



# Telco Retail Strategy Report 2022

A look at the key strategies of telco retail executives

# About this report

What are the most important objectives that telco retail executives keep top-of-mind in 2022 and beyond? What strategic goals are driving their decisions? Which action items are at the very top of their list when it comes to improving their retail networks? Which initiatives have already been implemented? Which objectives are not prioritized?

The Telco Retail Strategy Report 2022 attempts to shed some light on these questions and provide a perspective on what decision makers in telco retail are thinking. This report reflects data collected through a survey NTS Retail conducted with selected retail executives from telcos in 23 countries. The responses were collected between February and May of 2022. The report ranks the initiatives deemed most important to increase the operational efficiency and boost the service experience across the operator's retail network.

We hope these inputs serve as a valuable guide for telco retail executives to align their perspectives with those of their peers in the industry and gain some new strategic insights in the process.

Enjoy reading our report and feel free to contact us for more information.



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# Introduction

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# The study at a glance

## Participating telco brands



## Participating job profiles

CCO / Head of Sales and Customer Service / Head of Operations / Head of Retail / Commercial Operations / Director Customer Experience / Head of Sales & Strategy / Retail Channel Management / System Management / Digital Solution Expert / SVP Consumer Sales / VP Channel Management / Delivery Management / VP Sales / VP Multichannel Management / Senior Management Customer Operations / Customer Data Management / VP Retail Operations / Enterprise Architect / Management Retail Solutions & Innovations / Sales Strategy Management

## Regions

Europe / Middle East / Africa / APAC

## Telco experts

40

## Countries

23

# The state of telco retail 2022

Many telcos have already been following a digital-first approach and that has only intensified in the post-pandemic world. This trend also reflects in the realignment of the operators' retail strategies. Retail business models are being challenged. Some telcos are downsizing their retail networks or even shutting them down entirely.

Other service providers are taking a different approach. They are implementing new store concepts with the purpose of leveraging the key strengths that stores add to the mix: conveying a sense of proximity, strengthening the presence, showcasing innovations and assuming corporate responsibility.

Retail stores offer unique strengths compared to other channels and fulfill an important function as a customer touch point. Increasingly, they are taking on a new role as service points contributing to customer retention rates and service quality.

Nested within the larger scale omnichannel strategies of operators, stores are acting as fulfillment centers and service hubs, enabling an end-to-end service experience. They are a bridge to the digital world and its connected assets. The physical component that allows generations of people to build trust - a key aspect in forming a relationship with a company that assumes a very critical part in their customers' lives.

CSPs need to step up their digitalization strategies to meet customer demands, but there is a very strong position for retail within a connected digital consumer journey.



**Gerd Eberhardt**

Head of Product Management  
NTS Retail

# About NTS Retail



NTS Retail creates and implements smart commerce & in-store solutions that help telcos elevate customer experience and retail efficiency. Our open API-based retail platform powers our customers to:

- deliver a true omnichannel customer experience
- streamline retail IT processes
- gain maximum agility to quickly address market demands

Our digital retail transformation program for telecom operators is based on a track record of more than 370 successful telco retail projects for CSPs worldwide. This makes us a top-level solution partner for leading telco brands.



Part 1:

**Objectives to boost  
in-store experience**

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## Two views on in-store experience

Photo: Three Austria

There are two ways to look at in-store experience. For some of us, it is defined by the time it takes to leave a shop. The shorter the stay, the better the experience. This is about speed – about efficiency. However, customer engagement in telco shops is mainly about advice. And good consultation takes time. So, many initiatives in retail attempt to increase customer convenience and support the shop staff at the same time. Smart welcoming sys-

tems not only help to avoid waiting times in the shop. They brief sales staff about their customers' concerns in advance so that they can prepare for first-class personalized consulting. Self-service systems allow customers to carry out simple transactions on their own, saving valuable time. Especially at peak times, this can also relieve shop staff so they can concentrate on what they are there for – advising and selling. For others, shopping is

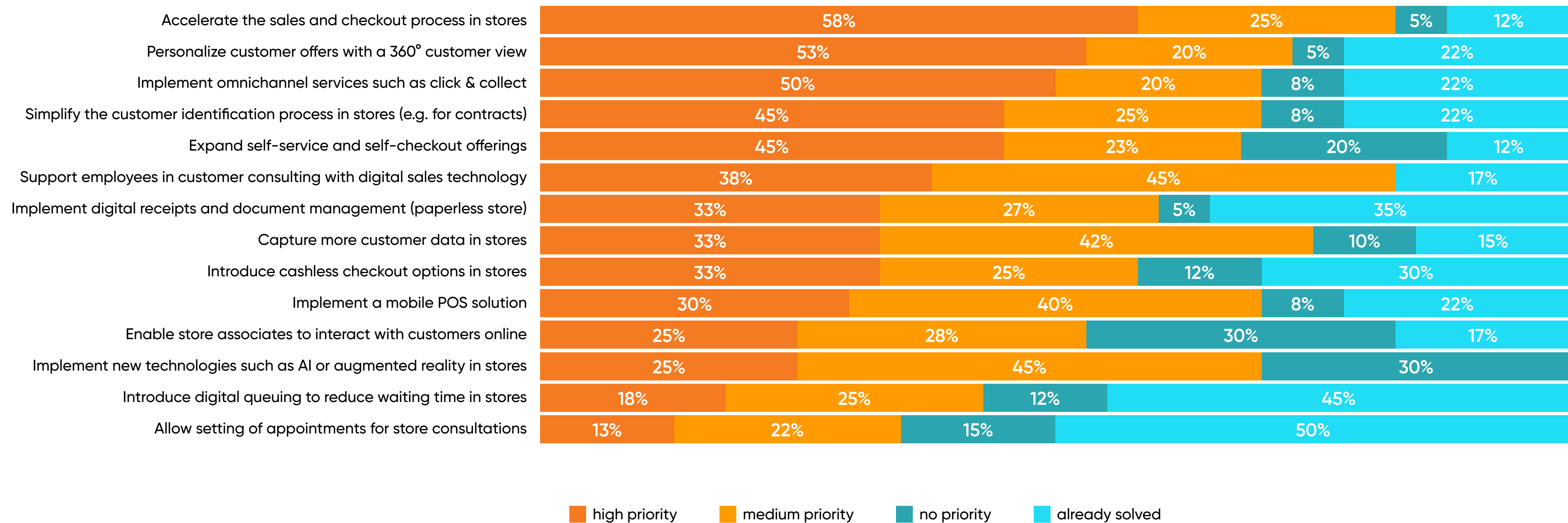
a basic social need, and the shop is a social space to enjoy leisure time. Concept stores combine the presentation of new products and services with social experiences. Customers appreciate a welcoming atmosphere and feel more inclined to browse product offers and engage with the devices on display. This part of the experience provides a clear edge compared to digital interaction online. Concept stores offer dedicated service zones for

repairs and information, experience zones to showcase product innovations, pick-up corners, play and rest zones as well as events and workshop areas. Open shop concepts that allow mobile interaction between shop staff and customers, detached from the sales counter, have gained popularity. However, experience has also shown that customers often look for an anchor point when they enter the shop.

