

MOBILE APP SURVEY

By Institute Staff

One of the more persistent challenges marketers face these days is the sheer number of shopping apps, couponing tools, digital solutions and just plain gizmos asking for space on shoppers' smartphones. Regular readers of this magazine's "So-Lo-Mo Central" column know that shopping app turnover is high – some even disappear before we can get them into print. But almost all of these app-makers need CPG companies to support them, and shopper marketing execs tell us they're inundated with cold calls from startups (including some they've never heard of) and that they don't know who's worth engaging with business-wise.

Most reviews of mobile shopping apps are from the shopper/user's point of view, focusing on how it works, its features and its benefits. That kind of review certainly provides context, but it doesn't tell a shopper marketing professional how the app is being received by the business community, or even its primary function (i.e., advertising medium, data collector, sales trigger, etc.).

To help our readers get their arms around questions like these, the editors decided to query Path to Purchase Institute members on their opinions of various mobile shopping apps currently on the market. An online survey was prepared and delivered via email to several hundred Institute members and *Shopper Marketing* magazine readers, targeting those who list digital marketing as part of their responsibilities.

Narrowing the Field

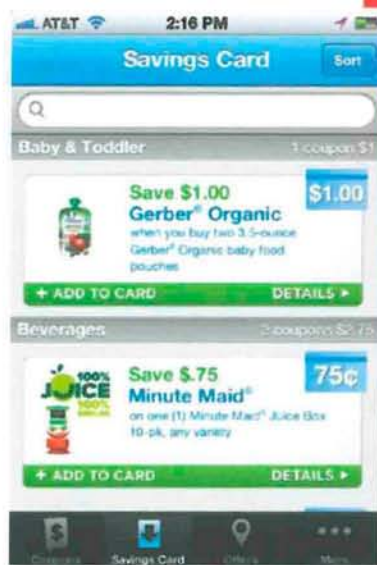
Survey design is a tricky thing. While everyone has their own specific, in-depth questions they'd ask if given the opportunity, the survey writer must narrow and focus the questioning because fatigued respondents tend to give up. For purposes of this survey, therefore, we focused on which third-party and/or retailer mobile apps CPG companies are using most often, the business benefits derived from the use of these apps, and finally, how well the app performed.

Breadth was another survey design chal-

lenge. Our editors (including "So-Lo-Mo Central" writer Dan Ochwat) identified 59 third-party mobile shopping apps and 16 retailer apps that we might ask respondents about. To avoid overwhelming survey takers with a laundry list of names, we organized the third-party apps into seven different performance areas: in-store shopping apps, crowdsourcing apps, list/couponing apps, finder apps, field services apps, m-commerce mobile apps and mobile services.

Any survey listing an alphabet soup of 75 names – including some real eye-crossers such as Babberly, Plurro, KitchMe, Wanelo, Ozmott and Shoparoo – is going to test one's patience. We managed to compile 80 completely filled out surveys from qualified respondents. Here's what the respondents looked like:

- Roughly half work for companies with revenues under \$10 billion per year;
- One in four work for \$20 billion+ companies;
- One-third said their primary function/responsibility was shopper marketing;
- Half described their title as "manager," while one-third said they were at "director" level.



Coupons.com

Respondents were then asked to rate only those mobile apps that their company had used or is using in its business. Eleven of the survey's 59 third-party mobile apps and 11 of the 16 retailer mobile apps were mentioned by at least 20% of respondents. These are the apps rated on the primary charts on the pages that follow.

