

# IN-STORE MOBILE TRANSACTING: A PLAYBOOK FOR RETAILERS



Mobile • Transacting • Simplified

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wiGroup is a platform provider specializing in point-of-sale integrated mobile transacting. wiGroup's open and interoperable mobile transacting platform, wiPlatform, is integrated to over 40,000 retail till lanes across South Africa and has processed over R2bn in transaction value.

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# MAKE MOBILE TRANSACTING WORK FOR YOU

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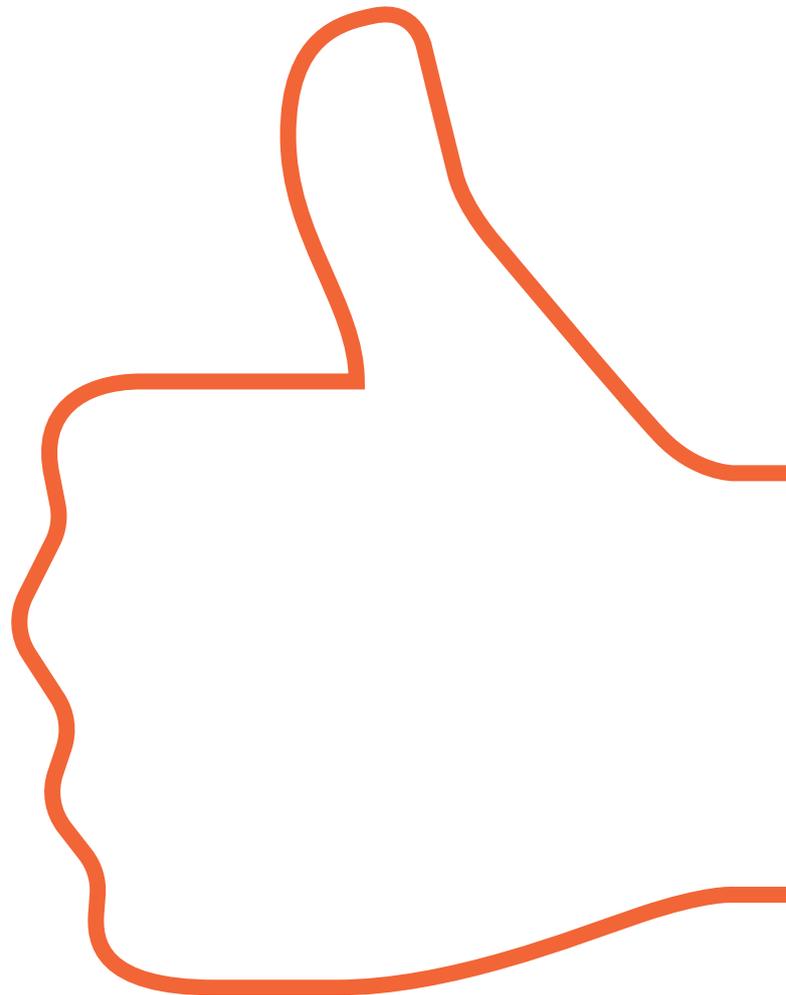
Enabling mobile transacting can make life a lot easier and more convenient for your customers - but for you as the retailer, it can mean a world of pain.

Fortunately, it doesn't have to be that way. This playbook is your guide to becoming a mobile transactions champion. It's based on the hard-earned wisdom of small and large retailers, brand managers and agencies who've made it through the early stages and are already implementing winning strategies. We'll introduce you to the basic concepts, explain the pros and cons of point-of-sale (POS) integration, reveal what it takes to be mobile ready and distill the learning of those who've blazed the trail.

