



GREAT EXPECTATIONS: THE CONNECTED CUSTOMER



CUSTOMER EXPECTATIONS AND THE MOBILE REVOLUTION

Long gone are the days when a mobile phone was solely used to make phone calls. With the growing pace of technology, smartphones have changed the fabric of our lives and have taken their place firmly in our hands everywhere we go. Businesses have had to adapt quickly to accommodate mobile as a route for customer experience but they are still missing out on a huge opportunity. Our whitepaper looks at how retailers, brands and restaurants need to be utilising the power of the smartphone to enable multichannel marketing and meeting customer expectations to reach the new generation of the connected customer.

Consumers are highly engaged with their mobiles, making them a direct line to the customer, but when it comes to retail and leisure, mobile enablement is still very much a work in progress. There remains a question around both the reality of consumer appetite and, to what extent customer expectations are being met.

THE CURRENT STATE OF PLAY

Through a survey of over 2,000 adults in the UK, we revealed current consumer attitudes towards their smartphones and their place within the retail and food and beverage industries. Our key findings were...

31% of consumers use their smartphones in shops to make calls or send messages and almost a quarter (23%) do the same in restaurants

However, less than 11% use their mobiles to actually interact with the shop or restaurant or to enhance their customer experience

In retail, 57% of consumers say they have noticed a disparity in the promotions they see online compared to those they see in-store, suggesting a disconnect between the online and offline customer experience

In the dining industry, 41% of 16–24 year olds admitted to checking social media in a restaurant, compared to just 6% of over 55s, suggesting younger consumers have a more casual approach to dining out

The majority of consumers are open to using their smartphone in stores and restaurants to enhance their experience, over two thirds said they would find it helpful to be sent discount vouchers to their phone whilst shopping

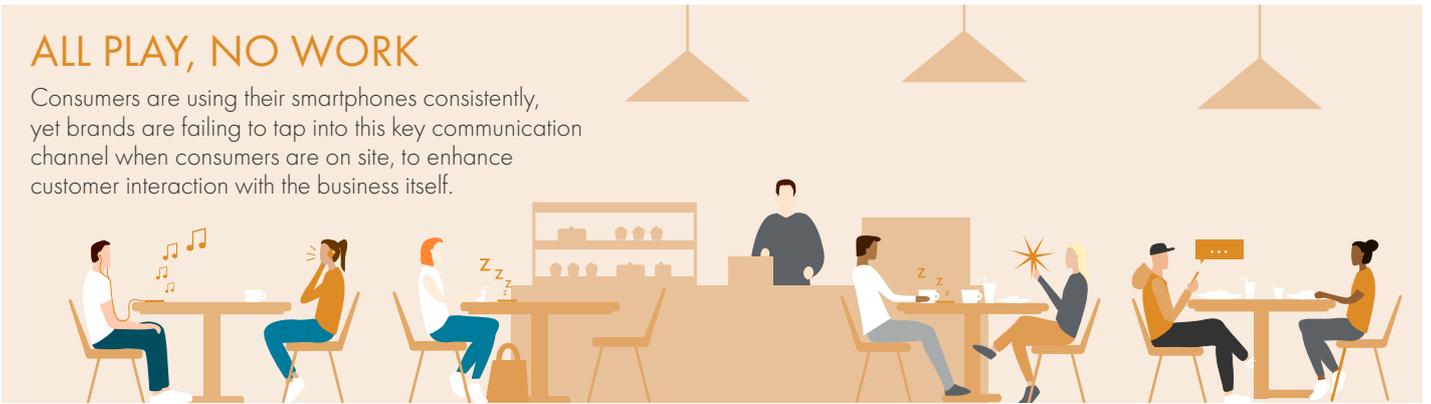
Overall, the statistics were clear. The smartphone is an omnipresent feature in consumers' lives, including when we shop and eat out, yet retailers and restaurants are failing to use mobile as a key channel when it comes to the customer experience. This isn't due to a lack of consumer interest. On the contrary, the research shows that shoppers and diners are more than keen to see digital being used to enhance the customer experience.

ENABLING THE CUSTOMER EXPERIENCE

The results provided us with key insights into consumer appetite for a digital customer experience and also revealed the nuances between different audiences and what this means for retailers and restaurants in the future:

ALL PLAY, NO WORK

Consumers are using their smartphones consistently, yet brands are failing to tap into this key communication channel when consumers are on site, to enhance customer interaction with the business itself.



DIGITAL DESIRE

There is a strong consumer appetite for mobile-enablement within the retail and restaurant customer experience, revealing a growing desire for the digital experience that consumers are accustomed to in every other walk of life.



