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Special SCAN: The DATA CAPTURE Report Reprint

Are We Seeing A New Revolution In Retail POS?

Emerging technologies will completely change the face of how retailers interrelate with their customers.

In a recent conversation with a long-time SCAN/DCR source, friend, and AIDC industry vet, we heard terms like "revolutionary" and "state-of-the-art." We were speaking with Matt Schler, general manager for fixed retail products for **Datalogic ADC**. Schler got his start with AIDC pioneer **Spectra-Physics**, and through a series of acquisitions, found his way to the Datalogic team. He and Datalogic ADC President/CEO Bill Parnell told us why they believe current trends in AIDC will be as important as the first bar code scan of a pack of **Wrigley's** gum at **Marsh Supermarkets**.

The impetus behind this article was an email we received from Parnell. He wanted to let us know that he believes we will see a revolution in food retail especially at the point-of-sale. After reviewing the presentation he sent us, and talking more in depth with Schler, we quickly became a believer.

Self-checkout has been around now for quite some time, but to be completely honest, it hasn't received the success and acceptance AIDC vendors have hoped for...or at least in our opinion it hasn't. There are a number of reasons. We believe that the biggest is that consumers have not received the proper education and training to make them feel comfortable using the technology. Here's a good example. My wife and I were in **Giant Eagle** the other night doing our shopping. There were approximately six or seven lines open for check-out. Only one line had an actual check-out clerk, and it

was the only line in use. People would rather wait in line behind other customers than to use the self-checkout terminals.

The technology behind some of the recent self-checkout units, including payment options, has also been confusing to consumers and dampened adoption by store customers. But, according to Parnell and Schler, Datalogic has come up with the technology to change all this.



**Bill Parnell, CEO/
president, Datalogic
ADC.**

"What we are offering today actually got its start in the late 1980s," said Parnell. "We have patents on automated technologies and concepts dating back to that time. Although we had ideas, it really hasn't been until the last few years that all the necessary technology emerged to develop the entire system. Now we have high performance imaging technology that addresses one of the most common complaints of

today's shoppers—the amount of time waiting at the checkout.

This data collection technology will significantly improve retail checkout productivity while, at the same time, enhancing the shopping experience with an alternative to traditional front-end checkout methods, while preventing retail losses from missed item scans."

In addition, there are now many types of imaging devices/scanners to achieve specific results and solve specific retail needs. For instance, Datalogic has its LaneHawk scanner for BOB (bottom of the basket) surveillance. Mounted to the side of a check-out

module and facing the customer/shopping cart, it can determine if the customer still has unscanned items on the bottom of the shopping cart. Perhaps even more interesting is the fact that both Parnell and Schler believe that reliable item recognition is here today. Datalogic has the hardware and software to create a system that will take an image of an item and recognize it without scanning a bar code....a 12-pack of **Coke**, for instance.

[Editor's note: Datalogic's new Magellan 9800i multi-plane imaging scanner also has a special customer-facing image scanner for reading bar codes/2-D symbologies on smart phones.]

"There is more going on in retail than ever before," said Schler. "Datalogic is now offering a modular solution for data collection at the store front. It includes a centerpiece device-the Jade Portal Scanner-and a number of additional modules designed to meet the needs of any retailer, whether it be a grocer or superstore.

Automated scanning completely redefines the traditional checkout labels of either "self-checkout" or "cashier attended" lanes. Automated lanes, with Jade, can be designed in any number of configurations and can be staffed according to the retailer's service level objectives, even varying during the business day. Lanes can be designed that allow the shopper complete control of the transaction or can be completely driven by store associates.

"Front-end design is a big deal today," Schler continued. "Retailers are scrambling to use new technology, all to please customers and create their own competitive advantage. They've improved their supply chains, and are now looking for front-end operational efficiencies. Remember, the front end experience is the last thing a customer remembers when frequenting a store." [For more on this, see SCAN/DCR 7/31/13-**Checkpoint**.]

