RetailNext
Comprehensive In-Store Analytics

BOOSTING RETAIL PERFORMANCE

Leveraging Technologies to Increase Sales and Improve the In-Store Experience
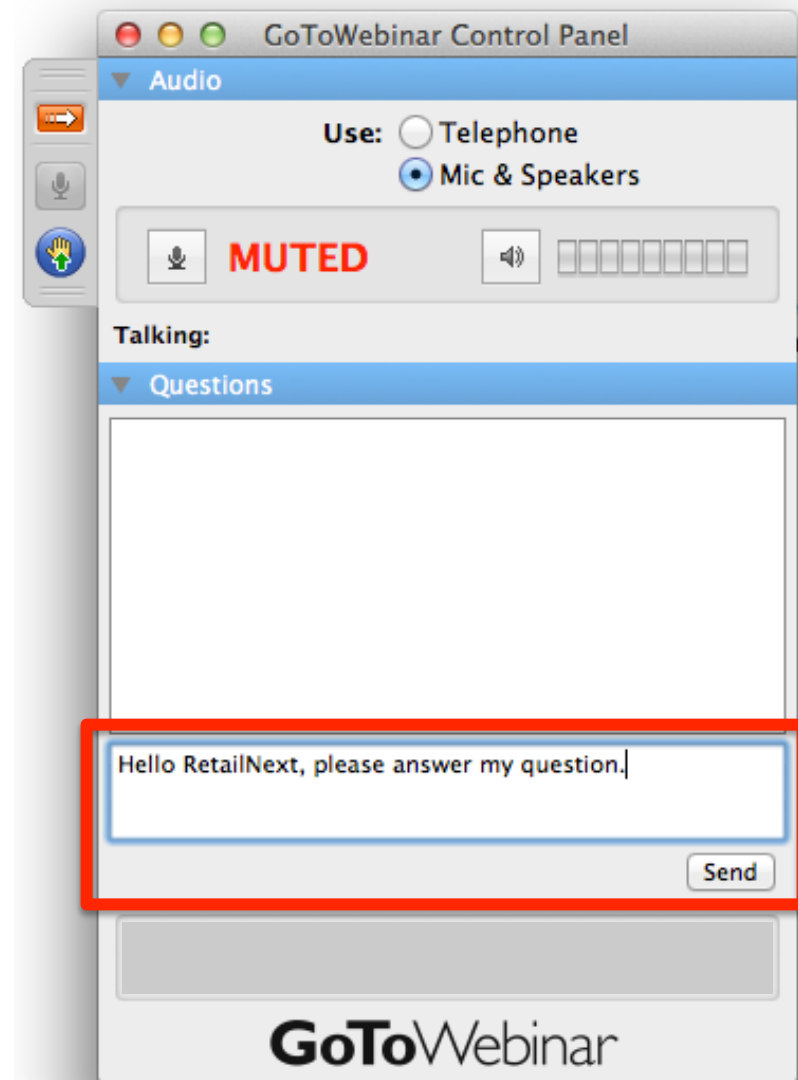
GOTOWEBINAR NAVIGATION

How to ask questions during the webinar

DURING THE WEBINAR:
- Everyone will be muted during the session
- Ask questions via chat

DURING Q&A:
- Ask questions via chat

INTRODUCING...

Today's Moderator:

Nikitas Magel
Content Marketing Manager

Today's Presenter:

Shelley E. Kohan
Retail Expert

WEBINAR AGENDA

- The transformation of physical retail
- Driving traffic to the store
- Optimization of traffic flow in stores
- Shopping Experience
- Associate-customer engagement
- Personalization
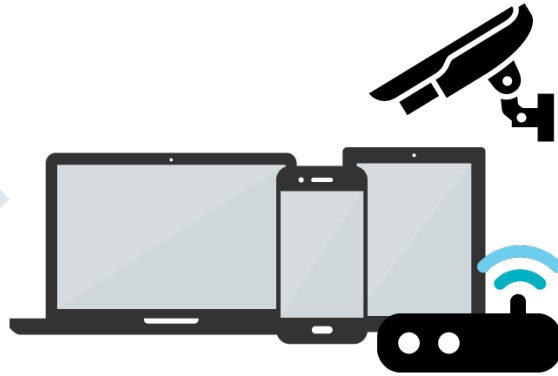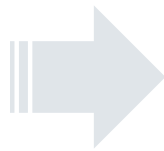- Wrap Up

ANALYTICS FOR PHYSICAL RETAIL

TRANSFORMING RETAIL
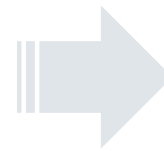
Traditional to today's best practices

