

Passport To Purchase:
M-Commerce

January 2011

WHITE PAPER

As online technology and services develop, mobile online technology and services of the same kind are sure to follow. This is true of mobile commerce. E-commerce has grown significantly over the past 10 years; and today, mobile commerce not only offers shoppers the same browser-based purchasing services via mobile, but in fact, allows more seamless crossing of channels from digital shopping to in-store shopping.

Key M-Commerce Takeaways

- An extension of online shopping, not a separate entity
- An immediate purchasing solution; it can be used almost anywhere at any time
- Can drive online and in-store sales and vice versa
- Not just for 20-somethings; the rapidly growing 40-plus group is larger than previously believed
- Hispanics are major users of mobile technology, followed by African-Americans
- Works best as part of a 360-degree marketing platform that integrates all selling channels, advertising venues, and promotional vehicles

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The Mobile Evolution

17% of consumers use their phones to purchase traditional mobile categories such as apps and ringtones, while just 6% purchase physical products or services via mobile.

Several factors are working in conjunction to rapidly move mobile commerce users beyond early adopters to mainstream consumers, including faster networks, growing smartphone penetration, and increased retailer focus on the emerging channel.

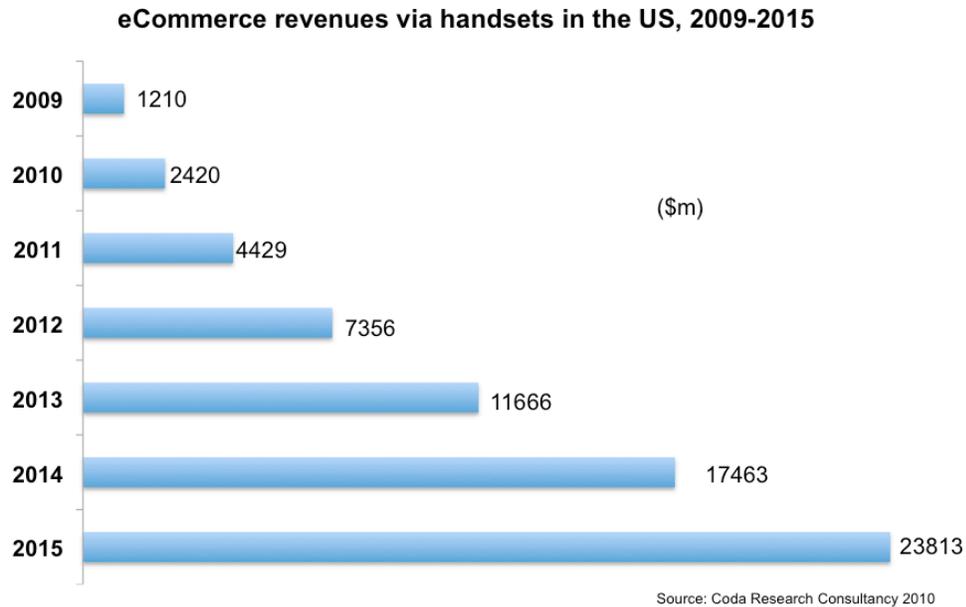
Over the past 18 months, retailers and service providers in categories from high-end apparel to online grocers to travel reservation to sports and event tickets have started to make mobile part of their multichannel strategies. But their focus on mobile commerce is fueled, in part, by the market's increased 3G compatibility and smartphone penetration.

3G technologies allow transactions to be conducted faster and with fewer dropped sessions. Andrew Hahn, Vice President, Consumer Strategist, Media/Entertainment/Technology at Iconoculture, says new smartphones more closely mimic PCs in terms of user experience. "Older operating systems didn't make it seem like the real Web."

Today's hand-held shopping devices can be used anywhere there is a mobile signal. "It is less of a browsing medium than an online Web site," says Michael Becker, North American Managing Director at the New York-based Mobile Marketing Association. "Online, people may spend a month researching a purchase. With mobile, they are looking for things they need to purchase now."

A Small, but Growing Market

According to an April 2010 study from Mobile Marketing Association (MMA) and Luth Research, 17% of consumers use their phones to purchase traditional mobile categories such as apps and ringtones, while just 6% purchase physical products or services via mobile. Another 6% opt in to receive coupons or discounts via their phone, aiding in cross-channel purchases.



