The Essentials Series: Enhancing Retail Operations with Unified Communications

The Future of Unified Communications in Retail

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In this article, we're going to shift gears and move beyond the technology of the past and focus on what's really happing at present. Naturally, we'll also take a look at future trends and consider how emerging technologies and trends in the unified communications sector today are likely to impact the retail industry in the future.

Adopting current and emerging unified communications technologies across all retail business services will provide the cutting-edge competitive tools for tomorrow. Beyond current unified communications solutions in use, integration of mobility solutions is quickly becoming a vital part of the emerging retail operation.

We'll also touch on Communications Enhanced Business Processes (CEBP). This forward evolution is underway in a number of business sectors today. Although the terminology might vary, the underlying principles of CEBP play directly to the requirements of the retail industry as unified communications continues to evolve.

The Unified Communications Retail World

In the second segment of this series, we looked at an apparel retail scenario that presented a fully converged unified communications platform with advanced technologies including wireless VoIP in the hands of sales clerks and RFID equipped inventory control systems in retail stores.

For the retail enterprise looking to make use of unified communications technologies effectively and extract the full value from the capital investment in technological change, there are two key points this scenario brings into focus:

- The customer service experience drives customer loyalty. So often we take the phrase "easy to do business with" for granted. In retail, to compete effectively and differentiate ourselves, we have to go beyond being easy to do business with. The retail industry is fueled by the sales transaction. We must also be easy to buy from. The entire customer experience must be something that customers want to repeat. This feeling of enjoying shopping, being served, and feeling important raises the bar on the customer experience, setting our service above the rest.

- Efficiency in technology integration drives efficient and effective inventory control systems that work. This efficiency reduces operating cost and improves cash flow. Although the initial capital outlay in fully integrating unified communications solutions may seem daunting, the return on the investment (ROI) in process improvements, more effective inventory control, increased sales efficiencies, and rising customer loyalty quickly offsets the investment and brings a tangible ROI that contributes directly to the bottom line.

The apparel chain scenario and mobile services retail scenarios were presented to give readers pause to think about how these sorts of technologies might play out within their own retail sector. It's important to note that both scenarios are substantiated by numerous real-world implementations of those solutions. These scenarios are rapidly permeating the daily competitive frenzy of the retail industry. In practical terms, the competition is either already doing something like this or investigating it for their operations.

Retail Meets Mobility

Mobile service is one of the fastest growing technology segments around the globe. For many people, the old traditional landline telephone is no more. A cell phone today provides access to voice services, the Internet, email, instant messaging, video, and more. Look at the impact the iPhone has had on cellular usage in the past year, and it's clear that mobile services are popular. Mobility is also the primary communications method for young people, who are frequently the primary demographic for many retail operations. As retail businesses embrace mobility in the future, customers will be welcomed into the retail storefront in new ways, perhaps even invited in through communications tools.

WiFi technology is common, with free Internet access being used as a differentiator for many small businesses, most notably, coffee shops. The forward-thinking retailer of the next generation is likely to welcome customers into the store with free WiFi access on their mobile phones. Although some will balk and shun the idea of providing free services, they will miss the opportunity to present a Web landing page for the retailer that's easily bookmarked to help draw customers back in. This approach also provides an opportunity to deliver advertisement about specials and other information about upcoming events. Although many retailers provide special events, which can be anything from a sale to a book signing to a seminar, the value of promoting the event in ways that engage the customer is too often overlooked.

And if the idea of WiFi seems futuristic, consider just how deeply technology permeates your customer's universe as they walk through the store talking on their mobile phones. If you really want to engage your customer and be foremost in their mind, there's an approach we'll call the customer *wow factor.*

There's hardly a mobile handset sold today that doesn't support Internet access via either wireless broadband, WiFi, or both. But there's another technology that is even more pervasive in mobile phones—Bluetooth. With most states quickly adopting laws requiring hands-free operations while driving, Bluetooth communication is becoming a de facto standard networking protocol that is always on and available in your customers mobile. Why not seize that opportunity and engage the customer in a way that presents a *wow factor?*

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Visitors to Pier 39 in San Francisco are the recipients of just this sort of experience every day. Walk within Bluetooth range of the San Francisco Aquarium, and even if you don't see the signs promoting a special, your cell phone will alert you. The aquarium offers special discounted tickets to visitors via coupons delivered over the cell phone.

What Lies Ahead?

The keys to success across all business enterprises are tightly coupled with what business analysts refer to as the *value proposition*. For a widget manufacturer, this may be as simple a statement as "we make the best and cheapest widgets." In the retail industry, the core of the value proposition is tightly coupled with retail branding and personalizing the customer experience.

The real power of unified communications in the retail industry is that anyone can provide a boutique experience. By enhancing customer service and redefining the customer experience in new ways, the thought leaders in retail set the bar above the reach of their competition in many ways.

