Surveiling the consumer for loyalty and profit

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Surveillance may be a dirty word when it comes to domestic politics, but understanding what interests the consumer and how technology may provide insights is a legitimate concern of retailers. Exactly which technologies yield the appropriate balance of potential profits and privacy can be a confounding dilemma. Marketing Professors J. Jeffrey Inman and Hristina Nikolova reviewed recent retail technologies and created a guide to help retailers find their way through.

In "Shopper-Facing Retail Technology: A Retailer Adoption Decision Framework Incorporating Shopper Attitudes and Privacy Concerns," to be published in the June issue of the *Journal of Retailing*, University of Pittsburgh's Inman and Boston College's Nikolova present a shopper-centric decision calculus that retailers can use then considering a new shopper-facing technology. With the objective of increasing revenue, retailers must screen technologies through the filters of whether they attract new shoppers, increase share of volume from existing shoppers, or either ratchet up what consumers are willing to pay or decrease costs by offloading labor to shoppers. An important gating factor is whether shoppers consider a technology overly intrusive.

The authors review the merits - for both retailers and consumers - of such time-tested technologies as bar coding, video cart, in-store coupon dispensers, kiosks, and the Walmart Smart Network. They then analyze the impact of current and imminent technology including mobile apps, QueVision, gravity-feed shelving systems, personalized promotions and pricing, scan and go, and in-store CRM. The most recent of these, in-

store CRM, takes advantage of smart phone technology to collect continuous feedback about shoppers as they wend their way through stores, bringing the tracking function that's commonplace online into the physical world. The bleeding edge of this technology is [facial recognition software] enabling retailers to identify shoppers unobtrusively and even analyze facial cues to monitor response to video advertising and potentially track shoppers' emotions as they shop. Trials of these types of systems, when divulged to shoppers, have elicited experiment-ending reactions.

The authors' analysis and decision framework urges retailers, when assessing new technologies, first to consider the impact on shoppers' perceptions of fairness, intrusiveness, value, and satisfaction and the resulting patronage and buzz, before measuring the retailers' potential for decreasing costs and enhancing profit. They write, "Our findings support our central thesis that retailers' evaluation process of new shopper-facing technology needs to be expanded beyond what the technology can potentially deliver to consider shopper reactions and assess what the technology will deliver."

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