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Making Change

Motorola envisions a world without cash registers.

BY JESSE ASHLOCK

The subprime lending crisis gets all the headlines, but retail has been feeling the pinch lately, too. With consumer confidence ebbing and the word “recession” on everyone’s lips, last year was the industry’s worst since 2002. But while brick-and-mortar spending stagnated, internet spending kept rising, and buyers were also happier with their online shopping experience,

according to the American Customer Satisfaction Index.

In the face of this mounting insurgency, many old-fashioned retailers have been looking for ways to bring the most attractive features of e-commerce—namely, the ability to make informed purchasing decisions easily and complete transactions rapidly—to the traditional human-to-human shopping-place encounter.

Motorola wants to help. The telecom giant recently partnered with Manhattan-based design consultancy Aruliden to develop a new handheld sales-device concept it hopes will bring unprecedented transparency and efficiency to the retail experience. Currently featured in the Museum of Modern Art’s “Design and the Elastic Mind” exhibition as the Motorola Sparrow (see p. 93 for a review of

the show), this tool is a point-of-sale (POS) system, communications instrument, product scanner, and credit-card reader all in one. It would allow store employees to check inventory, make product recommendations based on customers’ personal profiles, and complete transactions without ever leaving the customer’s side. If and when it reaches the market, Sparrow would put all the functionality of Amazon



Motorola and Aruliden's Sparrow concept bears more resemblance to an iPod than it does to its closest relatives: bar-code scanners and credit-card readers.

If and when it reaches the market, Sparrow would put all the functionality of Amazon in the palm of your friendly neighborhood sales associate.

in the palm of your friendly neighborhood sales associate. Devices exist that offer some of these features, but none stuffs them into a single package with the design sophistication of Motorola's.

The idea for Sparrow was hatched at the 2006 IDEA Awards in Washington, D.C., during a conversation between two of the jurors—Rinat Aruh, a brand strategist who had worked with Mini Cooper and Gap Inc., and Alistair Hamilton, then vice president of innovation and design at the enterprise mobility manufacturer Symbol Technologies, which was about to be acquired by Motorola. At Gap, Aruh had been frustrated by the fact that no matter how much money the company spent on customer-relationship management, sales associates still had no way of knowing who customers were when they walked through the door. She was also struck by retail's failure to address some of its age-old conundrums, such as lost sales when associates have to leave the floor to check stock, valuable floor space wasted on sales terminals, and, of course, long lines.

Symbol Technologies, which has been developing mobile retail solutions (from bar-code scanners to those digital doohickeys the UPS guy makes you sign) for 30 years, was well positioned to create a device that could solve those problems. "We try to understand the systems that retailers want to create to make sure we're there with the right devices down the line," says Shane MacGregor, a Symbol veteran who is now Motorola's senior manager for advanced industrial design and who worked closely with Aruliden on the concept. The Motorola merger brought new resources to develop the technology, and Aruliden went into the field to learn what retailers' "hopes and dreams" were for such a product, as Aruh's partner, designer and Fuseproject alum Johan Liden, puts it.

Their research led them to a prototype that reflects a design approach Aruh likes to call "producting"—"design as the ultimate form of marketing." Sparrow's iPhone-like black-and-silver case rejects the rugged industrial look of bar-code scanners and credit-card readers, and it's small enough to fit in one hand. It comes with a detachable lanyard and belt clip, allowing it to be worn unobtrusively while remaining within reach.

What's most groundbreaking about Sparrow, however, is its navigational interface. Sparrow is designed to be held in the palm of one hand, screen-side up, in view of both the user and observer; a track pad is located on the back of the device, within reach of the user's bent index finger, and each touch registers on the screen as a kind of ghostly pointer. Customers are able to look on while a sales associate searches for product information, adds to the customer's profile, or completes a transaction. Thus, the retail experience is transformed from a slightly adversarial encounter on opposite sides of a register to something more akin to friends looking at photos together on a cell phone or iPod. Part of what's innovative about this thinking is that it doesn't require new technology; the idea originated from the laptop touch pad, Liden explains.

Motorola says it has the technology to bring Sparrow to market, but the challenge will be selling retailers on it. Greg Buzek, president of IHL Consulting, which advises the retail and hospitality industries on new technologies, notes that retailers spend a fraction of their revenue on IT compared with other industries "because they don't have the same level of net-profit margins to support higher levels of IT investment." Concerns about consumer comfort could also be a deterrent, he adds. Still, Buzek points out that mobile POS systems have already been embraced in Europe, and he

expects them to pick up in the U.S. within a few years. Dave Hogan, chief information officer for the National Retail Federation, agrees: "The 30-and-under generation grew up with mobile devices. They will embrace and adopt this type of technology quickly." Some evidence may be found in the runaway success of Apple's brick-and-mortar stores, which outperformed all other electronics and luxury retailers in 2007 as measured in sales per square foot (nearly \$4,500, more than 50 percent above its nearest competitor, Tiffany & Co., and five times that of Best Buy): Apple introduced mobile POS in late 2005, and now deploys it at all of its stores worldwide except in Italy.

If Apple's efficiency-minded retail strategy proves persuasive to other store owners, the market for a product like Sparrow could materialize rapidly, but for now, Motorola is taking a wait-and-see attitude while it gauges consumer demand. "Change doesn't happen overnight," MacGregor acknowledges. "It's an evolution." ★

Jesse Ashlock is a contributing editor at I.D.



above Sparrow's track pad is on the back of the device, so the sales associate's finger never blocks the view of the content. Each touch registers on the screen as a ghostly imprint, almost like a drop of water caught beneath the glass. below Examples of what Sparrow's navigational software may eventually look like

