

CHECKOUTS: TILL THE BITTER END

Retail Focus finds out how the need for speed of today's consumer is shaping the future of checkouts.

Text: Lyndsey Dennis

Online giant Amazon shook up the retail industry in December when it introduced its checkout-free Amazon Go store. Customers simply walk in to the grocery store, scan their smartphone, take what items they need and walk out.

Brimming with sensors and hi-tech software, Amazon Go tracks a customer's movements and when they lift an item off the shelf. Once a person has finished shopping, the retailer charges their account and sends a receipt.

For many shoppers, convenience is key, and being able to just walk out without queuing is exactly what they want. Researchers at the University of London have found that people will wait for six minutes in a queue before giving up. Furthermore, they are unlikely to join a queue of more than six people and like to have at least six inches of space inbetween each other.

'Consumer appetite for speed and the ability to channel-hop with fluidity and continuity of experience has led to innovation in every corner of the purchase cycle - not least the checkout,' says Katie Baron, head of retail at innovation research and trends company, Stylus.

Self-serve checkouts have been around in one form or another since the 90s, although not as we know them today. Since then we've seen NFC-enabled till points, app-based payments, mobile wallets and wearable payment devices infiltrate the traditional

checkout format. 'Fast forward to today and Alibaba is exploring a VR payment system, while Amazon Go hints at a future completely devoid of human-manned checkouts - the original bread and butter of the in-store experience,' continues Baron.

Like all technology, she says there tends to be a lag between the first emergence of an innovative idea and the adoption of it. 'Back in 2013, a WorldPay survey found that 49 per cent of UK consumers would like to see biometric scanners (such as fingerprint or iris) integrated in store. While it's not a reality in the UK yet, Japan has hopes to have the entire country using fingerprint payments by 2020.'

Phil Whittle, retail director at Schuh, says: 'Speed and convenience has become even more important than ever. Customers don't expect to stand in a queue to pay and to be honest why should they? It is the retailer's job to make their journey through the store as fast and efficient as it can be. We have virtually eliminated all checkout queues from our stores.'

Schuh is now using portable, hand-held payment terminals mainly for speed and to free up space by removing cash desks. 'We wanted to give customers the best experience possible so that they can get what they came in for and get on their way; the quicker we can get customers served and away, the faster we can fill that space with more customers! The other space consideration is that we have done away with traditional cash desks in our latest store design. This means we have more space to showcase product and allows us to stock an extended range in the stores.'

'Our customers have been telling us since we started how cool

Above: Rebecca Minkoff has partnered with QueueHop to introduce a self-serve checkout at her Soho, New York store.

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PHIL WHITTLE, RETAIL DIRECTOR AT SCHUH

they think it is that they can pay where they tried on their shoes. We are one of only a handful of retailers who are offering this service and customers notice the difference; they can see we have made an investment in technology to make their lives easier,' says Whittle.

Fashion designer Rebecca Minkoff has partnered with QueueHop, a self-checkout technology system, to introduce a self-serve checkout at her Soho, New York store. This type of checkout is aimed at the retailer's millennial consumer of which the brand is targeted at, putting them in complete control. Initially, the new self-checkout technology is available for customers who are buying handbags, scarves and small leather goods and will eventually be expanded to other Minkoff merchandise.

The QueueHop system comes with an RFID tag that brings the item up for payment on an iPad and an anti-theft device that only unlocks after that exchange is made. That means there is literally no need to speak to, or deal with, a sales associate, much like the online shopping experience feels. 'The security tag unlocks upon payment, and this is not seen anywhere else. High ticketed items that are tagged in regular stores would require staff assistance for removal. QueueHop's system automates the whole process with technology alone,' says Lindon Gao, co-founder and ceo of QueueHop.

The QueueHop system complements mobile self-checkout as well. 'So you can use your phone, scan the QR code on the tag,

pay for the item and the tag would unlock. This removes the need for the self-checkout kiosk and allows customers to checkout anywhere on the sales floor,' continues Gao.

Self-checkout hasn't really been adopted by fashion retail, as unlike supermarkets, if someone steals an item of clothing or handbag it is much more costly to the retailer. 'However, self checkout is much needed in the retail industry as bricks and mortar struggles to stay relevant with millennials who are more used to interacting with technologies than humans. I'm truly excited about the prospects of this technology as it may fundamentally change the way people shop in physical retail and potentially bring shoppers back to bricks-and-mortar with this improved experience,' believes Gao.

Tesco continues to roll out its Scan as you Shop service to help customers save time at the checkout. 'We want to make it as easy as possible for customers to shop with us,' says a spokesperson for Tesco. 'This new trial will mean more customers than ever before can benefit from the service and check out in a matter of seconds.' The supermarket's Forres store in Moray has introduced a relaxed checkout with the support of Alzheimer Scotland. It is hoped the pilot scheme will aid customers who need, or would like, a little extra time at the till.

Waitrose is the first major supermarket brand to operate a cashless store after opening its smallest store in Sky's new flagship head office building at its campus in Osterley. Sky employees are only able to pay by card or their mobile devices in the 'little Waitrose' branded shop.

'In the short term we will continue to see new systems that allow shoppers to choose whether or not to interact with sales staff, satisfying consumer appetite for more personal control within the retail environment. Looking longer term, the developments we are seeing in automation certainly indicate a future where self-service could be the only checkout option. Instead of managing the payment stage, shop assistants will become facilitators, assisting the browsing and decision-making process,' concludes Baron. **RF**



Left: Schuh is moving away from cash desks in new store roll outs, instead arming sales assistants with portable, hand-held payment devices.
Below: Amazon shook up the retail industry in December when it introduced Amazon Go in Seattle without any checkouts.

