

-KENNETH COLE

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Why Mobile Commerce?

Quick Bio

- Vice President of Ecommerce Kenneth Cole Productions
 - Set the strategic direction for the ecommerce business.
 - Responsible for P&L and all operational and digital execution.
 - Oversee product and promotion
- Former ecommerce experience with Tommy Hilfiger and Sirius XM
- Worked within ecommerce industry since mid 1990s

WARNING:
Likelihood of cheesy clip-art beyond
this page is (very) high

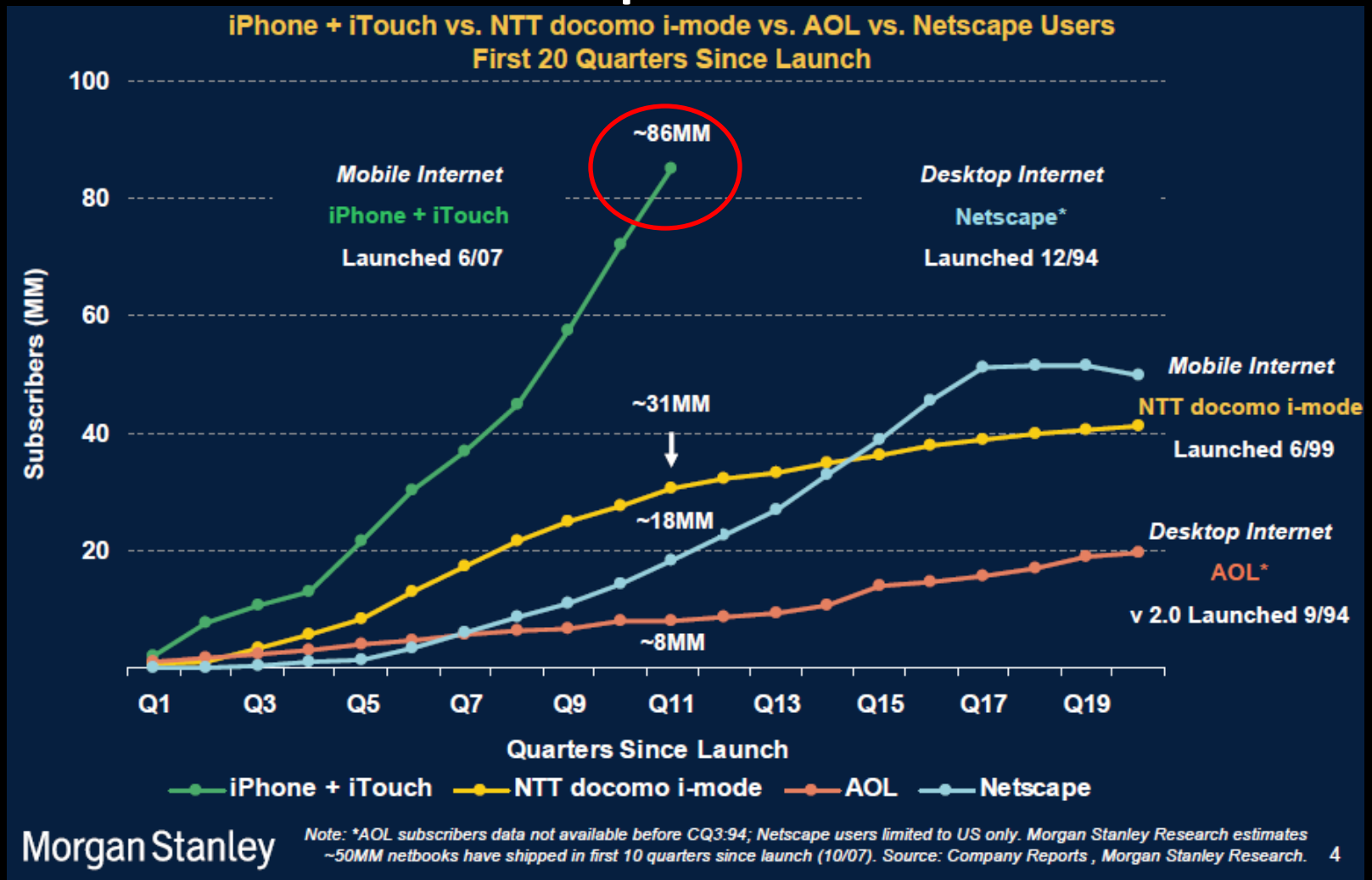
Agenda

- Setting the table: why mobile commerce?
- Most people think mobile is...
 - and my “a-ha” moment
- “Everywhere” commerce
 - How KCP is positioning itself going into 2011
- The big finish

