



# More choice, less friction, greater purpose

The future of point-of-sale

# Survival of the fittest? biggest? fastest? most flexible?

Consumer expectations are evolving fast. Digital, social and demographic trends have pushed retailers to experiment with a mix and match of new endpoints. Traditional cashier-operated registers are now only one option among many. But while many retailers now offer consumers a choice of multiple ways to transact – in-store or online – others are playing catch up.

More change lies ahead. Computer vision, artificial intelligence, the IoT and augmented reality will further disrupt the point-of-sale experience. Self-checkout may have matured, but new questions are emerging about loss prevention. Mobile apps are becoming more sophisticated. Breakthrough technologies have opened new possibilities around the friction-free 'Just Walk Out' shop. There's much debate around the role of in-store associates. And consumer attitudes are still in flux, as populations re-evaluate their feelings towards human interaction in the wake of Covid, hybrid working and an increasingly cashless and contactless society.

The net result? The way we shop will continue to evolve. The smart retailers will be the ones leading the change, rather than reacting to it.



# Perfecting the blend

There's much talk of blending physical and digital. Retail commentators debate the optimal 'real-life' and 'virtual' shopping mix. It's true that consumers now shop across a variety of channels, but the ratio between online and in-store shops never stays still. Post-pandemic patterns have seen a return to bricks-and-mortar shops, but also evolved shopping habits and expectations that now include incorporating digital solutions – such as digital mobile payments, mobile apps and interactive features – in a physical store.

Mobile, contactless, cashier-less and consumer as opposed to associate-led shopping will of course become more prevalent. But retailers will also add new types of value to the transaction experience. Customers will not only expect to be able to checkout in their preferred fashion. They'll expect personalisation, social impact, and new types of recognition for their loyalty.

**Here are six trends to watch in point-of-sale evolution...**

**Watch the POS evolution video now:**





# 1. Payments their way

The past two decades saw an explosion of mobile, contactless and self-service transaction technology. This dovetailed with the emergence of new generations of time-starved, digitally-savvy, always-connected retail customers. Consequently, many omnichannel and self-service point-of-sale innovations were already in place pre-pandemic. But Covid added a rocket booster to contactless and online transaction innovation projects. It also shifted many attitudes towards human interaction. Now every retail brand has a mixture of customers who wish to browse, buy and interact – or not – in an almost unlimited number of ways.

Retailers have reacted in different ways. Early adopters introduced a plethora of new ways to finalise the shopping journey, including self-checkout, eCommerce, and even in-store mobile points-of-sale. A small number of retailers have added kiosks and experimented with cashier-less shopping, either via computer vision or a self-scanning mobile app. Others have been held back by monolithic systems that make innovation and scaling new endpoints risky, complicated, and costly.

Almost all are now asking how they can best connect different endpoints, sort through enormous data sets, and optimise their transaction mix to serve the customer best while meeting business imperatives around cost, revenue and brand experience. Adding to the complexity is the mixed-channel journey, where a customer may start to shop or fill a virtual basket online, before visiting the store to buy more, collect or return an item. Intangible transaction elements must also be considered; retailers need to be comfortable accepting BNPL payments, and be ready to process transactions involving tokens, digital wallets, or Apple Pay.

Introducing “the Platform”. A resilient, singular underlying commerce platform can unify both endpoints and data sets, creating a foundation for innovation and insight. A modern, open platform makes it easy to add new point-of-sale capabilities such as self-service, Just Walk Out or a bespoke mobile self-scan app. And when the platform is cloud-enabled, each endpoint can become an information super-highway, enabling real-time personalisation at the point of transaction.

