



## CASE STUDY

# European Electronics Retailer Integrates Network for Italian Stores

## Executive Summary

### Customer Name

Mediamarket SpA, Italy

### Industry

Retail

### Business Challenge

- Improve quality of, and access to, real-time customer data and use this to drive top line growth
- Enhance customer experience and satisfaction
- Develop a more agile IT model to reduce costs and support expansion plans

### Network Solution

- Cisco Customer Advocacy and IBM Global Services for planning, design, and systems integration
- Cisco Unified Communications and Siebel CRM solution that unites all point of sale, including 80 stores, virtualized contact center, and online shopping channels

### Business Results

- More integrated view of customer needs, better targeting of sales and marketing activities, and new methods to maximize contact opportunities
- Improved customer experience, with estimated 20 percent reduction in handling of orders and enquiries

## Business Challenge

Part of the Metro AG Group, Mediamarket is the European market leader in consumer electronics retailing, offering quality products—such as telecommunications, computers, photographic equipment, hi-fi systems, and electrical appliances—at highly competitive prices.

“Rapid growth had started to expose the limitations of a customized and siloed approach. Our contact center currently handles about 1.5 million calls a year, so we needed a solution with enterprise-grade scalability and the best technical competencies available on the Italian market—Cisco and IBM.”

Maurizio Besurga, CIO, Mediamarket

With over 80 stores and 6000 employees, Mediamarket is replicating this success in Italy with its Mediaworld and Saturn brands. The same winning formula of cost leadership combined with aggressive growth is helping the retailer to beat a tough market that is reducing in size year by year. Mediamarket continues to search out new openings, having decided some years ago to develop a technology roadmap that places its customers at the heart of everything that it does. The latest evolution of this multi-channel retail strategy is to unite store, call center, and e-commerce operations to create a consolidated service platform and real-time view across the business.

Maurizio Besurga, chief information officer for Mediamarket, says, “Future success will increasingly depend on the ability to consolidate customer relationships and develop better contact strategies. This requires intelligent profiling and data mining tools to improve understanding of consumer habits and behaviors. The payoff is increased opportunity to target the right offer, at the right time, to the right customers, within a far more fulfilling service experience.”



## Network Solutions

To achieve these goals, Mediamarket is building a new retail network, based on a Cisco® Unified Communications platform, to optimize business processes, improve collaboration, and support future growth. This core infrastructure delivers voice over IP services (VoIP) to 5000 users and will eventually connect every store in Italy. In parallel to the network rollout, Mediamarket has seized the chance to extend the power of its call center and customer relationship management (CRM) capabilities.

Strategic Alliance partners Cisco and IBM provide a close-knit team to transparently and rapidly integrate business processes, industry knowledge, information technologies, and the intelligence of the network. Tapping into this pool of expertise, Mediamarket worked closely with Cisco Customer Advocacy and IBM Global Services on all stages of planning, design, and implementation. This included identifying requirements, producing high and low-level designs, modifying software and reconfigurations, defining procedures and service levels, and integrating systems.

The solution takes advantage of shared functionality between Cisco Unified Contact Center and Siebel CRM applications to capture every customer interaction and transaction via voice, Web, or e-mail. The system can take information from the caller, convert it to data, and input it

directly to the database. Through the use of unified communications, this data can then be intelligently pushed around the organization to the people who need it, where and when they need it.

In addition, this highly virtualized environment blends together the best of both worlds—efficient centralized service with the assurance of a local touch.

For customers, it provides a single contact point and faster processing of orders or enquiries, using sophisticated routing techniques that connect them to agent with the best skills to deal with their call. The customer experience is further enhanced by advanced call-handling capabilities that optimize key performance indicators, such as average response times and call queue and wait times.

For Mediamarket, it allows the option to forward VoIP calls from its main office in Curno, near Milan, to any one of its stores where dedicated sales people and product specialists are on hand to make appointments, offer advice, or check stock availability. It also removes the burden of having to publish and update individual numbers for shops.

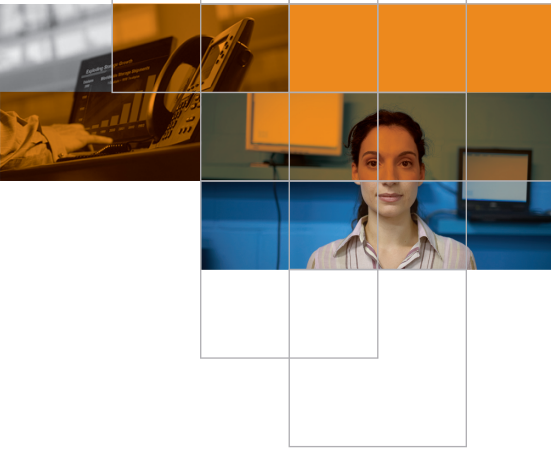
With improved data capture and reporting capabilities, Mediamarket is now able to profile and identify trends, such as cross-product buying behavior. These powerful insights can then be used, for example, to develop attractive bundled offerings and highly focused outbound marketing campaigns using a rich multimedia toolset that includes direct dial, Multimedia Message Service (MMS), Short Message Service (SMS), chat, e-mail, e-zines, and newsletters.

## Business Results

Mediamarket has created a blueprint to show how the intelligent use of technology can transform a multichannel retail strategy into new competitive advantage in the marketplace.

Centralized management has provided instant bottom line improvement by removing the expense and complexity of maintaining legacy private branch exchange systems located at individual stores, saving three full time equivalent (FTE) and 200k in operating costs. More importantly, the unified communications platform has created a more agile IT model for growth, by allowing Mediamarket to more accurately forecast costs per user, accelerate delivery of IT services, and open new stores faster. For example, the time taken to provide new store infrastructure has reduced from 15 to 10 days. This ability to accelerate speed to market will play a critical role as the company looks to increase share of the Italian market.

Customer service is another big winner. Mediamarket expects to see a 20 percent reduction in the time customers have to spend on the phone, as a result of streamlined communications and improved processes for handling of orders and enquiries. As well as having a positive impact on customer satisfaction, these efficiency gains will free up resource and capacity to manage future increases in call volumes.



**“The Cisco and IBM partnership helped to develop our thinking and, because they know each other’s capabilities and processes so well, fast track resolution of any technical issues. Having instant access to their combined resources and experience enabled us to significantly reduce the overall implementation timeframe.”**

**Maurizio Besurga, CIO, Mediamarket**

The ability to drive repeat business is a prerequisite for any retailer. Through the integration of its CRM application, Mediamarket can now build a single, highly focused profile of customer buying behavior and preferences, and then select the most appropriate contact strategy.

Maurizio Besurga says: “Our customers are busy people so it is important to contact them at a time and in way that is best for them, focus on products and services that may be of genuine interest, and then make sure that we keep our promises on delivery. Thanks to our Cisco and IBM solution we now have all the building blocks in place to achieve this and build even stronger relationships.”

With about 60 percent of all purchases made online, Mediamarket can integrate the solution with its customer loyalty program and store cards to improve account management. These insights can also be used to identify new opportunities, such as the company’s recent diversification into book selling.

### **Next Steps**

Not content with this success, Mediamarket continues to develop its technology roadmap. The company is currently trying out digital signage in its stores and is looking at new ways of sharing common IT services, through the use of techniques such as logical segmentation and virtualization of the network. Mediamarket is also exploring ideas with Cisco and IBM for a new data storage and warehousing solution.

### **FOR FURTHER INFORMATION**

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