

OPTIMUS ADVANTAGE LLC

Retailer Co-Marketing Evolving at the Speed of Light on SAP HANA

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Retail co-marketing campaigns offer a new method for increasing sales.

The retail industry is changing rapidly due to the disruption from unpredictable innovation and breakthroughs from the financial technology sector offering new methods of payment. The first wave of disruption was introduced through Web-based alternatives to brick and mortar stores, as exemplified by Amazon, ebay, and the latest, jet.com, featuring a shopper's club membership discount model.

The second wave of disruption is now upon us, manifested by financial technology innovation. Shoppers online or in-store have many ways to shop and make payments. Now, shoppers can make multiple and immediate item-price comparisons and choose the best offer. Further, shoppers can choose from over several hundred e-wallet payment solutions integrated with retailer rewards, loyalty programs, and co-marketing campaigns. History has proven the value of co-marketing still remains viable to make the customer buying experience one of increased value.

Successful Co-marketing Campaigns

Co-marketing consists of two brands combining marketing efforts to market complimentary products to mutual customers. The value of co-marketing creates a seamless customer buying experience when purchasing both products. In 1991, the arcane microprocessor made by Intel suddenly became a household word when Intel co-marketed the [Intel Inside](#) with PC manufacturers. The Intel Inside campaign still remains one of the most successful co-marketing campaigns marketed directly to the consumer. This campaign propelled Intel into the top-ten list of brand names worldwide. Another aspect of its success enabled computer manufacturers to reduce advertising expenses by placing the Intel logo on the computer, as a sign of computer brand quality.

Co-marketing evolved further when Volvo and Legoland successfully co-marketed a campaign featuring a [Volvo SUV made of Lego blocks](#). This program permitted children to learn to drive safely in the Legoland theme park. Volvo became the official car manufacturer of Legoland, and Legoland was featured by Volvo in automobile safety awareness advertisements directed at parents. Legoland has extended this same successful co-marketing program to other car manufacturers such as Porsche, Ford, and Ferrari.

The Dawn of Financial Technology in Retail

Co-marketing has evolved into the present and is available in many e-wallet software applications, enabling co-marketing between merchants and solution providers to feature loyalty rewards and payment methods. The growth of e-wallets and financial technology innovation is growing. In a recent report, "Tracxn! Mobile FinTech Startup Landscape June 2015", investments in mobile FinTech companies has increased dramatically and now totals over \$2.3 billion invested in the last five years, with approximately \$1 billion invested in the last 1.5 years.

Identified in this report were over a hundred mobile e-wallet software application providers that facilitate payments across different industries. One example is **TabbedOut**, a free customer mobile application that allows consumers to pay their bar or restaurant tab from their phones. Customer payment is integrated with the merchant's point-of-sale (POS) system, which updates payment information directly in the POS system.

Bambora provides an end-to-end solution for mobile payment featuring store credits. Under the brand, it delivers a mobile payment solution to Selecta and Coca-Cola that enables customers to make purchases using their mobile phone, with the cost charged to their phone bill. Bambora also offers a white label mobile wallet for merchants looking to provide their loyal customers with a store credit and loyalty program.

The Value of Co-Marketing Store Credits:

Co-marketing retailer store credits offers many benefits to customers, as well as retailers. Grocery shopping is usually associated with driving your car to the grocery store. Co-marketing can intelligently leverage this relationship and economize the customer buying experience by offering store credit discounts on both gasoline and groceries. We see today gas stations and grocery stores co-marketing, as money spent at a grocery store can translate to a discount on gasoline, and this relationship is managed by both retailers.

The result is a seamless customer buying experience at discount, while serving to increase both retailers revenue. Retailer store credits may also be electronically transferred between customers to ultimately be redeemed at the issuing retailer store. The co-marketing ecosystem opens up many new and exciting possibilities for retailers to create value by offering store credits on purchase of complimentary products or services. Now, retailers can coordinate the sale of products and services featuring distinct in store and online sales campaigns, offering personalized customer service at the speed of light!

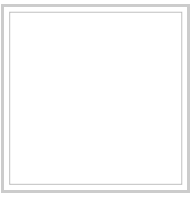
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