



SOTI[®]

ENTERPRISE MOBILITY MANAGEMENT



White Paper

The 'Connected' Associate

Technology empowers your workforce
and fast-tracks your omnichannel

In response to flattening sales growth, best-in-class retailers are aggressively pursuing the omnichannel — creating a seamless shopping experience across all channels; in-store, online, mobile and social. They are exploiting the Internet of Things (IoT) and deploying exciting new technology in-store; while empowering their “Connected Associates” with training and technology to improve employee engagement and reduce turnover, as well as increase sales and customer satisfaction.

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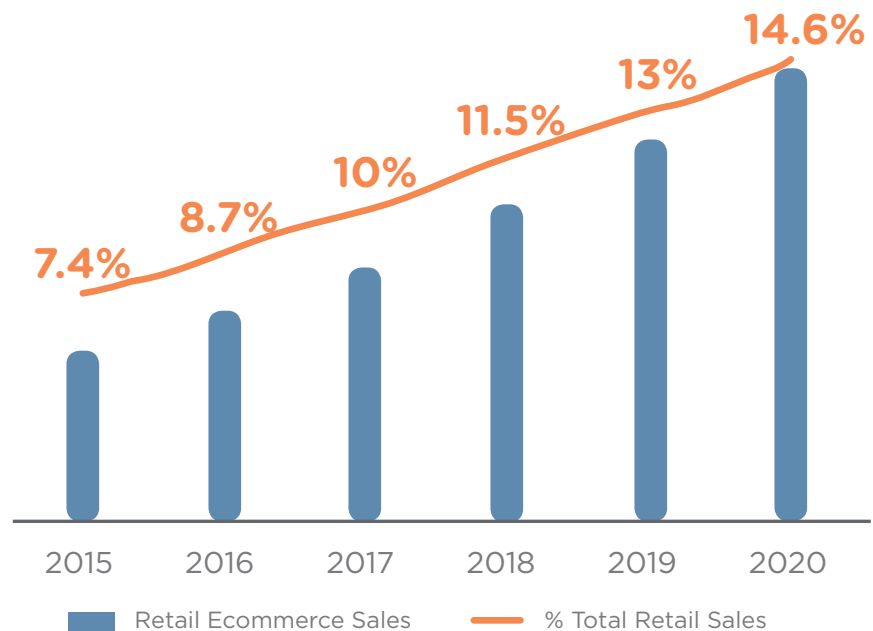
What's happening in Retail?

Every year, especially during the holiday season, we hear about the amazing growth of online shopping and ecommerce. The success is real, but it is important to put the numbers into perspective. According to the U.S. Census Bureau, annual retail sales in the US increased an average of 4.5% between 1993 and 2015. This number is expected to stay flat going forward, but the percentage of retail sales from ecommerce is expected to almost double from 2016 to 2020.

“
In 2016, **9/10**
retail dollars were
spent inside a
store.*”

Within the steady growth of ecommerce globally, there are greater growth spikes (15 - 25%) at different times of the year in different regions, such as Diwali, Chinese New Year, Thanksgiving (Cyber Monday in the North America) and Christmas (Boxing Day in Australia, Canada and the UK). These growth spikes show the impact of marketing on ecommerce and are proof of its long-term potential. There is typically a tremendous amount of advertising and promotions at these times of year, and it has been shown to be successful - advertising, discounts and promotions can be very effective at driving ecommerce.

U.S. Retail Ecommerce Sales 2015 - 2020



Source: eMarketer, August 2016

“91%

of shoppers
research products
online before
purchasing
them in-store
(WebRooming)*

68%

of shopper's
browse products
in-store before
purchasing online.
(ShowRooming)*”

The Race to the Middle – Pursuing the Omnichannel

Total retail sales are going up, and ecommerce sales are increasing even faster, but what does this mean for conventional brick and mortar retailers? What are online retailers doing to accelerate and capitalize on this trend?

