



▼ DIGITAL EXPERIENCE AND MOBILE

The Secret to Retail Mobile App Success

**How to retain mobile app customers
and grow your loyalty base**

aim
consulting

The Fundamentals Every Retail Mobile App Needs

The retail industry has started to sit up and take notice of retail mobile app usage. In June of 2015, [Marketing Land](#) reported that 30 percent of US e-commerce transactions among online retailers and travel firms are now driven by mobile. Furthermore, retailers that made app experiences a priority saw 50 percent of their mobile transactions take place via apps. This trend shows no indication of slowing down.

However, not every retailer to build a mobile app has yielded the expected returns. Too often, the reason is that some retailers are overlooking the most basic elements that make a mobile app worth having—ease of use, convenience, and timeliness. The result is that they fail to deliver the foundational value that customers expect.

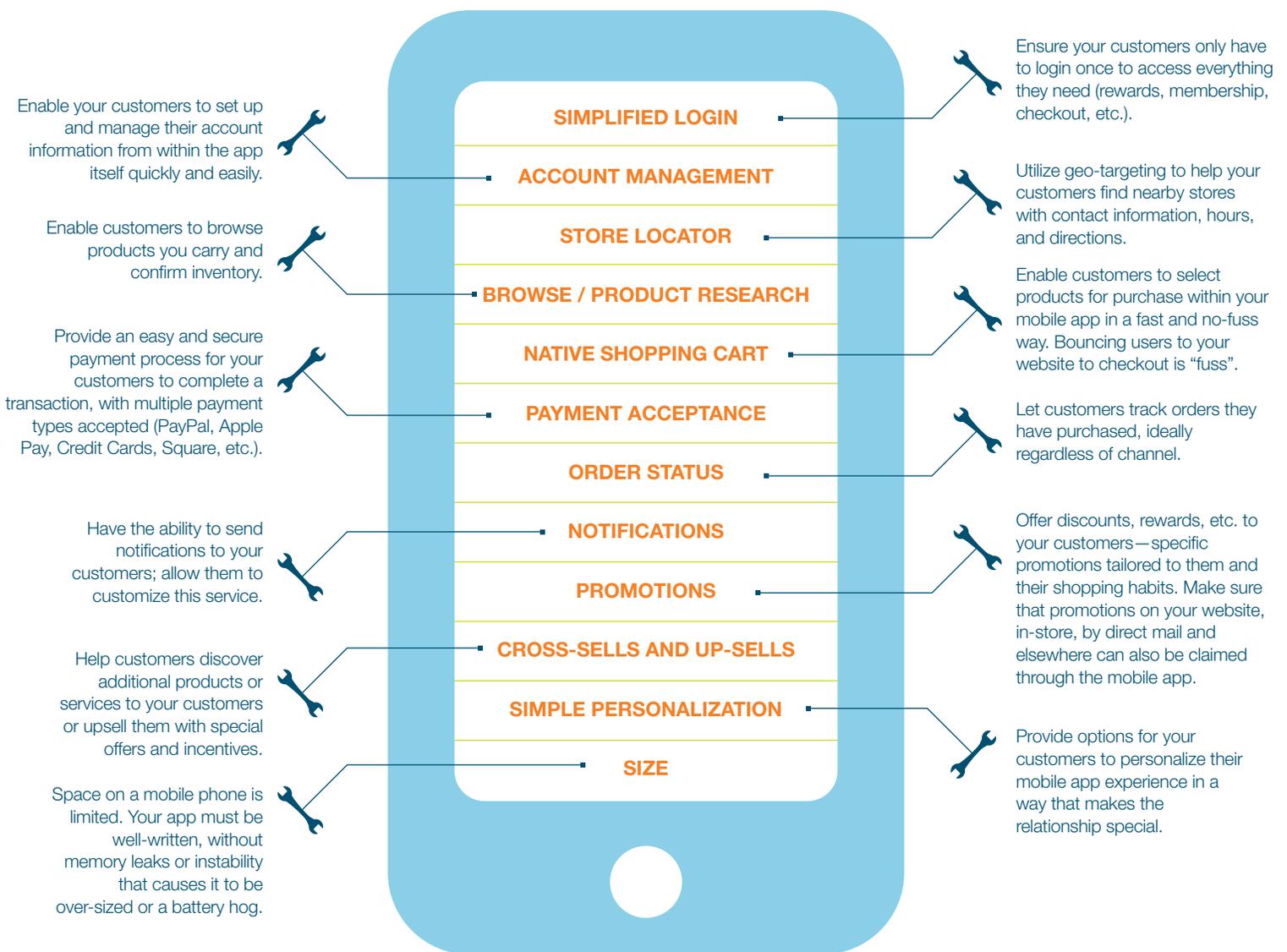
This is critical because the number one problem with mobile apps is retention. According to [Localytics.com](#), 1 in 5 mobile apps are used only once and never opened again. Analytics for mobile app usage often look better than this because they take into account popular social media and gaming apps, which pull up the numbers, but for the majority of apps out there, people are downloading them to try them out and either forgetting about them or throwing them away. [Apptentive](#), a company that provides services focused on user retention and analytics, disclosed in an interview that 90% of people who download an app are gone within six months—*gone*, as in users deleted the app from their phone.

