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Handbook for Wireless Dealers

8 Essential Steps to Increase Profits
and Stay Competitive

TODAY'S WIRELESS STORES have emerged as a high-stakes retail battle ground with a unique set of attributes for both customers and stores associates.

For customers, the shopping experience is distinguished from other types of retail purchases by the level of investment and complex range of choices.

For sales associates, taking customers through a highly-consultative, highly-technical product and service bundle with numerous options presents a unique challenge.

> Sales staff need structure, intuitive tools and real time information.

With so much on the line for both parties, customers and sales staff need structure, intuitive tools and real-time information to help them navigate successfully through the decision process. Consider what makes wireless retail so different:

High-consideration. Constant updates to phones and features along with high prices make mobile devices a high-consideration purchase for nearly every customer. Associates are challenged to stay ahead of information on the latest models and communicate it effectively and persuasively.

Long repurchase cycles. Typical smartphone customers have been using the same devices for two years or more. A lot has changed since they last shopped, so they have to re-learn nearly everything about current devices, carrier plans, feature add-ons and accessories.

Product variety. Not only are new wireless devices introduced at a dizzying pace, the variety of accessories constantly shifts and expands as well. Stores can only hope to stock a fraction of the most popular items.

Complex add-ons. Store personnel are responsible for explaining the benefits and terms of current add-on service options, like protection plans and data backup.

In-store services. Most customers need help operating and activating their new phones, as well as transferring their data to their new model, something that typically needs to happen during the in-store transaction.

Multi-layer sales transactions. A single mobile device transaction typically involves several parts. Each phone is activated on the carrier site, along with rate plan and features. These need to be tracked to ensure that reconciliation of carrier commissions is correct. Accessories and any extra features like data transfer must also be set up properly to ensure profit shows correctly. Dealers need to track all of these aspects from the POS to make sure everything is accurate on the backend, including payment processing.

> Intelligent automation enables the service practices that put customers first, preserve margins, and make store associates more effective and efficient.

Product maintenance. As customers invest greater sums to own the latest devices, they tend to want to keep them longer, leading to the need for more frequent repairs. Anxious customers need reassurance that fixes will be convenient, reliable and timely.

The nearly 150,000 wireless retail dealers in North America[1] generated $236B in revenue in 2016[2], or about $1.6M per store in products and services. With so much competition, the edge goes to retailers who put systems and practices in place that ensure streamlined and effective selling .

Intelligent automation enables the service practices that put customers first, preserve margins, and make store associates more effective and efficient.

Let's look at 8 ways retailers can grow profitable sales, meet rising customer expectations, and outpace the competition within this dynamic retail environment when the right solutions are in place.

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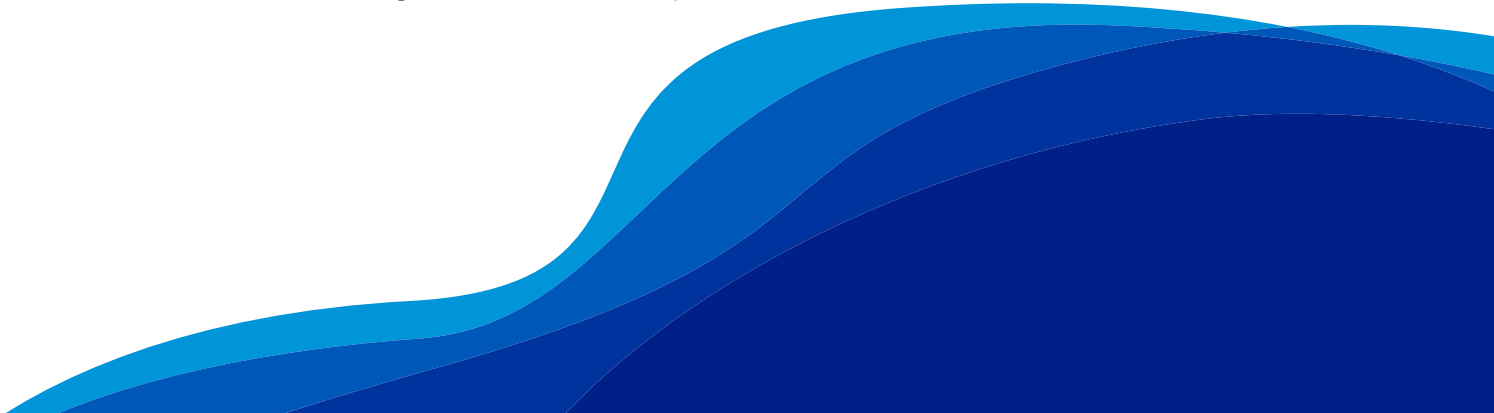
Pre-shop online, reserve and pick up

