

RETAIL UPDATE

2ND EDITION

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In this edition of Retail Update we will be showcasing how retailers are improving customer experience by embracing new technology.

Communicating with you and your customers is vitally important to ensure everyone keeps up to speed with current retail trends. Last month I spoke to The Business Debate about what consumers expect from their in-store shopping experiences, how high street retailers can hold their own against the online competition, and why cloud-based solutions are so important. To view the full interview visit www.thetimes.co.uk/thebusinessdebate

By listening to consumers we can improve the retail experience. That's why we ask important questions.

In this issue you'll see the results of a recent survey from Epson Europe that highlights how retail habits are changing and how the integration between in-store and online buying is vital. Developing and tailoring well integrated omni-channel sales to shifting demand is particularly important.

For instance we know that long queues can mean lost revenue and smarter, quicker ways of paying is the answer. The Orderella online venture, designed for the hospitality sector, is a good example of this.

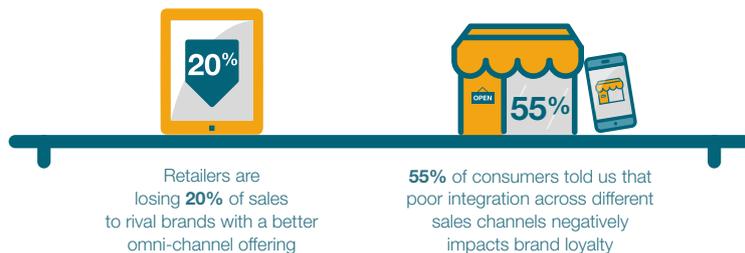
All this interesting and thought-provoking material means this second issue is bigger and better. We hope you enjoy it. We'd appreciate your feedback at: posenquiries@epson.eu.

David Spratt

Business Systems Sales Manager
Epson UK



THE COST OF ONLINE COMPETITION



BUYING BEHAVIOURS ARE BECOMING MORE COMPLEX



THE PRIMARY MOTIVATORS FOR RESEARCHING AND SHOPPING ONLINE:

- ✓ Entertainment and fun
- ✓ Price sensitivity
- ✓ Convenience

NEW INSIGHTS IN OMNI-CHANNEL RETAILING

A potential boost in business sales for retailers has been highlighted following a recent report.

New research from Epson Europe has revealed complex new buying habits are being created by introducing and encouraging omni-channel retail platforms. The report on retail trends in five European countries reveals the importance of investing in well integrated omni-channel sales.

The State of European Retailing Study looked at consumer trends in the UK, France, Germany, Italy and Spain. It revealed that almost one in five European customers said they often purchased a product online from one retailer while physically looking at the product in a different retailer's store.

In short, this means retailers are losing sales from 20 per cent of their footfall to rival brands with a better omni-channel retail presence.

Adrian Clark, Director of Business Systems, Epson Europe explains: "The results show the importance of integration between the in-store and online retail experience. Consumers have told us repeatedly that their omni-channel experience was crucial to brand perception and that their experience online had a huge impact on their likelihood of visiting the physical store and vice-versa."

The research also reveals that while half of European consumer retail purchasing research is carried out online, only 38 per cent of actual purchasing happens the same way with 62 per cent of purchasing in-store. The highest average online sales levels reported by consumers were in the UK - 45 per cent, with the lowest in Spain - 33 per cent.

Customers also stated that while the main motivation for researching and shopping online is entertainment and fun, price sensitivity and convenience also important. It was found that the primary motivations for shopping in-store were 'the ability to see/touch the product' and 'immediate availability of products'.



THE STATE OF EUROPEAN RETAILING SURVEY

This extensive study covered a wide range of business, technological and commercial issues. It was conducted by Coleman Parks on behalf of Epson Europe. Just over 5,000 consumers took part, 1,000 in each of UK, France, Germany and Spain and 1,002 in Italy.

If you want to read the full report visit our blog at www.epson.co.uk/blog

NEW CONSUMER BEHAVIOURS IN THE OMNI-CHANNEL AGE

The findings of the 'State of European Retailing' research, where consumers from across Europe were questioned about some of the core trends, challenges and technology developments confronting Europe's retail sector make fascinating reading.

