



## *Four Distinct Areas of ROI of Mobile POS at Retail*

*Mobility is playing an increasingly prevalent role at retail, as merchants adapt to today's technology-savvy customers and pursue an omni-channel approach. In-store, mobile POS (mPOS) adds significant value via convenient and expedited operational and sales capabilities.*

In addition to line-busting, handheld mPOS devices can be used to combat showrooming, encourage add-on sales or order out-of-stock items, run customer loyalty programs, manage inventory and change prices. For customers, mPOS means that they don't have to walk to checkout stations and wait in lines, which saves time and can help build loyalty. Furthermore, if items are out of stock, associates can check inventory on the spot and have merchandise delivered to a customer's home.

Adoption of mPOS shouldn't be rushed or executed without a detailed plan. The transition to mPOS often requires new software and hardware, along with infrastructure upgrades such as wireless Internet access; and potential issues and delays should be anticipated. Realistic time lines should be created, including pilot testing in stores before a national roll-out is completed (if applicable for large chains). Training is imperative and should be designed for both expert and novice use; typically, younger associates who already are comfortable with mobile technology quickly adopt, and others may take a bit longer to learn.



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At the outset, retailers should identify both qualitative and quantitative goals for mPOS. Although it may be difficult to assess exact increases in productivity or sales gains, merchants can estimate targets. Measuring return on investment (ROI) against these goals helps retailers evaluate the ultimate value of the mPOS system.

ROI impact with mobile devices is typically evidenced in four areas at retail: operations, sales, equipment expense and qualitative factors. Therefore, IT staff and C-levels should identify metrics in these areas prior to mobile deployment so that benchmark data can be compared to post-implementation figures. Typically assessed in sales, for example, are the average number of transactions per day per store; average dollar amount per transaction; associate sales per hour, add-on sales and transaction duration; and revenue generated per store per square foot.

Merchants also must tabulate the total mPOS implementation cost – including hardware, software, infrastructure, training and mobile device management (MDM). After deployment, measuring specific results in operations, sales, equipment expense and qualitative factors creates a valuable assessment of the impact of mPOS. While exact ROI here can be challenging to pinpoint due to numerous contributing factors and variable influences, it is critical to optimize business success.

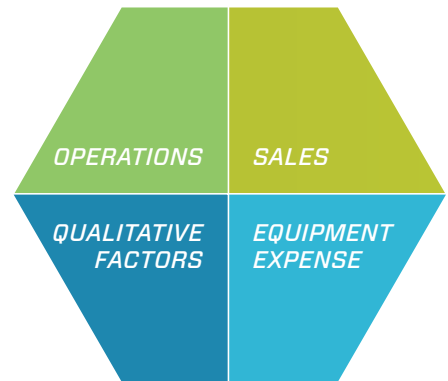
### **Operations**

Retailers must first determine what store operations will be conducted using the mobile devices, such as price changes and inventory management, including on-hand inventory, order ability, planogram resets and space management. The merchant will make this decision based on internal preferences and the company's software, but the powerful iOS system allows freedom and flexibility for a variety of retail tasks. Whatever they decide, retailers should change the user interface that is used on their applications to make them mobile-friendly.

After measuring productivity of existing operations, merchants should evaluate the same metrics at 30 days, 60 days, 90 days and 180 days after mobile deployment to assess impact and potential cost savings. For a comprehensive overview, these statistics should be compared with pre-mobile figures and data for stores with and without mobile technology.

Mobility figures may indicate improved productivity due to ease of use, faster scanning speed and more robust software. This can afford adjustments in staffing or additional associate responsibilities, and potential payroll savings.

*Four areas of ROI impact with mobile devices at retail*



## Sales

Due to the effectiveness of mobile devices in line-busting, sales impact generally is evident in transaction quantities, amounts and durations, along with customers' wait times. Included in these measurements should be new cross-channel capabilities of mobile, such as online sales and sales conversion rates.

Again, comparing new statistics to pre-mobile numbers, to results in other departments (where applicable), to mobile stores and non-mobile stores yields a picture of the value of mPOS in terms of increased revenue, in addition to highlighting potential deficiencies that may point to specific departments or associates that require greater efforts to maximize output.

mPOS also facilitates real-time reporting, thereby enabling managers and associates to instantly address areas that are down for that particular day. Also, potential cost savings may come after evaluating store traffic periods and staffing levels.

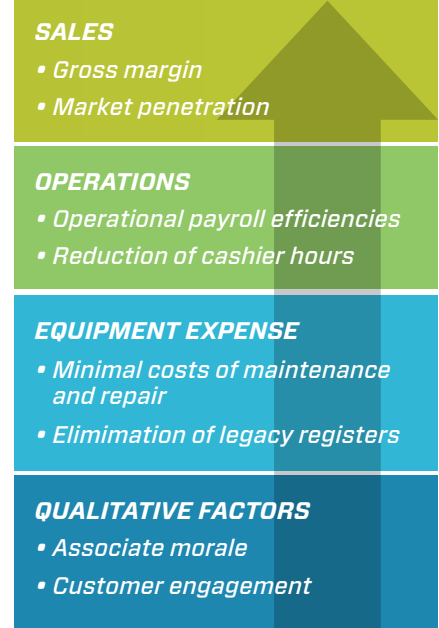
## Equipment Expense

Before transitioning to mPOS, retailers should tabulate costs for all the current legacy hardware pieces and software, including terminals, printers, signature devices, barcode scanners and handheld devices for operations. They should calculate failure rates, and include maintenance and repair/replacement costs of legacy equipment. Then retailers should assess the reduction in quantity and associated costs of this equipment when replaced by mobile systems.

