



EQUINIX

CONSUMER RETAIL

DIGITAL EDGE PLAYBOOK

Create omnichannel buying experiences for greater revenue growth and profitability



ABOUT THIS PLAYBOOK

PURPOSE

This playbook outlines how consumer retailers can transform their digital presence to provide in-store and online omnichannel experiences that align with customers' rapidly changing buying habits. It shows how collecting data closer to its source and distributing interconnected business services at the digital edge can enable real-time data analysis for greater customer insights. Retail organizations will learn how they can leverage a marketplace of ecosystems (cloud, financial, advertising, social, mobile) to offer compelling new sales capabilities and experiences.

CHALLENGE

Maintaining customer loyalty and satisfaction now requires providing an on-the-go, personalized shopping experience. As retailers become increasingly constrained by traditional infrastructure, revenues are shifting from in-store to competitor online sales. The lack of a scalable e-commerce architecture makes moving to online mobile shopping unsustainable. In addition, poor access to customer data is impacting customer satisfaction. Finally, centralized, high-latency inventory systems impede real-time supply chain product delivery and prevent effective programmatic advertising bids.

NEED








To compete, retailers must offer an omnichannel purchase journey that incorporates in-store experiences. They must be able to harvest data for effective customer profiling, predict buying behavior and enable personalized experiences. They can meet these objectives by building business exchange points in proximity to customers and users on a dynamic interconnection platform. By integrating digital technologies and accelerating communications among data and analytics, supply chain partners, ecosystems and consumers, retail businesses can open new revenue channels and increase profitability.

TABLE OF CONTENTS

2	About
3	Executive Summary
4	Market Trends
5	Interconnection Insights
6	Current-State Constraints
7	Future-State Capabilities
8	Strategy
9	Roadmap
10	Platform
11	Getting Started

EXECUTIVE SUMMARY

Consumer retail businesses require optimized business architectures to create in-store and online customer experiences that result in more sales

TRENDS AND INSIGHTS		CONSTRAINTS AND CAPABILITIES		PLAYBOOK		
TRENDS	INSIGHTS	CONSTRAINTS	CAPABILITIES	STRATEGY	ROADMAP	PLATFORM
						
A shift in revenue to digital is forcing retailers to adopt a distributed architecture to transform the buyer's journey in the face of rapidly changing purchase expectations and behaviors.	Global Interconnection Bandwidth is growing at a compound rate, creating an opportunity for retailers and wholesalers to integrate eco-system, cloud and analytic capabilities.	Traditional retail processes are based on centralized infrastructures that limit real-time behavior insights and inhibit the formation of an integrated in-store and online customer experience.	A distributed interconnection platform streamlines digital engagement processes, enabling retailers to gain customer insights, tailor consumer experiences, and rapidly adapt to inventory and market changes.	Retail firms are distributing business exchange points in proximity to users to deliver tailored, self-service experiences, standardize governance and scale the digital capabilities required to win customer loyalty.	The roadmap offers a step-by-step approach to transforming digital business by interconnecting partners and ecosystems using best practices from an Interconnection Oriented Architecture® (IOA®).	Achieving these digital transformation goals requires a platform that can support three critical elements provided by Platform Equinix®.

MARKET TRENDS

Digital shopping trends have shifted revenue away from traditional markets...



Source: Bright Vessel, What Ecommerce Retail Trends Will Look Like in 2020

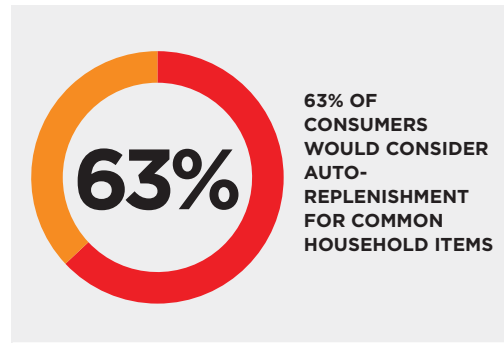
Implications

- A retail sales mix that increasingly emphasizes the online channel is closing brick-and-mortar stores and impacting revenue.
- Shifting demographics require agile processes to target who's buying, what they're buying and how they're buying.

