using mobile technologies for real estate research

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topics

+ why mobile and social data matters: the multichannel customer journey

+ using data to compete in a multichannel environment: a case study

+ how to build research tools for the multichannel customer
customers INTERACT with brands online and use devices to OPTIMIZE their shopping experience in stores.

consumers are using stores for showrooming - trying out a product but not buying it. The factors driving showrooming include PRICE and SELECTION.

How do shoppers use mobile devices in-store?

- Compare prices: 55%
- Scan a QR code: 34%
- Find a review: 27%
- Download an application: 19%
- Complete a survey: 17%
- Write a review: 9%
- Tweet about an experience: 8%

Showrooming

credit: Adexchanger

credit: Empathica
the multichannel customer journey: the end of retail? (NO!)

+ traffic to brick and mortar retail locations is still strong

+ smartphone shopping drives in-store conversion and increases basket size

+ smartphones influence 5.1% of retail purchases, which translates to $159 billion in forecasted sales for 2012

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HOW OFTEN DO CONSUMERS VISIT BIG BOX RETAILERS?

Nearly all US consumers visited a big box retailer within the past month

93% Visited at least once
70% Visited 3+ times

credit: Empathica

SMARTPHONE SHOPPERS ARE 14% MORE LIKELY THAN non smartphone SHOPPERS CONVERT 20 IN STORE

credit: Deloitte Mobile Influence Survey

1 Deloitte Digital
2 ibid.
the multichannel customer journey: the challenge

the challenge is how to make brick and mortar locations a competitive advantage in a multichannel customer journey

Current approaches include:
- exclusive merchandise
- expanded e-commerce presence
- mobile apps
- online ordering and in-store pick up
- special tags in lieu of bar codes
- matching competitors’ online pricing

credit: The Open Brand by Kelly Mooney
the multichannel customer journey: a new approach

retailers are often trying to compete with e-commerce on price and availability

could brick and mortar retailers also use their stores as a competitive advantage to offer a better experience driven by

+ personalization
+ customer service
+ loyalty
+ curation/discovery

this approach starts by connecting with technology engaged customers and collecting and analyzing the right data
a multichannel case study: background

Case study
+ national retailer

Data
+ sample set of 40 stores
+ 2011 annual sales: in-store and online (by MSA)
+ total foursquare check-ins by store
+ total facebook fans for each store’s page
+ total facebook fans for retailer’s national page (within 25 miles of each store)

Statistical methodology
+ built statistical models to understand how different social interactions correlate with in-store and online sales
foursquare is one medium in a multichannel approach because it bridges the online and in-store shopping experience.

Consumers can use foursquare to:
+ “check-in” at a location and tell friends where you are
+ recommend the location with “tips”
+ search for restaurants or other places of interest
+ receive content and promotions from the location
+ curate and share favorites with friends via lists
Foursquare check-ins have a direct correlation with in-store sales

+ foursquare check-ins are a direct proxy for traffic
+ this relationship exists without the retailer encouraging people to use foursquare
+ in non-mall based locations competitor check-ins are a strong indicator of the impact of competitor on in-store sales
+ in mall-based locations competitor check-ins impact sales positively
+ there is no strong correlation with the retailer’s online sales
a multichannel case study: facebook fans

Fans of the local store’s page interact differently with the brand than fans of the retailer’s national Facebook page.

**Local page**
- Fans of the local page are correlated with in-store sales.
- This relationship is not as strong as the foursquare correlation.

**National page**
- Fans of the national page are correlated with online sales.
- This tells us something about how people are engaging with the brand outside the store.
a multichannel case study: no significant regional differences

Adoption of these technologies don’t show any strong regional tendencies

This is not a surprise for Facebook but may be telling for Foursquare
Identify the demographic characteristics of a customer likely to use foursquare/facebook

- value of these demographics in a statistical model when screening markets, target zones, and sites (for retailer)
- reverse engineering retailer customer base for highest and best analysis and co-tenancy optimization (for developer/mall owner)

Control for non-real estate variables to isolate key geospatial and locational drivers that do impact store performance

- more nuanced understanding of ideal real estate characteristics

Gather valuable data on competitor strength

- inputs for statistical models
- regional and sub-market differences in competitor strength
- how technology engaged customer base is interacting with competition
- how competitors’ pricing and marketing initiatives impact their traffic

Discover how these social interactions impact online sales.

- determining cannibalization between online and in-store sales
- uncover any synergies between online and in-store sales
Uncover shopping behaviors of technology engaged customer base
- what products do they buy?
- do they buy in-store, online, or both?
- do they respond to marketing incentives?
- are they more likely than other customers to make a purchase when in your store (and what you can do to make conversion more likely)
- are they more loyal?
- what is the value of a check in (in terms of sales)

This can be even more powerful when social and mobile data is tied to customer loyalty programs
- offering personalization in the store based on past behaviors and analysis of similar people’s purchases
- delivering curation moments driven by social media and big data analysis
- providing individualized pricing and specials

Multichannel case study: what else could you do with the data?
building research tools for a multichannel customer

- expertise in data science
- business acumen
- cross-functional work environment
- data and analytics platform
- innovative analysis
- pro-active business strategy
topics

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data in focus.