#ImplementMobile

The
Mobile POS
Tipping Point
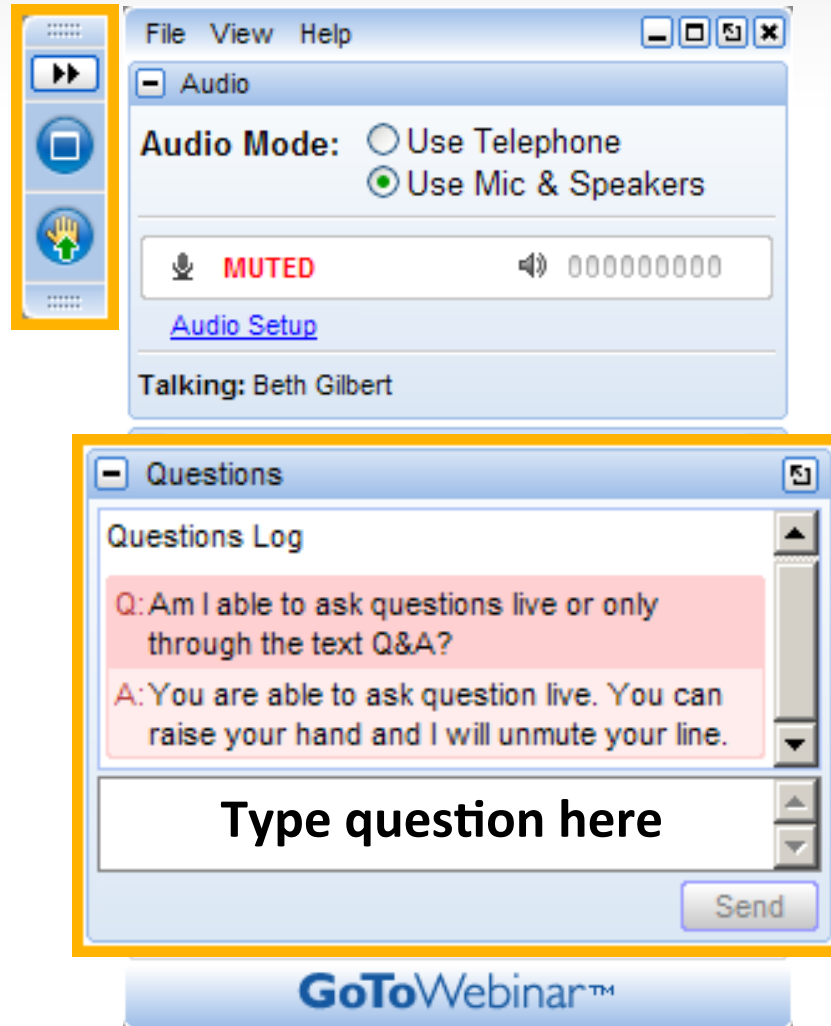
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Welcome Webinar Attendees

About Retail TouchPoints

✓ Launched in 2007

✓ Over 23,000 subscribers

✓ To provide executives with
relevant, insightful content across
a variety of digital medium

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#ImplementMobile

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#ImplementMobile

Boston Retail Partners

- About BRP

- Mobile POS Definition

- Mobile Technology Trends

- Retailer Examples

- Integration Challenges

- The Future

About Boston Retail Partners

- ❖ Established in 2009, we are a leading independent retail management services firm
- ❖ Built with a unique professional profile
  - ➢ Managed by industry-recognized leaders
  - ➢ All firm members have retail line management experience
  - ➢ Recruits experienced professionals in retail technology, store operations, merchandise management and supply chain management
- ❖ Relevant experience working with both hardline and softline retail companies on strategy, selection, and deployment of point-of-sale, merchandising and supply chain solutions
- ❖ History of serving acknowledged industry leaders (for example)
  - o **J. Crew**
  - o **Brooks Brothers**
  - o **TJX**
  - o **Ann Taylor**
  - o **Target**
  - o **Kohl's**
  - o **TBC Corp**
  - o **Vera Bradley**
  - o **Sephora**
  - o **Limited Brands**
  - o **Charlotte Russe**
  - o **Polo Ralph Lauren**
- ❖ No exclusive partnerships or alliances with software or hardware providers

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Associate - Facing

Customer - Facing

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POS Benchmarking Trends

- Surveyed more than 500 top North American retailers

- Online responses solicited in November/December 2011

- Respondents generally C-level executives or VP/Directors of Store Systems or Information Technology

- Offers insight into store-level tactics and strategies in the industry

January 2012

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13th Annual POS Benchmarking Survey

Retailing

Real-time Retailing

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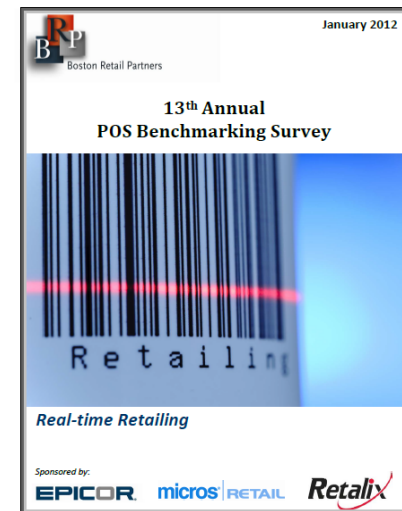
- Retailers unanimously agree that customer service is the top area of importance with **efficient processing at the register** a close second