Summary

Retailers must master cost, choice, convenience and customer experience to remain in business. Shifting demographics and digital-driven interactions will dictate consumer spending. In-store and online omnichannel experiences must be streamlined to grab buyers, which requires a new, digital-enabled operating model and platform that supports a smart retail supply chain and behavior-based analytics in proximity to users, clouds and partners for greater personalization.

...while changing buying behavior and demand drive new, digital-based economies...



Source: Accenture, Painting the Digital Future of Retail and Consumer Goods Companies

Implications

- In-store and online shopping experiences must be streamlined through omnichannel- and insight-based capabilities.
- Traditional infrastructures cannot provide the rich user experience required to capture all potential sales.

...requiring a re-architecture of the store platform as a distributed digital experience.



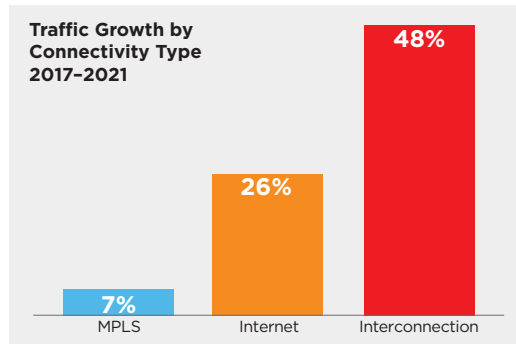
Source: IBM, Incumbents Strike Back

Implications

- The store must become a dynamic, distributed platform that streamlines and interconnects supply chains.
- Behavior-based analytics require placing controls across your digital presence in proximity to your users, clouds and supply chain partners.

INTERCONNECTION INSIGHTS

Interconnection Bandwidth* is projected to outpace growth of internet and MPLS traffic...



Equinix, Global Interconnection Index Volume 2

Opportunity

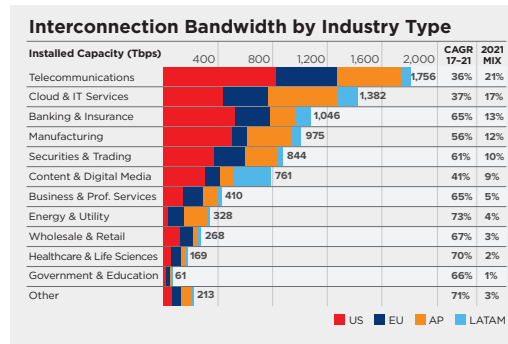
Interconnection, the direct and private traffic exchange between key business partners, is needed for scale. Retailers are taking advantage of this trend by establishing distributed, private traffic exchange and control points at the edge, near digital ecosystems, supply chain partners and customers.

Summary

Global Interconnection Bandwidth is projected to grow at 2x the rate of internet traffic, as enterprises shift to interconnection for direct, secure business exchange. The wholesale/retail industry anticipates 67% compounding interconnection growth, enabling consumer retailers to integrate omni-channel and cloud capabilities on powerful business platforms that interconnect customers, employees and supply chain partners across ecosystems for optimal user experience.

*Interconnection Bandwidth is the total capacity provisioned to privately and directly exchange traffic with a diverse set of counterparties and providers at distributed IT exchange points.

...with the wholesale and retail sector projected to grow annually at 67%...

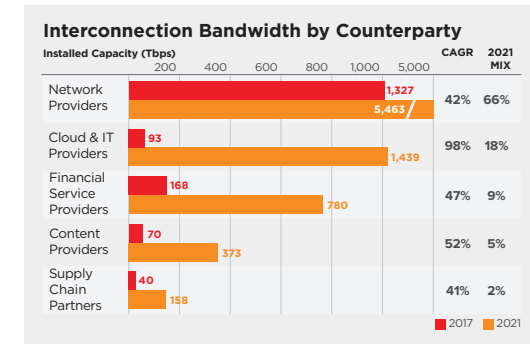


Equinix, Global Interconnection Index Volume 2

Opportunity

Interconnection in geographically distributed colocation facilities enables wholesalers and retailers to leverage vital cloud, financial service and ad exchange capabilities, along with real-time data analytics. The result is a responsive, interconnected business platform that meets consumers' changing buying habits.

...and interconnection growth to cloud and IT providers and financial services compounding.



