



**New technology
will transform
retailers'
business
practices**

Smartphone

Despite the fact that 75% of the population own one, many experts predict that the smartphone as we know it will have disappeared within 10 years, replaced by wearable technology in glasses, jewellery and contact lenses.

But 10 years is a long way away, and before then every independent retailer will have millions of customers walk through their door with a phone that influences their social lives and purchasing decisions.

Jon Copestake, senior retail analyst at the Economist Intelligence Unit, says the smartphone will continue to be retail's most important technological innovation for the next decade.

"There's a whole bunch of app-based innovations allowing people to check into stores and buy something without showing a wallet," he says. "Store owners can look at purchase history so they can serve customers better. Then there's the multimedia aspects, things like QR codes in store, making people's shopping experiences better and more fun."

As mobile facilitates greater point-of-sale contact between retailer and customer, local shops will be able to provide a more personalised service, according to futurologist Ray Hammond.

"It means every day a shopkeeper will be able to decide what the offer should be, what the mix of merchandise should be for the given day," he says. "A Friday may be a completely different offer to a Monday or Tuesday."

Canadian futurologist Jim Carroll, adds that the relationship between consumers and their smartphones introduces new shopper marketing opportunities too.

"I did a session with the leadership team at Gap. I played out a scenario where I had a Facebook relationship with Gap and 'liked' them. I walk into one of their stores and they recognise me and run a customised commercial on an in-store TV, saying 'Welcome back Jim. We're giving you a \$20-off coupon today and in aisle seven there is something you might like'.

"Every 15-year-old is already giving away all their private life and they are not going to care about privacy when they get 20% off by linking their mobile to a screen in store."

The smartphone facilitates impulse purchasing in 'dead' time, like commuting, and as consumers buy more goods online, local shops, with their ready-made catchment areas, are a useful resource for click and collect orders.

New customers walking into

stores to collect deliveries create new impulse sales opportunities, and Mr Copestake advises shopkeepers to adapt their skill set to focus on delivering good service to capitalise on this.

Mobile innovation is also changing payment technology at rapid pace. "Control of the speed of innovation in every industry is shifting to Silicon Valley and the likes of Apple and Amazon are innovating a lot quicker than traditional retail companies," says Jim Carroll. "As soon as Apple puts a chip in the iPhone that supports credit card transactions the industry will change at lightning speed."

As stated elsewhere in this issue, expect mobile-payment based innovation from EPoS manufacturers in the near future.

The smartphone is already playing an important role for many independent retailers. From giving away free product samples to managing newspaper subscriptions electronically, smartphone-based digital vouchers are a major step towards the end of paper vouchers.

And with apps available for running a back office, communicating with staff, monitoring CCTV, ordering stock and managing newspaper supplies, there is a powerful business tool in your pocket that needs to be fully utilised.