

New eMarketer Report Explores How Tech Is Expanding What a Retailer's App Can Deliver

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eMarketer Editors

Mobile apps drive an increasingly significant portion of Americans' shopping and buying behavior. But many retailers were late to recognize the channel shift and now have mobile apps and corresponding marketing strategies out of step with consumers' expectations.

However, recent shifts in technology and better understanding around consumer behavior present a renewed opportunity to get a retail mobile app strategy right. And emerging technologies like augmented reality (AR) and visual search offer new promise for retail apps as they evolve beyond simply reducing friction toward surprising and delighting their users.

eMarketer's new report, "Mobile Retail Apps 2018: Strategies to Acquire, Engage and Retain Users," explores how retailers should approach their mobile web strategies, mcommerce, and how an app can improve consumer engagement efforts. (eMarketer PRO subscribers can access the full report [here](#). Nonsubscribers can learn more [here](#).)

Apps can offer a richer visual experience. Pre-caching of high-resolution imagery and video content improves merchandising within the app, while camera-driven technologies such as AR and visual search are also expanding what a retailer's app can deliver. Beauty product purveyors Sephora and Ulta Beauty have struck a chord with their clever use of AR technology for trying out makeup virtually, solving a clear pain point for their customers.

"Trying on lipstick is actually a pain, because you try on one color and then you wipe it off," said Maya Mikhailov, CMO and co-founder of GPShopper, a Synchrony Financial solution. "Not only do [the Ulta and Sephora apps] show you what different lipsticks can look like on you, but they actually use AR to teach you how to apply certain makeup trends, like highlighting, lowlighting and contours. It's a profoundly impactful tool, because you no longer have to go into the store."

AR has also gained popularity among home furnishing retailers by allowing customers to visualize a piece of furniture inside their home in 3-D. The Ikea Place app lets customers select a product from Ikea's catalog and superimpose a scaled version into the confines of their living room, with just a few clicks on their smartphone. Getting the right scale using AR can even have more mundane—but nevertheless useful—applications, such as eBay's feature to right-size boxes for sellers shipping out merchandise.

Social media platform Pinterest, which works with a number of retail partners, has established itself as a leader in visual search and discovery. According to Salesforce's "2017 Connected Shoppers Report," 35% of millennials expressed a desire to search merchandise in a physical store or online using image search, the most cited response among all emerging shopping-related digital technologies in the survey.

Shopping-Related Artificial Intelligence/Digital Technologies that Would Appeal to US Internet Users if Offered by Retailers, by Generation, Aug 2017

% of respondents in each group

	Millennials	Gen X	Baby boomers
Ability to search merchandise in a physical store or digital catalog using an image and receiving product recommendations based on the attributes of that image	35%	30%	23%
Personalized offers in a digital channel (i.e., email, mobile app, website) based on my purchasing history	28%	19%	11%
Automated SMS/texts or mobile push notifications (e.g., to notify me of in-store sale events, new products or promotions, products back in stock) personalized based on my preferences	24%	23%	14%
Mobile wallets	22%	21%	10%
Personalized offers in a digital channel (i.e., email, mobile app, website) based on my browsing activity on the retailer's site/app	21%	18%	11%
Personalized offers provided by an in-store associate based on my purchasing history	21%	18%	11%
Personalized offers provided by an in-store associate based on my browsing activity on the retailer's site/app	18%	13%	8%
Order delivered by drone	17%	16%	7%
Customer service chatbots	15%	11%	7%
Social media sentiment analysis to identify and resolve customer service and satisfaction issues	15%	12%	8%
Automated orders based on connected product alerts (e.g., smart refrigerators for grocery)	13%	6%	5%
Automated orders based on my previous purchase history	13%	9%	6%

*Note: millennials ages 18-36; Gen X ages 37-52; baby boomers ages 53-71
Source: Salesforce, "2017 Connected Shoppers Report" conducted by The Harris Poll, Sep 26, 2017*

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Amy Vener, retail vertical strategy lead at Pinterest, believes visual discovery will change the way we shop. "It's just so much more natural to the shopping experience, and allows the consumer to generate a more emotional connection that translates into less price sensitivity, less bottom-of-the-funnel activity and, therefore, bigger basket sizes," she said. "It generates more commitment from the consumer to actualize the vision of what they're looking at, which involves purchasing more to complete the look."

In the latest episode of "Behind the Numbers," eMarketer analyst Andrew Lipsman, and author of the new report, "[Mobile Retail Apps 2018: Strategies to Acquire, Engage and Retain Users](#)," talks about what's driving renewed interest in mobile retail apps, and how marketers can succeed in getting their app downloaded and used.