



# The Future is Anywhere

2021 iQmetrix Trends in Telecom Retail

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## Key findings at a glance

70%

Nearly 70% of telecom retailers predict sales of new wireless devices will be higher in three years vs today

83.7%

Close to 84% predict sales of smart home and IoT-connected devices will be higher in three years vs today

80%

Almost 80% have invested in buy/reserve online, pick up in-store—or plan to within three years

30.6%

Nearly one-third have seen e-commerce retail revenues increase by at least double over the past year

87%

Just shy of 90% have invested in engaging with customers via social platforms—or plan to within three years

89%

Almost 90% predict more growth in buy/reserve online, pick up in-store solutions over the next five years

88%

More than 88% predict a much greater focus on customer subscription and loyalty programs over the next five years

# A New Retail Reality

## Welcome to the 2021 Trends in Telecom Retail Report

For iQmetrix's inaugural Trends in Telecom Retail Survey, we reached out to telecom retail professionals across the US and Canada to glean insights into the state of the sector—both today's trends and predictions for what's to come.

The results were extremely insightful. We learned that the telecom retailer of today is agile and responsive; robust and optimistic; innovative and adaptable. We discovered that the pandemic radically changed the retail landscape—temporarily for the worse, perhaps, but ultimately for the better.

More than anything else, our survey responses revealed that the future of telecom retail lies in meeting the customer where they are. That means retail operators need to be able to sell anywhere so that their customers can buy anywhere. In-store, online, via mobile, via social, via search, at big-box kiosks, at pop-up stores, and anywhere else.



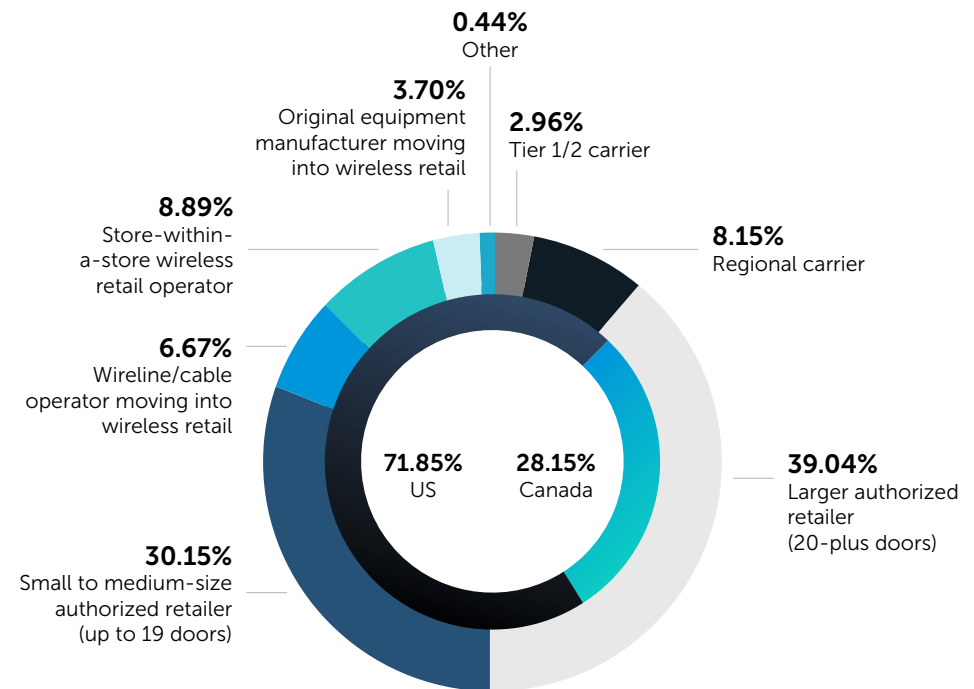
*Overall, these responses make up a very optimistic report—and an outlook that predicts huge change, not a continuation of the status quo. It shows that authorized retailers and carriers are going to have to align with each other, invest in new product sales, and adopt new retail channels. It paints a transformational picture.*

—Stacy Hamer, Vice President of Client Experiences, iQmetrix

We would like to thank every one of our research participants, and we invite you all to enjoy the fascinating results on the following pages.

