



How brands are creating magical mobile moments

Mobile has been around long enough for leaders to emerge, but not quite long enough for every business to understand it. A new book by Forrester analysts spotlights the best developments in mobile customer experience. By Rebecca Thomson

“In 19 years as an analyst I have never seen anything where the desire to succeed is so great and the ability to succeed is so small.”

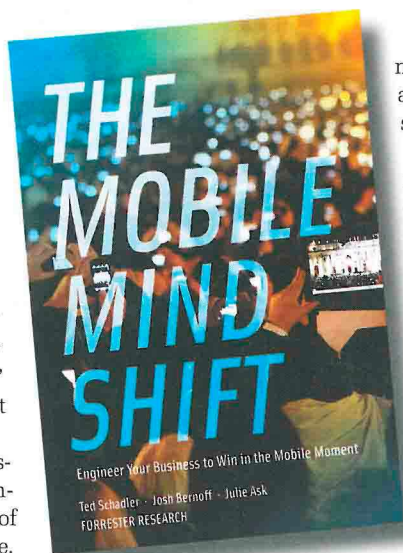
So says Josh Bernoff, research firm Forrester's senior vice-president of idea development and co-author of *The Mobile Mind Shift*, a new book detailing how mobile is changing shoppers' expectations and how the best companies are responding.

The book covers a range of industries, including retail, and highlights the best examples of the use of mobile technology across the globe.

Bernoff says many of them are apps and services designed around the needs of a shopper at a specific moment – the book coins the term 'mobile moments' and the recommendation is that businesses need to approach mobile in a completely different way to either ecommerce or retailing in-store. He explains: “A mobile moment is a point in time and space where a shopper pulls out her device for a particular use. You can either be there or not be there.”

He also says many businesses are unclear on what they need to do. “Clients are aware of mobile, but when it comes to what they should do about it there's a gap. They know they should do something but they don't know what.”

While ecommerce provides another route for retailers to sell through, mobile is not a purely transactional channel, Bernoff says. “Most people don't just want to buy things in a



THE MOBILE MIND SHIFT

- By Ted Schadler, Josh Bernoff and Julie Ask
- Available on Amazon priced at £14.30
- Published by Groundswell Press

“THE CORRECT FOCUS FOR A RETAILER IN MOBILE IS TO INFLUENCE SALES”

Josh Bernoff, Forrester

mobile app. The correct focus for a retailer in mobile is to influence sales in other environments.”

As shoppers get more used to using mobiles, they check their devices more instinctively during the buying cycle. The result is that consumers have very particular expectations of mobile.

“There is an expectation that I can get what I want in my immediate context and in moments of need.”

The questions retailers must ask themselves, Bernoff adds, are who they are serving, what their context is, and what their motivation is.

The problems retailers face include the infrastructure work that mobile services require. Bernoff says a retailer's first app often requires about £30,000 of investment, while its second often needs £1.2m. That is because retailers start to realise the extent of the work required to their back-office systems.

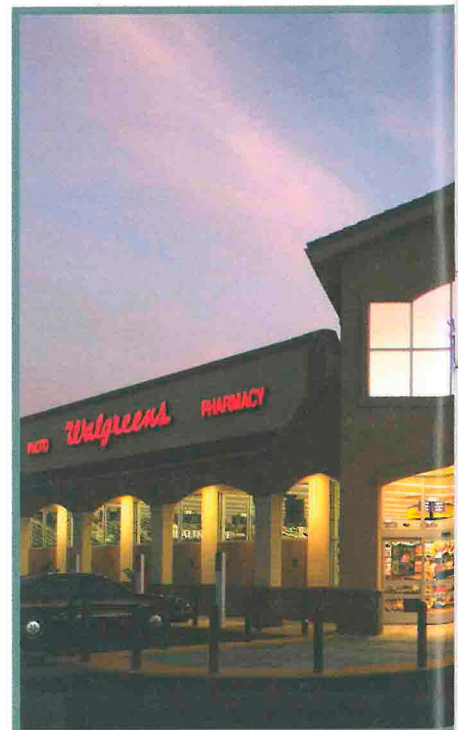
Plenty of businesses understand this work is necessary, and not just in retail. Bernoff says the service industries are where the most innovation is taking place. “Travel and financial services, especially airlines and banks, are very competitive.”

