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Eye on AI: Just What Is a MerchBot?

In this Q&A, industry veteran Ron Friedman dishes on a new AI-driven offering he says can turn any promo product item into an “interactive, digital brand ambassador.”

By **Christopher Ruvo**

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Ron Friedman, founder of supplier PTI Media, believes he’s hit on a solution that can augment practically any promo product through artificial intelligence.

The longtime promo veteran calls them **MerchBots**: an offering debuted in September 2023 that, in his words, can transform branded merchandise into interactive, data-rich “phygital” experiences.

MerchBots arrive at a time when **generative AI** and the **use of robots** is expanding in promo – and as interest in AI’s ability to **impact the industry** soars. As such, they’re a potential point of interest for suppliers and distributors, and Friedman recently filled ASI Media in on them.

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Q: What are MerchBots? What do they do?

A: They’re digital brand ambassadors activated from physical branded merch, like water bottles, T-shirts, coffee mugs, tote bags and desktop items. When an end-user taps their phone to the merch with an embedded NFC [near-field communication] chip or scans a QR code printed on an item, the MerchBot launches through a web app and the brand comes to life.

Trained on an end-client’s data with generative AI powered by ChatGPT and GPT-4, the MerchBot, aka chatbot, can tell the user about the brand, offer them special deals, or even entertain the user with games or trivia.

Q: What problems does this solution solve for suppliers, distributors and ultimately, end-buyers?

A: With MerchBots, you’re delivering an interactive, personalized and dynamic experience. This helps build stronger emotional connections between the brand and the consumer. Plus, every MerchBot provides analytic data for all engagements, covering things like unique users, time spent and even sentiment analysis of the chats so brands can understand and react quickly to customers’ concerns. Relatedly, because MerchBots collect data on how people interact with the merchandise, distributors and suppliers can understand their customers better.

Q: What about privacy concerns?

A: As for end-users, data for analytics or sentiment analysis is anonymized, aggregated and strictly adheres to data protection regulations like the General Data Protection Regulation and California Consumer Privacy Act. Distributors and suppliers must communicate these privacy measures to end-clients. We do share analytics data and chat logs with our clients, and then we delete and purge the chat logs within 45 days.

Also of note on this topic: All knowledge our bots gain, particularly when referencing suppliers, is sourced from publicly accessible data such as websites. The bots are not trained on proprietary or private files. The MerchBots are also trained and educated on PDFs of the supplier’s or brand’s products and other online and public resources.

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“With MerchBots, you’re delivering an interactive, personalized and dynamic experience. This helps build stronger emotional connections between the brand and the consumer.”

Ron Friedman, MerchBots

Q: What do the nuts and bolts of the order process look like?

