



State of the Industry

# Self-Checkout in Convenience & Fuel and Food & Grocery Retail

IN PARTNERSHIP WITH



# Is this report for me?

Incisiv's 2023 State of the Industry "Self-Checkout in Convenience & Fuel and Food & Grocery Retail" presents essential insights and analysis from a survey of 140 US retail executives.

The study was designed to understand:

- The evolving role of self-checkout (SCO) in improving customer experience and retail operations
- Gaps and opportunities in terms of elevating self-checkout to driving richer experiences and outcomes beyond pure convenience
- Retailer readiness from an experience experimentation and speed-of-innovation standpoint



You will find this report especially valuable if you are focused on one or more of the following:

- Evaluating investments to help improve in-store experience and enhance store operations
- Considering, evaluating, or scaling self-checkout solutions for your stores
- Investigating new business models such as retail media networks to drive new sources of revenue from your stores
- Pursuing strategies to reimagine your store experience, including improved digital - physical integration

Let's dive in.

**Incisiv's State of the Industry: Self-Checkout in Convenience & Fuel and Food & Grocery Retail**  
in Partnership with NCR



## Consumers Demand Individualized, Frictionless Experiences.

Modern shoppers seek a rare combination of frictionless convenience and personalized experience. In order for retailers to do this consistently, they need to enhance their store experience, bringing to them the level of speed, choice, flexibility, and delight shoppers are used to from their favorite digital experiences.

## Operational Agility is Critical in a Dynamic Labor Market.

Retailers are navigating a fluid labor market, alongside a boom in online order fulfillment. They need to cultivate operational agility, innovate new store formats, and create more adaptive, efficient, associate-friendly and customer-centric spaces.

## Store Innovation as a Growth Driver.

The directive for retailers is clear: innovate or fall behind. This entails exploring fresh, potentially lucrative opportunities such as retail media networks. Moreover, stores must become epicenters of valuable customer insights and intimacy, continuously fueling and fortifying the retail business model.

Self-checkout has the potential to become a formidable force, catapulting retailers into **a new era of customer-centric experiences and streamlined operations.**



# How are retailers pivoting to match changing consumer preferences and operational demands? Are they equipped to use self-checkout to drive richer business outcomes?

Incisiv surveyed senior convenience & fuel and food & grocery executives to understand the state of the industry in terms of self-checkout adoption, maturity, challenges, and priorities.

## 140

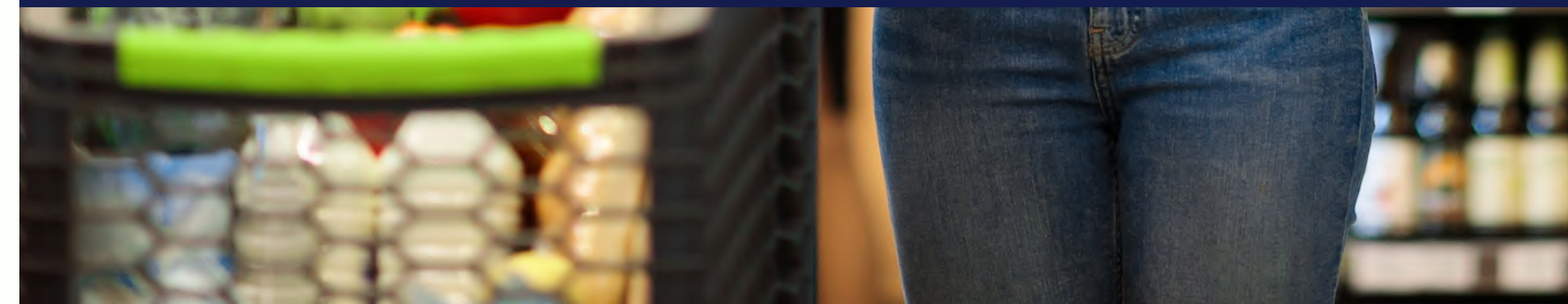
Total respondents

50% each from convenience & fuel retail and food & grocery retail

93% Director level or above



Findings from this survey form the basis of the analysis presented in this State of the Industry report. Unless stated otherwise, all data in this report is from Incisiv's "State of the Industry: Self-Checkout in Convenience & Fuel and Food & Grocery Retail" survey. [Detailed survey methodology](#), industries covered, and respondent firmographics are available at the end of the report.



