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Wireless Infrastructure Analysts

Bricks, Clicks, and the Evolving Retail Landscape

How Guest Wi-Fi is Reshaping the In-Store Experience

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With advanced guest Wi-Fi, retailers have a firm foundation for reshaping the retail experience to benefit both shoppers and the business.

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Executive summary

How guest Wi-Fi is reshaping the in-store experience

The ease and convenience of online shopping has changed consumer expectations for brick-and-mortar stores. Physical stores remain a critical part of the purchase journey because there, customers can see, touch and try out merchandise, and not have to wait for products to be shipped. Today, in-store shoppers are using mobile devices to compare prices, research products and access social media. Retailers are starting to realize that their customers want to get connected, and that allowing them to do so can help enhance their shopping experience. To satisfy this demand, retailers must provide free and secure in-store internet access. Many retailers, however, have been reluctant to offer guest Wi-Fi because of perceived complexities.

This paper will frame changes in the retail landscape including the growing need for guest Wi-Fi, and then help demystify what's needed for successful guest Wi-Fi implementation. By choosing the right services platform for guest Wi-Fi, deployment and management can be straightforward. Guest Wi-Fi is a smart, long-term solution as it provides retailers the opportunity to nurture brand loyalty, increase customer engagement and satisfaction, and gain insights into shopper behavior and preferences. As part of a comprehensive retail experience that bridges the physical and digital environments, guest Wi-Fi reshapes the retail landscape, benefitting both shoppers and the business.

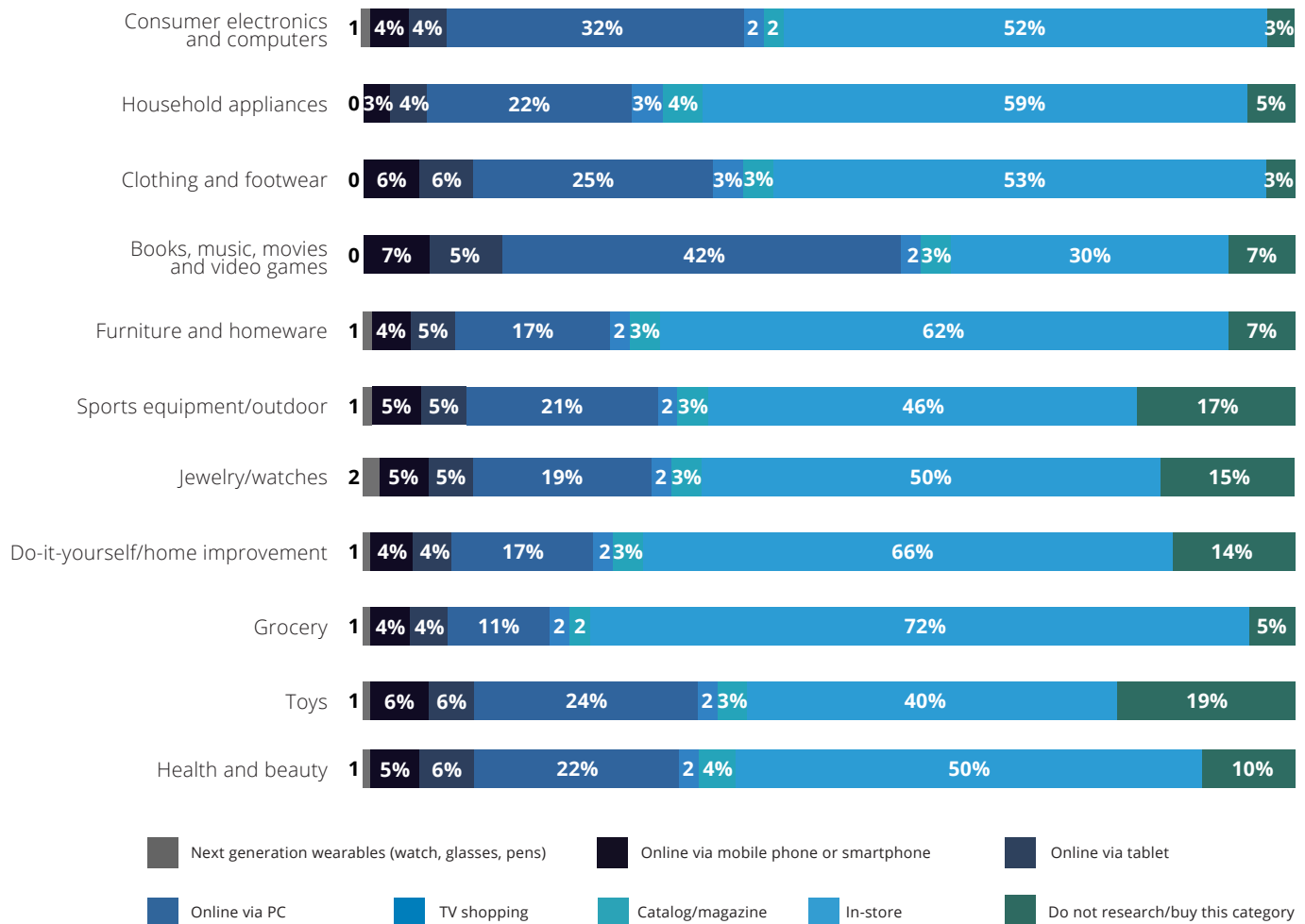# The physical store remains the primary retail touchpoint

