

Integrating Mobile Across All Touch Points

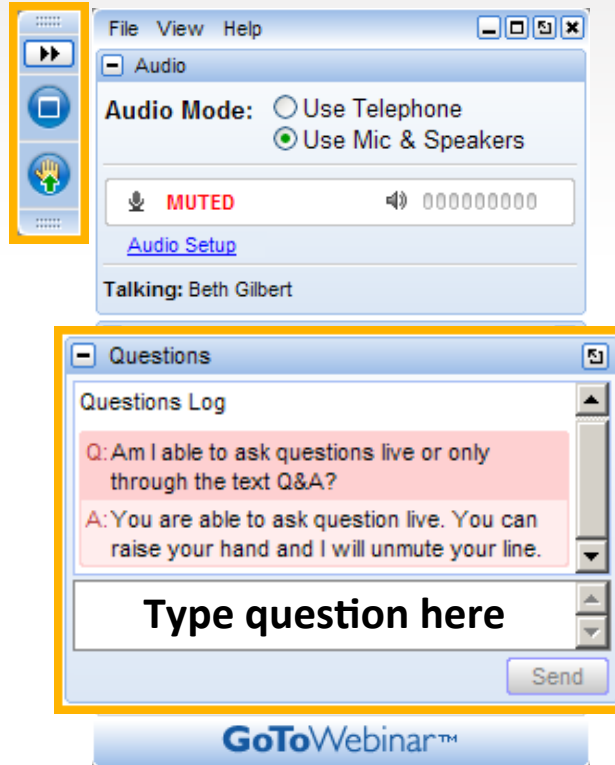
A 2013 industry survey conducted by Retail TouchPoints

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- ✓ Launched in 2007
- ✓ Over 26,000 subscribers
- ✓ To provide executives with relevant, insightful content across a variety of digital medium

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#mobile



Panelists

MODERATOR



Bob Ashenbrenner
MPOS Architect
Motion Computing



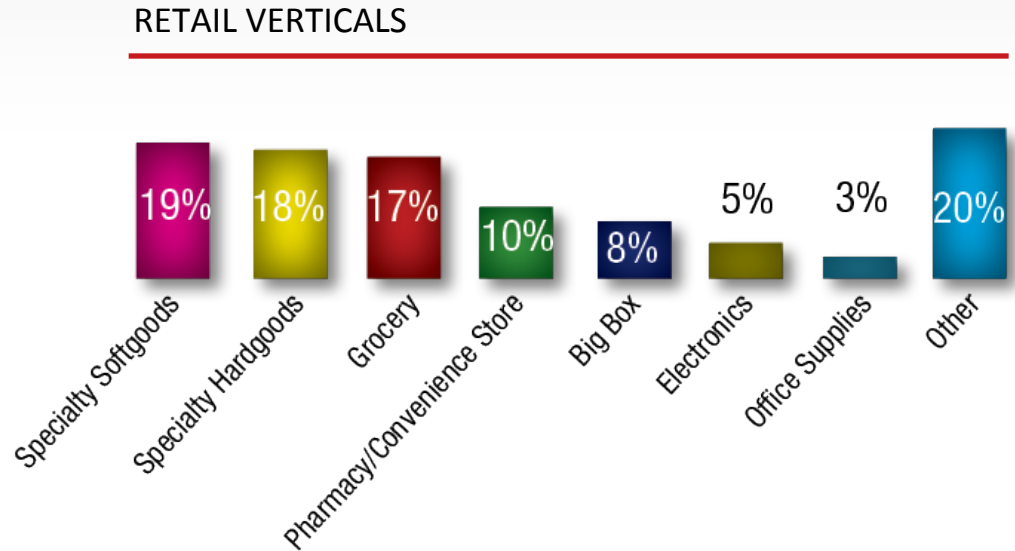
Debbie Hauss
Editor-in-Chief
Retail TouchPoints

The Mobile Commerce Scenario

- Retailers face a dynamic environment with many changes and challenges.
- In the hands of consumers and sales associates, mobility is a powerful driving force.
- To assess retailers' progress with mobile technology, and help determine go-forward plans, Motion Computing sponsored a survey which was conducted by *Retail TouchPoints*.

