

# farsite



## using mobile technologies for real estate research

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data in focus.



## + topics

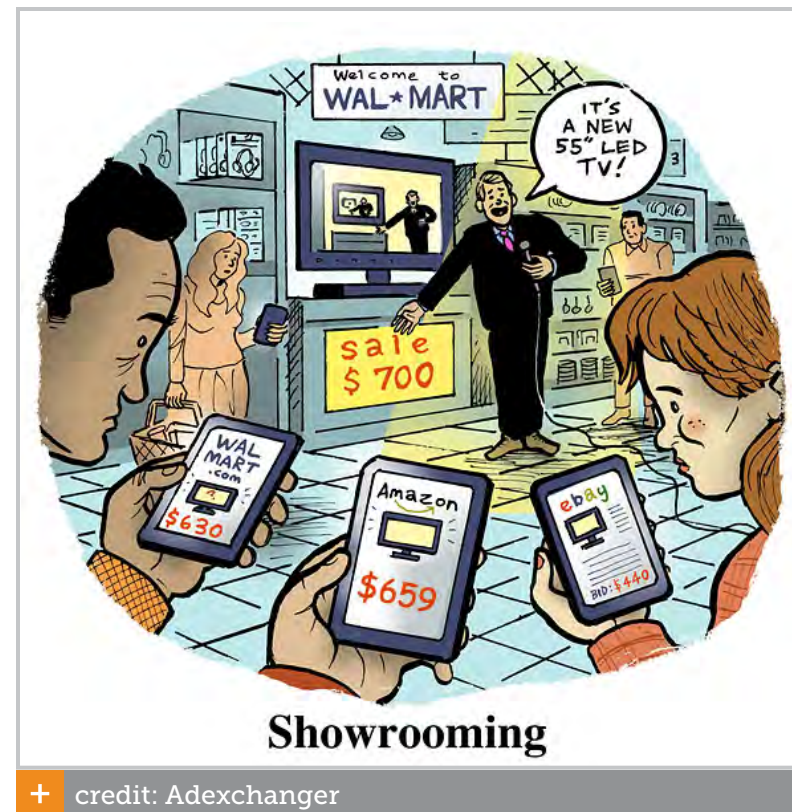
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- + why mobile and social data matters: the multichannel customer journey
- + using data to compete in a multichannel environment: a case study
- + how to build research tools for the multichannel customer

# + the multichannel customer journey: consumer behavior

+ 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**



# + 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<sup>1</sup>

+ smartphones influence 5.1% of retail purchases, which translates to \$159 billion in forecasted sales for 2012<sup>2</sup>



<sup>1</sup> Deloitte Digital

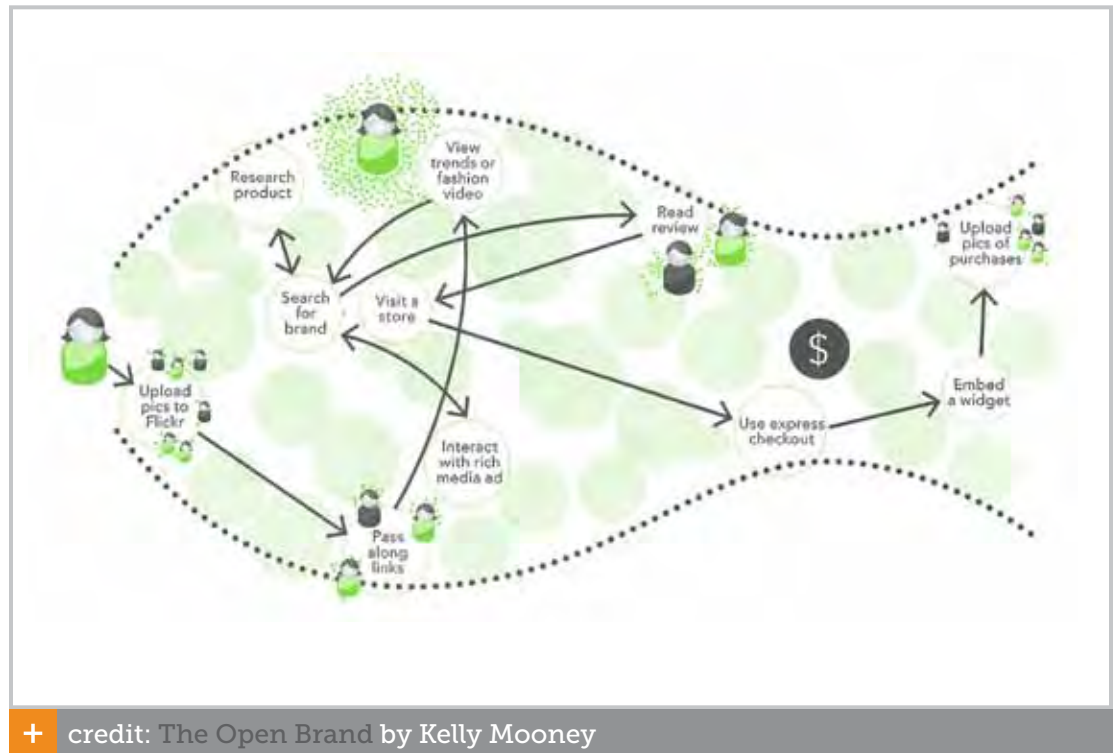
<sup>2</sup> ibid.

