

# Engage Shoppers With Digital Devices

Mobile is the linchpin for connections.

By John Karolefski

“**The successful grocers are those who are leveraging their loyalty data to deliver personalized value through their mobile applications for an enhanced in-store experience.**”

—Michael Colaneri,  
AT&T

**I**n the near future, supermarkets will routinely engage shoppers with a variety of digital devices. Setting the stage for this scenario are beacons, digital signage and at-shelf tags being unveiled around the country as stores serve as testing labs for new technologies. Nobody knows which ones will survive and flourish, but one thing is clear: Mobile will be the linchpin of most in-store technology.

Safeway, Kroger, Giant Eagle, Wegmans and other chains are using mobile apps to make the in-store shopping experience relevant. These apps are all tied to loyalty programs and customer-specific marketing campaigns.

“Mobile applications are the most widely adopted technology across the grocery industry, but with varying degrees of functionality, from basic ads, coupons and recipes to m-commerce and BOPUS [buy online, pick up in store] and home delivery,” says Michael Colaneri, associate VP of retail for Dallas-based AT&T. “The successful grocers are those who are leveraging their loyalty data to deliver personal-

ized value through their mobile applications for an enhanced in-store experience.”

Adds Nick D'Alessio, retail solutions development manager for Lincolnshire, Ill.-based Zebra Technologies, a provider of tracking and printing technologies: “The retail market as a whole is facing the growing demand of connecting with digital mobile shoppers who are time-constrained and like to shop anywhere at any time.”

Many grocers are creating their own smartphone loyalty applications for rewards and coupons, according to D'Alessio, who adds that



customer-facing Wi-Fi is being offered to facilitate a better shopping experience, with digital coupons and store maps available.

Mike Puffer, senior director of mobile solutions and strategy for Detroit-based digital marketing company HelloWorld, agrees, noting, "The brands establishing the strongest foundation in mobile and other innovative areas are coming out ahead." Puffer provides the following evidence:

- Mobile optimized email, SMS and PMMS communications strategies aligned to each phase of the customer life cycle; that is, promotions, circular distribution and rewards
- Strong mobile web experience for finding and navigating stores, and getting coupons
- A mobile app presence that allows users to build a user profile with the brand, access local offers, locate stores, manage their loyalty programs, and integrate with beacons
- Mobile wallet integration for storage of loyalty cards and coupons, and native integration with beacons.

"There are many technologies available today and on the horizon that will enhance the in-store experience," enthuses AT&T's Colaneri. "With CPG companies becoming savvier to consumer behavior analytics and loyalty to their brands, these producers will also expect their key distributors to be wise and conscientious about their merchandising. The smart grocers will partner with these companies to bridge the gap between what they know today versus what they will need to know about their consumers and local penetration tomorrow. This will not only drive traffic into their stores, but increase basket size as well."

The following technologies aim to enhance the in-store experience:

#### Beacons Make Connections

Beacons are Bluetooth-enabled devices that connect with partnered smartphones nearby. Beacons rely on apps to receive their signals, which then trigger ads, coupons or product information to be sent to shoppers.

Data released by inMarket, a Venice, Calif.-based operator of a beacon platform, show that 38 percent of the 9 million U.S. Millennial moms — those born between 1982 and 2000 — are actively using beacon-enabled shopping apps every month. Trading partners can reach this audience via location-based mobile engagements such as welcome messages when consumers enter stores and calls to action based on specific marketing outreach.

Some stores operated by large chains such as Safeway, Target and Marsh are outfitted with beacons. But now smaller operators are deploying these transmitters as well. For example, Salt Lake

City-based Associated Food Stores (AFS) has launched a Shopper Radar mobile app that uses Bluetooth beacons to send alerts to shoppers' smartphones. Shoppers tap their phone screens to have store credits or digitWal coupons added to their Rewards accounts. To retain the savings, a customer must also buy groceries before leaving the store.

The app is available at several AFS retailers, including Maceys, Dan's, Dicks, Lin's, Fresh Market, Blair's Supermarkets, Broulim's Fresh Foods, Peterson's Fresh Market, Soelberg's, Stewart's, Bowman's, Davis Food and Drug, Stokes Fresh Market and Prather's Market.

#### Signage Points the Way

Proponents of digital signage say these systems can increase grocery sales by creating an engaging retail environment. Audiovisual displays aren't static — they actively involve the customer.

"Some of the immediate benefits include aiding in a shopper's decision-making process, entertaining customers and strengthening brand visibility," explains Lou Carulli, marketing manager of YCD Multimedia, which offers digital signage software solutions for retailers. The New York-based company's software has been integrated in supermarket and hypermarket chains around the world.

