

USA



Amazon.com Booksellers Beat the Competition with Neatoscan



Photos courtesy of Neatoscan.

"Neatoscan overnight dominated the market because many non-Neatoscan sellers began to see their profits shrink as Neatoscan users were literally cleaning out the field with their efficient bar code/software system."

– Dennis Royzenfeld
President and Co-Founder, Neatoscan



If you've ever shopped for books online at Amazon.com, you know how quick and easy it is to find a wide range of prices for virtually any title you're looking for. Oftentimes, dozens of sellers from throughout the country are listed for a particular book, and the cheapest listing can cost as little as 50% or less than the highest listing for the exact same title.

With such stiff competition, the lowest price almost always wins the sale, and for booksellers who compete against each other on Amazon.com, it's a race to acquire the right books at the right cost. Problem is, when you're at a book sale doing product sourcing, how do you really know which books are worth buying, and if they're valuable enough for you to make a profit?

"With a cell phone, it takes about 30-50 seconds to key in an ISBN number using the keypad and look up the price, assuming the cell phone has good reception. With Neatoscan, the process is decreased down to a split second."

— Dennis Royzenfeld

This is exactly the problem that Dennis Royzenfeld and Andy Heitke wanted to solve when they founded Neatoscan, Inc. Together, they created an innovative product-sourcing solution featuring a Socket Mobile bar code scanner that gives booksellers instant access to Amazon pricing information anywhere they go, helping vendors increase productivity by as much as 3000%. The Neatoscan solution dominated the indus-

try overnight and permanently changed the business of online bookselling.

BOOK SCOUTING

Professional online sellers find books to sell by scouring through thrift stores, bookstores, library sales, auctions and other various sources. This activity is known as "book scouting." Book scouts often spend long hours sifting through books, attempting to evaluate hundreds or even thousands of books per day. In book scouting, whoever can appraise and select books with the most speed and accuracy stands to make the most money later selling them online.

"All book dealers are competitors to each other, and in the book scouting world, seconds count," said Royzenfeld, who is also president of the company. Book scouts often shop at the same location, so speed is crucial. It is a race to buy as many valuable books as quickly as possible.

To reduce risk in purchasing decisions, many book scouts began using cellular phone-based solutions to remotely access pricing information. In these systems, the user manually punches in a book's 10-digit ISBN number, calls in the information, and waits for a response containing the pricing information.

Such phone-based systems, however, have many disadvantages. Pressing phone buttons is slow, physically tiring, and prone to human error, especially when hundreds of numbers need to be entered throughout the day. After the ISBN number is sent, it takes as much as 10-20 seconds to retrieve a message with the pricing data. With a fee for every call, phone expenses quickly add up from hundreds of calls per day. And perhaps

most serious of all, cell phone-based systems simply don't work where cellular coverage isn't available — a great risk especially in indoor book sales.

NEATOSCAN

Neatoscan avoids the problems of cellular phone-based systems by providing an easy-to-use, automated solution that can check pricing data in a split second. It consists of a *Bluetooth*®-enabled PDA, Neatoscan software, headphones, and the Socket Cordless Hand Scanner (CHS) 7M with *Bluetooth* Wireless Technology. Using Amazon's E-commerce Service (ECS), Royzenfeld and Heitke were able to build an application that accesses Amazon's product pricing data, allowing book scouts to determine if a given item is a worthwhile purchase. Besides books, Neatoscan can also look up pricing information for music, videos, DVD's, software, games, and other products sold on the Amazon website. In the backend, the company uses Dell PowerEdge servers and multiple Compaq DeskproEN computers for aggregating Amazon pricing data.

Prior to book scouting, the user downloads Amazon pricing information from Neatoscan servers onto the PDA. This gives users pricing information wherever they go, regardless of cellular coverage. The pricing information is customized to the user's specific purchasing criteria.

During book scouting, the user quickly scans the ISBN bar code with the CHS 7M, which sends the data wirelessly over the *Bluetooth* connection to the PDA. Neatoscan then checks the ISBN number in Amazon's pricing database, and the user instantly hears an audio signal indicating whether the book is a good buy. The whole process takes less than a second.