# + 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



## + 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

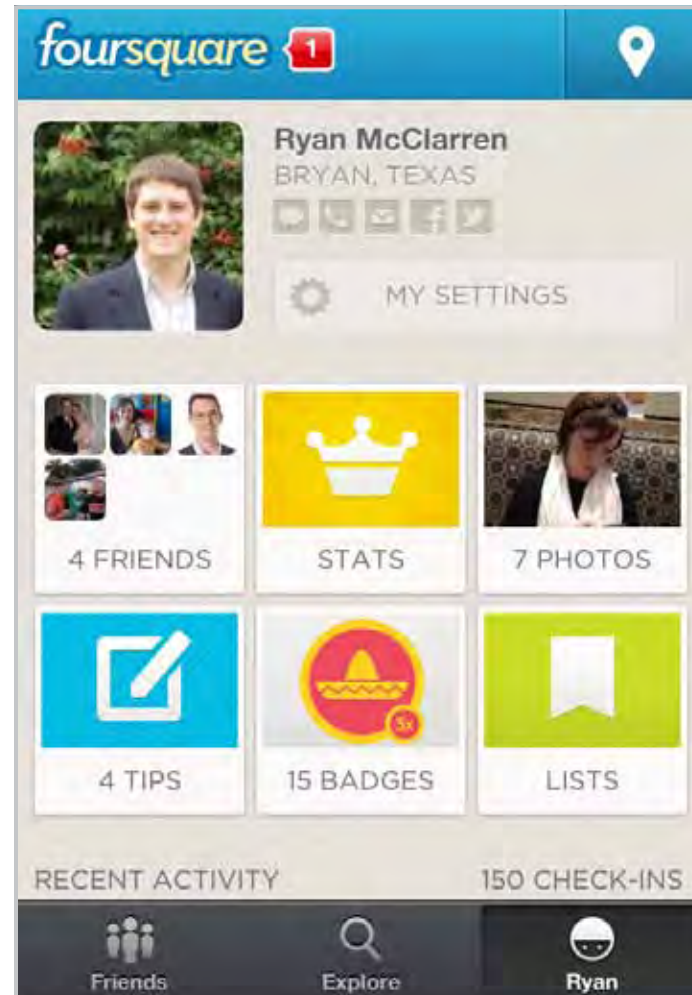
- + built statistical models to understand how different social interactions correlate with in-store and online sales