## Who did iQmetrix survey?

Our survey respondents comprised 135 industry representatives and leaders, from the following breakdown of company types:





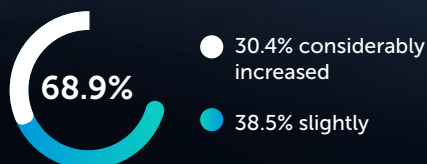
# An Optimistic Outlook

## Telecom Retail Today and Tomorrow

Telecom retail operators have revealed themselves to be a bullish group. Despite competition in the sector being notably higher than three years ago, more than two-thirds are expecting to see increased retail revenues over the coming three years. And that proportion jumps among smaller authorized dealers (1-19 locations), nearly 80% of whom are optimistic that revenues are rising.

**Where do you expect sales of new wireless devices (smartphones/tablets) will be three years from now?**

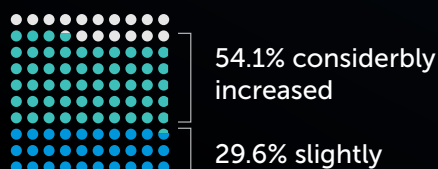
**68.9% predicted increased sales vs today**



Why? Presumably because most seem to expect that there will be enough sales to go round—both in the wireless device market and, particularly, in the smart/IoT-connected device market. More than 83% predict an increase in smart device sales, with 50% forecasting a dramatic rise, in the next three years.

**Where do you expect sales of smart home devices (smart TVs, IoT-connected devices, etc) will be three years from now?**

**83.7%**  
predicted increased  
sales vs today

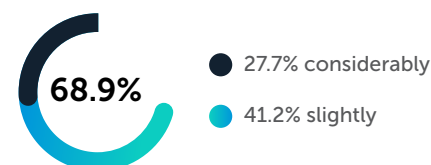


Paul Stemick, Vice President of Operations at TEAM Wireless, a Verizon authorized retailer, told iQmetrix, "I think the smart device trend is increasing, especially with 5G coming in. I think that will change everything in telecommunications. The 5G ultra-wide band is so fast... smart home devices will become much more normalized in our everyday lives."

His colleague Jody Waisanen, Director of Field Operations at TEAM Wireless, agrees. She told iQmetrix, "Especially with everyone working from home, there's a real growth opportunity for different types of new products coming in."

**How much has the coronavirus pandemic affected your telecom retail operation's bottom line?**

**68.9% said it had harmed revenues**



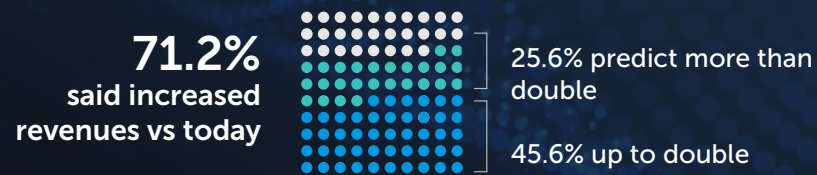
Further, with two-thirds admitting that the coronavirus pandemic damaged their telecom retail revenues between Spring 2020 and Spring 2021, there is evidently the hope of a post-pandemic recovery. Waisanen added, "We've had a good year through the pandemic, and it just shows the importance of telecom, how valuable communication is for everybody."

“

*I think retailers also want a new slate of products to look forward to. They've been selling the same cycle of new cellphone launches, they want something new and exciting.*

**—Stacy Hamer, Vice President of Client Experiences, iQmetrix**

## Where do you expect your own telecom retail business will be three years from now?

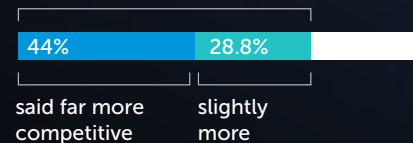


That said, there remains nervousness among wireless retailers about continued economic uncertainty, and whether today's problems of improving the in-store experience and bridging the carrier-authorized retailer divide will be resolved.

A large proportion—72.8%—said there was greater competition in the marketplace than three years ago. "I find this surprising, given the recent consolidation in the sector," added Hamer. However, this proportion was bumped up by wireline and store-within-a-store operators, almost all of whom agreed with this statement, compared with less than two-thirds of authorized retailers.