Both types of retailers are adopting the strengths of the other – they are creating a seamless shopping experience across all channels; in-store, online, mobile and social. The biz school name for this trend is the omnichannel, but this concept is so simple, that a better name may be “common sense.” Some of the changes we are seeing as retailers pursue the omnichannel include:



Create an Online/In-store Presence

Many conventional retailers have made a major investment into their websites and online shopping solutions, whereas successful online retailers have invested in permanent stores, and others are using seasonal popup stores. This makes it easy for customers to buy online and then return or exchange the product in the store.



Optimize Shipping

There is a trend toward removing the cost of shipping as a barrier to sales. Some companies offer free shipping over a minimum order size while others provide free shipping for all orders or free returns. Removing shipping fees levels the playing field between the convenience of shopping online and the immediate gratification of purchasing in-store.



Deliver Supply Chain Visibility

More companies are providing store locators with the ability to check in-store availability. A customer can search online from their home, on the road with their mobile, or in-store using a self-service kiosk. When the product is located, the shopper can reserve the product, or purchase the product online and then pick it up at the nearest store.



Establish Shopping Continuity

Another way retailers are breaking down the barriers between the channels is to let shoppers establish a shopping cart in one channel and finish it in another. Shopping continuity decreases sales friction and shopping cart abandonment. It can also drive shoppers to the store to deliver upsell opportunities.

According to business intelligence company L2 Inc., the retail leaders showing the greatest progress toward the omnichannel are the big box stores and the department stores. But even within this trend, they are seeing a lot of focus on improving the in-store customer experience.

“Shoppers who interact with a sales associate are **43% more** likely to purchase a product, and their transactions have **81% more value.***”

Next-Gen Retail is Win-win

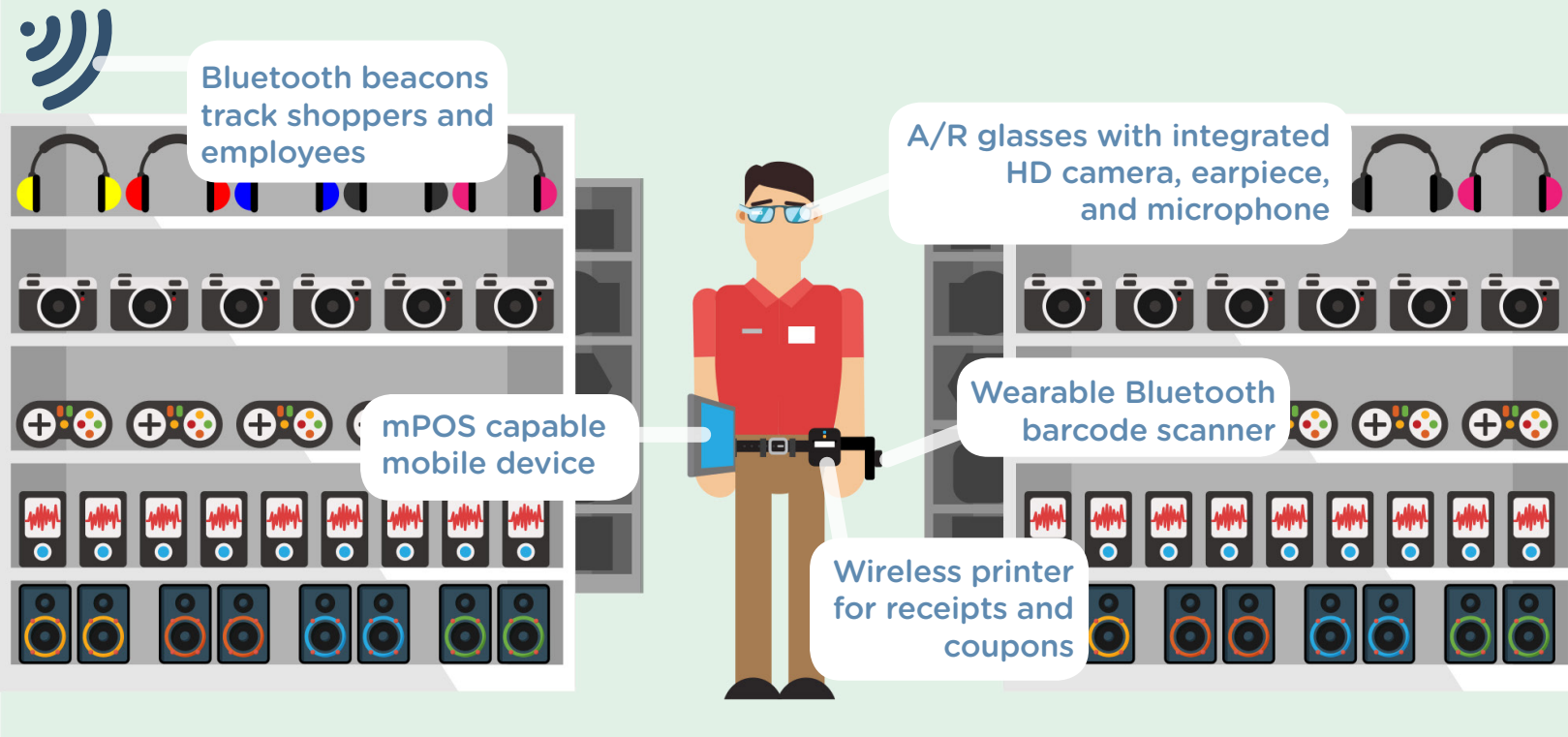
Even with the rapid growth of online shopping and ecommerce, retailers are still facing the same customer challenges they always have. They need to attract shoppers into their store (real or virtual), convince them to put lots of items into their shopping cart, and then make it easy for them to checkout (physically and mentally). Innovative retailers are giving their sales associates new tools and responsibility to increase customer engagement and reduce sales friction — they are creating the ‘Connected Associate.’

