

### 3.3: Mobile Apps and Customer Interaction

#### Learning Objectives

- Compare and contrast the benefits of mobile and internet channels
- Explain how mobile apps can increase customer interaction

Mobile software applications or “Apps,” as they’re most commonly known, are computer programs designed to run on mobile devices like smartphones and tablets. They are distinguished from desktop or web applications, which run on desktop or laptop computers and web browsers, respectively. Originally, apps were developed as productivity tools and for information retrieval, but the growth of smart phone and tablet markets, combined with people’s comfort using apps, has led to their popularity.

Because apps run on mobile devices, which have finite battery capacity and span a wide array of hardware design and screen sizes, there are design constraints in developing apps. They are not just scaled down versions of websites; instead, they are designed with an interface to support specific activity and functionality. As such, they can be meaningful transaction tools for consumers. In fact, app commerce is said to perform better than both desktop and mobile web when it comes to browsing duration and interactions. Average order value is reportedly greater with retail apps than traditional e-commerce, and conversion rates on apps are twice that of mobile websites.

One of the reasons apps have better consumer engagement is that they’re specifically designed for the needs of a mobile user to facilitate transactions. That is, they can leverage mapping technology, tie-ins with social media and stored payment methods to make transactions nearly frictionless. Take, for instance, the app published by Starbucks. Not only can it be used to locate nearby locations, but patrons can order and pay through it also. In fact, consumers can even earn points that can be redeemed for merchandise on future visits.

In this way, the app supports engagement with the brand and its products. It identifies nearby locations, reduces wait times, and offers payment flexibility, which may support upselling as customers can use stored credit/debit information and are not limited by their cash in-hand. Further, the collection of points adds an element of gamification and reward, which can increase patronage and loyalty.

Amazon, for its part, offers an app for users. And, while it does lack some of the functionality of its website, shoppers can easily use the app to complete transactions. For an e-tailer like Amazon, the app is a powerful tool because it enables a consumer to search for items, read customer reviews, compare prices, review similar and/or complementary items and complete the transaction using their stored credit card information. More importantly, because the app is available on mobile devices, it supports consumer search and shopping on-the-go and at the moment of inspiration.

Mobile apps are helpful tools for consumers and for firms because they’re focused on specific activities. In the world of e-tailing, this focus is upon supporting transactions. As you can see with the examples from Starbucks and Amazon, this can be done very effectively to deliver high levels of customer service and customer value.

#### Practice Questions

<https://assessments.lumenlearning.co...essments/9160>

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