Source: RIS News, M-Commerce in Motion

Currently, only 6.5% of retailers operate m-commerce sites (Multichannel Merchant—Outlook 2010 study), generating just 2% of Web revenue via mobile or \$2.4 billion in sales (Forrester Research/Shop.org—The State of Retailing Online 2010). But the m-commerce market is growing rapidly. Since 2009, sales have doubled, says Coda. By 2015, Coda predicts that m-commerce sales will hit \$23.8 billion. Already, some traditional retailers and service providers have experienced promising results:

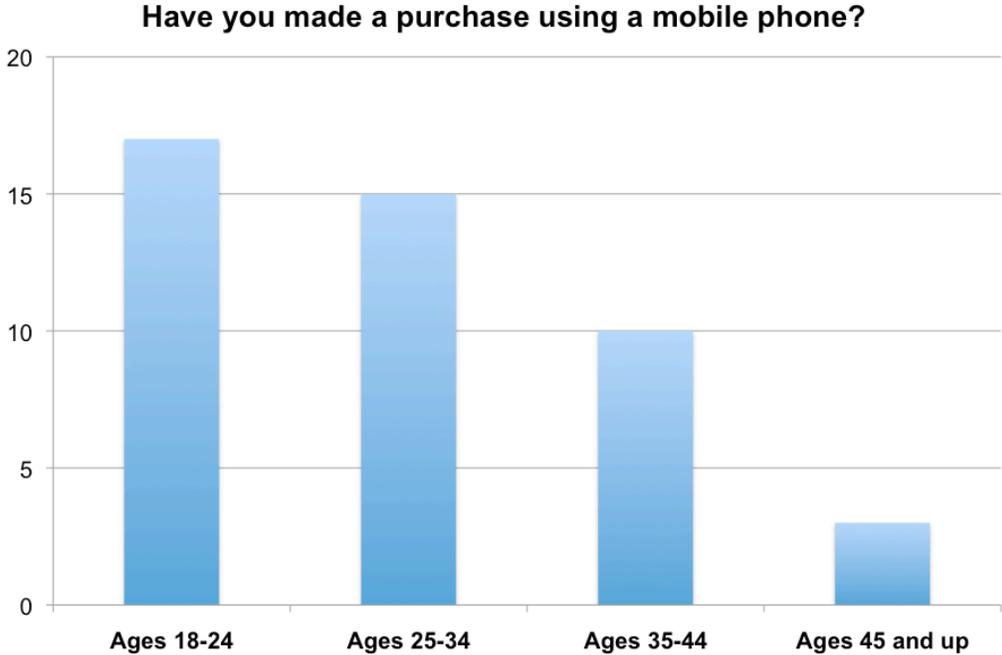
- Fashion retailer **Steve Madden** is deriving 6% of revenue from m-commerce with 50.2% of first-time Madden mobile site visitors making a purchase during that session (Becker, Mobile Marketing Association). One-page navigation and other user-friendly features make the site a “real killer mobile experience,” adds Becker.
- Online auction giant **eBay** expects to generate \$1.5 billion in sales via mobile applications during 2010. Mobile sales volume has been growing by double digits every month. eBay’s iPhone application launched during the summer of 2008. Nearly 6 million people from 165 countries now have an eBay application on their phone.
- Many hotel chains and restaurants are generating six-figure revenue numbers via mobile properties and applications (Forrester Research). **Marriott Hotels**, for one, says its m-commerce sales now total \$1.25 billion.

Other companies are gearing up for m-commerce growth—although not at the breakneck speed at which some retailers plunged into e-commerce more than a decade ago. Investments and expectations for m-commerce are far more conservative.

According to an *RIS News* report titled “M-Commerce: Retail in Motion,” the majority of retailers queried, 25.5%, expect m-commerce revenue to grow by less than 10% by the end of 2010. The second largest group of retailers, 19.1%, believes m-commerce revenues will increase 10% to 25%.

Demographics: Not Only 20-Somethings

The demographics of smartphone shoppers are, to varying degrees, determined by age, income, ethnicity, and shopping habits. But as m-commerce moves into mainstream retail and service categories, the supposed low incidences of purchasing among people ages 35-plus becomes somewhat questionable. Are the figures being reported truly current in a channel that can change almost monthly?