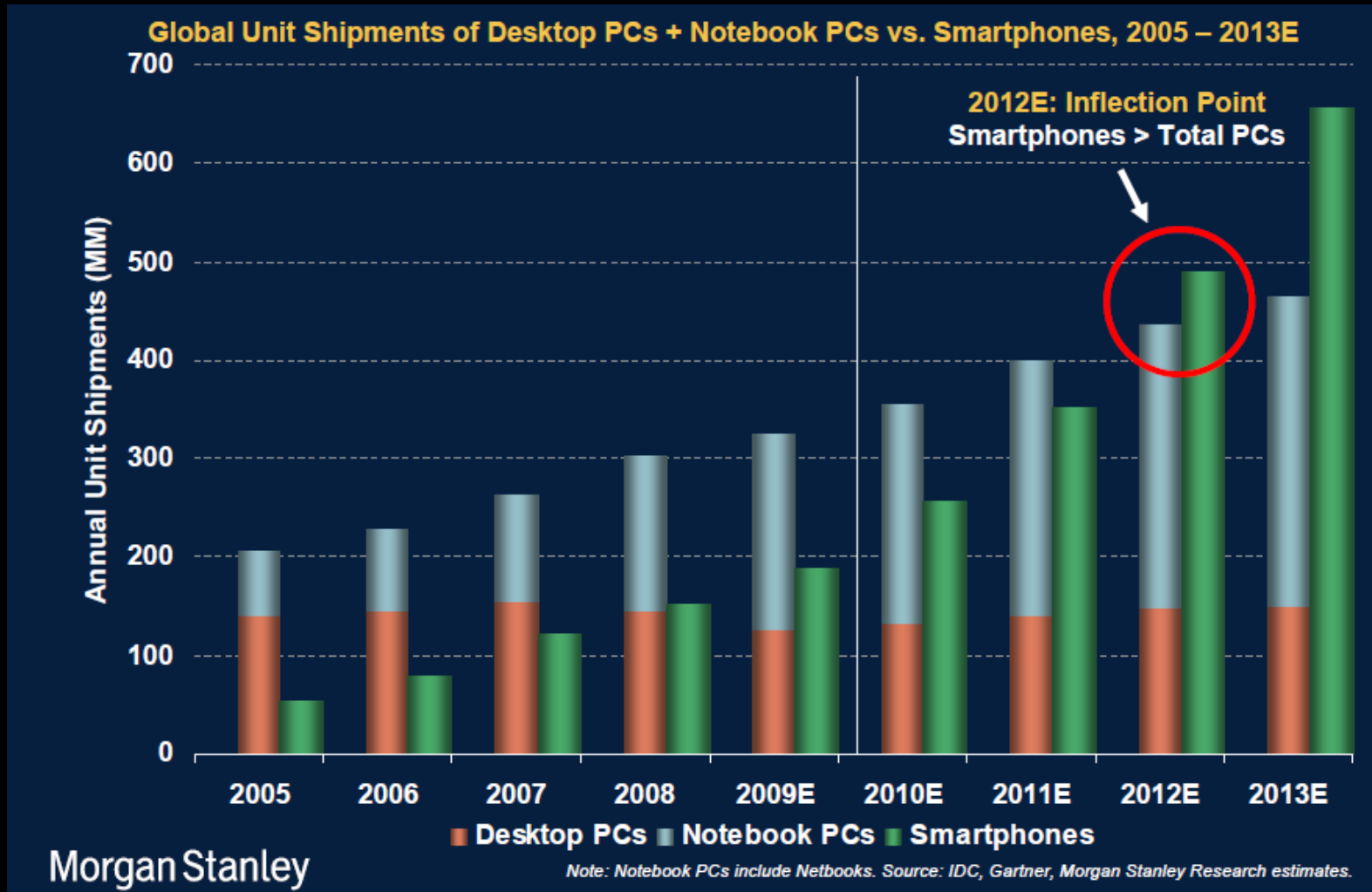
Let's Set the Table: Why Mobile Commerce?

