Enterprise Intelligence that creates retail experiences of the future

Verizon's vision for the retail and consumer packaged goods (CPG) sector in ANZ

verizon✓

Transitioning to a fully integrated, multi-channel CX

Use technology to enrich every customer touchpoint.

The COVID-19 pandemic, the shift to multi-channel retail and the Russia-Ukraine conflict have each contributed to the retail and CPG industry's current challenges, of which supply chain and labour market disruption are two of the most significant. Skyrocketing inflation is the latest in a series of issues facing the sector today.

But despite the tough conditions, a silver lining has surfaced. Companies that are using technology to enable agility, creativity and resilience during times of crisis have emerged stronger than ever.

Enterprise Intelligence has played a critical role in helping the sector adapt to change and maintain business continuity. In this report, we'll explore how industry leaders are using Enterprise Intelligence to adapt to changes and lay the foundation for future growth.

APAC is the largest market in the world for e-commerce, with US$2.992TN in digital sales in 2021. This is 3X greater than North America and nearly 5X greater than Western Europe.[i]

Future readiness

Following the lockdowns, Verizon research found that retail executives are more likely than those in other sectors to report that their leadership team is better at thinking strategically and planning for the future – 84% versus 74% overall. 11% of retailers were classified in the 'accelerator' cohort of businesses, leading the way to building future readiness. This representation is above-average compared with other sectors.[ii]
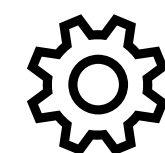
Mobile apps

By 2023, Forrester predicts that more than 80% of e-commerce will be conducted on mobile in key APAC markets. 'Super apps' such as WeChat in China, Paytm in India and Grab in Southeast Asia are gaining in popularity.[iii] As the shift towards e-commerce progresses, McKinsey predicts that digitised B2B platforms will eventually replace legacy back-end systems. As a result, CPG companies will benefit from more efficient new channels and a lower cost-to-serve model, driving margin growth.[iv]

A fully integrated channel experience

According to KPMG research, 61% of APAC consumers expect the same cross-channel flexibility they experienced during the pandemic.[v] And this shift towards a multi-channel proposition for shoppers will continue, with 65% of Australian retailers accelerating efforts to deliver a fully integrated experience.[vi]

Challenges of today

As customers demand more sophisticated service, faster delivery and more flexible returns, the sector has had to contend with ever-shrinking margins.

Technology is now a 'must-have' as opposed to a 'nice-to-have', helping retailers meet rising market demands cost-effectively.

Digital innovation

In APAC, 64% of consumers are more likely to engage with retailers who use technology to improve the shopping experience.[vii] From self-checkouts to virtual mirrors, technology can bridge the gap between physical and online retail in fresh and exciting ways.

Personalised experiences

Over half of APAC consumers prefer retailers who provide a tailored shopping experience, such as sending out personalised communications and offers.[viii] According to a 2021 Euromonitor survey, 45% of respondents in China, India and Thailand are willing to trade their data for a more customised shopping experience, compared with 30% of respondents in Western Europe.[ix]

Cyber security

From July 2021 to June 2022, there was an 81% increase in cyber security incidents across all sectors in Australia.[x] Retail is one of the most targeted sectors for cyber attacks in the country, along with finance and business services. In 2021, retail also had the second-highest rate of ransomware attacks after the media, leisure and entertainment (MLE) sector.[xi]

APAC insights:

- By 2030, three billion people, or 70% of Asia's total population, will be part of the consumer class – a billion more than today.[xii]

- 64% of APAC consumers are more likely to shop with retailers who use technology to enhance the shopping experience.

- 41% of consumers don't want information about their purchasing behaviour used without their express permission, indicating that data privacy is an increasing concern.[xiii]

Industry benchmarks: How do you compare?

APAC consumers are looking to retailers to improve the customer experience with personalisation and more seamless shopping. In response, retail and CPG companies are increasing spend on technology and investing in more tailored solutions.

Leaders in the industry are understanding the importance of modernisation and are looking at advanced technologies to take their in-store and online presence to the next level.

Future predictions[xiv]

73% of retail CIOs indicated that they plan to increase spending on store technology

61% indicated they plan to increase spending on store systems/apps developed through internal expertise

44% plan to increase spending on store systems/ apps developed through vendor relationships

Spend on IT and the customer experience:

- From 2020-2025, spend on personalisation is expected to triple in Asia.[xv]

- In 2022, the average IT spend was 7% of revenue for retail companies.[xvi]

- In 2022, the average IT spend was 3% of revenue for CPG companies.

Verizon: We'll build a solution just for you.

Verizon can help you deliver the world-class, multi-channel retail experiences customers now expect. Using 5G, multi-access edge computing (MEC), network-as-a-service (NaaS), artificial intelligence (AI), SD-WAN, machine learning (ML) and other intelligent solutions, we'll co-create truly integrated retail experiences that delight and engage customers – no matter where they choose to buy. We call this Enterprise Intelligence.

How we do it...