OMNI-CHANNEL IRKS

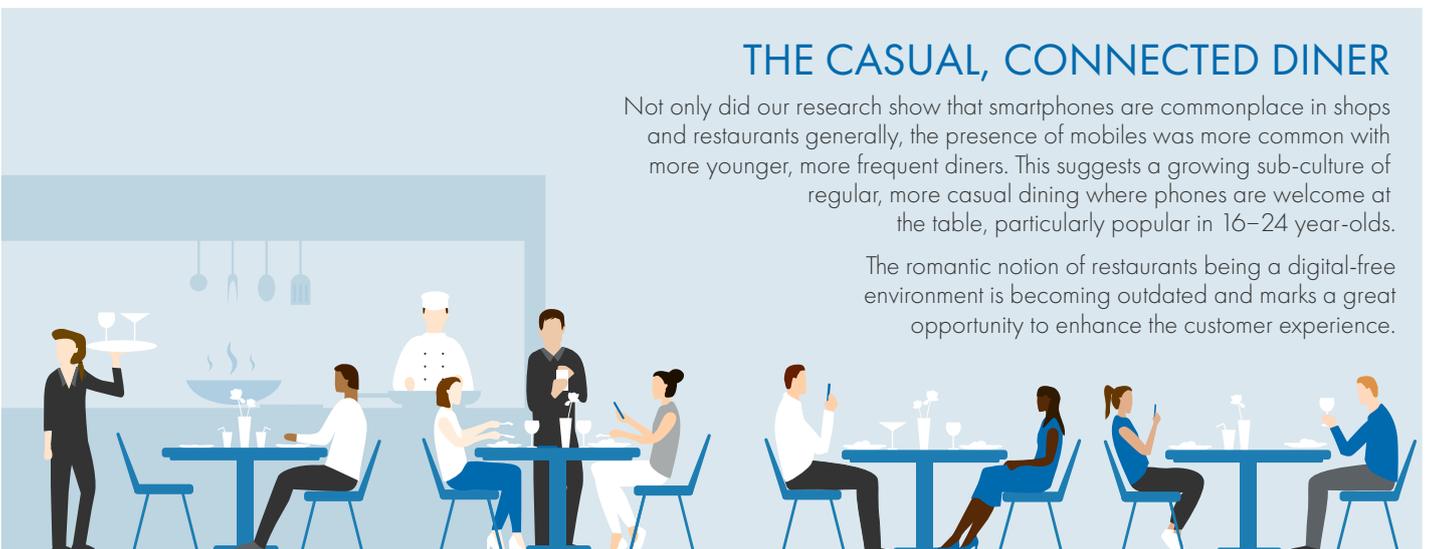
While an omnichannel strategy is a key focus for most retailers, our research showed that it was still common for consumers to experience discrepancies between channels when engaging with a store.



THE CASUAL, CONNECTED DINER

Not only did our research show that smartphones are commonplace in shops and restaurants generally, the presence of mobiles was more common with more younger, more frequent diners. This suggests a growing sub-culture of regular, more casual dining where phones are welcome at the table, particularly popular in 16–24 year-olds.

The romantic notion of restaurants being a digital-free environment is becoming outdated and marks a great opportunity to enhance the customer experience.



THE RISE OF MOBILE

ALL PLAY AND NO WORK: CONSUMER MOBILE USE

As technology evolves, consumers are increasingly engaging with their mobiles across all aspects of their lives. Our research shows that today's customers often have their mobile in their hand as they shop and dine. But whilst consumers are frequently using their phones for social and entertainment purposes whilst shopping and eating out, results find that the businesses rarely make use of this opportunity by engaging with their customers through mobile.

The discrepancy, which was most noticeable in 16–24 year-olds, showed that customers were twice or even three times more likely to use their phone to send messages and make calls, listen to music and check social media in-store than use it to locate a product in-store, redeem a promotion or pay for products (see Figure 1).

Similarly in restaurants, 16–24 year-olds reported using their phone in a restaurant up to four times as frequently to send messages or make calls, take photos of friends or their food, or check social media compared to redeeming a promotion or paying for their bill (see Figure 2).

Given that consumers are so active on their phones in stores and restaurants, why are businesses ignoring this key channel? What is stopping them tapping into the ever-present smartphone to improve overall customer experience?



FIG. 1 MOBILE PHONE AT USE WHILST SHOPPING IN 16–24 YEAR OLDS

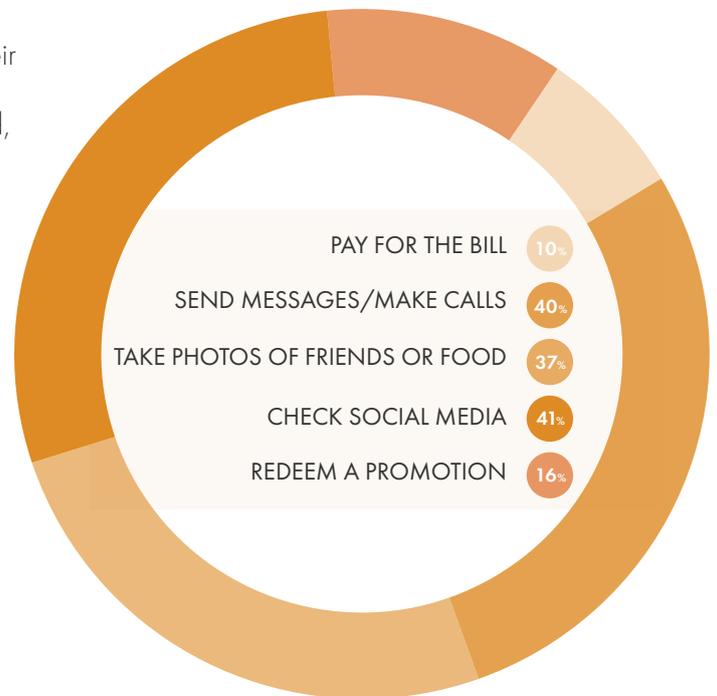


FIG. 2 MOBILE PHONE AT USE WHILST IN A RESTAURANT IN 16–24 YEAR OLDS



DIGITAL DESIRE

CONSUMER ATTITUDES

Our research shows that the roadblock is not customer attitude. On the contrary, consumers showed a clear interest in greater mobile enablement from both retailers and restaurants.

