



Breakfast Seminar

29th June 2011

This event discussed the growing opportunities for retailers to use digital media, in particular mobile, for advertising. It focused further on the challenges and opportunities around m-commerce for retailers, their agencies and media owners.

in association with



Chair

Torin Douglas
Media Correspondent, BBC

Panel

Claire Valoti
Head of Display & Mobile,
Mindshare

Nick White
Head of E-Commerce, Waitrose

Harriet Williams
Head of Digital Development,
Debenhams

Shaun Gregory
Managing Director, O₂ Media



FULL HOUSE

60 delegates in total...



...from companies such as:



Mobile in Retail presentation

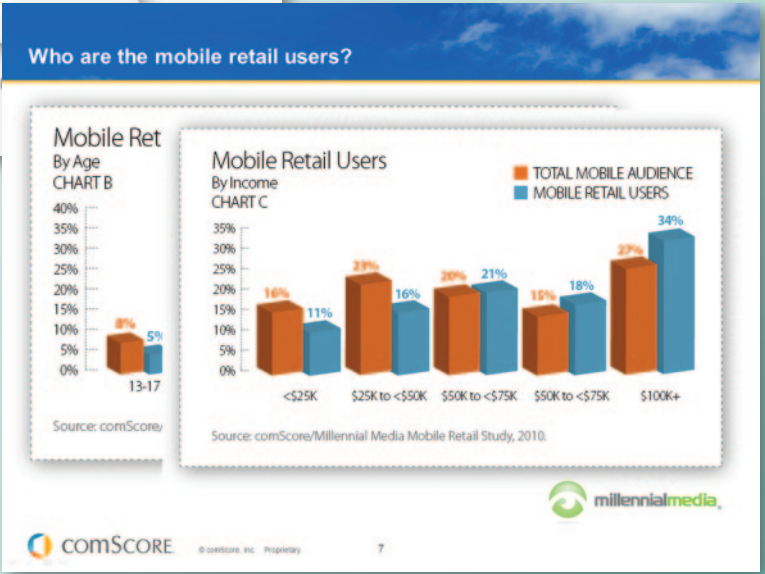
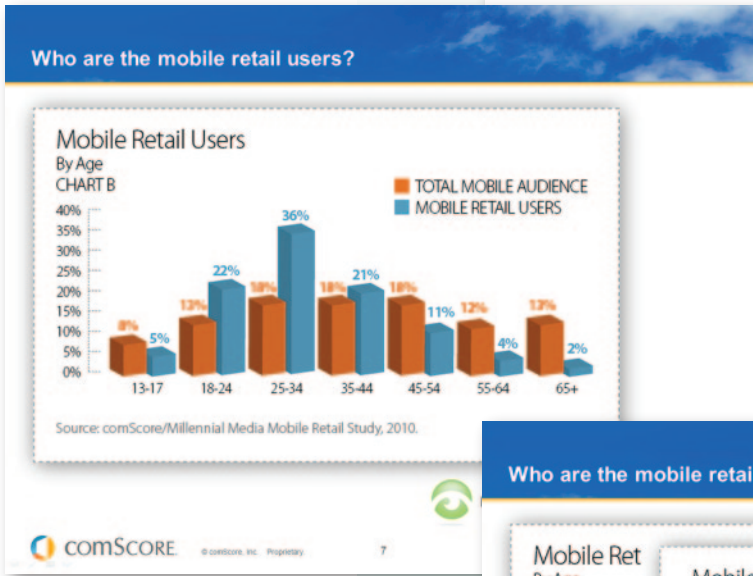


Jeremy Copp
Vice President Mobile Europe, comScore

UK Mobile web browsing

Over **6.8** million UK consumers, **31.3%** of the audience, **Browsed retail sites on their mobile phone** **in April**

4 Source: comScore GSMA Mobile Media Metrics, April 2011 UK data



O2 mobile wallet venture to launch "next quarter"

Shona Ghosh
StrategyEye

StrategyEye

sales@strategyeye.com +44 (0)20 7930 4158

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NEWS O2 mobile wallet venture to launch "next quarter"

By **Shona Ghosh**
Wed Jun 29 2011, 17:08 PM

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O2 says its mobile wallet service will launch in the next quarter, with the company's MD, Shaun Gregory, predicting that the latter half of 2011 will see a raft of mobile payment services entering the market. Speaking at a MediaTel retail and media seminar this week, Gregory says O2's app will allow customers to use any mobile phone enabled with near field communication (NFC) technology to pay for items on location. While consumers can already add payments to their bill, they are currently restricted to fixed amounts, which will change in the second half of the year when O2 launches its service. Gregory also hints that consumers will be able to tie their loyalty

Image Gallery

1 image click to show

Retail and mobile - The agency role

Liz Jaques

Newsline Editor, MediaTel Group

Agencies have an important role to play to help position mobile in the media mix, according to the panel at MediaTel's Retail and Media event yesterday, in association with O2 Media.