Importance to Customers

Category	Very important	Important	Less Important	Neutral	Not Important
Customer service	82%	18%			
Efficient processing at the register/speed of service	75%	21%	4%		
In-stock position	71%	21%	4%	4%	
Employee product knowledge	50%	36%	14%		
Product pricing	46%	46%	4%	4%	
Cross channel integration	37%	37%	4%	7%	15%
Product assortment	36%	54%	11%		
Product reviews/product education	7%	41%	33%	11%	7%
Personalized promotions	4%	41%	44%	4%	7%
Self service options		19%	41%	7%	33%

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- **Creating a strong customer experience** to exceed expectations are high priorities for top retailers – using mobile devices is a key area

Store-Level Priorities

Priority	Top priority	Medium priority	Low priority	No priority
Customer service	60%	27%	13%	
Multi-channel integration	52%	21%	10%	17%
Associate training	37%	37%	23%	3%
Store network	32%	36%	25%	7%
Labor management	30%	47%	20%	3%
Associate mobile in-store functionality	24%	55%	17%	3%
Customer mobile in-store functionality	24%	31%	38%	7%
Systems management	17%	48%	28%	7%
Customer relationship marketing	17%	73%	10%	
Layaway	3%	7%	17%	72%

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- The top retailers are supporting the priorities mentioned previously by increasing spending on **customer-facing mobile solutions and mobile POS.**

Spending Plans for Next 12 Months

	Increase spending	Decrease spending	No change	Unsure
Customer-facing mobile solutions	61%		18%	21%
POS software	57%	7%	30%	7%
POS software modifications	53%	17%	27%	3%
POS hardware	53%	7%	33%	7%
Mobile POS	48%		34%	17%
Mobile inventory solution	46%		39%	14%
Store network	41%	10%	45%	3%
POS software maintenance	33%	10%	50%	7%
POS hardware maintenance	28%	24%	45%	3%
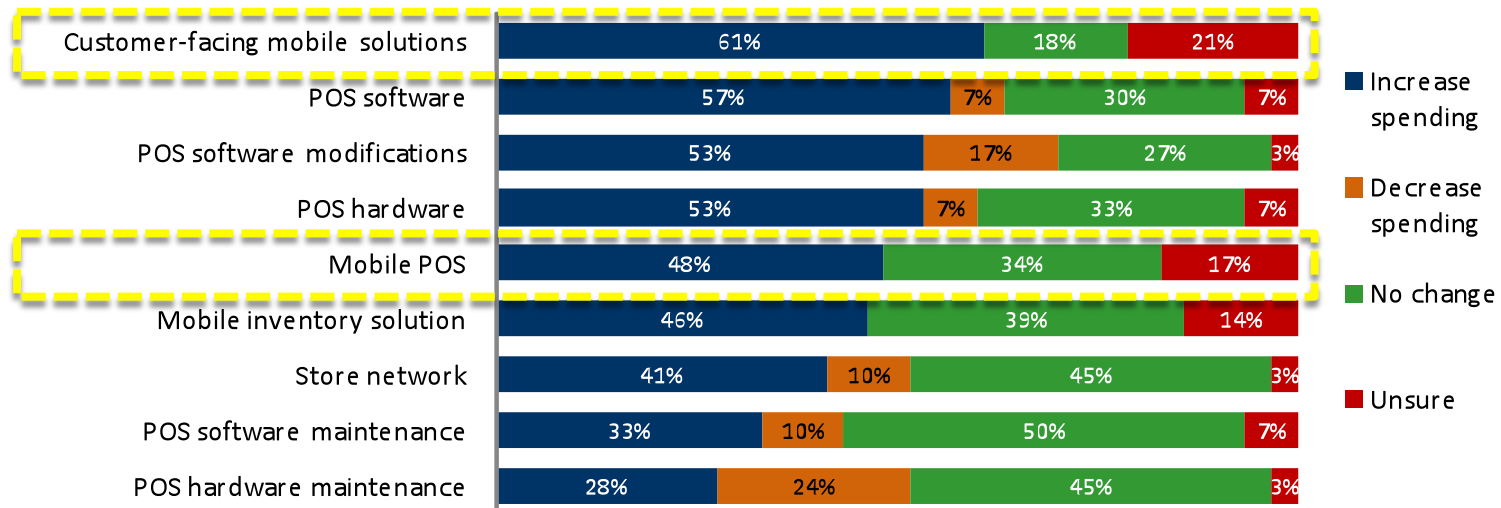
Mobile Devices Growth

Current Age

Mobile devices	43% | 30% | 22% | 4%	
POS software	13% | 17% | 17% | 30% | 23%	
POS terminals	13% | 50% | 23% | 7% | 7%	
Store network	18% | 39% | 32% | 7% | 4%	

Legend:
- ■ < 2 years
- ■ 2 to 4 years
- ■ 5 to 8 years
- ■ 9 to 11 years
- ■ > 12 years

Years of Planned Use

Mobile devices	9% | 48% | 35% | 9%	
POS software	20% | 40% | 23% | 10% | 7%	
POS terminals	10% | 50% | 17% | 17% | 7%	
Store network	7% | 28% | 34% | 14% | 17%	