The Connected Associate

The rapid proliferation of technology is having a huge impact on the roles and responsibilities of the retail sales associate. Some people insist that the role of the retail associate is dying – that customers prefer online shopping or self-service to the attention of a store employee with limited product knowledge. However, when nine out of every ten dollars are still spent inside the physical store, it makes more sense to adapt the role of the in-store associate. In fact, it is the legacy role of the “sales associate” that is dead in the water – their role is becoming less about driving sales, and more about improving the customer experience and building long-term customer loyalty. Even compensation is changing as many stores, are following Apple’s lead, by phasing out sales commissions and moving toward team performance objectives and/or store goals.

The next generation retail associate is young, tech savvy and wants be appreciated for their work and make an impact in their job. Empowering these new associates with enhanced training, new technology and additional responsibilities is win-win. It makes sense from a customer engagement perspective, and for employee engagement. Empowered associates are happier in their job, more effective with customers and less likely to quit. In retail, employee turnover has a disproportionate impact on the success of the company. There is the monetary cost of replacement and training, as well as a significant impact on store operations and worker morale. It makes a lot of sense to empower your retail workforce to become an integral part of your omnichannel strategy. Out with the old “Retail Drone,” and in with the more effective and enthusiastic “Connected Associate.”





Tablets enhance the customer experience

An optimized tablet computer gives the associate access to all the information and data they need to do their job. The tablet can access a persistent shopping cart and/or read the customer's purchase history to create a more personalized shopping experience. However, to add value and build customer loyalty, the Connected Associate needs to provide the shopper with information they cannot get on their own mobile device.

- Real-time inventory visibility on the store, at other stores or in the warehouse and accurate re-stocking data.
- Compare prices with the competition and read customer reviews, but also provide more detailed product information, related products and warranty data.
- Give shoppers accurate price and promotion information with automatic price-matching.

mPOS closes the sale

Long checkout lines discourage the shopper and prevents purchases. Empowering the Connected Associate with mPOS allows the associate to scan the product, share the screen with the shopper for verification and then complete the sale. A mobile printer can then print out the receipt immediately and the same printer can provide targeted coupons.

Wearables simplify stock management

The easier it is to scan product and place it on the shelves, the more accurate the store inventory. Wearable "ring" scanners are easy to wear and use Bluetooth to interface with the associates tablet. Augmented Reality glasses (Smart glasses) make it easy to follow a Planogram and restock store shelves.