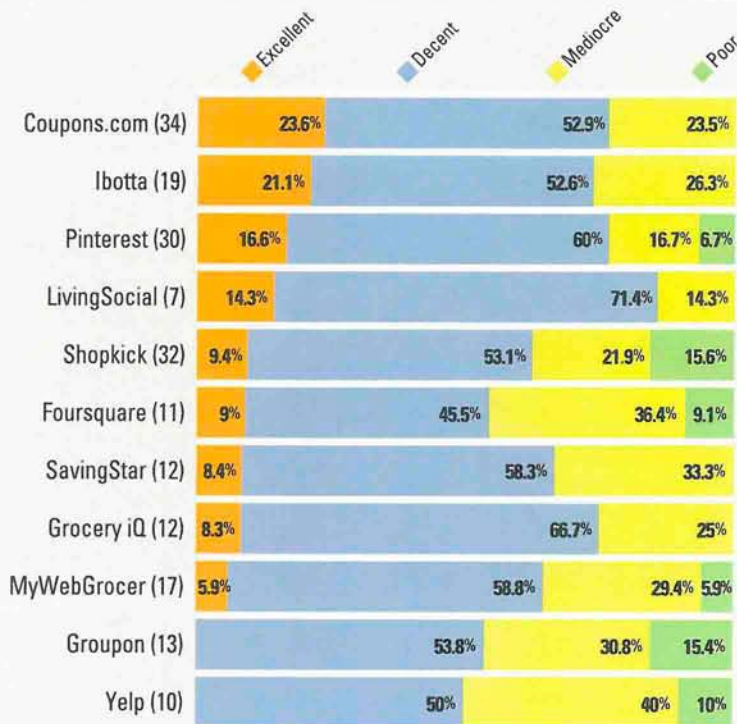
Third-Party Chart Toppers

Two third-party mobile apps stood out as highest rated by shopper marketing executives: Coupons.com, which was rated "excellent" for achieving a CPG's goals by almost one out of every four companies using it, and Ibotta, which finished close behind. Ibotta, which rewards users with cash or store credit for buying selected products or completing tasks, was the most-talked-about app in the survey (respondents were guaranteed anonymity). It was described this way:

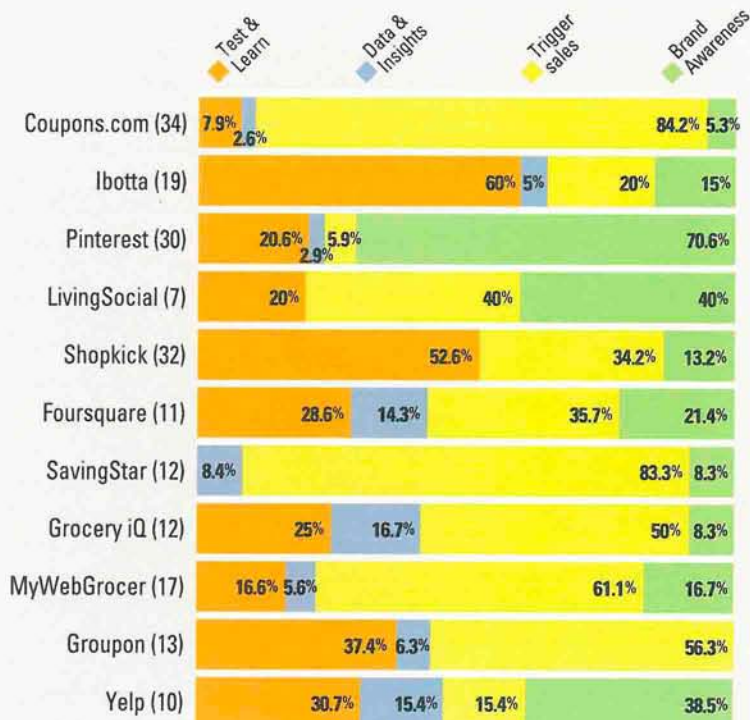
- "Many of the apps are more appropriate for retailers to drive traffic rather than for CPGs to drive sales within the retail stores. Ibotta is the primary exception."
- "We really like Ibotta's additional layer of consumer engagement features prior to delivering the reward."

THIRD-PARTY MOBILE APPS

Please rate each **third-party mobile app** in terms of achieving your goals.



For each **third-party mobile app** your company has used, select its primary benefit to you.



Number of responses for each app listed in parentheses.
Source: Path to Purchase Institute/Shopper Marketing

TOPIC: MOBILE APPS

"The technology has to become invisible before it will be adopted more broadly."

– Craig Elston, The Integer Group

"Within the first two minutes, if there is no engagement with your app, they'll never come back to it. ... Aggregator apps such as Retale are where the engagement will be."

