

Smartphones to play bigger role in shopping

November 19 2012, by Hadley Malcolm

You've just entered the mall to do some holiday shopping, and your phone buzzes with alerts for coupons at nearby stores.

You walk into your favorite shop, and a store employee uses an [iPad](#) to pull up the wish list you made online at home and brings you the merchandise. Then you skip the line and check out directly with the employee.

These are just some of the scenarios shoppers will encounter this [holiday season](#) as they and retailers increasingly make use of smartphones and other technology.

Almost 70 percent of [smartphone](#) owners plan to use the devices for holiday shopping, according to a survey of more than 5,000 [consumers](#) by Deloitte.

"This is the year mobile is really going to make a big difference in retail," said Larry Freed, president of ForeSee, a company that helps retailers analyze their stores' customer experience.

The biggest boon for retailers is the opportunity to present tech-toting customers with more reasons to buy a product from them vs. somewhere else, whether it's because of the ease of scanning a QR code and purchasing the product from your phone, browsing additional inventory on an iPad or heading to a store because your phone just alerted you to deals there.

Technology is ultimately helping retailers combat showrooming - using stores to browse products while buying them for less online - as much as it's helping consumers practice it, Freed said.

"If I were a retailer, I would embrace showrooming, and I'd be more worried about a [competitor](#)'s mobile experience being in my store," he said. "If I can make (my) mobile experience compelling, now I can not only keep my competitor out, I can actually make the [shopping experience](#) better."

That's what many are trying to do, whether with applications; tablets to let consumers browse out-of-stock products and to show video tutorials; or mobile checkout capabilities that reduce long lines by completing sales from anywhere in the store.

"The art here is being able to use the technology in a way that can influence the purchase," said Sandeep Bhanote, head of mobile retail solutions at VeriFone, a payment technology company that works with at least 50 retailers on mobile payment solutions.

-Mobile checkout. Expect to encounter more mobile-equipped store employees, and shorter lines as you complete your [holiday shopping](#), Bhanote said. J.C. Penney and Nordstrom are among retailers phasing out cash registers in favor of mobile checkout, and others, such as Finish Line, are also adopting the technology in time for the holidays.

Finish Line's mobile deployment wasn't just about serving customers, but equipping employees with more information, said Terry Ledbetter, chief information officer for the company. "(Customers) are coming in sometimes with more information on our products than our associates know," he says.

The mobile devices that employees carry have apps that provide

extensive product information and training, such as what a shoe is made of and its best uses. Entering a customer's loyalty program number in the device also allows employees to track purchase history and make subsequent product recommendations, Ledbetter said.

-Tablet-assisted shopping. Retailers including Guess and PacSun are setting up iPad kiosks in stores that let customers browse "look books," as well as additional inventory, and purchase items through the tablet.

Teen apparel retailer Aeropostale opened a new store on Long Island, N.Y., in October to test certain technology during the holiday season. iPads in dressing rooms let customers choose their own music, and additional iPad kiosks throughout the store provide the ability to look at style guides, build outfits that can be emailed to yourself or friends, or simply shop the retailer's website.

Target is also piloting iPad-assisted experiences in some stores, with employees in the beauty department using them to help customers sort through products across brands and provide advice.

-Geofencing. Coupon code site RetailMeNot has updated its mobile app for the holidays to include this capability, which sends users notifications for deals at nearby stores. The app is still in test mode, but will be compatible with stores in about 500 malls by Black Friday.

The technology "effectively sets up a digital boundary," said John Faith, senior vice president of mobile at RetailMeNot. "When you cross that digital boundary, a notification appears on your phone."

The notification alerts you to real-time deals or [coupons](#) for nearby retailers, which can be redeemed by scanning the bar code from the RetailMeNot app or an associate entering the code manually. In a survey RetailMeNot conducted in the spring, more than a third of respondents

said they would be more likely to make an in-store purchase if they could find a coupon on their phones.

-Mobile-specific deals. Target and L.L. Bean are two retailers offering mobile deals or experiences for the holidays. L.L. Bean will run a new promotion on its mobile site every day for the 16 days leading up to Christmas.

Target has identified a list of top 20 toys for the holiday season that are on display in stores. Each has a corresponding [QR code](#) that shoppers can scan to purchase a toy directly from their phones and have it shipped for free wherever they want.

By providing in-store technology or developing apps optimized for in-store use, the retailer has more control of the customer's experience, Freed said. "You'd rather them use your experience than pull their phone out and look for the product on Amazon," he said.

-Wi-Fi. More retailers this year will have enabled Wi-Fi in stores to support services such as mobile checkout and give ease of access to consumers using phones or tablets to research or make purchases. Retailers including Target, Home Depot and Saks Fifth Avenue now offer Wi-Fi.

"This is a huge trend," said Joseph DeStasio, manager of Boingo Wireless, a company that provides wireless capability to more than 40 shopping centers. "People have come to expect Wi-Fi connectivity everywhere they go."

Between 20 percent and 30 percent of retailers have deployed Wi-Fi in stores, and DeStasio expects that to jump to 30 percent to 40 percent of retailers in the next couple of years.

Wi-Fi also allows for cloud-based services that retailers are expected to start adopting, such as a shopping cart that Finish Line plans to roll out in December. If a customer shopping Finish Line's website adds products to a cart or wish list, a store employee can pull up that list via mobile or tablet once a customer is in the store and complete the transaction.

While the holidays are a great time to test new strategies due to the high volume of traffic, Bhanote said, at least one store has already embraced a 100 percent mobile strategy.

C. Wonder is a VeriFone client and women's apparel and accessories shop that opened last fall. The brand has 10 stores, with one more opening in time for the holidays outside Philadelphia, and none house traditional cash registers.

While the stores have a "concierge" desk in the center, which includes cash drawers, all employees carry mobile checkout devices and can ring customers up from anywhere in the store, usually from smaller "mobile checkout units" stocked with wrapping, bags and receipt printers. Depending on the size of the store, it could have between 15 and 30 mobile checkout devices, says President Amy Shecter.

"The store efficiency and the productivity of the store becomes so much more as a result of not having to devote real estate to registers," she said. "And it's so much faster to check out."

Customers can even check out from the dressing room, where they can push a button from inside the room to call for assistance from a store associate. Small touch screens in each room allow customers to choose their own lighting and music while they're trying clothes on.

For C. Wonder, implementing a tech-friendly environment is all about

creating a more memorable, and efficient, shopping experience, which Shecter says is especially important for time-strapped holiday shoppers.

"We believe we have a big responsibility as a brand that opened in the 21st century to think about technology," she says, adding that she thinks that a completely mobile approach will be integrated by mainstream retail in the next five years. "(Women) want technology that's more relevant and will make their experience more enjoyable."

In the never-ending and increasingly competitive bid for consumer dollars, integrating technology that makes for an easier and more enjoyable shopping experience isn't just about besting competitors, it's about winning over [shoppers](#).

"If I can create a better customer experience, I'm going to win that customer," Freed said.

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