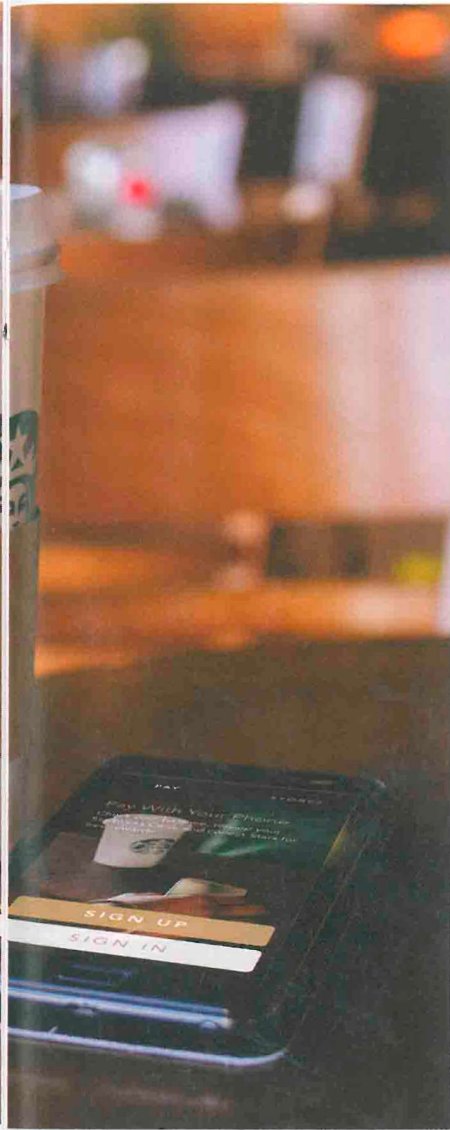
But he adds retailers are doing well too: “Many have relationships with their customers through their loyalty schemes, and some have taken those relationships and developed them into mobile relationships.”

Here are seven examples of the best uses of mobile at the moment.



ALAMY





STARBUCKS

Starbucks has emerged as one of the leaders in mobile. Its vice-president of global digital marketing, Alexandra Wheeler, has led the chain's mobile and digital development and describes mobile as "the most transformative device or experience consumers have ever had".

The coffee shop group has identified three mobile moments when it targets shoppers.

When a coffee fan is looking for a Starbucks the app will pinpoint their location and direct them to the nearest cafe.

For when they are waiting in line it has teamed up with iTunes – at first the app provided one free music download a week, and now it pushes out offer codes for music and movies. This content-driven engagement led to mobile interactions growing from 2 million per week in January 2013 to nearly 4 million per week in June the same year.

And when the customer gets to the front of the queue, Starbucks has developed its own payment app to speed up the process.

The business says about one in every 10 transactions now goes through mobile. Forrester's analysts say: "All of Starbucks' digital efforts provide the one thing that's hardest to get in this digital age – insight into your consumers and what they want."



SEPHORA'S PERSONALISED SERVICE

Retailers are often nervous about shoppers using their mobiles in-store – the phenomenon of show-rooming, when customers treat a store as a product display and then go on their mobiles and buy elsewhere, has instilled a certain fear of mobile in-store.

Amazon hasn't helped, having in 2011 employed a tactic whereby if a consumer used its Price Check app while in a competitor's store, Amazon would immediately offer a 5% discount to steal the sale.

One answer is to introduce a loyalty programme through the mobile, or build on one that already exists. Sephora's loyalty scheme, Beauty Insider, is designed to provide the kind of personal service that Amazon can't.

It uses information about the shopper's past purchases, which many retailers have access to. But Sephora took this function one step further by introducing immediacy into the transaction – it integrated its Beauty Insider programme with its mobile app and Apple's Passbook. The result is that the customer sees her loyalty card pop up on her phone whenever she is near a store.

Then, once the shopper is in the shop, the app lists her previous purchases and her wishlist. If the shopper then presents the mobile loyalty app at the till, the salesperson can use their own device to suggest other products that might work well with items the consumer had bought.

