

Retail Digest

A PUBLICATION OF VMWARE END-USER COMPUTING



Retail Technology Trends

How leading brands are deploying mobility and other high-tech solutions to gain competitive advantage

▶ [Go to Article](#)

mPOS. DLP. BYOD.

If these acronyms sound unfamiliar, your business is falling behind.

They are modern technologies and strategies paving the way to improved customer engagement and associate productivity.

- ▶ [mPOS replaces barcodes](#)
- ▶ [Why BYOD works for both large and small retailers](#)

Also in this issue:

▶ [Modernize Shopping Experiences with Analytics and Beacons](#)

▶ [Data Security: Protecting Retail Data Beyond the Transaction](#)

▶ [In a Sales Associate's Hand, Mobile Is a Powerful Tool](#)



Retail Technology Trends

How leading brands are deploying mobility and other high-tech solutions to gain competitive advantage

What's hot? What's coming next? A prevailing tendency or inclination, a trend can develop over weeks, months, and even years. As a retail leader, you, perhaps better than any of your peers across industries, understand the competitive advantage brands can gain from recognizing and embracing trends early while minimizing planning and operational risks to the business.

In this inaugural edition of Retail Digest, VMware focuses on the key trends experts are talking about in retail technology:

- How **analytics and beacons** are modernizing shopping experiences
- Why **mobile Point of Sale (mPOS)** systems are growing in popularity
- The mounting pressure and mobile security **response to protecting consumer data**
- How **mobility is empowering** associates worldwide
- Ways **bring your own device (BYOD)** initiatives impact the bottom line

The good news is that you don't need to invest in every technology trend at once, but retail experts advise brands to make some advancement across every area to stay ahead of competitors and significantly move the needle in a positive direction. ■



Retail experts advise brands to **make some advancement across every area to stay ahead of competitors and significantly move the needle in a positive direction.**

Modernize Shopping Experiences with Analytics and Beacons

- **Streamline checkout with mobile Point of Sale (mPOS) systems.** Why make customers line up at the cash register when there are so many easy and inexpensive ways to accept payment from the floor? There's an unexpected advantage to this approach: several smaller transactions don't have the 'ouch' factor that a monster bill at checkout does. Checkout can be as simple as a Square card reader and a smartphone, or a tablet connected to the POS system. Just be sure that wireless connections are properly secured, to avoid making headlines as the next major retailer to suffer a data breach.
- **Follow up regularly.** Retailers who claim significant share-of-wallet don't end relationships when customers leave the store or ecommerce site. They say thank you. They send relevant offers at appropriate intervals. They sometimes send customer satisfaction surveys to make sure purchases and the purchasing experience are satisfactory. And if ratings are poor, they fix problems—and make sure customers understand feedback is appreciated and acted on quickly. Rapid response and resolution to customer concerns earns major bonus points. Be sure your business conducts regular follow up.

Small efforts to modernize shopping experiences have proven to yield big rewards. What is your organization doing to modernize your retail operations? ■



Data Security: Protecting Retail Data Beyond the Transaction

Many businesses are increasingly under pressure from both consumers and regulatory agencies to build security programs that effectively protect customer data. Retail is no exception. In fact, customer data theft has become as important an issue as merchandise theft for the retail industry. According to a recent Verizon report, retail accounts for 1-in-13 data breach incidents. Data theft committed against retailers draws considerable attention, as retail stores are big names that consumers know and the places they often shop.

Moreover, new regulations and mandates now require retailers to stay up to date with the latest PCI and compliance requirements. The new 2015 EMV compliance mandate, for example, requires U.S. merchants to maintain full software and hardware upgrades,

strengthening the fight against data breaches. Given that a security breach costs organizations an average \$5.9 million in 2014, taking preventive measures is a necessity. As pressure to stay compliant mounts, you aren't alone if you are struggling to find resources, time, and management to meet—and even exceed—requirements.

“Only 28 percent of consumers are loyal to their providers and brands, and only 31 percent are willing to recommend those providers and brands to others.”

– How Digital Improves Customer Experience, an Accenture report

[ARTICLE CONTINUES ON PAGE 5](#) ►

Data Security: Protecting Retail Data Beyond the Transaction

Securing Retail Mobility from End to End

Because reputation is top of mind as you fight for market share and a more loyal customer base, security is a paramount consideration in rolling out mobile solutions—security for not just some, but all of the devices, applications, and content you plan to deploy. Your mobile security strategy can only be successful if you start with day-zero accountability that keeps customers coming back.

