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Final Essay

Chapter 13:
Application Nation

Introduction:

Since the beginning of this book, we have discussed many important factors that retailers have to adapt to in order to keep up with consumers' demands and stay relevant. This chapter is dedicated one of those factors: Mobile Applications. In order to gain better understanding of retail clients in this consumer driven economy, retailers needs to expand their neurological connectivity to their clients' smartphones and electronic devices immediately. It is clear that smartphones and gadgets are the future and retailers needs to adapt to this new way of marketing themselves in a strong digital aspect so to stay relevant to consumers in Wave III.

In this chapter, we will discuss why mobile applications are the future of the retail industry in addition to why it is so important for companies to harness this technology and incorporate it into their overall marketing strategies. We will discuses what benefits and implications will this have on the brand, the managers, and the customers overall. Additionally, it will focus on harnessing the technology of *beckoning* (a way for retailers to track their customers and entice them into their stores with customized promotions) and how it is beneficial to customers and the ethical concerns involved. This chapter will conclude with some alternatives to using mobile applications such as direct mobile texting marketing and how this is already affecting the retail industry.

Mobile applications are a great opportunity for brands looking to gain stronger value chain control. This is because the application is controlled entirely by

the brand and brand managers can choose how to project their brand's image and lifestyle onto their consumers any way they choose. Mobile applications are important because consumers who are willing to download the app are seeing a benefit to having it. This means that they went out of their way to download this app and have it take up part of their phones overall storage. As we all well know, smartphones aren't very smart when it comes to the amount of available storage they give us for keepings *all* of our app, photos, and files. When consumers download a retailers' app, they are making room in their phones for this particular organization (this can also be thought of as making room in their heart, for die hard smartphone users). Keeping records of who is downloading their apps and harnessing GPS technology or beckoning (done via Bluetooth) to keep track of where their customers are shopping, how long they're spending in those stores, including how long they're spending in the retailers stores is all important data that can be used to get a better understanding of their customers' lifestyles.

To get a better understanding of what beckoning is and why it is so valuable, its important to acknowledge that nearly 70% of Canadian brands are already working on strong mobile marketing ideas that include beckoning. If that large of a portion of a country is doing it, isn't it something that retailors in the United States should take note of? Beckoning can be seen as an intrusive form of spam. But that is why it is important to demonstrate the value of it to consumers before it hits the national marketplace. Noah Bass who is a co-founder of Aisle 18 (a mobile software development company for retail organizations) talks about preparing consumers for this technology by showing them the important role it can play in their lives starting

with something as simple as a grocery list. Bass gives an example of writing a grocery list in your phone and once you are in the grocery store, beckoning technology will be able to detect which aisle your in and notify you if you've passed an item on your list or to remind you when your are approaching something on your list. As advancements come with this technology, organizations could send customized promotions that would encourage you to try a new or different brand of a product. If you have "buy healthy cereal" on your shopping list and happen to pass by a new brand, you may not even pay attention to it and go directly for your usual brand. Harnessing this mobile marketing can help new brands enter the market with direct promotions as well as help customers discover new options.

A smart alternative to mobile applications is direct mobile message marketing. The trendy clothing retailer Express partnered up with Iris Mobile back in November of 2013 to create a digital marketing campaign that would create buzz for their Black Friday shopping event using this technology. The result was a campaign based on sending rich media messaging (RMM) with appealing messages for their Black Friday event as well as allowing them to instantly save the date into their calendars and download the media to look at a later time. Success was shown through their high increase in sales volume for the event. This campaign implemented overall strong neurological connectivity as well as a value chain control in which Express was in full control of delivering their campaign to its loyalist customer via their opt in for digital media.

Throughout this chapter we will go more in depth about the importance of using mobile applications to harness mobile marketing. Wave III is a consumer

driven economy and it is up to the retailers to keep up with them. Controlling

mobile marketing through mobile applications, direct text message marketing and

by utilizing beckoning will prove to be a great strength that will keep retailers alive

through Wave III.

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