Why Your Retail App Isn't on Customers' Phones, and What to Do About It Before the Holidays
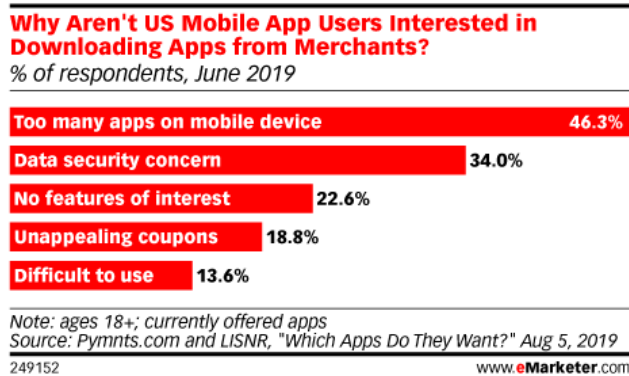
ARTICLE

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Despite being the smallest of the three major commerce channels in terms of transactions, mobile is arguably the most important.

Brick-and-mortar still captures almost nine in 10 retail dollars in the US, while desktop gets the lion's share of digital transactions. But as the link between digital and physical worlds, mobile wields disproportionate influence over how people shop and buy.
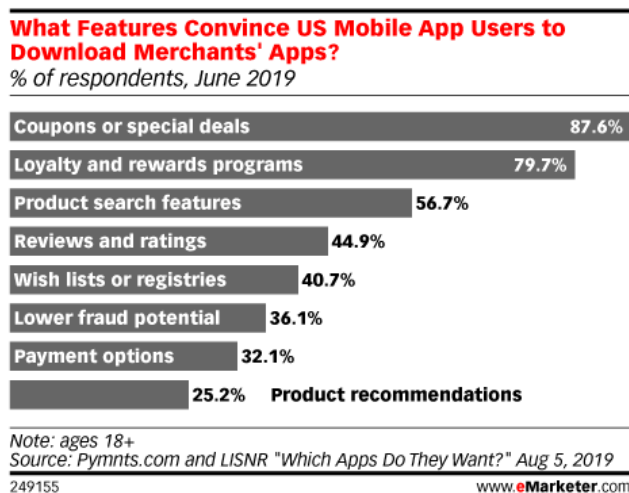
It's also increasingly how they transact when shopping online. "This holiday season, we anticipate mobile making up more than 50% of orders—which would be a first," said Rob Garf, vice president of strategy and insights at Salesforce.

And in the battleground for mobile attention, it's all about the app. App usage accounted for the vast majority of mobile time spent for leading online retailers like Amazon (76%), Walmart (81%) and Etsy (71%)—far eclipsing the mobile web, according to Comscore data covering the first five months of 2019.

But not every retailer has it as easy as well-known, multicategory ecommerce merchants. Smartphone real estate is scarce, as many users tend to only download apps they expect to use regularly so as not to crowd their phones. Research from Pymnts.com and LISNR indicates that US mobile app users are most likely to resist downloading shopping apps because they have too many already (46.3%).

Why Aren't US Mobile App Users Interested in Downloading Apps from Merchants?
% of respondents, June 2019

Too many apps on mobile device	46.3%
Data security concern	34.0%
No features of interest	22.6%
Unappealing coupons	18.8%
Difficult to use	13.6%

Note: ages 18+; currently offered apps
Source: Pymnts.com and LISNR, "Which Apps Do They Want?" Aug 5, 2019
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The same study also found that respondents were most likely to download a retailer's app if it had coupons or deals (87.6%) and loyalty/rewards programs (79.7%). Absent a direct monetary incentive, shoppers are not that likely to download a new shopping app—but they are more than willing to do so with a little sweetener.

What Features Convince US Mobile App Users to Download Merchants' Apps?
% of respondents, June 2019

Coupons or special deals	87.6%
Loyalty and rewards programs	79.7%
Product search features	56.7%
Reviews and ratings	44.9%
Wish lists or registries	40.7%
Lower fraud potential	36.1%
Payment options	32.1%
Product recommendations	25.2%

Note: ages 18+
Source: Pymnts.com and LISNR "Which Apps Do They Want?" Aug 5, 2019
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That's why, with the 2019 holiday season fast approaching, retailers must take action to get their apps on shoppers' phones as soon as possible. They should do so by promising extra discounts or exclusive offers for the holiday season. In the past, certain retailers have smartly offered exclusive early access to their Black Friday deals through their apps—a great way to carve into that hallowed real estate.

Retailers that are reluctant to offer a discount on top of a discount need consider the long-term benefits of having that app accessible on customers' phones. The app logo provides a regular visual reminder to shop that brand, and push notifications open another communication channel, which can stimulate incremental shopping engagements.

The app also provides a more personalized and streamlined checkout experience that can greatly improve conversions. "There's no bigger friction in the mobile shopping process than having to check out without a mobile wallet that already has your payment information," Garf said.

Competition for sales gets intense once the holiday season begins. Giving shoppers a reason to download your app is a great way to stay top of mind when it matters most.