

Store Analytics

how technology combined to expert advice
is transforming the retail landscape

discover customer behaviour KPIs,
deliver actions to optimize the retail experience
and to maximize bottom line

1. store traffic

2. movable analytics

3. selected analytics

4. full analytics

the closest thing to guaranteed store investment



Why Store Analytics?

The new KPIs to measure and improve the retail experience

How do we traditionally measure & improve store performance?

- Experience, creativity and innovation count for a lot when it comes to making decisions on how to improve the store performance.
- However major decisions and store investments are made with little quantitative knowledge about what is happening inside our stores and are driven by some competitor benchmarking, a degree of shrewd decision-making and standard retail practices

The Business Intelligence revolution - the new store experience KPIs

- Store Analytics measure not only traditional store conversion rates but never seen before store experience KPIs such as:
 - Zone Traffic** – traffic in each zone of the store
 - Zone Dwells** - number of customers interacting with product
 - Dwell Times** - average time spent engaging with specific displays
 - Purchase by zone** – number of units sold in each area
 - Conversion Rates** –
 - Store traffic to Zone traffic
 - Traffic to Dwell
 - Dwell to purchase
- The new KPIs drive the actions to improve the “Path to Purchase” and store performance!

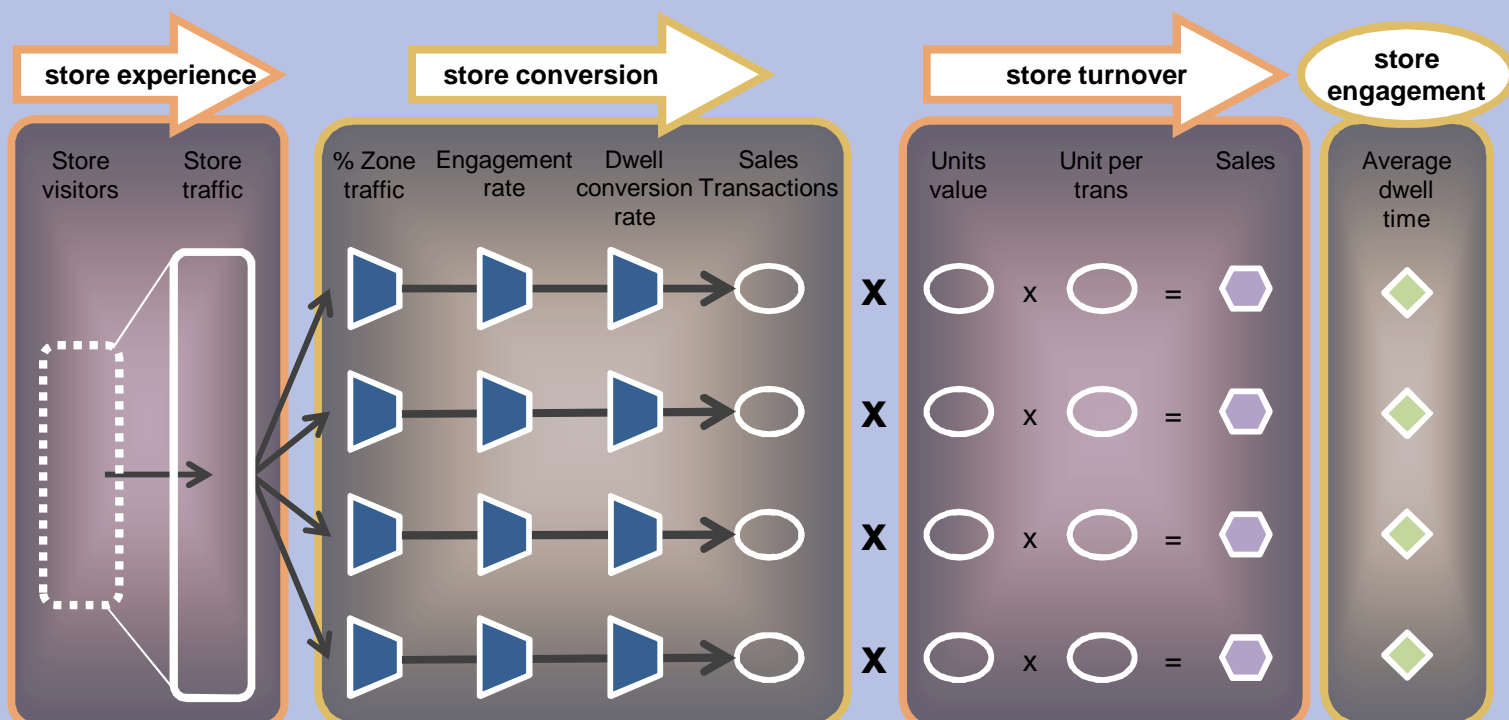
Retail is Detail

The Customer Experience can be improved by extending data analysis and shopper behaviour KPIs. Traditional store data analysis is limited to sales, traffic and conversion rates, and is lacking in detailed measurement of how conversions are achieved.

