Cutting Through Chaos
in the Age of “Mobile Me”

Today’s retailers are crippled by blind spots, confusion and dead ends. As our latest primary research reveals, these businesses need to deepen and refine their customer knowledge in order to deliver more relevant and personalized shopping experiences and remain at the forefront of mobile commerce.
Executive Summary

Our shopping experiences continue to change. Today, we use smartphones, tablets and laptops to shop, purchase and track shipments online, from anywhere at any time. We bring mobile devices into retail stores to compare prices and learn more about products on the shelf. We search for available inventories, the nearest store locations, and for new, used, shared and auctioned products and services. These digital transformations are profoundly altering the nature of retailing, and their velocity will only accelerate.

Mobile commerce now represents 34% of the world’s e-commerce transactions – a figure that is expected to rise to 47% by 2018. We are racing into the digital unknown and reacting daily to changing consumer behaviors.

Extraordinary advancements in mobile technologies are impacting nearly every aspect of retail – placing intense pressure on CIOs and CEOs to transform their operating models, strategies, processes and infrastructures, while answering consumer demand for more personalized, contextually-relevant experiences as well as instant access to products and services. Unfortunately, this is widening the gap between retailers that are prepared for mobile commerce and those that are not. What was cutting-edge just 24 months ago – the “mobile app” popularized by Apple and Google – is already heading for extinction. Consumers are no longer satisfied with apps designed to serve mass markets; rather, they look for a real-time experience that reflects their personal preferences, activities and lifestyles, illuminated by Code Halos – the digital information that surrounds people, processes, organizations and devices.

These expectations present both a challenge and an opportunity for retailers and marketers. To succeed – and avoid the perils of unforgiving, rapid transformation – companies must refine their strategies, operating model, business processes and IT infrastructure and carefully examine their budget priorities.
Increasingly, consumers use multiple devices, apps and websites from different locations at different times of the day to do their mobile shopping—leaving retailers with a fragmented, limited view of customers and their behaviors. As a result, they miss sales opportunities—often operating “blindfolded”—unable to recognize and influence consumers on their path-to-purchase journeys. Removing these roadblocks requires fresh strategies and updated business models. It also obliges companies to leverage customer data-sharing through partnerships, and utilize advanced data collection, analytics and real-time information logistics to improve recognition and engagement.

This report, based on proprietary and secondary research sources, identifies the major challenges retailers confront with mobile commerce, and what they imply for the industry and every consumer-facing organization. It also offers concrete recommendations for developing and implementing more personalized, even curated, shopping strategies that can help your business take advantage of new waves of technology and keep up with unyielding change.
Key Findings

Along with retail industry publication RIS (Retail Info Systems), we surveyed 5,000 consumers across North America to learn more about their shopping behaviors, technology preferences, attitudes and activities (see Appendix, page 17). We also analyzed dozens of secondary research sources to consolidate the following key findings:

- **The growth rate of mobile commerce is set to leave e-commerce in the dust.** Globally, mobile commerce now represents 34% of e-commerce transactions, with the compound annual growth rate (CAGR) projected to increase by 42% between 2013 and 2016 — far surpassing e-commerce’s 13% CAGR.4

- **Mobile shoppers are sophisticated, knowledgeable and extremely price-sensitive.** Mobile consumers behave very differently than e-commerce (computer-based) shoppers, and thus require different sales, marketing and service strategies. Most important, they check prices and research products while in stores at a rate much higher than computer-based online shoppers (see Figure 1).

- **Mobile shoppers are bargain hunters.** If they think the price of a product in a store is too high, they look for a better deal online. They even scan barcodes to learn more about products — at a rate 47% higher than computer shoppers.5

- **The mobile market is a “market of me’s.”** For retailers, mobile consumers are not one homogenous market; quite the contrary. The millions (billions) of individuals who make up the “market of me’s” differ widely in their behavior, depending upon their age, gender, technology preferences and education level. As just one example, men are 27% more likely than women to subscribe to and receive location-based alerts when near a retailer’s store location.6

- **The mobile market is at the forefront of the “personalization vs. privacy” dichotomy.** Mobile shoppers want the benefits of personalization without the downsides. They are willing to share detailed personal information and brand/product preferences within loyalty and rewards programs, but not outside of those parameters. This must be recognized and exploited in retail strategies.