Previous research had revealed the importance customers placed on completing a purchase quickly without having to suffer long queues and the effectiveness of discount offers and incentives.

According to research, both in-store and online retailing are equally important. Both experiences are cited as critical for positively influencing perception of a retail brand by 54 per cent of European consumers.

Only knowledgeable sales staff, fast payment and reduced queues are considered to matter more to a brand.

How online drives footfall

The study reveals a clear link between the online experience of a brand and the likelihood of a customer going to the physical store. One in four European consumers says it 'definitely' influences them to visit. More than half (55 per cent) says it will 'to some degree'. Furthermore, 45 per cent of consumers say a well-integrated omni-channel shopping experience has a major impact on a retail brand. In Italy, that rises to 66 per cent and in Spain 64 per cent.

When asked about online buying, 52 per cent say 'efficient purchase and delivery to your door' has the biggest impact on their perception of a brand and drives additional loyalty to it. Another 30 per cent cite the 'opportunity to research online and buy in-store' and 18 per cent a 'good click and collect experience'.

The responses differ markedly country by country: An efficient 'buy online and deliver to your door' service is more important for brand perception in the UK (62 per cent) and least important in Germany (39 per cent). Researching online and buying in-store has more impact in Germany (48 per cent) than in any other of the countries surveyed (23 per cent to 29 per cent). French consumers (26 per cent) are most likely to regard a 'good click and collect' experience as having the biggest brand impact. But only 13 per cent of German consumers have the same opinion.



Where most buying happens

The survey also provides a clear marker in the debate about online versus in-store sales. While half of European consumers undertake their retail purchasing research online, only 38 per cent of actual purchasing happens online with 62 per cent still being undertaken in-store.

UK consumers have a higher preference for buying online (45 per cent) whereas in Spain, Italy, France and Germany, online research is common but buying in-store still dominates (58-67 per cent).

Just over a quarter of consumers (26 per cent) always or often research a product online by smartphone while they are in a store. This provides a challenge to the retailer to close the sale then and there. However, the survey reveals that many shops fail to do so and the business goes to another retailer online. Almost one in five consumers admit to making a purchase online while looking at the product in a different retailer's store. Again there is a country by country difference with UK consumers (12 per cent) least likely to make a purchase in this way and Spanish consumers most likely (21 per cent).

ISV SPOTLIGHT

APP: ORDERELLA

SEGMENT: RETAIL/HOSPITALITY

COUNTRY: UNITED KINGDOM



45%

of consumers say that a **well integrated omni-channel shopping experience** has a major impact on a brand



— WELCOME —

26%

purchase online from one retailer while physically in a different retailer's store



Overall it suggests that retailers are losing sales from a significant proportion of their own footfall to rival brands with a better omni-channel presence or offer.

However, the most common trend among European consumers is researching online, then researching in-store before buying the same product online. Driven by younger consumers, 27 per cent of consumers shop this way.

Motivations for shopping online

The research also highlighted some of the reasons people wanted to shop or research online. These included such factors as entertainment, price, brand comparisons, convenience, ease of use, greater choice of products and speed.

The most important reason why consumers still research and buy in-store is to do with ability to see and touch products with immediate availability, tradition also scoring highly.

But with 69 per cent of consumers expecting to be buying more online for home delivery over the next two years, clearly Europe's retailers still have challenges to face in tailoring their omni-channel presence to the shifting demand.

Orderella is an online venture for the hospitality industry that takes the pain out of the ordering process. Customers can now order and pay instantly with a few clicks on their Smartphone. This means there's no more crowds, lengthy card handling procedures and misunderstandings at the bar.

Orderella was launched in October 2013 and is now live in a comprehensive network of over 200 supported venues throughout the UK and Ireland. In 2014 they became an Epson ISV with the Orderella Platform supporting the TM-i series of Epson Intelligent POS Printers.

The integration has helped venues to keep traditional workflows while enjoying the benefits of the Orderella Platform, increasing sales and improving the customer experience.

