

Mobile marketing for the future

December 20 2011, By Kim McGrath

Bar code scanner apps turn smart phone cameras into a way for shoppers to receive instant, on-the-go, online price comparisons for any item with a Universal Product Code. Does this mean consumers are moving toward online purchasing if they can buy at a cheaper price?

“A brand’s value is a function of the benefits it delivers to [consumers](#) relative to the cost of acquiring those benefits. I challenge my students to think about enhancing benefits to increase value, rather than simply cutting price,” says Associate Professor of Marketing Sheri Bridges. “Price is the easiest marketing decision variable to change and the one that’s changed the most often. But the discount spiral is difficult to get out of once it starts, and if it’s easy for you to do, it’s just as easy for your competitors.”

Students in Bridges’ class learn that good marketing is about providing the right value to the right customers. “Discounting amounts to paying customers to like your brand. That’s rarely a sustainable long-term strategy.”

In addition to teaching, Bridges is the faculty director for the University’s recently launched retail marketing center, which is working to find innovative strategies to capitalize on mobile technologies that benefit manufacturers, retailers and consumers.

A [comScore survey](#) found that 6 percent of the total mobile audience, scanned a QR code in June 2011. And 54 percent of those people who scanned QR codes have a household income of \$75,000 or more. Mobile

barcode scanning increased 1,600 percent globally during 2010.

“We are just beginning to incorporate smart phones into marketing strategies,” Bridges says. “This technology has the potential to change the shopping experience and provide added value to consumers that may help reverse the reliance on price reductions.”

Examples of marketing trends that connect consumers and their [smart phones](#) with improved shopping experiences include a major retailer’s use of a 42-inch in-store touch screen where customers can shop a full online catalog and scan bar codes for extra information and product recommendations; and smart phone apps that offer location-based gaming, dispensing rewards to consumers for checking-in to stores.

“When a brand goes on sale, it gives away part of the profit margin needed to invest in innovation and quality,” Bridges says. “As we look toward the future of retail, marketers must find alternatives to discounting. Companies cannot afford to develop the newer and better products we all want if we continue to lower prices and reduce profits.”

Provided by Wake Forest University

Citation: Mobile marketing for the future (2011, December 20) retrieved 9 April 2024 from <https://phys.org/news/2011-12-mobile-future.html>

<p>This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.</p>
--