Over two thirds of consumers said they would find it 'helpful' or 'extremely helpful' to be sent discount vouchers to their phone whilst shopping, and nearly a third said it would enhance their shopping experience. Meanwhile, over half said they would consider downloading an app that made it easier to pay and redeem promotions in-store.



WOULD FIND IT 'HELPFUL' OR 'EXTREMELY HELPFUL' TO BE SENT DISCOUNT VOUCHERS TO THEIR PHONE WHILST SHOPPING



WOULD ENHANCE THE SHOPPING EXPERIENCE TO BE SENT DISCOUNT VOUCHERS TO THEIR PHONE WHILST SHOPPING



WOULD CONSIDER DOWNLOADING AN APP IF IT MADE IT EASIER TO PAY REDEEM PROMOTIONS IN-STORE



RETAILERS ARE CURRENTLY SUFFERING A DIGITAL DISCONNECT WHEN IT COMES TO THE CUSTOMER EXPERIENCE. MOBILE-SAVVY CONSUMERS ARE READY TO INTERACT WITH STORES TO IMPROVE THEIR CUSTOMER EXPERIENCE. THIS IS A GREAT OPPORTUNITY FOR BUSINESSES TO SPEAK DIRECTLY TO THEIR CUSTOMER AND GAIN VALUABLE INSIGHT AND DATA WHICH WILL HELP IMPROVE CUSTOMER EXPERIENCE AND DRIVE BRAND ADVOCACY

TIM MASON, CEO, EAGLE EYE



THE GENERATION GAME

Attitudes towards mobile enablement were strongly impacted by age (see Figure 3). The research reveals that customers under the age of 35 are the most keen to interact with businesses through their mobile. This trend shows that younger consumers, born into our digital world, are more accustomed to mobile technology and are therefore more open to digital advancements than older age groups. It's clear that the desire for digital is only set to grow in the future.

However, attitudes towards mobile enablement vary between older millennials (25–34 year-olds) and younger millennials (16–24 year-olds). While younger millennials were shown to use their smartphone most frequently in shops and restaurants, it is actually the older group of 25–34 year-olds who were the most keen to weave mobile enablement into their customer experience.

While millennials are paving the way into smartphone usage in shops and restaurants, older millennials in particular have taken the next step and are actively seeking digital engagement with the business itself.

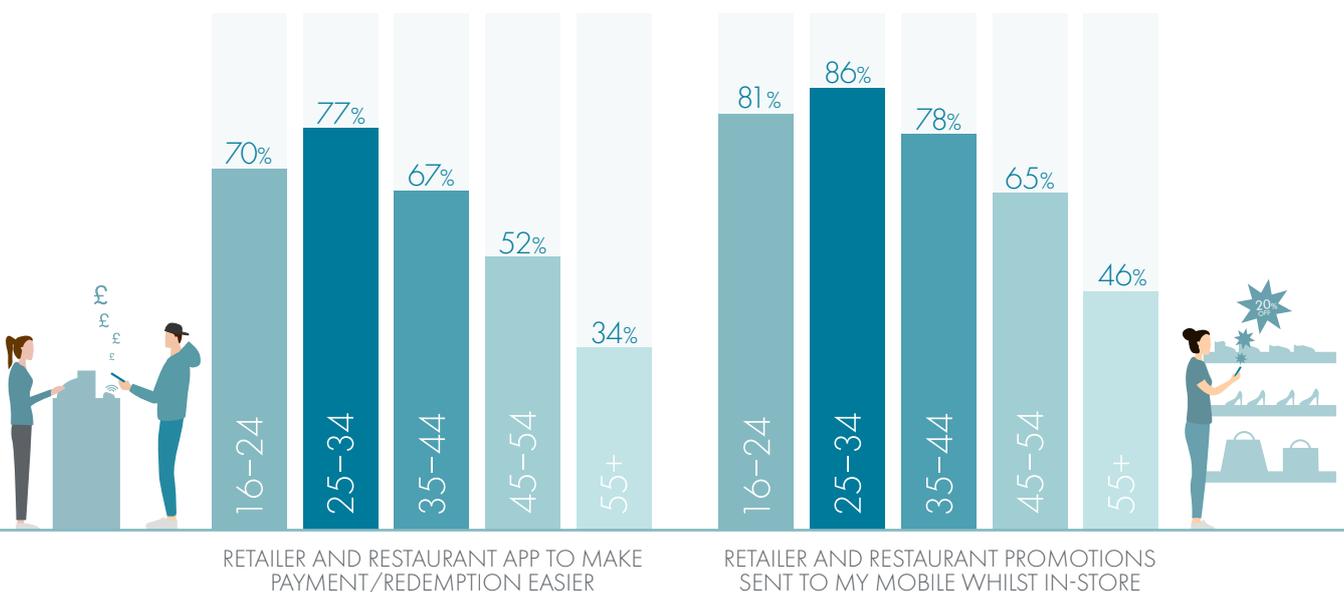
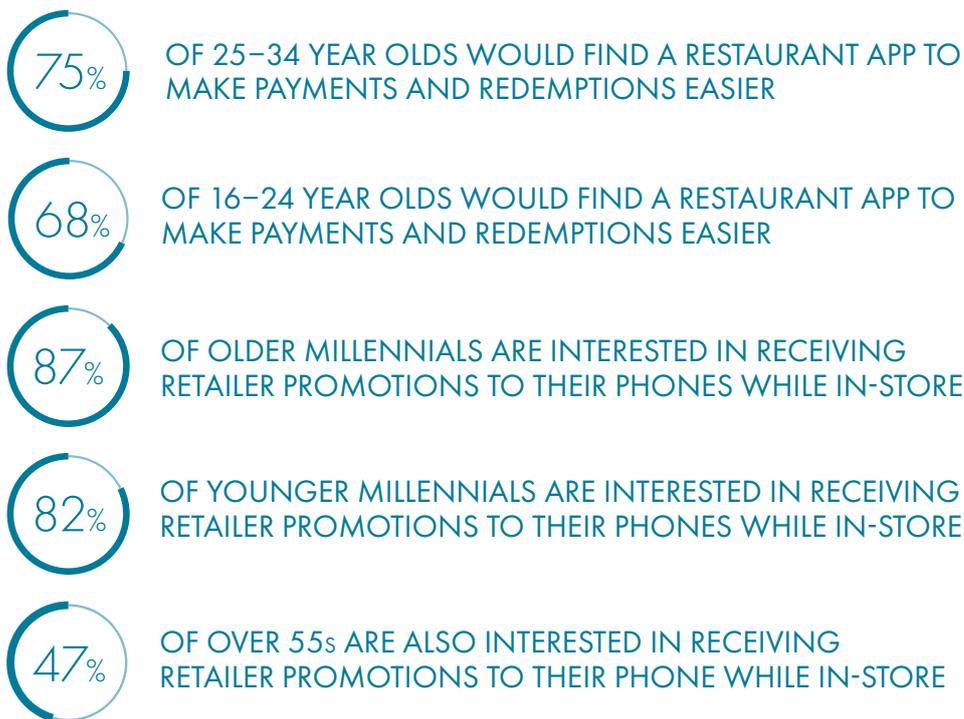