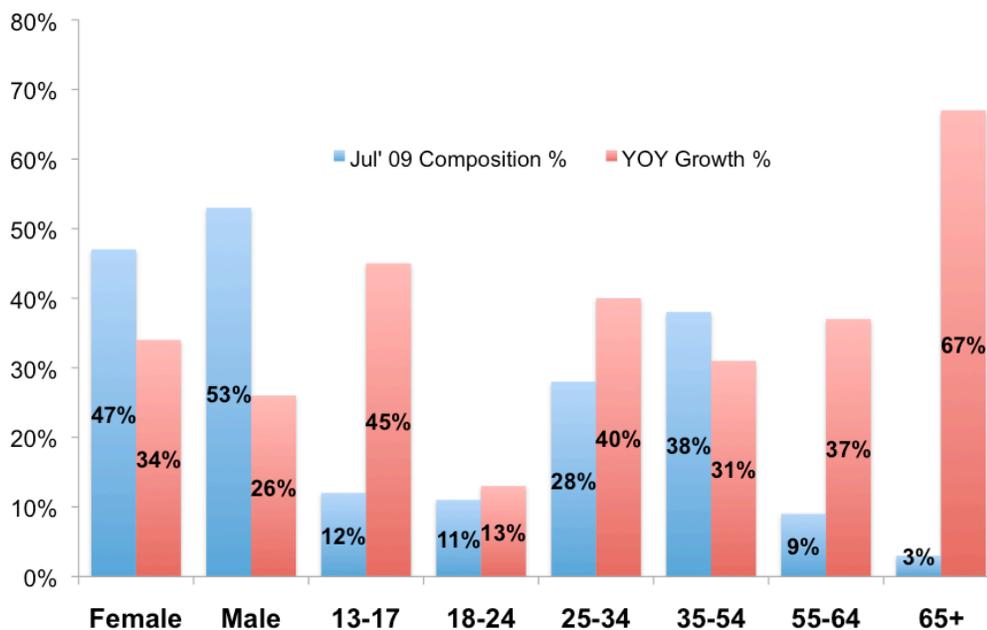


Source: Retrevo Pulse Report, February 2010

Mobile purchasing may not be significant among older mobile users currently, but general mobile Web usage is definitely growing rapidly among 35-plus age groups (see Mobile Audience Profile). Could this suggest that mobile commerce among these age groups is to follow?

General mobile Web usage is growing rapidly among 35-plus age groups.

Mobile Web Audience Profile



Source: The Neilsen Company

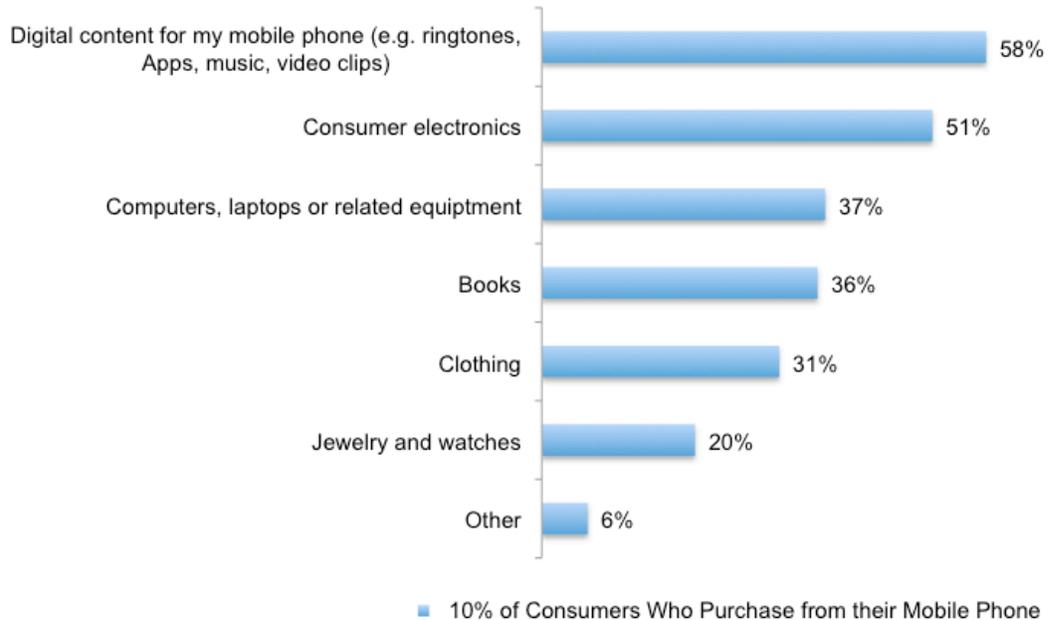
The categories available for mobile purchasing may also impact the ages of mobile shoppers. Until recently, categories have been limited to games, ringtones, apps, and other downloadable services that sell for less than \$20. Quantity and frequency of purchasing these products is typically highest among younger consumers. Purchasing patterns are also very visible, because younger consumers consider their phones major socialization tools.

If “youth” categories were removed from statistical analysis, average consumer age, income, and basket size would undoubtedly be higher. This is because older consumers are more likely to purchase higher-ticket, traditional retail items like apparel or books. “There’s a big assumption on the part of marketers that it’s all young people doing this stuff,” says Hahn. “The age demographic is really like 24 to 54, which is pretty wide.”

“Traditional” retail categories comprise smaller percentages of online purchasing than youth-oriented segments. But they are more valuable on a per transaction basis. 31% of Web-enabled phone users buy apparel via their mobile phones and 20% buy jewelry or watches. In contrast, 58% say they purchase digital content (PriceGrabber.com—Mobile Phone Online Shopping Survey).

“Traditional” retail categories comprise smaller percentages of online purchasing than youth-oriented segments, but they are more valuable on a per transaction basis.

What types of products have you purchased from your mobile phone in the past 12 months?



Source: PriceGrabber.com
 Base: Mobile Phone Online Shopping Survey 3/10/09-3/31/09
 Question 8: How do you shop online from your mobile phone? Select all that apply | n = 157 US Online Consumers
 *Data filtered by US Web-enabled mobile phone owners

High-End Shoppers

Higher ticket purchases are more likely to be made by older, affluent consumers who already cross-shop. In fact, 7% of people with incomes of \$150,000 or more occasionally make mobile purchases; 13% do so frequently. Among those whose net worth is at least \$5 million, 17% say they are frequent mobile customers; 10% say they occasionally make mobile purchases (Luxury Institute, June 2010—Multi-channel Shopping Habits of the Wealthy vs. Ultra-Wealthy Consumers).

