

Cisco StyleMe™ Virtual Fashion Mirror

How New Consumer Behaviors Are Enabling Retailers To Revitalize Their Stores by Combining the Virtual and Physical Worlds

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Overview

As e-commerce matures and people become more comfortable shopping with their mobile devices, retailers are searching for new ways to revitalize their stores and reposition them as the strategic assets they should be. The Cisco Internet Business Solutions Group (IBSG) believes *mashops*—solutions that bring together the virtual and physical worlds in the store environment—will be instrumental in helping retailers lead this change.

Following the successful announcement of the “mashopping” concept at the 2011 National Retail Federation (NRF) Annual Convention & Expo, Cisco IBSG has continued working with partners and customers to create a variety of new mashop solutions in the areas of advertising, fashion, and home design. These solutions combine augmented reality with the latest networking technologies, as well as both online and digital content, to create immersive and rewarding in-store experiences that build customer loyalty and increase sales.

One of the most promising new concepts is Cisco StyleMe™ (see Figure 1), which gives customers a fun and interactive way to “try on” clothing and accessories virtually. Cisco StyleMe consists of a life-sized mirror that overlays the customer’s image with pictures of clothing they select using gesture- and touch-based interfaces. It enables shoppers to quickly create outfits by mixing and matching a wide range of garments from the retailer’s in-store and online inventory. Cisco StyleMe also adds value by providing customers with expert fashion advice and allowing them to receive feedback about their choices through social media and messaging.

As online apparel sales continue to grow, retailers should take the opportunity to reinforce and integrate their store and web channels to avoid cannibalization. Forrester Research predicts online fashion retail will grow at a compound annual growth rate (CAGR) of 10 percent versus just 3 percent for in-store sales.¹ In the United Kingdom, 35 percent of shoppers buy apparel online.² By combining the virtual and physical worlds, Cisco StyleMe allows retailers to use their stores to capture and even enhance online sales. Cisco IBSG’s initial work also shows that mashop concepts such as Cisco StyleMe can drive cross-channel sales, increase conversion rates, and grow wallet share.



Cisco Internet Business Solutions Group (IBSG)

Cisco IBSG's market research and consumer testing show that Cisco StyleMe is a hit with men and women of all ages. Two consumer groups were especially enthusiastic about the virtual shopping experience—women over 50 years of age and younger women in their 20s. During testing, it became clear that the benefits of easily trying on new outfits and getting expert advice far outweighed any apprehension the older group had about the technology. For younger women, tests showed that Cisco StyleMe made the shopping experience both fun and social.

Figure 1. Cisco StyleMe Provides a Fun and Immersive Mashop Experience for Customers.



Source: Cisco IBSG, 2011

For retailers, Cisco StyleMe has the potential to:

- **Maximize sales** by giving customers access to an extended range of products
- **Increase purchases** by offering customers advice and recommendations about items that go with their selected outfits
- **Boost revenues** from consumers that spend a greater amount of money when they use more than one channel to shop
- **Enable better merchandising and range decisions** through insights gained from customer choices

Experiencing Cisco StyleMe

Cisco StyleMe allows shoppers to quickly browse a wide range of clothing and accessories, build and try on outfits virtually, and purchase the items they want on the spot. To begin the Cisco StyleMe experience, shoppers simply walk up to the life-sized screen. Once the system captures their image, customers can use gestures and touch to search the retailer's complete inventory, including both in-store and online items.

Based on information provided by the retailer, shoppers can search for clothing by brand name, garment type (blouse, dress, etc.), price, color, size, and availability. As desired items appear, customers select and save the clothing to a digital wardrobe where they can view further details, including recommendations or "go withs," accessories, and the same items in different colors.

Shoppers can try on individual garments or entire outfits virtually, as well as take a picture to keep for themselves or share with others. These photos can be stored in their personal and secure digital wardrobe, where the images can be accessed at any time. The desired items can be purchased in the store or online. If customers want to think about their purchases, they can send a shopping list and pictures to themselves via email or SMS.

Figure 2. A Cisco Cius™ Tablet Shows Dresses in Different Colors.