In-store customer navigation systems

From the moment they enter a store to the moment they check out, customers expect to find what they want quickly and easily. In-store navigation systems enrich the customer journey by analysing data from footfall, path mapping and dwell time. And retailers who find a way to use data without infringing on privacy will win customers' trust and, ultimately, their business.

AI-driven solutions

Currently, AI is used to automate repetitive tasks and enable self-checkout. AI backed by machine learning, however, can tackle more sophisticated tasks such as answering customer queries, identifying new versus existing customers and conducting heat mapping (using cameras and computer vision) to optimise product placement in-store. AI can also analyse data and strengthen decision making to enhance pricing strategy and improve supply chain management.

Partner integration

Supply chain disruption continues to be a challenge, and the sector is recognising the benefits of creating a resilient, sustainable 'ecosystem' through partner integration. A fast, powerful and secure platform with edge computing can provide the foundation for this ecosystem. It gives stakeholders the transparency to track product origins, anticipate disruption and deliver smart, real-time inventory management.

How we do it...

A digitally skilled workforce

As the retail and CPG sectors adopt new technology, they need people with the expertise and experience to use it effectively. However, these kinds of skills will be in short supply, so bridging the gap will mean recruiting externally or building capability internally through learning and development.

5G-enabled personalisation

One of the most exciting aspects of the online shopping experience is its potential for personalisation. Interactions can be tailored based on the customer's profile, browsing patterns and purchase history. 5G can take this to the next level, enabling retailers to use augmented reality (AR) and virtual reality (VR) for customers to visualise how a company's products can enhance their lives.

How it all comes together

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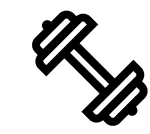
Challenge

A global food and drink supplier needed a new, transport-agnostic infrastructure to drive global expansion plans.

Solution

A managed software-defined wide area network (SD-WAN) solution with intelligent routing control. Verizon installed remote circuits to maintain performance, even in isolated, hard-to-reach locations.

Results

Cut costs by over 10% through getting more value out of redundant network resources.

Increased application performance by automating the routing of traffic according to network quality and requirements.

Enabled global expansion with the seamless addition of endpoints in remote areas across 28 countries.

How it all comes together

![Cooler Screens logo]

Challenge

Digital retail media company Cooler Screens required a technology solution that would enable it to scale quickly. Its interactive commercial refrigerator doors run ads for brands in grocery and convenience stores.

Solution

Verizon's full advertising stack platform provides connectivity, field service and centralised support.
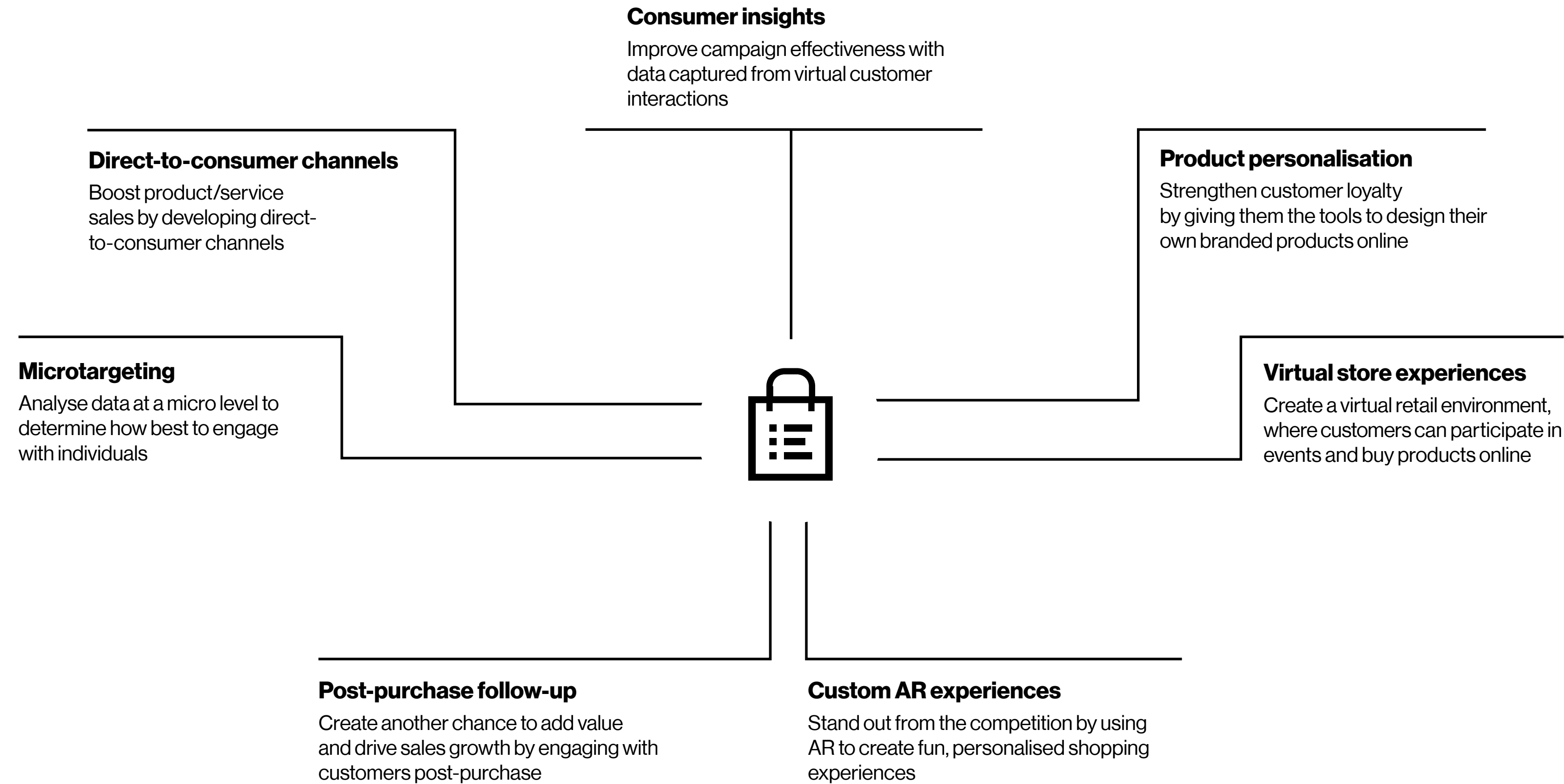
Results

