IN THIS ISSUE...

Make it personal
Why big data is a big deal to retailers

Buy it now
Choosing the right products for impulse purchases

The perfect partnership
Managing efficiency with leading hardware and innovative software

Smarter dining
Using smart printing to increase restaurant income
Relationship between businesses and consumers could hold the key to a retail revolution.

Technology continues to facilitate the creation of new experiences for consumers. As everything becomes more personalised, a number of concerns will surface that must be addressed and managed by the industry.

Primarily, these concerns centre around data security as a high number of consumers are reluctant to trade data privacy for a more personal and tailored shopping or dining experience.

In this edition of Retail and Hospitality Update, we’ll learn more about these challenges as we explore insights from people working in the retail industry today.

We will also take a look at the psychology behind impulse buying at the POS, and discover how Tiller Systems and Epson are providing independent restaurants and shops with a new payment and analysis solution.

Read on to discover how technology is shaping the way people in retail work – creating ultra-personal customer experiences, new opportunities for development, and enriching the value of traditional employee services.

If there’s anything else we can do to help you prepare your retail environment for the future, we can always be reached at posenquiries@epson.eu

David Spratt
Sales Manager
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Individuals involved in large retail and hospitality businesses gathered in Berlin for the two-day programme.

The event provided everyone from large retailers, ISVs and System Integrators the opportunity to catch up with the latest market trends and explore the next generation of retail and hospitality solutions.

Presentations and topics discussed included the journey from POS to mPOS, digital services and cloud computing.

Guest speaker Dr. Dimitrios Tsivrikos, Consumer and Business Psychologist, delivered a fascinating presentation on the future of ePOS and consumer psychology.

Delegates were also able to engage with ISV product demonstrations and one-to-one meetings.
The psychology of POS purchasing behaviour

The best location for impulse buys is the checkout. There are many reasons why this is the best place for tempting consumers to make unplanned instinctual purchases.

The checkout is the final stage in an exhausting process for the brain, as it has been making decisions throughout the shopping experience. At this point, the capability to make rational decisions has most likely been exhausted by the often-taxing process of shopping. Therefore, we do not objectively evaluate whether we need a product and this makes it harder to resist, especially if the product is particularly desirable, such as a chocolate bar.

Another impact that may contribute to these impulse buys is the sense of urgency present at the checkout. We have to make quick decisions but also want to avoid losses, and may decide to get an unnecessary product for fear of missing out.

For retailers the checkout represents a significant opportunity, as exposure is unavoidable so we have to notice these items. For certain items, simply noticing them is enough to elicit desire even if we were not intending on buying them. This process then becomes an environmentally led habit, in that it becomes normal to pick things up in the checkout queue.

By stocking items here which are either extremely desirable, such as chocolate, or low-cost consumables with high utilitarian value, such as batteries, this will elicit an unconscious need in consumers that may otherwise have been hidden or forgotten.

While point of sale displays are effective for low involvement products, they are rarely used for more expensive items. However with new technology, checkouts can be used in different ways to inspire high cost purchases. For example, showing a video of a great product in action above the checkout will inspire the consumer and drive brand engagement, encouraging a return visit or possibly an online sale.

Additionally, the modern day consumer has a very low attention span so is often bored and searching for entertainment in queues. Providing engaging activities, such as tablets to scroll through new products or the retailer’s Instagram page, will lead to favourable brand impressions. They could also directly lead to sales, when customers can easily send themselves a link to products they have seen, to be purchased later.

In this way, retailers are extending the omnichannel approach right up to the checkout, ensuring the customer feels connected and in control throughout the entire shopping experience.

Digital POS also presents many opportunities for retailers. Purchases no longer have to be made at the checkout. Shoppers can buy goods online via their smartphones, or via staff using tablets for mobile checkout wherever they are in the store. Customers need to be able to easily identify products they see in store using their smartphones, so they can make instant purchases when, for example, the store does not have their size. With staff POS devices, customers can make quicker purchase decisions and more impulse buys as they browse the store, rather than waiting until they reach the checkout, calculating their total and abandoning unnecessary items.