# Survey results: The big picture

## Objectives to boost in-store experience

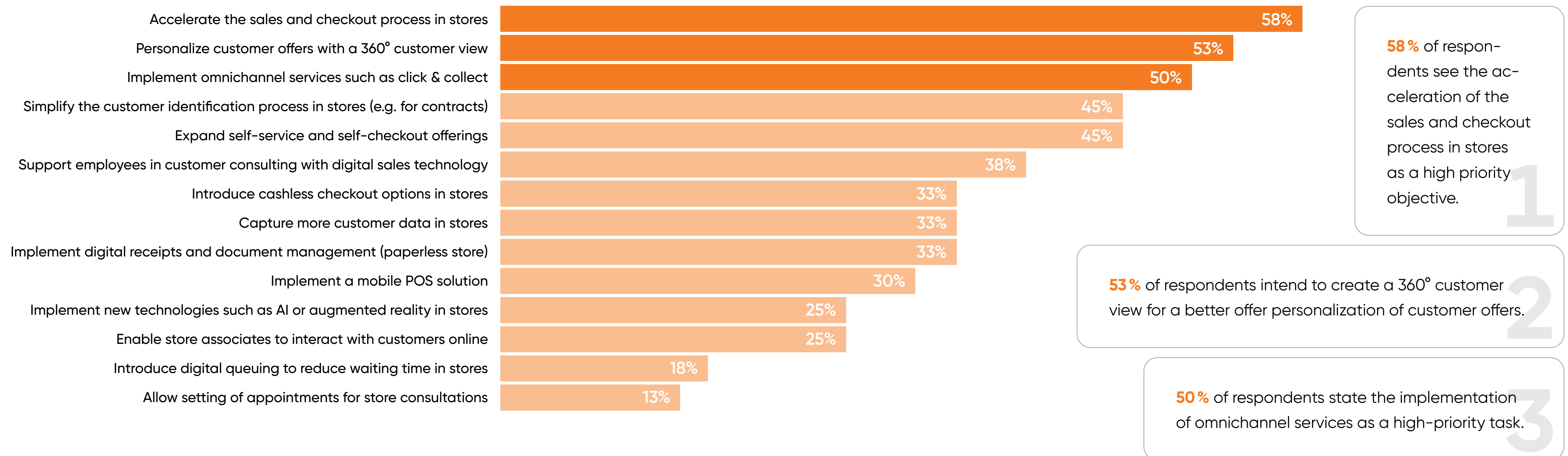
The chart below shows how respondents ranked the stated goals for enhancing the in-store shopping experience in terms of priority.



# Survey results: High priority

## Objectives to boost in-store experience

The chart below shows a ranking of the high-priority objectives for enhancing the shopping experience in their stores.





## Efficiency gains in in-store transactions

**58% of respondents see the acceleration of sales and checkout processes as a high-priority objective.**

Numerous telcos are pursuing the goal of accelerating store processes such as customer advice, billing, and checkout. There is high potential for increasing efficiency, particularly in the consolidation of the IT systems involved. By bundling all the necessary data in a uniform front-end application and automating processes such

as solvency checks, it is possible to ensure the smooth processing of transactions without media discontinuities.

Time-consuming processes, such as the redundant entry of personal data, can be avoided by using perfectly integrated POS solutions. Automating workflows not only speeds up sales processes but also reduces user errors.

# The 360° customer view: Still a myth in many places

**53% of respondents aim to create a 360° customer view for a better offer personalization of customer offers.**

Customers expect a smooth and personalized service experience. They expect their provider to address their situation and create offers perfectly tailored to their needs. In their omnichannel journey, they have no desire to tell their story twice.

Knowing that collecting and linking data is the key to personalized customer service, CSPs are trying to connect their customer touchpoints and unify customer interaction across all touchpoints. How-

ever, this is difficult to implement unless the systems involved provide the capacity or openness to collect and deliver this data. To enable a personalized customer approach, CSPs depend on intelligent systems that collect, link, and bundle customer information.

Another challenge is that customers expect the utmost sensitivity when it comes to handling their data. Better customer service is therefore a balancing act between personalization and data protection. This is a major challenge for service providers, so the coveted 360° customer view remains a myth in many places.





# Omnichannel: On the radar for years

**50% of respondents state the implementation of omnichannel services is a high priority task.**

Retail stores are considered an important component of a holistic omnichannel strategy. Not only do they represent the haptic experience of the customer journey, the physical existence enables key processes. Such as implementing on-demand delivery, in-store pickup, or the uncomplicated return of products purchased online. State-of-the-art stores are designed in such a way that they can be used as an open touchpoint in every phase of the customer journey.

Even though omnichannel has dominated the telco retail agenda for years and one might think that online and brick & mortar have long since found a peaceful coexistence, offering an end-to-end customer journey is not yet a given in many cases. According to a survey by GSMA

Intelligence, only about half of CSPs currently offer their customers omnichannel services such as click & collect or online appointments for in-store consultations.

Practical experience shows that implementing omnichannel strategies proves to be more time-consuming than anticipated. There are still barriers between the digital and analog sales channels. Challenges arise in the merging of different IT systems, in the transition to open system architectures, but also due to organizational hurdles. These obstacles mean that the customers of many telcos still cannot enjoy an end-to-end service and shopping experience as they are used to from other retail industries.

However, telcos must be aware that the next best offer from their competitors is only a click or a street corner away.

<https://data.gsmaintelligence.com/research/research/research-2022/the-future-of-telco-retail-towards-an-omnichannel-world>

# The use of self-service capacities

## **45% of respondents aim to expand their self-service offerings.**

The ongoing digitization of retail is reflected increasingly in a fusion between analog and digital touchpoints. Consumers are relying more and more on their own devices to shop, do product research, and eventually complete the purchase once they are ready.

In addition, self-service solutions are taking on a more important role as a complementary offering to assisted in-store sales. Particularly during peak traffic hours, they allow customers

to save time and enable sales staff to focus on consulting. The variety of products and services available to consumers requires solutions that can be used universally and adapted to specific requirements.

Telco-specific use cases such as bill payment, balance top-ups, customer registration, and SIM card sales require extensive integration capabilities from solutions within the BSS stack.





# The store as a coaching zone

Customers usually come to the shop with a specific concern. In many cases, they are not even aware of the numerous advantages of the solutions offered by their provider. They might be inadequately informed about carrier offers in areas such as smart home, health care or personal insurances. Or they might not be aware that they could make better use of existing services or switch to a plan that suits their needs better.

In view of the multitude of offers and decision options, stores effectively become coaching zones. At the same time, the role of the store consultant turns more into that of a coach helping customers to navigate the plethora of options. Their task is not to just provide information (which the customer can look up online just as well) but rather to ask the right questions and aid customers in the decision process. At this point, telco shops offer great potential for demand-oriented sales. Personal sales advice based on the customer's individual situation

not only unlocks added value for the customer but also taps into extra up- and cross-selling potential. However, the complexity of selling lifestyle products and services requires perfectly trained and skilled staff. But even for trained sales staff, it is becoming increasingly difficult to keep track of all the details about product offerings. Personalized advice becomes an invaluable asset when it takes into account the customer's background and the advantages of the carrier product compared to competing offers. That may sound simple, but it is not.

The fragmentation of systems makes the bundling and cross-system use of data difficult. In addition, data protection guidelines restrict the use of customer data. Once these technical and organizational hurdles are overcome, however, shop employees can use digital systems to provide their customers with a first-class service and at the same time increase efficiency and productivity in sales.





