

RETAIL

Outdated POS poses challenge for omnichannel retail: BRP

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Alipay becomes widely accepted in many stores. Image credit: Printemps

By SARAH JONES

According to new research, almost all consumers consider the ease of a retailer's checkout process when choosing where to shop, pointing to the importance of having up-to-date point-of-sale (POS) systems in place at bricks-and-mortar stores.

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A report from Boston Retail Partners finds that about half of retailers are planning to replace their existing POS within the next three years, with many opting for updates such as cloud-based systems and mobile checkout. Even with ecommerce growth, many customers are still shopping in-store, warranting investments in making the experience as positive as possible.

"Checkout is often the most dreaded part of the shopping experience and much of it can be influenced by having the right processes and technology," said Brian Brunk, principal at [Boston Retail Partners](#). "In fact, 96 percent of consumers indicate that ease of checkout and payment are important factors when choosing where to shop.

"Understaffed checkout lines, or not enough, cumbersome processes for customer or loyalty lookup and slower payment processes are just a few examples," he said. "Retailers should consider ongoing reviews for process improvements, as well as technology updates to POS and payment options.

"Customers desiring self-checkout solutions is also on the rise and should be a consideration by every retailer," he said.

POS plans

Per BRP's "The State of Store Technology" report, about 79 percent of consumers shop in-store frequently. However, despite the continued importance of bricks-and-mortar, brands also need to consider how to connect their channels through technology.

Omnichannel integration was the third most mentioned POS priority for retailers, with 43 percent of respondents noting plans to more effectively bridge online and offline.

Boston Retail Partners notes the importance of having a checkout system that can connect with client information,

providing a more seamless purchase experience.

Ninety-six percent of consumers indicate that checkout and payment ease are important factors when determining where they shop. Meanwhile, 55 percent choose stores based on the in-store technology available, such as self-checkout or item locators.

However, retailers are largely dealing with older systems.

Most retailers have fixed payment terminals and POS software that are more than two years old. Mobile POS tend to be more recently acquired, with about a third of retailers saying their portable systems are less than two years old.



Some brands have launched mobile POS to enable transactions anywhere. Image credit: Hugo Boss

The majority of retailers are planning to hold onto their technology for the next year. The most commonly earmarked systems for replacement in the next 12 months are POS software and fixed terminals, with a respective 18 and 14 percent of retailers noting plans for an upcoming update.

One area in which brands are investing is in centralized data management. Ninety-four percent either already have single commerce in place or are planning to roll it out in the next three years.

Meanwhile, three-quarters are planning to implement cloud-based technology.

"As retailers look for ways to enhance the in-store experience, they often need to leverage real-time customer, product and transactional information and in many cases their POS solution is the source or part of necessary integration," Mr. Brunk said. "Oftentimes, it will require new POS enhancements or additional third-party applications that are connected to the POS system.

"Even with enhancements, many retailers with an older POS will find their ability to implement the experience they desire is limited and find they often need to focus on a new POS system," he said.

Mobile mindset

Rather than tying associates to a cash register, many brands have launched mobile POS to enable transactions to happen anywhere in a store. A previous report from BRP found that two-thirds of retailers currently offer mobile POS.

As consumers' usage of mobile continues to grow and the number of shoppers who are comfortable purchasing via smartphones also rises, luxury retailers and brands need to keep their mobile offerings at the forefront.

According to a study from Boston Retail Partners, 41 percent of consumers are likely to increase their purchasing on mobile devices over the next 24 months, and 85 percent have at least bought one item via smartphone. Currently, 33 percent of those surveyed claim to frequently purchase on mobile devices ([see story](#)).

Beyond stores, mobile checkout is gaining ground with luxury brands. Genting Cruise Lines is making purchasing on board its ships simple and digital with the help of online payment company Wirecard.

Under the new partnership, Genting and Wirecard will work together to create a seamless universal digital payments system to be used across Genting's many ships. With this platform in place, customers will be able to make all payments on board a ship, whether they be paying a bill or making a purchase, all through their smartphones ([see story](#)).

"Mobile point-of-sale enables associates to not only complete a customer's purchase on the sales floor, but provides the potential for a richer engagement experience while buying decisions are still being made," Mr. Brunk said. "It

also frees the associate from the checkout area to allow for more personal interactions on the sales floor and simplifies the checkout process by eliminating the need for customers to wait in line.

"Most retailers use mobile POS in addition to a few fixed, traditional POS terminals, but some retailers have moved to 100 percent mobile POS, like Apple and Decathlon," he said. "Mobile POS utilization will continue to expand with a strong value proposition in luxury environments."

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