



Flat Battery, Flat Sales?

The Impact of Nomophobia On Retail

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How do consumers use their phones in the shopping process? With 93% of UK adults using a mobile¹, and a wealth of evidence showing our rising emotional dependence on mobile devices, it is becoming critically important for retailers to recognise mobile-device usage in store, and adapt accordingly.

With 10 years' experience in studying mobile phone usage and customer satisfaction, ChargeBox has undertaken the following research in order to share analysis and provide recommendations to retail operators. We assert that the fear of being without a mobile device, Nomophobia, is having a material effect on the sales process.

Nomophobia (no-mobile-phobia) is a term first coined in 2008, after a study by the Post Office researched anxiety suffered by mobile phone users². The study concluded that the majority (53%) of people have a tangible fear of not being near, or unable to use, their smartphone. Since then, this modern-day phobia has been a favourite of tabloids, with many striking (and often fairly amusing) statistics being quoted: '43% of iPhone users would rather go shoeless for a week than be without their phone'³.

But what does this signify? Simply, the growing dependence of people on their mobile devices. No longer merely just a means of communication, smartphones have become our wake-up alarms, calendars, diaries, note-takers, gaming devices, and even, for some, our personal shoppers. The rapid increase in the number of smartphones around the world reflects this. It is predicted that by 2016 smartphones will have over-taken basic phone ownership worldwide, and by 2019, 5.6 billion of us will own smartphones. In Europe, smartphones will outnumber people⁴.

In this paper, we investigate this mobile computing movement by focusing on the use of mobile devices in retail – an area that has seen a rapid increase of smartphone usage over the last decade. Successful retailers have integrated their approach to their digital and bricks & mortar presence, recognising that their customers interact in multiple ways through multiple channels.

1. The Absent In-store Shopper
2. The Happy Appy
3. The Satisfied Customer

By investigating three key strands of a shopper's mobile experience, we aim to show that device-usage, apps, battery life and customer satisfaction are all important, and are all interlinked. The mobile-phone millennium provides endless opportunity, and should be embraced enthusiastically.

1. The Absent In-store Shopper

Most of us can admit to being an absent in-store shopper; visiting a shop yet being tapped into an online world via our mobile. Of particular concern to retailers however, is not this absenteeism, but what the customer is actually doing online – showrooming, where a customer is physically present in store, but is buying products via a website despite the same products being sold in the shop. In this section, we hope to reassure the retailer that it is not all about showrooming, and that a customer’s mobile device dependence can be, and should be, seen as an opportunity for profit gain as well as increased customer satisfaction levels.

Mobile usage whilst shopping is growing 174% a year⁵. Consumers are relying on their smartphones for every aspect of the shopping journey, from pre-shopping, to after going home. 9 out of 10 customers use their phones to work out store location, opening times, and where specific products are sold⁶.

Once in store, 92% of smartphone shoppers use their devices⁷ (see Figure 1 for the variety of ways in which they do this). While many might assume that this is a bad thing for shopping centres, driving customers away and allowing them more choice to purchase competitors’ products, the opposite is in fact true. Spend of frequent mobile-shoppers in store is around 25% higher than those who do not use their mobiles as frequently⁵.

Research conducted by Barclays has suggested that £1 in every £7 spent in British shops will be using a mobile phone as a contactless payment method by 2024⁸. This amounts to £54 billion, a number that no retail executive can afford to ignore.

It is clear that retailers should use mobiles as a means of attracting shoppers to stores, as well as increasing dwell time when they are there. Use of mobiles is intrinsic to shoppers’ experience, and intrinsic to them spending. Ignoring this fact could be fatal to a retailer. It means engaging with your customers through digital. In the next section we look at the impact on shoppers’ experience of the first wave of engagement initiatives – the retail application.

