How data analytics are making in-store Wi-Fi work for retailers

In today's retail environment, providing customers with connectivity has become nearly ubiquitous. Whether it's through Wi-Fi, beacons or other means, a majority of consumers expect to be able to access the Internet as soon as they step onto the sales floor, and many retailers have been happy to oblige.

While allowing shoppers to browse product information, reviews or even stream entertainment on their smartphones and other mobile devices holds potential value for retailers and undoubtedly allows them to provide a more robust shopping experience, the benefits of implementing a connected sales floor far exceed enabling these simple tasks.

While many retailers may be unaware, these access points are the key to unlocking a treasure trove of valuable data, that would have been inaccessible prior to the digital era.

By positioning in-store Wi-Fi or beacons to harness this valuable data, retailers can gain a vast amount of knowledge regarding consumer shopping habits and how they behave while in the store. This information can be utilised in many different ways, informing retailers of the most effective ways to position and push products and promotions, as well as allowing them to make the most successful real-time decisions in a world in which both consumers and staff are connected to the web at all times.

A wealth of data

Technological developments in Wi-Fi technology have led to networks that are faster and more secure than ever. For example, advances in Wi-Fi access points mean they now have a more focused beam that allows them to be more efficient and capable of handling up to five times more throughput than they were just a few years ago. Modern Wi-Fi access points are designed to handle data being streamed from the millions of potential customers who use smartphones or similar devices daily.

The simple act of logging on to an in-store network can give the retailer an instant dose of valuable data pertaining to the individual customer. This will often include whether they are a new or returning customer, if they are a member of the retailer's loyalty plan, how regularly they come into the store and what their buying trends look like.

If accessing the network requires the shopper to connect via social media, such as their Facebook, Twitter, Google+ or LinkedIn account, the amount of data available to the retailer is increased even further, revealing demographics such as gender, age group and time of shopping, as well as more personal information such as their "likes" or other interests they choose to share on social media. Retailers can also take advantage of the ability to see with whom the customer is associated, such as friends and family members, and target those individuals for future promotions.

Putting data to work

The level of granularity achievable through data analytics has never before been available to retailers, and the ways in which they can utilise this newly acquired data are nearly limitless, granting them the ability to completely transform how they approach marketing. Traditionally, marketing has often been carried out through a "blitz", in which material is sent out to as many potential customers as possible. In this case, a 10 per cent success rate would be considered a successful campaign. But by utilising data acquired from customers in-store, retailers can target the individuals most likely to respond to its marketing, achieving a rate of success as high as 90 per cent.

In addition to gathering information on customer demographics, tracking smartphones from Wi-Fi access points also provides retailers with information on peak times and where footfall is most concentrated, giving management the ability to open up more tills at the correct time so long queues can be avoided while staff do not have to spend time at checkouts when it is not necessary to do so.

Acquiring this sort of customer data also opens the possibility for retailers to conduct social analytics, giving them a unique opportunity to maintain their relationships with customers even after they have left the store.

This will often include issuing e-vouchers, which can be distributed automatically to both entice and reward customers to return to the store, whether they are already a loyal customer or just an occasional visitor. Additional advertising or other marketing content can also be distributed to customers via their smartphones in order to announce the launch of new products or increase the popularity of existing products.

Making the right investment

While the benefits of utilising data analytics are great for any retailer, some have expressed concern that taking advantage of this technology would require a powerful and costly open-access network, which would need frequent updates in order to continue using efficiently.

This doesn't have to be the case. By employing the experience of a managed services provider, retailers can gain access to effective data analytics systems, whether or not they already have a Wi-Fi or other network in place. Data analytics capabilities can painlessly be added on top of existing networks, while retailers who have yet to offer a wireless network can be assured they will be getting the right solution. Since most modern Wi-Fi units require no individual configuration, installation is fast, with the provider building the right solution, irrespective of brand or technology. Upgrading of the technology then takes place as required, without the store

operator having to go through the complex processes of scoping and procurement.

While providing customers with an open-access Wi-Fi network for the customers' sake is an important part of the modern shopping experience, data analytics is the key to making connectivity work for retailers.

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