

# UPWARDLY MOBILE

Smartphones are revolutionizing the way consumers shop for products, and marketers must deliver sites and content that make the channel effortless to use.

By Ian P. Murphy

**L**et's state the obvious: Smartphones have fueled an explosion in mobile shopping, and there's no end in sight to its potential. Mobile or m-commerce accounted for 20.8 percent of all digital commerce in the final quarter of 2016, according to comScore, and Forrester Research estimates that U.S. consumers will spend \$152 billion via mobile directly by 2021.

What's more, mobile phones will influence over \$1.4 trillion in offline sales per year within the next five years. Digital channels already have some impact on 49 percent of offline sales, another report from the National Retail Federation (NRF) and Forrester says, and smartphones were behind an estimated 30 percent of online sales among the retailers surveyed.

"Smartphones are driving retail sales more than ever, and retailers have found that even modest investments in mobile initiatives can result in huge returns," says Artemis Berry, NRF's vice president of digital retail. "This is no longer a new way to reach customers, but it has certainly become a highly effective method, and one that boosts the level of customer engagement across the brand."

None of this is news to direct response marketers, of course; one can argue that picking up the phone to order while watching a compelling long-form is the original multichannel transaction. So while the smartphone may have all sorts of fascinating functions beyond dialing an operator, it is fast becoming consumers' primary tool for research and response, and mobile is an essential part of any effort to tap their spending power.

"Mobile has never been more important to marketers than it is today," says Fern Lee, CEO of THOR Associates, a direct-to-consumer marketing agency based in New York City. "Over the past five to 10 years, we've slowly seen mobile traffic increase across all of our campaigns. Today, it comprises 60 to 70 percent of the total traffic generated from offline media."

### Small-Screen Stars

While smartphones are becoming ubiquitous—U.S. smartphone penetration reached 81 percent in 2016, according to comScore, putting them in the hands of almost two-thirds of the population—they still present roadblocks to product consideration and commerce. The screens are small (but getting larger) and connections unpredictable, so the key is to build a mobile presence that loads fast and is easy to use.

"A website needs to be mobile-friendly across all device platforms," Lee says. "Being mobile-friendly means that the website's layout has its content optimized based upon the user's individual device. This can be accomplished by having a dedicated mobile version of the website, or by having a responsive website that dynamically adjusts itself in real time."

"Mobile-friendly" should also describe the content itself. "An optimized experience doesn't simply mean having a different version of a website," says Peter Koepfel, president of Koepfel Direct, a direct response marketing agency. "It means engaging with consumers in a contextually relevant way that acknowledges that the consumer is on the go and provides snackable, bite-size content to guide the consumer further along the funnel."

"After having a great product, [mobile] is probably the most important thing to guide the crafting of your communications," adds Robin Shapiro, CEO of STiKi, a text-response company. "If you're talking about DRTV, it helps you reach people with the ability to buy—the population that's about to take action."

### Convert and Conquer

To encourage conversion on a mobile site, marketers must eliminate roadblocks every step of the way. If the consumer is ready to pull the trigger and buy, marketers should try to avoid having that person navigate multiple pages and fill out lots of forms using a tiny touchscreen keyboard. "There is no need for the user to create an account or go to a cart page," Lee says. "Those just slow down the process."

"The checkout process is just as important as the front end of the website," she says. "Making the process dummy-proof avoids user confusion and streamlines the ordering process, which optimizes the conversion rate. This requires having a minimal amount of steps for the user to go through."

Once the "buy" button is pressed, checkout should appear on a single, simplified page—preferably one that helps users fill in the blanks. "Make it easy to get to the buying page right away, and have it autopopulate," Shapiro says. "Android and iOS have features where you type the first letter of your first name and it fills in the rest. If I see landing pages where you're ready to buy and have to start spelling out your name, I don't want to do that—I lose interest."

### Action Without the Call

Most traditional DR products—those nifty new gadgets seen on TV—no longer demand a call. Even many older consumers would rather transact via the mobile web, newly empowered by the increasingly intuitive nature of a smartphone interface.

"It depends on what you're selling," Shapiro says. "Some [marketers] have no interest in driving phone calls, while others really need a phone call, like a personal injury lawyer. Even if it is a drive-to-website [campaign], there is going to be a phone call at some point. But for something that sweeps the floor for \$19, you don't need a phone call."

STiKi's strategy helps streamline response by offering companies a new option for their commercials' calls to



action. Instead of a URL or toll-free number, the marketer directs consumers to text a dedicated code word to a six-digit number. Immediately after the consumer completes this relatively effortless task, STiKi responds with a text that includes a link to a designated landing page.