The Luxury Institute’s statistics do not include downloads of music, videos, movies, TV shows, or apps. According to the Institute, people in the \$150,000-plus group are most likely to buy movie tickets, technology, and personal electronics. People in the \$5-million-plus bracket were more likely to use their phones to purchase high-end designer bags, shoes, jewelry, and automotive products.

Upscale New York City retailer [Bergdorf Goodman](#), for one, says its mobile site is viewed by 30,000 people daily. Bergdorf Goodman launched an iPhone shoe app in February. Parent company [Neiman Marcus](#) plans to be fully mobile by fall.

The price points of merchandise from companies like Neiman’s and Bergdorf are out of reach for most younger consumers. Because many luxury-goods companies only began selling via m-commerce over the past year, it may take time for statistics to catch up with the reality of purchasers’ ages.

Trains, Planes, Automobiles—and Hotels

Travelers are on the move, so naturally, they are another mobile demographic that is looming large. There is probably a good deal of overlap between this group and upscale or older consumers in that most reservations are not made by 20-somethings or lower-income groups.

Bryon Morrison, president of Ipsh, a Dallas-based marketing and advertising agency, works with [American Airlines](#) on mobile initiatives. Interestingly, when American Airlines entered the mobile arena, it soon became clear that many AA customers were not 20-somethings. AA’s app asks customers for their frequent-flyer number. But many numbers issued 15 years ago are one digit shorter than numbers issued today. The airline received myriad complaints that its app would not accept the shorter numbers. “What does this tell you about the age of the customers?” asks Morrison. “They are exactly the audience that some people say would never use mobile.”

Other airlines, along with car-rental companies and hotels, are also aggressively embracing m-commerce.

Hispanics and African-Americans

Hispanics and African-Americans are another potentially lucrative mobile commerce market. In fact, 27% of African-Americans and 16% of Hispanics say they buy merchandise via their mobile phones, while the rate among whites is just 11% (Sterling Commerce). In addition, African-Americans and Hispanics index much higher than whites in using smart phones for shopping research, including comparing prices and checking stock levels.

	White (non-Hispanic)	Black (non-Hispanic)	Hispanic (any race)
Compare Prices	23%	42%	32%
Check to see if the item is in stock	20%	39%	28%
Access information about an item for potential	18%	34%	38%
Check another retailer if the item isn't in stock	19%	40%	29%
Order an item	11%	27%	16%

Source: Sterling Commerce

African-Americans' and Hispanics' higher rates of shopping-related m-commerce behavior are directly related to the overall deeper penetration of mobile within these groups. According to a Pew Internet & American Life survey, 48% of African Americans and 47% of Hispanics said they used their handhelds to go online during 2009; among Caucasians, the rate was 28%.

Usage rates have increased considerably among all groups since 2007. Hispanics are also particularly receptive to text-messaging and other promotions tied to mobile and cross-channel merchandising.

Going online with a handheld by race

% of all respondents in each group

	White		Black		Hispanic	
	2007	2009	2007	2009	2007	2009
Percent of those who have ever gone online with a handheld	21%	28%	29%	48%	38%	47%
Percent of those who on a typical day go online with a handheld	9%	17%	12%	29%	18%	29%
% with cell phones	75%	84%	73%	83%	84%	89%

Source: Pew Internet & American Life April survey conducted from March 26-April 19, 2009. N=2,253

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A few cultural and demographic factors have been contributed to higher mobile use among African-Americans and Hispanics, including:

- Lack of a home computer so reliance on mobile phones to go online
- Social and communicative culture where constant communication is a way of life
- Less likely than Caucasians to have desk jobs, giving little or no access to land-line phones or computers during work

In regards to income and *mobile-phone ownership* among Hispanics, the biggest group of Hispanic mobile phone owners, 25% or 3.78 million, are in the \$25,000 to \$50,000 household income range. This would put many of them into the blue-collar job sector. (ComScore, May 12, 2010). At the same time, Hispanic *mobile-phone usage* is spread out pretty uniformly across all income groups:

- Under \$25,000—19.6%
- \$50,000 to \$75,000—18.4%

- \$75,000 to \$100,000—13.5%
- \$100,000+—23.4%

It should also be noted that the incomes, lifestyles, and social nuances of different Hispanic groups can vary tremendously, as can acculturation levels.

Women and Moms

Mothers with young children—and women as a whole—should become an important demographic as increasing numbers of mainstream retailers and service providers enter m-commerce. With moms, smartphone activity is expected to revolve largely around convenience purchasing and kid-oriented communications with other mothers.