Read it, learn from it, go mad with additional notes and highlighters, and feel free to let us know what you think afterwards. Send your comments and questions to:

 [info@wigroupinternational.com](mailto:info@wigroupinternational.com)

 [@wigroupint](https://twitter.com/wigroupint)



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*“The system has to work first time, every time. Your customers will only give you one chance.”*

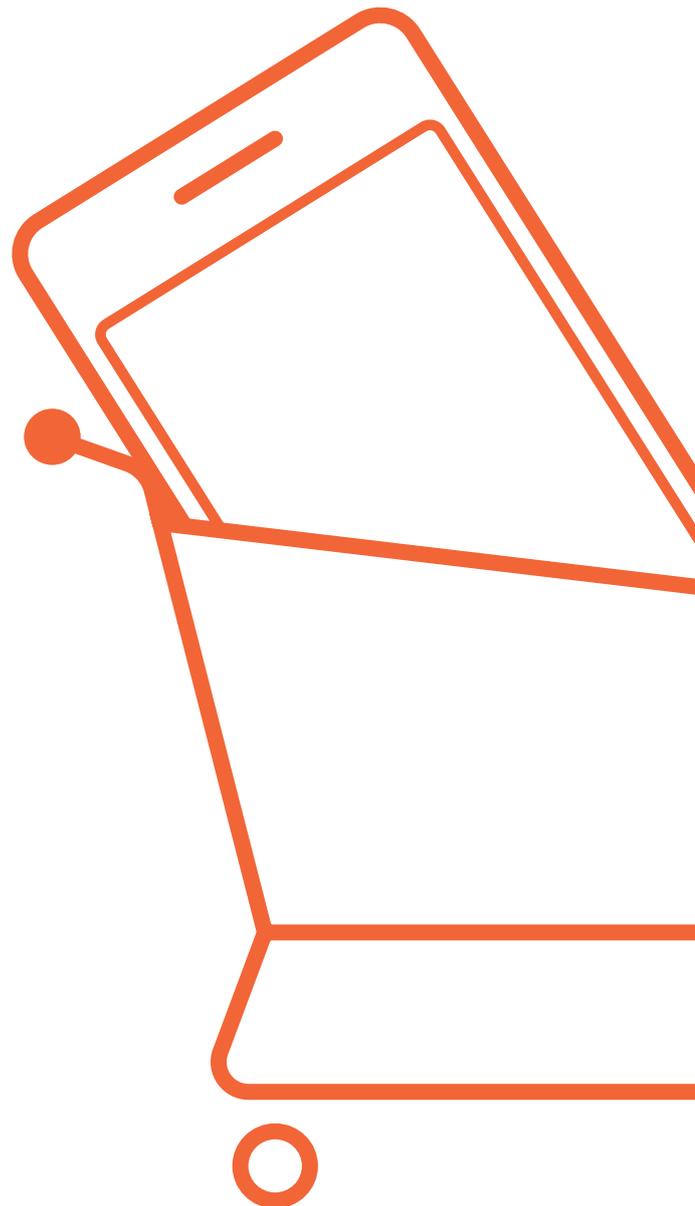
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*- Andrea Calitz, Marketing Manager, vida e caffè*

# IN-STORE MOBILE TRANSACTING: WHERE IT'S AT AND WHERE IT'S GOING

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- 1 People use their mobile phones for all sorts of transactions, from checking balances, buying airtime and redeeming coupons, through to paying for goods and services and transferring money. That's a fact.
- 2 In-store mobile transacting is booming in South Africa. The value of transactions through wiGroup's platform alone is over R2bn and climbing.
- 3 We're not just talking about smartphones here: Africa's feature phone users are active, smart and sophisticated. MTN's SMS and USSD-based Mobile Money service, to name just one, had over 13 million users by the end of September 2013, around 1.3 million of them in South Africa.
- 4 In-store mobile transacting encompasses mobile vouchers, coupons, loyalty and rewards as well as direct payments and money transfers.
- 5 There is no one wallet or application that can do everything - and we're not expecting one in any future that we can see. What we have is a complex and ever-evolving ecosystem that includes customers, retailers, brands, agencies, banks, mobile networks, and local and global app developers.



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*“Customers in lower LSMs are very comfortable and proficient with their mobile phones. Don’t make the mistake of assuming they are unsophisticated just because they don’t have smartphones.”*