Store Analytics allow retailers to analyze and benchmark important, previously hidden, store experience KPIs and to measure the results of specific store actions.

Store Analytics provides the same level of insight and KPIs as online analytics: cost per impression, cost per click, cost per acquisition, path analysis, fixture conversion rates

Path to Purchase



Generating Value – Best Practice Action Plan

Root Cause analysis and Store Experience improvement

How do retailers act on the data from Store Analytics?

- Store Analytics tells a retailer “what is happening” in its stores
- Store Analytics shows which store performance KPIs need to be improved in those stores
- Store Analytics activates root cause interpretation of quantitative measurement
- Root Cause Analysis is driven by data, best practice benchmarking, expert advice to develop Best Practice Action Plan
- Best Practice Action Plan delivers the improvements that can be measured with Store Analytics

“Areas of Action”

Opportunities for store performance improvement fall into 4 main disciplines...

1. Layout, Densities, Space planning, customer journey
2. Product assortment structure, segmentation, product stories
3. Visual display, presentation tools, selling techniques
4. Visual comm, Branding, Interior design, Promotions

Do you know within which of these disciplines lay the opportunities to increase store performance?

Areas of Action



The Anatomy of Analytics

Customise your set up, measure your performance, meet your objectives

Which technology?

- In-store analytics uses digital IP cameras and analytics software to measure customer movements and actions inside stores
- The data is accumulated on a server, visible on a remote interface and extrapolated to give unique insights into where opportunities lay

Which level of in-store analytics?

- Retailers can now choose among 4 rollout types:
 1. Store traffic - people counting at the entrance compared to store sales
 2. Movable analytics – understand quickly and cost-effectively what is happening in a specific area of a store, move cameras periodically to different areas of the store
 3. Selected analytics – install cameras in selected departments to measure KPIs and to develop improvement actions on a limited number of areas in the store
 4. Full analytics – measure KPIs and activate actions for all store departments. Test new store design, compare different formats, clusters, layouts. Measure return on store marketing actions and on visual communications initiatives

	1. store traffic	2. movable analytics	3. selected analytics	4. full analytics
security, queuing refunds, exception staffing	✓			
customer service training sample areas		✓	✓	✓
events, promotions selected store analytics selected categories			✓	✓
full store marketing store layout, zoning compare over time full retail experience				✓
<u>number of stores</u>	all	flexible	large sample	selected sample

The right level of Store Analytics

Customise your counting, measure your success, meet your objectives

What are the right Store Analytics?

- what do you need to know about your store and your customers?
- investment should be driven by the return generated by the improvement actions

Key questions for your business:

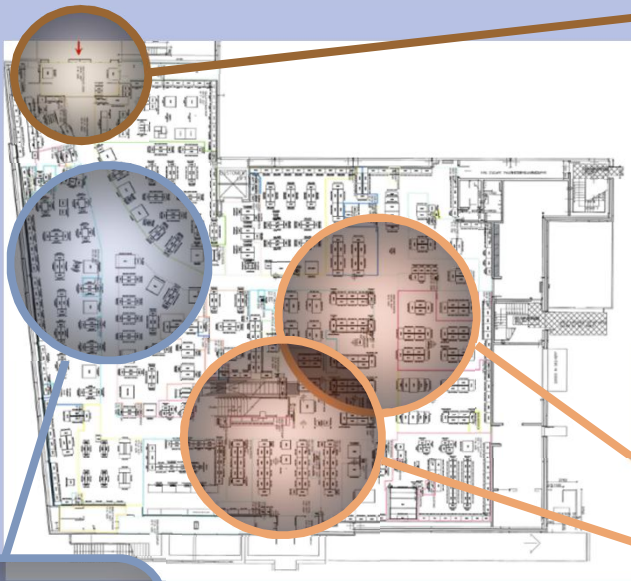
- are you in a hurry to get answers?
- are you an innovative, high-pace retailer?
- how many store clusters/formats do you have?
- do you need align internal processes to Retail Experience Analysis?

