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**Harvard  
Business  
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# MICRO-MOMENTS AND THE SHOPPER JOURNEY

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Mobile has forever changed the human experience. It's brought the world's information to our fingertips, wherever and whenever we want. And it has fundamentally changed our expectations for responsiveness and relevance.

The result is a dramatic shift in how we do just about everything. Instead of long sessions focused on a given task, our day has splintered into hundreds of bite-sized moments where we fulfill particular wants and needs. We see billions of these micro-moments every day at Google, when people are saying, in essence, "I want to know," "I want to go," "I want to do," and "I want to buy."

And it's not just the quantity of these moments that has changed—it's also the quality. With more computing power in our pockets than most of us had on our desks just a few years ago, our expectations have been massively raised. We expect everything right, and we expect it right away.

This has major implications for brands. In these micro-moments, being there and being useful for consumers matter more than ever. These moments are increasingly when hearts, minds, and dollars are being won and lost. Perhaps nowhere is this more apparent than when it comes to shopping. Ninety-three percent of people who use their phone to research a product go on to make a purchase.<sup>1</sup> And it's happening on phones while in the aisle—82 percent of consumers use their phones in-store to make a decision about a purchase they are about to make.<sup>2</sup>

And so the good news for brands is that there's a far greater opportunity to connect with people when they need us most. But we need to be thoughtful, because not all of these moments are created equal. Some moments are simply when people are texting their spouses, catching up with friends, or viewing photos. And while these are also mobile moments, it's not really helpful for brands to be there.

Then there are the moments that really matter—those I-want-to-know, I-want-to-go, I-want-to-do, and I-want-to-buy moments—they matter to consumers, and they matter to brands. When we launched search ads, they were transformational because for the first time ads were tied directly to what people were looking for. With mobile, our ability to understand what people want has only gotten better, as we understand not only intent but also context. By understanding a person's location, time of day, type of device, etc., we can tailor our marketing to help people when it matters.

Being there is the first half of the equation—equally important is being useful. Eliminating friction for the consumer wherever it exists—from the ads and how-to videos she sees to the checkout process that makes it easy for her to act. It can mean rethinking organizations so that everyone has an incentive to help the customer where, when, and however she likes.

This report describes all those challenges, and it also presents some very encouraging news: Companies that measure and respond to micro-moments are gaining a very big edge on the competition. Mobile is the new front door to your brand and your stores. Are you at the door, ready to help?

A handwritten signature in black ink that reads "Lisa Gevelber". The signature is fluid and cursive.

Lisa Gevelber  
Vice President, Marketing  
Google

<sup>1</sup> Mobile Path to Purchase, Google/Nielsen, November 2013

<sup>2</sup> Consumers in the Micro-Moment, Google/Ipsos, US, March 2015, n=5,398, based on Internet users

# MICRO-MOMENTS AND THE SHOPPER JOURNEY

In our world of constant connectivity, our digital lives have become defined by frequent moments in which we intensely want or need something—a destination, a fact, a product, a service, an activity—right here, right now. A busy mom might need to find the nearest Starbucks on her way to a client’s office. Following the meeting, she remembers that with school starting tomorrow, she needs to find the nearest store that carries her son’s size in the Nike Air Max sneakers deemed “must-haves” by the middle school set. Later that afternoon, taking photos of her kids at the park, she wonders how to take a wide-angle shot with her new camera but has no time—or desire—to crack the voluminous owner’s manual.

Without a mobile device, these tasks might take the better part of a day. But with more than 70 percent of people over the age of 18 in the U.S. alone in possession of a smartphone,<sup>1</sup> consumers all over the world are increasingly accustomed to the instant gratification these devices provide for their immediate needs, whether they’re at home, commuting, at work, walking down the street, or even in the store. By providing access to the very specific information needed during these “micro-moments”—no more and no less—smartphones have become essential tools for coping with the demands of modern life. [figure 1](#)

“Consumers behave ever more spontaneously, with short attention spans, and short bursts of action,” writes Erich Joachimsthaler, Ph.D., founder and CEO of Vivaldi Partners Group, a global strategy consulting group. “They shop in their spare moments, they search while on the go, they buy on a break by interacting primarily with their mobile phone.”<sup>2</sup>

What’s more, because these moments are characterized by an intense need or intention to buy, go, know, or do, the opportunities they present have not been lost on leading businesses, which now see these critical junctures as the new competitive battlefield on which they can win or lose the consumer’s attention.

