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Optimizing the end-to-end customer retail journey

**Enhancing the customer experience
and business profitability with
connected retail solutions**

Consumer behavior is driving a digital retail revolution

Shopping habits are changing and savvy retail enterprises are seizing the commercial opportunities – and operational efficiencies – enabled by customer digital engagement.

The digital retail revolution is well underway. Consumers are increasingly taking a digital-first approach, reflecting the dominance of digital devices and online engagement in modern life. Digital touchpoints for customers have been increasing inside stores and online, and in both instances, there is an expectation of a seamless journey.

In retail stores, a growing number of customers prefer using their phones and other digital devices to pay at self-service checkouts, to scan and buy via digital displays, and to use click and collect. In all of these scenarios, reliable wireless connectivity helps ensure that customer journeys are successful and frictionless.

For retailers, there is significant commercial opportunity in ensuring that customer journeys feature excellent customer experience and operational efficiency, enabled by reliable connectivity and seamless digital performance. In fact, research conducted on behalf of Ericsson^{1,2} reveals that 83 percent of retailers regard improving customer experience and operational efficiency as key strategic priorities.

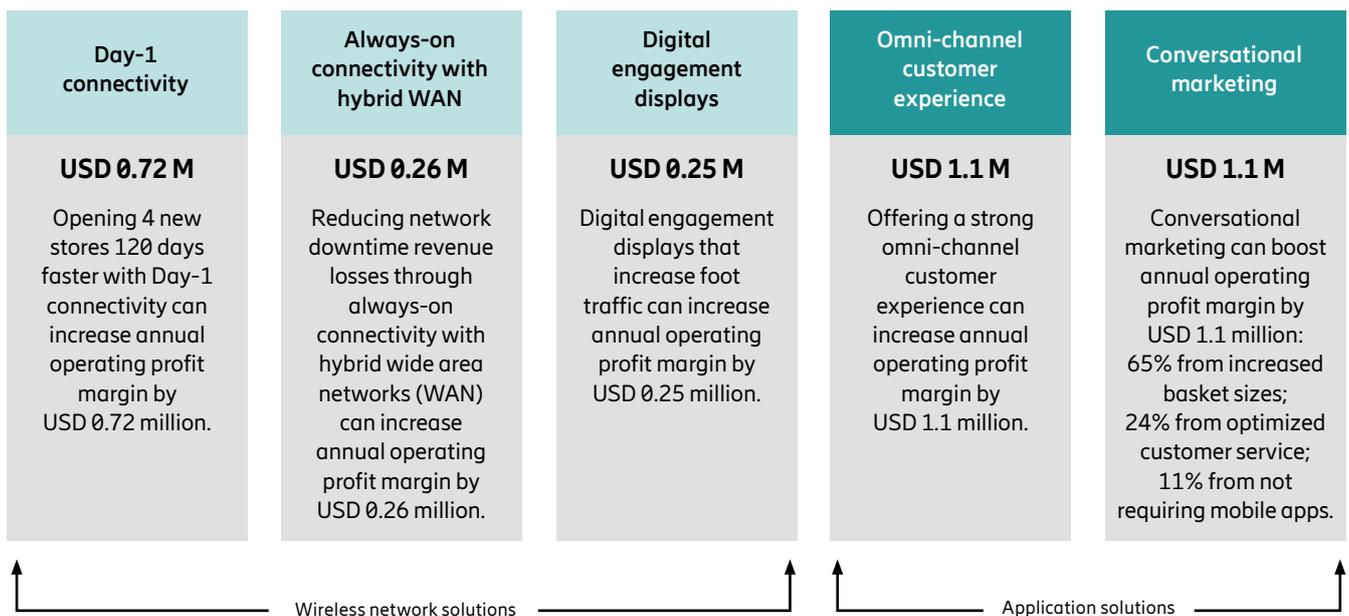
The research involved a comprehensive analysis of potential benefits for a typical midsize clothing retailer³ that applied digital technologies enabled by Ericsson enterprise solutions. Such a retailer could increase its annual operating profit margin

by an estimated 1 percent by implementing the top three wireless solutions in the research. Implementing the two top application solutions could increase yearly operating profit margin by an additional 1.9 percent.

83%

For 83 percent of retailers, improving customer experience and operational efficiency are key strategic priorities.