*Can your customers always checkout in their preferred way?*



## Ways to pay – Things to look out for in 2023

- Further simplification of customer journeys
- Innovation in how to complete ‘card not present’ transactions
- A re-evaluation of the ratio of ways to finalise the shop in store; finding the right balance of self-checkout, manned registers and mobile apps
- The evolving role of cash and the physical wallet



**“Retailers must explore the right balance of mixed checkout experiences, catering for the wide demand of experiences that customers now expect — online, in store, or via a combination of both.”**

Lisa Bowden – Flooid Product Manager

### Convertible lanes – cutting line times and costs

Grocery retailers still heavily reliant on in-store sales are adapting to labour shortages and rising costs. They’re examining the store footprint, ensuring every inch of space is optimised.

Convertible Lanes enable grocers to reactivate unmanned checkout lanes or turn self-checkouts into staff-assisted pay stations. A simple flip arm and intuitive UI allows either staff members or customers to control the transaction. This reduces wait times during peak periods, gives customers the added choice of purchase without human interaction, and improves the in-store checkout process, without incurring additional costs.

### Technical debt – your problem, not theirs

Your customers don’t care about your costs in reuniting and converging data in siloed systems, or the difficulties you have in bringing disparate monolithic architecture together. What they care about is the ability to checkout their way. Your challenge is to make multiple checkout experiences not just possible, but seamless.

Luckily, help is at hand. A cloud-native, Software-as-a-Service platform, coupled with OS and device-independence and AI, machine learning and the IoT, can connect the retail experience.

Today, it’s possible to bring best-of-breed operators together into one high-performance ecosystem. Leaders in hardware, software, consultation and customer experience can all move together towards common goals. With one unified commerce platform as a strong foundation, it’s possible to add expertise and capabilities from a wide-range of suppliers — simply, at speed, and at scale.

## 2. Personalisation

Today's digitally-enabled shopper can afford to be more discerning. The cell phone in their hand offers almost unlimited product information and reviews, and an inexhaustible choice of brands from which to buy. More than ever, retailers must make the case for why customers should spend with their business.

The best way to keep and entice customers? Make them feel valued.

Personalisation at the point-of-sale has not always been easy. A small convenience store owner may remember a customer by name, but this is less possible in a 20-lane superstore. Loyalty cards can ensure regular or high spend is recognised and rewarded. But richer, truer, more-targeted personalisation has remained out of reach... until the advent of the cloud-based, AI-enriched modern retail environments.

The top retailers are already all-in. They've adopted mobile points-of-sale with real-time information about availability, the customer's past purchases, and suggested product pairings based on the customer's known likes. They enable half-filled baskets to pass seamlessly between a digital and physical shop. Consistent, resilient commerce platforms ensure the customer always gets the same – and best – deal, whichever channel they choose to transact on. And they're offering hyper-targeted promotions based on historic transactions, demographics, location, shopping habits or any other data that their customers have willingly shared.

But the benefits of personalisation don't stop at increased spend. Personalised offers can be used to influence any kind of behaviour, from a social media referral to increased store visits or leaving a positive product review.

The lesson is an old one: know the customer, personalise the sale. And it's much more possible to do both with modern technology.

*How personal are your interactions at the point-of-sale?*



## Personalisation – Things to look out for in 2023

- New omnichannel loyalty program launches
- Loyalty programs that follow the customer rather than the channel
- Member-only pricing
- Increased gamification
- Highly-personalised rewards and couponing

**“Modern businesses are built on ‘community’. Member programs enable personalisation, recognition, and the ability to customise and monetise different parts of the in-store journey.”**

Lisa Bowden – Flooid Product Manager

### Interactive shopping – adding excitement and generating sales

POS evolution doesn't just encompass the physical moment of transaction. Retailers also need to consider how they can influence the customer journey – both in terms of inspiring customers to shop via preferred channels, but also in product mix.

Electronic shelf edge labelling can be used in a variety of ways – with QR codes that lead to recipe suggestions, partner products or even additional discounts. Digital ads can influence behaviour, and change depending on proximity or dwell time. Music and other sensory experiences can also be tailored to desirable business outcomes.

### Linking loyalty and personalisation

Customers want recognition. Retailers want to recognise who is in their shop or on their website, understand why, and delve into behaviour patterns that can be turned into revenue streams.

