

Streamlining the Store to Simplify Shopping

Self-service technologies and capabilities have moved to the forefront of store upgrade plans and redesigns. Today, the most successful stores are striking a balance between full-service functions and self-service options. Where this line falls will differ for each retail segment and customer base, but there is no doubt the balance has shifted toward increasing self-service capabilities.

Our Targeted Research report examined the self-service paradigm in retail and identified trends in the marketplace to benchmark against.

FIGURE 1



Stores that currently deploy self-service technologies

Testing/piloting	48%	<div style="width: 48%;"></div>
Some stores/formats have them	32%	<div style="width: 32%;"></div>
Majority of stores have them	20%	<div style="width: 20%;"></div>

*Excludes retailers that do not deploy self-service kiosks

Deploy self-service technologies to match the 20% of retailers that deploy them in a majority of stores today and 32% that deploy them in some stores. Note that just under half of study respondents (48%) are in a preliminary phase of deployment, so this technology is racing toward mainstream adoption within a few years.

FIGURE 2

Self-service technology deployment and investment plans

Will add/increase deployment in next 12 months	38%	<div style="width: 38%;"></div>
Will add/increase deployment in next 24 months	14%	<div style="width: 14%;"></div>
Will add/increase deployment >24 months	7%	<div style="width: 7%;"></div>
No plans to add/invest in deployments	41%	<div style="width: 41%;"></div>



Don't delay implementation, a finding confirmed by strong numbers recorded for planned deployment plans – 38% of retailers plan to either add or increase self-service technologies in stores in the next 12 months and 14% have plans to do so in the next 24 months.

FIGURE 3

Primary services/functions provided by self-service technology in stores

70% Checkout	52% Payment	44% Price check	37% Scanning barcodes	37% Check for sales, promotions, coupons	33% Loyalty program log in	26% Making loyalty award purchases or receiving member discounts	22% Ask for help in a specific location
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Focus on checkout, which was the top self-service function chosen by 70% of retailers. Other functions to focus on include payment (52%) and price check (44%).

FIGURE 4

Primary benefits of deploying self-services technology in stores

Improve customer service/satisfaction	76%	Incorporate digital functions in stores	28%
Gather in-store customer data	59%	Add touchpoints to deliver personalized marketing	21%
Shorten checkout queues	45%	Send push notifications when customer uses kiosk	17%
Lower labor costs	41%	Ability to optimize store space and layout	4%
Customer identification	34%		

Use self-service technologies to improve customer service and satisfaction.

These are the primary benefits of deployment chosen by 76% of retailers. Using self-service technology is also recommended for gathering in-store customer data (59%) and shortening checkout queues (45%).

FIGURE 5

Challenges that need to be overcome to deploy a successful self-service strategy

Change management (resistance to change)	47%
Re-engineering store formats is an obstacle	33%
Re-engineering associate processes is an obstacle	27%
Not a good fit for my specific customer base	20%
Not a good fit for my specific product segment	17%

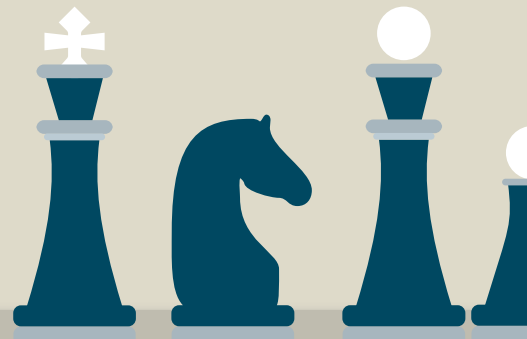


FIGURE 6

How self-service technologies perceived by associates

61% Triggers need for new training

- 43% Creates new roles and responsibilities
- 43% Potential threat to reduce employee hours
- 43% Frees up staff to improve customer service
- 32% Aids speed and convenience through checkout
- 25% Difficult to manage new technologies

FIGURE 7

Top Two RETAIL Segments for Self-Service Tech

2 The two retail segments best suited for self-service technologies are **grocery/food retailing**, which is the top vote getter by far, and **"all segments/formats,"** which came in a strong second. The remainder of votes were scattered without any consensus across drug stores, apparel, luxury, C-stores and discount.



FIGURE 9

21% Amount of current store operating budget that goes toward self-service technologies.

FIGURE 10

Annual revenue

<\$100 million	17%	<div style="width: 17%;"></div>
\$100 million to \$500 million	34%	<div style="width: 34%;"></div>
\$500 million to \$1 billion	14%	<div style="width: 14%;"></div>
\$1 billion to \$5 billion	14%	<div style="width: 14%;"></div>
>\$5 billion	23%	<div style="width: 23%;"></div>

FIGURE 11

Sales last 12 months	↑ Increased >5% 17%	↑ Increased up to 5% 53%	↓ Decreased 30%
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FIGURE 12

Retail segment

13% Apparel	43% Grocery/Convenience/Drug	23% Specialty	7% Mass market/General Merchandise/Discount	13% Other
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