ERICSSON

No signal, no sale: How 5G boosts retail profitability

Explore a retail model for 5G connectivity, yielding $2.7 million in value

Image courtesy of Adobe Stock

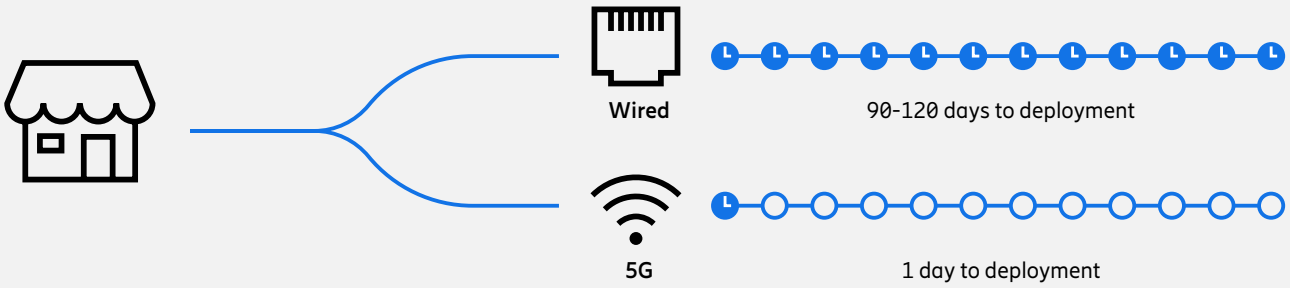
Scan, tap, swipe, sell: Retail runs on reliable connections

Reliable network connectivity is the backbone of retail growth, agility, and customer experience.

However, many stores are still tied to wired lines that require months to install, signals that drop when needed most, and systems that struggle to keep up with omnichannel demand.

Connectivity has become a board-level issue, impacting cost savings and revenue generation at all levels of operation. Every minute of downtime represents lost sales. Every delayed store opening delays revenue. Every poor digital interaction erodes customer loyalty. That's why the network is now a strategic driver of competitiveness, and 5G is winning the race.


Image courtesy of Adobe Stock



The business case for 5G Wireless WAN


Image courtesy of Adobe Stock

5G Wireless WAN (WWAN) delivers secure, reliable, enterprise-grade networking that can be deployed anywhere, anytime.

5G can be deployed as a primary network or as part of a hybrid wired and wireless WAN, adding the resilience of wireless failover to deliver near 100% uptime, reducing risk, and unlocking profitability.

For IT leaders, that means easier scalability and remote management. For enterprise leaders, it translates directly into faster time-to-revenue, secure transactions, and seamless customer engagement.

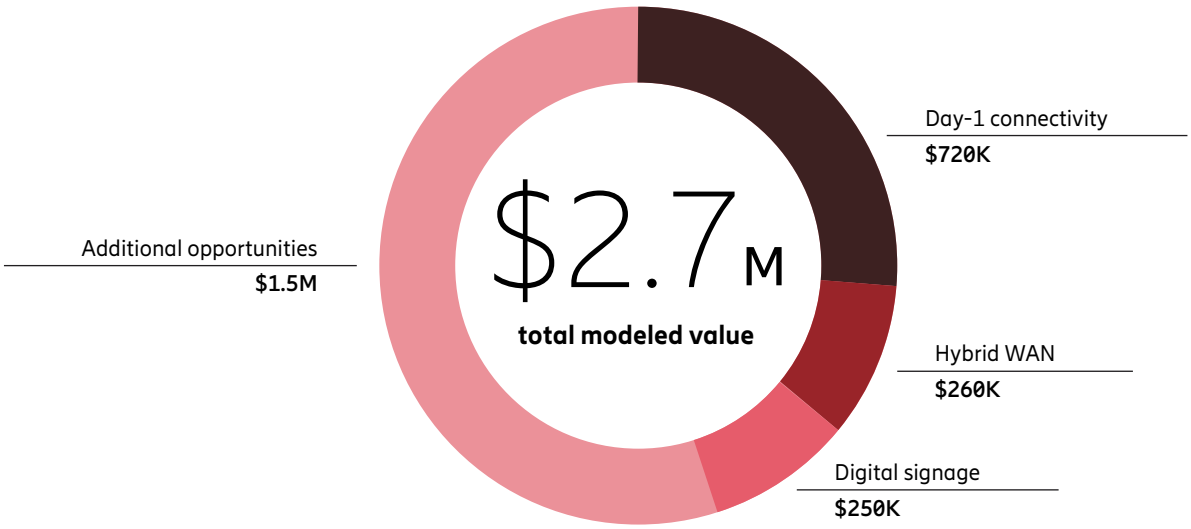
5G WWAN is the foundation for sustainable ROI. Enabled by Ericsson Cradlepoint routers and managed through Ericsson NetCloud, a 5G solution helps retailers:

- accelerate time-to-revenue
- reduce downtime
- elevate customer experience

Modeled ROI scenario

Turning connectivity into business value starts with cellular.

To illustrate the bottom-line impact of 5G WWAN, let's look at a modeled scenario: a mid-sized clothing retailer with 50 stores, $120 million in annual revenue, and a 5% baseline operating margin (70% physical/30% e-commerce). Based on research for Ericsson with analysis by Arthur D. Little, this model illustrates how adopting a cellular-first strategy can yield up to $2.7M in annual business value — equal to a +2.3% lift in operating margin.[1] The results highlight the potential operational and customer experience gains of a wireless-first approach.



