

Mobile Blueprint for Retail

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National Retail Federation (NRF)

- The world's largest retail trade association with membership that comprises all retail formats and channels of distribution.
 - Powerful lobby in Washington DC
 - Voted most influential lobbyist for 6 consecutive years
- Represents an industry with:
 - \$4.5 trillion sales in 2007
 - 1.6 million U.S. retail companies
 - 25 million employees

Association for Retail Technology Standards

- The Standards Division of NRF
- Members (190) Retailers and Vendors
- International, 45% of members
- **Mission**
 - Enable the low cost, rapid deployment of technology in retail by reducing integration through platform independent, vendor neutral standards.



ARTS is but one Division of NRF



NATIONAL COUNCIL OF CHAIN RESTAURANTS
of the National Retail Federation



Complexity made Simple - ARTS

ARTS - Products

- **Standards**
 - ❑ Data Model – Operational and Warehouse
 - ❑ UnifiedPOS – Peripheral interface
 - ❑ ARTS-XML - XML Messages
- **Technical reports**
 - ❑ Best Practices – PCI, XML
 - ❑ Requests for Proposal
 - ❑ Blueprints – SOA, Cloud Computing

NRF & ARTS Mobile Initiative

- The purpose of this effort is to gather and present to organizations developing standards, business processes, applications and devices for mobile transactions, **retailer desires and absolute requirements** for adoption of mobile technology, including payment, within their enterprises that will maximize benefits, and minimize implementation expense, on-going costs and fees.

Step 1: Create a Mobile Blueprint

- *Encourage and guide retailers in planning and implementing initial mobile applications, including mobile payments, mobile marketing, and internal operations.*
- *Educate retailers on the current and planned direction of mobile opportunities so that they can:*
 - *Provide detailed standards requirements to ARTS and other standards organizations;*
 - *Identify requirements (technologies, applications, processes, standards) that will facilitate adoption of mobile in retail “initiative” and to lobby all involved.*

Participants

- **Retailers**

- BJ's Wholesale
- Darden
- El Corte Ingles
- Home Depot
- Kohl's
- Limited Brands
- Post office - UK
- Safeway
- Sonic Drive In
- Yum Brands

- **Vendors**

- Cellpoint Mobile
- Cisco
- Epson
- IBM
- Motorola
- Oracle
- Verizon Business
- Vivo Tech
- Wincor - Nixdorf

Participants – cont.

- **Associations**
 - ARTS
 - GS1 US
 - GSMA
 - MIT Auto-ID Labs
 - NACHA
 - NFC-Forum
 - SmartCard Alliance

Status and Plans

- Mission established
- Committee Formed
 - Chair - Sonic Drive In
 - Vice Ch – Oracle
 - Vice Ch – Cellpoint Mobile
- Content outline created
- Meeting bi-weekly
- Target completion June 2010
- Soliciting contributions

Blueprint Content

- 1. Importance of Mobile in Retail**
 - A. Customer Loyalty and Marketing
 - B. Payment - alternatives and convenience
 - C. New and Enhance store operational processes
- 2. Business Case Studies**
- 3. Implementation Strategies**
 - A. What is Mobile?
 - B. Status and forecast for Mobile
 - C. Existing Global standards
 - D. Approach to Mobilization/ Path to Mobile
- 4. How to and Costs of creating a Mobile infrastructure**
- 5. Guidelines for creating ROI**
- 6. Appendix**
 - A. Players (e.g., Mobile Ecosystem, providers,)
 - B. Glossary
 - C. Reference links

North American POS

- 10.4 million POS terminals
 - Average life 7+ years
 - Windows is principal OS

Must protect investment

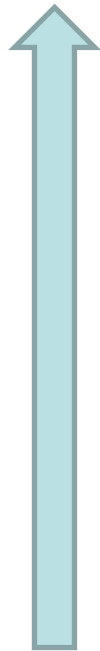
Standards to Consider

- ARTS
 - Data Model and Dictionary for Retail context
 - XML Schemas for retail transactions
 - POS
 - Stored Value
 - Digital Receipt
 - Customer Loyalty
 - UnifiedPOS
 - NFC reader connectivity
 - Electronic money

