



TYING BRICK AND MORTAR TO DIGITAL

Point Inside aims to bridge retail's divide between the physical and online spheres

STORY BY ETHAN CHUNG // PHOTOS BY RACHEL COWARD

Many of our wants can now be acquired with the swipe of a finger. You can use your smartphone as a remote control, pay for coffee directly from your mobile device, and get real-time traffic updates to help you make it through a nightmare commute. Recent developments in smartphone technology point to bettering our lives many ways — from tracking health to making sure you never lose your keys. Bellevue-based retail analytics and indoor-mapping company Point Inside is part of that mobile revolution that's making life easier.

Point Inside's StoreMode platform allows large retailers to enhance their branded apps with nifty customer-engagement tools such as indoor maps, shopping lists, in-store product locations, coupons, and personalized deals. The idea, says CEO and founder Josh Marti, is for businesses to engage customers via their mobile devices during every step of the shopping experience.

Consider this example: You have a construction project and download the Lowe's app from that uses StoreMode. At home, you make a shop-

Point Inside
CEO Josh Marti
demonstrates the
StoreMode platform.

ping list: nails, wood, a hammer, and paint. You head to the store to shop, and you want to get in and out as quickly as possible.

With StoreMode, the store's app can help you achieve this goal. It will show you where the items on your list are in the store and point you to discounted products based on your shopping list. Because you are in a rush, you may choose to ignore those items, but that extra engagement will go a long way the next time you visit the store. In the end, customers have an easy, satisfying shopping experience, merchandisers get maximum exposure to customers, and retailers increase their sales.

Point Inside began in 2009, when Marti and his team won the Seattle University Business plan competition. The company's idea was that the indoor world needed mapping just like the outside world.

Marti says his team labeled Point Inside as the Google Maps for indoor spaces.

From late 2010 to early 2011, as Point Inside continued to build out its technology, Marti decided to focus on big-box retailers. "We added up the number of people who visited big-box retail stores and the amount of money that was spent in the top 100 of those stores, and it was roughly 100 billion annual visits to those stores, and about \$1.7 trillion being spent in those locations," he says.

An early roadblock for Marti was convincing retailers how much they were undervaluing customers' experiences in physical stores. At the time, retailers were putting plenty of resources into their digital storefronts. "It was challenging for us to convince long-established companies that the physical world meant a lot more in terms of dollars and cents and time to people than the direct-to-consumer website world did," he says.

Marti says that between 2005 and 2010, retailers began to understand the value of connecting their physical and digital stores. Competition from online-only retailers forced brick-and-mortar stores to offer their products online. Brick-and-mortars introduced second-screen technology (think

kiosks with product information) and websites that made it easy to purchase goods. But those deployments offered limited customer engagement. While shopping online offers plenty of convenience, what you buy online can differ from what you buy in the store. Plus, consumers can interact with experts at brick-and-mortar retail spaces.

That's a big reason the partnership between Lowe's and Point Inside works so well. Sure, you could easily look up a how-to video

on YouTube, but learning from an expert at the store where you're buying your supplies is probably your best bet for a successful home-improvement project.

Point Inside's pitch was that a mobile device is not only a good secondary screen for retailers, but it is the primary screen for many consumers. "That started the whole discussion around how mobile can ensure that

you set up good experiences inside of these retail stores and achieve a better business model," Marti says.

Point Inside's StoreMode saves time for customers, thus improving their satisfaction. But how does Marti pitch StoreMode to an industry that relies so heavily on face-to-face customer interaction?

"If you're a store employee and you have 45,000 product locations to remember, now you can have that question answered for

**POINT INSIDE'S
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IMPROVING THEIR
SATISFACTION.**

ABOUT POINT INSIDE

Founded: 2009

Headquarters: Bellevue

CEO and founder: Josh Marti

Employees: 91

Product: StoreMode, a software-as-a-service platform for retailers that provides customer engagement tools.

pointinside.com

“HOW DO YOU MAINTAIN THAT SCALE AND NOT LOSE YOUR IDENTITY OR CREATIVITY? IT’S A GROWING PAIN.”

you,” Marti says. “Once you know where things are in the store, you can change the conversation from, ‘Follow me; I’ll take you to that item,’ to, ‘What are you cooking or what home project are you working on?’”

Point Inside’s current challenge, like many companies seeing early success, is scaling at a manageable rate. “We’ve been growing, basically doubling, every year ... how do you maintain that scale and not lose your identity or creativity? It’s a growing pain,” Marti says.