Traditional

- Intuition
- Edict

Technology

- Enabling
- API

Today

- Insights
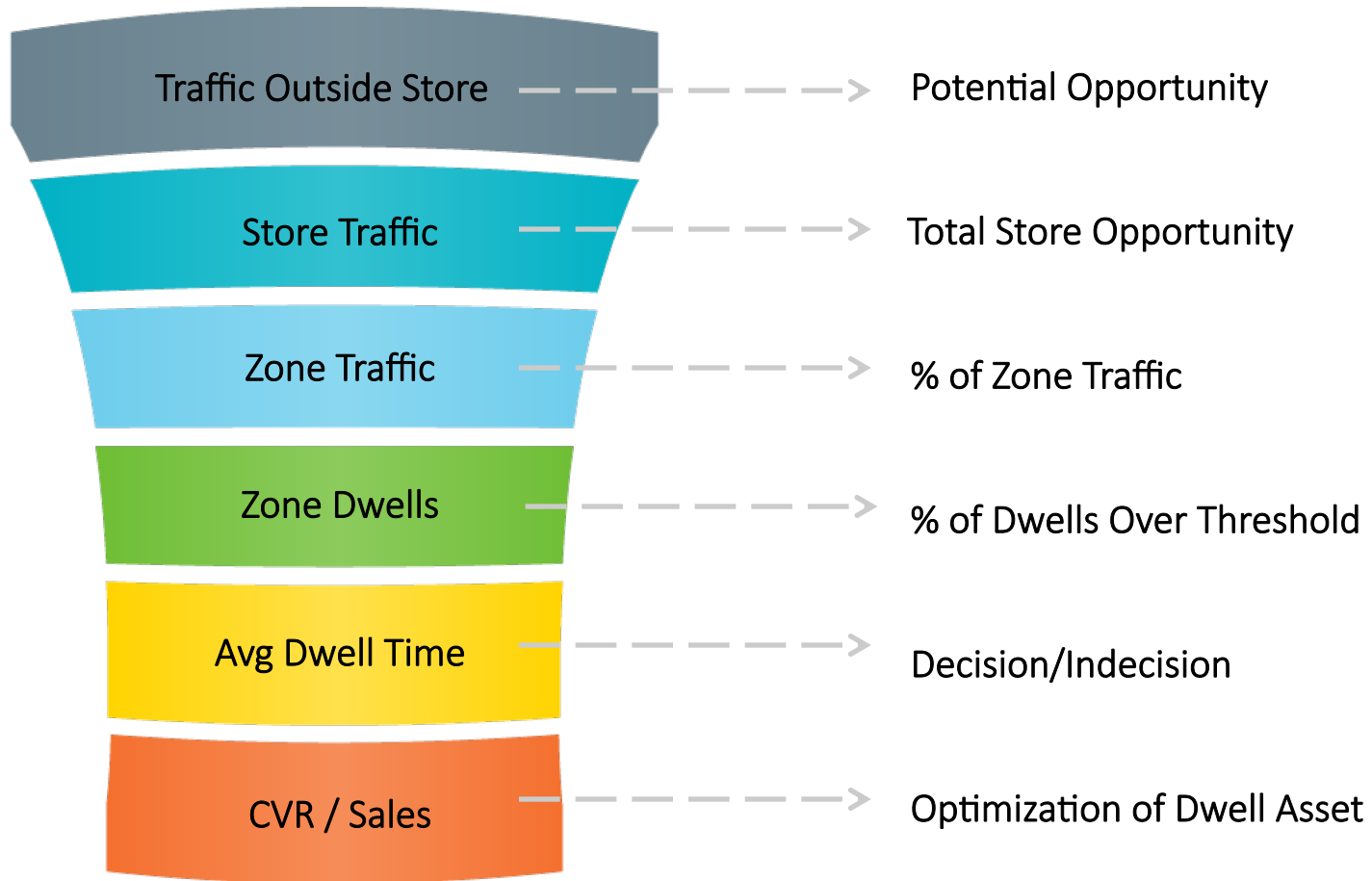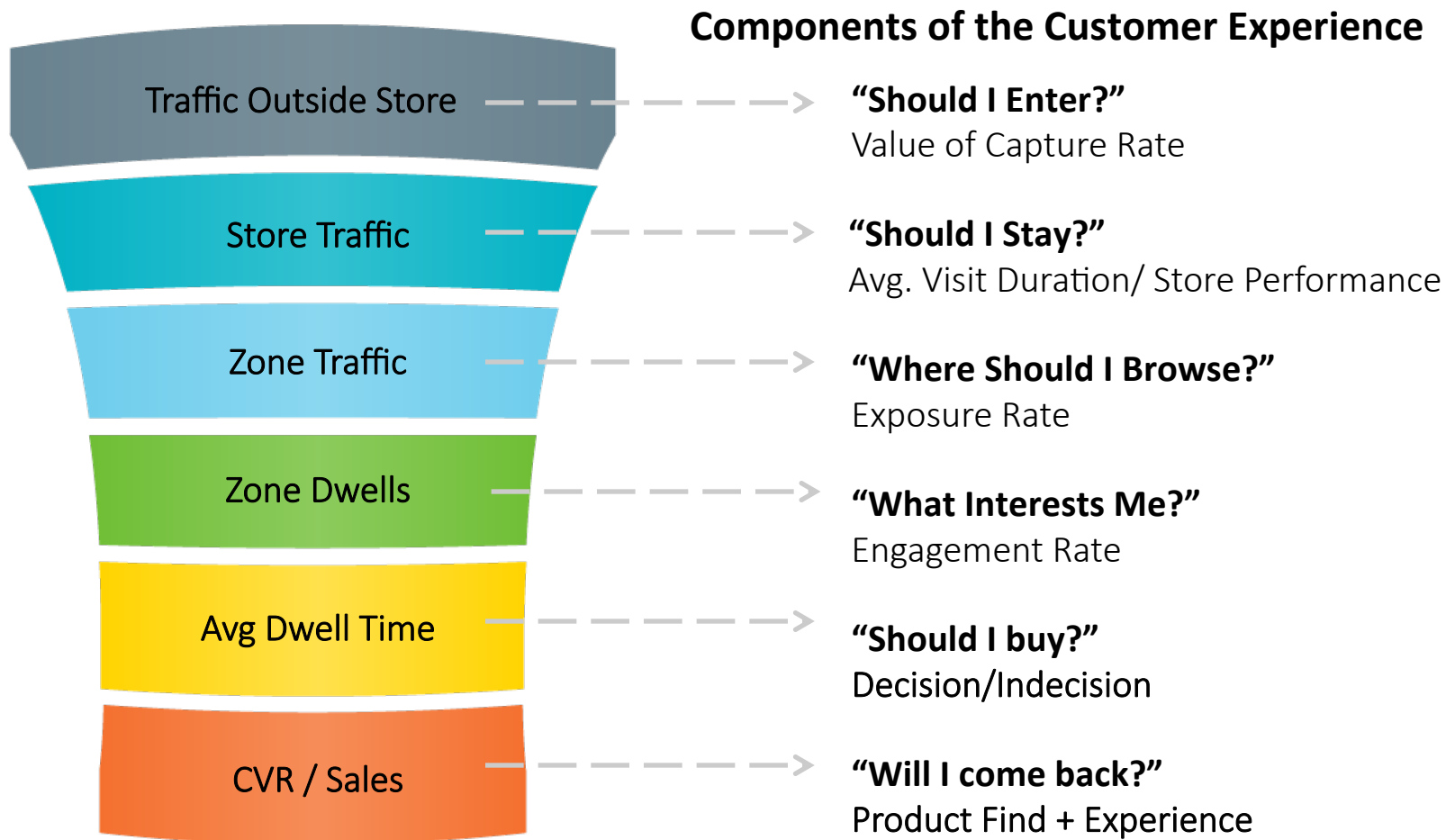- Factual

COMPREHENSIVE IN-STORE ANALYTICS

PERSONALIZATION

Guest Wi-Fi | Mobile Browsing | Personalization API

OPT-IN ONLY

SHOPPERBASE ANALYTICS

Gender | Age | New v. Repeat | Loyalty | Cross-Store Spending | Geo-Origin

IN-STORE ANALYTICS

Traffic Counting | Employee Exclusion | Full Path Analysis | Dwell Analytics | Queue Analytics | Conversion

