

uberall

RETAIL AND LOCAL SEARCHES

Opportunities for brick-and-mortar retailers:
Solutions for increasing on-site customer frequency



Made in  with Love

RETAIL AND LOCAL SEARCHES

Introduction

More than ever before, businesses are coming under pressure to adapt to the realities of a digitised society. To hold their own against the competition, they need to prove their agility by aligning their business models and their products or services as well as their processes to the new imperatives of digital transformation.

Smartphones, tablets, social media networks, ratings and video platforms have revolutionised the relationship between retailers, service providers and their customers. The number of touchpoints has never been larger. The introduction of smartphones and tablets in particular has led to the rise of potential customer contact points with businesses.

For brick-and-mortar businesses, this development opens new channels for gaining potential customers and retaining existing ones. However, this can only occur if businesses understand how today's customers search for them, their products and their services.

Thanks to the linking of user data and innovative technology, together with the knowledge as to how customers use the Internet, both small and large-scale solutions are available to businesses for increasing on-site customer frequency.

This paper shows how customers find out about products and services today. It also provides a background, outlines the consequences and business recommendations.

New mobile search

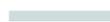
Whether it's using your smartphone to look up the number of the new Spanish restaurant around the corner while you're on the move, or comparing weekend offers for car rental while sitting in a coffee shop – this type of information search is the norm today.

Every day, people search for information and use different devices to do so. Sixty-eight percent of Germans have a notebook or a desktop computer that they use to access the Internet. Since the introduction of the first iPhone in 2007, the comprehensive range of functions offered by smartphones enable these devices to also access the Internet. As a result, the volume of mobile Internet users has increased immensely in the last few years. According to the 2014 Al-

lensbach Computer and Technology Analysis (ACTA 2014), people who are able to use the Internet regardless of their location spend significantly more time online. In total, 63 percent of Germans (44 million) own a smartphone, according to the trade association Bitcom.

What do smartphone users most often look for online? The main function of smartphones – ahead of making calls, receiving emails and social media – is to find information using search engines. Eighty percent of smartphone users consider this to be the key function. Besides basic searching for everyday items, local searches are very important for users.

CONSUMERS SEARCH MOST FREQUENTLY FOR



50%



ADDRESS

53%



DIRECTIONS

54%



OPENING TIMES

Source: Google, Consumers' Local Search Behaviour May 2014

To find information in their vicinity, four out of five smartphone users make use of classic search engines and card services. The percentage of users who are increasingly ac-

cessing online trade directories, apps and ratings portals is growing continuously. This trend has also been confirmed by the "Local Listing Report 2015" from web hosting provider

181. According to the report, customers enter their search requests not only in search engines such as Google or Bing but also use trade directories, apps, ratings portals and so-

cial networks equally as frequently to get information about retailers and service providers in their local vicinity.



Source: Google, Consumers' Local Search Behaviour May 2014

Consequences for retail

If brick-and-mortar retailers aim to take advantage of mobile search options, they must respond with consistent information about their locations on their website, in online directories, in map services and on ratings platforms. This way, customers who enter a local search request about retailers and service providers in their immediate vicinity can be reliably reached, and above all, attracted to a local business.

Contrary to popular opinion, not all businesses need to have an online shop. In a representative consumer survey in October 2014 as part of their "Future of Trade" initiative, Ebay demonstrated that consumers still place great importance on visiting local shops. Seventy-nine percent of respondents valued being able to take their purchase with them immediately when buying locally. According to Google, 30 percent of customers would even prefer to visit a shop

than to purchase online – however only if they knew that a relevant business existed in the local vicinity. For 31 percent of customers, a better price is also a determining factor for giving preference to a business.

The correlation between a local search and visiting a store also shows the high level of interest in purchasing locally: One in every two smartphone user visits a store within 24 hours of a search request. Eighteen percent of those searching become actual customers. However, businesses that aim to take advantage of local searches need to know that users often start searches at short notice and make decisions based on limited information. As many studies have shown, 50% of smartphone user searches for a relevant offer less than one hour before visiting a shop in their immediate vicinity.

Taking advantage of local searches

Reaching customers via all types of devices

To be able to take advantage of local searches, businesses must increase the visibility of their online presence on the web.

Because customers use different device types to get information about retailers and service providers in their area, a

business web presence should work error-free on different operating systems and devices. Decision-makers who have been dealing with this topic already know that Google has been providing assistance in this regard since the beginning of the year.

The search engine giant recognised at an early stage that increasingly greater numbers of Internet users make use of their smartphone for getting information. Over the past few years the company has observed that smartphones are mainly used in the morning hours for research and getting information. During the rest of the day, users then switch backwards and forwards between a smartphone, laptop, desktop or a tablet. Google is accommodating this new user

behaviour by favouring officially responsive websites – that is, websites that are able to adapt their content dynamically to different device types. As a result, businesses that make use of a responsive website can count on a better ranking from Google, thereby improving their visibility on the web. This gives them a distinct advantage over businesses that do not use optimised websites.