Legend:
- ■ < 1 year
- ■ 1 to 2 years
- ■ 2 to 4 years
- ■ 4 to 5 years
- ■ > 5 years

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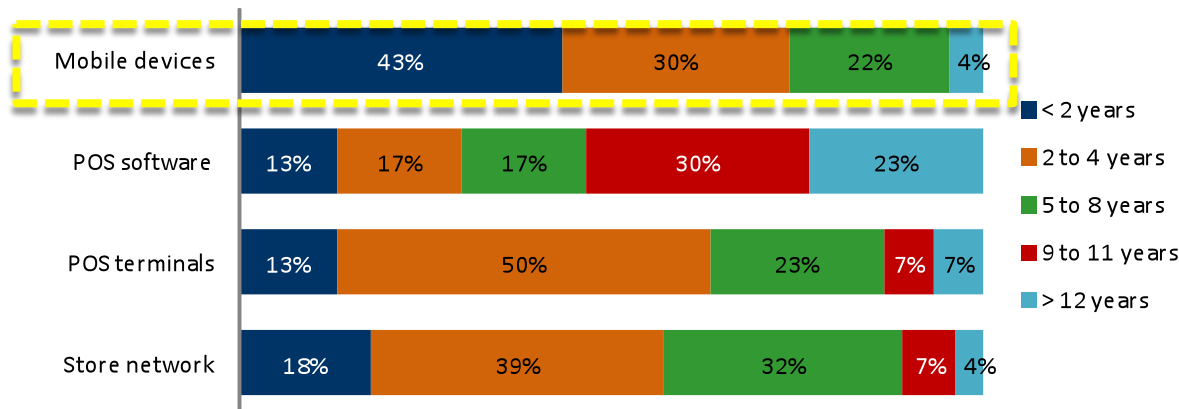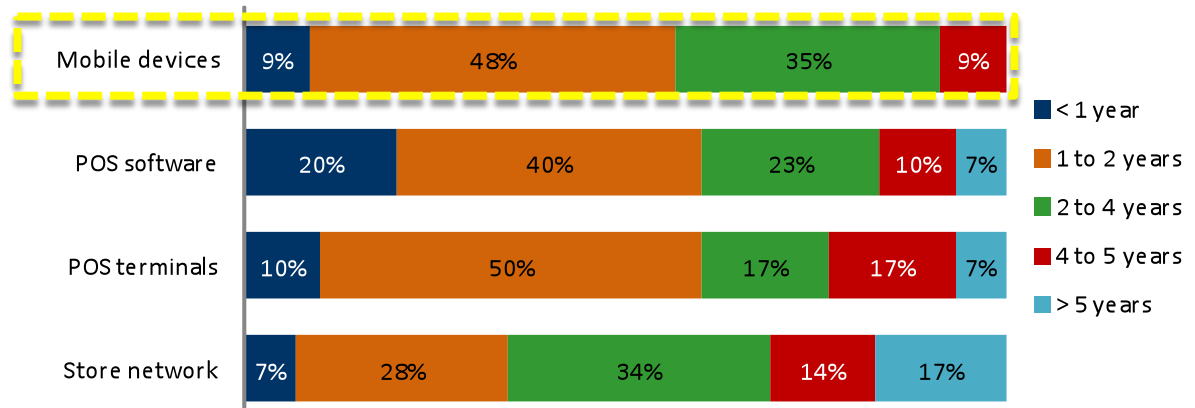
Customer-Facing Mobile

- Mobile POS continues to gain ground with retailers looking to expand – **8% even allow shoppers to utilize their smartphones to check themselves out** in the store

POS Platform Expansion

Platform	Already implemented	Plan to implement in < 2 years	Plan to implement in > 2 years	No plans to implement
Centralized POS platform (i.e. hosted point-of-sale)	23%	13%	17%	47%
Centralized platform (i.e. one platform for store, mobile, and web)	15%	23%	15%	46%
Thin client	12%	12%	8%	68%
Shopper's smartphones utilized for checkout	8%	38%	4%	50%
Mobile POS	7%	52%	19%	22%
SaaS (Software as a Service)	4%	11%	7%	78%
Cloud or Virtual POS		8%	12%	80%

Legend:
- Already implemented
- Plan to implement in < 2 years
- Plan to implement in > 2 years
- No plans to implement

17

Additional Opportunities
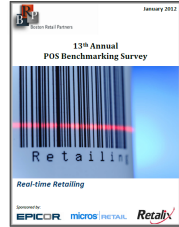
- Retailers implementing **smartphone apps** to drive customer purchasing

