

A photograph of a woman with blonde hair and a young girl with dark hair looking at a smartphone together in what appears to be a retail or grocery store. The woman is smiling and holding the phone, while the girl looks on with interest. The background is slightly blurred, showing shelves of products.

RETAIL AND HOSPITALITY

TheRecord

The days of expecting a customer visit a store with the simple aim of purchasing goods are, in large part, a thing of the past. Likewise, expecting patrons to choose from a limited product range simply through a sense of brand loyalty is anathema in the modern retail environment. Customers are sophisticated and likely to hold strong, well-researched opinions on the purchases they are about to make. Moreover, they demand value for money and a positive experience at the point of sale which requires vendors to be one step ahead at all times.

In this issue's retail and hospitality feature we explore how the latest innovations from Microsoft and its retail and consumer goods partners are helping to change the game for retailers operating the world over.

Innovating at the POS

Modern POS systems provide retailers with a channel for capturing thousands of pieces of data that could boost customer satisfaction, loyalty and sales. Microsoft's Vic Miles outlines some of the innovations that are taking the customer experience to the next level

BY REBECCA GIBSON



Gone are the days when a retailer's POS system was simply a cash register in a physical store. Now that most retailers sell products via physical stores, online websites and mobile apps, it's essential for them to deliver the same seamless, personalised and connected shopping experience to customers across all channels. To do this, many have integrated omnichannel functions into their POS systems so they can not only facilitate payments, but also capture customer preference data, support inventory management, execute automatic promotions and much more. Hence, POS systems are now considered the lynchpin of a seamless omnichannel shopping experience.

"Today's POS systems are much more powerful than the cash registers of the past and they now play a critical role in overall retail operations," says Vic Miles, director of Retail Technology Strategy at Microsoft. "The newest and most advanced POS systems act as primary channels for capturing valuable data from billions of dollars' worth of customer transactions. They provide retailers with astounding levels of actionable insights that can be used to deliver personalised omnichannel shopping



experiences, empower staff to work more productively and drive sales growth.”

Many retailers are turning to platforms like Microsoft Dynamics 365 for Retail, which offers a Modern POS module to enable retailers to use PCs, tablets, and phones to process sales transactions and customer orders, as well as to manage daily operations and inventory.

“Microsoft Dynamics 365 for Retail uses Microsoft’s cloud-based enterprise resource planning and customer relationship management suites to deliver end-to-end integration of all sales-related processes,” says Miles. “It consolidates merchandising, fulfilment, POS and promotions operations into a single platform, allowing retailers to gain a full overview of customers’ individual journeys and personalise each point of contact to drive loyalty.”

Microsoft Dynamics 365 for retail also offers a cloud-based POS system that can be accessed via mobile devices to give store associates access to the systems, data and real-time insights they need to provide a fast and personalised service to customers on the shop floor. Associates can greet customers personally, answer their queries, recommend relevant products from the virtual ‘endless aisle’ based on insights from their



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VIC MILES, MICROSOFT

VIEWPOINT



Personalising the POS

Retailers must deliver seamless, personalised and consistent shopping experiences across all of their channels, says DXC Technology's Randy Davidson

Today's customers are willing to share personal information, opt in to loyalty programmes and download apps, but only if retailers keep it secure and use it to provide a valuable service in return. However, customers often find today's shopping and POS experience disjointed, inconsistent and disconnected. Hence, retailers must find a way to deliver a consistent and seamless experience across all channels, ensuring that each customer receives offers and communications that are specific to them.

To do this, retailers should adopt new technologies that extend the digitally connected ecosystem, such as kiosks that provide self-service options, wearables for frictionless payments and sensors that deliver tailored notifications and promotional offers to customers in stores. When it comes to optimising the POS experience, retailers should provide store associates with access to customer, sales, product and other relevant data in real time. This includes a 360-degree view

of each customer, data that will enable them to engage customers based on personal preferences or previous transactions from any channel, and information about different types of transactions. They should also have real-time data about inventory levels for send sales, endless aisle and marketplaces.

DXC Technology has helped multiple retailers to develop the perfect omnichannel shopping experience. For example, it recently helped a speciality beverage retailer to implement Microsoft Dynamics for Retail with integrated functionalities for omnichannel POS, e-commerce, advanced demand and allocation planning. This enabled the retailer to rapidly expand into new markets, increase customer visibility and improved its forecast and budgeting processes, reducing stock outs.

Randy Davidson is a senior solutions architect for Microsoft Dynamics at DXC Technology

customer profile, and rapidly process orders and transactions via multiple payment methods.

"Customers are satisfied because they can choose items that aren't physically in the store, arrange delivery or collection, and complete payments quickly – all without standing in a long queue at a traditional cash register," says Miles. "Meanwhile, mobile POS allows store associates to remain productive because they have all the information they need in one system to upsell products, deliver tailored discounts and otherwise save sales that would have potentially been lost due to excessive queues at the cash register."

Retailers can take mobile POS a step further by linking their customer-facing apps with internet of things (IoT) sensors or beacons located around their stores. Retailers can use the beacons to send customers wayfinding directions to their desired products, contextual information about items they pick up, product recommendations and tailored discounts. Similarly, beacons can be used to alert store

associates to customers who need assistance or shelves that need restocking.

