

INTELLIGENT RETAIL SPACES

THE DIGITAL TRANSFORMATION OF RETAIL





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What Does the Future Hold in Store for Retail?

Online shopping, social media, and mobility are changing the Retail Industry. As consumers shop for everything from food and clothing to appliances and cars, the customer experience is being revolutionised by technology, and expectations are changing. In 2015, 205M Americans shopped online— eroding in-store revenues, and shifting the focus from brick-and-mortar to online growth. The impact of online sales forced major retailers to announce the closing of 6,000 stores in 2016. Is this the beginning of the end for brick-and-mortar consumerism?

85%

of customers prefer to shop at a physical store.

Reason:

- Updated store footprint
- Buy online / kiosk, pick up in store

54%

of retailers will compete on customer experience.

Reason:

- Mobile first
- Point of sale engagement

The answer is no. Consumers still prefer to shop at a physical store, but they expect more from the in-store experience. Digital technology is the key to meeting these expectations. Rather than competing with online convenience and popularity, successful retailers are reinventing the in-store experience—enabling mobile and digital technology to create environments that draw consumers into their stores. Physical retail environments are transforming into desirable destinations, and Intelligent Retail Spaces are gaining ground.

Create a successful in-store digital transformation.

- Define your Intelligent Retail Space – Page 04
- Establish a Digital Ready Network – Page 10
- Accelerate Solution Rollout – Page 12



Steps to Intelligent Retail Spaces



The in-store buying experience is made up of the cycle Promote-Find-Purchase. This cycle provides retailers with a framework for digital technology solutions that:

- Improve loyalty through personalised shopping
- Improve conversion through in-store mobility and wayfinding
- Increase personal attention at the point-of-sale

There are three elements needed for a successful in-store digital transformation. Retailers must:

- Define an in-store customer experience for Intelligent Retail Spaces
- Establish Digital Ready Networks and Promote-Find-Purchase solutions
- Accelerate a uniform customer experience across all locations through rollouts



PROMOTE: Shopper Personalisation



The first step of digital transformation involves promotion. In a Digital Retail Space, personalised shopping establishes brand awareness—engaging customers and accelerating purchases. Retailers initially provide coupons in exchange for personal information. This information is then used to build longer term loyalty for a specific store location through extended interactions, such as surprise rewards, exclusive offers, special birthday messaging. The opportunity here is big.

85%

of mobile wallet users are likely to save personalised offers and coupons.



FIND: In-Store Wayfinding and Location



Wayfinding and location tracking is the second step in enabling a successful Digital Retail Space. These technologies are becoming a must-have consideration—simultaneously helping to improve sales conversion ratios, customer satisfaction, and store operations.

Retailers understand the need to be able to target customers down to the aisle level. Wayfinding technology—like location-enabled beacons—initially helps direct customer to targeted items, but can extend the interaction with points-of-interest, proximity advertising, and special promotions. These tactics drive customers to buy and to come back.

Additionally, from an Operations perspective, location tracking can:

- Increase revenue and optimise inventory by measuring traffic vs. product placement
- Improve satisfaction and efficiency by correlating customer and staff locations

65%

of retailers plan to target customers down to the aisle level.



PURCHASE: Efficient Checkout



The final step is Efficient Checkout. Today's secure, flexible, and convenient checkout depends on reliable smartphone payment options that improve the customer experience by speeding up checkout, decreasing wait times, and giving retail associates time to engage more personally with customers during transactions. This personal interaction promotes cross-selling, strengthens relationships, and improves brand loyalty.

Flexible checkout also means security. PCI-compliant networks protect customer data and transactions from potential breaches. Additionally, IP based security cameras can be included to monitor transactions, reinforce loss prevention, and even correlate entry rate to purchase conversions.

2x

The value of mobile pay is expected to double to \$19B by 2018



ANALYTICS: Optimization

In any Digital Retail Space, real-time, meaningful, in-store analytics provide essential information needed to manage promotions, inventory, better customer service, and staff utilisation more strategically.



Store Layout

- Foot traffic analytics can identify which parts of a store experience the most—and least—traffic. The data reveals any bottlenecks that disrupt visitor flow, and can be used to improve a store's layout.



Marketing and Advertising

- Counting shoppers in the store can improve advertising initiatives by identifying which displays or banners draw the most traffic, and determining if window shoppers walk by or come into the shop.



Staffing

- People counters and other foot-traffic tools can be used to identify peak traffic hours, and to support staffing decisions. For example, if in-store traffic peaks at noon, planning to have more associates—or the best salespeople—on the floor during this time helps insure a healthy staff-to-customer ratio.



Supplemental Security

- IP security cameras can provide enhanced physical security, but can also be used to correlate activity in certain store areas to determine when line lengths and wait times are exceeded.



The Digital Retail Network & Promote-Find-Purchase

Once the in-store customer experience for Intelligent Retail Spaces is defined, attention should turn to aligning solutions with business objectives. While digital technology is required to enable the Digital Retail Space, transformation is more of a journey than a destination, and solutions for Promote-Find-Purchase can be implemented in phases.

Instead of creating one solution for personalised shopping, another for wayfinding, and a third for flexible checkout, it is best to start with a baseline—the Digital Retail Network. With the digital-ready network in place, retailers can then choose to launch one, two, or all the Promote-Find-Purchase capabilities. The Digital Retail Network includes:

- Wireless and wired networking and infrastructure to support mobility
- Bluetooth Low Energy (BLE) beacons for wayfinding
- Carrier services to provide Internet connectivity
- Security for PCI compliance and guest/enterprise BYOD

This solid, yet agile, approach empowers retailers to establish solutions at an appropriate pace by simply adding them on.

