



A Zebra Technologies White Paper

Kiosks in Grocery Stores— Boost Sales and Improve Operational Efficiency





“The IHL Consulting Group estimates that the demand for self-checkout systems and other self-service applications will drive the dollar value of self-service transactions to nearly \$1.3 trillion by 2011.”

What Grocery Shoppers Want—Easier, Faster, Intuitive

Imagine the choices that today’s grocery store shopper are confronted with—the larger the store, the more complex and difficult the shopping experience. Time-strapped customers must determine which aisle items are located, what is on sale, which coupons are valid, and what recipes can they pull together for their dining needs. To be sure, large grocery store chains have expended significant resources to improve the shopping experience, but the consumer expects more. Beyond shopping convenience, grocery chains are looking for ways to improve sales, reduce operational costs, and boost customer loyalty. Of all the technologies currently available, only self-service kiosks offer the optimal solution.

In fact, self-service kiosks are proving to be a major driver of sales growth and improved efficiencies across a wide range of industries. Businesses in retail (gift registry, self-checkout, coupons, photo, and point of sale [POS]), hospitality (entertainment ticketing and hotel check-in), and transportation (parking and airport check-in) are all realizing the value that kiosks deliver.

In North American retail alone, self-service and interactive kiosk solutions reached \$432 million in sales, with 92,000 kiosks shipped in 2007¹. According to another study², the low to mid Tier 1 retailers (\$1 billion to \$10 billion) were the most active in investing in kiosks in 2007, while retailers with sales above \$10 billion plan to invest in self-service solutions within the next 18-24 months.

Enhance the Shopping Experience, Expand Sales

Consider the following benefits that self-service kiosks deliver to the grocery store shopper, and the positive impact on the grocery store bottom line.

Coupons and Loyalty Cards

Throughout all retail sectors, coupons provide a ready incentive for lifting consumer purchases. However, with all the interruptions of family and career, few consumers have time to clip coupons. Most grocery chains attempted to solve the coupon challenge by providing coupons and incentives at checkout. Unfortunately, most customers discard or lose the coupons—and the store loses the sales opportunity.

Self-service kiosks provide an excellent solution for delivering coupons or other promotions to customers before they begin shopping. Retailers can position kiosks near the front of the store or the promoted department to maximize customer exposure. Not only does the printed coupon identify the product, but customers save time with informative coupons that show the precise aisle location.

1. Venture Development Corp., 2007

2. RIS News Kiosk Study, 2007

Kiosks can include loyalty card printers and readers to reward repeat buyers and capture demographic information about who is using the service. Networked loyalty databases can collect this information to offer coupons and promotions tailored to the customer's interests and preferences. Because the printed coupon or loyalty card reflects the store's image, the integrated printer should support quality materials and produce sharp graphics.

Self-service gift card kiosks typically accept payment, so system security and receipt printing are essential requirements. Gift card kiosks offer significant placement flexibility, allowing their positioning in less congested areas. Stores can also install them near customer service counters, diverting customers who might otherwise stand in line to engage a store associate. Reducing the time customers spend in line is a proven way to improve customer satisfaction. Easy-to-use, well-located kiosks encourage customers to use them every time they visit the store—and provide a powerful customer loyalty tool.

Price, Product, and Recipe Information

Cost-conscious shopping is a reality in today's economy. Consumers want to make sure they find what they need quickly, and within budget. Nothing busts a budget more than an unexpected price, or causes more frustration than an out-of-stock product. On-the-go shoppers often want to try new recipes but do not have the time to find information in a cookbook or determine which ingredients and brands the recipe requires.

Kiosks that include product information allow shoppers to find items quickly, compare prices, and view important product details. Stores can maximize their recipe and deli department promotions by providing detailed recipes, ingredients, and locations of all items.

Placement is vital for product information kiosks—stores must install the kiosk near the item location, so customers can easily obtain the product after learning about it on the kiosk. Depending on the complexity of the product line or likelihood of confusion with other products, kiosks offer unmatched flexibility to provide video and other multimedia. If product descriptions, how-to tips, project materials checklists, and other content remain static, the kiosk can store the information in memory.

Gift Registries and Aisle Locators

Registry kiosks provide a convenient, efficient solution for showing customers a list of registered items. In addition, stores can deploy applications that print a ticket directing the shopper to the exact aisle or shelf location for the desired item. Registry kiosks provide shoppers the ability to review information independently of a store associate. If the grocery store wants its staff to interact with registry shoppers, the kiosk application can generate a message to direct an associate to the kiosk.

Registry kiosks benefit from wireless or wired networking, allowing updates to the registry when shoppers select or order items, preventing duplicate purchases. The result is an information portal that saves the customer time and improves front-to-back shopping experience.

