GTT Greater Technology Together

Whitepaper

HOW RETAILERS ARE CAPTURING CUSTOMER MINDSHARE BY MAKING TECHNOLOGY WORK FOR THEM

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1. THE IMMERSIVE CUSTOMER EXPERIENCE

Providing an all-encompassing omnichannel customer experience for shoppers is imperative for retailers to be successful. From an online store presence to a simplified check-out process using in-store mobile point-of-sales devices, retailers are investing in new ways to keep customers always engaged and happy.

For example, Ulta Beauty is focused on enhancing its digital customer and personalisation experience with investments in ship-from-store capabilities, eCommerce platform upgrades and leveraging artificial intelligence (AI) and augmented reality (AR) capabilities to allow customers to virtually try on beauty products as if they were in the store.

According to GlobalData , over 76% of retailers are investing in technology to improve customer engagement and 69% are investing in in-store technologies like connected and Internet of Things (IoT) devices.

For the store experience, there are layers to the 'unique experience' of in-person shopping. When people walk into a store, they can see the brand, product, and have a presence. In-store shoppers can speak to store associates, touch items, and see the size/shape/weight of the product in the physical world. If it is appealing to them, it will likely result in an impulse purchase. In fact, **71% of in-store shoppers will spend more than $50, compared to just 54% online.**

Retailers know that the longer they can keep people in their store, the more money they are likely to spend.

According to Corri Bexx, Director of Sales for Technology Services at managed network and security services provider GTT: "The key to keeping customers in stores is to provide them an experience they can't receive online."

Investing time, energy and strategic thinking into store layouts, aromas, music, ambience and décor, stores can project the precise look and feel of their brand and elevate the customer experience. When they get this right, the rewards can be great. It is estimated that the average conversion rate (one of the most accurate indicators of retail store performance) for stores is around **20-40%, versus 1-4%** for just e-commerce.

By developing a strategy that brings together and invests in both the online and in-store experience, retailers are increasing customer mindshare and making a dent into the profits of retailers that solely have an online presence.

According to a 2023 Forbes article, 56% of adults prefer to shop both online and in-store and 88% say it's important for a business to have in-store and online purchase options, ensuring that retailers must invest in an omnichannel strategy in order to deliver the best customer experience.

* GlobalData Retail Technology Investment Plans Survey, May 2023

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2. A REVENUE-ENHANCING TECH STACK

For the customer experience to be successful, retailers are using advanced networking solutions as the underlying power for the omnichannel business strategy.

In a recent podcast with the National Retail Federation (NRF), Andrew Laudato, EVP and COO of the Vitamin Shoppe, stated: "What retailers are striving for is a seamless experience – whether that's called omnichannel or unified commerce. To get there, we must have unified, integrated systems and processes. That's how we'll truly deliver that seamless experience to our customers."

To ensure these technologies are working harmoniously they must be powered by global networking solutions connecting branches, regional offices, headquarters, third-party partners and data centers. According to Gartner, these solutions are also known as next-generation networks. This is the evolution of fixed and mobile network infrastructures from distinct, proprietary networks to converged networks based on intellectual property (IP). Simply put, next-generation networks allow the network to work for the customer instead of the customer working for the network.

Retailers need reliable, secure, high-capacity connectivity coupled with software defined and cloud services such as a Software-Defined Wide-Area Network (SD-WAN) and Software as a Service (SaaS) that offer a centralised way for retailers to protect their shopper's personal information and manage network connectivity across a wide area with multiple locations while also powering their in-store Wi-Fi, point of sale and virtual try-on stations. Tailored, relevant communications can be delivered to the right user at the right time for a great service experience that will drive conversion.

"In the past, all this would be hardwired but now it is expected that you will have that network investment plus a static IP address for the camera system," says Bexx. "That wasn't even a requirement two years ago. Everything is shifting. The focus on improving brick and mortar has been a big shift."