## + a multichannel case study: why foursquare?

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

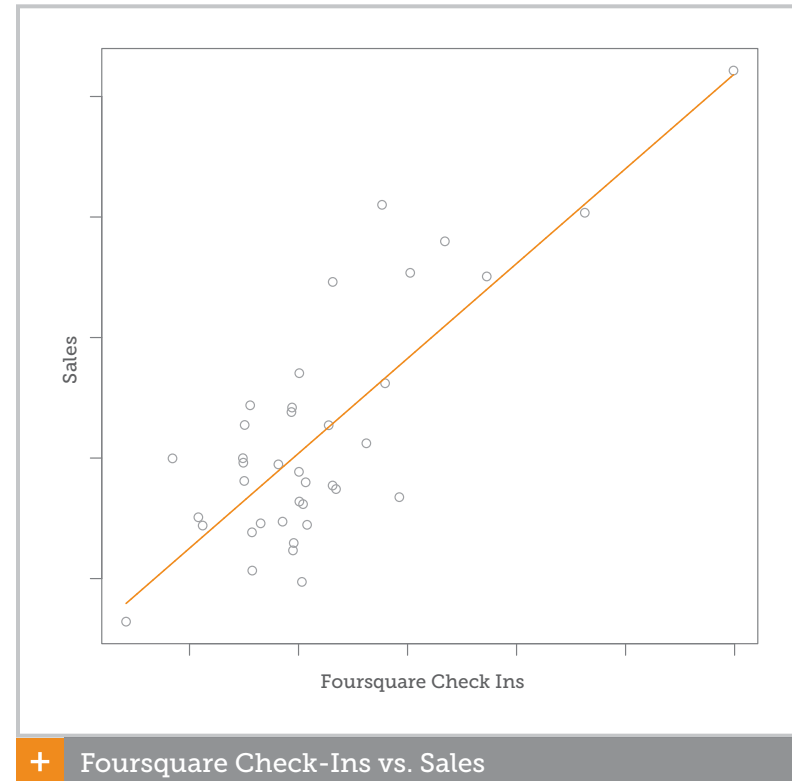




## + a multichannel case study: foursquare check-ins

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

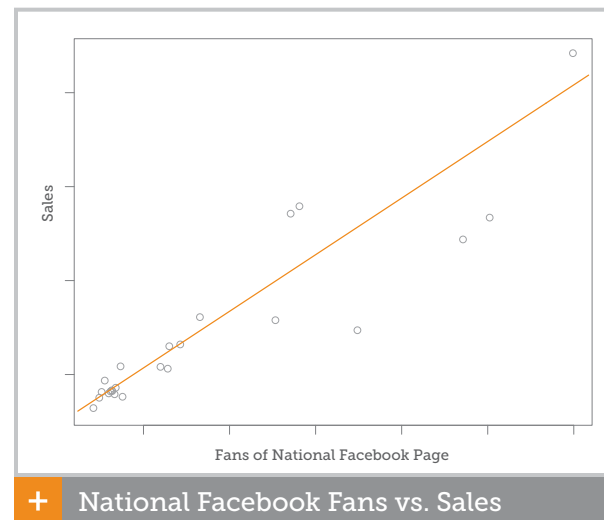
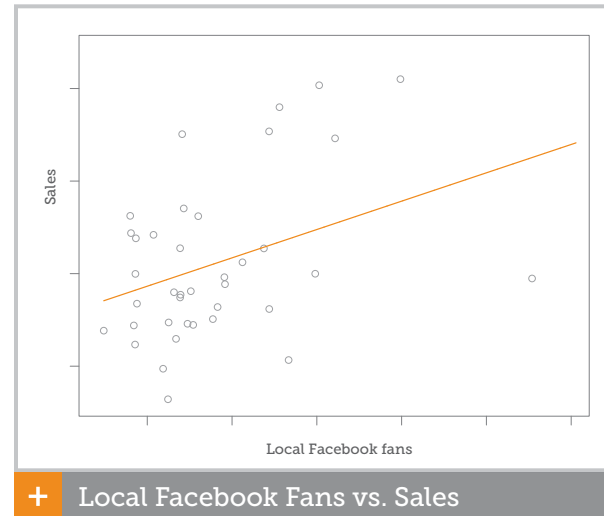
Fans of the local store's page interact differently with the brand than fans of the retailer's national facebook page