For higher-consideration purchases like tablets and smartphones, shoppers often do considerable preparation before walking in the door — talking to friends, reading reviews and wading through product specs, prices, availability and plan options. Roughly eight-in-ten Americans (82%) say they consult online ratings and reviews when buying something for the first time.[3]

When a highly anticipated device hits the market, early adopters often pre-order online and plan to come into the store for pickup and activation. That presents an ideal upsell opportunity for the dealer, especially if the process is engineered to work seamlessly across the digital and physical touchpoints.

The key is to bridge the functionality of the e-commerce and in-store experience. A well-functioning web site should provide information on available inventory so customers can confirm the presence and price at their preferred location and confidently reserve the product they want for either direct ship or store pickup.

The ability to pre-schedule the pickup appointment is a crucial feature of the seamless experience. Once the customer arrives, the sales associate accesses the customer order information at the POS terminal so the conversation can move naturally past information-gathering to a more productive discussion about choosing the best plan, accessories and add-ons.

Michael thinks of himself as a smartphone power user.

He's been happily using his trusty device for 2½ years, but now he's keen to be the first among his peers to get his hands on the latest device. He's followed all the online hype for weeks and he knows exactly which model he wants, right down to memory storage and color. He can handle the steep price and he wants to stick with his carrier, so he checks the website for the wireless store in the office park where he works. The hot new device he wants is promoted right on the home page, along with a link to reserve it and schedule an appointment with a store associate on release day. He completes the reservation form and within minutes a confirmation arrives by text message.

In-store omni-commerce: Endless aisle, dropship and more

Meeting the needs of wireless customers means satisfying them with a wide choice of cases, chargers, tablet keyboard covers and other accessories. The margins are attractive, but the turn rates tend to be very slow for items compatible with all but the latest devices.

The sheer variety presents an inventory investment challenge for the wireless retailer. Many wisely stock a lean assortment to keep a lid on cash management, while relying on an in-store ordering process to ensure that customers can compare and obtain nearly any aftermarket product they desire.

Wireless dealers can take advantage of this opportunity with touchscreen kiosks or tablets mounted securely on service counters to connect customers to the "endless aisle," a single source of inventory information in the cloud. This arrangement opens a potentially unlimited selection of items that can be ordered from central distribution centers or third-party suppliers for later pickup in-store or drop shipment.

To provide a compelling shopping experience, interactive digital displays must present rich, detailed and accurate information. Content quality and lag-free response are of great importance so shoppers can make confident choices.

It's crucial also, that such systems offer real-time visibility into the dealers' and suppliers' inventories and consistency of pricing and delivery information, regardless of the shopper's point of interaction. While the system may access items available across multiple sources of supply, the process should be seamless to the customer.

Tatia carries her tablet with her everywhere, and after a full year of use the protective cover she bought for it is looking worn. She decides to shop for a fashionable replacement at a big discount store, but can't find a fit for her specific device or her personal style. Next stop is the wireless store where she bought her mobile phone. Anna, a store associate, explains that stores aren't able to keep a big variety of accessories on hand for devices more than a year old. She walks her to a touchscreen display where together they peruse an expanded selection from the "endless aisle." Standing side-by-side, they find a designer leather cover with a luxurious look. They place an order and the item is drop shipped directly from the supplier to Tatia the next day. Anna is credited for the sale and the POS system retains Tatia's information for follow up.

Smarter, speedier, friendlier transactions

As anyone who has sold or bought a mobile device is aware, coming at the end of what may be an hour-long purchase process, the data entry can be a test of patience for both parties.

Wireless retailers know that this is not the ideal way for their customers' experience to come to a close and they seek to make the process as swift and seamless as possible. An integrated point of sale system, engineered to minimize duplicate data entry steps, can slice minutes off the transaction and reduce frustration associated with misspellings or numeric typos.

