

WHITE PAPER

Either You're Mobile-First, or You're Last

How mobile helps your customers,
your associates and your brand
win at modern retail



Mobile has completely reshaped industries, retail especially. The infinite amount of information at consumers' fingertips has changed when, where, and how they shop. A BRP Consulting study found 63% of consumers rely on mobile phones while shopping in-store.¹ Even more, according to Forrester smartphones will play a role in 90% of all digitally-influenced sales by 2022.²

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If these statistics suggest anything, it's that being mobile-first is mission critical to surviving today's new retail world order. A place where connectivity is the lifeblood of omnichannel retail.

What does it mean to be mobile-first? Well, above all it's recognizing that mobile is not just a channel nicety, it's an organizational necessity. It's not good enough to only integrate mobile as it relates to your customers. The store of the future will run on smartphone apps, so it's important to have a mobile strategy that supports and benefits both your customers and store associates - and therefore your entire business.

From product discovery and in-store engagement to point of sale and payment - these are the building blocks of being mobile-first. For your retail brand to survive and thrive - and be truly omnichannel - it can't be mobile in bits and pieces. It needs to be all mobile, across your entire retail operation and along the complete path to purchase.



Keys To A Mobile-First Organization



Shoppable Native Apps

Many retailers' first foray into mobile consists of launching a branded mobile app. Smartphones are an indispensable part of consumers' lives, so it makes sense to be where the captive audience is.

Not to mention, often mobile apps deliver a faster, smoother experience than mobile-optimized websites. This is the essential piece though; your app needs to include features that add value for consumers, beyond what they can find on your mobile site - things like personalized offers, interactive content, and so on.

Retailers are, in fact, catching on to the utility of mobile apps. They can help consumers feel more connected to your brand, thus heightening loyalty and increasing the likelihood of conversion. Encouraging conversion is something retailers haven't traditionally done a good job at - and for a while, it's why mobile commerce lagged behind traditional desktop-based digital commerce.

However, things are trending upward - and consumers' attitudes toward downloading and using retailer apps are changing. So much so, the number of retailer mobile apps used by consumers doubled from 2017 to 2018 - from two to four, according to Synchrony.³

This growth is thanks to the increased focus across retail on the experience. Native apps need to be completely friction-free. Consumers don't have the patience for things like long load times or lengthy log-in or checkout processes. When you introduce best-in-class architecture and navigation, and features such as biometric and federated logins, consumers stick around. Gartner L2 found brand apps that allow consumers to log in via their social channels have a 6% higher app rating.⁴



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In order to drive continued engagement and loyalty, you need to market your apps across all channels. The NewStore Omnichannel Leadership Report, which analyzed the omnichannel capabilities of 150 retail brands, found only 1% of retailers have in-store signage promoting their app.⁵ Mobile apps can shape the in-store experience. Not only do they empower shoppers to make decisions, but they also create unique ways of interacting with customers. Many of whom are your best and most loyal shoppers.

There's more to mobile apps than serving promotions and shopping - consider its benefits to the store associate, especially when the apps are used in conjunction with proximity beacons. With beacon technology, associates can be alerted to who is in the store. This context awareness opens up the opportunity for store teams to utilize shopper information to drive engagement.

Your store associates are responsible for creating profitable customer relationships, and their job is made infinitely easier when they can deliver a highly personalized service. As you continue to prioritize customer engagement, think about the mobile experience both from the customer and associate perspective.

Employee Mobile Devices

Look around the streets, look at the retail store floor. Consumers carry their devices everywhere and are constantly scrolling, searching and discovering new information.

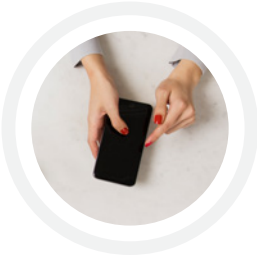
When it comes to retail, 85% of shoppers expect retailers to provide their store associates with devices.⁶ While some consumers prefer to be left alone when shopping, many do turn to associates for guidance and assistance.