Online grocery—particularly Chicago-based [Peapod](#)—is already a hit with busy moms. Peapod is launching a mobile site. [Fresh Direct](#), which serves the East Coast, already has an m-commerce operation. Moving shoppers to mobile should be easier in grocery than in some other categories. Since the two online grocery companies do not operate physical retail chains under their brands, their customers are used to ordering merchandise electronically.

The replenishment nature of grocery—and the ability to store lists and add items to orders—makes it a natural channel for m-commerce. “There isn’t a more focused, utilitarian category than grocery,” says Morrison. “Most people don’t enjoy grocery shopping. The transition for pure plays to mobile is not that huge.”

The Potential of M-Commerce in CPG (Side bar, but near demographics and cross-channel)

Mobile commerce is still in its infancy in the consumer packaged goods (CPG) segment. But judging by CPG online sales performance, certain categories and selling channels have significant m-commerce potential.

CPG marketers view m-commerce as an offshoot or add-on to e-commerce—a relatively new but slightly more established channel for this segment. Online CPG sales currently stand at \$12 billion, three times what they were in 2004, says Nielsen. By 2012, online CPG sales should hit \$16 billion and represent 3% of the \$475 billion in online sales expected for 2010. There is no specific data regarding CPG m-commerce sales since the segment is still very small.

The CPG categories that perform well via mobile are the same ones that do well online:

- Groceries (18% e-commerce growth in 2009)

- Over-the-counter medicines, beauty/personal care (18% e-commerce growth in 2009)
- Diapers
- Pet food (20% e-commerce growth in 2009)

In fact, the categories above grew at faster rates during 2009 than all other e-commerce areas, outperforming established online segments like clothing and electronics (Forrester Research and Barclays Capital: Internet Data Book).

Selling models and motivators: Similar to brick-and-mortar purchasing, online and mobile CPG shopping is primarily driven by convenience and product selection. Hard-to-find products and, in a few cases, price, also propel e-commerce. The following areas are some of the top destinations for online and mobile CPG shoppers:

Grocery: On the convenience end, the replenishment nature of CPG makes it well suited to online and mobile shopping, particularly in the grocery channel. According to a 2009 Nielsen report, the presence of online grocers has increased more than 13 times since 2003.

Since consumers buy many of the same grocery products regularly, they do not have to constantly browse sites to learn about features, package sizes, and prices. Online and via mobile, they can store shopping lists and, in the case of m-commerce, credit card information. This means that a customer riding a bus or waiting in line can complete his or her grocery shopping with just a few clicks.

Pet food: Online spending of pet products totaled \$2.1 billion in 2009; by 2013, sales should hit \$3.3 billion, says Forrester Research. Much activity revolves around food, particularly large bags of dog food. As in grocery, visitors to online pet food sites frequently order the same brands and package sizes.

Online pet food sellers can be challenged by low margins. Some make up for this by offering high-end or niche brands. Others are pushing non-food products with higher margins. But purchasing frequency is lower in non-foods.

Diapers: Like pet food, diapers are bulky and are frequently replenished. But they garner higher margins. Pureplay diapers.com has been overwhelmingly successful with its online selling model. Online drug chains also do well in the category.

“Diapers.com is one of the fastest growing ecommerce sites,” says Nancy Wine, Integer’s group director of eShopper Marketing. “Brands who have an ability to provide a convenience benefit such as auto-replenishment, a broad assortment and competitive pricing online are likely players for eCommerce.”

HBC:

Walgreens launched its mobile site earlier this year, offering 25% more CPG products online and via mobile than in stores. Additional offerings include brand and package sizes that turn too slowly to feature in stores, these specialized products include, hair care, ethnic products, and personal care.

Demographics:

The demographics of online CPG shoppers closely parallel those of mobile consumers at large. But as in m-commerce, the online CPG market is young and has generated a limited amount of data.

What we do know about CPG Shoppers

- Shoppers ages 35 to 64 with household incomes of \$100,000-plus were the biggest online food and beverage purchasers in 2009.
- Working moms (often part of the above group) are another lucrative market in categories including HBC, pet supplies, groceries, and candy/food.

CPG Shipping Challenges:

- **Cost**—Many CPG categories such as bleach and other cleaning products are low margin, low priced, and/or bulky, making shipping cost prohibitive. Usually shoppers will not purchase them unless they are tacked on to a larger order with free shipping available. “In both ecommerce and mobile, the challenge of fulfilling the order and making a profit are exactly the same,” says Steve White, Integer’s director of Digitail™.

Categories like razor cartridges, cosmetics, or feminine hygiene, on the other hand, are higher frequency, higher profit vs. home goods and less expensive to ship. Via a consumer direct Web site, CPG leader [Procter & Gamble](#) is testing consumer behavior and purchasing patterns across these and the many other CPG categories it offers.

- **Regulations**—many CPG categories are hindered by strict shipping regulations such as restrictions on shipping aerosol products or shipping alcohol across state lines.

Developing an m-commerce model for CPGs

Since m-commerce is an extension of e-commerce, CPG executives should closely monitor the performance of relevant categories and selling models within the e-commerce channel. Looking outside CPG can also be helpful, particularly when it comes to issues like site functionality, cross-merchandising, and promotional tactics.

