

Retailers hope iPad will inspire shoppers

March 2 2011, By Sandra M. Jones

At a time when shopping has lost most of its glamour, the star power of Apple's iPad has retailers' hearts beating faster. Merchants from Gucci to J.C. Penney are experimenting with ways to use electronic tablets in their stores to boost sales and dazzle jaded shoppers.

No retailer has the formula quite figured out yet, so most have limited their tests to just a few stores.

But experts predict that within the next year iPads and other electronic tablets will make their way into all manner of merchants, from supermarkets to mattress stores to luxury jewelers.

"Everybody has something in development," said Ken Nisch, chairman of JGA, a retail design firm in Southfield, Mich. "This is not going to be a novelty. It's going to be a sea change in how retailers transact and interact with customers."

Since Apple Inc. unveiled the [iPad](#) in April, a spate of retailers including Burberry, Puma, Things Remembered, Converse and Nordstrom, to name just a few, have rolled out tests of tablet computers at select stores around the country. The move is all part of retailers' response to how consumers are shopping everywhere - online, on their smart phones and in the stores.

Retailers are using iPads as mobile catalogs so sales clerks and shoppers can browse inventory not available on store shelves. They are fastening the tablets to counters so shoppers can design their own products. They

are arming sales associates with the electronic clipboards to gather customer data. And they are testing the device's potential as a portable cash register.

"It is taking retail outside the four walls to where the customers are," said Sandeep Bhanote, CEO of Global Bay Mobile Technologies, a South Plainfield, N.J.-based mobile retail software firm. "You're talking about changing the way you do business. That's what this is all about."

Make Up For Ever, a unit of French luxury conglomerate LVMH, was among the first retailers to give the technology a try. The cosmetic company set up iPad stations in October at its boutiques inside Sephora stores in New York's Soho neighborhood; Costa Mesa, Calif.; and Las Vegas.

The iPad is fixed to a gondola and allows shoppers to update their Facebook pages, tweet about their shopping experience and access face charts for browsing makeup combinations. Eventually customers will be able to upload a digital photo of their own faces for a virtual makeover.

Jessica Hair-Anderson, a Make Up For Ever store manager in Costa Mesa, said having Apple's hot gadget on the counter adds a "cool factor" that helps attract younger shoppers.

"When people come into the boutique, it's all very new and exciting visually," said Hair-Anderson. "It also makes our jobs easier, because if we are busy with another customer, it gives our clients something to do, so it doesn't feel like they're waiting."

The Make Up For Ever pilots have been successful enough at capturing shoppers' attention that the firm is expanding the iPad stations beyond its three in-store Sephora boutiques to its traditional beauty counters at about 60 Sephora stores nationwide this fall.

"It enables us to create a connection between the brand and a client in the stores where we don't have our own staffs," said Gilles Kortzagadarian, general manager of Make Up For Ever North America. "We can tell that clients are spending more time in the store and are interacting with the brand, so it can only be good for the business."

Several other iPad pilots are headed to stores, including one from British clothing merchant AllSaints Spitalfields. AllSaints first installed iPads at its U.S. flagship in New York's Soho neighborhood, which opened last year, said Jennifer Walker, vice president of marketing for AllSaints in North America. All new U.S. stores will have the devices as the firm strives to "stay at the forefront of innovative store design," she said.

Things Remembered, the nation's largest retailer of personalized gifts, launched an iPad pilot in November at 26 of its 600-plus stores.

The Highland Heights, Ohio-based company is testing the iPad in different configurations. Some devices are mounted on shelves, while others are located in separate stations in the middle of the store. Shoppers can scroll through thousands of messages and designs for engraving on photo frames, charms and boxes. Later this year, the device will be upgraded so customers can view the completed design before they order.

"We knew we wanted to improve the customer experience and make it more fun to shop for messaging," said Amy Myers, vice president of creative services. "We think it's really going to make it a fun experience, and that's what you want customers to feel when they're shopping. It's a blast."

Likewise, Nordstrom is testing the iPad at its bridal shops and special-occasion dress departments at several full-line stores. Sales associates rely on the iPad as a personal shopper, helping customers search for

dresses in colors and styles that aren't available in the store.

The Seattle-based retailer is measuring the iPad's efficiency as a roving cash register at some Nordstrom Rack outlet stores, including a store in Burbank, Calif., that opened last fall. Shoppers were able to purchase products without having to stand in the traditional check-out line, and they could log on to Facebook and tell their friends what they were buying.

"We're now in the process of developing additional mobile capabilities on our sales floor, including testing mobile checkout and equipping our sales people with better tools at point-of-sale," said Blake Nordstrom, president of the department store chain, in a February earnings conference call. "We should be able to implement this on a broader scale later this year, and we will continue to explore ways to make our sales floor more responsive to the mobile customer."

J.C. Penney announced last month that it will roll out iPads to 50 of its fine jewelry departments, giving shoppers access to ring styles, cuts, sizes and metals not in the store and allowing them to compare ring features side by side on the iPad.

Converse and Puma are using iPads in their stores to allow shoppers to design their own shoes. Gucci installed iPad stations temporarily in some stores last fall to showcase its social media site Gucci Connect and to promote its custom handbags.

Deloitte predicts that in 2011 more than 1 in 4 electronic tablets sold will be bought by businesses. And the New York-based consulting firm forecasts the figure to rise in 2012 and beyond. Retailers are among the most likely early adopters of the device, Deloitte said in a January report, projecting that retailers will purchase and deploy more electronic tablets than any other industry this year.

"A picture is worth a thousand words," said Jon Watschke, retail strategist at Kurt Salmon Associates. "So when a salesperson shows a customer the item they want on a brilliant screen like an iPad, that's much more compelling. If someone's on the fence, you can show it on the iPad and say, 'We'll have it delivered to your home tomorrow.' "

To be sure, many retailers aren't ready to bring the iPad into their stores. Nordstrom converted all of its full-line stores to Wi-Fi in November, but an estimated 60 percent of retail companies lack the wireless infrastructure to use mobile technology in their stores, said Paula Rosenblum, managing partner at Miami-based Retail Systems Research.

The iPad's price tag, which ranges from \$499 to \$829, also is a sticking point as retailers coming out of the recession try to maintain cost controls, analysts said.

Apple has sold nearly 15 million iPads in the first nine months since its April debut, accounting for an estimated 90 percent of the electronic tablet market. But some retailers are waiting for cheaper versions as rival devices from Motorola, Samsung, Hewlett-Packard and others come onto the market.

For now, the cachet of the iPad is resonating most frequently with upscale retailers.

Burberry, the British retailer known for its \$1,000 trench coats, has iPads on hand in select stores to allow customers to view its London runway shows and place orders on the spot. And luxury watchmaker Tourneau is developing an iPad as a virtual watch tray for its stores, according to Donald McNichol, vice president of digital for the New York-based company.

"I really see the benefit going first to high-end retail," said Ken Burke,

founder of MarketLive Inc., a Petaluma, Calif.-based based e-commerce software firm. "It's going to make for a more intelligent salesperson and a closer relationship between sales associate and consumer. When you walk into the [store](#), the sales associate is going to know a lot about you. All their customer information and buying pattern information will be at their fingertips."

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