

Retail industry's mojo is mobile devices

Traditional retailers are in an intense battle against the world of online shopping in a desperate fight to save the high street. Right at the forefront of the battle is the mobile phone, and retail marketers and brand owners are just beginning to realise the key role it can play in reversing the trend of reduced store footfall and redressing the odds back in their favour. A key element in this fight back is harnessing the power of location-based marketing.



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"By targeting mobile phones with relevant and personalised offers, location-based services can afford retailers and brands a new way to engage with customers by sending offers and providing information at the time when they are most likely to want it, and right at the point when they are near your store," comments Tony Smith, CEO at Oxygen8. Global providers of integrated mobile solutions. "Not only are such interactions likely to result in more sales, but also in greater customer satisfaction and increased loyalty to the brand or retailer in question."

The key to reaching these customers is the mobile phone. At the recent Gartner Symposium/ITxpo, where the top 10 technology trends that are expected to play a crucial role for most organisations this year were highlighted. Gartner predicts that as mobile devices continue to proliferate, there'll be an increased emphasis on serving the needs of the mobile user in diverse contexts and environments, as opposed to focussing on devices alone.

Mobile is already a proven technology, and a powerful marketing tool. "4.8 billion Of the 6 billion people on the planet have one. Users like to keep their devices close by: 90% say their phone is at arm's reach for 14 hours of the day," he says.

"This makes the potential for location-based mobile services huge. In addition, with 19% of the world's users opting into this type of service, this trend is set to expand even further. If it is done in the right way, mobile location-based marketing is not deemed intrusive: a recent Oxygen8 survey revealed that 40% of people in the UK were more likely to agree to opt-in SMS," he adds.

Timing is everything

"So it makes sense that relevant, timely location-based services are often welcomed by the consumer," comments Smith. "In fact, the more useful and personalised the services are, the more customers will engage with a brand. This means that any retailer can transform its customers' shopping experience, while also increasing footfall and revenue. The user cases are endless. From launch offers and in-store promotions, to loyalty programmes and customer surveys, it is possible to engage with shoppers at every stage in the buying cycle."

One useful application of this technology is location-based 'click and collect.' According to Smith, Oxygen8 recently trialled such a scheme with a large supermarket chain to reduce waiting time for customers. "Using location, it alerted the store when the customer was close by, so that their order could be prepared for immediate collection. This approach vastly enhances customer relationships and efficiency, giving the supermarket a unique selling point that makes it much more likely that consumers will keep using the service."

Fighting fraud

Smith says that another area that location-based technology can assist with is card fraud. "For example, a well-known retail bank was seeking to reduce resolution time as well as the cost associated with suspected card fraud abroad. Using international roaming location information, Oxygen8 was able to alert the bank when its customers travelled abroad. When the customer returned to the UK, the bank was alerted once again," he added.

This meant that when the card was used abroad, the bank was able to make a more informed decision on whether to stop the card or accept the transaction. According to Smith, the benefits to this solution were multifaceted, adding another layer of engagement. Customers were also sent relevant, location-based information such as taxi numbers and hotel discounts while abroad.

"Location-based services can offer companies huge benefits," says Smith. "However, it can be hard to stand out from the crowd in a market where consumers are bombarded with promotional messages on a daily basis. It is therefore imperative that brands use location-based data optimally. In order to do this, it's important to note that location-based services are difficult to handle without prior experience and when dealing with the complex relationship between brand and consumer, it's useful to talk get advice from the experts."

He says that retailers and brand owners can increase revenue, and reach operational efficiency by thinking differently about mobile. "With the ability to engage customers on their own terms, location-based services are the ideal place to start. Harnessing the power and ubiquity of the phones in our pockets, retailers and brand owners have the perfect opportunity to catch customers in the location where they are most likely to be influenced: within metres of a store," concludes Smith.