

Connecting Consumers and the Offer

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Mobile and retail ought to be a match made in heaven, but new solutions are needed to overcome problems with traditional infrastructure.

Our mobile phones have the potential to take us far beyond old-fashioned paper coupons, create powerful calls to action and propel loyalty programs that help us obtain the products and services we love. Brands are already working in all these arenas – but there are challenges. Point-of-sale technology; not all point-of-sale equipment can cope with coupons on smartphones, and frequent changes to mobile screen specs – such as the introduction of Gorilla Glass – have only made scanning more difficult and unpredictable.

Near field communication (NFC) is gaining acceptance (as evidenced by its inclusion in new Samsung and other Android handsets), but cannot be used broadly until the supporting

retail infrastructure is in place.

These are real barriers to usability, and there's no sign that they are likely to be resolved anytime soon.

MasterCard's new Mobile Payments Readiness Index (mobilereadiness.mastercard.com) identified Singapore as the most prepared followed by Canada, the US and Kenya; even Singapore's readiness, however, measures well below MasterCard's predicted inflection point.

Targeting shoppers

The shopper marketing examples on display at the 2013 Mobile World Congress showed distinct improvements in targeting relevant offers to supermarket consumers, but we are at least three to five years away from an infrastructure-based solution. The good news is that solutions that rely on mobile and active consumerism, powered by incentives, can sometimes circumvent the need for point-of-sale technology.

Inaudible frequencies reveal your location

US-based Shopkick (shopkick.com) is a shopping rewards program that gives consumers points when they enter a retailer and scan or buy products. Recently, the company has been exploring the use of inaudible frequencies added to in-store music as a way of activating points: the frequencies are picked up by the phone's microphone and the user's account is automatically credited. The technology can also be refined aisle by aisle, to help track consumer journeys and deliver offers throughout the store. Shopkick reached profitability after just three years, and currently claims to have 7,500 retail partners and nearly four million users in the US.

NTT Docomo is testing a similar "online to offline" (or O2O) system in 170 stores in Tokyo under the brand name shoppulatto. Yet another Japan-based O2O platform is called Smapo (smapo.jp), and Docomo just launched a second app named Shoplat (shoplat.net) that mimics Smapo's features. The beauty of these systems is that they overcome the

limitations of traditional geo-location, which can trigger messages to consumers who are not near a given outlet. While geo-location targeting is improving thanks to Google's indoor mapping for malls, there's still room for improvement.

Alternative solutions

There are additional alternative solutions which require consumers to scan receipts or product barcodes, or just take a picture of a product. This input is then compared to a database, and consumers can be credited with points in near realtime. The key commercial benefit is that – though the personally identifiable information associated with the shoppers is masked – marketers can see what other goods consumers are buying along with their companies' own products. Endorse (endorse.com), which was recently launched in the US, is a free mobile app that enables consumers to earn vouchers for redeeming certain products and sharing what they are buying. The value exchange is identical to Shopkick's, in that consumers are rewarded in exchange for their data. These types of apps are retailer-neutral and allow brands to assess shopper habits and purchase patterns without having to go through individual retailers.

Advantages for advertisers

The advantages for brands of using these kinds of systems are growing, and behavior- and interestbased targeting capabilities are improving. And don't forget about experiential: Burberry allows purchasers to scan a product tag and then watch a film of how the item was made.

Sure, solutions will come and go, but today's options allow brands to join the consumer on their retail journey. So rather than seeing barriers and waiting for traditional infrastructure to develop, be honest and open with consumers, jump in and try something already available. You're likely to learn a lot, and delight a few consumers in the process deliver added value. Today.

Connecting feature phones with the new world

While smartphone penetration gets the lion's share of attention, many people in Asia and Africa still use simpler, more cost-effective feature phones to stay connected. There are an estimated 600 million such phones in Asia, and most are operated via pre-paid cards. What many users don't realize is that pre-paid cards often allow for some data usage, in addition to voice and text messaging. It can be difficult to jumpstart new behaviors, but Facebook helps drive awareness of such data availability via being optimized for mobile alongside the mobile ready browser Opera Mini.

Integrating with Video

There is a growing opportunity to link mobile couponing and offers with video advertising. In some countries in Southeast Asia, for example, communications networks are still developing, resulting in the need for multiple TV plans to accommodate different TV schedules. For mobile, you would only need one. And now that mobile is being used in conjunction with TV viewing, there are new opportunities to integrate mobile marketing. A TV commercial for an ice cream brand, for example, could deliver an inaudible frequency that could activate a coupon for the advertised ice cream on a viewer's phone.

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