Any retailer will tell you the future of retail is omnichannel. Businesses with only brick-and-mortar stores are struggling to compete with brands with a solid online, mobile and social strategy. Similarly, traditionally e-commerce businesses are launching brick-and-mortar locations, showrooms, and pop-up shops to meet consumer demand.

According to the *Harvard Business Review*, 73% of shoppers use multiple channels to shop, often using a variety of retailers’ touchpoints for the same purchase. Consumers crave convenience, and if browsing offers on their smartphones, then placing orders online for in-store pickup, making quick trips to the store to retrieve orders and shopping for a few additional products is the easiest fit for their busy schedules, that's the path they’ll choose.

*Seamless, connected omnichannel experiences are demonstrably what consumers want. And, as everyone knows, the customer is always right.*

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1A Study of 46,000 Shoppers Shows that Omnichannel Retailing Works, January, 3, 2017, [https://hbr.org/2017/01/a-study-of-46000-shoppers-shows-that-omnichannel-retailing-works](https://hbr.org/2017/01/a-study-of-46000-shoppers-shows-that-omnichannel-retailing-works)
The physical store can be a challenge for omnichannel retailers when it comes to visibility and data collection. Shoppers can walk in unidentified, browse unknown items, and make cash purchases that are never associated with a name or demographic. To stay competitive, retailers need to connect **intelligent stores** to the rest of their retail ecosystem.

An intelligent store leverages smart technologies to deliver in-store shopping experiences consistent with those on digital channels. It also provides the retailer with valuable data that completes the total picture of their customers’ behaviors and real-time insights into business status helping to make running a retail business more predictable.
Designing an Intelligent Store

An intelligent store requires seamlessly integrated solutions. Attempting to create a future-forward omnichannel experience with disparate systems will never result in the efficiency and visibility a retail business needs or the shopping experiences that earn customer loyalty. Retailers need to enable intelligent solutions in these five areas to build a highly competitive retail business.

1. Strategic Store Management

An intelligent retail business needs a command center: a customizable, state-of-the-art point of sale (POS) system. A robust POS system streamlines workflows and delivers fast and secure checkout. In an intelligent store, checkout may even be facilitated automatically by digital shopping carts and payment by shoppers’ smart wallets.

The POS system, however, is capable of doing much more. It enables management and data collection from store, online, and mobile channels as well as consumer touchpoints using beacons, near-field communication (NFC), RFID, and IoT sensors. This provides retailers with greater insights into consumer behavior and deeper visibility into their businesses with real-time data to help make on-the-spot decisions based on fact, not conjecture.

The intelligent store’s POS terminals may take many forms, such as stationary checkout, portable POS or mobile POS, all seamlessly connected to the main POS hub of the business. An intelligent store system enables terminal and device management, accomplishing updates and running diagnostics for repair remotely, minimizing hardware downtime.

A Glimpse of the Future

• Greater visibility into business performance
• Real-time data for informed management decisions
• A complete picture of customers on all channels, including in-store behaviors
• POS functionality suited to the application
2. Optimized Store Layout

With the data from an intelligent store system, retailers can devise a more intelligent store layout. With sensors and other technology solutions tracking people count and store traffic patterns, retailers can generate a heat map to lay the foundation for a merchandising plan—from a broad plan for the retail floor down to individual shelves—that will result in greater sales conversions.

The data from these solutions will also reveal the best plan for queueing customers at the checkout so lines don’t interfere with store traffic and provide the data retailers need to plan for occupancy control.

A Glimpse of the Future

- Displays and merchandising based on store traffic patterns
- Store layout optimized to accommodate queues with minimal disruption to shoppers

3. Artificial Intelligence & Augmented Reality

Technology is advancing rapidly and consumer expectations are keeping pace. According to a 2017 Business Insider survey, 20% of consumers expected retailers to have an AR tool last year and 49% expect their favorite brands to have AR tools now. One of the most anticipated solutions is a virtual shopping assistant that pairs AR and AI, which makes personalized suggestions based on previous shopping or browsing histories. An intelligent store can provide data to a virtual shopping assistant by collecting it on digital channels and from technologies such as item-level RFID sensors and smart cameras in brick-and-mortar stores.

