

NRF: Omni-channel, with a nod to the physical space

Some technology developers begin to embrace the store designer's critical role



New technology and its supporting role in the retail environment garnered attention at NRF's annual trade show in January.

The National Retail Federation calls its annual trade show the Big Show, and this year's event held in January definitely lived up to its name, with 30,000 attendees and 500 exhibitors.

Most of those exhibitors were pitching some version of omni-channel technology, although at least one retailer seemed a bit tired of hearing the term. Lululemon CIO Allen Smith, speaking at a show conference session, said the "multi-channel, cross-channel, omni-channel" talk has been beaten to death. At Lululemon, he said, "We use the term single guest experience."

Semantics aside, much of the new technology at NRF will need to be incorporated into the design of the physical space and the fixtures, which means getting the store design experts involved from the very beginning.

Acknowledging that technology developers have been slow to pick up on the

importance of incorporating technology into the store design concept, Brian Dyches of OpenEye Global told *Retail Environments* that at this year's show he saw a much greater acceptance and understanding of the store environment's role. "Major technology players such as Intel have clearly embraced the importance of the physical space," he said, adding that it was the first year he witnessed such understanding.

"Many exhibits used the tagline, 'Combining physical, digital, and mobile,'" he said. "While some of that was marketing speak, I spoke with several key players who clearly see the connection."

If one could commit every waking hour to the show—attending all the sessions and visiting every booth—a person might have a pretty solid picture of the future of shopping. Since that isn't an option, this article offers a brief summary of the top three trends in store-floor technologies from the show.

1 iBeacon

As expected, the second generation of location-based marketing tools was a highlight, with many driven by Apple's new iBeacon technology. Using in-store sensors, a retailer can send a message to the shopper's phone as they enter the store. iBeacon's accurate location capability allows the messaging to be specific to the customer's location within the store. iBeacon was even shown in an "empty-hand" payment system, similar to a digital wallet.

Using iBeacon, retailers can combat showrooming by tracking a customer who is close to a purchase decision, and delivering a discount offer that can help close the sale before they leave the store.

2 mobile rules

The rapid acceptance of mobile devices as POS terminals has led to a number of systems that expand tablet use, enhancing the shopping experience and helping increase sales.

Some exhibitors showed mobile phone tracking and/or video analysis to track shoppers' movement throughout the store, identifying hot/cold store zones and dwell time.

Loyalty accounts become much more important with the rise of in-store mobile technology. Systems were shown that allow shoppers to scan and pay for merchandise using their retailer loyalty app.

3 big data

With so many new and different sources of data to help give context to customer behavior, retailers are poised to be able to deliver the "single guest experience," as Lululemon describes it.

The challenge is to turn data into insight, and exhibitors at NRF offered solutions. Several showed systems that personalize the customer experience by analyzing customer location, preferences, and history in real-time to provide contextually aware promotions, customer service, pricing, and product offerings.