Service has been improved at the latest venue to use the TM-T70-i, an Edwardian gastro pub, The Earl of Spencer in Southfields. The pub's Proprietor Mike Mann is impressed: "The addition of the TM-T70-i has allowed for the seamless integration of the Orderella Platform and made it possible to add table service for drinks which previously had to be ordered and collected at the bar only - without an increase in staffing it further improves the customers outstanding service experience".

www.orderella.co.uk



BISBIGLI CHOOSES EPSON'S INTELLIGENT RETAIL PRINTERS

Bisbigli - the Italy-based clothing brand - has found reliability and ease-of-use in Epson's intelligent receipt printers.

For Bisbigli, acquiring the right tools was essential in simplifying its processes and the daily management of its retail outlets. In Epson's range of intelligent receipt printers, the brand found a reliable solution easily adapted to the varied needs of its many shops.



Simplifying company processes to boost sales

At a time when businesses have an increased need to manage and control a number of variables - such as production, distribution and purchasing behaviour - being able to rely on technology at the point of sale can make all the difference. Organising and simplifying business processes is also essential to manage operations safely and efficiently.

The experience of Bisbigli, a brand specialising in sleepwear, lingerie and swimwear, is a perfect example of this need. If you are pursuing an ambitious growth and development plan, it is essential to think about how points of sale are organised, equipping them with a flexible, functional payment solution, including a fast, network-connected printer, such as Epson's range of intelligent printers.

Achieving growth and success

Bisbigli, owned by Linclalor, has a direct presence in France, Germany, Spain and, via distributors, in a further 35 countries.

According to Lorenzo Giambruno, CEO of Linclalor, "We decided to invest in our premium brand, Bisbigli, which has been on the market for more than 20 years and is known for offering high quality at an accessible price." Currently the national sales network is comprised of around 100 outlets, and the company aims to grow this number.

Following this decision, Linclalor found itself having to tackle new operating problems, such as direct sales payment systems and monitoring the sales of the affiliated stores. To solve this, the company decided to contact Kir, an Italian software house with experience in retail operations software, to provide a solution to monitor all sales effectively.

Using tablets to optimise the payment area

Another significant problem was organisation of the points of sale. Many shops did not have much space available and it was not physically possible to have computers at the payment points. Therefore, the suggestion was made to link the tablets already being used to Epson's intelligent receipt printers, using software from Kir via the store's Ethernet network.

"We required a highly customised solution, as some of our shops have very limited space available," says Marco Colucci, Linclalor's IT Manager.



"This was a perfect option for us. It solved space issues and enabled rapid printing from any point in the shop. Thanks to the integrated web servers, the printer can also receive instructions directly from any browser and allows us to eliminate drivers, simplifying the system's installation and configuration."

Giambruno says, "Thanks to Epson's solutions, we are managing our business in a functional and efficient way. We needed reliable devices that are easily adapted to our situation, and we are very happy with the versatility of the printers and the results obtained."

Simple and efficient devices solving problems

Epson's intelligent receipt printers print receipts and labels with



bisbigli

“ Epson’s solutions have enabled us to manage our business in a functional and efficient way. We needed reliable, adaptable devices for our shops and network, and we are very happy with the versatility of the printers and the results obtained. ”

Lorenzo Giambruno
CEO, Linclalor - owner of Bisbigli

ease. Thanks to their intelligent functions and integrated web servers, they can be used with virtually any operating system and offer extraordinary flexibility and adaptability.

The software developed for them by Kir also has the enormous advantage of allowing offline working, thereby eliminating any data loss problems during unexpected power cuts or network downtime.

Key facts

- Epson’s intelligent receipt printers are easily installed without drivers
- The printers offer the maximum flexibility and reliability for organising payments in the retail setting
- The devices include local memory that makes offline working possible

www.epson.co.uk/epos

LATEST TECHNOLOGY PROVIDES FOOD FOR THOUGHT

Today, a successful restaurant doesn't just need excellent food and exceptional service. It needs first-class technology too.

