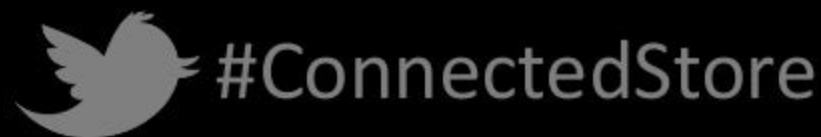
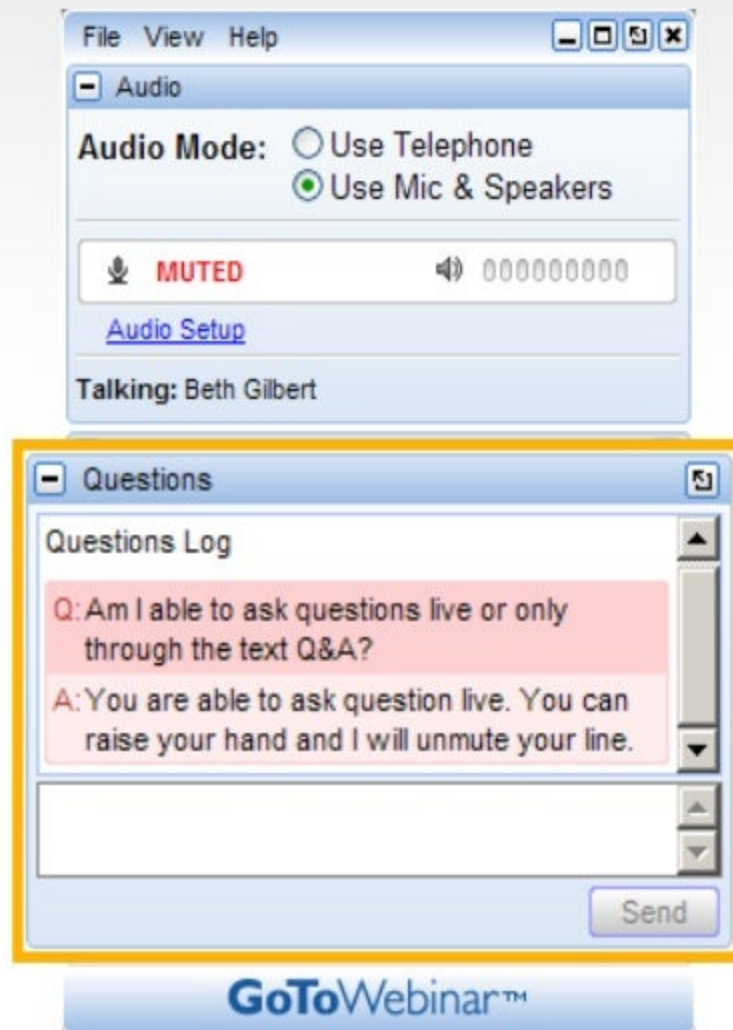


# Impact of Store Networks and WiFi on Customer Experience



# Welcome Webinar Attendees



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# About Retail TouchPoints

- ✓ Launched in 2007
- ✓ Over 28,000 subscribers
- ✓ To provide executives with relevant, insightful content across a variety of digital medium

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# Panelists

MODERATOR



Debbie Hauss  
Editor-in-Chief  
**Retail TouchPoints**



Greg Buzek  
Founder & President  
**IHL Group**



Kevin McCauley  
Director of Retail Market  
Development  
**AirTight Networks**



Greg Griffiths  
Vice President of Product  
Alliances  
**EarthLink**

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# Impact of Store Networks and WiFi on Customer Experience

Greg Buzek President

# Fundamental Change in Store Architecture

- POS being driven by Distributed Order Management
- One version of the truth
- Enabling Associate and Consumers via WiFi and Mobile
- Centralized Returns/Return Fraud
- Ship from Store and other Omni-Channel trends
- Beacons and Internet of Things

