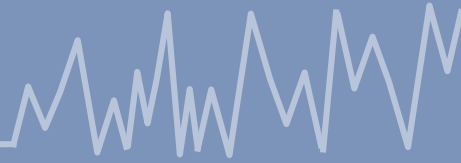


# VM Lab



in store analytics unleash the potential of store shopper behaviour.

collect, analyze in-store data to optimize store visual merchandising investments and achieve bottom line growth.

**Montblanc** increased same-store sales 20% by using RetailNext as an optimization tool

**American Apparel** increased same-store sales more than 30% and reduced theft 16%

**Family Dollar** remodelled more than 1300 stores in the first nine months of deployment based on findings from RetailNext

**60** retail clients, **30,000** sensors installed, **400m** shopping visits measured per year

the closest thing to guaranteed store investment from RetailNext & Ispira



# what is **VMLab**?

improve store experience and maximize results through in-store analytics

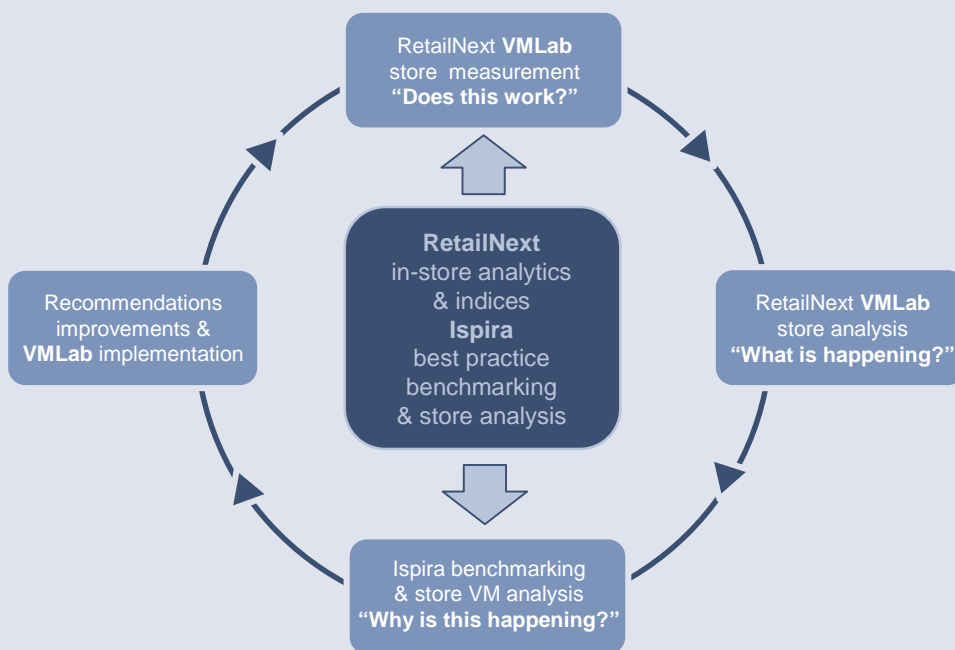
**VMLab** is the most certain way to ensure that all investments in the retail experience achieve their maximum return and generate real increases in sales performance.

**VMLab** is delivered in real client stores which use revolutionary RetailNext technology – distributed by Ispira - to capture customer behavior patterns from standard IP store surveillance cameras, combine the mapping data with POS sales and give a definitive answer to the perennial question: **“What is happening in our stores?”**

**VMLab** can also be implemented on the whole store network to benchmark internal performances, optimise store staff, implement Ispira visual merchandising recommendations and measure the sales impact, the effect on customer traffic, browse times, conversion rates, ATVs, items per transaction, visitor to customer ratios – all in real live stores.

Retailers can then develop the initiatives that work, reject the elements that don't, develop the best elements further – as they embark on full roll-out.

## **VMLab**: the new culture of retail experience investment



The **VMLab** process is low on investment and high on return.

**VMLab** can take as little as 2 weeks to deliver real additional sales

**RetailNext** technology works with standard IP store surveillance cameras & simply requires SKU sales data

**VMLab** works with existing VM resources, fixtures and stores.

The VMLab process becomes a perpetual virtuous cycle, always ensuring maximum sales benefits and ROI on all Visual Merchandising & Store Experience initiatives.

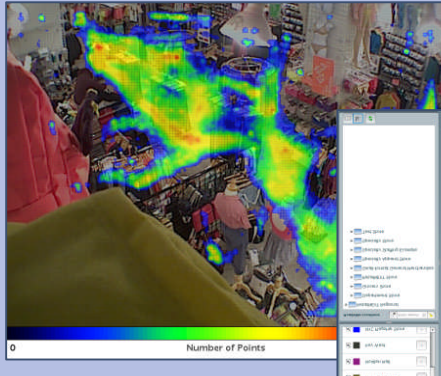
1. Install RetailNext technology in your selected **VMLab** stores
2. Analyse customer mapping & POS data – **“What is happening?”**
3. Combine with Ispira VM benchmarking analysis/RetailNext Indices – **“Why this is happening?”**
4. Implement Ispira “quick-win” Visual Merchandising & Store experience recommendations
5. Measure KPI in **VMLab** store – **“Does this work?”**
6. **Revise, Reject & Roll-out!**

**The creation of a “VMLab” store, combining RetailNext technologies & Ispira expert analysis and benchmarking represents a unique, irresistible, low cost and high return route to higher sales productivity and store efficiencies.**

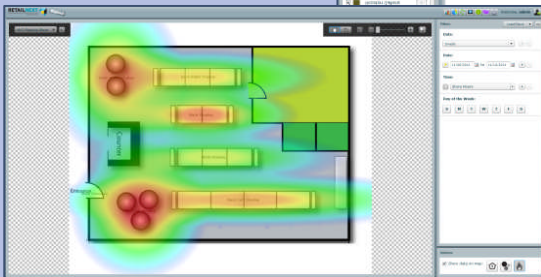
# how does VMLab work?

