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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%
Some stores/formats have them	32%
Majority of stores have them	20%

*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%
Will add/increase deployment in next 24 months	14%
Will add/increase deployment >24 months	7%
No plans to add/invest in deployments	41%

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

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

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 8

Top Two CUSTOMER Segments for Self-Service Tech

2

The two customer segments best suited for self-service technologies are **Gen Z and Millennials** (considered together as one group) and **"all segments."** Baby boomers and Gen X were also cited without strong consensus.

FIGURE 9

21%

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

FIGURE 10

Annual revenue

<$100 million	17%
$100 million to $500 million	34%
$500 million to $1 billion	14%
$1 billion to $5 billion	14%
>$5 billion	23%

FIGURE 11

Sales last 12 months

Increased >5%	17%
Increased up to 5%	53%
Decreased	30%

FIGURE 12

Retail segment

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

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