



# Unlock the Power of Mobile to Enhance the Customer Journey

In recent years, brick-and-mortar retailers have faced headwinds driven by consumers' growing shift to ecommerce. Increasingly, that shift involves mobile devices and technology. Sales via mobile devices and tablets currently account for approximately 30% of all U.S. retail ecommerce transactions<sup>1</sup>, and the trend toward mobile commerce (mcommerce) is expected to continue.

Does that mean the game is up for traditional retailers? Hardly. Rather, leading brick-and-mortar players have an opportunity to leverage mobile technology to elevate the overall shopping experience and fight off the threat of ecommerce giants like Amazon. In-store and online integration has vastly improved convenience, at the same time expanding overall choice for the consumer. Internally, mobile technology has streamlined the sales role, empowering associates through access to inventory, product specs and communication tools. In short, for retailers out to vanquish their digital-only competitors, mobile technology is key to a winning hand.

### Using mobile to enhance the customer journey

Consumers have embraced mobile as an integral part of their shopping experience. In fact, it has become an indispensable tool for many when visiting retail establishments. One survey

found that 84% of people use their smartphones while shopping, mostly for price comparison, but also for other activities such as creating lists and taking photos (see Figure 1). The survey also found that consumers are more likely to complete in-store purchases if certain "purchase activators" are present. These range from help finding a product to digitally delivered information about products to personalization apps — and all of these activators can be facilitated via mobile solutions.

Most retailers are aware that mobile can be a powerful tool to reinforce the in-store shopping experience and promote store visits. But mobile can also be used to address pain points in customer service and interaction, such as long wait times or locating difficult-to-find merchandise. In fact, opportunities for retailers to harness mobile tools arise throughout the consumer retail journey, including pre-visit, in-store and post-purchase.

Retailers with best-in-class mobile capabilities, whether through in-house or third-party tools, can provide an omnichannel experience that increases both online and in-store sales. Let's look at some of the ways that is already happening.

### A mobile tool for every step of the way

Mobile features play an important role throughout the retail purchase cycle, whether by raising awareness of product offerings, enabling comparison shopping, facilitating transactions or driving repeat visits. The point is, retailers need to take a holistic look at the customer journey, understand the gaps and

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# Executive Insights

pain points, and then implement the mobile applications and solutions that will address those gaps and enhance the overall experience (see Figure 2).

## Before they get there

With all of the options available to order products online, many consumers prefer to give the in-store experience a pass. That's why brick-and-mortar retailers need to stand out with a compelling call to action, and there are a variety of mobile tools to help them do it — from offering in-store flash deals to promoting in-store pickup for products ordered online.

Some mobile technology uses geolocation to determine customer proximity to stores. For example, a number of large retailers, including Walgreens and Barnes & Noble, have entered into agreements with startup **ShopAdvisor**. The company has developed an app that notifies consumers of nearby discounts and sales for products they preselected within the application. It uses these items as a reference and pushes notifications to customers when items go on sale or when they are in proximity to a store branch holding a promotion.

Today's tech-savvy customers also frequently plan their in-store visits by researching merchandise and comparing prices. Many retailers offer tools to facilitate this type of research, including augmented reality apps that help consumers envision what products such as paint or furniture would look like in their homes.

Several retailers, including Neiman Marcus and Saks Fifth Avenue, use technology developed by **Salesfloor** to connect their sales associates with customers. Associates can create personalized versions of the retailer's ecommerce site based on customer preferences, and customers can view recommendations via their customized pages. They can even connect to local associates in the store via the store website and engage with them through email, social media and mobile.

## Once they walk through the door

The in-store experience is ripe for transformation, and for many leading retailers changes are already afoot. A number of mobile applications are focused on in-store pain points. Some are customer-facing, including those that provide product reviews, shopping lists, or virtual and augmented reality capabilities. Others are designed to support a store's sales associates, such as tools that allow them to quickly access product inventory, specs and customer purchase history, or that connect them to other associates and customers.