While this instant gratification and convenience benefits customers as they avoid queues, it may also lead to more total purchases, and solves the issue of ‘showrooming’ where customers browse in store then purchase online. Digital POS solutions also enable a more personalised experience, with the shopper feeling better cared for by one-on-one service.

Lastly, retailers can improve their POS opportunities by incorporating personal data to offer more targeted personalised marketing. Online supermarkets have mastered this through the ‘Have you missed this offer?’ and ‘Would you like to add this item?’ questions during the final checkout process, which are based on absent items from previous orders and remind consumers that they could be losing out.
Using traditional checkouts it would be virtually impossible to personalise POS displays for each customer, but again technology shows promising signs of improving this. Such a process could be incorporated into physical stores by presenting tailored offers to customers via beacon devices on their mobiles when they enter the store, or allowing staff to access purchase history via tablets and make personalised recommendations.

Ultimately, modern consumers are looking for a rich level of interaction and distraction, and want to feel that they are important. By engaging with them in the checkout queue and within the store, a retailer can both meet these needs and encourage purchases the shopper may not have made, given more time to ponder.

About the author:
Dr Dimitrios Tsivrikos is an established academic and practitioner in business and consumer psychology at the University College London (UCL). Dimitrios’ research, teaching and consultancy work focuses in retail marketing, brand communications and behavioural change.
Retail will be ultra-personal by 2025

Technology is set to revolutionise the future of retail with wearables, augmented reality (AR) and big data significant drivers of a more personalised shopping experience both online and in-store, according to new European research.

In fact, when asked, 72% of Europeans currently working in retail agree that it will become more personal, with retail staff facilitating better experiences, testament to the role of bricks-and-mortar high streets.

The fact is that, while almost half (49%) accept that big data will have a positive impact on the industry, 42% believe customers won’t trade data privacy for a more personal and tailored digital shopping experience. That number jumps to 64% among the over 50s, and sits at 50% for millennials – raising important questions about the relationship between retailers and their customers.

To realise the full opportunity of technology in retail, it can’t exist independently – it has to be put in the hands of people.

The physical store and its role in retail is set to expand, with less than a third of respondents envisioning a future without high street locations – and 56% of purchasing decisions expected to be made in-store by 2025. Automatic identification, for example, will provide an ultra-personalised shopping experience for customers, and is expected by 72% of retail employees. Furthermore, 46% predict an end to physical stock held in stores – instead favouring augmented reality that shows customers what they’re buying in a virtual world, before producing the stock on demand.

Almost half (49%) accept that big data will have a positive impact on the industry

Of course, this positive outlook for retail is only possible if stores are willing and able to overcome some specific hurdles – including the cost of implementing new technology (something 63% of respondents identify as a challenge), and training employees to use the new technology (anticipated by 40% to cause difficulties if not addressed properly). But there’s so much to look forward to.

Respondents agree that augmented reality will be a real game-changer, where 69% agree that the simulation of products in any environment – whether at home, in work, or in-store – will help customers envisage their tailored usage, while AR will provide a unique customer sensory experience. At the same time, 57% agree it’ll make the retail experience more social and fun, creating a sense of community around the brand – and contributing to this growing sense of ultra-personalisation.

Prepare for zero queuing time, too. As the point-of-sale function evolves, queuing time in stores will be eliminated, agree 45% of respondents. Automatic identification of customers in stores will support ultra-personalisation, too – and it’ll be ultra-fast to take off thanks to the rise of debit sensors.

As for the people you employ, 60% of the retailers we asked believe that the traditional roles of cashiers will be abolished in favour of something arguably more valuable – and more fulfilling. 74% can see these staff members becoming trusted advisors for brands, accessing up-to-the-minute information for customers and achieving greater customer satisfaction. Of course, this new role will require new skills and additional training – but it will ensure employees are able to fulfill roles that technology cannot.
42% believe customers won’t trade data privacy for a more personal and tailored digital shopping experience.
Established in 2014 by three former business analysts from the hotel and catering sector, Tiller Systems is a cash register software developer whose products enable customers to make orders, take payments, manage stock and staff, and analyse transactions from an iPad – in real time.

