



The best for your business

In the current super-competitive retail environment, Australian retailers are increasingly turning to specialist industry suppliers for the best advice and latest technologies to help drive business success. Jane McConnell reports.

Every day, the modern retailer must make tough decisions about how best to spend their most precious resource – their time. Should they be stationed at the point-of-sale where money changes hands? Building relationships with suppliers? Investigating new technology for the store? Supervising staff?

There is obviously no clear answer and, in most cases, the retailers who best juggle these competing demands, and many others, have the greatest chance of success. One thing is clear, though: for a retailer, time is of the essence and those who don't invest their time wisely are doomed to failure. Which is why, in 2014, Australian retailers are lucky to have access to a range of expert suppliers of services and technologies specialising in the grocery retail sector. By engaging

an expert, retailers can focus on their priorities without being distracted by their many other day-to-day demands.

Nailing sales and marketing

Everyone knows that sales is perhaps the most critical aspect of any retail operation. At the end of the day, if you're not ringing in the sales, your business is going to get into trouble, fast. Equally, the right marketing is also crucial to drive customers to your store and keep them coming back, but how many retailers have the time and, in many cases, the expertise to manage a sophisticated marketing campaign?

According to Brad Rossiter, GM Field Marketing at Retail Safari, in 2014, it's extremely important for grocery retailers to get their sales and marketing right and, for many, that means looking outside

their business for expert advice. "Outsourcing is no longer a 'nice to have', it's an imperative," he said.

"Against a backdrop of increased competition and the need for competitive advantage, outsourcing has become a critical business strategy in the unrelenting pursuit of improved performance and profits – through reduced costs, specialised service delivery, improved efficiencies and increased sales."

Key outsourcing benefits include:

- Improved cost efficiencies.
- Economies of scale.
- Increased flexibility.
- Improved financial ratios.
- Better management of results.
- Increased coverage.
- Retail expertise.
- Avoiding capital outlay.
- Improved accountability.

While some of these benefits are obvious, few grocery retailers are currently outsourcing their sales and marketing operations.

"One of Australia's largest supermarkets is trialling an outsourced model for merchandising of their own products and those of their vendors," Mr Rossiter said, "but currently, it's mostly brands that take advantage of outsourcing services rather than retailers. However, there is a growing opportunity for smaller retailers to take advantage of some of the efficiencies around cost and expertise that outsourcing provides."

Technology also has an important role to play in driving better sales and marketing results for retailers, with a broad range of new systems and devices providing deeper customer



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Brad Rossiter, Retail Safari.

insights and minimising wastage. With grocery suppliers and retailers working hand-in-hand on a daily basis, efficiency in how they interact is absolutely paramount and this is one example where technology is having an impact.

Opmatrix Managing Director Oliver Huggins explained that, for retailers, talking to a specialist about the right sales force technology for their business can help increase efficiency by better enabling their suppliers, resulting in both reduced paperwork and the availability of more timely information. This, in turn, ultimately drives better sales results.

“Software, such as our technology, is utilised by FMCG companies and brokers within a retailer’s store,” he said.

“Territory managers and merchandisers simply can’t do without this type of technology in this day and age – it not only maximises their efficiency, it also optimises product on-shelf and saves time for the retailer.

“For instance, organising trade spend, in-store displays and promotional activity can all be managed electronically. The retailer confirms with an electronic signature and the tasks are then executed as required. Users can also carry out a number of in-store checks that can improve sales for the retailer as well as service to the consumer. For example:

- Ensuring that their company’s stock is on the shelf, ticketed and priced correctly.
- Processing turn-in orders in categories delivered direct-to-store with a faster turnaround.
- Processing the retailers’ queries with regards to credit requests or POS requests.

“But integration of systems is key. Systems need to share more data – linking till data,

electronic pricing tickets and merchandising systems will improve efficiencies in product supply and optimise shelf space based on product sales.”