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Mobile Internet Ramping Faster than Desktop Internet



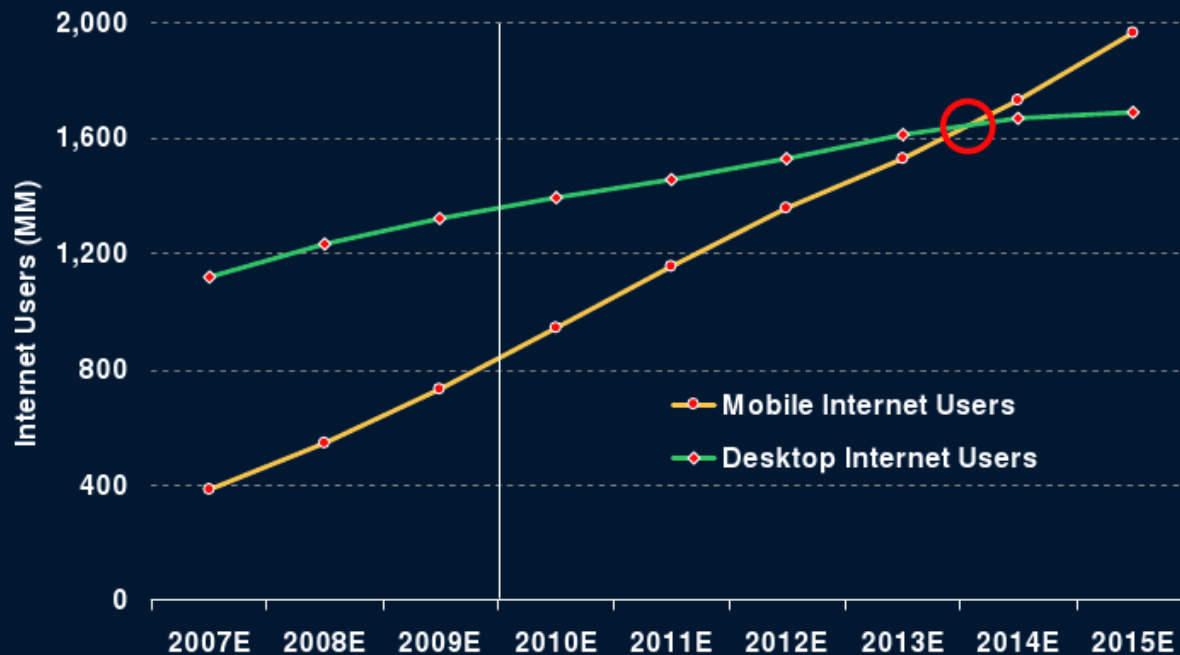
Smartphones to ship more units than Desktops by 2013