Scaling means scrutinizing everything from the bottom line to workforce culture. Marti has been learning to respect the different generations in the workforce today and how each has its own specif-

ic values. “As a fresh startup newbie, when everyone is working around a particular idea, they don’t really focus on what’s driving your culture and how one big impact on it is the different generations in play,” he says. “I always thought success would be about technical ones and zeros, but it’s way more about human dynamics and how they’re changing every day.”

Marti also has learned of the staggering amount of decisions big-box retailers must make. He cites the retail war between Best Buy and the now-defunct Circuit City, in which Best Buy emerged victorious because it chose a better class of real estate over its competitor. “We know that location, location, location is everything, but it didn’t occur to me at the time that a non-retail specific decision would actually determine your future,” Marti says. “And there are a million of those decisions out there to be made by these big-box executives. So it was a big shocker to me that you could be selling the perfect products, with the lowest prices, with the best service and still lose.”

Marti remains confident in Point Inside’s business model and its foothold in the mobile engagement

Marti at Point Inside’s Bellevue headquarters.



Q&A WITH POINT INSIDE CEO JOSH MARTI

WHERE WERE YOU BORN?

I’m a fourth-generation Seattleite (my parents drove from Cougar Mountain to have me in Seattle).

WHERE DO YOU RESIDE?

Bellevue. I drove to Seattle to have my four daughters so they could be fifth-generation ... just for fun (thankfully, no I-90 babies).

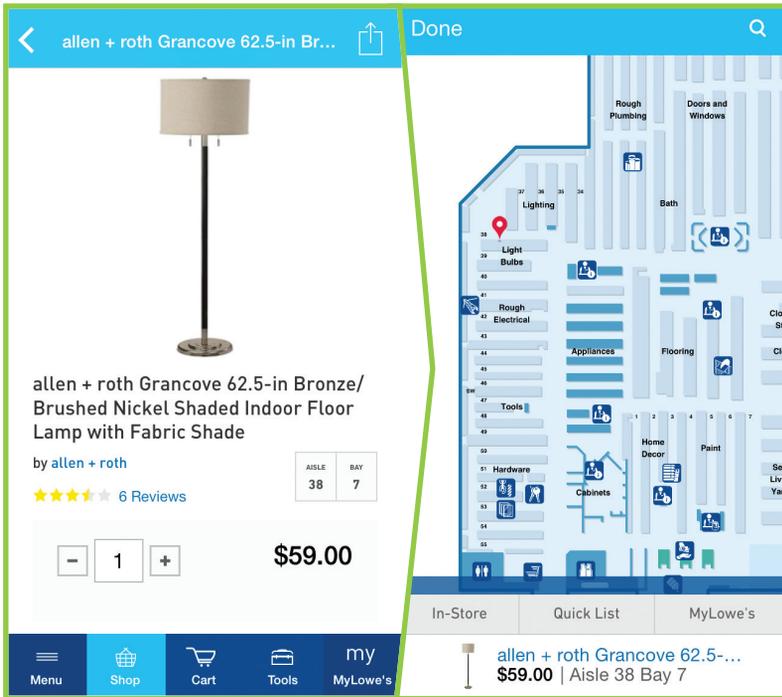
WHAT ARE YOUR HOBBIES?

Golf in the summer and being a 12th Man in the winter.

FAVORITE PLACE ON THE EASTSIDE?

Calcutta Grill at The Golf Club at Newcastle.

StoreMode can locate a product within a store and point the shopper to deals on other items.



space. And his company is still growing. In mid-November, for example, Point Inside announced a new partnership with Target, which will utilize StoreMode. But constant changes in retail (Apple Pay, Amazon brick-and-mortar stores, etc.) surely will keep Marti and the other folks behind Point Inside on their toes. ■

Check out a video of Point Inside's product in action inside the Bellevue Lowe's store at 425business.com.

NAME ONE BUSINESS LEADER YOU ADMIRE.

I've seen the tough-to-deal-with side of (Kemper Development Company), and still have tremendous respect for Kemper Freeman Jr. and his bets on Bellevue.

NAME ONE MUST-READ BOOK FOR ENTREPRENEURS.

Open Innovation: The New Imperative for Creating and Profiting from Technology by Henry William Chesbrough. Most founders come from big companies, and this book uses examples from the '80s and '90s that lay out a dozen or so ways in which you can become an entrepreneur within a company.

WHAT'S YOUR FAVORITE PIECE OF ADVICE YOU'VE EVER RECEIVED?

"Make decisions promptly and objectively with fairness to all concerned." My grandfather wrote this to himself in a 1968 letter that my mom found in his desk after his death in 2012.

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