Reaching customers where they are searching

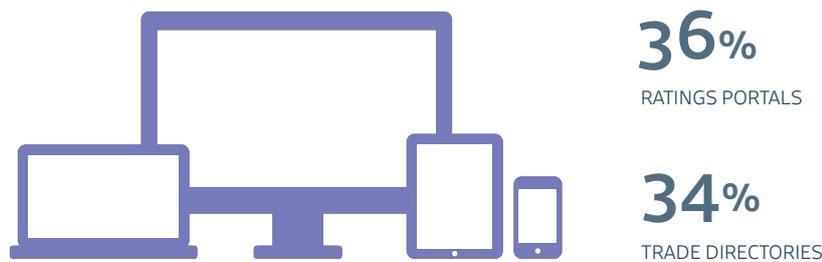
In addition to having a responsive website, businesses should also have consistent data (e.g. telephone numbers, addresses, opening times) on all online and trade directories relevant to them. Why is this important?

Although customers tend to start general search queries using Google, they often search for information in a more targeted manner – online and trade directories (meinestadt.de), map services and navigation systems (Apple Maps, Tom-Tom), social networks, general (Facebook, Twitter), product search engines (Koomio) and ratings portals (Foursquare, Yelp, Aroundme). It is therefore not occasional customers

who get lost in online and trade directories, but rather an interested person who generally has strong intent to purchase. This makes these interested parties exciting for local businesses. High-value contacts drive up the conversion rate – that is, the percentage of interested parties who become customers.

To ensure that an interested party like this becomes a customer, contact data and all other details about the business must be correct, so that the interested party is not lost to local competition or an online shop.

CONSUMERS USE DIFFERENT DEVICES TO GET INFORMATION ABOUT PRODUCTS AND SERVICES IN THEIR VICINITY. BESIDES SEARCH ENGINES – WHERE ELSE DO CONSUMERS SEARCH LOCALLY?



Source: 1&1 Study: Local Listing Report 2015

Challenges in maintaining site data

Maintaining and updating an online profile in all relevant directories is an extremely resource-intensive process for a business.

At the same time, local businesses are dependent on listings in multiple online directories. Current studies such as the "Local Listing Report 2015" from 1&1 demonstrates that customers access different directories, apps and maps as well as search engines to gather information about opening times and current offers in their area. Consistent company

data is essential for a good Google ranking, according to renowned SEO experts such as market leader Searchmetrics. What many businesses do not understand in this regard is that company data on the Internet should not be left to someone else. Directories contain business data from large aggregators and publishing companies. These entities exchange databases with one another, regardless of whether the data is current or complete, which results in a multiplication of data. In addition, not every portal provides

protection for the data it stores. Consequently, business data can easily be manipulated by third parties.

Geomarketing and online presence management providers can help in this regard. They offer not only protection of business data but also relieve businesses of the need to manage their online presences. The technology of these service providers, permits businesses to automatically

update, monitor and protect their data in all relevant directories. In addition, they encourage businesses to fully exploit the editability of online profiles. Most directories offer not only a service to enter and maintain correct basic data about the business, but also to promote local business using attractive photos, videos and current offers.

Local search – without an end

Finally, setting up a responsive website and having consistent listings in relevant online directories assist in getting customers to purchase their goods or services locally.

Using the aforementioned tools can serve as a starting point for taking advantage of local searches. Very soon retailers will have even more data as to how consumers get information on the web, and use various tools that will assist them in increasing their turnover.

Technology firms worldwide are working on small and large-scale solutions to close the last gaps between "local" and

"digital". In this regard, Google has introduced the new menu item "Popular times" into Google Maps, and this has gone almost unnoticed. This feature shows users in real time how busy shops are. Users already also have the opportunity to view the inside of a shop and to take a virtual tour before visiting an outlet, using "Google Business View". Using technology from the US company Aisle411, retailers can go one step further by making their entire range available for search by customers with the aid of navigation maps.



Solutions for analysing actual customer behaviour

How can companies determine reliably whether the person entering their branch has acquired information about the business and its offers online in advance?

Thanks to the innovative spirit of technology companies in the field of geomarketing and geotargeting, businesses can make use of an increasingly wide range of analysis tools.

These highly specialised service providers are able to make

reliable tools and solutions available to retailers. These allow for tracking of a product that was "searched for online" and subsequently "purchased offline"; that is, they measure the so-called ROPO effect (Research Online Purchase Offline). In this regard, it is recommended that retailers focus on solutions that provide value-add not only to their business but also to their customers.