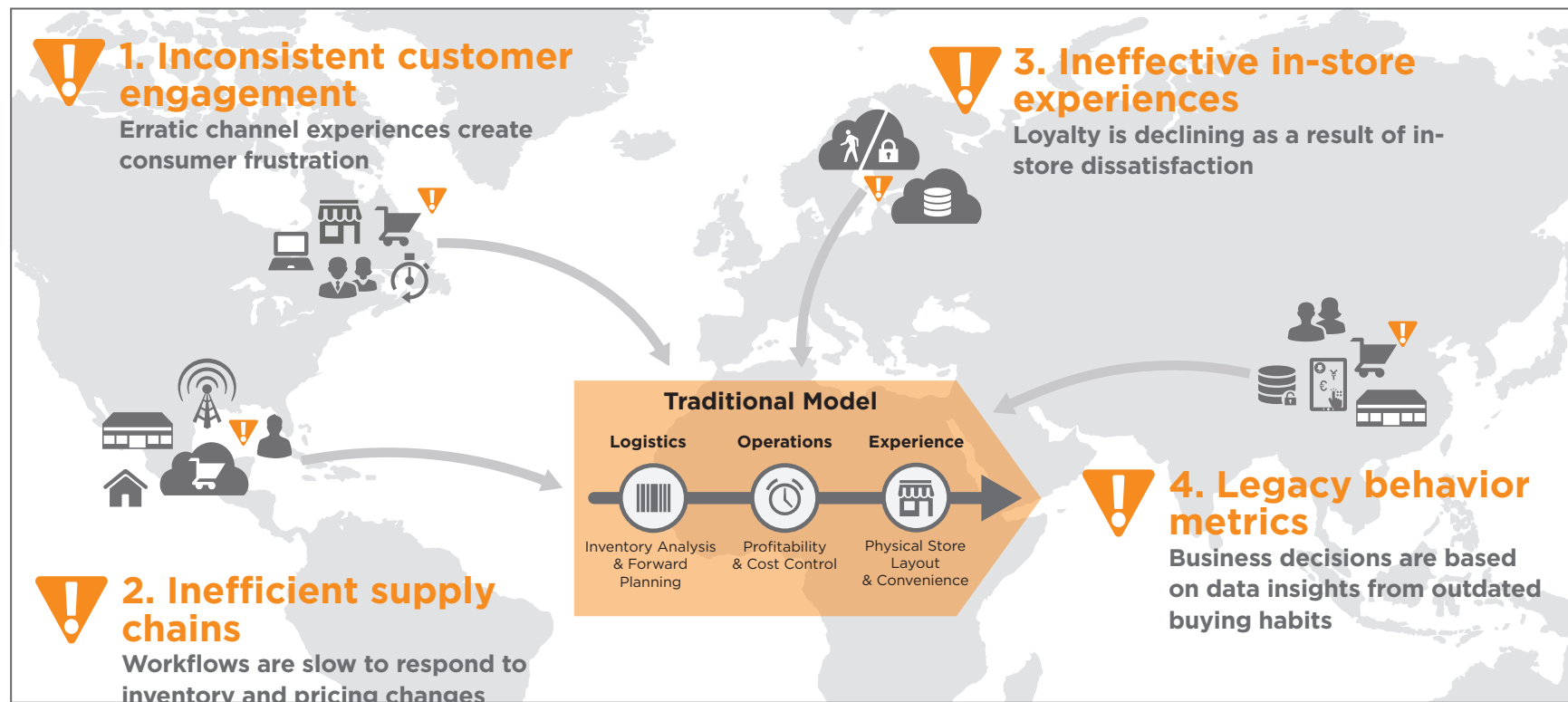
Equinix, Global Interconnection Index Volume 2

Opportunity

Interconnection enables access to cloud and IT and financial service providers, along with supply chain partners, to bring data-driven products, services and experiences to market faster. Omnichannel access to retailers' offerings and real-time consumer feedback and data capture drive targeted offers.