Right now, mobile deployment choices may seem endless because mobile solutions can be effective across the organization—corporate-owned devices and employee-owned devices enable customers and associates to access corporate data, email, customer information, analytics, product information, and so much more, anytime, anywhere. Yet increased access to content and information means greater responsibility for you, the retailer, to secure devices and user actions.

Investing in Mobile Security Management Solutions

Mobile security management products included in solutions such as VMware AirWatch® help protect customer

information and prevent data loss, reducing the risk of data breaches across devices and platforms while enabling retailers to meet compliance regulations and maintain operating best practices.

Mobile security management solutions secure mobile fleets through

- Data centralization
- Data loss prevention (DLP) policies
- Encryption
- Remote device wipe

As you develop your mobile strategy, ask yourself and your team: How are we enabling end-to-end security of customer, company, and employee information? Do we have an extra layer of protection for all mobile devices, helping us to secure critical information and applications? Are we enabling real-time device and compliance monitoring to ensure devices and data are locked-down and secure at all times from anywhere?

Whether you are looking for basic device security, automated compliance, advanced security, or next-generation security from the device to the data center, safeguarding your mobile deployment from end to end is critical in today's retail environment. Your customer data and brand reputation depend on it. ■

Retail Digest is published by VMware.

Nineteen-of-the-top-20 U.S. retailers use industry-leading VMware cloud infrastructure and business mobility solutions to gain a competitive advantage.

Visit <http://www.vmware.com/industry/retail/overview.html> to learn how your stores and associates can benefit.

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Item No: VWM-RD-RETAILDIGESTVOLI-20160602-WEB



News Flash: mPOS is the New Barcode

Although it's difficult to remember a time when we didn't have them, barcodes only gained widespread popularity about 30 years ago—and after some stiff resistance. Since then, barcodes reached 80–90 percent adoption among the Fortune 500 in 2004, accelerating checkout lines and providing powerful market data across the entire retail industry.

“The retail industry is undergoing a similarly historic change today,” believes Ed Durbin, director of strategic accounts for retail solutions at VMware AirWatch. “Mobile Point of Sale (mPOS) is quickly becoming the new barcode; it's transforming in-store shopping experiences and keeping retailers up with changing consumer expectations.”

Industry Disruption

Top retailers are deploying mobility, particularly mPOS solutions, in different ways to enhance customer-facing experiences and improve operations across the board, enabling

- Corporate retail associates to securely access company email and assets from a managed device to work more productively on the go, collaborate on projects, and make top-level decisions
- Executives to push settings and content to mobile devices at retail locations, educating employees about products and offers, as well as ensuring PCI compliance while associates conduct mPOS transactions
- Brands to send employees out into the field with mobile devices to securely access customer information for in-home services or product deliveries


Looking Ahead

Mobility is increasingly saturating entire retail organizations—from corporate-level devices and shared devices in stores to rugged devices for distribution centers and workers in the field. It's mPOS, though, that is thought to be heading toward unprecedented adoption levels soon and become the standard for how products are scanned in store.

In a National Retail Federation study a few years ago, speed was among the top consumer complaints. Consumers asked, “Why does it take so long for me to give you my money?”

The barcode solved that problem years ago, unspooling checkout processes from taking stock to simply scanning a product. mPOS is revolutionizing retail now. When customers can check out online in a matter of clicks, whenever they want, how can brands justify not providing the same fast experience in stores? With mPOS, the savviest retailers are eliminating long lines and wait times by equipping every in-store employee with a secure, mobile register.

So long, barcodes. Hello, mPOS. ■



A manager may want to message an associate that an approaching customer—the one in the blue coat—bought \$3,000 worth of merchandise two days ago. Motivated by this information, an associate can get ready to sell more.

In a Sales Associate's Hand, Mobile Is a Powerful Tool

It's almost impossible to exaggerate the power of mobility in the hands of retail sales associates. Mobile devices can deliver historical and future inventory data instantly, provide limitless demos and brochures, be used to check-out shoppers in a crowded store aisle, effortlessly connect a sales associate with a customer or a store manager, and so much more.

Mobile Empowers Associates, Managers, and Shoppers

In the context of today's retail environment, imagine if someone put a mobile device in the hands of your sales associates, in the hands of your store management, and in the hands of your customers:

- **Sales associates and managers** – Store managers message associates, flagging special situations. For example, a manager may have just learned that tomorrow's shipment of ultra-popular turquoise shoes isn't happening. The four pairs in stock are all there are until after the holidays. When associates are immediately made

aware of critical inventory levels, they can redirect customers to other merchandise. Additionally, a manager may want to message an associate that an approaching customer—the one in the blue coat—bought \$3,000 worth of merchandise two days ago. Motivated by this information, an associate can get ready to sell more.