Couponsing

For some companies the use of couponsing in the form of discount vouchers may be of interest. These discount vouchers can be accessed and redeemed online or offline, and offer a simple yet easy-to-implement option for measuring the ROPO effect. They provide retailers with an opportunity to promote online vouchers for offline redemption (for example using SEA – Search Engine Advertising).

Click & Collect

Another possibility for measuring the ROPO effect is to offer customers an option to reserve their product online for subsequent collection at the retail outlet. A large number of retailers already offer Click & Collect as a selection option. According to auditing firm Deloitte, it will not be long before Click & Collect will form part of the standard range offered by every retailer. They are predicting that pick-up stations will increase by 20% this year.

Beacons

Another analysis option for retailers is provided by Bluetooth beacons. These small, cost-effective devices allow retailers to draw conclusions on the buying behaviour and preferences of customers. The customer behaviour can then be measured by means of the beacons, provided the shoppers already use the retailer's app during the search. Beacons that have been installed in-store are subsequently able not only to confirm the visit but also to measure the routes taken and the duration of the visit.

Multichannel solution at point of sale

Companies such as Phizzard enable the ROPO effect to be measured by integrating a visitor counter and by means

of visitor interactions at in-store touchscreens. The Berlin-based company, for example, installs touchscreens in fitting rooms, and these then help customers find a suitable garment more quickly. After scanning the garment label, the customer can assess whether the item tried-on fits or whether it is too small or too big, and can then immediately see in which sizes the garment is still available or which similar garments may possibly fit better. In this way, retailers can map the entire sequence of in-store sales processes. By analysing various factors that influence the success of a sale, retailers can determine days and times at which high conversion rates are achieved in their shops, among other things.

Technology mix at point of sale

Retail analytics company Minodes integrates various technologies and data sources to provide brick-and-mortar retailers with comprehensive insight into the offline journey of their customers. A combination of Wi-Fi sensors, beacons, camera systems, cash register systems and CRM systems allows the Berlin-based start-up company to measure and evaluate the behaviour of passing trade as well as shop customers and to implement other measures that assist in converting passers-by into customers. Depending on the technology mix required, retailers can not only engage with passers-by using customised mobile marketing campaigns, based on the data available, but also measure customer loyalty – that is, for example record the relationship between customers gained through online marketing and returning offline customers.

RETAILERS AND SERVICE PROVIDERS CAN USE VARIOUS TOOLS FOR ANALYSING THE ROPO EFFECT



Conclusion

Today, customers are online regardless of their location and are searching for information in their immediate vicinity every day. Mobile end devices enable customers to access products and services wherever they have connectivity: at work, in the suburban train network or in a store.

Despite this, many businesses miss out on taking advantage of the current customer behaviour. According to the latest study by the institute for retail research, *Institut für Handelsforschung*, every tenth brick-and-mortar retailer will be on the verge of failure in the next five years. Strategy consultants ECC Köln are predicting that 30% of all local retailers are likely to be forced out of the market as a result of shopping by means of a smartphone. Another 40% may survive, but only if they alter their business model.

This is despite the fact that numerous solutions are already available to brick-and-mortar retailers for engaging professionally with their customers at all digital touchpoints and for attracting them into their local stores.

Retailers must take the initiative and be open to innovative solutions, and either implement these themselves or in collaboration with service providers.

Now is the time to familiarise yourself with online directories and the innovative and analytical tools available to better manage them.

Winners and losers will not only be decided based on technological solutions alone but also on the agility and adaptability of an entire generation of entrepreneurs. The fact is, as recently stated by HDE President and former Rewe Board Member Josef Sanktjohanser, the customer and their technology usage is currently actively shaping the value-add chain.

Consequently: Instead of being fully at the disposal of customers at one location only, the customer experience must already start with the smartphone, tablet or laptop – to then end in the local retail outlet.

Sources

2014 Allensbach Computer and Technology Analysis (ACTA 2014)
Aisle 411
Brand Eins, 04/2015 Schwerpunkt Handel, Der Ortswechsel (Focus on retail, A change in location)
Digitalverband Bitcom
Ebay, Future of Trade
ECC Strategy Consultants

181, Local Listing Report 2015
Google, Understanding Consumer's Local Search Behavior
Google, Report Local Search Behavior
Google, ROPO Study 2008 Germany
Minodes
Phizzard
Searchmetrics, Ranking Factors 2015 (Google.de)

About uberall

uberall.com supports companies in the optimisation of their online presence for local searches. Companies of any size can organise and manage all the site information of their branches from a central point using uberall.com' s platform, via all relevant online directories, apps, maps, and map and referral services. In addition, an overview of customer ratings & reviews provided in real time allows for a quick response when it comes to customer interaction & satisfaction.

Contact

Joshua Benner
+49 (0)30 208 479 325
josh@uberall.com

uberall GmbH
Oranienburger Straße 66
10117 Berlin