"Neatoscan pricing software was designed to be the ultimate pricing tool. Speed was a major design goal of the Neatoscan software," Royzenfeld said. While it takes roughly 30-50 seconds to manually enter an ISBN number into a cell phone and look up the price, assuming the cell phone has good reception, with Neatoscan, the process takes only a split second, which equates to a productivity increase of at least 3000%. In terms of books per hour, users can evaluate at least 3,600 books per hour with Neatoscan, but only 120 books per hour with a cell phone.

"Our customers are able to scan more products and hence are able to find more in-demand products," Royzenfeld explained.

Neatoscan's speed advantage comes from a variety of sources. Storing pricing data locally on the PDA removes the wait time to retrieve a response over the cellular network. Audio prompts eliminate the need to stop and view pricing information on the PDA, which can cause neck strain after several hours. Bar code scanning makes entering the ISBN number fast, effortless, and accurate.

CHOOSING THE RIGHT BAR CODE SCANNER

When choosing a bar code scanner for their mobile solution, Neatoscan tested many products before selecting the CHS 7M. "After much research and false starts, we chose the Socket Mobile CHS 7M. We started like how any consumer would — we tried the cheapest scanner and worked our way up until we found the perfect solution. Many of the other scanners were either too bulky or difficult to operate, causing frustration," Royzenfeld said.

The small size, light weight, and ergonomic shape of the CHS 7M makes it ideal for book scouting, which requires heavy repetitive scanning at top speed. *Bluetooth* wireless technology further improves efficiency by providing maximum freedom of movement and by reducing the load users need to hold in their hand. Be-



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— Dennis Royzenfeld

cause the CHS 7M doesn't require a physical connection to the PDA, the user can keep the PDA in a pants or jacket pocket, out of the way.

The CHS 7M also passed Neatoscan's performance requirements, with its powerful Class 1 laser, perfect for scanning poor quality and damaged bar codes commonly found on used books, as well as scanning bar codes at different distances and angles on bookshelves.

Wireless bar code scanning gives Neatoscan a distinct advantage over PDA-based solutions from other companies that combine bulky handheld computers with either built-in or plug-on-top scanners. These solutions cause hand and wrist pain with repetitive use, because of both the strain of holding the PDA as well as the awkward position of the trigger button.



FOREVER CHANGING THE INDUSTRY

Dramatically more effective than any other solution, Neatoscan blew away the competition as soon as it was released. "Neatoscan dominated the market overnight because many non-Neatoscan sellers began to see their profits shrink as Neatoscan users were literally cleaning out the field with their efficient bar code/software system," Royzenfeld described.

"Neatoscan has made book scouting much more efficient and profitable," Royzenfeld remarked. "Now, vendors line up hours before a book sale with their Neatoscan systems in hand, ready to hit the racks."

BUILT ON INNOVATION

It is exceptional for any company to dominate a market overnight and permanently transform an industry, and Neatoscan was able to do it because of its commitment to innovation. "Neatoscan as a company has been so successful because of constant innovation. We did things that people thought impossible," Royzenfeld commented.

"We persisted, and today we are one of the most successful companies on the market offering solutions to the small and large online seller. We strive to continue to innovate."

PARTNER AT A GLANCE

- Organization: Neatoscan, Inc.
- Founded: 2005
- Headquarters: Oakdale, MN, USA
- URL: www.neatoscan.com
- Primary business: Provider of information management, systems analysis and other information-related services

CHALLENGE

Access Amazon pricing data anywhere with extreme speed and accuracy

SOLUTION

- Socket Cordless Hand Scanner 7M with *Bluetooth* Wireless Technology
- *Bluetooth*-enabled PDA
- Neatoscan software
- Headphones
- Dell PowerEdge servers running Microsoft Windows
- Compaq DeskproEN computers running data aggregator software

RESULTS

- Instant access to Amazon pricing information anywhere, regardless of cellular coverage
- Accelerated speed of book scouting from 30 seconds per book to less than a second per book, equivalent to productivity increase of at least 3000%
- Advanced ergonomics prevent hand strain and neck strain
- Increased speed and accuracy of entering ISBN numbers with wireless bar code scanning



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