

**NORTHERN ILLINOIS UNIVERSITY**

The Use of Digital, Social, and Mobile Media in the Retail Industry

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## **HONORS THESIS ABSTRACT THESIS SUBMISSION FORM**

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**ABSTRACT (100-200 WORDS):**

The purpose of this research was to discover how and why digital, social, and mobile media is currently used in the retail industry. I chose this topic since I have recently learned about the impact and growth of these media types and also plan to start my career with a large retailer. Through my research, it was evident that companies are using these media types to attract current and potential customers to their store or website, as well as better communicate with these people regarding products/services, sales, promotions, company information, etc. Companies have been very successful from using these media types and continue to do so. This trend is growing rapidly and it is crucial for retailers to adapt to the technological innovations and continue to effectively communicate with their consumers.

**The Use of Digital, Social, and Mobile Media in  
the Retail Industry**

Stephanie Viane

Marketing

University Honors Capstone Research Project

## **Introduction**

As technology advances, marketing professionals continue to search for new, innovative mediums to advertise and promote their products and services to their target markets. Due to this, there has been an obvious increase in the use of different media types by large corporations over the past decade. Digital, social, and mobile media have all been increasingly popular and widely used by these marketing professionals. The retail industry is a key contributor to the success of these specific media types. My research will define and explain each of the three media types and discuss how they are used in the retail industry with specific examples. I will then give my recommendations for using digital, social, and mobile media in the retail industry and explain my reasoning for these recommendations.

To start, media is defined as "communication channels, through which news, entertainment, education, data, or promotional messages are disseminated," ("Media," 2013). The term "media" comes from the word "medium" meaning a way one can communicate with the other, ("Media," 2013). In marketing, media is considered the channels used to communicate information, sales, promotions, etc. to current and potential customers. Retailers can easily and effectively communicate this information to their target market through digital, social, and mobile media channels.

### **Digital Media**

According to Windows, a personal computer operating system from Microsoft, "digital media refers to audio, video, and photo content that have been encoded (digitally compressed)," ("What is digital," 2011). This data is stored and can be

transferred over the Internet and other computer networks, ("What is digital," 2011). As it relates to marketing, digital media is very broad as it is mainly used through the Internet, mobile devices, television and radio. Some examples of digital media devices include digital signage, digital video, and digital audio. Analog information is transformed to digital through the process of sampling, which brought about the idea of digital media. Once digitized, media can be processed using computer hardware or software; this process can include editing, filtering, and content creation, ("What is digital," 2011). Since digital media is so broad, it is sometimes hard to determine whether or not the media is considered digital and if it is considered something more specific, like mobile media. Of the three media that will be discussed, digital media is the oldest form and most broad form. But digital media is important to understand as it is the parent media to many other specific media types.

Digital media can be broken down into several sectors. Technology-based is the largest sector; digital storage devices, digital audio, video recording technology, digital media playback devices and digital media editing software are all amongst the most popular technological types of digital media. Video games/consoles, blank CDs/DVDs, Blu-ray discs and USB flash drives are all now considered popular devices for digital media. All of these devices can include hardware and/or software. In addition to the technology-based types, there are a number of advertising-based forms of digital media. These include social media, video advertising, Search Engine Optimization (SEO), display advertising, direct mail, customer review sites, and email campaigns, (Satyam, 2011). All of these types of digital media illustrate its broadness.

## **Social Media**

Social media is the most relevant and thriving form of media today; it can also be considered the most engaging and interactive form of public relations due to its reach and two-way communication abilities. "Social media includes the various online technology tools that enable people to communicate easily via the Internet to share information and resources. Social media can include text, audio, video, images, podcasts, and other multimedia communications," (Doyle, 2013). Social media allows for and encourages the creation and exchange of user-generated content. It also allows for the exchange of information and ideas in a virtual community/network. It really depends on the mobile and web-based technologies to create a highly interactive platform, which leads to the success of social media. The difference between digital and social media is that social media's focus is engagement and interaction amongst people, when digital media uses more one-way communication, for example, direct mail is a one-way, digital communication medium, (Satyam, 2011).

The history of social media is backed by the idea of connected computers used for the discussing of mutual topics of interest, or social networking. This dates back to the creation of a Bulletin Board System (BBS) which was an online meeting place for people to download files and games as well as communicate with others, (Gordon, 2012). Shortly after the BBS was created, America Online (AOL) had member-created communities where people created profiles about themselves, (Gordon, 2012). Followed Classmates.com, which was a site that allowed for virtual reunions amongst peers to increase social interaction on the Internet; this site

ended up having 540 million registered accounts, (Gordon, 2012); then entered the extremely popular social networking sites including Myspace, Facebook, Twitter and LinkedIn. Myspace launched in 2003 and Facebook became public in 2006 after being a test run at Harvard University for two years. Facebook was the creator of the infamous "like" button that is internationally known as its key characteristic. Twitter then was introduced as a more simplistic form of Facebook, by only allowing statuses to be posted while being able to communicate with others. Twitter is also considered simpler than Facebook because the site only allows users to create a tweet with a limited amount of characters to be used, forcing the Twitter newsfeed to be short and simple. Lastly, LinkedIn was created as a social networking site based off of professionalism, allowing users to communicate with others based on occupation, school and work history and experience, (Gordon, 2012).

