

vend

UK retail eBook 2017

# The UK Retailer's Guide to Technology:

7 Trends Making Waves on the High Street



# Introduction

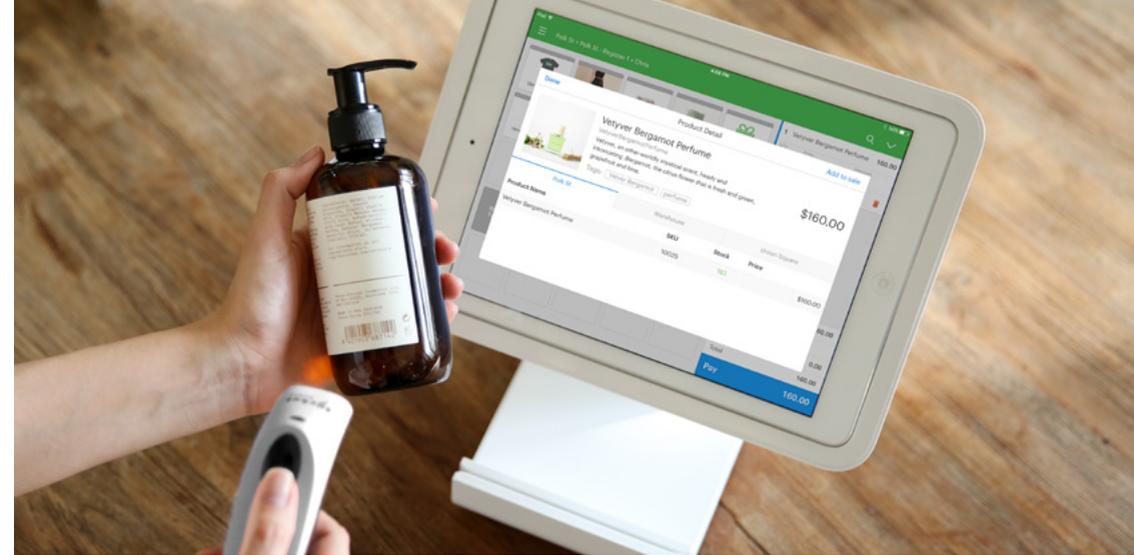
Visions of a sci-fi future in which we spend our days plugged into virtual reality haven't yet come to pass, but 2017 may be considered the year we erased the boundaries between digital and physical — at least when it comes to retail.

Smartphones have given us 24/7 access to the digital world, and consumers are hooked — particularly in the UK, where [eMarketer predicts](#) that 38% of retail ecommerce sales will take place on a mobile device by 2018.

As mobile's market share grows, the distinction between purchasing something in person on the high street versus ordering it on a smartphone is blurring. If a consumer falls in love with a dress at a shop but can't find it in her size, she can order it online while still in the dressing room. A commuter who notices a new book release while scrolling through social media can order it with one click and pick it up at the local bookstore at lunch.

Evolving technology and ecommerce trends present undeniable challenges to high-street merchants — but they're also an unprecedented chance for savvy retailers to transform the standard customer experience and to stand out from the competition.

We asked retail experts to help us break down the trends that demonstrate just how interconnected the world of commerce has become. You'll find their insights sprinkled throughout this guide, along with practical actions high-street retailers can take to keep up with changing technology and consumer expectations.



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# 01

## Connected Commerce



**Malcolm Pinkerton, Vice President,**  
eCommerce & Digital Insights, Kantar Retail

“As consumers have been channel- and device-agnostic for some time, expectations for consistent, coherent content across all touchpoints is a given. In 2017, we’ll see more enhanced “big data analytics” to make this happen, and we’ll also see retail moving towards the utopia of providing tailored, relevant, and personalised content that’s device-, touchpoint-, and channel-appropriate.

In recent years, retailers have had to reinvent their stores to establish connected, distinctive experiences. 2017 will see retailers continue to build solutions around the technology consumers already own (namely mobile), blending it with in-store technology (such as next-generation iBeacons) to provide customers with the best of the online and offline worlds.

So 2017 will continue to see advancement in frictionless, seamless, digitally enabled shopping experiences that are easy and interactive. The convergence of channels, touchpoints, and devices will continue to grow and evolve the retail landscape from omnichannel into a singular shopping experience. But amongst all the hype of trends and technology, it has to be remembered that, to the consumer, it’s just shopping.”