Figure 1: Opportunities for a clothing retailer from wireless network and application solutions



¹ Arthur D. Little analysis. Enterprise Strategy Group Economic Validation, Ericsson, [“Analyzing the economic benefits of enterprise cellular solutions in branch locations”](#) (September 2024).

² Arthur D. Little analysis. IDC Snapshot, Ericsson, [“Driving Retail Growth by Enhancing Customer Experience and Improving Operational Efficiencies”](#), #EUR152895724, (January 2025).

³ Based on a clothing retailer with a USD 120 million annual revenue comprising 70 percent from physical stores and 30 percent from e-commerce, together with a 5 percent operating profit margin.

Wireless network solutions can boost retail site operating profit margins

The potential value of wireless network solutions at retail sites is significant, with total annual value equating to USD 2.7 million for a typical clothing retail chain.

Wireless network solutions provide retail store customers with uninterrupted connectivity and personalized engagement through digital displays.

The research on behalf of Ericsson¹ quantifies the significant potential commercial advantages for bricks-and-mortar retailers that install Ericsson's wireless network solutions.

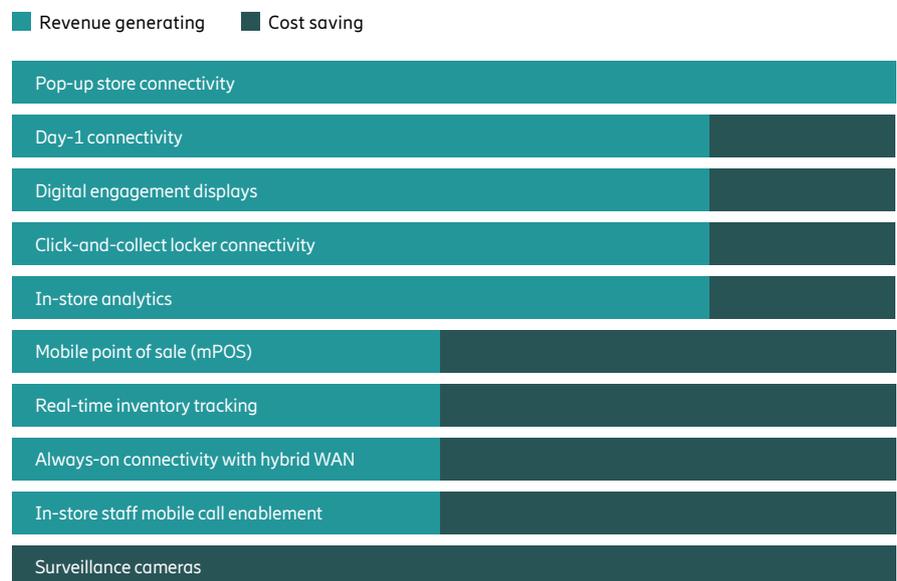
The research analysis is based on a theoretical typical mid-sized retail chain active in apparel and accessories, with a focus on clothing. It has 50 sites in Western Europe and an annual revenue of USD 120 million, comprising 70 percent from physical stores and 30 percent from e-commerce, together with a 5 percent operating profit margin.

For this typical clothing retail chain, the benefits of applying all use cases identified in the research equate to a total site use place annual value of USD 2.7 million. Applying the three key use cases could generate USD 1.2 million in annual value, equating to a 1 percent additional operating profit margin for a major clothing retailer.

The three key use cases are:

- **Day-1 connectivity:** Faster time-to-revenue when opening new stores with zero-touch wireless network provisioning that eliminates reliance on time-consuming wired installations.
- **Always-on connectivity with hybrid WAN:** Continuous, fail-safe connectivity and near 100 percent uptime by combining cellular with fixed-line networks, once they are installed.
- **Digital engagement displays:** Wirelessly powered, easily moved smart kiosks and digital signage for advertisements, product promotion, product lookups, and customer self-service.

Figure 2: Use case opportunities for a clothing chain from wireless network solutions at its retail sites



Source: Arthur D. Little; Ericsson

100%

Always-on connectivity with hybrid WAN can benefit a retailer by enabling near 100 percent network uptime.

Beyond these three use cases, wireless connectivity could add a further USD 1.5 million value to a retail site through increased point-of-sale system uptime and flexibility; quick, infrastructure-less pop-up store connectivity; and smart surveillance cameras for loss prevention.

