

Steve Smith, Sep 29, 2009 02:30 PM

My heart sank as I came to the head of the line at Borders this weekend. Methuselah was my check-out person and I had a mobile coupon. The 30% off promotion wasn't even directly from Borders.

As some veterans of this column may recall, I have a longstanding bone to pick with that bookstore chain. It had a perfectly reasonable SMS couponing service more than a year ago that it unceremoniously yanked from its customers. Now I have to rely on third-party coupon scrapers like the MobiQpons, which seem to aggregate Web coupons -- nicely, I might add. But I am never sure if the cashier is going to recognize and honor the offer or have a meltdown and start looking around the cash register for the training book.

Some of my correspondents from this column and I have loads of tales about cashiers who panicked at the sight of mobile coupons that their own franchise had initiated. Provisioning an SMS promotion on the technology side is one thing. Getting the memo on down the employee and point-of-sale chain is another. I admit guiltily that all of the stereotypes surrounding age and mobile phone use cascaded in as I approached the cashier. If this mobile coupon gave the guy a stroke, I could never live with myself.

Having pulled the oldest living book store cashier around, I assumed he would be the last one in the store to recognize a mobile phone let alone a mobile coupon. I flashed the iPhone at him with the promotion sheepishly. He glanced at it and said "Fine, thanks." He pulled out a scan code sheet by the register and plopped in the discount.

Pleased at the ease of the process (and cowed by my ageist prejudices) I left the store with renewed confidence that mobile couponing is going to be a very big deal -- so long as the process is this smooth. Many cashiers decades younger had nearly been brought to tears by the sight of an iPhone with a mysterious code. Small mobs of assistant and senior managers had formed around cash registers at other stores where it took an all-hands drill to make a simple mobile coupon work. My man at Borders (now "seasoned" in my mind rather than "old") was all over it.

How retail generally gets to such a user experience is an open question, however. Should we rely on Sunday circular aggregators like Cellfire and Yowza, or should vendors have direct relationships with their users for these promotions? Should cash registers be equipped to scan phone screens in order to ensure coupon validation and prevent fraud? Perhaps the senior citizens working Borders should form a sales training company to bring the youngsters up to speed on mobile.

I don't know how it pans out, but I am pretty sure the simplest approach will be best.

HipCricket, one of the veterans of SMS mobile marketing space, showed me a unique product it is rolling out this week that comes at the problem by leveraging as much of the existing infrastructure and technology as possible. Users get a keyword from any of the promotional materials and text it to a common short code to get an SMS coupon eight-digit code. The best part of the plan is that the user can either tell the cashier the code or just type it into the Visa/Mastercard credit card device the same way they would for a debit card PIN. "It creates the possibility for redemption at any point-of-sale system that can accept Mastercard or Visa," says HipCricket president Eric Harber. "You don't need new hardware or servers." The retailer can do a centralized software upgrade to the system.

To be sure, your pot-addled teen cashiers still need to know the drill. They have to key the promotion into the cash register either to enter the code themselves or tell the card device to accept the input as a coupon code. I don't know how the training will get done. Some retailers I speak with still regard the training piece as the most difficult. A unified, common approach may help ease the training a bit. You don't need cashiers handling the phone itself or juggling a host of different coupon codes or having to peer into someone's phone to get an overlong code. Having the system centralized and working via credit card system can give a marketer real time feedback and help optimization of the offers. I imagine it would help cultivate mobile databases and even create loyalty programs that could be tracked more effectively. HipCricket has an authentication system at work here too, so coupon fraud is minimized.

And of course by using SMS, the approach reaches virtually every device. One of the problems with the scan code and aggregation model is that they usually require an app. The reach is diluted by mobile's core inefficiency: a lack of hardware compatibility.

We do need to get mobile couponing up and running any way we can. The promise here is staggering. My guess is that HipCricket's won't be the last attempt to better unify and standardize couponing. I think the general model is headed in the right direction. For the time being, aiming a system at the lowest common denominator of handset technology and the most universal digital payment system seems like a smart idea.

Actually what I like best about a simpler approach to mobile couponing is precisely that it divorces the promotion from the device and lets the external creative do most of the work. With a Sunday circular approach, you need to appeal to "couponers" who need to remember that the couponing app has the right discount. A simplified SMS-based system lets your print, TV, or out-of-home creative make a more attractive offer and marry the discount to the point of desire. My guess is that as mobile marketing evolves, it will become more powerful when less is actually done on the device -- and the handset becomes the activation piece in a world where any piece of creative can convert on the spot to a promotion.