Shopper Personalisation

- Add a simple portal or advance applications, such as Facebook, to advertise and collect user information and present coupons
- Enable marketing campaigns to push scheduled content

Wayfinding

- Add software-driven guidance that allows customers to select 'start' and 'end' destinations, or real-time indoor positioning with the moving "blue dot," that follows customer movements through the store
- Integrate applications into inventory systems to provide increased granularity

Efficient Checkout

- Add PCI compliance to an existing wired or mobile network



Some questions to discover where you are on the Intelligent Retail Spaces journey

- Can our Wi-Fi network serve as a revenue-generating medium?
- Can we engage all types of mobile guests in our store—regardless of whether they prefer mobile apps or browser based communications?
- Should we use a portal to drive coupons and marketing campaigns, or Facebook, or an application?
- Could we direct customers to a department, product, or point of interest?
- Could we provide offers to customers when they are close to our store?
- Are our networks PCI compliant?
- Would our customers benefit from mobile checkout?
- Do we have enough security cameras to add video intelligence?
- Is our customer experience the same across all stores?
- Is our IT staff centralised or distributed, and how long does it take us to deploy new solutions?



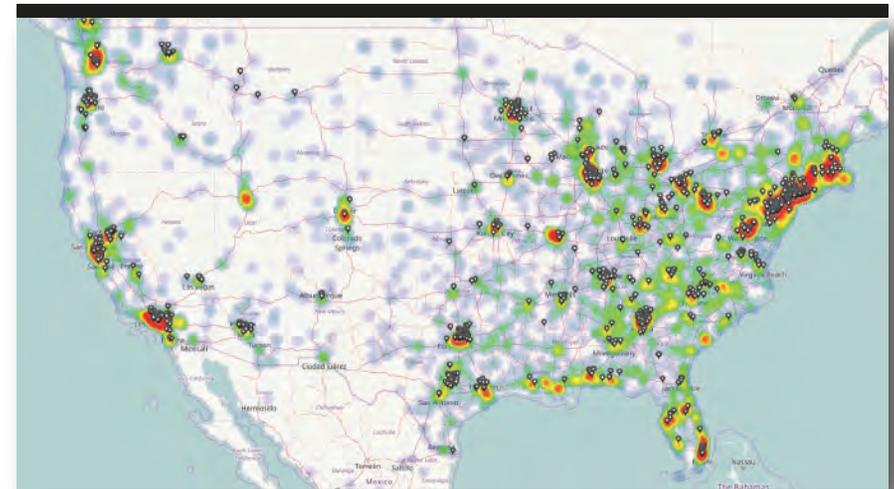
Nationwide & Global Retail Rollouts

The final component of the digital transformation is to enable Digital Retail Spaces. Measured in 100's of stores per day, not stores per year, nationwide and global rollouts enable a uniform customer experience quickly, across all locations.

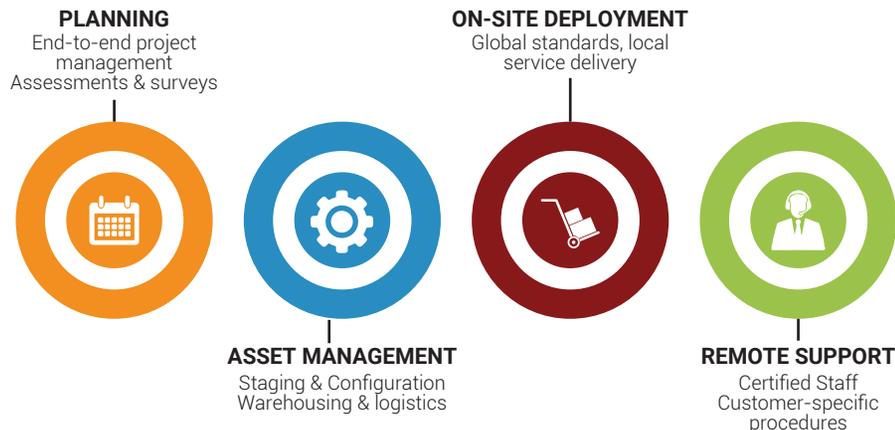
Successful rollouts in retail require both good process design and certified technical resources to be consistent, repeatable, and effective.

A four-phase approach to rollouts includes: Planning, Asset Management, On-Site Deployment, and Remote Support with:

- Centralised command and control-enabled rollouts to be optimised by geography
- A two-step store assessment and survey process to ensure efficient rollout at every location with 95%+ on-time completion
- Non-retailer asset management—from staging and configuration to warehousing and logistics—to free-up valuable store space and enable just-in-time delivery of store-specific equipment
- Uniform standards and localisation of deliverables enables uniformity across the nation and around the world
- Remote support by certified product technicians to eliminate any potential problems



Nationwide and Global Rollouts are intensive activities that require unique IT experience and bandwidth. A digital retail rollout requires a well thought-out implementation strategy to deliver the new, noticeable, and consistent shopping experience that will get customers coming back for more.



Black Box has a national technical team of 2,300 technicians specially trained for Global Retail Rollouts.



Cash In On Our Success



Black Box is the trusted digital partner in retail transformation. By establishing Digital Retail Networks and enabling a new Promote-Find-Purchase experience, we help leading retailers transform their stores into Intelligent Retail Spaces every day. Creating a destination that engages customers, improves the in-store experience, and closes the purchasing loop.

Let's go into the future together.

FOR MORE INFORMATION, PLEASE CONTACT US AT:
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