

# Smart cloud communication platforms open up new opportunities

Reducing costs at  
the same time

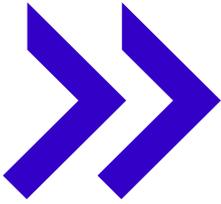
**First and foremost, trade is communication – with business partners, employees, and, of course, customers. Digital solutions open up critical opportunities for retailers to improve their efficiency. A smart cloud communications platform ensures that customers get through reliably.**

An increasing number of retailers today rely entirely on digital communication. They choose cloud-based telephony because it provides them with a highly customisable solution to quickly and easily deploy in branch offices. Each extension can thus be reached reliably at any location and on any device. Simultaneously, the cloud is the ideal platform for Unified Communications (UC) and data-driven marketing. Cloud-based communication solutions also offer advantages in terms of data security and reliability, as the providers are generally in a better technical position than the company's own IT.

Retailers can benefit from the advantages of cloud-based IP telephony in many ways: First, retailers run a host of chain stores with numerous dispersed locations. Here, cloud-based telephony is much easier to deploy and administer than using a dedicated PBX network. Call centres and service hotlines, on the other hand, can also be provided and operated over the cloud in a straightforward and flexible manner because they are needed more than ever, especially in the booming online business.

Since store personnel are usually fully occupied with their day-to-day business, they should not still be tasked with phoning. Therefore, it is essential that the head office can provide the telecommunication solution without complications and that its operation is as simple as possible. For campaigns or seasonal business, additional connections should also be available in no time, which can afterwards be cancelled just as quickly and easily. In short, communication must adapt to business operations.

In terms of customer contact, sales and support teams and hotlines must be available at all times, and customer service agents must have access to the relevant customer or product information quickly. Even in online business, website visitors expect to have a competent contact person immediately reachable for their questions – be it via chat or by phone. This is mission-critical because most sales currently happen in cross-channel e-commerce. Here, a cloud-based communication platform is an obvious choice and offers ten key advantages to retailers.



## Using apps and social media in the future

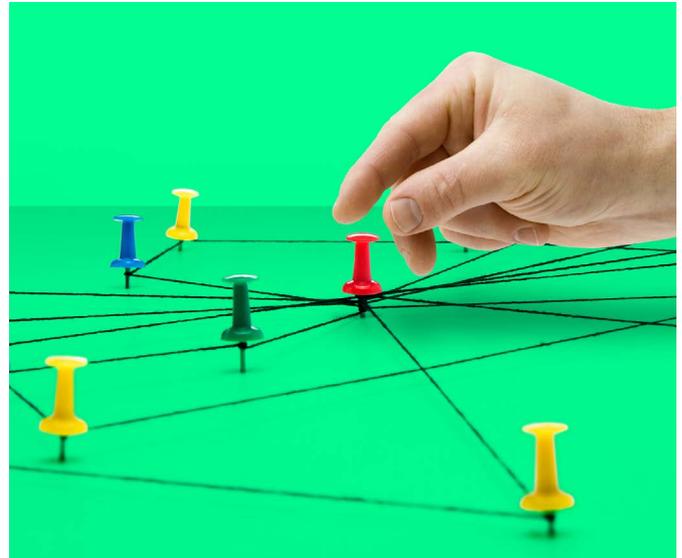
In November 2020, the EHI Retail Institute, a scientific institute of the retail industry in Cologne, Germany, published the study "Customer Relationship Management in Retail 2020".<sup>1</sup> Based on personal interviews with decision-makers in large German retail companies, the study concludes that 70 percent of the respondents are already working with data-driven marketing and personalisation. They have named in-store staff, the website, and newsletters as their main touchpoints at present but anticipate that soon, these will shift to communication via apps and social media channels.

Shoppers already receive alerts about special offers or download digital loyalty cards through the app. Delivery services, in particular, generate a substantial revenue share app-based. Still, users require personal contact for specific inquiries and problems, which is where chat interfaces and telephony come into play.

## Individual customer contact across all channels

According to EHI<sup>2</sup>, future digital retail trends include AI-supported automated product recommendations, personalisation, and individualisation via Customer Relationship Management (CRM) systems. Also, voice assistants and chatbots will be more widely used. Moreover, mobile and digital stores will continue to gain ground as cross-channel concepts: customers will conveniently shop across all channels in the future while receiving comprehensive software-based advice.

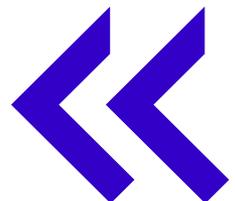
In-store shopping will continue to be important, though, as does competent information or assistance by phone, chat, and online presence – it is the mix that counts. Today, automated personal assistants, both in the online store and via in-store info terminals, reach mostly tech-savvy consumers and are still limited to specific questions. They currently complement face-to-face customer assistance quite well, which, in turn, will likewise benefit from digitisation if the on-site personnel in a sales team or hotline have access to relevant information at the press of a button.



