



Think Past the POS

5 WAYS MOBILE CHECKOUT APPS CAN EMPOWER BOTH ASSOCIATES AND SHOPPERS BEYOND THE FRONT OF THE STORE. **By Randy Hofbauer**

Scan-as-you-shop technology is nothing new. Many retailers tried it as far back as the early 2000s, when Wi-Fi technology was becoming more pervasive and enabled its possibility.

Back then, early pilots revealed interesting results, according to Michael Jaszczyk, CEO of GK Software USA, a Raleigh, N.C.-based omnichannel solutions developer. Buy-in from consumers varied from country to country, and while younger consumers embraced the technology, older ones struggled with touchscreens and felt a “measure of creepiness” in the personalization aspect of it.

Fast-forward to today, and the headlines show a growing acceptance: “Walmart Scan & Go Tech Moves Past Pilot.” “Meijer Unveils New Checkout App.” “Kroger Unveils 18 Divisions to Get Checkout-Free Tech.” In fact, *Progressive Grocer’s* 2018 Annual Report reveals that the number of grocery retailers offering scan-as-you-shop technology essentially tripled in one year, with one-quarter of respondents saying they now use it, compared with 8.5 percent saying the same a year prior. Some retailers may ultimately abandon the service for now, as Walmart did shortly before press time due to lack of popularity with customers. Others, however, could easily have success with the technology.

But whether they find success or not, what is the biggest advantage of this technology? Reduced labor costs, many news outlets say, speculating that large numbers of cashiers will find themselves unemployed as mobile checkout technology grows in acceptance. No doubt, some grocers will do this to save money on labor (or even self-checkout kiosks).

Progressive grocers, however, will see the other advantages to introducing mobile checkout apps to their patrons, including the following:

1 Increased Basket Rings

Many grocers already are rolling out or expanding their ecommerce operations to better compete against Amazon and other ecommerce giants: Nearly one-tenth of grocery sales will be online by 2022, and are expected to grow 13 percent each year, compared with the 1.3 percent compound annual growth rate expected in-store, recent research from Barrington, Ill.-based retail consultancy Brick Meets Click reveals.

However, ordering groceries for delivery via a pure-play ecommerce site doesn’t allow for add-on purchases the way that in-store pickup does, with the help of mobile checkout apps.

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— **Chase Thomason**, Skip

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Mobile Apps

“Customers are able to conveniently order anywhere and pick up items immediately while being able to add forgotten items by scanning in the store,” Jaszczyk notes, adding that the ability to add items to an order after already purchasing online is “is a far better experience for customers than just ordering online.”

He also stresses the importance of grocers developing a unified back end, though, so shoppers who might make an order on a computer can still add to the order via their mobile device and a scan-as-you-shop app.

2 Loss Prevention

Some retailers worry that introducing scan-as-you-shop technology can empower thieves and grow shrink, as it seems easy to drop an item into the basket without scanning it. This isn't necessarily the case, says Chase Thomason, founder and CEO of Skip, a mobile self-checkout solutions provider based in South Jordan, Utah.

“In initial conversations with Associated Food Stores' loss-prevention team members, we are starting to see Skip as a tool to help fight against loss prevention,” Thomason asserts.

By setting up an account and logging into a scan-as-you-shop app, shoppers are letting retailers know who they are, which means that associates can easily greet and even get to know them.



Macey's discovered that many scan-as-you-shop customers didn't know how to scan and pay for weighted items, so it placed digital scales in its produce and bulk sections to make weighing easier.

“Nothing reduces shrink like greeting every customer and looking them in the eye,” Thomason says, “and now even greeting them by name as they walk in the store.”

If a customer is engaged in suspicious-looking activity, clerks can flag him in the system to be audited closely in the future. Additionally, if a thief isn't apprehended

on the scene but logged into the app while shopping, a retailer can cross-reference data to help law enforcement locate the criminal more quickly— and even help to build the legal case and process crimes faster, saving money on litigation and legal fees.