Survey Represents Industry Cross-Section

- 101 Responses
- Most of retail categories represented
- Most from the United States



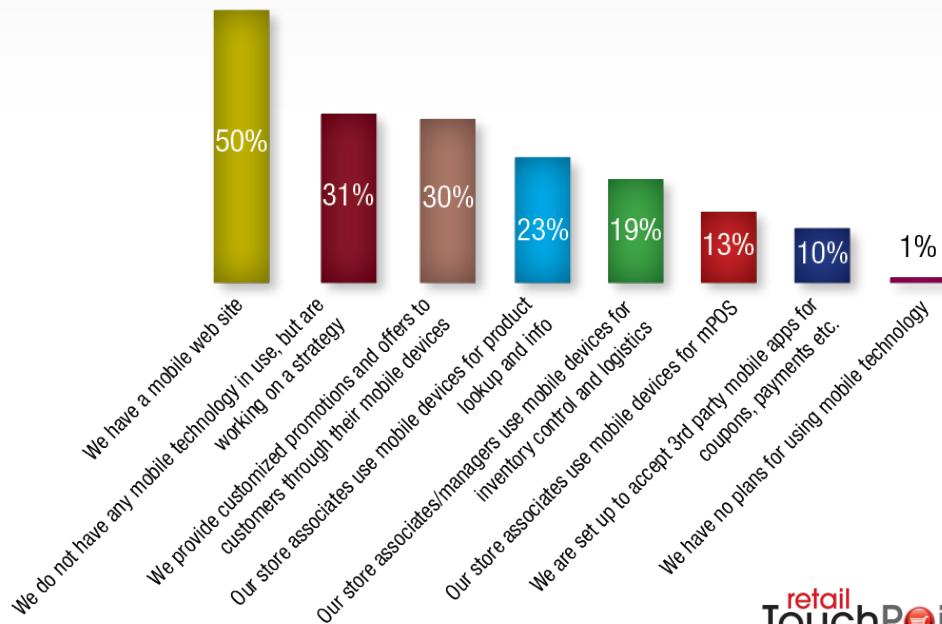
Mobile Is Gaining Critical Momentum

- Retailers are realizing that mobile technology has gained critical momentum in 2012 and 2013.
- Smartphones influenced 5.1% of annual retail store sales in 2012, translating to \$159 billion in forecasted total sales, according to 2012 consumer [research from Deloitte Consulting](#).
- This total is expected to grow to 19%, or \$689 billion in brick-and-mortar transactions by 2016.

But It's Still Early...

- Response show that most retailers are early in their use of mobility
 - Only half have a mobile site
 - Of the various uses for in-store mobility, no use tops 30
 - More use of mobility in years ahead
 - 99% plan to implement Mobile technology

WHERE IS YOUR ORGANIZATION IN TERMS OF MOBILE IMPLEMENTATIONS?



The Empowered Consumer

Today's connected consumer is transforming the retail environment:

- Store design, layout, POS solutions and more are changing
- Consumers are becoming less loyal, less patient and more knowledgeable
- Retailers are looking for more ways to interact intelligently with customers
- Mobile solutions empower store associates and improve store performance



