



Mobile Point-of-sale Systems: How They Streamline the User Experience & Maximize ROI



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Executive summary

When using mobility as a business tool in today's connected environment, the heart of the strategy is not in the devices or technology, but in the outcomes of those components. Replacing standard fixtures and traditional point-of-sale systems with mobile solutions is a significant element of increasingly necessary digital transformations, allowing companies to overhaul the customer experience and enhance sales performance.

In a world where hyper-connectivity is the norm, omnichannel consumers effortlessly switch between digital touch points and offline experiences in both personal and professional spheres. This makes it necessary for both business-to-consumer and business-to-business companies to create user experiences that consumers have come to expect. With savvy mPOS deployment, meeting those expectations also becomes fuel for sales, growth, consumer loyalty and maximized return on investment.

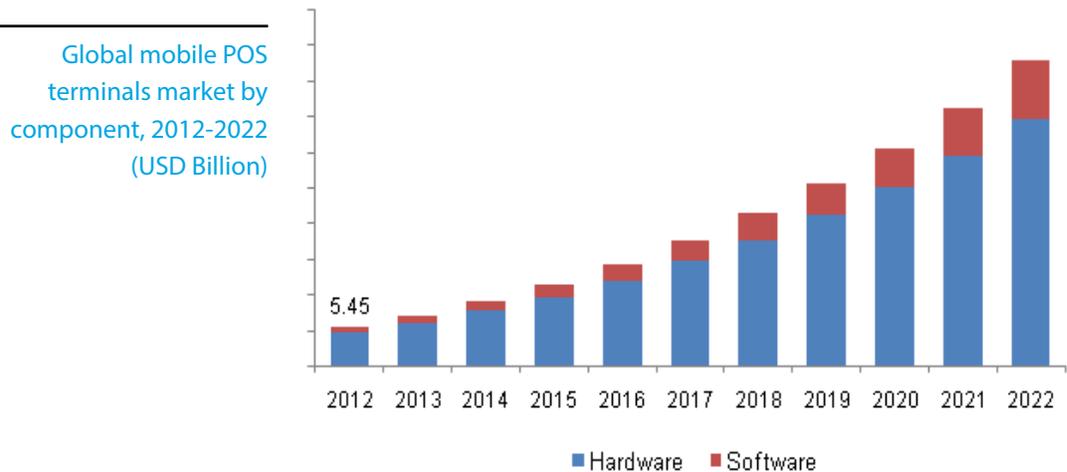
For many organizations, the rapid changes in mobile devices, security measures, compatibility and management systems can be far too complex, challenging and risky for them to stay ahead of trends and continually meet consumer expectations. Falling behind only creates a ripple effect of both unsatisfied customers and frustrated employees. Along with struggling to meet both technological and user demands, hefty equipment and configuration costs add additional pressure on the need for higher ROI. Working with multiple supplier contracts and navigating complicated agreements can make troubleshooting issues a slow process, dropping productivity to a less-than-ideal speed.

Mobility as a service (MaaS) addresses these concerns, combining products, hardware, support, labor and analytics in a holistic, all-in-one solution. Through one simple monthly payment, organizations can better manage their mPOS systems with automatic updates to devices and systems. In turn, companies can maintain productivity levels and secure environments, resulting in a greater return on the time, money and resources invested in their efforts.

The Current mPOS Market

Companies of all sizes, markets and industries are adopting these mobile POS systems, with retailers and brands like Samsung, Home Depot, Nordstrom, Urban Outfitters and Gucci leading the increases in mPOS deployments. ¹ The mPOS systems allow these retailers to complete their digital transformations, or at least overlay the technology with their existing consumer experiences. For instance, customers no longer expect to see traditional checkout registers in Apple or Samsung experience stores and pop-ups, as all transactions can be completed on the devices the companies' mobile devices. Nordstrom Rack, on the other hand, offers shoppers the option to check out at a counter or with a mPOS device.

Despite finding a natural home in retail environments, mPOS opportunities are rich across all industries. Data informs confident predictions of further expansion in the mPOS systems market as a whole, specifically driven by advancements in payment technologies, improved integrations and broad scopes in applicable industries and regions.² In fact, reports from Grand View Research Inc. estimated that the global POS terminals market will reach \$108.46 billion by 2025 at a 7.8 percent compound annual growth rate, with the mPOS segment driving a significant portion of the market expansion.³



mPOS adoption is also tied to the mobile app and smartphone industries, which dominate a majority of the digital world. As mPOS systems continue to gain traction, deployments reveal value in the technology, along with areas for improvement or unrealized potential.