## The cloud as an integrating platform

In the future, all relevant information will be available on an ad-hoc basis in retail stores, on the phone, and, of course, for online assistance. Cloud solutions provide the ideal environment to do this. CRM and Enterprise Resource Planning (ERP) applications are already available in the cloud as Software as a Service (SaaS). Once communication is also cloud-based, there is hardly anything preventing an integrated solution. The same applies to the service department's ticketing system or, of course, to UC functions such as video, chat, or screen sharing.

With an online survey of 353 strategic decision-makers in German-speaking countries, the IDG study „Smart Business Communications“<sup>3</sup> found in 2019 that cloud-based telephone systems have already on-premise PBXs: Two-third of the respondents already rely on a cloud solution for UC, while for 63 percent, functions such as intelligent call forwarding, chatbots, or connecting to CRM and other systems are essential. Thereby, routine tasks are automated, while at the same time, employees and customers can instantly access relevant information on demand.



1. <https://www.ehi.org/de/studien/customer-relationship-management-im-handel-2020/>

2. <https://www.ehi.org/de/studien/connected-retail-2020/>

3. <https://shop.computerwoche.de/portal/studie-smart-business-communications-2019-pdfdownload-direkt-im-shop-9614/>

# Ten advantages of cloud communication platforms



**Cloud solutions score particularly well when it comes to smart functions and interfacing with other applications. Beyond that, they have many other advantages. Here are the ten most important for the retail sector:**

## **1. Cost-optimised: You pay what you use**

Companies will only pay for the lines (aka connections) currently active and just as long as they are being used. Adding new connections via the cloud's management interface is easy and removing those that are no longer needed is just as quick. This pay-per-use model is convenient – especially for retailers. This way, merchants can conveniently book additional temporary connections for campaigns in the run-up to Christmas, for example, or special sales. As a result, more contact points are available to approach preselected leads at the start of a campaign and later help handle the increased order intake.

## **2. Conjoined: One number, one inbox**

Often, employees can be reached by multiple phone numbers, inboxes, and communication tools. Yet, this increases the risk that important calls and messages will be overlooked. Orders or order revisions may then be ignored or customer appointments missed. With a cloud-based solution, a single phone number and inbox, combined with intuitive communication tools, are all that is needed to ensure staff are always available. Customer service representatives no longer miss phone calls and messages, which boosts process flow and productivity.

## **3. Location-independent: Accessible anywhere**

Especially in retail, employees do not always work at the same place. They are out in the building, at another branch, or on the road. A device-independent phone number means that they can still be reached at their extension number – be it on a smartphone, PC, or tablet. The solution must offer native apps for Android, iOS, macOS, and Windows for this to work.

Since voice communication is cloud-based, all that is needed is an Internet connection. Not only are these connections accessible worldwide, but they save on telecommunication costs at the same time. For instance, some providers offer free calls worldwide across all of a customer's facilities. When allocating numbers, the provider usually issues a local number or a local number block. Some premium operators also allot international phone numbers, which might be interesting for international subsidiaries.

## **4. Intuitive: Easy to use**

The vendor provides and maintains the communications infrastructure. Provided that the associated devices are designed to be zero-touch hardware, all the user has to do is plug them in. They log in by themselves and are activated as a subscriber. Here, having an intuitive, simple user interface is vital. At branch offices, in particular, telephony and other communication tools should by no means be complicated and need to be effortless and intuitive. Call forwarding, like from the work phone to one's cell phone, must happen immediately, such as by simply activating the app on the user's smartphone. Once back at work, reactivating your account on your desk phone or computer is just as easy.

### **Fressnapf is expanding throughout Europe with cloud communication**

The Krefeld-based Fressnapf Group is Europe's leading supplier of pet care products. An integral part of the company's strategy is its European expansion and systematic digitisation. In March 2019, the group chose NFON to migrate its PBX to the smart Cloudya communication platform in all European markets. NFON is present throughout Europe and can therefore be accessed by all Fressnapf locations. The provider has been assisting the Group with its digital transformation and rapid technical migration throughout Europe. By today, a majority of the 1600+ Fressnapf stores are connected to the cloud-based communication platform.<sup>4</sup>

4. <https://www.nfon.com/en/news/press/press-releases/nfon-fressnapf-group-1-500-markets-cloud-telephony-by-2020/>

## 5. Transparent: Central cloud management

The administration of telephony and other communication tools are all managed in the cloud centrally. A deployment without physical infrastructure, combined with straightforward tools for adding and managing users, significantly reduces the burden on the IT department. In addition, cloud providers can offer comprehensive performance monitoring for all incoming and outgoing calls as well as other integrated communication channels. As a result, it is possible to identify peak times or determine the average call duration and the success of a campaign. If you have your own PBX, the cost of operation, maintenance, and specific reports are considerably higher.