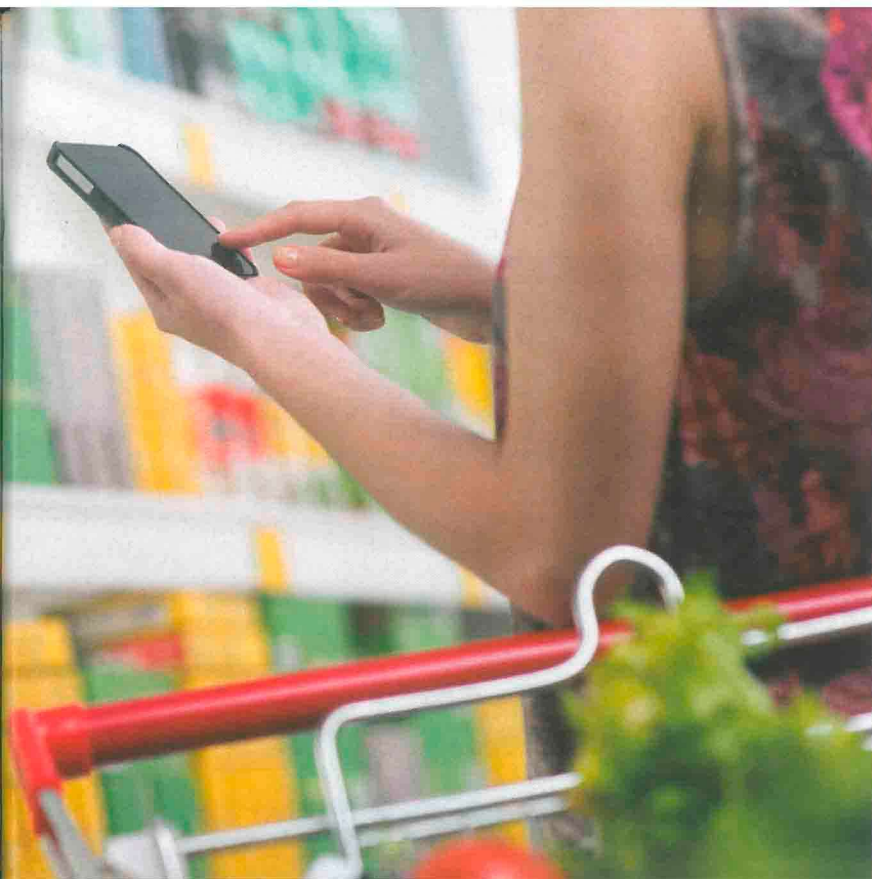
According to Carulli, integrating QR codes with digital signage can give customers immediate information on products or specials, and even allow consumers to connect to the digital signage system by mobile phone. This gives local supermarkets the opportunity to use digital mobile alerts to send coupons, promote time-sensitive deals, or even give the exact location of an item or the grocery store itself. It can also help extend the retailer's social media reach as customers share their deal or purchases online.

"Digital signage is now providing two-way interactivity via integrated mobile apps, beacon technology, analytics, and customer database integration that is growing interest in the grocery space," affirms AT&T's Colaneri.



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### New Tags at the Shelf

Electronic shelf labels (ESLs) and other shelf tags are drawing interest from appreciative shoppers as more grocers test these devices.

"Shelving technologies can help brands and retailers drive customer engagement and loyalty," says Jeff Pinc, director of retail and food services at Newark, N.J.-based Panasonic, who goes on to predict, "We expect more widespread adoption down the road as retailers become more familiar with new shelving technology benefits."

The company's integrated retail merchandising solution, Powershelf, currently being tested by Whole Foods Market, combines ESLs and features beacon mobile advertising capability, plus inventory and price management software. Here's how it works: Powershelf's weight-sensitive mat is placed on a shelf. When a shopper takes the last item off the shelf, a store associate instantly gets a text message identifying the exact product that needs to be restocked, thus avoiding out-of-stocks.

Meanwhile, Cincinnati-based Kroger has developed and is testing a "smart" shelf in a store in Cold Spring, Ky. Some 2,000 shelf edge devices are installed in center store to show digital prices and ads. Officials say that once testing is complete, they'll roll out the system, which may eventually be able to communicate with shoppers' smartphones (the store was featured in *PG*'s December 2015 issue).

"One way that retailers can capitalize on product imagery at the shelf is by placing strips and tags on the shelf edge that feature the product's image, price and other pertinent details," says Susan Sentell, president and CEO of Lisle, Ill.-based Gladson,

which provides such items. "These image-based strips and tags serve as a language-neutral merchandising tool that allows shoppers to quickly locate the item. In the event the item is not stocked, the product image underneath an empty shelf space illustrates that the item is typically carried at that location.

"Beyond the consumer benefits, image shelf strips and tags provide merchandising teams with a visual road map to better maintain the set, including faster product reordering and restocking, and program compliance," continues Sentell. "By ensuring the product gets on the shelf faster and in the right spot, a retailer can improve on-shelf

availability, customer satisfaction and sales."

Gladson's database of CPG product images aims to increase sales and maximize ROI and customer satisfaction.

### Other Technologies Debut

For a 90-day test in Atlanta, 38 Golden Pantry Food Stores were equipped with ISIGN Smart Antennas to send messages to all nearby mobile devices and deliver coupons without an app downloaded to a smartphone. Results of the pilot include lifts of 10 percent to 26 percent. All shoppers involved received instant data on acceptance.

At last year's Milano Food Expo, in Milan, Italy, Reaves Wimbish, senior executive in Accenture's U.S. Retail Strategy Group, noted that the Supermarket of the Future exhibit transformed the customer experience with digital tools that make shopping more convenient, relevant and personalized.

"Thanks to the interactive food display tables and smart shelves, consumers have a range of product information, such as provenance, allergens, nutritional data and carbon footprint," he said. "Digital displays share real-time information on promotions, best-sellers and more. A mobile app helps customers navigate the store, augments product information and identifies products that are compatible with their lifestyle needs. Second-screen technologies allow suppliers to provide product or promotional content and interact with shoppers."

That might not become standard fare in U.S. grocery stores any time soon, but the pace at which technology is advancing suggests that even such futuristic scenarios may be plausible one day. **PG**

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