- **2D barcode scanning** gaining traction as tool for interactive marketing

- **Social networking** expanding as retailers host own sites

Non-traditional Marketing Methods

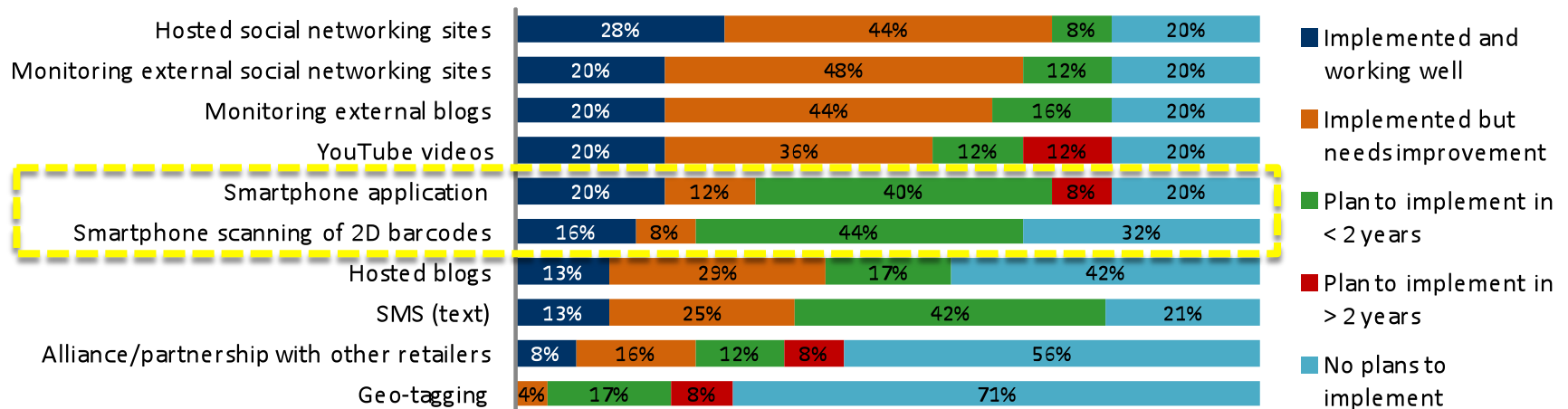| Method	Implemented and working well	Implemented but needs improvement	Plan to implement in < 2 years	Plan to implement in > 2 years	No plans to implement
Hosted social networking sites	28%	44%	8%		20%
Monitoring external social networking sites	20%	48%	12%		20%
Monitoring external blogs	20%	44%	16%		20%
YouTube videos	20%	36%	12%	12%	20%
Smartphone application	20%	12%	40%	8%	20%
Smartphone scanning of 2D barcodes	16%	8%	44%		32%
Hosted blogs	13%	29%	17%		42%
SMS (text)	13%	25%	42%		21%
Alliance/partnership with other retailers	8%	16%	12%	8%	56%
Geo-tagging	4%	17%		8%	71%

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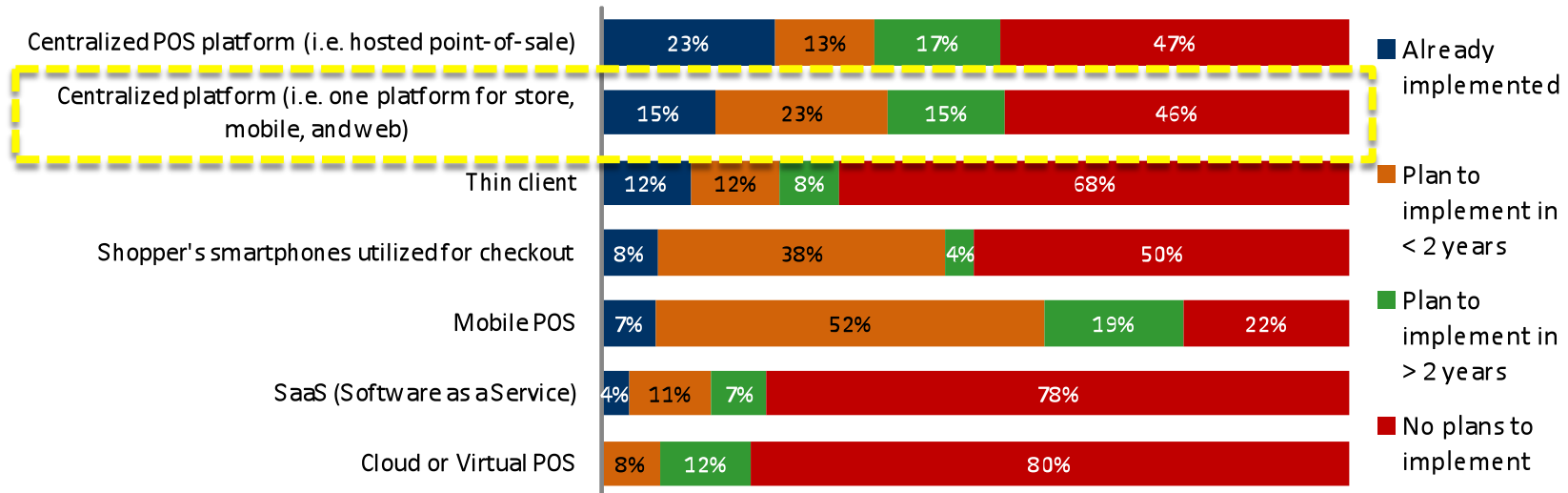
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- While half the retailers have implemented or are planning to **implement a centralized platform** to meet their omni-channel needs, the other half do not have plans to implement it at all

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Cloud or Virtual POS		8%	12%	80%

- **Retailers already centralize many processes** – the opportunity remains for centralized point-of-sale

Centralized (Home Office)

Process	%
Point-of-sale	26%
Special orders	43%
Returns processing	45%
CRM	62%
Loss prevention	71%
Replenishment	80%
Business intelligence/ enterprise reporting	80%
Inventory	84%
Human resources	84%
Pricing	90%