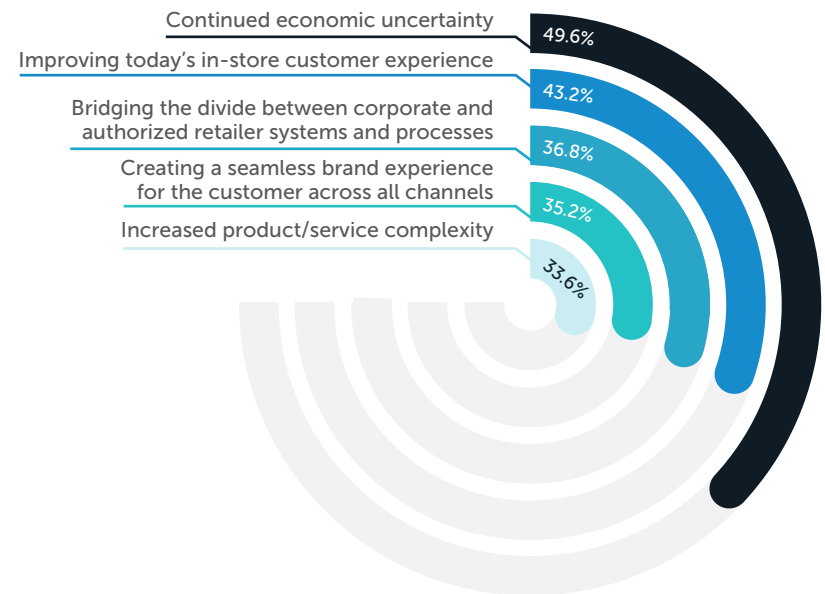
### What is the level of competition in your marketplace like today, as compared with three years ago?

72.8% said more competitive today vs three years ago



## What are the greatest challenges you face in the upcoming year?

### Top 5 Answers



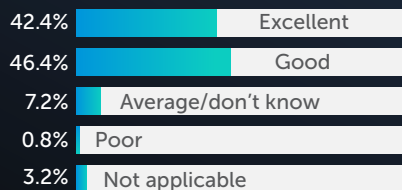
# A Symbiotic Relationship

## How Carriers and Authorized Retailers Co-Exist

For all the challenges that telecom carriers and authorized retailers face in terms of streamlining systems and processes, and much more besides, their relationships largely remain strong. 88.8% of respondents say they have a good carrier-retailer relationship, with nearly half of those describing it as excellent.

Hamer commented, "This is great news. It shows carriers are caring about their dealers. With a number of carriers are closing corporate locations, and putting all of their investment into the dealer channel. I think that is a great sign."

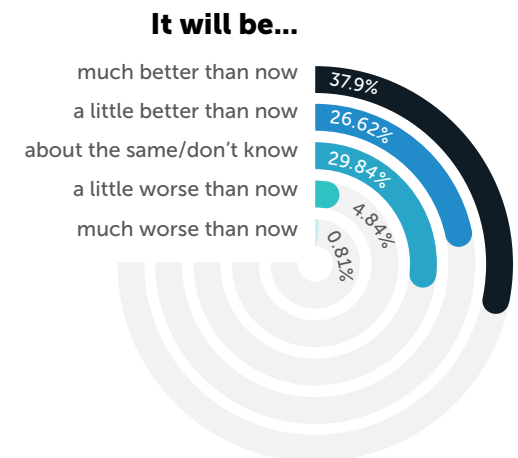
### How would you characterize your carrier/authorized retailer relationship (if applicable)?



That said, there are still challenges to address when it comes to creating a single brand experience between corporate and authorized retailer stores. Stemick from TEAM Wireless said, "Although we're proud of our brand and want everyone to know who TEAM Wireless is, the customer just sees a Verizon store. So the challenge for us is creating that one team, one brand, one look, to offer the same experience that the customer gets at a Verizon corporate store. But we don't have all the tools that the corporate store has, or the means to remodel every location, or to add digital displays to all our stores."

However, the situation seems to be improving, at least in terms of working relationships. Carriers and authorized retailers expect their relationship to go from good to even better, with the highest proportion of respondents (37.9%) saying their relationship will be "much better" in three years compared with today.

### What do you think your carrier/authorized retailer relationship will be like three years from now?



authorized retail carrier always growth  
going market customer years business  
change continue will better  
relationship see grow less know

## Some of the reasons cited for respondent's positive answers were:

"I believe [our carrier] has and will continue to make great strides in layering agent locations into an omnichannel experience for customers. Open dialog in both directions is good, and continues to get stronger."