# Implementing green store concepts

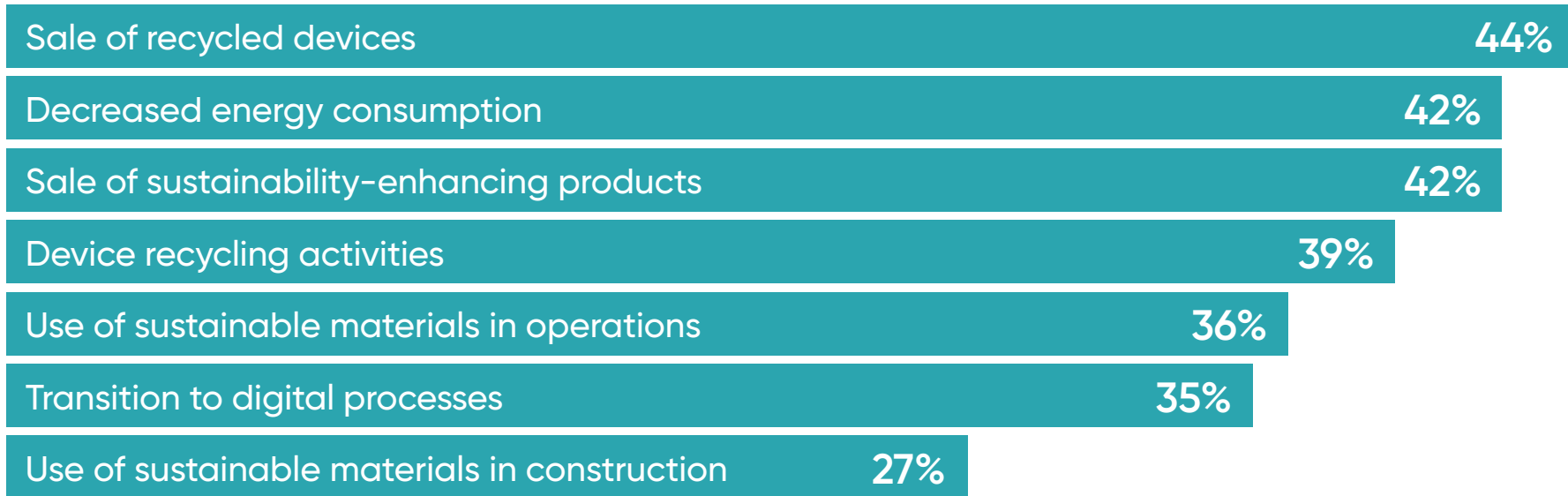
33% of respondents aim to follow a paperless store approach by implementing digital receipt and document management. Retail stores are an important element for telcos in communicating their social responsibility. From using the

right materials, offering refurbished products, equipment buybacks and repair services to implementing paperless store concepts with digital receipt management, shops offer numerous options for telcos to live sustainability and communicate

their value culture. This value culture is also reflected in the promotion of staff and employees on social media. According to the GSMA Report, the following sustainability initiatives are currently being implemented in retail stores.

<https://data.gsmainelligence.com/research/research/research-2022/the-future-of-telco-retail-towards-an-omnichannel-world>

Sustainability practices implemented by operators at retail locations:



N=100 | Source: GSMA Intelligence survey of telco retail professionals, October 2021

# Thought differently: Forget about the experience, it's all about identity

Experience is nice - however, experience concepts are not the only decisive factor in attracting customers to stores.

In his trend analysis on the future of brick & mortar retail\*, Sven Gábor Jánosky, chairman of the 2b AHEAD Think Tank, points to the importance of stores as a place of identity.

Customers visit stores because they identify with the brand and its values and because they want to be part of a community. The goal is to enable the sharing of a common identity with the customers.

Enhancing the attractiveness of stores means creating identity - through the employees, the products, the community, the brand and the story being told.

\* <https://www.zukunft.business/foresight/trendanalysen/analyse/die-zukunft-des-stationaeren-handels/>



Part 2:

**Objectives to increase  
operational efficiency**

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# Telcos going agile

Many agile transformation initiatives in the telco industry not only revolve around the implementation of open, standardized software architectures (such as the TM Forum ODA initiative) to facilitate the introduction of new services and use cases. They also focus on and affect the way retail software projects are being handled.

Most operators are still rooted in the traditional waterfall paradigm of project management. As such, implementation projects start with a comprehensive analysis and specification phase that leads to a solution design. More and more, telcos are swaying towards agile methodology. Using this approach, specialists from all stakeholders involved work together in mixed development teams. The solution development

then relies on a continuous analysis and specification process. The advantage of this is that testable releases can be made available at regular intervals, making it easier to adapt the design for future releases.

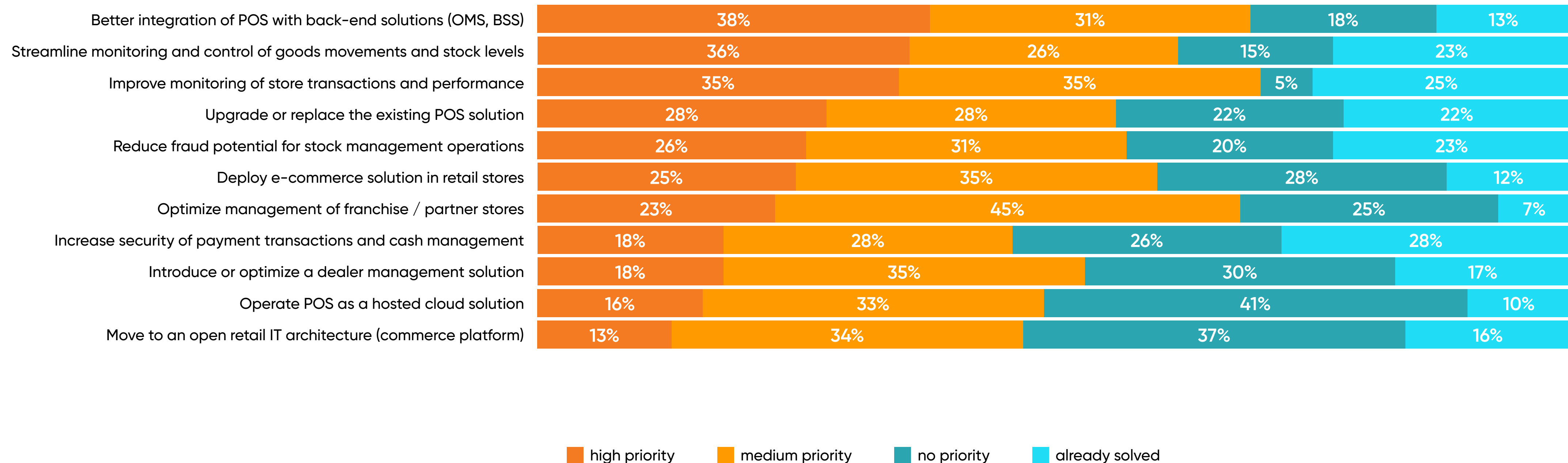
The principle of agility is lived in different forms and is often misinterpreted. While some operators underestimate the process and set unrealistic expectations that cause them to struggle with overhead efforts, others leverage the advantages by bringing in capacities within their own teams and protecting themselves against »vendor locks« by building and growing the expertise internally.



