



Four Trends Shaping the Future of Retail

WIRELESS NETWORKS ARE ENHANCING THE SHOPPER EXPERIENCE

Retail has long been challenged with keeping pace with technology solutions that have become mainstream for consumers and other industries. Some may point toward the complexity of storewide systems, while others identify organization and budget restraints. However, now more than ever, advanced technology has become business critical for retailers as you aim to deliver great customer experiences, optimize your workforces and coordinate your supply chains.

Connecting with Shoppers

As a retailer, you're in the midst of a technological revolution that is transforming the business of selling products and goods. The new retailing model — the connected shopper's ability to shop online and in-store often with the assistance of a smart device — is largely based on technology; specifically, wireless technology.

As important as it is to connect with mobile shoppers, today's most successful retailers understand that connectivity is not an end in itself. They know that just as important is the networks' ability to help collect and analyze customer information to assist retailers in proactively personalizing the sales experience.

The backbone of this advanced technology is an efficient network. Retail networks need to be complemented with forward-looking enhancements that result in a more adaptable, reliable and flexible wireless system. With

the rapid pace of technology change and the increased number of requests from business customers, technology professionals in the retail industry often struggle to identify which solutions are needed to prepare for the next three to five years.

This paper outlines the key trends shaping the unique needs and demands of the wireless network in retail today. It is essential reading for retailers searching for ways to leverage their wireless networks to deliver compelling experiences for connected shoppers.

56%

of retailers will provide guest Wi-Fi by 2017





TREND 1:

INCREASING IMPORTANCE OF MOBILE ACCESS

A college student shops for a new outfit at a department store. She tries on a number of things and wants the opinions of her friends. She uses her smartphone to take photos of herself and prepares to tweet them to her friends. But the department she's shopping in is located in a section of the store that doesn't have good cellular coverage, so she can't connect to the Internet. Disappointed, she eventually leaves the store without making a purchase.

When a connected shopper can't get a connection in the store, retailers are in danger of losing more than just that sale. They're in danger of losing loyal shoppers. In today's connected world, it's difficult to deliver an exciting, satisfying shopping experience without Internet access. But delivering that Internet access can be challenging.

ARE THERE CONNECTIVITY GAPS?

When customers want to use in-store applications, surveys reveal that almost 40% of the time they can't due to poor connectivity. There are also significant coverage holes in up to 90% of certain popular store formats. What's the problem?

Cellular coverage has some inherent indoor limitations. Ubiquitous coverage can be difficult to provide in certain store formats — such as big-box and grocery stores — and locations such as malls. It's not surprising to find coverage in less than half of the store spaces. If a retailer promises reliable access and doesn't deliver, a potential positive customer experience instantly turns negative.

GUEST WI-FI

Ensuring that connected shoppers have storewide network access is fundamental to multichannel retailing success. How are retailers addressing their connectivity challenges? Guest Wi-Fi has emerged as a preferred solution.

As coverage issues continue to plague many sales floors, an increasing number of retailers are using their own private Wi-Fi networks. They've proven successful at delivering reliable storewide access for shoppers as well as store associates.

As important as connectivity is, guest Wi-Fi is about more than making network access available. Ubiquitous customer connectivity also empowers you to make maximum use of the growing number of applications and technologies wireless makes possible. These include locationing, real-time couponing, mobile checkout, social media interaction and much more.

Equally important, by inviting customers onto your network through your own captive portal and private smartphone application, you invite them to become more active, satisfied, loyal and connected members of your own community.



TREND 2:

ENABLING PERSONALIZATION THROUGH ANALYTICS

A member of a grocery store's loyalty program shops twice a week, usually on Monday and Thursday mornings. She almost always buys fresh produce, and thanks to the information gathered from its Wi-Fi network, the store knows her tendencies. On Wednesday afternoon, the store pushes an e-coupon to her smartphone offering a special price on a new salad dressing the store has begun to carry. On Thursday, the shopper uses the coupon, purchasing the new salad dressing and increasing her basket size.



As the retail industry searches for solutions to its challenges, a growing relationship is emerging between IT and marketing. It's a relationship facilitated in large part by wireless networking. Even more specifically, it's reliant upon gathering information and providing analysis that will make true one-to-one selling possible.

WHERE IS THE DATA?

If your customers are connected via a carrier's cellular network when they're in your store, their information is collected and available to the carrier, but not to you. That's where marketing and IT can come together.

Retailers can design and deploy a reliable Wi-Fi access network that also gathers information from shoppers' wireless devices whenever they're on your sales floor or connected to your network. You can use this information in a number of ways.

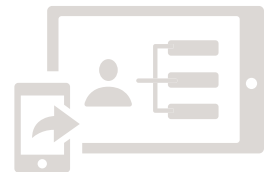
WI-FI-ENABLED ANALYTICS

You can never have too much information about your shoppers. As you add customers to your loyalty programs and provide them with free guest access on your sales floor, you learn valuable information about them. Demographics, of course, but also crucial buying behaviors.