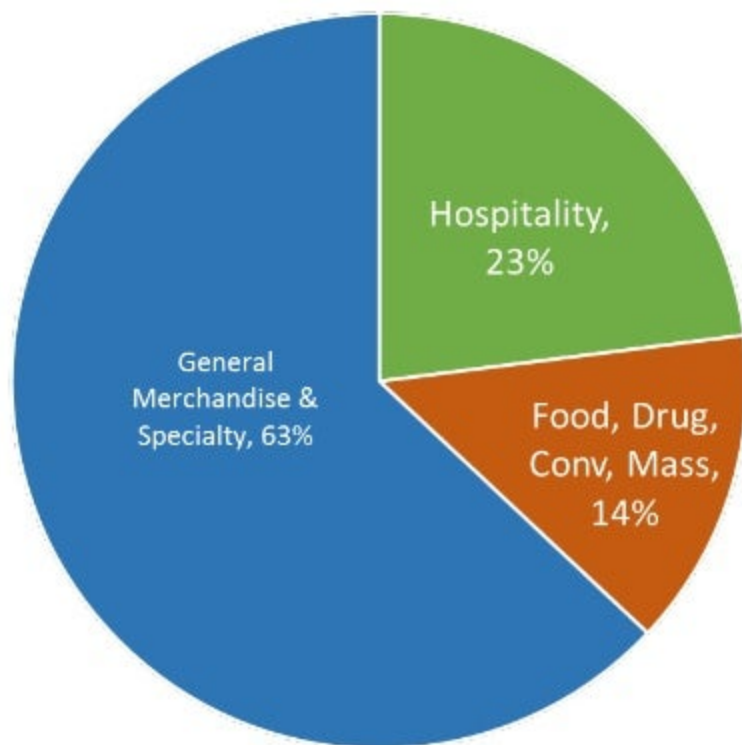


# Infrastructure Survey Results



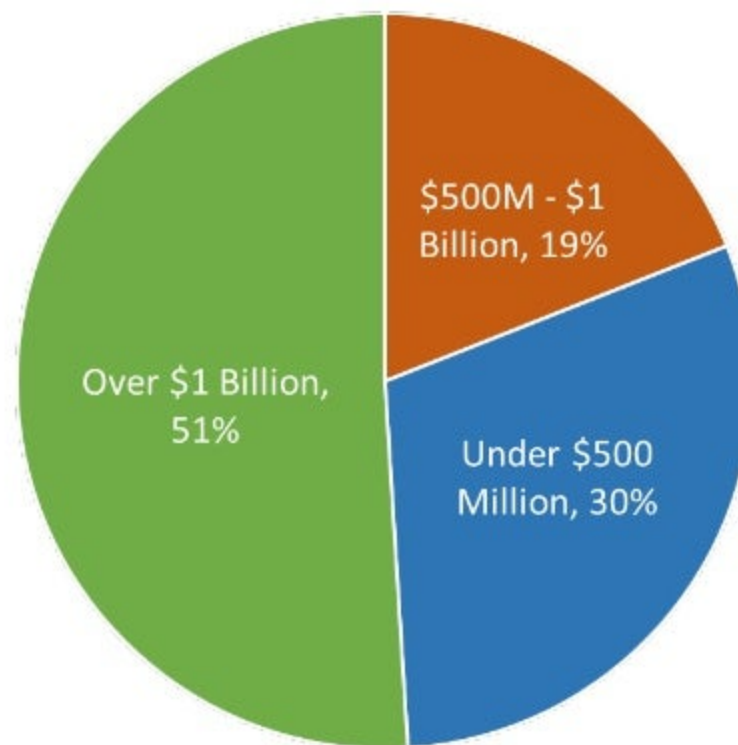
# Respondent Demographics

Respondents by segment



■ Hospitality ■ Food, Drug, Conv, Mass ■ General Merchandise & Specialty

Respondents by revenue

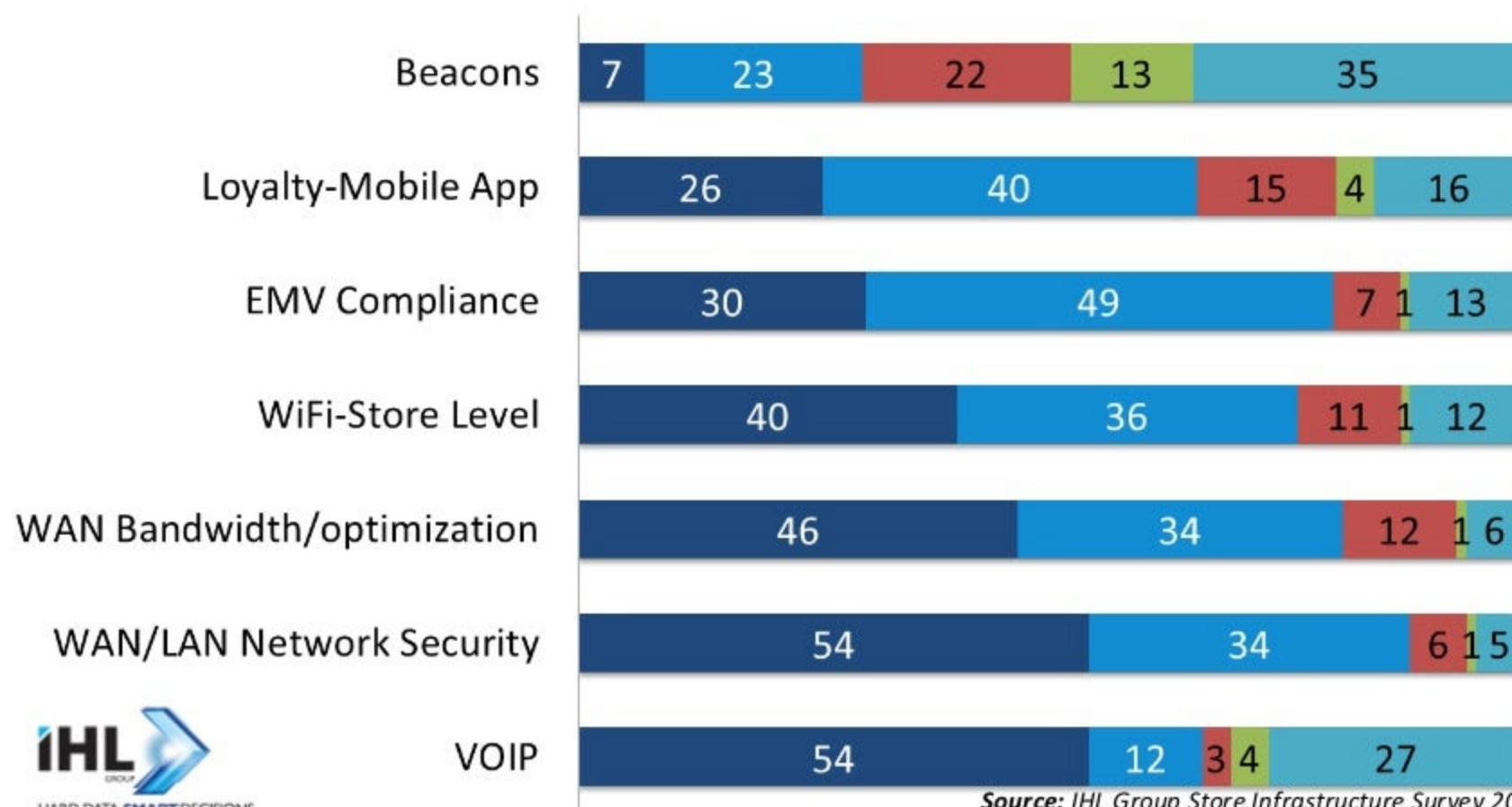


