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Luring Shoppers to Stores

Marketers Try Interactive Mirrors, Discounts via Scanners

By EMILY STEEL

It's Steven Spielberg's futuristic "Minority Report" come to life.



Mediabrand

New technologies at the retail center at IPG's Media Lab.

Marketing companies are experimenting with a new wave of digital technologies to pitch to consumers while they shop: interactive dressing-room mirrors, kiosks with virtual customer-service representatives, and shopping carts and digital scanners that offer personalized discounts.

These futuristic technologies are among the interactive tools on display at Interpublic Group of Cos.' new retail center at the advertising company's Media Lab in Los Angeles.

There, Interpublic is testing innovative ways for marketers to connect with customers as part of an effort to better understand what makes consumers buy and to encourage companies to rethink their approaches to the role of the retail store.

Retailers are grappling with lackluster sales and consumers who are dissatisfied with the store experience as online shopping with its related interactivity becomes mainstream. Shopper satisfaction at retail stores is declining up to 15% a year, according to an ongoing IPG Media Lab study of more than 10,000 North American shoppers.

Online shopping gives buyers lots of information to guide their purchases. And consumers want detailed product data, reviews from previous buyers, related recipes for food products, health and nutrition information, and more, says John Ross, president of Shopper Sciences, which is part of IPG's Mediabrand unit.

"The role the store is playing is changing," says Mr. Ross, who was previously chief marketing officer at Home Depot.

"Shoppers are walking up with a different set of expectations."



Emily Steel discusses a new wave of digital technologies that pitch consumers while they shop.

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Some retailers have started testing basic versions of the new technologies. **J. C. Penney** has a "FindMore" fixture at select stores. The size of a door frame, it comes with a 52-inch touch screen that lets consumers see the retailer's full range of merchandise. Consumers can email data about an item to themselves or a friend or scan a bar code to learn more about a product and get recommendations, such as tops and accessories that match a pair of pants.

Stop & Shop Supermarket is testing handheld scanners in 289 stores that show customers personalized discounts as they shop. The offers are based on such factors as shopping history and just-purchased items. The scanner also lets consumers place deli orders and check out faster.

But **IPG's** retail lab offers a window into what the future could hold. Among the new technologies on display is a device that transforms the front window of a store into a giant touch screen. Instead of looking at a static mannequin, consumers can interact with the screen to select outfits for an avatar. Meanwhile, kiosks allow a customer to chat with a virtual sales associate who can provide advice on such topics as how to install a new flat-screen television.

Another device is a mirror that enables a shopper to scan a dress and then project that clothing onto her body before going to the dressing room. She can also tap the mirror to view different colors, find matching shoes and send the image to her Facebook profile.

Specialty retailer **The Limited** is considering installing interactive mirrors in some of its stores in the next six months, says Chief Executive **Linda Heasley**. The technology will help consumers match styles or even warn that two pieces of clothing don't match.

"It's like 'Mirror, Mirror, on the wall, what is the best outfit of all?'" she says.

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The new interactive retail technologies come as retailers are putting more emphasis on their in-store marketing efforts. Faced with increasing fragmentation in traditional media, marketers hope to connect with consumers when they are in a place where they can make a purchase immediately.

At the same time, the price point of new technologies is dropping fast, allowing tools that were once considered space age and too expensive to be deployed at much lower costs, ad executives say.

Companies spent about \$19.4 billion on in-store marketing in the U.S. last year, down about 10% from 2008, according to **Veronis Suhler Stevenson Partners**, a private-equity investment firm that produces forecasts for the communications industry.

By 2011, when the economy is likely to have picked up again, the firm expects spending on in-store growth to accelerate.

Some of the most sophisticated in-store technology is tied to consumers' mobile devices, ad executives say. Marketers are experimenting with ways to use mobile phones to provide customers with services and promotions as they shop. These range from truck reviews at car dealerships to allergy information tied to certain foods at supermarkets, **Mr. Ross** says.

Dunkin' Donuts plans to test new mobile technologies in select markets in the next two weeks that will allow shops to send customized offers to customers.

Earlier this month, electronics retailer [Best Buy](#) announced plans to start an experiment at 257 of its stores involving a mobile application called Shopkick. Consumers who download it onto their mobile phones get rewards when they visit the store.

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