"[The authorized retailer] has made a lot of internal changes as of late that are pointing us towards one team and there being less of a divide."

"We have open lines of communication and our feedback seems to be taken well and implemented on by the carrier when appropriate."

"The pandemic and store closures showed our carrier how important the independent dealer channel can be. When carrier stores were closed, dealers were able to adapt quickly and continue sales and support."

"We have a strong relationship between our carrier and our dealer, and plan to develop that further in hopes of expanding our number of locations."



# Morphing Brick and Mortar

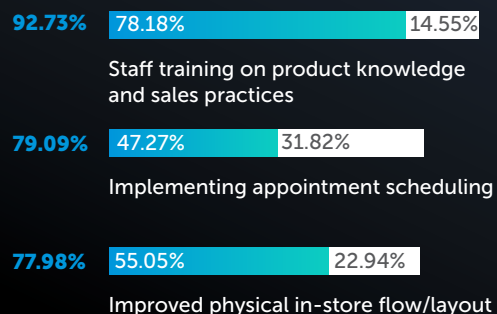
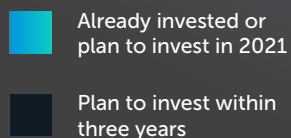
## The Changing Role of the Physical Store

Many of the industry professionals surveyed come from a background of physical retail outlets, but there's no doubt that a wireless store is no longer just a wireless store. Of all the possible roles of the brick-and-mortar store over the next three years, the overarching feeling is "As an essential component of continued omnichannel retail strategies." At 38.7%, this was the option selected by the largest proportion of respondents; a proportion that jumped to nearly 47% within the smaller authorized retailer cohort.

This was followed by "a return to pre-pandemic consumer practices and traffic levels" at 28.83% of respondents—possibly due to the large proportion of US respondents, who have seen high levels of sales activity through the pandemic.

### How does your company plan to improve its in-store customer experience?

Top three answers, when combining responses that said already invested or plan to invest within three years:

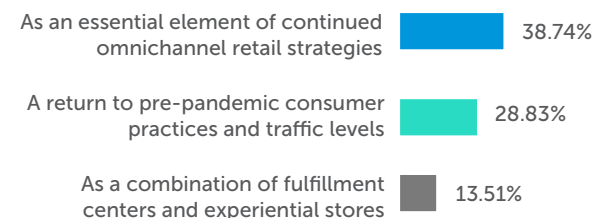


"They might be wondering if that's sustainable, and think it will even out after the pandemic," suggested Hamer. "The same is not true for our Canadian clients, who have suffered losses through the pandemic and are having to adopt omnichannel strategies to get them back up to pre-pandemic sales levels."

Tajesh Patel is the owner of TDP Wireless, a 12-store retailer in Delaware, New Jersey, and Pennsylvania. As a smaller retailer, he's less optimistic for the future of the physical store, believing that he will lose business to e-commerce websites and his stores will become nothing but online order fulfillment centers. "A bigger and bigger chunk of our business is coming from online pickup, which means our margins are very thin and we see very little upselling opportunity. There might be a little wiggle room for customers who want expert advice on products, but most customers are just coming in to pick up a phone. And even that could die out, as people get their phones shipped same-day to their home and activate it online."

### Looking further forward, how do you see the role of the physical telecom retail store evolving over the next five years?

#### Top three answers:





TEAM Wireless' Paul Stemick is more optimistic about the future of the brick-and-mortar store. However, he acknowledged that the challenges of continued operations were greater for smaller players, and smaller retailers closing their locations is increasingly giving larger operators new opportunities.



*You wouldn't believe the continued popularity of people still coming into the store for the last mile of their purchase, or to check out the latest devices and accessories. Are these products available online? Sure, but people want their stuff in their hands today.*

**—Paul Stemick, Vice President of Operations, TEAM Wireless**

With so much new technology and retail strategy, in addition to constantly changing products, retail operations are investing in a lot of staff training. When asked how they were planning to improve the in-store experience, more than 92% said yes to training staff on product knowledge and sales best practices.

The second-most common investment already made or planned to improve the store experience was implementing online appointment scheduling for store visits. With this investment on the radar of nearly 80% of industry professionals, this is a feature rapidly adopted during the pandemic that looks likely to stick around in a post-COVID world.