CURRENT-STATE CONSTRAINTS

Retailers can't deliver desirable customer experiences or respond quickly to evolving buying trends

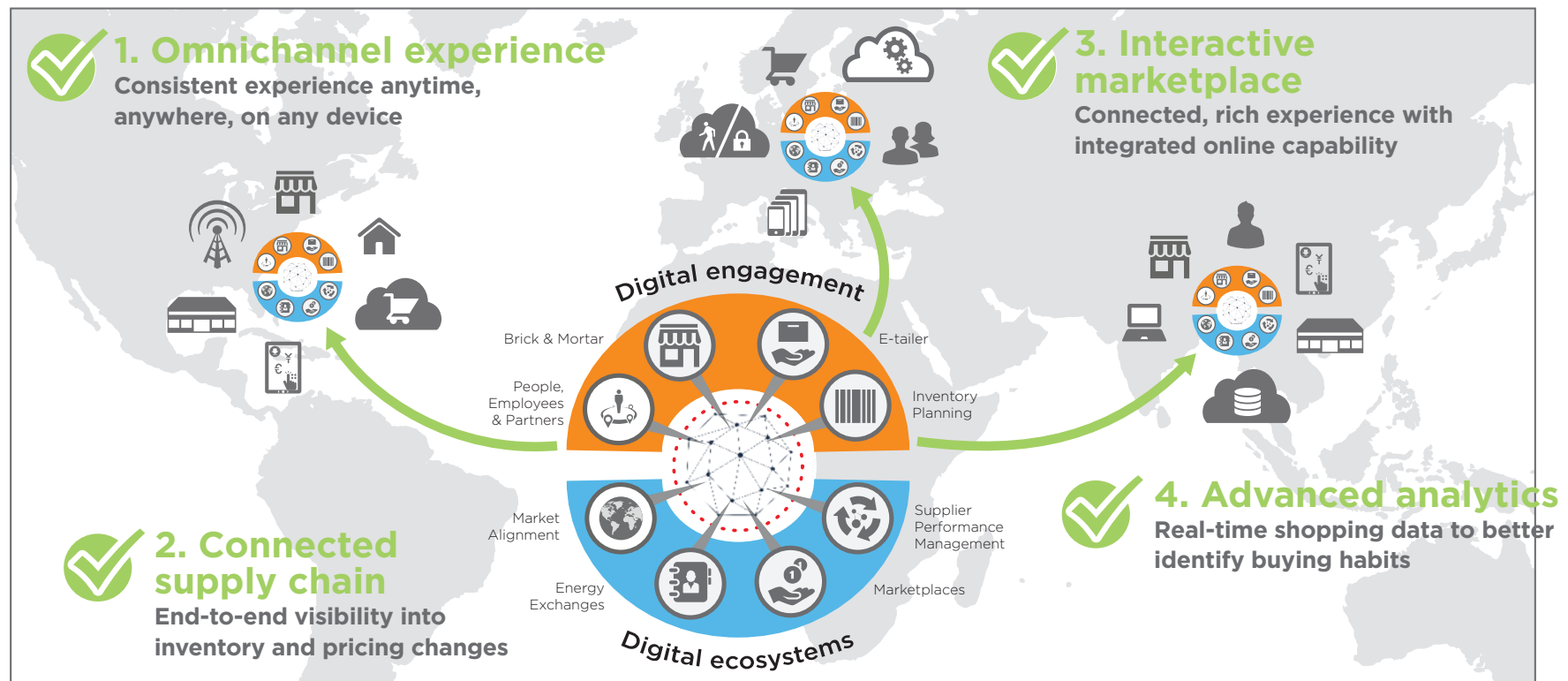


Summary

Consumers are looking for different omnichannel experiences that legacy brick-and-mortar retailer infrastructures cannot provide. Supply chains require agile, dynamic integration with retailers for fast reaction to inventory and pricing changes. In-store experiences must be more connected to online consumers. Data capture and analytics around customer buying habits must be updated to include online and social interactions, and integrated with online advertising.

FUTURE-STATE CAPABILITIES

A decentralized infrastructure supports dynamic business processes and enhances the consumer experience



Summary

A dynamic, interconnected business architecture allows retailers to deliver the omnichannel experience that consumers want and support a supply chain ecosystem that provides end-to-end visibility into inventory and pricing changes. By interconnecting to clouds, financial services and ad exchanges, retailers can deliver a rich set of targeted experiences and offers driven by in-depth customer and buying data and analytics for greater profit.

STRATEGY

Architecting for digital business requires an interconnection-first approach

Summary

Retailers need to deliver more personalized, omnichannel experiences to consumers. A distributed interconnection platform provides the supply chain, digital ecosystem and consumer integration, as well as data capture and analytics, retailers need to increase revenues and profits.