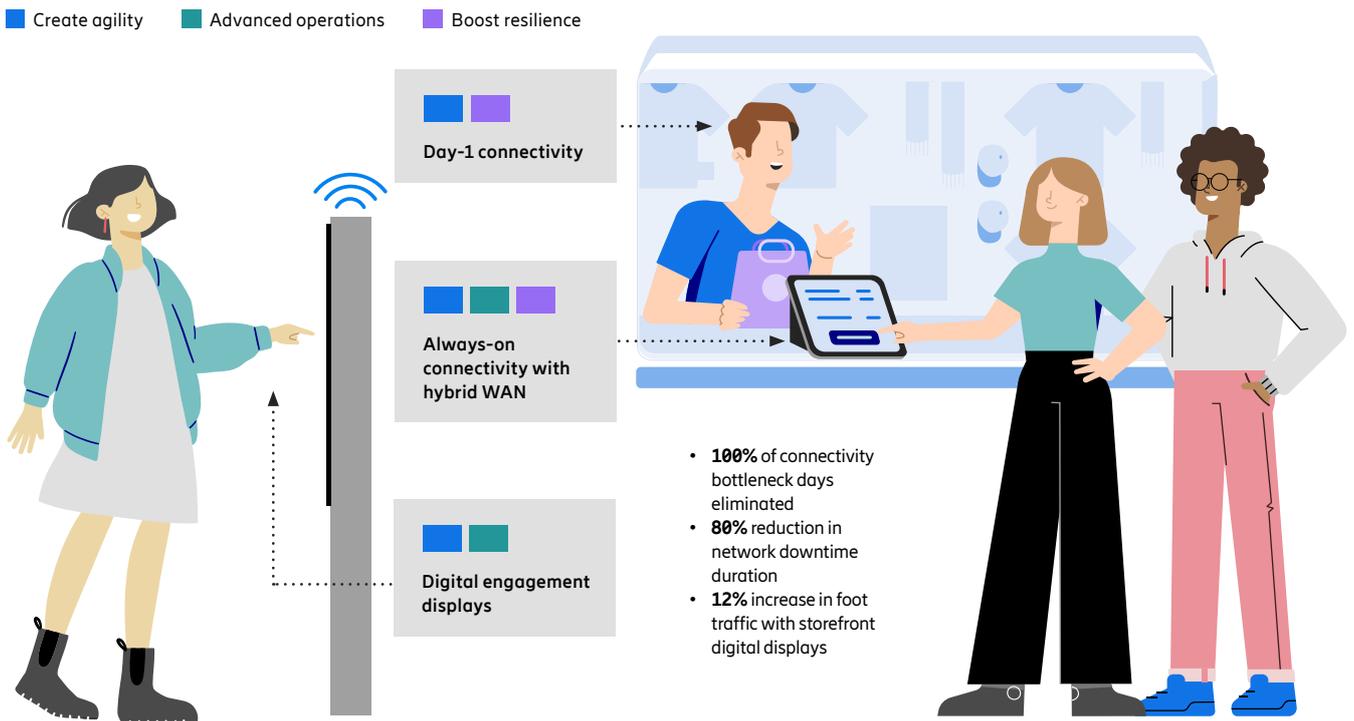
All of the use cases are enabled by Ericsson Enterprise Wireless Solutions 5G/LTE routers and the cloud management platform NetCloud Manager. The benefits derived from the use cases include shorter time-to-revenue when opening up new stores, a reduction in network downtime, and enhanced marketing and customer experience.

Figure 2 shows how most of the use case opportunities enabled by wireless network solutions add value through a combination of revenue generation and cost saving. The exceptions are pop-up store connectivity, which purely generates revenue, and surveillance cameras, which are solely cost saving.

¹ Arthur D. Little analysis. Enterprise Strategy Group Economic Validation, Ericsson, "Analyzing the economic benefits of enterprise cellular solutions in branch locations" (September 2024).

² Based on a clothing retailer with USD 120 million in revenue, comprising 70 percent revenue from 50 physical stores and 30 percent from e-commerce, together with a 5 percent operating profit margin.

Figure 3: Key value opportunities for a clothing chain from wireless network solutions at its retail sites



Enabled by Ericsson Enterprise Wireless Solutions 5G/LTE routers and the cloud management platform NetCloud Manager.