# Survey results: The big picture

## Objectives to increase operational efficiency

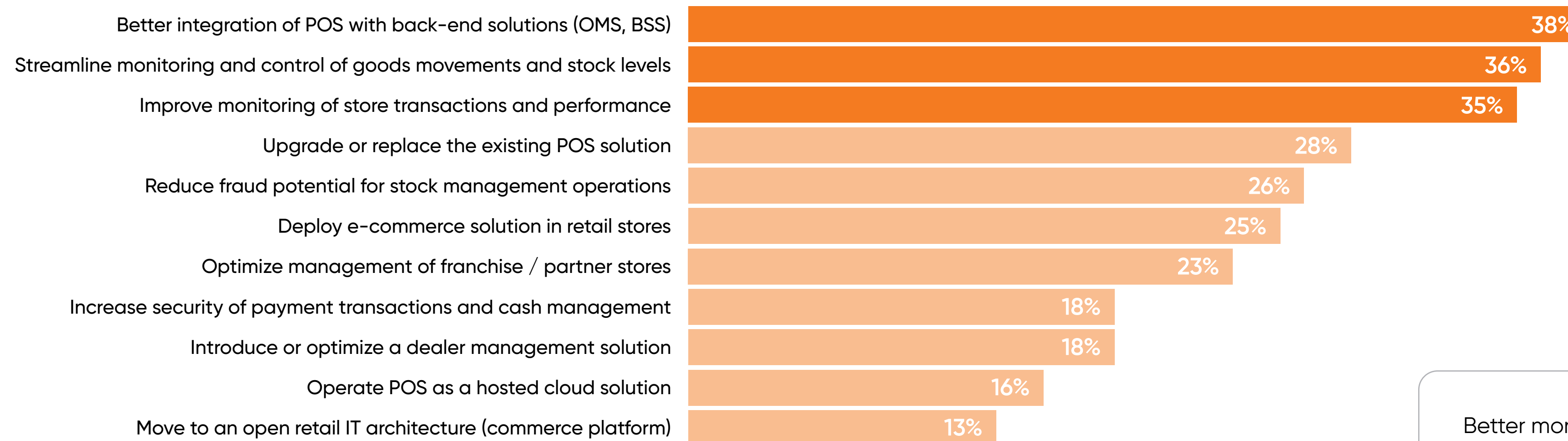
The chart below shows how respondents ranked the stated objectives for increasing operational efficiency in their retail stores in terms of priority.



# Survey results: High priority

## Objectives to increase operational efficiency

The chart below shows a ranking of the objectives stated as high-priority items for increasing efficiency in retail operations.



**38%** of respondents indicate better integration of POS with back-end solutions as a high priority objective.

1

**36%** of respondents see streamlining monitoring and control of goods movements and stock levels as a high priority task.

2

Better monitoring of store transactions and performance is considered a high priority objective by **35%** of respondents.

3

# A better work experience for store employees

**38% of respondents indicate better integration of POS with back-end solutions as a high-priority objective.**

The successful implementation of retail programs in the areas of omnichannel, personalization, and sales efficiency requires software solutions that enable the rapid and resource-efficient integration of new services and workflows. The key to success lies in the standardization and unification of data and processes across channels, systems, and devices.

Open system architectures that provide open API services simplify the seamless integration of BSS, e-commerce, and point-of-sale systems. By creating a unified data source and unified processes, they avoid redundancies and ensure that the same information on products,

promotions, and customers is available in a consistent manner at all customer touchpoints.

With access to a unified view of customer orders, inventory, pricing, reward programs, or customer history and preferences, store associates can provide personalized product offers to their customers, resulting in higher customer satisfaction and greater sales efficiency.

Standardization and automation also go a long way towards making the day-to-day work easier for employees working in the stores. Redundant manual data entry in different systems e.g. in the case of billing transactions is a thing of the past. This not only leads to an increase in performance. It also significantly reduces the probability of user errors.





# Stock management within a connected retail strategy

**36% of respondents see streamlining monitoring and control of goods movements and stock levels as a high-priority task.**

Customers do not think in channels. So retailers are required to enable them to go their own way best possible. By following a connected retail strategy, telcos can increase both, customer engagement and revenue across their retail touchpoints.

The need for a fast response to customer requests in an omnichannel context has a particular impact on the retail supply chain. Telcos assess their inventory management systems based on criteria such as:

- Does the system provide accurate, real-time inventory visibility?
- Are all sales channels seamlessly linked to enable smooth cross-channel fulfillment processes, such as online purchase, in-store pickup, and direct-to-consumer delivery?
- Does the forecasting system generate reliable data?
- Does the system provide employees and customers with easy access to inventory and delivery information?

Other optimization tasks include automating stock management processes and identifying security vulnerabilities to prevent fraudulent activity.



# Re-alignment of store KPIs

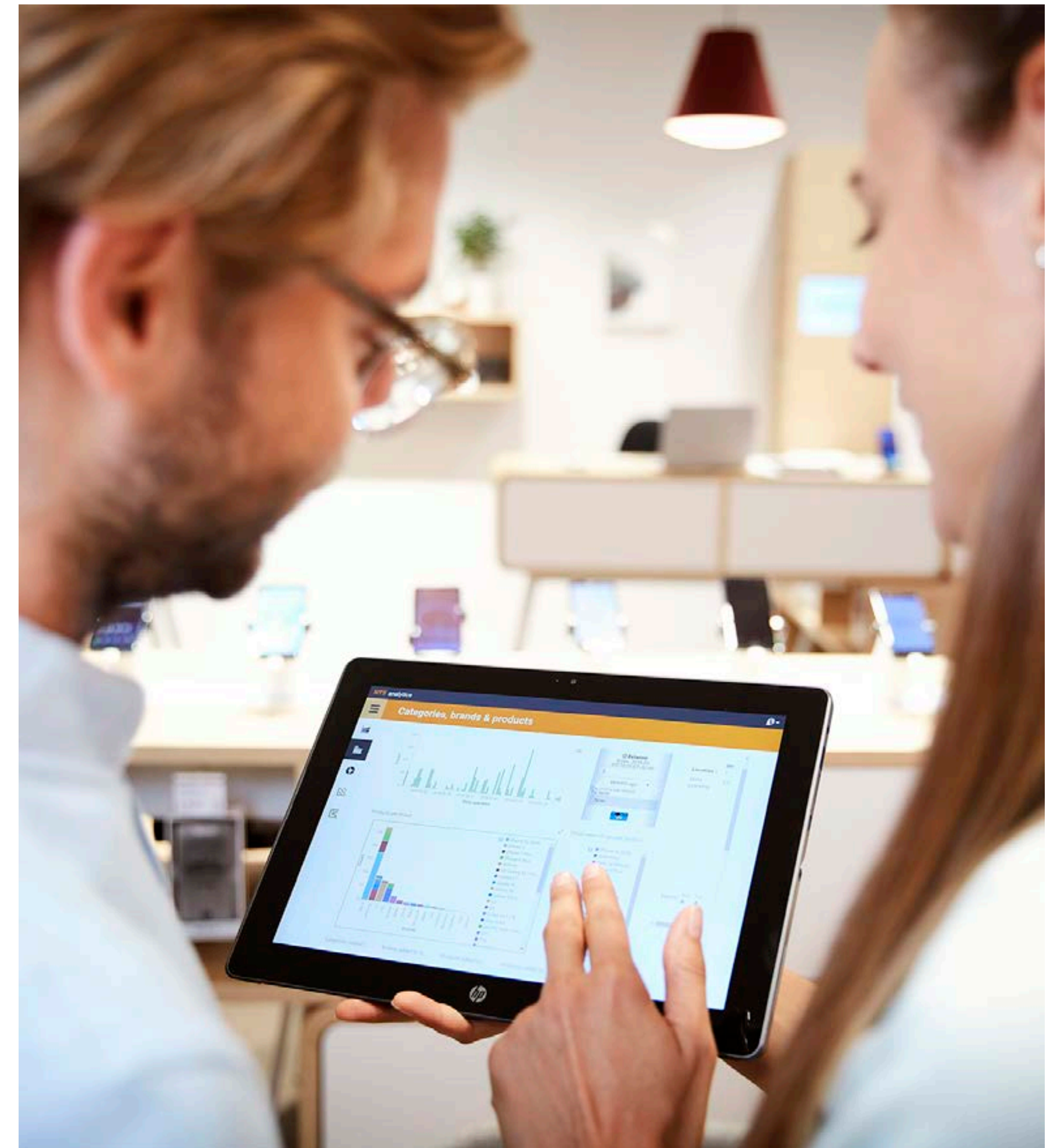
**35% of respondents aim to improve monitoring of store transactions and performance.**

Given the developments in telco retail, store success metrics need to be re-aligned. Financial KPIs such as revenue and profit are no longer sufficient in an omnichannel setup as an evaluation measure of retail store KPIs.

