



NEWS RELEASE

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Cisco Retail Survey Reveals Importance of Offering ‘Mashop’ Experiences That “Mash Up” Virtual and Physical Worlds for Shoppers

Study Highlights Emergence of Two Distinct Groups of Technology-Savvy Consumers: ‘Calculating shoppers’ and “Extreme shoppers’

NEW YORK (National Retail Federation 100th Convention & Expo, Booth 2529) – Jan. 10, 2011 – A Cisco® survey released today reveals that U.S. and U.K. consumers want a new way to shop. Research from the Cisco Internet Business Solutions Group (IBSG), the company’s global consultancy, and from Cisco’s retail marketing team, finds that retailers must respond to technology-savvy consumers by combining Web-like and in-store shopping experiences to create “mashops” in order to drive growth and build brand awareness. Mashops get their name because they “mash up” the virtual and physical worlds to create a new way to shop.

A mashop shopping experience combines the best of the physical and virtual worlds, allowing shoppers to receive the information and convenience of a Web-based experience while at the same time being able to touch, feel, and see the products they want to buy. For retailers, this combination promises to increase sales through conversions at the shelf edge as customers gain more access to product information and through more cross-channel sales.

Creating ‘mashop’ experiences will lead retailers to introduce technologies such as interactive digital displays, video assistants, social networking technologies and Wi-Fi networks that enable shoppers to remain connected with trusted people and information while they are in the store. For the study, Cisco surveyed 1,000 shoppers from the United States and United Kingdom to discover how they are using technology to help them buy, as well as determine their interest in technology-enabled in-store experiences. Fifty percent of consumers will continue to use all forms of technology to find the best price, which in turn will push down margins.

Calculating shoppers and extreme shoppers

Two distinct groups of technology-savvy shoppers have emerged: calculating shoppers and extreme shoppers. Calculating shoppers (56 percent of the general population) use the Web to inform their buying decisions. Extreme shoppers (11 percent of the general population, with high representation from Generation Y) use the Web and smart phones to find the lowest possible price. And while extreme shoppers receive the most attention, the larger group of calculating shoppers has the greatest impact on retailers’ revenues and margins.

The behavior of shoppers overall is increasingly shaped by technology:

- Sixty-three percent use technology to find the lowest price

- Forty-seven percent use technology to save time
- Twenty-six percent use technology to find the best selection
- Twenty-five percent use technology to find the highest-quality product
- Sixty percent cite friends and family as the most important source of information for their buying decisions. Significantly, online reviews are more important than in-store employees, traditional media, and social networking.

Among calculating shoppers, approximately 56 percent in the United States and 59 percent in the United Kingdom always use the Web to inform their buying decisions, and they are actively embracing new technologies to help them shop:

- The majority prefer to research products online rather than speak with store staff.
- One in three use retailers' Facebook pages and coupon-sharing sites.
- One in four use Web-based group buying sites such as Groupon.

Most important for retailers, calculating shoppers expect to increase their value-seeking behavior over the next two years, further accelerating margin pressures.

Mashops: Mashing up the virtual and physical worlds for shoppers

Calculating shoppers are looking for Internet-like experiences in the physical store environment and are using more technology to help them shop. By combining the two worlds, mashops encourage shoppers to upgrade their purchases and increase their shopping cart size when factors other than price influence their buying decisions.

- More than 54 percent wanted to try a mashop-type service in the store. The majority of these, 73 percent, preferred access to mashop-type services using a touch screen at the shelf edge.
- Fifty-four percent wanted product and price comparisons, and peer reviews on touch screens in the store.
- Forty-four percent wanted a virtual video adviser with Web content on a large screen or tablet service in the store.

Study Methodology / Cisco IBSG Research & Economics Practice

The study was conducted by the Cisco IBSG Research & Economics Practice.

The R&E Practice uniquely combines ongoing original research with in-depth financial analysis to produce high-impact insights and thought leadership for the world's largest public and private organizations. With resources on four continents, the R&E Practice each year surveys tens of thousands of consumers and businesses around the world to explore cutting-edge trends and emerging opportunities, and it develops more than 100 executive-ready financial models on the business benefits of technology innovation. The team's custom research and financial analysis enable Cisco IBSG's vertical consultants to deliver transformative business solutions across a broad range of industries.

Cisco at NRF 100th Annual Convention & Expo

Additionally, Cisco today announced technology that enables retailers to deliver more Web-like experiences in the store as networking needs increase. (See release, "[Cisco Evolves Catalyst Switch Family to Deliver Highly Secure, Cost-Effective Network Connectivity Outside the Wiring Closet](#)")

Cisco's Connected Retail "My Shopping, My Way" solutions enable retailers to meet shoppers wherever and however they want to shop. Cisco helps retailers transform the customer experience

regardless of channel, optimize employee productivity to better serve shoppers, and do it all with a high degree of security and lower IT costs. Cisco's retail solutions will be showcased at NRF booth 2529. Demonstrations include those of:

- [Cisco Cius™, delivering retail desktop applications in a portable, business-tablet form factor,](#)
- [Store operations analytics with Scopix and video surveillance,](#)
- [Loss prevention with Agilence and video surveillance,](#)
- [Cisco Digital Media Suite, including touch-screen applications from Array Interactive,](#)
- [Social media customer care solution,](#)
- [Cisco Lean Retail Architecture,](#)
- [Payment card industry solution.](#)

All solution demonstration information can be found at:

<http://www.cisco.com/web/learning/le21/le34/nrf/2011/index.html#~demos>

Cisco executives will be participating in a series of Big Idea presentations including:

- 1. Market-Leading Shopping Experiences: “Mashing Up” Virtual and Physical Stores**
Tuesday, Jan. 11, 1:00 –1:30 p.m., Expo Hall, Room 3D09, Lisa Fretwell and Jon Stine, Cisco IBSG
- 2. Video Communications: Evolving Your Relationship With Customers, Employees, and the Bottom Line**
Tuesday, Jan. 11, 3:00 –3:45 p.m., Expo Hall, Room 3D09, John Paul Williams, Cisco, and Neil Holland, IBM United Kingdom Ltd.
- 3. Payment Card Industry Security Standards Update**
Tuesday, Jan. 11, 3:00 –3:45 p.m., Expo Hall, Room 3D05, Christian Janoff and Dimitris Haramoglis, Cisco, and Aaron Reynolds, Verizon Business Security Solutions

Supporting Quotes:

Lindsay Parker, global retail industry director, Cisco

“Today’s shoppers expect a completely custom shopping experience. They want to shop anywhere, anytime, on any device. And they prefer to shop with retailers that provide seamless, customized experiences.”

Dick Cantwell, vice president, Cisco’s Internet Business Solutions Group (IBSG)

“Consumers expect the Internet experience in the store and the store experience on the Internet.”

Supporting Resources:

- [Cisco Retail website](#)
- [Cisco NRF website](#)
- [Cisco IBSG Retail website](#)
- [Cisco IBSG Research and Economics website](#)
- [“My Shopping, My Way” point-of-view paper](#)
- [“My Shopping, My Way” video](#)
- [Biography: Dick Cantwell, vice president, Cisco IBSG](#)
- [Cisco IBSG Flickr](#)

Technorati Tags: Cisco, Internet Business Solutions Group (IBSG), retail, collaboration, shopping,

video, Internet shopping

About Cisco Systems

Cisco, (NASDAQ: CSCO), the worldwide leader in networking that transforms how people connect, communicate and collaborate. Information about Cisco can be found at <http://www.cisco.com>. For ongoing news, please go to <http://newsroom.cisco.com>.

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