A few years ago, with the exponential growth of ecommerce, it was a common misconception that physical stores were going to become increasingly irrelevant. However, today, physical stores remain a critical step in the purchase journey. While inside stores, shoppers use smartphones to compare prices, research products and access social media. Retailers must meet this connectivity demand to remain competitive, and can turn to guest Wi-Fi to help them provide a better on-site shopping experience.

The importance of in-store purchases

Brick-and-mortar stores are still popular, as confirmed in the 2016 Total Retail Survey from PwC[1]. In this survey, the majority of shoppers still prefer to make purchases in-store, especially for grocery, furniture and homeware, and household appliances, as shown in Figure 1.

Fig.1 The physical store is still a critical step in purchase journey
Q: Which method do you most prefer for buying your purchases?

Category	Next generation wearables	Online via mobile phone or smartphone	Online via tablet	Online via PC	TV shopping	Catalog/magazine	In-store	Do not research/buy this category
Consumer electronics and computers	1	4%	4%	32%	2	2	52%	3%
Household appliances	0	3%	4%	22%	3%	4%	59%	5%
Clothing and footwear	0	6%	6%	25%	3%	3%	53%	3%
Books, music, movies and video games	0	7%	5%	42%	2	3%	30%	7%
Furniture and homeware	1	4%	5%	17%	2	3%	62%	7%
Sports equipment/outdoor	1	5%	5%	21%	2	3%	46%	17%
Jewelry/watches	2	5%	5%	19%	2	3%	50%	15%
Do-it-yourself/home improvement	1	4%	4%	17%	2	3%	66%	14%
Grocery	1	4%	4%	11%	2	2	72%	5%
Toys	1	6%	6%	24%	2	3%	40%	19%
Health and beauty	1	5%	6%	22%	2	4%	50%	10%

