CISCO

Winning the Connected Consumer
Retailing in the Connected World Video Demonstration

Internet Business Solutions Group
April 2008

- This document provides a detailed treatment of the Retailing in the Connected Word Video.

- It is designed to educate and inform Cisco Associates of the key concepts, solutions, and technologies illustrated with this video demonstration so that they can effectively use the video in a variety of presentation forums.

About Retailing in the Connected World

- Connected Consumer thought leadership concepts, solutions, and technologies that **improve customer experiences and increase associate productivity**

- A video demonstration of a fictional retailer that portrays realistic situations, characters, and technologies in an **understandable, entertaining, and impactful medium**

- Five separate and sequential scenes filmed in high-definition to facilitate **multiple uses, audiences, and presentation forums**

- *Connected Consumer: Retailing in the Connected World* is a video designed to be used as part of a presentation and/or to facilitate discussion. It is not designed to be a standalone "movie." It demonstrates the use of technologies that change both customer experiences, as well as the productivity of Tech City store associates. It is aligned directly with the efforts of the Cisco Connected Consumer (retail/CPG) group, Service Provider practice, Digital Media Systems business unit, and Emerging Technologies group—and primarily is designed for use with retail, consumer product, and service provider customers. Many of the concepts in the video can also be applied to other industries.

- The video portrays realistic situations, characters, and technologies to help bring these concepts to life in an understandable, entertaining, and impactful medium. While it focuses on a specific type of retailer (specialty and consumer electronics), it can be applied conceptually across other retail segments, and should be positioned conceptually not prescriptively.

- *Connected Consumer: Retailing in the Connected World* demonstrates current Cisco products, including the company's Home Linksys® brand, as well as other potential solutions that can be built on Cisco's Unified Communications network platform.

- The video is broken down into five separate and sequential scenes, which can be used in whole or shown individually to illustrate specific concepts or technologies. The presenter has the responsibility of and flexibility to position the content in a way that best supports his or her objectives.

- *Connected Consumer: Retailing in the Connected World* is filmed and available in Windows Media Video and high-definition formats to facilitate multiple presentation technologies and forums.

The Future of Retailing is Here Today
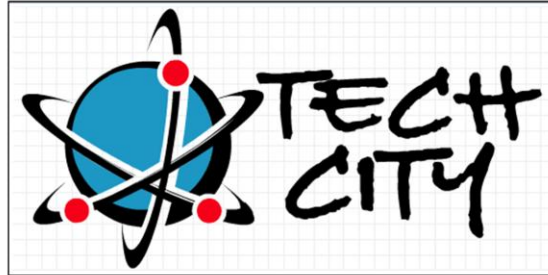
Video   Collaboration   Mobility

- Welcome to Tech City where the future of retailing is here today.

- In this video demonstration, you will learn how digital media, mobile devices, and collaboration tools can be deployed in ways that change traditional retail business models. The video is a fictitious illustration that portrays realistic situations, characters, and technologies to help bring to life Connected Consumer concepts.

The Cast
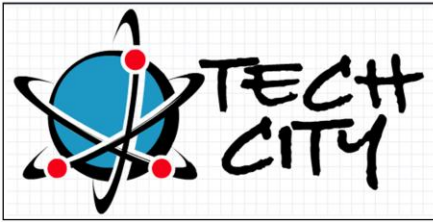
Marco — Store Director
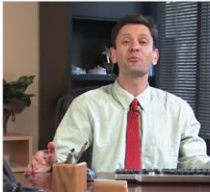
Micah — District Manager

Mariah — Connected Consumer

Brady — Connected Store Associate

Patrick — Connected Home Expert

- There are five characters that appear at Tech City in this video
  - Micah is a Tech City District Manager
  - Brady is an Associate that works in Tech City's Weston store
  - Marco is a Store Director for Tech City's Weston Store
  - Mariah is a regular shopper at Tech City's Weston Store
  - Patrick is a remote Tech City Expert who specializes in helping customers and associates across Tech City's Stores

The Script

TECH CITY
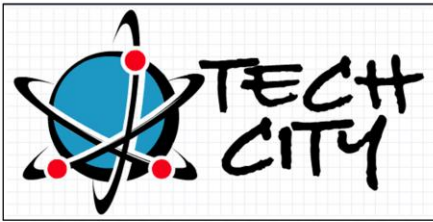
Scene One
Communication & Collaboration

