Is IoT a Reality for Retail Today?

The Internet of Things (IoT) is generating much buzz in consumer circles – but is it a reality for retailers today? At its core, the IoT is a network of connected devices sharing data to increase efficiency. This includes optimising and automating (where possible) your decision making, workflows, queues, staffing, and inventory management processes – as the means for increasing conversion in your retail shops.

IoT is within reach for retailers but requires a proper technological foundation. Three key components to your connected strategy include a converged platform, business intelligence, and smart devices.

Converged Platform

The base for IoT is a converged platform like Retail Pro® retail management software. It connects the data from all your devices and retail tools – like mPOS, eCommerce, integrations to Amazon and other digital marketplaces, shipping tools, loyalty applications, etc. – in one platform. A converged platform allows information-sharing between devices, giving you a complete picture of customer and operational activity across channels and enabling process automation.

Business Intelligence

Once you have a converged platform that unifies all your data, you will need business intelligence software to help you make sense of the data chaos you will generate from your connected devices. Having a plan for data analysis is critical, as "90% of the data generated by smart-connected devices is never analyzed or used for anything, and 60% of it begins to lose value just milliseconds after it is generated," according to IBM. Devices are not inherently smart and data is not inherently useful – it still takes the human mind coupled with business intelligence

software to direct device placement in your shops and to drive operations optimisation and conversion.

Smart Devices

The IoT devices you select for your strategy will depend on what you want to accomplish for your shops. Here are 3 basics used in retail today:

RFID for inventory accuracy and customer engagement in-stores: American Apparel uses item-level RFID for inventory management with Retail Pro, running daily reports to see what's trending, what's missing and in-stock, and which shops are struggling or need to cycle count. Complete visibility into their inventory enables greater efficiency and ensures products are available when and where they are wanted.

Burberry implemented RFID tags to take the customer experience to the next level: the tags activate smart mirrors in the changing room to run video footage of the clothing item's creation and debut on the catwalk. This kind of engagement draws customers into the story behind each piece and forges a stronger connexion with the brand.

Beacons for personalised marketing: Brands like Hamleys, Armani, Longchamp, and Hackett leverage beacons in their Regent Street shops in London to personalise their mobile marketing strategies. The beacons target passersby who have opted in for messaging through the Regent Street App and drop timely, relevant communications about discounts, in-store promotions, and exclusive events and products directly to shoppers' smartphones.

Now there is also Google's Eddystone – beacons which open URLs in a web browser instead of apps. This can decrease commitment levels required of consumers (as with downloading an app), thereby increasing the potential pool of shoppers willing to receive these personalised marketing messages

Vendor drop ship for fulfillment efficiency: Massey's Outfitters integrated a vendor dropship and eCommerce application to the inventory in their Retail Pro platform. This seamless connexion allows them to rebalance goods between shops for a leaner inventory and fulfill orders directly from vendors when goods are not available in shops.

With a strong technological foundation built on the Retail Pro platform, you too can reap the benefits of IoT today.

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