■ \$500M - \$1 Billion, 19% ■ Under \$500 Million, 30% ■ Over \$1 Billion, 51%

# Status of Infrastructure Update %

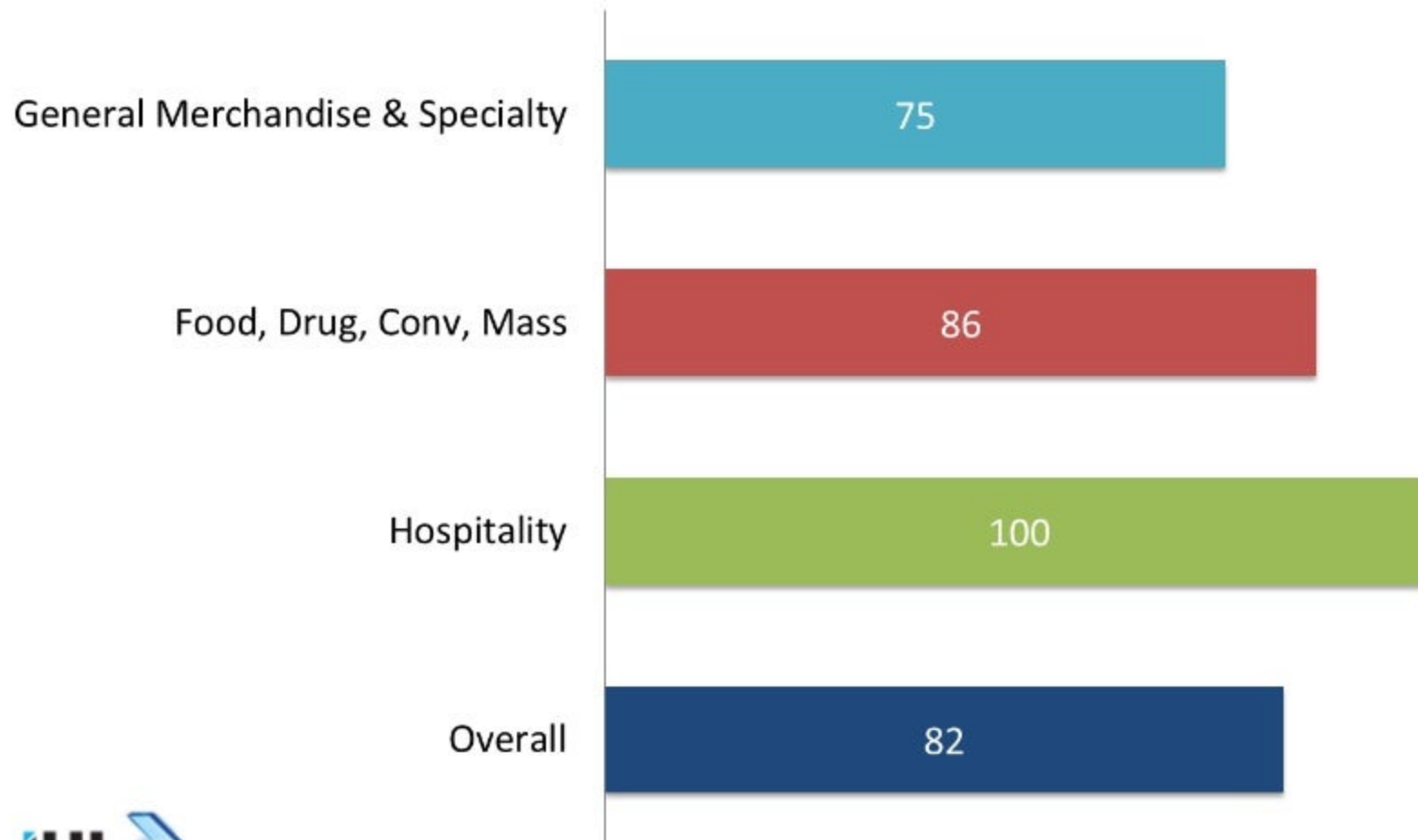
## Store Infrastructure Technology Update Timeframe

■ Currently Ready   ■ Within 12 Months   ■ 12-24 Months  
■ 24-36 Months   ■ No Plans