These asset-light solutions are valuable to retailers because most stores have a limited physical footprint so the opportunity to enable services and applications via the cloud improves employee and shopper satisfaction while maintaining costs improves total cost of ownership.

3. SECURING DATA

All this connectivity and improved experience is great for both shopper and retailer, but comes with responsibility.

It is critical that when stores capture shoppers' personal information via their website, mobile splash pages or point-of-sale systems, they have a clear understanding that they have a duty to secure their shoppers personal information by having the proper cybersecurity solutions in place. The retailer is responsible for protecting users on its network in a way they've never had to in the past.

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4. THE VALUE OF A MANAGED SERVICE PROVIDER

But where to start? While retailers recognise the importance and value of the omnichannel experience, most companies do not have the IT personnel, bandwidth, or in-store subject matter expertise to ensure the technology investment they have made is working for them.

That's why many retailers are choosing to outsource this responsibility to an expert partner, to manage and monitor their next-generation networks to ensure they:

- Meet the needs of their employees and customers.
- Stay up to date with security, enhancements, updates and fixes.
- Meet regulatory and compliance requirements.
- Be able to focus on their core business and strategy.

Managed service providers (MSPs) play a critical role in addressing the proper technology, network and security solutions that will enable the retailer's mission. Retailers are empowering MSPs to help deliver against their core objectives while entrusting the critical task of safeguarding their digital and in-store assets. With their agility, expertise, and commitment to staying at the forefront of the omnichannel evolution, MSPs are vital in helping retailers build and deliver adaptable, resilient, and effective network security strategies in an increasingly complex and ever-evolving digital and physical world.

Skilled employees to support ever-changing technology and security needs is also a factor in ensuring that retailers are able to stay on top of the customer experience and the latest enhancements. Often this is not the case and with the constant changes, retail and IT teams are having a hard time staffing and training their teams on their own. In a poll of global tech leaders conducted by **MIT Technology Review Insights,** 64% of respondents say candidates for their IT and tech jobs lack necessary skills or experience. Another 56% cite an overall shortage of candidates as a concern.

In addition, a **2021 Gartner survey** of IT executives shows that a majority — 64% — believe the ongoing tech talent shortage is the most significant barrier to the adoption of emerging technologies. By 2030, more than 85 million jobs might go unfilled, "because there aren't enough skilled people to take them," **according to Korn Ferry**. Without that talented workforce, companies could lose out on $8.5 trillion in annual revenue. MSPs can help retailers overcome this challenge by leveraging their people, processes and systems to augment their existing staff. MSPs act as consultants and help with strategic planning, design, implementation, management, monitoring and maintenance of the solution.

Ultimately, a successful customer experience requires a secure networking solution tailored to work for them. With MSPs as strategic partners, organizations can safeguard the continuity of their operations, gain a competitive edge, and maintain the trust and loyalty of their customers at a time when digital and physical assets are essential to modern retailers.

5. SAFEGUARDING THE NETWORK

The customer experience has matured, and retailers understand that in order for them to be successful they must continue to invest in an omnichannel strategy that delivers innovation both in a digital and physical world. To do this, retail teams need a next-generation network that works for them. With a lack of personnel, bandwidth and in-store subject matter expertise to implement and manage their network, retailers run the risk of not meeting their business objectives.

MSPs are an easy partner choice to alleviate this burden. Through this partnership, retailers will know that their network and security is being safeguarded and their operations managed, allowing them to focus on what matters the most – their customers.

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GTT is a managed network and security services provider to global organizations. We design and deliver solutions that leverage advanced cloud, networking and security technologies.

We complement our solutions with a suite of professional services and exceptional sales and support teams in local markets around the world. We serve thousands of national and multinational companies with a portfolio that includes SD-WAN, security, internet, voice and other connectivity options. Our services are uniquely enabled by our top-ranked, global, Tier 1 IP backbone, which spans more than 260 cities on six continents.

The company culture is built on a customer-first service experience reinforced by our commitment to operational excellence and continuous improvement in our business, environmental, social and governance practices.

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