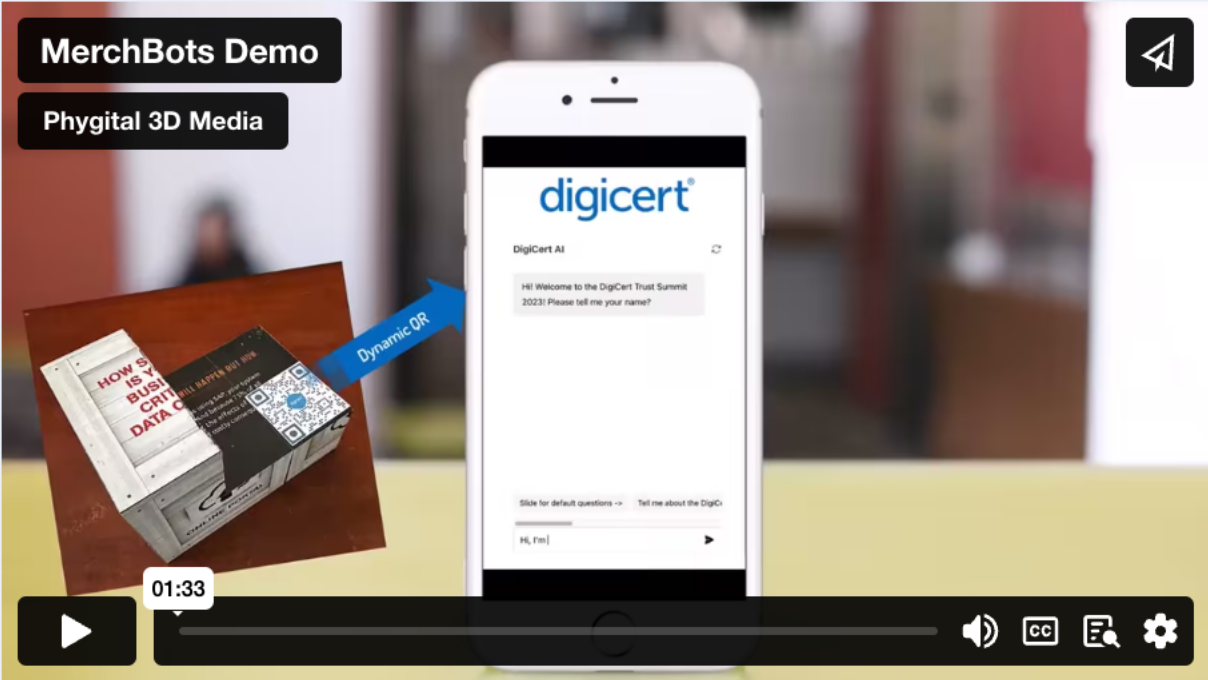
A: When a distributor wishes to include a MerchBot, they’d collaborate with both the supplier who is providing the products and us. Our role is to merge the tangible product with our digital overlay. The NFC chips are formatted at the factory for the client’s specific integration with the MerchBots experience. The QR codes and NFC chips can be integrated into any supplier’s merchandise during the decoration phase. We supply the codes and the chips within days.

I should also note: MerchBots can appear on websites, in email signatures and on digital page banners, as well as posters, printed and digital catalogs, and trade show signage. Additionally, we offer a select range of our own merchandise with the tech built in, such as our MagiCubes 3D media.

Q: What’s your background in promo?

A: I started with **Geiger** (asi/202900). Within a few years, I was drafted by client LA Gear to head Brand Merch and Co-Op programs; I grew the division from \$50,000 into a \$10 million profit center. In 1991, I created MagiCubes. Later on, in 2007, I developed and created smart USB drives called USB Widgets. In 2014, I brought augmented and virtual reality to 3D Media. Marketing with technology is my passion.

Case Study: MerchBots in Action at the DigiCert Trust Summit



MerchBots Demo from **Phygital 3D Media** on **Vimeo**.

A demonstration of a MerchBot from a real-world case study. The bots appeared on MagiCubes that were distributed to attendees of the 2023 DigiCert Trust Summit.

For its annual summit, DigiCert was keen to enhance attendee engagement, provide educational content to those folks in an interactive manner, and collect insights from them based on analytics and sentiment analysis.

For help with that, the digital security company worked with a distributor to provide attendees with supplier PTI Media’s MagiCubes enhanced with MerchBots. MagiCubes are physical 3D products that look a bit like Rubik’s Cubes decorated with vibrant prints and almost any information/messaging an end-client may desire.

On the DigiCert custom-created cubes, PTI Media built in NFC chip and QR code technology to activate a MerchBot that, when scanned, provided the user with an agenda for the summit, speaker bios, a live Q&A feature and a fun “Solve the Cipher” interactive gaming experience. “Attendees who successfully solved the cipher were given access to exclusive webinars, whitepapers and a VIP networking session,” notes PTI Media Founder Ron Friedman. The 2,500 or so attendees received MagiCubes in their welcome kits.

Ultimately, says Friedman, the MerchBot-enhanced MagiCubes were a success. Nearly 60% of attendees activated the bots and, of those, some 80% participated in the “Solve the Cipher” game. Sentiment analysis showed a 90% positive engagement rate, and the average time spent interacting with the MerchBot was 15 minutes. “Valuable data for future marketing strategies was collected and attendee engagement was increased,” says Friedman.