### Local page

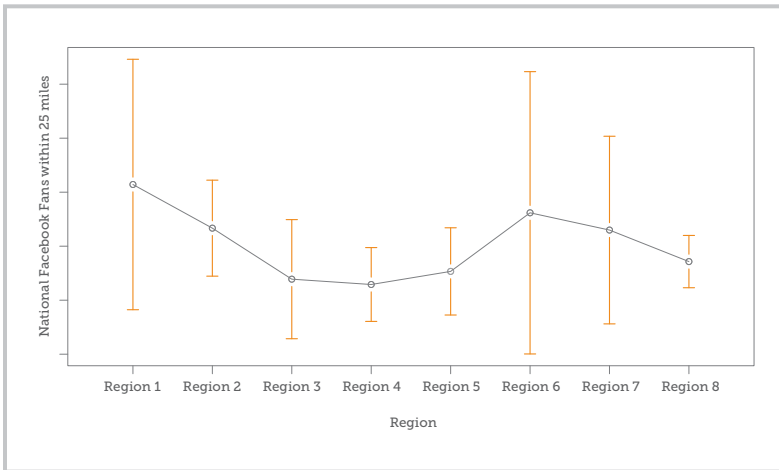
- + fans of the local page are correlated with in-store sales
- + this relationship is not as strong as the foursquare correlation

### National page

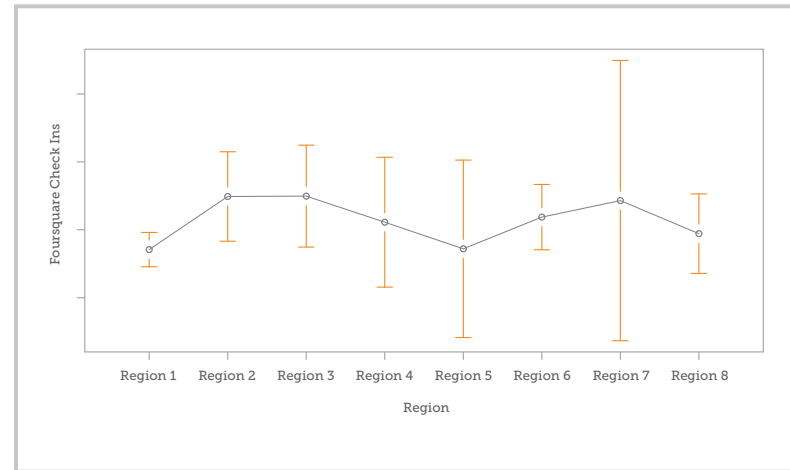
- + fans of the national page are correlated with online sales
- + this tells us something about how people are engaging with the brand outside the store



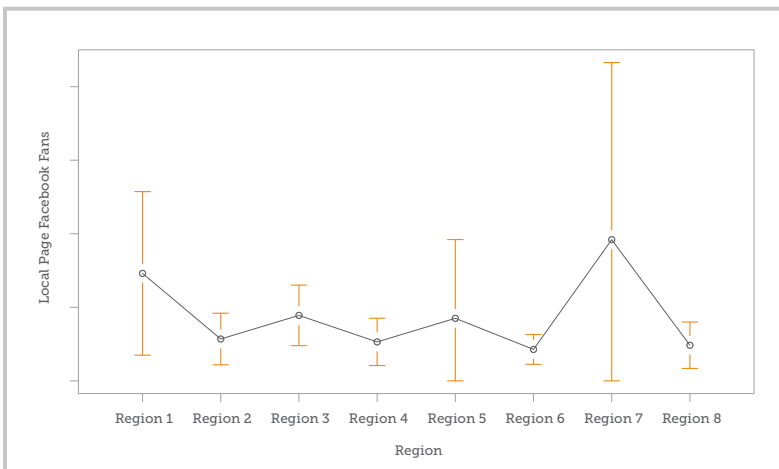
# + a multichannel case study: no significant regional differences



+ 25 Mile Facebook Likes by Region



+ Foursquare Check-Ins by Region



+ Local Facebook Fans by Region

- + Adoption of these technologies don't show any strong regional tendencies
- + This is not a surprise for facebook but may be telling for foursquare

