The Secrets to Improving Customer Experiences and Employee Productivity

STUDY SHOWS RETAILERS MUST FOCUS ON CONNECTIVITY FOR PEAK CUSTOMER EXPERIENCE

With a pandemic-fueled surge in e-commerce, and tech-savvy Gen Z shoppers coming of age, consumers are becoming increasingly reliant on digital tools. A few simple clicks give them instant access to product information and reviews. They can also receive highly customized recommendations and jump to fast, secure checkouts offering a choice of delivery options. Now, customers are bringing their expectations for personalized service and speedy checkouts to brick-and-mortar stores.

The digital shopping journey

For many of today's customers, the "front door" to a shopping experience is a computer or mobile device. Their journey may conclude with click-to-collect or curbside pickup. When they visit a store, they continue to use their mobile devices, expecting steady service and a seamless transition.

But according to a recent study[1] conducted by Incisiv, only 39% of retailers are satisfied with the digital experience their stores provide.

"With more mobile devices and more technology being deployed in stores, there is greater demand on the store's network bandwidth," explains David Naumann, marketing strategy lead for retail, travel, and distribution at Verizon. "According to the recent Incisiv study, retailers are not very satisfied with their network performance, which will continue to be stressed as they add more in-store technology."

In fact, just 36% of retailers are satisfied with the bandwidth their network provides, the Incisiv study found, and only 26% are confident in their ability to manage network traffic at peak times. Only 28% are satisfied with application response times.

83% OF RETAILERS BELIEVE THE AMOUNT OF IN-STORE TECHNOLOGY WILL INCREASE.[1]

verizon✓

[1] 2022 Connected Retail Experience Study

Network Performance Report Card[1]

Network Performance	Retailer Satisfaction %
Network bandwidth	**36%**
Application response times	**28%**
Manage peak network traffic	**26%**

As retailers shift to cloud-based technology and more shoppers use their phones in stores, bandwidth needs will continue to grow. According to the Incisiv study, 93% of retailers believe shoppers will increase the use of mobile devices in stores in the next three years, and 83% of retailers believe the amount of in-store technology will increase.

Optimizing store operations with technology

Retailers know they need to make changes and are increasing their IT spending. Nearly 70% expect to use more cloud-based applications. "Many retailers are replacing their client server solutions with cloud-based technology to reduce the number of apps running on store systems and make deployments easier and faster. Delivering new solutions faster enables retailers to realize improved customer experience and operational efficiency," says Jerri McDonald Traflet, Managing Partner, Global Solutions, at Verizon.

Freeing associates to spend more time with customers is a high priority. Retailers are facing an acute shortage of workers and higher labor costs, and automation improves efficiency for both associates and consumers. Analyzing information collected from automated processes in the cloud gives retailers insights that can further boost efficiency and make their stores more appealing to customers.

Associate task automation could more than double by 2025, the Incisiv study predicts. Many store operations can be automated including:

- **Inventory tracking:** With RFID tagging or internet of things (IoT) sensors, stores can track inventory in real time. Inventory information can be integrated with an artificial intelligence (AI) driven ordering system that can replenish goods automatically as inventory levels reach predefined thresholds to help prevent out of stocks. Inventory visibility can also be accessed on consumer apps, informing shoppers which stores have products in stock.

- **Wayfinding apps:** With a reliable Wi-Fi connection, customers can use retail apps to find the most efficient path in the store to the items they are looking for. Retailers can also use GPS to locate customers near the store (for those who opt in), offering personalized promotions enticing them to visit. Wayfinding can also help improve pick-and-pack efficiency for local fulfillment of online orders.

- **Digital shelf labels:** Printing new price labels and attaching them to shelves is a cumbersome, labor-intensive task. With digital labels, price changes can be made remotely and instantly from the corporate office. Digital labels can also give customers additional product information and add value for retailers by displaying advertising and promotions.

- **Intelligent video:** Computer vision and AI algorithms can provide real-time information about foot traffic and anonymous customer engagement, enabling retailers to make more informed merchandising decisions. Video monitoring can also help mitigate spoilage and shrinkage.

Today's buyers aren't just looking for greater efficiency—they want better ways to connect, in-store and online. "Millennial and Gen Z buyers, especially, are demanding a more immersive experience," Traflet says.

Some stores are deploying augmented reality apps, which allow customers to measure their size and try on outfits in a virtual dressing room or see how a new piece of furniture would look in their home. Retailers can also create virtual pop-up stores to allow customers to try out new products before they hit the shelves. And the nascent metaverse will provide a whole new frontier for retail customer experience.

Time to upgrade store networks

All of the technologies described above are available and in use today. But to effectively deploy them, stores must have fast and reliable networks.

"A fast network infrastructure is imperative to enable retailers to deploy innovative technologies that improve the customer experience and employee productivity," Naumann says. To address their growing connectivity needs, many retailers across the globe are transitioning to 5G in-store networking, which can provide greater bandwidth, faster speed, lower latency, and greater operational visibility. Gartner describes 5G as "a massive step forward with regards to data speed and processing capabilities." In addition to these benefits, consolidating communication networks with 5G can reduce stores' cost of ownership.

See how you can accelerate your store of the future.