



CYBERSECURITY:

The new source of competitive advantage for retailers



Cybersecurity and data protection is a business driver for retailers

Consumers prize cybersecurity when selecting retailers



77% of consumers believe that cybersecurity and data privacy is the 3rd most important factor when selecting a retailer, even outranking discounts and brand reputation

Percentage of consumers considering the following factors as one of the top five criteria while selecting their primary retailer



Source: Capgemini Research Institute survey, Cybersecurity in Retail; January–February 2018, N=6,120 consumers.

Cybersecurity and a transparent data privacy policy drives customer satisfaction

Average increase in the share of satisfied customers after implementation of cybersecurity and data privacy capabilities by country



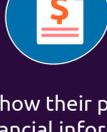
Source: Capgemini Research Institute survey, Cybersecurity in Retail; January–February 2018, N=6,120 consumers.

Consumers will increase online spending if they are assured of a retailer's cybersecurity practices and policies

Approximately 40% of consumers say they are willing to increase their online spend 20% or more if their primary retailer were to assure them the following and its competitors did not:



Assure them their financial and personal information was safe



Explain how their personal and financial information was going to be used



Assure them that their websites and apps use the most advanced security techniques

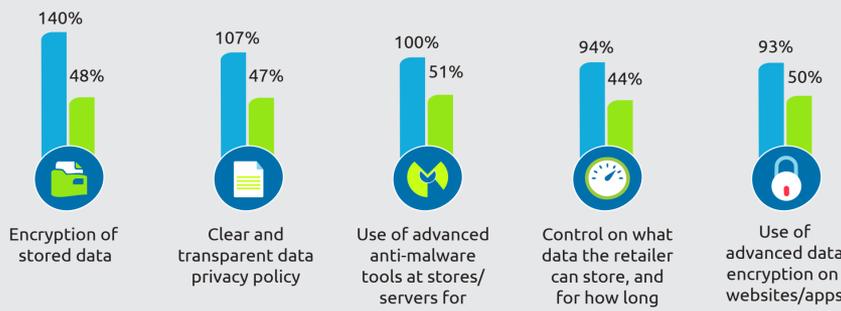
Retailers are missing an opportunity to use cybersecurity to drive growth

Most retailers do not focus on the cybersecurity and data privacy capabilities that can boost customer satisfaction



More than half of the retailers have not fully implemented the capabilities that have the greatest impact on customer satisfaction

Top five cybersecurity and data privacy capabilities driving customer satisfaction vs. their implementation status among retailers



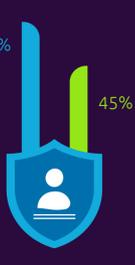
Source: Capgemini Research Institute survey, Cybersecurity in Retail; January–February 2018, N=206 retailers; N=6,120 consumers.

Consumers want more assurances from retailers than they are getting

Consumers that would buy more online if assurances were made vs. actions retailers are taking



Assurances that financial and personal information will remain safe



Assurances on how their personal and financial information will be used

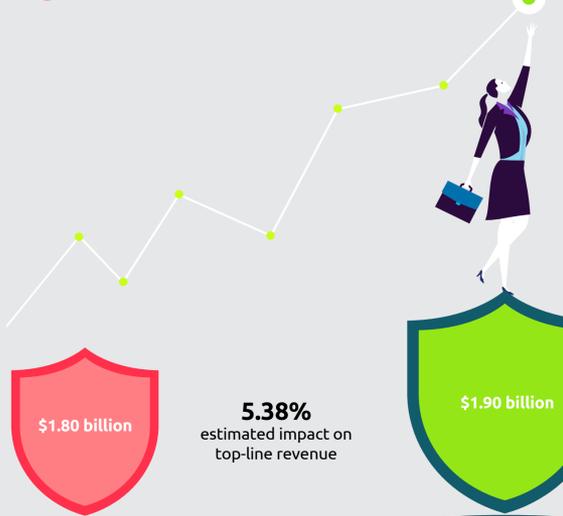


Assurances that websites and apps are safe to use

Legend: Consumer (Blue), Retail executives (Green)

Source: Capgemini Research Institute survey, Cybersecurity in Retail; January–February 2018, N=206 retailers; N=6,120 consumers.

A robust cybersecurity system and transparent data privacy policy can drive significant value



Base Annual Revenue: \$1.80 billion

5.38% estimated impact on top-line revenue

Improved Annual Revenue: \$1.90 billion

Retailers can drive uplift by adopting measures such as:

- Assuring customers that their websites and apps use the most advanced security techniques

- Assuring customers that their personal and financial information will remain safe with them

How retailers can leverage cybersecurity and data privacy to drive value and growth



Understand your customers' cybersecurity and data privacy expectations and ensure the required features are fully implemented

- Educate consumers on the "what, how, and why" of cybersecurity and data protection
- Ask customers for their feedback on the measure your organization has taken
- Assess your customers' sentiment towards cybersecurity and data privacy on social media



Get your cyber-defense system one step ahead of hackers

- Understand your organization's vulnerabilities and plug the gaps
- Identify the biggest threats in terms of likelihood and impact and adopt best practices to detect them
- Involve top management to ensure adequate investment in security
- Develop an incident response plan to prevent customer churn



Position yourself as the safe custodian of consumer data

- Proactively communicate to customers explaining how your organization ensures:
 - Their interactions are secure as they use your digital touch points such as websites and apps
 - Safety of their data that you store
 - Transparency on how you use their data that you store