

App Creates Brick-and-Mortar Buzz

SHOPPING
GLENN RIFKIN

Personalized alerts have increased foot traffic and sales in stores.

During a preholiday shopping trip to New York, Lisa Libretto received an alert on her iPhone: an offer for a \$25 discount on a handbag that she had coveted on the Vince Camuto website.

"If my phone is alerting me to the discount or some information about items I might like, that will totally pull me in," Ms. Libretto said. The alert pinged as she neared the store entrance. And it cemented her decision: She would buy the purse. But the timing was no coincidence. An app she had downloaded from ShopAdvisor uses beacon technology, an addition to location-based marketing in which digital sensors interact with smartphones and their users.

Ms. Libretto, 44, an artist and stay-at-home mother with two young sons, has embraced online shopping. "My time is so short that when I do get to shop, the alerts are fantastic," she said.

Retailers are acutely aware that despite the popularity of online shopping, nearly 92 percent of retail sales are made at brick-and-mortar locations, so a technology that will help drive shoppers into stores is certain to attract a lot of attention. And with the ubiquity of smartphones, retailers and technology companies have spent years trying to find ways to combine a shopper's desires with innovative mobile apps to get consumers into stores.

ShopAdvisor, a four-year-old company based in Massachusetts



PRESSED FOR TIME Lisa Libretto embraces online shopping, including the ShopAdvisor app and its beacon technology.



RICHARD PERRY/THE NEW YORK TIMES; SHOPADVISOR

that specializes in creating multi-channel mobile shopping platforms for media companies and retail brands, has incorporated beacon technology in a novel way. It uses data analytics that filter a shopper's preferences and provide a way for retailers to send personalized alerts to consumers who have downloaded a brand's app, offering discounts, highlighting sales and providing content that might sway a buying decision.

Shoppers who have downloaded apps from various retailers in the last three years have been flooded with repetitious push alerts that tend to be annoying.

"When you give people a marketing message about something that they actually want, in a location where they can act on it, that doesn't feel like an ad or an annoyance," said Scott Cooper, ShopAdvisor's founder and president. "It feels like a service to them. They

tend to respond to it."

The company's revenues come from fees paid by clients based on the scale and frequency of the campaigns. It also draws revenue from retailers that subscribe to its proximity marketing service.

When Elle, the popular women's magazine, began planning for its 30th anniversary last year, it decided it had to do something noteworthy in addition to its celebratory September issue. It connected with ShopAdvisor and in August they started a program called Shop Now. As part of the campaign, Elle formed partnerships with such advertisers as Guess, Levi's and Vince Camuto, and ShopAdvisor placed beacons in more than 1,600 stores around the United States.

ShopAdvisor created a mobile app using beacon and geofencing technology for Elle readers, who tend to be avid shoppers. The geofence detects that an Elle reader

with the app is near, and the beacon tracks that shopper's movements when she enters the store. It also sets off push alerts for that customer, suggesting items like jeans that the customer has previously expressed interest in, along with curated content from Elle magazine — product reviews, top picks from Elle editors, coupons and other personalized marketing messages.

"If you get a generic jeans offer from Guess, you are more likely to disregard it or delete it," said Kevin O'Malley, Elle's senior vice president and publisher. "Of course Guess will tell you they are the best. But if we say those skinny, low-rise jeans in this model is one of our picks, that's an editorial endorsement and brings third-party credibility and authority to the alert."

Mr. O'Malley said previous location-based marketing resulted in less than 1 percent of smartphone users entering stores, a disappoint-

ing result. After six weeks of the Shop Now campaign, more than 8 percent of those who received the app visited the stores, an increase retailers consider highly significant.

Leah Robert, executive vice president of Vince Camuto, said that the Elle campaign was introduced in 23 locations and that within a week, average sales per transaction rose 30 percent. Not only were new customers going into stores, but regular customers were also visiting more frequently. "The number of transactions per week almost doubled versus a typical average week for us," Ms. Robert said. "We had click-through rates that were five times the industry benchmark."

Since the Elle pilot campaign ended on October 1, 20 percent of the same customers have, unprompted, returned to the stores of the participating retailers, according to ShopAdvisor. Users of its app who had been prompted to visit Vince Camuto stores during the Elle program did so 32 percent more than customers who did not use the app.