Legend:
- Next generation wearables (watch, glasses, pens)
- Online via mobile phone or smartphone
- Online via tablet
- Online via PC
- TV shopping
- Catalog/magazine
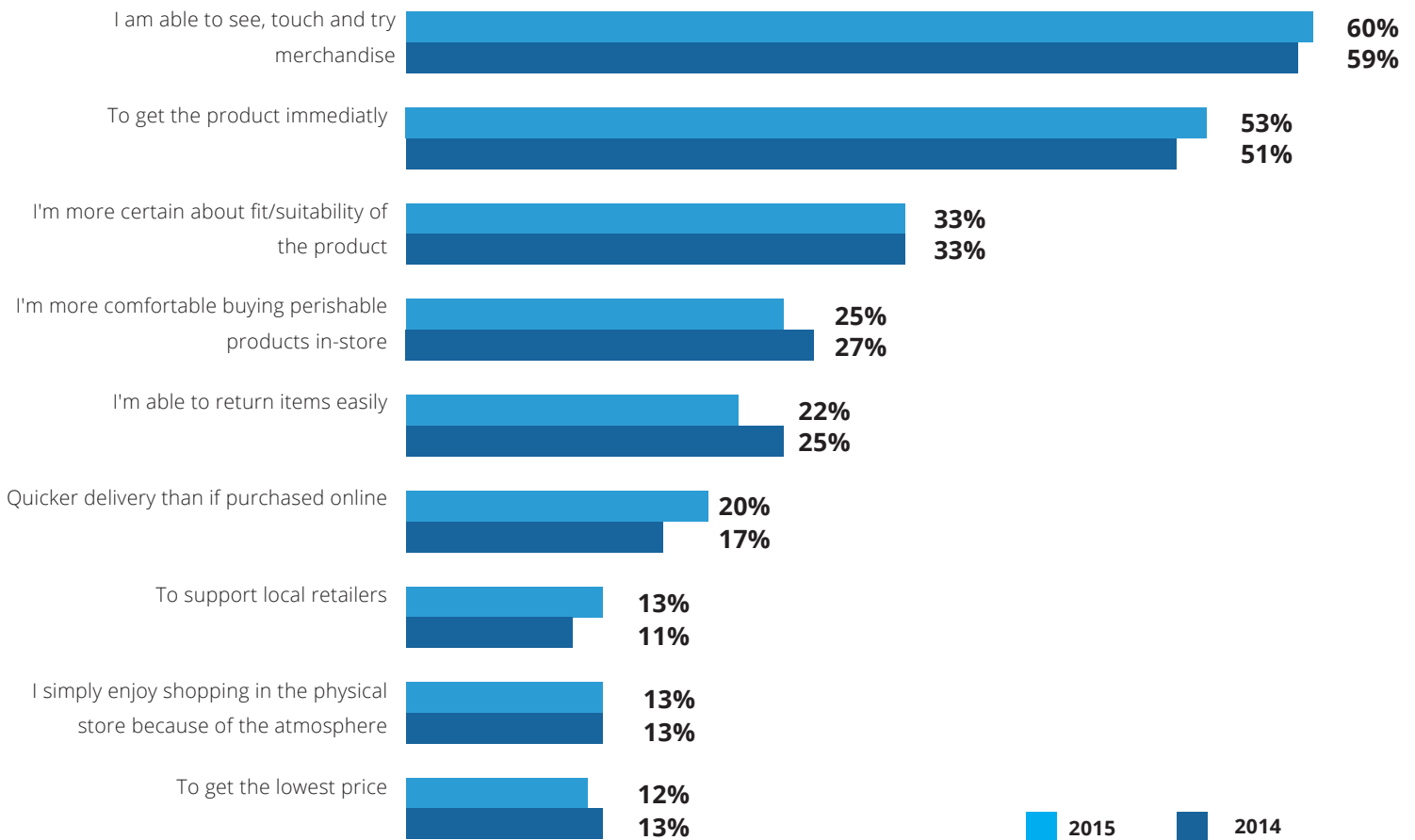- In-store
- Do not research/buy this category

Millennials base: 22,164-22,452

According to the same survey[1], the primary reason why shoppers love brick-and-mortar stores is because they can see, touch and try out merchandise, as show in Figure 2. It is part of human nature to seek a physical shopping experience, where all the senses are engaged when evaluating and purchasing products. There is also a sense of urgency that drives in-store purchases, as people often don't want to wait to get what they want.

Fig.2 Shoppers still enjoy going to brick-and-mortar stores
Q: Why do you buy products in-store instead of online?