Top use case value at retail sites is USD 1.2 million

Top use cases	Pain points addressed	Value generated
Day-1 connectivity Open 4 new stores 120 days sooner – USD 0.72 million	<ul style="list-style-type: none"> • Getting wired WAN can take 120+ days • Wired connectivity is expensive • High effort in getting wired connectivity 	Shorter time-to-revenue (takes one day to get cellular) <ul style="list-style-type: none"> • No cabling needed in new deployments • Reduced complexity • Can be deployed and managed from anywhere
Always-on connectivity with hybrid WAN Reduced network downtime revenue losses – USD 0.26 million	<ul style="list-style-type: none"> • Network downtime, leading to loss of revenue, customer dissatisfaction, etc. • Complex network management • Network security concerns 	100% network uptime and high-performance network <ul style="list-style-type: none"> • Network security • Troubleshooting without stepping on-site (OOBM)* • No need to install additional expensive cables for connectivity
Digital engagement displays Increased foot traffic – USD 0.25 million	<ul style="list-style-type: none"> • Wired connection unduly limiting • Connecting to core network increases cyber risk exposure • Staff needed to assist customers 	Enhanced marketing and customer experience <ul style="list-style-type: none"> • Isolate from the POS** network for security reasons • Units such as kiosks can easily be moved within a store or site • Fewer staff needed on the floor

Additional use cases value at retail sites is USD 1.5 million

Additional use cases
Pop-up store connectivity
In-store analytics
Click-and-collect locker connectivity
Mobile point-of-sale
Real-time inventory tracking
Surveillance cameras

2.7m

Ericsson’s enterprise network solutions can bring a potential added value of USD 2.7 million to a retail chain, which is a 2.3 percent additional operating profit margin.

All USD values represent annual operating profit margin gains.

Potential added value based on a clothing retailer with USD 120 million annual revenue, comprising 70 percent revenue from 50 physical stores and 30 percent from e-commerce, together with a 5 percent operating profit margin.

Source: Arthur D. Little; Ericsson

*Out-of-band management

**Point of Sale

Source: Arthur D. Little; Ericsson

Application solutions can increase digital retailers' operating profit margins

For digital retailers, application solutions can bring a total digital site value of USD 6.9 million.

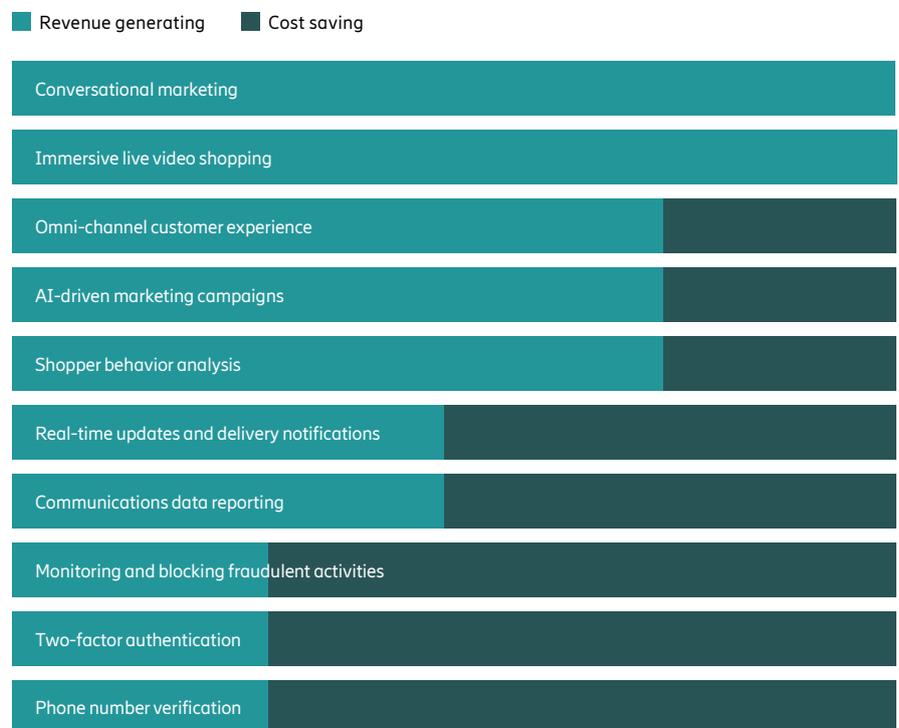
Customers are increasingly shopping online, and their experiences can be elevated by application solutions that enhance engagement.

