Top Mobile Retail Trends for 2015
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Mobility is changing every aspect of retail, from the corporate office to the field; from warehouse operations to customer engagement. According to RIS News, most large chain retailers now rely on wireless devices, with an average fleet of 60 per store that includes smartphones, tablets, rugged devices and peripherals. These devices are used for everything from inventory count and ordering in the back office to checking out customers and printing receipts in the cash wrap. But traditional uses such as scan-and-beep counting and mobile point of sale (mPOS) only scratch the surface of mobility’s potential in retail.

In a recent Marketing Land article, Brent Hieggelke urges retailers to “understand the seismic shift to mobile,” which he explains is significantly changing how retailers interact with customers in stores. Two recent market projections hinge on the assumption that retailers will integrate mobile technology deeply into their store operations. First, digital customer interactions will soon influence half of in-store sales, according to Deloitte. And second, “brick-and-mortar sales still command a vast majority of the market,” according to an eMarketer study.

By harnessing the power of mobility in stores, retailers can create a customer experience that is as information-rich as online shopping, but with all the benefits of brick and mortar – the social interaction, customer service and the opportunity to see, touch, try on and test. The result is an experience that is far more valuable than either online or in-store shopping alone. In turn, retailers will be rewarded with a wealth of data that is collected during digital customer interactions.

As mobile technology becomes a more central element of retailers’ operations and customer engagement strategies, business leaders will increasingly rely on IT for solutions. But to deliver on mobility’s promise, IT leaders must first establish sound management practices that will enable organizations to scale their mobile deployments as their needs grow.

As Forrester analysts state in a recent report, “MDM solutions provide a scalable infrastructure for the deployment and management of mPOS hardware and software, including new software deployment, device configuration, and device data backup.” The researchers suggest the following: “Whether device management is the responsibility of the retail store management or the responsibility of a central IT group, establish clear processes and accountability in order to keep the fleet of mobile devices ready for use.”

After the mobile fleet has been secured, retailers can then focus their IT efforts on leveraging the latest trends in mobile-enabled customer interaction. Following are five mobile trends that are enabling pioneering retailers to create customized experiences that build brand loyalty, combat showroaming and drive brick-and-mortar sales.

Pop-up Retail

Traditionally in retail, the storefront preceded ecommerce. If there was enough demand for a product locally, then it made sense to expand to an online store. Ecommerce enabled retailers to offer their products to a wider customer base without having to add new physical locations. Today many stores exist only online, a trend which some feared signaled the decline of brick-and-mortar. But pop-up shops are proving otherwise.
In a reversal of the traditional retail model, many successful online-only retailers are opening temporary physical storefronts – or pop-ups – to establish connections with their customers. Short-term leases are enabling retailers to take advantage of temporary conditions, such as seasonal sales or the location of a particular customer base.

“[Pop-ups] provide customers with an exclusive, one-of-a-kind experience and allow retailers to promote new products and expand their brand in a way that permanent stores do not,” says Jeremy Baras, CEO of PopUp Republic. PopUp Republic is a PR agency that helps retailers promote their pop-ups, primarily through social media. More than 1,000 pop-ups are listed at any given time in the agency’s online directory.

By simplifying payment, access to offsite inventory and connection with headquarters, mobile devices are making pop-ups possible for a wider variety of retailers. Whether a traditional brick-and-mortar store is exposing their brand to a new neighborhood or an online store is setting up shop in a popular destination over a holiday weekend, retailers of all kinds recognize the potential of the pop-up. Once a retailer's products have been unpacked and put on display, powering on a mobile device provides instant access to the information systems that enable smooth operations. Associates can access inventory, order more of a sold-out product, and check out customers from their mobile devices. They can print mPOS receipts with wireless mobile printers and instantly update sales records.

The pop-up shop challenges preconceived notions of the retail experience due to its short-term and experimental nature. This model is attracting the kinds of customers who expect to see mobile technology used in stores. By necessity and by their temporary nature, pop-ups are raising the bar for how mobile technology is used to enhance a retailer's operations.

