SNIPP!

MOBILE PATH TO PURCHASE

WHITE PAPER

SNIPP!

There are over **3.4 billion smartphone subscriptions worldwide**, and this figure is projected to reach **9.1 billion by 2021** – a telling sign of the expanding role that smartphones are playing in our lives[1].

One area that has completely been redefined by mobile technology is retail – shoppers are now **constantly connected, well-informed and quick to buy both online and in-store.** Therefore, to remain relevant, brands and retailers must understand how consumers are integrating mobile technology into the traditional path to purchase and adopt a seamless brand experience that engages customers across both digital and physical channels.

A recent study conducted by Retail Systems Research found that **64% of retailers** worldwide identified meeting mobile expectations as a key challenge.

44% said traffic from mobile sources had increased, and they needed to respond to this trend[2]. Nearly half admitted that their competitors had raised the bar on mobile, and they felt the need to respond[3].

Brands are similarly unprepared to deal with the challenges posed by mobile technology - a study released by Sitecore and Vanson Bourne found that **97%** of brands believe that a strong mobile experience impacts customer loyalty, **41%** either don't have a mobile strategy in place or have yet to implement their mobile strategy[4].

PRE-PURCHASE BEHAVIORS

Shoppers are **increasingly relying on mobile phones to research products** before making a purchase and check prices. Surprisingly, much of this research is actually happening within the store itself. Loyalty program subscribers also use their phones to research products and prices, so if retailers can make loyalty apps more engaging for shoppers and sell at highly competitive prices, there is tremendous potential for increased sales and improved relationships with customers. One key retail touchpoint that has shifted to mobile is coupons.

$19.99

Another interesting element about a consumer's pre-purchase behavior is the **sense of immediacy created by mobile research** - once shoppers decide what to buy, they expect to have the product in their hands within the hour, generally making the purchase in-store. These behavioral insights are key for marketers, as they point to the **increased need for seamless brand integration across mobile and in-store** channels.

MOBILE DEVICES ARE HEAVILY USED

44% of consumers identified their mobile device as being the most essential aid to their purchasing decision[5].

Shoppers spend more than **15 hours per week** on mobile research[6].

Mobile is now the most popular method for pre-purchase research – **53%** of consumers use a mobile browser and **20%** use a mobile app[7].

CONVERSION RATES ON MOBILE ARE HIGH

93% of people who use their mobiles to research go on to make a purchase[8].

50% of mobile users are most likely to visit a store after conducting a local search[9].

In the UK, **56%** of consumers who research goods and services in-store make purchases on location[10].

PEOPLE USE MOBILE DEVICES TO COMPARE PRICES, ESPECIALLY IN-STORE

61% of shoppers use their smartphones to compare prices in-store[11].

71% of loyalty programs subscribers compare prices on their phones in-store[13].

53% of shoppers prefer to research product information in-store[12].

Shoppers who use their mobiles for loyalty programs are **28%** more likely to do price comparisons than shoppers with mobile devices that don't use loyalty programs[14].

$19.99 $20.49

MOBILE COUPON USE IS ON THE RISE

26% of North American shoppers are already using mobile coupons and **54%** of North American shoppers are open to using mobile coupons in the future[15].

It is estimated that **83.1 million** consumers redeemed mobile coupons on smartphones in 2015[16].

About **40%** of customers spend more if they receive a personalized mobile coupon[17].

Approximately **60%** of consumers say their opinion of a retailer would be more positive if they started to receive coupons and offers that could be saved on their smartphones[18].
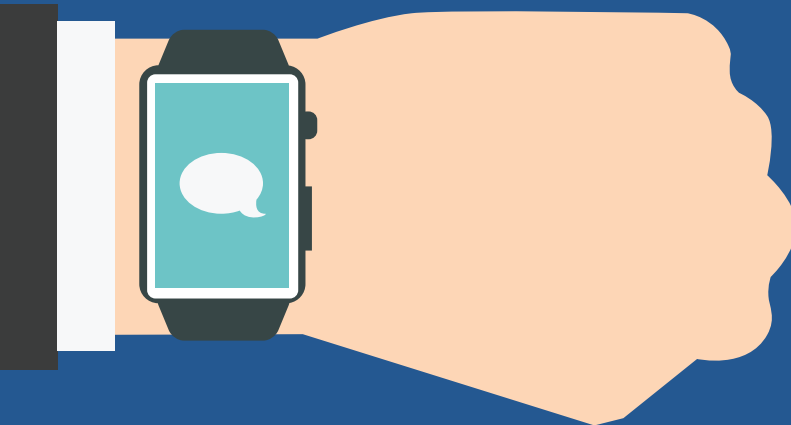
15%
OFF ON YOUR
NEXT PURCHASE

