EXPERIENTIAL RETAILING: Mobile's Role in Connecting to the Consumer

MOBILE DEVICES LEVEL THE PLAYING FIELD WITH SHOPPERS AND PROPEL THE STORE EXPERIENCE TO NEW HEIGHTS

RETAIL INFO SYSTEMS
RIS ®
POWERING INTELLIGENT COMMERCE

MOBILE DEVICES DRIVE STORE SALES AND **ROI**

Retailers who effectively deployed mobile saw

25%-219%

higher sales growth in 2017 than retailers without mobile devices, depending on segment. Some are expecting

146%

higher sales growth percentages in 2018.

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Source: IHL Consulting, "Retail's Top 5 Challenges When Deploying Mobile"

Mobility is quickly becoming table stakes for retailers, but getting this multipurpose technology right is the key ingredient to success. Utilized correctly, mobile devices can be a strong differentiator, leveling the playing field against e-commerce retailers and redefining the store experience for shoppers and associates alike.

Empowering associates with mobile devices is the key to improving store productivity and efficiency. Retailers are beginning to recognize this, with 36% making mobile devices for associates and managers a top 10 technology for investment by 2020, according to *RIS' "28th Annual Retail Technology Study."*

Delivering enterprise software to associates through mobile devices can lead to improved compliance through task management, inventory lookup, managing store sets for promotions, store audits, re-ordering, shipment receiving, online order pickup, in-store fulfillment and shipping, restocking out-of-stocks, price changes, and much more.

WHEN SHOPPERS USE MOBILE DEVICES IN STORES THEY:

83% Compare prices

78% Look at reviews

BRP, "Retail's Digital Crossroads"

Mobile solutions are ideal tools for increasing customer satisfaction, engagement and sales. Empowering associates with mobile devices drives financial performance in the store by allowing associates to focus on customer sales conversion, satisfaction and loyalty, which in turn leads to return visits, lifetime value, and increased market basket size.

However, while more than three quarters of retailers (77%) say they give mobile devices to regional or field managers, only 57% give them to store managers, according to *"Store Execution Versus Chaos Battle Plan"* research.

Frontline associates have the inside look at stores and the shoppers in them at any given moment. Open lines of communication gives headquarters up-to-date information on the stores, while providing associates with the real-time company information they need to boost the customer experience.

Mobile devices level the playing field for stores to compete against online retailers and customers armed with research about products and prices. They prevent walkouts due to poor service and inability to answer questions or solve problems. They also give employees the chance to order products for shoppers not carried in the store or even save the sale by enabling an out-of-stock item to be converted to a digital purchase.

FREQUENCY OF HEADQUARTERS COMMUNICATION WITH STORE MANAGERS

	TIMES PER DAY
E-mail	2.5
Text message	1.5
Phone	1.5
Task management application	1
Other applications	1

Source: *RIS*, "Store Execution Versus Chaos Battle Plan"

36%

Retailers will start a mobile POS technology upgrade within two years (**19% are in the process already**).

Source: *RIS*, **"28th Annual Retail Technology Study: Wake Up Call for Digital Transformation"**

68%

When available consumers use in-store tablets and kiosks to order a product after testing it in-store or if it is not immediately available in stock. Yet **only 47%** of retail executives have implemented these technologies in stores.

Source: Capgemini Consulting, "Making the Digital Connection: Why Physical Retail Stores Need a Reboot"

Today's shoppers want speed and convenience and retailers are responding with line busting mobile solutions.

Walmart-owned Sam's Club, for example, has opened a test lab store in Dallas, TX, dubbed Sam's Club Now. The mobile-first shopping experience, powered by the new Sam's Club Now app, not only provides mobile checkout via Scan & Go, but the app features intuitive technology that combines machine learning and purchase data to auto-fill users' shopping lists. The retailer is also working on augmented reality (AR) technology to bring products to life in the store.

In addition to its Sam's Club initiatives, Walmart is positioning associates equipped with its Check Out With Me mobile POS technology in busy store areas, to help customers pay and go quickly by just swiping their credit card and taking a paper or electronic receipt on the spot.

Likewise, Target recently rolled out mobile checkout to all stores nationwide, providing its associates with specially-equipped handheld devices. Even convenience stores like 7-Eleven are getting into the action, piloting mobile self-checkout, dubbed Scan & Pay, in 14 stores. The tech lets customers skip the checkout line and pay for their purchases using the 7-Eleven app, which also houses the retailer's loyalty program.

Mobile devices offer the ability to refresh and re-invent the in-store experience by adding new services, as well as providing ongoing associate training and learning, which leads to constantly evolving and improving in-store service.