Staffing Optimization | Activity Maps | Display Effectiveness | POS Exception | Video Analytics

PATH TO PURCHASE METRICS

Traffic Outside Store — — — → Potential Opportunity

Store Traffic — — — → Total Store Opportunity

Zone Traffic — — — → % of Zone Traffic

Zone Dwells — — — → % of Dwells Over Threshold

Avg Dwell Time — — — → Decision/Indecision

CVR / Sales — — — → Optimization of Dwell Asset

THE CUSTOMER EXPERIENCE

Components of the Customer Experience

Funnel Stage	Component
Traffic Outside Store	**"Should I Enter?"** Value of Capture Rate
Store Traffic	**"Should I Stay?"** Avg. Visit Duration/ Store Performance
Zone Traffic	**"Where Should I Browse?"** Exposure Rate
Zone Dwells	**"What Interests Me?"** Engagement Rate
Avg Dwell Time	**"Should I buy?"** Decision/Indecision
CVR / Sales	**"Will I come back?"** Product Find + Experience

FIVE KEY ELEMENTS TO DRIVE TOP LINE GROWTH

Personalization

Associate-Customer Engagement

Shopping Experience

Optimization of Traffic Flow In-Store

Drive Traffic to Stores
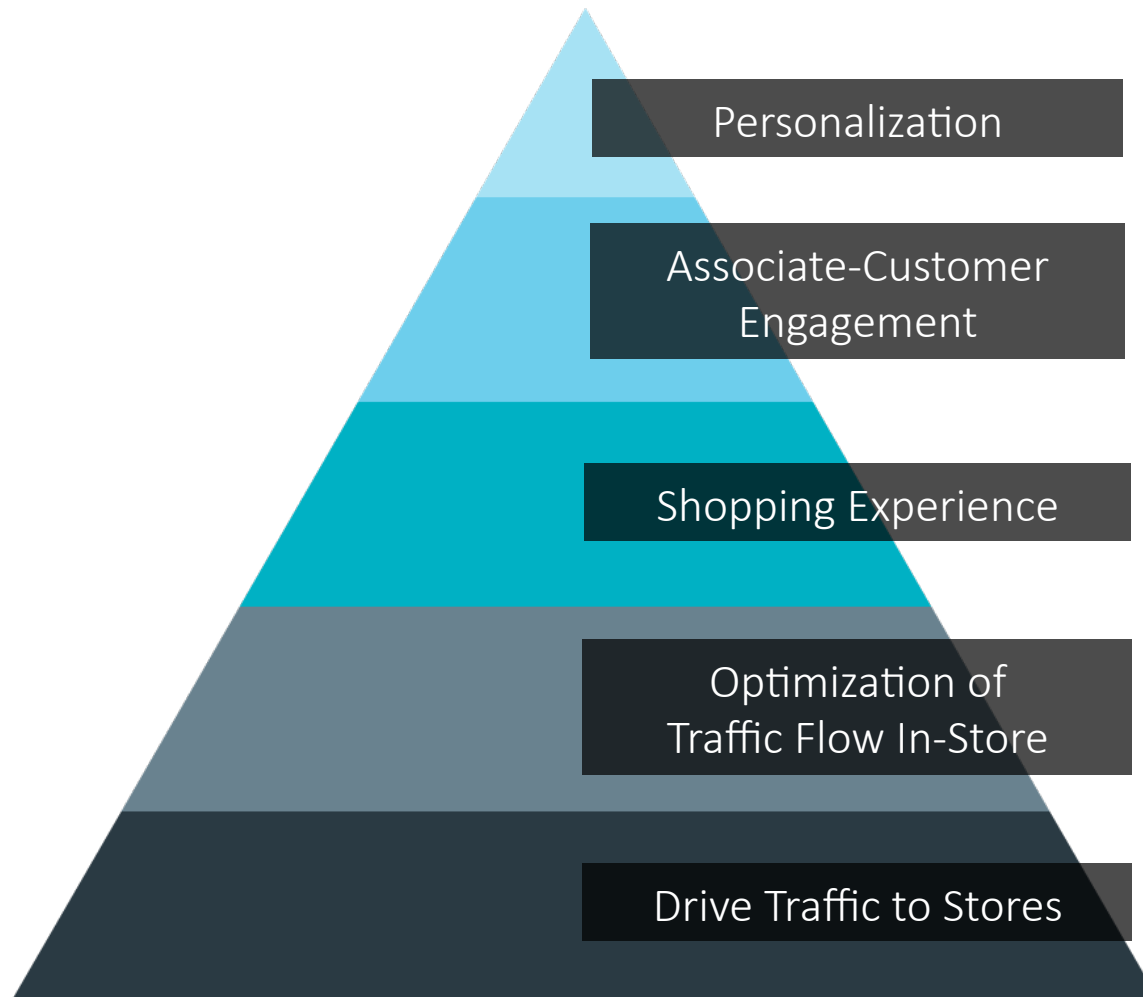
TRAFFIC ANALYTICS
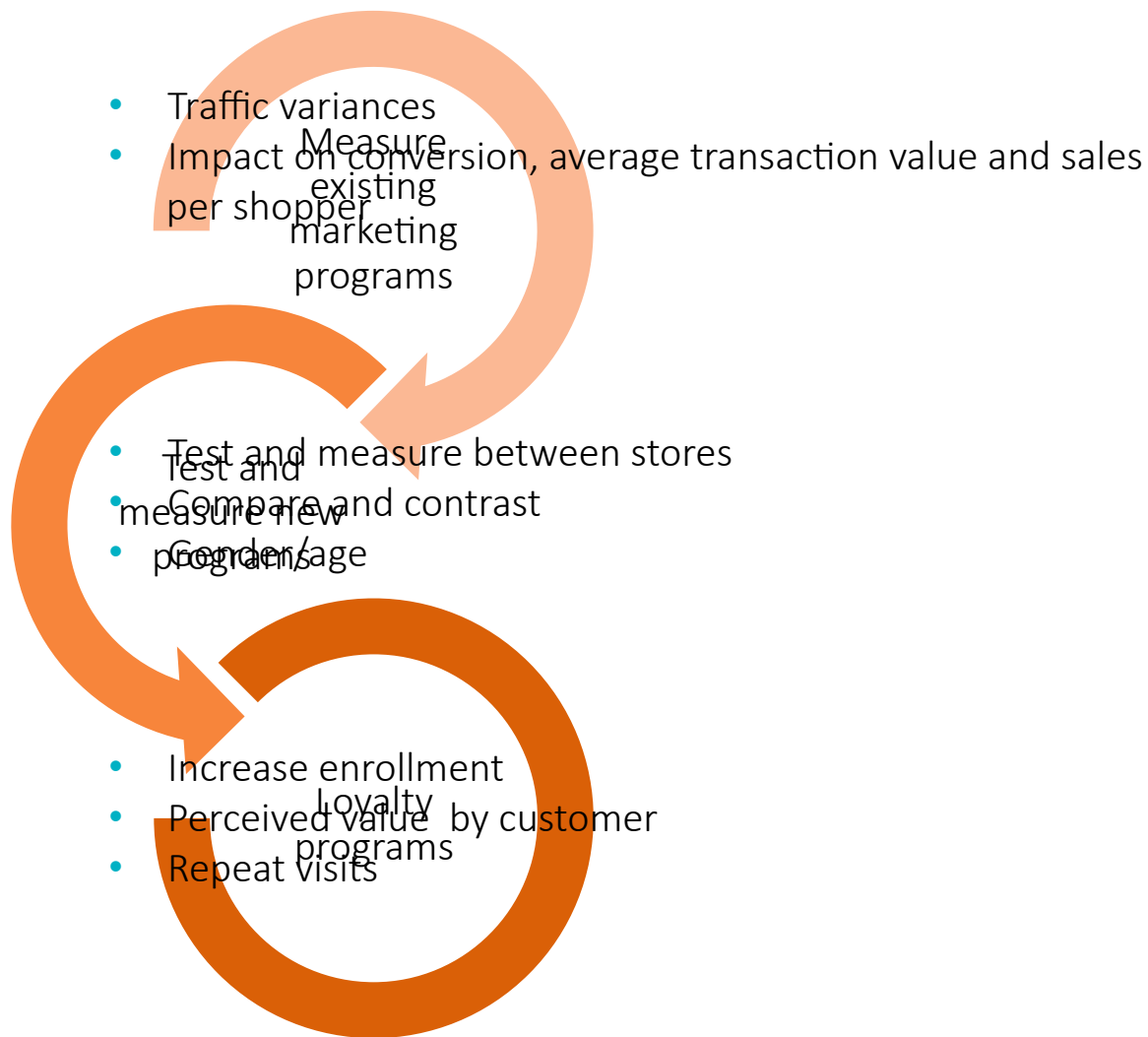
TRAFFIC ANALYTICS