New KPIs include non-financial metrics, such as tracking the in-store journey and the flow of transactions. However, this requires the involved systems to be seam-

lessly interlinked – from the queue management solution to the point of sale.

The digitalization of store processes and the integration of store systems open new possibilities for evaluating customer behavior in shops and in an omnichannel context. The use of this data enables a better analysis of customer preferences as a basis for improving the retail experience and increasing sales performance.



# Reasons for upgrading or replacing POS systems

**28% of the respondents intend to upgrade or replace their existing POS solution in the near future.**

Reducing the need for customization and lowering operating costs using a wide range of out-of-the-box features and reconfigurable services is cited by many retail executives as a reason for upgrading or replacing their existing POS solution. Automation of time-consuming POS processes and lack of visibility into and control over cash management are considered other reasons for switching to a new solution.

Replacing outdated systems should also enable better integration of systems such as billing, order management, and e-commerce. The goal is to simplify daily operational tasks or

enable omnichannel use cases. In this context, many telcos are also emphasizing support for open standards such as TM Forum ODA.

In other cases, POS upgrades aim to enable the adoption of a unified front-end approach or increase the mobility of sales staff in their stores. For this purpose, mobile POS systems must be able to automatically control the nearest POS hardware.

Finally, new functional requirements that cannot be supported by legacy systems, such as the introduction of new payment methods may wind up requiring an upgrade to a new system.



Part 3:

**A brief look at store  
transformation initiatives**

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# A diverse retail landscape

Experience stores are only one manifestation of a diversification of shop concepts. Depending on the surrounding conditions, telcos may adopt a variety of different shop concepts. To mention just one example, Magenta's »tiny store« concept in Vienna offers a large assortment of products in a relatively small space with flexible opening hours. Shop concepts like this offer a high cost-benefit effect and can help to position the brand in key retail areas.

## Closer to the customer with retail partners

Other providers are increasingly shifting their retail business to partners. CSPs such as Vodafone UK now operate 98% of the over 400 UK Vodafone shops in the franchise model\*. This allows Vodafone to expand into smaller towns where it might not have been profitable before to operate stores. In doing so, they benefit from the local knowledge, experience, and many ideas of their retail partners. A key success factor here is equipping retail partners with the technical capabilities and sales skills to best represent the solution offering.

## Virtual shops and live customer service

With virtual shops that combine face-to-face elements with digital communication, CSPs can offer a personal service experience to those customers who are unable to visit shops. However, an engaging presentation of products and services that goes beyond a traditional video chat and offers an appealing mix of analog and digital experiences requires the right implementation concepts and tools. For example, customers can be guided through the virtual shop by video and assisted in configuring their devices with the help of augmented reality (AR).

\* <https://newscentre.vodafone.co.uk/features/retail-stores-how-local-expertise-and-a-global-brand-work-together/>  
Photo: <https://blog.magenta.at/2021/10/01/tiny-store-riverside/>



Photo: Magenta Austria



Photo: Spark New Zealand

# Spark New Zealand: Digital store transformation

Seeing the human experience as a key gateway to the digital experience, Spark New Zealand has redefined its retail presence as an event-driven environment. This setup allows store associates to showcase how customers can incorporate Spark products into their lives.

Pop-up event areas, gaming zones and coffee bars provide a real-world element that is missing online, encouraging customer staff engagement. The shop design also includes dedicated areas for brands such as Samsung and Beats by Apple.

The shop transformation initiative encompasses the deployment of future-proof POS operations to simplify and speed up sales processes. Transparent inventory management with automated order processing enables omnichannel fulfillment use cases such as inventory reservation or click & collect and provides the best service for own and franchise shops.

[Get the Spark NZ case study](#)

# Three Austria: A smart welcome management

By implementing a smart welcome management Three Austria succeeded in increasing convenience and support for both customers and shop staff – especially during peak traffic hours.

Prior to using the new digital queuing solution, visitors of Three stores had to pull tickets and keep their eyes on a monitor, calling up ticket numbers. Now they are personally welcomed and proactively informed about the expected waiting time. This way customers can use their time efficiently and are far more relaxed which shows a positive impact on up- and cross-selling and a reduction of drop out rates.

Depending on preference, customers can book consultation appointments on the website in advance or check in directly at the shop. The purpose of the customer's visit is inquired either by a welcome agent or self-assessed at a queue-in kiosk. The possibility for sales staff to prepare for the conversation in advance based on the captured information has proven to be very helpful, especially in complaint management. This digital support led to an increase in employee motivation and customer satisfaction.

[Get the Three Austria case study](#)



Photo: Three Austria

# Swisscom: A new flexible retail concept

With the introduction of the »Retina« concept for their stores, Swisscom has set a new standard in combining offline and online environments in retail. Highly functional and effective, this new shop design strengthens the connection with customers, no matter what their motives or requests are. »We want to be the first companion our customers think of in the digital world. In our shops, we offer a variety of digital elements which not only serve as tools during interactions but also inspire our customers. This means that interactions with our store visitors are not only a chance for a sale but also to develop and strengthen the customer relationship«, says Dominique Grecchi, Head of IT Experience at Swisscom. Swisscom has been relying on an open store concept that grants employees a high degree of flexibility to offer

their customers perfect service across the entire store area. Being able to control the store hardware reliably through mobile workstations is a major factor in the daily routine. This process has been reworked based on an API-driven approach, enabling hardware access through a central interface. This includes key aspects like receipt rendering (digital and print) or payment processing for a wide range of payment methods. A web-based platform serves as the basis for the checkout process across all transactions in the stores. The key integration points were evaluated, optimized, and finally unified in the process design. This seamless integration of all background processes across multiple systems enables a smooth user flow without breaking media continuity.

[Get the Swisscom case study](#)

<https://www.swisscom.ch/de/about/karriere/getit/worklife/spotlight-retina-das-neue-swisscom-shop-konzept.html>