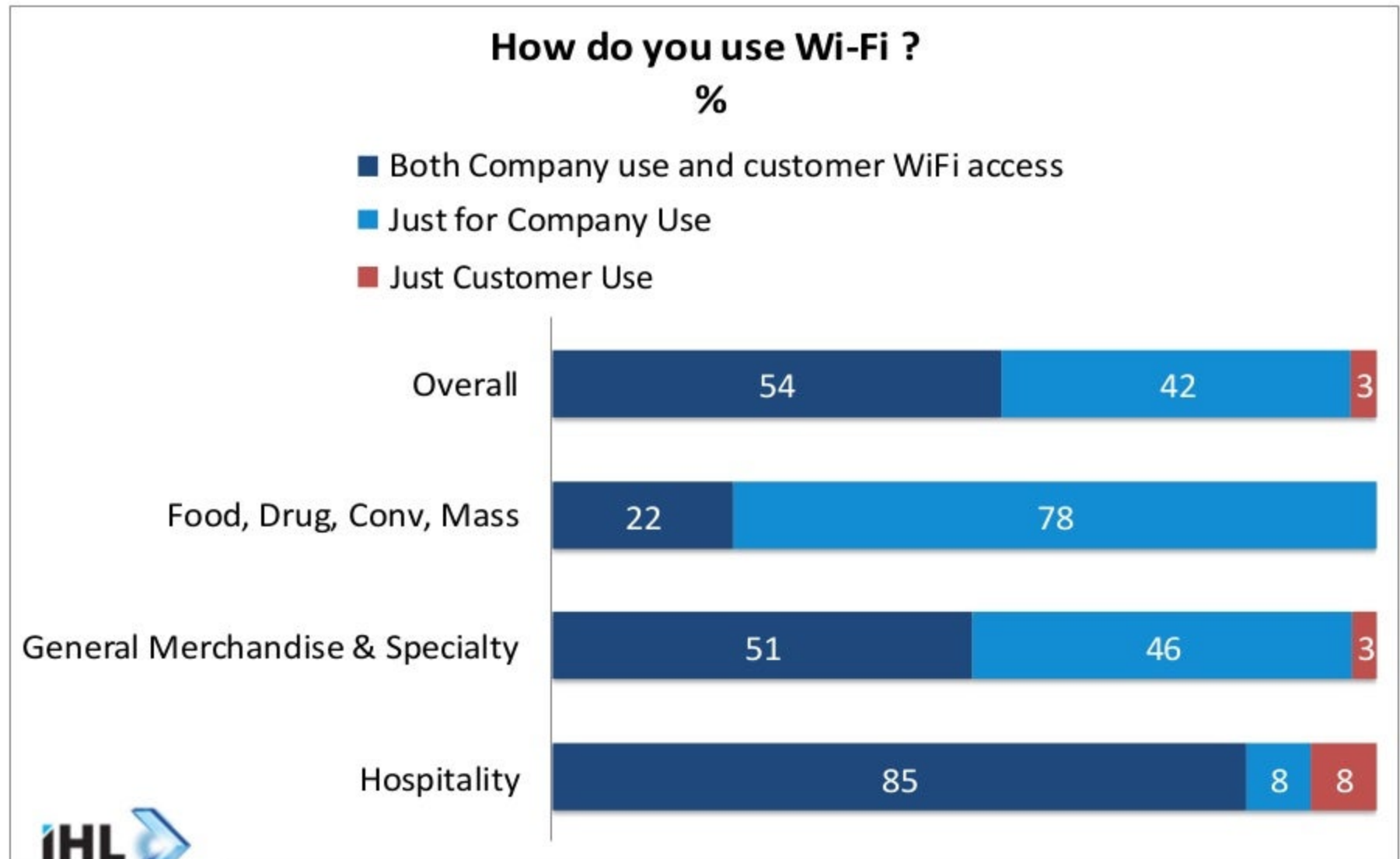


# Who Has WiFi Installed

## % RESPONDENTS USING WIFI AT STORES

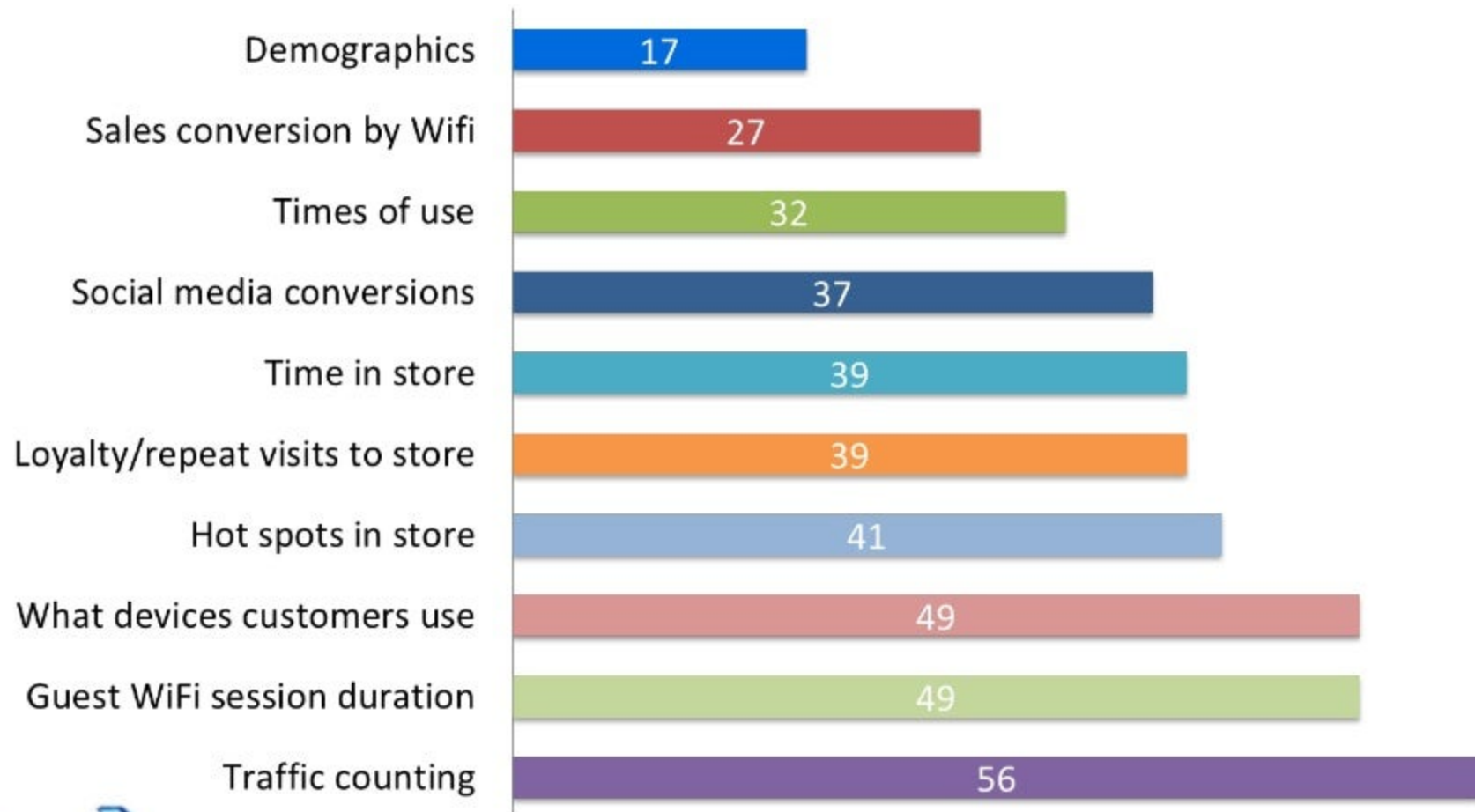


# In-Store Wi-Fi Use Strategy



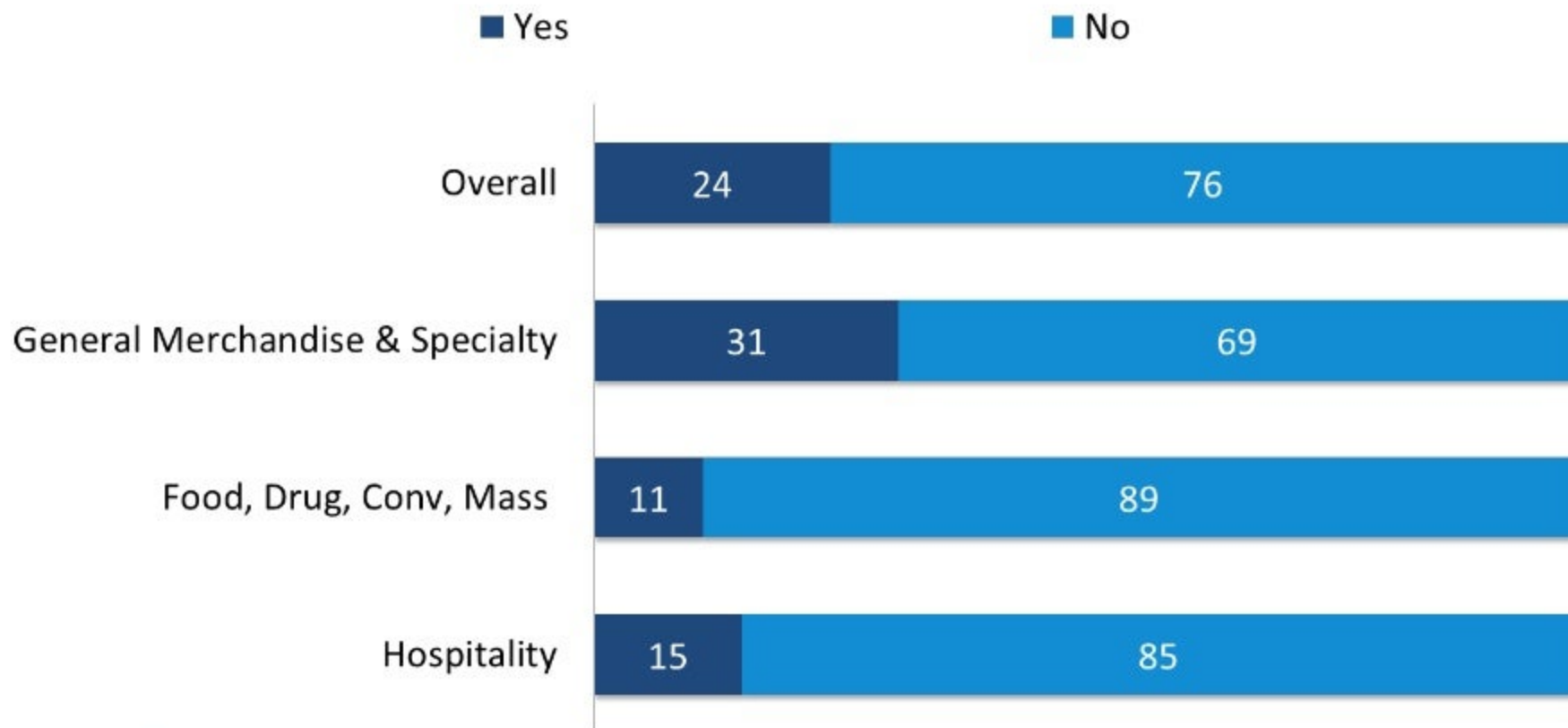
# Analytics Usage of In-Store Wi-Fi

## % RESPONDENTS USING WIFI AT STORES



# Differentiated Use of In-Store Wi-Fi

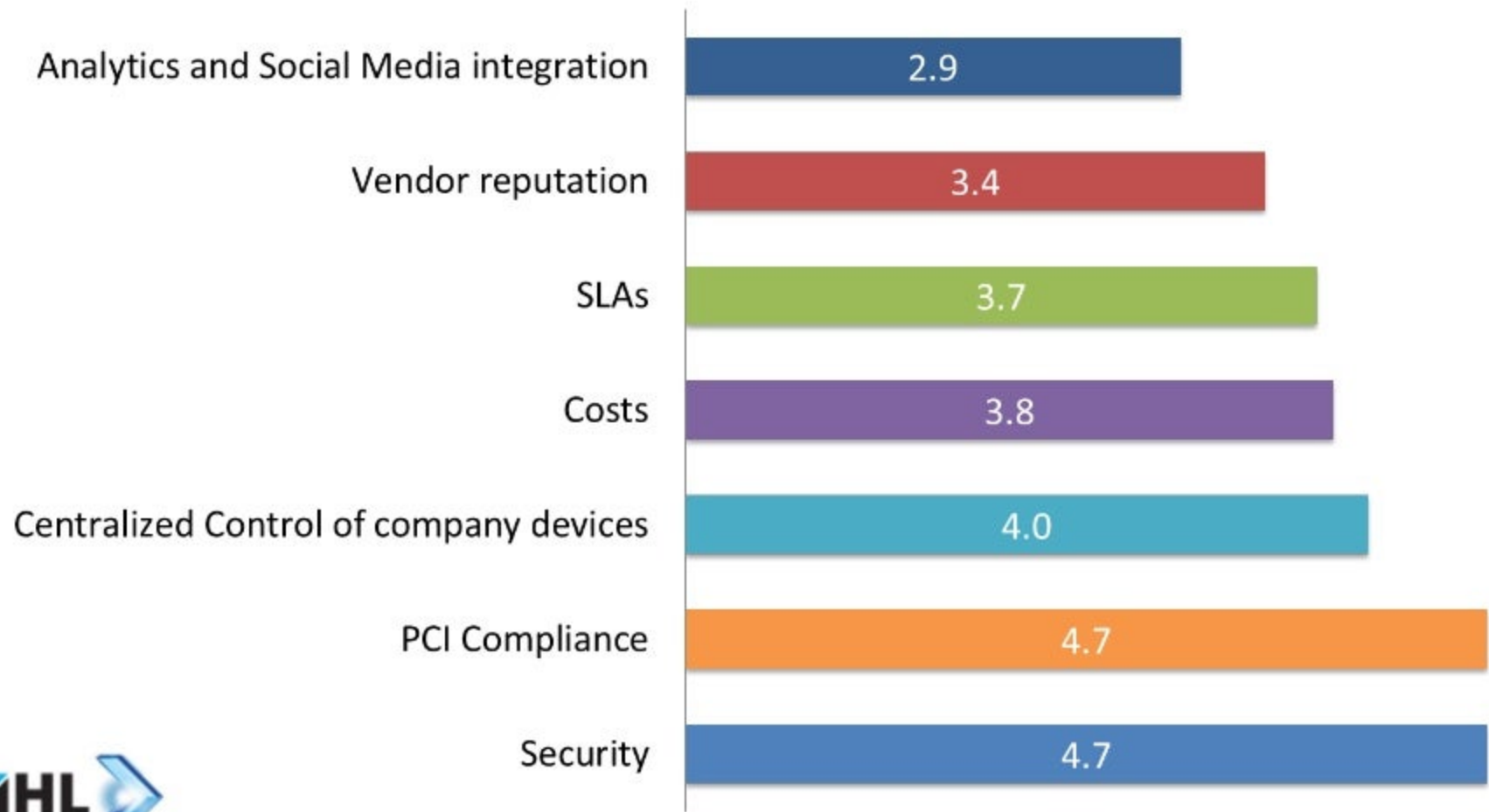
Are you doing promotions to customers over Wi-Fi? %





# Wi-Fi Vendor Selection Criteria

## Top Criteria (1-5, 5 Critical)



# IT Spend on Data Security

|                  | % of IT Budget is on Data Security | % Data Security taken up by PCI |
|------------------|------------------------------------|---------------------------------|
| Overall          | 14.1%                              | 37.7%                           |
| Tier 1 (Over 1B) | 13.8%                              | 32.6%                           |