## FIGURE 1

### IN THE MICRO-MOMENT

Throughout the day, consumers frequently turn to their connected devices for a variety of needs.

**I want to know:** Specific information on an infinite variety of topics and products.

**I want to go:** Where to head, and when, for an activity or to find a particular product.

**I want to buy:** Purchases, opinions, facts, deals, and comparative information on products and services, even while standing in a store.

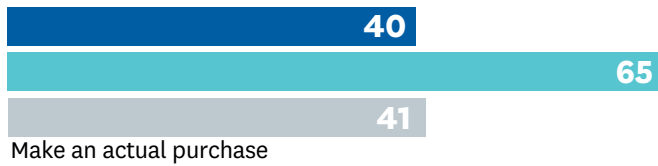
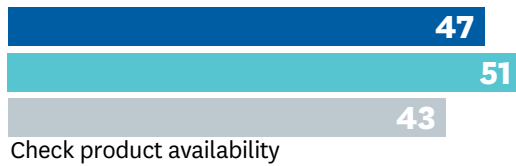
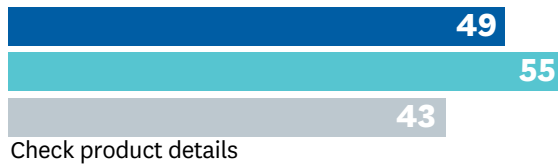
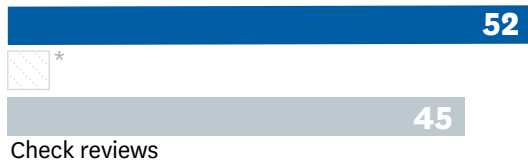
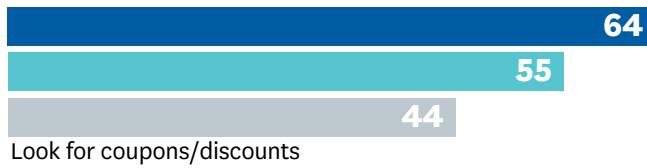
**I want to do:** How-to information on any variety of tasks or activities, from a home repair to a new yoga pose.

FIGURE 2

**AN ARRAY OF ACTIVITIES; A DIVERSITY OF DEVICES**

Percentage of respondents saying they conduct the following shopping-related activities via smartphone, computer, or tablet.

● SMARTPHONE ● COMPUTER ● TABLET



Note: Respondent ages 19–33

\*Data unavailable

SOURCE ANNALECT, “#GENERATIONTECH: MILLENNIALS & TECHNOLOGY,” JANUARY 2015

Smartphones are radically altering the landscape for search and how people make decisions about brands, services, and purchases.

“Micro-moments are moments of high intent and engagement,” says Brian Solis, principal analyst at research firm Altimeter Group and author of *X: The Experience When Business Meets Design*. “You can design for these new opportunities. And make no mistake, they are opportunities for engagement.” In other words, providing what the consumer needs—immediately, in context, and enriched by awareness of the person’s location and preferences—is the Holy Grail.

But mobility is not the whole story. Businesses that focus only on their mobile presence do so at their peril; although consumers often begin the shopping journey on their mobile device, they are just as likely to continue it—and even seal the deal—on their tablet, desktop PC, or at the store. [figure 2](#) In a recent survey by MasterCard, eight out of 10 consumers globally use a computer, mobile device, or in-store technology when shopping; however, e-commerce as a percentage of total retail sales has yet to break 10 percent globally.<sup>3</sup> Similarly, eMarketer estimates that only about half of the 146 million mobile shoppers in the U.S. this year actually buy anything on their phones.<sup>4</sup>

In response, businesses need to “follow” the consumer wherever that journey leads and enable an entirely new level of flexibility with respect to how and where they market and fulfill their goods and services.

For most companies, this is a tall order, as it upends traditional, channel-specific business metrics, key performance indicators (KPIs), sales commissions, and incentives. Most executives will have their hands full optimizing and integrating their channels, but one thing is for sure: Mobile—increasingly the entry point to a business—is the place to begin.

