



hypothesis

Mixed Reality Intelligence

Retail Edition

December 2020



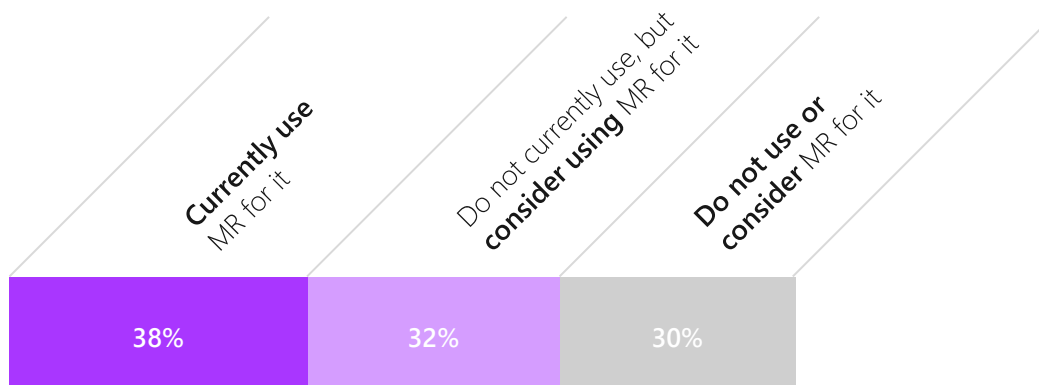
Sales Assistance

Deep Dive into *Salvatore Ferragamo*

As members of an industry whose success is defined in large part by customer perceptions, Retail organizations have been implementing Mixed Reality solutions in an effort to simplify and improve the shopping experience. Similar to Design, Prototyping, and Layout Optimization, Mixed Reality Sales Assistance allows customers to demo any product configuration or customization in 3D to support purchase decisions, leading to better collaboration between the end customer and the sales consultant. Nearly 2-in-5 Retail organizations are currently using Mixed Reality for Sales Assistance. **(Exhibit 7)**

Italian luxury goods brand Salvatore Ferragamo is leading the charge by tapping into HoloLens 2 to introduce an interactive, guided, and custom shopping experience. With excellent customer service at the core of its values, Ferragamo adopted HoloLens 2 with a custom solution from Hevolus to introduce an immersive customization and sales assistance platform for the Tramezza men's footwear collection, which can be used both in-store and online. The service allows customers to choose from various materials and customize to their preferences, all while visualizing the digital twin of the shoes on their screen and interacting with this 3D reproduction. For clients shopping online, Ferragamo's Made-to-Order Tramezza program allows human sales associates to join the client in their virtual shopping session to provide choice and sales support akin to that expected in brick-and-mortar stores.

