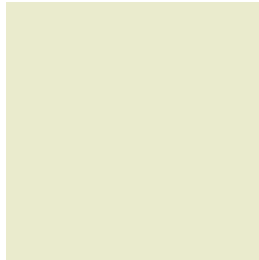




# 6 STRATEGIES TO ENSURE YOUR WIRELESS NETWORK DELIVERS ENHANCED EXPERIENCES



Retailers are optimizing and streamlining their wireless communications networks to connect with shoppers and empower their store associates

Retail has long been challenged with keeping pace with technology solutions that 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 they aim to deliver great customer experiences, optimize their work forces and coordinate their supply chains.

The backbone of this advanced technology is an efficient network. Today's 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 their business customers, technology professionals in the retail industry often struggle to identify which solutions they need to prepare for over the next 3-5 years. They're also searching for the technology that will meet the advanced requirements for leveraging their wireless networks for maximum benefit.

This paper outlines the key trends shaping the unique needs and demands of the wireless environment in retail today. It also highlights six key strategies for establishing a successful wireless network. A thorough understanding of both is critical for driving compelling experiences for the connected shopper.

## CONNECTING WITH SHOPPERS

As a retailer today, 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. But 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.

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.





## **TREND:** **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 likes some of them but wants the opinions of her friends. She uses her smartphone to take photos of herself in the two outfits she likes best and prepares to tweet them to her friends so they can comment right away. 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 cannot because they have poor connectivity. What is further revealed is that there are significant holes in coverage in up to 90% of certain popular store formats. What's the problem?

The truth is, cellular coverage has some inherent indoor limitations. Ubiquitous cellular coverage can be difficult to provide in certain store formats—such as big-box and grocery stores—and locations such as malls. In these and many other stores, it's not surprising to find coverage in less than half of the space. If a retailer promises reliable access and then doesn't deliver, a potential positive customer experience instantly turns into a negative one.

**56% of retailers  
will provide guest  
Wi-Fi by 2017**

## 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 is quickly emerging as a preferred solution. As cellular 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 sales associates and other store personnel.

As important as its connectivity benefits are, 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 creative, efficient applications and technologies wireless makes available. These include locationing, real-time couponing, mobile check-out, 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, more satisfied, more loyal and more connected members of your own community.

The industry agrees. A wide range of analysts predicts 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 38% of shoppers would specifically access retailers' networks to search for product information.

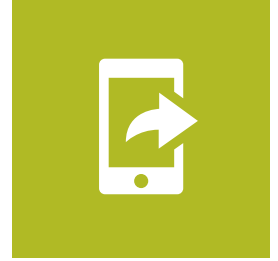




## **TREND:** **ENABLING PERSONALIZATION THROUGH ANALYTICS**

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 on every visit, and thanks to the information gathered from its Wi-Fi network, the grocery 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.

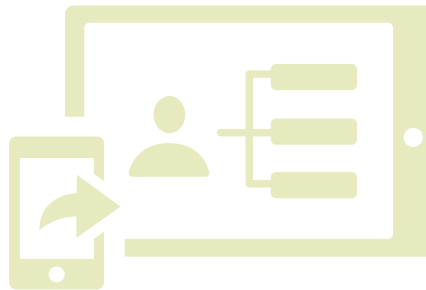
As the retail industry searches for solutions to its challenges, a growing relationship is emerging between IT and marketing. It's a relationship facilitated in large part by wireless networking. Even more specifically, it's reliant upon gathering information and providing analysis that will make true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



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.

## 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.

- How often and when do they come to your store?
- How much time do 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.

**By 2015, 77% of retailers plan to be able to connect shoppers' online activities with what they do in the store**



## **TREND:** **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 & 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 in the door**





## **TREND:** **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.

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.



## WHAT'S THE RIGHT CUSTOMER EXPERIENCE?

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 be able to customize the store visit by 2017**

## MOBILITY-EQUIPPED SALES ASSOCIATES

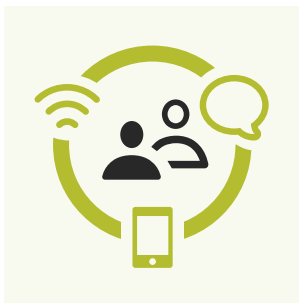
When a sales associate is assisting a connected customer, he or she needs to have the same immediate access to information that the shopper has. Retailers committed to optimizing the retail experience understand the importance of empowering their sales associates with network access and powerful mobile devices—or the ability to utilize their own devices—that optimize the customer experience. This increase in connected shoppers and sales associates has significant implications for the wireless network.

To accommodate the rapidly increasing number and variety of applications and devices, your wireless network must deliver a system that is both fast and flexible. The system must have an intelligent network architecture for streamlined data routing and prioritization. It must also be able to deliver bandwidth levels that allow the use of advanced customer and internal applications, ranging from voice over IP (VoIP) to streaming video to kiosks and digital signage to mobile point-of-sale (mPOS) functionality.

## 6 Wireless IT Strategies for Delivering Enhanced Experiences

The time to prepare for the enhanced retail experience of the future is here and now. For the retail IT professional, it's about careful planning of the network to ensure its ability to provide the customer experiences that assure competitive differentiation and sustained advantage.

As you prepare to design your wireless network to excel in the new connected retail environment, here are six IT strategies that can help you make the best decisions for your customers, your associates and your bottom line.



