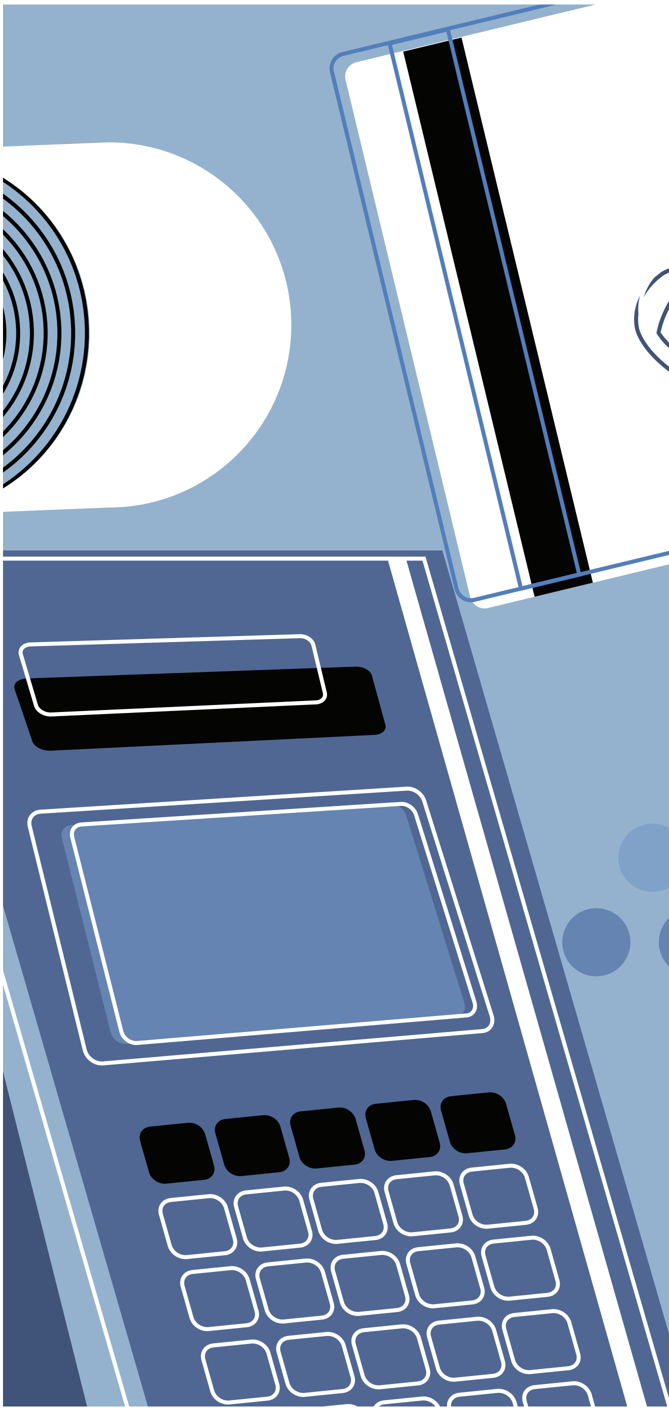
Becoming the norm

Self-service checkouts in food stores are becoming increasingly commonplace and are expected to account for as much as a quarter of all checkout lanes in grocery outlets within the next two to three years, according to NCR. Glynn Davis reports

This growth is indicative of what is happening across the whole self-service landscape – that encompasses information-only kiosks to full-payment checkouts terminals – as they are now starting to appear in retailers of all types, beyond just food. Dave Kuhn, industry leader for NCR retail solutions in EMEA, suggests a "beachhead" has been created in food retail, whereby 25 per cent of all checkout lanes will be self-service within three years, and that other retail areas such as DIY and fashion are now looking at introducing such technology.

Regardless of the total number of lanes in a supermarket, Kuhn says the average quantity of self-service lanes is four but he adds that this is being upped to between eight and 12 with some retailers starting to implement "blended lanes" with various devices used. "If the customer has two or three items then a small footprint device can be used while a whole trolley could be scanned on a (device with a) conveyor belt."