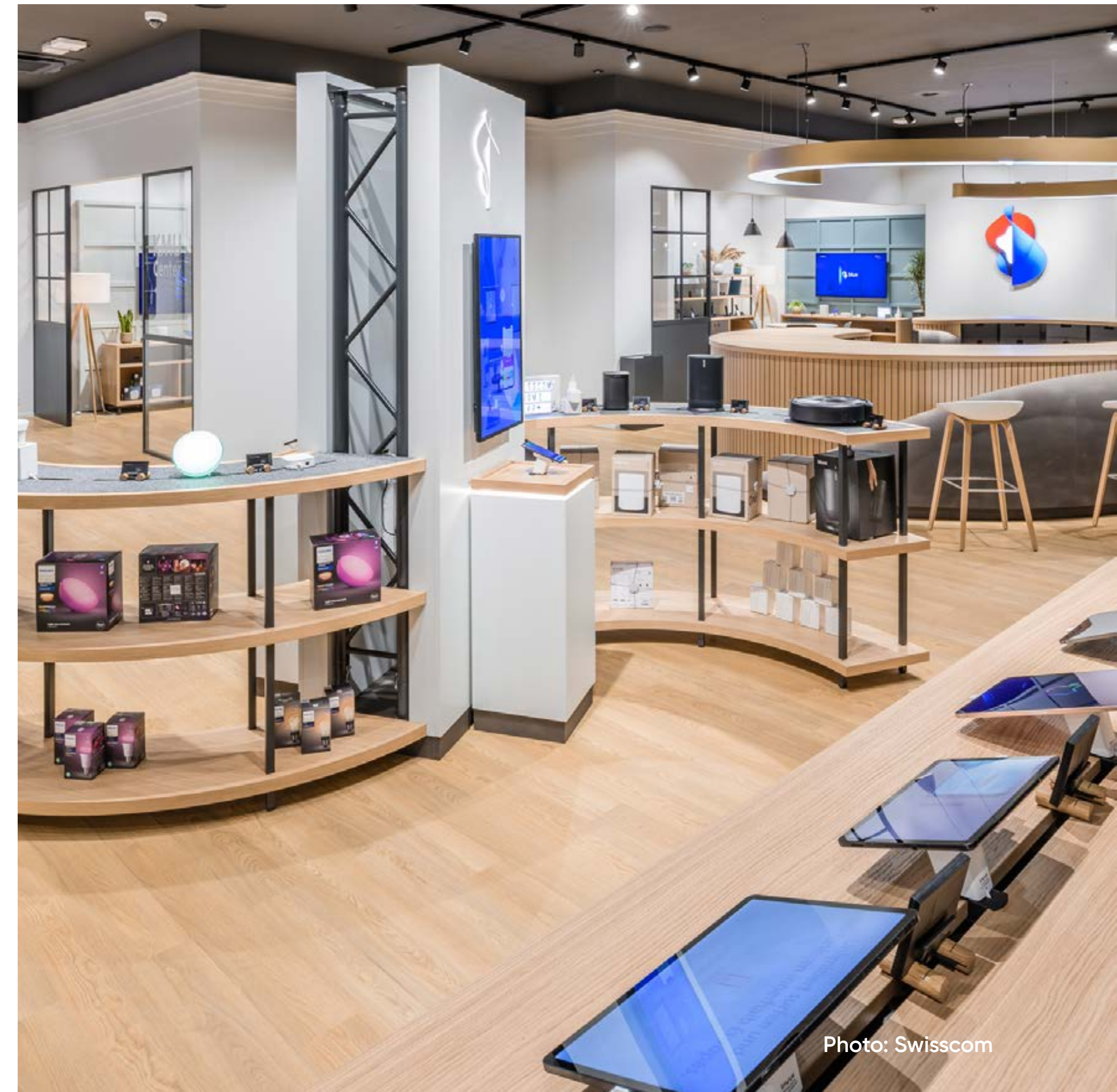


Photo: Swisscom



# Let's create something amazing together

We'd love to help kickstart the digital transformation for your retail business. Just drop us a line or give us a call!

[Send email](#)

or call us **+43 50 687**



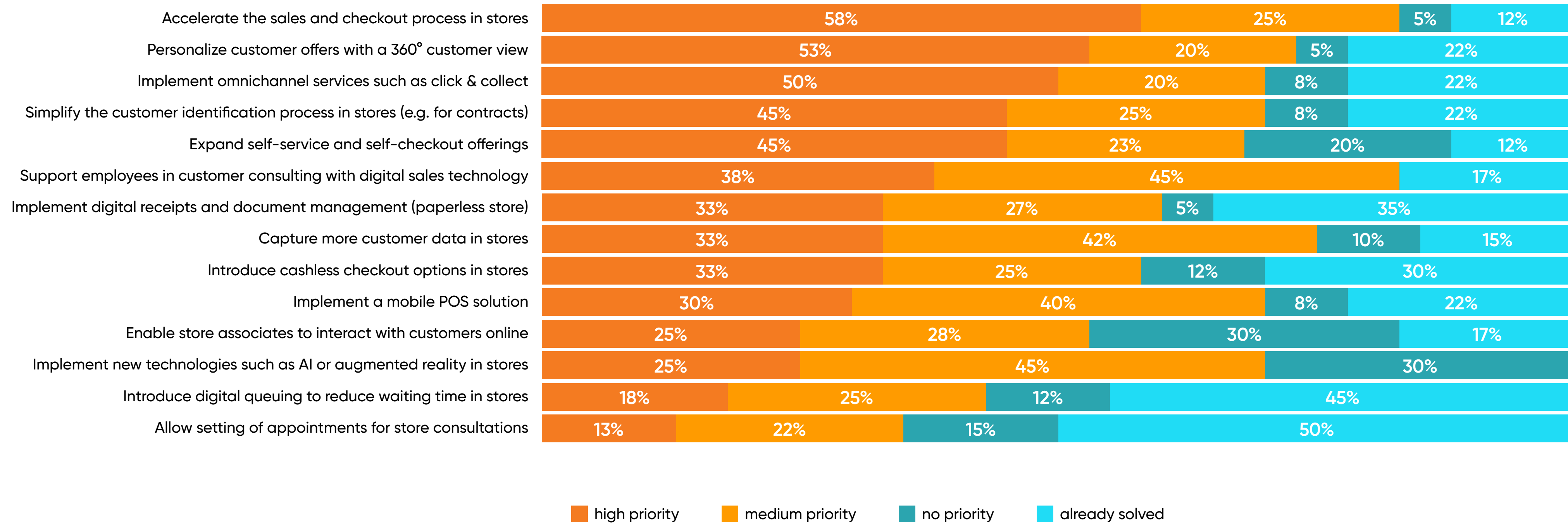
[Explore our digital store transformation program](#)



# Appendix

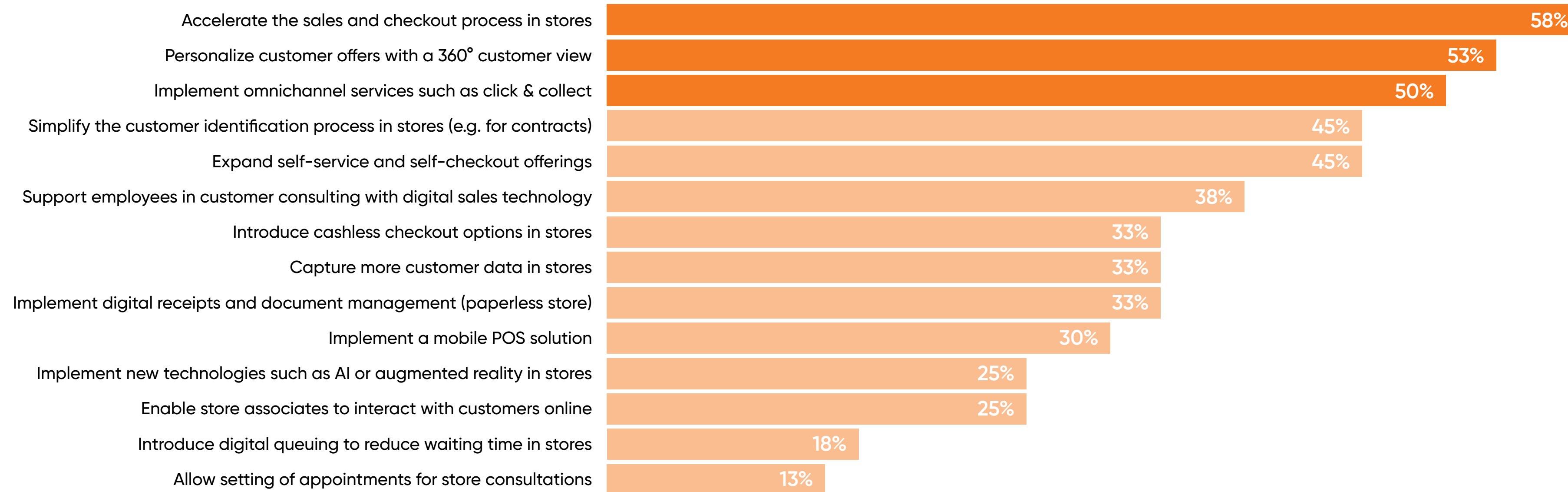
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# Survey results: Objectives to boost in-store experience



