

Retailers use smartphone technology to upgrade shopping

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Chris Mason thinks of Brookstone stores as the retail version of canaries in the coal mine - harbingers of change in the air. And this year, the chain is all over the smartphone as a weight-bearing pillar of American life.

A Brookstone store in a Pittsburgh-area shopping mall recently was showing off a \$119.99 device that uses laser technology to project a virtual keyboard onto a flat surface to allow typing on an attached smartphone or tablet. Then there was a \$499.99 Brookstone Pocket Projector Pro to show movies, presentations and games while hooked up to a digital device.

The chain also sells a \$49.99 [app](#)-controlled bartending system that links smartphones to a scale automatically measuring each ingredient so the drinks don't end up with too much gin.

"These are things to make your phone more happy," marveled Mason, co-founder and CEO of Pittsburgh-based mobile commerce platform company Branding Brand.

The nation's retail industry is in the process of making itself over to better cozy up to smartphones and other digital devices that have turned humans into perpetual shopping machines in need of an entirely different support system than the old-fashioned model dependent on feet, cash and cars.

Selling Americans on the merits of using computers - whether PCs, laptops, tablets or phones - to shop is done. They get it.

A recent survey by consulting firm Accenture found 63 percent of consumers plan to use a laptop or home computer to make purchases or research items this holiday season, up 16 percentage points from last year.

The smartphone, in particular, is gaining ground. As of August, 174 million people in the U.S. owned one - 72 percent of the mobile market, according to Reston, Va., digital tracking firm comScore. Branding Brand's research found that [mobile devices](#) generated more than half of online retail visits that month, up from 4 percent in 2010.

The digital world generates data even better than sales, so there's plenty of information on how Americans are using their tech tools.

Accenture's survey found 24 percent of consumers plan to use a smartphone while shopping, up from 18 percent last year. Almost half of those surveyed are already using or at least would be willing to try services like ApplePay and PayPal that let them use their mobile phone to pay at checkout.

RETAILERS RESPOND

Retailers are investing big money in things like inventory tracking systems that can accommodate the needs of digital shoppers. It's a given that retailers need to hire lots of workers to pack online orders and ship them to customers pressing "buy" as they relax on the couch or as they wait for middle school basketball practice to end.

Merchants have also equipped employees to check customers out on tablets - even if that means placing an order to be delivered to a home -

with the idea that sales won't be lost when impatient shoppers see three people in line at the checkout.

And retailers have overhauled pricing systems in an effort to cope with customers standing in Aisle 13 and checking competitors' offers. Because while recent economic uncertainty might seem to discourage Americans from signing up for costly data plans and ever fancier mobile phones, it's not hard to rationalize the purchase by focusing on the smartphone's ability to chase deals.

A subsidiary of accounting firm PricewaterhouseCoopers recently identified three types of shoppers embracing the new "omnichannel" retail systems being built by merchants trying to be everywhere for everyone.

The firm said 39 percent are tradeoff shoppers hunting around and buying online if it's cheaper; 29 percent are transitionalists dabbling in online offerings but preferring traditional stores; and 32 percent are digitalists using online tools as their main shopping venue.

Merchants will need them all if the industry is to achieve the 4.1 percent increase to \$616.9 billion in holiday sales that the National Retail Federation is predicting for the 2014 season.

Regular announcements streaming from retailers in recent weeks touting their innovations are an indication that the chains want both Wall Street investors and consumers to know how ready they are for the digital future.

In September, department store chain Macy's issued a press release detailing numerous investments in omnichannel strategies, from embracing the Apple Pay mobile pay system available on the new iPhone 6 to a pilot test offering same-day delivery for online shoppers. The

retailer also completed the rollout of its buy-online, pickup-in-store program to all stores, as well as developed better shopping apps.

A test running at certain Macy's stores in Georgia and New Jersey is mixing all sorts of ideas, from tablets for sales staff to electronic kiosks and interactive "lookbook" displays for customers. "Those elements of point-of-sale technology deemed most successful in serving customer needs are expected to be refined and rolled out to additional stores," the company said.

Target, which suffered a crisis of confidence late last year when it turned out a data breach had compromised customer information through much of the key holiday shopping period, has been working hard to reassure consumers that it's back on track and that it's got what they want.

People want secure transactions, of course, although a stream of news about other retailers also being hit by data breaches has proven that an entirely safe system is hard to achieve.

Digital shoppers have other priorities, too. "GET FREE SHIPPING right now on every order," said a recent headline on Target's website.

Digital creep has been coming for retail for years now, but there's some evidence that traditional stores won't be obsolete as long as they all join hands with the Internet. A Deloitte study referenced by eMarketer last spring found the use of mobile devices before getting to stores or while standing in them helped drive almost 20 percent of total brick-and-mortar sales last year.

CATERING TO THE SMARTPHONE

South Hills Village, a suburban Pittsburgh shopping center born in 1964 during the nation's enclosed mall revolution, has undergone a

multimillion-dollar renovation this year and is adding 200 new seats in the food court. It's adding charging stations to keep the diners' phones fed, too.

Inside the 1.1 million-square-foot mall, the favored-child status of smartphones shows in products that embrace them the way previous generation products were tailored to the technology of their eras - say, handbags with hooks for car keys or wallets that had plastic sleeves for small photo collections.

Earlier this month, colorful hardshell cases for iPhone 5s were on display for \$38 each at the Vera Bradley store. But the new, bigger iPhone 6 model had gone on sale a month earlier, so the display also featured a \$49 Turn Lock Wallet in a pink swirl pattern that the saleswoman said had been proven to accommodate the latest phone from Apple.

Not quite as up to date, the nearby Build-A-Bear store was selling iPhone 4 cases at \$9.99, along with iPad cases for \$12.99.

Mason noted one of his colleague's recently bought pants at workout clothing retailer lululemon that had pockets for her phone.

He himself realized how integrated his mobile phone has become to his life when he couldn't find it.

"I lost my phone and for a day it was freaking me out," said the chief executive of a company that works with clients both in and out of the U.S.

Branding Brand even has a closet with phones and devices that staff can sign out as they work on projects.

He had the lost phone on vibrate, so calling it didn't help track it down. Even special apps meant to help didn't do the trick.

Finally, he discovered the smartphone under the couch where his English bulldog, Dini, had pushed it.

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