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EuroCIS 2015 in Düsseldorf:

Check-Out Software – Hub for New Services

Be it for multi-channel, couponing or mobile payment applications: check-out systems must be geared up to take on the tasks of the future. At EuroCIS 2015 software vendors will be presenting their latest developments in this field.

Too slow, too error-prone, too hard to handle: as little as five years ago touch technology still met with reservations among most retailers – especially those retail representatives responsible for fast-moving consumer goods. In the meantime, however, the competition between touch screen and keyboard has been decided: in German retail, for example, over 80% of retail chain outlets were using touch screens for data entry by late 2013, according to a study by the Cologne-based EHI Retail Institute.

Most other retailers will also change over to touch screen systems in the coming one to two years depending on their respective investment cycle. This means they will have more advanced technology at their disposal, which now also allows iPad-type wiping and zooming. "It obviously makes sense to simply wipe to delete the line item of the voucher not wanted rather than click on a delete button," says Dr. Michael Schulte, Director Software Sales & Marketing at Wincor Nixdorf. At EuroCIS 2015 the Paderborn-based IT service provider will be exhibiting its "Beetle/iPOS advanced" check-out system featuring just such applications.

Microsoft controls before Linux

By contrast, as yet no operating system at the PoS has come out on top. In the past Microsoft scored points with its products WEPOS (Windows Embedded for Point of Service) and the successor Windows Embedded POSReady thereby putting a damper on the Linux euphoria of earlier years. As a result the "penguin" lost its head start: in 2012 as little as 52% of the check-out systems were controlled by Linux, by now this figure is down to 45%, says the EHI study "Kassensysteme 2014" (Check-Out Systems 2014).

"Linux or Microsoft" – this sixty-four-thousand-dollar question has long since lost its ideological note among IT officers. Where many systems are used, preference often goes to Linux, while Microsoft is in demand at companies with fewer outlets," observes Michael Jaszczyk who sits on the Technology Board at GK Software AG. With retail companies undergoing global roll-out Microsoft has now taken the lead with its embedded components geared to retail. The situation is different for mobile solutions. "Here we currently see iOS and Android-based systems in the lead but Microsoft also has a matching alternative in store in the form of Windows 8 that can easily be integrated into existing IT infrastructures," explains Dr. Michael Schulte of Wincor Nixdorf.

Average 7-Year Service Life

The software landscape for PoS/check-out systems is obviously far more versatile than the choice of operating systems. Those major retail outfits polled by the EHI alone have 30 different applications installed – not counting the various versions of one solution as well as in-house developments. Retailers often opt for software vendors that are specialised in a given sector with proven expertise.

In retail check-out-applications have an average service life of seven years – including smaller updates. According to the EHI, this means that roughly one third of retail companies will need to replace their current application over the coming one to two years. 14% of these retailers plan to just install a new release while some 25% intend to go for a new solution entirely. This means PoS software will also remain a hot ticket at EuroCIS 2015: many trade visitors in charge of IT will be on the look-out here for future-proof check-out applications.

Standard Software with Customising Options

Another key aspect to note is that scarcely any retail enterprises dare to go for 100% in-house developments anymore. Standard software is preferred instead. As little as 20% of the retail outfits polled by the EHI still have a check-out application installed that they designed themselves. "The complexity of today's check-out systems featuring

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omni-channel functions and the need to cut time to market are too demanding for solutions developed in-house," says Christian Jürs, Head of Sales at Futura Retail Solution AG. "There is an increasing trend towards software packages that are low cost to implement and manage, on the one hand, while offering a multitude of configurations, on the other," adds Marc Wallace, Director of Field Marketing at NCR Retail.

This also holds true for costs. As a rule, in-house developments are substantially more expensive, not only because the software must be planned and programmed individually but also because subsequent updates and integration of new functionalities entail high expenditure. By contrast, release-enabled standard software allows retailers to automatically benefit from further developments that their provider builds in. Furthermore, with these standard solutions retailers no longer have to forego their own specifications since the platform architectures of these software vendors permit a high degree of individual customising. "Over the years standard solutions are often modified so fundamentally and tuned to the given retail company's needs that it is sometimes difficult to draw a clear line between "thoroughbred" in-house developments and customised standard products," explains Cetin Acar, Project Manager at the EHI Retail Institute.

Much More than Payment Processes

Customising is necessary because there is hardly any standard software that covers a retailer's specific and ever more complex requirements from the outset. Add to this the fact that check-out systems are now becoming hubs for various additional applications of the mobile and multi-media age. Here, promotions are just one key hot topic. 2-for-1 campaigns, the redeeming of digital coupons, various customer loyalty schemes and retailers' own buyer club cards all mean retailers expect their future check-out applications to serve, control and document the full range of marketing activities.