## MOBILE: THE WAY WE LIVE NOW

Mobile devices are indeed central to consumers’ lives; the mobile platform is uniquely equipped to provide context- and device-sensitive information and buying opportunities at the moment of need. “Smartphones have become so instrumental in the lives of connected consumers, they have become almost like an artificial appendage,” says Solis. Specifically, smartphones and the always-on mindset of connected consumers are radically altering the landscape for search and how people make decisions about brands, services, and purchases.

It’s no wonder, then, that mobile devices are increasingly associated with a greater propensity to buy, even when that sale ends up happening in the store. In fact, last year, mobile devices used before or during shopping trips influenced nearly \$1 trillion—or 28 percent—of in-store sales in the U.S., according to Deloitte. [figure 3](#)

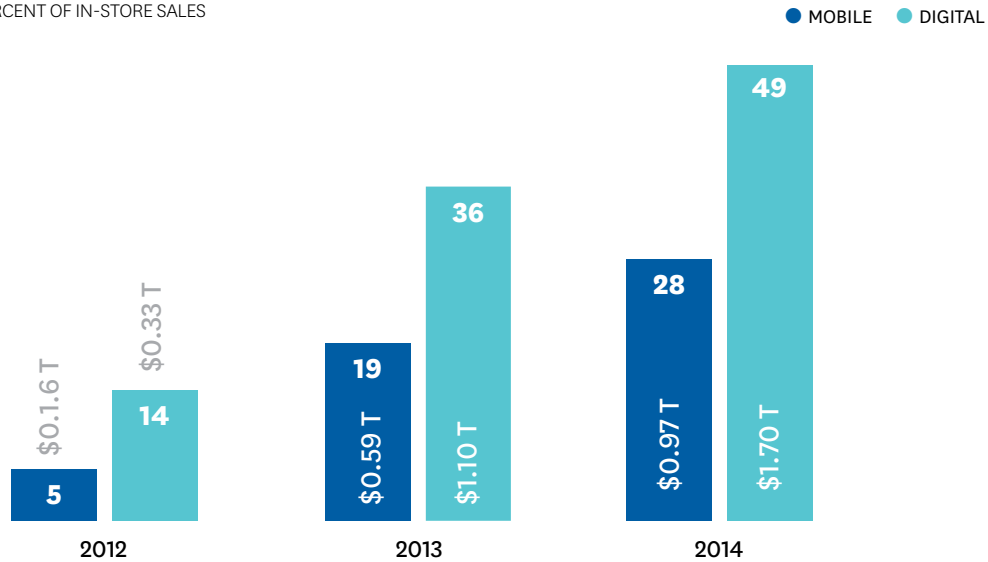
Indeed, nearly 80 percent of local searches on mobile devices turned into purchases, according to a comScore study<sup>5</sup>—and roughly three-fourths of those purchases happened the same day and most (63 percent) within a few hours. [figure 4](#) “We are seeing a ‘digital-first’ orientation toward shopping, with the mobile phone as the gateway to digital,” says Steve Dennis, a former executive at Sears and Neiman Marcus Group and now president of SageBerry, a retail consulting firm.

**FIGURE 3**

**IMPACT OF DIGITAL AND MOBILE ON SALES**

The influence of digital and mobile on in-store retail purchases is growing by double digits, with mobile growing faster than overall digital.

PERCENT OF IN-STORE SALES



Note: "Digital" includes the shopper's use of any digital device, including desktop computers, laptops, netbooks, tablets, smartphones, wearable devices, and in-store devices (i.e., kiosk, mobile payment device).

SOURCE DELOITTE, "NAVIGATING THE NEW DIGITAL DIVIDE," MAY 2015

**FIGURE 4**

**SEARCHES YIELD PURCHASES**

Percentage of local searches that resulted in a purchase, December 2013.



SOURCE COMSCORE, NEUSTAR LOCALEZE, AND 15 MILES, "LOCAL SEARCH STUDY," APRIL 2014, STUDY OF NEARLY 5,000 U.S. ADULTS

Being there for consumers, in their moment of need, is less about bells and whistles ... and more about providing exactly what is needed in that context, immediately.

