

‘5 Ways Mobile Apps Are Driving The Store Of The Future’

IMPROVING REVENUE,
LOYALTY, PRODUCTIVITY
AND COST CONTROL



It's a given: Most shoppers are now armed with a mobile device when they enter a retail store. They are highly informed and expect the retail employees they interact with to be at least, if not more knowledgeable about a store's products, promotions and services.

Acknowledging this shift, more store associates are toting mobile smartphones and tablets loaded with powerful mobile apps that provide them with actionable insight anytime, anywhere. With the average shopper **looking at their phone more than 150 times a day**, leading retailers are leveraging mobile technology to enhance customer experience, drive sales, boost customer loyalty and achieve operational efficiencies.

In fact, **77% of retailers believe store operations will benefit the most from mobility strategies**, according to an *EKN Mobility in Retail 2014 report*.

This presents a win-win situation for retail brands: educated and engaged store associates able to meet consumers' demands can generate a **123% uptick in sales revenue**. At the same time, by placing real-time information on store performance, labor optimization,

seasonal trends and promotional offers, at users' fingertips, mobile-toting store employees can achieve new levels of productivity.

"A mobile app program is a huge opportunity for retailers to revolutionize how their employees work," said Hugh Owen, Vice President of Mobile Products at MicroStrategy. "Store managers and associates are now able to take advantage of information that, once locked away in databases or tethered to a desktop PC, is now within arm's reach."

But it's not enough to just hand mobile devices to store associates and store managers. Retailers must build an effective and unique mobile strategy for the specific brand and target customers.

With a powerful, effective mobile app program in place, forward-thinking merchants can win the battle for shoppers' eyes and ears — and wallets.

This white paper outlines the 5 key benefits of a winning mobile app strategy, and new ways retailers can effectively leverage mobile technology as a competitive advantage.

77% of retailers believe store operations will benefit the most from mobility strategies.

- *EKN Mobility in Retail 2014*



1

Managers Make Faster, Smarter Decisions

With mobile devices in hand, store managers can quickly take action from the sales floor — they no longer need to wait to check the PC from their desks in the backroom. A one-stop-shop for managers, mobile apps can deliver data to help determine the best product merchandising and promotional strategies based on store traffic, inventory availability and planograms.

In fact, **38% of retailers see “a lot of value” in KPIs and alerts to store managers on mobile devices and tablets**, according to a 2014 report from Retail Systems Research, titled: *What’s In Store for Stores*.

Now store managers can adjust their behavior in real time based on shifts in sales trends, environmental changes and other factors. “Retailers need to be able to provide all store managers with information that helps them make the right decisions and alerts them to trends,” said Owen.



CASE IN POINT

Whole Foods uses mobile app technology to provide its store team leaders with up-to-date sales and operations information — detailed insights that allow for faster and more effective decision-making.



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- Retail Systems Research, What's In Store for Stores

Real-time data, communicated via mobile apps can **deliver business efficiencies and avoid potential consumer health and safety issues**. For example, store managers need to know in real time when food products expire, so those items can be removed from the shelves immediately. Also, if there is excess inventory in the dairy department, managers can work with HQ to adjust incoming inventory and avoid being left with a high volume of wasted food.

Staffing issues also can be addressed in real time. If customer traffic is trending up on a certain day, the manager can adjust the schedule and avoid customer service issues. In the end, with these solutions in place, sales are saved and inefficiencies are minimized.

Quick Access To Documents

In the mobile app, managers also have ready access to all vital data and documents: Visual updates, promo checklists, employee evaluation forms, customer service survey results, corporate communications from management and more. They also can view all the latest news about: Sales contests, grand openings, and special events such as autograph signings.



2

Store Associates Improve Productivity

A mobile app program can help by enabling store employees to access a wide range of information from a single mobile device. By sharing valuable information with the right people at the right time, mobile apps can significantly empower store associates while boosting their productivity. Employees can easily access training materials and videos, as well as planogram setups, transfer data, and markdown information.

Additionally, many employees previously had to use VPN connections to access critical sales data and systems, thereby slowing reaction times to emerging trends and issues. Thanks to mobile apps, everything from **sales performance and inventory availability to high-priority tasks** can be accessed and **shared among store associates in real-time for significant productivity gains.**

Consider, for example, a mobile app that regularly delivers proactive alerts to employees on the most relevant KPIs, what products to push to consumers, and which promotions are driving the greatest revenue. The result is an intricately connected and highly productive

mobile workforce that is able to react in real-time to fluctuating customer and sales data.