FIG. 3 PERCENTAGE OF CONSUMERS, ACROSS AGE GROUPS, WHO EXPRESSED INTEREST IN MOBILE ENABLEMENT OPTIONS

THE CHANNEL-HOPPING CONSUMER

ONLINE-OFFLINE INCONSISTENCIES

Omnichannel has been a buzzword in the retail and customer experience industry for years. As technology has developed, the ways to interact with a brand or retailer have multiplied. From just walking into the bricks-and-mortar store, consumers can now shop from their home desktop or from any mobile device, at any time, from any location.

During one customer journey a person may hop between channels multiple times, researching online before going to see the product in person in-store. Throughout this process the consumer sees themselves as interacting with one retailer, with the channel they use as incidental and depending on convenience or goal. As such, when there are discrepancies between those channels in terms of range, promotions, stock availability or pricing, it can understandably cause frustration.

Whilst an omnichannel strategy is at the forefront of most retailers' minds, retailers still frequently operate in silos, with independent teams looking after the store and online presence. Our research shows that consistency across channels is still an issue, with many consumers still experiencing frustrations and disconnect. 61% reported having gone to a retail store to look for a specific product that they had seen online, but found it to be out of stock, and 57% of consumers saying they had noticed a disparity in the promotions they see online to those they see in-store.

57%
SAID THEY HAD SPOTTED
DISCREPANCIES BETWEEN
ONLINE AND OFFLINE
PROMOTIONS

SHARP-EYED GENERATION X

While all consumers reported issues with retail channel discrepancies, our research showed that 25–34 year olds are the most discerning in spotting these issues. 67% said they had spotted discrepancies between online and offline promotions, more than any other age category. They were the most likely to have experienced going into a store to buy something they had seen online, only to find it out of stock (75%).



GOING DIGITAL TO BRIDGE THE DIVIDE

A crucial annoyance among consumers was the inconsistency in promotions between a store's physical and online counterparts. With shoppers browsing via desktop, tablet and smartphone and often going in-store to actually make a purchase, it's unacceptable for their basket price to change. This leads to a sense of disconnect between the brand's digital and physical presence, rather than the seamless brand identity we have come to expect.

“ GOING DIGITAL ELIMINATES THE PROBLEM OF DISCONNECTED DISCOUNTS, WHILE PAPER VOUCHERS OFTEN CANNOT BE TRANSFERRED ACROSS CHANNELS, DIGITAL CODES VALIDATED ACROSS STORE TILLS MAKE THE PROCESS SEAMLESS AND HASSLE-FREE. A SHOPPER CAN BROWSE DEALS ON THEIR SMARTPHONE THEN USE THE SAME DEVICE TO REDEEM PROMOTIONS THEY'VE FOUND. CONSUMERS ARE EAGER TO SEE CHANGE IN THIS AREA AND WITH THE SMARTPHONE ALREADY IN THEIR HAND, THE JOB IS HALF DONE ”

TIM MASON, CEO, EAGLE EYE

JUST DO IT: THE FUTURE IS NOW

Nike has never been one for resting on its laurels. Living up to its slogan, the brand is pioneering experience-driven shopping and it's becoming as much about playing as it about purchasing. Nike is bridging the divide between its physical and digital presence and seamlessly combining the in-store, online and mobile customer journeys. In its flagship store in Berlin, Nike introduced a 9m² 'media wall' which brings together news, browsing and social networking in a physical location. After logging in via the in-store Wi-Fi or the retailer's native app, content can be transferred to customers' smartphones and then shared. Customers can also access live product information, pricing and availability via the Nike table, an interactive touch-screen with RFID and video recognition technology.

