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How retailers can win the mobile shopper turf war

Retailers need to focus on the right mobile tactics to reach the anywhere anytime consumer and combat "showrooming".

February 2012 | by Josh Leibowitz, Aaron Rettaliata

A growing numbers of customers have a new and indispensable shopping companion—their mobile phone. Customers are upending their decision journeys and forcing retailers to follow.

Wielding their mobile devices like smartphone samurai, customers can now check prices, compare product features, search for better offers, review digital offers, and place orders. Some 80 percent of mobile phone users who responded to a MEF Global Consumer Survey 20111 reported using a mobile device to research or purchase a digital or physical product. Our own research revealed that 69 percent of mobile users would delay buying or buy elsewhere after using their mobile device in store to check on a product.

Stumbling blocks in reaching the mobile customer

Retailer reaction to this trend? One part salivating at the opportunity to reach new customers and one part quaking with fear that the mobile consumer has so much power now. For these reasons, the response of retailers to this surge of mobile buying has become a boardroom issue. Early moves by retailers, however, often miss the mark.

Certain players, for example, are rushing to develop their own barcode scanning mobile apps without fully understanding consumers' behavior. Our research in the U.S. shows that these apps play only a small part in mobile shopping behavior. Some 50 percent of consumers are conducting mobile price checks by visiting retailer Web sites while another 66 percent conduct online searches, often at price comparison sites. Only 19 percent conduct these searches via mobile barcode scanning apps. Many retailers are simply missing an opportunity to reach consumers at a critical stage in their decision journey. In particular, it's critical that retailers use mobile to never miss a sale and counter "showrooming," the phenomenon where shoppers check out a product in store but buy online after finding a cheaper price with their smart phones.

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Engage the mobile customer

To meet the ever higher expectations of the mobile customer, retailers need to:

- **Create a killer mobile shopping companion where retailer is 'first screen.'** This is more than just having a good mobile-friendly site. Retailers must provide consumers the same quality of customer experience and functionality on their mobile devices as they do on their PCs. That begins by ensuring that up-to-date product and price information is easy to access and view on mobile devices. Mobile sites should also check inventory availability so that an empty shelf doesn't stop a sale. This includes having a rapid "order now + free expedited shipping" option to provide a compelling reason for customers to order from them and not a third party retailer. Some retailers are going even further and developing special apps to facilitate shopping on-the-go. Retailers could learn a thing or two from Fresh Direct, which as developed its FreshDirect app to enable customers to browse and shop its entire inventory on-the-run, update existing shopping lists and even look for special deals. Such efforts go a long way towards reducing in-store showrooming, cart abandonment, and further share loss to online retailers.

- **Ensure prominent placement on local search.** Most retail spending occurs locally typically within 15 to 20 miles of a shopper's home. So Google's online shopping portal, Google Product Search, devotes more screen real estate to Google Local in mobile search. To engage mobile consumers at the critical moment when they are looking for information about local retail sites or store hours, retailers should focus on improving their local search results. In addition to registering their site with the relevant search engines, they should update their company information on local directories and yellow pages. As well as detailed directions and maps as well as, it's critical to include descriptions that use relevant keywords. We worked with one client who's price position on local shopping engines consistently showed up in the lower third of the screen because of inaccurate data feeds to the search engines. With a small set of fixes to the data feeds, online category sales and conversion increased by double digits.

- **Use data to build real time connections with your customers.** Consumer data and real-time geographic information enable retailers to interact with the on-the-go consumer at key decision points. To ensure that their offers are most relevant, some retailers are partnering with companies that have access to extensive consumer transaction data. For instance Visa, has enabled retailers such as the Gap to send messages to the mobile phones of opt-in customers when they scan a transaction near one of Gap's stores. Gap can tailor the offer based on time of day, customer history, or other personalization methods. This capability allows it o reach their customers while they are on-the-go to stimulate a store visit and, ideally, an incremental purchase as well. Consumers join this program by enrolling their Visa card for real-time messages about nearby stores. Other retailers have introduced tailored offers that reach shoppers waiting on line at a competitor's store. This type of personalized offer that reaches consumers as they are actively shopping not only increases the likelihood of making a sale but improves customer retention.

Mobile shopping represents one of the greatest potential challenges to any physical retailer while at the same time is a potential source of tremendous growth. Now is the time for retailers to create mobile services and offers that customers demand to capture growth and defend their turf.

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