Social networking sites can be viewed on various platforms such as computer desktops, laptops, smartphones and tablets. For mobile devices, most social networking sites have created downloadable mobile applications for the ease of use by consumers, instead of having to search the web each time one wants to access their site account. Facebook, Twitter and LinkedIn any many more all have their individual mobile application available for free for smartphone or tablet users.

### **Mobile Media**

Last but not least is the newest form of media, mobile media. Mobile media is portable media from which we obtain information and communicate with one another, but is received through a mobile device whether it is a cellular phone or tablet. The amount of smartphone users is the main determining factor for the

success of mobile media. There are around one billion smartphone users in the world and 45% of adults in the United States own a smartphone, ("Smart phone users," 2012). In 2012, "more than \$100 billion was spent on mobile media globally," proving its significance ("Smart phone users," 2012). This trend will continue to increase according to eMarketer.com; "the number of US mobile phone users will increase at a compound annual rate of just 1.8% between 2011 and 2016, eMarketer estimates, moving from nearly 75% penetration in 2010 to 79% by the end of the forecast period," ("Majority of mobile," 2012). Mobile media is also used as a marketing tool in the form of email, SMS text, applications, and mobile-optimized web content.

Mobile media was created soon after the birth of smartphones that are equipped with web browsing through 3G and 4G networks. Mobile media is known for its advanced technology; these phones can access fast speeds, allow for installation of add-on software to enable the phone to do more than what pre-installed programs do, manufacturers allow these phones to access wireless Internet at public places, some allow for visual voicemail as well as GPS (Global Positioning System) capabilities, (Darrington, 2013). Mobile applications allow for the widespread use of media via cellular device. Mobile applications (apps) available for Amazon Remembers, eBay, ShopSavvy, Facebook, Foursquare, LinkedIn, and Twitter all allow marketers to market their products and services via ads on these applications, as well as personal profiles of the stores on these sites. Mobile media is also popular due to its convenience for the customers. Those who own a smart phone or cellular phone in general, tend to carry their phone with them

everywhere. Smart phones allow for easy access to the Internet with the push of a button, proving mobile media's high level of convenience for the consumers.

### **The Retail Industry**

It is understood that the term "retail" refers to the practice of firms selling goods and/or services to consumers. "Retailing is one of the largest industries in the United States and accounts for approximately 10 percent of our gross national product. Retail business covers many different areas, including auto dealerships, bars, convenience stores, restaurants, gift shops, clothing stores, merchandise stores, etc.," ("Retail industry atg," 2012). Chains, franchises, and catalogs are all responsible for the success of retailers, ("Retail industry atg," 2012). The ultimate goal of retailers is to acquire high profits from their business practices. Some other goals that help retailers achieve these profits are excellent customer service, loyalty programs, reasonable prices and costs, and much more.

The importance of the retail industry on our economy is extremely significant; consumer spending drives our economy. Reversely, when retailers decide to hold off on purchasing more items to sell to consumers, the economy slows down, (Little, 2013). "On the 12th of every month, the Census Bureau releases the Retail Sales Index, which is a measure of retail sales from the previous month as determined by a sampling of stores both large and small across the country. Although subject to future revision, the market closely watches this number as an indicator of the nation's economy," (Little, 2013).

According to Hoovers.com, some current trends in the retail industry include: increased industry concentration, increasing diversity, and evolution of shopping

venues, ("Retail sector," 2013). Some opportunities for the retail industry include: loyalty programs, Internet sales, improved inventory management, and alternative payment systems, ("Retail sector," 2013). Though consumers sometimes learn about certain products and services via word-of-mouth from friends and family, marketing is the main tool used to boost awareness of these products and services.

### **Retail Marketing**

"Retail marketing is the range of activities undertaken by a retailer to promote awareness and sales of the company's products," (Sandilands, 2013). Retail marketing makes use of the marketing mix components; product, price, place, and promotion. The heart of retail marketing is the product, (Sandilands, 2013). Marketers must have thorough product knowledge of what they are selling, as it directly affects the marketing of the product. It must be clear what category the product falls under, whether it is a hard good or soft good. Examples of hard goods are furniture, appliances, and electronics and some examples of soft goods are clothing and cosmetics. The place of where the products are being sold helps define the marketing process. "More than 90 percent of U.S. retail stores are small, single-store, owner-managed operations; however, these generate less than 50 percent of sales from retail stores countrywide," (Sandilands, 2013). This is mainly due to small marketing budgets. Next, the price of the product defines the method of retail marketing necessary and the target audience for the product. "Pricing in the retail environment is based on fulfilling objectives such as covering the cost of sales and overhead, and in accordance with the four basic retail pricing strategies. These are everyday low pricing, high/low pricing, competitive pricing, and

psychological pricing," (Sandilands, 2013). Lastly, retail marketing relies heavily on the use of promotions. Choosing promotional channels is influenced by the competitive retail environment, the profit margin on sales and the budget available for promotion purposes, (Sandilands, 2013). Promotions are also directly related to the advertising budgets, making it harder for smaller retailers with smaller budgets.

