

How High-Touch Retailers are Betting on Tech

Nordstrom is latest to invest in in-store tech

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Nordstrom is the latest old-guard retailer attempting to up its relevance by investing in in-store tech.

With last week's purchases of mobile apps BevyUp and MessageYes, the department store joins a growing list of retailers that are turning to acquisitions to help boost retail operations. For example, Target bought Shipt, a delivery service, late last year, while Walmart acquired Spatialand, a virtual reality startup, in February 2018. And Kroger has attempted to woo Boxed, a bulk grocery delivery service.

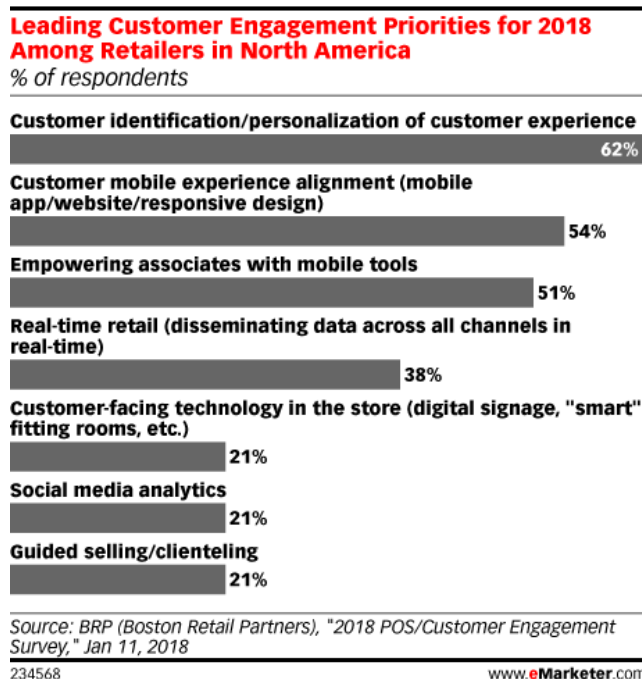
So how will these two startups help Nordstrom?

BevyUp allows sales associates to create style boards and text or email product recommendations to customers based on past purchases. MessageYes takes the opposite tack, using artificial intelligence (AI) to learn customer preferences. These capabilities are likely to be integrated into a new Nordstrom employee app that will be released in 2018.

"To continue to be successful into the future, we need to invest in technologies that will enable us to deliver on those qualities and better serve customers in a digitally connected world," said Brian Gill, Nordstrom's senior vice president of technology, in a statement.

This move makes sense for Nordstrom since the retailer has built its reputation on stellar customer service. Fostering personal connections is already a part of the core shopping experience, and clienteling apps are part of the digital evolution.

This move toward more robust mobile tools for sales associates meshes with retailers' top priorities. According to a **BRP (Boston Retail Partners)** survey of retailers in North America, personalized customer experience was the leading engagement priority for 2018, cited by 62% of respondents. More than half (51%) said mobile tools for sales associates, while 21% chose clienteling specifically.



And when retailers in North America were asked about their top strategic priorities for 2018 in a study conducted by **IHL Group** and **RIS News**, personalized customer experience also came out on top, cited by 89% of respondents. Empowering store associates also ranked high, at 59%.

And it's not just about mobile tools. By and large, retailers are placing technology bets this year. In that same IHL Group and RIS News study, **retailers said they expect** to spend more this year on select emerging

technologies, like AI and location-based marketing, than they did in 2017.

And tech was a widespread theme at the National Retail Federation's Big Show in New York. Again, AI, location and analytics **were some of the key areas** of focus for many retailers.

Acquiring companies that already have the expertise and tech is a fast-track solution for the retailers with the means to do so.