HANDSHAKE

Saying Goodbye to the Barcode Scanner in Food & Beverage Distribution

Why food & beverage distributors are replacing legacy ordering technologies with consumer mobile devices.

INTRODUCTION

An industry known for innovation and early adoption, food and beverage distribution has been steadily transformed by technology over the decades. In the 1970s, barcode scanners were first introduced at point of purchase to ensure up-to-date pricing and counts of outgoing stock. In the 1980s, grocery stores began using EDI to place orders, submitting them to distributors via the Internet.

Another very significant development was the arrival of handheld barcode scanners in the 1990s, which revolutionized inventory management and ordering across countless convenience stores and supermarket chains.

> **"CONSUMER MOBILE DEVICES ARE GIVING FOOD DISTRIBUTION COMPANIES THE FLEXIBILITY TO REIMAGINE OLD ORDERING PROCESSES."**

Now, however, with the proliferation of consumer mobile devices like smartphones and tablets, those once high-tech barcode scanners are showing their age. In fact, according to Inbound Logistics, smartphones are now the most widely used mobile devices in logistics and supply chain operations, with greater functionality, lower price points, and greater user acceptance than any legacy device available.

In the food and beverage industry in particular, despite entrenchment with legacy ordering technologies that were in their heyday considered cutting-edge, the smartphone revolution is beginning to catch on. While old-school "brick on a stick" barcode scanners have been the standard in the food distribution industry for years, rapid changes in the market––from ever-increasing competition to the drive toward online grocery shopping––are leading food distribution companies to seek news ways to save time and money. And consumer mobile devices like iPhones and iPads are giving food distribution companies the flexibility to reimagine old ordering processes, streamline operations and fulfillment, and increase margins.

In this brief paper, we'll look at the limitations of legacy barcode scanning devices in today's on-demand economy, and how familiar consumer mobile devices are helping food and beverage distributors meet the growing expectations of both retailers and consumers.

The Benefits of Consumer Mobile Devices for Food and Beverage Distribution

Today, consumer demands for lower prices, faster service, and higher quality products are just a few of the expectations that food and beverage distributors have to meet. Having the right products in stock at the right time is crucial, and distributors are constantly balancing profitable inventory management with consumer demand. Together, these factors combine to create a business environment where margins are tight and errors are unacceptable.

So how are distributors meeting these challenges? Many are looking to consumer mobile technology for answers. Whether it's a store operator or sales rep scanning inventory to place an order, replacing legacy barcode scanners with built-in smartphone cameras and mobile apps is one way food distribution companies can meet the demands of a changing market.

Let's take a closer look at the benefits of consumer mobile devices when it comes to sales and ordering in food and beverage distribution.

> " COMPANIES USING MOBILE APPS FOR FIELD SALES HAVE REPORTED THAT THEY MAKE SALES AND ORDERING PROCESSES FASTER AND LESS EXPENSIVE, AS WELL AS MUCH MORE ACCURATE. "

1 A Familiar, Superior User Interface

Unlike dedicated hardware, smartphones and tablets offer an intuitive interface that the majority of people––from reps to retail employees––know how to use. As of 2015, more than 64% of US consumers owned a smartphone.

Familiarity with these devices, as well as the apps that run on them, is a major reason why distributors are replacing legacy barcode scanners with iPhones and iPads. Not only are personnel training costs lower, these devices are also smaller, lighter, and designed to be user-friendly.

2 Reliability & Agility with Native Mobile Applications

Many convenience store employees and direct store delivery reps and drivers use a combination of handheld scanners and desktop computers to manage their inventory and sales order tasks. This approach can be extremely cumbersome, not to mention prone to connectivity problems.
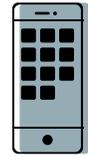
Native mobile applications, on the other hand, are installed via an app store and optimized specifically for the device's operating system. They allow employees to access data quickly and reliably from one device -- even offline. Companies using mobile apps for field sales have reported that they make sales and ordering processes faster and less expensive, as well as much more accurate, allowing for better customer service.

> " CONSUMER MOBILE DEVICES RUNNING SALES AND ORDERING APPLICATIONS ARE EASILY RUGGEDIZED FOR INDUSTRIAL USE AND DO NOT REQUIRE ANY ADDITIONAL HARDWARE. "

3 A Richer Experience

One disadvantage of a handheld barcode scanner is that it's just that––a scanner and not much else. Clunky, text-based interfaces are the norm, users are unable to access key information about their orders, and order transmission is cumbersome. Using mobile ordering applications on a smartphone or tablet, on the other hand, food distributors can provide a much richer ordering experience, including:

- Account-specific product catalogs and dynamic pricing
- High-resolution product images that allow the order writer to browse an interactive catalog and visually confirm that the products they're ordering match what's on the shelf.
- Real-time inventory updates that aid in preventing costly backorders.
- Seamless order sync and detailed order confirmations.
- Access to key content, including promotions, planograms, merchandising guidelines, etc.

Not only are mobile ordering applications providing richer experiences, consumer mobile devices--unlike dedicated hardware--provide employees with additional device functionality, including access to phone, GPS, email, and other enterprise mobile apps that make them more productive and valuable in the workplace.

4 Lower Total Cost of Ownership (TCO)

Because they are a more specialized product with fewer vendors able to provide services to repair and/or maintain them, the TCO for traditional barcode scanning devices can be extremely high. Likewise, it can be costly to train employees and customers to use them.

> **SUPPLY CHAIN PROFESSIONALS ACROSS INDUSTRIES ARE TURNING TO SMARTPHONES AND TABLETS TO REAP THE BENEFITS OF IMPROVED MOBILITY, AGILITY, AND PRODUCTIVITY.**

Consumer mobile devices running sales and ordering applications, on the other hand, are easily ruggedized for industrial use and do not require any additional hardware, like a laptop computer. They can be easily replaced if needed, and ultimately offer a vastly superior user experience as well as additional functionality, as outlined above.

Food and beverage distribution companies also have a choice between providing devices to their employees or allowing them to use their own in a "Bring Your Own Device" (BYOD) model. Either option requires companies to have a mobile device management policy in place to ensure applications are secure, but the BYOD option offers flexibility for companies to cut equipment costs.
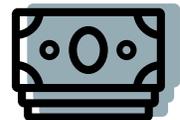
Saying Goodbye to Legacy Barcode Scanners

Supply chain professionals across industries are turning to smartphones and tablets to reap the benefits of improved mobility, agility, and productivity. Although barcode scanners have performed the functions required of them for decades now, the pace of advancement in consumer technology has outstripped them several times over. It's a new wave of innovation in food and beverage distribution––one that has been a long time coming.

As consumer electronics become more and more inexpensive by comparison, many food and beverage distributors are trading in costly legacy hardware for smartphones and tablets, ultimately gaining better user experiences and greater functionality in return.

About Handshake

Handshake provides the B2B Commerce platform for manufacturers and distributors that powers standout ordering experiences both in-person and online. Companies using Handshake transform their sales effectiveness and drive operational efficiency, delighting customers and growing lasting relationships.

Email: info@handshake.com

US Toll Free: +1 (855) 532-9044

International: +1 (646) 434-2553