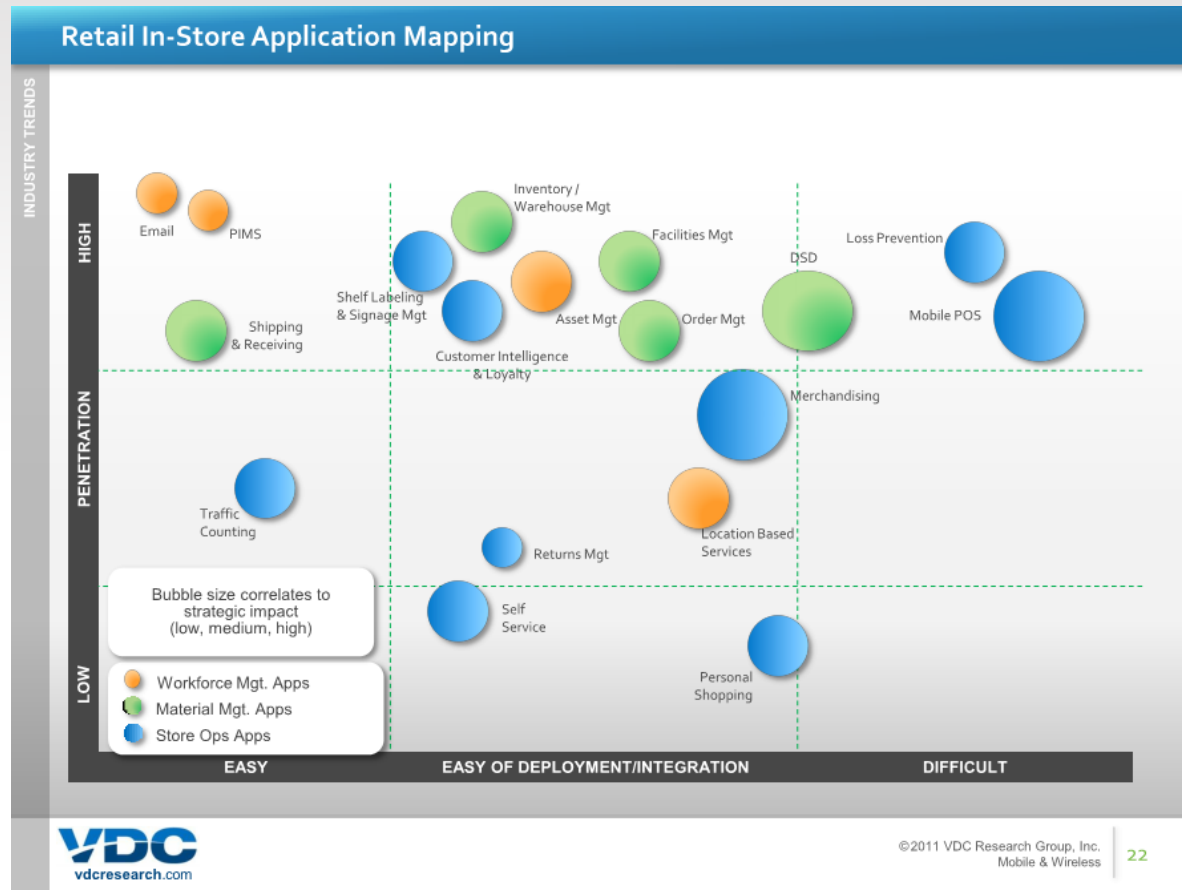
It's imperative that retailers capture the consumer in the store, engage with the right information at the right time and offer compelling, valuable and accurate information.

2 Major Mobile Themes In The Survey

1. Supporting Consumer's use of mobile devices
 - Mobile Web site
 - Support for 3rd Party Apps for Coupons, Payments, etc.
2. Bringing Mobile into the Store
 - Using mobile devices by sales associates to improve the relationship with individual consumers



VDC On Retail Industry Trends For Mobility



A New Era For Mobile POS

Just 12.9% of retailers surveyed said their store associates are able to complete transactions using mobile devices today.



Finish Line recently transitioned 638 stores to mobile POS (mPOS).

The devices “will allow us to tailor relevant messages to our customers as they engage at the POS, and allow us to support contactless payment applications as these solutions gain broader acceptance.”

- Terry Ledbetter, CIO, Finish Line

A New Era For Mobile POS, cont.



For Moosejaw, after 8 months of mobile device deployment, a total of 72% of transactions were being completed using mobile devices.