“The problem with the URL is that it is hard to remember and type,” Shapiro says. “But when you text CLEAR to 246810, for example, you get something back from Proactiv that takes you right where the marketer wants you to go.”

Even more conveniently, the inbound message is stored on the phone until it’s needed or deleted, Shapiro says. About 85 percent of consumers click through right away, but many click later or click multiple times. “Part of what [marketers] struggle with in getting people to convert is a lot of resistance,” he says. “A lot of the other avenues expect a lot out of the consumer. Texting is something that’s very familiar, and very easy.”

STiKi also short-circuits a problem familiar to DRTV marketers—the likelihood that their media investment will produce a search that leads the consumer to a competing product. “One of the things that drives DR marketers crazy is that you spend a lot on your messaging to drive interest, and your competitors can take that interest in another direction,” Shapiro says. “If a person is sitting there with the mobile device, you have to assume they will open the browser and search. Best case: It’s you alongside all those other things, and you have to pay Google to make sure you’re above the fold.”

### Is There an App for That?

While the idea of having the brand “live” on a customer’s smartphone is attractive, most direct response marketers don’t need an app of their own. The vast majority of apps fall into disuse quickly and are deleted after just a few months. “If the experience can easily be replicated on a mobile browser, there

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isn’t much added value,” Koepfel says.

“That’s an especially heavy lift,” Shapiro says. “No one wants to take up space on their phone for something they don’t do regularly, unless the product is the app itself—like a dating app or gaming app.”

DR products often present like the mobile equivalent of a pop-up store, he adds. “It’s new and it’s different, but it’s hard to make a brand.”

Apps are best suited to large marketers that gather multiple products under a single banner or network, such as QVC, or products that generate new and repeat purchases on a consistent basis. “A dedicated app could become useful down the road once the marketer has a strong community of repeat buyers,” Lee says. “It could be advantageous to develop an app to showcase products and further simplify the ordering process.”

Largely a function of a dedicated app, “push” technologies that send messages directly to users can be helpful if consumers opt in to receive geotargeted promotions, incentives, rewards, and other information. “Contextually relevant offers based on a consumer’s location can not only be appropriate, but welcome,” Koepfel says. “Provide something of value to the consumer, and he or she is likely to opt in to receive additional messaging.”

As technology advances, marketers will be able to take advantage of new mobile functions that eliminate hassles, enhance the shopping experience, and build conversion rates. Voice recognition is speeding mobile search, Koepfel says, by providing answers to common

consumer questions instead of typed-in Boolean search terms. “Marketers that are willing to educate their target audience by answering those questions are going to be viewed as authorities in their space,” he predicts.

Similarly, “augmented” or virtual reality features can help consumers make educated decisions about products by placing them in virtual settings—for example, showing what a new rug will look like when placed in (an uploaded picture of) the user’s living space. “Augmented reality allows marketers to educate their consumers in an innovative way, providing the consumer a glimpse of life with the product prior to committing to a purchase,” Koepfel says.

### Making the Most of Mobile

Multiple channels make for complicated attribution, but technology’s ability to gauge interest and retarget prospects across channels makes the exacting attributions of the past not only impossible, but unnecessary. Marketers today must try to generate sustained interest that results in sales rather than a quick sale; it’s more like a wave than a lightning strike.

“Advertisers do not have the consumer’s undivided attention on mobile,” Koepfel says. “Not only are there countless other apps and notifications to distract consumers, there is the surrounding real-world environment to contend with, as well. Marketers must resist the urge to try to be in all places at all times, and focus on those micromoments that are likely to motivate and engage.”

Backed by massive amounts of data,

# The Pulse Behind the Purchase

**M**obile, marketplaces, and international shopping are the big winners in the 2017 *UPS Pulse of the Online Shopper™* study, conducted annually by comScore to provide insights into evolving online shopping behaviors.

The new survey comes at a critical moment, with online retail sales exceeding in-person sales for the first time last year, and digital touchpoints along almost four out of five purchase paths. “The data shows that 79 percent of purchases now have some digital footprint,” says Matthew O’Connor, director of retail marketing for UPS.

Mobile shopping is up substantially in 2017, with 48 percent of U.S. consumers making a purchase using a smartphone, up from 44 percent in 2016. Larger screen sizes and apps are helping to drive the increase, O’Connor says: “If you create a mobile app and make the buying process easy, people will gravitate toward buying.”