Traditional

- Traffic & Conversion
- By Store, Day, & Hour
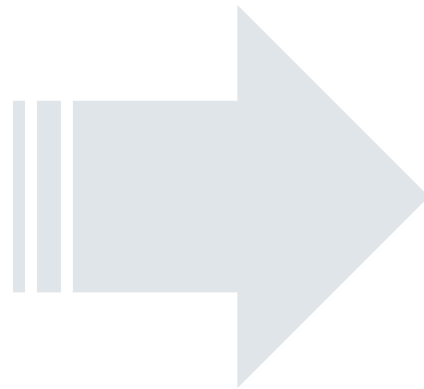
Today

- Traffic & Conversion
- Mobile Device Detection
- Demographics
- Capture Rates
- Frequency of Visit
- Duration of Visit

MEASURE MARKETING INITIATIVES TRAFFIC DRIVERS

- Traffic variances
- Impact on conversion, average transaction value and sales per shopper

Measure existing marketing programs

- Test and measure between stores
- Compare and contrast
- Gender/age

Test and measure new programs

- Increase enrollment
- Perceived value by customer
- Repeat visits

Loyalty programs

DRIVING PROMOTIONAL EVENTS

Are promotions driving traffic into the store and are staff driving conversion?

14% sales increase vs. LY
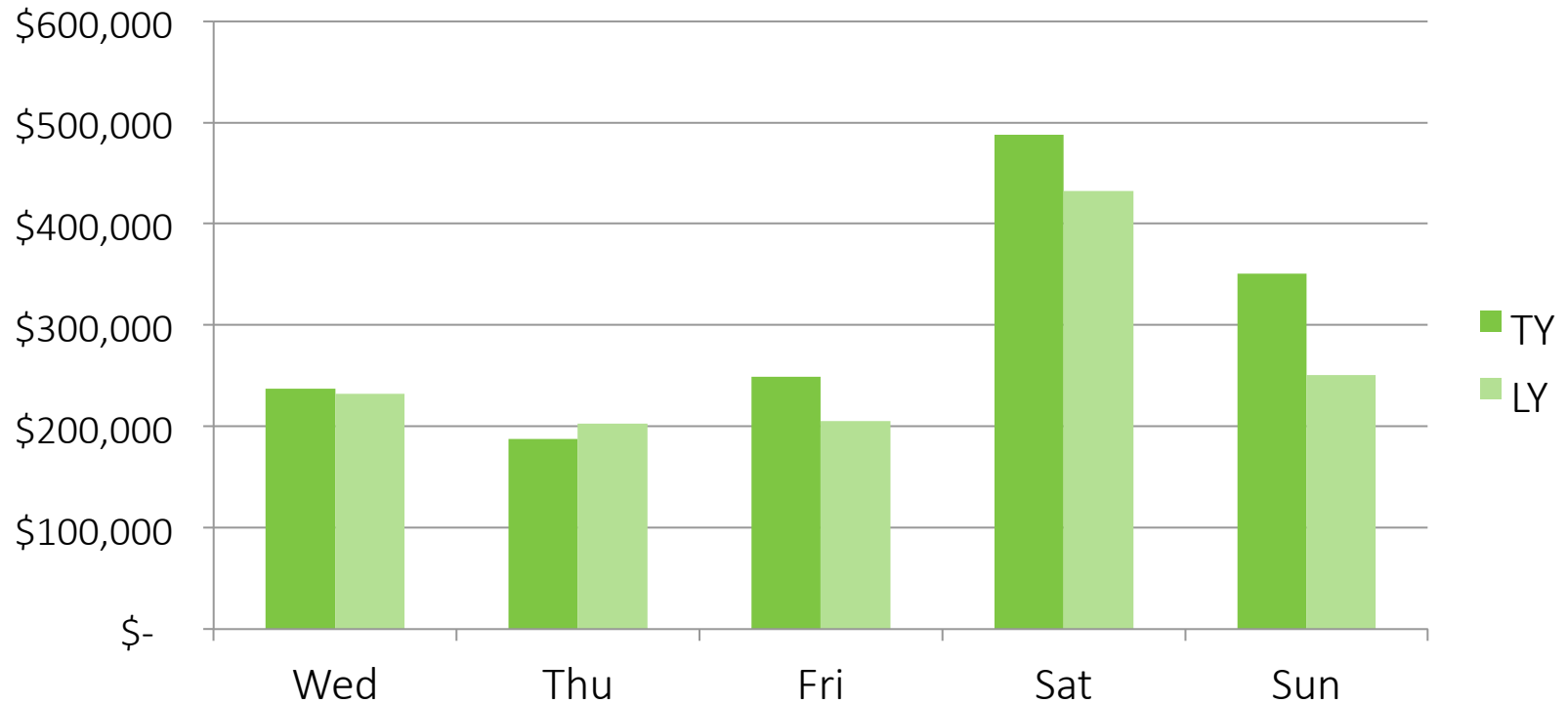
PROMOTIONAL EVENT
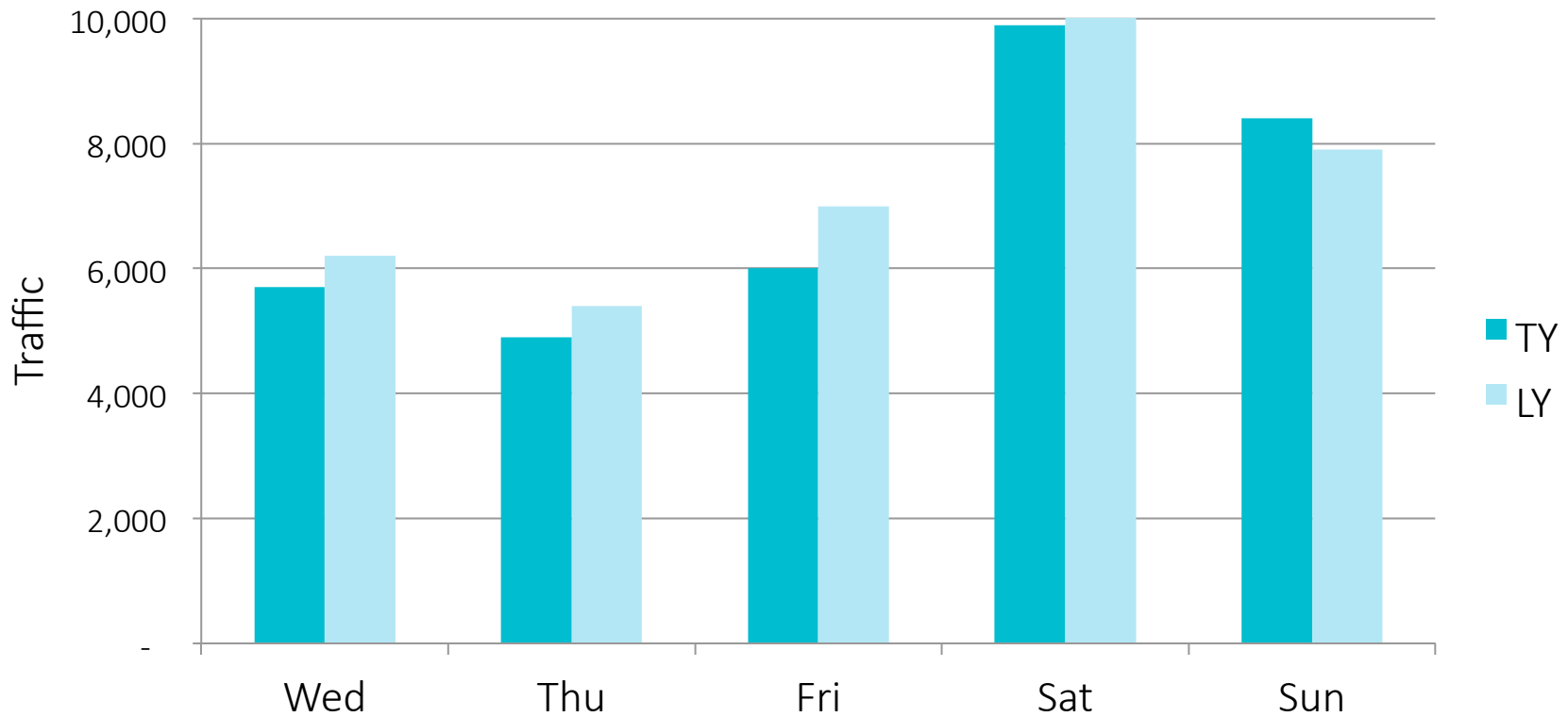
The promotional event drove in 7% less traffic but the staff converted at a higher rate (+5.7 points) resulting in the 14% sales growth.
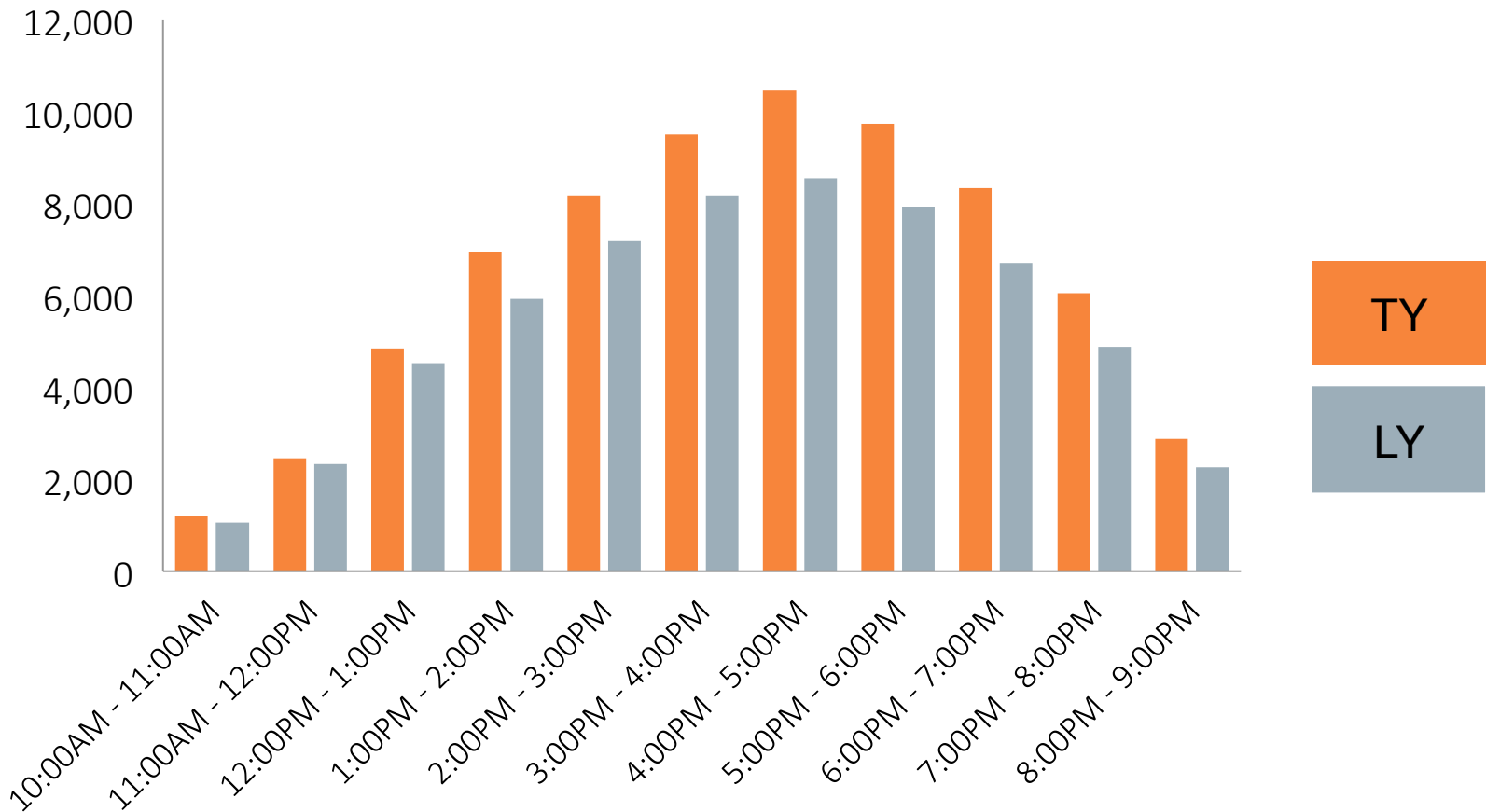
LEARNING THE ROOT CAUSE

