WHITE PAPER

Getting Started with Personal Shopping

Choosing a solution provider, getting started and key steps for implementing a Personal Shopping Solution.

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Introduction

As Grocery Competition Intensifies, PSS Can Set You Apart

Every retailer knows that competition today for the grocery dollar is off the charts. Face it, your customers can fill their shopping carts at dozens of different outlets, even online. So what sets you apart - selection, price, service, convenience? You and all your competitors will probably say "yes" to all of these. Perhaps it's time to break away and consider a Personal Shopping Solution (PSS).

If PSS is on your radar, here are five ways to tell when it's time to seriously evaluate what PSS can add to your Brand Strategy and Customer Loyalty:

- **Is the competition using PSS?** *If they are, you are immediately at a disadvantage.*
- **How many lanes are open during peak times?** *If you have more customers than lanes, PSS is a "must" for you.*
- **Are shoppers waiting in long and slow moving lines?** *If yes, don't wait, make the move to PSS where this won't happen.*
- **Is it cost prohibitive to add more lanes and self-checkout?** *PSS self-scanning will do wonders for your budget and for your customers.*
- **Do you have the personnel and budget to handle peak traffic?** *PSS self-scanning lets you answer "yes" to this question (see Self-Scanning section of this White Paper).*

BIG OR SMALL? IT DOESN'T MATTER, PSS WORKS FOR ALL SIZE STORES

Regardless of size, the benefits of PSS work across the board. Simply put, increasing customer satisfaction, reducing costs and boosting productivity are welcome news to every retailer. In fact, grocery stores today of all sizes are adding Personal Shopping Solutions. Here are two examples:

- A large chain in the Northeast has been providing PSS for years.
- Conversely, a small store with eight registers recently added PSS to increase transaction speed without investing in costly self-checkout lanes.

In both these operations, PSS is saving shoppers up to 30-minutes on every trip while enabling the stores to significantly increase in-store target marketing during every customer visit.

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SELF-SCANNING: A MAJOR ADVANTAGE WITH PSS

As you consider a PSS system, here are some industry-wide calculations that cannot be ignored:

Every hand-held scanning device (Customer-Facing Device) is the equivalent of one cash register (one shopping lane). If you use 24 devices in your PSS, they effectively add 24 cash registers (24 shopping lanes). For every PSS device you deploy, you add a register while also freeing up employees for other duties, like assisting customers or re-stocking.

> **KEY FACT: The <u>overall</u> cost of a PSS system is approximately the same as adding one shopping lane.**

Selecting Your PSS Provider

Selecting the right vendor is critical to the PSS process. You can use the following checklist to assess PSS providers.

PSS VENDOR CHECKLIST

Does your prospective vendor have:

☑ Personal Shopping Solution (PSS) implementation experience?

☑ Experience in designing and deploying POS systems?

☑ Prior implementation experience with RFID-based systems for loss prevention, mobile device security and mobility asset management?

Beyond experience, is your vendor:

☑ A systems integrator with a turnkey solution plus strong software and hardware support capabilities?

☑ Able to offer a Professional Services agreement for project management, training and in-store support?

☑ Able to develop and provide an ROI model for your store?

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Training Employees, Preparing Customers

You have successfully selected a PSS provider who is fully capable of implementing a solution for your stores. They've done it for others and are intimately familiar with the required hardware and software integration process.

Now it's time to get your employees ready. Training your team to greet customers, answer questions and offer promotional help in getting started with PSS is absolutely vital to a successful implementation. This should also include promotional activities from Marketing to launch and promote use and awareness of your new PSS.

CASHIERS BECOME SALES AND CUSTOMER SERVICE ASSOCIATES

As noted earlier, adding a PSS should allow you to remove cash registers and lanes and also add virtual lanes during peak demand. This means your cashiers can be redeployed with new duties. This is an excellent opportunity for your store to significantly bolster its customer service operation.

WALK THE AISLES, HELP THE CUSTOMERS

Retailers such as hardware stores have had excellent success with sales associates walking aisles and interacting with customers. Grocery stores have done less of this because their customers shop on a more regular basis and store personnel are less available. This dynamic can change with PSS. Freed from cashier duty, your associates can focus on customer service. According to surveys, shoppers reported being more likely to make a purchase when helped by a knowledgeable store associate.

