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# RETAIL TECH PRIMER

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A  ×  COLLABORATION

## INTRODUCTION

Over the last five years we have witnessed a radical shift in shopper behavior fueled by the seismic impacts of mobile and social. During that time, our team at PSFK Labs has documented ideas and identified trends that reflect how retailers and brands are trying to engage the always-on, hyper-connected and all-powerful consumer.

In our most recent edition of PSFK's Future of Retail report, we provided new guidance to all of the companies actively lining up their omni-channel shopping experiences. Specifically, we wanted to describe how technology can build a new shopper experience along the path.

The question remained, which technologies should retailers invest in?

We partnered with Cisco® to create this supplement for the Future of Retail 2016 report to build the best experiences possible. While the findings in our report challenge companies to look beyond traditional systems and focus on the design of an intuitive and customized shopper experience, Cisco provides many of the solutions that can help brands and retailers accomplish this task.

This supplement was created to help brands, retailers, and solutions providers go beyond identifying the trends shaping today's retail landscape and explore solutions that will apply the lessons learned to create a new era of engaging, relevant, and vibrant retail.

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## FEATURING



**10 PILLARS**  
DELIVERING THE NEW  
SHOPPER EXPERIENCE



**4 PLATFORMS**  
ENHANCING THE  
SHOPPER EXPERIENCE



Case Study:

**F&F Clothing: Stylish  
Shopping, In Person  
and Online**



TECHNOLOGIES  
POWERING THE  
FUTURE OF RETAIL

## ABOUT THIS REPORT

PSFK is a recognized thought leader in the retail sector. Its pioneering study of trends and patterns in the retail market, the Future of Retail 2016 report, helps brands and retailers define better shopper experiences for their clients. This Technology Primer continues that work in partnership with leading retail solutions provider Cisco in order to identify solutions that can power tomorrow's retail today.

**Download Available On [psfk.com/report/retail-tech](http://psfk.com/report/retail-tech)**







# 10 PILLARS DELIVERING THE NEW SHOPPER EXPERIENCE

Winning the hearts and minds of today's shoppers can't be accomplished with one-off tactics, marketing campaigns, or points-based rewards. Instead brand and retailers must develop a broader process that considers the core needs of shoppers, delivering utility, value, and meaningful interactions at every point along their journey.

In its Future of Retail 2016 report, PSFK identified 10 pillars that can be leveraged to create a comprehensive strategy for driving increased engagement, repeat sales, word of mouth and lifetime loyalty. While PSFK's expertise stems from the retail industry, Cisco is able to provide its perspective from its leadership in technology.

## 10 PILLARS

- |                             |                          |
|-----------------------------|--------------------------|
| 01. CREATE CONFIDENCE       | 06. PERFECT PARTNERSHIPS |
| 02. ELIMINATE OBSTACLES     | 07. OPTIMIZE OWNERSHIP   |
| 03. DEMOCRATIZE ACCESS      | 08. CULTIVATE COMMUNITY  |
| 04. RECOGNIZE & PERSONALIZE | 09. ENCOURAGE ADVOCACY   |
| 05. PROMOTE TRANSPARENCY    | 10. DELIVER DELIGHT      |

# 1



## CREATE CONFIDENCE

Every customer interaction offers an opportunity to strengthen an existing relationship or forge a new one. Providing shoppers with the right tools and advice will help them discover new products and choose the option best suited to their lifestyles and needs. By immersing customers in the product, using one-to-one guidance, or offering personalized recommendations, you can build shopper confidence and become a trusted ally in the buying experience.



Today's mobile experience technologies are increasingly emerging as a tool to securely support this relationship-building process. From entry to final exit, shoppers use their devices to interact at will with a personalized store application. A variety of services helps them find desired products, learn more about them, and grow basket size through targeted advertising, recommendations, and discounts. Such offers are made based on real-time analytics that track the shopper's product interests, behavior, and browsing patterns.

# 2



## ELIMINATE OBSTACLES

It is traditional for retailers to encourage customers to spend as much time in the store or on the website as possible. However, the fact is that many shoppers do not want to shop this way. Instead, they value a fast, consistent experience across every point of contact. Today's streamlined technology and services allow customers to shop on their own terms, embedding tools that allow them to travel the purchase path in ways that deliver both personalization and convenience.



Key to this experience is a more available, productive associate. Employee productivity is the top driver of value for retailers, and to help achieve this goal, stores need to help associates work more effectively. Mobile and virtual expert capabilities are now available to create a collaborative environment for employees on the store floor, in distribution centers, and in headquarters. On-demand contact with associates, trainers, and virtual experts helps store staff to be well informed, answer shopper questions more quickly, resolve customer service issues, and close the sale.