- **Code Halos are key.** There are many emerging business opportunities for innovators to introduce new products and services based on advanced data collection and Code Halo strategies, which inform meaning-making initiatives and power competitive outperformance.

**Different Segments = Different Behaviors = Different Strategies**

**Source:** RIS and Cognizant’s 2015 Shopper Experience Study Figure 1
Mobile is Huge, Getting Bigger, and Changing Everything

Retailers Face Unprecedented Turmoil

Consumers once walked through the entrances of retail stores on a predictable path-to-purchase that led them in a straight line, intersected at 90-degree angles, past product-lined shelves and shiny aisles. To connect with customers during this journey, retailers had only to strategically position promotional items and customer-service personnel along the way.

Today, however, there are many digital paths that customers and prospects can take—smartphones, tablets or other devices—that have replaced a once-predictable shopping scenario.

Our survey of North American consumers found that 56% use multiple platforms and mobile devices when shopping online (see Figure 2). As a result, many retailers feel under siege. Their path-to-purchase strategies are crumbling as customers swarm in from all digital directions—taking unpredictable paths and exhibiting confusing shopping behaviors.

Google reports that 79% of consumers now use smartphones to help with shopping activities, and among smartphone users, 82% research products and compare prices in stores.

At the same time, our research reveals that 73% of consumers still use desktops and laptop computers for the majority of their shopping activities.

There is no question that consumers’ buying behaviors are changing at an unprecedented pace. Shoppers now have instant visibility into pricing, competing products, inventory levels, locations and user reviews anytime and anywhere. Traditional marketing and selling strategies and techniques simply don’t work for the mobile consumer.

Crippled by Blind Spots and Dead Ends

Our research confirms that many of the steps in a path-to-purchase journey are completed before retailers are made aware of a consumer’s interests. These “blind spots” deny businesses the chance to promote their products and services and influence consumers in their target markets. Retailers that take immediate steps to remove these obstructions and actively engage with customers throughout their purchase journey will gain a significant competitive advantage. This requires harvesting and harnessing large quantities of data and developing an intimate understanding of its meaning.

In our book, “Code Halos: How the Digital Lives of People, Things, and Organizations are Changing the Rules of Business,” we state that “meaning-making potential (can be found) almost everywhere; the information surrounding every individual, product and organization is fantastically rich with clues and cues about past
behaviors, current needs, and future possibilities. But we must actively cultivate meaning through analysis and interpretation. This allows organizations to create value based on insights.”

Such insights can be gleaned from the metadata that resides nearly everywhere. The accurate interpretation of data cues can often be supported by big data analysis, which identifies patterns of behaviors. For example, when a person sells her home and moves to another town, she incurs predictable expenses, such as movers, storage, boxes, replacement furniture, rental vans and trucks. She may also need help remodeling her new house, finding a new bank, joining a new club, contracting for landscape maintenance, or finding a music teacher for her child. The data cues associated with her move can translate into sales opportunities for businesses smart enough to collect and analyze the right data.

**Fragmented Behaviors Create Strategic Havoc**

There are multiple steps in a consumer’s path to purchase. While they are unique to each shopper, they can encompass search; discover; education; reviews; trials; social media inquiries; purchases; post-purchase customer service, and loyalty programs. Ideally, a seller is aware of a prospect’s interest in a product and engages with him as early as possible to influence his buying decisions. However, the consumer can complicate these efforts by using various technology platforms as he makes his way along the purchase path.

Our research tells us that consumers often use different IT platforms at different times of the day, at different locations. Not surprisingly, purchases on desktop computers tend to happen during work, with shoppers switching to mobile devices during breaks. Smartphones are popular during the early hours of the morning, while tablets are generally preferred in the evening. This kind of fragmentation blocks retailers from recognizing individual users and their path-to-purchase journeys — thwarting efforts to provide personalized, contextually-relevant shopping experiences.

