

What's In-Store for Mobile? The Winning Moves In Mobile Shopping Assistance

Imagine a seamless shopping experience that begins and ends on a smart phone, with a trip to the store in between: Scrolling through emails while sipping a latte in her local coffee shop, our imaginary shopper—let's call her Emily—sees a retailer's flash offer for a new jacket from her favorite brand. Tapping a link in the email, Emily visits the retailer's mobile Web site, where she's offered a download of the retailer's app. She downloads the app and opens it to read customer reviews for the jacket and check size availability at the nearest store location. Noticing only one jacket in her size left in stock, she makes a beeline to the store. When she arrives, the app's in-store navigation feature guides her to the jacket's precise location. She quickly tries on the item in her size and then uses the app to scan a coupon for additional savings. On the way out she notices a scarf she likes, too. Having already exhausted her budget for impulse buying, Emily uses the app's scanner to add the scarf to her wish list and share it on Facebook – maybe her parents will make it a Christmas present.

For some retailers and their customers, this vision is fast becoming a reality. These innovative retailers understand that many people regard their smart phones as indispensable assistants for shopping, as with other aspects of their lives. Indeed, previous research by L.E.K Consulting found that a majority of smart phone owners now use their devices to assist in purchases every month, and a recent Google survey found that as many as 8 in 10 smart phone owners use their devices in-store to help with shopping. Although most retailers recognize the opportunity

and provide some kind of mobile solution for their customers, few have cracked the code for offering a truly best-in-class mobile experience.

Mobile solutions come in two forms (see Figure 1). The first, "mCommerce," enables customers to purchase products directly through mobile devices. As one would expect, online retailers such as Amazon and Zappos are leaders in mCommerce, offering best-in-class features such as one-click ordering and product browsing and search optimized for small screens. Some brick-and-mortar retailers also have strong mCommerce offerings, including mobile-specific deals and in-store pick up.

Mobile features that enhance the in-store shopping experience comprise the other category of mobile solutions that retailers now use to compete. We refer to such technologies as "shopping assistance" features. These include innovations such as navigation tools and bar code scanners, as well as online inventory checks, product reviews, and wish lists—all the features our imaginary shopper used on her unexpected jacket-buying excursion. Some shopping-assistance features are also used for mCommerce. Shoppers are using their smart phones for both types of mobile solutions, although some prefer the user experience on tablets' larger screens for completing online purchases.

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Both mCommerce and shopping assistance are valuable additions to the customer experience. But we have found that shopping-assistance technology is more likely to be underdeveloped and underexploited by retailers. This is a missed opportunity. Retailers who can become best-in-class in these mobile features will find their effort is richly rewarded. By opening up a new, intimate channel to the consumer, shopping assistance is a key lever for delivering a superior customer experience that, in turn, will ultimately drive sales and create value.

Retailers Need a Highly Customized Approach

Effective shopping assistance requires retailers to customize their mobile presence (either on a Web site or app) to their own brand, store experience, and customer needs. But many retailers are focusing on lowest-common-denominator features, rather than ones that will make their mobile experience stand out and resonate with their brand. They may offer primarily mCommerce solutions, such as an online catalog, while making limited gestures toward shopping assistance, such as providing a store locator. Some have added bells and whistles without creating value for customers and excelling in particular features.

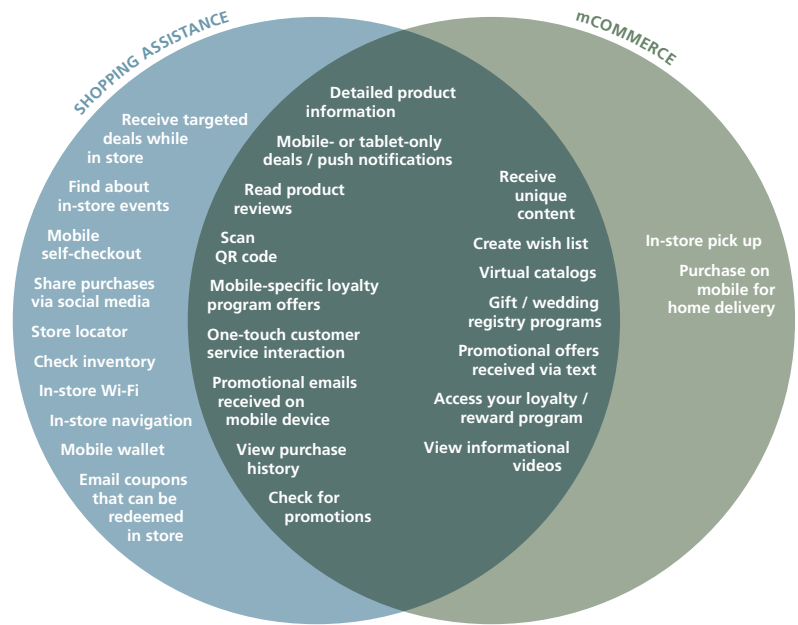
These problems often arise due to organizational issues. Responsibility for mobile strategy may lie with either eCommerce or marketing, without giving a seat at the table to both or to other key functions, such as store operations and customer experience. As a result, mobile features may emphasize online transactions or not be based on a detailed and up-to-date understanding of in-store shoppers' needs.

Offering Assistance Along The Customer Journey

Leading retailers use mobile shopping assistance features to achieve specific objectives at each stage of the customer journey (see Figure 2).