**Customer-facing Technologies**

According to a 2014 Forrester report, “Succeeding with mobility will enhance customer experience, enable operational improvements and establish differentiation.” In “Infrastructure Will Drive the Retail Store Experience of the Future,” Forrester analysts assert that, “Customer delight creates loyalty, which in turn drives revenue.” The more impressive a retailer's use of technology is, the more appealing the retailer is to customers. Independent of the benefits they provide to retailers on the back end, just seeing these technologies is enough to influence customer perception and drive sales.

One of the most common mobility use cases in retail – mobile point of sale (mPOS) – has already gone mainstream. According to a report published by the U.S. Federal Reserve, 2013 mPOS purchases tripled over the previous year. The days of the cash register are dwindling as more retailers adopt mobile checkout models. When employees are equipped with mPOS devices, they can facilitate quicker checkouts and shorter lines for customers. Encrypted apps and hardware ensure retailers meet PCI compliance and keep customer payment data secure. Mobile payment is also defining the retail experience for shoppers, as Apple Pay and Google Wallet are becoming more acceptable methods of payment.

mPOS is encouraging more customers to go paperless, but wireless mobile printers ensure that customers who prefer a physical copy of their receipt won’t be discouraged by the new checkout method. With technologies such as Zebra mobile wireless printers, receipts can be wirelessly sent to an in-store printer from a mobile app installed on the retailer's mPOS device. Zebra's mobile printers can also be used for barcode labels and tickets.
For some retailers, self-checkout at mobile kiosks may be just as beneficial as equipping associates with mPOS devices. To help reduce waiting times for checkout, some retailers are enabling customers to scan items and check out at a mobile kiosk. To enable mobile self-checkout, devices are locked into kiosk or single-app mode, designed and placed throughout a retail space where customers can take care of their shopping and be on their way with their purchased items.

Other devices can be distributed throughout the retail space to share product information and enable digital interactions with the customer. Digital displays are replacing signs as the latest method of displaying up-to-date messages, offers and deals. A customer-facing camera on a mounted display can also provide more dynamic feedback than a mirror, showing a customer how a fedora fits from multiple angles or populating side-by-side product comparisons.

Mobile devices are also equipping associates with real-time information to help customers make more informed decisions. According to RIS News, “Those who take advantage of the benefits of integrating mobile capabilities into their brand experience will see increased sales and productivity of employees.”

Employees equipped with a mobile device can access real-time inventory to prevent losing a customer. For instance, if a customer is looking for a size medium, but only small and large sizes are available on the floor, an employee can locate the item in their inventory and have it shipped directly to the customer, thus securing the sale.

Employee devices can also be equipped with content and sales scripts to help prepare them for in-store sales. A mobile device can be loaded with product and customer information, which is useful for specialized and high-end retailers, where sales can vary greatly on a customer-by-customer basis.

Beacons, Geolocation and Proximity Targeting

Apple introduced iBeacons in 2013 and activated the technology across its 254 retail stores, and forward-thinking retailers began testing the technology in stores in early 2014. Beacons enable more granular location awareness that GPS alone cannot provide, meaning they offer tremendous potential to target customers with relevant, personalized and appropriately timed messages. But after more than a year, most retailers are still in the testing phase, according to Mobile Payments Today.

“The year started off with considerable hype around beacon technology and the opportunities it presents for in-store engagement,” Jordan McKee, a senior analyst with 451 Research, told Mobile Payments Today. “Pilots running the gamut from malls to retailers to sporting venues to airports were seen, although large-scale launches remain nearly nonexistent.”

Retailers are still learning how to use beacons to their customers’ and businesses’ benefit. Retailers must find ways to get consumers to opt in to receive messages from the retailer. As Brent Hieggelke writes in Marketing Land, retailers must “meet an appropriate value-to-privacy exchange.” In other words, they have to give customers a good incentive for downloading a beacon-enabled app and giving away location information.

