

FEATURE: RETAIL TECHNOLOGY

2011 - It's Time To Profit Through Technology

We stand on the cusp of a new decade. Retailers have access to unprecedented technology to drive their businesses forward. The age of the Techno-Retailer has begun...

This is a challenging time of the year for retailers. After the initial January sales rush has died down, the next couple of months are traditionally a slow time across the entire industry. It's the time when retailers need to be at their most innovative to stay ahead of the game. It's a time when we are forced to think outside the box for ways of generating additional profitability.

One powerful (and often overlooked) means of driving profitability is through the effective deployment of retail technology. There are a whole range of technological resources available to you as a retailer that can be leveraged. The application of leading edge (or ahead of the curve) technology allows the retailer to gain competitive advantage. Retail technology is a core component of the cost saving / revenue generating equation. Here are just some of the areas where retail technology can be used to drive company profitability.

Incentive Vouchering

Imagine if each time a customer purchased a particular product, your EPOS system automatically produced a voucher which would give that customer an incentive to buy a follow on (or complimentary) product. For example, during the busy January sales period your EPOS system prints off a voucher which can be redeemed by the consumer during the traditionally quiet trading month of February. Incentive vouchers act as cash – cash that can only be spent in your store! It's a great way to bringing in business during slow trading periods.

Direct Marketing Through A Loyalty system

Why not try to really capitalize on the increased footfall during the January sales? Give customers a reason to come back. An effective loyalty programme will help you to convert one time customers into repeat buyers. What's more, a good loyalty system will allow you



to segment your customer based on a range of key criteria. You can then use this information to directly market to specific customer categories. For example, you might be stocking a new range of cosmetics aimed at women in the 30-50 age demographic, who have bought a similar brand in the past. A cutting edge Loyalty System will allow you to market the product to this customer group exclusively via email or text message. After all, there's probably little point marketing Clarins Age Control Face Cream with Aloe Vera to Joe, a retired sheep farmer from Ballydehob!

Loyalty Systems should be seen as a marketing function. They should



be funded from your marketing budget and in contrast to traditional marketing, provide measurable results. The deployment of a technology driven Loyalty System is a proven driver of profitability.

Mobile Technology

A Wireless EPOS and Payment Solution in the palm of your hand! These systems allow you to bring your retail operation to the customer. You have all the functionality of your in store EPOS & Chip & Pin system in one unit not much bigger than an iPhone. They make it possible to merchandise product, control stocks, manage cash and accept credit card payments – from any location. Hundreds of Thousands of euros

worth of transactions were carried out on these units at last year's Ploughing Championships in Kildare.

Suggested Purchasing

Cutting edge EPOS systems automate the process of creating purchase orders. They take into account sales trends, seasonality, supplier lead times and suppliers trading terms in order to ensure the optimum stock holding for each product. This technology greatly reduces the time involved in the purchasing process. It will result in fewer stock outages and minimizes the risk of overstocking. Stock outages result in zero profit and often an additional sale for the competition. Overstocked items often end up being discounted, obviously to the detriment of profitability. Why not use the technology available to deliver better profitability through purchasing efficiencies and accuracy.

The technology described in this article is available with most leading edge systems. The return on investment on this type of technology is proven. Why not find out from your supplier how it can be best applied in your business.



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