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*- National FMCG Retailer*

# WHY POS INTEGRATION MATTERS

Retailers who decide to implement mobile transacting in their stores face a choice: To integrate directly to the POS, or not to integrate? Here’s how it plays out either way:

|                                | PROS   | CONS  |
|--------------------------------|--|---|
| STAND ALONE/<br>NOT INTEGRATED | <ul style="list-style-type: none"> <li>▪ Easy to implement: Solutions are either plug-and-play or web-based and need little or no technical integration.</li> <li>▪ Low cost of entry.</li> <li>▪ No impact on the POS.</li> <li>▪ Works best for Tier-3 retailers with small databases.</li> </ul>  | <ul style="list-style-type: none"> <li>▪ Creates fraud opportunities.</li> <li>▪ Very limited reporting.</li> <li>▪ Limits the number of apps or solutions that can be deployed.</li> <li>▪ Not suitable for the enterprise.</li> </ul> |
| POS INTEGRATED                 | <ul style="list-style-type: none"> <li>▪ An open platform is future-proof: One integration gives you the ability to accept any mobile transaction type, now or in the future.</li> <li>▪ A single system for all transactions makes reporting and reconciliation easy</li> <li>▪ Fraud opportunities are very limited.</li> <li>▪ Enterprise-level capability.</li> <li>▪ Ability to check baskets and ring-fence SKUs.</li> </ul> | <ul style="list-style-type: none"> <li>▪ Can be too costly for Tier 3 and smaller retailers.</li> <li>▪ Implementation and rollout must be carefully planned and managed: it’s not a plug and play solution.</li> </ul>                 |

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*“Direct integrations to the point of sale are expensive and difficult. It’s not worth it for a single one-off project: It must be a strategic, business-changing move that offers flexibility into the future.”*

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*- National FMCG Retailer*

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*“Having a platform in place doesn’t change the need for collaboration and cooperation, but it massively diminishes the speed of delivery of any new project.”*

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*- Matt Bresler, Head of Services, Pick n Pay*

# SOUTH AFRICA'S IN-STORE MOBILE TRANSACTING ECOSYSTEM



## WIPLATFORM

wiPlatform enables in-store mobile transacting.



## RETAIL AND HOSPITALITY

Single integration to POS - accept any mobile currency or transaction type.



## BRANDS & AGENCIES

Direct link between marketing spend and sales uplift.



## MOBILE WALLETS

Customers able to transact at any wiPlatform integrated POS.



## ONLINE COMMUNITIES

Online communities can deliver mobile vouchers and coupons to their members.