From the customer perspective, POS speed and payment system integration are essential aspects of the overall experience design. Shop owners and sales associates benefit from technology that minimizes clicks and checks all the boxes without sacrificing accuracy. Superior interface design helps eliminate information errors that can impair the customer experience and cause trouble in the back office.

The POS can also generate more revenue with suggestive selling and contextual prompts to remind associates to ask important questions. Want an instant check on that old smartphone's trade-in value? A warranty plan? Accessories?

The POS experience is also being re-engineered in another important way, from "across the counter" to "side by side." Retailers are redesigning sales floors to eliminate desks with screens that face the sales associate in favor of upholstered seating and wireless POS tablets that allow for a more sociable, collaborative interaction.

Ms. Lee walks into the wireless store with her adult daughter who is advising her about updating her flip-style device to a contemporary smartphone. Damien, the sales associate, sits with them at a small round table and uses his tablet to patiently review her data plan, explain the features of the new device and assist her through the many decisions required. Following the prompts on his POS tablet, Damien recommends bundling a screen protector, fitted case and a protection plan, which Mrs. Lee accepts, with nods of approval from her daughter.

Intelligent store inventory and ordering

Inventory management is an often-overlooked aspect of wireless retailing. Shops must have sufficient quantities of the right items on-hand or sales may be lost. Missed opportunities hurt your commissioned sales people, and a disappointed customer is unlikely to return.

And yet store owners are wise to be cautious about overinvesting in smartphone inventory. The demand for last month's hot seller can be pre-empted by next month's new device release, leaving back stock collecting dust. At current price points that's a formula for a cash flow crisis.

Proper inventory management these days is a highly data-driven activity, made more intricate by the churn in the category caused by new model introductions. Today's intelligent ordering systems are engineered to reduce risk by combining direct access to current item sales data with item movement forecasts. Suggested store orders are generated based on sales history per SKU per store, sometimes combined with data from comparable stores.

For model-specific accessories and after-market products, the life cycles tend to fall naturally in line with the phone releases. So, planned intro dates are milestones that help shape the forecasted orders.

Since accessory sales can be highly variable, many third-party vendors offer vendor managed inventory integration with automated shipment, and generous return policies. While some retailers are reluctant to release full control, many recognize that their VMI partners absorb a lot of the risk.

Brandon is an all-star associate who holds the current store record for add-on sales. He has learned to trust the prompts offered on his POS screen and never fails to suggest compatible accessories and plans while assisting his customers. He's confident he has the right items on hand to close a sale on accessories every time.

Merchandising informed by digital assists

Today's wireless stores are among the most innovative users of in-store digital signage to create a dynamic and persuasive selling environment. The latest "counter-free" store designs allow more space for securely mounted tablets and interactive kiosks, TV-sized aisle displays and even full video walls displaying full-motion content.

Digital signs are especially apt for digitally-driven, visually-oriented mobile customers. While systems require an investment in hardware and content management, the benefits — beyond the visual dynamic — include the ability to integrate "endless aisle" options that can help retailers reduce inventory costs.

Media asset management is generally located offsite, with configurations managed centrally for multiple stores. Content may be produced by manufacturers, distributors or the home office and can be pushed to store screens in real time.

Mara sees changing her smartphone covers every few months as an expression of her personal style.

She passes by her neighborhood wireless store nearly every week when she shops for groceries. There's a large digital screen behind the front window that displays the latest new accessories. When she spots something interesting, she pops in to check it out using the smaller touchscreen display. Even if the exact item is not on the shelf, she knows from past experience that with a few taps she can order it for quick home delivery.

API links to vendors

Selling a wireless plan requires a separate activation and payment process in parallel with the device sale, a process that should appear as unified as possible to customers. The POS interface plays a big role, but a great deal more happens behind the screen, where a well-designed store system integrates with the carrier activation platform, typically through the use of APIs (application programming interfaces) to enable close communication with carriers.

Similarly, APIs are needed to enable "endless aisle" drop ship ordering from 3rd party vendors as well as routine ordering and vendor-managed inventory.