It is also important to ask the following questions when considering a move into m-commerce:

1. Does the product generate enough margin to warrant mobile or online marketing? If not, can it work as part of a larger, higher ticket market basket?
2. Does the product meet a consumer's need for convenience; hard-to-find merchandise; or, in some cases, aggressive pricing?
3. Is the target customer well defined in terms of demographics, type of market basket purchased, and other shopping patterns?
4. Are product descriptions and photos easy to download via a mobile format? Can transactions be completed in just a few steps?
5. Has an efficient distribution network been established, either directly or via an outside provider?
6. Is the m-commerce site part of a multichannel strategy? If mobile marketing is involved, is it part of a 360-degree program involving multiple advertising and promotional media?

The Cross-Channel Approach

Mobile commerce began its ascent last year. But other areas of mobile marketing have existed for several years in the form of price comparisons, text and advertising messages, and other tools. Companies that use these strategies may or may not sell products or services via Web-enabled phones. Either way, these mobile tools can drive online and in-store purchasing. The *RIS News* report indicates that:

- 58.8% of retailers surveyed believe mobile is a means of creating new buying opportunities for existing customers
- 60.9% think mobile can improve customer loyalty, retention, and repeat visits.

Historically, cross-channel shoppers have been the most loyal—regardless of product or service category. With the immediacy at which it can transmit information, mobile provides the best access to this group.

Smartphones can help drive the success of cross-channel loyalty or rewards programs. While the initial invitation can be sent via mobile, it is easier for consumers to sign up online versus via their mobile phone. This saves people the trouble of entering information via a small handset. Many retailers offer an incentive to shoppers who respond to cross-channel offers.

Ipsh employed some of this thinking when it created Pink Nation, a successful mobile loyalty program for the [Victoria's Secret Pink](#) apparel brand. The aim was to generate a clear revenue stream among the brand's Facebook followers. The promotion involved issuing mobile coupons for in-store redemption. "What's really exceptional is when we can get people to come into the store," says Morrison. He would not discuss when (or if) there would be a mobile selling site for Pink.

Social Media and Mobile

Victoria's Secret's Pink Nation program is an example of how social media can be leveraged in a successful m-commerce cross-channel promotion. The online consumer networks generated by social media can be very valuable in a mobile world in which shoppers continually interact with each other via text messaging and other tools.

The NRF says that more than 56% of users follow a retailer's social media page "A social media and a mobile strategy will be at the forefront of a successful retail market strategy in the coming years," indicates the NRF in its *Mobile Retailing Blueprint*. "Successful retailers will learn how to adopt both strategies to compete."

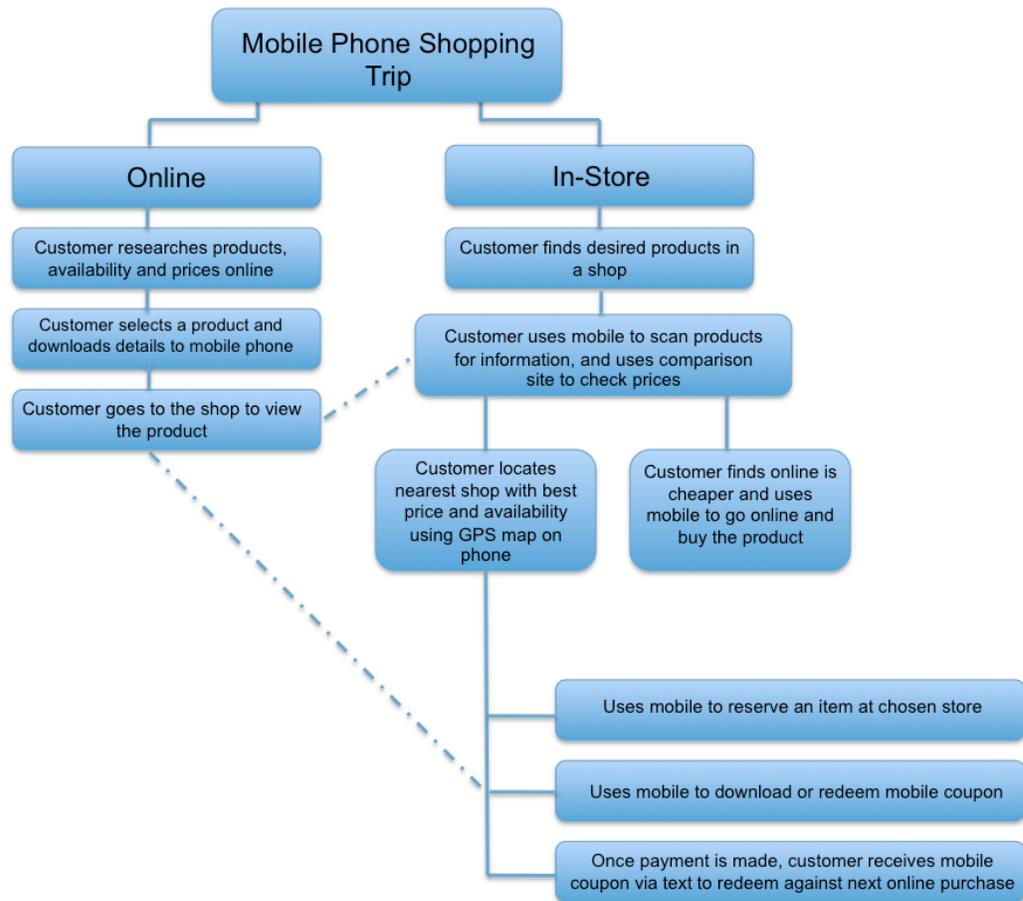
The NRF suggests that retailers consider placing a mobile prompt on a social media page that invites shoppers to join a Mobile Rewards Club or other program. They could enter pertinent information right on the Web site and then access it via their smartphone. Coupons or special offers can serve as incentives. Mobile efforts should be tied to a retailer's customer relationship management (CRM) database to facilitate communication and targeting of offers.