– April Carlisle, Arc Worldwide

"Looking at your smartphone every three seconds while you are walking down an aisle is not a pleasant experience, so I see apps playing a stronger role in planning and post-purchase."

– Roberto Siewczynski, PanaVista

"It is expensive for CPG companies to create and market shopper apps for individual brands or products. Retailer apps have tremendous potential for CPGs because the retailer has a direct relationship with the shopper."

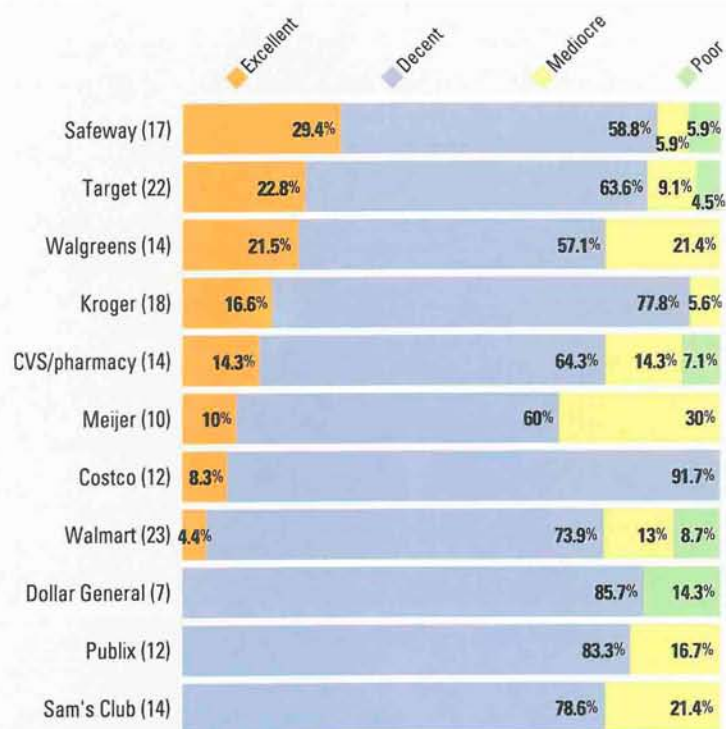
– Manish Shrivastava, Coca-Cola Co.

"Mobile apps will move to a holistic shopping solution that transcends the entire path to purchase and deliver one-to-one content and offers based on shopper purchase behavior and preference."

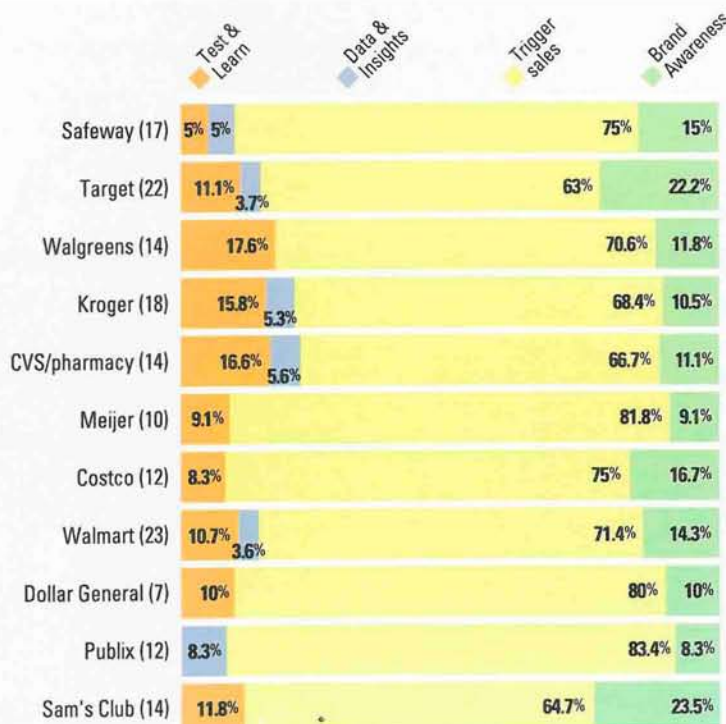
– Chad Grenier, AMG/Mosaic

RETAILER MOBILE APPS

Please rate each retailer mobile app in terms of achieving your goals.



