Shoppers prefer chickless checkouts
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EIGHT out of 10 Australians want self-service checkouts on which they can scan, bag and pay for their purchases without encountering the familiar: "Have a nice day", according to a study by market researcher IDC. Shoppers expect checkout chicks to be redeployed to provide help for customers in the shop, and to keep the shelves stocked and the place clean and tidy.

The nationwide poll of 1100 consumers, conducted as part of a global IDC survey sponsored by retail technology supplier NCR, backs local findings of support for automated checkout trials at two Sydney Big W stores, and one at Foodland in West Australia.

Shorter queues and speedier service are the main attractions, particularly among younger shoppers.

While retailers may be delighted to embrace this "ultimate in outsourcing – offloading the work to customers", as The Economist put it recently – there are some problems.

IDC spoke to retailers a year or two down the track, and found that most were "meeting or exceeding" key performance metrics for customer satisfaction and operational efficiency.

To achieve this, though, many retailers had to find ways to "encourage usage" of self-checkouts – such as closing other tills and limiting the use of express lanes.

"Since consumers perceive shorter queue length as a top benefit of self-checkout, queue length is a primary driver," IDC says.

As one retailer explains: "We've learned that you must close some of the regular lines so the customer will see a benefit to self-checkout."

Says another: "We close all the express lines when we install self-checkout."

Traditional cashiers are unlikely to become the new self-checkout attendants, IDC notes. Most retailers agree on the importance of staffing self-checkout lanes with attendants who are "customer service oriented, and able to multi-task and problem-solve".

NCR says the opportunities for improving retail business are enormous, particularly through the use of RFID codes in databases. The amount of enterprise information gathered by RFID will be "six to 10 times the current volume of data" available from barcodes. In addition, the information will be in real-time, optimising business decision-making.

Store managers will be alerted to everything from misplaced stock to shopping trolleys being wheeled out of the car park. When high-price items are removed from a shelf, security staff can be alerted and store cameras programmed to automatically pan and tilt to follow the customer until the merchandise is paid for.
Further gains will be made from monitoring inventories across stores in different locations. When winter woolies stop selling in Brisbane, remaining stock could be sent to Melbourne, for example.

Consumers may benefit from automatic notification when RFID-tagged items are ready for pick-up, from personalised alerts for drug interactions or products that cause allergies, and from urgent messaging about product recalls.

Consumers may not be so thrilled about the potential for dynamic pricing, as RFID can be used to automatically reduce prices on sell-out stock, or to automatically raise prices when popular items are in short supply.

Mapping customer in real-time provides data that can infer shopper interest, leading to more prompts to buy.

Tagged store loyalty cards may allow collection of very detailed personal information.

NCR warns that businesses will have to address "critical considerations" involving data ownership and privacy.

"Stores will have to decide what types of data they are willing to share with outside organisations, and which data will be proprietary," it says. "As well, it will be possible to kill tags by deleting data when a product is sold.

However, some stores may find it preferable to delete data only for certain fields that are no longer relevant or that are sensitive from a privacy perspective.

"Other fields, such as warranty periods or indication that the item was paid for, may be kept for future use."

It's issues like these that will hold off the "scariest privacy scenarios", according to CSC technology guru Bill Koff.

"If I buy a basketload of stuff from one store, yes, other stores or someone on the street may be able to read what I've bought," he says. "You feel kind of naked if what you're carrying is so transparent.

"Will it happen? I don't think so. The truth is, stores can already use their point-of-sales systems to tie what you bought and where to your credit card – and they don't like sharing that information, even with their suppliers.

"So on a practical basis, there's too much internal friction in these different entities for the really scary prospects.

"It's technically feasible, but I'm sceptical it will come to pass," Koff says.

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