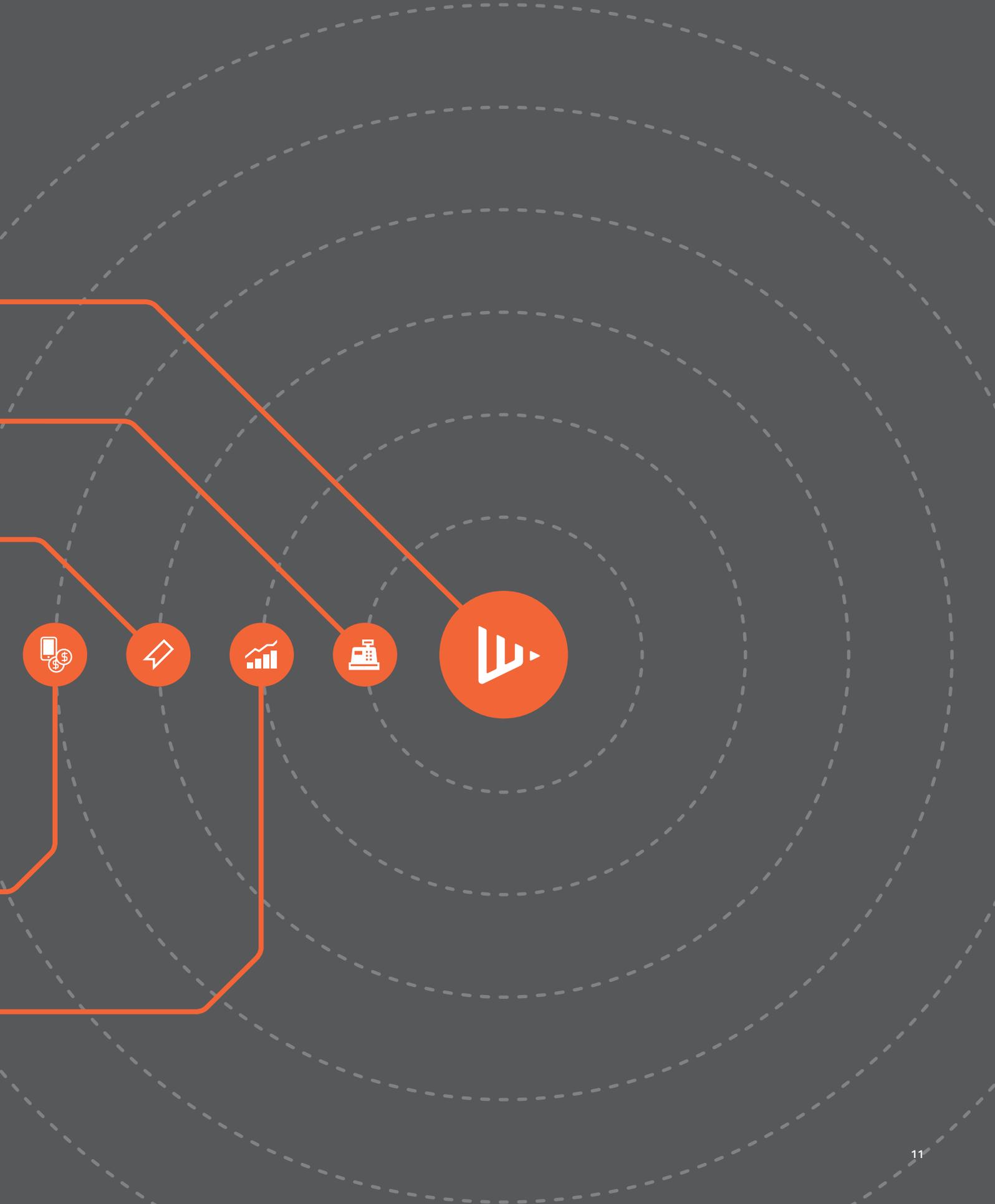
## MOBILE TRANSACTION APPS

Customers able to transact at any wiPlatform integrated POS.



## BANKS

Customers able to transact directly from their banking app at any wiPlatform integrated POS.



# ARE YOU MOBILE READY?

Want to know the big secret of retailers with winning mobile strategies?

Here it is



IT'S NOT ONLY  
ABOUT THE  
TECHNOLOGY.

Of course you need to choose a solution or platform that will deliver on your strategy and not paint yourself into a corner. But getting the technical details of implementation right is the easiest part of the whole exercise - yes, even when there's a major POS integration to be done. The really hard part is getting the people details right. Here are the key questions you should be asking yourself:

- 1 Is the **operations** team, right down to individual store managers, fully briefed and 100% on board?
- 2 How are you going to train your **till staff**? With sky-high turnover rates in many retail operations this is never going to be easy, but the interaction at the till can make or break your entire project.
- 3 How are you going to educate **customers**? Whose job is it? Some of the most successful implementations we've seen hired temporary staff specifically to talk to and educate customers while they were in the store.
- 4 **Who is pulling it all together** and capturing learnings for next time - and does that person have the authority and high-level access they need?

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*“Our external partner hired activation agents who went into our stores and helped staff and customers understand how the system worked. That really helped an otherwise difficult change management process.”*

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*- Matt Bresler, Head of Services, Pick n Pay*

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*“The timing of implementation is critical: It needs to be at the right time for the business and you have to make enough time to give it a good chance of success.”*

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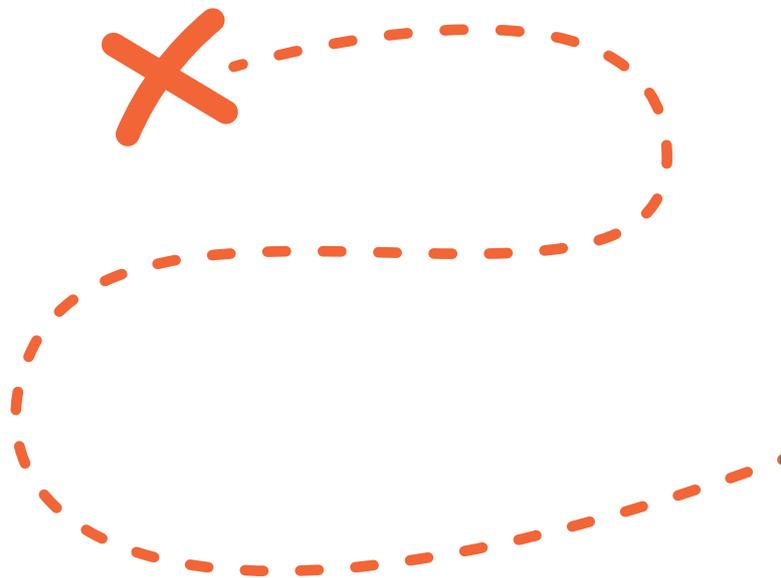
*- Andrea Calitz, Marketing Manager, vida e caffè*

