

RETHINK RETAIL:

connecting
with today's

MOBILE CONSUMER

WHAT'S INSIDE

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Introduction

Mobile technology has made today's consumer more connected and empowered than ever before. The in-store shopping experience continues to evolve as customers instantly access information about products, pricing, inventory and more – both about the store they're standing in and about competitors' offerings as well. In short, people are showrooming.

As a result of these new consumer behaviors, it is critical for brick-and-mortar retailers (and especially wireless retailers) to employ omnichannel strategies to engage with customers across all channels: online, mobile and in-store.

Introducing mobile devices, apps and interfaces to the in-store environment improves the overall customer experience, as services like in-store pickup/returns of items purchased online, in-store mobile POS, tablet-assisted browsing and drop shipping of out-of-stock items become increasingly popular.

The end goal for brick-and-mortar retailers should not be to defeat showrooming, but to integrate the mobile technologies necessary to convert all walk-in customers, whether they're there to showroom or not. With the right combination of information, convenience and efficiency, retailers can deliver the in-store experience today's consumer is looking for.



Today's Mobile Consumer: Their Desired Experience

Smartphones have dramatically changed the way people shop. Today's mobile consumer has unprecedented access to product and pricing information. As a result mobile devices are changing consumers' expectations of in-store shopping experiences. The challenge for retailers is to truly deliver the omnichannel retail experiences consumers are looking for.

Omnichannel retail and the desired customer experience

Omnichannel describes a retailer's ability to sell to customers on all channels (online, mobile and in-store commerce) simultaneously. Beyond converting sales, it's about creating a consistent experience across these channels to satisfy customer needs for information, convenience, efficiency and price – that's the experience customers are looking for.

Mobile consumers want consistency across shopping channels (omnichannel).

Consistency is key for today's shopper. According to [Accenture \(April 2013\)](#), 49% of shoppers polled say the best thing retailers can do to improve the customer experience is to better integrate in-store, online and mobile channels. [FirstData \(Feb. 2013\)](#) found that 82% of shoppers want a seamless shopping experience, while 57% of consumers want to start online and finish in-store or vice versa.

Meanwhile, [eMarketer \(April 2012\)](#) found that multi-channel shoppers want the following from retailers:

- 1 Consistent product knowledge across channels.
- 2 Ability to look up product availability at store prior to visit.
- 3 Ability for staff to check inventory at another store and have it shipped to customer.
- 4 Ability to shop online but return products at local store.
- 5 Ability to research products online, purchase online and pick up item at local store.

[comScore \(June 2013\)](#) reinforced these findings, reporting that shoppers want added flexibility from retailers: 62% in-store returns of items purchased online; 44% want to pick up online purchases in-store.

Mobile consumers want information: product, price and in-stock.

Part of that consistency across channels refers to the information consumers can access. Because mobile consumers can easily look up product, price and in-stock information on their phones, retailers must make this information transparent across all channels.

[Google recently found \(May 2013\)](#) that shoppers choose search as their #1 in-store resource to help make purchase decisions:

82% use a **search engine** in-store



62% use **store websites**



50% use **brand websites**



As for the type of information mobile consumers are looking up, [JiWire \(Feb. 2013\)](#) found in-store Wi-Fi users were:

62% Comparing prices

58% Accessing product reviews

37% Browsing the store's website

20% Finding other colors/options

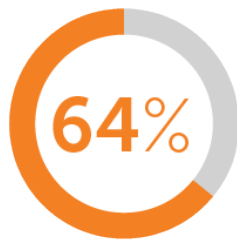
17% Finding the item elsewhere

Mobile consumers want speed and convenience.

This goes without saying (consumers have always wanted speed and convenience), but exceptional shopping experiences are being enabled by advances in mobile technology.

According to [FirstData \(Feb. 2013\)](#), nearly half of smartphone users (47%) expect an efficient, personal, cost-effective and rewarding shopping experience, and believe new technologies should empower that kind of experience.

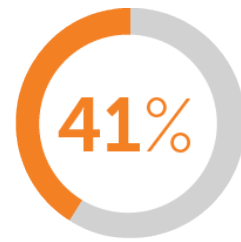
In terms of efficiency, FirstData found:



of smartphone users
have retailer apps on
their phone.



want to shop and
check out faster.



received an eReceipt
for an in-store
purchase.

Speaking of convenience, FirstData also found that 50% of smartphone users agree: "If a retailer's technology isn't easy the first time, I'll stop using it."

