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TECHNOLOGY: BROADBAND

INFORMATION SUPERHIGHWAY

Retail is evolving, with a little help from broadband. From virtual area manager visits to widening stock ranges, the possibilities are endless. **Joanna Perry** finds out what's top of retailers' wish lists

Broadband Britain is a term that applies just as much to the country's retailers as to its consumers. Slowly but surely, retailers of all sizes are linking up their stores and head office sites using always-on internet connections that allow new ways of working and new services to be delivered to stores.

There are a number of technologies and techniques that retailers and their service providers can employ to create broadband wide area networks (WANs) and some networks are created using the infrastructure of multiple telecoms providers. The question is, once you have set one up, how should you use it to gain maximum advantage?

This year, Stylo rolled out a broadband network supplied by BT, before upgrading its EPoS system.

Stylo IT director Adam Turner likens the operation to a three-tiered cake, with business strategy on

top, information systems strategy in the middle and pure IT strategy – including infrastructure – at the bottom. He says the infrastructure tier is essential in order for anything else to be layered on top.

But if this is the case, why has Stylo not invested in broadband earlier? Turner says: "It is down to the fact that we weren't in a position as a business to move forwards. Our investments in systems were five or so years old and we needed to make sure that we got the most out of them."

Mosaic Fashions has taken a similar approach, rolling out a network provided by Vodat International to complement an EPoS roll-out.

Mosaic Fashions IT director John Bovill says of broadband networks: "It is a utility, at the end of the day. It is more and more commoditised. The focus should be on the services you can add on."

The high volume of acronyms

associated with broadband WANs is considerable, even for an industry where their use is hardly frowned upon. But according to some retailers, the few letters that identify different types of broadband networks can make a considerable difference.

Tie Rack has just renewed a contract for a managed multi-protocol label switching [MPLS] broadband network, with communications integrator **2e2**.

2e2 line of business director Adam Kamruddin explains that his company first proposed broadband from telecoms provider Tiscali, because it offered a way to create future-proof WANs without incurring the substantial costs that other telecoms firms were charging three years ago.

He explains: "Tiscali offered a 50:1 contention ratio, which was much cheaper than the 5:1 or 1:1 ratios of other services." The contention ratio is the ratio of the potential maximum demand to the actual bandwidth. The higher the contention ratio, the greater the number of users that may be trying to use the bandwidth at any one time and, therefore, the lower the effective bandwidth offered, especially at peak times. This contention ratio was appropriate for what Tie Rack wanted to do with the network.

Kamruddin adds: "We explained to Tie Rack that if it could get

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a connection at the right price point now, it wouldn't have to do a forklift upgrade [overhaul] of the network at a later point. Tie Rack could have gone for a lower-cost solution. The main benefit of MPLS was that Tie Rack didn't have to worry about encrypting its data over the network. MPLS is inherently secure, so there are lower hardware costs and it is also simpler for us to manage the network for them."

Innes Murray, IT manager at maternity retailer Blooming Marvellous, has chosen to invest in an MPLS-based managed WAN from Easynet because of the expertise that it gets, as well as the high reliability of the network. He says: "If we want to go down the basic VPN [virtual private network] route, we have to manage our own security and VPN. Everything, including our firewall to the outside world, is a managed service. As a business, we want to employ a company that really knows what it is doing to look after things like that.

"The cost differential isn't that great in the grand scheme of things and there is also the stress overhead if you do it yourself. We are all price sensitive, but this isn't about getting the cheapest deal, it is about buying in

skills from another company."

Other retailers have felt that the features available with MPLS are not necessary for their needs. Turner says: "BT listened to what we wanted and needed. MPLS was complete overkill for what we required. If the line goes down for a couple of days, it is not the end of the world." Because Stylo also worked with BT on the systems that it would be using on the network, it gave it peace of mind that the WAN solution suggested was fit for purpose.

GETTING YOUR OWN WAN

As well as a choice of technologies, there is a choice of ways to procure and manage a WAN. Kamruddin says that one reason why his retail customers choose to work with 2e2 rather than directly with a large telcoms company is for the service it can offer when the retailer wants to expand its WAN internationally. He believes that an integrator comes into its own when a retailer needs to include international sites in its network. He explains: "It is not normally cost effective to implement MPLS globally. We can build and manage an internet gateway and VPN tunnelling around the world."

For Tie Rack, 2e2 has configured and manages an internet gateway within one of Tiscali's sites, to connect international sites to Tie Rack's WAN. This way, international sites can be added more quickly and easily.

Many retailers report that they have issues when trying to connect international stores and stores within large developments to broadband networks. Bovill admits that there have been some problems getting stores in shopping centres connected, but adds that joint work between all the parties involved allowed this to be resolved.

Kamruddin says: "The biggest challenge we have had is in airports. Getting the line converted to ADSL [asymmetric digital subscriber line] is not the problem, it is getting the

telephone line established in the first place or checking an existing telephone line. When rolling out ADSL to stores in other countries, we have had issues, for instance, with airport operators insisting that we use the incumbent telecoms supplier."

Vodat International managing director Mike Bielinski adds that his retail customers particularly like the way Vodat manages the network. "We have developed an application to monitor every node [an originating or terminating point of information or signal flow] on the network – about 4,000 – every half an hour. If a single node is not there, our staff will get onto the network to try and find out why. Also, if any devices are added to the network – such as tills – we can see that too," he says.

"We automatically send messages to the client's helpdesk and provide them with a web interface to see what's happening. We will also ring stores to take them through processes."

Once the network is up and running, the number and scale of applications making use of it allows retailers to both cut costs and increase sales opportunities.