Mobile Resistance is Futile

Mobile Users > Desktop Internet Users
Within 5 Years

Global Mobile vs. Desktop Internet User Projection, 2007 – 2015E



Morgan Stanley

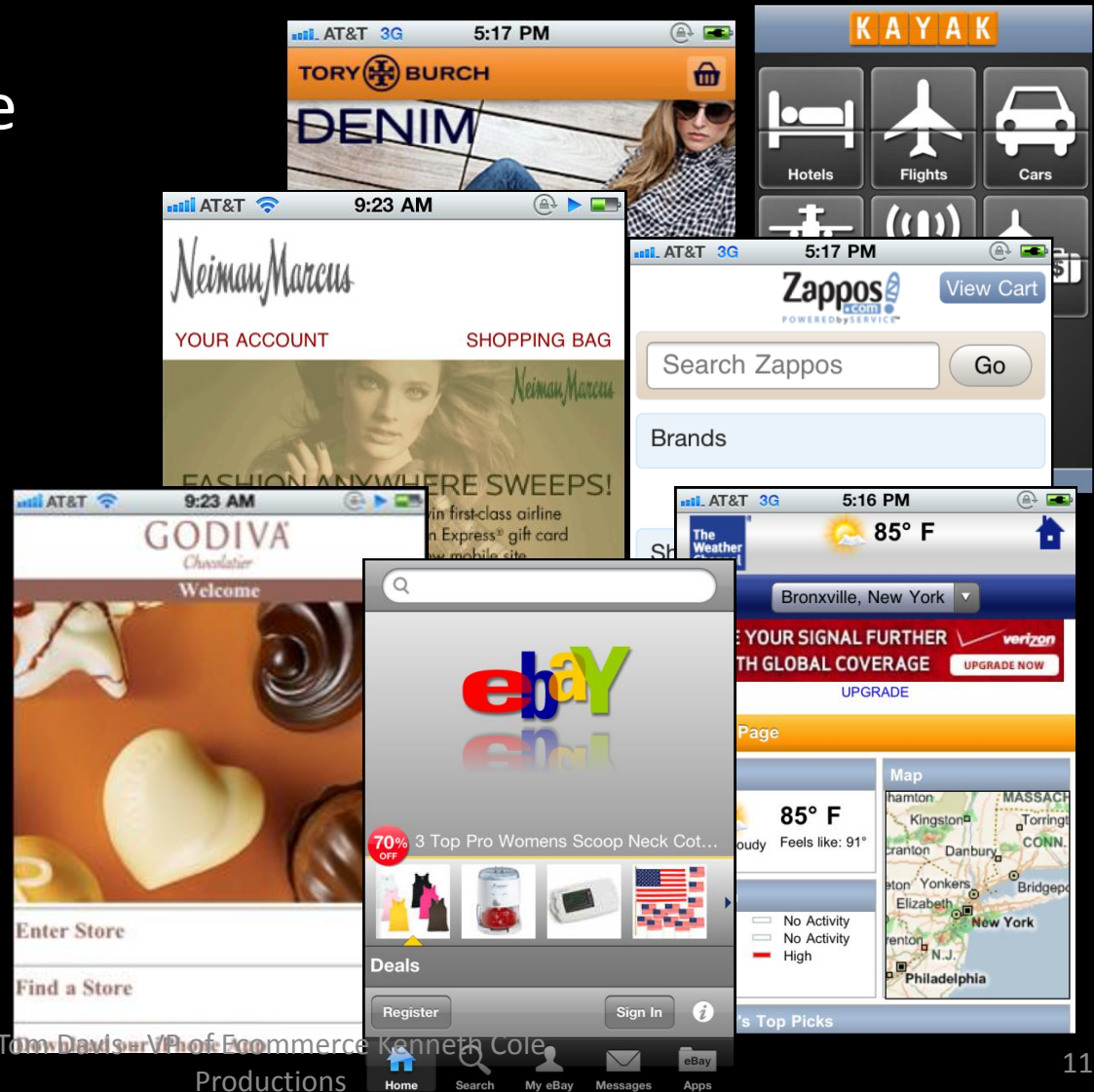
Source: Morgan Stanley Research.

Most People think...

Kenneth Cole Productions 2010

Most Think Mobile Commerce is ...

- mCommerce site
- App
- Store locator
- Simple interface
- Quick and easy
- Search bar
- Utilitarian
- Must be fast!



A-ha!