The reality is that people do not have the same patience with mobile that they do with traditional desktop applications—if your app doesn't do what your customers want right out of the gate, they are not going to wait for feature upgrades, fixes, and future versions. Your customers are downloading your app with the expectation that it will make some aspect of their relationship with you *immediately* easier, more convenient, or more personalized. It has to solve a problem. If you don't satisfy users from their very first use, you have lost them.

Many retailers with floundering apps are overlooking the basics and trying instead to make their apps cool and unique so they stand out in a crowded marketplace—but at the cost of function. This approach was acceptable when mobile apps were shiny new toys, but we are past that stage now. Customers have expectations and their loyalty is not earned by apps that are simply “cool”. There is simply no “wow” factor if your app can't do what your customers downloaded it for.

To retain users, every retail mobile app needs a basic feature set that satisfies fundamental customer needs. You must put that fundamental functionality first and foremost and keep it there even as you enhance the experience over time. **The secret to retail app success is incredibly simple: Meet customer demands first, and then delight them, not the other way around.**

Although all apps are custom depending on the products your business provides, here are some of the basic elements that most retail apps need to be successful in the marketplace:



Depending on your business, there are other features you may want at the top of your list, such as an “in-store mode” with inventory check and product locator, the ability to call a customer service rep to your location in-store, a “reorder” shopping experience for regularly bought items, or a way for customers to provide feedback and insights about your products and services through the app. Once you’ve got the essentials working, the possibilities are limitless.

Why is it so difficult to get the fundamentals right with a retail mobile app experience?

Many factors can account for lack of success in the retail mobile app universe.

First, although every retailer knows by now the enormous effort required to create a leading marketplace web experience, many are new to mobile apps and some assume that because apps are smaller, they should require less effort to produce. This is far from the case. Creating a rich enterprise experience within the confines of an app takes specialized strategy, planning, and resources.

The biggest factor in retail mobile app failure is a misunderstanding of the nuances in mobile app usage and development and how this medium differs from the web and traditional desktop applications. This misunderstanding can result in a clunky, unappealing product due to deficient technical understanding in what makes a mobile app successful. For example:

1. **Just because it works on the website doesn’t mean it will work in an app:** Despite the obvious differences between the two environments, there’s an assumption that if something works on the desktop, it will work in an app. This simplification doesn’t take into account the differences in how people use these mediums. Mobile users are looking at small screens and need to be able to complete tasks on-the-go. The pathway to completing an objective needs to be neat and short. For example, when the mobile checkout experience is not integrated with a native shopping cart, customers might be

required to go through a second login to use a shopping cart on the website. This experience can negate the value of using the app at all.

