

Shop till you drop: Retail goes omni-channel



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IDC predicts that by 2018, 30 percent of major retailers will adopt an omni-channel digital B2B2C commerce platform. This platform will integrate multiple channels, including physical stores, e-commerce, mobile terminals, and social media. It will also achieve seamless connections both online and offline and between buyers and sellers for the whole purchase lifecycle. To fully benefit, what strategies and digital technologies do retailers need to think about?

By Kevin Hu, President of Huawei Network Product Line

Convergence is key

The retail vertical is still feeling the impact of e-commerce, the momentum of which has been gathering over two decades. Today's millennials are fully at home with high digitalization and social media, while displaying little brand or channel loyalty.

In turn, traditional retailers are going online to promote growth as well as extending the use of traditional retail stores. At the same time, purely online retailers are facing a bottleneck in development, because the explosive growth in Internet traffic that drove e-commerce is a thing of the past. Some forward-thinkers are exploring omni-channel, including big names like Carrefour, Starbucks, Oasis, and Burberry. Notably, Amazon

is ahead of the game with its AmazonFresh offline grocery store; Amazon Go, a convenience store based on IoT; and Amazon Books, an integrated online and offline book store.

Consumer behavior also supports the omni-channel approach. A survey by Deloitte shows that nearly 80 percent of consumers interact with brands or products on digital channels before visiting a physical store. The luxury brand Burberry found that its average consumer visits its website eight times before making a purchase.

It's clear that multiple integrated channels, including physical stores, e-commerce, mobile devices, and social media, are the most effective at seamlessly connecting online and offline channels and buyers and sellers. For consumers, it makes shopping more

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personal and scenario-based. For sellers, it makes their products more accessible and enables greater personalization.

Building loyalty with insight

Enterprises that master omni-channel retail can use data in the same way that e-commerce companies do to optimize operations and decision-making, and engage the five senses of consumers in a way that they now expect on the buying journey. McKinsey has found that basic omni-channel services, such as ‘buy online, pick up in store’ and checking inventory online, are becoming commonplace. Its research also shows that more advanced omni-channel experiences, including VR stores and online customization, are also triggering strong consumer demand.

For new retailers to explore omni-channel, cloud computing and IoT technologies are key tools for optimizing operations, while big data makes user profiles and personalized user management possible. Analytics can use purchase history, membership statistics, and consumer behavior to create precise models for customer stratification and personal loyalty plans. For example, the commercial Wi-Fi solution

released by Huawei in partnership with Cloud4Wi can increase profits in the retail industry, and improve customer loyalty through precise positioning and personalized push services.

Intelligent retail fuels growth

There are various ways data-driven technology can improve the customer journey and efficiency for retailers. Virtual shop assistants can find customers through smart terminal locations and provide intelligent assistance. Smart shopping carts can locate products quickly and precisely. Smart fitting rooms use virtualization to make fitting easier. Smart shelves can automatically detect product shortages and outdated products. And electronic shelf labels (ESLs) can change prices in batches and in real time.

CloudCampus Solution for the Retail Industry uses sensors to deliver commodity statuses in real time, automatically pushing product information to consumers based on their actions and providing a function for mobile payments.

The solution generates a vast amount of commercially valuable data; for example, the number of people attracted by each interactive terminal,

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which products they're interested in, how long they showed interest in each product, the number of interactions per product, and the most popular product. This serves as a source of commercial data analytics, and forms the basis of decision-making for departments like operations, marketing, finance, and asset management.

Adding value to these innovative solutions are the data collection, transmission, and analytics applications that are available anytime, anywhere. For example, Huawei's open cloud management platform CloudCampus has abundant APIs that can connect with customers' and partners' mature industry applications. With the help of big data, cloud, and mobile Internet technologies, CloudCampus collects, transmits, manages, and analyzes the vast amount of commercial data that's generated every day in retail stores. It shares it with various industry applications and breaks down existing data islands of siloed applications. Data is thus converged into an ocean, from which its commercial value can reach the shore.

CloudCampus revolutionizes campus network management through E2E network planning, installation and deployment, O&M, troubleshooting,



and network inspections. Quick network deployment reduces investment in O&M personnel and the solution can reduce OPEX by up to 80 percent.

The digital transformation of the retail industry has just begun. Ubiquitous connections bond people, things, and scenarios, and – in the retail space – can attract an audience, increase stickiness, and influence buying decisions.

Connecting commercial data and unleashing its value promises a digital retail model that brings a better experience to consumers and better value to retailers. [www.huawei.com](#)