# The Dawn of the Self-Checkout Era.

Retail has transformed. Today's customers favor speed and autonomy, making self-checkout systems not just a luxury, but a necessity. It is a dynamic shift, swapping long queues for swift, self-led shopping experiences. As we stand at the cusp of a new retail era, embracing self-checkout is no longer about staying relevant, but spearheading industry innovation.



53% of retailers in the food & grocery segment have mature self-checkout adoption compared with 34% of retailers in convenience & fuel. However, convenience & fuel retailers plan to catch-up quickly, with 37% currently piloting or scaling self-checkout deployments, as compared to 27% of food & grocery retailers.

## Embrace the Evolution.

From a budding trend to a retail mainstay, self-checkout's prominence is undeniable. Currently, **43%** of retailers have mature self-checkout in place, and an additional **17%** are further scaling their self-checkout deployments. The message is clear: it's time to get on board or risk being left behind.

## The Forthcoming Industry Standard.

Self-checkout is on track to become the expected, not the exception. A mere **6%** of retailers have no plans to implement it. Meanwhile, **34%** are either testing the waters with pilots or have included it in their future strategies. As it becomes an industry standard, merely offering SCO won't set a retailer apart – the next phase will be about how to innovate within this framework to maintain a competitive edge.

## A Rare Win-Win.

Self-checkout is simply good business, with benefits for both shoppers and retailers. Of those who have implemented SCO, **79%** say it delivers better customer experience, while **58%** observe lower labor costs. Self-checkout is an upgrade to both the customer experience and retail operations with clear, direct advantages.

# Efficiency & Experience for Everyone.

Long lines and tedious wait times are a relic of the past. Customers demand efficiency and a seamless shopping experience. Retailers must step up, revolutionizing their operations to save time and elevate the customer journey, ushering in a new era of retail convenience.



The convenience & fuel segment is ahead in terms of accepting cash at self-checkout with 27% of retailers able to do so, compared to 19% in food & grocery. Meanwhile, food & grocery retailers are more attuned to considering cultural nuances in their self-checkout experience design, with 35% adopting such an approach, compared to 21% in convenience & fuel.

## Streamline for Speed.

SCO can speed up the shopping process and make your store run smoother. **75%** of retailers who have implemented SCO found it enhanced their store layout and space utilization, and **51%** observed improvements in operational efficiency. SCO offers a straightforward path to a more streamlined store experience.

## From Efficiency to Experience.

Retailers must make the shift and turn SCO into an engagement hub. It is already happening – **1 in 2** retailers are using self-checkouts not just to speed up checkout, but as an engagement terminal to connect with customers on a new level. This signals a clear shift from mere efficiency to a richer, integrated experience.

## Prioritize Inclusivity.

Self-checkout isn't just about technology; it is about accessibility for everyone. Despite **45%** of retailers highlighting the importance of diverse payment options to cater to different financial preferences, only **23%** accept cash payments at self-checkout stations. It is high time that SCO systems fully accommodate the varied needs and capabilities of all shoppers.

# Power New Growth Engines.

For retailers who are willing to fundamentally reimagine their in-store value proposition to shoppers, self-checkout can be so much more. It is about making every interaction count, building a better mouse-trap, and forging a bond that brings customers back, time and again.



In terms of using self-checkout as an engagement terminal, food & grocery retailers are ahead. 41% of them display personalized ads or product suggestions, compared to 33% in the convenience & fuel segment. Also, 26% of food & grocery retailers rent out ad space on these terminals to other advertisers, more than double the 12% seen in the convenience & fuel segment.

