

Hointer

Retail meets technology at Hointer where they have reinvented shopping through the use of smartphones and robotics in their apparel stores.

Market opportunity

Hointer is a micro-warehouse within a store, allowing easy exchange and visibility of products across stores. Product status and the whereabouts of every item are always readily available in store which helps in inventory control.

For customers, this translates into a unique omnichannel way to shop that utilizes a tool most customers already have – a smartphone. Because all of the apparel is tracked in the cloud by Hointer's back-end system, the company knows exactly where each article of clothing is at all times. So, if a customer in one of their stores wants a specific pair of jeans not available in store, the app will show where else the product is available. Customers can try on the jeans for proper fit, and then order their preferred wash or size with



Hointer's overnight shipping for next day delivery— or perhaps receive it on the same day via Google if the

product is available in their area. This inventory-sharing model allows Hointer



Key data

- Format: Apparel store
- Opening: 2012
- Store Location: Seattle (USA)
- Number of Stores: 3
- Size of Store: 915 m²
- Product Mix: Upscale denim, shirts and belts for men and women



Case description

to carry just the right amount of product and distribute them across its locations. With this model, it is unnecessary to carry ten different washes of jeans or colors of shirts at every store. As long as Hointer has one model in each size and examples of what other colors are available, customers have instant access to the entire inventory, regardless of location.

Hointer first launched only selling men's denim. Since then, they've added tops and belts to their offering with an even selection of both men's and women's wear. Hointer is designed so customers can be in and out in minutes, a play on the word 'hunter' because it is believed that men always have a target when they shop and they want to get it done quickly.

Before shopping, customers ▶



download the Hointer app or can ask a tablet-equipped employee to accompany them through the store. When they see something they want to try on, customers simply scan the QR code — or place their phone next to the NFC-enabled tag.

After scanning or tapping, customers are prompted with available sizes and once a specific pair is selected, the clothes are dropped into a virtual shopping cart. Customers can continue to drop other items into their shopping carts; when ready, they click “try on” which sends them to a designated dressing room.

When customers arrive at the dressing room, the clothes are already there waiting for them, delivered through an automated robotic process on the back-end. If they don't like the clothes or want to try on a different size, they may be sent back through the chute in the dressing room and are then automatically taken out of the shopping cart. When ready to purchase, customers tap their phone to a pay station in the store and swipe a credit card.

Retail is Detail

Hointer displays only one of each item and puts the bulk of its merchandise in an automated stockroom. Garments are hung so customers can see every

detail, rather than the piles often seen in apparel stores. The back-end is very small, accounting for only 10% of the store, but is able to hold thousands of products due to its unique organization format. This back-end system is entirely automated, but can also be configured to a more manual setting. Hointer's data collection allows the company to keep track of every customer's purchase habits, every scan they've made, how many times they have requested alterations, as well as how much product is available and at which stores.

Retail mix

- Hointer carries denim, tops and belts for men and women.
- An unusual layout: Hointer's selling space accounts for 90% of the store while the other 10% is devoted to the stockroom.
- Multi-channel: Customers can purchase at the store or via the Hointer app on their smartphones.
- Hointer uses dynamic pricing by reviewing Amazon's prices and either matching them or beating them.

Points of innovation

- Access to all inventory: Every customer has real-time access to every item, in every store.
- Big data: Hointer's system collects fine-grain data, providing a personalized shopping experience for every customer.
- Self-checkout: Customers swipe their credit card and walk out; no lines, no hassle.
- Same-day delivery: Items ordered near Hointer's stores in the Bay Area will arrive the same day.

Conclusions

Hointer's stores have combined the best of the physical and online world by allowing customers to see, feel and try on clothing while offering a quick and convenient way for men and women to make purchases and proceed with life. They have lowered overall operational costs for their retail stores through the use of an automated stockroom while gathering customer data through the use of

their mobile app. Hointer represents a new way of shopping, by simplifying the customer experience while using technology that customers already own. ○