3 Real-Time Interaction With Shoppers

For independent grocer Macey's, a member of Salt Lake City-based retailer cooperative Associated Food Stores (AFS) that operates 10 stores in Utah, introducing mobile scan-and-checkout technology has been a way to improve not only customer loyalty, but also customer feedback: At the end of a shopping trip, the retailer's app asks customers to rate their visit and leave a comment.

"This feedback allows us to respond to what our customer is telling us in real time," says Greg Welling, director of pricing and data analytics for Associated Retail Operations, a division of AFS. "We can correct overlooked conditions in the store or perform service recovery immediately."

With Apps, Shoppers Want More Than to Skip Checkout

No doubt, a scan-as-you-shop app's main goal is to reduce or eliminate checkout time. It takes more than that, however, to develop an app that people will actually want to use — one bad feature or function, and users might just want to skip back to the traditional checkout line.

Last year, Fayetteville, Ark.-based Field Agent commissioned a 36-person mystery shop using Walmart's new Scan & Go technology, which, although the retailer has since abandoned the program, provided revealing comments that can be useful for other grocers seeking to implement such a solution. Among their comments, shoppers who enjoyed Walmart's app clearly suggested that their desire to use it wasn't based solely on its ability to eliminate checkout: Price checking, ease of scanning and even an appealing interface also were critical attributes of a scan-as-you-shop app that patrons enjoy using.

Here are six of the users' comments that grocers should take to heart when developing their own apps:

"Looking up produce was simple."

- ▶ "I like that I can double-check the price before I purchase."
- ▶ "[It's] similar to online shopping."
- ▶ "Even a child could do the scanning — it's so simple."
- ▶ "The app is very smooth, with nice animations. We lost our network connection while shopping for a minute, and it handled it gracefully."

"I like that you can enter a payment method into the app, which makes checking out super-easy."

4 Empowering Associates

Although many of the benefits that come from scan-as-you-shop technology are immediately customer-facing, some are geared toward workers. Some would argue, for instance, that scan-as-you-shop technology takes power from cashiers. On the other hand, others could say it gives power to them.

For instance, Skip's technology allows associates operating an event in the parking lot to scan items for people seeking to check out without having to go into the store, Thomason says. Beyond events, larger food retailers that might have a section outside the store's main footprint stand to benefit here. As an example, Bentonville, Ark.-based Walmart recently introduced Check Out with Me, a program that empowers its Lawn & Garden Center associates by giving them the technology to check out customers and provide receipts on the spot, eliminating shoppers' need to trek back into the store. Even though the mega-retailer said it would scuttle its Scan & Go program, it noted that it would use learnings from the program for other ongoing tests such as Check Out with Me.

But empowerment shouldn't be limited to checking out customers elsewhere — it can encompass other forms of customer service storewide.

"New self-scanning technologies are often viewed by unions or store associates as labor-reducing initiatives," notes Jon Hauptman, senior director of analytics solutions at Long Grove, Ill.-based retail consultancy Inmar Analytics (previously Inmar Willard Bishop). "Instead, such technologies can be positioned as enhancing service by freeing up labor to redistribute elsewhere in the store where needed to better serve the shopper."

5 Understanding Store Design Better

Tracking shoppers' purchase behavior — and knowing how to curate and replenish assortment — is a given benefit to having a scan-as-you-shop mobile app. But an app can also provide grocers with a way to track and understand each shopper's path to purchase, Hauptman says.

"Understanding how shoppers travel throughout the store is extremely valuable in determining display locations, identifying ideal category/aisle flow, and ultimately designing new stores to best reflect how shoppers prefer shopping the store," he explains.

For instance, Macey's, by following and listening to users of its app, discovered that many customers were confused about how to scan and pay for weighted items through the app. In response, the grocer placed digital scales in its produce and bulk sections to make weighing easier. It also asked its produce team to be aware that shoppers were using the app, so they could provide directions to, and assist at, the scales. **PG**