Point of Commerce:

Bringing Seamless Retail
Inside the Store

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Globally, business-to-consumer eCommerce sales are expected to reach a record $1.47 trillion in 2014.[1] With the explosion of mobility, consumers are self-empowered. In the U.S. alone mobile eCommerce sales have soared by over 1,000% to $43 billion in the past four years[2] and there is no sign the trend is slowing.

A rapidly growing number of consumers are moving freely across channels and devices as they shop for goods and services. With a smartphone in hand, they are researching their purchases at home, on-the-go or in the store, checking product details, phoning the call center (often while simultaneously online), or looking for comparative pricing.

As physical and digital commerce converge at an incredible pace, this omni-channel world is being embraced by all types of customers, from individuals shopping for a new phone or the latest fashion accessory to businesses stocking up on equipment and supplies. Retailers need to address this reality and interact seamlessly with their customers across all channels, bringing their stores into a true omni-channel business strategy supported by an integrated Point of Commerce (POC) capability.

According to recent research conducted by Forrester Consulting, and commissioned by Accenture and hybris:
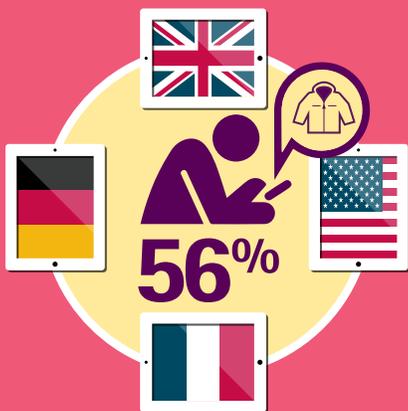
56% of consumers in the US, UK, France and Germany have used their mobile device to research products at home,
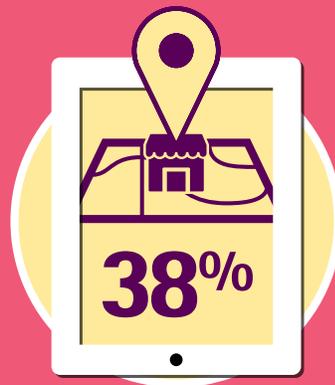
38% have used their mobile device to check inventory availability while on their way to a store, and

34% have used their mobile device to research products while in a store.[3]

Making More of the Store

The store clearly remains a strategic asset in the omni-channel world. Nearly 90% of US parents plan to do most of their back to school shopping in a physical store instead of online,[4] but the store and its sales associates are ripe for improvement. According to a recent Accenture survey of 15,000 consumers across 20 countries:[5]

- While 38 percent of respondents wanted a better, seamless experience, a similar proportion (29 percent) cited an enhanced experience in-store as a key issue.

- For consumers in eight largely mature markets, in-store improvements are becoming especially important: 32 percent wanted some of the convenience of online transferred to the store, versus just 25 percent a year earlier, and

- More than half of all global shoppers want to be able to access services in-store via mobile devices.

And despite the increasing trend of consumers using smartphones to research products (and pricing) while in a store,

- 61 percent of the consumers we surveyed in the US, UK, France and Germany cited that they still value asking a sales associate for product recommendations, and

- 72 percent of consumers would be inclined to ask a sales associate if another store had a product in stock.[6]

This perhaps explains why 69% of consumers in these four countries expect that store associates be armed with a mobile device in order to perform simple and immediate tasks, such as looking up product information and checking inventory. When an associate can offer to ship an out of stock product to the consumer's home for free, a staggering 45% of consumers are very likely to take them up on the offer.[7]

The availability of POC capabilities (which includes the functions of checkout and payment acceptance) anywhere in the store represents an opportunity for retailers to enhance the customer experience and overall relationship. A better understanding of the customer and earlier engagement in the purchase journey coupled with the connection of the various touch-points enables retailers to provide a more seamless omni-channel experience.

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Case Study: Telecom Retailer

