

Smart carts, mobile checkout, and biometric data could solve retail's in-store point-of-sale challenges

Article

Checkout might be the last step in the customer journey, but if there's friction at a retailer's point-of-sale—long lines, frustrating self-checkout machines, or a lack of payment options, for example—shoppers might bail. Solutions like smart carts, mobile checkout, and biometrics could provide relief.

1. Long checkout lines

Waiting to pay can impact both immediate and future sales, especially if it makes for a lasting negative experience, our analyst Sky Canaves said on an episode of the [“Behind the Numbers: Reimagining Retail” podcast](#).

- 82% of consumers will avoid visiting a business because of long lines, according to a June 2023 report by Waitwhile.
- 28% of US adults would be interested in express in-store checkout as an experience-based reward, per October 2023 data by Ebbo.

The prediction: “Scan-and-go via a [mobile](#) phone will be really the way to go,” Canaves said.

Adoption for Sam's Club Scan & Go mobile checkout has grown 50% over the past three years, with 1 in 3 members being regular users, according to the company's February 2024 press release.

2. Lack of human touch

Self-checkout can cause frustration, like barcodes not scanning or not enough staff available to help, making the process even longer than seeing a cashier, Canaves said.

With the loss of that human interaction, retailers may also be losing the opportunity to upsell, apply rewards, and build closer relationships. “They miss out on the retention [strategy],” our analyst David Morris said.

- Consumers are more likely to revisit a store where an employee checked them out compared with stores where they used self-checkout, per a report by the Journal of Business Research.
- 69% of self-checkout users agree that the machines contribute to shoplifting, according to November 2023 data by LendingTree.

The prediction: [Chatbots](#), historically, haven't been efficient, Morris said. But advancements in generative AI-powered shopping assistants may be a game changer.

For example, Mastercard's Shopping Muse, released last November for ecommerce retailers, is meant to recreate the in-store human experience, tailoring product recommendations based on a consumer's profile, intent, and affinity. The conversational tool builds on context, behavior, and purchasing data, and integrates image recognition for greater personalization. "This is an online tool right now, but I don't see why it couldn't be used in the store...as a kiosk," Morris said.

3. Not enough payment options

"You need to be able to give people the option to pay the way they want to pay," Morris said. That includes accommodating the growing number of users wanting to use Apple Pay or [buy now, pay later](#) (BNPL) methods.

The COVID-19 pandemic was a tipping point for many consumers who adopted mobile wallets, and the growth of people using their smartphone to pay regularly is a positive sign for mobile point-of-sale (mPOS) terminals, Morris said.

- By 2028, more than half (50.2%) of US smartphone users will be proximity mobile payment users, accounting for 132.6 million people, per our March 2024 forecast.
- 39% of retailers in Australia, North America, and the UK plan to provide more payment options, such as BNPL, to stay competitive in 2024, according to a January 2024 report by Square.

The prediction: "Biometric checkout has a lot of legs. There have always been concerns about consumers' perceptions of privacy, but a lot of that can really come down to a trust in a brand," Morris said. Apple, for example, has a reputation for a seamless user experience, and that ease is what's needed to get more users on board, he said.

Apple will continue to integrate biometrics and payments as it moves into extended reality with its Vision Pro, which is an early prototype of the type of devices that could capture more biometrics such as retinal data, Canaves said.

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