De-centralized (Store Controller)

Process	%
Point-of-sale	71%
Returns processing	32%
Special orders	27%
Loss prevention	13%
Inventory	13%
Replenishment	10%
CRM	7%
Pricing	6%
Human resources	3%
Business intelligence/ enterprise reporting	0%

Improve Networks

- Most of the retailers surveyed have had networks installed for more than two years – since network contracts are generally short-term/high-turn with a usual length of 3-5 years there are **opportunities to improve networks**
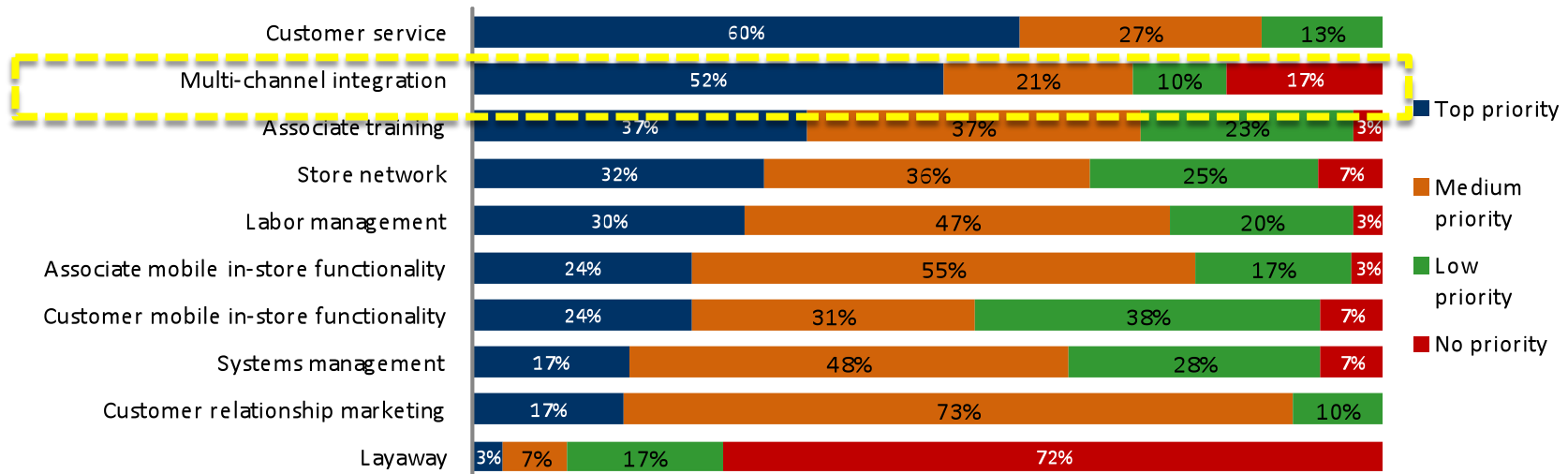
Current Age

	< 2 years	2 to 4 years	5 to 8 years	9 to 11 years	> 12 years
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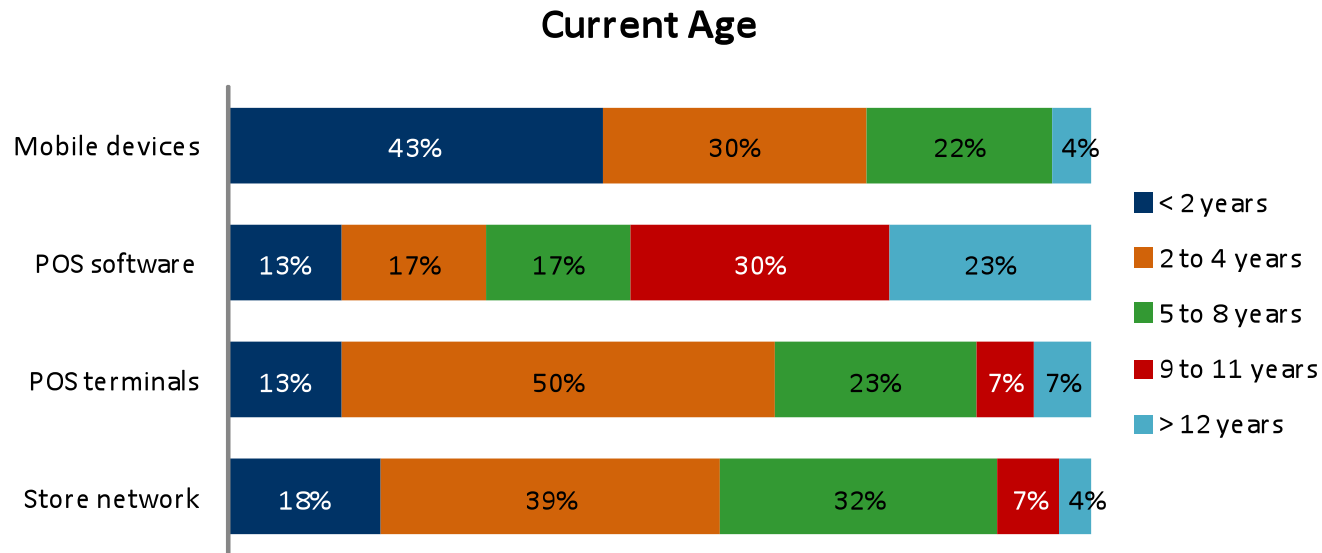
- **Multi-channel integration offers customers the best of both "shopping worlds"** and gives retailers visibility into customers' purchasing patterns, shopping habits, and merchandise preferences