	<u>1. StoreTraffic</u>	<u>2. MovableAnalytics</u>	<u>3. SelectedAnalytics</u>	<u>4. FullAnalytics</u>
Purpose	Store conversion rates	Quick answers to 1 specific issue	Analytics on selected areas of the store	Analytics on all areas of the store
Analytics	Entrance traffic POS data	Zone Traffic Zone Dwells Zone Dwell Times Zone Sales Transactions Zone KPIs	Zones Traffic Zones Dwells Zones Dwell Times Zones Sales Transactions Zones KPIs Comparison among zones Comparison over time	Traffic for each area Dwells for each area Dwell Times for each area Sales Transactions for each area KPIs for each area Comparison among all zones of the store Comparison over time
Store Location	Store entrance	1 specific location	selected areas of the store	total store
Time to implement	2 weeks	2 weeks	3 weeks	3/4 weeks
Cameras per store	1	1/2	depends on store size	depends on store size
Data/analysis period	Permanent	2 weeks+	Long-term	Permanent
Support Required	Camera install HW and SW install Analytics activation Data Analysis	Camera install HW and SW install Analytics activation Data Analysis Improvement Actions Test, Measure	Cameras install HW and SW install Analytics activation Data Analysis Improvement Actions Benchmarking Test, Measure Partial Rollout	Cameras install HW and SW install Analytics activation Data Analysis Improvement Actions Benchmarking Test, Measure Rollout
Ispira advice	light	embedded in projects	modelization and action plan	modelization and action plan

Possible path to Full Analytics

Measure, Improve performance and Evolve internal operations

1. Traffic counting provides the first level of awareness and comparison among stores
2. Movable Analytics is associated to special projects, specific and local innovation, temporary installation. Cameras are moved frequently
3. Selected Analytics focuses attention on critical departments, new segments of offer providing detailed KPIs and comparison over time
4. Full Analytics allows all store zones to be monitored to compare KPIs and customer behaviour among areas and across time