## DEMOCRATIZE ACCESS

Digitization has opened up the floodgates for how consumers can experience brands. But retailers must balance demands for more personalization and digital services, operational demands, requirements for unified commerce, and opportunities for new stores or formats. The resulting technology footprint can be complex and costly.



The lower cost and availability of technologies have made many new services and experiences possible. This includes setting up new branches or temporary or “popup” stores: Brands are able to offer premium services that provide experiences to consumers in locations that have previously not been financially worthwhile, or that they have previously not been able to reach.



## RECOGNIZE & PERSONALIZE

Customers seek out trusted advice when making purchase decisions. When their friends aren’t available to help make those choices, retailers need to be on hand to offer that support. Brands should also be aware of how they are getting to know their customers and what they will do with that knowledge. Taking advantage of known customer information is helping stores to understand preferences and needs, enhancing existing service and contributing to a more personalized experiences.



Based on metrics gathered from CRM systems, data centers, loyalty program data, even kiosk accounts and social media, retailers can send personalized ads and special offers to the shopper’s device. These types of technologies also improve loyalty programs by, for example, allowing stores to offer one-of-a-kind rewards and experiences to a top-tier group of customers and influencers, to generate excitement and grow broader appeal.



## PROMOTE TRANSPARENCY



To build trust and a transparent system of exchange, retailers need to be upfront with consumers about the policies and processes that underlie products and services. By providing information, for example, about the environmental and social impact of the supply and production chain, brands can forge lifelong relationships centered on trust and shared values.



For example, digital-ready systems are especially important for retailers such as grocers as a result of the “Slow Food” movement. They are under pressure to be transparent about products, with increased attention to the quality of food production and processing, how it is delivered, and how long it remains on the shelf. For instance, a QR code placed on a box may connect customers to a website that tells the story of how the product was grown, the co-ops and factories where it was processed, and how much water and carbon dioxide were involved in production. It may further showcase serving methods, wine pairings, or dietary information.



## PERFECT PARTNERSHIPS



Consumers today enjoy a mix of technologies, services, and niche brands catering to their every interest, lifestyle, and need. Stores can increase the value and utility of the brand by collaborating with like-minded companies to deliver expanded offerings. By looking to strategic partnerships, brands can enhance the experience around their product in ways that create conveniences, sync rewards, or help optimize ownership.



While the digital transformation clearly drives customer and mobile experiences, helping to unify the retail experience, it also has an important part in store operations, the supply chain, and joint operations with partners. This helps retailers to work more effectively in complex relationships to give partners the secure information-sharing they require, and with customers to give them the exact products they need.



## OPTIMIZE OWNERSHIP

To build a lasting relationship with customers, encourage repeat engagement, extend loyalty and sales, and create a responsive support network, retailers are looking for new ways to provide expert service and educate consumers both before and after a purchase is made. Through add-on services which deliver utility, support, and education, brands can create relevant touchpoints for consumers to return time and time again.



Today's technologies give stores options to help customers learn more about specific products and services. These include video access to a specialist from a centralized pool or contact center. Such experts are available on the shopper's mobile device, the website, or at an in-store station or kiosk both before and after the sale, providing training, answering questions, and offering up-sell and upgrade opportunities. Such capabilities can also allow stores to offer an "endless aisle" experience, increasing conversion by allowing consumers to look at all available products without being limited to on-site selections.



## CULTIVATE COMMUNITY

To set their brand apart from the competition, retailers transact in culture, experiences, and relationships. Creating opportunities for consumers and fans to come together around the halo of the brand builds value on top of existing products and services. By cultivating communal experiences within a store and inviting customers to take part, brands create engaging moments that shoppers will seek out apart from core-product offerings.



Everyone understands that today's technologies have opened the possibility of seamlessly buying across a variety of channels and platforms, but it is not always so clear that the relationships that extend across channels - allowing the customer to interact with your store in every way possible - are the ones that will last. In this way, today's new technologies help to build a community of loyal and committed shoppers.





## ENCOURAGE ADVOCACY



Consumers are a brand's most influential advocates. Given the power of a personal recommendation and the abundance of social communication platforms, it is more important than ever to tap consumers for their knowledge and feedback. Such strategies are not only cost-effective, but also help cultivate a grassroots following that builds deeper connections to specific products and the store.



Advanced analytics gathered from every corner of the customer relationship - from camera feeds to social media - allows retailers to understand customers better while remaining sensitive to their privacy. By tracking in-store buying habits, dwell times, product preferences, location preferences, and many other metrics, stores can offer discounts, promotions, and other opportunities that will in turn encourage them to advocate for the brand.