Source: Cisco IBSG, 2011

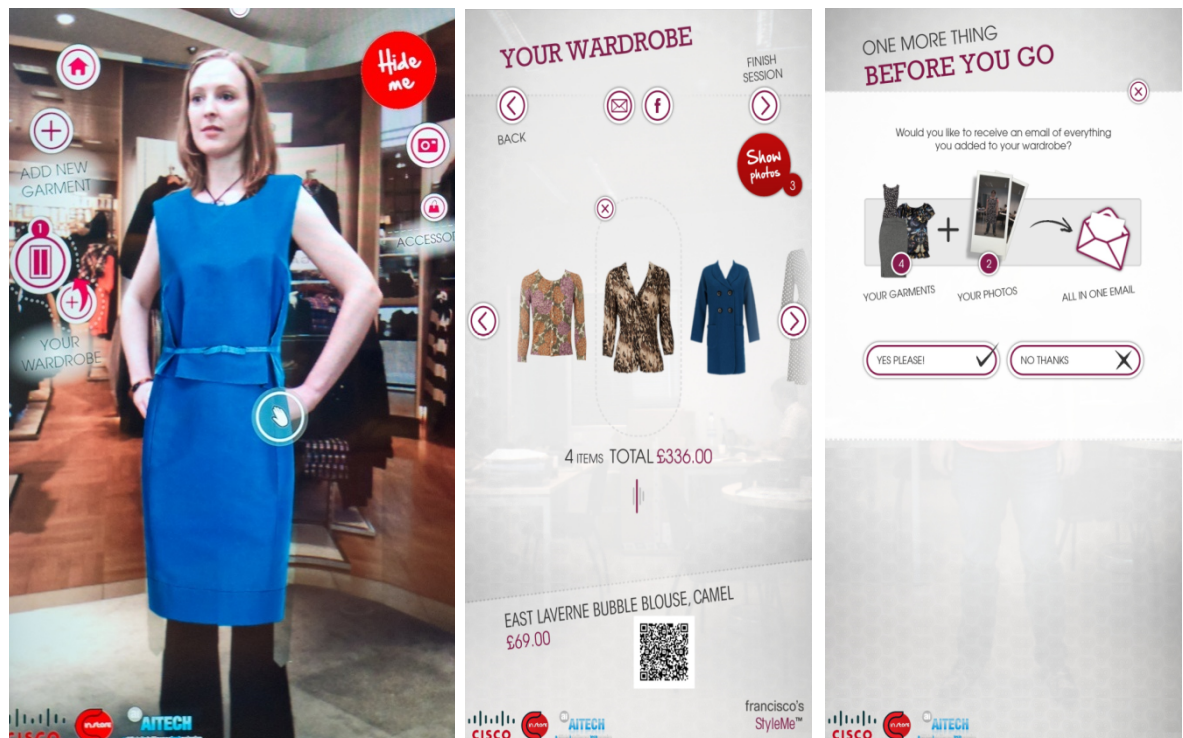
While the customer is interacting with the Cisco StyleMe virtual mirror, store associates can use a tablet computer to control the screen, review the customer's digital wardrobe and pictures, check whether items are in stock, and have selected garments brought to the dressing room or checkout stand. Associates can also help customers place online orders for home or store delivery, enter shipping information, and manage customer information (see Figure 2).

Designing the Experience

To create such a fun, immersive, and interactive experience, Cisco IBSG utilized a design methodology that relies heavily on customer testing and reviews. The design team held several customer workshops to determine which features and capabilities added the most value. In addition, customer feedback was instrumental in designing the physical attributes of Cisco StyleMe.

Once the specific features and overall design were agreed upon, Cisco IBSG created a customer experience architecture that detailed each step of the Cisco StyleMe experience from the customer's point of view. After considering several options, the design team settled on a screen layout with five main sections for entering information, building outfits, storing items in a digital wardrobe, trying on outfits, and making purchases (see Figure 3). This allowed a large enough area for customers to see themselves in the virtual mirror while leaving adequate room on the screen for functional icons. The user interface was also designed so that customers could build and try on an outfit using a maximum of only three gestures.

Figure 3. Icons on the Cisco StyleMe Mirror Allow Customers To Control Their Overall Experience.



Source: Cisco IBSG, 2011

From a physical standpoint, Cisco IBSG designed the Cisco StyleMe structure, store backgrounds, fixtures, and lighting to create a simple and comfortable user experience. In addition, it was important to balance the need for customer privacy and comfort with the desire of retailers to attract shoppers to Cisco StyleMe. Cisco IBSG accomplished this by using a variety of opaque materials to build the Cisco StyleMe pilot.

