Use digitalization to turn your physical spaces into a differentiator, give customers an engaging experience they cannot get elsewhere, and safeguard your business’s future.
Any business that relies on physical space to sell products and services, whether in retail, leisure, hospitality, or dining is having to compete with digital upstarts that are disrupting the market.

So make your physical space a differentiator, not a pull on your resources.

Millennials already represented a quarter of the US population in 2015. It is projected that they will number 80 million by 2025, and they will soon overtake baby boomers as the largest generational demographic.

That shift is highly significant to your business, as millennials’ demanding consumption habits represent a threat to existing retail models and, of course, an opportunity for forward-thinking enterprises. Compared to their peers, millennials have:

- **A love of convenience.** Millennials expect the latest technology to be applied from the time they start researching products, through purchase, shipping, and delivery.
- **A preference for visual and experiential retail.** Millennials expect not only immersive and interactive customer journeys but also fun, one-of-a-kind experiences, supported by technologies such as augmented reality.
- **A desire for complementary products and services.** Based on their expectation for convenience, millennials see services as diverse as banks, dry cleaners, and bistros to be natural extensions of retail.
- **Enthusiasm for content.** With attention spans collapsing, it’s imperative for your business to quickly captivate millennials. The key to success will be content tailored to your customer base.
- **Interest in creating their own content.** Stores that thrive in 2025 will be those that let millennials be millennials. They’ll indulge their desire to snap photos, take videos, and share their experiences.

Catering to this demographic is becoming essential to business survival. And as new entrants to retail start to buy up bricks-and-mortar space, it’s time for businesses that have large investments in physical spaces to adapt their offerings to the new generation of customers.

It is also an opportunity to turn expensive real estate investments into a strategic business advantage, rather than a financial burden on your enterprise. But beware.

There are a number of pitfalls in adopting technological fixes to under-profitable retail spaces, and a poorly thought-out deployment which is not adequately supported by the necessary systems may turn out to be an expensive exercise in in-store novelty.
IF YOUR SPACE IS YOUR BIGGEST COST THEN IT SHOULD ALSO BE YOUR BIGGEST ASSET.

The Cognizant Adaptive Spaces™ Solution is a suite of solutions designed to create digitized physical environments that enhance experience through ambient, predictive, and context-sensitive technologies.

They have the ability to transform the way customers interact with your business spaces, adding value to your existing real estate. The current Adaptive Spaces Solution addresses three main areas:

• **Adaptive Store** provides personalized, seamless in-store customer experiences combined with artificial intelligence-driven inventory management.
• **Adaptive Hotel** delivers exceptional customer experiences for business and leisure travelers, with increased employee productivity and efficiency across hotel operations.
• **Adaptive Restaurant** offers efficient, pleasurable experiences for diners, combined with automated back-end management system for restaurateurs.

Our experts will tailor the solution to your specific business needs. Any proposal we provide will take three key areas into account:

• **People:** The space must be a bold reflection of the emotional and functional needs of its inhabitants, your customers.
• **Space:** The physical space must be designed to facilitate and motivate desired behaviors and emotions in those customers.
• **System:** Technology needs to enable the space to be personalized, adaptive, and considerate.

Our teams specialize in the Internet of Things (IoT), machine learning, and artificial intelligence.

As well as advising you on which features and systems to invest in, we will counsel you on what sequence to invest in those features, and over what timeframe.

These additional steps will help ensure that your investment reaps maximum return on investment and your business avoids the pitfall of too much tech, too soon, without adequate support.

KNOW YOUR CUSTOMERS

By 2025, the in-store experience will be a game changer, but you need to understand what draws customers to your store in the first place. We can help you uncover that essential information.

GUIDE CONSUMERS

Ensure customers can find what they’re looking for in your space. Leverage technological solutions to enable customers to find products in stores with a similar level of convenience of the online shopping experience.

LEVERAGE SUBSCRIPTION

Subscription models are fueled by personalization. We will help you investigate the feasibility of packaging curated products based on customer preferences. We will also help you consider which if any to choose, and how to implement them.

ESTABLISH A FOUNDATION

People and processes are just as vital as technology in supporting digitalized businesses. Adaptive Spaces will help you build a solid foundation for your transformed business.

GAIN INSIGHTS

Use analytics to extract insights. Analytics is about looking ahead, not behind, and that starts with questions. You can pose precise queries regarding customers and their experiences, and then see if the data supports your hypotheses.

OUR DIFFERENCE IS IN DEPTH

Other companies claim to be able to transform your company. But only Cognizant has the unique combination of technological and business experience to maximize its success.
In addition to world-class technological knowledge and experience we also understand your market and business needs.

Most importantly, we get under the skin of your organization to make changes which will have a deep and lasting impact on your business, not this year’s in-store novelties.

Moreover, we will ensure the innovations which will transform your physical spaces have the connected technological infrastructure they need to work, and keep on working.