You have to trust your sales associates with regard to using devices on the store floor. Their access to mobile information solves the demand for immediacy, convenience, and engagement; the precedent set for the customer journey by Amazon and on-demand services such as Uber, Postmates and the like.



When store associates have mobile devices in hand, they can deliver the seamless shopping experiences customers expect.

Why mobile devices are perfect for store employees:



Form Factor

Mobile devices are small enough for associates to carry around the store and operate with one hand. They can be holding several hangers of shirts in one hand, and scanning a barcode on a shoebox in the other. Today's mobile devices are also designed with large, high-resolution displays. This is especially important when showing product images, so no detail is lost from the image to the eye. Even more, most consumer devices have some level of water and dust resistance. Accidents happen, so it's important the device can survive through the hustle and bustle of the day.



Connectivity

For associates to have access to accurate, consistent and timely data, there needs to be network connectivity. Not only stable connectivity but a connection point that's on 100% of the time. Mobile devices are great for this as they have the ability to leverage LTE as a backup should the Wi-Fi fail. Connectivity is also what makes support for beacons possible; you don't need a paired connection for them to transmit data, just Bluetooth LE.



Productivity

There are many options for bringing devices to the store floor - from shared devices to unique personal devices to BYOD. When each store associate on a shift has his/her own device, they are significantly more productive - especially when it comes to the tasks that used to be labor-intensive and time-consuming, such as inventory receiving and order fulfillment. Mobile-powered associates can maximize their productivity when they are not working directly with customers.



Relationships

Clienteling is so important to capture customer loyalty. However, it's hard to build relationships if you're tethered to a cash wrap. Associates with constant access to a device are free to roam the store floor, working shoulder to shoulder with shoppers. They also never have to leave a customer's side during interactions. Not to check inventory, not to scan items, not to run a payment. Mobile helps store associates nurture relationships beyond store walls, too - with constant access to a device they can send and reply to customer messages...anytime, anywhere.



Speed

Shoppers are fickle with their time; they don't want to wait to get the information they need or to check out. They expect the same speed in-store as they can experience online or in-app. With mobile devices, associates can help customers with whatever they need immediately - from returns to inventory lookups to payment.

Employee mobile devices bridge the convenience of online shopping with the in-store buying experience. Associates are also responsible for proactively leading your brand's relationship with customers. It's why there needs to be as much of an emphasis on the store associate as the customer when it comes to mobile.

Mobile Point of Sale

A point of sale (POS) system is the hub of all in-store retail operations. It's one of the most commonly used retail technologies, and also one of the biggest investments. Because it's a tried and true system, most retailers today are focusing their attention on making sure it's the right solution versus investing in new ones.

Enter the great debate: Stick with a traditional POS system or adopt a mobile POS. First, it's important to understand the difference between the two so you can choose the one that best fits your business needs. However, we live in a mobile-first world - most legacy retail systems aren't built for today's digital way of doing business.

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	Traditional POS System	Mobile POS System
Description	A stationary system that runs on a closed network. It communicates with and loads data to a physical server; that data cannot be accessed from anywhere other than where it is stored.	A system that is connected to the cloud. The data is stored online, making it accessible at any time and from anywhere with Internet.
Cost	Traditionally, legacy POS systems have high upfront costs, plus fees related to maintenance and re-installation if needed.	mPOS solutions are cheaper to implement because you don't need to rip out and replace tech; the software is simply installed on a mobile device.
Hardware	The system itself is typically quite clunky. It's not portable which can prevent theft, but it does require a permanent home in your store.	All you need is an Internet-connected mobile device. You can integrate any other tools you may need, like a credit card reader, receipt printer, etc.
Updates	Because the system is physical, it requires manual maintenance and updating. This usually means it's only done once a year.	A cloud foundation means software and feature updates are deployed frequently and automatically, without disruption or any backend work.
Integrations	It's difficult to integrate new features or customize the system, meaning it's usually used out-of-the-box.	Cloud-based services leverage APIs to make it easy to plug in third-party systems and expose new or extended functionality.

