



## The Retail Outlook

### Mobile Marketing's Future Is Now

It's not about pushing customers an advertisement to alert them to the location of the nearest brand-name coffee chain, regardless of their preferences, but rather alerting them to something they've expressed an interest in directly or indirectly.

#### Is Infrastructure in Place to Support Mobile Shoppers?

The short answer is, yes. In much of the developed world outside the United States, wireless technology reigns. In Europe, order takers take latte orders from sidewalk bistro's wirelessly on hand held portables that are both capable of transmitting the order to the kitchen and accepting credit cards. In Japan, soft-drink machines and ticket kiosks are commonly activated for payment via cell phone, and in Taiwan young men and women can set their mobile belt-based "date-finder" device to notify them when another "available" user who matches their desired profile passes within a three meter distance. It's just a matter of time before Americans become consumers in motion.

Wireless technology and wireless purchasing are all about giving people choices. Retailers have the opportunity to offer consumers the most useful and attractive features of one-to-one marketing without wasting their time on irrelevant pitches. They can attract customers with easy-to-obtain advantages such as a virtual coupon offered for something of identified interest and accompanied by an alert of the store's presence in the vicinity.

#### The Challenges of Permission Marketing

Retailers are embracing these new marketing techniques, but somewhat tentatively. Permission marketing can be one reason. Collecting the data and targeting the message is half the battle. The other half is getting permission to "tickle" the potential customer. Example #1: A teenager purchases a logo baseball cap of his favorite baseball team at the local mall. Before he completes the transaction, the associate asks him if he would like a 10 percent discount in return for signing up as a frequent shopper. If the process is simple, fast, and easy, the teenage will likely take advantage of the offer. Example #2: A retailer opens a store-based, self-service intranet kiosk for consumers to sign up for wireless information and in return obtain an immediate discount and/or the promise of future ones. While the associate takes care of other customers, the buyer can use the kiosk to provide name, address, age, gender, and e-mail address just by swiping a driver's license or credit

card, saving the consumer key strokes and the associate time. Consumer gain information alerts that can save them money and the retailer benefits from an additional channel for attracting buyers.

This type of opt-in information on products for which a customer has expressed interest can take a variety of forms. It can involve e-mail notification about pre-sale opportunities available from a web-based retail channel from which sales can be performed at the lowest cost—with no overhead, lights, rent, or associate. Or it can involve periodic reminders on a hand-held device to take the car for a tune-up, bring the cat to the vet, or make reservations for an anniversary dinner at a favorite restaurant. These reminders are not only convenient, but allow for fast and easy responses. Or it can involve sending a DVD movie sale notification to those customers who have taken a short survey online about movie preferences. Notification can match expressed interests, include movie descriptions, and provide convenient purchase locations.

### **Moving from Opportunity to Action**

Marketing mobility is making it critical for traditional retailers to:

- Automate consumer buying trend data
- Always have the right mix inventory in stock
- Dynamically alter prices based upon sales and market demand
- Electronically schedule direct store delivery from suppliers.
- Carefully monitor and manage customer purchase decisions.
- Capture customer demographic and buying patterns.
- Enable customers to experience e-commerce in the shop

Retailers must deploy a network infrastructure that can meet mobility marketing requirements. Supporting back-office system capabilities may well necessitate upgrading a business' WAN/LAN servers, routers, and switches. And preparing for the massive use of permission marketing, requires systems that can capture buyer data from all channels. At Mens' Warehouse, for instance, frequent buyers are issued bar-coded member cards that they give to an associate when they enter the store. It allows the associate to scan the central CRM database for past purchases, sizes, and style preferences. This type of in-store collection of buyer data most commonly performed by a kiosk will require a broadband network or wireless local area network (LAN). It also is dependent on an infrastructure that can reliably connect the store to its headquarters.

Retailers who truly want to integrate channels, implement robust demand-generation promotions, and effectively target marketing messages know that a fully integrated high-availability secure converged network and CRM system is essential. Though larger retailers have understood for some time the productivity and customer interaction benefits delivered by their networking services, smaller retailers are now discovering that they can also take advantage of advanced networking applications. 3Com retail networking solutions are designed to work in the retail environment and priced competitively to be attractive to budget conscience retail IT buyers.