Mobile has become crucial to improving the shopping experience, building brand loyalty and driving sales, and alongside that agencies can "definitely improve campaign planning", Harriet Williams, head of digital development at Debenhams said.



Claire Valoti (left), head of display and mobile at Mindshare, explained that agencies have changed and become more open: "There has been a realisation that without working collaboratively, we won't get ahead of consumers."

Valoti said agencies are more involved in open source planning now and run workshops with clients and retailers to work out "the best mobile plan". "Mobile is still a minefield," she added, explaining that agencies can offer clients mobile knowledge and expertise.

Meanwhile, Shaun Gregory, managing director of O2 Media, believes the role of the agency will evolve around the future of data - data management and CRM. He said agencies have the ability to manage data, something which others would struggle with.

Waitrose head of e-commerce Nick White also spoke about the structural changes within retailers: "We need to focus on how we organise ourselves internally too... it's about integration to hit an end target." White said it is difficult to pin-point just one channel but retailers are keen to get results, which is something agencies can help with. ●

'Mobile wallet will be a reality this year'

Liz Jaques

Newsline Editor, MediaTel Group

O2 Media confirmed that the 'mobile wallet' will launch in the second half of this year at MediaTel Group's Retail and Media event on Wednesday, in association with O2.

On the panel, O2 Media's managing director Shaun Gregory (right) revealed that the operators are at the "planning before launch stage" of their joint venture. O2, Vodafone and Everything Everywhere are working together to provide a single point of contact for advertisers, banks and retailers.

The 'wallet' will take the form of a smartphone app and will enable contactless-payments through partner banks, as well as send users offers and vouchers from advertisers. Gregory described the wallet as "a seamless experience through mobile" and quoted Google's Eric Schmidt as saying he expects it to be a 'trillion dollar industry'.

Credit card players are also involved in the mobile money venture, according to Gregory, who said that "the curtains will open in the second half of this year". According to Gregory, the "consumer will decide who wins". He expects the service to be "adopted faster than people think" and confirmed that "there has been lots of investment into it".

However, Claire Valoti, head of display & mobile at Mindshare, said that whilst there was no apparent consumer need for it in the UK, the big players have invested to create a customer need. However, she added that it "is a logistical nightmare for retailers".



"Operators are working in a collaborative way, which is good, but how we do it is key," she added. "The players need to get it right for the consumer - there is a lot of pressure on operators."

Meanwhile, Harriet Williams, head of digital development at Debenhams, said a digital wallet needs to add value if it is going to work - "there needs to be an added benefit for the consumer".

Eventually, Gregory sees mobile being able "to organise everything for the consumer". He talked of having credit cards, loyalty cards, receipts and so on being "dropped" into the mobile wallet to simplify the customer experience. ●

M-commerce leads to incremental growth

Liz Jaques

Newsline Editor, MediaTel Group

Mobile is a "great channel" to acquire new business, according to Debenham's head of digital development Harriet Williams.

Speaking at MediaTel Group's invite-only Retail and Media event held in association with O2 Media at the Haymarket Hotel yesterday, Williams (right) said that in her experience the majority of growth from m-commerce is incremental. "It is a great channel to attract new customers and increase the frequency of existing customers", she said whilst also revealing that the Debenhams app sees its usage peak out of hours at 10pm.

Shaun Gregory, managing director at O2 Media, said retailers are using mobile to increase basket size, build loyalty and generate feedback - "it goes beyond money."

The panel agreed that consumer expectation will drive investment in m-commerce sites and apps, with Gregory pointing out that half of UK consumers are already transacting on their mobile.

Nick White, head of e-commerce at Waitrose, talked of the importance of harnessing digital channels to build brands and interact with customers. He believes mobile and online activity also drives more spend in-store. "Mobile is integral to the CRM journey, and there is a huge opportunity but we have to get it right," he said.

"We've analysed 4 years of EPOS data and it shows that m-commerce is additional. The people that engage are

higher value and people are incremental - there is a halo effect," he added.

White portrayed two types of mobile consumers - the "vending machine customer", which are time-poor Londoners who want to use mobile to add forgotten items to their basket late at night; and "multi-channel customers", who live outside London and use mobile and online services for content (such as reading recipes).