Hands-free voice keeps the associate connected

A hands-free voice solution can keep sales associates connected with warehouse staff, store management and other associates. Improved communications are beneficial to the customer and to the operation of the store. Hands-free voice solutions also include broadcasting and alert systems in the case of a Code Adam (missing child in store).

“Retail associates who know more, sell more -- in fact, 87% more.”

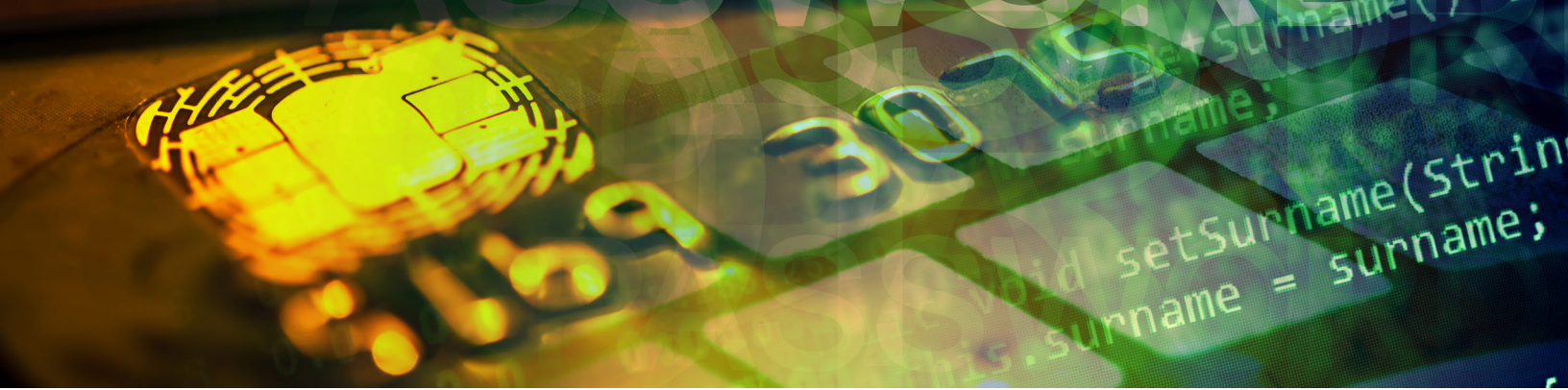


New in-store technology

Retail has always been at the cutting edge of technology adoption. This trend is expected to accelerate as the Internet of Things (IoT) takes off. Experts project that within a few years we will see tens of billions of new connected devices and many of them will gravitate to the retail supply chain and inside the store. For almost every new product there is a retailer testing that technology within their store. For example, companies are pilot testing UAV's (drones) and UGV's (robots) for last mile delivery, others employ Virtual Reality to deliver a virtual show room or an interactive product walkthrough. This new technology is sexy and is getting a lot of media attention, but the new retail experience also includes established technology being used in exciting new ways.

Self-service kiosks	Shoppers want more in-store kiosks to help them check prices, query inventory, get product information and locate product around the store. Retailers like in-store kiosks to improve the customer experience, reduce operational costs and even increase sales.
Tablets embedded in shopping carts	Tablets deliver much of the same benefit as in-store kiosks, but they can be made location-aware. The shopper can be notified of discounts and promotions based on their location in the store and proximity to key products.
Mobile Point of Sale (mPOS)	Shoppers prefer mPOS for faster checkout times, superior customer service and digital receipt options. Retailers like mPOS because the units are cheaper to deploy, more secure and because their customers prefer them.
Smart Shelves	Smart shelves use RFID and/or computer vision to deliver real-time inventory updating and even automate checkout.
Digital Signage	Digital signs replace paper displays. They are more engaging, less expensive and can be controlled at the counter, the store or from company HQ.
Beacons	Bluetooth Low Energy (BLE) Beacons enable location based services in store aisles, such as; proximity discounts, store navigation and targeted advertising.

