

EBOOK

# How Small Businesses Are Using New Technology



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# Understanding our Social Landscape



**A new study by the consulting firm BIA/Kelsey finds that small and medium businesses are taking advantage of new technologies such as mobile and social platforms for promoting their businesses and improving efficiency.**

Nearly three-quarters of small and medium sized businesses surveyed said they are using social media to promote their businesses. 52% percent have a Facebook page for their business, and 25% have a Google+ Local page. 66% stated they are "extremely engaged" or "very engaged" on social media (according to parameters like responding to online comments, regular blogging or tweeting, regular updating of Facebook Pages and offering a loyalty program). 32% of businesses are also utilizing mobile advertising to reach new consumers and interact with past customers.



**Three-quarters of small and medium sized businesses surveyed said they are using social media to promote their businesses**



To increase efficiency, businesses are turning to mobile payment technology. 40% of those surveyed state

they now accept payments at the point of sale with a mobile credit card reader attached to a smartphone or tablet, with another 16% saying they plan to start in the next year.

Social media and mobile technology are accessible to businesses of all sizes. Engaging customers through social media platforms is a skill which can be learned by reading material online and through hands-on experience. And creating a mobile point of sale is easy with Cashier Live. Today it seems that more and more independent retailers are realizing that when accepting payments is simple and quick, time is freed up for interacting personally with customers and prospects – both online and offline.

# Seeking the Right POS Technologies





**CASHIER LIVE iPhone APP**  
PHOTO CREDIT: CASHIER LIVE

**Mobile Points of Sale (POS) were the number one retail technology in 2011 according to a recently published Retail Tech Trends Study by Retail Info Systems/ Gartner.**

Over a series of consistently worded questions about 50 specific business applications, more respondents said they had either recently implemented or had plans to implement mobile POS than any other retail technology. It seems that Mobile POS is now officially riding the crest of the retail IT budget wave.

Two major trends emerged from the study:

1. Retail IT budgets are climbing to unprecedented levels
2. The influence of marketing on IT budgets is leading to increased spending on mobile and social-media platforms.

In fact, leveraging social media is the number one action item cited by respondents. Up from fourth place the previous year, it seems social media can no longer be ignored.

Another big climber this year was the number two action item: developing a mobile enterprise and/or store strategy. Up from seventh place, it is notable that developing a mobile enterprise and/or store strategy

has surpassed development of a mobile commerce strategy, which hung steady in fourth place for two years running.

### Retail, traditionally a low spender on IT, has increased IT budgets in recent years



Retail, traditionally a low spender on IT, has increased IT budgets in recent years, with most reporting IT budgets in the 1% – 2% range of total revenue. But more and more are creeping up into the 2% – 3% range, and even into the 3% – 5% range and higher.

(If you haven't yet checked out CashierLive's acclaimed free e-book, *The Definitive Guide to Choosing a Point of Sale System*, we highly recommend that you do so.)

Happily, corresponding to the increase in IT spending is an increase in revenue. No matter how you want to interpret the study's findings as you develop your business strategy, the fact is that two-thirds of respondents reported an increase in sales in 2011 and only 21% reported a decrease. The vast majority reported feeling even more optimistic about the coming year. Good news indeed.



# Leverage your customers' smartphones



**Smartphones and tablets have the power to transform brick-and-mortar retail – and not just from the perspective of the merchant. Innovative retailers are now looking beyond mobile POS management solutions to create memorable customer experiences that touch upon both the physical and virtual worlds.**

So why not use the devices that are already in your prospects' pockets to improve on your shop's experience and gain loyal, returning customers?

As noted in a recent Digital Innovation Today article, several retail brands have created innovative apps which can inspire smaller brands looking to shine in the mobile space.

### Integrating technology into brick-and-mortar retail forges a multi-channel experience



For example, Harris + Hoole, a British coffee shop chain, allows customers to order their coffee and comment on its quality through an app. The app shows the servers who has ordered what, so the customer can be greeted by name, and his coffee prepared quickly.