Store-Level Priorities

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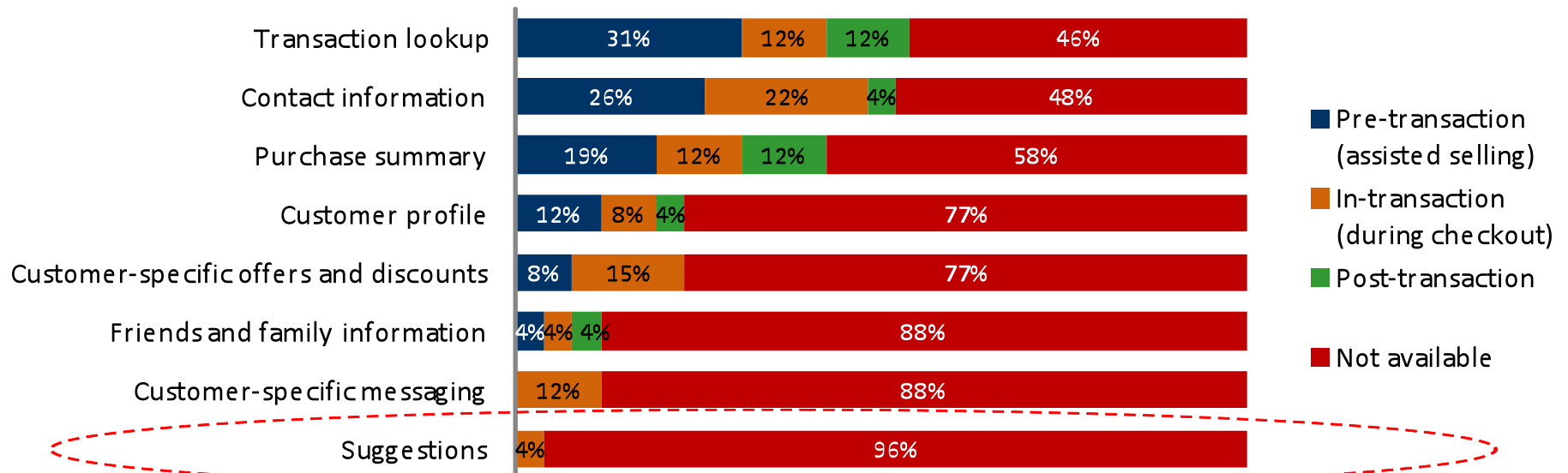- Retailer Examples
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[Opportunity]

- Suggestive selling is an opportunity for those retailers who still have not capitalized on the customer information that they already own
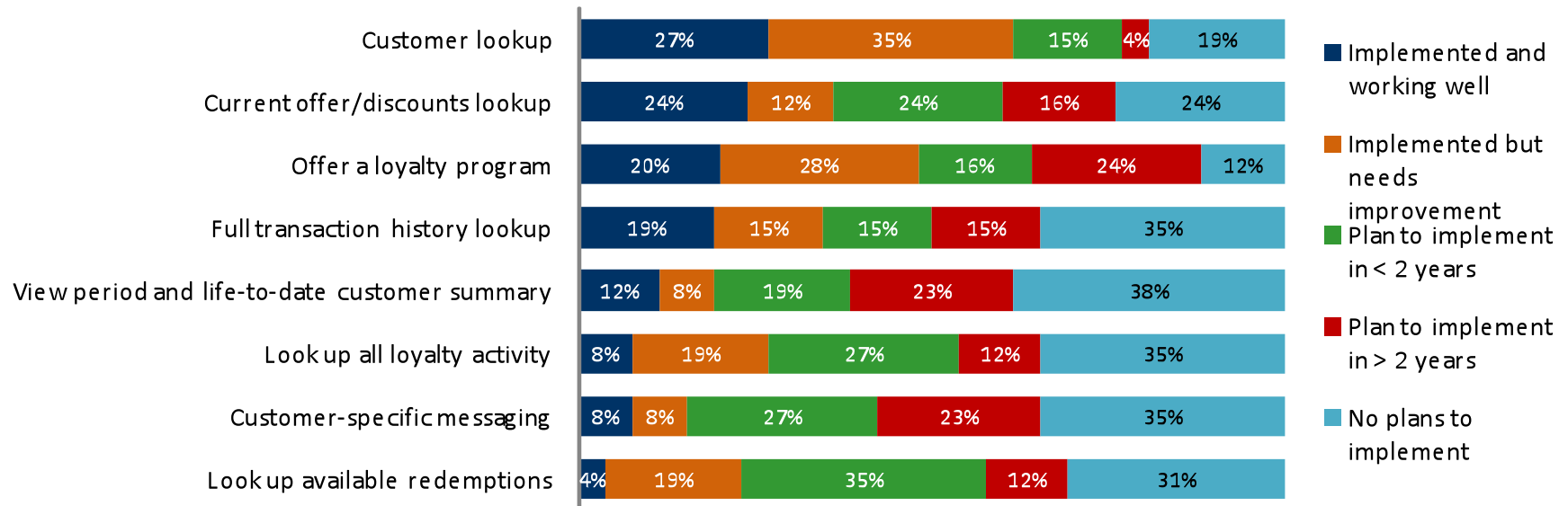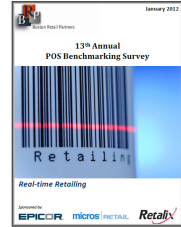
Customer Information Available

