

For retailers, the smartphone is future of store experience

December 12 2018, by Anne D'innocenzio



In this Aug. 7, 2018, file photo, the Samsung Galaxy Note 9 is shown in New York. Retailers are taking back some control of the store experience with smartphone app features that let customers do things like scan and pay, as well as download digital maps. (AP Photo/Richard Drew, File)

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Nike created a buzz last month when it unveiled two [new features](#) on its [mobile app](#) during the opening of its latest high tech [store](#) in New York City. One feature lets shoppers see details of every item displayed on a mannequin by scanning the QR code next to it. Then with just a click, they can have the looks delivered to a fitting room or a designated pickup spot without ever talking to a store clerk.

Another feature, instant checkout, lets customers who've stored their credit card information on their phone scan the barcode of an item, click the purchase button, then walk right out of the store.

The approach marks a big departure from just a few years ago when retailers viewed the smartphone as their enemy—customers often whipped out their device to compare prices online and walked out of the store to buy elsewhere.

Now companies are taking their cues from shoppers, who are increasingly using their mobile devices to make purchases. That was evidenced at the start of the holiday shopping season, when 33 percent of online Black Friday sales were made on smartphones compared with 29.1 percent on Black Friday last year, says Adobe Analytics, which tracks online spending.



In this Nov. 9, 2018, file photo a sign promotes online and home delivery of groceries at a Walmart Supercenter in Houston. Retailers are taking back some control of the store experience with smart phone app features that let customers do things like scan and pay and download digital maps. (AP Photo/David J. Phillip, File)

"They're browsing, they're looking at content, they're getting reviews and they're transacting," said Jeff Gennette, CEO of Macy's, who expects the department store chain to hit \$1 billion in mobile sales for the first time by year-end.

But there's still room for improvement. Stores need to do a better job of promoting their mobile checkout while working out some kinks. They also need to make their in-store Wi-Fi service more reliable, analysts say.

Here are three problem areas:



In this Nov. 9, 2018, file photo signs promote the Walmart app to use item finder at a Walmart Supercenter in Houston. Retailers are taking back some control of the store experience with smart phone app features that let customers do things like scan and pay and download digital maps. (AP Photo/David J. Phillip, File)

KINKS IN MOBILE CHECK OUT: Walmart, Target and other large retailers have been sending workers throughout the busiest sections of their stores to check out customers with [mobile devices](#). At Macy's, shoppers can scan and pay for items using a new app feature on their own smartphones. From there, they must then go to a mobile checkout express line or a regular cash register and show the app to a worker, who will remove security tags from clothing.

But there are limitations to the services. For stores like Walmart and Target, shoppers can only use mobile checkout for a limited number of

items; if they have a cart full of products, they'll need to still go the cash register. And unlike Nike, many stores aren't heavily promoting the service.

SPOTTY WI-FI SERVICE: Stores' Wi-Fi service had been good enough for shoppers to tap into general information on their phones. But now it needs to be more reliable to handle all the digital content and services, according to Neil Saunders, managing director of GlobalData Retail, a retail research firm. Analysts say the connections are still spotty and are not consistent within the store, and the service gets worse when the store is crowded.



In this Nov. 9, 2018, file photo Signs directing customers to pickup orders placed online are shown at a Walmart Supercenter in Houston. Plenty of major retailers are offering easier ways for customers to pick up items ordered online

beyond the service desk. Walmart is adding lockers and big giant kiosks that spit out online orders. (AP Photo/David J. Phillip, File)

"They haven't built the Wi-Fi to deal with all these functions," Saunders said.

— UNRELIABLE PICK UP SERVICE: Plenty of major retailers are offering easier ways for customers to pick up items ordered online beyond the service desk. And they're using their smartphones to get alerts on when to pick up their purchases. But analysts say there are still problems of shoppers walking in and not getting the item they said would be ready.

Anthony Karabus, CEO of HRC Retail Advisory, a consultancy, surveyed 30 top retailers heading into the holidays and found the online pickup [service](#) wasn't dependable because of a disconnect between the items the system tells shoppers are in a specific store versus what the retail actually has on hand.



In this Nov. 9, 2018, file photo Walmart associate Monique Mays places online orders in a pickup tower where customers can retrieve their purchases at a Walmart Supercenter in Houston. Plenty of major retailers are offering easier ways for customers to pick up items ordered online beyond the service desk. Walmart is adding lockers and big giant kiosks that spit out online orders. (AP Photo/David J. Phillip, File)

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