

# Riffing on Tech



PACO UNDERHILL

CEO &amp; FOUNDER

ENVIROSELL

p.underhill@envirosell.com

**D**ID YOU KNOW THAT interactive devices in retail settings have a failure rate of roughly 80 percent? First, there is the cool factor, where customers love it the first time they see it and ignore it six months later. Second is where the customer starts to experiment, gets frustrated and abandons the interaction. Third is where the device is abused and broken (often by children).

Yes, technology is very much a part of our shopping future, but with some important qualifications.

**Tech you never see.** Technology's most important contribution to retail has been in supply chain management. Getting the right goods to the right place has allowed retail chains to reduce out of stocks and, in practical terms, shrink the size of the store. Thanks to inventory software, we have reached the apogee of the big box. A merchant can now stock the same number of SKUs in a smaller footprint. You can customize a portion of inventory to meet the needs of a local market. The irony is that many chains are struggling to deal with excess space on the floor. Walk into a your local big box and you'll now find fast-food, coffee shops, eyewear stores, hair dressers even a dental office are filling up the vacant space.

The new frontier for tech you don't see is using the physical footprint of the store as a delivery point for online sales. It becomes another way of leveraging distribution centers and trucking, and American merchants are doing it now.

**Tech you can't touch.** The flatscreen monitor is here to stay. The cost of these screens, big and small, continues to decline, as does the weight, and durability continues to improve. Most merchants understand that the flatscreen is not a ubiquitous solution. Flatscreen communication attracts twice the number of eyeballs as a static sign. However, the actual viewing time is roughly the same. We look



at screens in the context of physical space, and the typical exposure times when people are moving is 2-3 seconds. The 21st-century marketer programming for a flatscreen needs an understanding of exposure time. As you wait in line at Starbucks to place your order, that screen gets looked at longer; marching through Macy's, the sign competes with merchandise and, more importantly, other people for our attention. Context is everything.

Perhaps the most important can't-touch tech in 2016 is lighting. A perfect example is the produce section of your local supermarket, where, thanks to theatrical lighting, that apple or cucumber looks better there than it will back in your kitchen. Again, with the LED revolution, the bulb and fixture may be expensive, but the savings in energy consumption more than makes up.

Beyond lighting are the other parts of sensory marketing—what we smell, what we hear, what we touch and taste. Tech has a role in how we present and manage the broader experience of being and shopping in physical space. It also encompasses our exposure to internet marketing and information. We don't touch it, but we experience it. It is a powerful tool.

**Tech you touch.** Some retail pundits have a fascination with toys: interactive tables, mirrors, kiosks. Part of the problem is that in the showroom where the devices are presented, the lighting is always perfect, and in the context the toy is the hero. Move it to the retail floor, and the context gets much more complicated. As any parent knows, electronic toys break, the only question is when. The harder it's played with, the shorter its lifespan.

Still, the most important tech that we touch is the smartphone. For so many of us, they are an essential part of our daily lives. Much of our tech present and our tech future is anchored in the ways that we can integrate that phone into how someone interacts with our physical and digital brand.

Our studies document that some 40 percent of all shoppers have done some form of pre-shopping online, and the majority of the pre-shopping has happened on their smartphone or tablet.

Replace the in-store kiosk with a smartphone app. Link the mirror to the production and distribution of selfies. Help download instructions and manuals to a phone. Use Facetime to link customers to experts that can answer questions the in-store associate can't. When are we going to get a true shopping bot that manages our closets and purchases?

My office has a stream of tech companies that come calling, and I get to see and talk to people trying to reinvent the world I work in. Some of it is what I call "tech in search of an application." Those are shots in the dark. But, every once in a while, we see something magical and relevant. Tech is here to stay; we just have see through the blinding LEDs. 

PACO UNDERHILL IS THE FOUNDER OF ENVIROSELL AND AUTHOR OF THE BOOKS "WHY WE BUY" AND "WHAT WOMEN WANT." HE SHARES HIS RETAIL AND CONSUMER INSIGHTS WITH *DESIGN:RETAIL* IN THIS BI-ISSUE COLUMN.