Scene Two
Targeted Promotion

Scene Three
Assisted Selling

Scene Four
On-Demand Expertise

Scene Five
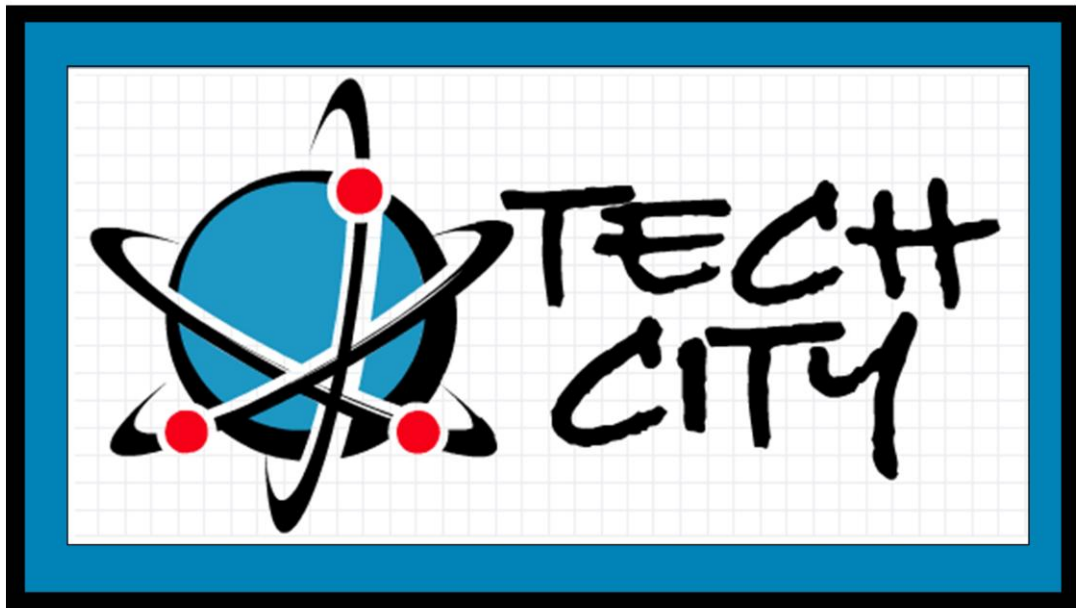Brand Loyalty

- There are five sequential scenes in this Tech City video. Each scene portrays numerous concepts, solutions, and technologies

- Follow along as Tech City establishes new benchmarks for personalized customer experiences and increased associate productivity. Consider how Tech City's innovative approach to retailing and use of technology-based tools can help you connect and do more business with your best customers.

Retailing in the Connected World

Play video

- There are numerous solutions shown in this demonstration. Some of these may make directly make sense for your type of retail business. And while some may not apply directly, following the conceptual approaches to create the solutions that can work for you, creates a fundamental shift in both retail execution and customer experiences.

- Core principles to consider include:
  - On-demand product expertise available to the customer at the point of purchase
  - Customer and product information available to Associates at the point of customer facing
  - Targeted and personalized offerings made based on customer value at the point of purchase
  - Connecting with customers using their devices and in their preferred media
  - Cross channel customizable and seemless experiences for the customer
  - Customer experience based on customer value
  - Direct communication with Associates in their preferred media
  - Collaborative culture/tools for Associates
  - Reinvestment of labor expense based on execution efficiencies

Detailed Scene
Messaging

- Let's review the demonstration by scene and talk more specifically about these concepts, solutions, and technologies.

