

Smart phones transform the way we shop

April 29 2009, By Jen Aronoff

Bart Farrell bought an Apple iPhone a little more than a year ago, and it has since become his device of choice for tasks he could have only dreamed of performing on his old flip phone: Checking movie showtimes and paying for admission. Buying tickets to the coming Metallica concert. Looking up maps on the fly to find nearby stores and restaurants.

With its Internet access and range of clever applications, the phone is helping influence how and where Farrell, an oral surgeon in Charlotte, spends money -- making him part of a shift that's changing the way we shop.

The growing popularity of Web-enabled smart phones -- that is, cell phones that harness the power of the Internet to do far more than send text messages and make calls -- means consumers increasingly have access to a world of information at their fingertips, at the moment they're making buying decisions.

[Software developers](#) are responding by introducing new cell phone programs that help compare prices or list coupons, and retailers are also working to adapt.

But, just as happened after Internet shopping dawned more than a decade ago, experts say, there's much more to come, as people become comfortable with smart phones.

Farrell, 36, and a colleague were driving during lunch recently, he said,

and realized they needed a computer monitor splitter. Using [Google](#), they found the manufacturer's Web site, which listed local stores that carried the item. They made a U-turn toward a shopping plaza and had the part within four minutes.

"It just becomes second nature," Farrell said.

Though other manufacturers had introduced Web-capable phones before Apple did, the iPhone's debut and subsequent popularity re-emphasized just how much a smartphone could do.

Of the roughly 270 million cell phones in use in the U.S., smart phones make up roughly one out of eight, or 13 percent, and annual smart phone sales are projected to double by 2013, said David Chamberlain, principal analyst for wireless at market research firm In-Stat.

Because smart phones are limited by small screens, occasionally spotty data connections and often-slow methods of typing, they're not soon going to replace computer-based online shopping, said Tarun Kushwaha, a marketing professor at UNC-Chapel Hill. But, he said, the devices are handy for quick, time-sensitive tasks such as ordering pizza or downloading a song.

Smart phones can also empower customers while they shop, offering the ability to compare prices, look up reviews and find products at nearby stores.

"There's less of an opportunity for them to get talked into buying something that isn't right for them," said Bonnie Cha, a smart phone editor at technology Web site CNET.com. "They have the knowledge to say, 'I want this product, I'm looking to spend this price, it's right here on my phone.'"

That can happen through a simple Web search. But the application stores_or "app stores," in tech lingo_that have sprung up to provide software programs for various mobile operating systems also offer a growing range of price comparison tools.

iPhone program Save Benjis_as in Benjamin Franklin, star of the \$100 bill_allows users to enter either a keyword or bar code number to see what an item is selling for online. Take an iPhone photo of a book or CD cover using SnapTell, meanwhile, and it will return a list of online and local stores that sell the product, with directions and prices.

Similar programs exist for Google's Android mobile operating system, and other platforms and carriers are also rolling out their own application stores. BlackBerry opened one last week, and Palm is planning one for its new Pre smart phone, said Jessica Dolcourt of CNET's Download.com.

Price-checking programs are far from comprehensive. They depend on what databases are available online and lean toward big chains. But they have the potential to develop further and include more precise, local results over time.

Smart phones present an opportunity for retailers and marketers to have more customized contact with consumers, Kushwaha said. But for that to work, they have to maintain privacy and offer enough benefits that people feel it's worthwhile to provide their cell phone numbers, he said.

Mobile coupons, for instance, are gaining favor. Though many began as text alerts, marketers have found that they're more effective in a form that customers access on demand.

Cellfire, which was founded in 2005 and works on most Web-enabled phones, allows people to look up mobile coupons available in their area.

Though the company keeps personal data private, it shares general demographic information so advertisers know who they're reaching, CEO Brent Dusing said.

The cell phone coupons have higher redemption rates than paper coupons, Dusing said, because they're targeted and a lot harder to forget to bring along. The result is more cost-effective marketing, he said. The company is working with supermarket chain Kroger and has seen strong growth in its grocery offers, he said.

Paula Rosenblum, managing partner at Retail Systems Research, praised Amazon.com's TextBuyIt, in which customers send a text message with the name of a product and receive its Amazon selling price -- and more information, if they want -- in return.

Conversely, Rosenblum said, bricks-and-mortar merchants aren't yet doing enough to adapt to the rise of [smart phones](#). They'd be wise to do so, she noted, as the technology puts more pressure on them to be honest, competitive on price and service-oriented. Among other things, they can optimize their Web sites for use on mobile phones and use the technology to deliver promotions and information customers value while they shop.

"If you do not want your stores to become showrooms for online stores, you will provide a better customer experience in the store," she said.

Connecting with people through new technology can help engage, excite and retain existing customers, which is especially important in the current economy, she said.

Shoppers "have very short attention spans and they still have a lot of choices," Rosenblum said. "It's not a social experiment. It's at the end of the day about making money."

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Most shopping-related smart phone tools either help you check prices or locate coupons. There are others outside those bounds, including grocery lists to store on your phone.

So far, the bulk of the programs (known as applications, or "apps" for short) are for Apple's iPhone, which is on AT&T, and Google's Android platform, which works with the G1 on T-Mobile. However, the trend is quickly spreading to other carriers and devices, so if apps for your handset don't exist yet, chances are good they soon will. Some functions even work on traditional cell phones, including Amazon.com's TextBuyIt, which requires only text messaging.

Here's a guide to some smart phone-friendly tools out there now:

LOCATING AND COMPARING

Slifter.com uses a keyword search to find products at local stores -- primarily big chains, at this point -- and online through its mobile-enhanced site, as well as through BlackBerry and iPhone apps.

NearbyNow, which works on the Web and in [text message](#) form, uses keywords to locate products at selected malls.

iPhone apps Save Benjis and PriceCheckah allow users to enter keywords and bar code numbers to look up products; PriceCheckah returns results only from large online merchants, but Save Benjis searches a wider range of sites.

Available on the iPhone and Android is SnapTell. Use your phone to

take a photo of a CD, DVD, book or video game, and it will return a list of prices at online and local merchants.

Android phones can also scan bar codes directly to check prices, including at selected local stores, using programs such as ShopSavvy, CompareEverywhere and Barcode Scanner.

COUPONS

Enter your ZIP code into Cellfire, which works on most Web-enabled phones and also comes as an iPhone app, to get exclusive coupons. The roster of available offers is growing.

Coupon Sherpa, an [iPhone](#) app, provides in-store coupons for a wide range of regional and national stores. Some are exclusive; others are in-store coupons that staffers have found online.

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