“Winning the moments that matter is about getting a crack at the consumer’s business. If you’re not present and effective in these moments, you risk losing customers.”

When the consumer asks questions and doesn’t get answers, the business stands to lose, agrees Sasha Strauss, founder and managing director, Innovation Protocol. “Often, brands do not respond effectively,” he says. “If they are complacent or don’t participate in this modern discourse, they are not going to succeed.”

Being there for consumers, in their moment of need, is less about bells and whistles (especially in a constrained format like mobile) and more about providing exactly what is needed in that context, immediately. According to an October 2014 Harris Poll, for example, top micro-moment needs include finding a local retailer, seeking an opinion, searching for a coupon, and checking available inventory. [figure 5](#)

Martha Rogers, Ph.D., co-founder of the Peppers & Rogers Group, a customer consultancy and unit of TeleTech, provides an example. When she was in Manhattan, looking for a nearby branch of her bank, a search on the bank’s mobile app yielded addresses without cross streets, which are essential for orientation in New York City.

“This app must have been designed in Omaha,” says Rogers, who is also founder of Trustability Metrix. “It’s a small thing, but it basically says, ‘We don’t care about you.’” Providing the right information in the moment is more important than creating an “experience.”

“I want them to read my mind—that’s all,” she says. “I want them to understand what it’s like to be stranded on the street in Manhattan with my mobile device and need something.”

## **SIMULTANEOUS CHANNEL USE**

But it’s not enough to focus on mobile. What starts as a micro-moment often leads to engagement and even consummation within other channels; in the comScore Local Search study, for example, the majority of purchases following a mobile search happened not online but in a physical store (73 percent) or on the phone (16 percent).

“Customers are shopping in the moment, whether in a store, commuting, or out running errands,” says R.B. Harrison, chief omnichannel officer, Macy’s Inc. “We have lots of customers who shop in-store and then go home and complete the transaction on a tablet when they’re watching TV or on a desktop, because now they’re convinced they want it. Our objective is to be there, however and whenever they want to shop.”

Another retailer—Rebecca Minkoff, a fashion darling of millennial shoppers—has similarly discovered the necessity of channel flexibility. “The fascinating thing about our consumer is she shops in absolutely every channel,” says Emily Culp, senior vice president of e-commerce and

omnichannel marketing at the privately held, 100-employee retailer, led by 34-year-old CEO Rebecca Minkoff. “At this point, the shopping journey or consumer pathway to purchase is not linear. It’s not controlled by us.”

Retail giant Target has similarly heeded the call for seamless-channel shopping. “Our guest is telling us, ‘We want to have infinite choice,’” says Casey Carl, Target’s chief strategy and innovation officer. “That means some days I want it delivered to my door. Some days I want to be able to shop at my leisure and just enjoy Target, and some days I want to be able to pick it up, be very efficient, and get to my kid’s soccer game.”

