Contextual Mobile Services

High performance. Delivered.
To date, these applications have looked the same, and worked in the same way, for every customer. But this is set to change.

The next iteration of mobile applications will be contextual. This means applications that are context aware, providing a personalized service to each individual user, driven by his or her particular needs and interests at any point in time. A contextual service will change in real time as a user’s circumstances change. What a user is doing, and where they’re doing it, will become essential factors in designing and using mobile applications.

These personalized services won’t be limited to smartphones, or even watches. The Internet of Things will allow connected buildings, vehicles, billboards, virtually anything, to interact with a user’s devices to provide the context for a highly individual service.

The future is personal

The first wave of mobile applications has transformed entire industries. Millions of apps are now available and more are being created every day. In the consumer space, the runaway success of Pokémon Go is a prime example of the power and attraction of apps. Meanwhile, in the commercial arena, businesses are using mobile applications to increase sales, reduce costs and disrupt markets.
Paying without paying

Imagine walking out of a supermarket having paid for your shopping without queuing at the checkout. Imagine walking into a stadium having paid for your ticket with a fingerprint. These are just two of the capabilities that contextual services could allow.

Several innovations have already made the process of paying for goods and services easier. Banks have launched contactless payments, Amazon have their ‘1-Click’ checkout, and smartphone manufacturers have incorporated technology to support the launch of services like Apple Pay and Android Pay. Contextual services can take these developments even further as location, time, previous behaviors, and other factors, are taken into account.

Hilton Hotels, for example, has launched a digital key that automates previously laborious manual tasks. Similarly, the checkout process has been digitized. Checking out of a Hilton Hotel is now done through a simple mobile application. A customer can check and confirm the bill ahead of time, payment is taken by a pre-registered method, and a receipt is received by email.

Pre-emptive customer service

Contextual applications have the capacity to make smarter services and happier customers. The frustrated customer who has to repeat a set of troubleshooting steps over the phone to a service agent, having already tried those steps using a web-based or mobile tool, will be a thing of the past.

Organizations will be able to present a customer’s past behavior to an agent before he or she even picks up a call. Indeed, this kind of pre-emptive customer service will become the norm. Customers will soon expect a business to know what has happened, and what the customer has already tried, before a service call begins.

Services within services

As organizations look to collaborate, share data, and develop associated products, contextual applications will enable new approaches to serving customers and the delivery of ‘services within services’.

This is already happening. Users of Facebook’s Messenger app can, for example, book an Uber directly through the app’s conversation window, without the need to switch to the Uber app.

A conversation taking place within one service – two people arranging to meet, for example – provides the context for a complete transaction using a different but integrated service. This way, Uber has access to some 800 million potential customers. Facebook gets to retain engaged users and capture more data, apply analytics to it and acquire further insights into their behavior. The benefits to both parties are obvious.
So why contextualize?

We set out five of the most important advantages that contextual services can bring to businesses:

Better customer experience

Personalizing an application – whether functionality or content – will mean a more relevant service for each individual user. This, in turn, will lead to a more engaged, more loyal set of customers who can act as advocates for a brand and promote a business.

More sales

Having the capacity to promote tailored offers to customers, at the right time and in the right place, will drive sales. A contextual service offers an enticing opportunity to increase conversion rates by presenting an individual with a product or service that they are more likely to want and more likely to purchase.

Lower costs

There are efficiencies in the way that a contextual service can be developed and managed, which can lead to cost reductions. An application or service can be developed using a single codebase, for example. It’s the content, navigation and design within a contextual application that change with the circumstances of each user. This makes managing the application easier. And that can reduce operational costs.

Single customer view

A contextual service can support a business in developing a single view of a customer, irrespective of the channel through which they interact with the organization. By breaking down silos of information within a business, a contextual application can support a consistent, cross-channel experience.

Better analytics

The vast amount of data about a user’s behavior that a contextual service will generate can be quickly and easily transformed into valuable analytics and insights. Contextual services can effectively ‘learn’ what a customer wants or needs in any context and use that information to further personalize the service.
Managing the data

The nature of contextual services is such that they cannot work without the right data. And the more data available, the more relevant and personalized the services that can be developed. This means taking data in real time from the sensors in or near the device on which the application is installed, or from user interaction with the device. It also means taking data from external sources like CRM systems, records of past purchases and, perhaps, social media networks.

But having access to so much data brings concerns about security and permission. Given the breadth of data which might be generated by contextual services, the way in which relevant user permissions are obtained will need to be carefully considered. Users must fully understand what access to the data is required and why, how data will be used, and how secure it is. Appeasing customer anxiety in these areas will be critical to attracting and retaining users.

Plan for change

The digital world moves fast. Services that disrupted traditional markets are themselves being disrupted by new or improved services from start-ups or existing players. It doesn't seem so long ago that physical CDs were largely replaced by music download services. It seems even less time since those download services then found themselves disrupted by streaming services.

Within six months of launch, Apple Music signed up 10 million paying subscribers. It took Spotify almost six years to reach that milestone.

The implications for organizations that fail to plan for this fast and accelerating pace of change are huge. The way that a business interacts with its customers (and its employees and suppliers) is set to fundamentally change as the number and variety of connected devices joining the Internet of Things continues to grow. No market or industry will be unaffected.

Companies should ensure that they stay ahead of the game by recognizing the value of contextual services and having the capabilities in place to make use of them. This involves knowing what customers are doing in real time and in relation to other variables. It also means knowing how applications are performing, and having the processes in place to adapt and improve them at speed.

The quickest and simplest way forward may be to partner with organizations that offer complementary or supporting services. Collaborating with like-minded companies will mean new and improved services can be delivered to relevant markets at speed. Going it alone will be lengthy and expensive. Either way, this need should not be ignored. Organizations that fail to act won't be able to keep pace with their customers’ expectations. They risk falling behind their competitors, as other businesses embrace contextual services and become leaders in the future mobile services market.

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