# Survey results: High priority

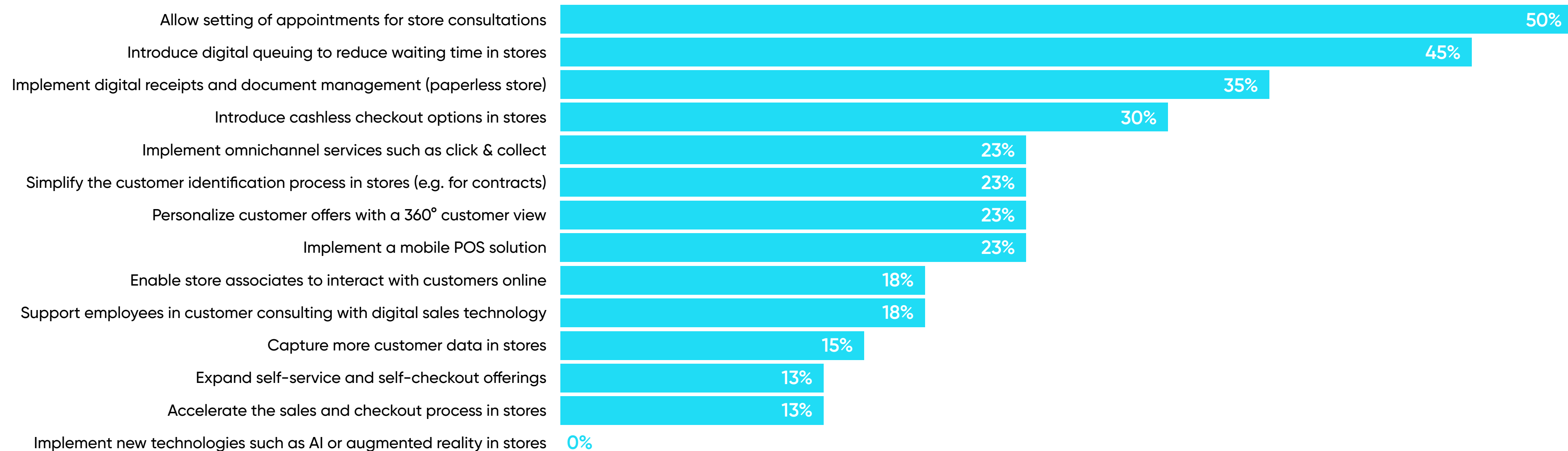
## Objectives to boost in-store experience



# Survey results: Already solved

## Objectives to boost in-store experience

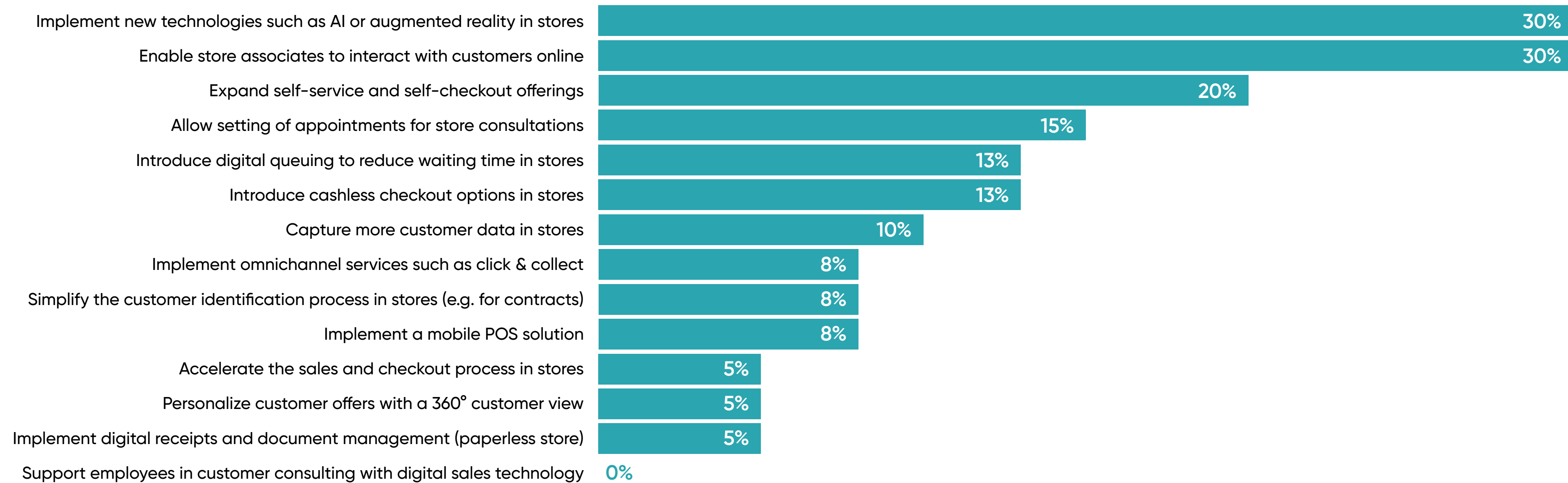
The chart below shows a ranking of already solved objectives for improving the store experience.



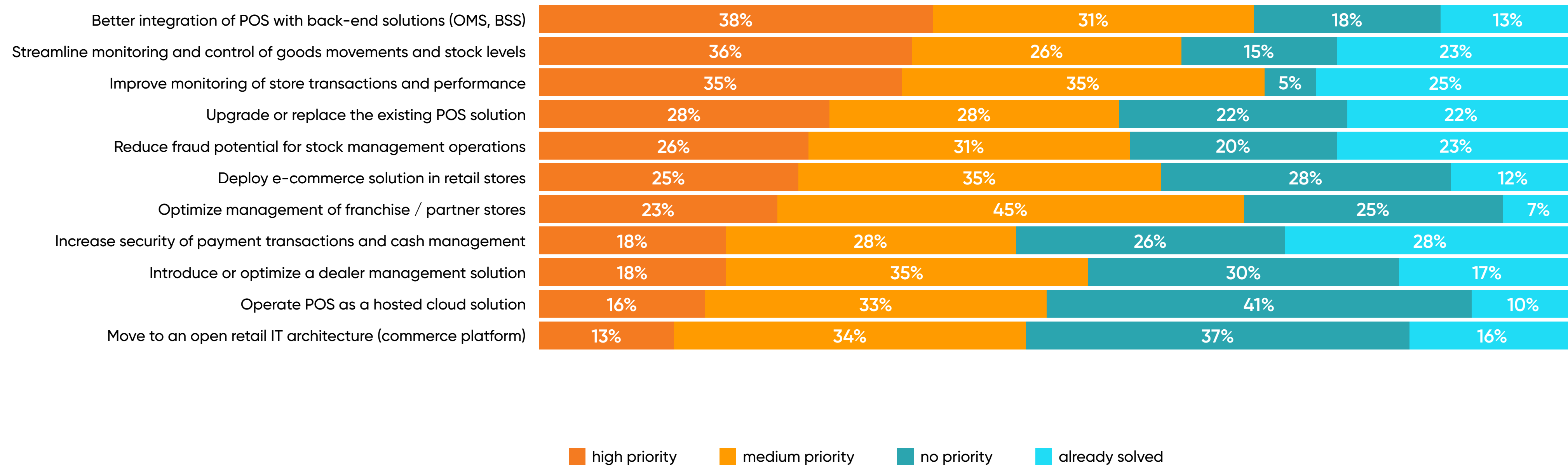
# Survey results: No priority

## Objectives to boost in-store experience

The chart below shows a ranking of in-store experience objectives that are rated as no-priority items.