Day-1 connectivity: Faster openings, faster revenue

Traditional store openings often require 90-120 days for wired networks, which represents months of rent, utilities, and staffing costs without revenue. With 5G WWAN, connectivity can be deployed in a single day. In our model, this agility generates up to $720K in additional annual value. Wireless-first networks eliminate cabling delays, reduce complexity, and allow new locations to open on time, without waiting on carrier lead times.

Hybrid WAN: Keeps registers ringing

Even a few hours of downtime can result in thousands of dollars in lost transactions and erode trust. By layering 5G WWAN into a hybrid WAN, downtime is reduced by up to 80%, protecting $260K in annual revenue in our modeled scenario. Near 100% uptime ensures every card swipe is processed. With out-of-band management, IT can troubleshoot securely without onsite staff or added cabling.

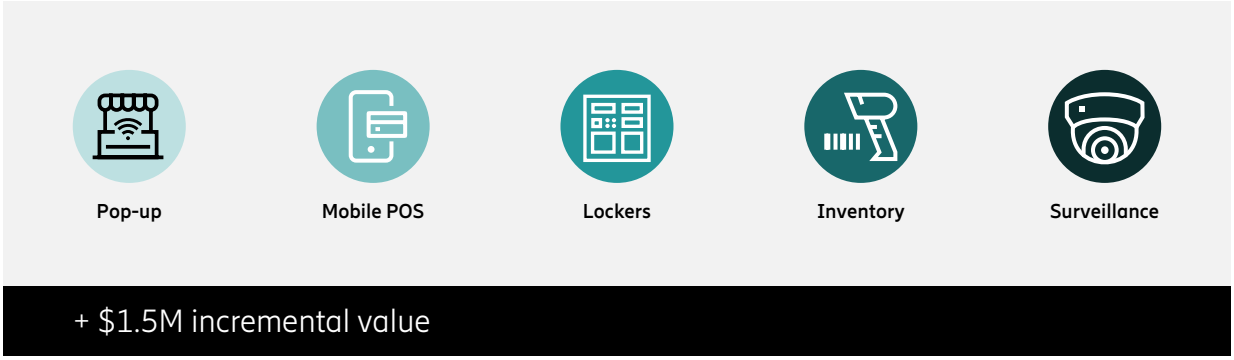
Digital engagement displays: Connected experiences that sell

Smart kiosks, digital signage, and interactive displays are fixtures in retail that power product promotions, lookups, and customer self-service. But they only work when the network does. 5G-enabled digital engagement displays increased foot traffic by up to 12%, worth $250K annually. These devices can be isolated from POS systems for added security and moved easily within stores, reducing staff burden while elevating customer experience.

[1] Based on research conducted on behalf of Ericsson, with analysis by Arthur D. Little ("Analyzing the economic benefits of enterprise cellular solutions in branch locations," September 2024). The research analysis is based on a theoretical typical midsized retail chain active in apparel and accessories, with a focus on clothing. It has 50 sites in Western Europe and an annual revenue of $120 million, comprising 70% from physical stores and 30% from e-commerce, with a 5% operating profit margin. Results represent modeled scenarios and potential outcomes, not guaranteed performance.

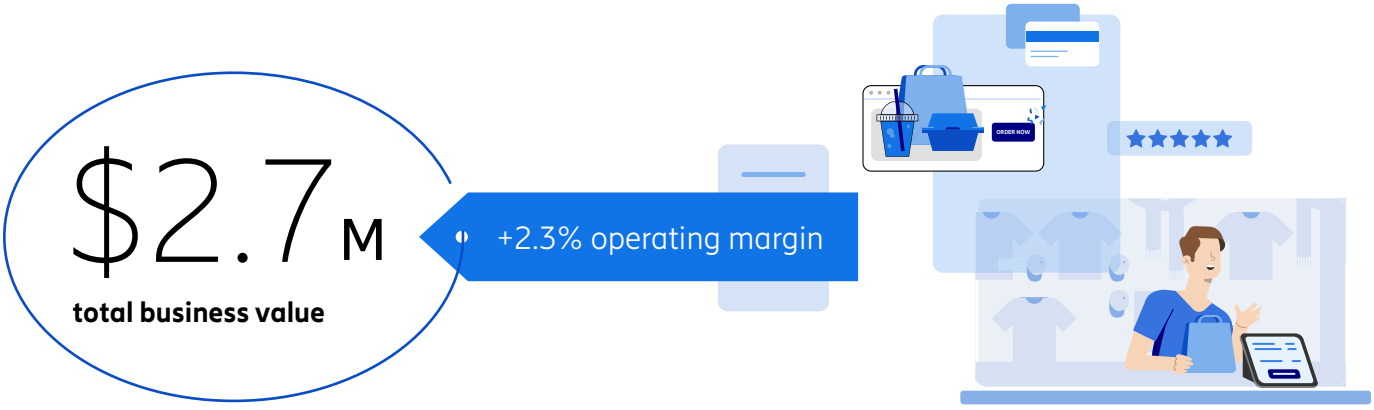
Connectivity that powers every retail touchpoint

Beyond the core use cases, 5G WWAN supports new services and efficiencies: pop-up store connectivity, mobile POS, click-and-collect lockers, real-time inventory tracking, in-store analytics, and smart surveillance cameras. Together, these deliver up to $1.5M in incremental value through both new revenue streams and cost savings in our modeled scenario.



The bigger business impact

In retail, no signal means no sale. Transactions stall, opening timelines slip, customers walk away. 5G WWAN keeps every piece running, for faster launches, fewer outages, and seamless digital experiences that drive ROI. Taken together, the retailer in our model realizes up to $2.7M in annual business value — a +2.3% lift in operating margin on a 5% baseline. By shifting from a wired-only to a wireless-first approach, retailers can strengthen connectivity and unlock measurable gains in profitability.



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