	Pre-transaction (assisted selling)	In-transaction (during checkout)	Post-transaction	Not available
Transaction lookup	31%	12%	12%	46%
Contact information	26%	22%	4%	48%
Purchase summary	19%	12%	12%	58%
Customer profile	12%	8%	4%	77%
Customer-specific offers and discounts	8%	15%		77%
Friends and family information	4%	4%	4%	88%
Customer-specific messaging		12%		88%
Suggestions		4%		96%

Suggestive Selling

[Opportunity]

- There is a competitive advantage for retailers who have implemented CRM/Loyalty programs to gather, view, and utilize customer information

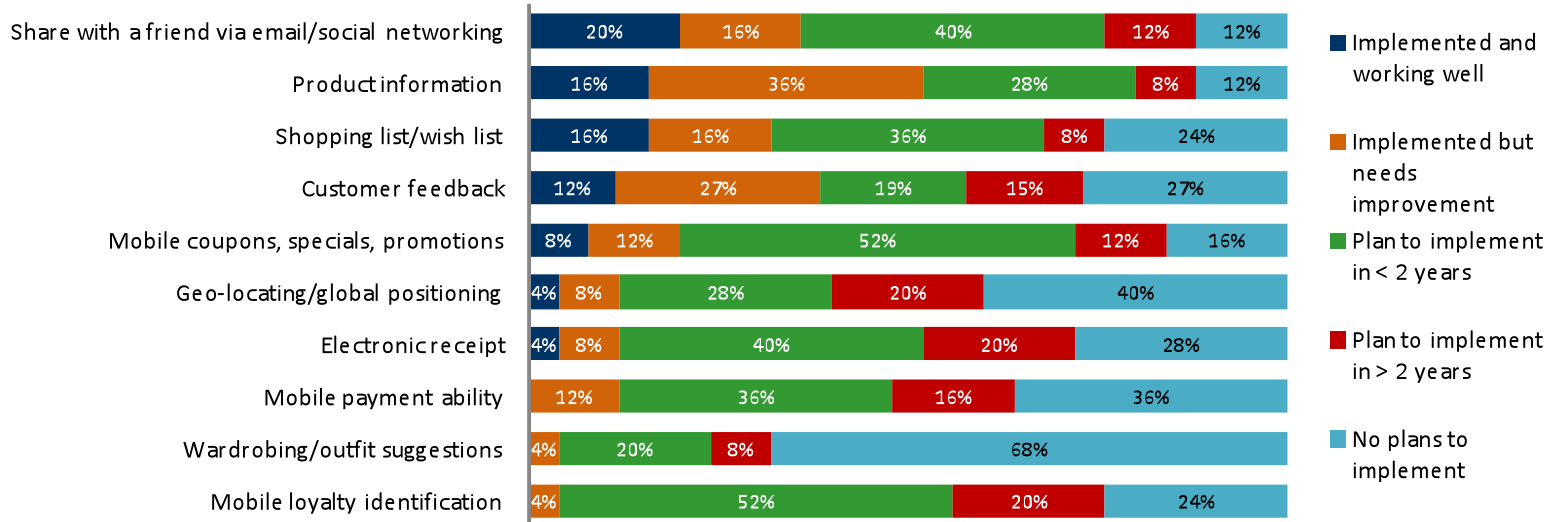### CRM/Loyalty Implementation Status

	Implemented and working well	Implemented but needs improvement	Plan to implement in < 2 years	Plan to implement in > 2 years	No plans to implement
Customer lookup	27%	35%	15%	4%	19%
Current offer/discounts lookup	24%	12%	24%	16%	24%
Offer a loyalty program	20%	28%	16%	24%	12%
Full transaction history lookup	19%	15%	15%	15%	35%
View period and life-to-date customer summary	12%	8%	19%	23%	38%
Look up all loyalty activity	8%	19%	27%	12%	35%
Customer-specific messaging	8%	8%	27%	23%	35%
Look up available redemptions	4%	19%	35%	12%	31%

[Opportunity] ▪ Retailers are beginning to gather email addresses and utilize them to push promotions to customers – the next step is to push these personalized promotions directly to the customer's smartphone as they walk in the store

Customer-Facing Mobile Devices

Category	Implemented and working well	Implemented but needs improvement	Plan to implement in < 2 years	Plan to implement in > 2 years	No plans to implement
Share with a friend via email/social networking	20%	16%	40%	12%	12%
Product information	16%	36%	28%	8%	12%
Shopping list/wish list	16%	16%	36%	8%	24%
Customer feedback	12%	27%	19%	15%	27%
Mobile coupons, specials, promotions	8%	12%	52%	12%	16%
Geo-locating/global positioning	4%	8%	28%	20%	40%
Electronic receipt	4%	8%	40%	20%	28%
Mobile payment ability		12%	36%	16%	36%
Wardrobing/outfit suggestions		4%	20%	8%	68%
Mobile loyalty identification		4%	52%	20%	24%

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In today's web-enabled environment, where Apple and similar retailers have changed the playing field by shifting the way customers and retailers think about the in-store experience, *retailers need to continually innovate* to survive.