HARRIS + HOOLE iPhone APP | PHOTO CREDIT: CONTRACTIQ

KATE SPADE SHOP | PHOTO CREDIT: LAUGHING SQUID



Casino Supermarkets in France allow customers to choose products by scanning them with their smartphones. If they want home delivery, they never even have to take the products off the shelves!

Kate Spade is redefining window shopping by allowing customers to buy anything in the window by pressing buttons on a large screen, 24/7, with delivery to their homes within an hour.

As we've discussed before, innovative apps for payment can also use digital technology to make sales. The Bingham Hotel in London can match your face with your PayPal profile so you can check out without having to go online. To launch a new product, Kellogg's has opened a "Tweet Shop," where customers can pay with a tweet to sample new Cracker Crisps. And, of course, apps like Cashier Live are making checking out easier than ever through the use of tablets and mobile phones.

Integrating technology into brick-and-mortar retail forges a multi-channel experience for the consumer and helps your brand keep up with the ever-changing world of ecommerce. How can your business benefit from an app?

# Virtual retail starts dabbling in real life commerce





**WARBY PARKER CONCEPT SHOP**  
PHOTO CREDIT: RETAIL DESIGN BLOG

**Merchants who once prided themselves on breaking away from retail's established models, operating without physical locations, are thinking twice about the need for offline retail.**

It seems like decades now that we've been hearing all about the process of big retail brands opening up shops online to augment their point-of-sale distribution networks. The ecommerce revolution has taken such a big slice of the retail pie that many of the biggest companies operating in this space have never operated brick and mortar stores, selling online only since their conception.

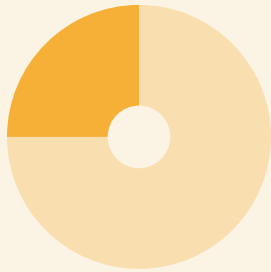
Astonishingly, however, the trend appears to be moving in the other direction as well. Businesses that began as ecommerce sites only are now opening stores "in real life" in order to strengthen their brands and provide a more visceral customer experience.

Warby Parker opened a concept store in April, following the success of its series of events at temporary showrooms.

A custom shirt maker called Proper Cloth made the decision to open a Manhattan store in order to differentiate their brand from others, recognizing

that the online medium didn't allow them to let customers know who they were and what they stood for. They wanted customers to know they were based in New York and made high-quality American products. They also found that their customers appreciated a personal touch -- they wanted to talk to a salesperson and be fitted for a shirt which is exactly the right size.

Additional niche ecommerce companies turning for the first time to offline retail in recent months include Zalando, Piperlime, Bonobos, Winser London, Kiddicare and BaubleBar.



**Ecommerce sites don't have to pay rent or salespeople, but there are many disadvantages... When bought online, as many as 25% of items are returned**



Ecommerce sites don't have to pay rent or salespeople, but there are many disadvantages. Certain products are best bought after being seen, fitted and touched. When bought online, as many as 25% of items are

returned. Delivery can be expensive, especially if couriers return multiple times until they find someone at home. Without a storefront to lure walk-in traffic, ecommerce sites must spend a lot of money on advertising. And it's harder to encourage impulse buys online than in an actual store.

We live in a multichannel world. Customers expect to be able to make purchases using multiple devices from computers to smartphones and tablets. They also want the option of browsing online and then visiting a physical store to make the actual purchase or pick it up.

Combining the advantages of online and offline business seems to be a key to retail success in the 21st century.



Create great customer experiences with in-store tablets



A little bit  
of creativity can  
go a long way,  
especially when  
the technology is  
capable of so much



**Your iPad has the power to streamline your business and make it easier to ring up items, manage inventory and ingredients, track customer sales and more. You know it's an invaluable tool for your sales force, but are you aware of how it can improve your customer's in-store experience?**

Customers return to a store if they have had a pleasant experience. The last interaction they have with the store will stay in their minds long after they have made their purchase and left the premises. Long lines at checkout will leave a bad taste in their mouths. A way to avoid this is having sales people carry iPads in order to check out customer purchases from anywhere in the store. Even if the process is not actually faster than the traditional cash register, it will certainly feel that way to the purchaser!