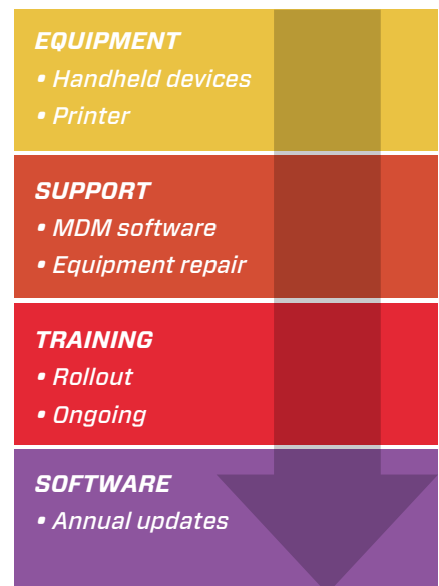
For mPOS, merchants should determine the total cost of one unit (versus one legacy system), factoring in MDM costs per unit, comparing total costs of the legacy systems to the mobile solution to identify return.

With iOS mobile devices, upgrades are automatic and efficient, potentially saving associate hours in traditional manual upgrades. Another consideration is the potential sales impact of additional merchandise on the floor due to fewer cash wrap stations. Also, retailers must factor in the versatility of the mobile device, such as the iPad® or iPhone®, which are multi-use devices that can perform numerous functions, as opposed to single-use legacy POS systems.

## Savings from implementing mPOS



## Costs of implementing mPOS



## Qualitative Factors

Retailers report that mPOS systems have a powerful impact on associate morale and attitude, with appreciation for advanced technology that equips them to do their jobs more efficiently and effectively. Management should solicit feedback from employees and address issues as necessary. If employees embrace this powerful technology, merchants are better positioned for success.

Customer feedback is equally valuable, as many customers indicate that they value (and come to expect) mobile checkout as a timesaver. Retailers who have a customer feedback vehicle should be sure to include questions about the mPOS experience during the pilot testing, as well as upon full deployment, to gain insights and make changes if necessary. Because some customers still will prefer traditional terminals and cash wrap stations, both preferences should be accommodated.

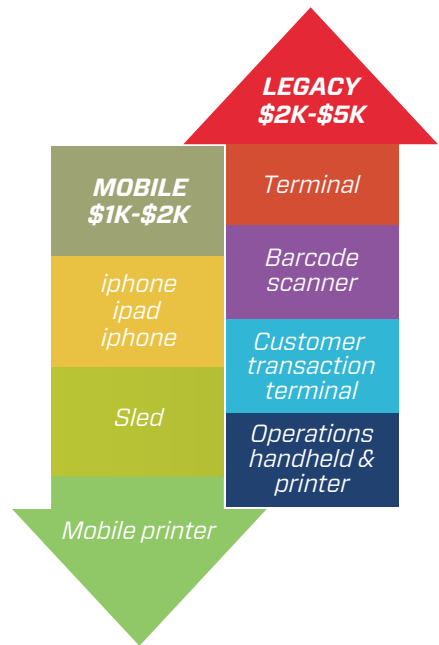
Employing customer loyalty and coupon programs via mobile devices can add value to retailers in terms of greater engagement, targeted marketing outreach and increased repeat visits. And merchants should advertise their mPOS as a competitive differentiator where applicable, and position the brand as progressive and tech-savvy.

## Bottom Line

Many factors impact ROI of mPOS systems. As a result, ROI estimates and average industry returns are not yet available. Currently, little data exists to give retailers a frame of reference to quantify the performance of their mPOS systems. This represents a significant opportunity, as retailers can look to the aforementioned areas to quantify mPOS returns, even establishing industry best practices around measuring ROI in this area.

Ultimately, mPOS will become a must-have at retail as technology progresses. Its overall success is based on planned implementation, systematic deployment, consistent data-gathering and evaluation, and ongoing flexibility and adjustments as necessary. As more and more retailers start to quantify its success in each of the four key areas, they'll strengthen the case further for even wider spread adoption of mPOS systems.

## Cost of Mobile vs Legacy Systems



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## About Infinite Peripherals

Since 1993, Infinite Peripherals, Inc. (IPC) has been fueling mobility with cutting-edge mobile peripheral devices, receipt printers, mechanisms and receipt printer-related components. Numerous major retailers in the United States are moving to mobile POS with IPC's Linea Pro® and Infinea Tab®, helping to transform shopping, drive traffic and increase customer conversion rates. Anticipating trends and pre-empting solutions for a constantly evolving business landscape, IPC enhances operations in retail and other industries, including healthcare, hospitality, transportation, warehouse and logistics, entertainment and security. For more information, please visit [www.ipcprint.com](http://www.ipcprint.com). Connect with us at [www.facebook.com/infiniteperipheralsinc](http://www.facebook.com/infiniteperipheralsinc) and [www.twitter.com/infiniteperiph](http://www.twitter.com/infiniteperiph).