Eight in 10 online shoppers say they use retailers’ apps, many preferring them to mobile-friendly websites thanks to faster speeds and a better interface. Consumers tend to limit downloads to just three to five shopping apps, however, favoring the most comprehensive sellers in each vertical.

Whether it’s a dedicated app, mobile-friendly website, or third-party marketplace, a winning mobile presence needs to be legible and quick to load. “No. 1 is a description of your product that is easy to read in a mobile environment, and a picture that’s easy to see on a mobile device,” O’Connor says.

## Ascendant Marketplaces

Marketplaces such as Amazon.com, Inc., are still growing in influence, according to the UPS survey. Almost all (97 percent) “avid” U.S. online shoppers report making purchases on a marketplace site in 2017, up from 85 percent in 2016. A growing number of shoppers are also beginning more online searches at marketplaces (38 percent) than in any other channel.

The top reasons online shoppers shop marketplace sites include better prices (65 percent), and free or discounted shipping (55 percent). Total cost including shipping and/or taxes (45 percent) and speed of delivery (44 percent) are also important factors.

Bricks-and-mortar stores still matter, though. Shoppers prefer stores when they want to touch and try on products (59 percent), solve immediate problems (54 percent), receive superior customer service (52 percent), and participate in reward or loyalty programs (52 percent).

“Bricks-and-mortar will not go away completely,” O’Connor says. “There is still a place for the bricks-and-mortar store, but [retailers] need

to figure out how to drive a unique, customized, personalized experience there. A connection between those two worlds is going to be beneficial [in the] long term.”

## Online and International

Digital channels are blurring international borders, the UPS survey says, with almost half (47 percent) of online shoppers in the United States buying from international retailers, compared to 43 percent in 2016.

“Online shoppers are able to shop the world’s boutiques and bazaars with ease,” says Alan Gershenhorn, chief commercial officer for UPS. “We’re witnessing a glimpse of the future, when retailers and their customers will be defined less by geographic location and more by how they connect with each other.”

Respondents purchasing from international retailers are driven by lower prices and unique products. However, total cost is again an issue, since duties and fees can add up. To sell effectively, international sites should show prices in the shopper’s native currency and offer reasonable delivery speeds, the survey indicates.

## Experience Is Everything

A personalized experience is key to bringing offline and online together, O’Connor says. For example, half (50 percent) of consumers report taking advantage of buy online, pick up in-store options—an offering that’s good for buyers seeking convenience and sellers wishing to generate incremental sales.

“When consumers go and buy online for in-store pickup, they get to the store and buy something additional,” O’Connor says. “Connecting those two worlds and getting traffic into the store is where those retailers are going to benefit [in the] long term.”

New technologies such as chat and virtual reality can help retailers enhance the customer experience. Online shoppers tend to prefer self-service options such as email (55 percent) and live chat (42 percent). Virtual reality can help visualize items in product categories such as home décor.

“There are lots of different options out there to demonstrate to your customers that you understand what their needs are,” O’Connor says. “Chat is definitely where consumers are going in terms of interacting with online retailers.

“You have to understand your customer, and how and where your customer shops,” he adds. “That doesn’t change. What the digital world allows us to do is make adjustments faster. It’s important to understand your customer to start with, then be able to personalize a message dynamically over time.” —*Ian P. Murphy*



segmentation and targeting continue to improve. Facebook, for example, has a variety of useful targeting tools such as Custom Audiences (made up of previous prospects and buyers) and Lookalike Audiences (made up of people with similar characteristics). “Those people can be easily retargeted with very specific ads,” Lee says.

A mobile strategy should also consider a social component, she adds, since smartphones make it easy to broadcast one’s interests on multiple platforms. “Social media is a great way to help a brand not only legitimize itself, but also generate incremental sales,” Lee says. “People today are happy to post about purchasing a product. How many additional views could your product receive because an individual shared it with their friends?”

But that sword cuts both ways.

“On the flip side, if a marketer doesn’t provide a positive user experience or deliver a quality product, they need to be ready to deal with the backlash,” Lee says. “One customer’s poor interaction can go viral and put a company out of business. Be sure your team is ready to deal with both good and bad comments online in a timely manner.”

Staged correctly, however, a mobile presence can provide information that helps companies engage with, and sell to, markets of one. “Mobile moves the conversation back to individual consumers in a personalized, one-to-one fashion, and allows for additional insight and context into the consumer’s purchase path,” Koeppel says. “As a result of this additional insight, advertisers can serve much more relevant and segmented ads to their retargeted audiences.” ❧

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