The marketing methods for retailers are endless; ranging anywhere from traditional digital marketing to newer forms including the use of social and mobile media. While the traditional marketing channels such as email and search still dominate the advertiser's budget, social and mobile marketing are continuing to become popular and notably important, (Lesonsky, 2011). Since some newer forms of marketing such as mobile marketing can be expensive, it is imperative to remember that the use of marketing methods is mainly based upon the advertiser's budget determined by the company. Some companies are allocating more money to advertising due to the increase in available media tools. For example, retailers will spend \$4.2 billion on local internet advertising in 2013, which is more than any other category, according to a report from BIA/Kelsey, the Chantilly, Va., local advertising tracking firm, (Vasquez, 2012).

According to the National Retail Federation (NRF), there are three current trends in retail marketing that marketers must note. These trends include: social and mobile have changed the face of online (and offline) retail, SoLoMo, or social, local, and mobile (local meaning advertising by local companies), is more than just a new buzzword, and CMOs (Chief Marketing Officers) must bring it all together across channels to preserve a consistent brand image, (Overstreet, 2012). The NRF

really stresses the importance of familiarizing one's self with the endless possibilities of using social, local and mobile media to attract and retain customers. Also, it is crucial for a company to be consistent with its marketing amongst all channels for the convenience of its customers. This also gives the company a higher perceived value from its consumers.

### **Current Use of Media in the Retail Industry**

As explained above, the use of media for marketing purposes by retailers has been and continues to be important in striving for success. It is necessary to conduct research on several different retail firms that are currently using media to increase sales and awareness to ultimately determine the positives and negatives of marketing via digital, social, and mobile media. Statistics and facts from these retail companies will help in determining how crucial using these media types can be.

#### **Digital Media**

Due to the broadness of the term "digital media," there have been beyond numerous retail companies that have utilized what digital media has to offer. Some forms of digital media used by retailers include digital signage, web-based marketing, and radio advertising, just to name a few. Due to the innovations in technology, these three digital media forms have seen great growth over the past few years and more and more companies are utilizing these outlets for their marketing practices. These media forms are also highly utilized for a company's integrated marketing communications plan which encompasses several media channels announcing the same marketing content.

## Digital Signage

“Electronic billboards are the digital version of traditional billboard advertisements,” (Scott, 2013). Electronic billboards are a specific form of digital signage and are known for displaying many different advertising messages. They can be considered as a targeted marketing medium since marketers can change their marketing message throughout the day depending on the audience, time of day, related message, etc. Electronic billboards are also cost effective since many companies share a rotating billboard, (Scott, 2013). The more broad term used for this type of media format is digital signage which includes LCD monitors, kiosks, projection displays, etc. Most of these formats are typically used indoors.

Cell phone retailers are known for utilizing digital signage indoor and outdoor, especially since these companies are up-to-date with technology. One example of a cell phone company that recently launched a marketing campaign using digital signage was Sprint. The company’s “Interactive Storescapes” campaign launched simultaneously in New York and in San Francisco. It was an outdoor campaign that used video, gesture recognition, interactive widgets, and real-time data that exposed those passing with some of the features of the company’s network, (Kuhn, 2013).

Kiosks in shopping malls also utilize digital signage to showcase a company’s product/service. These kiosks usually represent smaller retailers and companies that are not widely heard of. For example, a company that sells straightening and curling irons for hair use kiosks to attract customers by asking them to demonstrate their product on the customer’s hair. At the same time, the digital signage of a

television, projection screen, laptop, etc. is showing a video in the background explaining how to use the product, including customer testimonials. This digital signage is used to push people to want to purchase the product due to the benefits received from using it.

