

Chapter 71

Technology Is Transforming Shopping Behavior: In-Store Mobile Technology Usage

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ABSTRACT

The advancement of information communication technologies has been creating new opportunities for the retailers and shaping the retail landscape. The mobile device is always with shoppers and it is one of the biggest influencers of in-store shopping behavior. Technology is changing our traditional concept of in-store shopping behavior. The main purpose of this study is to discover how consumers are using mobile devices throughout their purchase journey in the store from an emerging country perspective. A survey was conducted with 593 respondents from Turkey and the findings of this study indicate the importance of in-store mobile phone usage and the high level of acceptance of this trend. In-store mobile phone usage phenomenon referred here as a “trend” will soon become an inevitable life style for whole consumers in this age of technological developments. And this new life style may either be an opportunity or an obstacle for traditional brick and mortar retailers depending on their response towards in-store technology usage.

INTRODUCTION

Internet, digital and information technologies are radically changing the business landscape. Internet technologies can be considered as one of the major forces that contribute to change in the way of doing business. The advances in the Internet technology have been also making significant changes in the life of people. With new technologies, consumers now expect to access information anytime, anywhere, and in real-time. Technology usage allows brands to assist their customers in a creative and cost-effective way, and make their shopping experience more convenient.

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Technology Is Transforming Shopping Behavior

Forrester report states that enterprises have been entering a new era, which is called the age of the customer. The report defines the age of the customer *as a 20-year business cycle in which the most successful enterprises will reinvent themselves to systematically understand and serve increasingly powerful customers* (Cooperstein, 2013, p.3). Today's customers want things faster, better, cheaper and with a high degree of service; technology enables them to get what they want. Therefore, instead of aiming to be "customer-centric" or "customer-focused", now there is the need for being "customer-obsessed" in order to maintain customer satisfaction and loyalty (Cooperstein, 2013).

Kantar Retail ShopperScape research shows that two-thirds of shoppers changed their behavior since 2008 recession period. They are limiting their spending intentions and showing more deal-seeking shopping behavior (PwC and Kantar Retail, 2012). The change in mindset of shoppers increases the significance of in-store mobile phone usage which enables shoppers to find the best deals and prices by making online research and comparisons immediately. Customers appreciate access to offline and online supporting services and tools that assist them in shopping. Customers are increasingly embracing real-time tools, applications, and devices that enhance their shopping experience. For instance, ComScore report (2012) investigates the most popular in-store smartphone behaviors (retail related activities) and found that 1 in 5 U.S. smartphone owners took a picture of a product while in store and nearly the same number texted or called family or friends about a specific product. Approximately, 1 in 5 scanned a product barcode, while 12.1 percent of all smartphone owners used their phone to compare product prices while in a store. Finally, nearly 10 percent used their device to find coupons or deals (ComScore, 2012).

As it is indicated in the study of Business Development Bank of Canada (2013), the Internet has become much more than just an online purchasing tool; it is now embedded in most product purchase journeys. More than half of the U.S. smartphone population used their phone to perform retail-related activities while in a retail store, bridging the gap between the physical and digital worlds. Smartphones have been becoming a new shopping companion and this trend is becoming the retailers' worst nightmare (ComScore, 2012). Success of a business depends on the business's ability to sense and respond to new technological developments. Since adopting new technologies is a critical driver for the competition; businesses that do not adopt new technologies fail to survive in the marketplace. Thus, companies need to identify new trends and opportunities that can be critical in making product/service improvements as well as serving customers in an outstanding way. Businesses are now looking for new ways to serve their customers and provide enjoyable shopping experience. There are many business innovations that may help businesses to offer great customer services.

Retailers need to understand how consumers are using mobile devices while shopping and develop marketing strategies in order to use these mobile habits to their advantage. Retailers that fail to address this shifting shopping paradigm cannot survive in the market. Briefly, technology is transforming shopping behavior of consumers and the aim of this study is to understand what consumers do with their smartphones and how often they do these shopping related activities while shopping in a store; and investigate consumers' attitude towards in-store technology usage during their shopping.

IN-STORE SHOPPING BEHAVIOR

Marketing literature focuses on different aspects of in-store shopping behavior. Terblanche and Boshoff (2001) assess the factors that affect satisfaction with in-store shopping experience. In another study, they develop a generic 22-item scale that can be used to measure customer satisfaction with the controllable

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