"It is convenient to add new users and link terminals with new numbers. Redirects are simple to set up, and fax works without any problems. It's amazing. Previously, we had to rely on a contractor to make changes on our behalf. Now we can manage the system ourselves – and it's super easy to do."

**Domenic Muskulus, Head of IT for online gourmet provider Foodist**

## 6. Flexible: Features per demand

As technology advances or business grows, it soon becomes clear that a PBX is reaching its limits in terms of functionality. Then, new or additional functions require new hardware components. In contrast, a cloud communications platform provides a vast number of features that can be added as needed.

Again, the main focus is ease-of-use. It is straightforward, for instance, to assign an interactive voice response (IVR) function to a service number. On an incoming call, the voice dialogue system first automatically asks about the topic and then quickly connects the caller with a suitable contact person. These service numbers can be linked to a service plan via intelligent call forwarding. Meaning: The service number is always routed to the accounts of the service personnel currently on duty.

Furthermore, advanced cloud communication platforms enable the seamless integration of chat and video conferencing solutions via an interface. Rather than having employees with constantly changing workplaces use a desk phone, it makes perfect sense to have them communicate via such an integrated solution using their laptop and smartphone.

## Cloud communication platform lets Foodist focus on fine foods

Foodist offers via its online store European delicacies in German-speaking countries. The Hamburg-based company uses e-commerce tools for purchasing and shipping processes, provides information and advice to potential customers and is in constant contact with international product suppliers. Today, the company uses NFON's cloud PBX Cloudya.<sup>5</sup> Head of IT Domenic Muskulus explains: „We can call anyone anywhere in the world for the same rates, and our users don't have to be in the office to be reached on their business phone number.“ But the biggest advantage for him is that Foodist does not have to maintain a telecommunication infrastructure to focus on its business instead.

5. <https://www.nfon.com/en/how-it-works/customer-stories/foodist>

## 7. Innovative: Provide call centre functionalities

A call centre using a cloud communications platform is entirely Internet based. Agents only require a computer with Internet access and a headset. All common communication channels, such as voice, web chat, WhatsApp, email, and SMS routing, can be integrated into a single platform. Since other media channels are now used alongside voice, the term „contact centre“ or „customer interaction centre“ might be more appropriate. It distributes incoming calls as well as messages to employees according to predefined rules. For example, in web chat, the company can define when it should appear on the website, such as after two minutes or only after a particular link was clicked. Agents can also call customers directly from an application. When registered customers call, the system identifies them and provides the agent with related customer-specific information from various applications, such as the previous email and chat history, order data, or even the current shipping status.

At the same time, the agent only has access to the data currently needed. This is what a role-based user concept should ensure. Effective reports with detailed logs, statistics, agents, and group reports are also crucial for evaluating campaigns and analysing agent utilisation.

The contact centre can even be linked to a CRM system or other enterprise applications via a so-called REST API.

## **8. Highly available: Fail-safe and accessible**

In retail, accessibility is crucial. Cloud infrastructure is better protected and professionally safeguarded than servers and telecommunications systems in a company's data centre since cloud providers go to great lengths to ensure that their infrastructure is secure in every respect. Given the highly available, redundant infrastructure, the provider can maintain operations even if a severe technical failure or catastrophic event occurs at one site. The provider, therefore, usually operates several data centres at different locations (geo-redundancy) and designs the network with links to several providers and Internet nodes redundantly.

## **9. Data Privacy: GDPR compliance**

Data centres in the EU must comply with the strict requirements of the General Data Protection Regulation (GDPR). European Voice over IP (VoIP) providers must ensure that personal data are stored in compliance with the GDPR and can only be accessed by authorised parties. Unlike all previously existing regulations on data protection, the directive includes a more extensive set of data types also covering IP addresses and GPS coordinates.

Non-compliance with the GDPR may lead to heavy fines and damage to the reputation of both the cloud provider and the affected customer. Therefore, European cloud providers pay great attention to maintaining full compliance with data protection legislation. While the US, for example, has no federal data protection law, the German government considers the protection of its citizens' personal data a state duty. Due to the Clarifying Lawful Overseas Use of Data (CLOUD) Act, US providers may even be forced to surrender the customer data of European companies to the authorities.<sup>6</sup>

Moreover, Germans are considered extremely sensitive when it comes to data protection.<sup>7</sup> For this reason, cloud providers based in Germany attach considerable importance to high data protection standards.