	2015	2014
I am able to see, touch and try merchandise	60%	59%
To get the product immediatly	53%	51%
I'm more certain about fit/suitability of the product	33%	33%
I'm more comfortable buying perishable products in-store	25%	27%
I'm able to return items easily	22%	25%
Quicker delivery than if purchased online	20%	17%
To support local retailers	13%	11%
I simply enjoy shopping in the physical store because of the atmosphere	13%	13%
To get the lowest price	12%	13%

This survey clearly indicates that physical stores are far from disappearing. In fact, physical stores offer numerous advantages that ecommerce can't match. However, it's dangerous for brick-and-mortar stores to feel complacent. In order to retain existing customers and attract new ones, they must rethink the in-store shopping experience to embrace and integrate online components. Even when making purchases in physical stores, shoppers still want convenience and access.

Just as they seek a sensory-driven and immediate shopping experience, they also want to look online for coupons, compare prices, and connect to social feeds. By providing a seamless ability to connect shoppers to Wi-Fi inside stores, savvy retail chains can provide a comprehensive shopping experience that bridges the benefits of both the physical and online worlds.
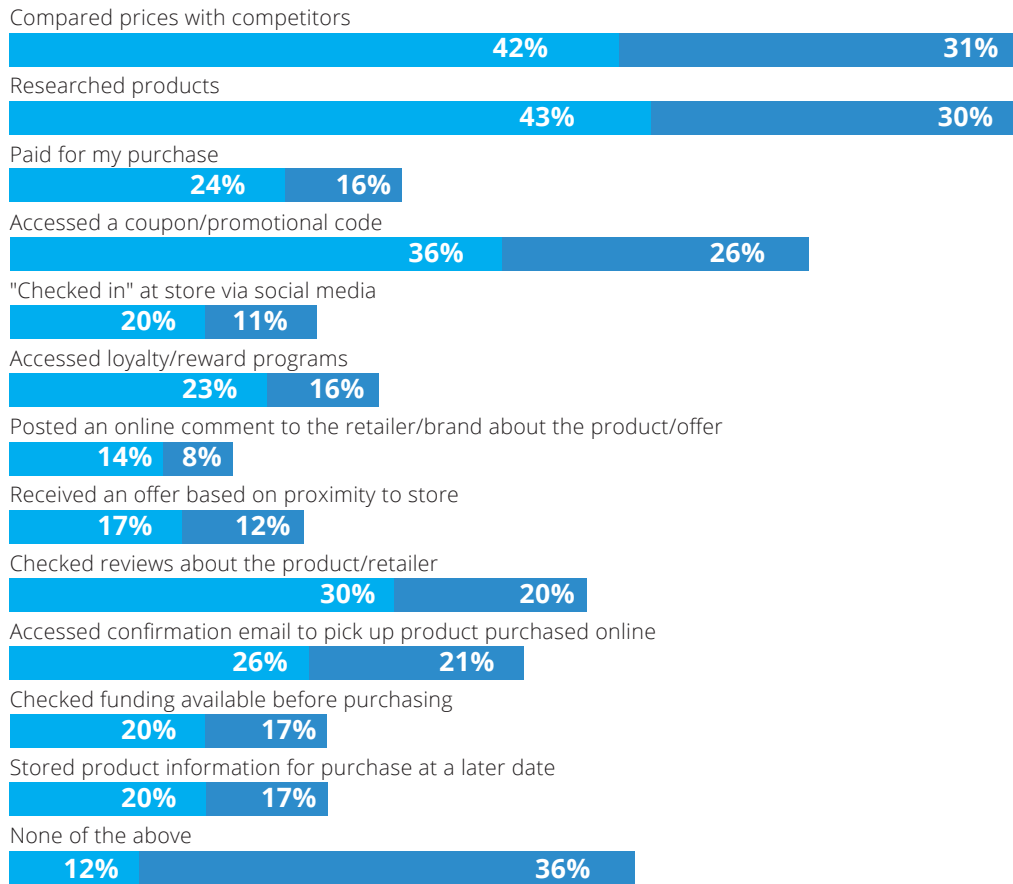
Drivers of in-store mobile usage

While inside stores, why are shoppers so eager to get online? How do they use their mobile devices and smartphones? PwC's survey[1] confirms that the online activity of shoppers facilitates their evaluation of products, prices, and in many cases, purchases in the same physical store.

