

Retail 2.0 : the “Thin Client Movement”

Introduction

In many retail chains, it's still green screens in the store supported by old, expensive mainframes and costly slow-speed networks. Over the last decade, many more retailers made the move to client/server, especially as PCs became more cost effective. While client/server offered some advantages over the mainframe model, it had its own problems. Instead of dumb terminals at the register, now the retailer had significant computing power in the store. This, the distributed computing model, led to the proliferation of PCs and software solutions, databases, and operating systems at the store and across enterprise.

The result is excess cost and complexity, dramatically at odds with the skill levels of store staff.

The modern retailer now has data centers that are also stores. The lifecycle costs of distributed computing, well known in every industry, are worse in retail, by virtue of the extremely distributed nature of the business.

The retailer is forced to squander precious time and resources on maintaining even the simplest of applications on each and every client across the chain. And the need to integrate various software residing in physical locations separated by large distances creates a spiralling progression of application upon application just to keep the operation running – what we call “point solution pollution.”

Retail 2.0 have come to a another crossroads in the retail architecture and infrastructure: fast, inexpensive and secure wide area networks make it possible to combine the power and flexibility of modern server technology with the cost efficiency, ease of maintenance and control of centrally hosted solutions. Retail 2.0 applications put you at the forefront of the thin client revolution. It brings the power, flexibility and scalability of web into the store and enables a single view of retail throughout the enterprise in realtime.



The Benefits of Thin

Retail 2.0 capitalizes on thin client architecture to create a completely new approach to retail operations management. It eliminates the cost and complexity of in-store retail IT - computers, operating systems, database and applications - and replaces it with secure bandwidth and web-browsers hosted by central processing facilities.

One obvious advantage of this approach is the reduction in the store-computing footprint required to execute a robust store application.

Every customer and associate touch point exhibits flexibility and functionality, while actually requiring less computing power. Magnified over the entire retail chain, this translates into significant savings from an initial acquisition and ongoing lifecycle cost basis.

Consider the benefits:

- **Superior Total Cost of Ownership** – Thin client architecture allows dramatically faster application deployment. Maintenance, upgrades and new applications are administered centrally on the server in real-time, saving the time and expense associated with making such changes client by client. Of course, thin clients also offer much lower expenditures for client hardware, support and training. Finally, thin client environments can extend the life cycle of your IT legacy investments. The reduced functionality required from client devices ensures that your hardware rarely becomes obsolete. The bottom line? The Gartner Group concluded a thin-client environment can leverage new and existing resources to achieve a 35 percent savings over a traditional configuration.
- **Easy, Efficient Administration** – Thin client architecture allows access to applications from virtually anywhere. Administrators have access to the entire enterprise and can take advantage of remote management to resolve problems from a single centralized location. Remote updates keep applications current, and no reboot is necessary for system or application failures.
- **Enhanced Security** – Thin client architectures process transactions centrally, providing increased security and reliability. All critical data is updated in real-time and held in a secure central repository. All access rights can be defined in the centrally hosted application. Essentially, you can secure your enterprise by securing your headquarters.
- **Outstanding System Performance** – By definition, your system performance will be dictated by your server environment; the client has virtually no impact. It is far easier and cheaper to optimize a single server environment than a widely distributed assortment of clients. For example, increasing the processing speed of your server environment would directly improve system performance. The thin-client approach allows you to concentrate your IT initiatives on server-based improvements that yield fast and decisive results.

Thin-client Movement Whitepaper

- Superior Leverage of IT Resources – Your IT staff maintains a cluster of servers at corporate that support thousands of users. Client location support becomes a thing of the past. Your IT staff can update your entire enterprise without leaving headquarters.

Retail is Moving Towards Thin Clients

The truth is, most retailers want this technology, and they want it now. According to a recent study by PriceWaterhouseCoopers, from 25% to 35% of retailers surveyed indicated that they would be moving to a thin-client store solution in the next two years. Survey respondents include department, discount, apparel and other specialty stores, home improvement centers, convenience stores, and supermarkets. Across the retail spectrum, the benefits of thin clients are self-evident, and the value proposition compelling.

With so much going for it, what's stopping the thin-client revolution? Simply put, most retailers haven't installed the basic prerequisite for development of a thin client solution – a stable and robust wide area network. The single most significant barrier to thin client computing in retail has been the unavailability of economical wide area networks – until now.

After all the hype, true network connectivity over the Internet, including the last mile into the stores, is finally arriving at a store near you.

The very largest retail chains in the country have only recently embarked on the process of truly bringing the Internet into the store.

However, those retailers that have already instituted WANs have the opportunity to leverage their technological lead to create a powerful new way of doing business: retail-in-realtime.

The early adopters of thin client computing in retail are, by and large, those that have recognized the incredible power of wide area networks.