"Many aspects of retail operations can be enhanced by implementing IoT-enabled sensors throughout a store and connecting them to the POS and other back-end systems," says Miles. "IoT is now a cornerstone of IT innovation in the retail sector, connecting various technologies to provide retailers with an incredible amount of capabilities that improve customer experience and empower store associates to become more productive and drive sales."

Another powerful IoT-related innovation are radio-frequency identification (RFID) tags, which carry unique product numbers.

"RFID technology has significant potential beyond simply tracking items in warehouses and stores when it is connected to a POS system," says Miles. "When a customer purchases a product using a credit, debit or loyalty card, this data links with the product's RFID tag data and provides rich information about their in-store movements. This enables retailers to build a 360-degree overview





of each customer's preferences, past interactions and transactions so they can personalise marketing, promotional offers and future interactions to drive loyalty and sales."

Combining POS and RFID systems also enables retailers to automatically reconcile their inventory after every transaction.

"Being able to track an item's movements around a store or warehouse in real time is already impressive, but it becomes even more so when retailers use this information to ensure they keep their stores stocked with the items their customers want the most, when they want them," remarks Miles. "They can also use the data to identify busy sales periods and increase the efficiency of their teams, deploying them to the right place at the right time to minimise the risk of the dreaded empty shelf when items are selling fast."

Information from POS systems can also be vital for retailers when it comes to tracking trends in store traffic volume, sales of specific products and the way customers move around

the store to help them to plan staffing and design optimal store layouts.

"Modern POS systems do more than just enable retailers to expedite checkout processes and minimise waiting times for customers – they give retailers the capacity to achieve heights of

"Mobile POS allows store associates to remain productive because they have all the information they need in one system"

operational efficiency and sales confidence that they could previously only have dreamed of," says Miles. "When retailers offer customers a connected and personalised shopping journey that enables them to discover new products and purchase items in a way that is most convenient to them, they'll keep coming back." ■

Driving the retail revolution



DEESEAN WILSON: DXC TECHNOLOGY

Innovative POS solutions that incorporate multiple functionalities are key to driving how retailers engage with customers in the digital world

Modern POS systems have come a long way since the first analogue punch key cash registers – and it's all due to technologies such as transistors and integrated circuits, magnetic ink character recognition, barcoding, magnetic stripe cards, consumerisation of the PC, and improvements in broadband connectivity. These innovations have transformed POS into a foundational in-store operational tool that supports functionality for automated promotional and discount execution, store administration and bookkeeping, managing inventory management and customer data capture. While significant progress has been

“Mobile POS solutions are key for retailers who want to deliver personalised experiences”

made to incorporate new functionalities around POS, it is not enough to simply support the wave of digital transformation that is already here.

For retailers to successfully set themselves apart from the competition and cater to customers' needs, they must have a POS system that incorporates various omnichannel functions and continually evolves to support automated processes for executing promotions and facilitating cash-and-carry transactions. There are three key POS innovations that retailers must consider if they want to deliver a seamless omnichannel journey

and differentiate their in-store experience. They include: click-and-collect, send sale and endless aisle, and mobile.

Click-and-collect is a well-known omnichannel concept, but retailers must understand that POS should support two different scenarios. In the first scenario, an online customer pays for an item and chooses to collect it in a store. The sales associate gives them the product when they arrive at the store and the order is marked as 'picked up' in the POS. Meanwhile in the second scenario, an online customer reserves an item in a particular store and defers payment until the sales associate has presented it to them when they arrive in the store. To ensure success, retailers must configure and automate specific rules and processes for each scenario in their POS system.

Now that customers are more connected, POS systems are starting to incorporate 'send sale and endless aisle' functionality to support customers being able to purchase their desired products regardless of their location. The 'send sale' capability allows customers in one store to reserve or purchase items that are physically located in another and gives them the option to have the order picked up from or delivered from the second store. Meanwhile, 'endless aisle' provides customers with the opportunity to buy items that are not part of the physical store assortment but can be found online or ordered specially. Both capabilities allow store associates to save a sale or increase average ticket value. The key for retailers is the ability to perform these capabilities with others on the same transaction seamlessly



and efficiently without customisation. For example, they should be able to perform a 'send sale, 'endless aisle' and cash-and-carry function in the same transaction.

Mobile POS solutions are key for retailers who want to deliver a personalised, interactive experience to individual consumers. They enable retailers to accommodate customers' shopping habits by allowing them to initiate, modify or complete transactions anywhere in the store. With increasing integration of unified commerce, POS systems are increasingly providing in-store associates with a seamless view of customers to facilitate 'clienteling'. For example, if a customer researched a product online prior to visiting a store, an associate can use that data and other analytical insights from their profile to start a conversation and drive the purchasing journey. Other mobile capabilities allow customers to interact with associates during the shopping experience via chat or requests

for assistance. The data being pulled from these mobile technologies means that retailers can offer better-informed customer service, quicker payment processes, greater access to special offers, and more real-time personalisation.

Several other exciting developments are also fuelling advanced POS capabilities. Cloud adoption continues to drive innovation through faster upgrades and better integration; frictionless payment functionality is streamlining the checkout process; and the 'cashierless' store concept is revolutionising how consumers engage. However, to enable all of these capabilities and avoid silos, retailers must have an enterprise solution as the foundation for seamless integration. They must also develop a prioritised roadmap around desired capabilities that transform and enhance the customer experience. ■

Deesean Wilson is the global product manager for retail at DXC Technology