As IT platforms become increasingly complex, businesses must design new strategies for collecting and analyzing larger quantities of data, and develop new methodologies for identifying and gleaning insights from path-to-purchase data in order to outmaneuver rivals.

Supporting multiple mobile devices and computers in a consumer’s path-to-purchase is challenging enough. Add business process reengineering for mobile devices, upgrading IT environments to support real-time mobility, and developing personalization strategies for fast-changing consumer behaviors and the task becomes overwhelming.

Nonetheless, retailers must commit to continuous business and IT transformation at the same pace as consumers adopt new mobile technologies and shopping behaviors. They need to strengthen their relationships with consumers to the level of trusted partner, which involves providing value (rewards, special treatments and discounts) in return for customers’ personal profiles and preference data. Companies must also refine their data-collection and analytics systems, skills and strategies to become more data-driven, in ways that consumers find acceptable.
Retailers must commit to continuous business and IT transformation at the same pace as consumers adopt new mobile technologies and shopping behaviors.

(i.e., Google’s “Do no evil” maxim). By applying Code Halo thinking, companies can enhance their ability to understand and support customers with “made to order” experiences that build if not enhance shopper loyalty and basket size, and fuel top- and bottom-line improvements.

One Size Does Not Fit All

Asking developers to merely reformat existing e-commerce websites to accommodate mobile screens and operating systems undermines the behavioral patterns associated with e-commerce and m-commerce. For example, in physical stores, mobile shoppers check prices at competing stores and/or websites at a rate nearly 70% higher than computer-based shoppers. Retailers cannot assume their mission is accomplished once a consumer enters a store. Mobile devices in the hands of sophisticated mobile shoppers guarantees that competitive battles for product sales will continue in store aisles and won’t end until the cash register rings. Retailers need to identify individual mobile shoppers and their locations, and provide additional incentives for purchasing products onsite.

Simply stated, supporting mobile shoppers is good business. We find that these consumers shop online once or more a week, at rates 82% higher than computer-based shoppers (see Figure 3). We also know that mobile shoppers are early adopters, and are willing to support retail innovations at higher rates than computer-based shoppers. When digital and physical shopping processes are combined to enable customers to order online for local store pick-up, mobile shoppers participate at rates over 100% higher than computer-based shoppers. Mobile consumers are also more sophisticated in their use of digital shopping resources. For example, they are very likely to scan the barcodes of products on the shelf to learn more about them, at rates 61% higher than computer-based consumers (see Figure 4, next page). They also read product reviews on their mobile devices while in stores at a rate 46% higher than computer-based shoppers.

Mobile consumers also understand how to maximize deals, rewards and other benefits. Our research reveals that they are willing to promote a product or brand on their social network to earn rewards – at a rate 49% higher than computer-based shoppers – and are happy to pay higher prices in order to earn loyalty/rewards.
points, at a rate 19% higher than those who use their laptops or desktops to shop online. In fact, we found that mobile shoppers are members of three or more retail/rewards/loyalty programs – at a rate 32% higher than computer-based shoppers.

Mobile consumers are not only smart shoppers; they are vocal and influential. Our research tells us they post product reviews online at a rate 46% higher than computer-based shoppers (see Figure 5).

More Mobile Shoppers Post Reviews

Source: RIS and Cognizant’s 2015 Shopper Experience Study
Figure 5
The Demographics of “Mobile Me”

Men, Women and Mobile Commerce
Consumers’ behavioral differences extend far beyond mobile device enthusiasts and luddites (those who resist new technologies). Our research reveals significant variations among numerous demographic characteristics. This starts with basic disparities in how men and women shop and engage in mobile commerce. Female mobile shoppers use mobile devices “mostly” when shopping online, at rates 61% higher than male mobile shoppers. They also shop late at night, at rates 67% higher than male consumers. They are far more interested in researching prices, discounts, promotions, return policies and shipping costs on their mobile devices than their male counterparts. When female mobile shoppers believe the price of an item in a store is too high, they are far more likely to leave and look for a lower price on their mobile device than male shoppers.

