Smartphone Scanning Raises App Purchases to 30% of Digital Sales

Decathlon, the world's largest sporting goods retailer, addressed real estate constraints in physical stores in Asia, increasing the customer's product visibility in-store by integrating Scandit's barcode scanning solution with their customer app. A self-checkout app, it provides customers access to all Decathlon products, making shopping convenient with fast and accurate barcode scanning.

DECATHLON

Industry
Retail, Fashion

Use case
B2C Self-Scanning

> "Customer feedback on our Scandit-powered smartphone app is very positive with satisfaction scores ranked at 4.8 on a purchase scale of 1-5, which benchmarks higher than the RFID self-checkout solution we used earlier. We won't need to dedicate real estate to a new PoS when launching new stores, as our app offers an omnichannel experience, which increases customer convenience, provides savings on physical space and increases our profit margins."

Gael Robin – Global Solutions Manager
Decathlon, Singapore

Challenge

Digitize customer experiences with the Decathlon app

Decathlon has over 1,647 stores across 1,000 cities in 57 countries, and more than 5,000 products across 80 sport categories. The company's stores in Asia are predominantly centrally located in shopping malls where real estate costs are prohibitively high – making it a challenge to stock and sell their growing range of products in existing large stores, and smaller format ones, both in Singapore and India.

Keen to improve the customer's shopping experience and increase product visibility instore, Decathlon deployed an RFID checkout solution. But escalating real estate costs, made dedicating floor space to RFID checkouts an expensive option. Space constraints still limited the number of products that the company could stock in physical stores, resulting in shrinkage from lack of stock.

Decathlon's 'phygital' strategy involved placing digital at the core of their physical stores. The company noticed high volume browsing traffic originating through smartphones, but fewer purchases. They decided to make shopping on smartphones easier, and created the Decathlon app, a self-checkout customer app, which offered customers an omnichannel experience that combined online and offline interactions. The app would ensure that customers had access to all Decathlon products whether they were browsing in store or online, and eliminate queues with faster checkouts. Decathlon also wanted to increase orders through digital channels (the app and website) to over 25 percent, and address shrinkage from stock unavailability owing to real estate constraints.

Create frictionless omnichannel experiences with smartphone scanning

The app used an open source barcode scanning software, which created accuracy issues, as barcodes could not be properly scanned in glare or low light conditions, at angles and distances, or if they were poorly printed. The open source scanning software also required extensive coordination with front-end and back-end developers at Decathlon on product details such as price, inventory and more, an activity that the company was not keen to pursue. Also, information from QR codes, and legal requirements in countries like India where prices must be displayed on products were embedded in 2D barcodes, which could not be scanned by the open source solution.

Solution

Convenience and quality: the best-fit for a 'phygital' smartphone scanning app

Decathlon tested multiple barcode scanning solutions, but opted to integrate Scandit's barcode scanning SDK into their app. Scandit's solution offered fast and accurate barcode scanning, which was a reliable option for their customers. Also referred to as the 'phygital' app internally, the Scandit-powered self-checkout Decathlon app is available for Android and iOS devices, and is used in 12 stores across Singapore and 70 stores in India.

Customers enjoy shopping convenience by downloading the Decathlon app, signing up as members, scanning and paying for products using their smartphones. The cashless and self-service app, coupled with fast and accurate scanning means that customers enjoy hassle-free shopping and no longer need to queue at the checkout.

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"As Decathlon grows, we want to continue offering customers the convenience and quality they expect from us. Shopping on their smartphones should be a consistent and convenient experience, irrespective of the environment they scan the barcode, or the mobile device they use.

While we expected a 99.9 percent scanning accuracy, Scandit delivered 100 percent accuracy, a feature that encourages more customers to use our scanning-based smartphone app."

Gael Robin – Global Solutions Manager
Decathlon, Singapore

~ **30%**

In app purchases account for approximately 30 percent of digital sales

20%

Increase in basket size with Scandit's smartphone scanning solution

4.8

Customer satisfaction scores rank 4.8 on a purchase scale of 1 to 5

Decathlon has been using Scandit's scanning solution in its app for over two years now. Customer adoption and engagement with the 'phygital' app continues to grow. The convenience it offers shoppers has seen more than 100,000 users download the app on Android and iOS devices.

The company has also increased their profit margins owing to in-app purchases, exceeding the target of a 25 percent increase in revenue through digital channels, and increasing the overall basket size by 20 percent on average. In Singapore, around 30 percent of purchases are made through the Scandit-powered app, whilst in India, it's 40 percent, with some stores accounting for 90 percent of app purchases – depending on the day, such as weekends when more customers tend to shop with families.

The pandemic also helped increase usage of the smartphone app, as customers stayed away from stores, preferring to shop using digital channels. It has proven to help the business address shrinkage from stock unavailability owing to real estate constraints; and will, in the long run, offer significant savings on real estate investments.

Aware of the challenge in changing customer mindsets, Decathlon is promoting their Scandit-enabled smartphone app as an omnichannel solution with a 'phygital cart' – encouraging customers to embrace self-checkout to avoid queuing at PoS terminals. For products that are not available in stores, customers can scan the barcodes, pay for them and receive free delivery within two hours at a location of their choice.