Top quality IT infrastructure

Stephan Bittner, partner of the Alitalia restaurant in Hamburg, says: "Our clientele consists mainly of corporate customers, who like to use our location for events with customers or employees. It was therefore clear to us from the outset that, in addition to good food, we also needed to offer a particularly high-quality IT infrastructure."

For the IT equipment, Stephan relies entirely on Epson, as he trusts the company's wide range of products.

Bespoke wallpaper design

In the Ristorante Alitalia, the wallpaper was printed with an Epson large-format printer from the SureColor SC-S series – using a pattern of their own design. The key factor in the decision for the printer was, in addition to the quality of the output and colours, the durability of the print.

Epson's WorkForce à la Carte

A top-class restaurant like the Alitalia changes its range - and therefore menus - at weekly intervals. We eat with our eyes so a menu must always look new and fresh; it shouldn't be tattered or have faded colours. Epson's WorkForce Pro inkjet printer was perfect for this because, in addition to being smudge-proof and water-resistant, the inks also score points for their colour durability. So, if a few drops of a Venetian Rocco Rosso land on the menu, the print on the menu won't run or become illegible. Even the wine labels have been printed with a personalised design. An industrial label press, Epson's SurePress L-4033AW, has made this possible.

3LCD technology in harmony with fusilli

Many corporate events with presentations are held in the Ristorante Alitalia, so the restaurant has installed two of Epson's EB-1776W Series projectors. "As our guests frequently want to hold presentations, they appreciate efficient, pre-installed IT systems," explains Stephan Bittner. "As the room is quite large, as well as ensuring high brightness and natural colours for the projection, a wireless connection was also important." This is no problem thanks to the Epson iProjection application. This makes it possible to display data from any mobile device on the projectors. And, if guests would like to take a copy away with them after the presentation, then Bittner can oblige, as the restaurant has Epson's DiscProducer PP-100N, which produces perfectly printed and burned multimedia DVDs while the guests are still busy enjoying their pasta.

Receipt printing from Epson

Epson has been the world market leader in receipt printers for many years and Ristorante Alitalia trusts this expertise. In addition, Epson's TM-T88V receipt printer is extremely economical. For example, it has a special function which automatically optimises the line height on each receipt, therefore saving paper. The printers are also ENERGY STAR-qualified.

For more retail solutions from Epson visit www.epson.co.uk/retail

Alitalia picked a wide range of Epson's products



SureColor SC-C Series

The wallpaper has been printed using a bespoke pattern from Alitalia



WorkForce Pro

Menus are printed weekly to keep them looking new and fresh

“

We are convinced of the quality of the solutions and, therefore, have no concerns about relying completely on Epson's products.

”

Stephan Bittner
- Partner of the Alitalia restaurant,
Hamburg



SurePress L-4033AW
Wine labels are printed with personalised designs



EB-1776W Series
Bright and natural images are projected at events and meetings



Discproducer PP-100N
Copies of presentations are burned onto disc for guests



TM-T88V
The perfect high-volume and high-performance POS receipt printer

TALKING ABOUT THE NEW GENERATION

During a recent ISV event in Antwerp, Belgium, Carlos Miguel Soares, General Manager of Portugal's itBase, discussed some key ways of creating greater customer experiences through technology and software applications in the retail sector.

Lisbon-based itBase is dedicated to developing and delivering hospitality solution software, PMS, F&B and POS. Here's what Carlos Miguel had to say about the prospects for creating greater customer experiences through technology and software applications in the retail sector.

What solutions are you developing for retailers?

We've done a lot of work with the retail sector on data analytics software recently. For example, we've been working with a major European retailer to help them map where their customers live around Europe so we can help them target their marketing and promotions activity better.



What does the future of retail look like from an ISV perspective?

Retail is a fast changing sector. Consumers now shop in a different way. They have embraced and integrated the use of Smartphones into retail by researching products, comparing prices and buying online as well as in-store.

It's now been shown that omni-channel consumers often spend between 15 and 30 per cent more than the single-channel consumer. Retailers realise they have a huge opportunity to engage with this trend if they can reassure people about their privacy and security. What's more they are working hard to better

integrate their online and physical stores.