[Cisco \(June 2013\)](#) reports that consumers want more self-service options:

- 65% welcome retail advice sent to their mobile devices, based on their store location.
- 57% prefer using in-store touchscreens, versus 43% who prefer their mobile phones.
- 52% prefer self-checkout stations over waiting in line.
- 49% would provide personal information while shopping online/browsing on touchscreens in exchange for more personalized service.

Mobile consumers want deals.

Just as mobile technology enables speed and convenience, it also facilitates consumers' ability to access discounts, coupons and special promotions. Retailers should be looking for ways to push notifications and deals to customers' phones in a personalized way, both in-store and in real time.



[JiWire \(Feb. 2013\)](#) found that 43% of smartphone users accessed in-store Wi-Fi to look for deals, offers, and coupons to redeem in-store.

[Deloitte \(Nov. 2012\)](#) found that 39% of shoppers use their mobile devices to access discounts, coupons and sale information. In addition, [Microsoft \(March 2011\)](#) found 29% of mobile users are open to scanning a mobile tag to get coupons.

Mobile ties it all together.

Advances in mobile technology continue to shape both consumers' expectations of the shopping experience and also retailers' ability to meet these expectations.

From the consumer's perspective, mobile has introduced a new way to research products (mobile search), to make purchases (m-commerce) and to interact with a brand (apps).

On the flip side, mobile allows retailers to connect with consumers on all of these fronts but also to deliver omnichannel experiences (consistent, informative, fast, convenient and cost-effective experiences) throughout.

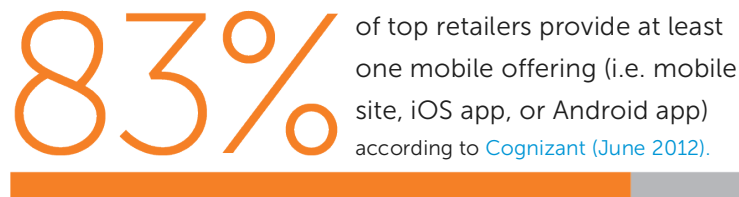
The Changing Retail Landscape: What Retailers are Doing

Today's mobile consumer is seeking faster, more convenient shopping experiences and retailers are doing whatever they can to deliver those experiences. It makes sense, then, that retailers leverage the same mobile technology (that has empowered consumers) to connect with consumers – whether they're shopping in-store, online or on their mobile devices (i.e. omnichannel).

To meet consumer demands, retailers are investing in: mobile apps, omnichannel technology, interactive in-store technology, and data tracking and in-store mobile connectivity.

Retailers are investing in mobile apps.

In the previous chapter, we identified what consumers want: consistency, information, speed and convenience, and deals. For retailers, a branded mobile app can help deliver all of these things.



With most major retailers offering mobile apps, the race is on to differentiate these apps from the rest. Walmart, Target, Home Depot and Walgreens introduced maps and navigation tools to their apps to help customers find products faster and **enhance the in-store experience** ([USA Today, Aug. 2012](#)). As mobile apps become a key sales channel, these retailers have added coupons, prices, store hours and bar code scanners. The apps also feature item locators to help customers shop more efficiently and, as a result, buy more.

Meanwhile, Lowe's released an update to its iOS app last summer to engage with mobile shoppers in-store ([MediaPost, June 2012](#)). The app integrated existing "My Lowe's" loyalty card data, including saved details about the user's home and purchase history – allowing for a more relevant, personalized user experience.

Lowe's rolled out Wi-Fi in all its stores to encourage in-store smartphone use. The company also issued 42,000 iPhones to in-store staff, equipped with an app that complements the consumer app. The associates' app drills a little deeper into inventory for their own store and nearby stores.

Retailers are investing in omnichannel technology.

Omnichannel means serving customers with the same, unified experience – information, interface elements and even stock – across all channels.

In certain cases, like Nordstrom for example, omnichannel technology removes an in-store customer's dependency on retail staff ([NY Times, March 2012](#)). Nordstrom introduced a branded app in the fall of 2011 that executives expected people would mostly use remotely to order items while they were watching TV or waiting for a train. In addition to that, though, customers used the app while shopping at Nordstrom rather than approaching sales staff.

Macy's is another department store focusing on omnichannel.

Macy's has 292 stores that – in addition to warehouse fulfillment of in-store, online and mail order purchases – fulfill orders from all channels ([Forbes, Feb. 2013](#)). The company expects to have 500 stores participating in the program by the end of 2013.

Retailers are investing in interactive in-store technology.

Just as retailers are adding new features and functionality to differentiate their mobile apps, they also are adding new technology and experiences to differentiate their store environments.