This also applies to future payment applications such as payment by Smartphone or contactless payment by card. Regarding the new

payment options it is still completely unclear which technology will prevail. While 82% of the retailers polled by the EHI regard NFC as a particularly promising mobile payment technology, 51% believe the same is true of QR Code solutions. These technologies are now joined by a comparatively new development, Bluetooth Low Energy, which is also viewed as promising by 27% of retailers. At the same time, the number of vendors is slowly but surely becoming hard to manage. MyWallet (Telekom), O2 Wallet (O2), Paypal (Ebay), masterpass (Mastercard), V.me (Visa), Yapital (Otto Group) are just some of the competing M-payment solutions pursuing different technical approaches and application versions. For retailers this means whichever solution they finally opt for – their installed check-out software has to be able to support this decision.

Mapping of Multi-Channel Applications

That said, retailers also need to satisfy modern multi-channel shoppers. These shoppers wish to come to the PoS to collect, complain about or even exchange merchandise ordered online. Or they want to redeem digital coupons at the PoS that they downloaded from the web or received on their Smartphones. Such processes require a dovetailing of offline and digital business and a consistent, cross-channel overview of all customers, purchases, orders, inventories and deliveries. Retailers wanting to make multi-channel shoppers loyal customers must ensure a smooth transition between all of these services.

Multi-channel processes and mobile applications at the check-out will therefore also be centre stage at EuroCIS 2015. Here retail IT managers will be able to put software vendors' relevant skills to the test. NCR, for example, will showcase its Retalix 10 solution – a software platform where all customer and outlet applications are based on the same data and business logic. act'o-soft GmbH from Werther in Westphalia, Germany specialises in fashion retail and will be exhibiting the latest generation of its check-out software "act'o-cash 3". "By interacting with CRM, ERP, logistics software, online shops and loyalty and gift card systems we can realise services and processes that enable our customers to stand out from online-only

suppliers," explains act'o-soft General Manager Christian Malachowski.

Also predominantly active in the fashion sector is Futura Retail Solution AG working for Bogner, Seidensticker, Wormland and Tommy Hilfiger. At EuroCIS this software developer will be presenting a further development of its check-out solution Futura4POS. Here Futura will demonstrate its inventory monitoring applications for multi-channel processes. "Consumers expect to determine delivery routing, be this pick-up / returns via the outlet or orders at the outlet and delivery by parcel service," says Christian Jürs, Head of Sales at Futura Solutions AG.

At the trade fair GK Software AG will be presenting its solution package for check-out and multi-channel processes that covers all components from in-store and back-end systems to customer mobility and complete webshop integration. The GK applications use SAP NetWeaver as their basis and can be incorporated into the SAP retail system as standard. EuroCIS will also see Wincor Nixdorf present its software portfolio for the PoS in the form of the TP Application Suite. Trade fair exhibits will centre on the incorporation of eCommerce solutions as well as various mobile extensions ranging from tablet or Smartphone-based check-out solutions to shopping Apps for Smartphones.

Cloud for Non-Critical Applications Only

Cloud systems will also provide food for debate at EuroCIS 2015. While smaller retail operations can cater to the aforementioned additional tasks with high-performance, multi-purpose check-out systems or in-house server-client solutions, multinational chain stores, in particular, are now looking at options for shifting data and applications to the Cloud. GK Software, for example, has already realised Cloud-only solutions for the PoS, where only the GUI resides on the entry device while the business logic is in the Cloud. In a scenario like this the PoS hardware can be a very Thin Client that only requires very little of their own computing power.

The benefits of using Cloud services – like reduced capital due to the ability to forego in-house server capacities, improved scalability of applications and faster integration of new services and functionalities – are offset by the major safety concerns that retailers still have. Therefore, most companies have so far only been prepared to shift partial functionalities such as customer data, whose availability is not business-critical, to the Cloud. This means there is a trend towards hybrid structures. "For the medium term I expect a coexistence of different off-line and Cloud-based PoS versions depending on the location, required extent of functionalities or web access," says Michael Jaszczyk, from the Technology Board at GK Software AG.

Held in Halls 9 and 10 of the Düsseldorf Exhibition Centre EuroCIS 2015 is open to trade visitors daily from Tuesday, 24 February to Thursday, 26 February from 10.00 am to 6.00 pm. 1-day tickets cost Euro 22 (Euro 17 online in advance), 2-day tickets cost Euro 40 (Euro 30 online in advance). Students and trainees pay Euro 10. All admission tickets include a free round trip to and from the trade fair on the local public transport network marked VRR.

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