2. **Mobile technology is varied and fragmented:** Mobile is not a singular channel but a hodgepodge of technologies in a fragmented landscape. What constitutes a good mobile experience is affected by differences between native apps vs. web apps, Android vs. iOS, Samsung vs. HTC, and so on. You need to design with these differences in mind and make strategic decisions that will satisfy the majority of your customers.
3. **Session times are shorter:** The amount of time a customer spends within a mobile app designed for m-commerce is far shorter than on a desktop retail site, so retailers must enable a speedy experience. When it comes to shopping, you want your customers to be able to browse and make purchases in your mobile app in under five minutes.
4. **Mobile users face constant distractions that compete with your app experience:** Customers are easily distracted on mobile devices by calls, incoming text messages, email, and social media notifications. These interruptions may take your customer away from your app unexpectedly. If they come back, they will be frustrated if they lose what they were doing before being pulled somewhere else. You need to plan for that.
5. **Mobile is very personal:** People view their phones as an extension of themselves and keep them within arm's reach all of the time. [Almost 90% of Millennials say that their phones never leave their side.](#) Because mobile is very personal, people are less patient and forgiving of it. They can feel insulted if an app is too invasive or functionality is poor.

Finally, good mobile apps are not cheap to build, so cost can be a roadblock to success in a lot of retail app projects. Many companies do not yet consider mobile apps as a distinct channel. Although channels have blended together to form the omnichannel, each medium still necessitates careful planning. Building an effective enterprise mobile app requires specialized resources, and so does maintaining and enhancing the app throughout its lifecycle. It would be unheard of today to underfund the website of a retail brand. Mobile is no different—and this channel is here to stay.

Who is your app built for? It should be your most loyal customers.

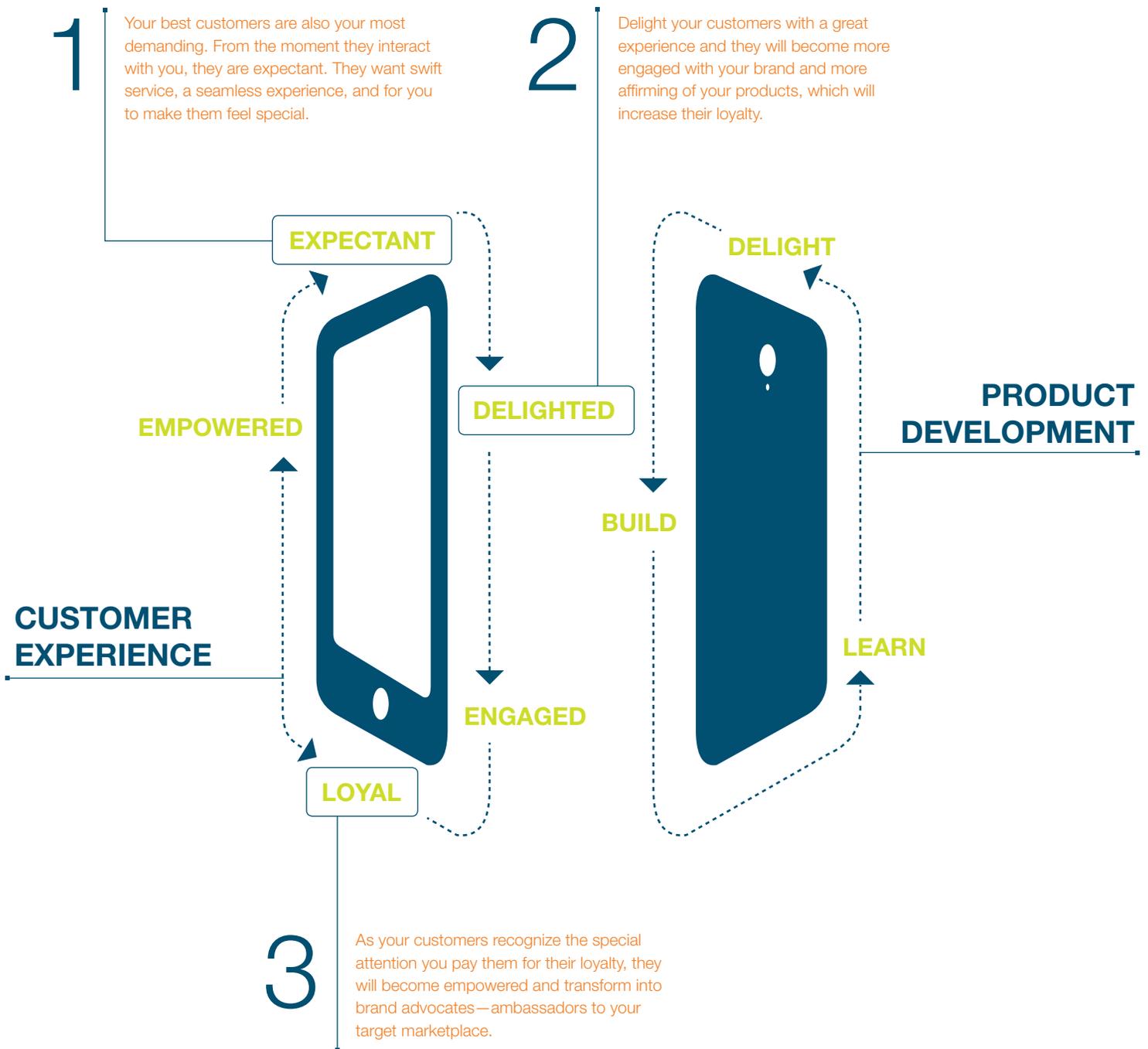
As with every marketing channel, you need to think carefully about your target users. Why do you have or want to create a mobile app? Who do you think will put it on their mobile phone and use it regularly? What unique benefit does it provide? Do you have customer personas specific to your mobile app strategy? If not, you should.