# A MAP FOR TRAILBLAZERS

The most terrifying thing about bringing mobile into the heart of your retail operations is also the most exciting thing: We're breaking new ground here. The roadmaps are still being written. So how do you find the most successful route for your business?

This is what we've learned so far:

- 1 Develop strong internal partnerships to create visions that work for all, blast through political blockages and solve problems.
- 2 Work to extract maximum value from your relationships with outside agencies and partners: What they know could help you.
- 3 Find ways to conduct low-risk experiments.
- 4 Capture your learnings. Find someone who loves a good spreadsheet, turn them loose with all the data and then pay attention to what they tell you.
- 5 Make the most of real-time monitoring and reporting to adapt campaigns and strategies on the fly.
- 6 Minimise the need for change management by using the same base system for different campaigns and applications.
- 7 Train all your customer-facing staff including cashiers and call centre agents in how to handle problems, complaints and misunderstandings.



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*“It might look like there’s little demand for mobile services to justify making the investment - but the only way you can build demand is by offering the services, and a number of key retailers are forging ahead here. That’s why you have to minimise the implementation risk by choosing a platform that’s easy to implement and can be used again and again.”*

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*- National FMCG Retailer*

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*“If you’re a retailer serving middle- to lower-income customers, remember that your staff IS your target market. They are your perfect test audience.”*

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*- National FMCG Retailer*

# LEARNING FROM BRANDS AND AGENCIES

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Marketing agencies develop promotional campaigns for their clients that often involve offering the customer a discount or reward - so they are in a very good position to see what works and what doesn't when it comes to mobile voucher and coupon campaigns.

Here are some of their tips:

- 1 Is your offer **genuinely attractive** to your target audience? If they love Coke, offering them a discount on Pepsi won't achieve much.
- 2 A confused customer is an unhappy customer. **Be ready to explain things** very clearly - especially if your system works in a different way from other retailers they might be familiar with.
- 3 The first time a customer tries to redeem a mobile coupon is critical. It **MUST** work.
- 4 **Test your campaign** in more than one store before you go live. This is especially important when stores are tiered or differently branded.
- 5 Redemption rates are highest on offers that are **personalised** and carefully targeted to the customer's individual purchase history and location.
- 6 If your mobile transaction platform is POS-integrated, you can take advantage of the ability to use a **performance-based model** (where a charge is only incurred when an offer is actually redeemed).
- 7 Expect a **steep learning curve** on your first few campaigns. Keep the stakes low to begin with and capture learnings.