At the pre-visit stage, retailers use shopping-assistance features to drive traffic in-store, such as with flash deals or coupons. They also use these features to make it easier for consumers to conduct research on products when planning a visit.

Figure 1
Mobile Shopping Solutions



Source: L.E.K. Consulting

Shoppers are increasingly turning to shopping-assistance features to conduct in-store research as well as to comparison shop. Additionally, leading retailers are enhancing the shopper experience with features that simplify in-store navigation and purchasing. For example, IKEA's mobile app provides information on products' location and availability in stores to help shoppers find and buy items they have viewed online. Retailers can also use insights they gather on mobile behavior to provide the missing link between traditional eCommerce and in-store behaviors. Having

a comprehensive set of insights on each customer's behavior will allow retailers to tailor offerings more precisely.

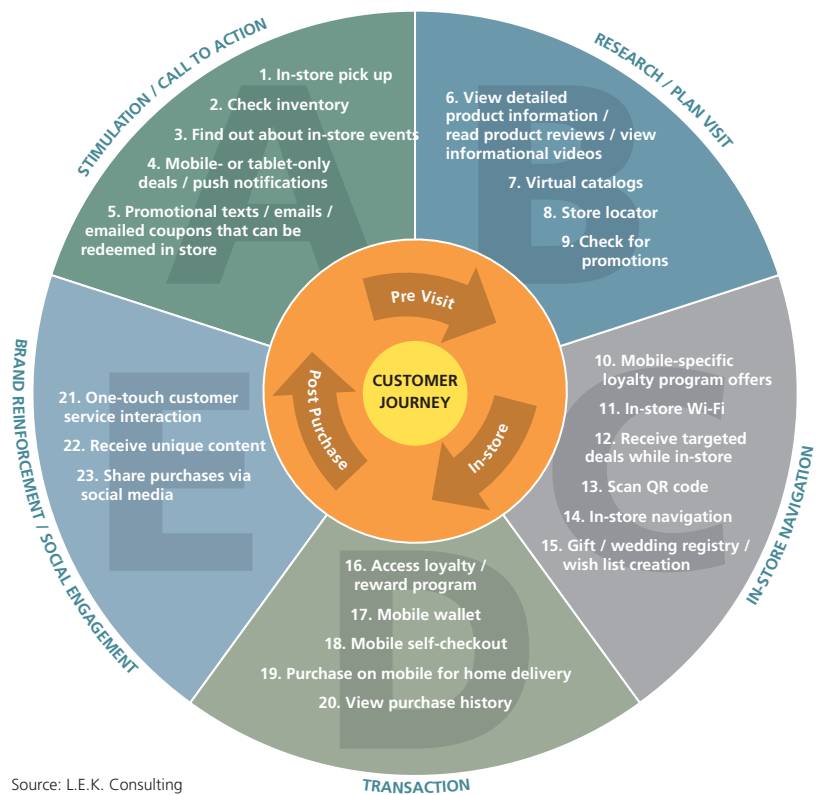
After a store visit, shopping-assistance features can help with brand reinforcement by making the return or exchange process easier and enabling continuous engagement with customers. Retailers can use email, text messages, and/or social networks to steer customers to their apps and once again stimulate store visits through special deals as the customer journey comes full circle.

At each of these stages, retailers are employing a range of best practices. Best-in-class retailers apply a deep understanding of customer needs to design shopping-assistance features that address specific pain points and offer sources of satisfaction above and beyond the usual shopper experience. For example:

- Mobile-enabled research tools** use barcode or QR code scanning to give shoppers the ability to research products online while shopping in-store. Shoppers can compare product specifications and capabilities in real time without an associate's help. Macy's, REI, Sephora, Nordstrom, and Best Buy are among the retailers using this functionality to make available product information and the consumer reviews that shoppers crave. Nordstrom's app, for example, allows shoppers to check scanned products' price, sizing, and availability in stores and online. Shoppers can also add scanned items to a wish list that they can share with friends and family.
- In-store navigation tools** use store maps, GPS, and beacon technologies to make it easier for shoppers to locate the items they want. For example, Home Depot recognized that a key pain point for some customers was navigating its cavernous stores to find the exact product they needed. To help customers locate items efficiently, the retailer has introduced an app that provides rich in-store navigation tools—thereby improving convenience and freeing up associate time.

- Integrated rewards programs** provide quick access to program features, which increases convenience for customers, enables faster checkout, and incentivizes the use of programs that can track customer habits. For example, Starbucks, Sephora, and Walgreens are among the retailers that integrate their rewards program into apps that can be scanned at checkout to accumulate points and apply points to purchases.

Figure 2
Mobile Customer Journey



Source: L.E.K. Consulting

The best-in-class retailers include these shopping-assistance features as part of a comprehensive mobile strategy that not only makes shopping and transactions easier, but also reinforces the brand and keeps customers engaged outside of the store.

Maximize Mobile's Impact

To evaluate the potential for improving their mobile features, retailers should consider the following questions:

- What activities are our customers doing with mobile today, whether for shopping assistance or mCommerce?
- Which mobile features do our customers want from us?
- How will mobile features enhance the shopping experience for our customers?
- What specific pain points can mobile features address?

- Which organizational functions should be involved in mobile strategy and execution? Do they already have a seat at the table?

A well-designed mobile strategy is aligned with the core corporate strategy and based on a deep understanding of your customers and a thorough assessment of how you can use technology to improve the customer experience. Retailers that master mobile features at each stage of the customer journey will likely gain a significant competitive edge in the rapidly evolving market landscape.

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