For each retailer mobile app your company has used, select its primary benefit to you.



Number of responses for each app listed in parentheses.
Source: Path to Purchase Institute/Shopper Marketing

■ "Currently testing Ibotta. Initial results are good – not great."

Most survey respondents, in fact, said they were still at the "test & learn" stage with Ibotta.

Two other apps that stood out positively in the eyes of marketing executives were Pinterest ("our Pinterest images are very popular with consumers") and LivingSocial. Pinterest was viewed, more than any other app in the study, as suitable for building brand awareness. Coupons.com and SavingStar were the apps most identified as being able to "trigger sales." Grocery iQ earned the most mentions for providing "data & insights," although across the board, data generation did not register as a particularly significant benefit of third-party apps.

The lowest-rated third-party apps included Groupon (rated "poor" or "mediocre" by half the respondents) and Yelp. Two other apps – Shopkick and Foursquare – were quite polarizing in terms of executive evaluation, earning both "excellent" and "poor" ratings. And although Shopkick has been in the market for several years now, fully half of our survey's respondents said they were still in the "test & learn" stage with the app.

Hurry Up & Wait & See

A retail adage says that complaints outweigh compliments 20-to-1, an observation that's probably true of comments sections in surveys as well. Still, it is striking that not a single marketer we surveyed expressed total satisfaction with their participation in an app program. Opinions are mainly muddled: "At this point I'm still on the fence about in-store apps," wrote one executive. "Intellectually, I get that this is the direction consumers are moving. But considering the cost, I've not been overwhelmed by the sales impact these apps make. Some successful examples exist in isolation, but it all still feels splintered at this point."

Another agreed, and noted that he's "finding a lot of fatigue from being pulled in too many different directions," and complained that even the app programs that perform well "don't have enough rotating offers to make me keep going back." Among other complaints:

- "It's hard to measure the effectiveness of the tool/tactic, and that makes it really hard to sell internally."
- "It's difficult to find any app that can deliver customized, appropriate messaging at the right time."
- "Most don't seem to have enough coverage in the grocery channel."

■ "All they seem to do is say what's already on the package. An in-store app should be more than an echo of what you can already see standing in front of the product."

One executive was particularly blunt: "I think that these third-party apps need CPG companies to help build their brands more than we see the need to enter their small communities." Yet another worried that shoppers don't seem to be adding more apps – much less sticking with them – these days: "What'll probably be most helpful is if the app lives within a chain's app, with larger utility."

Retailer Hits & Misses

If there's one retailer app that stands out from the pack in the eyes of survey respondents, it's Safeway, which garnered the highest "excellent" ratings in its class. The chain overall may be going through a rough patch, but its "Just for U" digital loyalty platform, launched in 2011, has more than 6 million users now.

Other retailer apps that were rated highly by survey takers were Target (its "Cartwheel" digital savings program was mentioned separately by several respondents as a noteworthy introduction in 2013) and Walgreens (which made its "Balance Rewards" program a major mobile push in the past year).

The retailer apps most often rated as "poor" were from Dollar General (based, it should be noted, on the smallest sample size) and Walmart (which had the largest respondent sample size). In all fairness, three out of four respondents rated Walmart's app as "decent," although the chain's e-commerce platform also generated the most pointed comment in the entire survey: "Walmart.com is worthless as a brand awareness/trial generator for mass-market, premium shelf-stable food products. ... I highly do not recommend."

Judging by the anonymous comments we received from CPG marketing executives, there is more than a little skepticism about the value of retailers' mobile apps in general. "Not all retailer apps are created equally," warned one. "Some are well developed and integrated, but others are just coupon machines, in-store maps or store finders." Even if your brand sees strong sales from a placement in a retailer app, wrote another, "what's lacking is the ability to understand the level of incremental sales versus subsidizing. I've yet to get a confident feeling on the level of incremental sales for this touchpoint."

Still, when it comes to shopping apps, many believe that the chains have the home-field advantage: "I really think this is where it's all going to net out."