Power at POS

For any retailer, the POS is absolutely critical, being the very last stage of the customer journey, but the modern POS system doesn’t necessarily need to be at the front of the store as it traditionally was. The tablet has enabled the development of POS software built for use on the move, with obvious benefits for customers. Here again, getting the best possible advice about available software and hardware can make a huge long-term difference to a retail business.

“Selecting the right POS technology is crucial for businesses in the digital age,” Revel Systems General Manager Josh Franklin said.

“Rents are often high and grocery retailers want to make sure they are maximising shelving space. This means they need to know what’s selling and what isn’t, and that it all begins with learning to know your customer through a sophisticated POS system.



Quality POS systems have intelligent reporting features which monitor records regularly ... they will then alert managers and business owners when there are repeated errors or suspicious activity.

Josh Franklin, Revel Systems.

“However, many retail businesses still run legacy POS systems that are outdated, requiring frequent, costly maintenance. Equally, legacy servers can be difficult to maintain and upgrade, with costs running into the thousands of dollars. With iPad POS systems, however, the only truly necessary piece of hardware is the iPad itself – other upfront costs for the equipment will be in the hundreds versus the tens of thousands of dollars required

for a legacy server-based system. Maintenance costs are also virtually non-existent while business owners can check on and update their stores remotely. This leads to significant efficiency savings.”

In-store wi-fi security

With the number of mobile devices being used by retailers and their customers while in-store increasing by the day, network security is a new consideration for retailers, but one that must be taken seriously. Without the right protection in place, a retailer is vulnerable to cyber attacks that can result in theft and loss of customer and other confidential data with significant financial and, potentially, legal implications.

Again, getting the right advice is of paramount importance.

“Security is high on the agenda for retailers, not only from a physical loss-prevention perspective, but also the risks associated with not being payment card industry [PCI] compliant at POS,” Aruba Networks Managing Director, Australia and New Zealand, Steve Coad said.

“The smartest retailers stay ahead of the curve by adopting an in-store mobility infrastructure – one that handles PCI-compliant transactions over the air, accommodates point-of-sale, inventory and other work apps and engages in-store shoppers with location-aware mobile apps and personal notification offers. By integrating technology with vigilance among staff, savvy retailers are successfully protecting their businesses against the many threats in today’s retail environment.

“At the end of the day, with the rise of #GenMobile, shoppers are now expecting to be given wi-fi connection in-store. Without a secure wireless network in place, retailers are exposing themselves to another security threat. Look for a wi-fi solution that offers guest access, so retailers can still enjoy greater customer engagement while protecting important information by restricting access to authorised devices and accounts only.”

Network camera

While the grocery retail business has experienced rapid

change over the past three to five years, there is still no easy way to prevent unscrupulous people engaging in theft and fraud. Fortunately, retailers now have an impressive arsenal of tools available to them as they seek to combat the criminal element, and one of the most powerful of these tools is the not-so-humble-anymore video camera.

“Security has always been at the forefront of retail,” Retail at Axis Communications Business Development Manager Trevor Westhead said.

“These days, thieves are less likely to be brazen, opportunistic shoplifters – more often than not, they are savvy, clued-in individuals and retailers must be able to keep up. Fortunately, retailers are now beginning to deploy network cameras which are capable of seamlessly integrating with infrastructure and sections of the store and, in particular, with the POS. For example, IP Network cameras are able to be connected to cash registers so that, when particularly suspicious activity is detected, stores can be provided with detailed exception reports where each transaction is linked with corresponding high-quality video.”

According to Mr Westhead, there is also tremendous staff training value in these systems, with managers who use network video to analyse POS transactions, for instance, able to quickly identify common mistakes, misunderstandings and manipulation methods. This input is invaluable when developing training tools to ensure that everyone has a common understanding of best practices. Perhaps the best news is, these systems are generating great feedback from customers.

“Reports have certainly been positive,” Mr Westhead said.

“What we are seeing is that retailers that have embraced not just the technology, but the integration of many technologies and, also, those seeking advice from security experts, are seeing reductions in theft and fraud. The most successful stores are the ones whose owners and managers have done research to create a customised security solution that harnesses the power of the digital world we operate in.” ♦