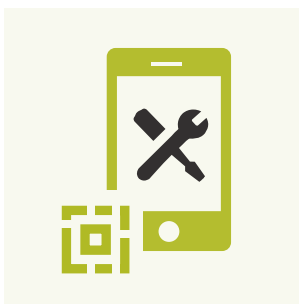
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### STRATEGY 1

#### Define your ideal customer experiences

In the new retail environment, the customer experience is everything. It's what keeps your customers satisfied. It's what keeps them coming back. It's what helps them become more loyal and more profitable. It's what convinces them to stay away from your competitors. A retailer's first strategy is to decide what kind of experience you want your customers to have.

Which of these trends will be most important for you to address? Do you want shoppers to have Wi-Fi access throughout your store? Are you going to design a private smartphone application? Do you want your sales associates to have smart devices? Will you equip them with voice over WLAN? Is locationing important to you? How will you leverage analytics data? Once you've decided on your optimum shopper experience, you can turn to ensuring that your sales associates and network will be able to deliver it.

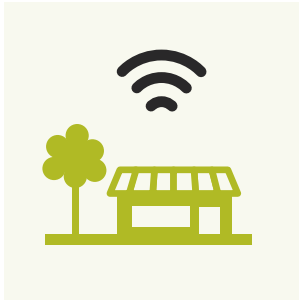


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### STRATEGY 2

#### Identify your operational needs

Before planning and deploying your network, you need to identify your communications needs, both for internal operations and for customer assistance. Your needs will typically include systems for supply chain management, including inventory tracking and control, shipping, receiving, stocking shelves, price check and more. Equally important are customer experience-driven needs including private application connectivity and empowered sales associates. You should consider whether you need to provide every associate with a mobile device, or whether you should support BYOD (bring your own device), with some or all associates. You should also determine if you want to provide customer information options such as QR codes, digital catalog and streaming video.



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### STRATEGY 3

## Determine your coverage requirements

Connected shoppers expect to be able to access their shopping lists and product information on the web. It's crucial that your network is able deliver this access storewide, because if shoppers expect access and can't get it, a positive experience can quickly turn negative. Coverage is crucial, so you need to consider environmental elements, such as large windows, concrete walls and steel construction, which might cause interference and dropped connections. Bandwidth is also critical. Video and other bandwidth-intensive applications can be major competitive advantages, but only if they perform at a high level with low latency and high picture quality. Furthermore, if you're planning to provide VoIP service, you need to ensure that your network is optimized for voice service.



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### STRATEGY 4

## Select your optimum architecture

Your network architecture plays a crucial part in achieving the communications and marketing goals of your wireless network. As you work on identifying your operational objectives and determining your coverage requirements, you must make sure you deploy the optimum architecture for achieving your goals. There are a number of issues to address. You should have the option of choosing local or cloud access, especially important for multi-location retailers. Your architecture should have intelligent routing to help you avoid bottlenecks and slow performance during peak periods. Your architecture must support your coverage and bandwidth needs. It should also allow you to easily and cost-effectively add devices and applications as you expand in the future.



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### STRATEGY 5

## Secure your network and information

Connected consumers understand the issues involved in providing their personal information. Before they hand over their information to you, they want to be confident that it will remain safe and secure. You must make sure your network is compliant with rigorous industry standards, including stringent Payment Card Industry (PCI) security standards as well as with wide-ranging government regulations. You should formulate a comprehensive privacy policy. Decide which security tools will be most important for your network— intrusion prevention, rogue access point detection, authentication, key management, encryption and more—and ensure your network is designed to support them.





## STRATEGY 6

### Choose the right network management model

Wireless networks are becoming more and more crucial to delivering customer sales floor experiences that make a difference. But retail has always been, and continues to be, about margins and the need to reduce cost as much as possible without compromising service and sales. As retailers expand and extend their wireless in-store networks, many are looking closely at the cost—both CAPEX and OPEX—and complexity of managing those networks. That's causing many retailers to consider the use of managed network services to help them reduce total cost of ownership (TCO).

Storewide wireless networks are energizing the sales floor environment, creating more positive customer experiences and increasing sales. But planning, designing, deploying and managing these networks, devices and applications can be challenging, time-consuming and costly. You have to ensure coverage and throughput. You have to collect and analyze customer data. You have to keep your network refreshed and competitive. Most of all, you have to make sure the system works efficiently and effectively for your internal personnel, and especially for your customers.

It's not surprising that many retailers are deciding to go the managed network route in order to lower TCO and free up IT resources to focus on strategy. Recognizing that retailers' primary competency and objective is growing their retail business rather than maintaining technology, these organizations are opting to empower an experienced network management organization to manage their wireless technology, devices and applications. Not just today, but as the network evolves and grows in the future. Through efficient management of network infrastructure, devices and applications, managed network solutions are a proven alternative for reducing CAPEX, OPEX and TCO, and optimizing customer satisfaction and sustaining ongoing profitability.

## A STRATEGIC IMPERATIVE

In the new retailing world, wireless connectivity on the sales floor has transitioned from being "nice-to-have" to "need-to-have." Because in today's hyper-competitive retail marketplace, wireless has become more than a tactical solution. It's a strategic solution that empowers IT and marketing to build a more engaged, more loyal, more profitable customer base while increasing differentiation and competitive advantage.

A fast-growing number of the savviest retailers are already beginning to take advantage of wireless connectivity, data collection and analysis to make their customers' shopping experiences more exciting, more satisfying and more personal.

**MOTOROLA RETAIL LEADERSHIP SERIES** This white paper is one of a series examining the challenges, the opportunities and the realities of how technological innovation is shaping the retail industry.

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