“We anticipated that approximately 25% of all transactions would take place on mobile devices. Within the first eight months of our rollout, we raised that goal to 70%. We’ve consistently maintained — or exceeded — that rate over the last year.”

- Bryan Lively, VP of Retail, Moosejaw

A New Era For Mobile POS, cont.



Five Best Buy Canada stores are now armed with mPOS technology, including both tablets and smartphones.

“We wanted to use both devices, since tablets in particular are useful in full-service departments that require more interaction with the customer, and also provide associates with POS capabilities as well as access to selling tools and web stores.”

- Kevin Satterfield, Director of IT Application Development and Maintenance, Best Buy Canada

Diversity Of Workflows

- Every Retailer is different, with different needs and work flows
No “one size fits all” solutions
- Mobility means different things to different people, and correctly so
- Variety of Work Flows:
 - Equip Sales Staff with Mobile Devices
 - Outgunned – without mobile in-store devices, the customer walks in with more mobile technology than the employee
 - Assisted Selling
 - Back-Office (inventory control and logistics)
 - Coupons

Diversity Of Workflows

BUT, THE TREND IS CLEAR:

99%

are using or are planning on
using mobile technology.

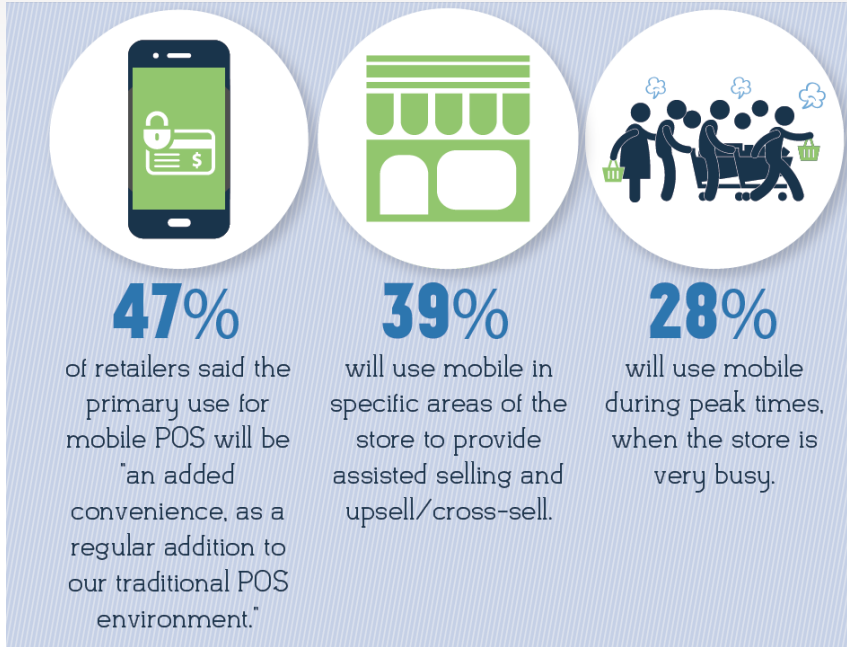
To Make Mobility Happen...

- There are challenges adding mobility to retail work flows
- Retailer's Goals are consistent
 - ✓ Deliver added features
 - ✓ Retain current work-flows and back-end processes



Three Quarters Of Retailers Plan To Add Mobile Devices ...

... as an adjunct to their current in-store systems.



About 2/3s Are Able To Maintain Current Work-flows

68%

of retailers believe that the addition of tablets would not disrupt the retail environment while maintaining other systems.

