DRIVING CUSTOMER EXPERIENCE

POS systems are at the top of mind for most retailers. A POS that can enable the organization to accept new mobile payment options, take EMV migration in stride, and untether associates from the cash wrap is important. The need to accept mobile payments has had a significant impact on POS purchasing decisions, as has overall payment security.

In addition to smart card compliance, mobility and next-gen innovations hit the top of the must-haves list. Equipping associates with the ability to check out shoppers from anywhere on the sales floor is still a differentiating service, but it is quickly becoming table stakes. As more and more retailers embrace the power of mobile POS, the most innovative among them are looking toward the next distinguishing solution.

With the state of POS evolving on a constant basis, retailers need to stay up-to-date on POS hardware evolutions, constantly exploring options and revising their plans to tackle payments. The following guide will explore the current state of POS hardware and highlight how retailers are using the critical technology to redefine the customer experience.

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Q Retailers are constantly seeking ways to improve customer experience in stores. What POS features are driving customer engagement and loyalty?

RON CHAN: Retailers today are not only battling with the store across the street for consumer dollars; they are competing against an entirely new subculture of online outlets. Brick-and-mortar retailers can level the playing field by focusing on what they do best: good old fashioned face-to-face selling. POS handheld devices have enhanced this sales process by providing hassle-free payment processing, access to loyalty and rewards programs, and individualized customer service. Social and search engine marketing has restructured the shopping experience. However, easy-to-access POS terminals and tablets provide instant information on product specifications, online competitive pricing comparisons and inventory availability, creating a more personalized shopping experience. These terminals can then seal the deal with purchase. This fosters an elevated level of customer satis-

faction, repeat business and increased customer transactions as a result.

HEIDI NAGY: First and foremost, retailers are able to drive customer engagement and loyalty by simply making sure that their POS hardware is up to date and makes the checkout process as seamless as possible. This includes keeping up with the latest and greatest hardware and making sure the retailer has a maintenance program that can ensure they are able to fix their equipment as soon as a problem arises. Anything that makes transactions more convenient and dependable will encourage customers to return to a retailer, thus increasing customer loyalty.

> **POS HARDWARE MUST BE EASY TO USE, COST EFFECTIVE AND HAVE A TECHNOLOGY ROADMAP THAT MEETS THE RETAILERS OWN SHORT AND LONGER TERM GOALS.**
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> —KATE M. ORARA, MANAGER OF MARKETING & KEY ACCOUNTS, CITIZEN SYSTEMS AMERICA CORP.

KATE M. ORARA: Mobility and wireless technology and the ability for the employee to roam the store and meet the customer for an easy check-out is certainly a POS benefit. The lack of long lines (queue's) to wait in while being free to peruse a retail showroom certainly makes for a better shopping experience. Several consumers are likely to abandon merchandise and leave stores due to long lines. Customers are likely to wait 10 minutes or less in line before they leave the store to take business elsewhere. A large portion of these same customers will have a bad experience imprinted in their minds of the store. To increase customer engagement and loyalty, retailers must be able to function efficiently using a mobile POS system that works quickly and is flexible with their consumers' needs.

> **BRICK-AND-MORTAR RETAILERS CAN LEVEL THE PLAYING FIELD BY FOCUSING ON WHAT THEY DO BEST: GOOD OLD FASHIONED FACE-TO-FACE SELLING. POS HANDHELD DEVICES HAVE ENHANCED THIS SALES PROCESS BY PROVIDING HASSLE-FREE PAYMENT PROCESSING, ACCESS TO LOYALTY AND REWARDS PROGRAMS, AND INDIVIDUALIZED CUSTOMER SERVICE.**
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> — RON CHAN , DIRECTOR OF MARKETING, POSIFLEX

Q How are mobile devices impacting retailer's decisions when updating their POS hardware?

NAGY: Mobile devices are simplifying the ordering and payment process for many companies by allowing customers to place orders and pay for them prior to even arriving at the store. Mobile devices also aid retailers by providing a real-time check of their inventory. As mobile ordering becomes a bigger feature for retailers, it can also reduce the need for their

customers to actually set foot inside a store, thus also improving customer loyalty.

