

Optimizing In-Store Operations In An Increasingly Cross- Channel World

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-Retail Systems Research

Today's shoppers are tech-savvy and determined to find the product they want, at the price they want, when and where they want it. Armed with mobile devices, shoppers can access competitive prices and product availability with a single swipe of the finger.

In response, it has become crucial for retailers to offer the mobile tools necessary to create enhanced shopping experiences that include data transparency across channels, but in many cases the technology is advancing faster than store operations can keep up.

According to a recent Retail Systems Research (RSR) benchmark report, The 2016 Retail Store: In Transition, retailers are still struggling with developing the optimum IT infrastructure; and quantifying ROI and TCO of new technology investments is preventing them from getting ahead in today's competitive marketplace.

RSR outlined the three primary technology inhibitors facing retailers today:

- Existing technology infrastructure is preventing them from moving forward with new solutions (42%);
- Hard to quantify technology ROI (42%); and
- The TCO of in-store technologies makes it hard to justify many of the newer technologies (17%).

Other significant factors preventing retailers from achieving their cross-channel goals include: the increased pressure to offer self-service options; the need for cross-channel integration; and/or the demand for personalized promotions to engage tech-savvy consumers. These challenges are stretching internal IT departments so thin that IT is unable to efficiently address the growing demands of marketing, merchandising, loss prevention and inventory management.

89% of store operators have either increased or maintained their investment in mobile technology.

-Retail TouchPoints

This paper will take a closer look at three key challenges facing store operators today:

1. The Increasing Importance Of Mobile And Social Initiatives As Part Of The Cross-Channel Challenge
2. Quantifying The TCO & ROI Of Technology Investments
3. The Integration Challenge

1. The Increasing Importance Of Mobile And Social Initiatives As Part Of The Cross-Channel Challenge

According to IHL Group's report titled: Mobile POS: The First Real Test, mobile in retail is now a \$5.5 billion business worldwide and it is the single fastest-moving trend in retail since the Internet was added to stores.

Highlighting the growing importance of arming store associates with mobile devices and delivering mobile applications and services to shoppers, Boston Retail Partners noted that 49% of retailers are using mobile solutions of associates compared to the 3% last year.

Retailers also are realizing that they need to facilitate the ability for customers to share their shopping experiences via social networking channels like Facebook and Twitter, using their own mobile devices in the store.

Also, using social "check-in" applications on mobile devices, merchants are providing mobile coupons to shoppers in real time.

As many as 69% of retailers see opportunities to utilize social media to enhance the customer experience, according to BRP 2016 Customer Experience/Unified Commerce Benchmark Survey. "Retailers can understand who the customer is, what she wants and when she wants it. Social media provides retailers with unprecedented visibility into their customer base."

2. Quantifying The TCO & ROI Of Technology Investments

Because mobile technology is arguably still in its infancy, retailers are having a difficult time proving ROI to justify additional investments. Most merchants are not upgrading or replacing legacy POS systems while there are so many mobile decisions at play.

While there are a variety of immediate managerial and in-store benefits to be gained with improved POS operations, retail professionals emphasize the importance of making informed decisions before committing to large-scale investments.

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The initial thinking and the perception is that the price and costs are lower with mobile, which is true — on a per device basis. However, when implementing a mobile solution in multiples, retailers could potentially spend more than a traditional POS.

Here are four key factors to consider before implementing an enterprise mobility solution:

4. **MDM platform** Because iOS and Android operating systems were not built with the enterprise in mind, it's becoming more crucial for companies to invest in more flexible, less platform-specific mobile device management (MDM) platforms to ensure baseline security.
5. **Inventory & Asset Management** As the wireless ecosystem grows, so do the number of mobile assets. Therefore, it's critical for companies to manage these assets efficiently and securely in order to reduce the total cost of ownership of the wireless environment.
6. **Application Management** Tantamount to a secure mobile platform is rigorous application management. Along with the ability to deploy, update and wipe/lock devices, it's essential that malicious apps are kept out of mobile devices and appropriate apps are allowed in.
7. **Wireless LAN Management** Complete visibility and control of wireless infrastructure and mobile devices from a central console is essential. Wireless management platforms allow the end-user to view alerts and determine which access points within the infrastructure have failed and need attention.

One way that the majority of retailers are overcoming their ability to prove TCO and ROI is by starting small with pilot projects and buying basic system functions, according to the RSR benchmark report, *The 2012 Retail Store: In Transition*. However, the one noteworthy distinction between the Laggards and Retail Winners surveyed is that Retail Winners are more likely to ask for client success stories from vendors or use a managed services partner "to help reduce distractions in the store and cut costs."