To succeed, retailers need to *offer a seamless experience* across all channels and continually research and understand their customer's behavior, wants, and needs to *achieve a deeper, more emotional connection* and encourage customer loyalty.

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Thank You!
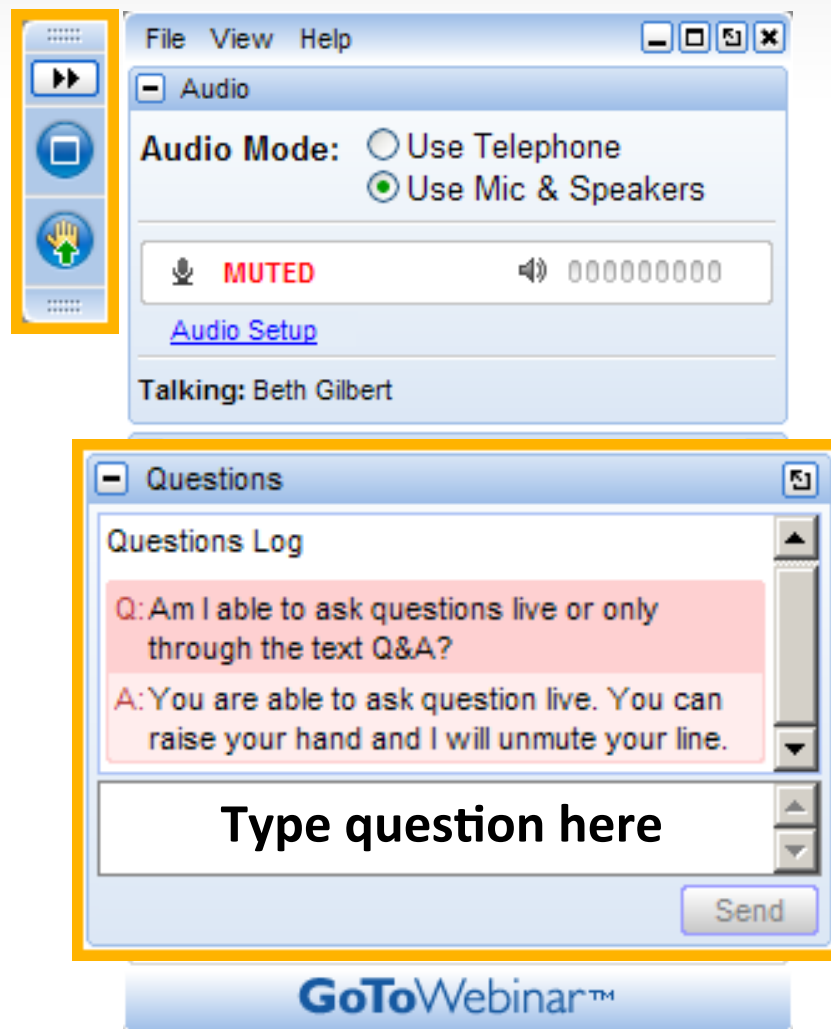
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Q&A // Submit Your Questions

Q&A // Contact The Panelists
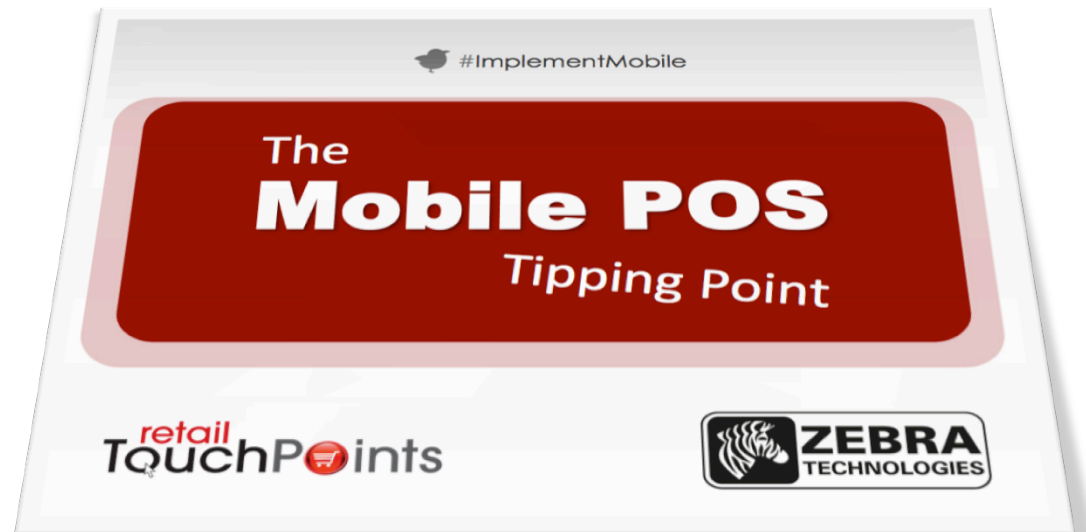

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