REDEEM COUPON

Cannot be combined
with any other offer.
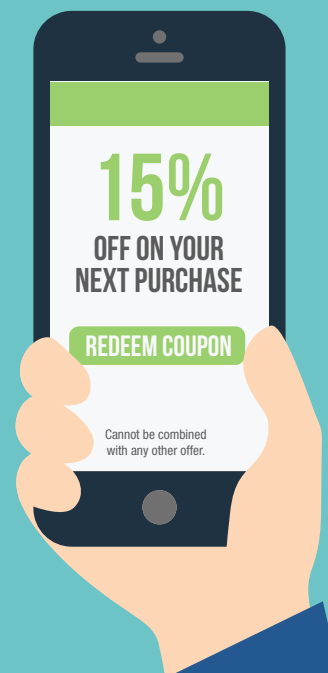
PRE-PURCHASE CASE STUDY: FORD MOTOR COMPANY[19]

To increase qualified leads on the Taurus and Escape, Ford used a mobile-first strategy to add members to their database. They offered an option for consumers who were interested in more information to text FORD to 63611. When they sent a text, they received a text from Ford asking them which car they were most interested in, their zip code and full name. This information was then sent to the Ford dealership nearest to the consumer for a sales person to do a follow up with the potential buyer. This mobile marketing campaign generated an astonishing 15.4% conversion.

GET 0% APR FINANCING
— PLUS —
$1500 TOWARD YOUR
FIRST THREE PAYMENTS[2]

TAURUS   ESCAPE

For more information, text[3]
FORD to 63611

Ford
Drive one.

PURCHASE — THE EVOLVING TECHNOLOGY OF MOBILE PAYMENT

The integration of mobile technology into the traditional path to purchase has completely **redefined how consumers pay for the products they want**. Not only are there more mobile wallet options available, but with wearable technology like fitness trackers and mobile wallets being used to make payments, **shoppers can make purchases simply with the flick of a wrist**.

![SNIPP logo]

The most common types of wearable payment devices include smartwatches and fitness trackers. Many of these devices have been **outfitted with technology to complete contactless payments**, like the Apple Watch with Apple Pay, Samsung's Gear S2 smartwatches (which will soon have compatibility with Samsung Pay2), and Jawbone's fitness tracking wristband, the UP4, which can be linked with an eligible American Express card[20].

This is just the beginning of the wearable tech trend – soon, we will be able to make purchases with our jewelry and clothing. In fact, MasterCard recently announced a new program that would transform anything from clothing to jewelry and handbags to keychains into a secure form of payment. So far, MasterCard has partnered with major car manufacturers, fashion designers and jewelry companies to bring its wearable payment ideas to life[21].

The implication for marketers is that the functionality offered by traditional loyalty cards will have to be integrated across various payment platforms, particularly mobile wallets and wearable tech. In fact, analysts at Forrester believe that **linking loyalty program points and rewards to a mobile wallet** is the number one feature that shoppers are interested in[22].

WEARABLE TECH
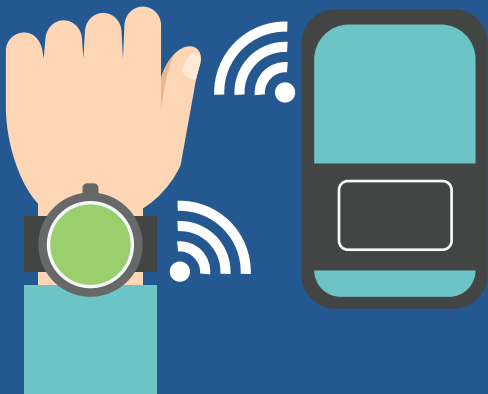
58% of people who use wearable tech use it for purchases[23].

According to a study by Gartner, by 2018 half of all shoppers in mature markets will turn to their smartphones or wearable devices to make payments[24].

MOBILE WALLETS

The growth in the total value of mobile payment transactions will grow by 210% from 2014 to 2016—up to **$27.05 billion** from **$8.71 billion**[25].

$27.05 billion

$8.71 billion

2014

2016

LOYALTY PROGRAMS

BUY $100 WORTH AND WIN A $10 VOUCHER
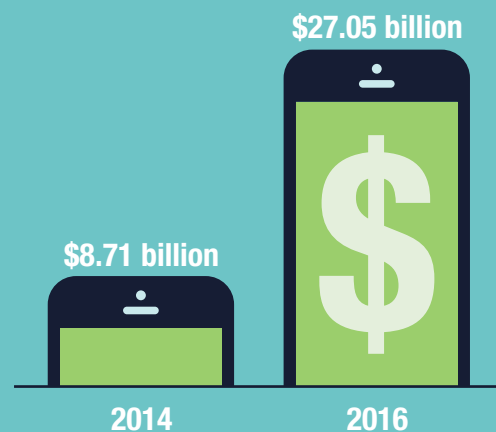
While shopping in-store, **41%** of millennials want to be able to accrue loyalty points or savings on their phones, **38%** want to receive real-time promotions and **32%** would like to use a product locator on their mobile device to find items[26].