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Scene One: Communication and Collaboration

Play video

Scene One: Communication and Collaboration

Applications

- Conduct live Webcasts with district managers, CEOs, and others, and make available via VoDs to associates not working during broadcasts.
- Capture best practices / innovative ideas from geographically dispersed associates; make VoDs accessible via Video Collaboration Portal.
- Use in-store investment in digital signage technology to allow easy communications (continue working while watching messaging)

Technologies

- Video on demand (VoD)
- Live Webcasts
- Digital signage
- Video Collaboration Portal

Benefits

- Increase associate productivity / skills
- Improve store execution / coordination
- Ensure corporate messaging and branding
- Reduce associate turnover

In Scene One Tech City associates communicate and collaborate across stores and job levels, breaking down traditional geographic and hierarchical silos. Before and after store hours, associates watch live digital media broadcasts directly from the company's leaders and receive timely, strategic, and tactical execution messages. If they are not in the store to hear the messaging live, they can use Tech City's Video Portal to view it on demand. The Video Portal is also a place where associates can use video to connect with each other and learn together, increasing knowledge sharing and productivity. Tech City associates understand that they are an important, contributing member of the team; knowing this significantly reduces rampant employee apathy and turnover traditional in retail.

Scene Two: Targeted Promotion

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Scene Two: Targeted Promotion

Applications

- Manage / display in-store digital signage; optimize content per store, inventory, and customer. Centralized control with local customization.
- Deploy associate collaboration/networking across store geographies via Video Collaboration Portal, improving associate expertise and execution.
- Target digital media promotions at the point of purchase.
- Set up / modify promotional media content and signage throughout store.

Technologies

- High-resolution displays and digital signage fixtures
- Digital Media Network Manager
- Video Collaboration Portal

Benefits

- Increase sales/ inventory productivity
- Realize ROI on advertising, promotion, and signage expenses
- Improve associate productivity / skills
- Ensure store execution / coordination

- In Scene Two we see that Tech City delivers digital media advertising, promotions, and "how-to" content customized for specific store demographics and inventory, using digital signage at targeted customer-facing locations. Messaging can be pushed across digital signs both within a single store location and across multiple store locations. Digital media replaces the traditional paper- and labor-intensive sign-making process with a more efficient, flexible, and timely process that gets results at the point of purchase for Tech City's promotional dollars. Tech City delivers the right message to the right place at the right time, in a format that inspires and informs its customers.

Scene Three: Assisted Selling

Play video

Scene Three: Assisted Selling

Applications

- Rich media content (digital signage) delivered at the point of purchase
- Handheld devices containing product information for associates to use at customer-facing point
- Mobile concierge services delivered through customer wireless device (to request assistance or allocate associate labor)
- Configuration tools, online "personal information locker," and loyalty-points Web applications available in-store

Technologies

- Digital signage
- Unified Communications (distribution of info, applications, and devices)
- Mobile associate device
- Mobile concierge customer device

Benefits

- Increase sales (up-sell and cross-sell)
- Improve customer satisfaction
- Increase associate / inventory productivity
- Realize ROI on advertising, promotion, and signage expenses

- In Scene Three Tech City uses wireless technologies and mobile tools to bring personalized service to the customer at the point of purchase. Handheld devices provide Tech City associates with important customer and product information at their fingertips, allowing them to engage in effective selling interactions. By connecting with customers' mobile devices, Tech City also ensures that its priority customers avoid the traditional frustrations of endlessly searching for sales assistance or waiting long periods to speak with a sales associate. Whether communicating directly with an associate or customer, mobile interactions help Tech City redefine the standards for customer service.

- Personal locker is a concept where you have a shared space associated with the retailers web site where you can store information --- like a home network diagram or wish list or loyalty points, etc. and the retailer can also potentially push information specific to you to --- e.g. latest news on wireless home networks, new product announcements, sales on accessories, etc.

- Loyalty web application would be something that you qualify for based on your level --- for example a specialized service channel (consult the expert) or new product announcement or hot product availability (think Wii).

Scene Four: On-Demand Expertise

Scene Four: On-Demand Expertise

Applications

- Live, two-way video interaction with product/solution experts delivers expertise to the customer at point of purchase across store geographies

- Handheld associate device with customer and product information used at customer-facing point to personalize offerings

- Configuration tools, personal locker, and loyalty web applications available across customer service applications

Technologies

- Unified Communications

- Cisco® TelePresence video kiosk with life-size, high-quality video display

- Handheld devices

Benefits

- Increase sales (up-sell and cross-sell)

- Enhance customer satisfaction

- Improve associate productivity

- Reduce labor expense

- In Scene Four priority customers and high-value transactions receive added attention at Tech City. Skilled sales associates use the Cisco® TelePresence system to provide personal assistance to customers across Tech City stores. TelePresence delivers the benefits of "being there" for interactions with not only customers, but also colleagues and others, regardless of geographical location. TelePresence is an innovative technology that combines rich audio, high-definition video, and interactive elements to deliver a unique, "in-person" experience over the network. With TelePresence, customers and associates are assured that they are getting all of their questions answered, fully and correctly. Tech City receives the dual benefit of knowing that it is applying its best sales resources where they can have the most impact on revenue, customer service, and profitability while using these resources seamlessly across geographies.