Intel has custom built a number of installations for clients like [Bloomingdale's](#) (which lets passersby virtually try on sunglasses in store windows), [BMW](#) (which used digital showroom windows to transform cars parked on the street into cars of the future) and [Adidas](#) (the ever-popular adiVERSE shoe wall allows shoppers to browse through hundreds of sneakers on a single touchscreen).

Clothing retailer Kate Spade replaced all in-store paper signage with iPads ([Fast Company, March 2013](#)), to enhance the customer experience (turn static signage into a means of displaying vast product information, video and social content) and improve store operations (perform point of sale, loyalty tracking, employee training, shopping analytics and inventory management).

Similarly, Saks Fifth Avenue recently deployed about 2,000 iPads across its stores to facilitate employees' communication and engagement with customers and to take a "channel agnostic" approach to merchandising ([Retail Info Systems, June 2013](#)).

Retailers are investing in data tracking and in-store mobile connectivity.

In an attempt to personalize the customer experience, push promotions and deals (to customer phones, for example), and track customer interactions, retailers are trying out technology to connect with customers and accumulate actionable data.



Grocery retailer Kroger recently implemented infrared sensors to count customers in its stores. To ensure speedy checkouts, Kroger planned staffing according to that sensor data and the company succeeded in **reducing the average checkout line wait from 4 minutes to 26 seconds** ([Cincinnati Enquirer, June 2013](#)).

Startup companies, like SideWays, are developing technology to track customers' eye movement, to see what they're looking at when they're in the store ([Digital Trends, April 2013](#)).

Another company, Swirl, has created a means of sending real-time, personalized offers to in-store shoppers' phones ([Forbes, May 2013](#)).

And recently, major players like Google, Nokia and Qualcomm have reportedly been working on "indoor positioning" technology using smartphone GPS to pinpoint customers' locations within the store – to help retailers personalize the in-store experience and (like Swirl) push real-time deals and promotions to the customer's phone ([Internet Retailer, June 2013](#)).

Key Strategy: In-Store Mobile Technology

Having looked at consumers' desired experience and the ways in which retailers are trying to deliver these experiences, iQmetrix is pleased to present its latest solutions for improving the in-store shopping process for both customers and retail staff:

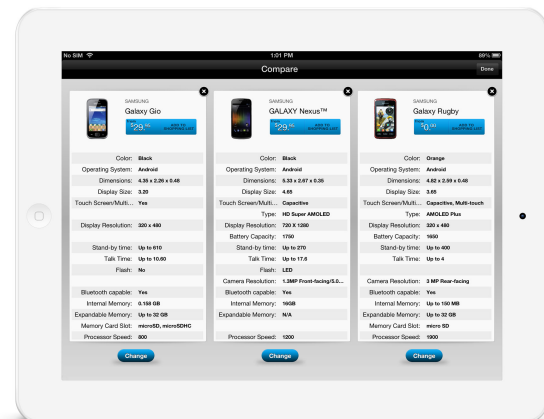
- 1 **XQ Browse for iPad**
- 2 **RQmobile app**
- 3 **XQ Shelf**

XQTM Browse for iPad

XQ Browse for iPad combines the benefits of XQ Browse – displaying product visuals and information to customers and staff on in-store touchscreens – with the portability and easy implementation of the Apple iPad.

The most valuable feature of XQ Browse for iPad is its form factor: It offers the flexibility a self-service touchscreen (for customers), an in-store mobile sales tool (for staff) and a mobile digital catalog (for B2B sales reps).

XQ Browse for iPad leverages the sleek design and interactive capability of the iPad – allowing sales reps to showcase product lines in an impressive way, helping customers make an easier and more informed decisions.



When considering what consumers are looking for (consistency across channels, information, speed and convenience), XQ Browse of iPad delivers on all fronts. Likewise, based on what retailers are investing in (mobile apps, omnichannel and interactive in-store technology, data tracking and metrics), XQ Browse for iPad is an appropriate step forward.

”

Browse for iPad engages our customers with information to make better decisions.

Dean Leja, VP, Cellular and More, Verizon
Premium Retailer

KEY BENEFITS

- **Flexible iPad form factor:** A browse-equipped iPad can act as a self-serve touchscreen, and offer portable sales assistance in-store and in the field (even without an Internet connection).
- **Massive catalog capacity:** Customers and sales reps can peruse your entire product line, dragging and dropping products to compare and narrow choices.
- **Consistent experience and product information across channels:** Many consumers are accustomed to shopping via iPad and the product/pricing/inventory information displayed can mirror a retailer's online/mobile offerings.
- **Lower perceived wait time and personalized shopping experience:** Customers can use Browse for iPad while waiting for assistance, and even save their shopping list to their phone via QR code.
- **Training tool for sales staff:** Browse for iPad gives staff easy access to the latest product and accessory information.