ORARA: POS hardware must be easy to use, cost effective and have a technology roadmap that meets the retailers own short and longer term goals. The ability to work within the current POS systems structures employed today and to also reach longer term mobile usage needs are essential. With the correct device implementation the retailer can reduce overhead in several areas simply because the smarter device is capable of managing the transaction without direct employee oversight.

CHAN: Although mobile pay is still a relatively small payment transaction, it has great growth potential as shoppers are now empowered to pay with the tap of a phone. The use of digital wallet payment solutions was further stimulated by Apple Pay's market entry and retailers that have added mobile payments have increased customer convenience and efficiency. While it is important that ROI is measured in dollars and transaction costs, customer satisfaction and engagement must also be part of the equation. Constellation Research found that retailers who update POS hardware to

> **WHEN USING MOBILE PAYMENTS, RETAILERS MUST ENSURE THAT THEY HAVE PROCESSES IN PLACE TO PRE DETERMINE WHO COVERS THE CHARGE IF A FRAUDULENT PURCHASE IS MADE. IF A LARGE FRAUD INCIDENT DOES HAPPEN, IT CAN RISK PERMANENTLY DAMAGING THE BRAND AND LOYALTY OF THAT CHAIN'S CUSTOMERS.**
>
> — HEIDI NAGY, NATIONAL ACCOUNT MANAGER, NATIONAL SERVICE CENTER/ SPARTAN COMPUTER SERVICES

adapt to mobile device driven sales improve customer engagement and increase cross-selling by 22%, sales from 13% to 51%, and order size from 5% up to 85%. With mobile's potential to become the nexus of today's modern, tech-savvy consumer, mobile POS solutions have become a growth vehicle for retailers looking to increase revenue.

Q **As mobile payments pick up speed among consumers, what challenges will retailers have to overcome with their POS hardware?**

CHAN: Adding brand value is key to mobile payment adaption. Whether these transactions are conducted via consumers' own

device or a retailers mobile checkout system, they are pushing increased levels of customer engagement. In terms of deployment, research shows that over the next 24 months, four in 10 retailers will replace existing POS systems with tablets, mobile devices or some hybrid. However, one retailer challenge is determining the ratio of tablets vs. terminals, especially given the variability of seasonality and peak traffic times. A hybrid mobile device — such as the Posiflex MT4008 tablet — transforms to a bar code scanner and traditional terminal, bridging the fixed to mobile POS terminal gap. This joins broad functionality and flexibility in a single, versatile form factor and illustrates how traditional POS is evolving to meet today's retailer requirements.

ORARA: Implementation and security in the payments space will be a big hurdle that each retailer must manage and overcome the obstacles within. Making sure the consumer's payment is managed easily and effectively, while at the same time protecting both the paying customer as well as the retailer from fraud fallout and identity theft is job one. Implementations will need to adapt at the same speed consum-

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> **FIRST AND FOREMOST, RETAILERS ARE ABLE TO DRIVE CUSTOMER ENGAGEMENT AND LOYALTY BY SIMPLY MAKING SURE THAT THEIR POS HARDWARE IS UP TO DATE AND MAKES THE CHECKOUT PROCESS AS SEAMLESS AS POSSIBLE.**
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er's banking technology is evolving, as well as keeping up with the security protocols within these evolutionary changes.

NAGY: Retailers will need to be careful to take actions to reduce credit card fraud. When using mobile payments, retailers must ensure that they have processes in place to pre determine who covers the charge if a fraudulent purchase is made. If a large fraud incident does happen, it can risk permanently damaging the brand and loyalty of that chain's customers. In addition, retailers need to carefully plan their mobile payment strategy. Do they have the hardware and software capable of completing the transactions? Is a major POS hardware or software upgrade necessary? Proper planning and budgeting can make the conversion and installation much easier.

