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Target, ShopNBC dial Simplexity for cell help

By John Vomhof Jr. Staff writer

Target Corporation and ShopNBC have teamed with a national firm to launch their own online mobile-phone stores.

The Target Mobile Store and ShopNBC.com Cellular Store, which debuted in mid-November, are operated by Reston, Va.-based Simplexity, an online cell-phone retailer. Simplexity runs similar sites for Best Buy Co. Inc. and RadioShack Corp.

Target's site offers a wider selection of mobile phones than Target.com previously offered, and it marks the first time Target has offered service plans online. ShopNBC did not previously sell phones or plans online.

For Target, the partnership with Simplexity is part of a broader push into the mobile-phone category.

In October, Target tapped RadioShack subsidiary Kiosk Operations Inc. to run the cell-phone departments inside roughly 100 of its stores. The kiosks, which have been rebranded as Bullseye Mobile Solutions, sell Verizon, T-Mobile and AT&T products and service plans, as well as various prepaid phones and calling cards.

Now Target will offer those same offerings online.

"Target.com strives to bring our guests everything that's available in-store, and more," Target spokeswoman Sarah Boehle said.

The move comes three months after Target announced it will bring its Target.com operations in-house in time for the 2011 holiday season. Seattle-based Amazon.com Co. Inc. has run much of Target's e-commerce technology and fulfillment operations since 2001.

"We will internally manage most functions of our new Web site, and in particular, those functions that provide a sustainable competitive advantage for Target," Boehle said. "As we identify peripheral tasks or those that are difficult to scale, we may consider partnership and/or outsourcing opportunities."

Joe Feldman, an analyst at Telsey Advisory Group in New York, said he thinks it is prudent for Target to partner with a firm like Simplexity.

“You do what you’re good at, and you try to get help at the things you’re not an expert at,” he said. “I think they see an opportunity to grow their online sales, but they probably don’t have the expertise as of yet. If they can partner with somebody to develop that expertise, that makes sense to me.”

Similarly, ShopNBC viewed its partnership with Simplexity as a way to quickly dive into mobile-phone sales, a category the company had been looking to enter, said John Schrogie, ShopNBC’s director of housewares and consumer electronics.

“Getting all of the carrier deals you need can be difficult and time-consuming,” he said. “Simplexity already has those deals and the necessary IT infrastructure in place, so the partnership gives our customers immediate access to 450 handsets and about 480 accessories.”

The deal with Simplexity is commission-based.

ShopNBC, which is operated by Eden Prairie-based ValueVision Media Inc., will direct shoppers to Simplexity, which then gives a percentage of those sales to ShopNBC.

ShopNBC has begun promoting its new online mobile-phone Web store with e-mail blasts to customers and advertisements on ShopNBC.com. The company also plans to sell some wireless products through its core television-shopping network.