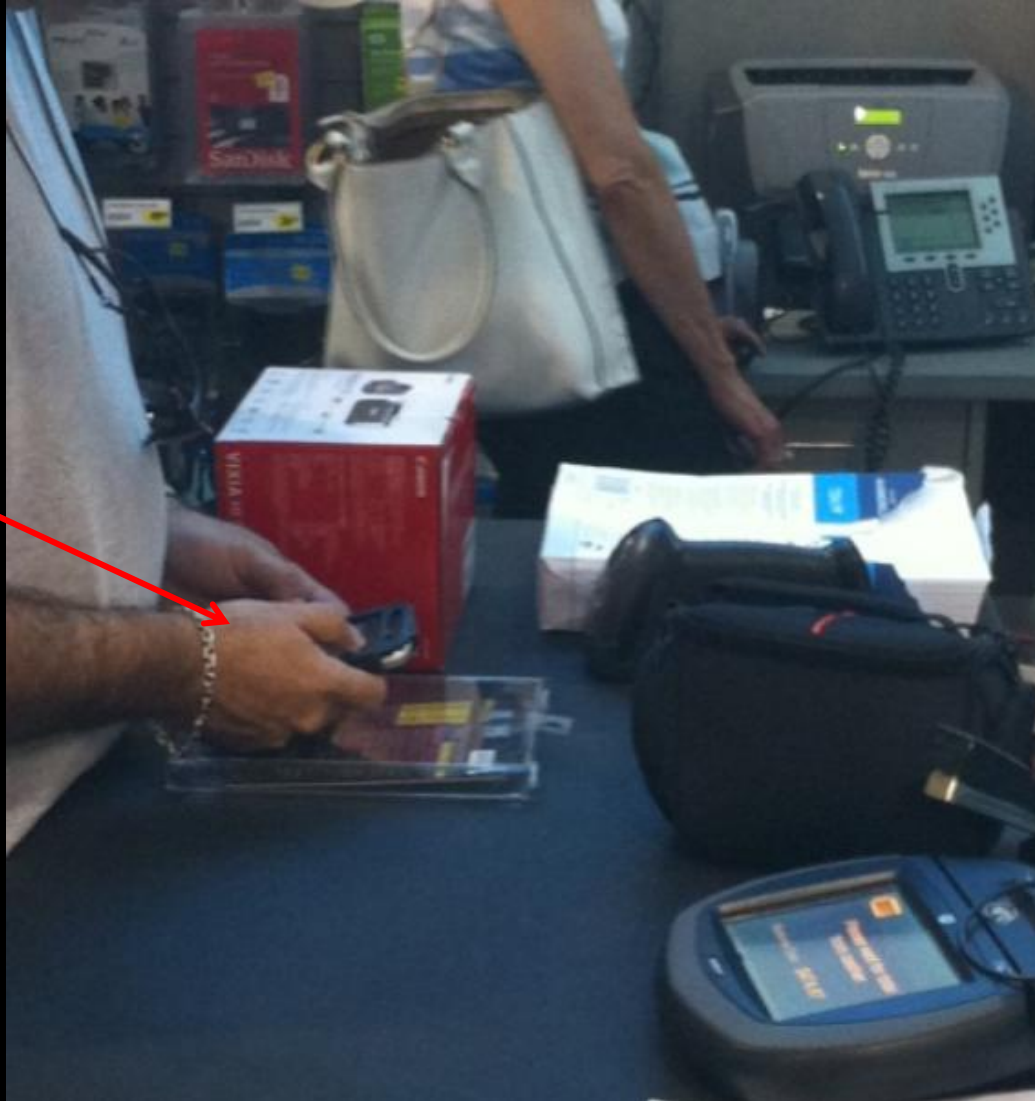
The "A-ha" moment



- "Do you like this?" my wife just performed a social/mobile shopping [#ecommerce](#) w/o even knowing it.