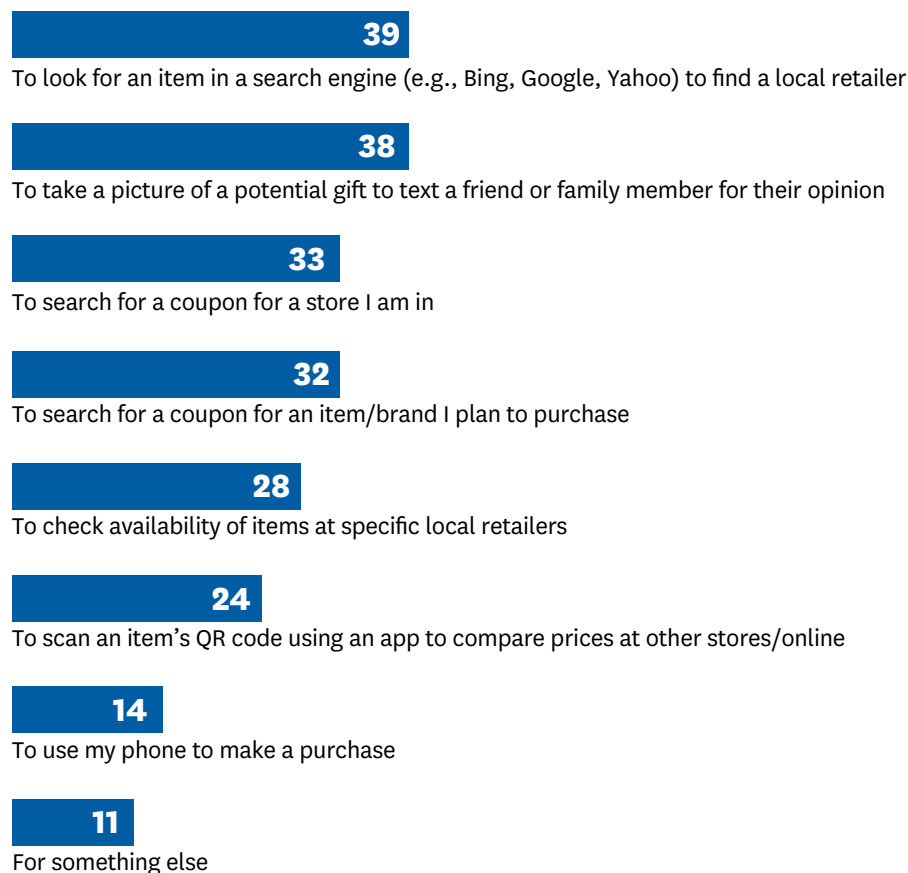
Like these retailers, companies should look at channels as complementary to one another, says Lior Arussy, author and president of Strativity Group, a customer experience consultancy.

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**FIGURE 5**

**“IN-THE-MOMENT” NEEDS OF MOBILE SHOPPERS**

Percentage of respondents indicating how they use their smartphone while in-store shopping.



Note: 1,181 respondents ages 18+

SOURCE HARRIS POLL, NOVEMBER 2014



Despite lots of lip service, the dirty little secret is most companies have not done much in the way of omnichannel integration.

“New channels are not replacements for old channels. It’s not either/or. It’s ‘How can I maximize each channel to its fullest potential?’” The multichannel reality leads directly to the thorniest undertaking of all: true omnichannel integration.

## THE OPPORTUNITIES OF OMNICHANNEL

Despite lots of lip service, the dirty little secret is most companies have not done much in the way of omnichannel integration, says Don Peppers, author and co-founding partner of the Peppers & Rogers Group.

“Companies talk about it, but in reality, they’re not omnichannel at all, not even close to it,” says Peppers. For example, when a consumer calls a company today, more than half the time that call was preceded by an unsuccessful Web session. “I might spend 20 minutes trying to solve a problem, and then when I call for help, I have to explain the situation all over again,” he says, a maddening but all-too-familiar routine that erodes good will.

Many technologies exist today that can fix the problem, says Peppers. Proactive, algorithm-based chat is one solution; others include a “call me” button on your mobile app or website, and a temporal phone number (showing a unique toll-free number to each website visitor). “That way, the customer’s call or interaction is directly associated with the Web session,” he says. “The company will have your clickstream and your history, so you don’t have to explain things all over again.”

It’s all too easy to invest in omnichannel technology without moving the needle on overall sales, SageBerry’s Dennis says. “You spend all this money on integrating your inventory and data, all this sexy omnichannel stuff, and you risk moving sales around from one channel to another.” The real goal is to drive incremental demand by serving customers in remarkable and relevant ways no matter which channel they emerge in.

For Luis Reis, chief corporate center officer at Sonae, a multinational retail conglomerate, this requires a reevaluation of the existing organizational structure, in addition to implementing new technology. He boils this down to the equation “NT + OO = COO,” or “New Technology plus Old Organization equals a Costly Old Organization.”

“Omnichannel is a bad excuse to add a lot of new technologies while keeping the same old organization, with customers continuing not to receive the seamless experience they want,” says Reis. “We end up with the old organization as a silo.”

Sonae, an established retailer, has done both the technological and organizational work of omnichannel integration. Case in point: Food shoppers can begin their weekly shopping trip on one device—like a PC or laptop—and then add items to their cart using another device, such as taking a photo of a product’s bar code with their smartphone. Enabling this seamless experience requires mastering technical complexity, says Reis, as it encompasses multiple devices and operating systems, among other variables.