Promotional Summary:

- 16% more traffic
- Average sale increased $3.73
- Conversion up only 0.2 points
- Opportunity: driving consistent conversion EVERY DAY
- Consistent conversion yields an event increase of 28%.

TY Conversion 29.8%

LY Conversion 29.6%

CONFIDENTIAL
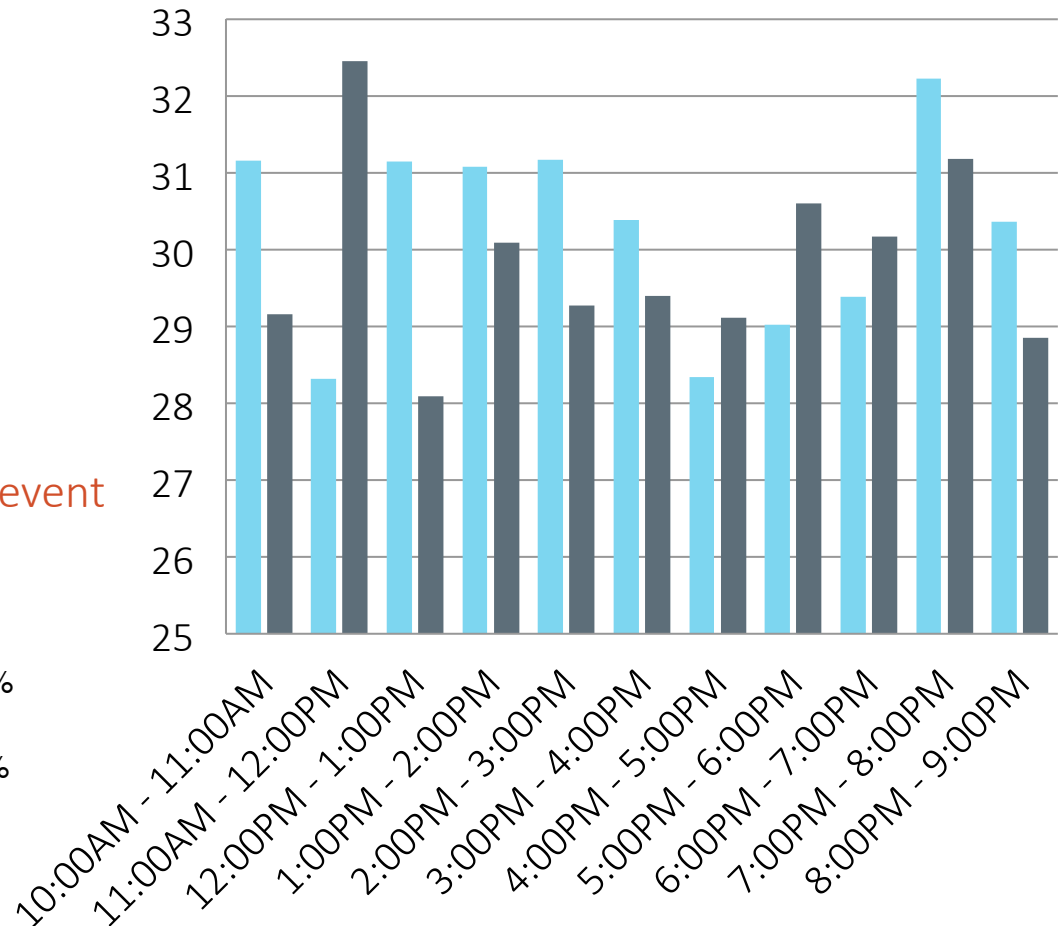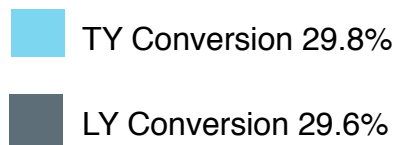
WINDOW EFFECTIVENESS

With mobile device detection…

- Measure pass-by traffic and unique pass-by traffic.