While your cashier is holding the iPad and the customer's attention, he can request that the buyer sign up for the store's membership, newsletter or Facebook page. This is an efficient way to ensure that the customer's relationship with the store is maintained in between visits.

iPads can also be used as electronic kiosks, allowing the customer to find what they are looking for on their own. Design an app that shows pictures of all the products

currently in stock and lets customers know where they can find them on the floor. The app can even allow for personalization or include a coupon they can access immediately.

Connecting the app to related local events and organizations makes your store part of a community. For example, a sporting goods store could connect customers to running clubs, sporting events in the area and personal trainers.

An iPad app can list products in all the store's chains. If the item is sold out or not carried in your specific store, the app can locate the nearest location where it is in stock. Then arrangements can be made for the item to be delivered, and the customer can come back to pick it up at a convenient time.

A little bit of creativity can go a long way, especially when the technology is capable of so much. One fashion retailer is even replacing printed signage with iPad apps which provide product information, video and social integration.

# New study makes the case for showrooming's virtues



**In recent years, brick and mortar retailers have become increasingly wary of people visiting stores just to check out the merchandise in the real world, so that they can feel better about buying products elsewhere, in the virtual world – often on the spot, using their smartphones for real time price comparison.**

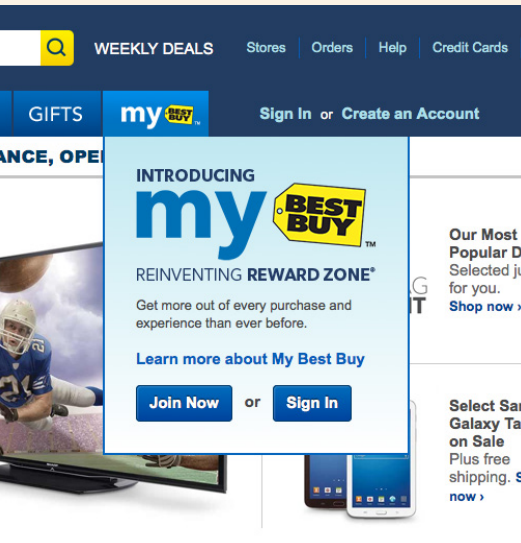
Conventional wisdom says that the only edge offline stores have over ecommerce sites is the ability for prospects to physically touch products, so many view the growth of the "showrooming" phenomenon as evidence that the end of brick and mortar retail is near.

But a new study published by Ipsos MediaCT and the Interactive Advertising Bureau (IAB) suggests that this is inaccurate – that showrooming actually increases brick and mortar sales.

## Best Buy is an example of a retailer that decided to fight back against showrooming



According to the study, 42% of those who used their mobile phones in stores made their final purchases online, but 30% ultimately bought the product in the stores. Yet 65% of those who shopped with their phones in-store said that it made them more likely to purchase.



BEST BUY ONLINE | PHOTO CREDIT: BEST BUY

Even those who didn't use their phone to make a decision inside the store reported using the internet to research the product beforehand. A full 75% said online research was part of their decision-making process. And let's not forget that online research is often a major motivator for getting the bodies into your store in the first place.

Best Buy is an example of a retailer that decided to fight back against showrooming and is succeeding. Firstly, Best Buy has improved the shopping experience on their website. They have improved search and navigation, making it easier to find products online. They also provide customized recommendations based on the customer's browsing history.

The company has condensed their store presence, closing 49 stores. The stores that have remained open are stocking more high-margin items such as smartphones, tablets, and appliances and fewer low-margin products such as CDs and DVDs. Sales are up and Best Buy's Wall St. stock has risen as well. The company's Net Promoter Score, which tracks customer satisfaction, has risen significantly in the past few months.

Target has been hit by customers who browse the store but then purchase the product on Amazon

In an effort to combat this, Target now offers price matching with Amazon. Not many customers actually take advantage of the price matching policy, but it has changed consumer perception of the company as being the more expensive option.

If showrooming has hurt your business, emulate the examples of Best Buy and Target to improve customer experience and boost sales.