CREATE BRAND AND PRODUCT EXPERTS

With PSS, you can turn your sales associates into brand and product experts through training and education. You want them to not only tell customers about products but, when applicable, show them how to use their new purchases. In the beginning, your employees will likely have to help

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customers get started with PSS. Industry surveys show that after three visits using the system, customers will typically become regular PSS users.

PREPARING YOUR CUSTOMERS

For many, your store's shift to PSS will be business as usual. Self-scanning will be easily and enthusiastically adopted by shoppers who have already made technology a daily part of their lives. For others it may be unfamiliar and daunting, and this is where your store associates can be extremely helpful.

Regardless of how tech-savvy your customers are, a store must do advance work to prepare shoppers. At least 3 months ahead of PSS implementation, saturate your base with news of the upcoming change, using any and all communications tools at your disposal. Stress customer benefits like time-savings and fast checkout with no waiting. Make sure to highlight the ease of self-scanning. The first stop for customers entering your store will be picking up their hand-held scanning device (Customer-Facing Device), so you want them to be comfortable with it.

IN-STORE PILOT

Prior to a full-scale launch you might consider beta testing your system with real customers. Here's a thought - why not have your existing loyalty members try PSS for a week and reward them with a gift or discounts as appropriate. This will help your team know what areas, if any, are most likely to confuse some customers. It will also help your sales associates be prepared for questions.

On the first day of launch, and throughout the early days of PSS implementation, store associates should be ever-present, walking customers through the process, from picking up and activating the hand-held scanner through to checkout. You might even consider on-site demos to familiarize shoppers.

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Self-Scanning

A major benefit with self-scanning is the personal relationship it can create between the shopper and the retailer. Scanning as they go, shoppers can see running price totals, take advantage of discounts and have coupons go directly to their PSS account without carrying them around in the store.

KEY FACT: Customers have routinely cited an improved in-store experience as one of the important benefits of PSS. And 74% of retailers surveyed said that improving the in-store shopping experience is critical.

Self-scanning allows retailers to communicate directly with shoppers at the point of purchase. For example, if a shopper scans on a discounted bakery item, a coupon alert - "ping" - shows the discount on this product, definitely a high value moment between retailer and shopper.

Re-Scans and Inventory Loss

Inventory loss is always a concern for grocers, and regular basket rescans have helped minimize theft. But this is a sensitive issue and must be handled with "kid gloves" so to speak. Think about it - if a store asked to rescan your basket, you might immediately think you are under suspicion. To counter this, a store needs to clearly communicate its policy right when shoppers pick up their scanners. Tell them why rescanning is important: How it can help keep costs down by reducing shrinkage and how it can improve service for everyone. Finally, why not thank selected shoppers with a free gift or discount against their next store visit. You will be turning a possible negative into a positive.

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Final Thoughts

Time for PSS - the Smart Choice

Personal Shopping Solutions are becoming real game-changers in today's world. A powerful, targeted marketing tool, PSS makes the shopping process faster and easier. Just as important, it meets the expectations of a new generation of shoppers who understand, appreciate and utilize mobile technology.

In closing, these industry-wide returns show why so many are turning to PSS:

- **Return on investment (ROI) of 18-24 months**
- **Labor reductions from 5-15%**
- **Customer loyalty up 7-8%**
- **Used by 7 of 10 top retailers in over 2,000 stores globally**

ABOUT OPTICAL PHUSION

Optical Phusion, Inc. (OPI) is an award-winning kiosk, enterprise mobility and wireless technology integration solutions company that helps customers manage the entire lifecycle of retail technology and PSS projects. Its Customer Facing and in-store solutions supports a broad range of PSS, kiosk and enterprise mobility assets. OPI's experience, expertise and partnerships with industry leading suppliers will deliver a responsive solution to your needs at a reduced total cost of ownership (TCO) and greater return on investment (ROI).

OPI SOLUTIONS BRING THINGS FULL CIRCLE.

For more information about Optical Phusion's Personal Shopping Solutions, as well as other fully integrated, end-to-end retail solutions, visit our website at opticalphusion.com.

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305 Foster Street | Littleton, MA 01460