The hard work should pay off. By embracing omnichannel integration, businesses also gain exposure to the most profitable customers—namely, the ones who use lots of channels. According to Deloitte, people who use digital while they shop in-store convert at a 20 percent higher rate compared with those who do not use digital as part of the shopping process.<sup>6</sup> According to IDC, omnichannel consumers have a 30 percent higher lifetime value than single-channel purchasers.<sup>7</sup>

At Macy's, "We've found that customers who engage with us across channels are eight times more valuable than someone who just engages with us online," says Harrison. "We're trying to make these customers a bigger part of our portfolio." And mobile plays a big role in that as increasingly the information found via digital devices actually entices consumers to visit the physical store. [figure 6](#)

## MAKING THE OMNICHANNEL SHIFT

Of course, it's much easier for dot-com retailers to integrate channels, because they were "born that way," says Arussy. On the other hand, large, established retailers will have a more difficult time due to existing infrastructure and entrenched processes.

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**FIGURE 6**

### HOW DIGITAL INFORMATION CAN FILL INFORMATION GAPS, MOTIVATE STORE VISITS

Percentage of respondents who would find this information very/extremely helpful in search results.



**SOURCE** IPSOS MEDIA CT, STERLING BRANDS, GOOGLE, "DIGITAL IMPACT ON IN-STORE SHOPPING: RESEARCH DEBUNKS COMMON MYTHS," OCTOBER 2014

According to Deloitte, people who use digital while they shop in-store convert at a 20 percent higher rate compared with those who do not use digital as part of the shopping process.

However, Macy's—a 150-year-old retailer—has made impressive strides overcoming the challenges of channel integration. One of its major points of friction was not having the same inventory available to customers at all times, Harrison says. While online customers could view only the inventory in the online distribution centers, in-store customers could see just items in the physical store. “So, one of the first opportunities we went after was how to bring the magnificent assortment of Herald Square to any store in the country or to any device,” he says.

The gaps became even more apparent as cross-channel shopping increased. “We’d buy a certain assortment of product for online, and when customers would return it to a store, the store had to deal with a dress it didn’t carry. Having disjointed systems and disjointed inventory created a significant pain point for the customer,” says Harrison. Further, when online sales were returned to the store, those transactions counted toward a sale for the e-commerce merchants but were a problem for the store merchants, because their sales went down, he says. The channel conflict and misaligned strategy culminated in major organizational changes.

“The organizations had to be redesigned, and processes had to be remapped, so that we would put the customer in the center of the world,” Harrison says. Macy’s has since eliminated these barriers by moving to one hybrid organization, combining online and in-store marketing and merchandising teams to create one consistent view of the customer, with cross-channel responsibility for the sales margin and earnings of the store.

## ELIMINATING CHANNEL ISOLATION

Target is another established retailer that has unified its formerly separate teams from its physical and online stores. “We declared that, strategically, mobile was now the front door to Target,” says Carl. “All of our product teams became mobile product teams, grounded in our guests and designing the right experience for them.”

For instance, Target discovered that the bulk of revenue for one particular product category—patio furniture—was derived from online purchases. Since the “patio furniture organization” now includes both its in-store and online teams, the retailer was free to change its in-store marketing approach to reflect the reality that the purchase would probably be made online, as well as redesign its approach to fulfillment.

Meanwhile, fashion retailer Rebecca Minkoff has created numerous connected channels for shoppers, including the dressing room itself. For example, a shopper might try on a dress in the store, and thanks to the fitting room’s “connected wall,” she can view coordinating items and save her session to her smartphone. If she chooses to purchase one of those items later on at home, the information is immediately available—exactly what she tried on—directly from the mobile device or by calling the store. “You don’t have to go through that awkward scenario saying, ‘I tried on

Businesses are finding that omnichannel integration can wreak havoc on metrics, including sales incentives and regional sales numbers ...

this black jacket with this zipper? Instead, all our systems know about it, and we can get it for you,” Culp says.

Rebecca Minkoff has also developed a “universal customer identification number,” through which customers agree to be identified. For example, if the shopper forgoes a purchase in the store but continues to view the items periodically online at a later time, the retailer can sense this activity and engage with the shopper in a highly personal and contextual way.