By working with a partner who can offer assistance in designing technology implementations based on real-world examples, leading retailers will implement projects more successfully and will save vital business expenditures through:

- **Fewer Business Interruptions** By consolidating purchasing with all or some of the common technical and field services, such as asset receipt, hardware storage or warranty registrations, store operations will run more smoothly. With a partner standing by, if a tablet or 2D scanner goes down during peak business hours, it will be repaired in a more timely manner.

Kiosks Provide Self-Serve Customer Engagement

Leading retailers know that they must meet consumer demand for an improved customer experience and fast, convenient service. Self-serve kiosks can help achieve that goal by providing a number of functions, including self-checkout and product information.

According to the August 2016 North American Self-Service Kiosks Market Study released by IHL Group, transactions at self-service kiosks are increasing by more than 7% per year in North America, with transactions expected to grow past \$1 trillion per year through the devices by 2015. Six different types of kiosks comprise the segment, including: self-checkout, ticketing, check-in, food ordering, postal and "other." Self-checkout systems — those installed in a variety of retail segments — deliver more than \$240 billion in revenue turn each year.

"Retailers know that consumers want the shopping environment to be as interesting as online experiences," said Ray Carlin, Vice President, Retail Solutions Global Business Unit, HP. "Savvy retailers are upgrading their in-store technology — especially at the point of sale — to seamlessly integrate with other channels and enable their customers to shop the way they want to, creating a better in-store experience."

HP Self-Service Kiosks are interactive solutions that engage customers with a 23-inch diagonal, 16:9 LED-backlit BrightView display or a 42-inch diagonal, 1,920 x 1,080 HD touchscreen, both housed within a secure lockable steel enclosure. Retailers can place the kiosks in customer-facing environments in order to run in-store promotions, provide directions or share news and product information. The kiosks are available with a digital signage component.

- **Customized Maintenance Programs** provide significant cost savings with flexible options based on seasonality. Customized maintenance programs also prevent retailers from paying for service on a product or store that they don't actually need.
- **Faster Resolutions** Gaining access to round-the-clock help desk coverage helps with the influx of hardware-based hiccups in a next gen marketplace.

3. The Integration Challenge

Along with all of the new technologies and add-on modules entering the retail store — such as self-serve kiosks, mobile, digital signage and interactive touch screens — it's become even more crucial for retailers to maintain centralized data sources for a more unified view of the customer.

Although retailers seem certain about which mobile solutions they would like to implement, the real challenge is figuring out the crucial "next steps," such as integration, security, and choosing an MDM platform to make it all come together seamlessly for consumers.

By employing the services of an integration partner, leading retailers can

An integration partner will ensure that mobile technology is integrated against a common framework necessary in obtaining a centralized view of the customer.

position their companies to leave the starting gate ahead of the competition. When doing this, retailers will need to find the right partners, ones that can become an extension of their organizations and most of all, those that can have a broad array of products and services.

Two of the most significant benefits of working with a partner to gain greater in-store efficiencies when it comes to procuring hardware include:

- Obtaining the right next generation product for the needs of the business at the best price; and
- Recovering time usually spent on traditional procurement responsibilities, like research, negotiation and fulfillment.

Additionally, an integration partner will ensure that mobile technology is integrated against a common framework necessary in obtaining a centralized view of the customer. This includes the following critical elements:

- Sharing of data;
- Running applications efficiently; and
- Ensuring that all of the various platforms, devices and service carriers utilize the same architecture to ensure smooth, secure transactions — especially as new “mobile wallet” initiatives emerge.

Conclusion

Rapid advancements in technology have, in many ways, created unprecedented challenges when it comes to seamlessly merging the digital and physical aspects of the store. Yet, they have also created new opportunities for retailers to not only maximize their internal resources, but also gain greater efficiencies across the entire retail supply chain.

About Level 10

Level 10 is one company, everything IT. With more in-store technologies, less personnel resources and quicker deployment needs, we recognize retail IT teams need less partners to do more. By strategically bundling our services—hardware procurement, software development, asset management, maintenance & repair, in-field technician support and a 24/7/365 service support desk—we create solutions that allow an easy and enjoyable work life. We act as an extension of your IT team through technology & mobile deployments, store openings/closing/remodels, and in-store support work by increasing your service levels and project ease while decreasing cost and risk.