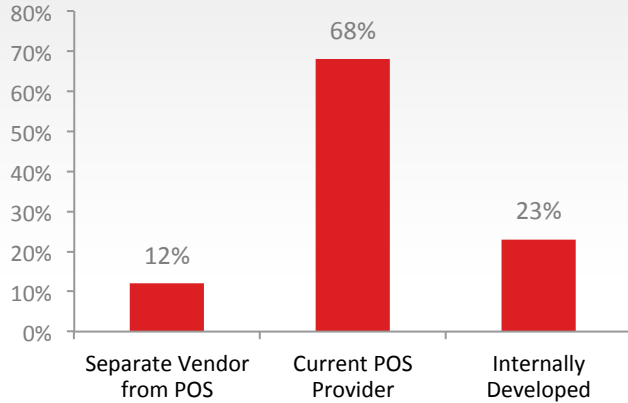
— and —

65%

of retailers plan to utilize a combination of traditional and mobile POS.

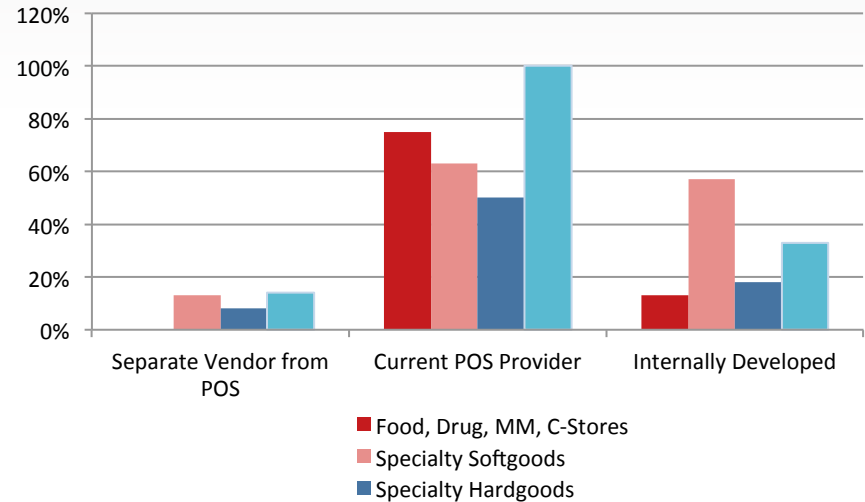
Use of current OS environment allows consistency with current systems.

68% of Retailers Plan To Rely On Current POS Provider



- **64%** of Specialty Soft Goods Retailers
- **50%** of Specialty Hard Goods

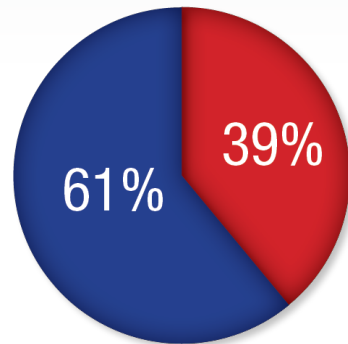
Current Survey is very consistent with this survey from a year ago – **68%** plan to stay with current POS provider



Split Between Consistent Environment And Change Of Environment

- Adding mobility while re-using the existing environment represents a significant savings for a retailer
- By adding new software to implement mobility, 40% of retailers may incur significant changes to work-flow, back-end systems, and existing in-store accessories
- This creates an opportunity for **Middleware** companies

DO YOU ANTICIPATE NEEDING TO CHANGE YOUR SOFTWARE PROVIDER WHEN ADDING MOBILE TECHNOLOGY?



- Yes, we will need a new software provider. Our current provider is not up-to-speed on mobile
- No, our current software provider is ready and able to help us go mobile



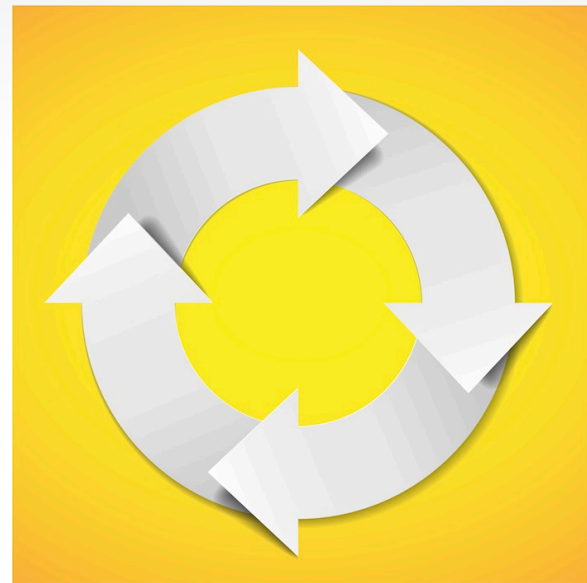
Integrating Store Systems With Mobile Devices