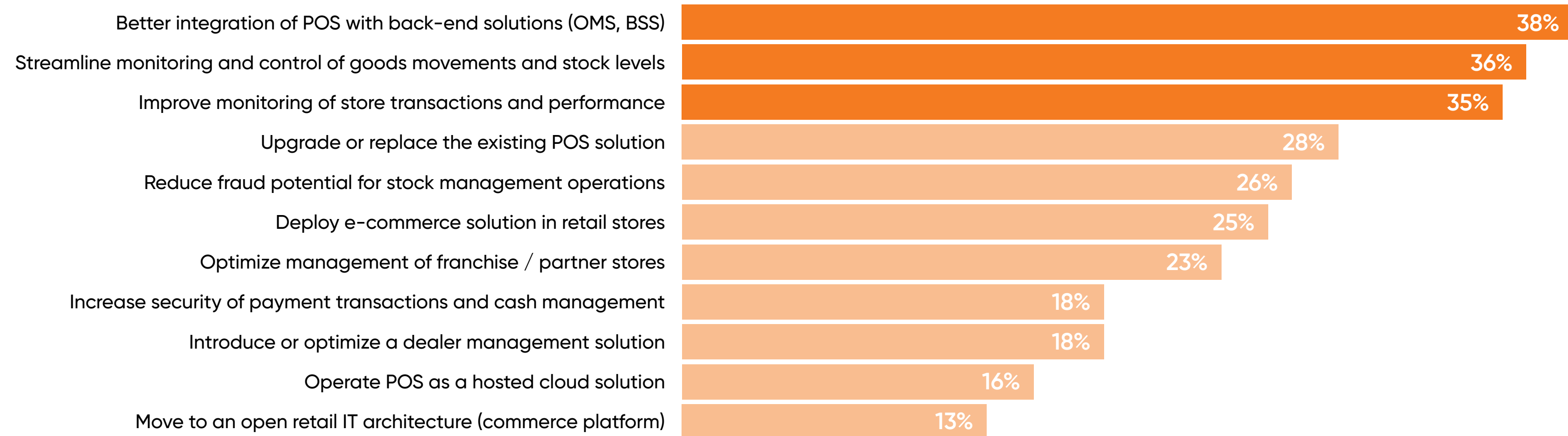


# Survey results: Objectives to increase operational efficiency



# Survey results: High priority

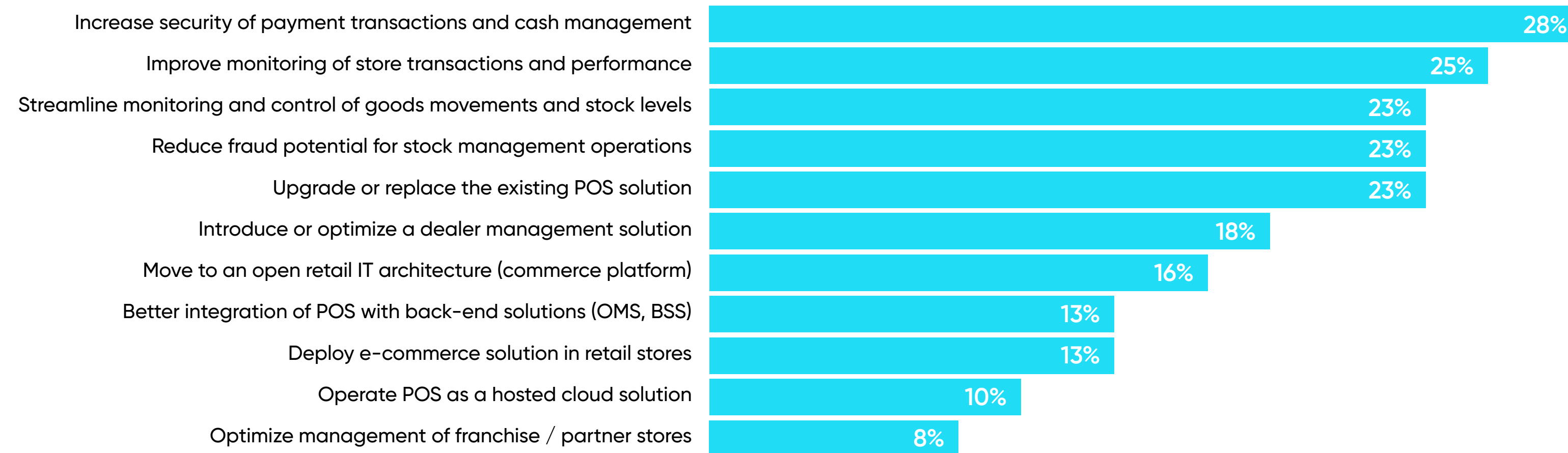
Objectives to increase operational efficiency



# Survey results: Already solved

## Objectives to increase operational efficiency

The chart below shows a ranking of already solved objectives to increase operational efficiency in retail stores.

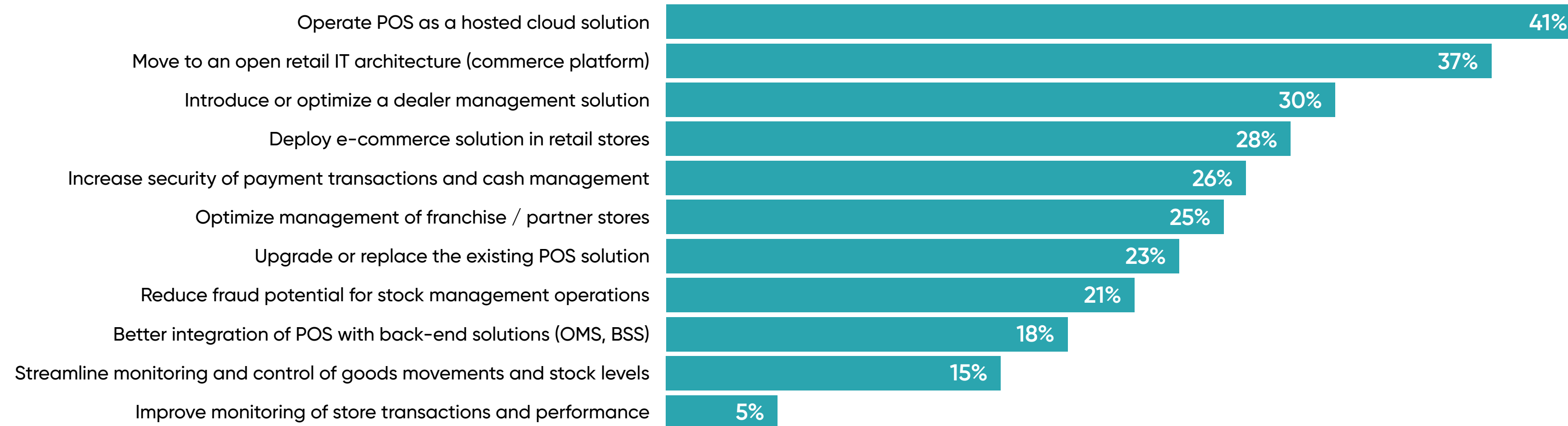




# Survey results: No priority

## Objectives to increase operational efficiency

The chart below shows a ranking of retail efficiency objectives that are rated as no-priority items.



# Survey methods

For this study we used a mix of the following survey methods and sources:

- A standardized online survey, sent out to selected telco retail executives
- Qualitative expert interviews with telecom retail decision makers
- External sources
  - Study - the future of physical retail (STL Partners / 2022)  
Source: <https://stlpartners.com/research/the-future-of-physical-retail/>
  - Study - the future of telco retail: towards an omnichannel world (GSMA Intelligence / 2022)  
Source: <https://data.gsmainelligence.com/research/research/research-2022/the-future-of-telco-retail-towards-an-omnichannel-world>
  - Study - Die Zukunft des Stationären Handels (2b AHEAD Thinktank)  
Source: <https://www.zukunft.business/foresight/trendanalysen/analyse/die-zukunft-des-stationaeren-handels/>