Comparing prices, researching products and accessing coupons or promotional codes are the three main drivers for in-store mobile and smartphone usage among all generations of shoppers, as shown in Figure 3.

Fig.3 While inside stores, shopper are eager to get online
Q: Which of the following have you done using your mobile and smartphone whilst in-store?

Compared prices with competitors
42% **31%**

Researched products
43% **30%**

Paid for my purchase
24% **16%**

Accessed a coupon/promotional code
36% **26%**

"Checked in" at store via social media
20% **11%**

Accessed loyalty/reward programs
23% **16%**

Posted an online comment to the retailer/brand about the product/offer
14% **8%**

Received an offer based on proximity to store
17% **12%**

Checked reviews about the product/retailer
30% **20%**

Accessed confirmation email to pick up product purchased online
26% **21%**

Checked funding available before purchasing
20% **17%**

Stored product information for purchase at a later date
20% **17%**

None of the above
12% **36%**

Millennials base: 10,395
All others: 12,223

■ Millennials ■ Others

With so much in-store mobile usage, retailers need to make it as easy as possible for their shoppers to connect to guest Wi-Fi. They would also be wise to incentivize shoppers through loyalty programs and real-time promotions, and keep mobile websites updated with current product information and offers.

Retailers need to bring the benefits of online shopping into physical stores. For example, if shoppers are inside a store and comparing prices, retailers need to match their prices with competitors, or provide an exceptional shopping experience that justifies the price difference.

The impact of social media

For connected in-store shoppers, social media is a big deal. According to a report from Deloitte[2], social media has an enormous impact on shoppers and the purchases they make while inside stores.
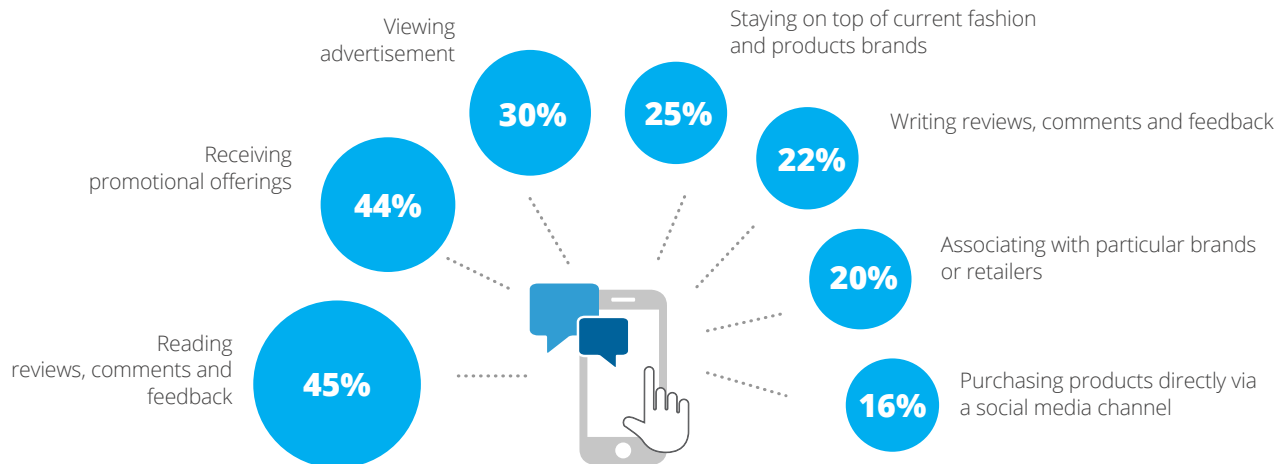
- Shoppers are 29% more likely to make a purchase the same day when using social media, either before or during their trip (90% to 70% conversion rate for purchases with social media usage).
- Shoppers who use social media while inside stores are 4x more likely than non-social media users to spend significantly more money on purchases.
- Respondents who consider themselves somewhat or very influenced by social media are 6x more likely to

spend significantly more money than non-social media users (42% to 7% conversion rate for purchases with social media) due to their digital shopping experiences.