| Tier 2 (500m-1B) | 13.3%                              | 40.6%                           |
| Tier 3 (<500m)   | 15.1%                              | 42.3%                           |



# The BIG Dilemma

More Security or More Guest Access?

# Secure Guest Wi-Fi



# Secure Guest Wi-Fi

What can you learn from your customers?



# Secure Guest Wi-Fi

What can you learn from your customers?

## Engagement

Does this man need help?

Do you know his name?

Do you even know he's here?





# Secure Guest Wi-Fi

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## Integration

What if your Wi-Fi could feed this information into your POS, CRM, and loyalty systems?



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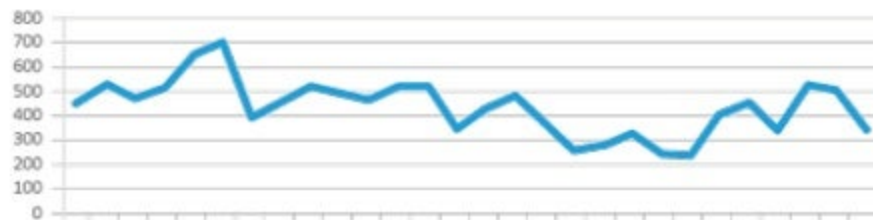
## Integration

What if your Wi-Fi could feed this information into your POS, CRM, and loyalty systems?