# Omnichannel is Essential

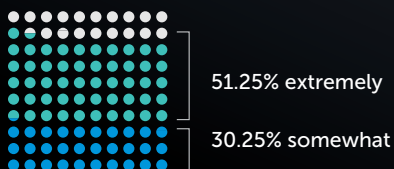
## Strategies that Put the Customer First

When it comes to implementing omnichannel strategies, the message is clear: get on board, or be left behind. In today's retail world, customers expect these options to be at their disposal. But the complexities of telecom retail mean that not everyone is doing it seamlessly, which leads to clunky experiences for both customers and retailers.

The good news is that for over 80% of respondents, omnichannel strategies are cited as important to their telecom retail operations—with more than half of all respondents choosing “extremely important.” The coronavirus pandemic was, of course, a major shot in the arm for omnichannel strategies. More than two-thirds of respondents said that the pandemic accelerated implementation plans, and nearly half of those described the acceleration as “rapid.”

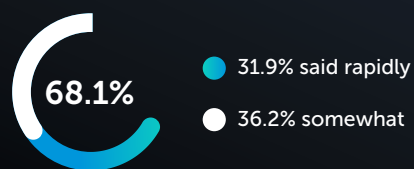
### How important are omnichannel strategies to your telecom retail operations?

81.5% said important



### How much has the coronavirus pandemic accelerated your plans to implement omnichannel strategies?

68.1% said it has accelerated plans

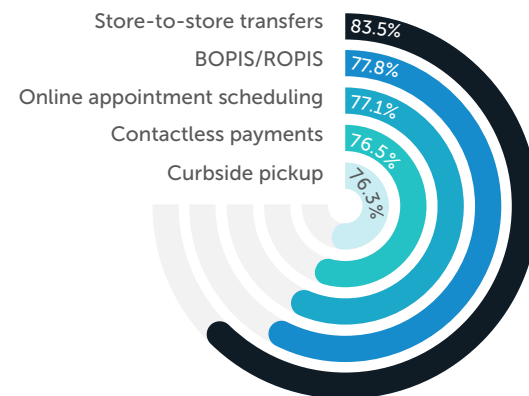


“Wireless retailers have been historically slow to adopt new technologies, so I was impressed with how rapidly they pivoted,” said Hamer.

What seems most important to telecom retail strategy is creating that effortless customer experience to ensure they can access the product they want, when and where they want. Store-to-store transfers of product inventory is the most commonly implemented omnichannel strategy, with 83.5% of respondents already doing this or planning to soon, followed by BOPIS/ROPIS (buy/reserve online, pick up in-store). Online appointment scheduling eked just ahead of contactless payments and curbside pickup, but all these strategies are already or soon to be put in place by more than three-quarters of the retailers surveyed.

### Which omnichannel retail strategies have you implemented thus far, and which do you plan to implement?

Top five answers, when combining responses that said already invested or plan to invest within three years:



“It’s also interesting because BOPIS, contactless payments, curbside pick-up, all those flows are being invested in,” added Hamer. “That’s a contrast with many of our clients last year saying they weren’t going to invest in these because the pandemic would blow over and the features wouldn’t be needed. These results are very blatantly showing that these features are here to stay.”

Another point to note is that of all the barriers to omnichannel implementation, the integration of systems (or lack thereof) between carriers and authorized retailers remains by far the greatest, cited by nearly half of all respondents.

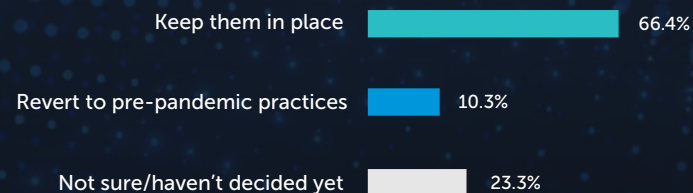
The second biggest barrier cited is the cost of implementing omnichannel technologies. “All those features that we’ve implemented—BOPIS, curbside, touchless payments, etc.—they’re not free for us to operate,” said Stemick from TEAM Wireless. “At the end of the day, what is the ROI? Is it going to benefit our business in the long term? Most cases, the answer is yes but we can’t keep shelling money out without seeing that return.”