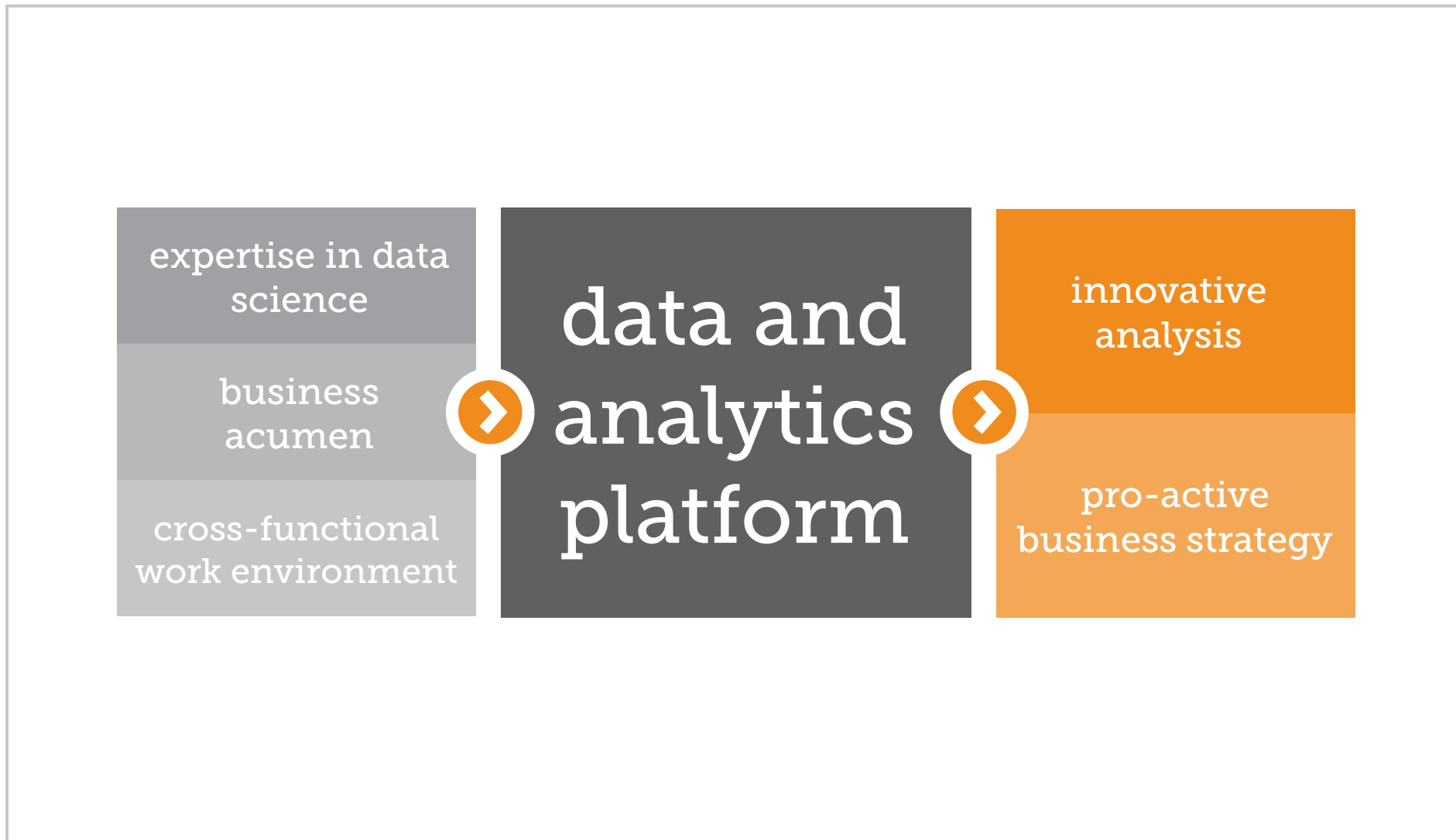
## + a multichannel case study: what else could you do w/ the data?

- + 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

## + a multichannel case study: what else could you do w/ the data?

- + 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

+ building research tools for a multichannel customer



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+ END