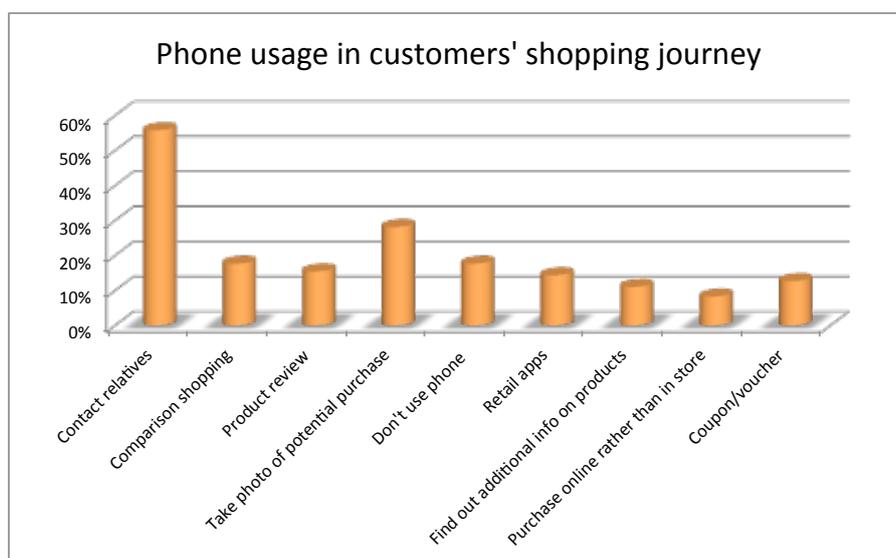


Figure 1: mobile device use in store – ChargeBox original research, n=181

2. Happy Appy's

Shopping centre and retail store apps is still a relatively new idea. In 2013, 21% of smartphone shoppers used a shopping app, in contrast to a general web browser, to help with product research⁶. Now in 2015, consumers are spending 6 times as many hours on apps than they were a year ago⁹. However retail is only recently recognising the potential. Apps can provide a way of reaching out to create a personalised experience for the customer, while still being commercially driven. As such they are a great way to engage.



Looking to the future, these apps are an important platform for shopping centres to build relationships with customers, particularly with Bluetooth beacon technology emerging to enable location-specific content and functionality to be delivered. In January 2014, Artisan Mobile asked retail executives whether native mobile apps would become the most important way of engaging with customers over the following

years, and 71% agreed¹⁰.

However, any app usage is dependent on the customer being willing to spend their resources (time, battery, data) on using the facility. ChargeBox research found that people are very emotionally involved with their smartphones, with 62% of those surveyed saying that they are 'always' or 'often' aware of their phone battery, and 71% stating they become slightly, or very, anxious when their smartphone runs out of charge¹¹ (see Figures 2 and 3). Some customers even admitted to owning two smartphones, having one as a back-up in case of battery-failure.

These results are consistent with findings from those researching nomophobia; that people highly value having a functioning smartphone. So, if you are encouraging your customers to download and use your app, the customer needs to be given the assurance that using the shopping centre app will not be at their cost in running out of battery, or chewing through their precious data allowance. Most shopping centres have already recognised the data connection issue by providing free Wi-Fi.

The battery level issue is slightly more challenging. This is where companies such as ChargeBox can help. We provide a service enabling customers to secure their mobile device, charging in a ChargeBox station, while they continue shopping. Customers enjoy the service for free at the point of use. It is a real comfort to customers knowing that they can, if needed, charge their phone. It works in the shopping centres' favour at two levels: Free charging relieves those otherwise unwilling to use an app of any worries about battery level; and it allows those who would use the app but are constrained because their battery is low, to be able to charge up. Consequently, customers are more likely to use their mobile devices, increasing spend and app-usage.

How often do shoppers think about their battery level

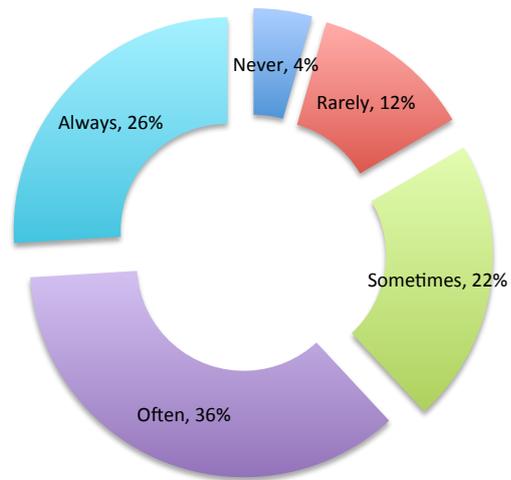


Figure 2: Shoppers awareness of battery level - ChargeBox original research, n=181

How shoppers feel when their phone battery runs low

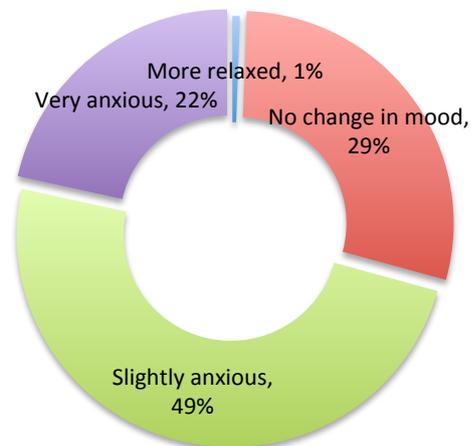


Figure 3: The effect a low battery has on the mood of a shopper - ChargeBox original research, n=181

3. Customer Satisfaction and Mobile Usage

As of April 2015, for the first time in 4 years, we saw customer satisfaction in retail dropping¹². However, the good news is that it seems clear why. The only retail businesses that saw increased ratings were those that created a mobile app, allowing for easy customer interaction¹³. But why is customer satisfaction important for business? Although the answer may seem obvious, in this section we try to quantify the impact shopper satisfaction has on retail.