Instant Ordering

Consider the inefficient process of when a shopper must call out their order to a deli worker, fresh fish and meat counter, or while at an in-store café. Now, reflect on the frustration when the customer receives their order only to discover mismatched ingredients or items. Clarity is essential when shoppers place an order. Self-service kiosks allow shoppers to visualize the item or product selection on-screen, choose recipe or deli ingredients using a touch-screen, and then verify the order.

To improve up-selling in a deli environment, kiosk software can “ask” shoppers if they would like a pound of cheese to go with their meat order, or even alert that the cheese is on sale. Once the order is placed, the kiosk prints out an order ticket and transmits the order to the appropriate department. The customer walks away with the peace of mind that their order will be ready—on time, and accurately.

Corporate Services Access

Fast shopping and convenience are not the only unique store differentiators that self-service kiosks present. Instead of burning up precious time at an in-store customer service department, shoppers can use kiosks to look up and apply for employment opportunities, complete new requests for credit, and request credit line increases on store credit cards—securely, efficiently, and quickly. In addition, store employees gain quick access to services such as payroll information, workplace benefits, corporate notices, and work schedule postings.

Realize Operational Efficiency and Cost Improvements

Self-service kiosks enable a wide range of options that support specific grocery business objectives. These include improving revenue through increased complementary-item sales, reducing average wait times through self-checkout options, brand enhancement, improving staff productivity, and capturing more customer information through opt-in promotions.

Reliability and ease of use are essential for any kiosk application. Regardless of how businesses use kiosk solutions, if they do not serve customers consistently and conveniently, they will not deliver benefits and value. Kiosks must also be easy for the enterprise to integrate and support. Loyalty programs will struggle to meet service, satisfaction, and sales goals if maintaining kiosks requires extensive hands-on staff support.

As needed, kiosks should also integrate tightly with information systems and software applications. For example, a kiosk program intended to improve customer loyalty should integrate with existing loyalty programs and customer relationship management (CRM) applications. Kiosks may also need to integrate with POS, inventory, order management, and data mining applications.


Kiosk Ease of Use is Vital

In large-scale retail and grocery operations, businesses do not have the luxury of training their customers on kiosks, so applications must be as intuitive as possible. Grocery store operations departments can load kiosks with easy, user-friendly on-screen instructions. Once deployed, corporate promotions and signage should set clear expectations for what the kiosk can and cannot do, and articulate the benefits of using it. Promotion, signage, demonstrations, kiosk placement, and trained staff available to help are all resources that organizations can use to increase customer satisfaction with kiosks and boast usage rates.

When kiosk solutions contain intuitive, easy to use screens and instructions, the need for shoppers to contact a store associate to complete transactions or get information becomes a thing of the past. Because kiosks operate automatically, grocery stores can free up human resources for other tasks—thus increasing operational efficiency while reducing costs.

A Key Differentiator in Kiosk Applications—The Printer

Printers are a vital component within kiosk applications. Printers provide the most features, options, and performance capabilities when selecting a kiosk solution. Printer design and features contribute directly to reliability and support requirements. In fact, nearly 30 percent of kiosk field service calls are due to printer problems.



“Therein rests the critical nature of the printer—that is what the shopper is going to experience. If the printer fails, the entire experience fails.”

—Frank Beurskens, CEO,
ShoptoCook



Printer media is also a critical factor driving reliability and customer satisfaction. The larger the printer media capacity, the less frequently paper has to be replaced, which reduces the chances of a frustrated customer because the kiosk is out of paper. Larger media capacities also promote better labor efficiency because less staff time is required to load media. Kiosks that contain printers designed to provide easy access for media loading enable more labor efficiency than models that take longer to service.

Zebra delivers kiosk printing solutions for tough printing environments where reliability, durability, minimal maintenance, and ease of use are critical. Zebra printers help minimize kiosk downtime or interruption—even when used repeatedly by thousands of consumers. By contributing reliable performance and application flexibility to the overall kiosk design, Zebra helps grocery stores raise customer satisfaction, increase revenue, and reduce operational costs.

Kiosks in Grocery Stores—The Right Choice

Self-service kiosks offer a unique, highly effective solution to help improve customer loyalty and create competitive differentiation, while reducing operational costs. To boost the customer experience, kiosks must be highly reliable and easy to use, from the first customer interaction to the final printed receipt. Zebra’s best-of-breed direct thermal receipt, ticket, and document printers command respect throughout the kiosk industry for their reliability, durability, versatility, easy loading, and small footprint. Self-service kiosks built with Zebra printers—the right choice for improving the grocery shopping experience.

Zebra Technologies Corporation provides the broadest range of innovative technology solutions to identify, track, and manage the deployment of critical assets for improved business efficiency. Zebra’s core technologies include reliable on-demand printer and state-of-the-art software and hardware solutions. By enabling improvements in sourcing, visibility, security and accuracy, Zebra helps its customers to put the right asset in the right place at the right time. Zebra serves more than 90 percent of Fortune 500 companies worldwide. For more information about Zebra’s solutions visit www.zebra.com.

Notes

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