# Smart retail: How enterprise intelligence can help shape the future of retail stores

By Rose de Fremery

## Smart retail: The evolving shopping journeys

The retail experience is increasingly connected, with fewer distinctions between channels than ever before. According to Deloitte research, consumers don't think of their shopping experiences as physical or digital anymore — to them, it's all just shopping. Both online and in-store experiences play critical roles across the shopper journey according to retail consumers surveyed by Deloitte:[1]

Inspiration came from both in-store displays (23%) and online promotions (32%).

Research into products took place almost equally between in-store (53%) and online (47%)

When making a purchase, 63% of customers visited a retailer's website and 79% visited a retailer's store at least once

## Consumers still value the in-store experience.

As digital retail has grown, the value of an in-store visit for retailers has also grown — average transaction values in-store were around 10% higher in July 2021 than in March 2019.[2] Of those customers who spend a majority of their research time in-store, 90% choose to also purchase in-store.[3]

According to the 2022 Connected Retail Experience Study, while 62% of retailers are satisfied with their overall store experience, just 39% of them are satisfied with their in-store digital experience. Forward-thinking retailers, correctly perceiving that the future of retail stores is quickly trending toward a fully connected model, understand that they must digitally transform even further within a short time frame in an attempt to win and keep customers. Research from Salesforce concurs, finding 88% of customers expect an acceleration of digital initiatives.

Many retailers realize that they need to digitally evolve their stores to become more connected, data-driven and secure. In doing so, they will enhance the customer experience, improve their operational agility and develop the resilience necessary to navigate unexpected events like supply chain disruptions.

## Retailers are already transforming the in-store experience

Retailers will soon enhance the in-store experience in several important ways. Almost three-quarters of specialty and department stores are looking at deploying customer Wi-Fi by the end of 2023, while 38% of grocery and general merchandise businesses say the same. Meanwhile, 45% of specialty and department stores expect to roll out a mobile app with in-store features, and 28% of grocery and general merchandise businesses have similar plans. Digital displays and signage will also play a key role in the store of the future: 28% of specialty and department stores will implement interactive displays, and 22% of grocery and general merchandise businesses will do the same. Other smart technologies retailers are considering for the near future include cashierless checkout and AR/VR assistants.

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## Innovative technologies are also helping to improve operations

Alongside pursuing customer experience improvements, retail businesses are also embracing technologies that enable greater operational efficiency. For example:
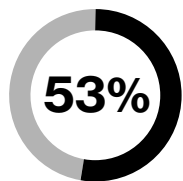
**53%** Fifty-three percent of specialty and department stores will soon implement real-time inventory management, and grocery and general merchandise businesses plan to follow suit.
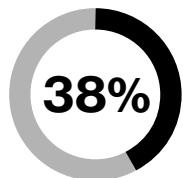
**38%** Thirty-eight percent of specialty and department stores are adopting artificial intelligence (AI), as are 28% of grocery and general merchandise businesses.

Other operational efficiency technologies being carefully considered include curbside sensors for pickup, digital shelf labels, intelligent video, robotics for associate tasks and mobile point of sale (POS) solutions.

## Enterprise intelligence can drive the future of smart retail

Emerging technologies promise to create new efficiencies, enable new connected customer experiences and make it possible for retailers to communicate with shoppers in entirely new ways. Success will be achieved by those retailers that prioritize digital innovation to build smarter, more efficient, and more agile enterprises. Transformation starts by bringing together disconnected systems to create powerful, modular, and intelligent solutions that can enable new functionality, smarter insights and faster decision making. The collective result is enterprise intelligence which promises to play a significant role in the future of smart retail.

## A strong network foundation will be critical for the future of retail technology

As retailers continue to deploy more technologies in store, they will need a strong network infrastructure that delivers speed, low latency and abundant bandwidth. Although 5G connectivity is not yet available in all locations, retailers can begin preparing their businesses for the future now by taking advantage of network technologies such as Business Wireless Internet using 4G LTE, which can be upgraded to full 5G coverage when it is available in more locations.

Larger retail businesses that require a more scalable network can benefit from Network as a Service (NaaS), which delivers a cloud-based, flexible, resilient and agile network infrastructure. 5G NaaS offers the performance to run multi-access edge computing (MEC), AI and machine learning (ML) and AR/VR to enable highly advanced retail applications. When 5G, NaaS, MEC and more come together to give you a platform for the future, it's not just digital transformation, it's Enterprise Intelligence.

Learn how Verizon's Retail Industry Solutions can accelerate your retail digital transformation and help you build the store of the future.

*The author of this content is a paid contributor for Verizon.*

1. Deloitte, Consumer Preferences Embrace a Mix of Physical and Digital, page 3.
2. Ibid., page 3.
3. Ibid., page 8.

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