It's important to be targeted because when it comes to shopping with mobile devices, customers have high expectations and short attention spans. This is particularly true of Millennials, who consider their phones to be their primary computing device with which they should be able to complete nearly every desired task—indeed, [81% say it's important for retailers to have high-quality mobile apps](#). But Millennials aren't the only demographic that uses smartphones and has high expectations for engagement with your brand. Even today's Baby Boomers are starting to come around to the mobile revolution; according to the Pew Research Center in 2014, 77 percent of American adults 65 or older have a cell phone and [27 percent own a smartphone or a tablet](#).

Of course, you have to get more specific in your target persona than generation. In retail, the target market for your mobile app is not just who is most likely to want that mobile experience, but who is most likely to use a mobile app to shop with *your brand*. You want to build your app for your most loyal customers. These are the people who:

- Often shop and make purchases with you
- Are active in your rewards program
- Want to know your entire product line and when and how often it changes
- Feel connected to your brand / merchandise
- Advocate for your brand / merchandise
- Expect special treatment / want to be recognized when they walk into your store, talk to customer service, or use your app

Think of your mobile app as an extension of your rewards program, VIP club, or personal shopping service, only more interactive, immediate, and always close-at-hand. Consider the model below where expectation is met with delight, followed by engagement, loyalty, and empowerment in your very best customers.



The concept of turning customers into loyal advocates is not new to retail marketing, but it is easier to accomplish when you have a direct line to your most loyal customer segment via their personal mobile device. With a mobile app, you have a channel *in their pocket* capable of directly communicating with them and providing above-and-beyond service. The cycle repeats, with expectancy being met with delight and continuing on until the very definition of your brand is defined by that experience. Meanwhile, you are learning more than ever before about what your customers love about your brand and how to delight them further with every interaction.

By delighting your most critical customer base, you will meet the needs of the rest of your customers almost effortlessly and grow the number of people who are loyal to your brand.

Getting to a great retail mobile app experience

So what does a successful retail app look like and how do you know you've got one?

One of the most popular metrics to evaluate a mobile app's success is the number of downloads it has. This is great for measuring your marketing strategy, but it is not the most important metric for measuring app success because it fails to take into account all those users who only open your app once and throw it away. The critical success measure for a retail mobile app is how often it's opened. This indicates whether your customers are actually using your app regularly. We've demonstrated this in [consulting engagements with one of the most successful retail mobile apps on the market](#) and confirmed it in conversations with retail executives.