THE BUSINESS VALUE OF ADAPTIVE SPACES

Adaptive Spaces is a digitized physical environment that enhances experience through ambient, predictive, and context-sensitive technologies. It delivers benefits by transforming your business in four critical areas.

<table>
<thead>
<tr>
<th>At the experience layer</th>
<th>At the operations layer</th>
<th>At the technology layer</th>
<th>At the integration layer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nobody wants a bad experience. But without the conscious alignment of people, physical spaces, and systems, you risk delivering a clunky, sub-standard customer experience. Adaptive Spaces on the other hand, will allow your space to be a bold reflection of the emotional and physical needs of its inhabitants, designed to facilitate and motivate desired behaviors and emotions. It will allow you to contextualize customer visits in real-time based on a 360 degree view of customers across all channels and touchpoints.</td>
<td>Adaptive Spaces helps to improve productivity and efficiency by enabling intelligent and robotic process automation. We help you to apply capabilities like artificial intelligence and robots to low-value tasks so your people can be redeployed to more interesting, relevant and valuable roles. And we focus on technology enabled operational improvements that will make a real difference to your business.</td>
<td>From augmented reality displays in retail to keyless entry in hotels, the technologies you use to improve your customer experience are only going to be as good as the platforms and underlying network infrastructure that supports them. That is why Adaptive Spaces contains a solution platform and a growing portfolio of sensor hardware and software applications that help companies connect the dots within physical spaces, optimize operations, improve uptime and data processing speeds, and deliver memorable customer experiences.</td>
<td>A truly intelligent space is one that not only links your digital and your physical presence, but also connects your on-premises and online activity with back-end systems for customer relationship management, enterprise resource planning, data management, fulfilment, and more. Adaptive Spaces will take care of this integration and can help you complete your intelligent space journey no matter how far along the road you are already.</td>
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</table>
Adaptive Spaces transforms how we interact and measure value.

We have been working with a number of clients to help ‘future map’ their physical spaces. Here are some of the ways our Adaptive Spaces Solution can deliver value to your business.

<table>
<thead>
<tr>
<th>Layer</th>
<th>Retail metric improvements</th>
<th>Hotel metric improvements</th>
<th>Restaurant metric improvements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Experience</td>
<td>» More traffic</td>
<td>» Increased stay share</td>
<td>» More traffic</td>
</tr>
<tr>
<td></td>
<td>» Increased conversion rates</td>
<td>» Bigger social buzz</td>
<td>» Bigger check size</td>
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<td></td>
<td>» Greater basket size</td>
<td>» More on-property spend</td>
<td>» Higher CSAT/NPS</td>
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<tr>
<td></td>
<td>» Higher CSAT/NPS</td>
<td>» Enhanced conversion</td>
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<td></td>
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<td>» Uplift in same-store sales</td>
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<td></td>
<td>» Higher CSAT/NPS</td>
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<td></td>
<td></td>
<td></td>
<td>All: greater customer lifetime value, higher experience utilization</td>
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<tr>
<td>Operations</td>
<td>» Stock-out reduction</td>
<td>» Brand standards conformance improvement</td>
<td>» Human capital cost reduction</td>
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<td></td>
<td>» Improved inventory accuracy</td>
<td></td>
<td>» Food quality consistency improvement</td>
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<tr>
<td></td>
<td>» Shrink reduction</td>
<td></td>
<td>» Inventory accuracy</td>
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<tr>
<td></td>
<td>» Buy online, pickup in-store logistics cost reduction</td>
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<tr>
<td></td>
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<td></td>
<td>All: better employee engagement, productivity, and efficiency; energy cost reduction</td>
</tr>
<tr>
<td>Technology</td>
<td>» Improved associate redeployment rate</td>
<td>» Greater experience/device responsiveness</td>
<td>» Higher technology visibility</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>All: Improved technology uptime, data processing time, and economies of scale, and reduced technology support costs, technology risk, and integration points</td>
</tr>
<tr>
<td>Integration</td>
<td>» All: reduced number of user interfaces, increase in known customer profiles, higher personalization rate, increased data flow, increased workflow, more timely data analysis and reporting</td>
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INVESTING IN THE RELATIONSHIP, DELIVERING EXTRAORDINARY RESULTS

Cognizant Digital Business designs business models for our clients with the vision, intelligence, automation, software and experience required to drive transformational growth in the digital era.

ABOUT COGNIZANT

Cognizant (NASDAQ-100: CTSH) is one of the world’s leading professional services companies, transforming clients’ business, operating and technology models for the digital era. Our unique industry-based, consultative approach helps clients envision, build and run more innovative and efficient businesses. Headquartered in the U.S., Cognizant is ranked 205 on the Fortune 500 and is consistently listed among the most admired companies in the world. Learn how Cognizant helps clients lead with digital at www.cognizant.com or follow us @Cognizant.