Would knowing this make a difference?

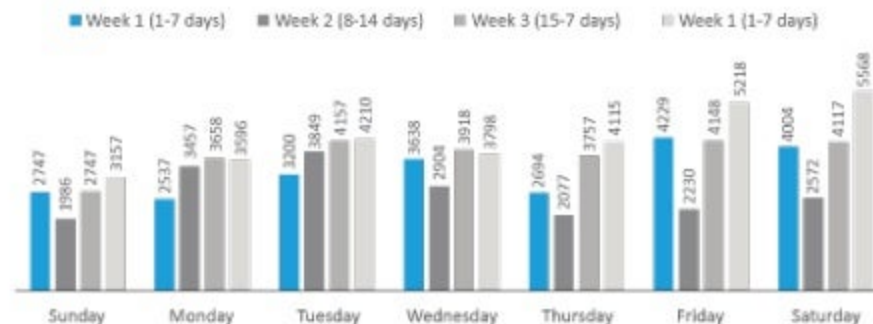


Average Visitors per Store per Day



Foot Traffic Trend per Day

4 Week Cycle



# Secure Guest Wi-Fi

What can you learn from your customers?

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Does this man need help?

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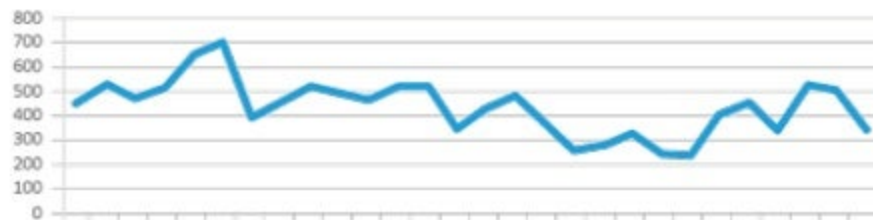
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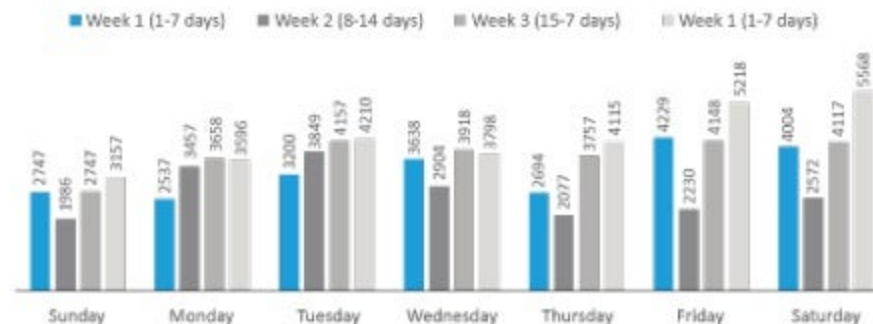


Average Visitors per Store per Day



Foot Traffic Trend per Day

4 Week Cycle





# Stumbling Blocks



AirTight<sup>®</sup>  
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# Stumbling Blocks

What can go wrong?



AirTight<sup>®</sup>  
NETWORKS



# Stumbling Blocks

What can go wrong?



**Mismatched profiles**



**AirTight**  
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# Stumbling Blocks

What can go wrong?



**Mismatched profiles**

**Security gaps**



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# Stumbling Blocks

What can go wrong?



**Mismatched profiles**

**Security gaps**

**Privacy issues**



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NETWORKS



# The Roadmap

How to maximize your new guest Wi-Fi

## Engage your guests

Use guest Wi-Fi to promote loyalty programs and interact with customers

## Secure your Wi-Fi

Ensure your network is safe from wireless intrusions and complies with PCI rules

## Close the loop

Integrate Wi-Fi analytics and guest data with your other in-store information systems

## Observe your space

Presence analytics can show you how many mobile users are in or near your store, how long they stay, and how often they come back