The specific aspects of social media that are impacting shoppers' behavior the most are illustrated in Figure 4 from PwC's survey[1]. Not surprisingly, reading reviews, comments and feedback, as well as receiving promotional offerings top the list of reasons why social media is so influential. It is innate behavior for many shoppers, particularly millennials, to seek and trust the opinions and views of their peers and fellow shoppers, especially about products and stores.

Fig.4 Social media impacts shoppers and their purchases
Q: Which of the following aspect of social media influence your online shopping behavior?

Viewing advertisement — 30%

Staying on top of current fashion and products brands — 25%

Receiving promotional offerings — 44%

Writing reviews, comments and feedback — 22%

Associating with particular brands or retailers — 20%

Reading reviews, comments and feedback — 45%

Purchasing products directly via a social media channel — 16%

Base: 22,616

In order to truly integrate social media into their plans, retailers need to proactively monitor social feeds and adjust their marketing and sales tactics accordingly. Many retailers are missing the opportunity to promote and encourage social engagement inside stores, as they hold the misconception that because social media is a digital activity, it is best promoted online. Other retailers may be missing out on new marketing opportunities

because they continue to view social media and physical stores as separate channels addressing different parts of the sales funnel. Most importantly, retailers need to see how they can amplify customers' shopping behaviors and encourage them to talk more about their positive retail experiences throughout the entire brand journey.

Leveraging legacy Wi-Fi networks

Retailers can benefit greatly from implementing consistent and comprehensive mobile experiences for shoppers while they're inside stores and even after they leave. This can be accomplished by leveraging the existing Wi-Fi infrastructure, and providing a reliable, easy and secure advanced guest Wi-Fi service. This enables retailers to provide a personalized and first-class shopping experience while collecting actionable in-store customer data.

A worthwhile in-store experience

Shoppers want an experience that makes coming into stores worthwhile, because otherwise, why not just shop online in the comfort of their homes? Shoppers are relying more and more on in-store Wi-Fi to get online, because data plans can be limiting and indoor cellular coverage can be spotty.

Retailers can use guest Wi-Fi to satisfy shoppers' rapidly changing expectations, while improving store business performance through an effective in-store mobile strategy. According to a Retail System Research (RSR) survey[3], retailers believe mobile devices used in the store can generate a number of benefits and open doors to new opportunities including: deeper customer engagement to build loyalty through mobile channels, deeper customer engagement to drive sales through personalized offers, and deeper insights into shopper behavior through mobile site or app insights.

Wi-Fi already in place, but not for public use

Most retail shops already have some form of Wi-Fi in place, whether for internal use only or open to the public. According to an RSR report[4], 53% of retailers worldwide have already implemented in-store Wi-Fi for store functions and a third (33%) of them plan to use Wi-Fi in the next 24 months. Unfortunately, only about a third of retailers are using their existing Wi-Fi network for customer benefit[5].

Retailers not using Wi-Fi for guest access are missing a huge opportunity to engage with their customers, especially considering that most already have the Wi-Fi infrastructure in place.

Superior digital welcome

Retailers who have guest Wi-Fi in place can provide shoppers with a superior digital welcome as they come into stores, providing an end-to-end mobile experience. Shoppers are eager to be in control and make smart and informed purchasing decisions during the entire duration of their stay. Retailers need to seize this opportunity to deliver relevant and timely information, like the latest promotions, straight to their customers.

Retailers also need to get shoppers online with a fast and simple login process. Many shoppers lose patience if required to fill out endless forms or watch lengthy ad-clips. Authentication and access must be a seamless one-step process, or these customers will form a negative impression of the store.

For the retailer, a significant benefit of guest Wi-Fi can be opt-in marketing lists with information collected when shoppers access the Wi-Fi service for the first time. Customers can select the login option they prefer, for example, an email address or social media account. The result is a marketing list that cannot be purchased and is of great value for future marketing initiatives.

