Article Title: "Cutting-Edge Systems Streamline Shopping "

Author: KEN SPENCER BROWN Section: Industry Snapshot

Date: 7/17/2006

## INVESTOR'S BUSINESS DAILY®

E-commerce technology has had a huge impact on shopping, letting people order just about anything with just a few mouse clicks.

But traditional retail stores are far from dead - and they too are adopting technology to improve the experience for customers.

Wireless smart tags, Internetlike information screens and handheld shopping aids are helping brick-andmortar stores make shopping quicker, easier and more satisfying.

"It's an exciting time in retail," said Alexi Sarnevitz, a retailing expert with software maker SAS Institute.

His company sells software that helps retailers analyze shopping patterns and better cater their offerings. **By** sifting through mounds of data, stores can glean valuable insight into what customers are buying. That helps stores in everything from stocking shelves to laying out the floor plan.

Tracking customer behavior is nothing new, of course. But stores are using the information differently. In past years, for instance, some stores liked to put items purchased together on opposite ends of the store. That forced customers to walk through the store - and maybe add items to their cart along the way.

These days, the focus is on improving service, Sarnevitz says. A store is more likely to use customer data to make its layout more convenient.

Some are placing popular items on the edge of the store so the products can be found fast. Customers might not buy as much on a given visit, but might be more likely to return.

Radio frequency identification technology, or RFID, also could change shopping. For now, the technology is used mostly to manage inventory. But soon, wireless smart tags could make shopping faster - or perhaps even fun.

No Unloading Carts

With RFID, stores should be able to better track merchandise. They'll know sooner when someone has misplaced an item or whether a shelf needs restocking.

And say goodbye to long checkout lines and unloading shopping carts.

When RFID technology becomes more widespread, cashiers will be able to scan an entire cart in a single pass, without removing anything.

For now, RFID is used mainly for tagging shipping pallets, not individual items. That will change as RFID chips become less expensive and retailers settle on industrywide data standards.

When techies first proposed bar codes in the early 1970s, most assumed the main benefit would be faster and more accurate checkouts, Sarnevitz says.

"Everyone overlooked all the other benefits," he said. Today, bar codes provide an instant glimpse at what's selling at any given moment, making it easier to reorder depleted items or react to sales trends.

In much the same way, Sarnevitz says, current plans for RFID barely hint at its promise.

More Product Info

Other technologies, meanwhile, are making their way to store aisles.

Ovation In-Store sells display systems. Among other uses, the systems can give customers detailed information on complex products or let them compare items.

**By** mixing the instant gratification of in-store purchases with the easy searching and in-depth info of the Web, stores can offer an unmatched experience, says Ovation founder Ben Weshler.

For cosmetics maker Estee Lauder, Ovation created an interactive display that lets customers scan products for detailed information.

The display offers far more information than would fit on a package or in a sales clerk's head.

"At retail is where the consumer makes the decision," he said. "There's only so much you can do with lithography or with print. Even if TV has gotten the customer interested, the decision is made in the store."

San Diego-based Indyme Solutions is using technology to solve an age-old retail problem: how to fetch help when a customer needs it.

It sells call boxes that signal for help **by** sending messages to a pager. If no one responds, the message can go to workers' walkie-talkies.

If no one answers after that, the system can call a manager over the store's public-announcement system.

Target uses the system to speed customer service. It tracks the number of confused customers and response times - statistics that help determine manager bonuses.

Another Indyme system makes it easy for customers to alert workers to dirty restrooms. If no customer complains, the system reminds workers to clean the rooms every four hours or so.

Indyme is in early tests of more advanced systems, says Chief Executive Al Haddad.

One is a call box with a screen that directs customer questions to a central call center.

That would allow a highly trained help desk to provide all sorts of product info, including user manuals or a manufacturer hot line.

A home improvement chain, for instance, could direct plumbing questions to one in-house expert. That means it wouldn't need to have such a person in every store.