**Retailers need to understand that most consumers don’t differentiate between the ways they shop; they just see it all as “shopping”.** Shoppers want to be able to order groceries on their desktops and pick them up at the store, pay for gifts in-store and have them shipped to their homes, and use their smartphones to purchase digital add-ons to physical products.

In other words: retailers need to create experiences so frictionless that their customers never even think about how they’re happening.

High-street retailers must stop thinking of their physical stores and online presences as separate and start embracing a seamless omnichannel experience. This includes implementing solutions like integrated inventory management to sync product levels across all channels, as well as troubleshooting the journey to ensure every step is smooth.

This seamless experience needs to extend to customer service, too. Companies like white goods e-tailer AO.com are going digital here, giving customers the tools to support themselves across multiple channels. Their philosophy? The company shouldn’t have to provide any customer service; the customer’s journey should go smoothly to begin with.

# 02

## Fintech



**Gary Turner, Co-Founder and Managing Director,**  
Xero

“As the majority of millennials are glued to their phones, a business’s mobility has a huge influence on how millennials spend, whether they’re purchasing online or in-person. At nearly every touchpoint, mobile plays a key part.

Improvements in fintech have seen a proliferation of contactless payment options in-store, with the UK Cards Association reporting that shoppers spent £2.32 billion last year using contactless payments — and these numbers are only growing. For this reason, and because the popularity of mobile use is increasing, retailers need to embrace the move to a more seamless payment experience.”

[Payments UK reported](#) that cashless payments took 52% of the UK market share in 2014 and predicted that cash payments would make up only 34% of purchases by 2024. This includes ‘old’ standbys like debit, credit, and person-to-person transfers (such as Paypal), as well as a new option: contactless payment via mobile wallets and ‘tap-and-pay’ cards.



Mobile wallets like those from Apple, Android, and Samsung have been catching on globally. Taiwan-based analyst firm TrendForce [predicted that users would spend \\$620 billion USD in 2016](#), and Visa Europe said [mobile payments will hit over £1.2 billion per week by 2020](#).

This helps explain why so many retailers are hopping on board. Convenience retail chain McColl’s has rolled out contactless payments in its 1,366 stores, and Sainsbury’s is offering the option in select locations. Customers at womenswear e-tailer Finery can now purchase items through Klarna’s eCommerce platform simply by entering emails and postcodes.

This is good news for high street. Mobile payments can increase speed in checkout queues, which can provide a better experience for shoppers and even encourage them to stay and spend when they might otherwise be put off by long wait times.

Mobile wallets can also connect offers, coupons, and loyalty programs — which, in addition to providing more convenience for consumers, are powerful sources of real-time insights to help retailers optimise their businesses.

# 03

## Data and Analytics

Data and analytics are well-known in the world of ecommerce, but newer technologies such as people counters and in-store analytics are helping brick and mortar shops reach that same level of insight.

In the past, brick and mortar merchants have used operations-driven methods like doorway counters and transactional data from point of sale systems to understand customer habits. Now, indoor location technology is giving them a more complete picture.

New technology (such as Walkbase) uses a WiFi-based system to ping WiFi-enabled devices (your customers' smartphones) as they move throughout the store. This anonymous data is then analyzed to identify patterns in consumer behaviour.

Savvy retailers can use this information to test store layouts and merchandising arrangements. Do most customers turn to the left immediately after entering? Is the northeast corner a "no-man's land"? Use these insights to improve foot traffic and to showcase your products.

Data and analytics can also help retailers spot bottlenecks and troubleshoot pain points, allowing them to anticipate problems and create a more pleasant experience. For instance: if you notice that the percentage of browsers who leave without purchasing increases during busy hours, you might consider increasing staff and finding ways to reduce queues.

Here's more good news: pushback against the use of data and analytics because of privacy concerns is starting to wane, particularly among younger shoppers who are more comfortable sharing personal details. That said, it's important to understand the fine line between providing a comfortable, customised experience and overstepping boundaries.



# 04

## Retail Security and Loss-Prevention Solutions

**Attacks on big businesses like Tesco Bank and Starwood Hotels make the news**, but small and medium retailers are often at even greater risk. During 2015's Black Friday/Cyber Monday push, [POS malware detection volume grew 66%](#), due in part to hackers who targeted as many businesses as possible to increase their odds of success.

