

INTEGRATING iPADS INTO THE IN-STORE SHOPPING EXPERIENCE

Harnessing The Benefits of Mobile POS, Assisted Selling and Video Analytics

Apple's visionary devices and trailblazing Apple Store concept have reinvented retailing. With experts framing 2012 as a decisive year for mobile POS, assisted selling and higher forms of engagement, many other leading retailers are looking to Apple's iPad as a central point in mobilizing their own stores.

"It's hard to imagine a more appropriate use of mobile POS than Apple's integration of their platforms into the checkout process," according to the *Boston Retail Partners (BRP) 13th Annual POS Benchmarking Survey*. "As consumers continue to experience more efficient transaction processing and seamless 'omni-channel' integration, ever more innovative approaches will be necessary to exceed their expectations."

The iPad has set the standard for usability and customer experience, placing immense pressure on the entire tablet sector across applications, features and functions. Retailers are equally under the gun, with a consumer-driven mandate to provide innovative and seamless mobile POS experiences.

For commercial, in-store use, the iPad relies on wireless networks and complementary peripherals including handheld printers, magnetic stripe credit/smart card swipers, and interactive kiosks to create the foundation of an mPOS model. The following is a short list of brands that already have developed or tested iPad apps and/or implemented iPad use on the sales floor:

- | | |
|------------------|--------------------|
| ■ Benjamin Moore | ■ The Home Depot |
| ■ Life is Good | ■ Urban Outfitters |
| ■ Macy's | ■ Sephora |
| ■ Under Armour | ■ GUESS |
| ■ Nordstrom | |

The Forrester Research study titled *Why Tablet Commerce May Trump Mobile Commerce*, states that the average retailer currently is investing approximately \$14,000 in tablet commerce tools.

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BEYOND MOBILE POS

While line busting, product knowledge and real-time in-stock status are arguably the main drivers of iPads as a retail tool, these devices also play a major role in assisted selling and engagement.

"I don't see tablets primarily targeted as mobile POS," said Nikki Baird, Managing Partner, Retail Systems Research (RSR). "I see them more as assisted selling, ways for employees to use technology to help customers in ways that customers may not be able to help themselves, or at least in ways that streamline the process. Everyone wants to be like Apple and take the trans-action in the aisle, but what they really want is for an employee to help a customer make a decision and then capture the sale before the customer changes her mind."

In addition to direct marketing and selling, merchants also are using tablets for product merchandising. Because the iPad is equipped with a camera, store managers can capture actual images of product placements throughout the store to help determine optimal shelf and endcap placement; and they can share this information easily with other stores.



Store associates also can use the iPad's video capabilities to motivate purchases by sharing product and related branding videos. Then, with the data provided by access to video content, merchants can add video analytics to their Business Intelligence arsenals.

"By leveraging video and integrating other key in-store data such as POS, work-force management and loyalty, a video analytics solution finally gives retailers an understanding of what is going on throughout their stores," said Verlin Youd, SVP of Sales and Marketing for SCOPIX Solutions. "Now they can determine if customers are being engaged, if that engagement is impacting sales, if merchandise is where it is meant to be, and if customers are being served on a timely basis."



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— Nikki Baird, Retail Systems Research



GETTING STARTED WITH MOBILE

Regardless of vertical or preferred uses of iPads (assisted selling, line busting, customer engagement), retailers have to think through some basic issues when migrating to a mobile sales floor. Total Cost of Ownership (TCO) is a major consideration. Training and deployment needs are another. These factors must be calculated on a case-by-case basis. A store operator's decision to equip sales associates and stock specialists alike with mobile technology requires setting operational fundamentals. These include choice of wireless local area network (WLAN); the use of a business intelligence (BI) layer to manage data flow; and which peripheral devices can best handle tasks the iPad can't.

Depending on a retailer's specific needs, mobile peripherals that complement the iPad by performing specific tasks could include:

■ Handheld Printers and Supplies

With these devices, store employees can process credit card payments and issue paper receipts and return slips; thermal printers are also durable enough for outdoor use at garden centers, building supply stores, and other retailers offering seasonal goods like mulch, flowers, or Christmas trees.

