



NEWS RELEASE

New Cisco Research Reveals Hyper-Relevance as Key to Winning the Digital Consumer

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Retailers Who Offer Internet of Everything Experiences Can Capture a 15.6 Percent Profit Improvement
NEW YORK, NY -- (Marketwired) -- 01/12/15 -- **National Retail Federation 104th Convention & Expo, Booth 2052** - The digital consumer has come of age and expects a rich palette of retail experiences that provide ever-increasing value and convenience both in-store and out. Today, Cisco (NASDAQ: CSCO) released survey findings from 1,240 retail consumers in the U.S. and U.K. that uncover their preferences for Internet of Everything (IoE) enabled retail experiences and provides insight to help retailers capture the new digital consumer through IoE innovations fueled by mobility, video, and analytics. The research is part of a global study that when fully completed will survey 6,000 consumers in 10 countries.

Key Highlights

Customers Want a Convenient, Contextually Relevant Shopping Experience

The fifth annual Cisco® Consulting Services retail survey found that most shoppers want innovations that improve convenience and efficiency, extending beyond personalization into hyper-relevance. Hyper-relevance delivers value -- such as greater savings, efficiency, or engagement -- in real time throughout the shopping lifecycle, using analytics to determine the experience that best suits the customer's context (where he is, what she is looking to accomplish in that moment). Analytics helps retailers track in-store patterns and use existing video technology to determine, for example, where shoppers are spending more time in the store and which shelves need restocking, information that can immediately be used to improve shoppers' experience and drive better store performance.

When asked to identify primary areas for in store retail improvements, 39 percent of consumers identified the process of selecting and purchasing goods -- for example, having the products they want in stock and an efficient checkout process. By contrast, 13 percent chose a more personalized shopping experience. That is not to say that customers don't want personalization at all, but consumers made it clear that targeted offers *must be* contextual, relevant, and easy to participate in.

Digital Consumers Exhibit Strong Interest in IoE-Enabled Experiences, Creating Savings, Efficiency and Engagement

To help provide guidance to retailers on where and how to make their strategic innovation investments, Cisco tested 19 different shopping concepts with consumers in its survey. Together, these provide a snapshot of consumer receptivity to new IoE-enabled innovations in the shopping experience. These use cases are at the heart of the IoE value that is up for grabs for retailers in terms of revenue uplift and employee productivity. For an illustrative \$20 billion retailer, these use cases drive a total gross annual value opportunity of \$312 million and a 15.6 percent improvement in profitability.

Product Delivery

- Drive-Through Lane at Store (57 percent): Order products online from preferred retailers, and then pick them up in person using a drive-through lane at the store.
- Same-Day Delivery (53 percent): Same-day delivery at home of orders placed online for a fee of \$5 per delivery.
- Secure Locker (40 percent): Pick up online shopping orders from a secure locker at a convenient location.

Augmented Reality

- Augmented Reality Offers (73 percent): Use a smartphone to scan products for special customized offers and promotions in the store.
- In-Store Guidance (63 percent): Use augmented reality apps to help locate items on their shopping list in the store.
- Reviews (57 percent): Use augmented reality apps to receive information about products, such as online consumer reviews or ingredients.

Mobility Enabled Shopping

- Smartphone and Tablet Apps Are Becoming the Norm: Nearly half of consumers (42 percent in the U.K. and 47 percent in the U.S.) are using smartphones to enhance their in-store experience. About one-fourth of U.K. shoppers and one-third of U.S. shoppers are using independent shopping apps on a smartphone or tablet at least once a week.
- Smartphone Checkout (60 percent): Scan barcodes on items while shopping to track and pay at a self-service checkout.
- Smart Cart (50 percent): "Smart online shopping cart" uses information from smart home appliances, purchasing history and items added by the consumer to maintain a constantly updated virtual cart reflecting current purchase needs.
- Mobile Payments (49 percent): Store several payment cards on smartphones and smartwatches to pay in stores by swiping the device at the checkout.

Interactive Digital Signage

- Checkout Wait Times (77 percent): Want digital signs at each checkout line to provide estimated wait times.
- Targeted Offers (67 percent): View offers tailored to their interests and preferences.
- In-Store Maps (67 percent): Obtain information about the location of a product in the store and the best path to get there.

IoE is shaking up the competitive dynamics in nearly all industries -- particularly retail, which accounts for \$1.5 trillion of the total private sector Value at Stake. Much of the Value at Stake for retail will be

generated by innovations that depend on real-time analysis of data that is captured at the edge of the business from sensors, cameras and mobile devices. To meet the needs of new digital consumers and attain their potential Value at Stake, retailers need to increase their focus on innovations that deliver hyper-relevance, build a dynamic infrastructure and agile processes that enable hyper-relevance and develop new business models that drive innovation and hyper-relevance.

Cisco offers a portfolio of mobility, interactive digital services platforms, video collaboration, [analytics](#), and cloud computing solutions that help retailers provide more efficient and more engaging shopping experiences to their customers. These solutions will be demonstrated at the [National Retail Federation Convention & Expo](#) (Cisco Booth 2052).

Supporting Quotes

- **Joseph Bradley, Vice President & Founder IoT / IoE Practice**
"The opportunity ahead is tremendous. Of the \$14.4 trillion in IoE value for the private sector, \$1.5 trillion is there for retailers. The key to capturing this value is realizing that digital consumers aren't static -- they're dynamic. And IoE's connections between people process, data, and things now enable retailers to engage with customers on their terms -- whether rushing through the airport to catch a flight or spending more time than usual in the shampoo aisle."
- **Doug Stephens, Founder, Retail Prophet**
"If a retailer thinks that at some point this is going to slow down, and that they have time to wait and then jump in, they're wrong. Because these rates of adoption -- the speed at which technology is moving -- is becoming more exponential and will continue to do so."

Supporting Resources:

Research:

- Winning the New Digital Consumer with Hyper-Relevance [white paper](#)
- [Slideshare: Research Summary](#)
- [A Retailer's Map to Hyper-Relevance](#)

Digital Content:

- [In Retail, Insight Is Currency, and Context Is King Blog](#)
- [Remote Expert for Retail](#)
- Cisco at NRF [Website](#)
- [Cisco Retail Blog](#)
- [Cisco Retail Website](#)

Technorati Tags: Cisco, Cisco Consulting, retail, collaboration, shopping, mobility, mobile shopping, Remote Expert, video, HD video, collaboration, analytics, Internet of Everything, IoE, IoT

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