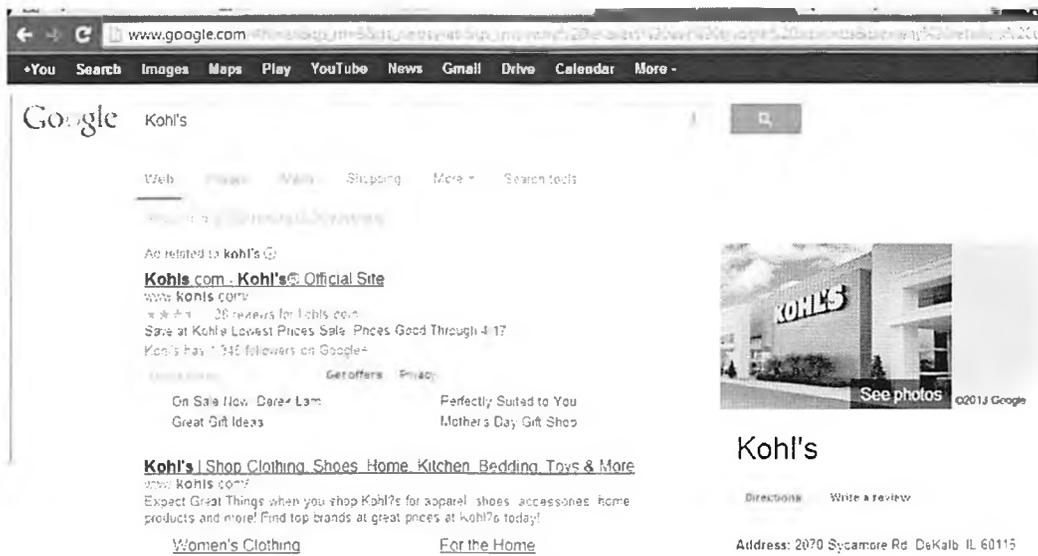
### Web-Based Marketing

Web-based marketing is a “form of advertising that targets Internet users while they visit websites,” (Scott, 2013). An example of web-based marketing is when pop-up advertisements appear as a new window on one’s screen and display an advertising message for a product or service usually related to the original website, (Scott, 2013). “Video advertisements are another form of digital web-based advertising that plays brief “commercials” before the video loads, during a break in the video or at the conclusion of the video; major search engines offer video media options to advertisers,” (Scott, 2013). YouTube tends to have advertisements run before a song or video is played. Retailers can use these short, 15-60 second commercial to gain brand/company awareness or announce a promotion. Web-based marketing, simply put, is any form of advertising that utilizes the Internet to display ads relative to when and where users browse the web.

Display ads are also heavily used by retailers due to the immense amount of web users. “U.S. marketers spent \$14.98 billion on Internet display ads last year, a 21.5% jump from \$12.33 billion in 2011, according to a new report from research firm eMarketer Inc. and the research firm expects marketers this year to spend \$17.70 billion on display ads, an 18.2% increase year over year,” (Stambor, 2013).

These statistics prove retailers increased spending in display ads via the Internet. Google is the market leader for display ads, followed by Facebook, then Yahoo!, (Stambor, 2013).

Google AdWords is a prestigious program created by Google that allows advertisers to create ad campaigns through keyword bidding to make sure the most relevant people are viewing the ads. These ads are located on the top and right side of the Google search pages. If someone types "Kohl's" into the search bar on Google, ads for Kohl's will appear due to the ads' relevancy to the search. This search is shown in the picture below. These ads are also chosen by how popular the



landing page is of the ad and how often the keyword that was searched appears in the ad and landing page. Retailers can utilize Google AdWords to reach their targeted audience in a mass form due to the large amount of Internet users.

### Radio Advertising

The amount of radio stations is endless, especially when targeting consumers geographically. Retailers are utilizing radio's geographic targeting capabilities, large

reach and low costs to market to their target customers. According to entrepreneur.com, radio advertising can be defined as “commercials of various lengths that run on radio stations,” (“Radio advertising,” 2013). Retailers primarily use radio advertising to announce company news or inform the public on sales that are going on or sometimes companies create a general radio ad in hopes to gain awareness or to have people think of them for their next stop to the shopping mall.

Retailers also use radio into their integrated marketing communications plan. For example, JC Penney had a marketing campaign using an audio combined with a full-page ad on Pandora, an online music station. JC Penney then integrated this marketing campaign with its online social media presence, ultimately to stay consistent with its message and reach as many people as possible, (“The Future of,” 2012). Radio is often used in a company’s integrated marketing communications plan since it easily can reiterate content previously presented to the public through audio. It is also inexpensive and flexible since the content presented can be easily changed with short notice.

## **Social Media**

The use of social media has continued to rise over the past years. Just to show the immense amount of social media users, Facebook currently has 1.06 billion active users, Twitter has 500 million users, LinkedIn has 200 million and Pinterest has 48.7 million users, (Smith, 2013). These numbers continue to grow every day due to word of mouth marketing conducted by the users. Since there are so many active users of these social media sites, it only makes sense for retail companies to take advantage of the possibility for such a large reach. Companies

use social media for multiple reasons; to help customers with the online shopping process, to increase awareness of sales and promotions, and for market research, just to name a few.

