

The Social, Mobile, Loyal Consumer

Today's Promise & Reality

By: Travis Priest, Vice President of Value Added Services



white paper

Consumers are now in control.

According to the Pew Internet and American Life Project, 61 percent of American adults own smart phones. Ownership is particularly high among 20 and 30 year olds (although a majority of Americans 44 to 54 years old have smartphones) as well as in households with relatively high levels of income and educational attainment (Smith, 2013). Each year the number of adults using social media continues to grow. In 2013, 72 percent of U.S. adults use social networking sites; compared to 68 percent the year before (Brenner, 2013).

As a result of this rapidly rising smart phone adoption, consumer shopping behavior is increasingly influenced by mobile and social technology readily available on these devices. Applications such as Google Shopper and the Amazon mobile app make “show rooming” a reality, and ready access to consumer-produced reviews in apps like Yelp, Trip Advisor, and Google Maps influence purchase choices in real time at the point of decision. These technologies directly impact consumer choice, and in this age of newfound consumer empowerment, merchants are looking for ways to gain influence over the engagement and conversation with POS and payments integration.

Socializing the Purchase Experience

Consumers express their loyalty to a brand by positing good (and bad) experiences on social media. The consumer’s friends and followers often act on those recommendations. In this way, social media provides loyal customers with a megaphone and in turn, is driving customer acquisition by pointing their friends and families to the brands they trust.

Consider the new consumer experience afforded by these technologies. First, the consumer uses a mobile app to identify a restaurant by location, price range, cuisine, and consumer ratings and reviews of the establishment’s food quality and service. Upon arrival, the consumer uses “check in” technology to alert their social network of their arrival. If there are any problems during the meal, Twitter is often notified before the server. When it’s time to pay, the consumer pays the cashier with a credit card and leaves. Meanwhile, their friends that have never been to the restaurant already have an opinion of the food, quality and service they can expect at that establishment.

Where was the merchant during this process? Besides interaction with the server, the merchant’s only other touch point was during the payment process. All the ratings, reviews, and posts to social media occurred without the merchant and represent a potentially unfair and unanswerable representation of the merchant’s business.

With payment tendered at the POS as the merchant's only other touch point, it's essential that merchants take control of this experience and leverage their POS and payments solution to engage in the conversation. At the end of the day, mobile and social technologies are a double-edged sword influencing loyalty. What merchants want are better ways to be a part of that conversation while still maintaining their touch point with the consumer during the sale.

Creating More Touch Points for Merchants without Creating More Investments

The opportunity exists for developers of mobile applications and the resellers that service these merchants to create better products and services that bring together mobile consumers with merchants. First, the POS and payments providers must provide the network to better enable this experience. Developers can access local point of sale resellers to bring their technology to main street. Resellers then create more residual revenues off of the services they maintain for the merchant.

Merchants can take advantage of new technologies to drive customer acquisition, bringing together gift cards, digital receipts, discounts on future visits, check-in to pay and other services that provide them with more ways to engage with their customers throughout their purchase experience. By integrating all of these tools into their existing point of sale technology, they can leverage their existing investments, while also adding additional customer-retention tools.

This is the battlefield where the mobile and social consumers meet main street merchants. The fight to be the consumers' digital wallet of choice is as important as the fight between Microsoft and Google to be the desktop users' web browser of choice. The choice of the dominant consumer wallet should not be left to just consumers; merchants should play a vocal role here and guide the choice to the wallet that provides the tools needed to meet the consumer virtually. Wallet makers pay heed – to succeed, you need both a channel strategy with POS integration, but you also need to address the merchants in the equation.

Sources

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