Sephora says 1 million of its shoppers have signed up for Apple's Passbook and that 80% of them are active Beauty Insider users or frequent shoppers.



WALGREENS' USE OF INSTAGRAM

Walgreens has succeeded in mobile by removing organisational silos. Its combination of digital photo services and in-store physical camera sales is detailed in *The Mobile Mind Shift*.

The reorganisation – which involved its photo department combining ecommerce and in-store retail teams – meant that Walgreens was well positioned to take advantage of the boom in people taking pictures on their smartphones.

Walgreens changed its marketing and merchandising mix in its photo business to promote both digital and physical photo products. It allows shoppers to print a picture in stores from third-party applications including Instagram, rather than just its own app.

The changes meant that the percentage of mobile orders soared. In 2010, less than 1% of Walgreens' online orders were from mobile – in 2013 that soared to 40%.



MARTIN LEWISON

COCA COLA'S CHINESE SHARE A COKE CAMPAIGN

Coke's Share a Coke campaign, which personalised Coke bottles with popular first names in markets including the UK and Australia, couldn't easily be transferred into the Chinese market. Chinese names are constructed differently from Western first names and are too unique to put on personalised bottles.

The brand solved the problem by allowing Chinese consumers to choose nicknames used on social media. It put 60 different nicknames on bottles, and sent personalised bottles to hundreds of celebrities. The resulting social media campaign took flight on Chinese social networks including Weibo, WeChat and Renren where celebrities are followed by millions.



NORDSTROM'S MOBILE CHECKOUT

Nordstrom's use of mobile is noteworthy, among other reasons, for the fact that the US department store group is 140 years old. It faces the same legacy system challenges that many other well-established bricks and mortar retailers do, yet one app managed to overhaul its working culture.

In 2010 it launched a mobile checkout project in a bid to remain better connected to shoppers and gather information about their



preferences. It gave 6,000 mobile point of sale devices to employees in 117 stores in time for the summer Sale of 2010. Sales staff had Apple iPods with in-built credit card readers, but most of the work was done behind-the-scenes, tying in the systems that drive the application.

It ended up building a platform for a way of doing business that encompasses mobile. The culture, processes and technology all changed, and the mindset of the retailer changed too.

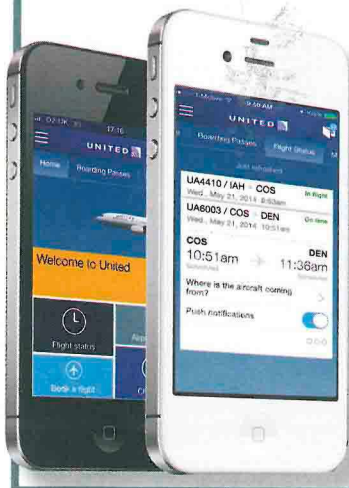
UNITED AIRLINES

Some of the best innovation in mobile has come from the airline industry, and United Airlines thought carefully about the most important services it needed to provide its customers.

Airlines need to provide shoppers with a huge amount of information, especially when there is disruption.

United Airlines used ethnographic research to determine exactly what was needed, and as a result produced an app that made it easy to rebook cancelled flights. The app was also designed to be easy to use just by thumb, because customers are invariably pulling a suitcase with their other hand while running to get a flight.

The focus on self-service has been warmly received – 6 million customers have downloaded the app, and around 20% of domestic boarding passes are now on mobile devices.



GREG SLOAN

KRISPY KREME'S 'HOT DONUT LIGHT'

So-called mobile moments can be ones the company takes advantage of – as Starbucks has done – or they can be manufactured. Krispy Kreme has done that with its 'Hot Donuts' notification service.

Its stores have neon signs outside saying 'Hot Light', and when they are on, customers know that fresh donuts have just come out of the oven. The group set up a system that means the same switch in stores that turns the light on also sends out alerts to customers in that vicinity who have downloaded the app.

Krispy Kreme chief marketing officer Dwayne Chambers cancelled his traditional media marketing because the app was so effective – it led to double-digit increases in same-store sales.