AI and AR can also help retailers optimize merchandising and maintain a consistent brand image across locations. These cutting-edge technologies give retailers the tools to design and visualize product placement and merchandise displays—for example, changing the shoe color on a shelf to visualize what it will look like in their stores. When the final design is created, it can be shared with all locations for consistency.

A Glimpse of the Future

- Consumer ability to visualize purchases in their homes or other settings
- Virtual shopping assistants that make personalized recommendations
- Merchandising and store décor visualized before implementation

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4. Personalized Offers

Consumers have grown accustomed to the personalized offers they receive when they return to an e-commerce website, and they’re looking for that same experience in physical stores. Research for the Salesforce Connected Shoppers Report found 64% of consumers want personalized offers from retail brands, and 68% responded that it’s “absolutely critical” or “very important” to interact with a salesperson who understands their preference or needs.³

An intelligent store equips retailers with the technology tools they need to personalize offers and to deliver them in ways that result in a high rate of conversion.

Interactive digital signage: Control content and ads from the POS system and deliver them consistently across all signage, video walls, and customer-facing POS displays. Content can be triggered by a shopper picking up an item, by touching the screen, or from a Bluetooth signal from a smartphone.

Interactive self-service kiosks: Provide a digital channel in the store with self-service kiosks to streamline checkouts and ordering. They can also be multifunctional, recognizing customers and displaying offers.

Personalized live content: Recognize shoppers by their smartphones when they are at a physical store or browsing a particular display, and then push a targeted offer, right at the point of decision.

Electronic shelf labels: Integrate ESL with the POS system to enable instant price and product updates. Retailers can manage prices more effectively and consumers will always have accurate, consistent pricing across all channels. There is the potential to change content based on smartphone signals from shoppers nearby.

Mobile POS: Equip sales associates with mobile devices, giving them access to customer histories and inventory data stored in the POS system. With this information, they can personalize service and make relevant upsell offers when assisting customers.

An intelligent retail store solution can also monitor the effectiveness of promotions and engagement strategies, so retailers can optimize efforts, focusing on what works best for their markets and their businesses.

A Glimpse of the Future

- Brick-and-mortar stores outfitted with a variety of touchpoints that engage customers with personalized offers
- Offers delivered directly to shoppers at the point of decision
- Consistent content across all channels
- Analytics to help evaluate and refine engagement and promotional activity

5. Increased Sales with Decreased Stock Outs

When building an intelligent store solution as the keystone for future retail success, retailers are often motivated by keeping up with trends and staying competitive. It’s important to recognize, however, that an intelligent store can also lead to increased sales.

Sales and inventory metrics combined with additional business data can help retailers forecast with more accuracy, minimizing over ordering, which leads to costly markdowns, and also keeping shelves stocked with in-demand merchandise. A study by ECR Europe & Roland Berger Strategy Consultants found that when an item is out of stock, 30% of shoppers will either buy nothing or buy the same item elsewhere. Those lost sales total billions for retailers each year.

An intelligent store solution automatically tracks inventory changes and promptly generates a purchase order when inventory levels fall to ensure that shelves are never empty. RFID tags can automatically track receiving or the movement of items so data is more accurate and available almost instantaneously.

Intelligent retail solutions can also provide real-time data across all locations so sales associates can locate and ship the item, saving the sale. Similarly, retailers can leverage the system to fulfill “ship from store” requests made online or on a mobile app.

A Glimpse of the Future

• Accurate, real-time inventory data
• Optimized and automated ordering
• Fewer out-of-stocks and lost sales

Be Smart About the Future

Intelligent store technology allows retailers to create unique experiences that differentiate their brands and that encourage consumers to return to shop again. They also pave the way for the future of retail where shoppers will have instantaneous access to information and complete purchases automatically, providing the ultimate in convenience and quick service.

About Partner Tech

Partner Tech, a Qisda company is the leading developer and manufacturer of POS Solutions, POS Peripherals, and Mobile Solutions. Partner Tech has been operating since 1990 spreading innovative technology worldwide. In cooperation with QISDA Group, Partner Tech has evolved into an Intelligent Store Solution provider offering extended product range with cutting-edge technology.

Through our innovative design and commitment to providing the best-in-class mobile, transitional mobile, advanced All-in-One POS Terminals, Kiosk, digital signage and IVA, we have continually accelerated in product development aiming to be the best-practice provider for customers in retail, hospitality, and specialty stores. Partner Tech delivers more every day!