How Age Impacts Mobile Commerce
Our study finds significant discrepancies in mobile consumers’ behaviors among different age groups. Roughly 82% of 25-34 year-olds purchase products online using mobile devices at least once a month, compared with 76% of 45-54 year-olds. Consumers between the ages of 18-34 shop late at night using mobile devices — more than any other age group — and research and check prices while in stores more often. They also read more product reviews on mobile devices and scan barcodes to learn product details more than other age groups. They check in on social network sites and post reviews of products and/or store experiences online more than other age groups. They are willing to order products online and pick up at local stores at rates 21% higher than the general population of mobile shoppers.

Mobile shoppers ages 18-34 are the “canary in the coal mine” for mobile commerce. They are the early adopters and early indicators of important trends retailers must understand.

Education Levels Affect Mobile Behaviors
Our research further reveals that shopping behavior varies by education level. Consumers with four-year degrees or higher engage in mobile-commerce activities at a rate 13% higher than those without college degrees, and shop online two or more times per month at rates 35% higher. They also use mobile devices to shop in the early evening, at a rate 26% higher than those without college degrees, and research and compare prices on mobile devices while in stores at rates 18% higher (see Figure 6, next page).

A Tactical Playbook for Winning the M-Commerce War
Our research underscores that retailers cannot approach individuals and market segments as one homogenous entity. Recognizing and appreciating their differences and complexities, and using that insight to gain competitive advantage through personalization is how retailers will prevail in mobile commerce.
One of the first challenges enterprises encounter when orienting themselves to the new world of Code Halos is understanding the sensitivities that lie at the heart of consumers’ wants and needs, i.e., to receive the benefits of personalized goods and services while having their privacy respected — what might be called the “personalization versus privacy paradox.”

Personalization vs. Privacy

Data is the ingredient that makes personalization possible. Collecting more personal data to gain deeper insights is critical to creating an effective, contextually-relevant personalization strategy. The challenge is that consumers consistently voice opposition to sharing personal data with retailers. At the same time, they embrace loyalty and rewards programs and the personalization of digital experiences that requires them to do so. In fact, our research confirms that 81% of consumers belong to one or more loyalty and rewards programs. When asked why, 74% answered that receiving points or rewards for each dollar spent was their primary reason. The research also reveals that the main reason shoppers don’t purchase from the lowest-priced vendor is to take advantage of loyalty and rewards program benefits.

Our research underscores that retailers cannot approach individuals and market segments as one homogenous entity. Recognizing and appreciating their differences and complexities, and using that insight to gain competitive advantage through personalization is how retailers will prevail in mobile commerce.

Four-year college graduates make use of mobile commerce at a rate 13% higher and shop online at rates 35% higher than those without college degrees.

Figure 6

The Educated Consumer
Mobile shoppers are the super fans of loyalty and rewards programs (see Figure 7, next page), and are 32% more likely to belong to three or more programs than computer shoppers. Plus, they are willing to provide detailed personal profiles in order to enjoy a more personalized shopping experience, at a rate 46% higher than computer-based buyers.

The dichotomy of not wanting to share personal data but doing it in exchange for rewards, special treatment and a more personalized experience must be recognized and understood. Consumers are demonstrating by their actions if not their voices their willingness to share personal information for value (rewards and benefits).

The onus is now on retailers to offer and promote loyalty/rewards programs that provide enough value and motivation to justify, in the eyes of the consumer, the need to collect personal data to support an effective personalization strategy. However, having a loyalty or rewards program is only the beginning. Approximately 73% of retailers surveyed still do not offer mobile access to their loyalty programs. This means that even the best-designed programs are in jeopardy of being inaccessible to important segments of the market.

The dichotomy of not wanting to share personal data but doing it in exchange for rewards, special treatment and a more personalized experience must be recognized and understood.

Approximately 73% of retailers surveyed still do not offer mobile access to their loyalty programs.

Mobile Data Partnerships Drive Profits and Loyalty

Companies need more (and better) customer data to improve personalization and relevance. This data should be collected and analyzed with the full knowledge and consent of the customer. Correctly managing this requirement is essential; our research shows that consumers oppose sharing personal information with retailers unless there is a positive give-to-get ratio. As our book, Code Halos: How the Digital Lives of People, Things, and Organizations are Changing the Rules of Business explains, “A positive give-to-get ratio is one where the value of the code [data] the consumer provides about herself (or that her system, process, or that product provides about itself) is exceeded by the value of what she receives.”

