

Aaron's leverages digital transformation-ready network connectivity for retail innovation.

Aaron's, a leader in the lease-to-own industry, recognizes that digital transformation relies upon a reliable and consistent enterprisewide network connectivity strategy.

Organization

Aaron's Inc.

Organizational challenge

- Provide greater enterprisewide network bandwidth and reliability
- Remove network connectivity issues from a focus for retail staff and associates
- Deliver better customer experience to Aaron's customers
- Drive more operational efficiency to fuel digital transformation

Solution

Aaron's engaged Comcast Business Enterprise Solutions as Aaron's enterprisewide network connectivity services provider to deliver managed broadband as well as professional and deployment services.

Project duration

Aaron's started its relationship with Comcast Business Enterprise Solutions in 2015, and the open ended engagement continues.

Benefits

- Enhanced customer experience
- More staff, associate attention on customers
- Renewed focus on retail innovation
- New capabilities

“The Comcast relationship has, overall, been such a critical piece of our digital transformation.”

Tommy Meek
Chief Information Officer
Aaron's Inc.

Aaron's Inc.: A leader in the lease-to-own industry

Aaron's Inc. is an omni-channel lease-to-own provider of electronics, appliances, and furniture, as well as seasonal and other products, and one of the leaders in the rent-to-own industry. Its customers are chiefly underserved segments of the population, including unbanked and credit-challenged customers. Aaron's helps customers (i.e., those who do not have the credit or the financial capabilities to purchase outright) toward ownership by offering options such as low up-front payments, flexible payments, and early buyouts.

Aaron's Inc. consists of three operating segments: the Aaron's-branded Sales & Lease Ownership business ("Aaron's"), Progressive Leasing, and Vive (Vive Financial LLC, the result of Dent-A-Med Inc. being folded into the new, wholly owned subsidiary, Vive). Founded in 1955, Aaron's now has over 1,400 stores (78% company-owned franchises and 22% independently owned franchises across the United States, Canada, and Puerto Rico) and operates the traditional lease-to-own business, which allows customers to lease merchandise for their homes and enjoy the convenience of direct-to-door delivery and setup, the flexibility of being able to return the merchandise at any time, and the security of knowing service and repairs are included during the term of the lease.

The Progressive Leasing segment, in collaboration with retail partners, offers a virtual in-store lease-to-own business model for customers of its retail partners. Vive Financial offers a range of second-look credit products that are originated through federally insured banks.

Like so many other retailers, Aaron's has recognized the importance of embracing digital transformation in order to be the true omni-channel retailer that it strives to be – and to offer a customer experience worthy of an industry leader.

In 2015, Aaron's realized that its growing adoption of technology in pursuit of omni-channel aspirations was creating a gap in its network capabilities. With stores spread across the United States, often in areas with limited connectivity options, Aaron's experienced a wide disparity among its stores in terms of sufficiency and reliability of network capabilities. With Aaron's growing embrace of digital transformation, the network connectivity issues became much more visible across the company's retail landscape.

Divisional operations voiced a need for better network bandwidth, stability, and redundancy that would ensure an improved ability to monitor and report business performance. At the same time, Aaron's realized its support strategy up to that point – relationships with multiple network support providers – was increasingly cumbersome to manage and did not meet the network capabilities needed to undertake a digital transformation.

COMCAST
BUSINESS

Aaron's looked to consolidate its cross-enterprise network support with a network company that would be more of a partner than a vendor; it sought a service provider large enough to have a footprint and a scale capable of delivering consistent network capabilities across Aaron's U.S. and Canada operations, but not so large that it would be unable to listen to Aaron's needs. Aaron's found the provider it was looking for in Comcast Business Services, which has demonstrated that it prioritizes delivering solutions more than selling boxes.

Challenges

As Aaron's was developing and focusing on improving the customer experience, management realized that network connectivity — a core foundation piece — was uneven across the enterprise and too much of a daily concern to store managers, staff, and associates. Obtaining network connectivity through so many providers meant Aaron's had to oversee and manage many different provider relationships across the company's footprint in the United States and Canada, which made addressing network connectivity in a consistent manner a big challenge. This often resulted in inefficiency: many relationships to manage; impaired enterprisewide visibility as to where the most critical network connectivity gaps were; volumes of network support calls going to different service providers; and tactical store-level focus on network connectivity as an IT utility rather than an enterprise-level focus on network connectivity as a strategic foundation for digital transformation.

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Addressing the challenges

The big change for Aaron's with the Comcast Business relationship has been the considerable improvement in scope of view that comes with a single network services provider. Comcast looks across the footprint of Aaron's stores, constantly assessing where the greatest needs are, and is able to bring the right focus at the right time to the right place.