## DELIVER DELIGHT



Retailers want to ensure that they offer unique experiences to their customers, be it opening at 3:00 am on a Saturday or inviting VIPs to enjoy once-in-a-lifetime access to personal services. By offering memorable and exclusive services and events, brands invite influencers deeper into their ethos, empower them, and foster new levels of customer loyalty.




Today's increasingly immersive technologies put the store's offerings right on the consumer's wrist or phone. Customers can be given the opportunity to interact with products or information displays, or even take actions that impact the product display, the store zone, or the entire store environment.



# 4 PLATFORMS ENHANCING THE SHOPPER EXPERIENCE

The future of retail is increasingly mobile and personalized. It takes advantage of digital technologies to provide an engaging, entertaining experience for customer by putting customers in control. Cisco's solutions are designed to help you unlock new opportunities, create differentiation, and build a platform for experimentation.

## PLATFORMS

-  Customer Mobile Experience
-  Unified Retail Platform
-  Associate Productivity
-  Security



# CUSTOMER MOBILE EXPERIENCE

**“Shoppers want to stay connected while they’re here, which makes mobile access the key.”**

– Gian Fulgoni, Chief Information and Systems Officer, Intu

**“People want to buy something as fast and as conveniently as possible with minimum fuss. That is the ultimate shopping experience.”**

– Matt Hirst, Brand Experience Leader, Google and Red Bull

Based on today’s opportunities, we are seeing a shift from how to acquire the data to how to extract insights from it – insights that can be turned into differentiation and competitive advantage for the retailer and a better shopper experience for customers. Customers can be made more efficient when shopping for frequently purchased items, get mobile help when they need it, and gain access to digital concierges who guide them to the right products.

Cisco’s Customer Mobile Experience lets retailers quickly create and deploy context-aware experiences that engage people on their mobile devices. This helps to build stronger customer connections, implement new business models, and increase revenue opportunities. They also continue to gain behavioral insights while respecting trust boundaries.

For example, imagine a customer walks into the store. His mobile device is automatically detected and connected by the store solution, and it sends out a welcome message. He navigates the store based on a provided map. The store manager notes his product interests and browsing patterns to create, and sends specialized and targeted offers directly to the shopper’s device or the nearest in-aisle digital display. He also receives sales announcements and promotions based on previous shopping behavior.

With the Cisco Connected Mobile Experience, this engaging customer experience becomes a reality with the speedy creation, deployment, and management of context-aware, mobile experiences (Enterprise Mobility Solution Platforms). Mobile apps connect with shoppers with voice and video while on the in-store network, and track real-time inventory, promotions, and loyalty offers. The Connected Mobile Experience can also be integrated into multiple enterprise back-end systems, including our Intelligent Contact Center, to provide a 360-degree view of customer interactions. To define an overall mobile strategy, Cisco further provides consulting and planning based on business goals and initiatives.



Trends Driving

# CUSTOMER MOBILE EXPERIENCE

## Product Immersion

Design opportunities for customers to get hands-on with products both in and outside of the retail environment, giving them the time, and added information to decide which option is the best fit for them.

## Guided Recommendations

Leverage a combination of one to-one expertise, and automated recommendations across channels to help shoppers narrow down available choices, models, and styles guiding them through the purchase journey with targeted information, and personalized advice.

## One-Click Transactions

Streamline the checkout process with the addition of services that automatically remember and recognize shoppers and their preferred payment method at the point of purchase.

## Aspirational Experiences

Capture the hearts, excitement, and attention of shoppers everywhere by letting people discover otherwise exclusive events at home or outside to immerse themselves in the brand world.

## Anywhere Purchase Platforms

Use digital channels to bring commerce features to the customer wherever they are in the store or not.

## INDUSTRY CASE STUDIES



### Starbucks Order + Pay

#### Customers Place Orders And Pay For Coffee Without Having To Wait In Line

Coffee giant Starbucks added increased functionality to their mobile app by allowing customers to order and pay from their phones. The feature was pilot tested in Portland before being rolled out across the US and Canada in September 2015. Those with a Starbucks habit can order ahead and skip the line saving them time and helping the cafe workers operate more efficiently. The app saves customer history easily allowing people to re-order their typical drink. Ordering through the app also increases order accuracy and avoids the humorous creative spellings of names the chain has become known for. In Q4 of 2015, 6 million transactions took place through the order ahead feature.