Q **How has last October's EMV mandate impacted POS hardware and what moves do you see retailers taking to better secure their POS going forward?**

NAGY: New equipment with chip readers have become a mandatory addition to many retailers current POS equipment. An additional credit card machine many times must be installed and configured to communicate with their current POS in order to process the chipped cards. Unfortunately, this equipment can take up additional space and can slow down the checkout process due to the time it takes for machines to read the chip and ongoing issues with card required pin numbers. However, this equipment can greatly reduce the risk of credit card fraud for the retailer.

ORARA: With all the issues of large chain retailers' and restaurants' security being compromised, consumers are very hesitant to use devices which utilize the easy-to-access information on the magnetic stripe found on their credit and debit cards. The EMV mandate requires the issuing of new cards to consumers and requires retailers and restaurants to have chip readers in lieu of the standard magnetic stripe reader. In order to gain their customers' trust and loyalty, retailers will need to make sure that their stores are upgraded to read chips with EMV readers. Many retailers will probably find a solution that accommodates both magnetic stripe and EMV readers.

CHAN: It is important to remember that EMV has been in place for many years throughout Europe and Asia. In the U.S., the October 2015 mandate was just another step toward streamlining the payment process and making transactions more secure. This will impact POS hardware because fixed or mobile terminals will need to be EMV compliant. For retailers, the most successful ones will adopt EMV-enabled mobile payment solutions yet still include magnetic swipe processing, contactless or near-field communication payments. For hardware manufacturers, this means the continued need to support standard communication interfaces that EMV requires. This can be done by remaining hardware and software agnostic so our terminals can run a variety of technology to support EMV standards from any platform. While EMV is more time-consuming, retailers should keep in mind that this payment method will reduce card fraud, thus improving consumer payment confidence. **RIS**

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TECHNOLOGY SOLUTIONS GUIDE: POS HARDWARE

COMPANY NAME/ WEBSITE	RELEVANT PRODUCT/SOLUTION	KEY CLIENTS
APG Cash Drawer www.cashdrawer.com	NetPRO Ethernet Interface for Cash Drawers	Dominos, Nike, T-Mobile
AVE Investments, Inc dba pcCashdrawer www.pcCashdrawer.com	Point of Sale Hardware Solutions/Installation using Motor Coaches and Driver-Techs/On Site Maintenance Nationwide	Hickory Farms, Giorgio Armani, Old Time Pottery
Citizen Systems America, Corp. www.citizen-systems.com **SEE AD ON PAGE 17**	CT-S310II Point of Sale Receipt Printer	N/A
Elo elotouchpos.com	Elo PayPoint All-In-One and Elo X-Series Modular POS Touch Computer	N/A
Epson America Inc. www.epson.com **SEE AD ON PAGE 19**	Epson Mobilink P20 2" mobile receipt printer	N/A
HP www.hp.com/go/pos	HP RP9 Retail System	N/A
J2 Retail Systems, Inc www.j2usa.com	SANGO, a PC-Based Touchscreen All-In-One Till Management System	Estee Lauder, LEGOLAND, Moleskine
National Service Center/ Spartan Computer Services www.nationalservicecenter.com **SEE AD ON PAGE 23**	Nationwide On-Site Service and Installations	N/A
Panasonic business.panasonic.com/toughpad/us/mPOS.html	Panasonic Toughpad FZ-R1 Mobile Point of Sale	N/A
Posiflex www.posiflexusa.com **SEE AD ON PAGE 21**	Mobile and Fixed Touch Screen POS Terminals	OK Mart, Pacific Sogo, Shin Kong Mitsukoshi
Toshiba Global Commerce Solutions www.toshibacommerce.com	TCxWave, TCx300, TCx700, SurePOS, Self Checkout System 6, SureMark Printers	BJ's Wholesale Club, Calvin Klein, Kohl's
UTC RETAIL www.utcretail.com	5 unique POS Platforms, including the NEW 3190 All-in-One unit, with Projected Capacitive Multi-Touch and Intel's Skylake technology	AMC Entertainment, Lowe's Companies, Southern States Cooperative
Verifone, Inc. www.verifone.com	Payment Terminals (Countertop, Pin Pad, Mobile, Unattended), Software Solutions (Estate Management, Security and Payment Services)	N/A