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Long Island technology companies' devices let retailers personalize the in-store shopping experience

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As brick-and-mortar stores fight back against Internet retailers, they are using technology developed on Long Island to identify customers and their shopping preferences, and increase sales by providing a more personalized shopping experience.

“Customers want to shop on their own terms,” said Danielle Conte, a Centerport-based retail consultant and founder of shopping experience blog YouTailRetail.com. “The keyword in all of the technology that is coming out right now is immediacy.”

Long Island companies making retailing technology include Nodify Inc., a private company in West Sayville that develops Wi-Fi-based “proximity marketing;” Janam Technologies LLC, a private company in Woodbury that develops rugged mobile computers that assist retailers with inventory management; a key unit in Holtsville of Zebra Technologies Corp., a public company with more than $4.6 billion in stock market value that has “beacons” that interact with shoppers; and Multimedia Plus Inc., in Manhattan and New Hyde Park, a private company that develops apps to train employees on new merchandise.

In some cases, a wireless sensor can recognize when a customer, who has downloaded the store’s app, walks into a retail store and sends a message such as “Welcome Back, Jane” to the shopper’s smartphone, along with a 15-percent-off coupon for an item. The sensor can also notify a sales associate or manager when a returning customer arrives so that they can greet the person by name and offer assistance or deals. The use of the technology may vary by store and retailer.

The messages can be even more targeted. Knowing from the history of a shopper’s smartphone searches that she has a fondness for buying purses, the technology can direct her to a sale in that department.

Another device may be used by an employee to message someone in inventory to quickly...
IN-STORE SHOPPING GOES HIGH-TECH

Retailers target buyers through new devices

Zebra's mobile marketing system, which uses both Wi-Fi and Bluetooth technology, offers "beacons" to identify shoppers' smartphones and communicate with them while they are in the store. Shoppers who opt in to receive offers by downloading an app can locate products in the store, read reviews, compare prices and look up other information.

"Geolocation" is in

"This is one of the big waves of things that retailers are beginning to roll out," said Barry Issberner, senior director of enterprise product and solutions marketing for Zebra, a Lincolnshire, Illinois-based company with about 7,100 employees across 81 countries. "You'd have to have agreed in the terms and conditions to say to the store, 'I want you to make special offers to me, and it's OK with me that you understand my location in the store.'"

Within three years the number of retailers who plan to use "geolocation" such as Zebra's beacon technology will rise by nearly 200 percent, according to a report by consulting firm Boston Retail Partners. About 54 percent of Americans find beacon technology to be valuable, particularly among 18- to 34-year-olds, according to data from online coupon provider RetailMeNot.

Notify, with five employees, jumped into the proximity marketing scene in January 2014 with another permission-based app with "push notification" of offers. It uses Wi-Fi and beacon technology to analyze store traffic and allows retailers to reach customers entering or passing a store up to 300 feet away. For instance, on a cold day a driver pulling up to a gas station pump may get a message prompting a trip inside the convenience store to get a cup of coffee.

The smartphone link

The patent-pending software works with all smartphones, Notify says, because phones are built to search for Wi-Fi signals. In comparison, less than 50 percent of phones have the specific type of Bluetooth technology that connects with beacons, said Notify's senior vice president Elizabeth Powers-Trupp.

Addressing privacy concerns, she said, "Notify identifies all of these unique phones anonymously." Each smartphone has an exclusive identifying address. "If I pick up your phone, I don't know it's you, but I know that if you come back tomorrow that I see that phone again, so I can build a profile about the user without knowing it's you." (Customers who download a related app, however, do give permission for the retailer to know their identity.)

Mobile apps and proximity marketing seek to motivate customers to shop and buy more, and drive traffic to the pricier areas of a store, while catering to the retailers' most loyal customers. About 72 percent of consumers will act on a sales prompt if they receive it in or...
near a store, according to an IBM study.

Such apps are “all about rewards and customer retention,” said Powers-Trupp, whose technology is being tested in about 100 locations including Bolla gas stations, Wendy’s and Dunkin’ Donuts on Long Island.

For Hauppauge-based Lacrosse Unlimited, which sells apparel, footwear and equipment, the Wi-Fi-based “Notify Node” counts store traffic and helps the company know its return on investment. The technology has been installed in six of its 10 stores on Long Island, and its Notify-hosted app has been promoted by employees and signs in the store.

“We wanted to have a way to interact with the customers, technology-wise, that would push us into that other level of retail instead of an email blast at home” that may or may not be read, said Tim Fleming, director of sales and digital marketing for Lacrosse Unlimited, a family-owned company started in 1990 with 52 stores nationwide. “Here we know when they walked in that they got that notification, and we can tell if they redeemed it or not.”

**Tech, sales go hand in hand**

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<thead>
<tr>
<th>Percentage</th>
<th>Scenario</th>
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<tr>
<td><strong>74%</strong></td>
<td>Purchases, aside from food, that are done by customers who pre-research products and prices. — Marshal Cohen, NPD Group</td>
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Devices also focus on speeding up consumers’ shopping. The number of retailers planning to use mobile technology as checkout devices will grow by nearly 300 percent in the next two years, according to Boston Retail Partners. And they have their eye on supporting payments via Google Wallet or Apple Pay.

Janam Technologies, founded in 2006 and employing about 50 people, develops rugged mobile computers that assist retail operations with receiving and inventory management, data capture and shelf audits. Janam has some 400 partners worldwide selling its devices, very often with their own software such as an app to help quickly locate shoes.

This spring, Home Depot is equipping its associates with 40,000 Web-enabled mobile devices designed by Zebra to expedite checkout. The devices serve as a phone and walkie-talkie, find products, and provide inventory management and business analytics.

“Retailers have to know the physical condition of things in their store,” Issberner said. “They have to connect it to the digital world, and they have to take action. They have to have that visibility at a higher level of detail than they had before.”

To further assist shopping, Zebra has software that runs on a mobile device carried by store associates that has product prices and stock inventory details. An associate can then automatically send a message to another associate to go get an item. It also serves as a transaction checkout device. Another device supports mobile payments anywhere in the store.

Zebra also sells a touchscreen device that serves as a customer “concierge,” allowing shoppers to look up products, read reviews and get help through the retailer’s video call center.

“The visibility with all of this technology essentially enables a better outcome,” a nicer experience, a faster transaction, Issberner said.

Multimedia Plus develops interactive tablet apps that individual retailers such as Coach and Brooks Brothers use to train employees on new merchandise, as well as provide sale figures and performance metrics.

**Savvy customers**

“We’re seeing a huge shift happening in retail where the customer is walking in and knows a lot because they’re walking around with smartphones in hand,” said David Harouche, founder of Multimedia Plus, a private company that was founded in 1997 and has 26 employees. “If you walk into a store and you know more than that person who works there because you just looked it up on your smartphone, there’s something wrong with that equation.”

With all this retailing technology, shopping in the store is “becoming much more of a personal type of experience,” said Harry B. Lerner, chief executive of Janam.

“Now you basically have the situation where the people who shop and the retailers themselves who host those shoppers both have this incredibly advanced level of comfort with technology,” he said. “And then you have the technology itself, which is capable of so much more than it ever was. So it really feels like we’re at the front part of this, not the tail end of it.”