Cisco IBSG's work was rewarded, as test customers described the experience as "fun," "easy to use," and "very simple."

Enabling Technologies

Behind the physical exterior, Cisco StyleMe is made up of several components and enabling technologies that work together seamlessly to deliver the overall customer experience. The core solution includes a life-sized screen to display the video output, a PrimeSense camera to capture images and gestures, and an artificial intelligence engine that combines image analytics, recognition software, and augmented-reality capabilities. The main Cisco StyleMe unit is supported by a Cisco Cius tablet that allows store associates to manage the unit as well as guide customers to ensure they have a great experience.

From a process perspective, retailers need to prepare images of clothing items for use with Cisco StyleMe so that they can be overlaid on the customer's image. Cisco IBSG believes this process is best handled centrally. With regard to payment networks, Cisco StyleMe is designed to support both in-store and online systems. This allows retailers to choose the payment method that best suits their business and merchandising objectives. For example, a retailer could set up Cisco StyleMe so customers can place their orders through store associates armed with tablet computers connected to the in-store system, or allow customers to make purchases on their own mobile devices via QR codes or after receiving an email message with a customer shopping list.

Retailer Feedback

Working with the Cisco sales team, Cisco IBSG tested Cisco StyleMe with eight retailers in the United Kingdom that represented a wide range of fashion experiences. While all of the merchants saw the potential of Cisco StyleMe, midmarket retailers were most interested in the mashop because they believed it offered another touchpoint to reach their customers and differentiate the experience they offer. These retailers also felt the experience itself could expand sales by encouraging customers to buy more and increase conversions from peer recommendations. Based on the initial feedback, Cisco IBSG is now working with three U.K.-based retailers to launch Cisco StyleMe pilots in their stores. Cisco IBSG is also presenting the mashop to several retailers in the United States.

Customer Feedback

Cisco StyleMe is designed for people who like the experience of shopping in stores. While Cisco IBSG's testing showed that Cisco StyleMe was a hit with men and women of all ages, it was particularly liked by two customer segments—women over 50 years of age and younger women in their 20s.

Older Women

Women over 50 are less willing than other age groups to try on clothes in a dressing room. For this group, Cisco StyleMe made finding and "trying on" clothes simple and easy while still allowing them to enjoy the full in-store shopping experience. They felt Cisco StyleMe enabled them to get a sense of what worked and what didn't without the time-consuming and tiring process of removing and putting on clothes. These women also saw the mashop as a great way to assemble a special outfit for an upcoming event such as a wedding or anniversary. Finally, they liked the flexibility of buying their clothing in the store or online.

“I loved that I was able to try on all sorts of items very easily and then take just the outfits I wanted to the changing room to help me make the final decision.”

Woman in the older age bracket who tested Cisco StyleMe

Twenty-Somethings

For younger women in their teens and early 20s, shopping is all about having fun. This group of consumers also enjoys shopping with friends. In tests, younger women spent a significant amount of time using Cisco StyleMe because it gave them a different way to shop with their friends. The newness of Cisco StyleMe also resonated with this group because it was fresh, exciting, and enhanced their shopping experience.

“I could spend hours using StyleMe. It was great that I could share the outfits I liked with my friends. I can’t wait until this is in all of my favorite stores.”

Woman in the younger age bracket who tested Cisco StyleMe

Increasing Sales in the Face of Rapidly Shifting Shopping Behaviors

Sales are dramatically shifting from brick-and-mortar stores to the Internet. Highlighting the power of this market transition, Forrester Research expects online apparel sales to grow at 10 percent CAGR while offline sales are projected to increase at a rate of just 3 percent.³ In the United States, early retail adopters of e-commerce are already showing strong online revenues. For example, J.Crew reported 29 percent of its sales in 2010 occurred online, while Urban Outfitters reported 19 percent of its sales came from the Internet in the same year.⁴ According to Mintel, a leading market research firm in the United Kingdom, more than 35 percent of shoppers bought clothes online in 2010—a number that continues to grow. Additionally, online U.K. fashion sales have risen by 152 percent over the past five years, reaching £4.3 billion in 2010.⁵

And this trend is expected only to accelerate. Forrester Research states, “Online shopping will continue to cannibalize in-store shopping as consumers become more familiar and begin, in many cases, to prefer the convenience of online shopping.”⁶ As these trends continue in force, retailers should look for new solutions to mutually reinforce and grow both in-store and online sales. Cisco StyleMe allows retailers to accomplish this by turning their stores into a strategic advantage that strengthens sales growth across all channels.