Accenture is collaborating with this telecom retailer to build digital tools that enable sales of contract services and consumer devices such as tablets, smart phones and phablets. Initially launched within the company's retail and multi-channel businesses, these tools are now also being developed as a set of services for other manufacturers, retailers and network providers around the world, including an innovative in-store, tablet-based sales tool launched, refined and enhanced by the joint team.
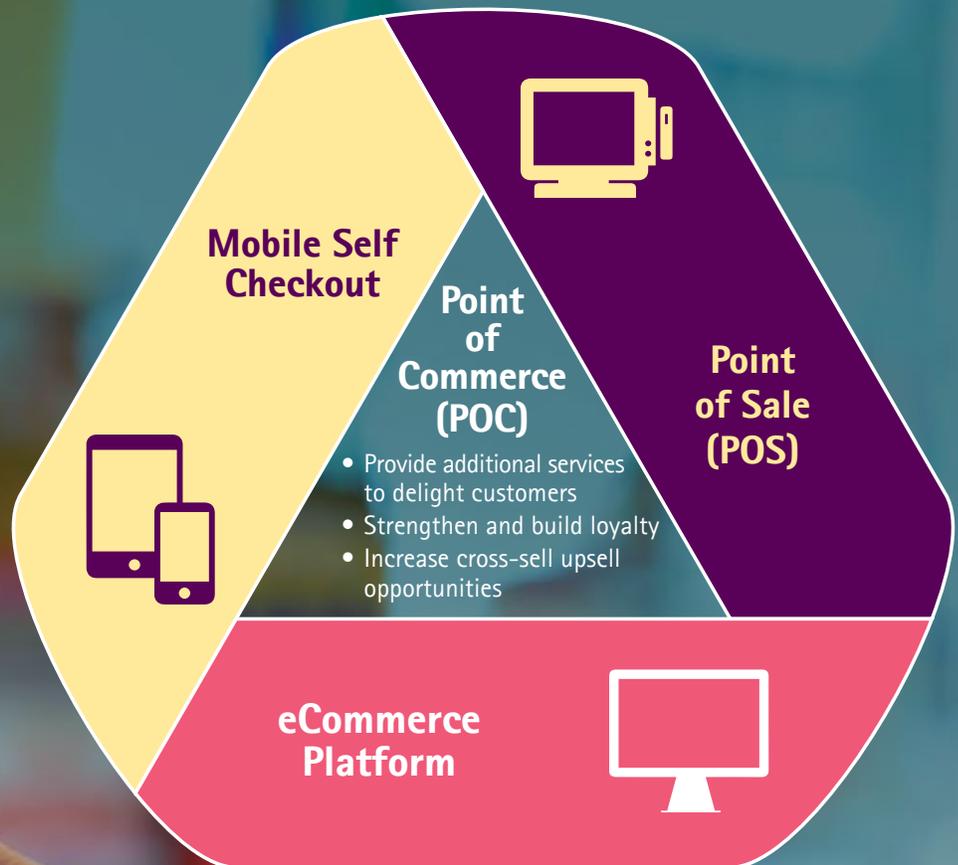
Delivering an entirely new sales experience this tool helps define customer needs interactively, comparing offers and arriving at a personalized recommendation. Each customer journey is tracked within the built-in digital analytics solution to allow continual monitoring of customer usage and enable the business to report on and optimize how colleagues and customers are using the tools. The solution is able to confirm which steps work towards driving conversion and which steps do not, allowing the retailer to evolve customer journeys and support different customer needs.

Point of Commerce: Extending the In-store Seamless Experience

There are several options for creating a POC solution that extends the omni-channel customer experience into the store. These options include solutions based on traditional or digital Point of Sale (POS), the eCommerce platform and/ or the customer self-check-out via a smartphone.

Point of Commerce:
Extending and Converging Current Commerce Capabilities

Mobile Self Checkout

Point of Commerce (POC)

- Provide additional services to delight customers
- Strengthen and build loyalty
- Increase cross-sell upsell opportunities

Point of Sale (POS)

eCommerce Platform

Extending POS

For certain retail settings like grocery where rapid checkout is very important, there are a high volume of items or a need to weigh items, many payments are made in cash, the POS system may be the logical choice to become the omni-channel POC solution of the future.

Extending eCommerce Platform

But in many other environments like fashion where items don't need to be weighed, are difficult to pick up like electronics, or have a low volume of cash purchases, it might be more beneficial to extend the eCommerce platform to become the omni-channel POC platform. A mobile app that allows the retailer to take payments through a tablet, smartphone or wearable device eliminates the need for a POS system all together, with the exception of actually taking cash, which could be managed by integrating standalone cash drawers or handling cash customers as exceptions. This allows companies to leverage the inherent capabilities of their existing eCommerce solution to drive a more seamless retail customer experience via mobile extensions in the store.

This is a great fit for retailers where the customer purchase is based on a complex journey that typically involves a lot of research and interaction with the retailer prior to purchase. Examples include travel, automobiles, luxury goods or electronics.

Why would a wireless mobile operator with physical stores for selling phones, plans, accessories and repair, need a POS system when the store is full of devices that can link to checkout? The sale of a mobile phone requires sales assistance and advice, as the customer must select from a variety of manufacturers devices with different features, contracts, data plans and other options and the sales associate must conduct complex activities such as line and device activation. By arming associates with mobile POC, the retailer can greatly improve the customer experience.