Review on:

www.NRF-ARTS.org

Steps to Success



Wide adoption of mobile wallet

Global format agreement

Majority of phone are NFC

Network of Trusted Service Managers

Standard electronic coupons

Remote payments via SMS

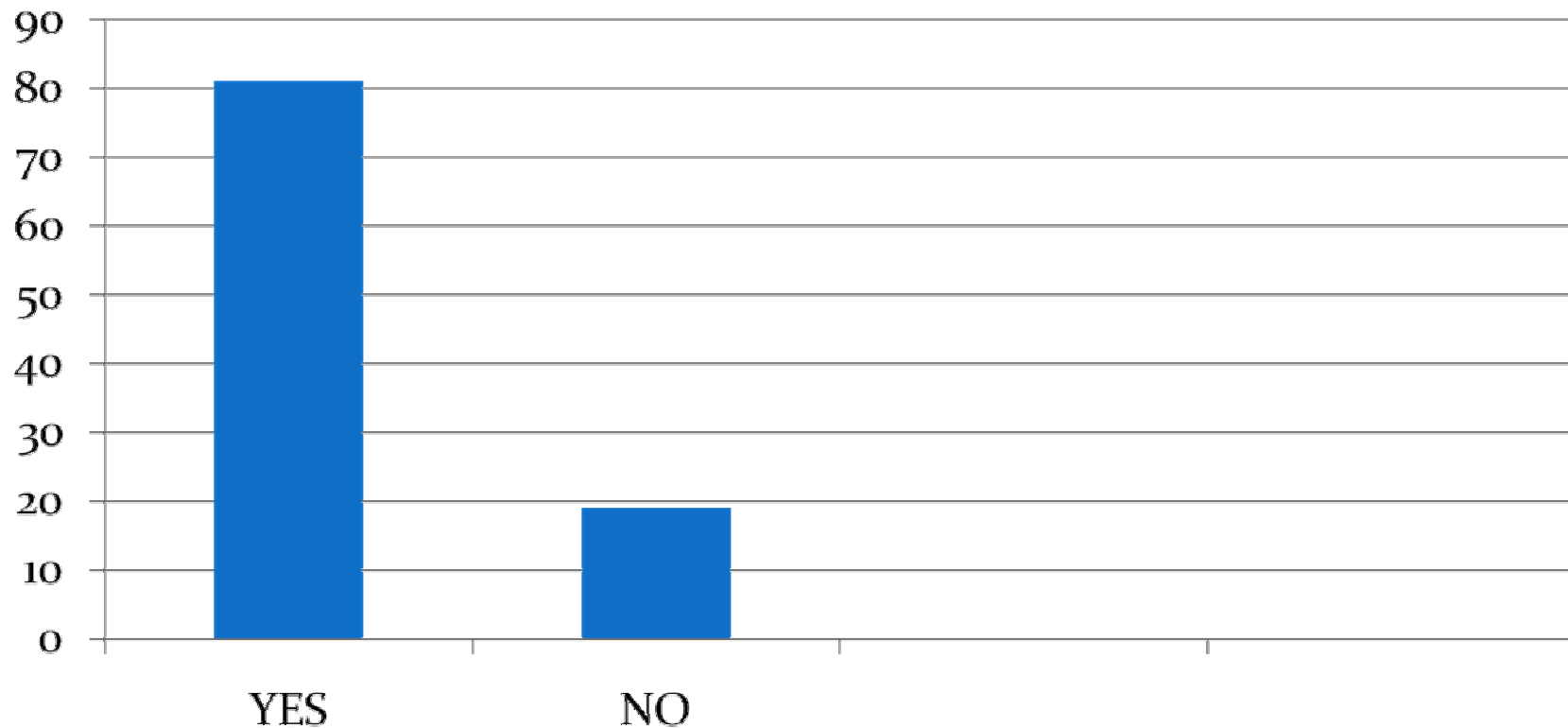
Contactless

Retailer Requirements for Mobile Payments

- Lower/No additional fees
- No additional security regulations (PCI)
- PIN numbers for Debit
- Integratable with existing mobile initiatives
 - Self service
 - Promotions
 - Loyalty/CRM
- New Payment options
- Full transaction set
- Convenient, simple, reliable, fast