■ Self-Service Kiosks with Printing

Wirelessly connected kiosk solutions integrate with online couponing sites that provide promotions through text, mobile Web, or Internet on smart phones, driving new consumers into the store with offers that the kiosk validates on the spot. In the store, interactive kiosk solutions equipped with built-in wireless communication allow consumer check-ins and authentication for promotions and codes scanned from mobile phones, loyalty or reward cards, coupons, or manual entry of the code. The kiosk then validates and authorizes the code and prints an authenticated receipt or coupon that the shopper can use at checkout. Additionally, kiosks with integrated label printers allow shoppers to print the price label on demand.

When looking for a printer partner, retailers should confirm that the hardware will integrate seamlessly with the iPad.



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— Verlin Youd
SCOPIX Solutions



iPADS MOTIVATE A MOBILE POS MAKEOVER

Hurdles aside, introduction of the iPad has clearly ushered in a new era in POS. In its report, *Mobility — A Gutenberg Moment For Retail, a Threat to Point-of-Sale*, research and advisory firm IHL Group casts the iPad as a breakthrough, not so much for its uniqueness but for the mPOS makeover it has brought about.

“[Some] segments like specialty stores are planning to completely remove their traditional POS terminals and to go with tablets or other handhelds,” the IHL report states. “The seminal moment was the release of the iPad. And it was not so much the device, but the price point of \$499. That opened the door for retailers to begin looking at mobile devices for associates and potentially as a replacement for [fixed] POS.”

IHL refers to a battle for mindshare between traditional fixed POS and untethered mobile options. Deployment and adoption are the points at which many tech initiatives fall apart. Similarly, a successful iPad rollout also calls for a process. To that end IHL has identified four stages that stores pass through when adopting mobile POS:

- Stage 1** Retailers get store managers to use tablet devices instead of back office PCs, freeing them to spend more time on the sales floor.
- Stage 2** The use of mobile devices is extended to sales associates for their interactions with consumers, creating parity with smartphone consumers.
- Stage 3** Mobile devices are used to perform checkout transactions. This is where retailers face the most difficulty and challenge.
- Stage 4** Shoppers are enabled to use their own device to perform the checkout transaction while in the store.

Most management functions are completed behind the scenes with no user interaction required. For example, if an IT department updates its VPN infrastructure, the MDM server can configure iPhone and iPad with new account information over the air.

As retailers become more familiar with mobile POS options like tablet and smartphone shopping and self-checkout, the greater the retail experience they can offer. This is among the most powerful set of attributes to counter eetailing.

Retailers drawn to the iPad's clean and intuitive interface must still contend with important compatibility and functionality choices. But for those enamored with the iPad for their mobile POS efforts, Apple has covered its solution in great detail. In the document *iPhone and iPad in Business Deployment Scenarios*, Apple spells out how retailers and other businesses can effectively embrace the iPad and iPhone in commercial settings.

The 30-page technical document details a wide range of compatibility and interoperability issues. In the *Managing iPhone and iPad* section, the document states, "Management of iOS devices takes place via a connection to a Mobile Device Management server. This server can be built in-house by IT or purchased from a third-party solution provider. The device communicates with the server to see if there are tasks pending and responds with the appropriate actions. These tasks can include updating policies, providing requested device or network information, or removing settings and data."

Managing iPhone and iPad continues, "Most management functions are completed behind the scenes with no user interaction required. For example, if an IT department updates its VPN infrastructure, the MDM server can configure iPhone and iPad with new account information over the air. The next time VPN is used by the employee, the appropriate configuration is already in place, so the employee doesn't need to call the help desk or manually modify settings."



The iPad camera and video apps not only improve customer engagement on the sales floor, but also send essential video analytics back to managers and merchandise planners.

CONCLUSION

Just as Apple brought ease of use and complete integration to consumer products, its commercial uses can accommodate many in-store networks and data servers. Retailers looking at mobile POS options may find that Apple technology provides in-store performance that mirrors its consumer products.

And iPads are not only useful in mobile POS. The device also is being used by leading retailers for more effective assisted selling. Its camera and video apps not only improve customer engagement on the sales floor, but also send essential video analytics back to managers and merchandise planners.

But merchants must remember that end-to-end integration is the key. This includes secure server and WLAN choices, analyzing the many forms of data gathered with each transaction, and the crucial choice of handheld devices needed to start and finish transactions.



iPad Camera Connection Kit



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