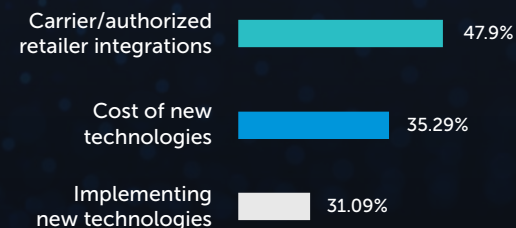
*These results are retailers’ way of saying, ‘We need to be on a par with corporate stores and the customer experience they are able to offer’.*

—Stacy Hamer, Vice President of Client Experiences, iQmetrix

### If you have implemented omnichannel strategies due to the coronavirus pandemic, do you plan to keep those channels in place beyond the pandemic?



### What are the biggest challenges your telecom retail business is facing in implementing omnichannel technologies?





# Buy Anywhere and Everywhere

## In-store, Online, Via Social, On the Go, and More

It is inarguable that multi-channel purchasing strategies are essential to every retail vertical, and telecom is no exception. As sophisticated retailers get their omnichannel flows established, they are freed up to explore new ways to sell anywhere, so that their customers can buy anywhere.

It's no surprise that our respondents are investing heavily in new strategies. About a third of respondents have seen their e-commerce revenues more than double over the past three years, another 30% have also seen increases, albeit smaller ones, and only 6% think that e-commerce revenues have stayed the same or decreased (the remainder didn't know or didn't have e-commerce revenues to report).

Now retailers are working hard to reach their customers in different outlets. When asked how they planned to improve the online shopping experience, a whopping 87% said that they have increased, or plan to increase, investment in social media engagement strategies. This was followed by investment in improving e-commerce flows, at over 83%, followed by BOPIS/ROPIS investment, at nearly 82%.

### How does your company plan to improve the online customer experience?

Top three results, when combining answers that said already invested or plan to invest in next three years:

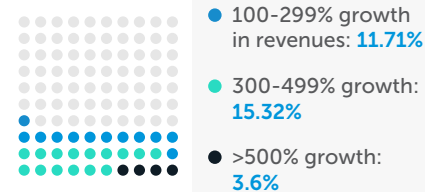
Already invested or plan to invest in 2021

Plan to invest within three years



### How much have your e-commerce retail revenues (do not include revenues from physical store sales) changed over the past year?

All respondents who said more than 100% growth: 30.6% of respondents



When asked about the role of e-commerce over the next five years, respondents most often predicted growth in BOPIS/ROPIS, in e-commerce purchasing in general, and in AI/machine learning and data analytics to improve customer personalization.

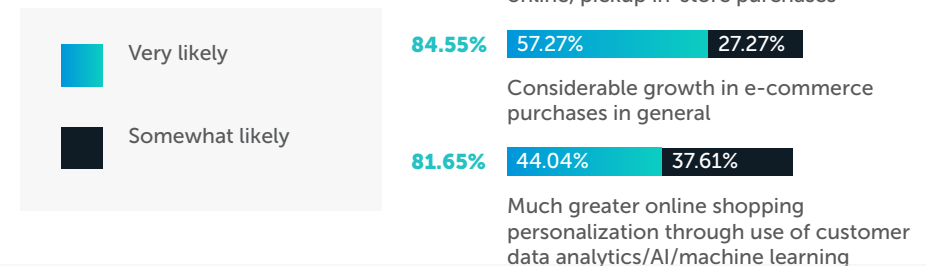
"All the big players are investing in these strategies," said Hamer, "so it's no surprise to see these at the top."

When it comes to machine learning, Patel of TDP Wireless said, "The more data points you gather, the more you can predict customer behaviors. Already, big retailers can recognize what you like and automatically put in front of you what you're likely to buy. This could be taken even further in the future, with brands potentially mailing you the product they think you want, and you simply return it for free if you don't want it."

And Jody Waisanen of TEAM Wireless can see a potential surge in online customer quizzes that allow the retailer to find the perfect device, rate plan, or streaming service for the customer.