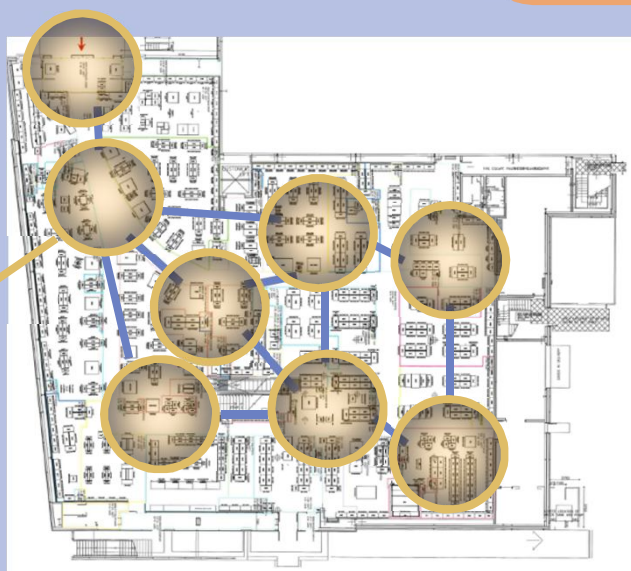


1. Analyze store traffic
Traffic per week, day,
hour, specific event
Conversion rates

**2. Analyze 1 area per
time moving camera– eg
first third of the store,
Summer Shop**
Traffic
Dwell
Conversions

**3. Analyze selected
areas – eg new lines,
underperforming
departments**
Traffic
Dwell
Conversions

**4. Full Analytics all areas
covered and measured –
compare among areas
and over time**
Traffic
Dwell
Conversions

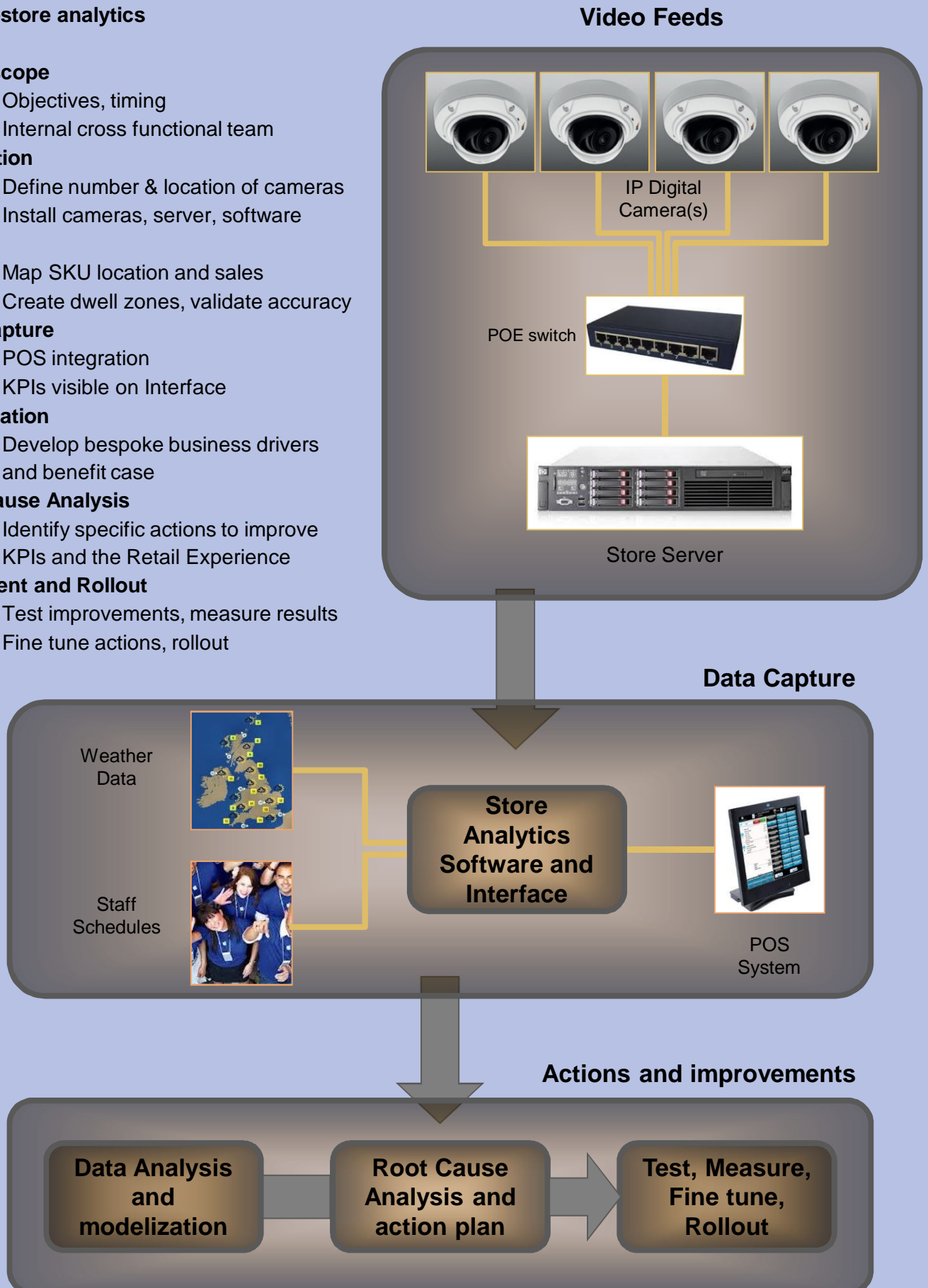


Combine technology to expert advice

Video Feeds, Data Capture, Actions and Improvements

7 Steps to in-store analytics

- 1. Agree scope**
 - Objectives, timing
 - Internal cross functional team
- 2. Installation**
 - Define number & location of cameras
 - Install cameras, server, software
- 3. Setup**
 - Map SKU location and sales
 - Create dwell zones, validate accuracy
- 4. Data Capture**
 - POS integration
 - KPIs visible on Interface
- 5. Modelization**
 - Develop bespoke business drivers and benefit case
- 6. Root Cause Analysis**
 - Identify specific actions to improve KPIs and the Retail Experience
- 7. Implement and Rollout**
 - Test improvements, measure results
 - Fine tune actions, rollout



Typical project scope

Get in contact with us to identify the right initiative for your business

1.

Remote VM training

Monitor, train live, check progress and compliance

2.

Remote customer service training

Monitor dwell time, behavior, posture
Train and check progress

3.

Replace Observational research

Build quantitative data to analyze customer behaviour

4.

Introduce new lines/product categories

Compare KPIs and improve performance

5.

New store design/ store layout

Compare KPIs among formats and improve performance

6.

Compare store clusters / grades

Compare KPIs across clusters/grades and improve performance

7.

Improve Visual Merchandising

Improve visual techniques, balance density and coordination

8.

Improve Retail Calendar performance

Improve ROI of store marketing campaigns

Store Analytics

improve your retail experience



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Ispira

Ispira is a European consulting practice specializing in retail 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.

Ispira has developed a unique experience in store analytics through the partnership with RetailNext, leading provider of in-store retail analytics technologies.