Some of the most exciting opportunities for innovative customer experiences are related to interaction with smart phones and are therefore still seen as a little controversial. Once you can identify and track a customer through device recognition as they enter a store it opens up many potential retail opportunities.

For example, you can use software to quickly analyse regular buying habits or what products a consumer has been viewing in the online store. This information could be relayed to store staff to help them offer targeted advice to that customer.

You can also track the movement of customer's mobile devices in-store and direct store staff to consumers who need support. If no store staff are available a similar set of commands could also be used to offer a short product information video to the customer.

Consumers will also be empowered by this technology – being able to make mobile payments that are directly registered at the till points, without having to queue.

Does the technology already exist to allow this?

It does and the real challenge for retailers is to make the bridge from legacy technology to new cloud-connected hardware. This collects data and provides a platform for using the applications developed by ISVs.

Retailers are looking for easy to set up solutions like Epson's new point-of-sale-devices that incorporate the omni-channel concept from the bottom-up. These are engineered to help provide reduced in-store queue time and an enhanced customer experience.

Are consumers ready for the upcoming changes?

In some cases, mobile payment is a good example, consumers are increasingly demanding changes. But to fully realise the vision of the future, retailers know they need the consumer's backing. To achieve this it is important to think about data privacy and security. To that extent there is still a dialogue underway.

However, retailers are tremendously adaptable; they will continue to try to find solutions to technology challenges and will implement them quickly.

It's now been shown that Omni-channel consumers often spend between 15 and 30 per cent more than the single-channel consumer.

OVERCOMING THE FINANCIAL COST OF LONG SHOP QUEUES

When you are in a long shop queue do you wait patiently in line or do you leave without buying anything? Knowing how we will react is business critical information for a retail industry that is under constant and increasing competition pressure.

The answer? One in four consumers will often walk out or visit another store to buy the same product. What's more, 20 per cent think that long queues are unacceptable.

The findings are contained in new research conducted in five major European countries – France, Germany, Italy, Spain and the UK.

Results show the importance that customers place on being able to pay for purchases quickly. More than half of consumers – 56 per cent – say fast payment and reduced queuing is critical in positively influencing their perception of a retail brand. Although there are differences according to the nationality of shoppers the message is clear: being able to complete a purchase quickly has a significant effect on how customers view a retailer.

Queues = lost turnover

Exactly how much it matters is revealed by a series of questions about shoppers' reactions to queues. For 42 per cent, the value of their intended purchase has an impact on how long they will queue. But only 28 per cent will put up with a long queue, even if they had spent a long time in the shop selecting items to buy. Also, 29 per cent of all European consumers often leave a shop without buying anything because of long queues at the tills and 25 per cent often go to another store to buy the same items if they see a long queue.

The conclusion is clear; queues have a considerable negative impact on sales.

Again there are some interesting differences between countries. Customers in Spain (36 per cent) and the UK (32 per cent) are the most likely to leave a shop without buying anything rather than stand in a long queue. Italians appear to be the most patient if they have spent a long time selecting items to buy, 45 per cent will queue.



Shoppers in Germany are least likely to find long queues acceptable (6 per cent will queue against an average of 20 per cent for Europe overall). However, half (51 per cent) are even more likely than average to go elsewhere if they spent a short time looking for items to buy. As many as 34 per cent of German consumers say they often go to another store to buy the same things rather than stand in a long queue.

Mobile payments could provide the answer

Interestingly 42 per cent of European consumers would like to see mobile payment options available in-store.

Those against mobile payments cite concerns about security and a preference for paying by cash to enable 'better financial management'. However, mobile payments are clearly here to stay and will continue to be developed to meet consumer needs over the coming years.

NEW SMART PRINTING FOR BUSINESSES THAT ARE GOING PLACES

From processing sales on the shop floor to taking payments at the table, you can deliver an enhanced customer experience with receipt, barcode and label printing with Epson's reliable and robust range of portable POS printers.

Our full line up comes with built-in NFC, easy pairing and is an all-in-one solution. New to the range is the TM-P80 autocutter model.



EPSON TM-P80

www.epson.co.uk/mobileposprinter



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