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Editor: Rick Morgan
PH (814) 866-1146
rickm@scandcr.com

Founding Editor:
George Goldberg

Publisher:
RMG Enterprises, Inc.
4003 Wood St.
Erie, PA 16509
PH (814) 866-1146
rickm@scandcr.com

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Faster and easier

Both Parnell and Schler stressed one important theme-customer-friendly automated checkout. "It's all about making the check-out process faster and easier for the customer," Schler explained. "We can offer retailers the ability to let their customers enjoy the checkout experience while ensuring that all items are scanned by one of various imaging cameras. With BOB scanning, customers don't have to lift heavy items from below the cart to be scanned, like cases of soda or bottled water. Our ViPR (visual image product recognition) is ideal for this and is also included in all Jade portal scanners".

"Our system is a very open design," Schler continued. "Our research has shown that consumers don't want to have their items disappear into a tunnel, so we have deliberately designed away from that approach."

More on item recognition

Datalogic's ViPR item recognition technology is part of the company's core offerings. It requires some integration with existing POS software, but is not an insurmountable task by any means. Schler stressed that, for any system to gain acceptance, there must be an accompanying level of confidence. To be clearer, users must be satisfied that the technology will do what it is supposed to or at least to alert store personnel that some intervention is required.

"Item recognition is still in its early stages, but it has proven to be a very reliable technology," said Schler. "With LaneHawk, there is a model-set or

database utilized to enable the image recognition capability. LaneHawk focuses on items that often don't get placed on the check-out counter/belt. Once again, these tend to be heavier items like we discussed above, and the database is limited to approximately 600 items that fit this criteria.

"The Jade Portal Scanner utilizes the ViPR technology to identify items that may have missing or damaged bar codes, and it has the ability to 'learn' and make changes to the database," he continued. "It can recognize changes in packaging, such as a Coke case at Christmas time. I might add that all this technology can help reduce various forms of 'shrink' in addition to helping create better

customer relations."

Customer reactions

Schler said that Datalogic has had five in-store pilots running worldwide, plus 10 lab pilots. Obviously, the real-world tests were more enlightening. Those trying out the new system were very happy with nearly every aspect of how it operates. And, those retailers are getting good feedback from their customers.

Schler said there is a large U.S. grocer that equipped its store with a new automated checkout utilizing the Jade portal scanner, but he was not at liberty to drop names. However, someone must have leaked the news, because *Planet Retail* editors Frauke Vor dem Berge and Joachim Pinhammer



New Applications for High Performance Imaging Technology

- Item Recognition for items where bar code unreadable or hidden
- Used in Automated Scanning for identifying items
- "Learns" what the items look like and builds an image database
- Continually improves ability to identify exception items
- Used for detecting and identifying BOB items
- Allows the shopper to leave heavy items in cart



technology in lab since 2009 and in-store since 2010.

Creating options

Just as Datalogic has given retailers options, with respect to how elaborate a system should be implemented, Schler said it is important for retailers to stay in tune to what their customers are demanding. "They need to automate the processes and functions that customers don't want to do, give them control of the payment process, and give them the option of receiving help from an actual attendant," Schler told SCAN/DCR. "They have to find a way to get the customer engaged."

recently note in one of their articles that **H-E-B** has equipped one of its stores in San Antonio, Texas, with a fully-automated scanner from Datalogic. According to the article, the U.S. grocer is the first in the country to deploy the Jade X7 scanner which allows checkout scanning without any manual intervention. European retailers, such as **Rewe Group, Asda, Dia, ICA, and Esselunga** have been testing the



Matt Schler,
general manager
for fixed retail
products,
Datalogic ADC.

"In the future, we'll see even more technologies emerging in this area," he continued. "We'll need a variety of technologies to meet growing challenges. At Datalogic, we try to offer as many of the building blocks as possible to meet these challenges. We want to help retailers create the stores of the future."

For more information: **Datalogic ADC**,
Eugene, OR, PH 541) 683-5700,
Email: Matt.Schler@datalogic.com. **SCAN**

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