- **Consumer devices** enhance the retailer's brand image and can be easy to use
- But if the **software** on mobile devices is different than that on the counter systems, additional training may be required
- Use of light, **touchscreen tablets** running the same software as the counter-based systems can greatly reduce the need for training.



The Goal Is Enhanced Work-Flows

- Successful integration to mobile depends upon efficiency of the work-flow, as operated by the software.
- **Mobile work-flows range** from fully mobile stores, peak support, as an added assisted-selling device, or as an additional lane in the store — a mobile lane.
- The chosen **software will define the success** of the customized work-flow for each retail environment.
- Adding ***Mobility for the Sake of Mobility*** won't matter if sales don't increase, or if increased IT back-room work eats away profit margins.



Consistency & Ease-of-Use Drive Device Selection

- The top 2 criteria for device selection were: **Ease of Use** and **Consistent Processes** — ideas which go hand-in-hand.
- **Brand Image**, as represented by the use of the “right” mobile technologies is an important criteria
- “Specification-type” criteria such as **Ruggedness** (units will survive), **Price**, **Integration**, and **mPOS** filled out the rest of the list.

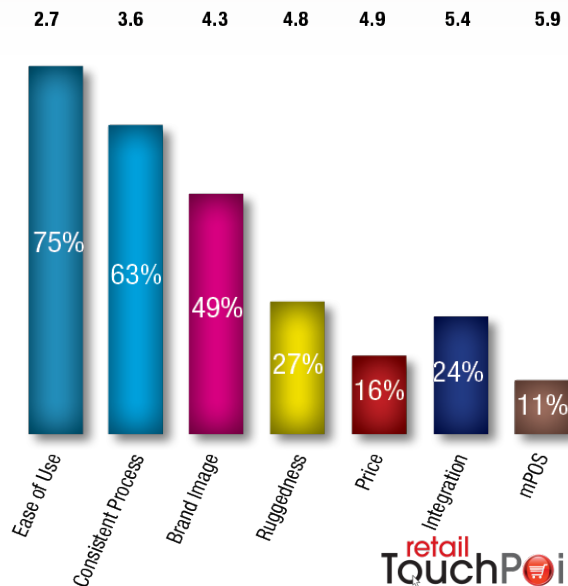
PLEASE RANK YOUR PRIORITIES WHEN IT COMES TO MOBILE DEVICE SELECTION:

PRIORITY AVERAGE

(1 to 9, 1=Highest priority)

RANKING (1, 2 or 3 out of 9)