¹ <https://www.grandviewresearch.com/industry-analysis/mobile-pos-terminals-market>

² <https://www.grandviewresearch.com/industry-analysis/mobile-point-of-sale-mpos-systems-market>

³ <https://www.grandviewresearch.com/press-release/global-point-of-sale-terminals-market>

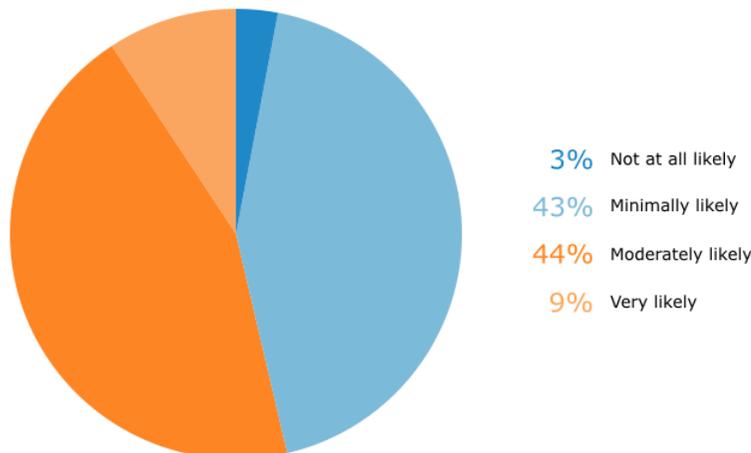
The Untapped Potential of mPOS Systems

“According to a study conducted by global research firm IHL Group, enterprise retailers who use mPOS are experiencing sales growth that’s 42 percent higher than those who don’t use mPOS technology”

While the rapid growth in mPOS technology and services is evident, many businesses have yet to capitalize on the full potential of these solutions. At the top of these unrealized mPOS outcomes is high revenue capture.

Retail applications of mPOS solutions have been especially successful in driving positive results. According to a study conducted by global research firm IHL Group, enterprise retailers who use mPOS are experiencing sales growth that’s 42 percent higher than those who don’t use mPOS technology.⁴ Such success comes from utilizing mPOS as more than a replacement for traditional POS systems. Instead, these enterprise retailers use mPOS as an additional customer touchpoint, engaging audiences with personal experiences and increasing the likelihood of purchases. As such, leveraging payment trends and enhanced shopping experiences can directly influence immediate revenue as well as long-term success.

Customer Likelihood of Making Recommended Modification



N = 355

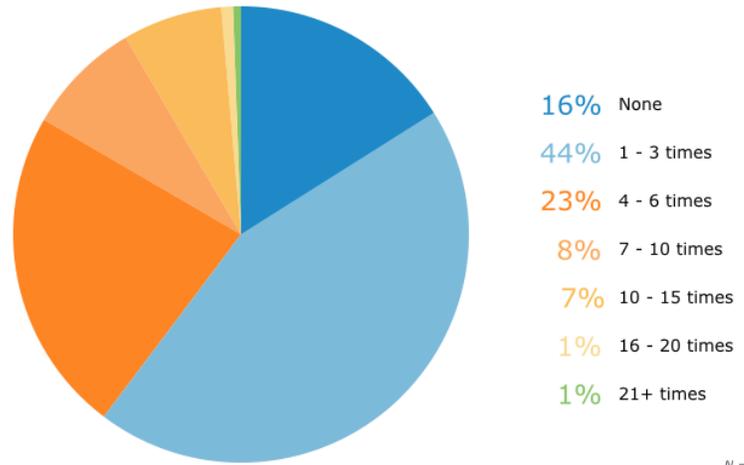
This high potential for increased revenue is also due in part to the upselling that mPOS systems can facilitate. In the retail space, mobile checkout processes allow sales associates to easily display additional items and accessories that are related to what the customer is already buying. With mPOS, employees can also show customers items that may not be available in that particular store.

mPOS can also significantly impact upselling in restaurant settings, namely when used for table service.⁵ The devices can prompt servers to ask about upgrades or additional sides. Additionally, servers can send orders to the kitchen without leaving the table, meaning they can spend more time with their customers. Not only can this improve the dining experience but it can also create more opportunities for customers to order additional food and drinks.