Cisco IBSG believes Cisco StyleMe has the potential to benefit retailers in four ways:

- 1) Grow in-store and online sales** by giving customers access to an extended range of products in their size. With greater selection, customers are more likely to find the items they want to purchase, thereby increasing sales for both store and online channels.
- 2) Increase return store visits** by creating differentiated in-store experiences. The battle for customer attention and loyalty is fierce. Cisco StyleMe gives retailers a powerful new way to

entice consumers into their stores and provide them with a new way of shopping. By making shopping fun and easy, retailers are more likely to enjoy return visits from customers. In addition, the follow-up emails that list items from customers' digital wardrobes, combined with appropriate personalized offers, will continue to increase conversions even after shoppers leave the store by redirecting them to retailers' e-commerce sites.

3) Increase both in-store and online conversion rates by allowing customers to receive expert advice and interact with friends and family who influence their buying decisions. For many shoppers, it is important to receive feedback from influencers—designers, fashion experts, friends, and family—to feel good about buying clothes. Cisco StyleMe provides a way for shoppers to receive this information at the point of decision, which will turn shoppers into buyers and buyers into loyal customers. It also allows retailers to further increase conversions through follow-up marketing activities such as sending shoppers reminders about items they liked while they were in the store.

4) Increasing wallet share by providing integrated experiences that encourage shoppers to stay within a brand while they shop across channels. Cisco IBSG's research shows that consumers who regularly shop across multiple channels spend 50 to 70 percent more on a specific retailer's or brand's apparel.⁷ By offering in-store, online, and mobile touchpoints, Cisco StyleMe allows retailers to capture this additional revenue.

For shoppers, Cisco StyleMe provides the best of both worlds (store and online) so they receive a wider selection of clothing from which to choose. In addition, Cisco StyleMe saves busy shoppers time since they don't have to wander the store floor searching for items they want to try on. Finally, customers can try on more items since they don't have to change as often.

One retailer taking advantage of Cisco StyleMe is John Lewis, the leading department store chain in the United Kingdom. The company is currently preparing to implement a Cisco StyleMe pilot project in several of its stores. Simon Russell, head of multichannel sales for John Lewis, believes mashop experiences play a key role in capturing sales across channels and is excited to use Cisco StyleMe to further the chain's lead in the fashion retail market.

"Our goal is to be a leader in the multichannel world. With Cisco StyleMe, our customers can see our entire assortment, try on many different outfits, and get the sizes and colors they want. And because they can use social media to share and get advice, they'll be inspired to shop and buy even more."

Simon Russell
Head of Multichannel Sales
John Lewis

Conclusion

With Cisco StyleMe, retailers will soon have a powerful new weapon in the battle to innovate and reinvigorate the in-store experience. To prepare, executives should position their stores at the center of the shopping experience rather than letting them become simply showrooms for online sales. They should also ensure their technology infrastructures are up to the task of supporting interactive and rich-media experiences, which, based on the response Cisco IBSG has received to date, will soon become commonplace among leading retailers. Retailers that prepare now will be in a strong position to capture the opportunity of increased revenues from consumers who spend more money when they use more than one channel to shop.

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Endnotes

1. Source: Forrester Research, 2011.
2. Source: Mintel, 2011.
3. Source: Forrester Research, 2011.
4. Sources: J.Crew and Urban Outfitters, 2011.
5. Source: Mintel, 2011.
6. Source: Forrester Research, 2011.
7. Source: Cisco IBSG, 2011.

More Information

Cisco Internet Business Solutions Group (IBSG), the company's global consultancy, helps CXOs from the world's largest public and private organizations solve critical business challenges. By connecting strategy, process, and technology, Cisco IBSG industry experts enable customers to turn visionary ideas into value.

For further information about IBSG, visit <http://www.cisco.com/go/ibsg>.



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