Privacy concerns loom as the biggest challenge for companies that contact smartphone users. "Customers want to feel special, but they don't want to feel it's too Big Brother," Ms. Robert said. "We have to be personal but not creepy."

Part of the success of the Elle campaign is ShopAdvisor's ability to identify customers who have shown serious interest in products using the company's app. "If you clicked on Vince Camuto black pumps and got near a Vince Camuto store, we can be superaggressive with you," Mr. Cooper said. "You are absolutely someone who wants that message. If you have never shown any interest in that stuff at all, we leave you alone. We don't bother you."

Escaping Autopay Purgatory

YOUR MONEY
ANN CARRNS

Consumers who agree to automatic withdrawals from their bank accounts to pay for subscriptions, health club memberships, loans and the like may sometimes hit roadblocks when they try to stop the charges.

"It's a big problem," said Lauren Saunders, associate director with the National Consumer Law Center. Banks are obligated to help customers stop unwanted debits, she says, but they are sometimes slow to do so.

Many companies — including mortgage and student loan servicers, debt collectors and payday lenders — actively solicit approval from consumers for such preauthorized debits, according to the federal Consumer Financial Protection Bureau.

Often, consumers agree to such payments for convenience or to obtain a lower interest rate on a loan, because some lenders offer slightly better terms if borrowers agree to recurring monthly debits. (Loan payments by automatic debits generally cannot be required, but lenders can offer incentives for borrowers to sign up for them.)

In other cases, as with online payday lenders, borrowers may not realize that they have authorized an automatic renewal of a loan and so are surprised when a payment is deducted, Ms. Saunders said. Consumers may then end up paying an overdraft fee to the bank if the automatic debit results in overspending the account.

Along with its recent bulletin,

Q & A

¶ Are preauthorized debits the same thing as online bill payments?

Both methods let you pay a financial obligation electronically, but they operate differently. When you schedule recurring payments through your bank's online bill pay service, you tell your bank to send the payments for you. With automatic debits, you give a company or merchant your bank account number and your permission to withdraw payment from your account on a recurring schedule.

¶ Will I be charged a fee for canceling an automatic debit?

If you formally instruct your bank to cancel an automatic charge, the bank may impose a "stop payment" fee — typically around \$30 or \$35 — as it would if you canceled a paper check.

the bureau offered suggestions to consumers for stopping unwanted debits. Consumers, the bureau's director, Richard Cordray, said in a prepared statement, should know that they "have the right to stop these charges at any time."

First, call and write to the company making the withdrawals to revoke your permission. Next, call and write to your bank, telling it that you have revoked authorization. The bureau has posted on its website new sample letters that you can use to write to the company and to your bank.

To stop a scheduled payment, you usually must give the bank a "stop payment" order three business days before the debit is scheduled. If the bank asks you for a written confirmation for an order given over the phone, make sure to send it within 14 days, and include a copy of the letter you sent to the company, revoking your permission.

More Intimate Elder Care

RETIRING
CONSTANCE GUSTKE

Kay Larmor, 71, was in and out of conventional nursing homes. Then she found Green House homes at Porter Hills, in Grand Rapids, Mich., which is helping to remake long-term care.

Each home houses only 10 elderly people, and each person has a bedroom and a bathroom. Ms. Larmor enjoys home-style cooking like spaghetti with meatballs.

Residents can gather around a fireplace in the common room, and Ms. Larmor enjoys chatting with aides in the open kitchen. "This is my home," she said. "And I feel cared for."

For greater warmth and nurturing, seniors are turning to small residences like Green House, which is part of a complex of senior housing and care options, and privately owned care homes that are often unmarked in residential neighborhoods. They are usually newer, sometimes cheaper, and generally offer more customized care than most nursing homes.

Nursing homes have received plenty of criticism over the years. They are regulated by states and the federal government, but quality varies widely. And even the best ones are typically modeled after hospitals, so aides often wear scrubs and hallways can feel antiseptic. The ratio of residents to aides can be high too, creating more isolation for residents.

Dr. Bill Thomas, a Harvard-educated geriatrician, saw that loneliness and isolation were big problems in elder care. So he helped found the Green House project in 2003, which Porter Hills uses as a model that is now spreading around the country. To ensure quality, Green House homes are trademarked and built to strict certifications.

