



Driving Service Efficiency and Customer Engagement with In-Store WiFi

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Once seen as a threat to brick-and-mortar retailing, smartphone assisted shopping has proven to be a significant contributor to in-store purchases. Retailers that embrace WiFi information delivery to employees and customers are at the forefront of new forms of engagement that can mean tremendous competitive advantage.

Shoppers with smartphones as retail game-changers

The mobile invasion isn't coming; it's here. Smartphone-carrying shoppers are already transforming retail, and the movement spans demographics. 56 percent of U.S. consumers across age groups own smartphones, and adoption is growing rapidly.¹ A recent Google Shopper Marketing Council survey found that 84 percent of smartphone owners use these devices to enhance shopping while they're in stores², primarily to gather more information online than is provided in the showroom.

In addition to spanning all age groups, this activity extends across major retail categories, with especially heavy usage in the selection of appliances, groceries, baby care products, electronics, household care products, health and beauty aids, and apparel. Smartphone-informed shopping has become so pervasive that 79 percent of consumers say the availability of WiFi influences where they shop.³

We can expect smartphone-informed shopping to accelerate as the population ages. Millennials (people born between the early 1980s and the early 2000s) today are the #1 retail employee demographic, and will soon to be the #1 consumer demographic, representing 12 percent more consumers than baby boomers, according to the U.S. Census Bureau. Millennials are also more digitally

oriented, more attuned to social media, and more willing to share information electronically than age groups before them. They derive more information and efficiency from online resources than ever before, and they expect the retailers they buy from to align with them. Retailers that give these consumers the information and efficient, personalized digital experience they're looking for have a significant advantage in building customer loyalty.

Opportunity for unprecedented customer engagement

The good news for retailers is that the shift to mobile use in stores is far more of an opportunity than a threat. When smartphones initially came to market, giving consumers the ability to access any external source while physically in a store, many retailers feared "show rooming," with customers selecting merchandise based on personal experience gained within the store, and then buying at a lower price elsewhere online.

That turns out not to be the case. Most surveys, including recent ones, show that consumers prefer to use the retailer's own app or website for research and product reviews while in-store, rather




57%

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than turning to alternative or competitive sources. There is actually much indication that the opposite of show rooming is the dominant trend. According to Cisco IBSG, while 57 percent of shoppers today regularly initiate their product investigations online, 92 percent of transactions occur in-store.⁴ This suggests that being able to purchase the exact desired item and immediately take possession of it gives stores the upper hand when it comes to final buying decisions.

With fast, reliable WiFi connections and floor personnel armed with tablets and appropriate apps, retailers can deliver highly meaningful customer and employee conveniences that are otherwise simply not possible:

- **Mobile product lookup.** When a store representative says to a customer, "I'll see what we have in the back," or "I'll get a brochure from the office," what follows is temporary disengagement. Effective mobile customer service apps that deliver inventory and product information to tablets help store associates remain with the customer for an uninterrupted engagement leading to purchase — while also increasing floor efficiency.
- **Line busting checkout.** No customer enjoys waiting in line just to pay, and some will abandon purchases if the wait appears too long. Mobile POS (point of sale) takes the transaction directly to the customer who is ready to check out, reducing or completely eliminating wait times. As a result, more than 75 percent of U.S. retailers have either deployed mobile POS or are in the planning or pilot stages.⁵
- **Employee training.** Tablets assigned to floor personnel have usefulness off-floor as well. Individual, online training can be conducted on tablets in a break room or other suitable location as an effective alternative to having employees watch videos on a store's main floor or in a stockroom.