⁴ <https://pointofsale.com/ihl-retailers-using-mobile-pos-see-42-higher-sales-growth/>

⁵ <https://www.softwareadvice.com/resources/restaurant-upselling-with-mobile-pos-tips/>

Number of Times Customers Report Being Upsold



No matter the industry, mPOS creates a more efficient use of space and resources. Rather than filling costly floorspace with dedicated cash registers, mPOS allows businesses to interact with consumers on a more personal level, process payments at the point of each transaction and attach additional products and services when consumers are in the decision-making mode. The results are the higher revenue and upsell rates that make the total cost of ownership and ROI more than worth it for today’s businesses.

With benefits that only add to higher revenues, including improved consumer experiences and optimized processes, realizing the potential of mPOS systems is a valuable consideration for companies across industries, markets and regions.

Improving the User Experience with mPOS

When it comes to providing audiences with an experience worthy of ending in purchases and repeat business, an intuitive mPOS system can be critical for company success. mPOS offers seamless interactions that increase personalization and transparency in transactions, allowing for the reduced friction that leaves users satisfied with the experience.

In fact, technologies that streamline the shopping experience and bridge the gap between brick-and-mortar and online elements are the most likely to increase customer satisfaction, according to the National Retail Foundation.⁶ Specifically, more than half of the consumers surveyed by the NRF named mobile payment as one of those highly satisfying technologies.

⁶ <https://nrf.com/consumer-view>

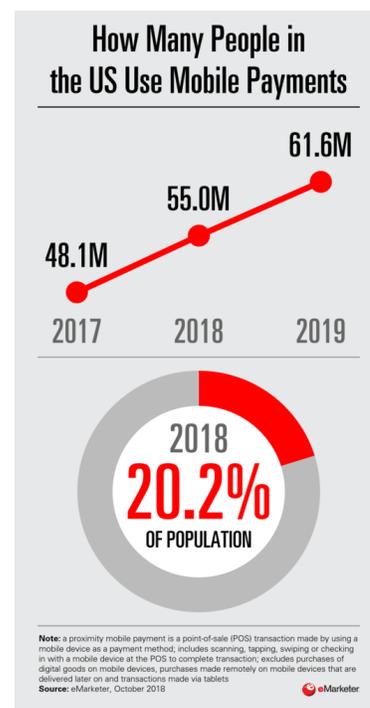
Long lines and overcrowded stores, for instance, can quickly encourage shoppers to leave before they complete a purchase. An intuitive mPOS system allows associates to handle transactions anywhere in the store, relieving congestion that traditionally builds near cash registers. What's more, sales employees can complete more transactions by capitalizing on the exact moment consumers share comments, ask questions or make decisions.

Consumers also have more visibility into what sales associates are doing on mobile devices, rather than acting as a bystander on the opposite side of the counter. People want personalized, engaging experiences, which is why they generally respond positively to this active involvement in their purchases. The focused, personal attention further enhances the quality of the experience.

mPOS can also easily adapt to new payment trends, such as the recent adoption of mobile wallets as an alternative form of payment. Research from eMarketer suggested a continual increase in mobile wallet usage, with an estimated 61.6 million people in the U.S. expected to use the mobile payment option in the upcoming year.⁷ As consumers become more comfortable shopping with mobile wallets, they're also adopting other app-based forms of payment, including peer-to-peer and consumer-to-retailer transactions.⁸

Companies will want to iron out the details of supporting alternative payment methods ahead of them becoming entirely mainstream. That way, they can accept more of the payment options customers may want to use.

Market perception and brand image can also impact the user experience - or at the very least influence expectations. For example, car buyers will expect a certain level of luxury at a Mercedes dealership that they may not anticipate experiencing in a Honda showroom, largely due to the images and offerings of the car brands. In that vein, a company that uses old, outdated and heavily used devices isn't the picture of a modern brand, and certainly not one that's aligned toward younger generations. Millennial and Gen Z audiences, for example, have the highest expectations when it comes to technological capabilities. An mPOS system can be a valuable tool for creating the experiences these tech-savvy audiences have come to demand.



⁷ <https://www.emarketer.com/content/the-mobile-payments-series-the-us>

⁸ <https://www.getbread.com/blog/5-payment-trends-retailers-should-watch-in-2019/>

At any rate, an exceptional experience requires frequent device and system updates. While this can be costly and time-consuming for companies using legacy backend systems, device as a service (DaaS) makes it easy for companies to keep up with the changes. As opposed to investing in one asset that's always depreciating, DaaS allows companies to implement the latest generations of devices through a simple monthly fee.

This service-based model also offers flexibility, giving companies the ability to adjust based on changing workplace or workforce needs. Similarly, MaaS and DaaS providers can make adjustments in response to rapid technological developments, updated trends and shifting user expectations more manageable - if not automatic - for companies.