While shoppers want timely information and easy access, they are also concerned with security. To reduce shoppers' concern about cybersecurity, it is crucial that retailers protect customer data and enforce opt-in policies. Additionally, depending on both industry and geographic location, retailers need to comply with country-specific regulations.

Actionable in-store analytics

EKN Research[6] reveals that 1 in 2 retailers face challenges when optimizing store strategies and operations due to their inability to predict on-site customer traffic. By adopting guest Wi-Fi, retailers can gain information on in-store trends and patterns that can help them better manage their stores and increase engagement with customers.

Presence Analytics provides retailers with useful information about individual customer shopping habits and foot traffic. Using Presence Analytics, retailers can analyze how well they draw in customers, whether they provide captivating on-site engagements, and track returning customers. Knowing the most and least popular shopping times and days are can help retailers better strategize and enhance operations.

Location Analytics showcases where customers gather and how they spend most of their time within a large store or mall. Retailers can leverage shoppers' locations on a floor map in many ways. For example, they can visualize which areas attract the most attention in order to strategize displays and merchandise placements for optimal reach. Points of friction can also be identified, and retailers can work to reduce friction by allocating extra support and security.

Relevant personalized content

According to EKN Research[6] for those retailers already providing guest Wi-Fi, only five in ten use some form of customer location-based engagement tool.

A guest Wi-Fi welcome portal can serve as a location-based engagement tool for customers. It offers new ways for retailers to interact with on-site shoppers. Online versions of loyalty programs, latest promotions, new products, personalized guest content (such as specials and coupons), and upcoming events can all be published and promoted on the welcome portal.

Another effective way to engage customers is to send them a beacon-triggered push notification while they're shopping. Push notifications can include a special discount that helps drive the purchase path. Retailers can also send short personalized messages, such as an email or text message, after the shopper leaves. This can be an effective way to thank the shopper for stopping by, entice them to return with a special promotion, or get feedback through surveys.

Key recommendations for guest Wi-Fi

Retailers are compelled to offer guest Wi-Fi, but they want to do it with as little risk and hassle as possible. There's no point in offering guest Wi-Fi if it doesn't improve the shoppers' experience. To be successful, guest Wi-Fi must be easy, fast and secure at all times. By selecting the right advanced guest Wi-Fi platform and educating both staff and customers on its usage, retailers can unleash their sales and marketing creativity.

Building a strong Wi-Fi foundation

Offering guest Wi-Fi to shoppers must come with a sense of responsibility for retailers, in particular with regards to security and privacy issues. Retailers need to take the necessary steps to secure Wi-Fi networks so that they can share messages and information with customers at the store-level, especially as customers get ready to make a purchase decision.

A robust Wi-Fi network should be deployed to support current and upcoming wireless programs. As in-store mobility options for shoppers continue to increase in importance, retailers must ensure in-store access to all wireless communications are reliable.

Once the foundation is in place, retailers should be prepared for integration efforts that will merge store-level Wi-Fi data, customer behavior, merchandising objectives and labor optimization analytics. By combining data into a centralized database, retailers will have instant access to footfall traffic, shopping visit frequency, and duration time of each stay. They can also see how many customers are new or repeat, and how many digital and offline marketing campaigns are redeemed.

Selecting the right guest Wi-Fi platform

When selecting a services platform for advanced guest Wi-Fi, retailers should look for important capabilities:

- **Fast and Simple Guest Wi-Fi** provides shoppers a seamless onboarding experience, getting them online in seconds. Retailers must be able to customize everything from the Welcome Portal to the Privacy Policy. They should also be able to define Internet plans, such as recurring vs one-time, free vs paid, and time-based services. Retailers should also be given the option to choose how customers log in. Options include using username and password, social accounts, email, click-through and more.
- **Advanced Analytics** permits retailers to learn more about shoppers, even if they don't connect to the Wi-Fi network, while also evaluating the performance of the Wi-Fi services.
- **Marketing Tools for Engagement** enable retailers to engage customers directly, during and after their shopping visits, by delivering relevant and personalized content. Retailers can spread their brand's presence on social media networks through social Wi-Fi. They should be able to set up automated Likes, Posts, Check-in's and Follows in just a few clicks. Encouraging customers to "Like" their Facebook page and timeline posts should be an easy task as well.