25% of millennials want to be able to use their phones to pay for their purchases at checkout[27].

APPS AND SITES
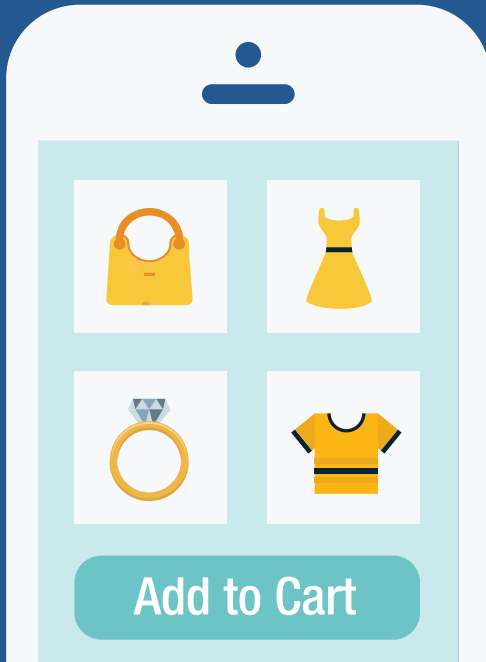
Between Q4 2014 and Q4 2015, US Mobile share of retail e-commerce increased by **26%**[28].

Sales from smartphones and tablets at the largest mobile merchants in the United States are expected to grow **36%** this year to **$88.4 billion**[29].

By 2020, mobile commerce in the United States will account for **45%** of total e-commerce, amounting to **$284 billion** in sales[30].

Add to Cart

PURCHASE CASE STUDY: STARBUCKS[31]

The Starbucks mobile rewards program is a mobile wallet that manages payments, keeps track of loyalty information and offers incentives. More than 1 in 5 of all transactions at Starbucks cafes now happen on their mobile app.

POST-PURCHASE: ENGAGING CUSTOMERS AND BUILDING LOYALTY

Any savvy marketer knows that a **purchase does not signal the end of an opportunity** to interact with a shopper – but rather, a golden opportunity to increase engagement and win loyalty. In order to keep shoppers engaged and loyal, **marketers must offer consumers post-sale service as well as extra benefits** such as discounts, free trials, entries into sweepstakes and loyalty points.

![SNIPP logo]

The SnippCheck receipt processing platform helps brands and retailers drive sales and loyalty by offering unique rewards for customers who take a picture of their receipts and send it in via SMS, e-mail or uploading it to a unique website. SnippCheck currently processes millions of receipts from hundreds of brands across industries and markets. Receipt processing supports everything **from a one-off promotion to an evergreen loyalty program**.

With Americans spending an average of **4.7 hours** a day texting, e-mailing and checking social media on their smartphones, post-purchase customer engagement must be mobile-first[32].

More than **80%** of shoppers who sign up for e-mails from brands made a purchase within 6 months based on information received from those e-mails[33].

Nearly **80%** of shoppers feel it is important to have a positive perception of a brand after they've made their purchase[34].

POST-PURCHASE ENGAGEMENT: CASE STUDY - NEW BALANCE [35]

New Balance's loyalty program is structured to drive engagement opportunities with customers who embrace an active, healthy lifestyle. Through an integration of the New Balance loyalty program with the Runkeeper app, loyalty program members can connect their accounts and receive loyalty points for recording their fitness activity in Runkeeper. This reinforces the lifestyle connected to the product and allows the loyalty program to stay top of mind and relevant to members beyond the transaction.

CONCLUSION

As mobile technology becomes more closely integrated into daily life – especially shopping - it becomes **increasingly important for marketers to understand the latest mobile trends and respond to them proactively.** In doing so, they will be able to reach out to customers at every major touchpoint along the path-to-purchase, thereby **increasing engagement and inspiring loyalty.**

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Snipp is a global loyalty and promotions company with a singular focus: to develop disruptive engagement platforms that generate insights and drive sales. Our solutions include shopper marketing promotions, loyalty, rewards, rebates and data analytics, all of which are seamlessly integrated to provide a one-stop marketing technology platform. We also provide the services and expertise to design, execute and promote client programs. SnippCheck, our receipt processing engine, is the market leader for receipt-based purchase validation; SnippLoyalty is the only unified loyalty solution in the market for CPG brands. Snipp has powered hundreds of programs for Fortune 1000 brands and world-class agencies and partners.

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