Maximizing Efficiencies with Optimization

mPOS can increase productivity where it matters. Instead of wasting time troubleshooting issues, communicating with multiple suppliers or sifting through complex inventory databases, company leaders can focus on core business objectives and higher-priority IT initiatives. This internal optimization then translates to more seamless experiences for the end users.

For instance, customers benefit from speedy, on-the-spot transactions as well as access to more products and services. With optimized inventory control, sales associates can easily scan accurate records of products, search availability across all sister stores and order online on behalf of customers. mPOS devices also make it convenient for associates and customers to view purchase history, search additional options, watch product demos, sign documents and enhance other elements of the shopping process.

mPOS systems further optimize after-hour processes, including inventory management, scheduling and employee training. As such, incorporating mPOS devices allows managers and employees to be as efficient as possible when they're with customers, as well as when they're preparing for business hours.

From a sales perspective, these efficiencies can shorten product life cycles and help companies meet sales goals. However, the level of support offered by the mPOS provider can also directly impact how efficient the system can be for a company. Technical issues and other hiccups can result in costly downtime, which is why companies will want to choose an mPOS system that includes fully managed support for around-the-clock protection.

This vital support is one of the many reasons businesses are moving toward MaaS, as all they need for successful deployment and real-time troubleshooting is included in the singular monthly fee. Plus, in the event that complications or issues occur, companies only have to

worry about a single point of contact for support - and can, ultimately, count on one supplier to make the mPOS system successful. This smoother process reduces downtime, allowing associates to get back on the floor with functioning mPOS devices before frustrations and wasted time affect sales and team morale.

Reducing costs with affordable and resourceful mPOS

“In fact, outsourcing support services can often save companies 30 to 50 percent of the internal fully loaded costs to manage mPOS programs”

mPOS systems offer increased agility and decreased overhead costs, making them an increasingly attractive investment. In fact, the ease-of-use, reduced TCO and improved ROI are all significant contributors to the increased demand and growth in the mPOS terminals market.⁹

Resourceful mPOS leverages and repurposes a company’s current tech assets, making the system more affordable for companies to deploy sooner rather than later. In general, mobile devices are a much lower cost of capital than traditional POS equipment. Companies that choose a MaaS program continually update their devices based on a service contract rather than buying devices outright, which further mitigates the risks associated with legacy equipment and eliminates large capital costs.

Another source of cost reduction is the technical support offered by mPOS suppliers, which can be a hefty cost for companies to handle internally. In fact, outsourcing support services can often save companies 30 to 50 percent of the internal fully loaded costs to manage mPOS programs.

Labor costs are an additional consideration for companies implementing a new mobility management program. While labor costs may be initially high due to deployment and training, they generally level out as the mPOS system creates efficiencies that help managers and employees better facilitate strategic outcomes, increase revenue, improve client experiences and enhance competitive advantages.

The ability to implement mPOS at scale makes it an affordable investment that’s especially fitting for enterprise businesses with multiple locations and hundreds to thousands of employees.

Moreover, it’s important to note that these lower costs and increased profitability of mPOS systems require aligning project expenses with the intended ROI. While DaaS and MaaS eliminate the steep up-front capital expenditures for hardware or labor costs for the deployment of legacy systems, the ROI will still take time to become clear. For instance, mPOS systems collect money at the completion of transactions, which can increase receivables and reduce bad debt. If these are the goals, the payback should be measured over months. Alternatively, if the main objective is to

⁹ <https://www.grandviewresearch.com/industry-analysis/mobile-pos-terminals-market>

convert floor space to revenue-generating product displays, the ROI on the conversion should be measured in total sales per square foot over months or years.

The net value of mPOS takes companies back to the strategic outcomes of the system. MaaS and DaaS solutions mean there's no need to purchase millions of dollars' worth of mobile devices. Companies will instead be investing in service pipelines that can support greater sales and marketing objectives.