- Capture rate: Total % of pass-by's who enter.

- Detection rate (sample size): Provided at all times.

MAXIMIZING THE OPPORTUNITY

Improving Capture Rates and Visit Durations

BASELINE

Period 1	Store 1	Store 2
Pass-By Traffic	1966	1900
Capture Rate	40.0%	49.1%
Visit Duration	10.8min	9.2min
Repeat Visitor %	26.6%	28.4%
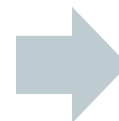
Success Metrics for this test included improvement in these categories

What do we know about Capture Rate/ Visit Duration?

MAXIMIZING THE OPPORTUNITY

Marketing Event Impact

BASELINE

Period 1	Store 1	Store 2
Pass-By Traffic	1966	1900
Capture Rate	40.0%	49.1%
Visit Duration	10.8 min	9.2 min
Repeat Visitor %	26.6%	28.4%

AFTER CHANGE

Period 2	Store 1	Store 2
Pass-By Traffic	1972	1892
Capture Rate	48.4% +21%	54.3% +10%
Visit Duration	12.6 min +16%	11.1 min +20%
Repeat Visitor %	24.7%	27.4%

OPTIMIZATION OF TRAFFIC FLOW IN STORES

Traditional

- Intuition
- Anecdotal
- Management edict
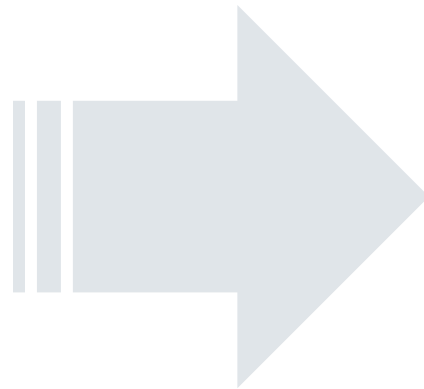
Today

- Customer shopping flow
- Directional information
- How customer shops

IMPROVING IN-STORE EXPERIENCES

Merchandising & display

Traditional

- Historical layouts
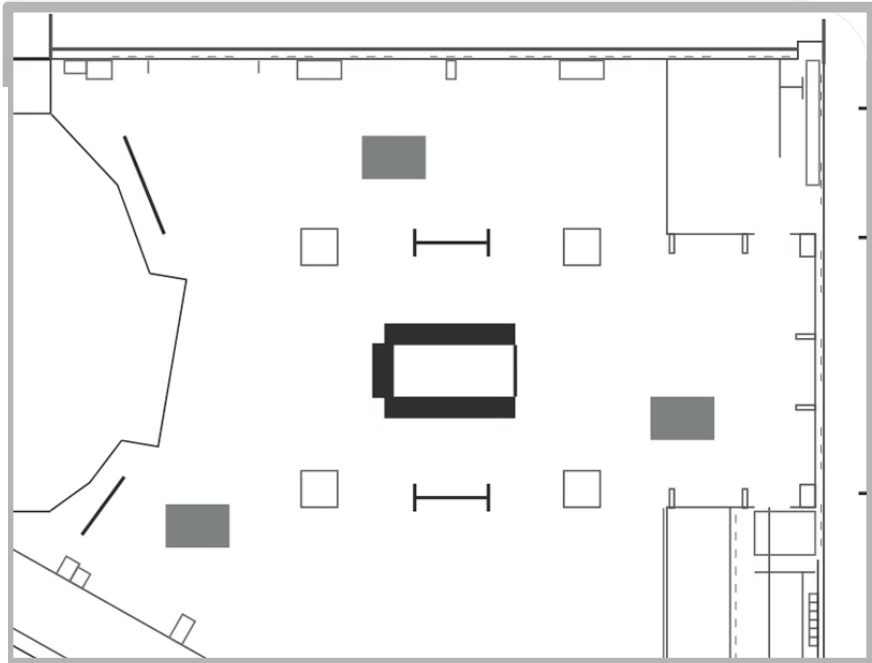- Marketing calendar
- Product launches
- Culture edict
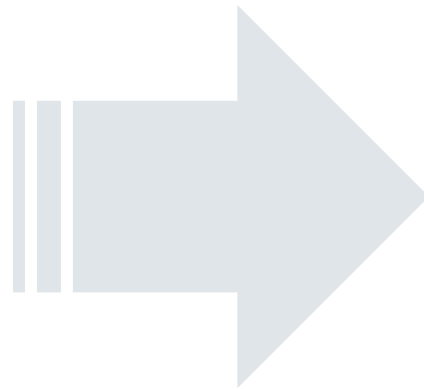
Today

- Customer preferences
- Engagement level
- Interest in product/displays
- Customer actual shopping patterns

INDIVIDUAL MOVEMENT

Visualization of individual customer movement

FULL PATH ANALYSIS

The size of "nodes" is representative of the amount of activity in that particular area.