With more devices than ever connected to the Internet of Things and high street retailers' increased reliance on mobile technologies for everything from product displays to checking out customers, a system crash could be devastating to business.

Data breaches of retailer websites and POS systems are also a huge concern for both retailers and customers. Recent high-profile breaches have shaken consumer confidence, while [new research from Tripwire](#) shows that retailers are overconfident in their ability to detect these breaches. This means retailers are vulnerable — so they need to reassure consumers that they're doing everything possible to prevent breaches.

This includes implementing breach-detection tools like anti-virus software, intrusion detection systems, malware detection, white listing, and file-integrity monitoring software. Tripwire noted that in both their 2014 and 2016 surveys, 59% of respondents admitted their breach detection tools were only partially or marginally implemented — meaning that despite the increased risks over recent years, adoption of new security measures has remained flat.

Then there's old-fashioned human theft, both by shoplifters and employees. Video cameras are a classic approach to loss prevention by theft, though their role has mainly been to identify thieves after the fact or to scare thieves off with their presence. In-person monitoring of video feeds and in-person security guards are effective but often prohibitively expensive.

Fortunately, video analytics and better surveillance technologies are helping retailers of all sizes up their security games. An advanced video surveillance system can monitor the in-store movements of customers and staff, while analytics programs detect patterns and alert the security team to suspicious behaviour — such as someone lurking near a certain display or an employee going to a part of the store he or she doesn't need to be in.

The improved quality of the video also means greater success in identifying, finding, and prosecuting shoplifters.

Some retailers (like menswear brand Gieves & Hawkes) are even beginning to experiment with RFID technology. By tagging each item and implementing overhead readers that are invisible to customers, the retailer can monitor items within the store while also getting a clearer view of inventory. It's a win-win.

# 05

## Shoppable Content



**Malcolm Pinkerton, Vice President,**  
eCommerce & Digital Insights, Kantar Retail

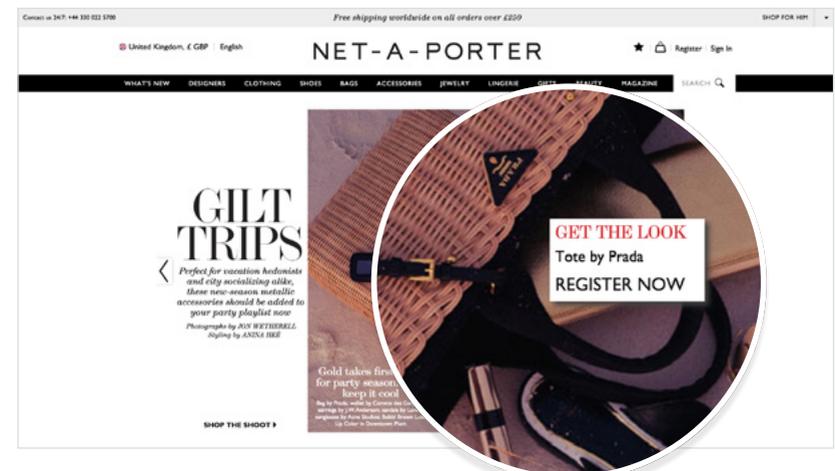
“With consumers looking to retailers to make their experiences unique, shoppable content is likely to be a hot topic in 2017. Personalising shoppers’ journeys through social commerce such as Pinterest ‘buy buttons’ and direct links on Instagram and Twitter will be a key objective for many retailers — especially in fashion. This is in part due to millennials, who are entering their prime spending years. Enabling these shoppers to buy directly from where they spend a great deal of time will satisfy their instant gratification needs and cater to their lifestyles while making the purchase frictionless, easy, and enjoyable.”

Retailers have been combining publishing and commerce in the digital space for years, using editorial-style blog content and social media to connect with consumers. As this practice becomes more sophisticated, retailers are realising that their content can’t just attract and entertain customers. It needs to convert.

Enter a new phenomenon: shoppable content.

Shoppable content seamlessly integrates purchasing and browsing. Just as a shopper in a boutique can pick up a new shade of lipstick, shoppable content allows consumers to add items to their virtual shopping carts without interrupting the content they’re experiencing.