### Assisting Customers Shopping Online

Companies use social media sites such as Facebook and Twitter to link the customer to their website, in hopes of some online shopping. Posts on Facebook and tweets on Twitter are composed presenting new items, trendy looks, hot sales, etc. to provoke the consumers' attention while providing them with a link to the company's website or specific product page to help them continue their online shopping with that company. For example, I have previously "liked" Charlotte Russe, a clothing and accessory company for young women, on Facebook so I can see their posts on my news feed. Charlotte Russe's Facebook posts consist of pictures of new items, upcoming promotions and contests users can participate in. These posts usually include a link to a specific webpage with the item on it explaining the sizes available, the cost of the item and a zoom-in option to better view the item. Its Facebook homepage also displays the link to the homepage of the company's website to allow consumers to easily browse the site on their own. Charlotte Russe utilizes Facebook and Twitter to bring more traffic to its webpages, in hopes for increases in product awareness and purchases.

"Levi Strauss, for example, has integrated Facebook features into Levi.com to let visitors see and buy specific jeans, jackets, and other products their friends have liked," (Nash, 2013). Levi Strauss believes consumers online shopping experience will be more positive by being able to express what products they like in

hopes their friends will see it, ultimately leading to more communication on its products. When consumers “like” a page on Facebook, it is then posted to their news feed, allowing all of their Facebook friends to see the link. This ultimately increases reach and frequency for Levi Strauss. This trend has become extremely popular in retailers for the purpose of company/brand awareness and interest.

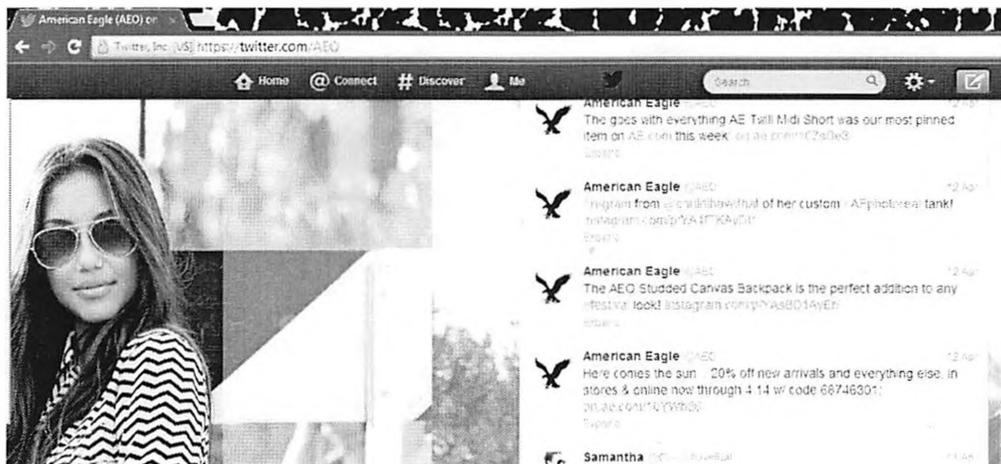
Pinterest has also become an increasingly popular site retailers use to drive consumers to their website. According to RetailCustomerExperience.com, “Those who doubt the usefulness of the newest social media site should know that it’s now driving more traffic to e-commerce sites than Google+, LinkedIn, and MySpace combined. While Facebook, YouTube and Twitter still drive more referral traffic than Pinterest, the site is still in its infancy and has exploded since July 2011, when it accounted for just 0.17 percent of referral traffic. It now boasts 3.6 percent compared to Twitter’s 3.61 percent,” (Butler, 2012). Retailers are open to create product “boards” and “pins” on Pinterest and pin them on their boards for the public to view; this illustrates what the company’s interests are and how it can affect consumers. Retailers link the pin to an appropriate landing page, so when users double-click on the pin in hopes to see more details of the pin, they can be directed to the company’s home page or specific product webpage, allowing the user to continue shopping with them. Companies should only utilize Pinterest if they really belong on the site. “Top interests on Pinterest in the U.S. include crafts, gifts, hobbies/leisure, interior design and fashion designers/collections, according to Ragan.com,” (Butler, 2012). If companies do not fall under these categories, they need to take into consideration whether or not it makes sense to utilize this social media site, or if it is smarter to spend money elsewhere.

## Awareness of Sales and Promotions

Many retailers use social media sites to bring consumers' attention to any current or upcoming sales and promotions the company will be having. The purpose of using social media to announce these sales and promotions is to either drive more business to their online website to purchase items or drive business into the stores during the sale/promotion. Social media also allows people to "share" the content released by these companies via Facebook posts, Twitter retweets or even shares on Google+; the more people that know, the better, especially when it relates to promotions that can lead to an increase in new customers and sales.

After browsing the social media platforms, it seems apparent that larger department stores don't necessarily rely on social media to present sales and promotions to the public, since they carry such a large volume of items. Since these bigger companies have a larger advertising budget, they tend to advertise on television, direct mail, and print ads. Smaller specialty retailers such as jewelers, kid stores, shoe stores, etc. utilize social media sites to announce such sales and promotions. For example, OshKosh B'gosh posted a promotion on its Facebook page announcing that the 50% in-store and online promotion would be ending that day, giving the consumer a call-to-action and a deadline. Express is another company that announces upcoming sales via social media. The company recently posted on Facebook that there would be a sale including everything in store and online available for 40% for 5 days. The post gives details about the sales event and gives a call-to-action by telling its consumers to not miss out on such an awesome promotion.