Scene Five: Brand Loyalty
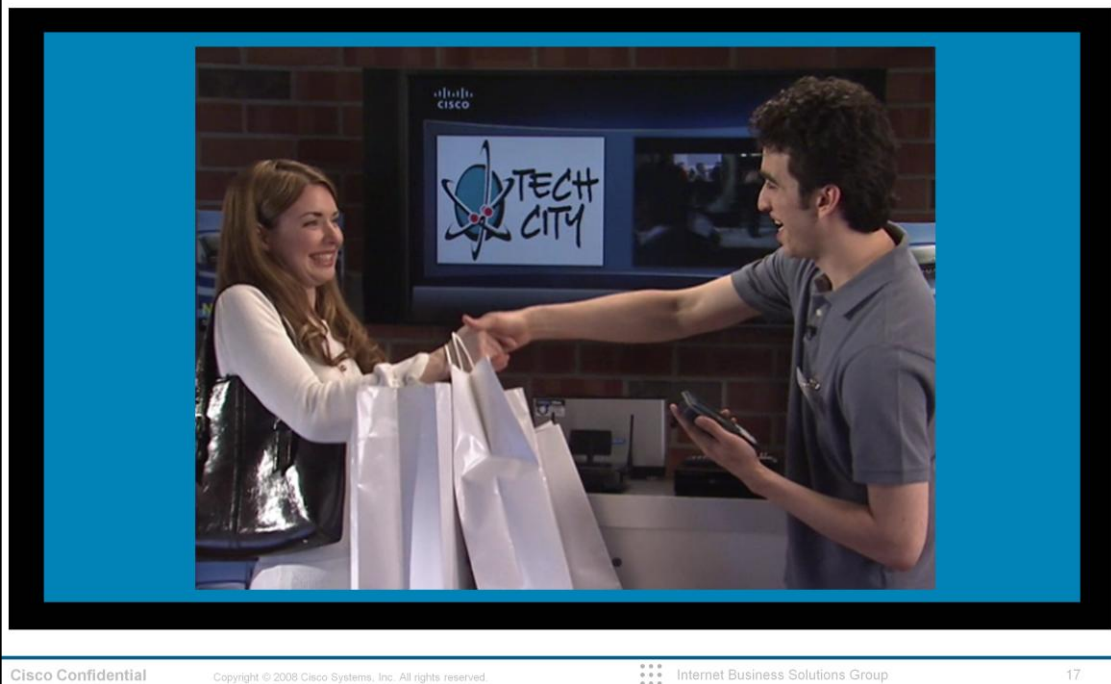
Play video

Scene Five: Brand Loyalty

Applications

- Lineless checkout (associate device)
- Personalized offerings based on customer value
- Labor allocation balances efficiency, expertise, and customer value

Technologies

- Unified Communications (distribution of info, applications, and devices)
- Mobile associate device

Benefits

- Increase sales (up-sell and cross-sell)
- Improve customer satisfaction
- Improve associate productivity
- Reduce labor expense

- In this last scene we see a continuation of the use of the mobile devices and cross channel integration to close the sale while continuing the on going relationship with this high value customer.

- At the conclusion the customer and the associate reach of new level of satisfaction in the overall shopping process.

- In Summary

- Tech City provides creative ways to use digital media, mobile devices, and collaboration tools to change traditional retail business models, establish new standards for personalized customer experiences, improve associate productivity, and increase revenue.

- The next step is for retailers to define the opportunities that exist in their retail environments, and then pilot some solutions. By applying certain concepts from Tech City—such as remote expertise or targeted promotions—to your business models, the possibilities of connecting with your best customers are endless.

- Increased revenue/customer wallet share --- how much of their money they spend with me...currently my avg A customer spends 2000 on electronics in a year and I typically get 1000 of that, now based on these changes I get 1,750 of that 2000.

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