare, evaluate products</td>
<td>35%</td>
<td>5%</td>
</tr>
<tr>
<td>InStoreGuide - find product in-store</td>
<td>32%</td>
<td>7%</td>
</tr>
<tr>
<td>Happenings - events/entertainment</td>
<td>35%</td>
<td>3%</td>
</tr>
<tr>
<td>WarrantyTrack - warranty, upgrades</td>
<td>30%</td>
<td>7%</td>
</tr>
<tr>
<td>GetSupport - contact support</td>
<td>27%</td>
<td>4%</td>
</tr>
<tr>
<td>BrowseNew - news, info (products/businesses)</td>
<td>26%</td>
<td>4%</td>
</tr>
<tr>
<td>ServiceGuru - compare service providers</td>
<td>26%</td>
<td>3%</td>
</tr>
<tr>
<td>MyAdPref - tailor ads on mobile</td>
<td>19%</td>
<td>4%</td>
</tr>
<tr>
<td>GiftGuru - shop for gifts</td>
<td>17%</td>
<td>3%</td>
</tr>
</tbody>
</table>

Source: immr Mobile Shopping Survey, August 2013
Methodology

The data presented in this report is drawn from an online survey of smartphone owners in the U.S. Conducted by immr in February 2013, the sample included some 550 individuals ages 21 to 64, balanced on gender, age, and geography. Respondents were recruited using an online panel and screened for smartphone ownership and other characteristics. The questionnaire was developed based on qualitative research and a pretest with several hundred respondents in fall 2012.

Disclosures:

Dr. Hendrix is an advisor to m-ize and has served as a consultant to AT&T. Key Ring and AT&T have also sponsored Dr. Hendrix’s research.

About the Author

Dr. Phil Hendrix is the founder and director of immr, a research and advisory firm focused on market opportunities afforded by new technologies, and an analyst with GigaOM Pro. He specializes in helping organizations evaluate and capitalize on opportunities that are new-to-customers and new-to-market. He also advises startups, including m-ize, Pugmarks and others. Dr. Hendrix has extensive experience uncovering customer needs, identifying triggers and hurdles to adoption, and developing strategies that unlock market opportunities, both B2C and B2B.

As an analyst, Phil focuses on mobile innovation and the implications for companies across industries. He is a regular contributor at leading industry conferences, including the World Summit Awards (Abu Dhabi), GigaOM’s Mobilize and Structure:Data, ad:tech, iMedia Summit, Mobile-loco, Social-Loco, Street Fight (hyperlocal), and others. His current work focuses on technology and its impacts on consumer behavior, especially shopping, M-commerce, and mobile payment.

As a consultant and advisor, Phil has led significant engagements with numerous startups (GeoIQ, M-ize.com, Company.com) and multiple business units of Fortune 100 clients in mobile and consumer electronics (AT&T, Verizon, Sprint, Sony Ericsson, HP, Barnes & Noble, and others), financial services (American Express, MasterCard), transportation (Delta Airlines, UPS), insurance (Allstate, UnitedHealthcare), health care (U.S. Oncology, Meridian Healthcare), and others.

Dr. Hendrix works closely with senior management and project teams on key issues, including market sizing, segmentation, positioning, and branding as well as innovation, user experience, and customer retention. Over the course of his career, Phil has helped clients conceive and successfully launch products, services, and businesses in existing and new markets.
Before founding immr, Phil was a partner with DiamondCluster (strategy and technology consultancy), founder and head of IMS (Integrated Measurement Systems), and a principal with Mercer Management Consulting (now Oliver Wyman). He has held faculty positions at Emory University and the University of Michigan, where he taught courses in marketing, research, and buyer behavior to MBAs and executives. While at Michigan, Dr. Hendrix also held a joint appointment as a research scientist in the Survey Research Center, Institute for Social Research.

Additional information on immr perspectives and reports prepared by Dr. Hendrix is available at immr and SlideShare, with additional information available at Gigaom Research.
About Gigaom Research

{to be added}