Enabled Cooler Screens to scale up in an intelligent, sustainable way.

Allowed brands featured on Cooler Screen doors to better connect with consumers.

Improved monetisation of in-store assets through a 'last best chance' message to the consumer.

Smarter consumer engagement

Create new ways for shoppers to interact with your brand.

Consumer insights

Improve campaign effectiveness with data captured from virtual customer interactions

Direct-to-consumer channels

Boost product/service sales by developing direct-to-consumer channels

Product personalisation

Strengthen customer loyalty by giving them the tools to design their own branded products online

Microtargeting

Analyse data at a micro level to determine how best to engage with individuals

Virtual store experiences

Create a virtual retail environment, where customers can participate in events and buy products online

Post-purchase follow-up

Create another chance to add value and drive sales growth by engaging with customers post-purchase

Custom AR experiences

Stand out from the competition by using AR to create fun, personalised shopping experiences

A strong local presence

Verizon has built a strong presence in APAC. We have security operations centres in Canberra and throughout the region, and sovereign data centres. We also operate a centre of excellence in the Philippines, our Computer Security Incident Response Team (CSIRT). More importantly, we have a dedicated team based in Australia.

Talk to the Verizon team about security and networking solutions designed in line with leading national international standards, including:

ANZ	Global
The ASD Essential 8	ISO27001
Privacy Act: Privacy Principles	ISO27002
Information Security Manual (ANZ)	Payment Card Industry Data Security Standard (PCI DSS)
IRAP certification for protected data	National Institute of Standards and Technology Cyber Security Framework (CSF)
Verizon Threat Research Advisory Centre (VTRAC)	
Certified Information Systems Security Professional (CISSP)	National Institute of Standards and Technology SP 800-53
Certified Information Security Manager (CISM)	CSA Cloud Controls Matrix
Cyber Security and Infrastructure Security Agency (CISA)	Cyber Security Capability Maturity Model
Certified in Risk and Information Systems Control (CRISC)	Control Objectives for Information Technologies (COBIT)
Certified in Cloud Security Knowledge (CSK)	

Our global strength

When you choose Verizon, you'll not only benefit from dedicated local resources, but our global capabilities too. This combined strength gives you unrivalled connectivity and protection from cyber threats.

99%
of Fortune 500 companies as customers

9
security operation centers (SOCs) globally

150+
countries

2,400+
certifications and training for security team members each year

34TN
raw logs processed each year to protect our customers and minimise threat

We are also a globally recognised:

- Gartner Magic Quadrant Leader (Network Services and Managed IoT Connectivity Services)

- Omdia Global IT Security Services Leader

- Unified communications as a service (UCaaS) leader for enterprise

Next steps

Let's take our partnership to the next level with an executive briefing.

Verizon can help you progress towards your smart manufacturing future – no matter where you are on your journey.

We can also organize one of our Connected Future Workshops to help you define your future vision. By following a tried and tested framework, we can help you:

• Learn what industry leaders are implementing

• Walk through your transformation agenda

• Brainstorm opportunities

• Create a roadmap

• Decide on next steps

Contact us:

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i.   https://www.insiderintelligence.com/content/top-global-ecommerce-markets
ii.   https://www.verizon.com/business/resources/whitepapers/2022/future-of-work-retail-reimagined.pdf
iii.   https://www.marketing-interactive.com/programmatic-in-app-spike
iv.   https://www.mckinsey.com/capabilities/growth-marketing-and-sales/our-insights/the-future-of-b2b-sales-is-hybrid
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xi.   https://www.securitymagazine.com/articles/98316-77-of-retail-organizations-targeted-by-ransomware-in-2021
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xvi.   https://info.flexera.com/FLX1-REPORT-State-of-Tech-Spend

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