[starbucks.com/coffeehouse/mobile-order](http://starbucks.com/coffeehouse/mobile-order)



### Dandy Lab

#### IoT Connected Store Offers Digital Personal Shoppers And Custom Coupons

The Dandy Lab was a proof-of-concept store open between January 2015 and February 2016 that blended cutting-edge retail technology with physical retailing. Opened in January 2015, the Dandy Lab's London location included smart mannequins, a virtual showroom, an interactive styling wall, and a café with wireless charging points to showcase British clothing brands. A partnership with Iconome enabled customers to see details from store mannequins' clothes on a smartphone. Hoxton Analytics analyzed outfits to discern demographic categories. Snap Fashion helped shoppers search for an item of clothing or shoes from a photo. Cameras were able to guess a shopper's age three out of four times to offer even more personalization. The technology was powered by Cisco and created a personalized shopping experience for customers that translate into tangible sales for brands.

[thedandylab.com](http://thedandylab.com)



# UNIFIED RETAIL PLATFORM

60% of retailers say their existing technology infrastructure prevents them from moving forward.

– Retail Systems Research, Dec. 2015

Connected Supply Chain solutions will help retailers gain \$29 billion in digital value at stake through 2018.

– Retail Roadmap, Cisco 2016

In the digital age, retailers must balance customer demands for more personalization and digital services, operational demands, requirements for unified commerce and opportunities for new stores or formats. Stores are being challenged to open new locations faster based on a platform for innovation and growth. At the same time, each branch needs to remain consistent while ensuring the rapid deployment of new business functions and apps.

However, the required technology footprint to support all these initiatives can be complex and costly. Over time, multiple store networks may be deployed, for example to enable point solutions for video displays, cloud solutions, video surveillance, point of sale, and Wi-Fi.

The Unified Retail Platform from Cisco address this challenge by consolidating and running critical store systems on a single, integrated IT platform with native security. Management is centralized, providing real-time visibility to maintain store services across multiple locations. These services may include security, mobility, networking, video on-demand, video surveillance and loss prevention, cloud connectivity, wireless, retail applications, and many others, all in one solution.

#### Using the Unified Retail Platform, stores may:

- **Create** a flexible, scalable store infrastructure for unified commerce and digital transformation
- **Launch** new locations and pop-up stores more quickly
- **Reduce** in-store IT footprint and save 50-80% of operating costs
- **Lower** Total Cost of Ownership (TCO)
- **Test, update, or add** functionality faster and manage systems remotely
- **Deliver** dynamic wireless and guest solutions

For example, a multi-chain store struggling with space and networking issues can significantly improve operations and TCO by transitioning to the Unified Retail Platform. The platform frees up store space by reducing the number of IT systems and hardware, as well as staffing needs. It also offers a backup network connection and improves flexibility, agility, and centralization. With this capability, retailers are able to quickly deploy new branches, popup stores, and seasonal floor changes.

Because of the platform's flexibility, retailers can enable business services using a phased approach, based on priority and customer demand, scaling services as the business grows.



Trends Driving

# UNIFIED RETAIL PLATFORM

## Shop Ahead

Provide shoppers with services that allow them to plan out and optimize every store visit before they go. Customers can now get a real-time view of what is available for convenient try-ons and pick-ups.

## Predictive Assistance

Develop platforms combine known preferences with behavioral and contextual information to deliver relevant information, anticipate shopper needs, build trust and rapport, and serve as the jumping off point for new product discovery.

## Additive Experiences

Deliver premium services, content and perks that expand on core offering through strategic partnerships.

## Insider Exclusives

Offer one-of-a-kind rewards and experiences to a top-tier group of customers and influencers designed to generate excitement and grow broader appeal.

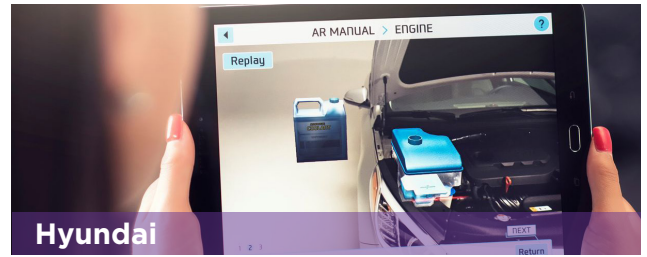
## Crowd Buy-In

Utilize the power of community-based platforms to launch new ideas and solicit feedback from an engaged audience of fans.

## Cross-Channel Rewards

Integrate brand experiences into a broader ecosystem of partners and perks that reward engagement in a wider variety of ways, brands can do everything from expand loyalty touchpoints to create new efficiencies.

## INDUSTRY CASE STUDIES



**Hyundai**

### AR Manual Provides Easy Car Maintenance Tips

Korean auto manufacturer Hyundai launched an augmented reality owner's manual for its 2015 Sonata model. The app is free and available on iOS and Android for both phones and tablets. It uses consumer survey data to identify the top difficult to use features and incorporated them into a virtual guide. It recognizes 45 major features of the vehicle, includes 82 How To videos, 6 3D overlay images, and 50 informational guides. By using augmented reality, Hyundai aimed to modernize the owner's manual for today's consumer.

