2015

Retail Shopping

Connecting the Multichannel Shopper

A Retail Study | Smartphones & Consumer Decision-Making

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Introduction

Today, people want things faster, better, bigger -- and all for less. Retail shopping is no exception. Brands need an omnichannel approach to reach consumers, build relationships and create touch points throughout the customer journey, both online and offline.

> According to a 2015 study by IDC, shoppers who shop online and in-stores have a **30% higher life-time value** than those who shop using only one channel.

But with 68% of consumers still shopping for all of their apparel and footwear in stores only (eMarketer), how do brands connect with their consumers and influence them to become one of those golden, multichannel shoppers?

In this article, we will take a closer look at consumer retail shopping habits and the impact of smartphones during shopping trips to understand how retailers need to shift their go-to-market approach to build brand loyalty and convert customers to omnichannel shoppers.

The Survey

SessionM fielded an eight question mobile survey to over 12,000 members to gain a deeper understanding of how consumers are shopping for retail items, how smartphones impact and influence their decision-making and how they plan to use smartphones in the future.

The Results

Retail shopping happens mostly in-store -- *with a smartphone in hand.*

Over 90% of respondents said they had made a retail purchase (non-grocery) in the last three months. The majority of consumers are still purchasing items at brick-and-mortar locations with 72.7% making an in-store purchase in the last three months and over half still thinking in-store shopping is the best overall shopping experience (52.6%). However, more than 90% said they use their smartphones when retail shopping for comparing prices (53.8%), searching for product info (48.4%) and checking online reviews (42%) .

> **Takeaway**: Retail shopping is still a hands-on experience. Smartphones are people's favorite in-store shopping companions -- giving them access to product information, pricing and reviews. In-store shoppers are also shopping online too but fit, size and feel are critical to apparel and shoe purchases, making in-store shopping an easier experience. Smartphones are heavily relied on for decision-making information while in-store, making it the best way to tap into the customer journey, connect online to offline behaviors and influence them at the point of purchase in stores.

Consumers want to feel valued.

More than half of respondents (57.1%) said they would be likely to shop at a store if they received messages/push notifications about relevant deals and coupons while shopping at that store. Loyalty is even more important with more than three-quarters of those surveyed (76.6%) saying they would be more likely to shop at a retailer store with a loyalty program where they could earn points.

> **Takeaway**: Consumers want an enriched shopping experience and to feel like they're getting something in return for their loyalty to a brand. People are willing to engage with offers and deals in real-time if they're relevant to their shopping experience.

The Results

Mobile buying is the future.

Compared to a year ago, almost 85% of respondents said their mobile buying frequency had either held steady or increased. Over 41% said their mobile buying frequency had increased and 15.3% said they bought via mobile significantly more often. The most common reasons cited as to why people don't buy more frequently via mobile (besides "other") were concerns about the security of personal info and the size of the product shots (too small).

> **Takeaway**: Smartphones are a critical part of the in-store shopping experience, but consumers are just starting to shift and see mobile as a viable shopping channel. For now, smartphones are leveraged for research, deals and product information during shopping trips. But to begin to shift, retailers need to make multichannel shopping easy with mobile optimized sites and multi-media, large product views.

Conclusion

Mobile is a cornerstone for retail shopping. Retailers might have access to a customer's basic demographics -- age, gender, location -- but smartphones tie the behavior of omnichannel shoppers together with their online and offline habits. With a full picture of their customer journey and access to first-party data from smartphones, brands are able to uncover shopping behaviors and habits to connect online and offline channels. Brands can analyze offer effectiveness and optimize outreach to increase loyalty and convert in-store customers to omnichannel, high lifetime value shoppers.

Place and location will always be a natural barrier to retail sales. "Going shopping" takes time. Time is in short supply for many. But you can shop -- and buy -- anytime if you have your smartphone so long as the mobile shopping experience lives up to the same standard as the brick-and-mortar experience.

Here Are 3 Ways A Mobile-First Approach Strengthens Your Brand

1 Connect & Build with Relevant Offers.

Consumers are still shopping for apparel, footwear and accessories in stores, making smartphones the most effective way to access potential customers and build ongoing relationships. Smartphones give you access to your customers in real-time to offer them consistent offers, product information and experiences across different channels.

2 Understand & Influence Behaviors.

Smartphones give brands insights and behaviors to measure what drives consumers, what they react to and what they are coming back for more of. Loyalty programs incentivize high value behaviors and build real relationships to create lifetime customers.

Loyalty programs tie multiple channels together for brands to build a robust, first-party profile of their customer. By combining online and offline behaviors brands are able to analyze trends and behavioral data to create a personalized experience and attract more loyal customers.

3 Now is the time.

The shift is already happening. eMarketer forecasts US retail ecommerce sales of apparel and accessories will reach $60 billion in 2015, a 17.2% share of total US retail ecommerce. Brands must connect with their customers -- online, offline and anywhere in between to understand their habits and influence their purchasing behaviors.

The pendulum is swinging. Better mobile phones housing better mobile apps delivering better mobile experiences will accelerate that swing. However, done well, it will not be a left-pocket, right-pocket shift of the same dollars. Done well, it will increase shopping occasions by allowing more consumers to shop more often.

Methodology

SessionM's research is based on data compiled from a survey of over 12,000 randomly selected smartphone users, as well as the billions of data points from SessionM's proprietary mobile audience intelligence platform.

The survey & platform data were collected from June 12 - 26, 2015.

About SessionM

SessionM is the next generation consumer loyalty and engagement platform. The company's cloud-based solutions integrate loyalty marketing technology with ad serving and data management capabilities to drive personalized consumer relationships through the mobile device. The company is headquartered in Boston with offices across the country.

For more information on SessionM, visit www.sessionm.com

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