EXHIBIT 7. USAGE VS. CONSIDERATION OF MIXED REALITY FOR SALES ASSISTANCE

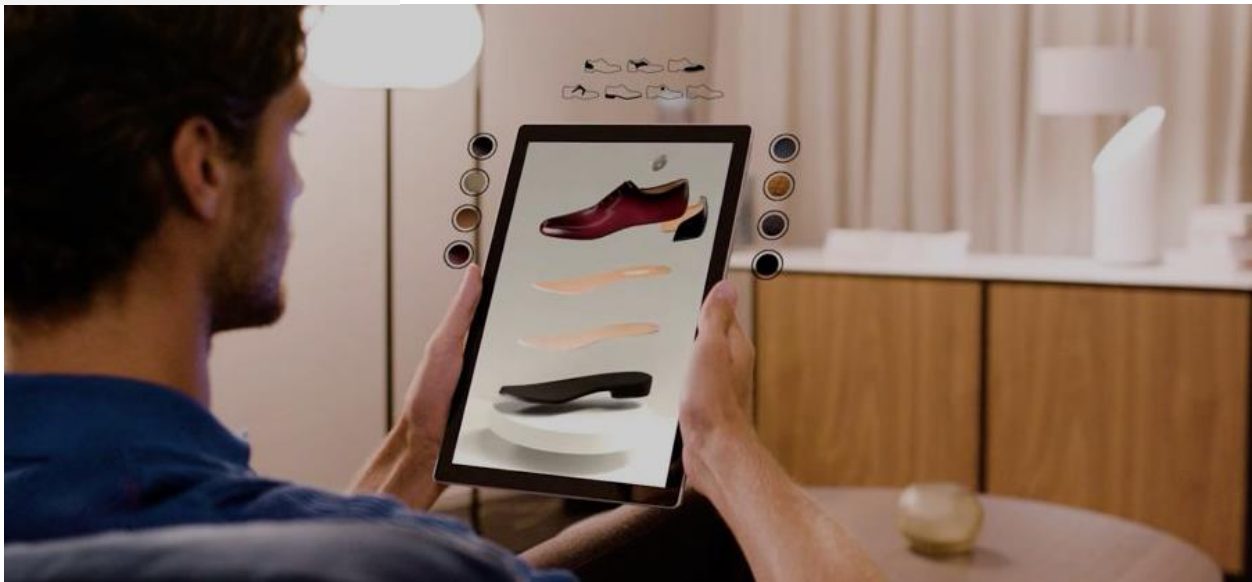




"Thanks to the collaboration with Microsoft and Hevolus, we will be able to assist our customers even more effectively, offering highly immersive and tailor-made experiences."

Micaela le Divelec Lemmi
CEO
Salvatore Ferragamo

In implementing Mixed Reality for Sales Assistance, the top priority reported among Retail organizations is increasing sales. Indeed, after only a few short months, Ferragamo is already seeing improvements in sales conversion. Ferragamo CEO Divelec Lemmi explains, however, that the outcomes of integrating Sales Assistance via HoloLens 2 are much more far-reaching: "The Tramezza - Future Of Craft project is part of our digital transformation journey aimed at constantly innovating the services to our customers, and it's already offering significant benefits in various areas: from the optimization of customer journey in an omnichannel perspective to better space management in physical stores, from the simplification of purchase methods to better customer service, up to a rise in conversion rates." The new Ferragamo experience is also expected to improve customer loyalty and help the brand stay relevant as the high-end fashion industry becomes more fragmented and increasingly digital.



USING HOLOLENS 2 FOR SALES ASSISTANCE



USING HOLOLENS 2 FOR SALES ASSISTANCE

While Italian Ferragamo is an obvious leader in integrating Mixed Reality solutions for Sales Assistance, U.S. retailers have embraced this use case most fervently, and are more likely than their Japanese or German counterparts to be current users (46% vs. 38% overall). Of those organizations not yet utilizing Mixed Reality for Sales Assistance, a little more than half (52%) identify as prospective users, signaling that this use case will continue to propagate as its benefits become increasingly clear.



Final Thoughts

As immersive technologies continue to transform reality as we know it, Mixed Reality has emerged not as a VR-light but as a business tool in its own right. With its unique ability to blend the real and the digital, Mixed Reality offers solutions that are as diverse as they are innovative, boasting use cases ranging from supporting customers in their purchase decisions to enhanced product and layout configurations. Ideas that felt like science fiction just a decade ago are now quite literally at our fingertips, and bold companies must think creatively about how they can use Mixed Reality to differentiate themselves in an increasingly competitive digital marketplace.

Across markets and industries, the benefits of implementing Mixed Reality technologies are vast, and three major themes emerge. First, by integrating digital elements into real spaces, Mixed Reality reduces the constraints imposed by toggling between our physical environments and our screens. Second, Mixed Reality solutions offer distinctive advantages for education--be it corporate or academic--by allowing students and trainees to develop hands-on experience performing tasks that could be detrimental or costly if executed by novices in a real-world context. Finally, Mixed Reality allows us to do something that was previously unthinkable: be two places at once. Infinitely more sophisticated than video calling, Mixed Reality technologies can transport individuals who are miles apart into the same digital space, allowing them to interact with their surroundings and with one another as if the space between them had all but vanished. Particularly in the context of a global pandemic, this ability to emulate togetherness feels indispensable.



Detailed Research Objectives & Audience Recruit

The objectives of the research included:

1. Understand the current Mixed Reality landscape including adoption, challenges, and outcomes
2. Explore current Mixed Reality projects, including how Mixed Reality is being used within key industries and customer stories
3. Quantify ROI expectations of decision-makers and demonstrate how ROI is realized through customer stories
4. Uncover the ways in which Mixed Reality may evolve in the future

To meet the screening criteria, Mixed Reality professionals needed to be:

A business decision maker or IT decision maker at their company

Employed full-time at a mid-market or enterprise-level company (500 employees or more)

Ages 25-64

Familiar with Mixed Reality

Involved in decision making for Mixed Reality technologies

Adopting or evaluating Mixed Reality technologies

Work in Manufacturing, Healthcare, or Retail industries

Of the 244 retail Mixed Reality professionals interviewed for the research wave in October 2020:

100 Mixed Reality Professionals were interviewed in the US

71 Mixed Reality Professionals were interviewed in Germany

73 Mixed Reality Professionals were interviewed in Japan

Note: Research was conducted during the global COVID-19 pandemic, which was at varying stages of escalation/containment