Loyalty programs can provide a win-win, by enabling retailers to reward customers and better understand individual shopper motivations and behaviour. This then allows them to create a more personalised experience.

# 3. Purpose

The way people choose to live is changing. Younger generations are more lifestyle and experience-led. The daily commute is no longer daily. Hyper-local living is becoming more prevalent due to climate change concerns, community focus and convenience. And retail is adapting accordingly, with fresher ingredients, evolving express stores, and a renewed focus on community outreach, rather than high street centrality.

Now, more than four-fifths of customers want a brand's values to align<sup>1</sup> with their own, and most are especially interested in supporting sustainable businesses. This has changed the dynamic between retailer and shopper. Retailers are becoming more community and planet-minded to maintain loyalty and spend... and because it's the right thing to do. And where once retailers looked at sustainability savings purely in terms of emissions and plastic packaging, they're now examining new possibilities around the point-of-sale.

Part of this new focus on the POS revolves around sustainability analysis regarding the entire technology lifecycle. Top tier retailers are questioning the energy costs of maintaining in-store servers, many of which maintain capacity that's not required during non-peak periods of the year. They're looking at cloud providers such as Google, which puts sustainability at the heart of its offer, to see if they can save energy as well as time and money.

POS equipment is another consideration. Retailers are looking for new POS platforms that can cope with the omnichannel world, but don't require a rip and replace of current hardware. They've also spotted opportunities for sustainability gains at the checkout, via the advent of eReceipts which reduce paper usage, or no receipt at all. Social good is being enhanced with new types of coupons which lower costs for the less fortunate.

But perhaps the biggest opportunity lies in social impact. Millions of Pennies micro-donations have already generated more than £36 million for hundreds of good causes – without negatively impacting the transaction experience.

*Could you use a more purposeful point-of-sale experience to differentiate your brand?*

1. Source: <https://www.retailtouchpoints.com/topics/consumer-trends/harris-poll-82>  
of-consumers-want-a-brands-values-to-align-with-their-own





## Purpose – Things to look out for in 2023

- Increasing prevalence of micro-donations option at payment
- Examination of sustainability relating to retail technology
- Further progress in employee conditions
- Brands putting values, privacy and purpose to the forefront of their marketing communications



### Micro-donations are making waves – and millions – for charities

Pioneered by Flooid's award-winning partner Pennies, micro-donations allow customers to round-up or add a small donation each time they checkout at a point-of-sale.

This 'digital charity box' approach has already generated an incredible 145 million micro-donations, raising £36m for good causes.

Pennies is pre-integrated with Flooid, meaning retailers and hospitality businesses can use Flooid's platform in conjunction with their payments services provider to encourage customers to add a donation of a few pennies or cents each time they shop.



# 4. Predictive

Artificial intelligence is revolutionising retail. A relatively new technology, it's already being deployed to reduce waste, slash inefficiencies, and cut through enormous volumes of data to highlight game-changing operational opportunities. And it's being deployed across the value chain, from the cloud nerve centre to unlimited edge devices across thousands of stores.

AI is fundamentally about sorting through masses of data to deliver insights. This is particularly valuable at the point-of-sale, where AI can predict and even pre-empt buying behaviour based on intelligence including, but not limited to, previous take-up of promotions, individual buyer purchasing history, historic weather conditions and expected peak shopping times. AI-crunched data can help retailers to predict footfall, optimise the proportional mix of self and manned checkouts, and to ensure the right amount of inventory is deployed to the right places to boost profits, reduce waste and enhance the customer journey.