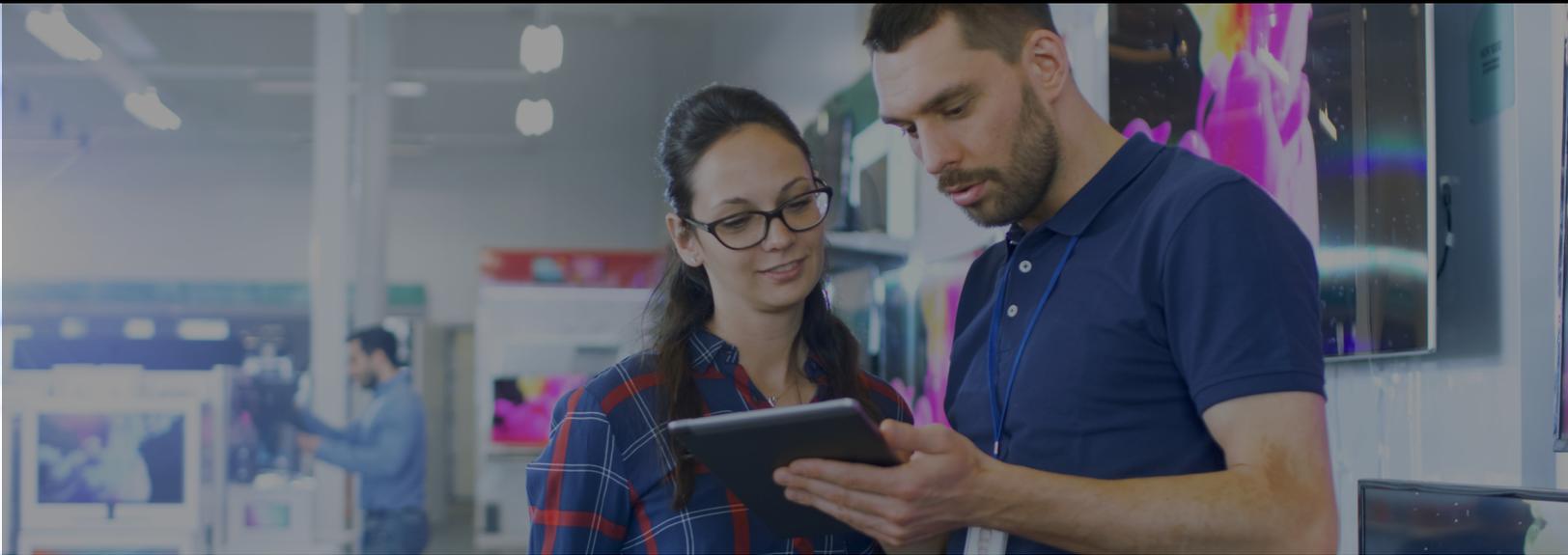
Improve ROI by partnering with innovators in mPOS

Historically, point of sale solutions are complex systems with several moving parts. With clear value in implementing mPOS systems, the hassles of mPOS management may feel like par for the course. However, innovators in mPOS are adopting service-based solutions to eliminate the most challenging hurdles.

When there are six or seven different suppliers at work behind the scenes, the disconnect between them can make it difficult for companies to manage their mPOS - especially if technical issues arise. The idea behind MaaS is to provide all the moving parts and offer all necessary support through one supportive and informed point of contact.

MaaS or DaaS solutions provide mPOS planning, procurement, deployment and management for one monthly fee. With this model, companies benefit from several generations of devices as opposed to investing in permanent assets. This makes it easier to keep up with consistently updated technology and meet consumer expectations of the most cutting-edge experiences.

Companies that struggle with multiple supplier contracts, complicated cellular billing agreements, steep volumes of various devices, frequent updates or security threats may be especially inclined to switch to this mPOS system model. The results point to enhanced consumer experiences, maximized efficiencies, reduced costs and, ultimately, higher ROI.



LEARN ABOUT SAMSUNG'S OFFERING

Samsung SDS is pioneering DaaS and MaaS, providing a true end-to-end mPOS solution, combining on-demand hardware, services and analytics into one predictable monthly payment. Companies can operate seamlessly, knowing there is accountability on Samsung SDS' end to make their mPOS a successful, revenue-driving system.

Consistent support & cost savings: avoid the headache of maintaining and refreshing hardware and turn it into an opportunity for consistent cost savings.

Focus on revenue growth: gain significant savings that can be reinvested into revenue generating activities rather than costly overhead.

Leading-edge Technology: Mitigate retail risk associated with dated legacy technology by leveraging a platform that offers a state-of-the-art mobile POS solution that prevents potential reliability and security issues.

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Samsung SDS America (SDSA) is the U.S. subsidiary of Samsung SDS, a \$9 billion global leader in digital transformation and innovation solutions. SDSA helps organizations optimize their productivity, make smarter business decisions, and improve their competitive positions in a hyper-connected economy using our enterprise software solutions for secure mobility, retail, DOOH, advanced analytics, and contextual marketing.

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