WHITE PAPER

PSS: The Direction of Retail

A Personal Shopping System is a technology based self-scanning solution that enhances the customer's in-store experience and gives retailers a competitive advantage that boosts sales and productivity.

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opi

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Our Solutions. Your Success.

Introduction

Get Ready for Personal Shopping. It's the future of retailing.

The retail environment is rapidly evolving. This is hardly breaking news for operators who constantly compete with online stores as well as customers focused on checking pricing, discounts and availability on their smartphones.

While these factors are often beyond a retailer's control, the in-store shopping experience isn't. In fact, enriching the shopping experience remains firmly within the operator's grasp. This can be a good thing if a store is willing to acknowledge and adapt to growing shopper expectations.

This White Paper will look at the shopping landscape, it's challenges for retailers, benefits for shoppers and why retailers should be setting a course toward a Personal Shopping Solution in the future.

A Retailers Perspective

THE RETAILER CHALLENGE

On an hourly basis, retailers today face heavy competition for the consumer's dollar. Armed with smartphones, shoppers can check competitors prices anytime from anywhere. In addition, 24-hour online stores provide unprecedented convenience.

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The result of this easy access is that shopping habits are changing and loyalty to stores is decreasing. More purchasing options (brick and mortar + online) mean customers are visiting stores less often and spending less - never a good thing for retailers.

Other factors that negatively impact in-store shopping are long lines and slow checkout. In fact, 45% of customers reporting said these issues steered them away from shopping in a physical location.

However, despite declines in foot traffic and same-store sales, most consumers still prefer to shop in a store for groceries. A survey of 1,200 primary household shoppers found a majority of people prefer shopping in a physical store rather than online. The study also found 80% of shoppers would go online for price comparisons.

CHANGES ARE COMING

A recent survey of retailers shows big changes coming to the retail store over the next five years.

MEETING EXPECTATIONS

Speed, flexibility, no hassles, fast checkout... these are what customers appreciate and now expect on any trip to the supermarket. These are also what a Personal Shopping Solution delivers.

These solutions are now deployed by 7 of the top 10 retailers in over 2,000 stores around the world, including major tier one organizations such as Stop-n-Shop, Ahold, Carrefour, and Tesco. Other major retailers, such as Walmart and Kroger, are testing PSS technology. In addition, retailers using a PSS are routinely reporting sales increases, basket size growth of 7 to 10 percent. Around one billion shoppers are now using a PSS and accounting for $39 million in sales each day.

THE FACTS ARE CLEAR

If you're a retailer, especially in the grocery industry, it's time to take a closer look at a Personal Shopping Solution:

18-24 Months Return on Investment (ROI)

1-5% Increase in Same Store Sales

5-15% Increase in Employee Productivity

7-8% Increase in Customer Loyalty.

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A Shoppers Perspective
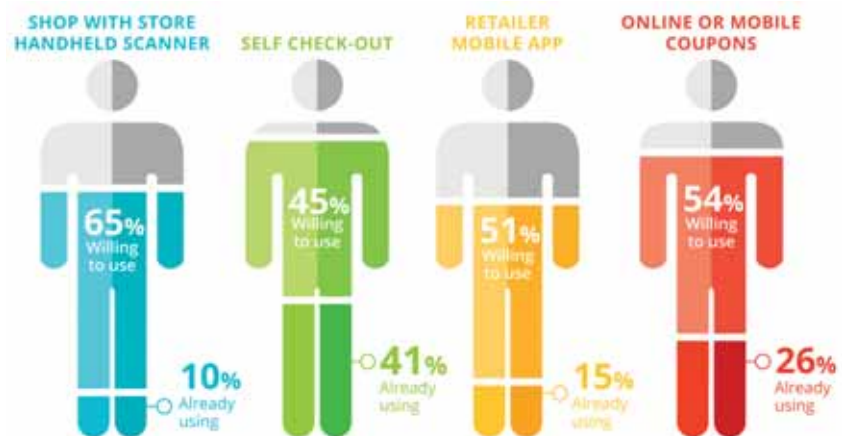
EMBRACED BY SHOPPERS

Over 60% of shoppers say they are more satisfied with retailers that have PSS in place. They expressed the following PSS benefits are particularly important to them:

$ The ability to scan items while shopping. This lets them keep a running price total.

L PSS means faster checkout since the shopper's items are already scanned and bagged. Customers just pay and go, reducing time spent in the store by an average of 15 minutes.

% Shoppers can easily save money by receiving discount information in real time via their smartphones as they move from aisle to aisle.