However, White touched on the challenges relating to meeting customer expectation and what is realistic from an operational point of view. "It is a very complex process," he said.

Claire Valoti, head of display & mobile at Mindshare, on the other hand believes that retailers have to find a way to offer an m-commerce experience because customers want and expect the service.

Gregory agreed that "the biggest challenge is that consumer expectation is already there".

Gregory used Argos as an example of a retailer "getting it right" - driving consumers to the site, encouraging purchase, texting updates on their item, and then getting people to go in-store to collect it. "It is a great customer experience," he said. ●



Mobile "check-ins are dead"

Liz Jaques

Newsline Editor, MediaTel Group

'Check-ins are dead - it's hard for the consumers,' according to Harriet Williams, head of digital development at Debenhams.

Speaking at MediaTel's invite-only Retail and Media event on Wednesday, in association with O2, Williams said it is early days for Debenhams in terms of creating location-based mobile services. The company is currently trialling Facebook Deals and apps such as Vouchercloud. "It is important to think about your

objective and what you're trying to do," she said. "Facebook Deals can go viral but it's not seamless."

Shaun Gregory, managing director at O2 Media, referenced Starbucks as the best known example of a brand "doing location well", but said that O2 has been running a similar trial with L'Oreal and beauty products. Starbucks and O2 joined forces to test location-based messaging, which fences off geographic zones and pushes SMS discounts to O2 customers who enter those areas.

Starbucks has been offering customers 50% off discounts - delivered by text messages and redeemable at nearby stores. They are only pushed to people who have expressed an interest in food and beverages.

Gregory said "brands are getting clever now and thinking ahead" - and added that he wants the O2 solution to drive sales and incremental value. "We want it to be a seamless experience with no check-ins required." At the moment, O2 customers have to opt-in to the O2 More programme and share their interests to receive offers, which are limited to one text a day.

Williams said location is one of the unique services that mobile has to offer, but she emphasised the importance of getting customers to opt-in to avoid being intrusive. At the moment, Debenhams are "using SMS sparingly".

From the audience, Fiona Kyle, general manager brand alliance at Westfield, explained that the shopping centre's "aspiration is to offer a personalised journey so that shoppers will be able to reserve a table, book a treatment, navigate their way around and so on... We want to make their experience as seamless and

enjoyable as possible," she said, but she recognised that this was a sensitive issue - and that customers would literally turn off if their shopping experience involved a stream of messages from various parties.

Nick White (right), head of e-commerce at Waitrose, agreed that there is potential for a series of confusing relationships with the consumer at a number of levels - a John Lewis card-holder, who is an O2 customer, but is shopping at a Westfields mall. Who does the customer want to or expect to hear from?



Claire Valoti, head of display & mobile at Mindshare said Westfield has a CRM role - "it can offer a different approach to retailers, which are the point of sale. It already has a dialogue with customers through its website". While Gregory said location-based services offer an opportunity to talk to customers, "which they will welcome if it adds value to their experience... and if their experience is good, they will come back," he said. ●

Big challenges; Big prizes *opinion*

Derek Jones

Managing Director, MediaTel Group

Opportunity, technology, consumer needs/expectations and infrastructure were probably the key words and phrases at our Retail and Media breakfast event held in association with O2 Media earlier this week, which was attended by an invited audience representing leading agencies, media owners and some of the country's biggest retailers.



The debate left the world of mobile ads and search well behind for a change, with a firm emphasis on commerce. Much of the session was focused around the exciting opportunities offered by m-commerce in its many

guises - location-based or targeted offers, QR codes and "coupons" and the upcoming mobile wallets.

An exciting set of opportunities, and whilst it was clear that these are here now or arriving very soon, it was also very apparent that retailers will adopt these at very different paces. The infrastructure - be that payment

processing or delivery or just intra-business communications - would dictate the pace.

"It's a logistical nightmare for retailers, they must get it right for the customer," commented Mindshare's Claire Valoti - speaking with particular regard to the mobile wallet, although in fact her comment could have been applied across the whole m-commerce piece.

Claire spoke much of collaboration too when discussing retailers' consumer advertising planning. When this involves media agency (and possibly specialist agency) plus network operator, maybe the shopping mall and certainly the marketing and operations departments of the advertiser it looks like there is an awful lot of potential for e-commerce to be a business "set up to go wrong" as one of our retailers pointed out bluntly.

But when the audience heard Harriet Williams of Debenhams tell of mobile shopping peaks at 10pm and the majority of business being incremental, it does drive home that on a currently battered high street the prize for getting this right could be very big indeed. ●