[bit.ly/1M9xkwd](http://bit.ly/1M9xkwd)



**Ralph Lauren**

### Connected Fitting Rooms Connect Staff, Inventory And Shoppers

Retailer Ralph Lauren introduced interactive mirrors to its flagship store in New York City. Each item contains an RFID tag that is recognized by the mirror to bring up related items as well as alternate sizes and colors. Shoppers can also use the mirrors to call an associate to bring different items. Because items are electronically tagged, in theory Ralph Lauren can also track items as they move around on the sales room floor getting a real-time picture of inventory. While connected mirrors help smooth a critical moment of decision for shoppers, they also help Ralph Lauren staff better fulfill their duties.

[ralphlauren.com](http://ralphlauren.com)



# ASSOCIATE PRODUCTIVITY

Employee productivity is the top driver of value for retailers, offering a projected gain in value of \$96 billion.

Checkout optimization solutions offer retailers the ability to gain more than \$11 billion in digital value at stake through 2018.

Virtual expert capabilities can help retailers gain \$42 billion in digital value at stake by 2018.

- Retail Roadmap, Cisco 2016

Digital connections are becoming increasingly people-centric. To help achieve this goal, retailers need to help their associates work more effectively by taking advantage of today's mobile environments. Such capabilities are now available for employees on the store floor, in distribution centers, and in headquarters. They allow stores to leverage connectivity across multiple devices, improve productivity, reduce costs, and enhance collaboration throughout the organization.

Cisco's Associate Productivity solutions enhance the quality and efficiency of the workforce experience by creating an optimized work environment, staffed by productive, agile personnel who work from anywhere and collaborate within and outside their organization.

**This is accomplished by a combination of innovative hardware, software, and services that can:**

- **Accelerate** store design and build while reducing risk and complexity
- **Support** diverse designs that support associates' work needs
- **Help** increase collaborative employee engagement and productivity
- **Reduce** travel and real-estate costs, and improve work-life balance
- **Reduce** capital expenditure and operating expenses

As a result, associates are freed to focus on customers, and are empowered by more available time and far better access to product and store information. Mobile-based collaboration allows associates to securely consult with each other, with storage areas and distribution centers, with contact centers, and with management to help provide better customer service. As well, customers gain access to virtual experts via kiosks or mobile advisors who can provide more in-depth information; as do employees for trainings and corporate meetings. Staff can also be more effectively deployed throughout the store, at busy times, where they are most needed. With better personnel management and improved chances for sales, turnover is reduced and conversion increased.

For example, when new stores are opened, it can take a little time for personnel to be fully trained. They need to share best practices, assess performance, determine appropriate merchandising for the site, and understand traffic patterns - all without taking time away from serving customers. Based on Cisco's mobility and video conferencing solutions, staff productivity can be optimized even through periods of change, improving management and reducing travel time and training expense.



Trends Driving

# ASSOCIATE PRODUCTIVITY

### 360-Degree Service

Provide staff members with tools that enable them to build and act on the preferences of shoppers to deliver more personalized service

### Custom Concierges

Facilitate one-to-one relationships between customers and members of staff to deliver more personalized service and experiences based on past interactions.

### Always-On Support

Leverage a mix of text, video, and AI services to provide on-demand access to expertise and advice, ensuring customers have the support they need when and where they need it, reducing frustrations and increasing satisfaction.

### Shopper-Led Exchange

Reward influencers and advocates for sharing their first-hand experiences with products, creating a trusted resource for advice and driving word of mouth campaigns.

### Cultivated Expertise

Create educational initiatives that leverage the knowledge of experts on staff to teach consumers new skills and help them get the most out of their purchases.

## INDUSTRY CASE STUDIES



### True Religion

#### Smart Watches Personalize Sales Floor Interactions

Denim brand True Religion partnered with Aptos and Formula 3 Group to bring real-time inventory information to store associates while they assist shoppers. The solution equips all the associates with Apple watches. Associates can also cast their screens onto larger digital screens in-store so shoppers can see what they see. The system launched its pilot in New York and LA in April 2016. After a couple weeks of use, managers already noted an increase in sales because they order items for shoppers on the spot instead of sending them online or to another store.