Respondents to the survey cited three reasons for purchasing their products offline instead of online: price, convenience and the ability to try the product first. Retailers offering competitive prices, a great customer experience and a large selection will not only survive the showrooming phenomenon – they'll thrive because of it.

# Marketing, Loyalty Management and Customer Service





**While not every food service outfit or retailer is aggressively going after business via the web, more and more do look at their digital presences as must-haves.**

It's no surprise, then, that a recent Business Insider piece outlining 9 Trends That Are Transforming The Retail World focuses exclusively on tech.

## The ability to receive and respond to customer feedback quickly is another benefit of today's technology



Today's high-speed internet, smartphones and social networks are changing how customers make decisions. It's undeniable that this, in turn, impacts how businesses sell to their customers.

For example, when a customer voluntarily provides information such as location, profession or birthday, he or she has given you, the business owner, valuable tools to market directly to him. The customer's purchase history also represents a golden opportunity to encourage him or her to buy more of the same or similar.



**WALMART FAN PHOTO CONTEST**

PHOTO CREDIT: WALMART FACEBOOK PAGE

Social networks allow you to turn your customers into evangelists for your product. However, they won't spend their time praising your product without an incentive. This could take the form of modest compensation for an endorsement, or the chance to win a prize. Many bloggers accept free products in exchange for an honest review on their blog. Think of creative ways to get customers to share their love of your product with their friends.

The ability to receive and respond to customer feedback quickly is another benefit of today's technology. Your website should have an easy-to-find contact form which allows disgruntled or euphoric customers to let you know what they think of your product and service.

### Think of creative ways to get customers to share their love of your product with their friends.



Be aware that people are talking about your company online without letting you know. Listening tools such as Google Alerts, Twitter and Facebook searches and Technorati can give you an idea of who is talking about

you and what they are saying. Responding positively to these comments can earn you lots of brownie points.

Sure, there's plenty more that can be done with the right tools, like customizing products, giving customers a say in business decisions, developing sophisticated curation algorithms and delivery systems for suggesting products, or attempting to dispel any sense of mystery with product-themed content overkill.

But for SMBs, just dabbling the basics of social engagement, loyalty marketing and data collection can go a long way. As 2013 approaches, make use of these tech-based opportunities, and see your business grow.

# A look into the Crystal Ball



## What does the future hold for your business?



**We've been waiting a long time for our flying cars and robot butlers. But there are some predictions about the future that we're pretty sure are coming right around the corner. Retail trends, driven by customer demand or technology, indicate a sea of change is coming to traditional brick and mortar shops. What do we expect to see in ten years? Good thing the folks at Entrepreneur have a crystal ball and are willing to share their findings.**

Online shopping offers convenience and ease, so customers who take the time to travel to a retail location will expect a retail experience that goes beyond traditional. Apple Stores are already leaps and bounds ahead of what we would have seen at an electronics retailer ten years ago. The sales associate is not only there to help you understand the product, but to complete the sale, accepting payment on the sales floor. No need to stand in line at the cash register. You conduct your entire purchase with one person.

Customers are looking to purchase something unique. Levi's stores in Japan allow shoppers to customize their jeans, with options for style, denim color and wash, even rivet color. At Mission Bicycle Company of San Francisco you can work with an expert builder to customize your bike, choosing from a rainbow of colors,



MISSION BICYCLE COMPANY SHOP  
PHOTO CREDIT: FRESHNESSMAG

selecting the number of gears, the style of wheels and most every other component. The end product is unique. No one else has the same thing, and the retailer has engaged the customer in a creative and fun process.

The retail space itself is increasingly important. Many modern stores feature minimal design, with lots of open space and the product itself as the focus. Think about Room and Board, where the furniture is arranged in small rooms, as it would look in your home, as opposed to one big room full of couches, another filled with shelving units, yet another with bed frames and so on.

Technology has allowed, and in some cases forced an evolution in the shopping experience at physical retailers. Can mobile technology enable your store to make every sales associate a cashier? Can you give your customers the ability to design their own product, or to watch it being made? Is it time to rethink the design of your store? What does the future hold for your business?



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