- April 30th, 2010

Scanner @ Best Buy



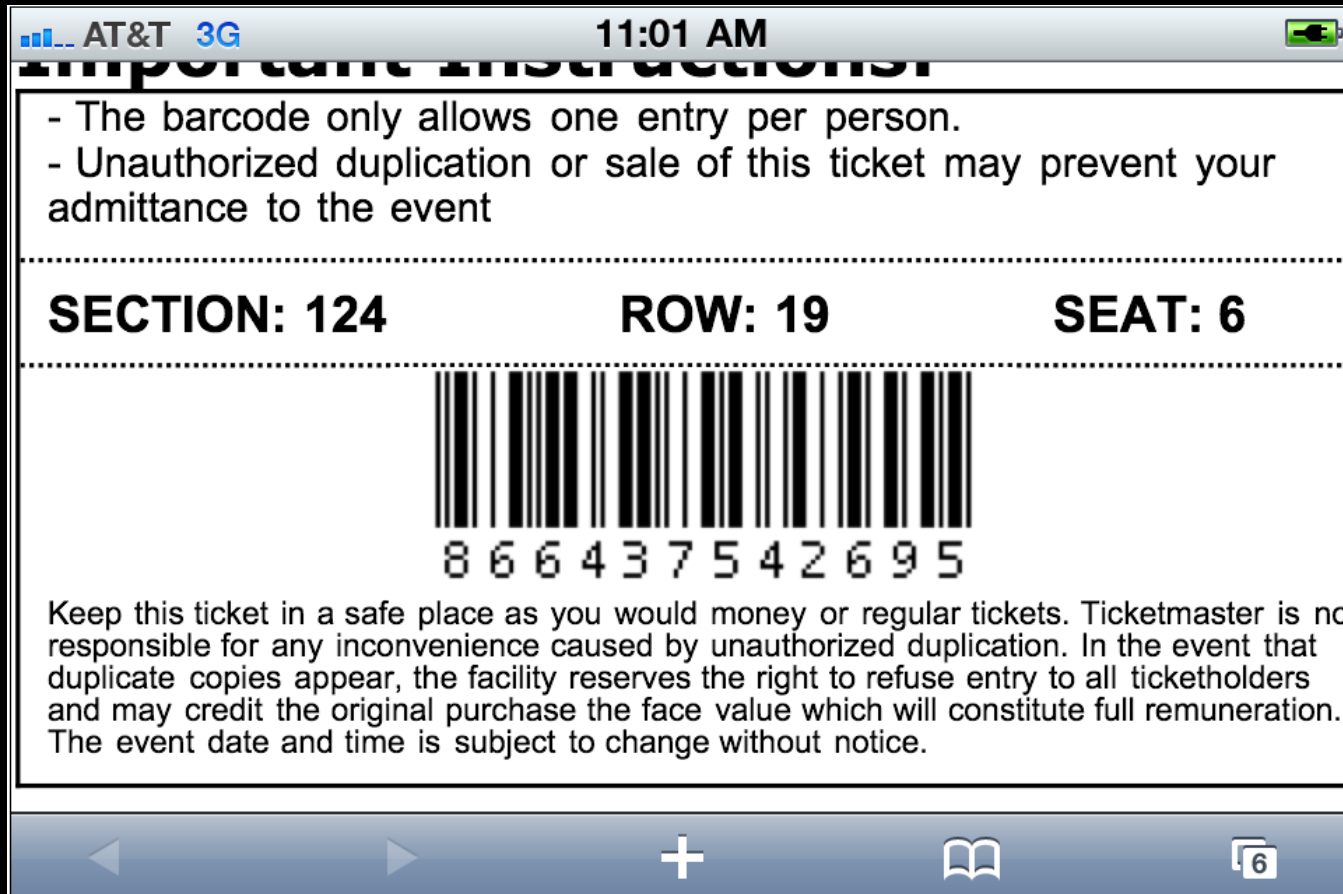
Bragging about Zappos via text



Pic for GEICO



@ Yankee Game StubHub Bar Code



Mobile Education?



Mobile Phones are a Gateway

- Internet
- Camera phone
- Video phone
- Live chat
- Apps
- GPS
- Debit card
- Txt, email, etc
- Social media
- Etc etc etc



Multi-Channel Mindset: “Everywhere” Shopping

Kenneth Cole Productions 2010

E-Evolution of the Online Shopper

Enabled Shopper

- Dial up / T1
- First email account
- Learns about search engines
- Heavy offline advertising influences online shopping
- .com companies of every kind popping up
- Online shopping is a novelty
- **Shopping driven by lowest price and mass advertising**