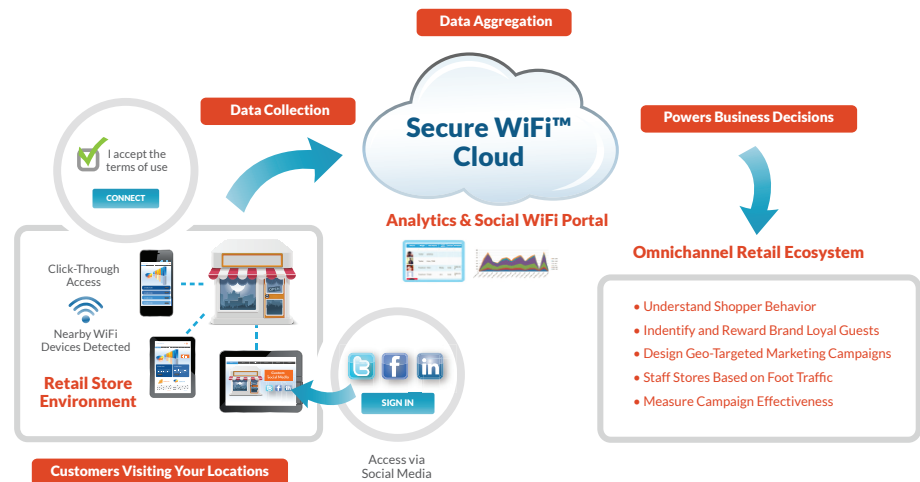
These examples focus on WiFi applications delivered to tablets carried by store associates, but there's an opportunity to engage customers further by extending mobile services to customers' smartphones. For example:

- **Guest WiFi with social media integration.** In exchange for gaining access to high-speed guest WiFi services, most customers are happy to "like" the retailer on Facebook or follow the retailer on Twitter. Engagement through social media then enables retailers to turn both first-time visitors and repeat customers into promoters, while also gaining demographic and other data.
- **Customer loyalty rewards.** Shoppers consistently show a similar willingness to connect with retailers for immediate loyalty rewards and special offers. This can include long-term loyalty accumulation of points with purchases and such immediate customer benefits as exclusive discounts and short-window specials delivered to shopper smartphones while the customer is in the store. Retailers also have the ability to offer differentiated WiFi access services; for example, those who sign up through a loyalty application receive higher speed or longer time on WiFi.
- **Customer Insights.** Any and all in-store WiFi interaction can be the source of valuable presence and behavior data, delivering business intelligence to apps that help retailers understand shopping patterns



In-store WiFi interaction is a valuable source of shopper presence and behavior patterns for retailers.

- and measure the effectiveness of in-store marketing campaigns.
- **Real-time marketing validation.** The easy and automated manner in which customer data is gathered is what makes it so effective — sample sizes of data are much larger and more representative than what can be secured via manually administered and otherwise disruptive surveys.



Business examples of retail WiFi customer engagement

- **Franchise retail chain:** In response to requests from customers and store owners for WiFi access services, a specialty yogurt chain deployed WiFi guest access in stores in a secure manner that satisfied PCI standards, was affordable, and required minimal operational effort and no additional IT staff. The retailer took the opportunity to simultaneously launch its new mobile app loyalty program, and experienced a 30 percent increase in loyalty users within two months and a total increase of 120 percent within two years, attaining 1.1 million loyalty card holders.
- **Luxury watch retailer:** This retailer was searching for a secure WiFi solution to support in-store mobile point of sale, which would keep the store associate engaged with the customer while checking on pricing. The retailer deployed a WiFi solution to provide security and PCI compliance support for the mobile POS application, and also incorporated social media integration and data analytics that it plans to leverage in the future — seeing it as a game-changer for driving revenue going forward.
- **Large jewelry retailer:** This retailer with hundreds of stores nationwide has rolled out WiFi to support mobile point of sale and employee training applications, and is now seeing tremendous value in the data analytics (presence, loyalty, and other metrics).

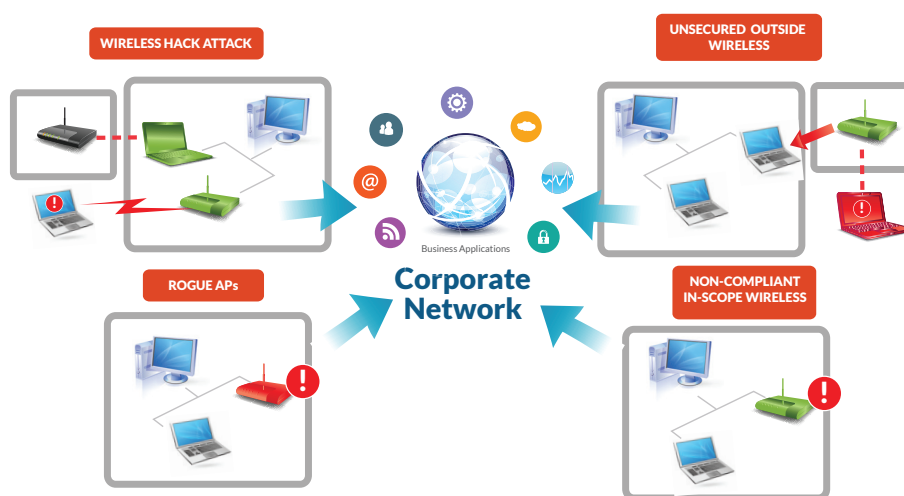
A secure WiFi solution with integrated wireless intrusion prevention (WIPS) is a must to make sure you have the strongest security posture to protect your brand and your customers.