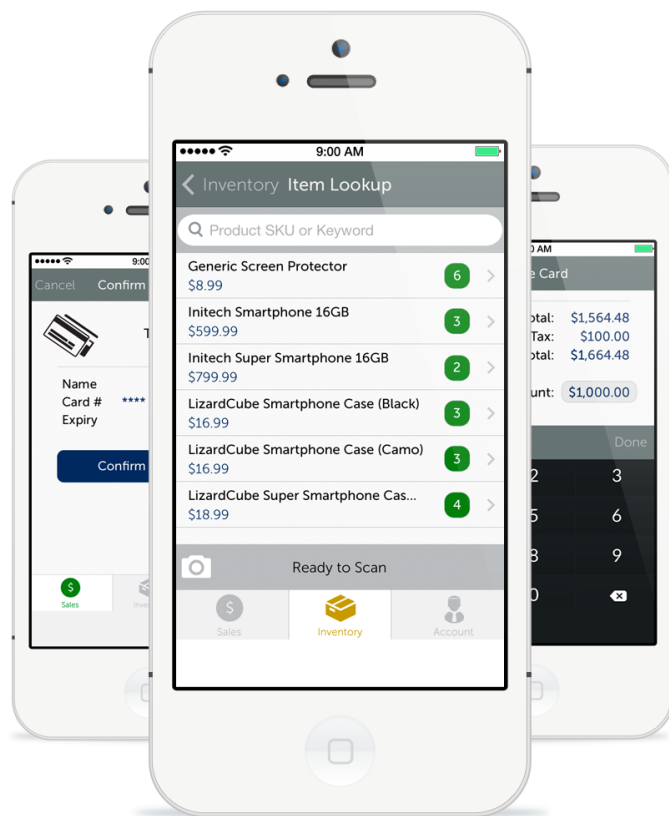
RQ[®]mobile

Two major pain points within a typical shopping visit are related to a) checkout at the point of sale and b) inventory management.

Once again, today's consumer is looking for a faster, more efficient alternative to waiting in line as well as accurate information on in-stock and out-of-stock items. The new RQmobile app addresses both of these pain points.

RQmobile from iQmetrix streamlines in-store operations and improves customer service by extending RQ sales and inventory functionality to the palm of your employee's hand. RQmobile turns every sales rep into a mobile POS station, helping to build one-on-one relationships with customers, reduce wait times and close sales once the purchase decision is made.

RQmobile also lets staff check product availability and perform inventory counts while remaining on the sales floor, keeping them accessible to consumers at all times.





KEY BENEFITS

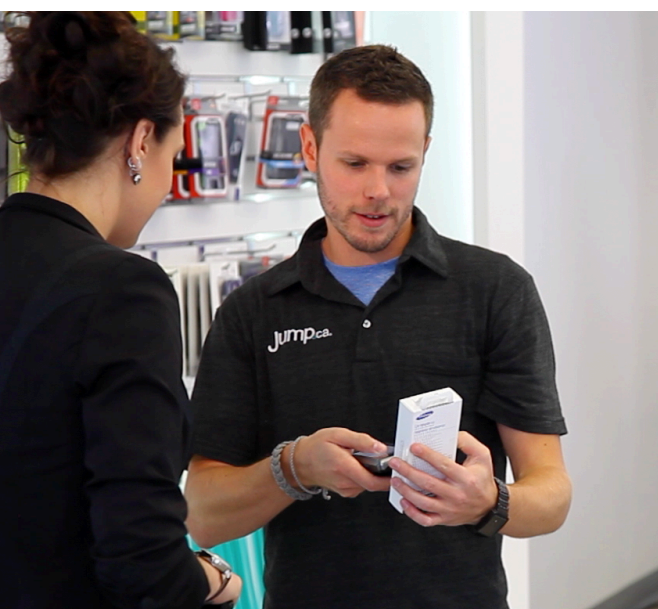
Inventory

Improve customer service: Confirm product availability on the sales floor, without going back to check stock levels in storage.

Streamline operations: Perform inventory counts using the mobile scanner, which syncs automatically with RQ on the back-end.

Reduce shrinkage: Maintain accurate inventory levels and perform frequent inventory counts with ease.

Reduce manual error: RQmobile provides immediate feedback when discrepancies occur, eliminating errors and recounts..