IN SUPPORT OF PSS DELIVERABLES

According to a report from Nielsen*, shoppers are readily adopting and very willing to use in-store digital and technology- based conveniences, such as existing self-scanning as you shop and self check-out, retailer mobile apps for loyalty and other offers and online and mobile coupons.

SHOP WITH STORE HANDHELD SCANNER
65% Willing to use
10% Already using

SELF CHECK-OUT
45% Willing to use
41% Already using

RETAILER MOBILE APP
51% Willing to use
15% Already using

ONLINE OR MOBILE COUPONS
54% Willing to use
26% Already using

* The Nielsen Company (US), LLC (2015). *The Future of Grocery.* Retrieved from The Nielsen Company Website: http://www.nielsen.com/us/en/insights/reports/2015/the-future-of-grocery.html

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Final Thoughts

SELF-SCANNING - GOOD FOR CUSTOMERS

At the heart of PSS is Self-Scanning, which has become a major feature in retailing for two good reasons - it works and shoppers are comfortable with it.

By now most retailers are familiar with Self Scanning, but here's a quick overview. To implement a PSS in your store means providing the technology that enables customers to scan the items they select, tally prices as they go, then pay and check out quickly without unloading their cart.

In a typical scenario, a customer enters the store and picks up a hand-held scanning device (Customer-Facing Device). They keep the device with them throughout the shopping experience as it continuously displays a wide range of information about products on the shelves, thanks to existing in-store technologies like bar codes and RFID.

Based on retailer reports, shoppers have no problem with using a Customer-Facing Device in the store. In today's mobile, high tech environment, they are already familiar with smartphones and tablets.

SELF-SCANNING - BIG GAINS FOR RETAILERS

For retailers, self-scanning brings a fast return on investment (1 – 2 years on average), low TCO (total cost of ownership), increased checkout capacity and optimized usage of personnel.

In addition, self-scanning can improve loyalty since it is popular with shoppers. It can also increase the frequency of customer visits by 1 to 2 visits on average. Finally, this technology offers an immediate revenue increase. This is confirmed by an average of 4% to 6% sales uplift in store turnover, which retailers have witnessed after implementing self-scanning.

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STORE OWNED DEVICES VS BYOD: THE PROS AND CONS

Retailers adopting a PSS in their stores have to weigh the options of providing Customer-Facing devices or allowing customers to BYOD (Bring Your Own Device).

Store-Owned Devices

THE PROS

- Enterprise class devices are designed for PSS purposes with superior bar code scanning capability - scan quick and accurately.

- Devices are rugged, drop-resistant and durable with large smartphone-style touch displays, ergonomic grips and convenient cradles that attach to shopping carts.

- Employee knowledge of devices allows them to better assist customers.

- Devices stay connected to store wifi and networks.

- Devices detect beacons to promote products when customers are in specific areas of the store.

- Devices can also be used for employee tasks such as inventory, put-away, mobile check-out and line busting.

THE CONS

- Larger initial investment in equipment.

- Customer learning curve with devices may cause high demand for "greeters" to introduce a new technology to interested customers.

- Some customers may be less comfortable checking out on a store device than their own smartphone.

- Store incurs cost of wear and tear, damage and loss. *

Customer BYOD

THE PROS

- Retailers can implement a PSS with a smaller initial investment.

- No worrying about loss or damage to store-owned devices.

- Customers are comfortable with the use and security of their own devices.

THE CONS

- Smartphones are not designed with bar code scanning in mind. Scanning is much slower and can be difficult - not suitable for large basket trips.

- Customer support and assistance can be challenging due to the variety of devices.

- Shoppers can have difficulty connecting to store Wi-Fi or have service interruptions while shopping.

- Customers must use memory on their device to download PSS app, which may put limits on the amount of data the app can store in order to encourage downloading.

* RFID can be used to prevent loss and many device suppliers have coverage plans for devices.

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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).

For more information about personal shopping...

Visit the Personal Shopping page - at opticalphusion.com/personalshopping - for information about OPI's Solution and links to the the following resources:

FROM OPI

WHITE PAPER: Getting Started with Personal Shopping   December 2017

WHITE PAPER: RFID Loss Prevention for Personal Shopping Solutions   Coming Spring 2018

Also available on the OPI website are various device spec sheets and personal shopping case studies from our partners.

Have questions about PSS?

GET IN TOUCH

Please feel free to contact Optical Phusion, Inc. at 978.393.5900 or email info@opticalphusion.com.

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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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