As omnichannel becomes the retail norm, so too does mobile point of sale. In fact, 67% of those surveyed for the PYMNTS mPOS Tracker listed mPOS as a priority for this year. And, 45% foresee mPOS features to be essential parts of omnichannel efforts.⁷ Other than the technical and operational pluses, why choose a mobile POS system over a traditional one?

For Your Store

It frees up a lot of floor space. Retailers are reimagining their physical locations left and right. Consumers don't only want to make a transaction in-store, they want to connect with your brand and embody it. With an mPOS, you can transform the space you're currently devoting to cash wraps into a new way to engage shoppers. If you offer BOPIS, establish a dedicated pickup corner. Or, introduce a customization counter or demo area where customers can personalize and interact with your products.



For Store Associates

There are infinite benefits. First and foremost is the quick and real-time access to customer, order and inventory data. Having all of this data available at their fingertips means they can help customers from any corner of the store. They're no longer stuck behind the counter, or waiting for a desktop system to free up to get the job done. When it comes to checkout, your associate can process any combination of store and endless aisle purchases all from their mobile device. It's a seamless experience from end-to-end.



For Customers

It's the quick, skip-the-line experience they want and expect. They want to return what they bought online with or without receipts, and pick up in-store what they bought online. They want access to product beyond the store's current stock. And they want to check out right when they're done shopping. Store associates with mobile devices effectively become the point of sale. The result is increased profits, even during high-traffic times, and wholly satisfied customers.



Mobile Payments

Friction at checkout is one of the biggest conundrums in retail. Shoppers abandon orders online and walk out empty-handed in-store because of long and complicated checkout processes.

60% of U.S. consumers believe that by 2025 shoppers will carry a phone but no physical wallet.

According to a study by Baymard Institute, the average checkout contains 14.88 form fields and there is an average of 5.42 checkout steps.⁸ With a mobile phone, it takes just a few taps. Additionally, having an mPOS system makes it possible for stores to accept emerging payment methods like Apple Pay and soon Apple Card. This is important, as 60% of U.S. consumers believe that by 2025 shoppers will carry a phone but no physical wallet.⁹ They'll need to be able to pay with nothing more than their device. Even more, offering alternate payment methods reduces risk, provides better client data and can be helpful in acquiring international customers.

Beyond contactless cards and payment-enabled devices, there are other payment options like “buy now, pay later” that require system flexibility. It would take years for a legacy POS to be updated to accommodate this technology; on the other hand, modern POS systems come pre-built with integrators so the new payment options can be deployed quickly and without hassle.



Analysis

The consumer path to purchase is no longer linear. Shoppers research products online before buying in-store. They also research in-store before buying on their smartphones. No two journeys are alike, and every customer has a different set of needs, wants, and expectations. But what is similar about all shoppers is the intense connection to their mobile device.

Mobile is not just another channel, though; it needs to be woven into the fabric of an entire organization in order to fully benefit customers, store associates, and your business.

A few things to remember: Speed, convenience, and flexibility are of the essence. Reduce friction at every touch point, be it in-app, online or in-store. Omnichannel means always connected. Every use case for true omnichannel depends on your entire retail ecosystem being in lockstep. If you keep these points in mind, you will be a winning mobile-first retail company.

Sources

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Are you ready to run your retail **mobile-first**?

For more information, please contact info@newstore.com

About NewStore

NewStore operates a platform for retailers to run their stores on iPhone. Purpose-built for mobile shoppers, the company provides Omnichannel-as-a-Service with the only integrated cloud OMS and mobile POS. Intuitive store associate apps allow retailers to offer seamless shopping experiences through endless aisle, mobile checkout, store fulfillment, real-time inventory and clienteling. An API-first architecture and an expansive ecosystem of partners means retailers can deploy fast and flexible omnichannel with ease. NewStore was founded by Stephan Schambach, who pioneered ecommerce at Demandware (now Salesforce Commerce Cloud). The company has offices in Berlin, Boston and New York. Learn more at www.newstore.com.