Value is often delivered through loyalty programs in the form of rewards, discounts and special treatment for each dollar spent. Companies that win in mobile commerce will form data-contribution and usage partnerships with their customers. We call these MME (Mobile Me) data partnerships. They are explicit agreements between retailers and customers – designed to mutually benefit from the collection and use of a defined set of personal data.

Consumers recognize there is value in their personal data, and they want that value realized in their vendor relationships. MME data partnerships enable consumers to contribute personal data – historic and current – in exchange for clearly defined rewards and personalized digital experiences through new or existing loyalty programs.
Managing data with sensitivity and respect is critical. Smartphones and tablets are highly personal. Most people are within arm’s length of their mobile devices 24 hours a day. The devices record and reflect the life of the user, including their habits, patterns, preferences, communications, contacts, relationships, social networks and lifestyles. This is not the kind of information one turns over to strangers for their critical review and analysis. Retailers must be trustworthy, and walk with the customer hand-in-hand to find and receive mutual benefits from personal data.

These issues are complex, and require constant calibration as attitudes toward personalization and privacy morph by virtue of changing social norms and the impact of worldwide and regional legislation. They will never be “solved” with a one-time, “set and forget” formula. However, once they are understood and initial policies are in place, retailers can move on to address the myriad other factors in play.

Mobile Me Experiences are the Only Experience that Matters

For too long, retailers developed mobile applications that were no more than mere digital replicas of their retail stores. The goal was to extend in-store shopping capabilities and business processes to mass online markets. Although this was a reasonable starting point, treating customers as a homogenous, “one size fits all” market is a strategy destined for failure.

Recognizing the uniqueness and behavioral patterns of various demographic segments, then personalizing experiences for each individual in a segment, requires a Mobile Me (MME) strategy – designed around the only experience a consumer cares about.

To support MME initiatives, retailers must stop developing mobile applications designed for mass markets in favor of ones that offer personalized experiences to each customer. They must also adopt a strategy of winning the business of each customer, one by one. This involves identifying individual customers and the data (analyzed and interpreted) related to them, then feeding those insights into

**Mobile shoppers are willing to provide detailed personal profiles in order to have a more personalized shopping experience – at a rate 46% higher than computer-based consumers.**

Managing data with sensitivity and respect is critical. Smartphones and tablets are highly personal. Most people are within arm’s length of their mobile devices 24 hours a day. The devices record and reflect the life of the user, including their habits, patterns, preferences, communications, contacts, relationships, social networks and lifestyles. This is not the kind of information one turns over to strangers for their critical review and analysis. Retailers must be trustworthy, and walk with the customer hand-in-hand to find and receive mutual benefits from personal data.

These issues are complex, and require constant calibration as attitudes toward personalization and privacy morph by virtue of changing social norms and the impact of worldwide and regional legislation. They will never be “solved” with a one-time, “set and forget” formula. However, once they are understood and initial policies are in place, retailers can move on to address the myriad other factors in play.

**Mobile Me Experiences are the Only Experience that Matters**

For too long, retailers developed mobile applications that were no more than mere digital replicas of their retail stores. The goal was to extend in-store shopping capabilities and business processes to mass online markets. Although this was a reasonable starting point, treating customers as a homogenous, “one size fits all” market is a strategy destined for failure.

Recognizing the uniqueness and behavioral patterns of various demographic segments, then personalizing experiences for each individual in a segment, requires a Mobile Me (MME) strategy – designed around the only experience a consumer cares about.

To support MME initiatives, retailers must stop developing mobile applications designed for mass markets in favor of ones that offer personalized experiences to each customer. They must also adopt a strategy of winning the business of each customer, one by one. This involves identifying individual customers and the data (analyzed and interpreted) related to them, then feeding those insights into
a personalization engine to deliver a customized digital experience. This will necessitate different system and application designs, development skills, IT infrastructures, business models, analytical strategies and personalization platforms.

