

Why Brands Must Build ‘Mobile-Up’

by Stephan Schambach



Stephan Schambach
Founder and CEO of NewStore

Stephan is a serial entrepreneur with a proven track record of creating and growing successful tech companies in the United States and Europe. Under his leadership and vision, he brought Intershop and Demandware to IPOs with multi-billion dollar market caps.

As Founder and Chief Executive Officer of NewStore, Stephan is setting out to change the market once again. This time by solving the omnichannel problem facing so many retailers and brands.

He has won numerous awards around the world for his technology and entrepreneurial leadership. He is also an investor in several software and green-tech startups.

Mobile enables powerful one-to-one interactions between brands and customers, but tapping the opportunity requires rethinking much more than just front-end experience, argues Stephan Schambach.

It's a common refrain: the future is mobile. But retailers haven't come close to actually leveraging the amount of time and energy consumers spend on their mobile phones. Between browsing Instagram, messaging with friends and tracking the news, the modern, on-the-go consumer has come to expect the world at their fingertips. For retailers, coming to terms with this reality goes beyond social commerce, chat bots or native apps. It requires a fundamental restructuring of how brands are built and nurtured, with immensely stronger customer relationships and a more agile cost structure. I call it building 'mobile-up.'

'Mobile first' is a concept that's been bouncing around the design world for the past few years. It's the idea that websites should be built first for mobile, then for desktop and other platforms. This was the early manifestation of a design-driven ethos, which called for redirecting desktop resources toward mobile. This was an important step forward, but critically mobile first only affects websites and other front-end experiences.

'Mobile-up,' on the other hand, reflects a completely new starting point, transforming entire organisations. I'm talking about a shift from optimising digital experiences for mobile to creating entirely new businesses, mobile-up.

Building mobile-up unlocks three opportunities for brands that desktop and even social commerce never afforded: 1) get closer to your customers; 2) increase customer loyalty; and 3) the ability to build not just communities, but cults. These opportunities aren't relegated strictly to online; they impact in-store experiences as much as they affect online experiences. When used to the fullest degree, mobile is the thread that ties the brand together, online and offline.

“Mobile-up means building businesses where customers have a remote control for their favorite brands in the palm of their hand.”

Get Closer To Your Customer

Every fashion brand wants to have a strong relationship with its consumers. But brands traditionally don't have access to the tools and platforms to follow through. Desktop, email, even Instagram, Facebook and Twitter all put a ceiling on how close a brand can get to its customers. Brands can only get so personal. Mobile breaks this ceiling by allowing brands direct and constant access to their customers, on a device that never leaves their possession.

Communication between a brand and a consumer might exist through text message, a native app, Facebook Messenger or WeChat. The actual platform doesn't matter as much as the mechanism and what it affords: a direct line to the customer for the brand and a direct line to the brand for the customer. This is the catalyst for the humanisation of brands, where customers can now have one-on-one interactions with companies. This has never happened before, as mass emails and advertising campaigns have always spoken broadly at customers, not with them. Sure, tailored product recommendations are offered based on past purchases and browsing, but how intimate is that? Mobile is the first opportunity to reshape the interaction layer between brands and customers, and we're just starting to uncover the possibilities.

Increase Customer Loyalty

Increasing customer loyalty is the next opportunity to focus on when building mobile-up. Once brands are closer to their customers, thanks to the direct access mobile affords, they can then focus on increasing loyalty. Customer loyalty is a behavioural change that often has little to do with traditional perceptions of loyalty, such as point systems and custom credit cards. The plastic loyalty card is dead. Mobile-up loyalty means offering exclusive experiences, interactions and products to a brand's best customers. It means nurturing a relationship and using impactful techniques to make customers more loyal — to make them feel better and different. Mobile-up is the reality of building businesses where customers have remote control for their favourite brand always in the palm of their hand.

When thinking of loyalty mobile-up, it's crucial to focus on the intended outcome before thinking through the mechanisms. Many of these outcomes, such as having shoppers buy more often or buy in bigger amounts, can be solved by bigger ideas, enabled by mobile. This is a move beyond the transactional toward the experiential. For example, it's been fascinating to watch the community that Outdoor Voices has built around its recreational outings such as running, basketball and yoga. They have engendered the need to be active, both in a physical sense and in terms of active participation in the brand. There's immense potential to use mobile to build more of these experiences and engage a wider set of consumers.

Turning Communities Into Cults

Computers and web browsers allowed brands to build more direct relationships with their customers. This was a step in the right direction, but the relationship itself was often fickle and didactic. Brands were always talking at their customers, but there was rarely an opportunity for customers to talk back and have a real conversation. Building a community was possible, but its ties were rather weak.


If these previous mediums allowed brands to build communities, mobile empowers brands to build cults — in the best way possible. Mobile-up leads to a foundational two-way conversation between brands and customers, bringing this relationship to a whole new level.

Customers identify with brands they feel a deep connection to. This includes a brand's values, language and aesthetic. Mobile is the first medium that allows both parties to intimately connect with each other. This is the humanisation of brands. From engaging with a brand on social media to texting with a store associate to visiting its stores all over the world, the opportunities to build a cult as a result of a brand's lifestyle are endless.

Taking advantage of these opportunities requires a very different mindset than the one required in the past to build a mere community. It is no longer good enough to move existing experiences or communities elsewhere, from say desktop to mobile. Most mobile experiences still have the stain of desktop on them, which is why conversion rates are so low.

Mobile has the potential for the highest brand engagement ever, but it requires native experiences built with mobile in mind from the ground up. Brands that follow this path and use the medium to grow the pie will be rewarded with a cult-like dedication of their customers. We're already seeing the potential of these new lifestyle brands such as Outdoor Voices, and even Sweetgreen outside of fashion. Both of these companies (or cults) are showing the promise of building mobile-up. Until recently, mobile has mainly been used as a tool to augment existing experiences. The future is building not just front-end experiences, but entire businesses, mobile-up.

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The NewStore mobile retail platform empowers brands to deliver an extraordinary end-to-end shopping experience for consumers. Built entirely from a mobile perspective, it integrates with existing ecommerce platforms such as Demandware, SAP Hybris, Oracle ATG, and Magento. NewStore raises the omnichannel bar with one-touch purchase, scalable clienteling, and on-demand delivery — all optimized for the small screen. Founded by Stephan Schambach, creator of Demandware, NewStore boosts conversion, promotes engagement, unifies online and offline, and modernizes fulfillment. NewStore is headquartered in Boston. For more information, visit www.newstore.com.

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