Hardware LeaderBoard '09

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As hardware technology matures it's not getting older it's getting better. Satisfaction scores rise and a new category, digital signage emerges.

Retailers are shifting to strategies with a direct impact on shoppers in the store as competition intensifies for scarce consumer dollars. Technology that speeds consumers through checkout and increases basket size through cross-selling and save-the-sale functions are taking on increasing importance.

To the surprise of one hardware vendor I spoke to recently, 2009 is shaping up as a strong year for inking POS agreements. This seems counterintuitive in a year of IT cutbacks, because POS initiatives are among the most expensive deployments in retailing.

But retailers know that making shoppers wait not only produces loss of immediate sales, but also the risk of sending customers to competitors and losing return visits.

With growth plans elusive, the smart strategy today is tightly holding onto core customers and capturing market share from competitors. And the best way to do this is by deploying tools that improve in-store service and a better customer experience.

The fourth annual *RIS Hardware LeaderBoard* takes a look at tools that do this in a head-to-head ranking that measures customer satisfaction with IT vendors in the retail hardware vertical, specifically in six categories: POS Units, Peripherals, Kiosks, Networking, Back-of-Store and Digital Signage (for the first time).

Vendors appearing on the following pages were selected by retailers as leaders in their categories regardless of their placement in a list. Congratulations are in order to all for making the cut.

By the Numbers

490	RETAILER REVIEWS SUBMITTED
112	QUALIFIED RETAIL VOTERS
79	VENDORS REVIEWED
12	VENDORS WITH 10 OR MORE REVIEWS
7	VENDORS WITH 20 OR MORE REVIEWS
4	VENDORS WITH 30 OR MORE REVIEWS

POS UNITS

RANK	COMPANY	SCORE
1	**Epson**	**51.66**
2	Fujitsu	48.59
3	UTC Retail	48.00
4	HP	47.00
5	NCR	46.37
6	Verifone	45.60
7	IBM	45.39
8	Dell	43.40
9	DigiPoS Systems	43.33
10	Micros Retail	42.00

POS UNITS

RANK	COMPANY	PRODUCT FEATURES	TECHNOLOGY INNOVATION	SUPPORT/ SERVICE	PRICE/VALUE	PRODUCT RELIABILITY	OVERALL PERFORMANCE	TOTAL SCORE
1	**Epson**	**9.13**	**8.77**	7.93	**7.93**	**9.13**	**8.77**	**51.66**
2	Fujitsu	8.76	7.76	**8.16**	7.30	8.59	8.02	48.59
3	UTC Retail	8.33	8.33	7.67	7.67	7.67	8.33	48.00
4	HP	8.00	7.75	7.50	7.75	8.25	7.75	47.00
5	NCR	8.16	8.01	7.39	6.95	7.70	8.16	46.37
6	Verifone	8.36	8.16	5.96	7.36	7.96	7.76	45.60
7	IBM	7.81	7.59	7.22	6.63	8.48	7.66	45.39
8	Dell	7.45	6.87	6.88	7.45	7.30	7.45	43.40
9	DigiPoS Systems	8.00	7.67	6.67	6.67	7.00	7.33	43.33
10	Micros Retail	8.33	7.00	5.67	6.33	7.00	7.67	42.00

METHODOLOGY

The LeaderBoard is based in part on methodologies successfully deployed by J.D. Powers and Associates, Consumer Reports and the Zagat series. Rankings are based on evaluations submitted by a sample of retailers from the *RIS* subscriber pool, senior-level executives with significant IT responsibility.

RIS makes it a matter of principle to maintain consistency of its respondent pool and polling criteria:

Respondents cut across all retail categories, such as grocery, department stores, mass merchant, apparel, convenience, drug, specialty, electronics, home improvement, furnishings and so forth.

Revenue size breaks out roughly as follows: less than a third have revenue of more than $1 billion, more than a third have revenue between $1 billion and $500 million, and less than a third have revenue of less than $500 million.

Job titles break out roughly as follows: one third C-level executive, one third VP of IT or other IT title, and one third VP or director/manager line-of-business or other non-IT title.

Data is gathered by Litchfield Research, an independent firm. Litchfield posts the online evaluation form, sends out mailings, collects data, and supplies a report of findings to *RIS*. The editors of *RIS* add a fractional weighting factor uniformly to all rankings based on size of footprint of vendors in the marketplace.

Rankings are based on a cumulative score in six criteria worth a maximum of 10 points each (for highest satisfaction). These criteria are Product Features and Functionality, Price and Value, Overall Performance, Technology Innovation, Support and Service, and Product Reliability.

POS UNITS

POS is so critical to stores it is often referred to as their central nervous system. To be considered for the POS Units category vendors must make and warranty the following technologies: complete fixed units, self-checkout units, mobile units or hand-held units.

What's not surprising about this year's ranking is that Fujitsu is number two, HP number four and NCR

> The best way to hold onto customers and capture market share is by deploying tools that improve in-store service and the shopper experience.