The starting point for Tiller Systems’ founders was simple: while the major retail groups have all the resources they need, independent restaurant owners and shopkeepers do not have an efficient management tool enabling them to make decisions. So they came up with the idea of developing an independent payment and analysis solution.

With monthly growth of 30%, Tiller Systems is a young business that stands out from the traditional competition. Tiller Systems’ product offers points of sale a solution that is comprehensive, mobile, simple and efficient, based on the use of an iPad, software developed by the start-up itself and a smart printer from Epson which produces receipts.

Choosing a partner with high quality and real commitment:

Three things convinced Tiller Systems to make Epson its preferred partner:

- **The brand:** “Epson is known worldwide and its name is synonymous with high quality. We decided to go for efficient, high-quality hardware whose performance we will never need to doubt.”

- **The company’s stability:** “We wanted to work with a supplier that would be able to guarantee us continuous stock levels, due to the company’s strong growth rate.” Furthermore, Tiller Systems was looking for a company offering product developments that would match the speed of the young start-up’s growth. “We needed a partner that would be able to keep pace with us.”

- **The support:** A third characteristic of Epson’s service, which the software developer discovered after starting the partnership, was the support offered to developers. “Another element of importance to us is the support for the product – the solution in place. All steps are taken to make life easier for developers,” explains Thibault Hillmeyer, Chief Product Officer.

As well as the high-quality guarantee offered by Epson products, another thing the team at Tiller Systems gained through this partnership was time savings. The solution developed by the publisher had to be compatible with the iOS operating system used on iPad.

Little by little, thanks to the young start-up’s astounding growth rate and Epson’s global reach, the strategy to open up to the international market has made it possible to consolidate the partnership between the two companies.

Since its establishment in 2014, Tiller Systems has worked with Epson to meet the needs of over 2,000 customers.
Improving the customer experience

Tiller Systems’ number one goal is to offer its customers a simple and effective tool. “We need to offer our customers, especially the restaurant owners, a solution that meets their needs in terms of speed and reliability. The smooth operation of the hardware is a critical element of our business.”

As well as giving their end customers quality and efficiency, the features of the TM-P20 and TM-m30 printers offer added value to the software publisher too.

“The hardware’s compactness is an advantage for some customers working in the catering business – food trucks for example – who need to optimise the space they use for their payment and printing solutions. Our shopkeepers are also very keen on mobile solutions. Bluetooth, for example, is something customers buy into immediately.”

Tiller Systems and Epson: a winning partnership

“The ease of our relationship with Epson, and their sales team’s responsiveness, are real plus points. Whenever we need to deal with an issue that falls outside the scope of our day-to-day tasks, we work directly with Epson. We are also open to engaging in innovative future projects, which would enable us to strengthen our collaboration even further.”

Tiller Systems is a young business that stands out from the traditional competition
Case study – App4

Increasing restaurant income with smart printing

App4 creates Mobile Apps for restaurants and takeaways, as its co-founder Ian Chambers explains: “People think that mobile apps are only viable for big business; they can be costly while app approval through Android and iOS stores can be a long process. We’re here to change things.”

With App4, people can reserve tables online or when mobile, look at menus, place orders for takeaways or delivery and receive confirmation in real time. Restaurants can also use the App for marketing through email or SMS promos and offer customers loyalty discounts.

As the core App is already approved, the App stores validate each of the customised Apps quickly. The App appeals to restaurants for another key reason: “With us, the businesses are usually paid within 48 hours and they own their data. So they can track when and what customers buy to better tailor offers and send these out themselves. We also offer a ready-to-go package that includes the back-office system complete with order printing. A number of restaurants asked us if we could add the food order to each ticket so this could be printed and taken to the kitchen. We set out to look for the right printing solution.”

A polling printer

The printer would be a key part of App4’s product. Says Ian Chambers: “We looked for a printer that provided a wide till roll – at least 80mm – with the freedom to allow us to format the receipt to create food orders. We also wanted to find a printer that was intelligent – that could be connected to the internet to constantly keep an eye on orders.