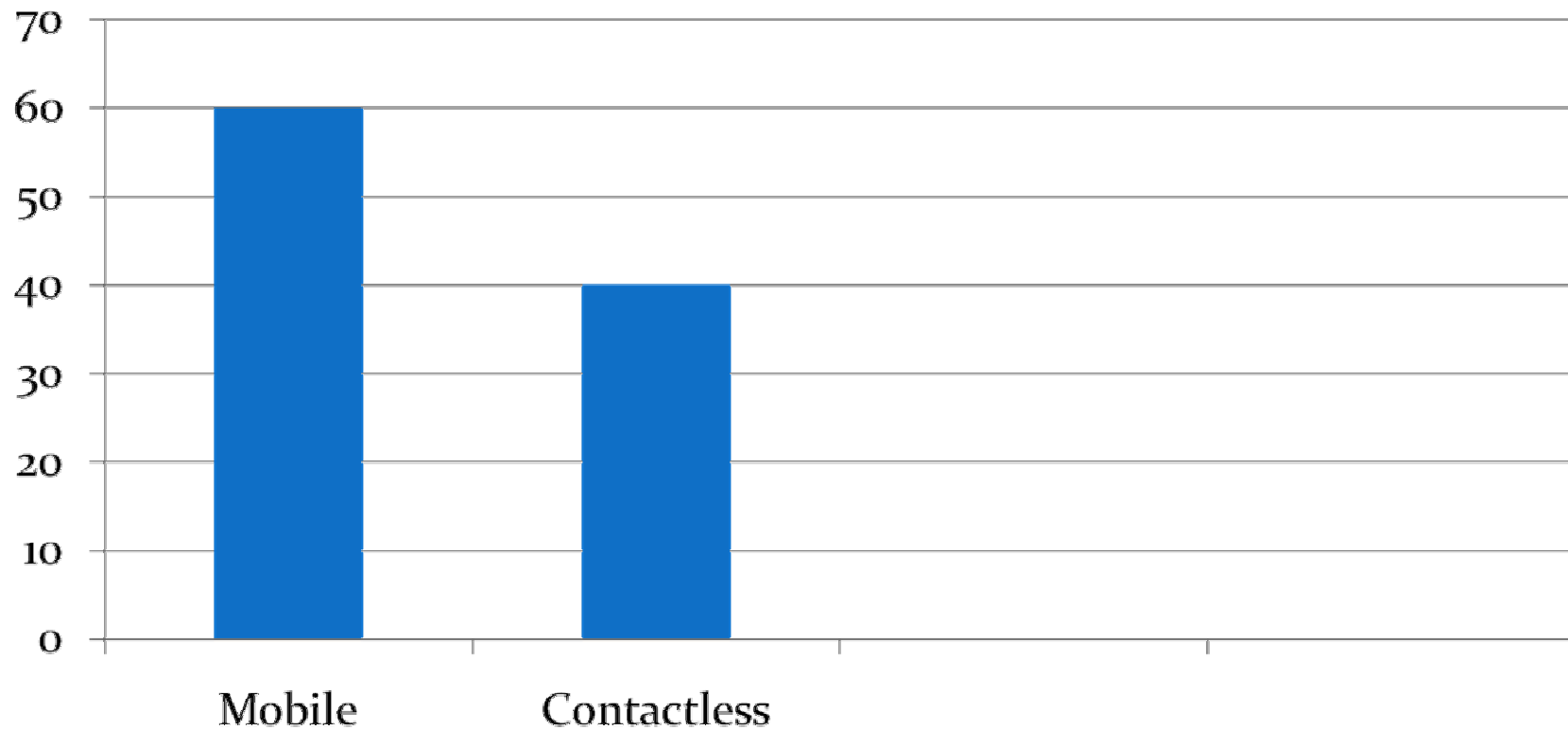
Retailer Survey Results

Do you support conversion to Contactless and Mobile?