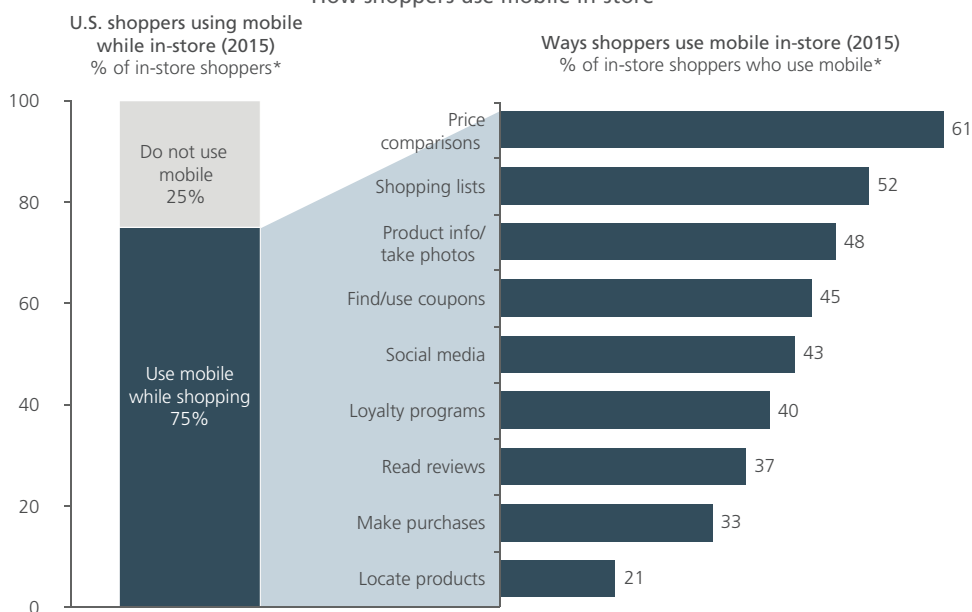
One area that can certainly be improved by an assist from mobile technology is in-store navigation — especially for larger establishments that carry a broad array of different types of products. Some retailers, such as The Home Depot and Walmart, have developed their own navigation apps, while others choose to work with third parties. For example, **RichRelevance** partners with high-end retailers like Barneys New York and

Kiehl's to deliver personalized editorial content to customer mobile devices. It uses beacon technology to guide shoppers to items they have placed on their wish lists when they are near them in the store. The app also provides personalized search and browsing based on current and past behaviors, brand affinities and price preferences.

In-store product and price comparison apps facilitate on-the-fly research, and they can also help sales associates provide personalized recommendations to customers. **Tulip Retail** is a turnkey solution for associates at stores like Toys "R" Us and Coach that allows them to assist customers without leaving the floor. For example, they can look