[bit.ly/1VWcF4I](http://bit.ly/1VWcF4I)



### Marks & Spencer

#### Gamified Loyalty Unlocks Exclusive Lines, Events, And Personalized Deals

High-end retailer Marks & Spencer launched its first loyalty program called Sparks in October 2015. Instead of being able to redeem points for products, frequent shoppers can unlock benefits. Shoppers earn 10 sparks for every £ spent and additional sparks for other activities like online reviews or donating items when purchasing a new one. Marks & Spencer positions the program as similar to playing a video game since points are based on interactions as opposed to spending. The small rewards that come with unlocking each level delight customers no matter what their average ticket is.

[help.marksandspencer.com/support/sparks](http://help.marksandspencer.com/support/sparks)





# SECURITY

45% of consumers deliberately avoid retailers who have been breached.

– Princeton Survey Research Associates, 2014

“The number of breaches and the caliber of breaches has people very worried. But it’s also the fact that many of these breaches have moved from not only being on online stores, but also into physical stores.”

– Gunter Ollman, CTO of NCC Group

It’s said that there are just two types of companies: Those that have been hacked, and those that don’t yet know they have been hacked. Retail stores are among the most vulnerable targets for hackers in the world today. In this environment of highly publicized data incidents, organized retail theft rings, and potential terrorist attacks, retailers must take extraordinary measures to protect customers, associates, and stores. Safeguarding data, networks, and devices not only helps to protect customers, but it spares retailers the cost of damage to the brand and its reputation.

Retailers must also adhere to various compliance standards; in the U.S., they are asked to become PCI compliant. Most stores have taken steps to align with PCI requirements, but few are 100% in compliance.

## Its solutions include:

- **Data Center and Network Administration** capabilities providing the visibility and policies to protect cardholder and store data
- **Wireless Security** to safeguard store Wi-Fi networks and public Wi-Fi hotspots from intrusion in real time
- **Physical Security** solutions that include IP-based cameras and video analytics to identify potential problems at the store site
- **Cybersecurity and PCI Compliance** products and services to protect identity information, transactions, websites, social media, and store systems
- **Loss Prevention** to secure against theft and loss on the store site, including shoplifting, inventory problems, and missed deliveries
- **Supply Chain Security** to protect proprietary data and inventory across partner, supplier, R&D and manufacturing, and distribution center systems

For example, a store frequently exposed to network-based attacks may wish to ensure that security protections are effective, but do not reduce productivity. Cisco’s segmentation capabilities give employees access to different areas of the network as needed for their work, without making the environment more complex. This reduces calls to the help desk and keeps work on schedule, and also improves PCI compliance.

Retailers, like all enterprises, are increasingly utilizing tailored cloud-based applications and services to help them scale IT infrastructure rapidly, acquire new business capabilities, and enable exceptional employee collaboration experiences. But cloud-based services and applications also introduce a new layer of complexity and – without proper controls – could create potential paths for hackers or allow sensitive information to be unintentionally leaked. Cisco solutions put those controls in place, while ensuring an efficient user experience.



Trends Driving

# SECURITY

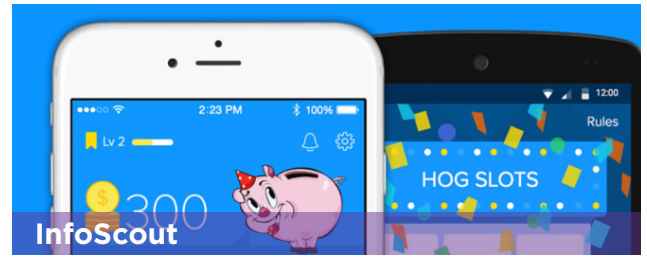
### Reciprocal Relationships

Develop opt-in experiences that give consumers insight and control over their personal information, and deliver greater value around its use. As consumers increasingly attach value to their personal data, providing ownership, control and transparency can serve as a competitive advantage. Through providing better controls around personal information access and sharing, consumers will trust brands to build useful services and make smarter decisions on their behalf.

### Storied Products

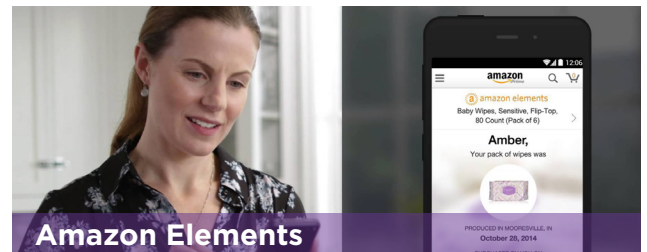
Give customers a behind-the-scenes look at the sourcing of products and their impacts. Today's savvy consumer is interested in not only the quality of a product but the story behind its supply chain and production. By being transparent about the safety, social, and environmental impact of a product, brands can save customers the hassle of performing their own legwork to source and answers to those questions while providing assurances that build trust.