To achieve a high number of opens from returning customers, a retail mobile app must deliver foundational value to your customers. What is the difference between an app that delivers poor value and an app that delivers great value? Here are two examples:

A poor mobile app experience hides the critical functionality your customers need the most and instead highlights content that leads users astray from what they opened the app to accomplish. For example, you

might bury the check-out functionally behind screens loaded with product offers and notifications that customers are not interested in. Alternatively, you might force customers to repeat activities multiple times—such as filling in information about themselves that you already have in your systems. Critical UX flaws stall customers and cause them to waste valuable time inside your app. In the end, your app is not more convenient, helpful, or delightful than other channels, and might even be more frustrating. The result is poor usage leading to deletion.

A great mobile app experience remembers customers, knows they are rewards members, and recalls previous orders to help make the shopping experience easy and efficient. This app introduces discounts that customers expect as repeat buyers and encourages them to spend more in a way that thanks them for their loyalty and makes them feel special and privileged rather than harassed and invaded. It might send a thank you notification to customers after they leave a physical store location and offer discounts when they visit again. In general, the “great” mobile experience performs all the basic shopping functionality perfectly and only gets better the more the customer interacts.

Of course, you can’t do it all at once. Embarking on a journey to create a great mobile app experience can be daunting once you understand the scope of the program and what is at stake. AIM Consulting creates customized maturity models that can take you from a prototype of a new app to a rich and loyalty-focused mobile app experience. Every roadmap is custom, but the unifying idea is to lay a strong foundation to continually delight and empower customers.



In Summary

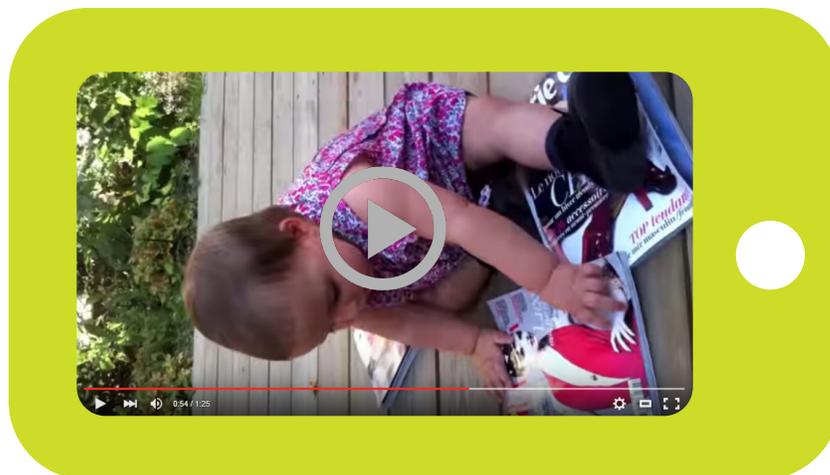
Remember, at the most basic level, customers just want your app to work. They want to be able to complete tasks simply and efficiently on their mobile devices. The mantra that needs to power your mobile app strategy and development lifecycle is “easy and convenient” not “new and innovative,” because even the most amazing idea will fail if you don’t get the basics right.

Beyond that, it’s really about the attention and care you give to your most loyal customers. How can you leverage mobile technologies to make your top customers feel special and serve them in unexpected but delightful ways?

Finally, don’t measure your success by number of downloads. Measure your success by number of opens. How often are customers returning to use your app, especially your most loyal customers? The better you delight them, the more this segment will grow.

If you’re still on the fence about whether or not a great mobile app experience is even necessary, keep this in mind: If you think Millennials have high expectations and are hard to impress, consider the [touch-screen generation](#). Today’s toddlers and grade school kids are so accustomed to mobile devices that using interactive gestures like tap, swipe and pinch are second nature to them. This generation will grow up in a digitalized world where non-digital, non-interactive experiences don’t even make sense.

And it will be only a few years before they are ready to shop with you. Are you ready to delight them?



Mobile App Consulting Help

Strategy and delivery of enterprise-grade mobile experiences for business-focused results.

The mobile revolution has come and users demand a fast, fluid, and personalized experience. Equipped with mobile best practices and deep understanding of the fragmented landscape, we build apps on all major platforms.

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