Bovill's broadband network will support an intranet and allow a close to real-time view of what's happening in stores. He says: "When we roll out the new till system, we will give access to a new intranet and do the equivalent of a polling routine every 15 minutes, rather than a batch transfer of information once a day."

Both Stylo and Mosaic are running voice calls over their WANs. In Stylo's case, this means that all calls between sites on the networks are free. In addition, it gets a good deal on call tariffs for external phone calls, because all phone calls staff in stores make are routed via its head office, so it benefits from volume discounts. This particularly makes a difference when stores are making calls to area managers' mobile phones.

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Murray says that Blooming Marvellous will consider experimenting with voice over IP next year, but that the most obvious further application would be to extend the range available in its stores. Speciality items, such as personalised gifts, which are only available online, could be ordered in stores using the system.

Turner says: "The next step is video. There is no reason why we can't put cameras in stores, so that area managers don't have to travel around so much. A lot of their time is spent on visual merchandising, so they would be able to view this. Also, our buyers rarely get to see customers' reactions to products."

Stylo will also use its network to support e-learning – the majority of which is based at stores, according to Turner. If the stores had a dial-up network connection, it would be too

expensive and take too long to transfer the e-learning files to the stores.

Bovill agrees that e-learning is another natural step. "We are increasingly a global business – but English speaking – so it could be possible to utilise broadband for an element of the learning. It will be valuable for rapid deployment," he says.

RADICAL DEVELOPMENTS

Bielinski believes that retailers now have the option of doing more radical things with the communications they run over their broadband network.

He says that another way to sweat value from a network investment is to create a virtual call centre. Using an intelligent voice recognition system, retailers could create a customer service proposition that allows shoppers to be automatically routed to the right person to answer a query,

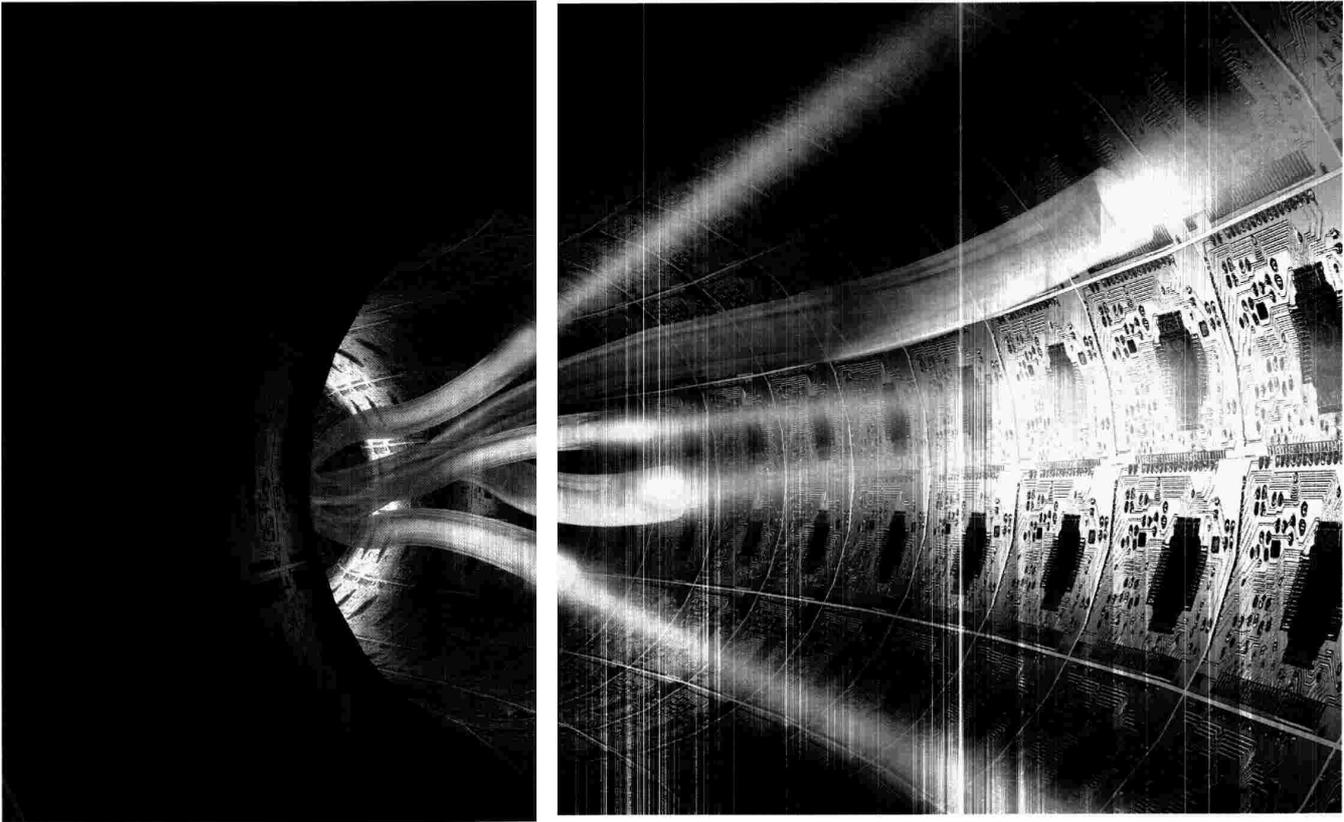
whether they are based in a store or at head office.

One benefit of MPLS is that it allows traffic from different types of applications to be prioritised. So, for instance, transaction data is given higher priority than e-learning. This will become more important as additional applications are added to the network. Easynet UK sales director Matt Williams adds that one development on the horizon – application-aware networks – will allow retailers to further ensure that critical applications take priority.

Bielinski concludes that retailers that choose the cheapest broadband options should be careful. He says that a new network is just like a new motorway – once you build it, more and more people will start using it. **RW**

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