

CASE STUDY



How much longer with WiFi?

According to global surveys by iPass, the average duration of a WiFi session in chain stores is 68 minutes.

Retail chains using SPARK WiFi solutions include:

- cafés
- restaurants
- pubs
- gas stations
- cinemas
- car-washes
- hair salons

iPass Mobile Broadband Index 2008:

Connections from chain stores make up 26% of the total commercial WiFi use worldwide.

The annual increase in the number of this type of sessions was 56%.



Provisioning of wireless Internet access services in chain stores enables an increase in the number of customers and their loyalty, positively affecting core business revenue.

WiFi-enabling retail chains with SPARK

INTRODUCTION

SPARK is a hardware and software solution for deploying wireless, carrier-grade, high-speed Internet access compliant with the European Union data retention directive.

SPARK has been deployed across a number of retail chains, such as pubs, cafés, restaurants and others.

BUSINESS RATIONALE

In the era of great competition, attracting customers to products or core services often requires a wide array of actions. Most of the retail chains conduct large-scale, costly advertising campaigns, loyalty programs and promotions.

Encouraging potential customers to visit a particular chain store requires riveting them. Even more difficult are attempts to take over the rival's customers, often very brand-loyal. All these actions require identifying a distinguishing element or a value-added service.

Attracting a customer is one thing, the other is maximizing the sale. Product and service packages as well as sales techniques influencing the customers' choice are ubiquitous, but nevertheless produce only partial effect.

Making wireless Internet access available to customers in chain stores seems to be therefore a great and cost-effective solution for both issues. On one hand it gives retail chains an opportunity to differentiate from (or keep up with) their rivals and attract a greater number of customers. On the other hand it maximizes the chance of better sales through keeping the customer longer as well as – depending on the business model – gain additional profit from providing the service.



REQUIREMENTS

As in the case of most technology investments, the key factor is the cost. However, a correct identification of the actual cost is only possible after realizing how many aspects are essential when choosing a suitable solution.

CASE STUDY

According to an internal survey, the most important issues for our customers when deploying a WiFi solution include:

- **Flexible business model** – ability to determine Internet access payment tariffs, payment types and various methods of authorization (SMS, credit card, voucher or custom, e.g. by filling in an on-line marketing survey).
- **Availability of business reports** on Internet usage, customers' number, session times and durations, etc.
- **Flexibility in configuration** including customizable login portal pages, various look and feel on different hotspots, free access sites and black lists.
- **Ease of use** via a user friendly graphical interface.
- Requirement for telecommunications **data retention**, imposed by the EU directive.
- **Consistent image** of the chain stores and their services.



DEPLOYMENT

Due to commercial-off-the-shelf approach, our customers can quickly deploy wireless Internet services. A typical project duration does not exceed a few weeks, during which the following tasks are performed:

- Business and technical analysis,
- Hardware and software installation.
- System configuration (tariffs, portal pages, etc.).

BENEFITS

The key benefits from deploying SPARK include the following:

- **Increase in core business revenue** – due to keeping the customer for longer and the opportunity to present product advertisements.
- **Customer rate increase** – thanks to attractive, distinctive service.
- **Operating and access cost decrease** through a bandwidth management mechanism, allowing the choice of the most cost-effective ISP access service.
- **Time and money savings** due to easy and independent service access model configuration: unrestricted tariff and service management.
- **Flexibility for the customer** – support of many different ways of payment: credit cards, SMS, pre-paid scratch cards or free access.
- **Loyalty programs' support** – payment for Internet access with programme points.
- **Consistent image** through complete customization of the interface to the brand design.
- **Better targeting** due to presentation of a chosen content and session analysis.
- **Compliance with the EU data retention directive.**

RETURN ON INVESTMENT (ROI)

Based on the experience of catering chains using SPARK, the return on the investment can be estimated using the following factors:

Commercial Internet access

- A café on the main street of a big city: **3%** of the customers, apart from buying core products, buys one-hour Internet access.
- A restaurant chain: **100 scratch cards a month** per restaurant sold on average with an increase of **approx. 50 customers**. The estimated revenue has been 80% of the Internet fees and an increase in the core services' sale.

Free-of-charge Internet access

- After implementing a free-of-charge Internet access, a pub in south-west London recorded **8% increase** in the number of customers.
- A café chain: approx. **10%** of the customers uses the wireless Internet access. About 60% of them orders an additional product.

SUMMARY

Due to long-term experience in the WiFi domain and a solid, ready-to-use product, Verax Systems has provided its customers with an offer of a very attractive service, which contributed to sales and customer loyalty increase.

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Verax Systems is a software house and a consultancy & solution provider specializing in advanced and innovative IT solutions for the telecommunications, banking and enterprise markets. Since its incorporation, Verax Systems has successfully provided services and delivered numerous projects on five continents.

Offices

Newark, DE (U.S.A.)
Newton Abbot (United Kingdom)
Dublin (Ireland)
Poznań (Poland)
Munich (Germany)

www.veraxsystems.com