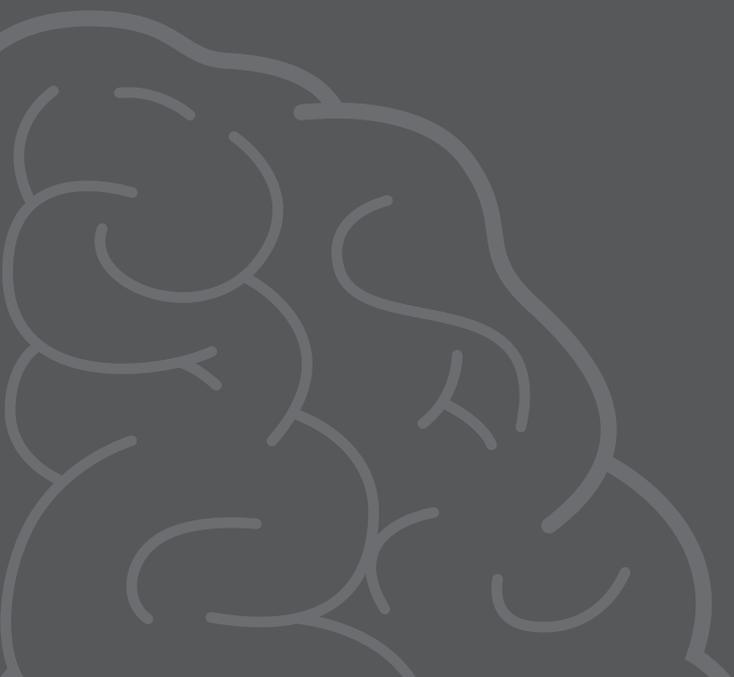


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*“We noticed that consumer buying behaviour changed - they bought the right numbers or combinations of products to qualify for the discount - but they didn’t redeem their coupons. That tells us more consumer education is needed.”*

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*- Claudia Schmidt, GM, Fusion (Division of The Creative Counsel)*



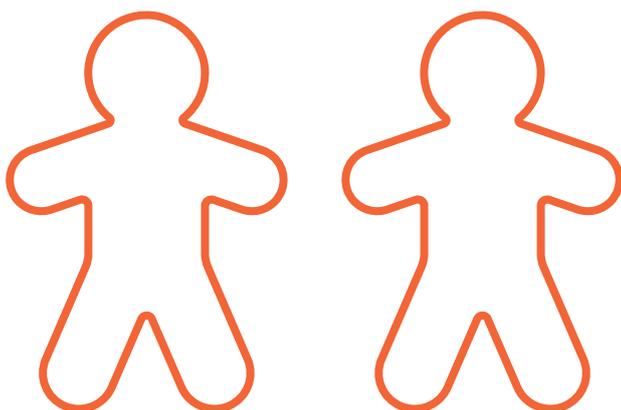
# IMPLEMENT ONCE, USE MANY TIMES

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One major benefit of channelling all your mobile transaction types through one platform is that whatever you learn from one project or campaign can go directly to improve the next.

It also means that once the platform is in place, you can keep the focus of your effort more consistently where it really counts – on merchandising, marketing and operations.

Most of all, remember to mine the data that will come cascading through your systems. For the first time, both retailers and brands can track the impact of their advertising and marketing campaigns **from first touch to till point** - right down to the level of the individual consumer. That's a lot of power at your fingertips - all you need to do now is work out how to use it.



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*“Implementing wiPlatform has caused an otherwise painful process to be less painful for future new products. We can now look at anything that could be facilitated through a mobile device and know that if we want to implement it, we can. We’ve already overcome most of the challenges of introducing it to our staff in store, and customers have learned how it works. There’s no more major change management needed.”*

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*- Matt Bresler, Head of Services, Pick n Pay*



# IN THEIR OWN WORDS: LESSONS FROM THE PIONEERS

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## The business process challenge

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*“It’s hard to get any new business process right until you’ve done it for a while. We have regular meetings to review what we’ve learned and update our checklists.”*

- Thumbtribe

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*“This is a case where marketing definitely can’t just do a ‘let’s try this and see how it works’ projects. We had to work very closely with our operational team of national and regional managers and stores.”*

- Andrea Calitz, Marketing Manager, vida e caffè

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*“wiGroup massively lowers the barriers to entry for providers that want to use mobile”*

- Matt Bresler, Head of Services, Pick n Pay

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*“Anything you change at the point of sale has got to make things easier, simpler or faster. If you’re going to make it more difficult, you will fail.”*

- Andrea Calitz, Marketing Manager, vida e caffè

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## Customers come first

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*The barrier with customers is not technical, it's trust. That's why it's a good idea to train your staff first - they will go home and show their friends and family."*

*- National FMCG Retailer*

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*"Lower-LSM consumers will happily type in a long USSD string to get a voucher, but interacting with a PIN pad at the till is different and requires a leap of faith. Building trust is important."*

*- National FMCG Retailer*

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*"Redemption rates are always higher on targeted offers. We got a 70% redemption when we sent discount vouchers for hot chocolate, on a cold weekend, to people who'd previously bought the product."*

*- National FMCG Retailer*

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To simplify and improve how  
the world transacts.

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- wiGroup vision statement





info@wigroup.co.za  
+27 21 448 9974  
www.wigroupinternational.com

4th Floor, The Terraces Building,  
Black River Park South, Fir Street,  
Observatory, Cape Town, 7925