Gamification is another application of mobile technology that can significantly impact behavior and boost employee productivity. For example, by displaying a particular store's sales goals for the day on a mobile app, and offering regular updates on how close the store team is to achieving these goals, retailers can spark healthy competition among employees and drive productivity. As a bonus, the "fun" aspect of gamification promotes user adoption. The best part: valuable employees don't have to leave the store floor to participate.

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3

Business Costs Are Under Control

There are a number of ways a mobile app program can help retailers get a better handle on costs. For one, today's **Bring Your Own Device (BYOD)** trend promises improved productivity and better work-life balance. But it can also help retailers achieve significant savings.

"Deployment mechanisms like BYOD are significantly helping retailers cut costs," said Owen. "Rather than pay for several PC terminals or laptops in the store, retailers can publish apps using mobile technology and push important information out to people's personal devices."



And because store associates are using their own devices, a retailer can reap savings on training or lost productivity while employees get up to speed on new technology.

The cloud is another technology trend that's helping retailers launch robust mobile app programs at a reasonable cost. Unlike on-premise systems which require heavy capital outlays in hardware, **the cloud allows retailers to start building and deploying apps right away with minimal investment.**

"Not only does cloud technology accelerate the time from building an app to placing it in the hands of every single store manager's device, but it also significantly reduces the amount of investment in hardware, data centers and additional manpower," Owen explained.

Better yet, retailers can scale their usage of cloud services up or down so that they're only paying for what they use depending on the store's current mobile app strategy.

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- Hugh Owen, MicroStrategy

CASE IN POINT

The Container Store relies on its mobile app program to provide store leadership teams with information about their payroll, as well as communicate actions that can be taken to optimize their schedules based on current trends and predictive analysis. As a result, they are now able to compare sales per payroll hour to customer-facing payroll hours, thereby making it easier to better manage personnel hours.

But the most effective way retailers are using mobile apps to better control costs is through **data analytics**. Mobile apps that deliver analytics can pinpoint incidences of shrinkage, missed opportunities for sales, poor employee performance, understaffing, and many other areas of concern for retailers. By doing so, retailers can react in real-time to new developments, thwarting problems before they become costly.

In some instances, cost savings can be offset by high-priced mobile app strategies. For this reason, a code-free approach to developing mobile apps that doesn't require any programming is ideal. Without code or programming, retailers can build significantly more and richer apps with fewer resources.



4

Sales Increase While Out-of-Stocks Decrease

Mobile technology has come a long way from flip phones and pagers. “Mobile computing/mobile BI is not only becoming more pervasive in and across organizations, it’s becoming much more mature and advanced,” **said Howard Dresner**, Founder and Chief Research Officer, Dresner Advisory Services, and author of the 2013 *Wisdom of Crowds® Mobile Computing/Mobile BI Market Study*.

Part of this sophistication is a mobile app’s ability to provide information about inventory and orders to help managers make effective inventory decisions and reduce stockout situations. For example, store managers receive real-time alerts to find out about overstock or pending stock-out conditions immediately. With this information in-hand, managers can request a back-stock pull, work with the district manager to move overstocked inventory to another store, or contact HQ to request additional merchandise be ordered.

The apps also provide store associates with easy ways — using video conferencing, photos, and annotate features — to collaborate and communicate best practices with other stores

on merchandising, promotions and other strategies that can help boost sales.

For example, the manager of a sporting goods retailer can see how his store’s outerwear sales and inventory **compare to another location’s sales** with similar square footage and climate. His inventory may be really light in men’s hats but a nearby store could be overstocked in this category. With easily accessible information from the mobile app, the stores can work together to optimize merchandise sales and inventory turns in this category.

In another instance, if an **item on promotion** is not selling as well as expected compared to other stores in the chain, the manager can receive a real-time alert to assess the situation. Maybe the promotional signage is not in place and the manager can make the necessary adjustment on the fly.

Or in a grocery store, milk is historically sold in 65% of customer transactions, but the manager receives an alert on his mobile device stating that in the last hour milk was only included in 20% of transactions. The app recommends that he immediately check to see if milk is **out-of-stock**.

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5

Customer Loyalty Improves Through More Effective Engagement

In today's highly competitive retail industry, it's not enough to simply have a presence on a consumer's web browser or mobile device. Rather, retailers must deliver personalized content, the right products and meaningful interactions to keep them engaged.

The fact is: **50% of shoppers want expert advice on what to buy** when they enter a store, but as many as **67% feel that employees could be more helpful**, according to Dr. Marshall Fisher, Professor, Wharton School of Business, and Experticity in the report, titled: *The Value Of Helpful Expertise In Retail*. Fortunately, mobile app technology can help in a number of ways, including motivating product **upsell and cross-sell**.

To begin with, savvy retailers are providing store associates with mobile clienteling apps to leverage whenever they are interacting with customers. These apps empower store associates with customer insight data, personalized product recommendations and sales guidance at the precise moment a customer is making a purchasing decision.