By offering free Wi-Fi in-store, Nike also gains valuable shopper data. Nike can track customer behaviour, monitor the products they search for and in turn send them personalised discounts and rewards via their smartphone in real-time. These digital experiences provide a 'best in class' example of a digital customer experience. With major brands innovating rapidly, the future isn't as far away as it seems – the time is now for businesses to integrate digital into the physical world, give customers the personalisation they want and ultimately drive sales.



THE DAWN OF THE CASUAL DINER

THE OMNI-PRESENT SMARTPHONE

Dining out has traditionally been reserved for a special occasion where using a mobile phone at the table would be considered rude. However, in today's fast-paced society, where we manage our lives more and more via our smartphones, from news to communication to banking, consumers are bringing their mobiles into every aspect of their daily lives, even to the restaurant.

“RESTAURANTS ARE FAILING TO TAP INTO A KEY OPPORTUNITY. YOUNGER DINERS WHO EAT OUT A LOT ARE KEY CUSTOMERS AND SEE NO PROBLEM WITH HAVING THEIR PHONES OUT AT THE TABLE. THIS IS A GROWING TREND AND WILL SOON BECOME THE NORM. THE CUSTOMER EXPERIENCE IS NO LONGER JUST ABOUT THE SERVICE PROVIDED FACE-TO-FACE, IT ENCOMPASSES ANOTHER KEY CHANNEL: THE SMARTPHONE. BY TAPPING INTO THIS, RESTAURANTS WOULD NOT ONLY GIVE THE CUSTOMER THE EFFICIENCY AND SIMPLICITY THEY ARE CRAVING, THEY WOULD ALSO GAIN A GREAT DEAL MORE VALUABLE CUSTOMER DATA THAT WOULD SERVE THEM WELL IN THE FUTURE”