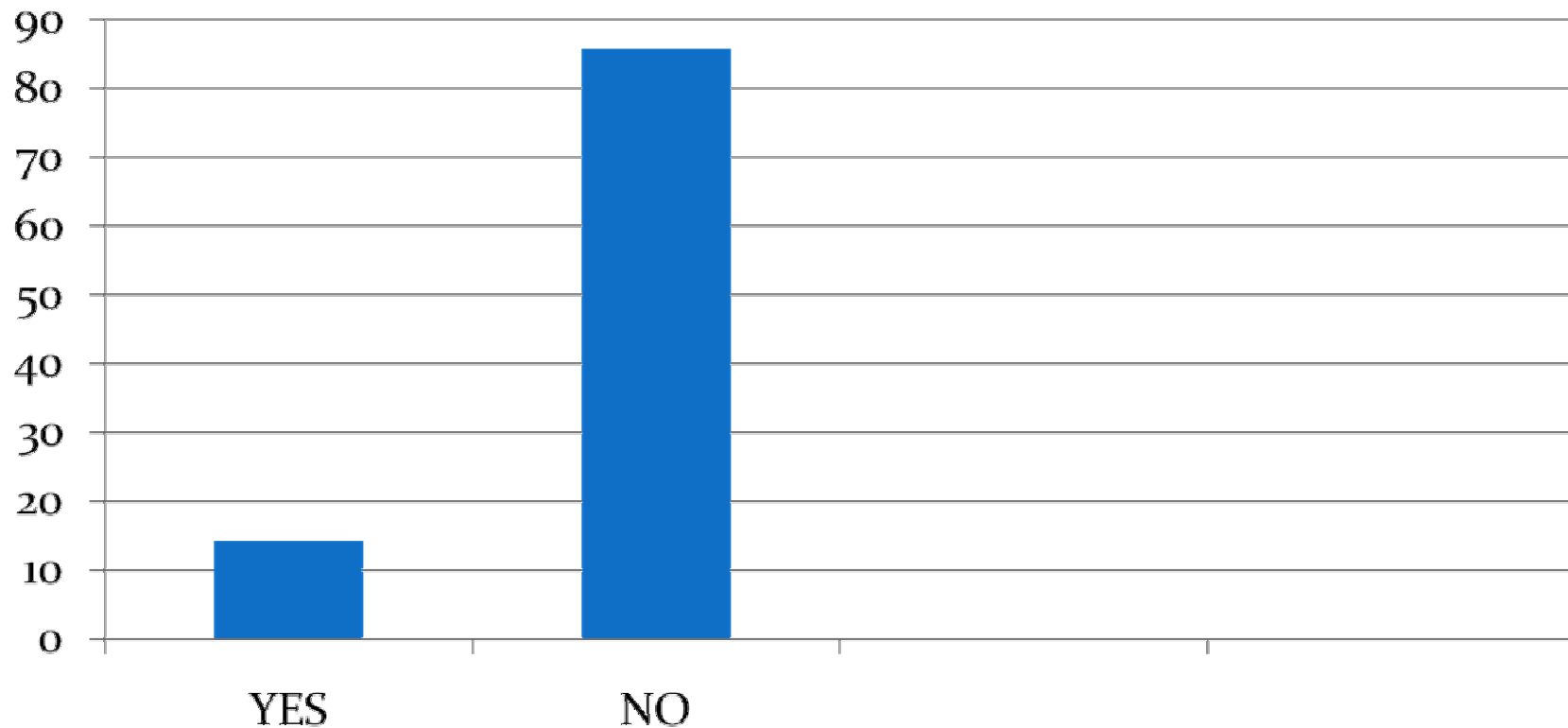
Retailer Survey Results

Which do you prefer?



Retailer Survey Results

Are you willing to pay additional fees for convenience?



Retail and Finance/Banking



Challenges

- Electronic Benefit Transfer – 2002/2004 Minor impact
- Sarbanes-Oxley Act (SOX) - July 2002
 - HUGE direct costs
 - Diverted 25% of development resources
- Payment Card Industry DSS (PCI) – December 2004
 - HUGE direct costs
 - Unclear and Unreasonable

The Great Divide

- Estimated Interchange Fees
 - \$48 billion in 2008
 - \$2 of every \$100 consumers charge
 - Only 13% go to actual cost of processing
 - Credit Card Fair Fee Act July 2008

Partnering With Retail

- Retail will take charge of mobile in their own environment
 - This includes payments
- Opportunities exists
 - Must be a joint effort, not forced

Thanks for Listing Q&A

WWW.NRF-ARTS.ORG