Consider the impact of video on retail operations. Everyone is familiar with YouTube for video sharing, but video provides a much broader toolset when video goes retail. Consider the following approaches:

- A video catalog tied to the customer service center, available to customers throughout the store on kiosk panels might seem expensive and intrusive. Yet touch-screen technology could easily do more than simply present information, for example, linking customers to service reps and helping to find additional product information.

- A retailer who might not be able to afford a debut of the latest fashions with runway models and all the trimmings can easily present a video on the store's Web site, and on YouTube, of the salespeople modeling some of the new fashions on sale each season. This approach not only presents merchandise in a new way to customers, it gives the retailer an online presence, a personality, and a fun feeling. This humanization and engagement with customers on their terms can be a huge differentiator in winning mindshare with both new and repeat customers.

Loving the Customer with Services

The breaking technologies for mobile solutions are widely known and talked about within the telecommunications and data networking sectors. They're far less widely known or understood by businesses in retail, yet even sales clerks use these technologies every day. The iPhone has presented the most visible view to date of the next generation of wireless broadband technologies. And it's the hottest telephone in the market with the rising economy of young people. Outside the US, Nokia remains the largest seller of mobile phones, yet their solutions deliver all the same technologies.

Even without the deployment of WiFi technology in a retail operation, the widespread use of already available broadband wireless is a resource. And it exists in the purse and pocket of the customer.

RFID technologies continue to grow. RFID provides a natural synergy as a proximity technology. It's been in a number of trials as a customer self-service tool for pricing and inventory control at the checkout line. We can expect to see RFID used as a device recognition and authentication mechanism in future mobile and handheld devices. Wouldn't it be nice to recognize a customer when they walk in the store by their mobile phone and have salespeople call them by name and have access to their buying history? Imagine walking into a store and having a sales person say, "Welcome back Mrs. Johnson. How do you like that new coffee maker you bought last month?"

The impact of a customer experience like that can only be leveraged with information. Unified communications technologies are the locus of the retail operation, integrating customer, sales, and inventory operations together into one single telephone, computer, or POS system.

A Call to Action

Although all businesses are cyclical in nature, there are some basic principles in business that never change. ROI is a compelling factor that impacts every decision. Business solutions and unified communications technologies are investments. They're investments in process and efficiency, not in technology. We're investing in our business by giving ourselves the tools to be more effective.

Businesses in the retail industry are using unified communications to build an array of network services. These services include everything from Web and email solutions to human resources management tools. This evolution is referred to as CEBP. That's a business analyst's way of saying we're bringing everything together to give ourselves the best tools we can to be the most effective and profitable.

CEBP set the stage for greater efficiency and process controls. Streamlining the retail business enables greater focus on winning and retaining customers. CEBP brings the power to reshape the culture of how businesses function in some ways. It gives a business the power to reinvent itself and redefine interaction with customers, vendors, and partners. Outside the retail sector, businesses tend to look at five basic areas for integration of voice, video, and data services with business applications to improve operations:

- Enterprise Resource Planning (ERP)

- Customer Resource Management (CRM)

- Sales Force Automation (SFA)

- Supply Chain Management (SCM)

- Human Resources Management

Even the names give us the linkage to demonstrate how these core business areas fit within retail operations of all shapes and sizes. For example, the retail scheduling system as part of an ERP can readily be linked to the employee job roles and skills subset of the human resources system. In retail, covering the sales floor with the right number of employees for seasonal or special sales events or reducing the staff during known slow periods is a finely tuned art. When a salesperson, for example, is unexpectedly absent, unified communications solutions can readily provide a store manager with a screen of information to quickly fill the gap:

- Which employees are not scheduled to work that day but have the required skills to substitute

- How many hours each has worked in the current week

- When each employee is next scheduled to work

- Employee telephone numbers with a click-to-call capability

In short, the suite of business enterprise applications integrates effectively through a unified communications solution to provide one comprehensive tool for managing the retail operation more effectively.

Although the retail industry has unique demands and business requirements to operate successfully, leveraging the solutions and technologies of other business sectors can deliver incredible power in building a competitive difference.

Summary

The retail sector has been under siege in the war of *clicks versus bricks* for several years. Multi-channel sales have become a daily part of business, but the tools required to integrate every possible channel have been expensive and cumbersome. Integrating all the information that can be used to effectively sell in retail has been an expensive and unwieldy proposition. Unified communications is changing the game. Just as the Internet lowered the cost or barrier to entry for online businesses, unified communications solutions today are leveling the playing field and allowing all retailers to compete effectively.

Customers expect, even demand, interaction in a number of different ways—voice, SMS, email, video, or live in-store. People are social creatures and love interaction. Unified communications technologies coupled with the real-life customer experiences will unleash the power of retail in a one-two punch that will keep winning retailers at the top of the game.

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