When outside systems are accessed as part of a sale, it's a best practice to design the interaction so the associate doesn't have to activate each outside vendor and rekey data into the POS system. This behind-the-scenes tech saves time and ensures absolute accuracy.

Ms. Lee and her daughter leave the wireless shop with her sleek new smartphone working perfectly. They are only slightly aware of how the activation process happened behind the scenes. All they care to know is that Damien helped her with assurance that made it seem easy.

Fix them right, first time, every time

For wireless stores that provide services and repairs for damaged or malfunctioning devices, technical knowhow is just the beginning. A quality service experience places a high premium on being attentive to the customer's needs and delivering on the promise.

If the repair interaction begins with a phone call or online query, the customer should be able to set a drop-off appointment, preferably the same day. Most customers have a hard time doing without their smartphones for more than a few hours.

Much of the intake process can be scripted into the store's POS system, so when an anxious customer walks in with their precious phone in a bad state, the sales associate can capture a comprehensive statement of the device's arrival condition, offer a realistic cost estimate and provide an accurate delivery time.

From the expression on Max's face when he walks into the wireless repair shop, Jen, the store associate, can guess that he's just suffered a minor tragedy. It turns out that Max's smartphone tumbled out of his pocket as he exited his car in the parking garage at work, bouncing twice on the concrete floor. The screen still lights up, but it's shattered and unusable. Is it fixable? How long would it take? What about my data? Jen examines the phone briefly and tries to reassure him that she's seen worse. She's pretty certain the screen can be fixed. She opens a repair ticket on the POS screen and begins filling the online forms with information from her new customer.

Behind the scenes — the connected back office

The intricacies of wireless device sales and services present a series of requirements unique to wireless, and those complications flow through to back of house processes including accounting, ordering, reporting, scheduling, payroll and commission payments.

For starters, POS information includes a lot more than just item SKU numbers and prices paid. The information gathered during the sales process needs to be linked to inventory, ordering and accounting systems, for starters. This is not a time to rely on spreadsheets for bookkeeping.

Selling smartphones presents major wrinkles compared with selling, say, televisions or apparel. For starters, shops routinely sell devices for $100s less than they pay for them. Reimbursement comes later, in 4-6 payments from the carrier. All of the revenue on an activation comes 60 days after the fact. This delayed margin adds to the retailer's cash flow challenge, and it requires careful tracking of every transaction detail.

A well-connected back office should automatically move transaction detail information from the POS directly to the accounting system so nothing slips between the cracks. This is essential for payroll too, since staff earn commissions on multi-item sales, as well as incentives (spiffs) on accessories, trade-ins, and protection plans.

Clear reporting systems enable owners and managers to keep tabs on store and personnel performance, and employees can access their commissions through their own secure portal.

Brandon has been enjoying a productive week at work. He sold six top-of-the-line smartphones over the long holiday weekend, five with screen protectors, cases and protection plans. Using his personal tablet, he logs on to the employee portal and checks his account. Yep. It looks like he can afford those basketball tickets this weekend after all!

Conclusion

Success in the highly-competitive wireless retail business happens by design, not by accident. Many essential best practices depend upon well engineered technology solutions that are built to fit the particular needs of this unique industry.

Well-designed business processes let you guide customers to their best possible outcomes from several types of complex purchasing situations. As in any retail business, it comes down to improving overall customer experience and maximizing sales and profits. Engineered experiences help retailers control costs, add revenue streams, speed transactions and keep track of results.

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About iQmetrix

With our POS and retail management solutions found in over 19,000 stores, iQmetrix is the largest retail software provider for the North American wireless industry. Beyond our POS, we offer powerful business intelligence, endless aisle, drop ship, e-commerce, and payment solutions, as well as an integrated network of over 35 partners — enabling us to be the single solution to multiple retail challenges. For nearly 20 years, we've proven our ability to be the #1 company for supporting wireless retail growth; helping carriers, dealers, and repair providers invest in software that reduces costly inefficiencies, increases profitability, and speeds up transaction times to create great customer experiences. Learn more at www.iQmetrix.com.

[1] Compiled by iQmetrix from multiple carrier reports

[2] CTIA Annual Year End 2016 Top Line Survey of the Wireless Industry

[3] "Online Shopping and E-Commerce" – Pew Research Center, Dec. 2016