

## Hot spots, apps, online contests tap shoppers on the go

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When shoppers walk into Macy's at Water Tower Place today, they can scroll through an iPad to select a Clinique skin-care plan, scan a QR (quick response) code on their smartphones to watch an online fashion video, or download a Shopkick app to verify their presence, accrue rewards and scan barcodes on select products.

"We hear our shoppers telling us that she's going to live her life through a mobile device," said Martine Reardon, Macy's executive vice president of marketing.

The mobile access, combined with a strategy of stocking each Macy's store based on customers' tastes, called "My Macy's," are key features of the store's multimillion dollar redesign being unveiled this weekend.

Behind the scenes, salespeople working the checkout counters write up comments from customers in an electronic diary that executives read in real time. The results help set inventory strategy. The store's handbag section is double the size of the old one, menswear and the women's shoe department are expanded, and an "Impulse" section featuring contemporary fashions replaces the junior's department.

In case shoppers cannot find an item in the store, a "Search and Send" function at checkout lets salespeople locate products at macys.com and have the items shipped to the shopper's home or business.

Macy's mobile strategies aim to leverage the Cincinnati-based retailer's double-digit percentage growth in online sales. In 2010, Macy's online sales skyrocketed 28.7 percent, while brick-and-mortar store sales grew 4.6 percent, for a combined \$25 billion in revenue.

This fall, Macy's will install high-speed mobile "hot spots" so that shoppers may access iPads in the jewelry departments at Woodfield, River Oaks and Bolingbrook stores. It will also activate Wi-Fi access throughout its flagship State Street store, where hot spots now operate in eating areas.

Retailers are scrambling to adopt as many online strategies as possible, with 91 percent starting a "mobile" strategy, up from 74 percent a year ago, and 72 percent spending more on social networking, the National Retail Federation reports. Consider these examples:

† Wal-Mart bought social media tech developer Kosmix on April 19 for \$300 million and is setting up a Silicon Valley-based @WalmartLabs to develop social and mobile-commerce businesses and technologies.

† Luxury retailer Bergdorf Goodman announced April 21 a Facebook contest to crowdsource the design of its next Fendi 2Bag, based on the concept pioneered by Chicago-based T-shirt designer Threadless.

† Lands' End, a division of Hoffman Estates-based Sears, has launched a digital catalog with touch, pinch and zoom gestures developed for the iPad.

† Starbucks lets customers download a mobile app to consolidate and reload their gift cards and pay by scanning the phone at checkout.

† A CardStar app lets shoppers store, manage and retrieve rewards, club and loyalty cards on their smartphones.

A technology startup company called Cazoodle hopes to take advantage of the trends by partnering with retailers to reward shoppers who use its online search algorithm to buy products in traditional stores.

The company, led by CEO Kevin Chang, got its start with a team of faculty and grad students at the University of Illinois at Urbana-Champaign.

Cazoodle introduced in April its search function that lets shoppers access a single list of retailers with a searched-for product, along with the product price, reviews, ratings and location of the closest store selling that product.

“We use artificial intelligence and machine learning to combine information distributed among many websites and put them into a single search engine,” said Govind Kabra, chief technology officer at Cazoodle. “Our ‘Web data factory’ gets the right information from every possible website and lets a user search by the exact features he or she wants.”

Cazoodle will expand its search this summer to apparel, cosmetics, jewelry, home décor and small appliances.

The trends reflect shoppers’ increased use of mobile and real-time technologies to find bargains, said William Rosen, president and chief creative officer for North America of Arc Worldwide, the marketing services arm of Leo Burnett.

“There is no single mobile shopper — some are forever attached to their mobile device while others view it as an inferior ‘on-the-go’ version of their computer,” Rosen said. “But they all want a meaningful and useful mobile shopping experience.”