Mobile Self-Checkout

Enabling mobile self-service checkout may provide the ultimate in consumer convenience and control. Consumers would be able to leverage apps on their own smart device to support shopping and enable checkout, either at the completion of the shopping trip or as the cart is filled. This is a good fit for retailers offering lower value items where self-checkout helps to eliminate waiting in line. As the industry is evolving, we are seeing several quick service restaurants offer mobile self-service POC capabilities that improve customer service by reducing in-store ordering and wait times. Customers place orders online or via an app on their mobile phone and make a "one click" payment using stored payment details. They then do a mobile check in when they arrive in the store for quick and easy order pick up.[8] While some retailers are hesitant to enable mobile self-serve checkout due to risk of increased shrinkage, this impact is yet to be determined. In the meantime, it is clear that self-checkout is here to stay.

While these platforms are converging, an interim POC solution might be found in integration and extension of existing applications. But regardless of the technology, the objective is to enable the right commerce capabilities at the point where the customer wants to transact or finds most convenient, and if multiple platforms are in play making sure that they present and support a seamless customer experience.

The Trend Toward Point of Commerce

According to Accenture research,[9] retailers have aggressive technology investment plans to enable the rollout of omni-channel POC programs. Among retailers surveyed in the US, UK, France and Germany:

43%

41%

43% of retailers use and operate an eCommerce platform today and an additional 46% are in implementation or plan to invest within the next 12 months.

Similarly, **41%** of retailers use and operate a POS platform today, and 36% are in implementation or plan to invest in the next 12 months.

Many of these retailers are considering a single solution to manage interactions and transactions across all channels. In a new study conducted by the NRF, Demandware and the University of Arizona that polled more than 200 U.S. and European retail business technology executives, more than one-third (36%) of retailers surveyed are considering a single platform and twice as many retailers plan to leverage eCommerce (38%) over traditional POS systems (19%) to support this strategic direction.[10]
In the study, retail leaders stated a single platform should enhance customer service, standardize business processes, and increase store associate productivity.

Whether leveraging existing eCommerce or POS foundations, using mobility to extend POC capabilities to sales associates and customers alike, offers the opportunity to enhance the overall omni-channel experience. With the growth of Square and PayPal (which merge or embed payment within the overall experience), this trend is clearly gaining momentum, and now Amazon is rumored to be launching its own mobile credit card reader.[11]

Imagine the Possibilities

Consider a world where sales associates are enabled by mobile devices connected to an omni-channel POC solution. The impact spans store associates, customers and retailers.

Store Associates

This transformation is far more than a physical change, as it enables store associates to establish a more personal advisory role with the customer, attending to specific customer needs. Associates have access to more information and products to help serve the customer in better ways that engage and delight. From the floor, associates can access the central POC system to search for products not carried in the store, as well as check stock in other stores, leveraging the "long tail" of inventory to meet customer needs.

Of most importance, associates are now interacting with consumers pre-sale versus post-sale. Rather than reacting to the customer emptying her basket and offering post-sale promotions, the associate now has a relationship management tool to help the customer during the shopping decision-making process and to more effectively cross sell/upsell. Sales associates can be more interactive and more responsive on the floor with knowledge of relevant promotions and rewards for customers, thus serving them better.

Customers

Customers can initiate a more personal experience by offering their loyalty card, credit card or other identifying information, from which the omni-channel POC solution can obtain details on the customer's preferences, wish lists and purchase history. Alternatively, if the customer has the store's app loaded, a beacon can identify the customer. Using the mobile app, the customer can contact a nearby store associate if he or she can't easily find help in the store.

When that associate arrives she has a mobile device ready to provide information and assist with checkout, all while in the aisle or anywhere else in the store.

In stores where the payment transaction remains centralized, customers could use a mobile app to secure a place in a virtual line, continuing to shop until the associate is ready to provide service. Once at the head of the queue the customer could receive notice via their phone, wearable or in-store displays conveniently located throughout the store. This queuing process creates a better customer experience, eliminating the frustration of waiting in checkout lines, and allows more time for the customers to browse and shop.

Retailers

With information collected through a POC solution, retailers are now armed with additional capabilities such as marketing, promotions and customer insights for upsell and cross sell. The retailer now has a level of real-time intelligence on local store traffic and performance. Utilizing advanced analytics, the retailer can be more relevant to customers through faster and more informed marketing, promotion and operational business decisions. For example, the floor manager could know the number of customers of a particular demographic (e.g. age group) in his store at a specific time period and establish more targeted promotions for that cycle, proactively changing the promotion pushed through beacons in aisles. Using beacons for customer recognition, retailers could even vary their promotions based on their knowledge of the specific customer walking through the aisle. Many retailers are already experimenting with different use cases for beacons.[12]

Mobile-enabled POC also can empower the Connected Fitting Room,[13] displaying relevant related products and showing more information about products while the customer is in the fitting area. A Connected Fitting Room not only creates an engaging experience that encourages customers to buy (and buy more) but it also delivers deep insights into customer preferences and staff responsiveness, enabling retailers to make better merchandising and staffing decisions.