## RetailNext analytics at the heart of the VMLab quick delivery process

The software measures and converts traffic, dwell time & engagement statistics into detailed business intelligence reports allowing the comparison of different stores in real time for fast coordinated actions.



Transform video feeds from IP-type cameras into powerful customer experience insights...



In-store analytics also provide valuable insights on:

- . performance benchmarking
- . conversion rates management
- . staffing optimization

Take fast actions to achieve financial improvements

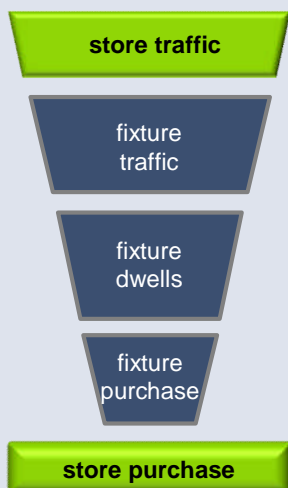
### 5 easy steps to fully operational RetailNext in-store analytics

1. Engage existing standard IP surveillance store cameras: for stores and areas monitored
2. Install software: installed on dedicated store server
3. EPOS data input  
SKU sales data related to monitored areas
3. Activate analytics: selected modules are activated
4. Business intelligence setup: data feed is converted into actionable reports
5. Real time outputs: reports identify best practices and improvement opportunities

# how does VMLab increase profit?

The RetailNext platform provides the same level of insight and KPI's as online analytics: cost per impression, cost per click, cost per acquisition, path analysis, fixture conversion rates. The analysis of your store specific KPI's is the starting point to identifying improvement opportunities and developing an investment action plan.

## Typical measures



## Typical KPI's & metrics: Focus of sales & profit improvements

<p><b>detailed conversions</b></p> <ul style="list-style-type: none"> <li>&gt;traffic to fixture</li> <li>&gt;traffic to dwells</li> <li>&gt;dwells to purchase</li> </ul> <p><b>fixture effectiveness</b></p> <ul style="list-style-type: none"> <li>&gt;fixture traffic to purchase</li> </ul> <p><b>display results</b></p> <ul style="list-style-type: none"> <li>&gt;traffic to fixture purchase</li> </ul>	<p><b>margin metrics</b></p> <ul style="list-style-type: none"> <li>&gt;gross profit per impression - traffic</li> <li>&gt;gross profit per visitor - dwell</li> <li>&gt;gross unit profit</li> </ul> <p><b>campaign metrics</b></p> <ul style="list-style-type: none"> <li>&gt;'cost per impression' (CPM) - traffic</li> <li>&gt;'cost per click' (CTR) - dwell</li> <li>&gt;'cost per '000 acquisitions' (CPA)</li> </ul> <p><b>campaign/display return</b></p>
<p><b>purchase details</b></p> <ul style="list-style-type: none"> <li>&gt;average spend</li> <li>&gt;items/transaction</li> </ul>	<p><b>margin</b></p> <ul style="list-style-type: none"> <li>&gt;average value/item</li> <li>&gt;total spend</li> <li>&gt;average unit margin</li> <li>&gt;margin</li> </ul>

VMLab works to maximise & increase store sales through contained store investments in areas with high sales returns:

space planning, store layout, wall and walkway placement, display densities & unit depths, product grouping, best seller & image maker placement, product display, fixtures and fixture combinations, focal points & store "hot spots," busts & mannequins, store graphics & signage, product messages & "tone of voice", packaging, product blocking, sales promotions, events, and marketing campaigns...

# the **VMLab** execution

4 stages to a more profitable retail experience

1.

Data capture & measurement  
“what is happening in our stores?”

RetailNext data review & heat mapping  
Store visit and VM critique  
Selected video snatches as visual evidence

2.

Store analysis & benchmarking  
“why is it happening?”

Ispira best practice benchmarking  
RetailNext metric comparisons  
Improvement opportunities  
Benefit case

3.

Retail experience recommendations  
“how can we do it better?”

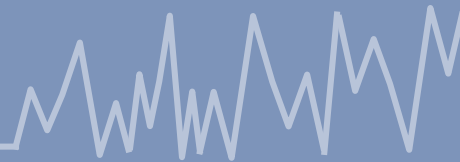
Detailed guide lines on improvement opportunities  
Suggested action plan & quick-wins  
Selection of the functions, product categories or promotions for specific analysis

4.

Implementation & measurement  
“do changes work? what's next?”

Implementation in **VMLab** store(s)  
RetailNext measurement  
KPI analysis  
Review of range, prices, SKUs, investments  
Refine, Reject and/or Roll-out

# VMLab



the closest thing to guaranteed store investment.



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## RetailNext

Since 2007 RetailNext has transformed the way retailers can collect, analyze, and take advantage of the information available inside their own stores.

Measuring more than 400 million shoppers per year across over 50 retail chains, RetailNext is the leading provider of in-store retail analytics to improve the bottom line by increasing sales, reducing theft, improving efficiency, and creating a better shopping experience



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## Ispira

Ispira is the European partner, support provider and official reseller for RetailNext technologies.

Ispira is a retail service company providing vision, guidance and profitable delivery in multi-channel retailing, retail merchandising, store marketing, retail intelligence and retail makeovers.

Our team has gained experience from working with some of the world's most successful retailers in highly competitive markets.