Network, cloud, SaaS, content and other service providers enable and integrate cloud, financial services and ad exchange ecosystems by deploying these services to retailers at the digital edge in a highly scalable, pay-as-you-go model.

Hosting and managed services providers help retailers re-architect their platforms with interconnection to their supply chains to deliver more omnichannel services to consumers while leveraging customer and product data and real-time analytics to address evolving buying trends.



ROADMAP

Consumer retail digital transformation roadmap based on proven best practices from an Interconnection Oriented Architecture (IOA)



Differentiate the experience

Summary

The business transformation roadmap offers consumer retailers guidance on achieving a connected digital and physical world for greater revenue. Follow the three-step plan to differentiate the experience for shoppers, partners and employees, reduce business risk, and enable scaling through ecosystems. The result is an integrated interconnection platform from which to leverage global insights for new business models with omnichannel capabilities.



PLATFORM

To achieve the benefits of the strategy and the roadmap steps in this playbook, your architecture and platform require three critical elements: global location coverage, private interconnection with rich digital ecosystems and the capability to integrate, standardize and simplify control.

Global Coverage



Digital edge control point locations
where you need them, close to...

Customers

Employees

Partners

Things

Reach Everywhere

- Global, metro cities and markets.
- Geographical compliance and sovereignty.
- Business operations and offices.

Interconnection and Ecosystems



Direct and dynamic private exchange
of data across...

Networks

Clouds

Payments

Supply Chain

Interconnect Everyone

- Access network and cloud providers.
- Participate in ecosystems exchange.
- Leverage commoditized services.
- Share and exchange data.
- Transact using digital commerce.

Integration and Control



Integrate digital and physical services to
control and optimize...

Security

Data

Applications

Business

Integrate Everything

- Marketplace of control functions.
- Cloud and managed services.
- Private data and distribution repositories.
- Globally standard policies.
- Business continuity and control.
- Digital commerce and payments.

GETTING STARTED

Playbook
Companion
Resources

Request a detailed briefing or strategy workshop with our experts.

Contact your Equinix account executive and learn more at equinix.com

Equinix Americas

Main: +1.650.598.6000
Email: info@equinix.com

Equinix EMEA

Main: +31.20.754.0305
Email: info@eu.equinix.com

Equinix Asia-Pacific

Main: +852.2970.7788
Email: info@ap.equinix.com

The Platform Equinix Vision



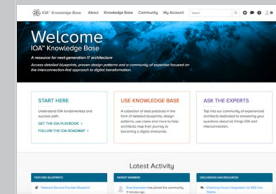
Develop personalized in-store and online consumer experiences by leveraging an interconnected platform and service provider ecosystem.
eqix.it/PlatformEquinixVision

Global Interconnection Index



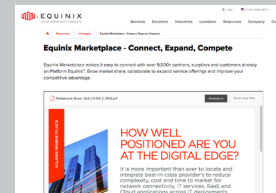
Learn how global growth in Interconnection Bandwidth is shaping new opportunities for retailers and the partners and ecosystems that support them.
eqix.it/InterconnectionIndex

IOA Knowledge Base



Download proven network architecture blueprints and design patterns based on industry-leading implementations of IOA.
eqix.it/IOAKB

Equinix Marketplace



Discover an entire world of service providers or search for new partners, suppliers or customers on Equinix Marketplace.
eqix.it/marketplacebrochure



EQUINIX

Equinix, Inc. (Nasdaq: EQIX) connects the world's leading businesses to their customers, employees and partners inside the most-interconnected data centers. In 52 markets across five continents, Equinix is where companies come together to realize new opportunities and accelerate their business, IT and cloud strategies. In a digital economy where enterprise business models are increasingly interdependent, interconnection is essential to success. Equinix operates the only global interconnection platform, sparking new opportunities that are only possible when companies come together.

Learn more at equinix.com

Equinix Americas

Main: +1.650.598.6000

Email: info@equinix.com

Equinix EMEA

Main: +31.20.754.0305

Email: info@eu.equinix.com

Equinix Asia-Pacific

Main: +852.2970.7788

Email: info@ap.equinix.com

Equinix.com

© 2018 Equinix, Inc.