

# Retail Industry and Mobile Technology

---

## Contents

- Overview ..... 2
- Retail in Omni-Channel World ..... 2
- Technology Bridge..... 2
- Analytics ..... 3
- Controlling the Shopping Experience..... 3
- Seamless Experience..... 3
- PCI Compliance ..... 4
- New Opportunities..... 4
- Summary ..... 5

## Overview

Over time, the personalized approach was lost and consumers no longer felt the same loyalty to the retailer. Today, retailers are working to enhance their shoppers' experience, knowing that at the same time customers have options to shop wherever and whenever they want, often without stepping inside a store. Retailers have to anticipate a shopper's buying behavior, whether the route they take begins with a website, social site or the parking lot outside of their store. They need to provide a compelling and personalized way to rekindle the special bond between the shopper and their brand. It's complex and confusing. But it also provides immense opportunities.

This paper examines the future of retail, including changing shopper mindsets and behaviors, and the new expectations shoppers have for their in-store experience.

## Retail in Omni-Channel World

Omni-Channel Retailing is the marketing of multi-channel retailing, but is concentrated more on a seamless approach to the consumer experience through all available shopping channels, i.e. mobile internet devices, computers, brick-and-mortar, television, radio, direct mail, catalog and so on.

Shopper's habits are shifting as more consumers adopt smartphones. These smartphone users are utilizing their devices in the store for a range of uses including shopping lists, product reviews, price comparison or just to send a picture to a friend about the new item they found on sale. Consumers have a specific expectation of their retail experience and getting the information they want when they want it—inside or outside the store. This shift in consumer behavior is causing concern among retailers that they are being eliminated from the conversation. In fact, majority of shoppers believe they have access to more information about products than store associates and those shoppers would prefer to use their smartphone rather than engage a store associate. This loss of contact is forcing the retailer to consider the behavioral analytics of the shopper and how they can restore the in-store relationship.

As the majority of purchases will still occur in the store, it is incumbent on the store to leverage the right technology to give customers the same kind of information and experience they get online, but with the added familiarity and immediacy of an in-person visit. The best place to start is by looking at technology's role in the customer experience.

## Technology Bridge

Without change, the retailer will fail to meet connected shoppers' expectations and will find it even more challenging to make the investments needed to catch up with their customers and their competitors.

Too often, retail store employees are not as knowledgeable about products, prices, and availability as their customers. As a result, 73% of shoppers prefer to use their smartphones for tasks and only 15% want to interact with a store employee (Accenture, Dec. 6, 2012). To deliver a superior experience, retailers must give employees the same—or better—information as the information that consumers have at their fingertips. Having wireless infrastructure on the selling floor is no longer optional, and enabling wireless applications for employees is essential for them to access information and deliver a differentiated experience.

## **Analytics**

Compared to online retail sites, physical stores have little insight to consumer behavior. In store retailers need to extract meaningful metrics about shopping visits, traffic patterns, shopping behaviors, and spend in order to optimize customer acquisition, loyalty, and engagement. Consumers' mobile devices offer the perfect vehicle for gaining valuable visibility into in-store behaviors. Most mobile devices have embedded Wi-Fi and consumers tend to leave the Wi-Fi connection active, even when they are not logged into a network. Wireless infrastructure and analytics software can use these signals to generate valuable data for tuning sales, promotion, and loyalty strategies.

## **Controlling the Shopping Experience**

The most successful retailers realize the value of in-store Wi-Fi for providing comprehensive in-store coverage and Internet access for customers and employees alike. Give customers the ability to check product details, sizes, and availability in the aisle. Once they are in your store, the convenience of being able to order or purchase immediately helps increase shopping satisfaction.

The best-performing retailers also are more likely to provide mobile devices to store and department managers. With wireless devices, sales associates can instantly access information to answer questions, find items that customers seek, and gain access to additional product expertise and sales tools. For example, they can easily access product demos to show a customer on a monitor, compare specifications, and increase upsell with information about optional features.

## **Seamless Experience**

With the right, cloud-enabled wireless network, retailers can not only implement Wi-Fi in stores, they can easily connect stores, warehouses, distribution centers, kiosks, and other locations to create a seamless mobile environment for employees and customers. A cloud enabled wireless network can deliver a zero-touch, auto-provisioned network, complete with wired and wireless connectivity for transparent access from anywhere.

Store and warehouse employees don't need to be tech-savvy to install and configure equipment and centralized policy deployment maintains security and access privileges to network capabilities.

## PCI Compliance

The Payment Card Industry Data Security Standard (PCI DSS) recognizes wireless LANs as public networks and assumes that they are exposed to public vulnerabilities and threats. Smart cybercriminals can configure servers, laptops, printers, and other devices to exploit weaknesses in point-of-sale (POS) terminals or other store systems, even if there is not a wireless network deployed. A secure wireless infrastructure includes a Private Pre-Shared Key (PSK) system that generates and manages separate pre-shared keys for each WLAN client. This enables multiple users, each with a unique key, to access the same WLAN, providing one-to-one authentication and strong encryption. Clients cannot eavesdrop on each other in a Private PSK system, and network access can be revoked on a per-client basis. A cloud based proxy feature enables retailers with a cloud-based security service to route all remote web traffic through the service before sending it to its final destination.

## New Opportunities

The number of people carrying a device with active Wi-Fi has reached a point at which there is a statistically significant sample of people in a store at any given time. Depending on the store and customer demographics, typically 40%-70% of all visitors are carrying a phone with Wi-Fi that can be measured. The right wireless network and analytics software can use Wi-Fi signals to accurately represent total foot traffic inside and around the store. With analytics software, retailers can transform the in-store Wi-Fi into a consumer analytics tool for optimizing retail operations and maximizing per-store revenue:

- **Optimize capture rate:** Optimize the capture rate to generate thousands of dollars in additional sales per day, per store. Identify shopping applications that customers use and collect numbers of walk-by customers, visits, and percentages of people that come inside the store.
- **Increase duration rates:** Track visit durations and identify shoppers staying longer than 30 minutes to evaluate engagements. Use this data to tailor the sales process and improve in-store operations.

- Improve service levels: Monitor line lengths, sales associate availability, and wait times to improve service levels.
- Improve engagement with customers: Analytics data lets you track traffic patterns, assess promotional effectiveness, personalize in-store coupon and “specials” when customer is in the store, and capture data for maximizing social media effectiveness.
- Enhance customer loyalty: Track visit and walk-by frequency, repeat visits, and recent visits to identify premier customers and develop program for increasing loyalty

## Summary

There's no denying that online shopping is here to stay, but rumors about the death of in-store shopping are greatly exaggerated. Technology isn't killing the bricks and mortar shopping experience, simply transforming it. We think that the physical store has got a vibrant and exciting future as part of seamless mix of channels.

Technology is revolutionizing in-store interactions, improving what was already good about them and adding some of the characteristics of the online experience.

For shoppers this means greater personalization, information at their fingertips and seamless integration between what they do online and in-store. Visiting a store is no longer about necessity; it's a choice that shoppers make.

Retailers must make stores pleasant environments that offer interactivity and quick and easy ways to make transactions. That means leveraging technology to make it possible to offer increased personalization cost-effectively. Tablets, large format displays, in-store kiosks and digital signage aren't gimmicks; they offer ways to improve service, increase sales and cut costs.