EarthLink Secure WiFi was developed in partnership with AirTight Networks, a global leader in secure cloud-managed WiFi solutions. AirTight's award-winning family of products and cloud services combines a true carrier-class multitenant cloud architecture with breakthroughs in WiFi location, user analytics, social engagement, manageability, ease of deployment, and cost effectiveness, as well as AirTight's longtime top-rated WIPS technology. Gartner recently rated AirTight a "Strong Positive," the highest rating possible in a Gartner MarketScope for wireless LAN intrusion prevention systems.

Challenges in WiFi customer engagement

Realizing the many competitive advantages to be gained with in-store WiFi requires much more than installing a network and delivering applications, and success often depends on close collaboration between the CIO and CMO. Key challenges include:

- **Delivering consistent customer experience across locations.** The uniformity of customer experience essential to a strong brand is as critical in digital engagement as in any other form of shopper interaction. It's not just a matter of deploying in every store, but rather of deploying effectively across all locations so that what proves effective in one store can be leveraged in all, and so that improvements informed by experience are also applied across the brand.
- **Minimal in-store IT expertise.** While not a major issue for big-box retailers that have uninterrupted access to in-house or local support, the majority of multi-store chains have no such IT luxury. That poses potential issues for both initial deployment and for continuing operation should there be an interruption in Internet connections.
- **Cost of deployment in the face of thin margins.** As WiFi's aim is to more thoroughly engage customers to promote a competitive advantage in sales, a successful deployment should produce incremental revenue that more than outweighs cost. Having a strong analytics engine integrated with the WiFi solution can help tremendously in assisting marketing with understanding incremental opportunities to fine-tune performance for even greater effectiveness.
- **Security and compliance.** These twin requirements are paramount. Every concern about protecting cardholder data, and every concern about new IP connections on store networks representing potential entry points for hackers, applies to WiFi deployments. It's essential to ensure that the quest for superior customer engagement does not also serve as an invitation to credit card and personal identity theft.



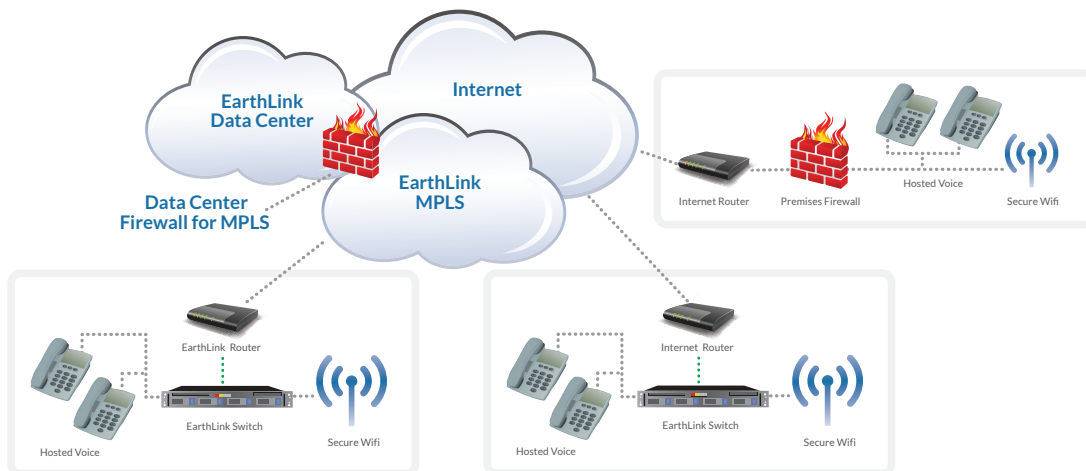
Selecting a WiFi solution

These challenges in WiFi customer engagement are all readily addressable, and leading retail enterprises have them under control today. The starting point is to select a WiFi solution that meets these challenges head-on while excelling in the delivery of the most satisfying wireless experience. Key elements retailers should look for in WiFi solutions include:

- **Security/intrusion prevention.** This is perhaps the first topic to explore in-depth with any WiFi system under consideration, as marginally secured networks are rapidly becoming a primary source of retail data breaches. A WiFi system with integrated WIPS (wireless intrusion prevention system) is a must to make sure you have the strongest security posture to protect your brand and your customers. In addition, a clear advantage to look for is connectivity over an MPLS network rather than the public Internet, which provides an end-to-end private means of securing connections within the cloud.
- **PCI compliance & reporting.** As WiFi-connected devices are potential hacker entry points, the PCI Security Standards Council specifies security measures to protect payment card data in wireless environments. A merchant can be held liable should a breach occur between the recommended quarterly wireless vulnerability scans, making it preferable that the solution perform 24x7 scanning for a more thorough compliance posture.
- **Ease of deployment & management.** The typical absence of on-site IT expertise makes it especially desirable that retail WiFi solutions offer an array of features that simplify deployment and management. Foremost among these features are plug-and-play installation within stores, and central control via cloud-based portal for centralized alarms, reporting, and configuration management in support of both problem resolution and the promotion of a uniform customer experience across locations.
- **Reliability/fault tolerance.** A major advantage of WiFi solutions built on cloud architectures is their ability to leverage the cloud's inherent redundancy. This can include the continuance of standalone operation with the latest configuration for an internal network should an Internet connection go down, with alarms and alerts continuing to be logged for transmission to the cloud server when the connection comes back up.
- **Return on investment.** As described earlier in this white paper, social media integration is a powerful loyalty element for WiFi guest users, and also provides a path to valuable demographic data for use in analytics. A solid retail WiFi solution should support integration with social media and analytics for near-term and future revenue enhancers. To alleviate rampup costs, it's helpful to have the system procurable in an operating expense model, with predictable costs incurred on a monthly basis.

SINGLE PROVIDER SOLUTION

MPLS-Hosted Voice - Secure WiFi™



EarthLink Secure WiFi

EarthLink offers a WiFi solution designed specifically to serve and protect distributed retail locations. EarthLink Secure WiFi™ enables retailers with multiple locations to easily deploy and manage highly secure and PCI-compliant private and public wireless networks, connect with customers through their mobile devices and social media, and gather data for visitor analytics. EarthLink Secure WiFi also supports mobile point-of-sale applications and provides store associates with access to corporate applications, training, and product and inventory information on tablets, smartphones, and other devices. Key features include:

- Highly secure WiFi with a top-rated wireless intrusion prevention system that meets PCI (as well as HIPAA and GBLA) compliance requirements.
- Easy to deploy and manage, with zero-touch installation and centralized, flexible, and scalable cloud-based management and customizable user interface.
- Social media engagement including customizable and branded portals for converting customers/guests into loyal promoters.
- Analytics for business intelligence that delivers insight into consumer behavior to help measure the effectiveness of store layouts and targeted campaigns.

Open up the possibilities

Retailers who make the right digital technology choices for their brands and their customers are realizing competitive advantages that would have been unimaginable just a few years ago. Those who have been held back by concerns about budget, IT resources, and security now have a clearer path to competition, with managed Secure WiFi setting the stage for growth and leadership in the digital age.

EarthLink, Inc. (NASDAQ: ELNK) is a leading IT services and communications provider to more than 150,000 businesses and thousands of retailers, including HoneyBaked Ham, The Sleep Train, and GNC. EarthLink's retail solutions include networking, voice services, cloud hosting, managed security, and PCI compliance validation. For more information on our retail solutions visit <http://www.earthlinkbusiness.com/business-type/retail.xea>.

AirTight Networks is the global leader in secure cloud-managed WiFi solutions for the distributed enterprise. AirTight's global customer base includes leading enterprises in the government, financial, technology/telecom, manufacturing, health care, retail, and hospitality sectors. For more information, please visit www.airtightnetworks.com.

Sources:

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5. Gartner/RIS Retail Technology Survey 2014



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