“Because we’ve seen her go through these different channels, through her universal customer ID, we can remarket to her in a really high-impact way, like a text message or e-mail saying, ‘Come in, meet with our stylist. Let us help you find that special dress you keep looking for,’” says Culp.

### **A SALE IS A SALE IS A SALE**

Businesses are finding, however, that omnichannel integration can wreak havoc on metrics, including sales incentives and regional sales numbers that have been key business performance indicators until now. “As a salesperson, if I know this customer is not going to buy today, I probably won’t deliver the best service,” Arussy says. “My compensation and my metrics are all about sales, so I don’t want to invest my time in that customer.”

When Macy’s had two organizations taking care of the customer—the dot-coms and the stores—it had the traditional success metrics: sales, gross margins, earnings. But because the e-commerce and physical stores were executing them separately, “we had two sets of incentives. The associates in both teams were trying to focus on their business—either sell digitally, or sell in-store,” Harrison says.

As part of its initiative to change that, Macy’s cross-pollinated talent, moving people from the stores to the online business to provide them with the exposure to and experience of both channels. Next, it launched a pilot to put its “social dresses” business into a single view of inventory, in which all the selling activity, stock ledgers, on-order files, and other information was consistent and reliable. The result: Sales improved significantly, according to Harrison, “and we even got an improvement in the natural margin, because the teams started looking at the strategy synergistically across the enterprise. It removed a lot of the friction at the touchpoints,” he says.

At Target, individual stores now receive generous credit for online sales that occur in the ZIP code regions surrounding their stores. Target has reset its system to make sure everyone is working to the same end. Store employees are “our greatest ambassadors out there, 300,000 strong,” says Carl. “They love to drive sales through mobile now, because they’re getting credit for it. So we’re channel-agnostic. We just want the sale at Target.”

Rebecca Minkoff leadership has also worked to develop and implement omnichannel, customer-centric metrics, although Culp admits it’s been “one of the most complicated things I’ve ever done.”

In a traditional organization, incentives are aligned separately around retail staff, customer care, and the e-commerce team, she explains. “What’s really critical is creating almost that perfect storm where all three are aligned, with the customer at the center,” says Culp.

The retailer appears to have achieved omnichannel nirvana, and the customer benefits as a result. Says Culp, “No matter where customers shop, we are incentivized internally to provide the best level of service. If she goes into the store and can’t find a product in her size, she needs help, and we need to facilitate that. If she says, ‘I want to order it online and ship it to this state,’ the in-store stylist can help her do that because that’s part of the omnichannel commission.”

Sonae’s Reis agrees that retailers need to forget about who is getting the sale. “You are getting the sale as a company,” he says. “It’s very stupid to put labels on things like ‘the mobile customer’—it is ‘the customer.’” In the long run, he says, “we have to stop [differentiating based on] the way customers interact with us. Yes, the customer interacts with us through more types of devices, but our answer has to stay as coherent and consistent as it was in the days of the mom-and-pop store.”

## LOOKING FORWARD

The rise of mobility, combined with the fast pace of modern life, make it crucial to provide users with the most relevant information in these intent-rich moments, whether they are seeking flight information, how to complete a home repair, or the best price and nearby location to buy a Vitamix blender. It’s not enough to master mobile, however. The name of the game is to connect the digital “breadcrumbs” as customers move across screens, across channels, and across the organization and to provide a consistent experience wherever they roam.

To thrive in the digital world, marketers need to study their customers every minute of the day and be ready to respond to the micro-moments when customers need something that matters to them. “The task is to identify the opportunities to delight the customer and create amplifying experiences,” says SageBerry’s Dennis. “Giving them real satisfaction will give you an edge and differentiation in an increasingly competitive and noisy market.”

## ENDNOTES

- 1 “Mobile Millennials: Over 85 percent of Generation Y Owns Smartphones,” Nielsen, September 5, 2014
- 2 Erich Joachimsthaler, “The Flight of the Bumble Bee: Marketing in the Age of Micro-Moments,” LinkedIn, July 27, 2015
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- 7 “IDC Futurescape: Worldwide Retail 2015 Predictions—It’s All About Participation Now,” IDC, November 2014

**NOTES**



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