*Should you be using AI to empower customers and associates at your point-of-sale?*



## AI – Things to look out for in 2023

- AI loss prevention monitoring at checkout
- Computer vision-enabled self-checkouts, negating barcodes
- Predictive promotions
- Heat maps of in-store journeys
- Ideal product placement predictions

**“Digital transformation in retail is about more than connecting things. It’s about converting data into insights, which inform actions that drive better business outcomes. AI in retail—including machine learning and deep learning—are key to generating these insights. For retailers, that leads to incredible customer experiences, opportunities to grow revenue, fast innovation, and smart operations—all of which help differentiate you from your competitors.”**

Intel – <https://www.intel.co.uk/content/www/uk/en/retail/solutions/ai-in-retail.html>

### Intelligence-led insights

Flooid Insights unifies business intelligence, performance management and predictive analytics into a single decision-making platform.

With Insights, retailers can incorporate third-party data sources into their own business intelligence systems. Reports can be created, adapted and output into graphical representations within minutes. Trends can be spotted, mistakes rectified, and opportunities identified. And with AI, reactive reporting can be turned into a predictive process that generates likely outcomes, allowing data-led decision-making on promotional campaigns.

- Which products are selling well?
- What is the average time of intervention at a self-checkout?
- Which endpoint sees most transactions, and when, for which products?
- What is the average time to transaction?
- Which products make the most margin?

# 5. Preventative

A cost-of-living crisis, sky high inflation and rising food prices are all likely to increase retail shrink — which is already close to a \$100bn problem for US retailers<sup>2</sup>. The increase in these shrink-related losses comes just as retailers grapple with chronic labour shortages, poor productivity levels and excruciating energy bills. And while retailers once looked to self-checkouts to save money, there's a realisation that self-checkouts have increased the opportunity for theft and scanning mistakes. In fact, two-thirds of retailers feel that self-checkout-related losses are becoming more of a problem in their business<sup>3</sup>, so the self-checkout must evolve to prevent theft, reduce shrink, and stop the vicious circle of raising product prices to cover increasing losses from crime.

So where are the weaknesses in self-checkout? Not all weigh scales are fit for purpose, particularly as basket sizes have increased as self-checkouts have become more prevalent, but the cost of maintaining independent accurate weighing technology on customer-use devices can be prohibitive. Peak periods see some associates expected to monitor as many as 12 SCO's at once. Adhesive barcodes are simple to swap between products before scanning. And crooks are becoming more adept at getting around existing safeguards.

Solving these issues isn't just possible, it's profitable. Arming associates with digital tools can ensure real-time alerts to suspicious activity, and a faster response. Computer vision can be coupled with intelligent intervention software, giving managers insight to determine the correct risk mitigation strategies. Training can lead to insights about body language, confrontation techniques and other brand-centric behaviours. And insights can be used to see how and when shrink occurs.

*If you consider shrink, are your self-checkouts as cost-effective as they appear?*

2. <https://nrf.com/media-center/press-releases/nrf-reports-retail-shrink-nearly-100b-problem>

3 <https://www.ecrloss.com/research/global-study-on-self-checkout-in-retail>





## Loss prevention – Things to look out for in 2023

- Zero touch transactions – scan/tap/go and integration with self scan/BYOD
- Deactivation/decline of weight-based security in favour of AI/video and random audit
- Incorporation of biometrics for age validation, identity authentication and payment
- Re-evaluation of policies for associates – intervene or gather intelligence?
- Increased use of product identification computer vision technology
- Configurable micro-interventions appropriate to your business model
- Empowerment of retail associates



**“Retailers are becoming more savvy on shrink. They’re combating common self-checkout scams, but also evolving interaction methods and underlying technology to encourage the right behaviour from every shopper.”**

**Lisa Bowden** – Flooid Product Manager

### **CRAVED**

*“Research shows that [organised retail crime] ORC groups ... specifically target items that are concealable, removable, available, valuable, enjoyable and disposable, also known by the acronym CRAVED. Items that have more of these characteristics are more likely to be stolen. The top categories targeted include apparel, health and beauty, electronics/appliances, accessories, food and beverage, footwear, home furnishings and housewares, home improvement, eyewear, office supplies, infant care and toys.”*

**National Retail Federation**

**NRF** National  
Retail  
Federation

# 6. Partnerships

The fast-moving technical landscape is pulling point-of-sale evolution in multiple directions. How will customers feel about sharing their personal data in 12 months' time? Does personalisation infringe privacy? What is the ideal level of friction in each shopping scenario? How can retailers enhance connection with customers at the point of transaction? Will cryptocurrencies finally hit the mainstream? Will augmented reality become a baseline customer expectation? How long should an in-store shopping journey take?