TIM MASON, CEO, EAGLE EYE

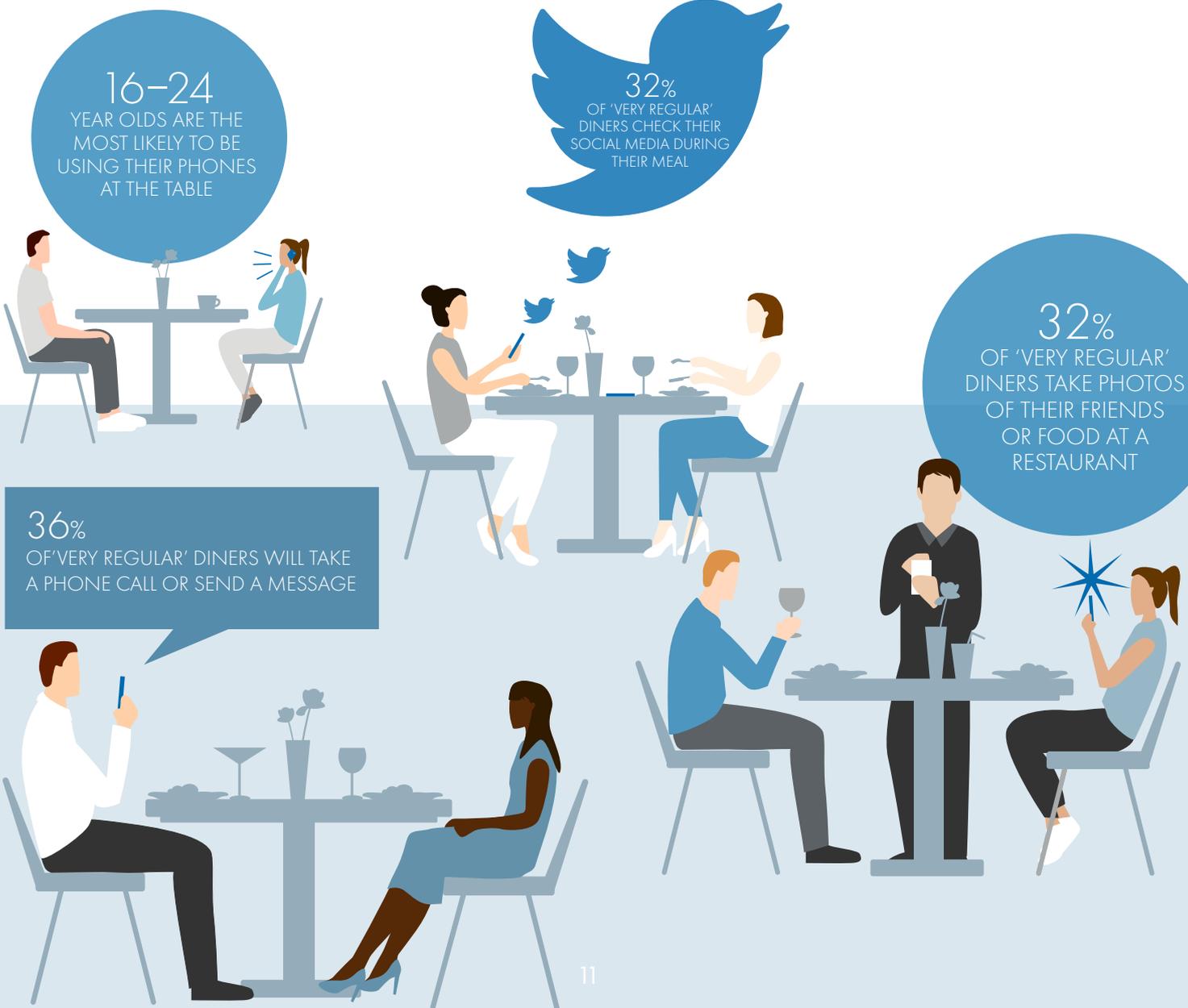
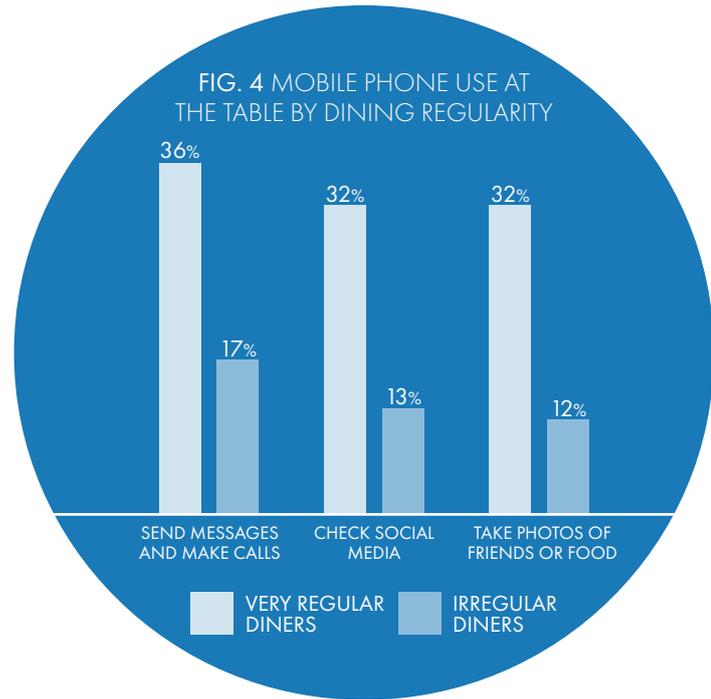
16-24
YEAR OLDS ARE THE MOST LIKELY TO BE USING THEIR PHONES AT THE TABLE; RESTAURANT OWNERS NEED TO BE THINKING AHEAD AS THIS IS WHAT THE REST OF THE MARKET WILL BE DOING IN THE FUTURE



Our research identified a sub-culture of more frequent, casual dining, where phones are now commonplace.

Very 'regular' diners (more than once a week) were much more likely to use their phones than 'rare' diners (less than once a month) (see Figure 4). This suggests that the more frequently people eat out at restaurants; the more casual they considered the experience. Meanwhile, 16–24 year-olds were the most likely to be using their phones at the table, with phone use decreasing consistently with age. These younger consumers are of crucial importance to restaurant owners: if 16–24 year-olds are doing this now, this is what the rest of the market will be doing in the future.

There has been a change in attitudes towards dining. It's true that older consumers and those who dine out irregularly still value restaurants as a digital-free zone. However, young consumers dining out regularly often have their phone in their hand, and—as outlined earlier—are open to communicating more with the restaurant if it improves their customer experience.