Brand loyalists may also help spur adoption. Loyal customers or brand fans are the most likely to download a retailer’s app. Because Beacons rely on passive technology, customers with the app won’t have to take any
action to enjoy the benefits of the technology. When they’re looking at a pair of shoes, for example, a beacon located in the shoe department can recognize the customer’s proximity and push a coupon to their mobile device. Because that customer has downloaded the app, he or she gets access to exclusive deals with very little effort. Other customers are likely to take note.

According to Red Ant, Beacons provide a wealth of opportunities that will likely spur more widespread adoption in 2015. “By creating a mesh of beacons and using triangulation, shopping centers, large stores or even public spaces like museums and stadiums can start providing their visitors with the convenience of really useful information based on their immediate environment – with an accuracy measured in inches rather than feet.”

Data from a recent Swirl survey shows that North American shoppers are engaging with and acting on beacon campaigns in stores. According to the survey, 60 percent of shoppers open and engage with beacon-triggered content, and 30 percent of shoppers redeem beacon-triggered offers at the point of purchase.

As retailers uncover more creative uses of Beacons, it may be easier to communicate their value and get customers to buy into the trend.

Rugged Beyond the Scan and Beep

While many retailers are modernizing with new mobile platforms, rugged devices will still be a key element of retailers’ IT solutions in 2015. Newer, sleeker rugged devices have entered the market over the last few years, running consumer operating systems that most associates will be able to learn to use quickly. Microsoft recently released an SDK for Windows Embedded 8.1 Handheld, which runs on rugged devices but provides a Windows Phone 8.1 user interface. And Motorola’s rugged fleet includes devices that run Android and Windows.

Specialized rugged devices will remain relevant for specific applications in retail for years to come. Because they can withstand rough handling in warehouses, trucking terminals, distribution centers and during inventory control, rugged devices will continue to be essential to the retail supply chain. And because the latest models run modern operating systems, there’s no learning curve. Retailers can provide rugged users with a single device that meets hardware requirements, runs all the enterprise apps they need, and can be managed in the same manner as other mobile devices. AirWatch acquired the rugged management platform Motorola MSP in 2013 and has since integrated functionality so that rugged devices can be managed alongside smartphones, tablets and laptops.

With AirWatch® Rugged Device Management, retailers can quickly deploy a fleet of managed rugged devices, maintain a real-time view of all assets, remotely manage devices, push down applications and more.

Modernizing the Retail Infrastructure

For the modern retailer, integrated IT systems and sound network infrastructure are critical to business. Customer-facing devices and apps must be tightly integrated with back-end systems. In “Infrastructure Will Drive the Retail Store Experiences of the Future,” Forrester analysts assert that technologies can engage shoppers in experiences that will drive spending – and that back-end technologies are just as critical as those
that are customer-facing. “With the right software, inventory management can be a finely tuned practice to improve customer experience,” the analysts write.\(^3\)

The ability to integrate manufacturing, supply and sales channels can drive efficiency, satisfy customers and help ensure sales are made. For example, if a customer wants a product in a size or color that is out of stock, an order management system can provide sales associates with the ability to locate the desired product at another location, close the sale and have the product shipped to the customer.

It is also critical to ensure store networks have sufficient bandwidth to support increased traffic that comes from increased mobile use by customers and associates. Retailers can alleviate increased network load by offering a public network for customers, separate from the private, secure network employees use for mPOS and to access inventory systems.

AirWatch\(^\circledR\) partners with network management and access control providers such as Aerohive Networks and Bradford Networks. Network access control (NAC) can enhance store network security by redirecting new or unmanaged devices that attempt to join the store’s secure network to the AirWatch Agent, which requires the user to enroll in device management before proceeding. The NAC can then enforce security restrictions based on user role, device type or compliance status.

Ultimately, even the most exciting retail technologies won’t create value unless both business processes and management systems are modernized to accommodate a technology-driven model.


Additional Resources

For additional information, visit:  
www.air-watch.com/industries/retail

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