PERIPHERALS

RANK	COMPANY	SCORE
1	**Epson**	**50.43**
2	Dell	50.00
3	Verifone	48.97
4	Datalogic	48.00
5	UTC Retail	47.30
6	NCR	43.54
7	Motorola	42.76
8	IBM	42.44
9	Lexmark	42.22
10	Fujitsu	42.04

PERIPHERALS

RANK	COMPANY	PRODUCT FEATURES	TECHNOLOGY INNOVATION	SUPPORT/ SERVICE	PRICE/VALUE	PRODUCT RELIABILITY	OVERALL PERFORMANCE	TOTAL SCORE
1	Epson	**8.78**	8.33	8.22	7.91	**8.65**	8.54	**50.43**
2	Dell	8.67	8.00	8.00	**9.00**	7.67	**8.67**	50.00
3	Verifone	8.71	**8.71**	7.80	7.43	8.16	8.16	48.97
4	Datalogic	8.00	8.00	8.00	8.00	8.00	8.00	48.00
5	UTC Retail	8.33	8.33	7.66	7.66	7.66	7.66	47.30
6	NCR	7.34	7.34	**8.34**	5.84	7.34	7.34	43.54
7	Motorola	7.56	7.16	6.96	6.56	7.36	7.16	42.76
8	IBM	7.11	6.89	6.89	6.00	8.22	7.33	42.44
9	Lexmark	7.56	7.33	6.67	6.67	6.89	7.11	42.22
10	Fujitsu	6.84	7.34	6.34	6.34	7.84	7.34	42.04

KIOSKS		
RANK	COMPANY	SCORE
1	**IBM**	**48.78**
2	NCR	43.43
3	Verifone	42.40
4	Motorola	41.71
5	Micro Industries	40.04

KIOSKS								
RANK	COMPANY	PRODUCT FEATURES	TECHNOLOGY INNOVATION	SUPPORT/ SERVICE	PRICE/VALUE	PRODUCT RELIABILITY	OVERALL PERFORMANCE	TOTAL SCORE
1	IBM	**8.53**	**7.93**	**7.73**	**7.33**	**8.73**	**8.53**	**48.78**
2	NCR	7.71	7.43	6.86	6.86	7.14	7.43	43.43
3	Verifone	6.80	6.80	7.20	7.20	7.60	6.80	42.40
4	Motorola	7.43	7.43	6.86	6.57	6.86	6.57	41.71
5	Micro Industries	6.84	6.84	7.34	5.34	6.84	6.84	40.04

Kiosks have hit their tipping point and are now deployed in all segments of retailing.

number five. These three IT leaders appeared on last year's LeaderBoard list and are pillars of POS technology. All should be congratulated for possessing high standing with retailers, especially Fujitsu, which notched the top spot in Support and Service.

Winning the category is Epson and coming in third is UTC Retail. This may be surprising to some, but both appeared on last year's top 10 list. What makes the case of Epson interesting is that although it has manufactured and warranted POS Units for many years it has not always stamping its name on the outer shell. It has roughly 10,000 installs in the U.S. and Europe, and its reputation as a maker of high-quality peripherals, a category it wins every year, clearly extends to POS Units as well.

I have been told that UTC Retail is not a large maker of POS Units and doesn't have a big client base of tier-one retailers. But LeaderBoard rankings are about customer satisfaction and not size. As with blind wine taste testings, what matters are individual qualities that comprise an overall score.

So, a tip of the hat goes to UTC and DigiPOS Systems, too, for scoring so well against much larger competitors as IBM and Dell, which also appear on this year's top 10 list.

PERIPHERALS

Devices considered as part of the Peripherals category are: keyboards, scanners, receipt printers, electronic payment devices, signature capture pads, check imagers, biometric identification readers, pole units, screens and cash drawers.

Epson keeps a perfect record going as the winner of this category for the fourth straight year. In capturing the top spot Epson achieved top scores in the following criteria: Product Features, Technology Innovation, and Product Reliability.

A close second place finisher is Dell, which nabbed the top criteria spots in Price/Value and Overall Performance.

Two other peripheral vendors achieving outstanding scores are Verifone (third), which came out on top of the heap in Technology Innovation criterion, and NCR (sixth), which achieved the top spot in Support/Service.

KIOSKS

For this report, kiosks are defined as self-contained fixed or hand-held access points that perform well defined functions for customers or associates by both delivering information and collecting it.

A retailer once told me a story about kiosks in his stores that collected an inch and a half of dust through consumer neglect. Not anymore. Kiosks, or should I say next-gen self-service technologies, have hit their tipping point and are now deployed in all segments of retailing.

IBM and NCR, the two powerhouses of this category, have traded places at the top of the heap every year, and in 2009 it goes to IBM. While it is clear these two vendors dominate the category, it's not surprising to see other vendors begin to make appearances on the list as kiosks continue to expand throughout retailing.

