



Retailer Prepares for Market Expansion

Secure networking and Unified Communications help retailer innovate to reduce costs and increase market share in Serbia

Case Study

Customer Name: **Mercator S**
Industry: **FMCG**
Location: **Novi Sad, Serbia**
Company Size: **3300**

Business Impact

Benefits delivered by the Cisco solution include:

- **Reduced network operating costs and total cost of ownership**
- **Improved resilience and security for innovative loyalty card scheme**
- **Enhanced platform on which to expand market share**



Business Challenge

Mercator S is the second largest retailer in Serbia, with 54 hypermarkets, supermarkets, and grocery stores. It was formed in 2006 by the acquisition of Rodić, which then had a 25 percent market share in Serbia, by Mercator, a Slovenian retail chain that is expanding throughout southeastern Europe.

The company was running two separate networks for computing and telephony, and using products from different vendors for its network switching, security, and telephone systems. Mercator wanted to lower its operating costs by consolidating computing and telephony services onto the same network, which it had already done in its main store in Novi Sad. The retailer also aimed to simplify the network, and cut costs even more, by using solutions from one vendor instead of three.

In addition, Mercator was planning to introduce a customer loyalty card program that would be bigger and more sophisticated than existing schemes offered by competitors. Before doing so, the company needed to increase the security and resilience of its communications infrastructure, to safeguard confidential information and support additional network usage.

Solution and Results

Mercator installed a reliable and secure network based on Cisco equipment in its 54 branches throughout Serbia. Both computing and telephone services run on this network, using Cisco Unified Communications software for telephone and contact center functionality. Each branch has a Cisco router with integrated security that protects the network from external threats such as intruders or viruses.

Because Mercator chose an end-to-end Cisco network, the company no longer needs engineers with several different skill sets in its IT department, meaning that fewer IT staff are required. The single vendor approach has simplified the network design so that it is easier to manage, and the reliability of Cisco equipment has reduced the need for engineers to travel to different locations to fix problems. Consequently, Mercator has significantly reduced its network operating costs and the total cost of ownership of the Cisco equipment.

The next step will be to centralize network monitoring to reduce the number of IT staff required in the branches and further cut costs. Mercator now has a secure and resilient platform on which to launch its loyalty card scheme, helping to add value for customers and increase the company's market share.

“When we calculated our likely return on investment, the figures showed a strong business case for purchasing the most reliable and versatile solution to our networking needs.”

Vladimir Bodvanski
Director of informatics, Mercator S

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