Empowered Shopper

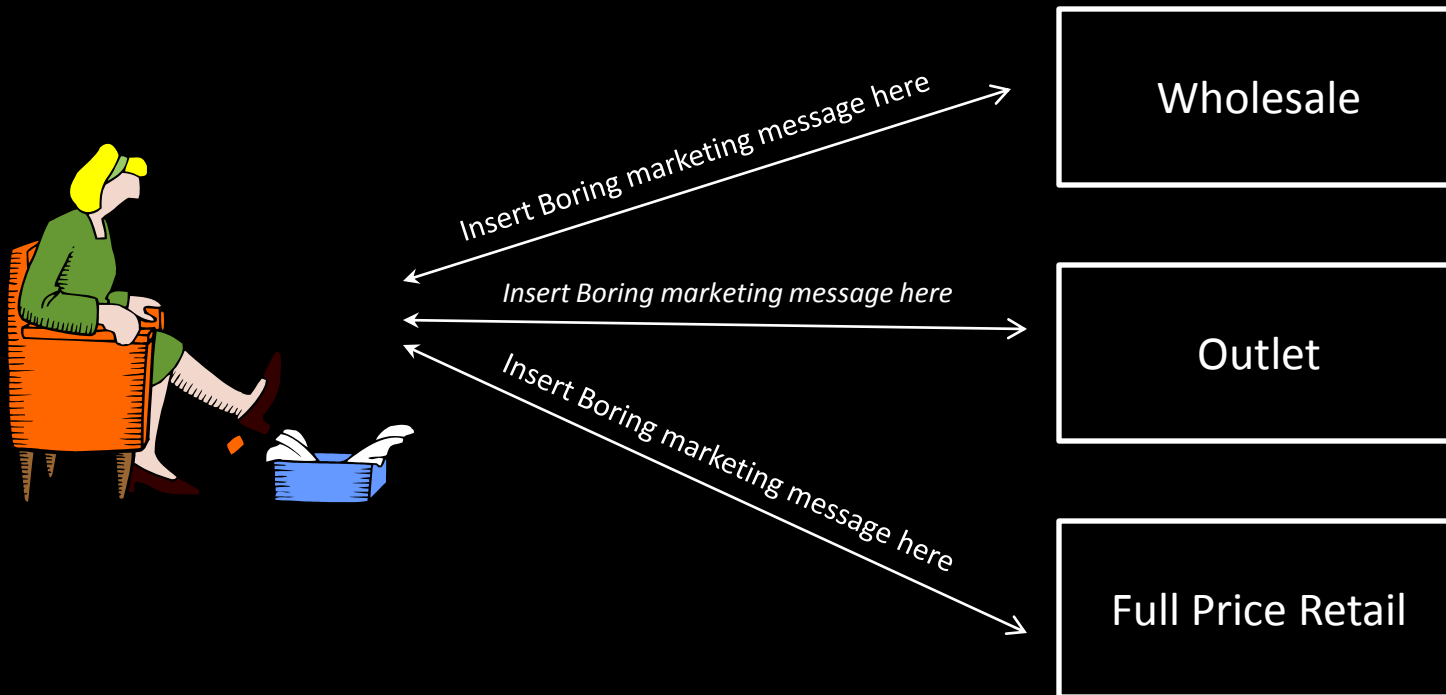
- First social media accounts
- Customer reviews / customer voice appears
- Blackberry fever
- Digital-camera-palooza
- SMS becomes mainstream
- Home/Internet capable computers are a commodity
- WiFi
- **The customer has access to unlimited amounts of product information**

Entitled Shopper

- Recession proved to be survival of the fittest
- Zappos & free returns/shipping
- Social / viral
- iPhone / Andriod smart phones
- Rise of the tablet
- Rich content
- Bargain hunting becomes chic (Rue La La, Gilt, etc)
- **“Everywhere” commerce is here; seamless experience**

