



THE SALES ASSOCIATE'S NEW ASSISTANT

Technology can improve retail jobs, transforming sales associates into personal shoppers.

Smarter machines empower store employees to spend less time checking inventory and more time connecting with customers.

TAKEAWAYS

- 1 Consumers still love shopping in stores, and for retailers conversion is the name of the game
- 2 AI helps retailers keep shelves stocked with the right products at the right time
- 3 Technology frees sales associates to deliver high-quality customer experiences

The customer has been trying on outfits for more than an hour, but the sales associate isn't worried—she has plenty of time to dish style advice in the fitting room and pop out to chat with new arrivals in the store.

Thanks to the store's technology, she's been freed from many of retail's routine tasks, such as restocking shelves or fetching different sizes.

In the changing room, the customer orders yet another round of items from a touchscreen that alerts backroom staff. The backroom employee swiftly delivers the new clothes as the customer tries on a lightweight linen dress and puts her favorite playlist on the changing room's iPhone jack and speakers.

For the staff, this isn't a boutique—it's a startup. Although its headquarters are in Los Angeles, Reformation's San Francisco location is experimenting with technologies that blur the lines between the online and in-store shopping experience.

Shops like these are at the vanguard of a retail revolution. As more people shop online, retailers are using artificial intelligence, robotics, and other technologies to maximize their operations and make the most of every moment a customer spends in the store.

The sales staff in these stores can focus on what's most important—in-store customers—while technology handles the other stuff, such as solving the age-old inventory challenge.

Bringing artificial intelligence into retail “gives us the ability to really see into the supply chain, understand where things are, what the trends are around the products, and then go make sure we have the right product in the store,” said Ryan Parker, Intel's general manager of responsive retail in its Retail Solutions division.

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—Ryan Parker
General Manager of
Responsive Retail, Retail
Solutions Group, Intel

Having the right inventory is just one way that a growing number of stores—including both upstarts like Reformation and retail giants—are starting to drastically upgrade the in-store experience to close the deal with a higher percentage of walk-ins.

“We’ve been hearing for a long time that the brick-and-mortar is dying—it’s not,” said Daniel Gutwein, Intel’s director of retail analytics. “People still love to shop. I think what is actually dying—and retailers are seeing this—is footfall traffic in malls.”

For retailers to succeed, said Gutwein, “it’s not just about creating more and more footfall traffic. It’s about converting the traffic that comes in your store.”

At Reformation, the store is meticulously designed for this younger cohort of shoppers and employees. There is no register, and assistants do everything on phones—from payments to inventory—using a custom-built app that looks more like Instagram than garden-variety commercial software.

“We created a shop we’d actually want to go to ourselves, with a blend of internet and IRL,” said Reformation founder Yael Aflalo, using the abbreviation for “in real life” well known to a generation raised on the internet.

The spare, white showroom is virtually empty, except for the touchscreens and two rows of sample items on the display. Customers are greeted by an enormous touchscreen at the entrance, where they flick through images of women modeling the clothes on offer. Before examining the clothes displayed on racks just a few feet away, they’ve seen what sizes are available and have started collecting items to try on. All the inventory is hidden from view in the back, reducing clutter and chances of theft.

Everywhere new technology is being deployed, sales associates relish the opportunity to interact more with customers.

Nicholas Moss, a stylist in the men’s designer section at Nordstrom, said he strikes a balance between technology and face-to-face, human interaction.

“If you are trying to get good help, especially with fashion and getting styled, I don’t think it always needs to get that technical,” he said.

That’s not to say he isn’t using technology to get a head start. If a customer has scheduled an appointment with him, he can look up their purchase history to get ideas, although he’s always sure to let the customer know he’s done research.

Most of the time, however, customers have less complicated needs. Pano Anthos, founder of retail and consumer goods accelerator XRC Labs, stresses that technology can lend a hand.

“AI will take on 80 percent of the questions that customers normally ask,” he said. “Hours of operation, location of merchandise, availability of stock will be handled by AI instead of human beings.”



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That means employees and customers can focus on what’s most important: the irreplaceable in-store experiences.

Robert Williams, an assistant at Bloomingdale’s who has worked in fashion for 40 years, likes to shop with all his senses.

“I think in department stores you come to buy clothes, get the smell of the clothes, see how it fits, whether you like the texture,” he said.

Customers who want to try before they buy will often browse online and come in when they’re ready to make a decision, and having the right item in stock will make the sale. Once they’re in the store, however, technology can lend an entirely different perspective.

Having a sales associate focus solely on the customer experience helps convert browsers into buyers.

Technology lets humans focus on the things machines can’t do very well: Make customers feel at home, provide some fashion advice, and add the personal touch that has always been at the heart of the retail experience.