- **Kmart2Go** is publicizing its mobile site and apps via Twitter and Facebook. The company is also drawing attention to its mobile efforts through public relations and traditional media.
- Social media sites themselves continue to forge retail relationships. Facebook has launched more than 20 virtual storefronts. Shoppers can make purchases without leaving a retailer's page. Sephora's consumer-written reviews, for example, can be posted to Facebook, MySpace, and Digg.

A Cavalcade of Shopping Patterns

Cross-channel shopping patterns—and the combinations of behaviors leading up to them—vary tremendously. In the diagram below, Ovum and Verdict Research map out a range of cross-channel consumer scenarios. All start with a smartphone.

Mobile's higher brand impact and response rates provide marketers with opportunities for measuring ROI and improving future cross-media campaigns.



Source: Ovum/Verdict Research

Supporting the multiple ways the mobile phone aids shoppers is PriceGrabber's Mobile Shopping Behavior study, which shows that:

- 13% of customers who purchase online also buy via mobile
- 13% use their phones to check for coupons and product availability
- 19% browse via mobile
- 21% compare/check prices
- 22% research product details/specifications.

E-mails, text alerts, and other media sent directly to the consumer via mobile are a more immediate means of communication than e-mail because consumers carry their phones with them everywhere and check them frequently. Mobile's higher brand impact and response rates also provide marketers with opportunities for measuring ROI and improving future cross-media campaigns.

Text messages and other communications are particularly valuable to m-commerce companies touting time-sensitive offers. Offers can involve anything from expiring auctions on eBay to last minute vacation deals or one-day sales events for high-end brands. "These offers work well for mobile because there is a time limit to buy and you may not be near a

computer," Manish Rathi, co-founder and vice president of marketing at Sunnyvale, CA-based electronic shopping review site Retrevo, Inc., tells Integer.

- **The Gilte Group**, which specializes in discounted fashion and luxury goods, gives mobile members 36 hours to buy merchandise before products sell out. Items are not available on its Web site. Gilte Group believes this strategy makes the mobile experience more "game-like."
- **Bergdorf Goodman's** iPhone and iPad Shoe Salon App generate excitement by featuring a specially selected footwear style every day. Consumers can only buy the shoes via the app. The app allows them to share daily product selections with friends.

Ease of Use

Moving m-commerce into the mainstream market has required developing easy-to-use sites, apps, and devices. This includes making purchasing steps quick and simple to understand. At the same time, mobile content should be engaging enough to generate repeat traffic. Consumers also want to know immediately that their transaction went through.

The shopping/buying cycle, along with the consumer's attention span, is shorter for mobile commerce than for online or in-store shopping. In most cases, re-engineering a company's Web site is mandatory for m-commerce. "The majority of Web sites are too complex to navigate without a functional redesign to maximize bandwidth, readability, and clear product presentation," says Ovum.

Consumers are more likely to seek specific information via mobile than they are to browse, says *Justin Finnegan, director of cross-channel selling solutions at Acquity Group, Chicago, in a column he wrote for Mobile Commerce Daily*. This means mobile sessions are shorter than computer-based ones and involve fewer page views. "The best mobile experiences are task-focused," he adds.

Amazon, which launched its first mobile-friendly Web site at the end of 2007, is one of the industry's top mobile players. While its mobile site is not as sophisticated as its Web site, all the necessary elements are there, says the Ovum report. "The buying process is streamlined and individual pages load quickly, which is vital. The search box is fairly basic and product pages are stripped down. But the application still provides a good variety of information and reviews."