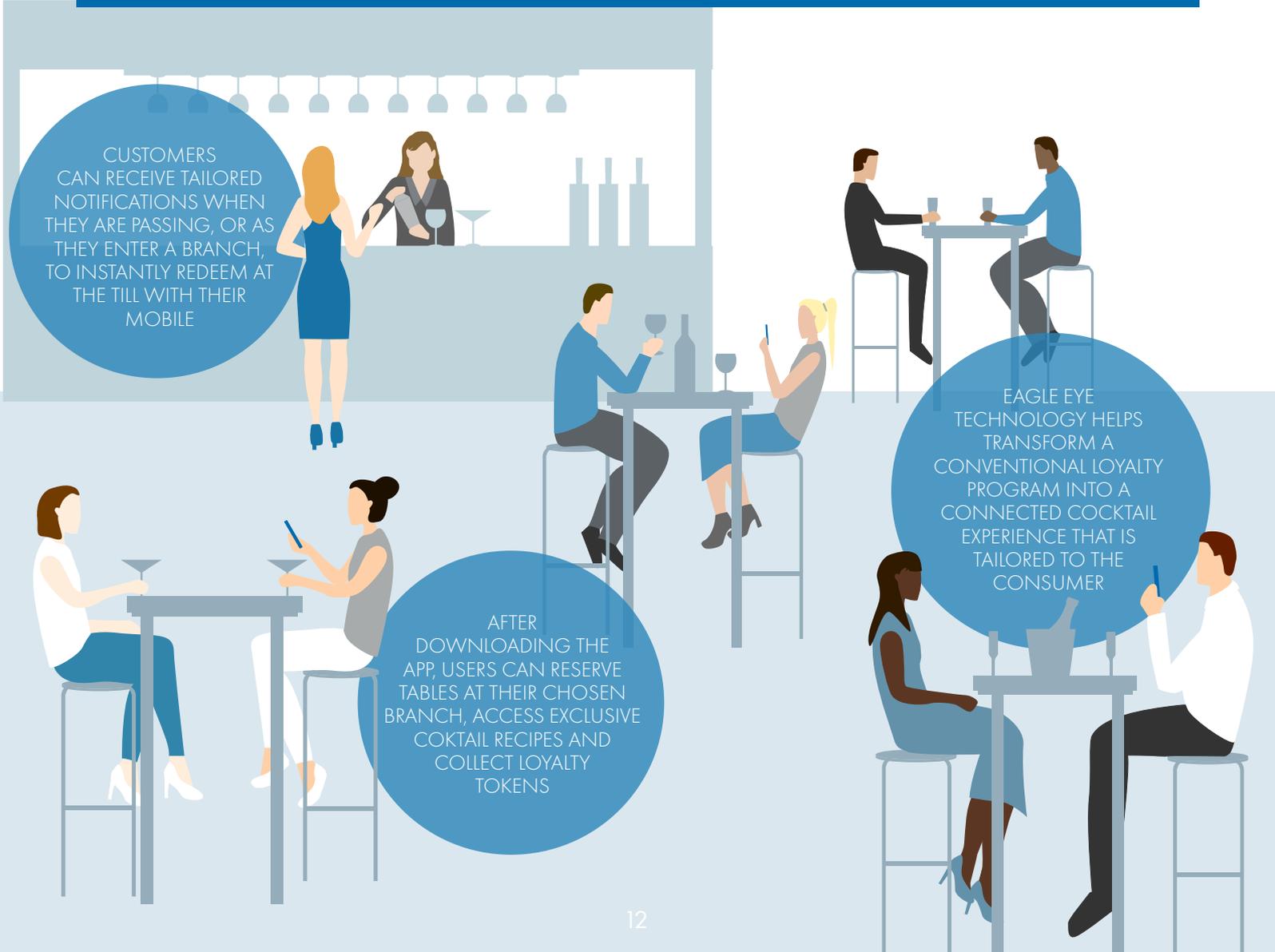


RAISING A GLASS TO THE CONNECTED CUSTOMER

Many food and beverage brands are stuck firmly in the past when it comes to customer experience, with paper stamp cards, generic offers and minimal engagement between business and consumer; All Bar One however are breaking the mould. The Mitchells and Butlers-owned bar teamed up with Eagle Eye to create a digital loyalty app to offer customers tailored rewards via their smartphone.

After downloading the app, users can reserve tables at their chosen branch, access exclusive Cocktail Society cocktail recipes and collect loyalty tokens via the digital stamp card. The unique codes then enable All Bar One to track individual customer preferences and send targeted offers and rewards to each consumer. Thanks to the beacon technology rolled out across All Bar One locations, customers can receive tailored notifications when they are passing, or as they enter a branch, to instantly redeem at the till with their mobile.

All Bar One is paving the way to the digitally connected restaurant experience. Eagle Eye technology helps transform a conventional loyalty program into a connected cocktail experience that is tailored to the consumer as an individual, feeding customers' digital appetite and increasing footfall, sales and repeat custom.



CUSTOMERS CAN RECEIVE TAILORED NOTIFICATIONS WHEN THEY ARE PASSING, OR AS THEY ENTER A BRANCH, TO INSTANTLY REDEEM AT THE TILL WITH THEIR MOBILE

AFTER DOWNLOADING THE APP, USERS CAN RESERVE TABLES AT THEIR CHOSEN BRANCH, ACCESS EXCLUSIVE COCKTAIL RECIPES AND COLLECT LOYALTY TOKENS

EAGLE EYE TECHNOLOGY HELPS TRANSFORM A CONVENTIONAL LOYALTY PROGRAM INTO A CONNECTED COCKTAIL EXPERIENCE THAT IS TAILORED TO THE CONSUMER

CONNECTING TO THE CUSTOMER: THE FUTURE OF CUSTOMER EXPERIENCE

In almost every environment, we can use our smartphone to enrich our experience in some way. Yet in the digital world, shopping is stuck in the past. The store remains one of the last destinations where the smartphone goes back to being simply a communication device, because all digital enablement stops at the entrance.

With our research showing that consumers are open to interacting with retailers, the door is open for retailers to step up mobile engagement to improve customer experience.

CUSTOMERS UNDER THE AGE OF 35 ARE THE MOST KEEN TO INTERACT WITH BUSINESSES THROUGH THEIR MOBILE

25-34 YEAR OLDS ARE THE MOST KEEN TO WEAVE MOBILE ENABLEMENT INTO THEIR CUSTOMER EXPERIENCE

THE LONDON BUBBLE

The capital is well-known for setting trends and leading technology innovation. Our research also found that London led the way in mobile-enablement compared to other regions. When it came to their current mobile phone use, or desired mobile phone enablement, Londoners generally led, with big cities like Birmingham following closely, and often Belfast, Norwich and Plymouth slower on the uptake. For example, 58% of Londoners admitted that they use their smartphones while sitting in a restaurant, whereas just 35% of those living in Plymouth said the same. 27% of Londoners were interested in downloading an app that helped them locate products in-store, compared to just 15% of consumers living in Belfast. Businesses in London need to act faster than anyone else if they want to pioneer digital enablement in-store and in restaurants.