## INDUSTRY CASE STUDIES



### Startup Lets People Profit From Selling Personal Data

San Francisco-based InfoScout offers shoppers a set of apps that invite them to snap pictures of shopping receipts in exchange for incentives like sweepstakes, gift cards, or discounts. The company uses a mix of optical character recognition and crowdsourced help from Amazon's mTurk in order to decipher the items on each ticket. With this information, InfoScout is able to provide companies like P&G or Unilever information on how customers are affected by discounts and promotions, as well as how their preferences are changing over time. One of the company's apps, Receipt Hog, has cashed out over \$2.6 million in rewards and has logged over 100 million shopping trips which accounts for roughly 300,000 receipts per day. While privacy concerns are still on the minds of many consumers, InfoScout has shown how shoppers are willing to help when properly rewarded. [InfoScout.co](http://InfoScout.co)



### Packaging Lets Shoppers Track Origin of Every Product

Electronic commerce giant Amazon created a line of everyday essentials that offer a high level of transparency. Amazon Elements aims to meet high standards of quality and safety and gives customers detailed information about what they are purchasing. This includes where ingredients are sourced, the purpose of processes, and the ability to track the item - from creation to expiration. Each package features a unique code that can be scanned using the Amazon mobile shopping app to track specific ingredients including their origin, date and place of manufacture, date of delivery, 'best by' date and more.

[amazon.com/b?node=8514636011](http://amazon.com/b?node=8514636011)



## F&F Clothing: Stylish Shopping, In Person and Online

You find the perfect shirt for a night out, but the store doesn't have your size in stock. With a few clicks, you order it online. It arrives at the store the next day.

Fashion trends change quickly. Trying to keep up with the latest styles without breaking your wallet can be a challenge. At F&F, Tesco's in-house fashion brand, fashionistas can find the latest styles for affordable prices. F&F clothing is sold primarily at Tesco stores and affiliates, but more customers are turning to online.

"One of the challenges at our stores is that we don't always have the space we'd like to showcase our full range of fashions," says Emily Shamma, director of online at F&F, Tesco. "With our online store, customers can browse through all of our styles and sizes."

### Bringing the Online Experience to Stores

The big question was how to connect shoppers in stores with the complete online experience. "Customers are using more devices for more tasks, and we have to be ready for them," says Andy Beale, head of multichannel and digital development at F&F, Tesco. "A great multichannel experience means helping customers use technology to get what they want."

### Reaching Shoppers Across Channels

With the Internet of Things, F&F helps in-store customers connect to the online store. They can visit a specialized kiosk called an "online order point," ask employees to look something up on their F&F tablets, or connect to the F&F Wi-Fi portal on their own personal devices. "We find that once introduced to the online store, customers will shop online but also go back to our physical locations," says Shamma. "The combined experiences helped us exceed our online targets over the holidays."



### Connecting on Any Device

When shoppers connect to the in-store Wi-Fi network, F&F uses Cisco Connected Mobile Experiences (CMX) and Connected Analytics for Retail to deliver style advice and offers tailored to the store. Shoppers can also shop online by scanning barcodes with their phone cameras, creating synergy between the digital and physical stores.

### Helping Colleagues Help Customers

F&F employees use Tesco Hudl tablets to connect customers with style advice and online products. “We can turn a disappointed customer into a sale by helping them find what they’re looking for online,” says Shamma.

### Connecting Shoppers and Stores

“The Internet of Things is all about building relationships with the customer,” says Beale. “Cisco helps us understand what technologies are available and how they can contribute to customer engagement.”

#### Results:

- Grew online sales during the key holiday period
- Ability to offer relevant advice and offers based on customer and store location
- Provided employees with new ways to help customers



# TECHNOLOGIES POWERING THE FUTURE OF RETAIL

PSFK's 10 pillars creating the new shopper experience were designed to provide retailers a reference when designing their engagement strategies. While many of these ideas have been valued since the beginning of retail itself, new technologies are increasingly able to deliver a premium retail experience from start to finish. Cisco's retail platforms are capitalizing on these pillars to give its clients the tools they need to best fulfill shoppers' wants and needs.

1

**CREATE CONFIDENCE**

+ Provide shoppers with the tools and advice to help them discover new products and choose the option best suited to their lifestyles and needs.

Cisco's Connected Mobile Experience (CMX) solutions support every step of the relationship-building process. Wi-Fi-enabled analytics software can automatically note shoppers' product interests and browsing patterns and notify the CMX platform to send targeted ads directly to the shopper's device or to the nearest in-aisle digital display.

2

**ELIMINATE OBSTACLES**

+ Save customers time and effort along the purchase path through streamlined technology and services.