"Green homes were developed



EMILY ROSE BENNETT FOR THE NEW YORK TIMES

A WARM ENVIRONMENT Kay Larmor, 71, prefers Green House at Porter Hills in Grand Rapids, Mich., to nursing homes. "I feel cared for," she said.

Studies show that small homes offer a better quality of life.

from a blank sheet of paper," said Scott Brown, director of outreach at the Green House Project. The results, he said, have been encouraging. Studies show that residents have higher-quality lives and fewer hospital readmissions.

Green House operates 180 projects in 28 states; an additional 150 are in development. That compares with about 15,700 nursing homes in the United States housing 1.4 million people. At Porter Hills, the costs are comparable to those of a good nursing home, elder care specialists said. A 30-day stay costs \$10,230.

Another alternative to big-box nursing homes is residential care, which typically costs about half as much, according to A Place for Mom, a referral for senior care. Such homes are often single-family homes adapted for elder care.

But not all are equal. They are licensed and regulated by the states. Lori Smetanka, director of the National Long-Term Care Ombudsman

Resource Center, said that families needed to be careful and ask a lot of questions.

Peggy Miller breathed a sigh of relief when she put her husband, Carl, who is in the late stages of Alzheimer's disease, in one of Our Family Home's residential care homes that specializes in memory care in Dublin, Ohio. "He was in assisted living for 12 days, and it was a total disaster," she said.

Twenty-two patients had only two caregivers. Now, he lives at a ranch house. Two aides care for five residents, Ms. Miller said. Dinner is served at a dining table. And Mr. Miller can put his Ohio State memorabilia in his private room.

A warm environment was what Evan DuBro said he was aiming for when he founded Our Family Home in 2007. Mr. DuBro's grandparents had Alzheimer's, and they went to nursing homes.

Mr. DuBro owns nine residential care homes in Ohio. His mother lived in one after her Alzheimer's was diagnosed. "I've been through three journeys of this pain," Mr. DuBro, 43, said. "Alzheimer's care is expensive, lasts a long time and is devastating for families."

How to Avoid Spending Money Like the Joneses

SKETCH GUY
CARL RICHARDS

Over the years, I've noticed that moment when my children started caring about what other people think of them. One by one, I've watched as the opinions of others become a big deal in their own decision-making.

As smart, mature adults, we have a term for that: peer pressure. You know, that dumb thing we all left behind in high school. Except for one teeny, tiny problem. Graduation didn't make us immune to peer pressure. What other people think of us continues to affect the deci-

sions we make. One very obvious example is what I call the Minivan Paradox.

On paper, minivans are awesome. They have tons of storage space, many have sliding doors on both sides and they get good gas mileage for their size. The only problem? They look goofy. Especially in cool, mountain towns like the one where I live. So even though they may represent the ultimate in functionality for a family of four or more, my family buys a sport utility vehicle instead. I admit it: We're worried about what everyone will think.

Most of us have allowed other



CARL RICHARDS

people to influence us to the point that we made financial decisions based on their values instead of our own. This can cause all sorts of trouble in our financial lives.

The solution to this is to stop caring, which is far easier said than done. But I've had numerous dis-

ussions over the last 10 years with people who have gotten to the point where they've simply had enough. They say, "I don't care anymore. I don't care what my neighbors think about me. I'm sick of living that life."

Most of the experiences I'm thinking of are pretty significant. They decide to sell everything, downsize and live a simpler life. That can be effective, and it's certainly interesting, but there are less extreme ways to go about it. The first thing we can do is to be intentional. I know that sounds obvious, but I've found that very few people actually pay attention to how

and why they use money.

Try this. Pull out a piece of paper and write down what's important to you financially. Make sure that your list reflects what matters most to you. It's a process to help you become clear about what you care about versus what everybody else cares about. The step after that is to slowly try to align your actions with what you discover.

Not sure where to start? Make a guess, base your next buying decision on that guess and see how it feels. Do you really like spending money that way? Then, if necessary, make a new guess. It may take a few tries to get comfortable with what we want.

The goal is to separate what we want from what everyone else wants. Only then can we start to ignore the peer pressure we all told ourselves we had left behind in high school.