PRIORITIES FOR SELECTING
MOBILE DEVICES



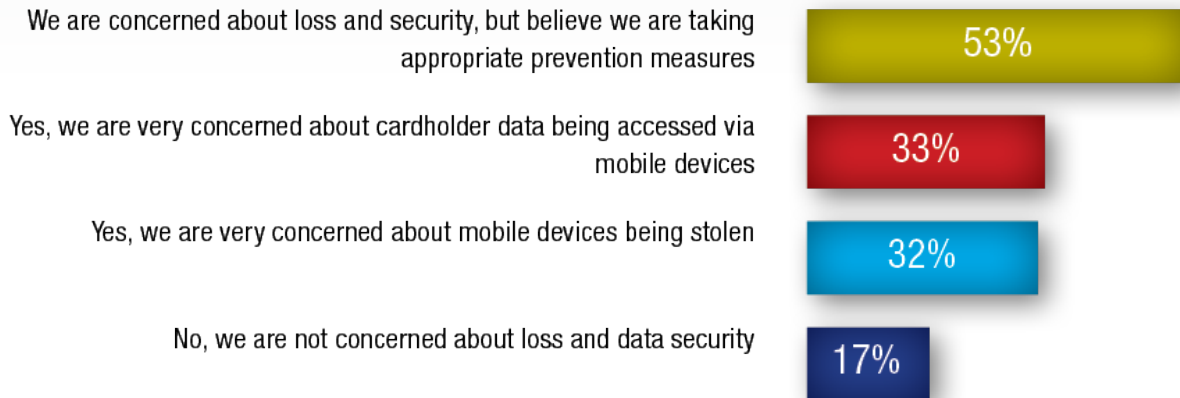
Security Concerns Vary

- More than 80% are concerned about Security
- There are 2 areas of concern:
 - Loss of Cardholder Data
 - Loss of Mobile Devices

Survey shows that retailers are equally worried about both

- About half of the respondents believe that they have plans in plan to control these risks

ARE LOSS PREVENTION AND DATA SECURITY CONCERNS PREVALENT WITH MOBILE DEVICES?



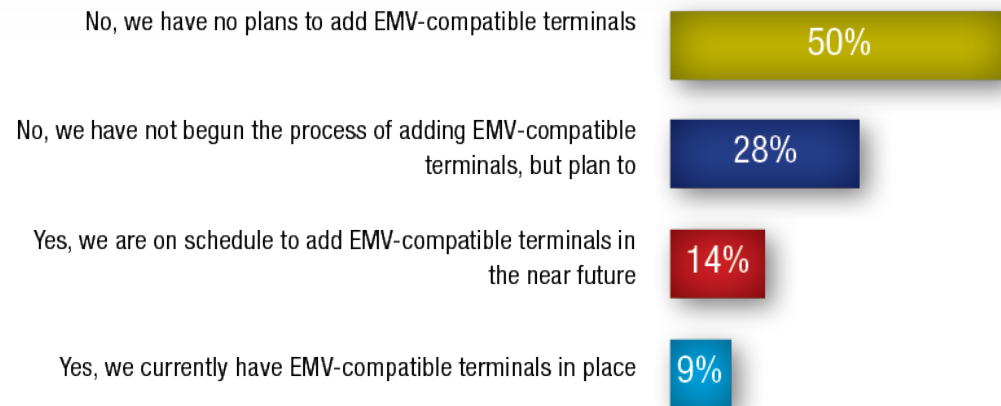
Platform Choice As It Relates To Security

- Consumer Devices enhance the retailer's brand image and can be easy to use; they are recognizable to consumer too
BUT the downside is that **there is a "market" for stolen tablets**
- Commercial-grade tablets often have security features built in, such as Computrace, which allows a retailer to **track, erase, and/or disable a missing or stolen device.**
- **Limited "market"** for stolen commercial-grade tablets — would your organization buy grey market tablets?
- Protecting card data is critical to merchants — loss of data is costly in many ways
 - Chargebacks
 - Loss of Reputation
 - Penalties
 - Additional Auditing Costs
- Continue to choose software and devices that support P2PE or PA-DSS applications.

EMV And NFC

- Visa and MasterCard have announced a Liability Shift in 2015 to retailers if less than 75% of terminals are EMV
- Yet, only 22.8% have or are currently upgrading to EMV

DO YOU HAVE PLANS IN PLACE TO MOVE TO EMV-COMPATIBLE PAYMENT TERMINALS?

