

Shop 'Til You Drop: Strides in Selling Us More Stuff

By Becky Bracken

When you think about the strides communications technology has made in an incredibly short period of time, it's nothing short of breathtaking. We might not have teleporter just yet, but we've got the Jetsons' video phone nailed. That's pretty impressive.

But the true unsung hero of communications technology evolution is shopping. That's right, good old fashioned selling stuff to people who don't even know what they want is driving the development of all sorts of innovations. Depressing? Perhaps. But also exhilarating.

Service providers trying to carve out new revenue streams and enabling commerce is one of the most obvious. There is no doubt that the ubiquity of smartphones and connectivity is changing the way people shop. In fact,

according to comScore's latest findings, 38 percent of smartphone owners have used their phone to make a purchase at least once in the course of their device ownership. The most popular products purchased on smartphones during the month of September included digital goods, clothing/accessories, tickets and daily deals.

"Fueled by smartphone adoption, mobile is becoming a central part in the shopping funnel for many consumers," said Mark Donovan, comScore senior vice president for mobile. "In September we saw two-thirds of all smartphone owners perform shopping activities on their phones, including comparing products and prices, searching for coupons, taking product pictures or locating a retail store. Considering there are currently 90 million smartphone owners in the U.S., retailers without a well-developed mobile strategy are not only missing a tremendous opportunity with these customers, but also risk becoming obsolete



in the minds of these digital omnivores."

iCommerce: You Want It, You Know You Want It

We're walking around with devices that allow us to inhabit a virtual mall. Also depressing? Maybe. But many service providers see a golden opportunity. Consumers' hunger to buy stuff is making it easier than ever to make a purchase -- anytime, anywhere.

Take a trip to the local farmer's market and Jimbob can

whip out his card swipe smartphone attachment and accept your plastic faster than you can say "100 percent organic berries". Even the most back-to-basics-minded folks realize cash is clumsy and over. Mobile payment is demolishing shopping boundaries. Service providers with all kinds of angles are eying mobile commerce opportunities.

Amazon's patented 1-Click shopping tool is genius in its simplicity. The patent itself describes it as a, "method and system for placing a purchase order via a communications network." A customer only fills in their billing information once and then can make a purchase with a single click. No shopping cart, no time to re-think if the shipping costs are worth it. Other retailers have tried to use a similar one-click strategy and have been successfully sued by Amazon under the patent. Amazon has also licensed the technology to Apple.



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Operators like Telfonica are partnering with financial services providers like Visa to create sophisticated mobile payment environments for customers. The two companies have agreed to invest in the development of innovative products and services in areas such as mobile wallet, contactless payments (NFC), acquirer services for mobile point of sale, and merchant offers. Telfonica can leverage its network data and access, and Visa handles the financial-end of transaction. It's a beautiful marriage for retailers and advertisers alike.

"Visa has been an important partner for a number of years in Europe, helping us to trial, test and ultimately launch mobile payments products," said Joaquin Mata, director of Financial Services at Telefónica Digital says. "This market has enormous untapped potential and through this partnership with Visa Europe, we aim to unlock significant new business opportunities."

OTT players are developing their own commerce strategies. TiVo and PayPal recently announced they have teamed up to provide TiVo users with the ability to purchase products featured in interactive advertisements on the TiVo user interface through PayPal. This integration creates a new opportunity for advertisers and brands to connect with TiVo users and to turn their 30-second spots and interactive TiVo ad placements into actionable purchasing opportunities through a one-time account link.

Rebooting Retail

Service providers are also in a position to provide services to retailers to make the logistics of selling stuff simpler, and more lucrative. Oracle recently released a new analytics solution aimed at helping retailers better understand who's buying what when. These kinds of business intelligence solutions are driving a more efficient and personal shopping experience for consumers. Telecommunications networks have the wealth of consumer data necessary to offer meaningful insights.

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"The key to improving the customer experience is to understand the customer," said Greg Girard, program director, Merchandise Strategies, IDC Retail Insights. "Analytic solutions that help retailers gain insight into their customers' buying patterns lay the foundation for a deeper understanding and make it possible to create a personalized shopping experience while optimizing profitability."

The image is a promotional banner for a KnowledgeCast Webinar. At the top left, the word "Pipeline" is written in white on a dark blue background, with the tagline "Technology for Service Providers." below it. To the right, "KnowledgeCast Webinar" is written in blue. The main title of the webinar, "What Video Optimization Vendors Are Not Telling You", is centered in a large, bold, dark blue font. Below the title, it says "now available on demand" in a smaller blue font. Underneath that, it says "Featuring:" followed by two logos: "MOBIXELL Broadband Experience. Mobile" and "telesperience". At the bottom center, there is a dark blue button with the text "VIEW NOW" in white.

Payment-as-a-service solutions are also empowering merchants and boosting sales. VeriFone's SAIL service lets retailers make secure transactions with nothing but a free app and mobile card reader. For merchants with higher volumes

and multiple locations, SAIL offers integration with traditional VeriFone countertop devices that support EMV smartcard, NFC contactless, mobile wallet, and more. SAIL also includes tools to manage inventory, and connect with customers through social media and digital couponing. The prices are also extremely competitive. Lower-volume businesses can opt for a flat 2.7 percent fee for swiped transactions, while those with higher volumes may select a monthly \$9.95 subscription with a discounted 1.95 percent transaction fee.

Advanced Advertising

Pushing the edge of communications has always been an integral part of advertising—good advertising anyway. Solution providers like BlackArrow want to help broadcasters keep their advertising revenues through innovations like inserting ads in on-demand content. Time Warner Cable recently tapped BlackArrow to insert real-time, dynamic ad insertion in on-demand content.

Amdocs is beta testing a tool which integrates shopping with social networks and smart TV video. In the Amdocs demonstration, developers showed how a viewer can watch an episode of a favorite television program—this demo featured “Entourage”—see a fancy phone on screen, get an offer to buy one just like it, buy it, and post a message to a social media account about buying it all without ever missing a second of Ari Gold’s latest rant. The technology also “learns” your product preferences so it gets better at offering you only the stuff you want.

Communications technology is advancing in leaps and bounds and will likely surpass our wildest expectations in a handful of years. Who know, we may even see teleportation some

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day (easy, Trekkies). But the most mundane of tasks—selling stuff to people they didn’t know they want—is driving some of the most innovative and sophisticated of opportunities for service providers everywhere. Depressing? Hardly. There’s plenty of shopping left to do.

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