The retailer also benefits from reduced complexity and operating costs by simplifying the IT environment. Converging the POS and digital commerce platforms into one POC solution, translating into fewer vendors to deal with, and lower software licensing, integration and required maintenance.

Finally, the more personalized attention and ease of checkout (either with an associate or self-service) helps reduce show-rooming. For example, if the customer has a dialogue with a sales associate but can't make up her mind, the associate can help the customer build what she needs into a wish list through the omni-channel solution so the customer can finalize the purchase journey at home.

Five Critical Success Factors

For many retailers, an in-store mobile-enabled POC solution that delivers an omni-channel customer experience is the way of the future. Getting there requires consideration of five critical success factors.

1

Mastering Operational Details

For sales such as food and convenience items, the need to collect cash may make a single POC solution seem less relevant. However, solutions certainly exist which accommodate cash drawers, for example, where a tablet is detachable from a POS system, creating mobility for associates. Some leading retailers have apps that allow customers to scan items as they are added to the cart, but then they must go to a self-service kiosk for the payment transaction offering a solution to the cash collection requirement.

Removal of the cash platform frees square meters of floor space in the store, providing the opportunity to repurpose that space with merchandise. Even in sectors such as apparel that still require space for removing security tags and packaging items, the retailer can optimize counter space for better servicing, packaging, and delivery of goods once physical registers are removed.

2

Up-Skilling the Workforce

POC is not just about the technology, the workforce is now changing and expanding their roles from transaction takers to sales advisors. In our research, 40% of retailers reported that store associate training is a major barrier to omni-channel success.[14] As companies equip associates with more powerful tools and the associates have the opportunity to engage more with customer needs, there is a human element to the interaction that must be part of the associate skill set. Even when store associates are already trained in consultative sales, they can benefit from further training and communications skills development. Sales associates must connect with customers in a helpful and interactive way, putting the customer at ease and finding the relevant level of engagement. Just because the retailer has the tools it doesn't mean the associate should always engage.

3

Enhancing Service and Creating Delightful Experiences

Return on investment comes when retailers can utilize mobility and other technologies to enhance the in-store experience. As consumers move between channels they want a continuous, seamless experience, with information flowing smoothly between channels. The in-store experience should be value-added to the experience of the customer online or over the phone. Retailers must determine the differentiation provided at the store – whether that is advice, personal touch, better service or convenience – and ensure the POC solution is relevant to those needs. The store is the only place where the retailer has the opportunity for face-to-face interaction with the customer. Rather than fearing the customer's use of a mobile device for showrooming, associates should take advantage of that opportunity to serve the customer's needs better. A POC solution should enhance the service experience and build loyalty that will extend to other channels.

Delightful experiences will only be delivered when retailers move from episodic design to a continuous orchestration of the customer experience through a collaborative and agile process. Leading retailers are embracing a "test, learn and earn" approach that instills a culture of "forever beta" into the operating model where design is constantly evolving, learning from intelligent data and adapting to customer behavior in real time.[15]

4
Building New Analytics Capability and Integrated Architecture

To truly capitalize on in-store mobile-enabled POC, a retailer will likely require new analytics capabilities to effectively unlock the value of the data generated in-store and across channels.[16] This includes fully utilizing all information that the retailer has about customers to create actionable customer insights[17] that personalize the relationship, such as recommending new items to a customer based on knowledge he/she likes a certain clothing designer, or recommending accessories to complement previous purchases.

Rather than focusing on best of breed in-store solutions, leading retailers support the omni-channel experience with an integrated, centralized technology architecture, together with the unification of data into a single source, utilized across channels.

5
Breaking Down Silos

Regardless of who is ultimately responsible for the omni-channel POC experience, a successful strategy requires more than just deep cross-functional alignment. Many retailers today are going further by unifying their P&Ls, organizations, and technology to ensure a comprehensive focus on the needs of the customer, rather than the needs of legacy channel structures.

Seamless Retailing Realized

Consumer expectations are rapidly evolving and today's consumer demands a seamless omni-channel experience. To deliver that experience, retailers must integrate enterprise systems such as order management, customer relationship management and POS seamlessly across all channels.

An omni-channel mobile-enabled POC solution provides an opportunity for retailers to engage customers in more relevant ways while they are in the store. Starting with meeting customers as they arrive and "check-in" at the store, helping them address their individual needs through personalized recommendations and facilitating all necessary transactions from wherever they are, retailers are able to delight and engage the customer whilst also differentiating both the store and the brand.

To achieve the POC vision, retailers should be ready to provide their sales associates with the tools and training to become masters of both the store and digital domains. Such mastery will ensure that the store remains a strategic and differentiated asset in the omni-channel world.

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