RETAIL NEWS INSIDER

Engaging Mobile Consumers—
Is an App Always the Answer?

Interactions

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Is an App Always the Answer?

By Retail News Insider

Every good retailer needs an app, right? Popular consensus says yes, but some vocal digital experts are now leaning more toward the "maybe" side of things.

80 percent of apps are used just once then deleted.

Source: IBM

While mobile apps have been a huge innovation for the retail world in recent years, that doesn't mean consumers will use a retailer's app simply because it exists. We know shoppers are using their mobile devices in the store but only about 21 percent turn to a retailer's app first, according to a study conducted by Google. Instead, the majority of shoppers begin their digital journey by using a mobile browser to search for a product or by going directly to a retailer's website.

So, if you're a traditional brick-and-mortar retailer, how do you decide whether you really need an app to engage consumers? And if you do build or improve upon one, how can you ensure consumers will actually want to use it?

Mobile Apps vs. Mobile Websites

For starters, it's important to understand that by questioning apps, no one is questioning the need for

a mobile strategy. That's a given. The debate centers on whether a dedicated app—one that must be independently downloaded to the device it has been optimized for—is needed or if a mobile-enabled website—which all users with an Internet browser on their device can access—is a better business choice.

75 **percent of shoppers say they use their mobile devices in-store.**
Source: InReality

Experts say there are several keys to determining the best solution for any particular retailer. One is to consider the investment you're willing and able to make in a mobile solution. Today's mobile websites generally run as an extension of a retailer's main site. With a little extra technical wizardry behind the scenes, these "responsive design" sites can automatically turn full-featured, graphic-heavy pages that look great on a laptop into streamlined pages that load quickly and can be read easily on a mobile device. These sites are typically less expensive and less

time-consuming to build and update than an app.

Dedicated apps are more expensive because they require their own technical architecture depending on what device(s) you want them to run on. While websites will run on any device that has an Internet browser installed, an app built for the iPhone, for example, won't run properly on an Android or Windows phone. To serve all of your customers, then, you have to build—and update—multiple versions of your app for the various digital platforms available.

Most experts agree that, at a minimum, a responsive mobile website is a must. Whether you also build an app in addition to your site depends on what you want your mobile solution to do. In his "You Don't Need an App for That" blog on *Entrepreneur*, CEO of IT services firm Turing Group Eric Dynowski asserts, "Certainly, there are times when a native app is going to deliver the best, most productive user experience. If functionality requires access to built-in smartphone data or capabilities, such as a camera, voice recorder or GPS information, then yes an app will serve your business well. For almost all other mobile capabilities, however, an

elegant and simple mobile-optimized website is the smarter investment choice."

Consumers who use mobile solutions spend up to 6 times more than in-store only shoppers.
Source: Walgreens

Driving Mobile Adoption

An extra challenge in all of this is not just deciding what you as a retailer want from a mobile solution, but what consumers want. You can build an app packed with capabilities, but if they're not tools shoppers find valuable, there will be little incentive for them to use it.

Like so many things in retail, this comes down to knowing your target audience. Surveys that looked at general shopping trends using mobile devices found that many shoppers use mobile apps and websites to find coupons, check prices and local availability of products, and learn about new offerings. But surveying your own audience can reveal finer and more insightful details specific to your market. For example, a report by SAP showed the 37

percent of grocery shoppers who use mobile devices in-store search for recipe information—the single most common activity. If you're a grocery retailer, a detail like this could help you build a more relevant mobile solution.

58 percent of mobile purchases are made via **websites** and **42** percent through apps.
Source: Internet Retailer

Who's Getting It Right?

Though the journey to building a robust mobile solution isn't always smooth sailing, there are numerous retailers today who serve as examples of ideal execution—and who are using mobile platforms to great advantage. Take drugstore chain Walgreens, who has been a pioneer in developing omnichannel solutions.

Several things stand out about Walgreens' app and hint to the basis of its success. It has multiple functionalities that drive shoppers to purchase—for example, providing the ability to refill prescriptions by scanning the

labels on empty prescription bottles. The app also helps shoppers find products with in-store aisle mapping and earn loyalty points for being active. This last example is a key differentiator for Walgreens' app: it integrates with other popular apps, such as the FitBit exercise tracker, which drives regular engagement.

Other leaders in the mobile arena include Target, whose own-branded mobile commerce app and Cartwheel deal-finding app together drive 76 percent of its total online traffic from mobile, and Victoria's Secret, whose PINK Nation mobile commerce and social sharing app ranks among the highest mobile apps for consumer engagement.

"The success of all such firms is a willingness to consider that the mobile experience is enriched and treated with the same seriousness and importance as the brick-and-mortar world," says Dr. Lance Eliot, Vice President of Global IT for Interactions.

Building a Successful Solution

Dr. Eliot's assertion highlights the keys to building a successful mobile solution— giving it serious time, thought and investment. As noted above, this includes

knowing your audience and learning what they want out of a mobile solution. It also means creating a solution that truly reflects your brand image, is easy to use and works seamlessly across all mobile devices. Where many retailers fail is in "considering their mobile elements to be second fiddle, starving it by not making the needed investments and not giving it the appropriate level of attention at the executive levels," says Eliot.

Last but not least, Eliot highlights the importance of continuous improvement. "Smart retailers seek feedback from consumers and do not cling to an initial version [of a mobile solution] due to somehow being concerned that they will be criticized for reinventing their sites. Instead, they realize that they are likely to see a big boost in consumer acceptance, and the marketplace generally will herald them for reinventing their mobile presence."