Retail-Centric Shopping

The world of linear shopping is coming to an end



Customer "Anywhere" Shopping

- "Traditional" web site



- Email

- Trigger Campaigns
- Promotional Emails
- Preference emails



- Social networks



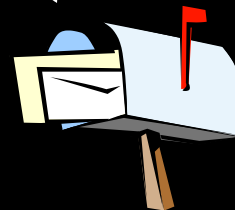
- Mobile

- Text messaging
- GPS messaging



- Traditional Retail

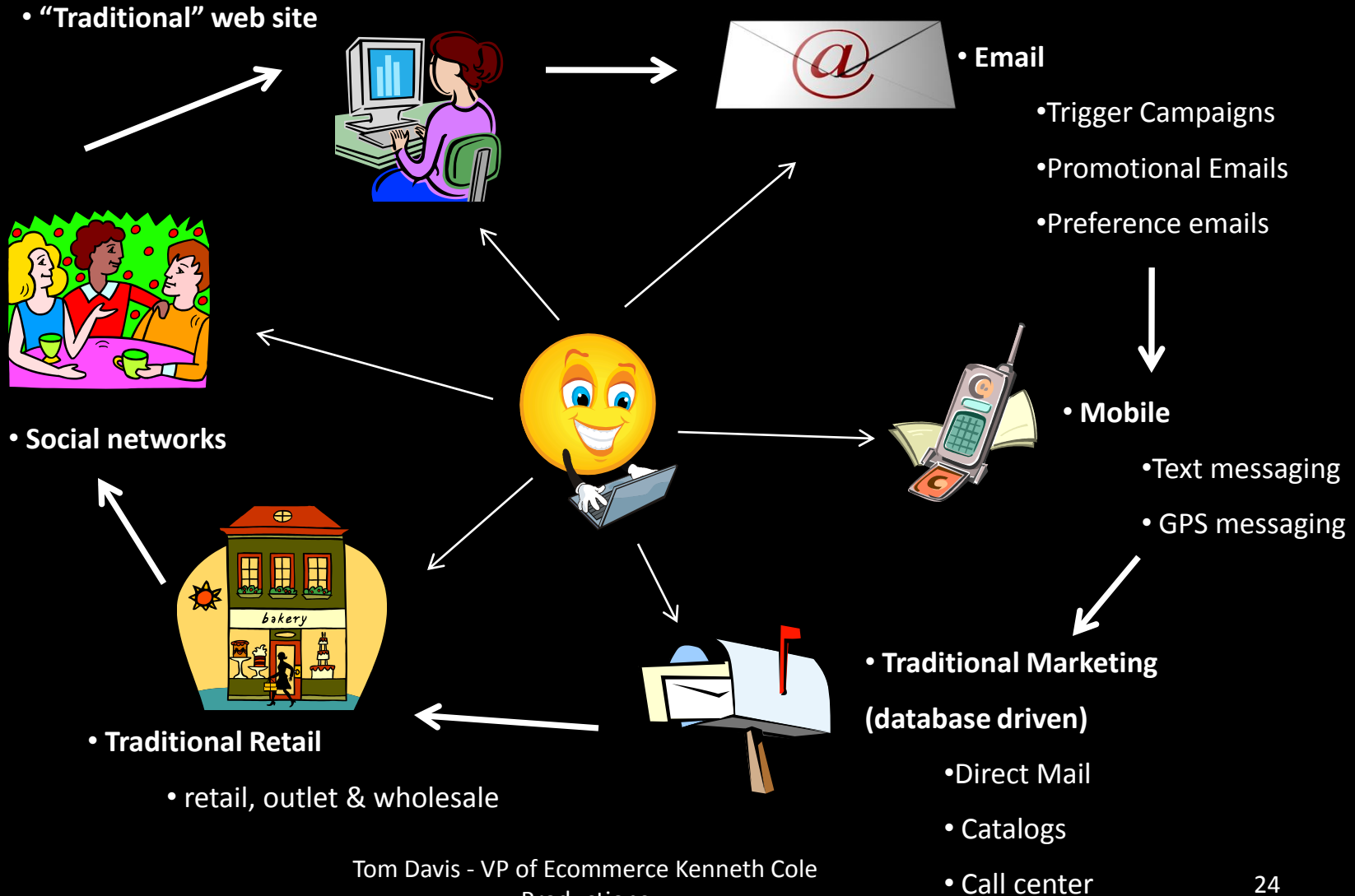
- retail, outlet & wholesale



- Traditional Marketing
(database driven)

- Direct Mail
- Catalogs
- Call center

Customer “Everywhere” Shopping



What's Our Mobile Strategy?

- Launch mCommerce enabled site in 2010
 - Data, data, data
 - Learn everything we can this holiday season
- Minimal investments in 2010
 - Post holiday re-evaluate for 2011+
 - Keep close eye on leaders
- Analytics are key to measurement and future investment
- The landscape is going to change rapidly
 - eg Yahoo! Mail HTML5
 - Flash or no-Flash?
 - iPads, tablets, etc
- mCommerce will benefit from PR, “herd mentality”, and viral marketing in 2010
 - By end 2011 mobile sites will be expected
 - By end 2012 mobile will be “noticeable” impact in retail revenue

The Big Finish

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Three Take Aways

1. By 2013 **more mobile phones** will be shipped than **desktops/laptops** combined
 - By 2015 more smart phones users than desktops/laptops combined
2. **Mobile commerce is more** than just a mobile-enabled site or rich application
 - Mobile phones are a **gateway to commerce driven activities**
 - Camera, social networking, GPS, web connected, voice, video chat, debit card, etc etc
3. The “**everywhere shopper**” is here; how will mobile fit into your online strategy?
 - Customers **demand** a seamless experience
 - Customers don't care about channel conflict

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