Analytics also lets you take a bird's eye view of your customers, providing aggregate data such as traffic volume as well as helping you identify trends by various shopper segments and individuals. You can learn:

- How often and when shoppers come to your store?
- How much time they spend in the store, what sections do they visit, what do they buy and how often do they buy it?
- When they're online in your store, what searches do they run, what applications do they use, what sites do they visit?

With this data, IT can team with marketing to create and promote compelling loyalty and marketing programs. Equally important, the information is the foundation of the personalization of your customers' shopping experiences: on your website, on their mobile devices, in your store.

**77%**

of retailers plan to connect shoppers' online activities with what they do in the store



TREND 3:

EMERGENCE OF LOCATIONING

A bookstore's network detects a customer's smartphone, and notifies the store that the customer is in the shopping mall parking lot. Does he plan to visit the store? The network can make that more likely. The information shows that the person regularly purchases mystery novels by a specific author. Before he even enters the building, the store can send a message telling him that the author's new book is in stock, and offer a 25% off coupon for today only. Pleased by the store's offer, the customer is driven to visit and the store makes a sale sooner than it might have otherwise.

Location, location, location. This old real estate adage has become one of the fundamental principles of multichannel wireless retailing. Where the customer is located at any given time inside or outside your store matters.

WHERE ARE YOUR CUSTOMERS?

In most retail stores, you don't know who is in your store until they have completed their shopping and are at the register. Even more concerning is the fact that all too often you may never know a customer came to your store and departed because they failed to find what they were looking for. The question is: How do you know when your customers are in, or even near, your premises?

PRESENCE AND LOCATIONING

Location functionality starts with sophisticated presence services that help you detect your customers as they near or enter your store. This knowledge allows you to create rules-based push programs – welcome messages, daily or hourly specials, coupons based on the customers' shopping histories and trends that activate as soon as you're aware of their presence.

Inside the store, you can define zones to detect customers in specific areas and use

marketing logic to provide location-based offers. If you know a customer has just entered the electronics department, for example, you can instantly send a message promoting a special deal, such as a buy one get one free DVD offer. If you detect a customer browsing women's suits, you can immediately send a knowledgeable associate to greet her and assist her in making the best selection. Results include more satisfied customers and increased per customer revenue.

STRATEGIC LOCATION ANALYSIS

Your locationing data can also help you strategically. Location analytics can provide detailed statistics about customer activity: identifying repeat customers, tracking per store visit time, showing total customers in the store, providing demographic customer profiles. Analytics also help you identify and understand customer traffic flow and congestion points, helping you analyze overall patterns to reorganize store layouts, modify planograms and refine your customer engagement processes.

**47%**

of retailers wish they could receive an alert when a loyal customer was walking through the door



TREND 4:

DIFFERENTIATING THE SALES EXPERIENCE

An in-store video surveillance camera in a large wine store shows a customer examining selections in the premium wine section. Through the store's Wi-Fi network, a sales associate is alerted and, equipped with a wireless tablet, arrives to offer personalized assistance. The customer asks a number of questions, such as the wine's rating and the vintner's history, which the associate is able to quickly look up on her tablet. The customer mentions she wants a wine to go with a rack of lamb, and the associate makes additional suggestions.



When the customer makes a decision, the associate uses her handheld reader to accept the customer's credit card payment on the spot. The sale is made, the customer is pleased, the wireless network applications performed flawlessly.

WHAT'S THE RIGHT CUSTOMER EXPERIENCE?

Revitalizing the sales floor is all about redefining the customer experience. Retailers are able to take the customer experience to places it's never been before, creating a clear and sustainable competitive advantage.

For most retailers, the key to increasing differentiation is using powerful new customer-driven applications that help enhance and optimize the sales floor experience. These

include applications that integrate data, voice and video capture technologies.

They also include dramatic and sophisticated customer applications that provide an exciting multimedia array of information — from videos to photographs to specifications — about the product or service. Internal service-driven applications that empower sales associates are also critical to creating sales experiences that are pleasant, simple, satisfying and fast.

75%

of retailers plan to customize the store visit by 2017

Predictions

A wide range of analysts predict that over the next five years, wireless retail networks offering guest Wi-Fi access will rise significantly. Customers agree, too. Shopper studies show that substantial majorities of shoppers would shop at retailers offering free Wi-Fi, and 42% of shoppers would specifically access retailers' networks to search for product information.

The Experience is Everything

In a way, we're coming full circle. Personalized retailing is making a comeback, and it's bringing a revitalized sales floor back with it. It's all made possible and profitable by the wireless networks that both enable retailers to connect with shoppers and provide information about them and their desires. By making the sales floor shopping experience more informative, more individually focused, more convenient and more interesting, wireless technology is shaping and driving a bold new era in an age-old retail tradition: personal selling.



ZEBRA RETAIL LEADERSHIP SERIES

This white paper is one of a series examining the challenges, the opportunities and the realities of how technology innovation is shaping the retail industry.

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