Employee productivity is the top driver of value for retailers, and to achieve this goal, stores need to help associates work more effectively by taking advantage of Cisco CMX mobility. Such capabilities are now available for employees on the store floor, in distribution centers, and in headquarters.

3

**DEMOCRATIZE ACCESS**

+ Open the door for consumers to take advantage of services and experiences that were previously too exclusive or expensive.

Cisco's analytics may draw on many different resources for information on your customers - CRM systems, data centers, loyalty program data, even kiosk accounts and social media. When the shopper steps into the store, Cisco CMX recognizes the store app on their mobile device and, based on previous shopping visits or research on the online site, offers a series of discounts and special offers.

4

**RECOGNIZE & PERSONALIZE**

+ Put systems in place for remembering and acting on the purchase history and preferences of customers, and tailoring those experiences over time.

The Unified Retail Platform from Cisco addresses the challenge of scale by consolidating and running critical store systems on a single, integrated IT platform with native security. Management is centralized, providing real-time visibility to maintain store services across multiple locations. These services may include security, Wi-Fi networking, mobility, video on-demand, video surveillance and loss prevention, cloud connectivity, wireless, retail applications, and many others.

5

**PROMOTE TRANSPARENCY**

+ Be upfront with consumers about the policies and processes that underlie the products and services that they're buying into.

As a way to build trust and a transparent system of exchange, Cisco manages a system of networked sensors so retailers can be upfront with consumers about the policies and processes that underlie products and services. By providing information, for example, about the environmental and social impact of a supply and production chain, brands can forge lifelong relationships centered on trust and shared values.

6

## PERFECT PARTNERSHIPS

- + Create additional value for customers by collaborating with like-minded companies to deliver expanded offerings.



Cisco also provides supply chain security to protect proprietary data and inventory across partner, supplier, R&D and manufacturing, and distribution centers. This helps you to work effectively with partners to provide the secure information-sharing they require, and customers to give them the exact products they need.

7

## OPTIMIZE OWNERSHIP

- + Build a responsive support network that provides expert service and educates consumers after a purchase is made.



Cisco's Virtual Expertise solution helps to educate the caller about the product and how it is used. Virtual Experts may be available on the shopper's mobile device, the website, or at an in-store station or kiosk both before and after the sale, providing training, answering questions, and offering up-sell and upgrade opportunities.

8

## CULTIVATE COMMUNITY

- + Create opportunities for consumers and fans to come together around the halo of a brand to build value on top of existing products and services.



Cisco's Enterprise Mobile Services Platform makes it possible to unite and deploy all kinds of new apps much more quickly than traditional methods. This allows your store to implement new capabilities for a suddenly popular product, for shopping seasons and sales, or to promote a new merchandising scheme.

9

## ENCOURAGE ADVOCACY

- + Tap consumers for their knowledge and feedback to create opportunities for them to advocate on your behalf.



Cisco analytics draw information from every corner of the customer relationship - from camera feeds to social media. This serves as a basis for retail loyalty programs, which in turn allow you to offer discounts, promotions, and other opportunities to customers that will in turn encourage them to advocate for your brand.

10

## DELIVER DELIGHT

- + Provide unexpected perks and promotions that reenergize existing relationships and build on the broader brand promise.



Cisco mobility and digital signage supports advanced capabilities that put product promotions right on the wall, display, or in the consumer's hand. This gives shoppers a new level of interaction with the store itself, allowing shoppers to interact with displays or zones, access product data, or summon assistance. The store is transformed from a shopping area into a destination, creating an image and a brand that drives long-term relationships and loyalty.



## ABOUT PSFK

PSFK Labs is an innovation consulting firm. Since 2004, our team has helped global corporations concept better products, services, communications, and experiences. Our researchers, analysts, and designers leverage a unique research process with unparalleled access to experts to identify and develop new business opportunities for brands.

In addition to our client work, PSFK Labs oversees the innovation portal PSFK.com and produces a series of reports, workshops, and events that inspire creative professionals in their work.

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To learn more about PSFK's 10 pillars delivering the new shopper experience along with best-in-class examples, perspectives from retail experts, and more, download the original Future of Retail 2016 report.

Get the report at  
[psfk.com/future-of-retail-2016](http://psfk.com/future-of-retail-2016)



## ABOUT CISCO

For more than 30 years, Cisco has been a technology leader in the retail industry, numbering many of the world's major stores and hotels among its customers. It is the world's largest networking provider, providing innovative technologies to support connectivity, automation, collaboration, mobility, and other powerful business capabilities in highly secured environments.

Cisco drives digital transformation across today's business, helping them take advantage of the next generation of retail opportunities.

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