For retailers, this brings considerable opportunities. Research on behalf of Ericsson¹ shows that at present only 42 percent of consumers are very satisfied when communicating with businesses, indicating room for improvement in how retailers interact with customers. It also shows how retailers could increase their operating profit margins by utilizing application solutions that enable customers to interact seamlessly across multiple retailer channels, opening up opportunities to increase conversion rates. These application solutions are enabled by Ericsson Vonage's fully programmable unified communications, contact center and conversational commerce applications, and communications APIs.

The research analysis is based on a theoretical typical clothing retail chain with an online presence.² It shows that the benefits of applying all use cases identified in the research equate to a total annual connectivity digital site value of USD 6.9 million, which is a 5.7 percent additional operating profit margin. Applying the two key use cases could generate USD 2.2 million in annual value, equating to a 1.9 percent additional operating profit margin. The two key use cases are:

- **Omni-channel customer experience:** Integrates multiple communication channels (chat, email, social media) with customer relationship management (CRM) systems to create seamless, personalized customer interactions.
- **Conversational marketing:** Real-time, personalized messaging (for example, via WhatsApp and SMS) to engage customers during their buying journey.

Figure 4: Use case opportunities for a clothing chain from application solutions at its digital sites



Source: Arthur D. Little; Ericsson

In addition, retailers can gain further opportunities from application solutions by rolling out new features such as AI-driven marketing campaigns, two-factor authentication, and shopper behavior analysis. The benefits derived from these additional use cases include having the flexibility to use multiple channels seamlessly, which produces benefits including faster issue resolution, and higher conversion rates as a result of targeted and personalized marketing, as well as increased customer engagement and experience.

42%

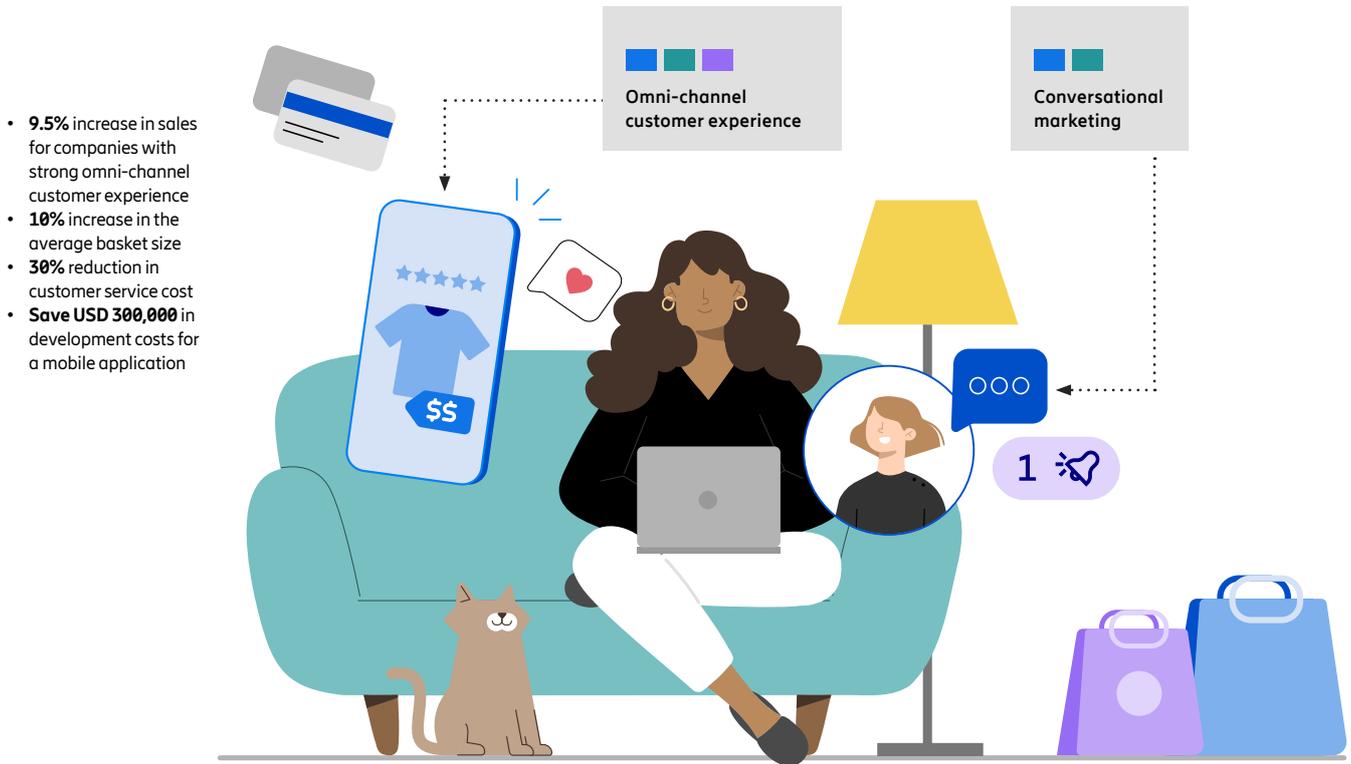
Only 42% of consumers are "very satisfied" when communicating with businesses.