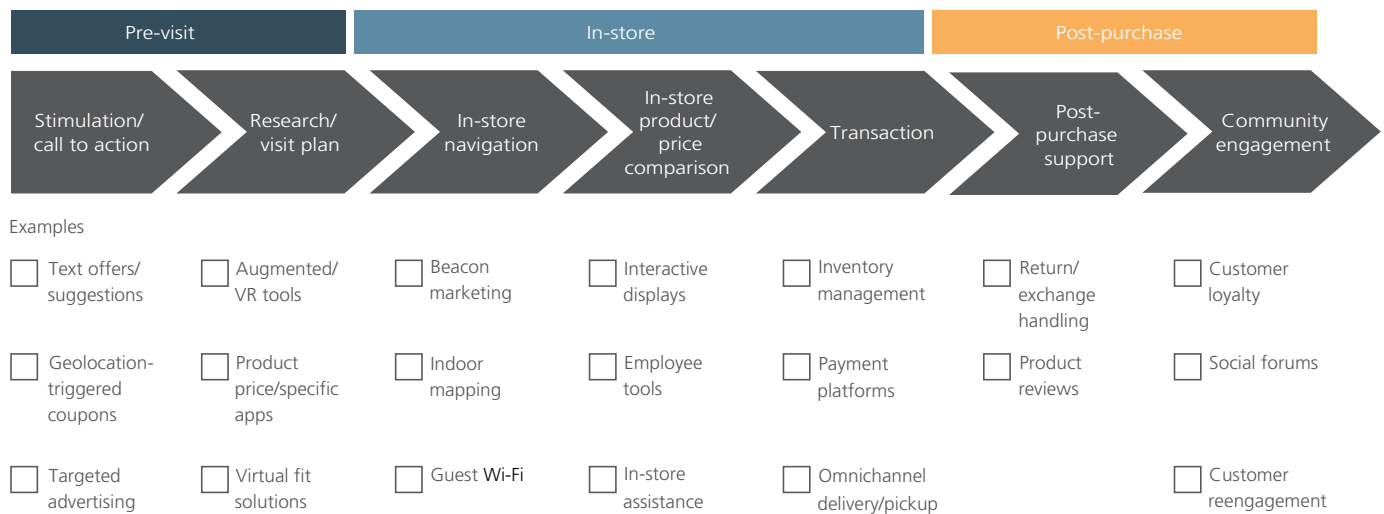
Figure 1

### How shoppers use mobile in-store



\*Note: Based on a survey of ~700 respondents from 48 states by In Reality, sharing data around their shopping experiences. Source: In Reality, L.E.K. analysis

Figure 2  
Examples of mobile apps and solutions to address gaps in the customer journey



Source: L.E.K. analysis

up different products and print price tags, access customer reviews and manufacturer notes, and even assemble different looks for customers and forward them via email or text.

One of the most frequently reported pain points for customers is the transaction itself — whether it requires finding an open cash register, navigating long lines or having an associate locate an item that is out of stock. Technology has the capability to create a seamless purchase process, including enabling payment via a mobile device. On the retailer side, a number of technology solutions provide associates with visibility into product inventory and delivery for better customer service. There are also applications that track customer behavior and transactions for insight into how to improve the customer experience.

To help solve the problem of lengthy lines, **Poynt**, which is reported to be in talks with several major retailers, has developed a portable payment terminal that sales associates can use throughout the floor in place of a traditional point-of-service (POS) transaction system. **Poynt's** terminal is compatible with several payment methods, including credit card readers, **Apple Pay** and **Google Wallet**. It also features a Quick Response (QR) code scanner, register plug-in and receipt printer.

## After they have gone home

Keeping customers enthusiastic and coming back is another critical challenge for brick-and-mortar retailers. Technology solutions can provide different types of post-purchase support, including facilitating the return or exchange process. To keep the

momentum going, other tools offer customer loyalty and rewards programs, ways for customers to engage with store brands or even venues for continuing a dialogue with store associates.