Though Facebook seems to be the dominant social media site used in announcing sales and promotions, companies often tweet this content as well. Barnes & Noble recently tweeted "Get a FREE Nook Simple Touch when you buy NOOK HD+!" This call-to-action drives customers who are interested in purchasing a Nook HD to the Barnes & Noble website and gives them an extra incentive to purchase immediately. This tweet also shows a sense of urgency, encouraging consumers to act now. American Eagle also utilizes Twitter to announce sales going on in-stores and online as shown in the picture below.



Since these sites are public accounts, anyone can share or "retweet" the tweet so all of their followers can see the promotion as well. These companies are smart in allowing this because they are increasing their reach in hopes of driving more people to their website or store. Companies can also pay Twitter to have an ad displayed on all of Twitter's users' news feed. These ads usually have some sort of call-to-action in a short, concise tweet; the bottom of the tweet also displays the ad as a promotion with the specific company's name.

## Market Research

The marketers of today's retailers are gaining an understanding of the importance of listening to the consumer and acting on their opinions. These retailers are using social media sites to ask questions and listen to their consumers, all in efforts to attain useful market research. Since these social media sites are open to all consumers, retailers can collect a broad, but useful amount of responses whether they are positive or negative.

Here are two noteworthy examples: "Wal-Mart studied Twitter chatter to figure out whether to stock lollipop-shaped cakes in its stores. Estée Lauder's MAC Cosmetics brand asked social media users to vote on which discontinued shades to bring back," ("Daily report: Social," 2012). Both of these companies took advantage of the broad audience social media sites have to offer to discover consumers' opinions on their products and any future changes. Marketers understand that the only way products will sell is if there is a demand for them; asking consumers their opinions on such products helps estimate the demand and helps these companies make crucial decisions.

Small, relatively unknown, start-up businesses are also taking advantage of social media sites to gather market research to lower costs. Flash Purchase, a business that offer deals on consumer electronics, clothing and jewelry has created surveys on SurveyMonkey.com and distributed them via Facebook, Twitter, and LinkedIn to gather peoples' opinions on what products look most appealing thus far, (Emerson, 2012). Flash Purchase is taking advantage of the large, broad amount of users on social media sites and valuing their opinions before opening the stores.

This company is building credibility in the meantime by showing potential consumers that they value their opinion and want to make their customers happy. This is easily done through utilizing social media sites.

Companies can also conduct research to discover which social media platform is most effective for their target audience. "A research study performed jointly between comScore and Shop.org – called The Partnering Group – has shown that Pinterest and its highly visually appealing site layout, has become a massively important player within this sphere. In the United States alone, consumers using the site follow an average of 9.3 different brands or retail companies, when compared to the average of 6.9 retailers that they follow on Facebook and 8.5 retailers that they are tracking using Twitter," ("Social media marketing," 2012). This statistic from 2012 could help companies determine which social media sites would be most beneficial for them, or whether or not they should use all three.

### Social Media's Effectiveness

Facebook has been the most used social media format in terms of measuring a company's marketing effectiveness. One advantage retailers have with using Facebook is the ability to communicate with its viewers through "posts", "comments", or "likes." A lot of this conversation includes customer service. "In today's online business world, a whopping 62 percent of customers have already used social media for customer service issues, including both positive and negative feedback," (McCrea, 2012). Companies can be measured by their average first response time. Among the top retailers utilizing customer service via Facebook, Wal-Mart ranked second with an average response time of 28 minutes, (McCrea,

2012). Retailers can also be measured on customer service via social media through a percentage of response rates, meaning how often the companies respond to these comments. T-mobile has the highest U.S. rate of 70.4%, followed by UPS with 70.2%, (McCrea, 2012).

Besides customer service, social media can be extremely effective for companies as it relates to communication with consumers. Wal-Mart, once again, is a prime example of utilizing social media's communication tools to interact with its consumers. Wal-Mart specifically is taking cues from customers via social media in developing its services and selecting products. "We listen and engage with our customers on Facebook and Twitter on an ongoing basis," says Sarah Spencer, national media relations director for the discount retailer, (Brin, 2011). Burberry, a luxury retailer, used Facebook to help launch its fragrance, by employing sponsored stories and offering fans exclusive samples, (Brin, 2011).

Social media is also effective in building stronger relationships with their customers through communicating directly with them, making the conversation more personalized. Customers respond well to companies that seem to care about them and their interests. Building relationships through communication can lead to more positive views by consumers of the company which can lead to customer referrals and an increase in fans.

