

BOOSTING THE BOTTOM LINE WITH APPS AND OTHER MOBILE TECHNOLOGIES

Trending Topics represents an executive summary compilation of news, information and perspective on matters affecting businesses and business leaders today. This insight is being provided to keep you up to date on the latest developments and trends influencing these topics. These views do not necessarily represent the views and opinions of PNC. For additional research on these topics, please consult the sources cited in this article.

Corporate leaders agree that new technologies are rapidly changing nearly every industry, but few feel well prepared to deal effectively with the speed and scale of this disruption.¹

Mobile applications or “apps” are a disruptive technology that has quickly gained scale and strength. Apps allow customers to interact with their smartphones and tablets for quick access to information, tools and internet sites. The Pew Research Center found that 68% of American adults own smartphones and 77% of these users have downloaded between five and 10 apps to supplement those provided with their smartphones.²

IMPACT ON COMPETITIVENESS

More adults now access the internet through smartphones than through desktop or laptop computers, and they spend an average of three hours per day on their mobile devices.³

To remain competitive in today’s market, companies need to provide customers with mobile access to their products and services. Apps can simplify online and mobile purchases and help consumers find useful product information. An app that is easy to use can increase order quantities and improve customer loyalty and engagement.⁴

Initially, app development was expensive and only feasible for corporations with large marketing budgets. However, many small and medium-size

businesses now are finding the cost of app development to be within reach. New software development kits are available that streamline the process and significantly reduce the cost of app creation. A recent study projects that by 2017 nearly half of all small businesses will have an app.⁵

GAME-CHANGING MARKETING OPPORTUNITIES

Apps are the gateway to the brave new world of mobile marketing. It’s never been easier and less expensive for companies to digitally market their products and services to customers. Some examples of marketing tools that are enabled by mobile technology include:

- Social media sites such as Facebook and Pinterest now feature easy-to-use purchase buttons that allow one-click shopping without leaving the site. Smartphone users like the ease of making purchases without having to complete sales forms or enter credit card information.⁶
- The “internet of things” enables the connection of electronic sensors and networks through mobile apps. Technology companies have enabled consumers to access their “smart” homes through mobile apps to arm security systems, change thermostat settings and activate home appliances.
- Email marketing has gone mobile as well, but with a twist: Phone screens are smaller, so they demand simpler content and smaller images that load quickly and easily. Links in email messages can take viewers to the company website for more information and to make purchases.



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- Mobile video advertising spending is growing rapidly and by 2018 is expected to reach \$6 billion, which represents half of all online video ad spending.⁷ Video has always been an expensive format to produce, but more videos now are being created inexpensively with smartphone video cameras. The proliferation of smartphones and tablets, larger screen sizes in newer smartphone models, and improved 4G services and broadband coverage all contribute to the growth of video consumption.
- “Geo-targeting” uses smartphone technology to enable businesses to direct messages to customers who are driving or walking nearby. Similarly, “geo-fencing” targets shoppers in a geographic area around a store and

“geo-conquesting” focuses on connecting with shoppers at competitors’ stores. In addition to providing information about store locations and hours, businesses can create coupons or special deals to draw in local customers, tourists or unique groups.⁸

- Retailers are beginning to target the mobile devices of their customers who are on-site in their stores. They can use interior GPS tracking to pinpoint the exact aisles where customers are shopping and can send text messages about new items or products of interest based on past purchasing patterns.⁹

To discuss these topics in more detail, please contact your PNC Relationship Manager.

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- 3 “Insights from KPCB US and global internet trends 2015 report,” by Dave Chaffey, June 11, 2015. Available at: <http://www.smartinsights.com/internet-marketing-statistics/insights-from-kpcb-us-and-global-internet-trends-2015-report/>
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- 5 “Mobile Apps and Small Business in 2016: A Survey,” by Amanda Soderlund, Clutch.com, April 12, 2016. Available at: <https://clutch.co/app-development/resources/small-business-mobile-apps-2016-survey>
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- 7 “Why Mobile Video Advertising is Set to Explode,” by Yoni Argaman, TechCrunch.com, Feb. 15, 2015. Available at: <https://techcrunch.com/2015/02/15/why-mobile-video-advertising-is-set-to-explode/>
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- 9 “Mobile Marketing: 5 Must-Know Small Business Trends for 2016,” by April McGuire, Quickbooks/Intuit small business marketing blog. Available at: <http://quickbooks.intuit.com/r/marketing/mobile-marketing-5-must-know-small-business-trends-2016/#sm.001c7b17x4emffy11g92i7xoboi1u>

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