WHAT'S IN IT FOR RETAILERS AND RESTAURANTS?

Aside from offering enhanced customer experiences that will lead to greater sales and brand advocacy, digital enablement into physical shopping and dining experiences brings untold benefits to businesses:



COLLECTION OF REAL-TIME CONSUMER DATA; UNDERSTAND YOUR CUSTOMERS TO ENABLE PERSONALISED EXPERIENCES



ELIMINATION OF VOUCHER AND COUPON FRAUD THROUGH UNIQUE CODES



INCREASED CUSTOMER LOYALTY THROUGH PROVIDING BETTER, MORE CONNECTED EXPERIENCES



LOWER OPERATIONAL COSTS THROUGH ELIMINATION OF MANUAL COUPON COUNTING



REAL-TIME CONSUMER TRACKING TO GAIN A SINGLE CUSTOMER VIEW



INCREASED SITE FOOTFALL BY HAVING THE ABILITY TO TARGET CONSUMERS AT THE RIGHT TIME AND RIGHT PLACE



ABILITY TO GATHER AN ACCURATE ROI ON MARKETING SPEND FROM ONLINE TO OFFLINE



JOIN ONLINE AND OFFLINE CHANNELS TO ENABLE CONNECTED JOURNEYS

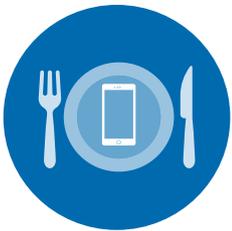
FEED THE DIGITAL CONSUMER DEMAND

For the retailer and restaurant-owner, the digital customer connection will reap instant benefits. Unlike with other business changes, there is no need to set out a complicated education strategy, because the consumers are already there, smartphones in hand. Tapping into this channel will not only feed customer appetite for digital enablement, it will also bring huge benefits to businesses in the future, thanks to the power of consumer data.



UNDERSTAND THE GAP IN THE MARKET

Once retailers and restaurants realise the power of the consumer's smartphone and its accessibility, the sooner they can use it to solve the digital disconnect with their customer



FEED THE CONSUMER APPETITE

A key element in improving customer experience is knowing what consumers want, even when consumers don't know they want it. By understanding that younger audiences are open to digital, retailers and brands can hone in on expectations and bring about change



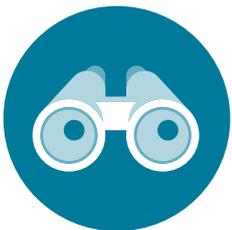
BRIDGE THE GAP

If retailers don't want to be left behind by their online competitors, it is crucial for them to solve the problem of omnichannel. By connecting with customers both online and in-store (via their mobiles), this problem becomes an opportunity



GO WITH THE FLOW

With young, regular diners taking a more casual approach to the restaurant experience, it's time for businesses to get on board. With smartphones already on the table, restaurants can adapt their strategy to start engaging with them through this channel to help them understand who they are catering for



LOOK AHEAD

With younger customers paving the way into the digital future, acting now will enable retailers and restaurants to keep up with demand. After all, if under 35s are already open to a digital customer experience, this will become the standard expectation in the future

Report Methodology

This report is based on research conducted with 2,000 consumers and the insight from Eagle Eye's technology and advisory experts. The survey was conducted by Censuswide in March 2017

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Businesses everywhere are in the grips of digital transformation. With younger shoppers and diners paving the way into a smartphone-led society, it won't be long before one big player in the retail or dining world takes note and changes the industry's ways. Digital creates an improved customer experience and brings immediate benefits for the business, closing the loop of improved satisfaction, increased custom and higher ROI.

Tapping into the smartphone provides brands with invaluable consumer data. Only through data can businesses get to know their customers as individuals and actually give them what they want not what they think they want.

In the imminent future, the smartphone won't just be sitting in consumers' pockets or on their restaurant tables; they will be an active part of the shopping and dining experience. Customers will be receiving timely, personalised offers as they walk around the aisles, tailored promotions as they look at the menu and integrated payment options for a seamless experience, powered by their smartphone. The world of digital allows organisations to better understand who they are targeting so they can speak to them as individuals and enhance their experience. This doesn't just increase footfall, sales and ultimately profit, it also creates stronger brand advocacy and encourages repeat purchases.

At Eagle Eye, we're helping brands future-proof their customer experience by integrating digital redemption codes into their promotions strategy. We effectively bridge the gap that still exists between online and offline and in turn provide real-time consumer data to allow businesses to personalise the customer experience, bringing it into the now of retailing and dining.

We have already seen that millennial customers are starting to equate a digital experience with a better experience and our dependency on our smartphones looks only set to grow. By feeding this digital desire, businesses have the opportunity to set themselves apart from the competition and build a wider, more loyal customer base. Consumers have great expectations; it's time retailers and restaurant-owners lived up to them.

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