### **Mobile Media**

The introduction and continuous upgrades to mobile devices including smartphones, tablets, and iPods/mp3 players have led to the new integration of media available on mobile formats. Social media, mobile applications, and email are

all formats on mobile devices that receive the most mobile media. Each of these formats is used widely by retailers to disseminate product information, announce promotions, inform customers on company news, etc. Mobile media can be somewhat expensive due to relatively new technology allowing advertising and marketing efforts to be displayed in a mobile format.

### Social Media on Mobile Devices

"Consumers' time spent using social media mobile apps and mobile websites accounting for 63 percent of the year-over-year growth. Forty-six percent of social media users say they use their smartphones to access social media, and 16 percent say they use social media on a tablet," (Perez, 2012). Social media can be accessed via the mobile website or the mobile application if available. Through mobile devices, Facebook is obviously the leader in users, followed by Google Blogger, Twitter, then Pinterest, (Perez, 2012).

It is more costly for retailers to advertise on mobile devices due to formatting the message to the technology necessary for display on mobile devices, but it is definitely worth it for retailers. Retailers first need to identify their target market before advertising on social media in general. For example, a younger demographic is present on Twitter than on Facebook. So, retailers need to choose sites wisely that they feel will be successful in reaching their target market. Retailers can advertise via ads on the social media sites or use their own social media profile to attract viewers/customers. These ads and content need to tailor to the retailer's audience though; irrelevant content will be overlooked and can lead to losses for the company.

There are companies available that help other companies with targeting their audience in an effective way on social media sites. For example, Kenshoo, located in Chicago, is a digital marketing technology company that engineers premium solutions for search marketing, social media and online advertising, ("About Kenshoo," 2013). This company specializes in assisting companies in optimizing their presence on social media sites due to relevancy and audience members. Users provide these sites with their personal information such as full name, sex, birthday, interests, phone number, etc. which is used by companies to target specific people based off the information given. This is another reason why marketing on social media is so beneficial; it allows people to effectively target their intended audience. All of this can be done on mobile devices as well as computers. Utilizing such specialized companies can really help retailers spend mobile advertising money efficiently.

"Another change to the social media landscape is the continued growth in the so-called "second screen" – that is, turning watching TV into a more social experience by using a smartphone or tablet alongside your TV viewing," (Perez, 2012). This trend will help retailers using an integrated marketing communications plan including advertising on television and on mobile devices using social media. For example, a company can have a television commercial that includes text or person calling viewers to "like" them on Facebook or "follow" them on Twitter. The commercial viewers then may get on their mobile device and complete this call-to-action. "The Watch with eBay app available in the US syncs e-commerce with TV content. You enter your zip code and cable provider – then after that, selecting the channel you're on brings up purchases related to the on-screen content," (Berliner,

2013). This is a relatively new phenomenon that is relevant to retailers who are present on eBay.

### Mobile Applications Used by Retailers

"A mobile application, most commonly referred to as an app, is a type of application software designed to run on a mobile device, such as a smartphone or tablet computer. Mobile applications frequently serve to provide users with similar services to those accessed on PCs," ("Mobile application," 2013). Retailers have both invented their own mobile app and have used mobile apps of other companies. They use these mobile apps to display products for sale, create an interesting way to communicate with each other, and provide customer services. "Although less than half of the top 300 retailers surveyed have both a mobile application and site, it is a 161 percent year-over-year increase, according to a new study from Acquity Group," (Johnson, 2012). This statistic proves how successful having a mobile application is for retail companies, especially when a mobile website is available as well.

Mobile applications allow for more than just online shopping, they provide users with quick customer service, product information, and coupons related to their search. The Apple Store mobile app has been ranked #1 for the best customer service retail app, followed by Redbox, Starbucks Card Mobile, Target and Westfield Malls, (Ueland, 2011). As for the best retail applications that allow for scanning codes for product information, Best Buy has reported to be the leader followed by Home Depot and Toys R Us, (Ueland, 2011). Lastly, JC Penney has been rated the best retailer in implementing coupons into its mobile app. (Ueland, 2011). Most of

these companies are well-known, retail leaders who use mobile apps for customer retention and awareness purposes.

Recent news stated that big-name retailers including Wal-Mart, Target, and Best Buy are teaming up to create a company that will give customers the opportunity to pay through their mobile phones. "The businesses said that the new company, Merchant Customer Exchange, is developing a mobile application that will be available for nearly any smartphone. The app is expected to integrate a variety of coupons, rebates and loyalty programs," ("Major retailers to," 2012). These companies believe this mobile app will cut costs and enhance the customer experience as well as increase convenience for the customers. Large name retailers have leverage with this new business idea since they are so well-known by customers.