# Impact on Store Network

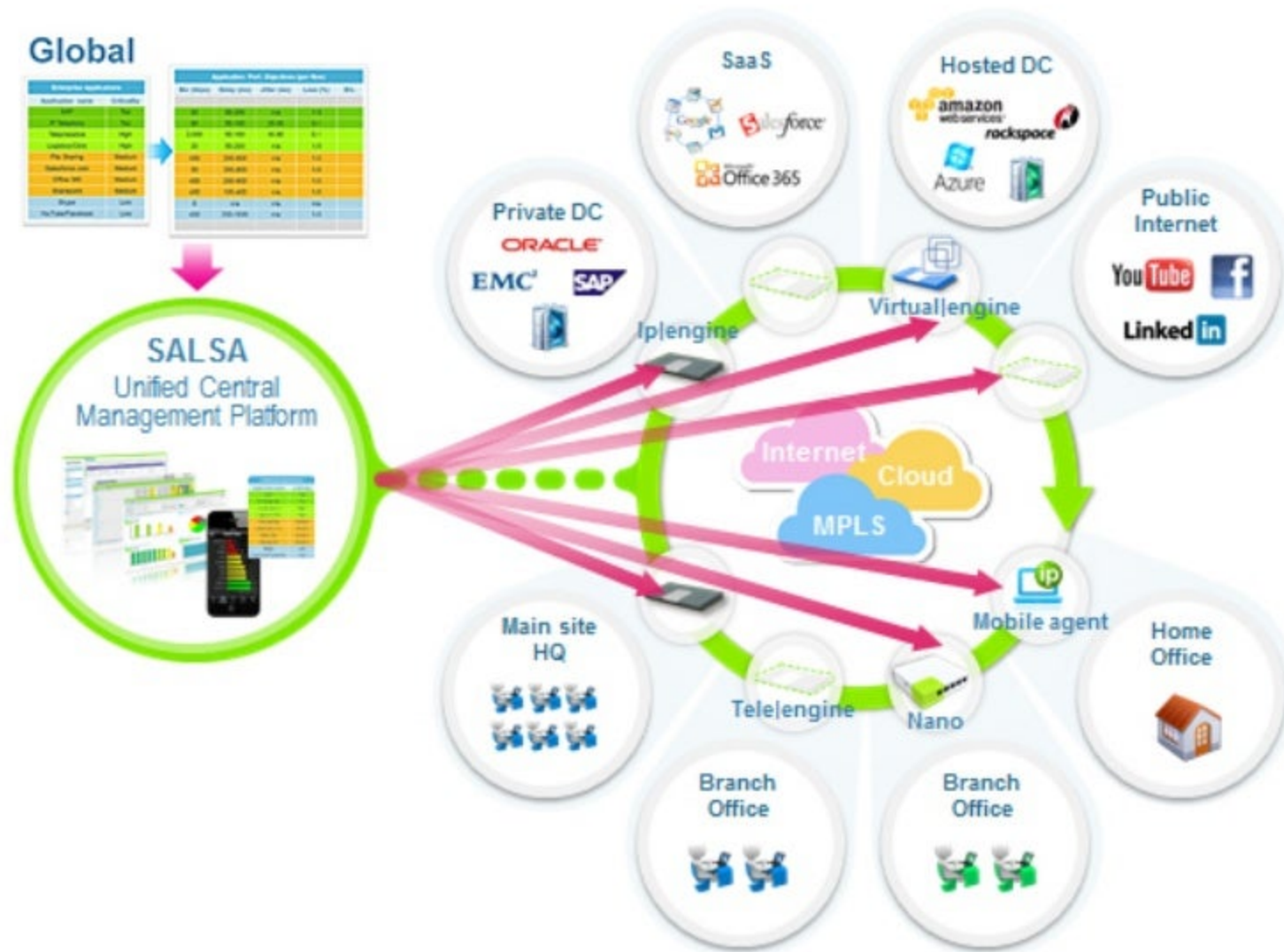


# Applications drive the customer experience





# WAN performance drives applications





# Application Visibility and Control

## Application Visibility

Provides customers with a full understanding of bandwidth usage at the application level for each location.



## Application Control

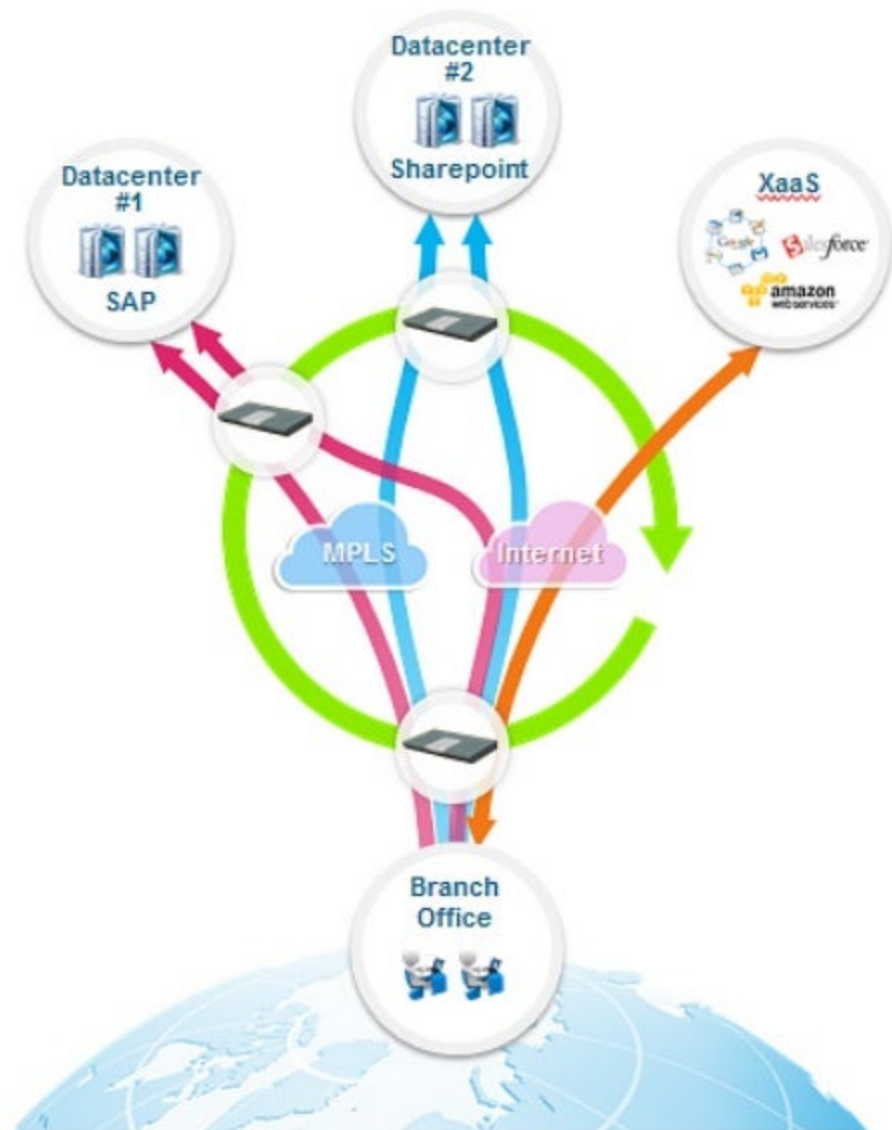
Provides customers with the ability to dynamically adjust network behavior and resources to application traffic demand.

| Enterprise Applications |             | Application Perf. Objectives (per flow) |            |             |          |      |
|-------------------------|-------------|---|------------|-------------|----------|------|
| Application name        | Criticality | Bw (kbps)                               | Delay (ms) | Jitter (ms) | Loss (%) | Etc. |
| SAP                     | Top         | 50                                      | 50-200     | n/a         | 1-3      |      |
| IP Telephony            | Top         | 80                                      | 50-100     | 25-50       | 0-1      |      |
| Telepresence            | High        | 2,000                                   | 50-100     | 40-80       | 0-1      |      |
| Logistics/Citrix        | High        | 20                                      | 50-200     | n/a         | 1-5      |      |
| File Sharing            | Medium      | 400                                     | 200-800    | n/a         | 1-5      |      |
| Salesforce.com          | Medium      | 50                                      | 200-800    | n/a         | 1-5      |      |
| Office 365              | Medium      | 400                                     | 200-800    | n/a         | 1-5      |      |
| Sharepoint              | Medium      | 400                                     | 100-400    | n/a         | 1-5      |      |
| Skype                   | Low         | 0                                       | n/a        | n/a         | n/a      |      |
| YouTube/Facebook        | Low         | 400                                     | 200-1000   | n/a         | 1-5      |      |