Sales (POS)

Checkout anywhere in-store: Reduce customer wait time and offer an added convenience factor.

Issue eReceipts: Reduce paper waste and again, up the convenience factor.

Lower hardware cost: RQ Mobile is less expensive than a traditional POS terminal and requires less maintenance.

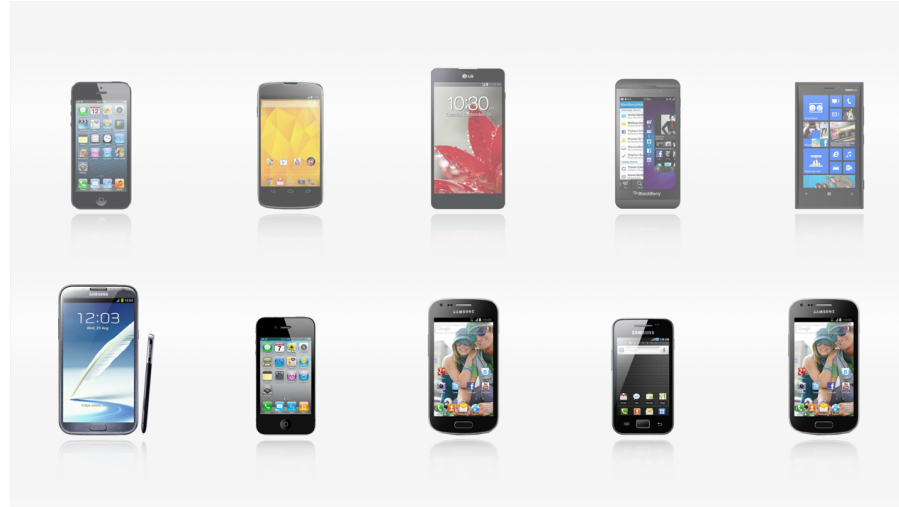
Maximize floor space in-store: Reduce the amount of booth/counter real estate on the sales floor, so you can display more products and increase sales opportunities.

XQTM Shelf

iQmetrix's new XQ Shelf introduces the operational benefits of e-commerce into the physical store and significantly enhances the customer's browsing and purchasing experience.

XQ Shelf is designed for large touchscreens or android tablets mounted in-store.

Simply put, XQ Shelf works like an actual store shelf: It requires no in-depth navigation, but rather displays a variety of products (in their actual physical size) on a touchscreen. The primary benefit, of course, of a XQ Shelf is its ability to extend shelf space to a vast library of products – including products you don't actually stock in-store.



KEY BENEFITS

- **Extend shelf space:** XQ Shelf allows a retailer to display a limitless array of products and accessories, in an easy-to-navigate format.
- **Drop ship products not available in-store:** XQ Shelf gives customers the option of purchasing a selected item and having it shipped for directly to their home or to the store itself for pickup at a later date.
- **Consistent shopping experience across channels:** XQ Shelf offers a similar experience to shopping online, particularly with the option to drop ship for home delivery or in-store pickup.
- **Eliminate risk of carrying high-priced add-ons/accessories:** iQmetrix has partnered with a number of manufacturers, vendors and suppliers to grant retailers using XQ Shelf access to a wealth of luxury accessories and niche add-on items they wouldn't typically carry in-store. Retailers can significantly increase their product lineup without assuming the risk of certain products not selling.
- **Rich media, lifestyle features and product highlights:** XQ Shelf differs from other online/in-store browsing interfaces in that – instead of displaying a simple list of specs and features – it provides a more contextual explanation of a product's key benefits. XQ Shelf helps to explain how a product will be used in a customer's everyday life.

Conclusion

The ways in which people shop will continue to evolve, as do the ways in which retailers engage and serve customers.

Today's consumer is looking for a faster, more convenient shopping experience. Frankly, consumers have always been looking for this. It's just that technology has enabled increasing levels of speed and convenience over time.

Thus, retailers are clamoring over this new technology, technology that will help to educate consumers on the products they sell (information), to connect the different channels they sell these products upon (omnichannel) – all while making the process faster and more personalized for the consumer (mobile technology, mobile apps and customer/loyalty data). Ultimately, all of this technology is designed to increase conversion.

At iQmetrix, we offer technology to help retailers deliver the shopping experience consumers are looking for.

Contact us to see our latest in-store retail solutions in action:

- 1 XQ Browse for iPad**
- 2 RQmobile app**
- 3 XQ Shelf**

For more information on our company and our products, visit www.iQmetrix.com.