

# IoE Provides Retailers with Many Benefits, Including Analytics-Driven Improvements in Customer Experience

## Cisco® Consulting Services Can Help Retailers Unlock Hidden Value with IoE



“Based on [Cisco’s] analysis, companies should have a sense of urgency about aligning their strategies and practices to leverage IoE.”

TechZone360  
June 2013

*In nearly all industries, including retail, an accelerating innovation curve is reshaping the business landscape. In this environment, barriers to market entry are falling, customers are demanding new ways of interacting, and margins are compressing. In a world characterized by technology-driven parity and fleeting competitive advantages, many business leaders are asking, “Where will the next wave of value come from for our company?”*

*Recent Cisco economic analysis and research indicate that this value will be driven by the **Internet of Everything (IoE)** – the networked connection of people, process, data, and things. Cisco predicts that \$14.4 trillion of value (net profits) will be at stake globally for private-sector companies over the next decade, based on their ability to harness IoE (to learn more, please visit [http://cs.co/IoE\\_ciscoconsulting](http://cs.co/IoE_ciscoconsulting)).*

### IoE Could Boost Profits by 14% for \$20B Retailer by 2017\*

- **Higher employee productivity and lower real estate rentals** (due to telecommuting): \$182 million EBIT (earnings before interest and taxes) contribution
- **Decreased merchant processing fees and lower cost of fraud prevention**: \$63 million EBIT contribution
- **More targeted, location-based advertisements**: \$60 million EBIT contribution
- **Reduced out-of-stocks**: \$20 million EBIT contribution

\* Cisco Consulting Services economic analysis, 2013

## Why Act Now?

- IoE’s potential bottom-line value results from improvements in five key areas: asset utilization, employee productivity, supply chain and logistics, innovation, and (especially relevant to retail) customer experience.
- Cisco estimates that the **retail industry will account for 11 percent of the total IoE Value at Stake** over the next 10 years – second only to manufacturing.
- Cisco’s recent IoE Value Index study of 7,501 IT and business leaders indicated that private-sector firms in 12 of the world’s largest economies are poised to realize **\$613 billion of value from IoE in 2013 alone**.
- At the same time, companies are *failing* to capture approximately 47 percent (\$544 billion) of their potential Value at Stake in 2013. According to Cisco’s IoE Value Index study, retail ranked last among industries in terms of potential value realized from IoE in 2013. Of course, this also means that **retail has the largest upside of any industry** in terms of achieving potential value from IoE.
- Success in capturing this upside will hinge on retailers’ ability to apply technology to **improve the “people” and “process” aspects of their businesses**. Cisco Consulting Services can help retailers realize IoE’s benefits.

### Top 3 IoE Business Drivers – Retail\*

1. Customer demand for new ways of interacting
2. Accelerating pace of innovation
3. Automate business processes

### Top 3 IoE Business Benefits – Retail\*

1. Operational efficiency
2. Customer service
3. Profitability

\* Based on Cisco's IoE Value Index survey of 7,501 IT and business leaders.

### IoE Retail Case Study

#### Tesco Boosts Digital Presence and Visibility of Multichannel Offerings

##### Machine > Person



Transactional touchscreen kiosk lets shoppers browse and buy from extended online range



Life-sized "magical mirror" allows kids to try on different outfits and interact with animations virtually



Shoppers use touchscreen display to browse key trends and build personal wish lists



Digital signage showcases best of the product range and multichannel offering



Scan to view more information about the Tesco solution.

**GET STARTED NOW!** Request an IoE Executive Exchange session, where we discuss your business opportunities and define how you can benefit from IoE today and in the future. To learn more, please send an email to [ioeconsulting@cisco.com](mailto:ioeconsulting@cisco.com) or visit [http://cs.co/IoE\\_ciscoconsulting](http://cs.co/IoE_ciscoconsulting)

## How Can Retailers Benefit from IoE?

- To receive the most value from IoE, retail leaders should begin transforming their organizations based on key learnings from use cases that illustrate the promise of IoE.
- Cisco's IoE Value Index study indicates that retailers have been investing in IoE enablers that correspond to their biggest Value at Stake opportunities. **Machine-to-person (M2P) capabilities** scored the highest in Cisco's IoE Value Index study in terms of their potential to drive value. Retailers can use mobile and video analytics to track in-store customer behavior in order to optimize customer service and merchandising strategies; customize offerings, marketing, and advertising messages by analyzing customer history, preferences, location, and budget; and use in-aisle interactive displays and digital signage to help shoppers explore products, driving upsell/cross-sell.
- The second-largest IoE Value at Stake opportunity for retailers comes from **person-to-person (P2P)** connections. For example, retailers can provide on-demand sales advice, and scale expert sales staff, by providing video collaboration in their stores; shoppers can receive expert advice regardless of the size and location of the store; and retailers can use remote-expert solutions to sell specialized products and services, maximize upsell and cross-sell opportunities, and increase conversion rates.

## Why Work with Cisco Consulting Services?

- Capitalizing on the IoE opportunity requires more than simply the right technology infrastructure and tools. The key is figuring out how to apply IoE-related technology to optimize the "people" and "process" aspects of your business.
- That's where Cisco Consulting Services can help. CCS delivers **industry and technology expertise** so you can create new markets, improve profitability, manage risk, extend global reach, fuel innovation, and unlock intelligence.
- CCS can work with you to create an IoE roadmap (**Discuss, Determine, Deliver**) for increased profits.

### Discuss

IoE Executive Exchange

How can you benefit from IoE?

**Understand** how IoE can address your business opportunities today and in the future

### Determine

IoE Value Assessment / Roadmap

What will it take to win?

**Assess your top opportunities**, identify capability gaps, and build the optimum business case

### Deliver

IoE Transformation Plans / Implementation

Which steps can we take now?

**Make it happen** by developing and executing on a comprehensive blueprint for change



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