Service Management Group (SMG) analysed the purchasing behaviour of 359,000 British consumers in order to produce a report on where improvements can be made in retail¹⁴. The results were interesting. The average spend in-store increases from £21.73 to £30.41 when the customer's satisfaction level (as measured by the Customer Satisfaction Index) increases. A new survey by Oracle¹⁵ supports these claims, with 90% of UK respondents stating that they would be willing to spend more with a company if the overall customer experience was improved. Latimer Appleby also agreed¹⁶; satisfaction and spend is positively correlated. So the million-dollar question is: how do we improve a customer's shopping experience?

One way in which to do this is to provide free charging for customers. This ties in with increasing app usage, and supporting customers to use their phones whilst shopping, both of which have been shown to increase satisfaction and engagement. When this proposition was tested, ChargeBox found that 94% of people agreed that their shopping experience was improved through using the free charging service. When client shopping centres have conducted their own surveys, they found the same; feedback was "overwhelmingly positive"¹⁷ (page 1).



So in summary, aiming to increase satisfaction by freeing customers to feel relaxed about using their mobile devices to the fullest extent should be a key part of the marketing strategy for anyone invested in retail. And the simplest way, the platform for all this? Providing battery-charging facilities.

Conclusion

By now, you will have seen the common factor; a full battery is a pre-requisite for successful retail.

We have seen the growing importance of mobile devices to their owners. As a marketing platform, it provides endless possibilities. The smartphone is one of the only items that a person will carry with them 24/7. 81% of people never switch their mobile off¹⁸. This inseparability also reflects their importance to the customer, with 85% of people counting their mobiles as a central factor in their life¹⁹.

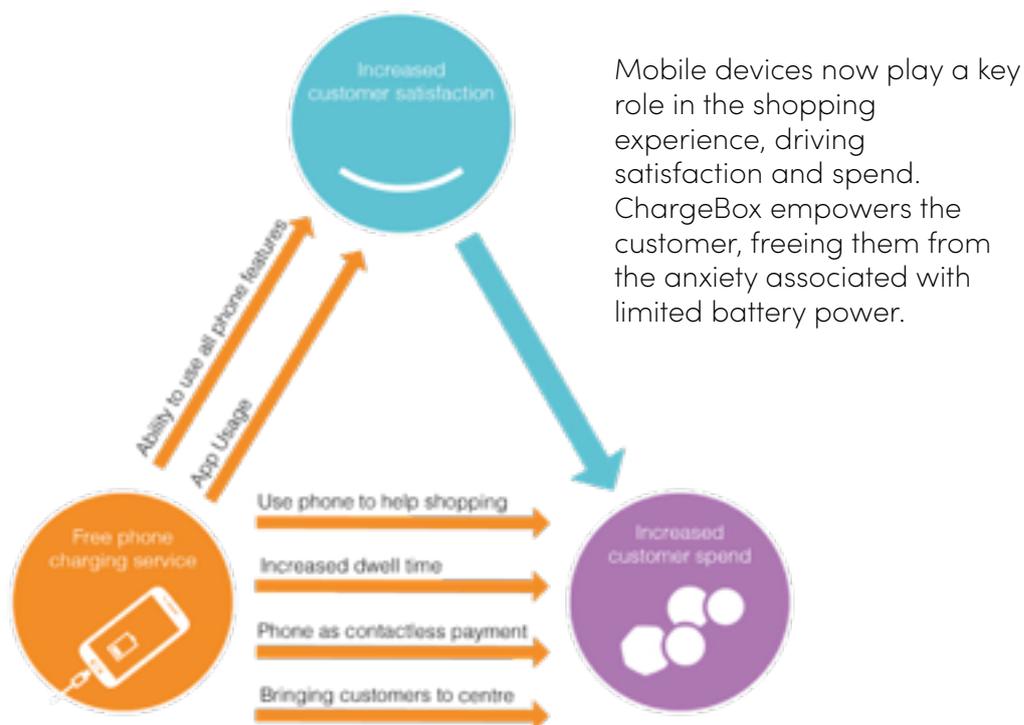


Figure 4: Relationship between phone charge, customer satisfaction and spend

In our research we found that customers are actively aware of and engaged with the service that ChargeBox provides²⁰:

- 61% of respondents said that the free charging service influenced their decision to come to the specific shopping centre;
- 56% declared that they spent more time at the shopping centre as a direct result of being able to charge their phone;
- 56% of those who used the service spent money whilst their phone was on charge (eating, drinking or buying products).

Mobile devices clearly play a pivotal role in the shopping experience. Retailers must make it their priority to aid mobile phone use through providing free charging facilities. The result? Happy customers and increased profit – what more could you want.

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