## **10. Protected: Total security**

IT security comprises physical protection against intrusion or unauthorised access to servers and IT components as well as the data stored there. Such security measures do not merely include firewalls and monitoring the network for suspicious events. Regular, centrally controlled software updates are also important, as this is the only way to close security gaps swiftly. Because a cloud-based telephony solution is managed from a single console, it allows automated updates, thereby enhancing security directly.

Communication ought to be encrypted to ensure that data remain protected during transmission. Transport Layer Security (TLS) encryption is recommended for use with Internet connections.<sup>8</sup> With additional voice encryption via Secure Real-Time Protocol (SRTP), even tap-proof voice transmission can be implemented.<sup>9</sup>

Another factor is the users' secure data access. Here, it is advisable to establish binding guidelines for password strength and discipline.

NFON has introduced a patented two-factor authentication for this purpose: When an end device is connected to the cloud telephony platform for the first time, the system verifies certificates, and the user must enter a six-digit code authorising the device to the platform.<sup>10</sup>

6. <https://www.heise.de/select/ix/2018/7/1530927567503187/>

7. Customer Data: Designing for Transparency and Trust (hbr.org)

8. <https://www.ip-insider.de/was-ist-tls-transport-layer-security-a-909143/>

9. <https://www.nfon.com/en/service/knowledge-base/knowledge-base-detail/voice-encryption/>

10. <https://www.nfon.com/en/news/press/press-releases/nfon-ag-introduces-two-factor-authentication-for-hardware/>

# Things to look out for when **choosing a cloud communication platform**



**Choosing the right cloud-based communication platform involves several key considerations. To ensure that you do not neglect any important aspect, you should compile a checklist of your company's main criteria in advance.**

**Use these points as a guide:**

- » How simple is the solution?
- » Does the solution offer native apps for Android, iOS, macOS, and Windows?
- » What set of functions does the solution have?  
Are all requirements covered, and are interesting additional functions available?
- » Which communication and business applications can be integrated? Are yours included?
- » Is it possible to incorporate call centres/contact centres into the cloud PBX?
- » How is support managed? Do they provide 24/7 in-house support?
- » Is there any professional customer support, e.g. for customisations?
- » Is end-to-end service management guaranteed?
- » Is the data centre containing the cloud platform located in Germany or Europe?
- » Is the system fail-safe?
- » What security mechanisms does the solution offer?
- » Are automated software updates performed regularly? How much does it cost?
- » Does the provider operate data centres in the vicinity of your subsidiaries/branches?

Once you have made a choice, you can benefit from the new freedom in business communications. You will be reachable worldwide via an easy-to-use, reliable, and independent cloud communication platform. Communication becomes more flexible and diverse, and you even save the costs of operating your own system.

# Cloud communication in retail: **Higher flexibility at a lower cost**



Today, cloud-based communication offers maximum flexibility. The vendor provides the required infrastructure, while corporate customers only pay for what they use. For retailers who want to digitalise their operations, a cloud-based solution is the way to go. However, the key to success is for your vendor to deliver a telecommunication solution that is simple, secure, legally compliant, and flexible. Users who know how to use and configure the necessary functions easily and intuitively are already halfway there. In order to use the system to its fullest extent, experience has shown that one or two practical tips from customer support are beneficial. Professional customer support should, therefore, be part of the decision-making process.

Companies looking for a cloud communication provider with a pan-European presence cannot ignore NFON. The company is the only pan-European cloud PBX provider and ranks, according to Frost & Sullivan,<sup>11</sup> among Europe's ten most innovative companies in the Hosted IP Telephony and Unified Communications as a Service (UCaaS) market. NFON's solutions are based on the smart communications platform Cloudya.<sup>12</sup> Around this environment, NFON is constantly developing new features and solutions. These include premium solutions for special business requirements and applications such as Nvoice solutions for connecting to Skype for Business or Microsoft Teams, EU-compliant voice recording and storage with Neorecording, and Ncontactcenter, which offers numerous intuitive functions for agents and allows various business applications to be integrated.<sup>13</sup>

Thanks to this portfolio, any retail company can implement its individual communication solution. Plus, this solution grows with its tasks and emerging digitisation trends.

11. <https://store.frost.com/frost-radarfm-european-hosted-ip-telephony-and-ucaas-market-2020.html/>

12. <https://www.nfon.com/en/telephony/cloudya/>

13. <https://www.nfon.com/en/premium-solutions/what-are-premium-solutions/>

## **ABOUT NFON AG.**

Since it was founded in 2007, NFON has known a rapid evolution. Today, the company is the only pan-European provider of cloud-based communication systems and is active in 15 countries – It counts over 40,000 customers. Even though you can no longer call us a start-up, we are still full of energy, drive and convinced that anything is possible. At NFON ideas grow and changes come true. Not only for our customers, but also for our employees. We value and appreciate each individual's talents and we have proven that together we can achieve great goals/things.