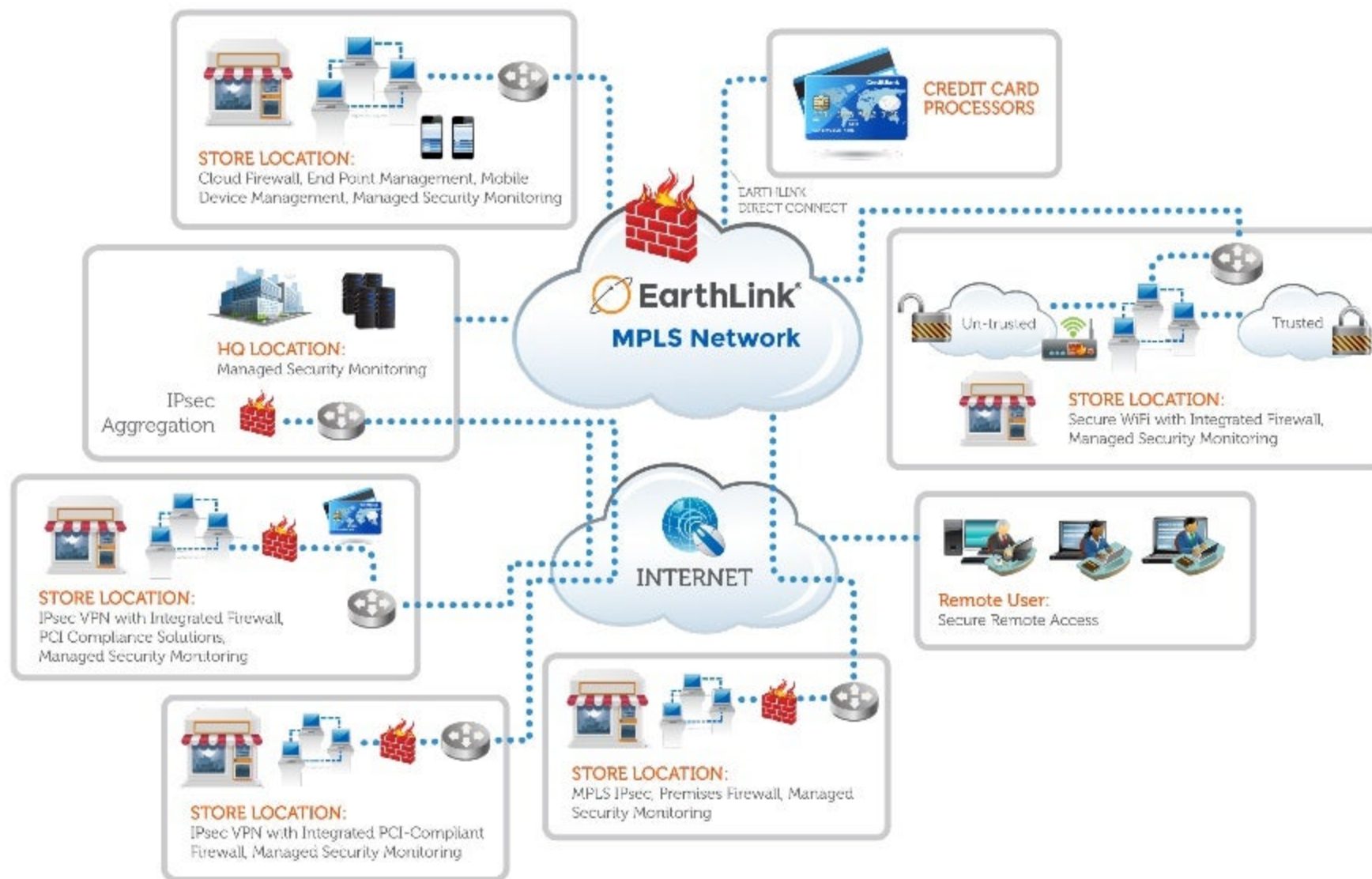
# Dynamic WAN Selection

## Dynamic WAN Selection

Automatically chooses the best access for each application flow to maximize the delivered performance and continuity, while optimizing the usage of each available network at the same time



# EarthLink Secure Storefront



# What about Customer Loyalty?

How does WiFi lend itself to Customer Loyalty and what type of increase does it have on sales?

# Customer Wi-Fi's Influence on Loyalty/Sales

| What percentage say customer Wi-Fi increases customer loyalty by segment | % Saying impact on Customer Loyalty | % Increase in Sales |
|--|-------------------------------------|---------------------|
| Overall  | 28%                                 | 2%                  |
| General Merchandise  | 22%                                 | 2.2%                |
| Food, Drug, Conv, Mass   | 0%                                  | .3%                 |
| Hospitality  | 61%                                 | 2.7%                |



# Employee Wi-Fi Impact on Customer Loyalty/Sales

| What percentage say employee access to Wi-Fi increases customer loyalty by segment | % Saying impact on Customer Loyalty | % Increase in Sales |
|--|-------------------------------------|---------------------|
| Overall  | 48%                                 | 3.4%                |
| General Merchandise  | 53%                                 | 4.3%                |
| Food, Drug, Conv, Mass   | 11%                                 | .6%                 |
| Hospitality  | 61%                                 | 2.5%                |



# Impact on Sales/Profitability for Average Retailer

| Average increases after customer and associate WiFi added. | Avg. Sales Increase % | Avg. EBITA % Rev BEFORE WiFi/Mobile | Avg. EBITA % Rev AFTER WiFi/Mobile | Increase % in EBITA |
|--|-----------------------|-------------------------------------|------------------------------------|---------------------|
| Overall  | 3.4%                  | 5.5%                                | 6.4%                               | 17.3%               |
| General Merchandise  | 6.5%                  | 6.2%                                | 8.2%                               | 32.1%               |
| Food, Drug, Conv, Mass                                     | .9%                   | 4.8%                                | 5.1%                               | 5.8%                |
| Hospitality  | 5.2%                  | 6.1%                                | 7.2%                               | 17.4%               |

GMS retailers can add on average 2 more points to EBITA with WiFi and what that enables.

- Leveling the playing field on information
- Upsell opportunities/Offerings to customers
- Does not include any increase due to increased loyalty

# What about an Average Retailer (\$Millions)

| Average increases after customer and associate WiFi added. | Avg. Sales | Avg. Sales Increase \$ | Avg. EBITA BEFORE WiFi/Mobile | Avg. EBITA AFTER WiFi/Mobile | Increase in EBITA |
|--|------------|------------------------|-------------------------------|------------------------------|-------------------|
| General Merchandise  | \$850M     | \$55.2M                | \$52.7M                       | \$74.1M                      | \$21.4M           |
| Food, Drug, Conv, Mass                                     | \$8,000M   | \$72.0M                | \$384.0M                      | \$410M                       | \$26.1M           |
| Hospitality  | \$1,100M   | \$57.2M                | \$67.1M                       | \$83M                        | \$15.8M           |

Survey Respondents by Segment applied to average retailer sizes per segment

- Dependent on efficiency of the supporting systems

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# Q & A // Panelists

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