With the broader perspective and greater focus that come from minimizing the number of providers to manage, Aaron's network planning has evolved to a much more strategic focus on the trade-offs between service capacity and cost, additional offerings and capabilities that Aaron's should be adopting into its network portfolio, and incorporating Comcast's technology and industry perspectives into its planning.

Comcast Business works closely with Aaron's, principally in the plan and build stages, to understand Aaron's business, what is going on at the store level, and what network connectivity options, capacities, and configurations make the most sense for Aaron's. Comcast and Aaron's have regular meetings in which the two companies review the relationship — what has been going well and what needs improvement. They also conduct higher-level reviews of industry and technology trends that impact Aaron's business and technology needs.

The relationship between Comcast Business and Aaron's starts with executive-level meetings and quarterly business reviews between the two companies and includes Aaron's participation on Comcast's executive advisory board. With multiple channels facilitating ongoing conversations between the two companies, a level of trust has developed that makes the formal service-level agreements (SLAs) seem secondary.

Comcast Business and Aaron's have made multiple passes through the store footprint. After an initial 18-month wave of across-the-board network capacity upgrades, Aaron's and Comcast Business have since shifted focus to more targeted enhancements of network connectivity, a continuing focus on where a store's capacity and capabilities need to be aligned with how they are doing business, and addressing support issues.

Benefits

Aaron's looks at the benefits of the relationship with Comcast Business Enterprise Solutions mainly in three ways:

- Improving the customer experience
- Enabling Aaron's to shift focus and resources to more strategic innovation around the customer experience
- Showing Aaron's a technically feasible path to the store of the future

Having upgraded and future-proofed network capabilities offers the promise of a better and continually improving experience for Aaron's customers. If "easy to do business with" is a critical attribute for every retailer to gain new customers and retain current customers, then that attribute is even more important for the unbanked and credit-challenged customer segment. Aaron's focus on drastically reducing the time it takes for a customer to complete the lease agreement process means not only a significant improvement in the customer experience but also a more efficient use of store associates and staff. Having a reliable network connectivity provider lets store associates focus on delivering a better customer experience rather than dealing with store technology issues.

Aaron's enhanced network capability means not only that store associates and staff are able to allocate less of their attention to technology issues but also that Aaron's support staff has shifted more of its focus from tactical break/fix tasks to better solutioning, which has a positive impact on other areas of the business. Every reduction in Aaron's resources devoted to support corresponds to an equivalent reallocation of such resources to more strategic areas of the business.

With the goal of lowering the volume of support contact — chat, email, or telephone — with the call center to as close to zero as possible, Aaron's is preempting these support requests with proactive monitoring from an Aaron's command center. Over the past year, Aaron's has found that one way to drive more efficiency into store operations is to have a command center that proactively identifies issues within the store, and before calls are logged into the call center, the command center is already contacting the store, identifying the issue, and advising a time to resolve. Call center staff, too, can then be redeployed to more value-add activities and tasks.

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Store efficiency ultimately means that resources can be redeployed to do things that otherwise would not be possible, and to innovate more, creating more value in the business. Aaron's looks back over the past five years and realizes that so much of what the company has done — for example, digital customer onboarding, enhancements to the lease agreement process, continual enhancements to its point-of-sale (POS) system, prioritization of business-critical traffic — would not have been possible with its multiple legacy networks. While many retailers update their POS system perhaps once or twice a year, Aaron's updates its homegrown system multiple times a day.

Having reliable network connectivity and capacity has also enabled Aaron's to pursue the future of retail with confidence. Aaron's views its "cloud where it makes sense" strategy, the continually improving use of data, and providing good website and mobile experiences to its customers as pillars of its future of retail strategy. As Aaron's continues to expand its product portfolio, the company needs to ensure visibility into customer activity not only on the showroom floor but also into products not on the showroom floor. As mobile devices have become a critical part of the customer experience, Aaron's strives to offer customers robust and reliable access to its broadening product assortment while enabling the company to leverage a growing volume of customer data to know more about its customers and customer preferences and offer customers incentives that deliver more value.

A focus on network connectivity capabilities that are optimized across the enterprise, rather than localized to each store, provides Aaron's with a technically feasible view into the future of retail. Having a trusted provider that has enabled Aaron's to focus its internal resources where they add the most value, while ensuring Aaron's sufficient and reliable bandwidth, has been key to Aaron's digital transformation ability. "The Comcast relationship has, overall, been such a critical piece of our digital transformation," explains Tommy Meek, Chief Information Officer at Aaron's. "It's allowed us to further enable the technology at our stores and let store team members focus on our external customers while also helping us continually innovate from a technology standpoint."