So what makes shoppable content different from traditional content, which would presumably still link to the item for sale? Ecommerce plug-ins allow for unobtrusive pop-ups or light boxes which let shoppers choose item quantity, size, or colour without leaving the content they’re currently viewing or reading. This frictionless process allows customers to save their places without having to jump through hoops or open links as new windows.



Companies like Net-a-Porter are making lookbooks, catalogs, and style guides shoppable by incorporating clickable markers allowing customers to add items to their carts. Even YouTube videos can be made shoppable, with unobtrusive sliders directing customers to links for the featured products. Fashion brand Ted Baker has even teamed up with *Lock, Stock and Two Smoking Barrels* director Guy Ritchie to create a three-minute shoppable espionage film to highlight the company's 2016 autumn/winter collection.

Blog posts, newsletters, gift guides, and editorials are examples of text-based shoppable content, in which links can be embedded in the text or accompanying images. Social media platforms — which have the added benefit of letting consumers instantly share purchases with friends — are getting involved as well, letting users pin, post, tweet, and shop.

The bottom line? The fewer steps there are between seeing a product and adding it to the cart, the more likely a consumer is to buy — and that's why retailers should keep shoppable content on their radar.

# 06

## Retail Management Solutions



**Clare Bailey (formerly Rayner), Managing Director,**  
Mobar Retail

“It’s my opinion that in recent years, retail technology has been far too focused on the consumer — mobile marketing, location-based marketing, proximity marketing, apps, mobile commerce, social media, channel development. This is all very exciting, but the store, which still services the vast majority of sales, has become somewhat overlooked in the frenzy to ‘go digital.’

Of course, technology that engages and inspires the customer is great, but retailers also need tech that supports efficient and effective operations, increasing profitability and enhancing the customer experience.

I believe that savvy retailers now need to be looking at how to leverage technology to better support their network of stores. By utilising systems that improve the communication flow between stores and head office, retailers can get far greater insights into the issues and barriers to operational excellence. With real-time dashboards giving a snapshot view of the state of the chain and

reporting that analyses the root causes of recurring issues, retailers can more effectively support their stores, quickly eliminating the problems that constantly tie up managers and staff.

For the past year, I've been working with Mobar, a technology company that helps thousands of stores to be better-connected to their respective head office support teams. I've seen firsthand how much more motivated and empowered store teams feel when they have the ability to communicate concerns and to see actions being put in place to eliminate problems once and for all.

So what should retailers do to stay competitive? They should remember the frontline staff — the people delivering the brand experience day-in and day-out. By utilising technology to better appreciate what's really happening out in stores, retailers can protect and improve that all-important customer experience, which in a challenging market is the cornerstone to long-term customer loyalty.”

In addition to being incompatible with many new technologies and lacking the agility retailers need to provide seamless experiences, older POS systems can often be barriers to implementing new services.

Fortunately, the same innovations that drive these new complexities are putting more powerful tools than ever at retailers' fingertips.

Today's retail management systems change the game when it comes to maintaining a competitive edge: cloud-based point of sale systems combine POS with inventory management, reporting, and customer loyalty, bringing them together into a single view.



It's not just the functionalities of newer retail management systems that are changing the way high street does business; advances in cloud computing and hardware are reshaping the in-store landscape. Mobile technologies untether cashiers from behind the counter, allowing retailers to offer more flexible checkout and assisted selling. Tablets that connect to cloud-based inventory management systems and other mobile technologies are also enabling employees to do their jobs more easily.

Want to connect with your customer online and off? A mobile CRM lets in-store staff collect personal details from customers — email addresses, birthdays, etc. — which you can use to develop relationships after the sale. For London fashion retailer Number Six, the key is getting staff to interact with customers one-on-one so handing over personal details becomes part of the personalised shopping experience.

Retailers can save even more time by automating functions. Automatic reordering of inventory keeps you from having excess capital tied up in overstock or missing out on sales due to items being out-of-stock. Daily reports show the store's pulse at a glance, putting more information — and greater decision-making power — into your hands. Staff management functions can even help guide hiring and scheduling decisions.