As only some retailers have their own mobile application, many retailers use other mobile apps to display products for sale and advertise promotions on those mobile apps. Some mobile apps that are changing the shopping dynamic for retailers and consumers include: AisleBuyer, BooYAH! MyTown, eBay Mobile, and Google Shopper. These apps allow consumers to either scan codes and/or purchase items online or locate product information using the consumers' mobile camera. Retailers are placing their products on these apps for exposure and to be technologically innovative without having to create their own company app. These apps are allowing consumers to shop at their fingertips, and retailers are continuing to be involved with this new trend.

## Retailers Using Mobile Email

Smartphone and tablet users can connect their email account to their mobile device to receive and send emails through their smartphones/tablets. This phenomenon was created on the basis of convenience for the user. Retailers are also experiencing a change in their marketing efforts as they are witnessing the increase in smartphone users, which has led to the increase in people viewing their email account through their mobile device. Therefore, marketers of the retail industry have been finding ways to advertise to their target market via email, whether it is an informational email, an announcement of promotion/sale, a receipt, a company newsletter, etc. Emails also have a numerous amount of advantages including: the ability to have massive individualized distribution at a very low cost, they are a great sales driver, it is much easier way to build customer lists, they allow retailers to reduce the lead time of a promotional idea, they offer dynamic personalization capabilities like never before, and they are more measurable than anything previously, (Conniff, 2011).

"An increasing number of retailers are offering to send receipts by email, touting it as a convenient, environmentally friendly alternative to paper receipts. Retailers including Nordstrom and Gap began offering paperless receipts in the past few months," (Shamas, 2011). This article was from 2011 and since then, many retailers have picked up this trend including Sears, Macy's and Best Buy, to name a few. Retailers are boosting their brand image by making the shopping process more convenient for customers, while being environmentally friendly at the same time.

“Responsys recently reported that retailer email use increased 12% in 2012. The average retailer sends each subscriber about 210 emails during the course of the year, or about 4 emails every week. Nearly all retailers, 92%, send out promotional email on Cyber Monday every year,” (Crosett, 2013). Besides sending out promotional emails, companies will put more emphasis on sending out lifecycle messages to improve the customer relationship; increased spending in 2013 will go to re-engagement 63%, welcome 59.8%, replenishment 36.9%, cart abandonment 35.8%, product/service review request 32.6%, birthday/anniversary 20.8%, (Crosett, 2013). Therefore, using emails to connect and communicate with customers is very valuable for retailers. It allows for customer relationships, personalization, and encourages customer retention and referral.

### **Recommendations**

After completing this lengthy, in-depth research on the use of digital, social, and mobile media in the retail industry, it is evident that retailers need to be utilizing these media channels for a number of reasons. First of all, these media channels encompass the enhancements in technology. Consumers are becoming more and more adaptive to the changes in technology, and companies need to keep up. Whether it is listening to the radio, watching television, or browsing the Internet, consumers are using their free time to explore these information outlets and they are a great place for retailers to attract current and potential customers. Staying up-to-date with the technology changes and popularly-used devices is crucial in advertising via these media types. Technology will continue to change, so

being able to adapt properly now will allow companies to better their business practices in the future.

Another reason why retailers need to be using digital, social, and mobile media is because they are relatively inexpensive. For example, social media sites are nearly free for companies! Anyone can create a company Facebook or Twitter page at no cost, the company only pays for the personnel who monitor the sites' activity and interact with customers. It's the same concept for email. Anyone can create a free email account and use that account to email current and potential customers. The price of using digital signage, as explained above, can remain low due to other companies rotating advertisements on the same billboard. Also, companies who are interested in sending mass-texts to customers can use an inexpensive provider such as Business Texter. Finally, radio is considered to be low cost due to its large reach. According to [strategicmediainc.com](http://strategicmediainc.com), companies should budget \$3,000-\$6,000 a week for radio, ("Radio advertising costs," 2009). All of these examples prove there are inexpensive, yet effective ways to advertise via digital, social, and mobile media.

These media types are also incredibly beneficial in reaching a large audience. Retailers can send mass-emails and mass-texts to customers regarding company information and/or promotions. They can also use radio, digital signage, web-based marketing, etc. to reach a large audience. These media types allow companies to target customers but also reach a large amount of people due to the technology and marketing technique involved. Word-of-mouth marketing also allows retailers to use these media types in regards to reaching as many people as possible. If the

content being displayed is relevant and exciting, people will be more likely to forward or share that information with their friends and family. Even something as short as a tweet on Twitter can be retweeted thousands of times, reaching millions of people. Retailers need to understand the immense effects of using these media types for marketing purposes as it relates to reach.

### **Conclusion**

The benefits far exceed the costs of using digital, social, and mobile media. Innovative technology, low costs, and large reach are among many benefits retailers can experience from using these media types. Creating and implementing a test run on these media formats is another way retailers can evaluate their possible success; companies can measure their results and act accordingly. From the research I have completed, I feel as though they will not be disappointed with their results. Marketing plays an extensive role in the retail industry and marketers are trying to set themselves apart from the competition in a creative, inexpensive way. In my opinion, these three media types are the way to do it.

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