CASE IN POINT

Gucci is one retailer leveraging mobile app technology to bolster customer loyalty. The luxury fashion and leather goods brand lets store associates access vital information such as market basket analysis via a mobile device. As a result, associates can determine which products to upsell to a shopper based on his or her unique purchasing history and buying preferences.

Store associates are not only armed with an app that allows them to provide a higher level of service to Gucci's top customers but they can also recommend products that, statistically, consumers are more likely to buy.



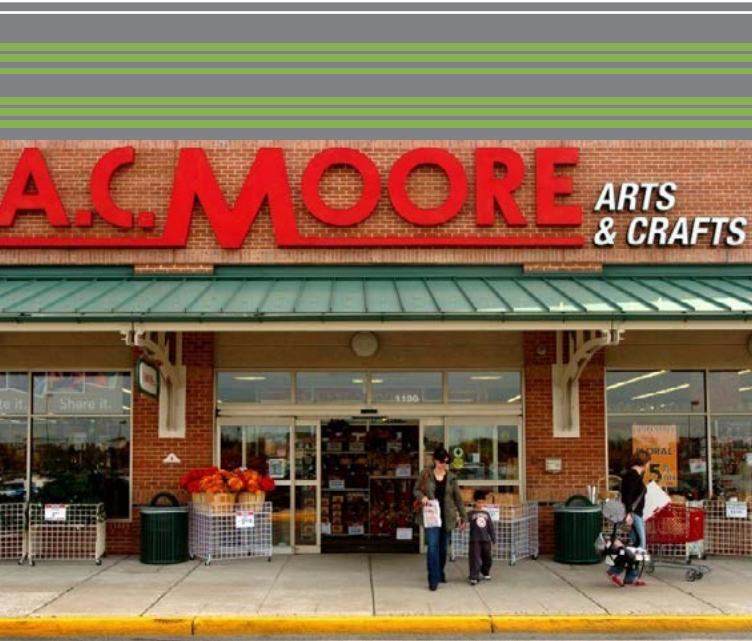


CASE IN POINT

Customer-facing mobile apps can also drive consumer loyalty. For example, **A.C. Moore** mobile users can access the arts and crafts retailer's weekly ads, review its portfolio of crafts projects and join its rewards program — all in real time. Moreover, using a combination of geo-fencing and customer segmentation features, A.C. Moore can also deliver highly personalized, location-triggered offers, driving more in-store visits and greater loyalty.

In turn, sales associates can input client notes, search for products or view inventory availability on the spot, without having to consult a manager or log onto a back office computer. Whether it's a customer profile, what their buying history is, what products they like to purchase or their value to the retailer, a mobile app can render these valuable insights readily available.

Consider, for example, the power of a mobile app that alerts retailers to the precise moment a loyalty program customer enters the store. "Imagine numerous customers walking through the front door at the same time but only one of those customers is registered in the retailer's loyalty program and typically spends five times more than a regular customer," said Eileen Kolev, a retail industry expert with MicroStrategy. "That store manager or associate is immediately alerted to that valuable customer's arrival and can greet them personally for enhanced customer service."



CONCLUSION

A Mobile Strategy For The Future



Mobile technology is forever changing the face of retail, empowering consumers with detailed information about competitors' products via mobile devices. In response, savvy retailers are jumping on board the mobile train, equipping store managers and associates with powerful mobile apps. Easy to use and jam-packed with customer insights, these tools are helping retailers prepare for the future in 5 key ways:

1. Managers Make Faster, Smarter Decisions
2. Store Associates Improve Productivity
3. Business Costs are Under Control
4. Sales Increase While Out-of-Stocks Decrease
5. Customer Loyalty Improves Through More Effective Engagement

Together, these benefits are enabling retailers to meet consumers' ever-rising expectations of customer service while achieving new levels of customer loyalty, sales and operational efficiency.

"People really enjoy using mobile devices," said Owen. "If retailers empower their sales managers and associates to take advantage of this prime opportunity, they can really revolutionize how their employees work, and how consumers shop."

About MicroStrategy

Founded in 1989, MicroStrategy (Nasdaq: MSTR) is a leading worldwide provider of enterprise software platforms. The Company's mission is to provide the most flexible, powerful, scalable and user-friendly platforms for analytics and mobile, offered either on premises or in the cloud. The MicroStrategy Analytics Platform™ enables leading organizations to analyze vast amounts of data and distribute actionable business insight throughout the enterprise. The MicroStrategy Mobile App Platform™ lets organizations rapidly build information-rich applications that combine multimedia, transactions, analytics, and custom workflows. To learn more, visit

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