### Where do you see the role of e-commerce in telecom retail expanding over the next five years?

Top three answers, when combining respondents' predictions of "very likely" and "somewhat likely":



## Where do you see the future of telecom retail expanding over the next five years, in terms of purchasing channels?

All answers, combining respondents' predictions of "very likely" and "somewhat likely":

Very likely Somewhat likely

89.09% 45.45% 42.73%

Greater focus on customer loyalty, subscription programs, and rewards programs to upsell and increase consumer spend

82.73% 44.55% 38.18%

Increased focus on brand channel integration, creating greater customer visibility into inventory availability

74.55% 41.82% 32.73%

More advances in e-commerce purchasing in general, including same-day and drone delivery

72.73% 30.91% 41.82%

Greater prevalence of brand "experience" stores and showroom-only stores

71.82% 34.55% 37.27%

More purchasing through online channels such as Google, Facebook, Instagram, Snapchat, etc.

68.47% 33.33% 35.14%

Greater prevalence of stores-within-stores – eg, wireless kiosks in grocery or big-box stores

66.36% 29.09% 37.27%

Greater prevalence of pop-up wireless kiosks at events, in public places, at stadiums, etc.

58.33% 25.93% 32.41%

Greater prevalence of branded mobile trucks

When asked for some blue-sky thinking in terms of likely telecom purchasing channels in the next five years, the top answer selected by a massive 88% of respondents (as either very likely or somewhat likely) is a "greater focus on customer loyalty, subscription programs, and rewards programs to upsell and increase consumer spend."

Hamer said she was surprised by this, as relatively few retailers have "a phenomenal loyalty program today." But, she added, "If you consider how many people are forecasting the increase in smart home devices, what could happen is that upselling and bundling will come into play there."

At nearly 83% of respondents, the second most popular answer was a likely "increased focus on brand channel integration, creating greater customer visibility into inventory availability."

*“Brand channel integration and inventory visibility is foundational to enabling all those omnichannel strategies. You can’t serve the customer without that transparency.”*

—Stacy Hamer, Vice President of Client Experiences, iQmetrix

Other purchasing channels such as experiential stores, social and search platforms, mobile kiosks, pop-up stores, and branded mobile trucks were all seen as "likely" by most respondents, to varying degrees.

Paul Stemick said, "We're already figuring out how to start our customer journey on Facebook, through short videos on YouTube, on Instagram. That takes them through to the e-commerce website. So with search and social, it's less about the actual purchasing, more all about the beginning of the customer journey."

He added, "Customers are also going to be buying a lot more through smart-home and IoT-connected devices. And even our phones themselves will be telling us when it's time for an upgrade, and order the latest device."

**A phone replacing itself? Now that's meta.**

## About the 2021 Trends in Telecom Retail Survey

The 2021 Trends in Telecom Retail Survey was conducted by iQmetrix from April 19, 2021, to April 30, 2021. It was sent to telecom retail industry professionals spread across Canada and the US. This report analyzes the responses of 135 people surveyed, ranging from senior industry leaders to store sales associates, working at carrier brands, authorized retailers, wireless store-within-a-store operators, wireline companies moving into wireless retail, and original equipment manufacturers (see page 1 for the company type breakdown). A prize sweepstake was offered in relation to the survey, with 10 \$100 Visa Gift cards available as prizes. On May 14, 2021, five winners were randomly selected from the US pool of respondents and five from Canada; the winners are listed on [www.iqmetrix.com/2021-trends-in-telecom-retail-survey-prize-rules-US](http://www.iqmetrix.com/2021-trends-in-telecom-retail-survey-prize-rules-US) and [www.iqmetrix.com/2021-trends-in-telecom-retail-prize-rules-canada](http://www.iqmetrix.com/2021-trends-in-telecom-retail-prize-rules-canada). Following the survey closing date, a small number of volunteer respondents were additionally interviewed by iQmetrix between May 12 and May 19, 2021, for further insights and quotes for this report.

## About iQmetrix

iQmetrix's intelligent retail management software is designed to power the telecom industry. Our software is built around enabling telecom retailers to deliver a buy-anywhere strategy through multi-channel inventory management and digital retail solutions; make data-driven decisions using robust reporting; and unify storefronts and digital channels for a consistent customer experience, in-store, online, and anywhere else.

For 20 years, we've been passionate about helping the leading brands in telecom to grow by providing best-in-class software, services, and expertise that enables them to adapt and thrive. Our retail management solutions powered \$15.5BN in sales last year, and are used by 425,000 telecom retail professionals across 1,200-plus clients. iQmetrix is a privately held software as a service (SaaS) company with offices in Canada and the U.S. For more information, please visit [www.iqmetrix.com](http://www.iqmetrix.com).