

Shoppers whip out smart phones to streamline purchases

November 12 2010, By Doris Hajewski

Standing before a display of heart-rate monitors at Sports Authority, Robert Dries of Brookfield, Wis., was ready to buy the one he'd heard about at his health club. But before making the purchase, he decided to pull out his Apple iPhone and check some reviews online.

"They were not that favorable at all," Dries said. "I ended up buying another model."

All over the country, shoppers armed with smart phones are doing some version of this, and the trend is expected to be bigger than ever this holiday season.

"It's a hot topic," said Anne Brouwer, senior partner at McMillan/Doolittle, a Chicago retail consulting firm.

One-quarter of Americans who own smart phones - cell phones that run software, play media and connect to the Internet - plan to use them this year to look for gift ideas, compare prices and find items in nearby stores, according to a survey by BIGresearch for the National Retail Federation. Among young adults ages 18-24, the percentage using phones for shopping is 45 percent.

This is the first year that the retail trade group asked the question. But while it's still a relatively new phenomenon, experts expect shopping applications to exert a growing influence on retailers, as consumers continue to use their mobile devices to take more control of the buying

process.

"I do very little store shopping now," said Kristine Hinrichs of Milwaukee. "Last year I did a bunch of Christmas shopping while under a quilt in bed."

Hinrichs wasn't ill. She just enjoys the convenience of curling up with her phone - and now with her iPad.

Consumers who own [smart phones](#) have an ever-growing number of shopping apps to choose from, in addition to the ability to simply surf the Web on traditional sites. There are apps that help find stores, locate products locally, review products, provide coupons and compare prices.

Fast Mall, an app that launched this fall, has a voice recorder to help you remember where you parked, as long as you remember to use it. Once inside, the app will give you bathroom locations in the mall and can guide you to a particular store if you type in your location. On a test run at Mayfair mall in Wauwasota, Wis., Fast Mall guided me past several stores by name, and then told me to take the escalator upstairs to find GapKids.

Point Inside, a geo-positioning app, can pinpoint your location inside malls and airports, and provides maps of the premises. The Coupon Sherpa app lists national chains alphabetically and provides store coupons and special offers.

Price comparison apps with bar code scanners could have the biggest impact on retailers because they can bring up a list of other merchants offering the same item, allowing an instant price comparison. The PriceGrabber app does that, but the bar code scanner worked only one out of six times when I tested it in Wal-Mart and Macy's stores.

Even without the scanner, PriceGrabber.com and similar price comparison websites can be accessed from a smart phone, and a shopper standing in a store could make a purchase on the phone from a competitor.

"We recommend that retailers get over the fact that consumers can compare prices," said Candace Corlett, president of WSL Strategic Retail in New York. "That horse has left the barn. So go with it and turn it into an advantage."

For example, Corlett recommends that retailers have a store app that will pop up when a shopper enters their stores.

Retailers are adapting to the new smart phone technology, but are still early in the process, according to a report this summer from Forrester Research in Cambridge, Mass. About 60 percent of retailers surveyed early this year either had no mobile strategy or were in the early stage of development.

About 35 percent of retailers had a special site that works with mobile browsers, and a third had an [iPhone](#) app. Android and BlackBerry apps were available for 8 percent of retailers.

Kohl's Corp. has its weekly ad circular available on its app, along with store information. Macy's app lists special events by store and sale information. Both Kohl's and Macy's apps allow users to make a purchase from their phones. JC Penney's app has product-related YouTube videos, offers weekly deals for mobile and sends coupons to your phone.

Amazon.com's app, meanwhile, has a bar code scanner and an experimental feature that offers to save photos and try to find similar products. The [app](#) wasn't tested for this report.

Retailers surveyed by Forrester report investing, on average, \$170,000 on their mobile sites in 2009, but large chains said they expected to spend \$500,000.

Despite the fanfare this year, mobile shopping is still just a tiny part of sales. Retailers told Forrester that mobile browsers generated just 2.8 percent of their website traffic last year and 2 percent of Internet revenue.

A survey by WSL Strategic Retail found that one of the biggest uses for mobile phones while shopping in stores was taking photos of products. People send them to friends, post them online or keep them as a reference.

"Last year I was looking for a camera," Hinrichs said. "I couldn't remember which model was at which place." She solved her problem by taking pictures of the cameras she liked, and also showed the photos to her friend to get advice.

Corlett said her company's surveys show very different uses of mobile by gender and age.

"Men are using it more than women," Corlett said. They are more likely to be gadget-lovers and to use their phones to compare prices.

Dries admits to making a purchase while showing off his phone to friends in a restaurant.

"We were goofing around with the phones," Dries recalled. By the end of the evening, he'd bought a Timex Ironman watch from Zappos.com, without leaving the table.

All of the apps in this report are free.

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