In this hard-to-predict environment, the only way to prepare for change is to engage with experts in every area of retail innovation. Retailers need to adopt underlying platforms that can seamlessly adapt to adopt new off-the-shelf or bespoke capabilities for payments, processing, security, reporting and providing the correct experiences at a speed that is right for you. Cloud capabilities need to be utilised to allow ease of experimentation and open innovation between several different businesses. One provider will never be enough. Today, the quality of the ecosystem is all-important – collaboration, cooperation and shared insights are the only way to play.

Today, technology providers are not judged solely on existing functionality. Retailers instead evaluate the partner ecosystem – and how easy systems can be adapted to cope with the speed of change ahead. The time for costly, complicated upgrades is long gone. Instead, we're in an age of swift, incremental-improvements, developed and delivered via a true partnership approach.

*Do you have the right retail partnerships in place?*



## POS partnerships – Things to look out for in 2023

- Cultural as well as technical alignment
- Diversification of partner types – E.G. eReceipts and scanner technology specialists
- Integrations to delivery engines
- Ecosystem approach across cloud, software, hardware and customer experience
- AI & computer vision

## Our partners

acceo  
tender retail

ACI UNIVERSAL  
PAYMENTS

Adobe

YOCUDA



adyen

givex

AURUS

ingenico

intel  
MARKET  
READY

BOXTEC

deliverect

Diebold Nixdorf

Microsoft

GLORY

Eigen  
MANAGING PAYMENT

FUJITSU

Google

PayPal

Pennies!

TRANSACTIONTREE

Verifone

board

Premier  
Business  
Partner  
IBM

FREEDOM.PAY

## Partnerships – the only way to play

Retail technology providers like Flooid have had to adopt a healthy dose of realism over the past few years. Rather than trying to develop every capability in-house – resulting in a dev team being spread too thinly over too many projects – we've developed an accessible, open platform that's ripe for innovation – even if we're not involved.

This open approach allows retailers to choose to innovate using:

- Out-of-the-box capabilities from us or our preferred partners
- Their own preferred suppliers who just build apps or with other capabilities that connect to our open APIs
- Their internal development teams

Whichever way they choose to innovate, retailers can be confident of easy integration and a simple way to scale. By working in this way, Flooid offers peace of mind and total freedom, so retailers can experiment, innovate and grow in whichever way best suits their business.

# The simpler way to stay ahead of the curve

Watch the POS evolution video now:



Flooid set retailers up for success with a commerce engine that encourages innovation, lowers costs and makes it easier to scale.

Our cloud-based, SaaS platform is proven in the toughest, most competitive retail environments. Working across hundreds of thousands of points-of-sale in 45 countries, our platform has provided a solid, trustworthy foundation for innovation in self-checkout, mobile apps, Just Walk Out, convertible lanes, personalised offers and self-scanning retail journeys, even in international environments with millions of daily transactions.

Ask our team about point-of-sale innovation today.

The Flooid logo, consisting of the word "flooid" in a white, lowercase, sans-serif font, centered within a blue circular background that has a slight gradient and a soft shadow.

flooid



## About Floodid

Floodid, a Glory company, is the leading unified commerce platform provider that enables retail and hospitality brands to sell to customers flexibly and consistently, wherever they are and however they choose to shop. Our scalable cloud-native composable solution and services portfolio includes assisted and self-service experiences, an open API services platform and operational business analytics as well as estate management solutions that enable retailers to select the right mix of services and technology partners to facilitate the selling journey that's right for every customer. One composable, unified commerce platform. Unlimited innovation.

**floodid.com**

**#MakeItFloodid**