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² Potential added value based on a clothing retailer with USD 120 million in revenue, comprising 70 percent revenue from 50 physical stores and 30 percent from e-commerce, together with a 5 percent operating profit margin.

Figure 5: Key value opportunities for a clothing chain from application solutions at its digital sites

■ Create agility ■ Advanced operations ■ Boost resilience



Enabled by Ericsson Vonage unified communications, contact center, conversational commerce and communications APIs.

Top application solutions use case value at digital sites is USD 2.2 million

Top use cases	Pain points addressed	Value generated
Omni-channel customer experience Strong customer experience instead of a weak one – USD 1.1 million	<ul style="list-style-type: none"> • Limited channel options (such as only email) • Customers having to repeat basic information across channels and agents • Impersonal service 	Flexibility to use multiple channels seamlessly: <ul style="list-style-type: none"> • Faster issue resolution • No need to repeat basic information • Agent more aware of customer needs because of historic track record • 24/7 availability with self-service options
Conversational marketing Increase basket sizes, optimize customer services, save cost of mobile application – USD 1.1 million	<ul style="list-style-type: none"> • High cart abandonment rates • Lack of personalization • Limited insights into customer needs 	Higher conversion rates: <ul style="list-style-type: none"> • Targeted and personalized marketing • Increased customer experience and engagement • Enhanced operational efficiency from using AI-powered automation • Improved loyalty and brand image

Additional application solutions value at digital sites is USD 4.7 million

Additional use cases
Immersive live video experiences
AI-driven marketing campaigns
Shopper behavior analysis
Real-time updates and delivery notification
Communications data reporting
Monitoring and blocking of fraud activity
Two-factor authentication
Phone number verification

6.9_m

The total potential annual value of Ericsson’s application solutions at a clothing retailer’s digital sites is USD 6.9 million, which is a 5.7 percent additional operating profit margin.

All USD values represent annual operating profit margin gains.

Potential added value based on a clothing retailer with USD 120 million annual revenue, comprising 70 percent revenue from 50 physical stores and 30 percent from e-commerce, together with a 5 percent operating profit margin.

Source: Arthur D. Little; Ericsson

The value of engaging in the end-to-end customer retail journey

Retailers can boost their customer appeal and profitability by implementing wireless network and application solutions to meet customers’ needs across their retail journeys.

Shopping has changed from when potential customers browsed shop windows and in-store displays before making a purchase. Nowadays, browsing prior to purchasing has become experiential and interactive, both in-store and in the digital world.

