

# Why traditional POS is being threatened by NEW CUSTOMER JOURNEYS

The increasing expectations and sophistication of the in-store experience is evolving rapidly, there has been a lot of attention and effort put into this as retailers have responded to the increasing reach of online retailers. eStar's Chief Technology Officer, Matt Neale explains more.



Much of this change is being driven by the consumers, who are demanding that the same levels of access to information and immediate service they have online are available in store.

POS systems are becoming increasingly connected within the overall business system architecture, and retailers who are clinging to systems that have limited capability for integrating to other systems are finding themselves increasingly struggling to adapt to the rapidly evolving customer purchasing journeys.

This fusion of the online store with the physical is seeing the demands being placed on POS ultimately being met largely through ecommerce platforms.

Ecommerce has been designed from the outset to scale in ways POS has never had to. It provides a high level of self-service and rich information – think product reviews, full descriptions and specifications. These are generally not available instore. It also offers a much wider array of payment options.<sup>1</sup>

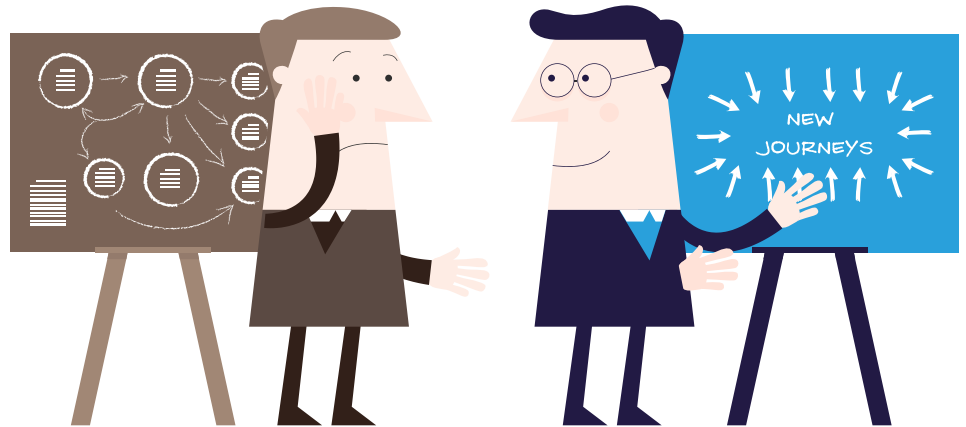
The question for retailers, now, is: “Do you need a traditional POS system?”

Traditional POS systems are expensive to deploy and maintain, and changing to a new one is a daunting project for any retailer with more than a handful of stores.

The digital store has arrived in the physical store, and ultimately the customer experiences on the shop floor are changing.

In-store sales assistants now have the opportunity to sell physical stock that they may have in their supply chain, but not in that store. An example of this is Kmart's Ship My Pants campaign. The boldly-named campaign highlights that if you can't find what you are looking for in store, a Kmart assistant will find it for you on [www.kmart.com](http://www.kmart.com) and ship it to you for free.

It's not just the use of the online store for ordering either – the availability of detailed information on products and service are being provided through kiosks and mobile devices – often the consumers' own - linking them to the



rich information held in the digital store.

With the advent of mobile checkouts, “queue busting”, and the use of the consumers' own devices, we see further steps away from what is seen as the role of traditional POS territory.

Not that long ago, there was a perception that “pureplay” online retailers had an advantage in reaching customers with information, offers and cost savings. But now the “bricks and clicks” are finding that they hold the advantage with physical presence and the tangible experiences they can create with product, service and presentation. The fusion of the digital and physical stores is a competitive advantage in the customer journey, as retailers aim to exceed the new expectations of their customers and the offerings of their competitors.

These trends can be seen in the changing architecture of store layouts. Amazon recently unveiled a grocery store, “Amazon Go” without a traditional checkout. It's a pilot for several new technologies, but the premise is not new - in store assistants are no longer constrained to being at a counter, but can provide information and complete transactions in a timely manner anywhere in store, usually through mobile devices, and usually using the ecommerce platform.

It is important for retailers to look beyond their traditional POS systems to emerging

players in this space, and for opportunities to leverage the systems they already have that can complement and extend their current offerings.

This means functionality that enables customers to order in store, to take advantage of the increasingly personalised offer that has, until recently, only been available online, to have access to their order history, and to provide a complete view of the customer to enable increased loyalty and spend through a seamless and elegant customer experience.

As the explosion of payment methods gains momentum, taking advantage of these payment types requires systems that can connect and take advantage of these - this requires either heavy investment in new POS systems or supporting devices that are capable of this, or leveraging the payment options already available in other channels within the business, which is potentially a more cost-effective and future-proof solution.

Retailers should be making themselves aware of the rapidly evolving technologies in this space, and should be looking for the strategic plays towards solutions that can converge both the online and physical experiences as customer demands drive this inevitably forward. **R**

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