Last year, only NCR and IBM had enough valid votes to make the cut, but this year three more players make ap-

BACK-OF-STORE		
RANK	COMPANY	SCORE
1	**Motorola**	**50.29**
2	Oki Data	49.50
3	IBM	48.90
4	Dell	46.20
5	Lexmark	45.11

BACK-OF-STORE								
RANK	COMPANY	PRODUCT FEATURES	TECHNOLOGY INNOVATION	SUPPORT/ SERVICE	PRICE/VALUE	PRODUCT RELIABILITY	OVERALL PERFORMANCE	TOTAL SCORE
1	Motorola	**8.29**	**8.86**	**8.57**	7.43	8.57	**8.57**	**50.29**
2	Oki Data	7.84	8.34	7.84	**9.34**	8.34	7.84	49.50
3	IBM	8.02	8.18	8.18	7.87	**8.78**	7.87	48.90
4	Dell	8.00	7.59	7.07	8.12	7.59	7.80	46.20
5	Lexmark	8.00	7.78	6.89	7.33	7.33	7.78	45.11

NETWORKING

RANK	COMPANY	SCORE
1	IBM	54.00
2	Cisco	51.78
3	Dell	47.53
4	Microsoft	44.04
5	Motorola	43.98

NETWORKING

RANK	COMPANY	PRODUCT FEATURES	TECHNOLOGY INNOVATION	SUPPORT/ SERVICE	PRICE/VALUE	PRODUCT RELIABILITY	OVERALL PERFORMANCE	TOTAL SCORE
1	IBM	9.66	9.00	9.66	7.66	9.00	9.00	54.00
2	Cisco	8.86	9.11	8.49	7.35	9.23	8.74	51.78
3	Dell	8.16	7.87	8.16	7.59	8.16	7.59	47.53
4	Microsoft	7.34	6.84	7.34	7.84	7.34	7.34	44.04
5	Motorola	7.66	7.66	7.00	7.00	7.66	7.00	43.98

pearances on the board: Verifone, Motorola and Micro Industries.

No doubt competition will heat up in this category as kiosks become increasingly mainstream and a growing list of vendors seeks to capture market share.

BACK-OF-STORE

Although many technologies could fit into the Back-of-Store category we limit it to printers, scanners, desktop computers, and personal digital assistants, because they do the bulk of the work.

Motorola, thanks to its acquisition of Symbol Technologies a few years ago, rises to the top of this list after coming in fourth last year. Its leading score is the result of topping the field in four of six criteria: Product Features, Technology Innovation, Support and Service, and Overall Performance.

Making its first appearance in the LeaderBoard is Oki Data, which came in a strong second in this category and achieved an extremely high mark in the Price and Value criteria, a strong suit for the vendor.

IBM, which makes an appearance in every technology category except Digital Signage, not only came in third place here it also won the Product Reliability criteria.

NETWORKING

The Networking category is dominated by large IT companies. Technologies considered for this category include switches, hubs, routers, wireless access points, servers and similar networking devices and appliances.

Cisco, which has won this category several times, notches a 51.78 out of 60, which would have been the top score in all other categories this year. To achieve this it scored well across the board and won two criteria: Technology Innovation and Product Reliability.

But IBM, which came out on top, achieved a combined score of 54, the highest combined score in this report. In two criteria, Product Features and Support and Service, the satisfaction marks were near perfect at 9.66. Other top criteria scores notched by IBM are Price and Value and Overall Performance.

DIGITAL SIGNAGE

After tracking RFID technology for several years we decided to drop it in 2009 and replace it with Digital Signage, another emerging technology that has a faster growing footprint. For this category we considered the following technologies: audio/video computers, digital signage players, display screens and media players.

When we sent out the e-mail blasts we had no idea if we would receive enough valid votes for vendors to qualify, but to our surprise four vendors achieved the minimum requirement. At the head of the list is LG Electronics, which won three criteria: Technology Innovation, Price and Value, and Overall Performance.

Coming in second is Cisco, which also has three impressive criteria wins: Product Features, Support and Service, and Product Reliability. Also noteworthy is Black Box Networks, which ties with LG Electronics for the top spot in Price and Value.

One interesting finding in this year's Hardware LeaderBoard is that scores are up in all categories, except Peripherals which is essentially flat year over year. Top scores are higher, but scores at every level are higher, too.

We sometimes forget we are still in the early stages of advanced technology, especially those based on deep integration of retail-specific processes. As the technology matures and becomes more retailer friendly it will no doubt achieve higher satisfaction scores, and the *RIS LeaderBoard* will be there to track its progress. **RIS**

DIGITAL SIGNAGE

RANK	COMPANY	SCORE
1	LG Electronics	48.70
2	Cisco	47.20
3	Black Box Networks	44.70
4	NEC Display Solutions	40.00

DIGITAL SIGNAGE

RANK	COMPANY	PRODUCT FEATURES	TECHNOLOGY INNOVATION	SUPPORT/ SERVICE	PRICE/VALUE	PRODUCT RELIABILITY	OVERALL PERFORMANCE	TOTAL SCORE
1	LG Electronics	7.67	8.33	7.67	7.67	7.00	8.33	48.70
2	Cisco	8.40	8.00	8.00	7.20	8.00	7.60	47.20
3	Black Box Networks	7.67	7.67	7.67	7.67	6.33	7.67	44.70
4	NEC Display Solutions	7.00	6.33	6.33	6.33	7.00	7.00	40.00