- **Central Management** provides control of every aspect of guest Wi-Fi across all store locations, all from a single, cloud-based dashboard. This includes Wi-Fi onboarding, analytics, and marketing.
- **Multi-level and Multi-role Management** allows delegation of control over policies and permissions. Retailers can create a consistent look for their Welcome Portal across all locations, while allowing store managers to promote local offers. At the same time, IT can control guest Wi-Fi services and marketing can manage engagement tools.
- **Hardware Independence** provides flexibility for retailers that have infrastructures that vary by vendors or models - perhaps because an upgrade is in process or because there are multiple locations spread across various geographies.
- **Global Scalability** complies with local regulations and allows for customized opt-in policies. Customers' personal information must be kept safe and secure, even with local storage requirements.
- **Open Environment** leverages the existing infrastructure and builds custom applications to address specific needs. For instance, businesses could feed their marketing automation tools, CRM platforms, and business intelligence systems with valuable data collected through their guest Wi-Fi.

Educating the staff

Successful guest Wi-Fi involves more than just technology. It also requires training staff to provide customers with exceptional support.

A focus on training will seem obvious to retailers already focused on customer satisfaction. Staff may not understand how delivering excellent Wi-Fi services can be as important as providing great customer service. Here are some best practices retailers should keep in mind when educating staff (and ultimately customers) about guest Wi-Fi:

• Describe and demonstrate to customers how to access the Wi-Fi network, including account creation and login requirements. Retailers should spend time with staff creating demonstration accounts until everyone is clear on how to help customers get online in their store.
• Make the training a standard part of new hire onboarding and ongoing education for all staff.
• Explain security features and reassure customers that their information is safe. Retailers should never promise privacy they can't deliver.

Promoting guest Wi-Fi

Retailers should make sure their network ID is easily associated with their store. Retailers must pick the most obvious (and shortest) name that makes sense. Retailers should also strategically use in-store promotions – especially at the main entrance – so customers know guest Wi-Fi is available.
It is important to show the network name on signage, window clings and other promotional displays. Retailers should also promote their privacy policy. The privacy policy should clearly state how customer information will be used. A reassuring "we will not loan, rent, or sell customer information to anyone" can do wonders. Retailers can offer privacy options at initial sign-up, so shoppers have a choice.

Unleashing creativity

The opportunities guest Wi-Fi provide for customer engagement are limited more by retailers' creativity than technology. When equipped with the right advanced guest Wi-Fi platform, retailers can address the physical-digital gap in retail. Guest Wi-Fi's unique ability to create an in-store digital experience that drives engagement and gathers actionable customer behavior data can open new doors for retailers and lead to increased opportunities to grow business.

References

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About the author

Adlane Fellah is the CEO of Maravedis a leading wireless analyst firm. Mr. Fellah, authored various landmark reports on Wi-Fi, LTE, 4G and technology trends in various industries including retail, restaurant and hospitality. He is regularly asked to speak at leading wireless and marketing events and to contribute to various influential portals and magazines such as RCR Wireless, 4G 360, Rethink Wireless, The Mobile Network and Telecom Reseller.

About Cloud4Wi

Cloud4Wi offers Volare, the industry's leading services platform for advanced guest Wi-Fi. With Volare, large retail and restaurant chains, and shopping malls build their brands by leveraging their existing Wi-Fi networks to provide superior on-site mobile experiences, while gaining valuable customer insights. Volare is an open, cloud-based platform distributed through channel partners connecting more than 45 million mobile users across 15,000 locations in more than 80 countries. Customers include Armani, Burger King, Bulgari, Clarks Shoes, Olive Garden, Prada, and Telecom Italia. The company is based in San Francisco, and has offices in London, Paris, Milan, Pisa and Manila.

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