## Offer Richer Financial Services.

Self-checkout is breaking its own boundaries, evolving to be more than just a quick way to pay for essentials. Right now, only **13%** of retailers offer extended financial services such as bill payments and cash withdrawals at their SCO terminals. But keep an eye on this space as **29%** are either testing or exploring offering these services.

## Monetize Every Touchpoint.

Retailers are beginning to recognize the potential of SCO terminals as advertising platforms that can drive incremental revenue. Currently, only **19%** of retailers have taken the step to lease ad space on SCO terminals to third-party advertisers. But the trend is gaining traction, with **53%** currently exploring or testing this strategy to augment their revenue stream.

## Create Stickiness through Personalization.

**37%** of retailers display personalized ads or product suggestions at SCO terminals, using customer purchase history to fuel these insights. Additionally, **55%** are actively testing or considering this approach, underscoring the industry's focus on enhancing customer retention through personalization at self-checkouts.

# Safeguard Against Shrinkage.

The self-checkout revolution brings its share of challenges. The most pressing? Shrinkage. Retailers can no longer turn a blind eye, but must employ savvy strategies and tech interventions to prevent theft, minimizing impact on the bottom-line and on brand erosion.



At 95% adoption in food & grocery retail, staff supervision near self-checkout is an almost universally used strategy. In contrast, 1 in 3 convenience & fuel retailers do not do this. There may be a variety of reasons for this big difference - from smaller store sizes that allow naturally better oversight to lesser labor availability in the store.

## Start with Staff Empowerment.

**81%** of retailers station staff near the self-checkout area, a strategy primarily used to manage shrink effectively. Their presence not only discourages dishonest actions but also ensures that assistance is readily available, fostering a secure and efficient checkout environment.

## Marry Tech with Training.

In the modern retail landscape, simply deploying technology is not enough; it demands an accompanying investment in employee training. While **34%** of retailers are already utilizing data analytics to spot shrink patterns, supplementing these investments with comprehensive staff training can ensure a more secure, efficient self-checkout experience.

## Foster a Culture of Integrity.

Surprisingly, only **28%** of retailers consistently communicate with customers on the proper use of self-checkout systems as a measure to manage shrinkage. Incorporating educational initiatives can foster an environment of trust and responsibility, actively engaging customers in reducing store losses.



# Go Frictionless with Proven Strategies.

Cashierless stores are a glittering allure, yet they remain a niche pursuit for those with the deepest pockets. Retailers looking to operationalize a frictionless shopping experience at scale really only have one choice – investing in and enhancing their self-checkout experience.



Food & grocery retailers are stepping up their game in enhancing the self-checkout experience, more so than convenience & fuel retailers. For instance, 38% of food & grocery retailers plan to integrate app-based experiences such as “scan and pay” with their self-checkout deployments, compared to only 16% of convenience & fuel retailers.

## Accelerate SCO Adoption.

SCO offers retailers a more cost-effective, shopper-friendly way to reduce friction from their in-store experience compared to developing fully cashierless stores. While 89% of retailers indicate no plans to explore fully cashierless stores, 39% are actively expanding their SCO systems to meet the increasing demand for seamless shopping experiences.

## Diversify Payment Methods.

Incorporating varied payment options at self-checkout is a tried and true strategy for reducing checkout friction. It allows for a smoother, more secure, and inclusive shopping process. 65% of retailers plan to invest in faster and more secure payment technologies in response to shoppers' need for a smoother in-store experience.

## Integrate Mobile App Capabilities.

Mobile app integration at self-checkout terminals serves as a tool for retailers to streamline transactions and enhance customer engagement through experiences such as scan-and-go, digital coupons, and in-app payment methods. 27% of retailers are actively working to enhance their in-store mobile shopping capabilities.