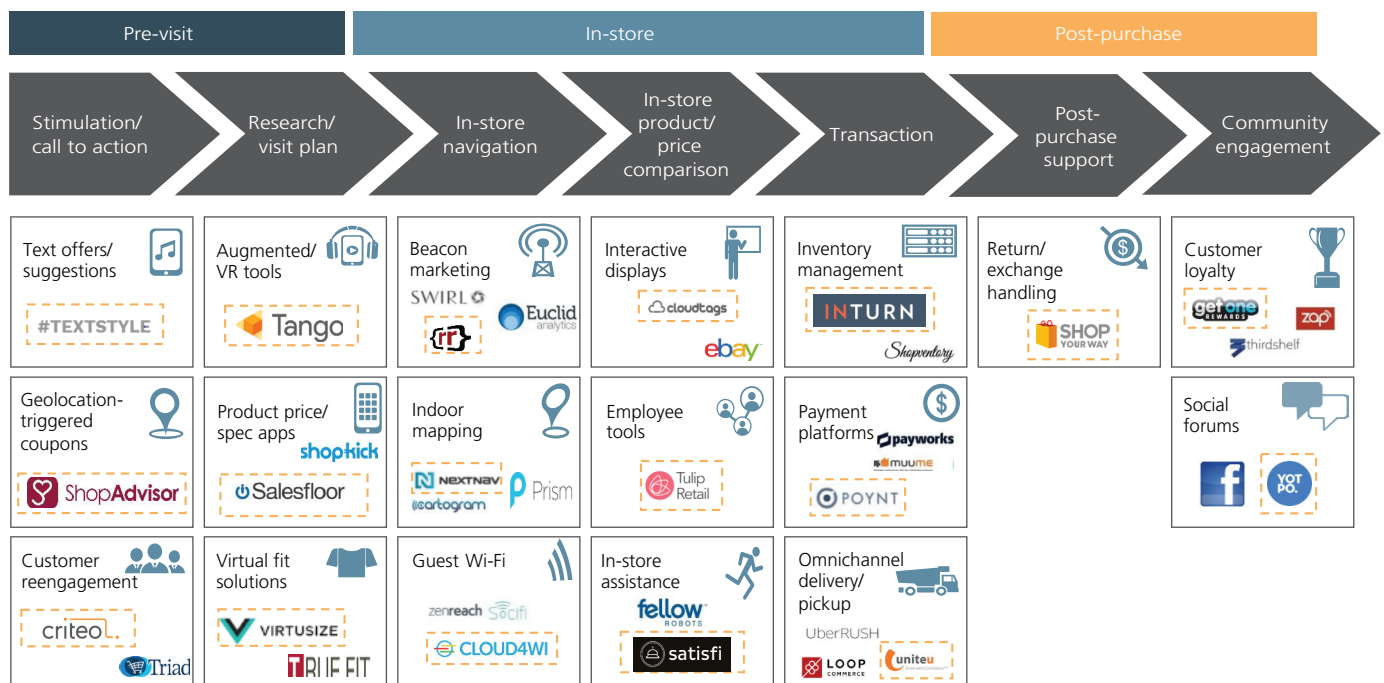
Shop Your Way is a mobile app that can be tailored by individual retailers such as Kmart and Sears. It allows them to offer their customers ways to earn points and receive deals based on past purchases. The app merges with the store's inventory and order system, and offers an in-vehicle pickup service that alerts associates when customers have arrived. The app's "Shop'in" feature gives customers the option to purchase, exchange or return merchandise without leaving their cars. Customers can also use Shop Your Way to ask store associates to confirm that products are in stock before they make a trip to the store.

A number of retailers, including Staples and Sears, have implemented a third-party app called Yotpo that collects customer ratings that retailers then can leverage to promote their products. The app automatically sends a review request to customers following a purchase; the retailer can then easily monitor reviews, share them to their website and social media pages, and enhance organic traffic on Google ratings. On the customer side, Yotpo helps consumers connect with past buyers and ask questions, increasing their engagement and the likelihood of repeat visits.

## Mobile tech: A holistic approach

Traditional retailers are up against some significant challenges: Today's consumers increasingly expect convenient, seamless online and in-store experiences and always-available merchandise.

Figure 3  
Retail customer journey: Objectives



Source: L.E.K. analysis

At the same time, sales associates require new tools to compete with the unlimited information and reviews of online platforms. Fortunately, a growing suite of mobile tools has helped level the playing field, giving brick-and-mortar retailers the wherewithal to compete effectively with their digital-only counterparts (see Figure 3).

However, in order to derive maximum benefit from mobile, retailers will need to select and integrate solutions across the entire customer journey, creating a unique shopping experience that is reflective of their brand. Perhaps the first step is for retailers to examine each aspect of the customer journey and evaluate themselves in terms of how well they have integrated mobile technology. Using this type of scorecard approach can help put a stake in the ground and give retailers a set of concrete goals for improving their use of mobile to enhance the customer experience. Some key questions retailers should ask themselves are:

1. Are you using mobile technology at every step of the customer journey to empower your customers and provide them with a quicker, more informed and ultimately more satisfying experience?
2. If there are any gaps in the journey, can you better address them through internal resources or third-party app solutions?
3. How should you prioritize your efforts? What will have the biggest impact on customer experience?

With the plethora of innovative mobile technologies available to them, retailers have an effective way to get customers headed for their stores — and convince them to purchase once they are there.

<sup>1</sup>“US Retail Mcommerce Sales, 2014-2020” eMarketer.com, March 1, 2016; L.E.K. analysis.

<sup>2</sup>“84% of Consumers Use Smartphones While in a Store” mediapost.com, Aug. 13, 2015.

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## About the Authors



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