- **Shoppers** – For customers, mobile devices can be just as powerful. Imagine shoppers being able to broadcast a call for help to a nearby associate: "I'm in aisle three and I have questions about a dress. Can anyone assist me?" That same motivated associate can move in immediately.

Mobile Is Great, but Not Magic

As powerful as that mobile device is, it's not a magic wand that can transform 8 associates into 28 associates. For example, a dressing room that can beam a "please come help me" message to an associate's mobile device isn't going to do much good if the nearest associate is busy with another

[ARTICLE CONTINUES ON PAGE 9](#) ►



Why “All In” on BYOD Is the Ideal Strategy for Retailers

A recent study found that rather than break or lose their mobile phone, 1-in-3 (34 percent) U.S. adults would prefer to lose other important items, including their bed, keys, and even friends. In fact, 27 percent of respondents admitted they would cry if they lost their phone. This level of interest in safeguarding personal mobile devices may help explain why some big retail brands are choosing an “all-in” strategy when it comes to employees bringing their own devices (BYOD) to work.

A few holiday seasons ago, more than half of consumers felt more informed about inventory data accessed via their mobile devices than the information coming from store associates. That was bad news for retail managers trying to influence buying decisions. But it also may have been the wake-up call retailers needed as the industry searches for ways to increase revenues. After all, the number of visits to retail stores has plummeted by 50 percent since 2010.

BYOD Costs and Productivity Benefits

The cost savings and increased productivity benefits of BYOD in the retail industry and across all business sectors have been widely publicized. Organizations embracing BYOD don't pay for devices or applications that users already have—or won't use. Employers also don't have to carry the extra costs associated with employee voice and data plans. These savings can equate to thousands of dollars per employee per year.

On the productivity side, connected employees can use their personal devices to gain extra minutes to accomplish work tasks the moment they receive them. The Financial Impact of BYOD study found that the average BYOD user saves 37 minutes per week, thanks to using his or her own device. U.S. BYOD users ranked highest on that scale, with an average 81 minutes saved per week.

For retailers with a large numbers of associates, the regained minutes can quickly

[ARTICLE CONTINUES ON PAGE 9](#) ►

[CONTINUED FROM PAGE 8](#)

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add up, translating into improved customer service that results in increased sales.

Think You Have Too Many Associates for BYOD? Think Again

At Retail’s Big Show 2016, hosted annually by the National Retail Association, retailers looking to embrace BYOD reported their interests were primarily in reducing operational expenses and increasing associate productivity to enhance customer experiences. One retailer in particular was already “all in” on BYOD.

The big-box retailer supports 80,000 BYOD devices with the VMware Secure Digital Workspace for Retail. The company’s BYOD program helps make personal and work data accessible anytime and anywhere within the store.

The retailer securely pushes internal and public apps to associates’ BYO devices from the secure data center. Employees access internal applications, such as digital look books, scheduling, and inventory. At the same time, associates can quickly pull email, collaborate through internal social links, and access real-time product and promotional updates when they need them. Identity management and access-policy enforcement capabilities ensure information remains protected.

And what happens if an associate’s device is lost or stolen? IT managers use enterprise mobility management capabilities in the secure workspace solution to wipe corporate data from the device. The employee can also use the self-service portal to wipe the entire device, if they choose. These tactics help ensure sensitive information remains protected.

If you were experiencing higher associate productivity and lower costs from BYOD, what other initiatives could you prioritize and begin? ■

[CONTINUED FROM PAGE 7](#)

In a Sales Associate’s Hand, Mobile Is a Powerful Tool

customer. Mobile devices help sales associates do their jobs far better, with greater efficiency and accuracy, but staffing levels should also be taken into consideration for optimal customer service. That said, a mobile device in the hands of a sales associate has the potential to provide the best sales tool possible.

Finding Items That Are Hidden

If the store has attached RFID tags to merchandise, then an associate can find a product when it’s misplaced. An RFID sweep will even locate an item that has fallen behind a display case. That product locator is especially critical in low-inventory situations.

Consider the following: A customer wants the green gloves in her size, but there appear to be none in the case. And yet, store inventory says that there should be one pair remaining. Beyond the item having been misplaced or hidden (or, for that matter, stolen), there’s the commonplace scenario that it’s right now in the cart of another customer, possibly waiting in the checkout lane. That mobile scan can save both an associate and customer a lot of headache.

Closing the Sale

Used properly and creatively, smartphones and tablets today open up a world of capabilities. They can reveal the whereabouts of every single SKU, ensure all associates are more informed, and empower every shopper. ■