He also expects a variety of devices, with different capabilities to that of self-service checkouts, to appear in the marketplace such as informational kiosks to help shoppers find products, gift card kiosks, devices for the self-return of products, and pre-ordering kiosks within hospitality environments to reduce queuing times.



Learning process

Reducing queues is one of the key drivers of self-service technologies for retailers, along with cutting costs through creating less of a need for labour at the checkout. For many retailers the idea is to deploy these assistants elsewhere in the store, in more value-added roles, such as improving customer service. However, it is still expected that they will assist shoppers with using new self-service technologies as customer interaction with the devices remains one of the key challenges to introducing such tools into stores. "We have human behaviour specialists working on inter-operability because, although we can see how to reduce queues by adding extra lanes, the way people put their payment cards in the checkouts and their arm movements can also save time," says Kuhn.

Chris Osborne, retail innovations team leader at IBM UK, agrees. "The biggest challenge is not the technology but the communications to the consumer. The worst thing is to spend money (on the technology) and then nobody uses it. There has been a lot more learning on usability and we have business partners, who are experts on this, who do our front-end interfaces."

Taking what is likely to be a complex set of processes and making them simple and intuitive for consumers is essential if self-service technologies are to develop and achieve greater levels of adoption in the retail industry. What has been helping this process is the ever-greater use of the internet, which ensures that a web interface on a self-service device will look familiar to the majority of people.

The type of interface used – and its complexity – is largely determined by the type of device implemented. Osborne says this will be affected by decisions such as whether retailers want to wholly replicate their online presence on their in-store devices or to strip out the payments component.

Although the transactional element requires only marginal

additional complexity in terms of hardware and software, since it simply plugs into the store's existing EPoS system, Osborne says the big issue can be over whether the actual payment belongs to the store or to the online division. "The trick is to combine the online with the stores so (it is recommended to) use an e-commerce back-end but when the payment is taken then do it through the relevant store. You need to scope the transaction information from the multi-channel application and then pump it into the PoS system," explains Osborne.

He says this is an example of how multi-channel is proving to be an increasingly important driver of self-service technologies in-store and predicts the cross-over between the online channel and the stores will lead to loyalty schemes being linked to kiosks. "By swiping the loyalty card at the kiosk retailers could then see what a customer has bought in the past and offer them printed promotional vouchers. This will follow the same principle as on the web where the customer experience is tailored to the individual," he comments.

Osborne also forecasts that kiosks will not only continue to give shoppers swathes of visual information but will also provide them with the capability to connect to call centres. "A lot of retailers are thinking about putting a button on the screen linked to a call centre so customers can click-through for an answer."

Although such capabilities put yet more responsibility on consumers to service themselves in-store, Paul Makin, sales director at K3, believes that there will still be plenty of opportunity for assisted-sale devices where the customer goes through the ordering process buy a member of staff uses the technology. So whereas the ordering screens would have in the past faced away from the customer they now face them and the display also includes related items so the retailer is able to generate sales uplifts through cross-selling.

Makin also expects plenty of implementations of devices that are self-service but do not take the customer all the way through to the final transaction. Instead they order their goods through the screen and then pick them up from a collection point where they then make the payment.

K3 is in the process of developing such solutions for nursery supplier Kiddicare and bedding specialist Dreams, which will help them offer a much greater range of products than can be fitted into their smaller stores. Makin says that his company has also been speaking with mobile phone retailers about implementing kiosks for customers to use when the stores are busy, which would allow them to "register" a transaction before completing it with the sales assistant. "People still want a final confirmation to verify certain features and to also feel the weight of an actual handset when the batteries are included (because the demo units are a different weight) before they actually buy."

With so many variations of self-service (and assisted-sales) technologies on the market, it comes as no great surprise that Makin says there is a lot interest being shown in this part of the market and that such devices are on the secondary requirements lists of many retailers. But with the inevitable reduction in the costs of such technology, and its increased support by service providers, we can expect self-service to quickly move on to retailers' primary requirements lists.