# 07

## Fulfillment tech



Lyndsay King, Founder,  
SaveTheHighStreet.org

“Online to local shopping represents a huge and largely underutilised opportunity for all local shops. Consumers are spending more and more time discovering and researching products online — and often these consumers would still like to fulfill locally. Ensuring your in-stock products are discoverable online and available for click-and-collect and even one-hour delivery can prove to be a game changer for the brick and mortar high street.

SaveTheHighStreet.org has found that local shops adopting modern, open EPOS (electronic point of sale) systems are seeing increasing value over time. A new generation of EPOS enable local shops to easily access and benefit from lots of third-party services who have integrated with the EPOS and are now some of the most critical and increasingly popular technologies for the local shopkeeper. Best-in-class accounting (e.g. Xero), loyalty (e.g. LoyalZoo), email marketing (e.g. MailChimp), local marketing and fulfillment (e.g. PocketHighStreet) technologies are adding value to local shops.

Customer expectations are higher than ever as so much of their time, money, and lives is being spent online. For the high street to thrive, we must find ways to merge the strengths of local and digital commerce. SaveTheHighStreet.org is on a mission to make sure that we accelerate towards a stronger, better-connected, digitally enabled high street.”

**The last trend blurring the line between physical and digital is the evolution of fulfillment technology**, which allows high street retailers to reach the huge number of shoppers who research and discover products online but still prefer to buy locally. Click-and-collect offers shoppers the convenience of searching for items without visiting shops and possibly finding those items out-of-stock. No lines, no searches, no hassle — simply click, and collect.

Click-and-collect is especially popular in the UK, where currently 35% of online shoppers have used the service compared to 13% in the US and 5% in Germany, [according to Planet Retail](#). Planet Retail expects the UK figure to jump to 76% within the next three years.

The desire for convenience and speed is the biggest driver of fulfillment trends. [According to a 2016 survey by DigitasLBi](#), 15.4% of UK consumers expect delivery within one day of ordering online — and that number is expected to grow. Fortunately, delivery apps and local courier services are making same-day delivery a reality for even the smallest shops.

As this type of shopping increases, high street retailers need to be thinking of possible upselling opportunities — both at the original place of sale (whether on a desktop or in a mobile app) and when a customer picks up his order.

The important thing to remember is that customers expect a seamless experience, no matter which channel they're using. Whether digitally or in-store, the customer experience needs to be consistent. Retailers who want to take advantage of new fulfillment technologies need to streamline their processes rather than simply adding a new service onto legacy ways of doing business. If click-and-collect purchases are held up by back-office communication problems or if speedy deliveries are delayed by clunky fulfillment systems, brands will fall short of consumer expectations.

Fulfillment technology is also opening up new markets, even for the smallest high street shops. Programs such as Fulfillment by Amazon (FBA) and eBay's Global Shipping Program allow brands to serve overseas markets, as does listing directly on those and other international marketplaces.

# 08

## Conclusion

**The merging of our physical and digital spaces will only continue as technologies evolve.** Mobile and ecommerce have altered the high street landscape dramatically in the past few years — and it's impossible to predict what it'll look like even in another five. Advances in virtual reality and other immersive technologies are just around the corner, and retailers who want to stand out need to lay the groundwork now in order to stay agile.

The good news is that you have more opportunities than ever to stand out. While it can seem as though retail is changing at a breakneck pace, consumers are still looking for exceptional customer service and frictionless interactions with your brand. Keep that in mind.

What does this mean for your business?

Look to your customers as your touchstone when navigating retail trends. Will adopting a new technology or process better their experience? Will it help you meet their needs more fully? Asking yourself these questions will keep your brand from falling prey to gimmicks and ensure you're investing in the trends that'll set you up for success — both now and further down the road.

# About Vend

Vend is a cloud-based retail software platform that enables retailers to accept payments, manage their inventories, reward customer loyalty and garner insights into their business in real time. Vend is simple to set up, works with a wide range of point of sale devices and operates on any web-capable device with a browser.

Whether it's simplifying the inventory process, cutting 30 minutes from their end-of-day bookkeeping or making it simpler for them to sell their products on multiple channels, Vend's mission is to make retailers' lives easier.

With Vend, retailers are able to focus less on transaction and inventory concerns and more on creating that relationship with their customers. Vend aims to empower merchants by putting the right data and tools into retailers' hands and enabling them to do things themselves – and succeed.



Run the world's best retail.

[www.vendhq.com](http://www.vendhq.com)