To implement MME strategies, retailers must understand more than the general preferences of their target audience; they must understand individuals and micro-markets. Success will come from competing and winning based on the metadata mined from thousands of individual transactions and interactions – in essence, by applying Code Halo thinking.

3D-Me: Digital, Physical and Personal

A retailer's ability to implement a successful MME strategy is directly tied to its ability to collect data and find business meaning as informed by Code Halo thinking. Yet according to our recent study on digital experiences, only 16% of executives surveyed believe their organizations are effective at collecting and leveraging customer data from digital interactions.22

We recommend that enterprises implement 3D-Me data strategies (three dimensional), which involve exploiting three data-rich sources for personalization initiatives:

- Digital: Mobile apps and websites.
- Physical: Wearables and IoT sensors that measure and monitor physical environments and objects.
- Personal: Historic and current data – personal, preference and transactional – volunteered by the consumer.

Triangulating data from these three rich sources affords deeper insights and greater personalization than ever before possible.

3D-Me data fills many gaps related to individual preferences, product usage and mobile consumer behaviors that have historically kept companies guessing. It provides benefits for both consumers and retailers: for the customer, through rewards, discounts, special treatment and MME personalized experiences; for the retailer, through increased sales and loyalty, lower costs of sales, better planning and improved forecasting – plus the ability to develop innovative, data-driven products, services and businesses.

Keeping Your Finger on CROME Triggers

Receiving a message on your smartphone about a shoe sale (your favorite brand and style) that ended yesterday at a location hundreds of miles away is an example of personalization without value. Even though personalization is employed, it is irrelevant. Personalization using 3D-Me data is a tactic in an incomplete strategy. Personalization presented out of context is trivia. Value is only realized when 3D-Me data is combined with contextually-relevant opportunities, moments and environments (CROME) to trigger a just-in-time MME experience. CROME triggers are meaningful bits of data that when captured and analyzed activate time-sensitive and relevant personalization activities.

CROME triggers transform the potential value of personalization into kinetic value. Receiving an alert about a back-to-school sale at a retail store you pass on the way home a week before school starts is an example of using CROME triggers (e.g.,

Retailers must be trustworthy, and walk with the customer hand-in-hand to find and receive mutual benefits from personal data.
CROME triggers are meaningful bits of data that when captured and analyzed, activate time-sensitive and relevant personalization activities.

Using CROME to Recognize Steps in the Journey

As discussed, one of the biggest challenges retailers face is knowing when a consumer is on a path-to-purchase journey, then identifying the steps they take along the way. The earlier a retailer has this information, the more opportunities it has to influence buying decisions. CROME triggers, configured to recognize and then notify when path-to-purchase activities are occurring, can become competitive game-changers.

An example of a CROME trigger is an application download. The act of downloading a mobile application for finding homes for sale can signal an alert that the user may be looking to move, change jobs, get married, have another child, etc., and therefore may need an array of new products and business services in the near future. The larger the number of CROME triggers deployed and activated, the deeper the potential business insight.

Operational Speeds

To realize MME strategies and goals, IT infrastructures must be equipped to personalize experiences based on collected and analyzed metadata, and apply these insights and foresights at real-time speeds. Yet many companies find themselves unable to utilize their existing IT environments to meet this benchmark, and lack the skills necessary for contextual personalization. These deficiencies are major obstacles that must be overcome.

Retailers must develop the capability to operate at the speeds required by impatient mobile shoppers. Today, success in mobile commerce requires mobile retailers to operate in real time; business processes and IT systems that are incapable of this must be upgraded or replaced in order for businesses to successfully compete. Enterprises must test and document IT systems and review associated business processes to clearly understand the size and scope of necessary upgrades, then develop strategies and budgets around them to achieve real-time IT speeds and operational tempos.23

Opportunities for Innovators

Implementations of Code Halo thinking and 3D-Me data strategies open the door to new and innovative business opportunities. Effective implementations will quickly reveal purchasing and behavioral patterns across groups of individuals with similar preferences, priorities, consumption rates and tastes. We call groups with similar 3D-Me data profiles MME micro-markets. Recognizing these markets, then predicting “markets of one” demand, will allow retailers to develop new solutions and services. (For example, pre-ordering and negotiating additional discounts from suppliers. These discounts can then be used to reward loyalty program members and motivate others to join. Amazon Prime employs this model daily.24
3D-P&Ls: Dynamic Pricing and Rewards for Markets of One

Code Halos and 3D-Me data strategies permit innovators to develop P&L (profit and loss) statements specific to individual customers. Achieving clarity on the economic value of an individual customer makes it possible for retailers to customize the rewards and benefits of loyalty programs for use both online and in store.

