

Samplesaint Believes Bar codes and Cell Phones Are a Heavenly Match



Could an innovative combination of two commodity technologies—bar codes and cell phones—provide companies a propriety advantage? Samplesaint, Unilever, and Shoprite are betting it will, and they intend to prove it with a trial coupon system in New Jersey.

The twist is that consumers can request and receive coupons while they shop, using a cell phone. A customer could be standing at a grocery shelf and send a text message to the retailer to obtain a coupon for a product. If a coupon is available, the response is immediate. But instead of printing a conventional paper coupon, Samplesaint's service sends it directly to the customer's cell phone display, which can be scanned at the register. Software takes over from there, collecting the coupon information, and ensuring it won't be redeemed more than once. Web2.0 meets good old fashioned coupon clipping—without scissors and file boxes! And while a ten-cents-off coupon for Hellman's Mayonnaise might seem dull, the technology that makes Samplesaint's innovation go is very, very cool.

The service came to fruition after a long evolution, and it could change grocery shopping in unforeseen ways. But before we jump into The Future, it's worth reflecting on how bar code and mobile technology have impacted the task of buying groceries. **A typical grocery errand—just thirty years ago!** Without mobile communications we now take for granted, no one could contact me *en route* about adding a last-minute item to my shopping list, or about making an unplanned stop at the dry cleaner. (No one could *text* me, because the word had not become a verb!) I couldn't make my errand more productive by calling a business colleague from the car. And I couldn't stand in the cereal aisle and chat on the phone with a friend about plans for Friday evening. Making a phone call meant walking outside the store to use a filthy wall-mounted pay phone. Sometimes there was a handset on the end of the vandal-proof cable—sometimes there wasn't. Inside the store, I was an anonymous customer. Retailers did not use loyalty cards. A cashier read prices from "human-readable" stickers that were affixed to every manufactured item in the store. Then, the price for each item was key-entered them into a cash register—the predecessor of the *Point of Sale* terminal. Even the decimal required a separate keystroke! Each price entry was accompanied by a "category" key so the retailer would know whether the purchased product was "grocery," "deli," or "produce." This tedium continued for each of the sixty-or-so items I collected in my steel shopping cart. If the process sounds slow, laborious, and error-prone, it's because it was. Little wonder that retailers suffered from low accounting accuracy, and cashiers were compelled to form unions. Wages increased and workers periodically went on strike, creating an impetus to develop the cost-saving technologies that ironically grew up to become self-service checkouts.

Contrast 1979's experience to today. Technological and economic forces have pushed mobile communications and bar coding into ubiquity, and the changes have been transformational. Today, our consumer expectations won't allow us—as consumers or as businesspeople—to regress. According to **GS1**, an industry standards organization, over five *billion* bar codes are read daily, worldwide. Clearly, lower hardware prices and

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increased capabilities have enabled the widespread adoption of automated data capture technologies (which include RFID and bar coding) in retail. When it comes to why innovations become commercially viable, “cheaper” and “more powerful” components are easy put on the list. But two other capabilities that play a role for Samplesaint might be less obvious: **1) Data Density.** Ever-larger amounts of data can be packed into ever-smaller bar codes. Samplesaint has developed its offering to use **GS1 Databar**, a small-space barcode symbol that can track not only item numbers—similar to UPC codes—but variable data such as serial numbers, lot numbers and expiration dates. And all of it fits on the small screens used on most mobile devices. (Samplesaint’s New Jersey pilot uses a different symbology.) **2) Standards and interoperability.** Samplesaint’s coupon system wouldn’t work without an integrated system of global standards that provides accurate identification and communication of supply chain information. In customer terms, such standards enable an apple to be picked, processed, labeled, packed, and shipped in New Zealand, and purchased in a Wawa store in Pennsylvania—with full traceability from the warehouses that stored it to the orchard that grew it. **No need to imagine the possibilities if Point-of-Purchase equals Point-of-Decision because it’s happening now!** The convergence of mobile connectivity, high data density, and global information standards has profound implications for the retail experience. For a retailer, could Samplesaint’s technology finally enable Point of Decision and Point of Purchase to occur *at the same spot*, right in front of the Lipton Tea display? If mobile devices and Samplesaint’s service provide vendors access to consumers at the *Point of Decision*, what does it mean for customer experiences? Which new capabilities would marketers develop first? Could checkout lanes vanish altogether—as did price stickers and “label guns”? How would retailers re-purpose all that space? There are great possibilities! Stay tuned! Author: Andrew Rudin Contact information: arudin@outsidetechnologies.com/ 703.371.1242 (mobile) Date: December 3, 2009 This article is copywrite 2009 by the author, and may not be reproduced, copied, or published without expressed, written permission from the author.

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