“The global IoT market will grow from an installed base of 15.4 billion devices in 2015 to 30.7 billion devices in 2020 and 75.4 billion in 2025.*”



New technology creates new challenges

Retail organizations have been managing mobile devices in their supply chain for years. But as retailers equip their Connected Associates with mobile devices and deploy more in-store technology, they are intensifying many of their existing mobility management challenges, and introducing many new ones. The Internet of Things, and its billions of new endpoints and platforms makes it even harder. There are challenges around compliance, security, and management.

Ensure PCI compliance

New retail technologies such as EMV chip cards as well as contactless and peer-to-peer payment are a tremendous benefit to shoppers from a convenience and security perspective. However, there are regulations and compliance issues that must be addressed. The Payment Card Industry Data Security Standard (PCI DSS) is an information security standard for organizations that handle branded credit cards from the major card schemes including Visa, MasterCard, American Express, Discover, and JCB. The standard was created to increase controls around cardholder data to reduce credit card fraud. Mobile devices used as Point of Sale terminals (POS) to accept payments must adhere to the PCI-DSS standard to protect customer data. There is an additional benefit to these new EMV compatible readers. Many of them are compatible with the new smartphone contactless payment methods such as Apple Pay, Google Wallet.

Keep data private

In addition to securing payment information, customers are very keen on keeping their personal data private. When they sign up for a customer loyalty program or complete an in-store survey, they want to be assured that their personal data is not at risk. At the same time retailers are concerned about the risk associated with all the new in-store technology such as kiosks, mPOS and tablets embedded in shopping carts. Any of which may offer are useful attack vector for the malicious or more likely an easy target for a prank. All new technology needs to be properly configured and locked down to mitigate the risk.

Manage everything

All the new endpoints, sensors and devices being deployed in-store require full lifecycle management more than ever. From a scale perspective, companies that have previously focused on special purpose mobile devices with barcode readers for their supply chain will now be dealing with hundreds of new devices inside their stores. These new devices are going to be way more diverse — beyond differences in operating system, the new endpoints will range from simple little sensors to complex systems such as drones and robots. Keeping track of all these new devices, making sure they are up-to-date and working properly is vital for their successful deployment.

“
Nearly **75%**
of shoppers
believe that
keeping shopper
information safe
is the retailer’s
responsibility, and
not the banks.*”

Going beyond Enterprise Mobility Management



Retail organizations have been using mobile devices in their supply chain for many years, and were quick to realize the benefits of mobility management. They started with Mobile Device Management (MDM) solutions that were focused on securing and managing their mobile devices. Then, as device capabilities grew, and mobile applications and content became more important, the focus expanded to enterprise mobility management (EMM). Now, with the arrival of IoT, the retail industry is adapting yet again — but one thing remains constant. There may be dozens of new categories of devices, and millions of new endpoints, but they will all need to be secured and managed from a single, unified endpoint management (UEM) solution.

Mobile Device Management (MDM)

MDM is the industry term used in the early days of enterprise mobility for the security and management of mobile devices, including: smartphones, tablets and special purpose, ruggedized devices.

Enterprise Mobility Management (EMM)

EMM is the industry term for the management of mobile devices and their applications, content, and security. It goes beyond MDM by adding management for device ownership/ deployment models, data at rest, data in transit, and wireless network connections.

Unified Endpoint Management (UEM)

UEM is the evolution of EMM in response to IoT. A UEM solution enables enterprises to secure and manage all business endpoints; from legacy mobile devices and PCs, to all of the new IoT endpoints, sensors, and systems.

SOTI delivers Mobility and IoT Management for Retail

SOTI has been managing mobility for two decades. We managed dedicated-purpose mobile devices before smartphones were introduced, and now we are leading the way to UEM and making the IoT manageable. We have a proven track record of delivering powerful, easy-to-use mobility management solutions for the retail industry. No matter where or how a device is used, SOTI MobiControl does it all: endpoints, applications, content, email and security are all managed from a single, unified interface.

SOTI is a proven innovator and industry leader for mobility and IoT management. Globally, over 17,000 companies depend on SOTI to transform their business by taking mobility to endless possibilities.

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