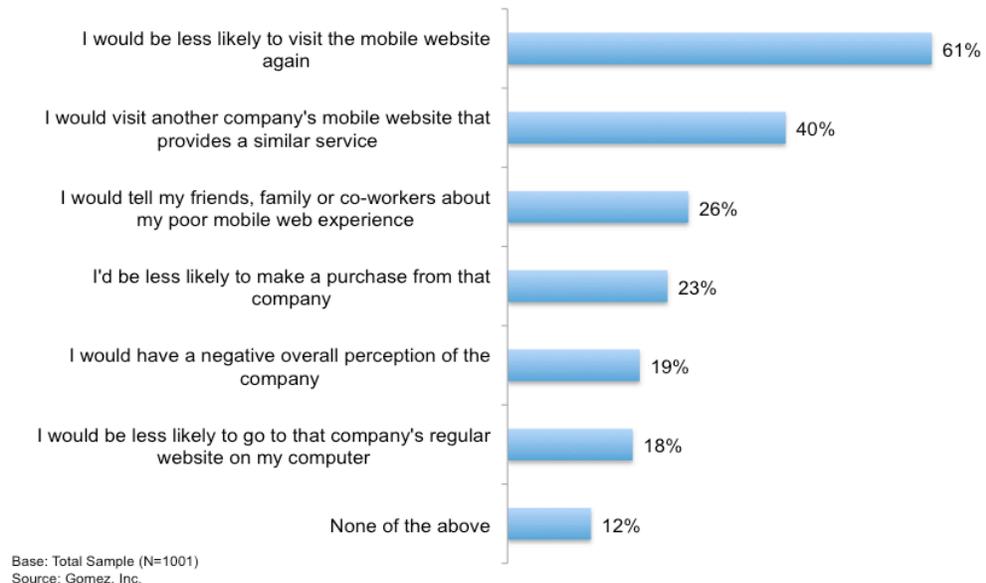
Iconoculture's Hahn calls Amazon's (along with eBay's) mobile efforts the "industry gold standard." "They gave people the sense that they could

really buy something. They revolutionized the way people thought about mobile.”

Considerations When Entering Mobile

A poorly implemented m-commerce site can have a long or lasting effect on consumers’ perception of a brand (see chart). For retailers or service providers who do not have the financial or other means to launch a site, it is probably a good idea to put m-commerce plans on hold. Entering m-commerce because it is the “place to be” is not a good strategy.

“If you find yourself dissatisfied with the performance of a particular mobile website, which of the following would you do (select all that apply)?”



Ipsos’s Morrison created a checklist of four concepts he believes should be used and balanced against each other as part of a successful m-commerce initiative:

1. Brand
2. Audience
3. Technology
4. Context

“You must balance all four and ask yourself if the brand is right for this type of relationship,” he adds. “You must provide a value in terms of context, time, and location.”

The advent of myriad types of promotional media and its various connection points may also be confusing to some retailers. Where does mobile fit in and to what media should it be tied? “With the mixed media model we have today, retailers see consumers coming at them from so

many angles," says Hahn. "This has changed consumers' expectations for retail. This is challenging for retailers who realize they have to keep people's attention. It's not just about price."

The Future of Mobile

M-commerce should follow in some of the same footsteps as e-commerce. But retail and service providers that enter the channel should experience far less pain. For starters, e-commerce taught most companies a hard lesson about embracing a business segment for the sole reason of not being left behind. Hence, m-commerce purveyors are being far more cautious about spending. They also understand the value of cross-channel merchandising and are not trying to achieve results overnight.

M-commerce may never be the stuff of huge stock market gyrations. But it is moving faster than e-commerce did and with fewer losses. "In its first three or four years, e-commerce did not have as much acceptance as mobile did in the first years," says Retrevo's Rathi. "Part of the reason there isn't so much of a rush is that mobile uses 80 to 90% of existing infrastructure." The following predictions will most likely be realized within the next year or two:

- **Yin Yang Agencies**—Since e-commerce and m-commerce are complimenting channels it's only natural for e-commerce agencies and mobile agencies to become one in the same
- **Technology Takeoff**—Continued advances in cell phone technology will further consumers' interest in the segment
- **Comfort in Cross-channel Shopping**—Retailers and consumers will become increasingly comfortable with the integration and complimentary aspects of in-store, online, and mobile channels
- **The Digital Wallet**—Mobile will become another credit card in the consumer's pocket

About The Integer Group

The Integer Group (www.integer.com) is one of America's largest promotional, retail, and shopper marketing agencies and a key member of the TBWA\ Marketing Services portfolio. The Integer Group resides At the Intersection of Branding and Selling and creates strategic marketing solutions for clients in categories that include beverage, packaged goods, telecommunications, fast food, home and shelter, and power sports. Join Integer in a conversation on shopping culture and brand strategy at <http://www.shopperculture.com>.

About TBWA

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About Omnicom

Omnicom Group Inc. (NYSE: OMC) (www.omnicomgroup.com) is a leading global marketing and corporate communications company. Omnicom's branded networks and numerous specialty firms provide advertising, strategic media planning and buying, digital and interactive marketing, direct and promotional marketing, public relations and other specialty communications services to over 5,000 clients in more than 100 countries.

The Integer Group, 2011