“We were pleased to go with Epson as its printers are easy to use and familiar to people working in hospitality so we anticipated that customers would need little or no training. Also, kitchen and restaurants are not ideal places for sensitive technology but the Epson kit is robust and would be able to cope with this demanding environment.”

The printer’s internet connectivity capabilities allow Ian’s team to use simple XML commands to remotely alter the format and contents of the receipt for each restaurant. It also means that the printer can coordinate orders.

A watching brief

Each restaurant and takeaway has a printer installed that continually polls for orders.

Many restaurants already use App4 and the printers have worked faultlessly. And, with the till roll changed by simply dropping it into a drum and an interface that’s easy to use, people have had no issues in working the printers.

More to come

App4 is also working with Epson to customise the printer's display to make it easy to process the orders without using a tablet or smartphone. Instead a USB keyboard will be all that’s needed. This option will appeal to smaller takeaways looking to keep their costs down.

In addition, Ian’s team is piloting a front-of-house App for restaurants. App4 is starting to gather momentum.

Concludes Ian Chambers: “We’re getting a great response from restaurants and takeaways to the App. It’s got a lot of features, restaurants get paid faster, it creates new ways to raise revenue and restaurants can base their marketing on sales data.”

For more information, please visit: www.app4food.co.uk
Restaurants can also use the app for marketing through email or SMS promos and offer customers loyalty discounts.
Intelligent receipt printer

State-of-the-art receipt printer with intelligent hub functionality

The versatile TM-T88VI i-Hub offers retailers, restaurants, bars and other commercial businesses the chance to explore web and mobile POS solutions without losing the functionality of a traditional PC-based system, as both can be run in parallel.

Fast print speeds – up to 350mm/s.

Server Direct Print – print directly from a web server to any connected receipt printer.

Compatible with all LabelWorks models – allows mobile devices to print to the nearest available printer.

Create beautiful personalised gifts

Surprise and delight customers by creating a range of beautiful bespoke gifts with LabelWorks. Whether wrapping gifts at the point of sale or printing stunning, high-quality ribbons in advance in the back office, Epson’s satin ribbon tapes will add the wow factor to purchases.

Wide range of colours and styles – Epson can even recreate your brand colours to your exact requirements.

Explore new possibilities – create customised gifts wrapped with bespoke messages.

Compatible with all LabelWorks models – choose from a range of products to suit your needs.

Useful links

Save energy and costs with our most innovative and eco friendly POS printers yet.

www.epson.co.uk/ecopos

We are working closely with leading cloud-based POS software developers to help you increase sales, boost efficiency and manage customer retention. To find the perfect fit for your business, visit: www.epson.co.uk/isv

Dealer locator

Are you looking for an Epson product dealer in your area? Or for a qualified service partner to repair your device? Visit www.epson.eu/support enter your address and select the place you are looking for. We will show you the way to your nearest Epson dealer or service partner.

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¹ About the research: The two-phase research project was conducted by FTI Consulting. Phase one consisted of qualitative telephone interviews with 17 global futurists and European experts from various sectors from 22nd September-19th October 2016 to gain insights and develop hypotheses on the future of the workplace and the changing roles of the workforce leading up to 2025. Phase two consisted of a quantitative online survey conducted by FTI Consulting’s Strategy Consulting & Research team from 2nd-13th December 2016. Respondents included full-time employees across five major sectors (corporate, manufacturing, education, healthcare and retail) in workplaces across the United Kingdom, France, Germany, Italy and Spain in their local languages. A total of n=7,016 full-time employees completed the survey. The breakdown of the respondents who completed the survey in each country are as follows: United Kingdom (1,329), France (1,308), Germany (1,427), Italy (1,526), Spain (1,426). The breakdown of the respondents who completed the survey in each industry sector are as follows: corporate (2,051), manufacturing (1,519), education (1,090), healthcare (1,215), retail (1,139). The n=7,016 completes yields a 3% +/- margin of error with an industry standard 95% confidence interval. Please note that the standard convention for rounding has been applied and consequently some totals do not add up to 100%.

For further information on the research methodology or FTI Consulting’s market research services: Market.Research@fticonsulting.com