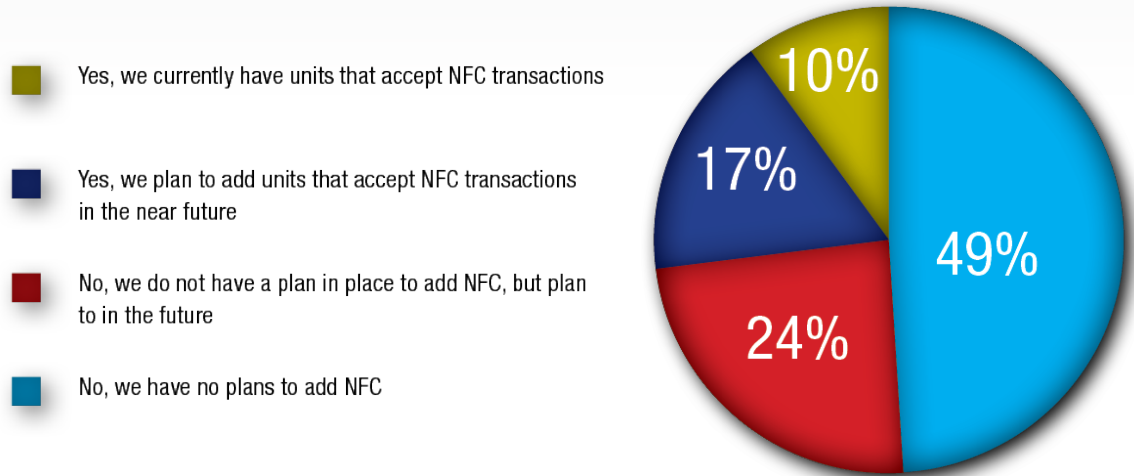


EMV And NFC (cont.)

Similar Results for NFC readers:

- One quarter are deploying NFC
- One half have no plans to add NFC capabilities

DO YOU PLAN TO ADD UNITS THAT PROVIDE NEAR FIELD COMMUNICATION (NFC)?



Final Thoughts...

- Mobility is happening now!
- Innovative retailers are implementing a variety of mobile strategies and technologies
- But it's still early in the adoption phase ... retailers can learn from their early-adopter peers



About Motion

Who we are:

- Award-winning technical experts with decades of industry experience

What we do:

Who we are:

What we do: Award-winning technical experts with decades of industry experience

Contact Us:

- Call 1-866-MTABLET or 512-637-1100 (option 4)
- Email bashenbrenner@motioncomputing.com
- Visit www.motioncomputing.com



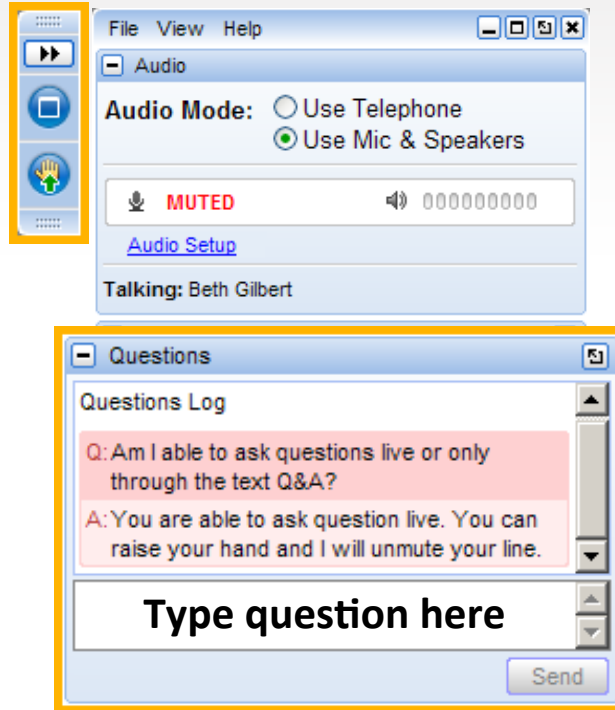
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Q&A // Submit Questions



Q&A // Panelists

MODERATOR



Bob Ashenbrenner
MPOS Architect
Motion Computing



Debbie Hauss
Editor-in-Chief
Retail TouchPoints

Thank you for attending!

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