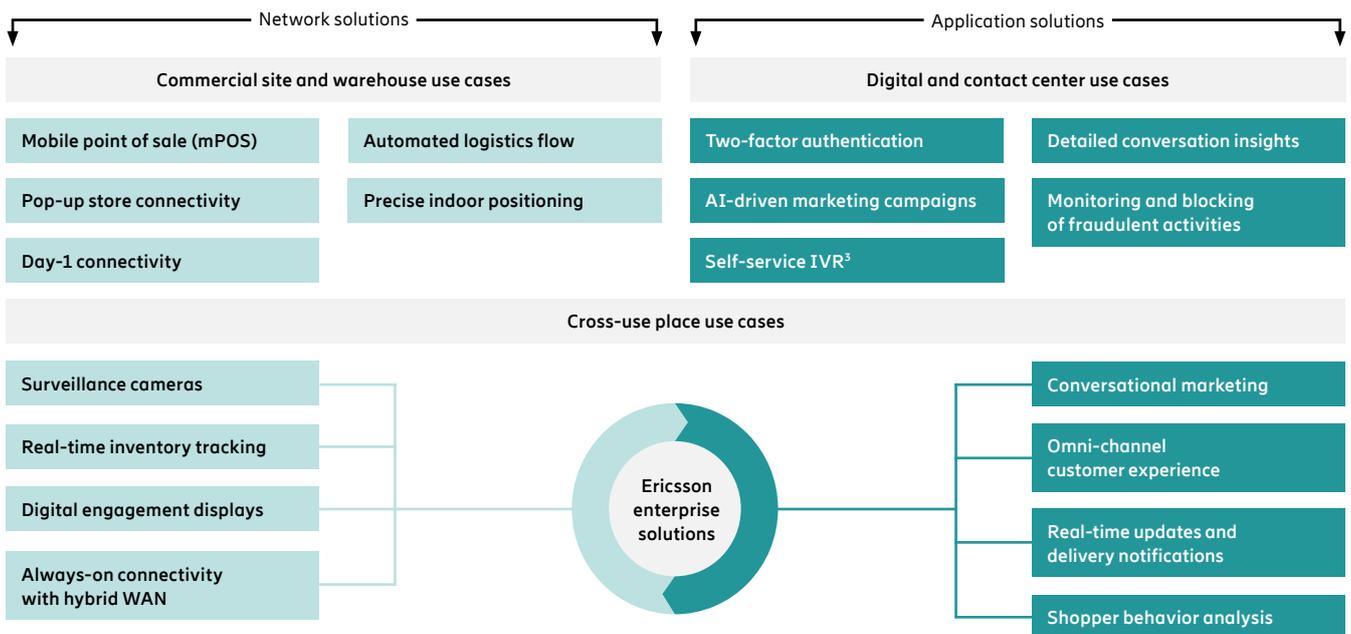
The research for Ericsson^{1,2} quantifies why it is essential for retailers to meet these needs by deploying both network and application solutions throughout the entire customer journey. It shows that 88 percent of customers rate in-store shopping experiences as being as important as the product or service offered. In addition, only 42 percent of shoppers are “very satisfied” by communications in their digital retail experiences.

So, what does the successful deployment of Ericsson’s network and application solutions for the end-to-end customer journey look like for retailers?

Already, Ericsson has enabled 36,000 active wireless WAN customers and over 2.9 million endpoints in over 50 countries. Ericsson’s communication platform and APIs are currently serving 100,000 business customers, including a community of 1.6 million registered developers. Ericsson’s wireless solutions include wireless WAN, zero trust security and SD-WAN, private 5G, and enterprise 5G coverage. Ericsson’s communications platform brings together intelligent, AI-driven unified communications and contact center solutions, as well as conversational

commerce and communications APIs. This means that in bricks-and-mortar retail spaces, retailers can offer customers uninterrupted connectivity and personalized engagement, such as responsive digital displays, seamless self-service billing and checkout processes, and fast collection from parcel cabinets. In the online world, retailers can leverage application platforms to analyze customer purchase data – both in-store and online – and can deliver targeted advertising or tailored recommendations via SMS, email, or social media. Finally, in the post-purchase stage, retailers with contact centers with omni-channel strategies can continue engaging with customers and leverage insights into, for example, historical purchase data.

Figure 6: Retail opportunities from wireless network and application solutions across the customer journey



Source: Arthur D. Little; Ericsson

¹ Arthur D. Little analysis. Enterprise Strategy Group Economic Validation, Ericsson, “Analyzing the economic benefits of enterprise cellular solutions in branch locations” (September 2024).

² Arthur D. Little analysis. IDC Snapshot, Ericsson, “Driving Retail Growth by Enhancing Customer Experience and Improving Operational Efficiencies”, #EUR152895724, (January 2025).

³ Interactive Voice Response.

About Ericsson

Ericsson's high-performing networks provide connectivity for billions of people every day.

For nearly 150 years, we've been pioneers in creating technology for communication.

We offer mobile communication and connectivity solutions for service providers and enterprises.

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