HOW MOBILE SOLUTIONS ARE IDEAL FOR PERSONALIZING ENCOUNTERS WITH SHOPPERS

- Personalized product recommendations
- Promotions and discounts offered based on the shopper's history
- In-store appointments
- Instant loyalty awards
- Revealing new or best-selling items

66% Shoppers say the number one reason they open a retailer's mobile app is to view offers and discounts, but few retailers make this a priority.

Source: *RIS*, "Retail 2025 Shopper Study"

73% Shoppers say they are likely to allow retailers to digitally identify them inside a store so they can receive instantaneous tailored offers and promotions.

Source: *RIS*, "Retail 2025 Shopper Study"

Bottom line: Retailers are not great at executing personalized marketing techniques inside stores because they don't possess the detailed personal information necessary to operate on an individual level and don't have the ability to easily identify shoppers in real-time to send them relevant messages. Adding a mobile app with first-screen store-centric features will help drive the in-store shopper experience. Mobile apps will need to be redesigned to include more of the features and functions that shoppers want.
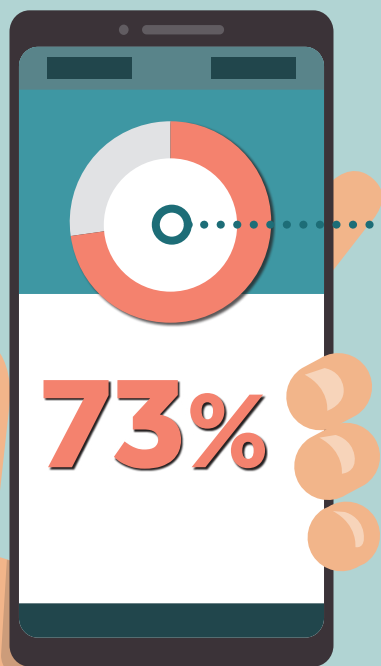
MOBILE DEVICE DEPLOYMENT IS ITERATIVE AND IMPROVES OVER TIME

Some retailers have seen upwards of

25%

increase in sales per transaction when mobile is used.

Source: IHL, "Mobile POS in North America: Mainstream and Moving Up"

Mobile technology requires associate collaboration and ongoing management to supercharge the store. But the opportunity is worth the work. Some retailers have seen upwards of 25% increase in sales per transaction when mobile is used, according to IHL's *"Mobile POS in North America: Mainstream and Moving Up" report.*

BARRIERS TO MOBILE ADOPTION

- Waiting to see what technology will win
- Application readiness
- Insufficient communications infrastructure
- Security concerns
- Difficulty qualifying value
- Resistance to changing the way associates work

WHY TAKE AN ITERATIVE APPROACH TO ROLLING OUT ENTERPRISE MOBILE APPS?

- Associates need to adjust to the new workflow when switching to a mobile app
- Operating system upgrades
- Retailers' business and IT priorities change over time
- Shoppers' needs change over time

HOW TO MAKE MOBILITY A DIFFERENTIATOR

1

STEP 1
Ensure your WiFi network, hardware and software is in place and flawlessly operational

2

STEP 2
Train associates with mobile best practices and headquarters' processes

3

STEP 3
Test and learn mobile functionality over time in an iterative process. Don't be afraid to fail fast!

4

STEP 4
Assess metrics over time to determine what produces customer benefits and financial results, as well as what hardware, software, infrastructure or training needs to be added. Remove or add functions.

5

STEP 5
Invest in improvements to drive more financial growth and deliver additional ROI.

REINVENTING THE CUSTOMER EXPERIENCE

HP enables retailers and hospitality operators with the tools they need to empower their employees with the broadest portfolio of in-store solutions—from traditional point of sale to mobile. Whether it's the barista at the coffee shop or the associate at a clothing store, HP has what you need to personalize the experience and keep your customers coming back.

Style and innovation without compromise

Make a statement without saying a word and allow your brand to stand out with technology that offers aesthetically appealing designs and innovation without compromising on the stability, reliability, and security that you depend on to run your business.

Performance you can count on, protection you can trust

Deliver the convenient, consistent service that your customers expect—no matter how large or small your business is. HP Retail Solutions combine the power and performance you need to keep business moving, with built-in protection to help secure your critical data and assets.

Flexibility you want, functionality you need

Whether you need a traditional point of sale system and a host of peripherals for every outlet from Toledo to Taiwan, or something more mobile to serve your customers out on the sales floor, HP can meet your unique business requirements.

For more information please visit us at: **www.hp.com/go/retail**