



The mobile shopping revolution: Redefining the consumer decision process

David J. Faulds^{a,*}, W. Glynn Mangold^{b,†}, P.S. Raju^a, Sarath Valsalan^{a,‡}

^a College of Business, University of Louisville, Louisville, KY 40292, U.S.A.

^b Arthur J. Bauernfeind College of Business & Public Affairs, Murray State University, Murray, KY 42071, U.S.A.

KEYWORDS

Connected shoppers;
Digital marketing;
Mobile marketing;
Consumer decision
process;
Retail innovation

Abstract The use of mobile devices by consumers and the accompanying response by retailers is rapidly revolutionizing the retail environment. In the past, retailers have focused primarily on the outcome (to purchase or not to purchase) of the consumer decision process, but now mobile technologies give retailers the opportunity to more actively influence the entire consumer decision-making processes. The increasing use of mobile devices by consumers makes shopping a continuous rather than discrete activity that requires retailers to engage with their customers at critical touch points of the decision process in order to provide a more customer-centric experience. This change in focus from the decision outcome to the decision process signifies an important paradigm shift for the retailing industry. After an extensive review of the literature, we identify four pillars that form the foundation for the mobile shopping revolution and represent the essential ways and means through which retailers can engage with consumers during the decision process. We also discuss the different areas in which the pillars can enable retailers to achieve a sustainable competitive advantage in the mobile shopping era.

© 2017 Kelley School of Business, Indiana University. Published by Elsevier Inc. All rights reserved.

1. Dr. Gonzales: The new connected consumer

Dr. Kailey Gonzales, a busy practicing physician, enters the parking lot of Woodman's Supermarket

in Madison, Wisconsin for her weekly shopping trip. She plans to purchase the items that routinely appear on her shopping list, stored on her smartphone, in addition to several other items for her party on Saturday night. While exiting her SUV, she receives a digital prompt from Woodman's welcoming her to the store and informing her of that week's set of customized coupons for items she regularly purchases as well as a few items she seldom buys.

Entering the store's produce department, she checks her shopping list on the store's app and notes that kale appears first. She selects a bunch,

* Corresponding author

E-mail addresses: djfaul01@louisville.edu (D.J. Faulds), psraju@louisville.edu (P.S. Raju)

† W. Glynn Mangold passed away May 25, 2016

‡ Graduate student

places it on the digital scale, scans the weight and Universal Product Code (UPC) into her phone, taps the purchase button to record the transaction, and then places the kale in her environmentally friendly, reusable shopping bag inside her cart. As she is leaving the produce section, she hears an alert message from her smartphone indicating that the store's app has detected that she is leaving the produce section without buying bananas, an item that she purchased on her previous four shopping trips, and she quickly returns to purchase this forgotten item. Pressed for time, she uses her smartphone to locate the next two items on her list: sockeye salmon and salad-seasoning powder. The in-store app immediately displays a map of the store's layout, including her location within the store and the location of the salmon on aisle 5 and seasoning powder on aisle 9.

A store associate who is monitoring Dr. Gonzales's shopping activities using his mobile device, which interfaces with the store's beacon technology, approaches her and offers further assistance in locating the sought-after items.¹ He also notices on her shopping calendar that she is seeking to purchase cookware items that Woodman's does not stock, so he locates these items for her at a nearby cooking specialty retailer and informs her of their availability.

Checking her phone, she notices that she received a 2-for-1 coupon for organic gluten-free pizza, made with locally sourced ingredients, and then proceeds to aisle 3 to make the purchase, thus completing her grocery shopping. As she bypasses the line of shoppers at the checkout counter, she taps the Pay Now button on her phone screen, which securely charges her credit card and displays an itemized receipt.

Dr. Gonzales's hypothetical shopping experience is not set in the distant future, but is occurring now in selected test markets located in Stamford, Connecticut; Madison, Wisconsin; Palo Alto, California; and Seattle, Washington. This industry-driven phenomenon, known as queueless shopping (QLS), has been described as a high-tech checkout makeover in which consumers utilize mobile devices (smartphones and tablets) to record their grocery items as they shop, receive and respond to in-store

promotional features (coupons), and instantaneously record their purchases to their credit card account, thus bypassing the time-consuming checkout queue. Amazon recently announced that it is test marketing QLS in Seattle, Washington (Weise, 2016), and industry experts are anticipating that, in the near future, Walmart will roll out a version of QLS.

After loading her groceries into her SUV, Dr. Gonzales proceeds to the cooking specialty retailer that the Woodman's store associate located for her in the nearby mall. Entering the store, she spots the cookware section and views the selection of steamers available. The 5-quart, 3-piece All-Clad Stainless Steel Steamer set, with a list price of \$149, catches her eye, and she quickly scans in the UPC using her smartphone to locate nearby retailers and online suppliers who carry the same item. Within seconds, she is able to compare the price charged for the steamer and notices that Amazon carries this exact item for \$99.

The retail store manager approaches the doctor and offers assistance. She informs the manager that she has been well satisfied with the store's merchandise in the past and is now interested in purchasing a 5-quart steamer. However, when she shows the manager the \$99 offer at Amazon displayed on her phone screen and asks her to match it, the manager, obviously taken aback, explains that the store has long enjoyed its standing as a premium cookware retailer and, as such, does not engage in on-floor price negotiations. Before the manager could complete her explanation, Dr. Gonzales, using her smartphone, places the order with Amazon.

Thanking the bewildered store manager, she departs the store and receives a prompt on her smartphone from the Starbucks next door reminding her of the \$5 coupon she received from a friend who participated in the retailer's Tweet-a-Coffee campaign last week. While savoring a Café Espresso Frappuccino, Dr. Gonzales happily congratulates herself on the decision to save \$50 on the steamer purchase and notices a message from the nearby wine shop advertising a \$30 bottle of California Chardonnay in a buy-one-get-one-half-off sale. Using her phone, she texts her social wine community to gather opinions about this wine. She receives an immediate response back from 'Wineman' in San Francisco, recommending this selection. She quickly checks consumer wine reviews on her smartphone and then texts a close friend who is knowledgeable about wine, and immediately receives a response endorsing her choice. She makes the purchase, efficiently and successfully completing all her dinner party shopping. Dr. Gonzales's shopping behavior illustrates her status as an innovator in

¹ Beacons are "low-powered radio transmitters that can send signals to smartphones that enter their immediate vicinity, via Bluetooth Low Energy technology" (Martin, 2014). Beacons allow more precise identification and targeting of individual consumers than other location technologies. With this powerful new technology, "marketers can lead and direct customers to specific areas and products within a store or mall" (Martin, 2014), thus resetting the consumers' path to purchase.

Download English Version:

<https://daneshyari.com/en/article/7423327>

Download Persian Version:

<https://daneshyari.com/article/7423327>

[Daneshyari.com](https://daneshyari.com)