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### Retailers are Moving to the Cloud to Create New Customer Experiences (<https://www.vandis.com/insights/retailers-are-moving-to-the-cloud-to-create-new-customer-experiences/>)

Posted on August 31, 2021 by Vandis

*Personalization and omnichannel are driving the new retail end game. To get there, retailers are taking their operations to the cloud.*

The last decade has seen a dramatic shift in retailing. Whether online, via mobile devices or brick-and-mortar, consumers want shopping experiences that, according to McKinsey (<https://www.mckinsey.com/industries/retail/our-insights/personalizing-the-customer-experience-driving-differentiation-in-retail>), provide multiple, personalized touchpoints that enable them to allocate their time and money according to their preferences. Personalization is so powerful that 71% of consumers (<http://grow.segment.com/Segment-2017-Personalization-Report.pdf>) feel frustrated when a shopping experience is impersonal and 83% ([https://www.accenture.com/\\_acnmedia/PDF-77/Accenture-Pulse-Survey.pdf](https://www.accenture.com/_acnmedia/PDF-77/Accenture-Pulse-Survey.pdf)) are willing to share personal data for a more personalized experience

#### **Omnichannel eliminates channel boundaries**

Regardless of where the retail experience begins and ends – online or in-store or vice versa - customers also want it to be seamless. This demand for an omnichannel experience is the other key driver impacting retail today, requiring retailers to align in-store and online experiences. By enabling mobile ordering and in-store pickup to minimize long waits at checkout; arming sales associates with mobile devices and apps to check previous purchase history to better assist the customer or making in-store inventory available online, the boundaries between channels are diminishing.

“A cloud-based core makes it easier for the company to respond to spikes in demand and also make transformational changes to the business.”

[Deloitte \(https://www2.deloitte.com/us/en/pages/consumer-business/articles/six-cloud-migration-strategies-for-consumer-products-and-retail.html\)](https://www2.deloitte.com/us/en/pages/consumer-business/articles/six-cloud-migration-strategies-for-consumer-products-and-retail.html)

As retailers enter a post pandemic world, the imperatives for always-on shopping, personalization and omnichannel, which were underway before COVID-19, have accelerated. Many retailers still have a disparate array of legacy systems, which cannot accommodate the real-time interactions necessary to support digital transformation and maintain the uptime necessary to keep revenues going and retain customers.

An e-commerce experience can be built on-premise. However, by utilizing the cloud, retailers can expand the reach of their infrastructure to provide both in-store and online customers with low latency and high-performance interactions with local data centers even during peak demand holiday periods. Dynamic connectivity and the ability to scale without geographical or hardware restrictions, while also reducing the latency from the POS in the store to the backend ERP and inventory tool, are crucial to maintaining relevance in today’s retail and e-commerce environment.

By 2026, the global cloud retail market (<https://www.fortunebusinessinsights.com/industry-reports/retail-cloud-market-101599>) is expected to reach \$39.63 billion, which represents a 16.3% CAGR from \$11.89 billion in 2018. Retailers are not just looking at a single public cloud provider to host their data, they are looking at leveraging two to three public clouds. The redundancy and scalability made possible with a cloud/multi-cloud environment protects retailers and e-tailers from losing massive amounts of revenue in the event of a single cloud outage.

### **Cloud Environment is Transformational**

**Faster access to more data:** Cloud technology enables retailers to gather consistent and personalized data from multiple sources, including web, mobile applications, email, live chat and even in-store interactions with low latency to give them a unified view of the customer across transactions and channels. Using this data, retailers can target customers with tailored content, special offers and promotions.

**Enhanced workforce communication:** The use of the cloud boosts agility and flexibility among employees to better service customers through real-time access to product, inventory and promotional information. Employees also can reach other departments for collaboration, upsell and to gather customer information.



Shorter wait times: Employees can accept payments from anywhere in the store via mobile

services, minimizing checkout times. At the same time, they can enroll customers in loyalty programs

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without the long wait times.

**Cost and time savings:** Retail cloud solutions simplify operations. Managing disparate systems and technology across many locations is expensive and time consuming. Furthermore, cost of expanding data storage on-premise is prohibitive. Not only is the initial setup cost for cloud data storage less than that for on-premise solutions, there also can be long-term costs savings. Cloud data storage services typically are pay as you go, so retailers can scale as they need without incurring additional hardware, Rackspace and maintenance costs.

### **Overcoming the network hurdle**

Cloud adoption enables retail organizations to transition from expensive legacy connectivity such as WAN MPLS to Direct Internet Access (DIA), Consumer Internet Access (CIA) and SD-WAN technology between distributed retail locations.

Azure Virtual WAN is a networking service that allows customers to leverage Microsoft's massive Azure global network to build high-speed global transit network architectures to access cloud computing services. Virtual WAN allows retail organizations to connect locations to each other and Azure, centralizing their network and security needs with virtual appliances such as firewalls and Azure network and security services.

Also available is Azure ExpressRoute, which lets companies seamlessly extend on-premises networks into Microsoft Azure.

### **Vandis Quick Starts Makes Retail Cloud Migration Easy and Secure**

Vandis' Quick Starts overcome the challenges retail organizations face when connecting, securing and scaling cloud environments. Our process enables you to quickly deploy an Azure or AWS environment to support best practices. As part of our Infrastructure Quick Start, Vandis will build your cloud Landing Zone with added security through North-South and East-West traffic inspection. Our architecture allows you to easily scale within your region or expand to other regions.

Vandis' Hybrid Connectivity Quick Start alleviates the difficulty of securely creating connections between retail locations and cloud environments. This Quick Start eliminates downtime and assures data is secure and available.

If high bandwidth and low latency performance is a requirement, Vandis will integrate or optimize direct connections into your AWS or Azure environment.



You can find out more about Vandis' Quick Starts by calling 516-281-2200, or emailing

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