

European Supermarkets Deploy Digital Signage in Innovative New Business Model

Reaping 20% of advertising revenue while promoting its products, this supermarket chain chose the Cisco Digital Media System (DMS) and an advertising company to deploy and manage content on digital signs.

EXECUTIVE SUMMARY
EUROPEAN SUPERMARKET CHAIN <ul style="list-style-type: none"> 1,500 stores in Europe 3,500 employees
BUSINESS CHALLENGE <ul style="list-style-type: none"> Provide digital signage solution to the stores that is an IP-based, standards-based solution Find business plan where the deployment and management of the digital media system is outsourced to a partner in return for a low cost of deployment and a percentage of advertising revenues
NETWORK SOLUTION <ul style="list-style-type: none"> Cisco Digital Media System for Retail
BUSINESS RESULTS <ul style="list-style-type: none"> Deployed the Cisco DMS solution in 40 stores in December 2008 through January 2009 Anticipating further rollout to other stores throughout 2009 Sales and advertising revenue data are being gathered to determine the return-on-investment

Business Challenge

In Europe, the term “adfotainment”—describing the merging of advertising, information delivery, and entertainment via digital signage—is spawning great interest and new business opportunities. A large chain of supermarkets that is also a Cisco routing and switching customer has determined that digital media will be an important new feature in stores.

Based on an earlier pilot, the supermarket chain expects digital signage to generate revenue from paid advertising while increasing the sales of particular products in the stores. The digital signage is also expected to provide an effective way of promoting special offers, to be a medium for disseminating corporate information to employees, and to be the medium for employee training either before or after the stores are open. Finally, an open standards-based

platform for digital media is expected to easily and cost-effectively host other digital media applications as they become available in the future.

Network Solution

The Cisco DMS was deployed in December 2008 through January 2009 in 40 stores by Cisco partner NCR Corporation. The solution includes a Cisco Digital Media Player 4400G and one or more Cisco LCD digital media screens in each store and a Cisco Digital Media Manager headend system in the data center of the company chosen to manage the digital signage system and all content.

The business plan includes eight hours a day of content, with:

- 30% for advertising of in-store products
- 30% devoted to ads for other products and services (such as cars, hotels, and airlines)
- 30% for special promotions (such as “Buy 2, get one free, for a limited time”)
- 10% reserved for corporate communications and training of store employees

The supermarket chain gets 20% of the paid advertising revenue, which is solicited by the media broker. Aside from the media, communications, and training content, the LCD screens can simultaneously be used for queue management. For example, in the meat or bakery departments where customers take a number and wait their turn to be served, a corner of the screens can display the next number in line.

Business Results

“This Cisco customer knew that digital signage requires a high-performance, video-ready network and that Cisco was the right vendor to deliver the solution,” says the Cisco account manager.

PRODUCT LIST
Digital Media <ul style="list-style-type: none"> • Cisco Digital Media Player 4400G • Cisco Digital Media Manager • Cisco LCD 100 PRO 40N, 40-inch screens

“Other options were non-IP, proprietary, and not as reliable, using PCs and proprietary software. But once customers are familiar with the end-to-end Cisco network, they clearly understand how they can maximize their infrastructure to more cost-effectively add many new applications—from voice to video, data, security, and mobility.”

Cisco is now working with the media broker and partner NCR Unified to promote the digital signage business model to banks, restaurants, and other retailers in Europe, seeing it as a winning strategy.

For More Information

To find out more about Cisco Solutions for Retail, go to:

<https://www.cisco.com/web/strategy/retail/index.html>



Americas Headquarters
Cisco Systems, Inc.
San Jose, CA

Asia Pacific Headquarters
Cisco Systems (USA) Pte. Ltd.
Singapore

Europe Headquarters
Cisco Systems International BV
Amsterdam, The Netherlands

Cisco has more than 200 offices worldwide. Addresses, phone numbers, and fax numbers are listed on the Cisco Website at www.cisco.com/go/offices.

CCDE, CCENT, Cisco Eos, Cisco HealthPresence, the Cisco logo, Cisco Lumin, Cisco Nexus, Cisco StadiumVision, Cisco TelePresence, Cisco WebEx, DCE, and Welcome to the Human Network are trademarks; Changing the Way We Work, Live, Play, and Learn and Cisco Store are service marks; and Access Registrar, Aironet, AsyncOS, Bringing the Meeting To You, Catalyst, CCDA, CCDP, CCIE, CCIP, CCNA, CCNP, CCSP, CCVP, Cisco, the Cisco Certified Internetwork Expert logo, Cisco IOS, Cisco Press, Cisco Systems, Cisco Systems Capital, the Cisco Systems logo, Cisco Unity, Collaboration Without Limitation, EtherFast, EtherSwitch, Event Center, Fast Step, Follow Me Browsing, FormShare, GigaDrive, HomeLink, Internet Quotient, IOS, iPhone, iQuick Study, IronPort, the IronPort logo, LightStream, Linksys, MediaTone, MeetingPlace, MeetingPlace Chime Sound, MGX, Networkers, Networking Academy, Network Registrar, PCNow, PIX, PowerPanels, ProConnect, ScriptShare, SenderBase, SMARTnet, Spectrum Expert, StackWise, The Fastest Way to Increase Your Internet Quotient, TransPath, WebEx, and the WebEx logo are registered trademarks of Cisco Systems, Inc. and/or its affiliates in the United States and certain other countries.

All other trademarks mentioned in this document or website are the property of their respective owners. The use of the word partner does not imply a partnership relationship between Cisco and any other company. (0812R)