Our Center for the Future of Work calls these 3D-P&Ls. Analysis of an individual’s 3D-Me data can provide the required information to generate accurate 3D-P&Ls, which can be used to customize loyalty programs. Consumers can use mobile apps and websites, or check in at physical store locations to receive rewards and benefits calculated in real time, based on 3D-P&L algorithms.

3D-P&Ls and Gamification Drive Profitable Behaviors and Strengthen Loyalty

The data and algorithms that make up 3D-P&Ls, personalized pricing and dynamic loyalty rewards for individuals can also be used to motivate profitable behaviors in customers while increasing their loyalty. This can be promulgated with gamification strategies. For example, if big data analysis determines that each customer visit to a store is worth $5.00 in additional store profit, the retailer has a reason to encourage additional customer visits with additional rewards. Using powerful visuals in mobile dashboards to project the three-to-five-year value of these benefits to the customer can serve as a powerful motivator for them to achieve the highest rewards level possible. These visuals can be in the form of progress bars or other dynamic charts that show what must be done or bought to reach the next level of discounts and rewards.

At first glance, mobile applications may appear to be clever add-ons to lines of business; however, they are now driving digital transformation across the retail industry.

Recommendations and Action Steps

Mobile consumers are uprooting legacy businesses models and IT strategies. Their behaviors are forcing enterprises to digitally transform or face failure. At first glance, mobile applications may appear to be clever add-ons to lines of business; however, they are now driving digital transformation across the retail industry. The cost of supporting mobile commerce may ultimately involve rethinking, reengineering and redesigning the entire business. If consumers are adopting mobile shopping at a pace faster than a retailer can keep up with, there is an opportunity for a more nimble competitor to step in and fill the gap.

The following five key recommendations are the result of our analysis of Cognizant’s 2015 Shopper’s Survey and our ongoing research and consulting work with clients worldwide.

1. Retailers must recognize individual consumers and their unique path-to-purchase journeys while sorting the signal from the noise. Mobile consumers rely on multiple technology platforms, Web and mobile applications, social and online reviews, plus traditional in-store experiences while they shop. Retailers must learn to recognize and understand these behaviors and market
segments, then use the insights they glean to optimize sales, customer satisfaction and loyalty. These findings point to the need to adopt new business models, carve new strategies and implement digital transformation initiatives to compete and win.

2. **Online retailers must deliver optimized Mobile Me experiences.** To win in mobile commerce, retailers must collect and analyze consumer data and employ advanced MME personalization platforms, concepts and strategies to provide deeply curated digital experiences.

3. **Develop partnerships with customers to mutually benefit from data.** Our analysis finds that enterprises require 3D-Me data strategies involving the strategic collection of data from three key sources: digital, physical, and personal. A retailer’s success with mobile commerce is impacted by its ability to collect, analyze and deliver relevant, personalized mobile experiences. Gathering increasing volumes of data is not just a technology imperative; it is about forming new kinds of relationships with consumers. This starts with MME data partnerships, in which consumers receive recognized value and mutual benefits from sharing personal information and agreeing to specific use cases.

4. **Polish your customer CROME.** Contextual personalization implies real value and delightful customer experiences. Out-of-context personalization is irrelevant (or worse, fatal). CROME triggers (contextually-relevant opportunities, moments and environments) connect in real time, and apply user-specific data in context to drive meaningful transactions and interactions for consumers and retailers alike. This enables time-sensitive personalization (think coupons, messaging, social connections, route guidance, and recommended next-best actions). Retailers must map data to an ideal journey through space and time as a set of CROME experiences that capture optimal, real-time user data. This is a first step in taking customers on an engaging personal excursion.