# Elevate Self-Checkout with Tech Excellence.

There is a big gulf between the agility in digital channels versus physical stores. Retailers must bridge this gap with robust edge infrastructure, enabling rapid innovation and experimentation. The time to match the swiftness of digital experience design in physical stores is now.



Convenience & fuel retailers demonstrate a more mature approach to enhancing SCO experience and performance, with 39% periodically conducting A/B tests compared to 29% in the food & grocery segment. Smaller store size and the prevalence of a franchise operating model that offers naturally defined test and control store clusters could be contributing factors.

## Swift & Smart Iterations.

In stark contrast to the agility witnessed in digital channels, almost half of the retailers find themselves lagging, with **48%** taking more than a month to roll out a standard bug fix or update at self-checkout terminals. Retailers must prioritize platforms that enable faster iterations and enhancements.

## Cultivate Innovation.

Currently, **53%** of retailers rarely or never employ A/B testing for SCO systems, missing chances to optimize the customer experience. With **88%** adding new features less than monthly and **93%** taking over a month to introduce a new feature, it is clear that swift, responsive innovation is not yet a standard in the industry. Retailers that foster a faster cycle of experimentation and innovation stand to gain a competitive edge.

## Drive Operational Efficiency.

A robust edge infrastructure is the cornerstone of an agile, responsive, adaptable self-checkout system. Currently, **94%** of retailers encounter challenges implementing simultaneous software updates across their store network. Solidifying the edge infrastructure is the first step towards mitigating these challenges.

# Charting the Future.

The advancement of self-checkout technologies represents a pivotal moment for retail, one that aligns perfectly with modern consumer preferences and operational demands.

Adopting self-checkout doesn't just mean a streamlined point of sale. It is a stepping stone to a retail revolution, where businesses can adapt quicker, glean richer customer insights, and foster more personalized interactions. Moreover, it opens up opportunities to optimize store layouts and explore new revenue streams, including retail media networks.

Embracing self-checkout is not a mere upgrade but a strategic move towards a more agile, data-driven, and customer-centric business model. As retailers redefine the contours of in-store shopping, self-checkout can be a vital tool towards achieving greater customer satisfaction and operational profitability.



## ABOUT INCISIV

Incisiv is a peer-to-peer executive network and industry insights firm for consumer industry executives navigating digital disruption. Incisiv offers curated executive learning, digital maturity benchmarks, and prescriptive transformation insights to clients across the consumer and technology industry spectrum.

[incisiv.com](https://www.incisiv.com)



## ABOUT NCR CORPORATION

NCR Corporation (NYSE: NCR) is a leader in transforming, connecting and running technology platforms for self-directed banking, stores and restaurants. NCR is headquartered in Atlanta, Ga., with 35,000 employees globally. NCR is a trademark of NCR Corporation in the United States and other countries.

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# Survey methodology.

Incisiv conducted a hybrid online + Computer Aided Telephonic Interview (CATI) survey of 140 executives in the United States. The study was conducted from August 4, 2023 – Aug 18, 2023.

## Respondent Distribution by Number of Stores

51 – 200 stores	13%
201 – 500 stores	32%
501 – 1,000 stores	35%
1,001 or more stores	20%

## Respondent Distribution by Annual Revenue

\$100 million to \$499 million	13%
\$500 million to \$1 billion	24%
\$1 billion to \$ 5 billion	34%
More than \$5 billion	29%

## Respondent Distribution by Designation

Manager	7%
Director	38%
VP / SVP / EVP	40%
C-Level	15%

## Respondent Distribution by Retail Format

Traditional or Expanded Convenience Store	34%
National/Regional Grocer	25%
Hyper Convenience Store	16%
Supercenter/General Merchandise Store with Grocery	13%
Wholesale Club with Grocery	7%
Specialized Grocer	5%

## Respondent Distribution by Role

IT/Information Technology	32%
Store Operations	23%
Multi-channel/Omnichannel/eCommerce	18%
Merchandising	14%
Executive leadership	13%