5. **Develop data-driven 3D-P&Ls to increase sales and customer loyalty.** The implementation of MME personalization, 3D-Me and Code Halo data strategies and CROME triggers opens up opportunities for data-driven innovations such as 3D-P&Ls. 3D-P&Ls afford a unique view into the past, current and future business value of individual customers — providing the fuel that powers real-time personalization of loyalty and rewards programs for use both online and in stores. The algorithms used for determining business value can then be applied to inform gamification designs, tactics and strategies, motivate desired behaviors, and incentivize customers to buy more and remain loyal.

Today’s retailers compete on a complex, mobile landscape populated by ever-increasing streams of real-time data. The winners will be those that are best able to capture and analyze data and deliver optimally personalized and relevant digital experiences to markets of one.

*Note: Code Halo is a trademark of Cognizant Technology Solutions.*
Appendix

*RIS (Retail Info Systems)* and Cognizant’s 2015 Shopper Survey was conducted in April of 2015, and involved 5,000 participants (3,373 females and 1,627 males) in the United States between the ages of 18-65+. The survey was balanced by age and income and conducted online.

Footnotes

2 http://www.futureofwork.com/codehalo.
6 Ibid.
7 Ibid.
10 According to comScore, in the first quarter of 2014, 78% of the U.S. population age 15 and above bought something online. In Cognizant’s 2015 Shopper Experience Study, we found 77% of 18-24 year olds purchase online using mobile devices (and desktop/laptops) at least monthly. How much do they spend? BusinessInsider.com reports that 18-34 year olds spend nearly $2,000 per year online. To further understand the demographics of online shoppers, an Experian study found that 55% of online shoppers in the U.S. live in households with incomes above $75,000 (40% were in households earning $100,000 and above). These numbers demonstrate the current and future value of online shoppers to retailers.
13 Ibid.
14 Ibid.
15 Ibid.
17 RIS and Cognizant’s 2015 Shopper Experience Study of 5,000 in North America.
18 Ibid.
19 Ibid.
20 Boston Retail Partners, August, 2015.


Amazon Prime is a subscription service offered by Amazon.com. Its most popular benefits are the reduction or elimination of shipping costs on all purchases that are fulfilled directly by Amazon, and streaming media services such as TV shows and movies.

About the Author

Kevin Benedict is a Senior Analyst with Cognizant’s Center for the Future of Work, and a popular technology pundit, writer and keynote speaker with over 30 years of experience. He brings a unique perspective as a veteran mobile industry executive who has taught IT and business strategy workshops in 17 different countries over the past three years, and written over 3,000 articles. Kevin can be reached at Kevin.Benedict@cognizant.com | LinkedIn: https://www.linkedin.com/in/kevinbenedict | Twitter: @krbenedict. Read Kevin Benedict’s blog at http://www.futureofwork.com/author/details/kevin-benedict.
CUTTING THROUGH CHAOS IN THE AGE OF “MOBILE ME”
About Cognizant’s Center for the Future of Work

Cognizant’s Center for the Future of Work provides original research and analysis of work trends and dynamics and collaborates with a wide range of business and technology thinkers and academics about what the future of work will look like as technology changes so many aspects of our working lives. Learn more by visiting www.unevenlydistributed.com.

About Cognizant

Cognizant (NASDAQ: CTSH) is a leading provider of information technology, consulting, and business process outsourcing services, dedicated to helping the world’s leading companies build stronger businesses. Headquartered in Teaneck, New Jersey (U.S.), Cognizant combines a passion for client satisfaction, technology innovation, deep industry and business process expertise, and a global, collaborative workforce that embodies the future of work. With over 100 development and delivery centers worldwide and approximately 218,000 employees as of June 30, 2015, Cognizant is a member of the NASDAQ-100, the S&P 500, the Forbes Global 2000, and the Fortune 500 and is ranked among the top performing and fastest growing companies in the world. Visit us online at www.cognizant.com or follow us on Twitter: Cognizant.