Traffic leaving a node is visualized by an arrow pointing in the direction of traffic. The size of the arrow indicates the volume of traffic moving in that direction.
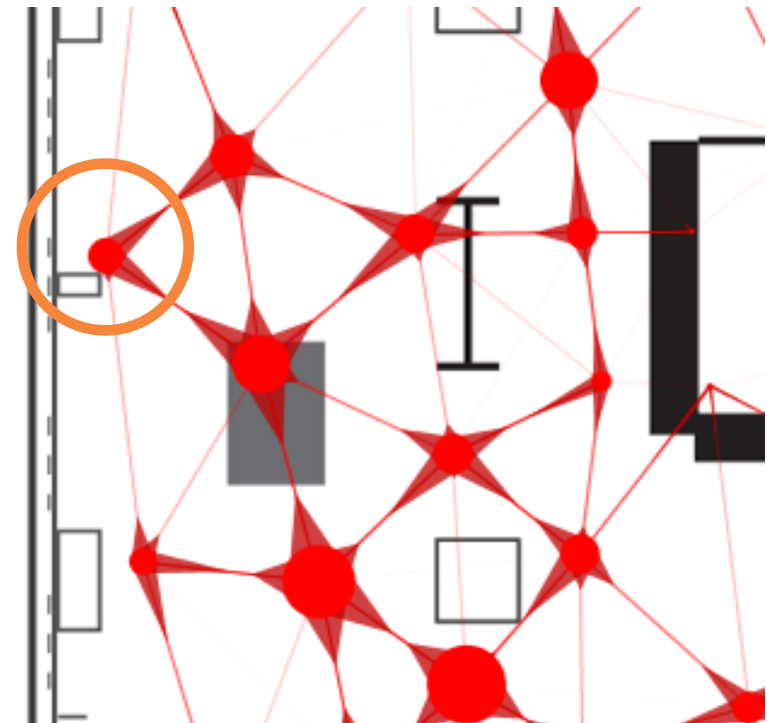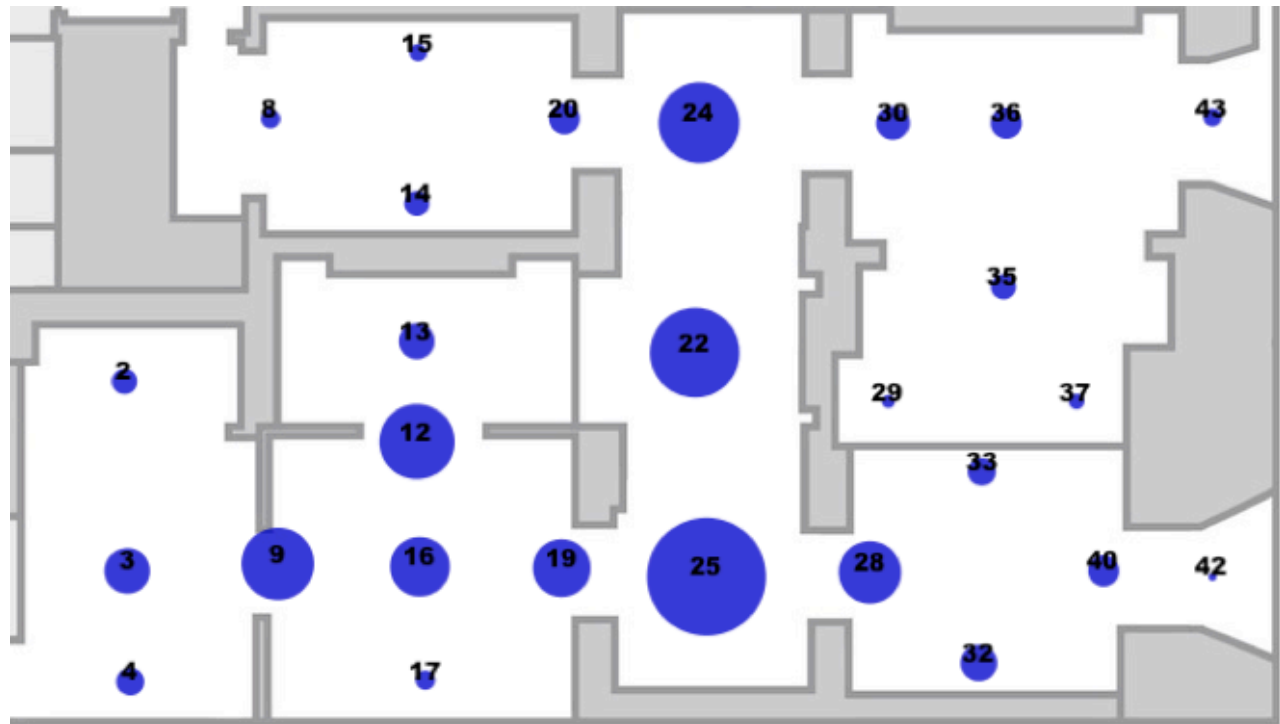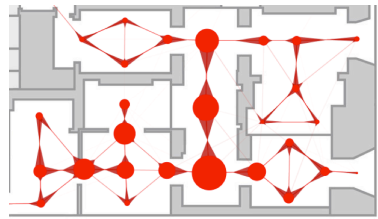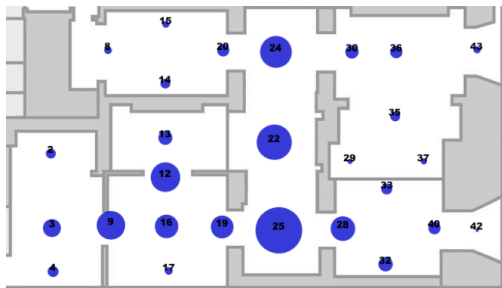
NODE MAP

6 week period

Entrance 2

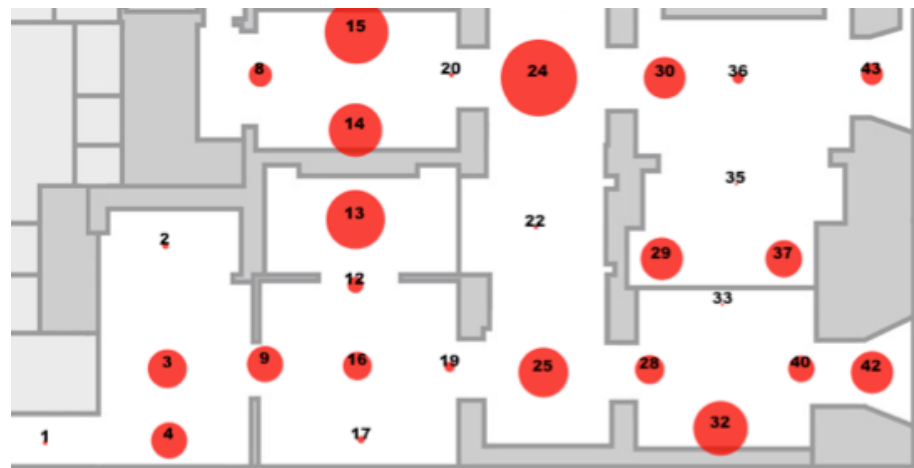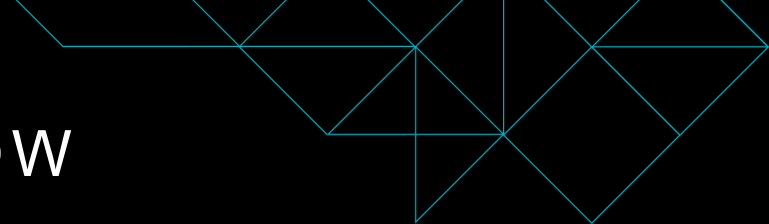Entrance 1
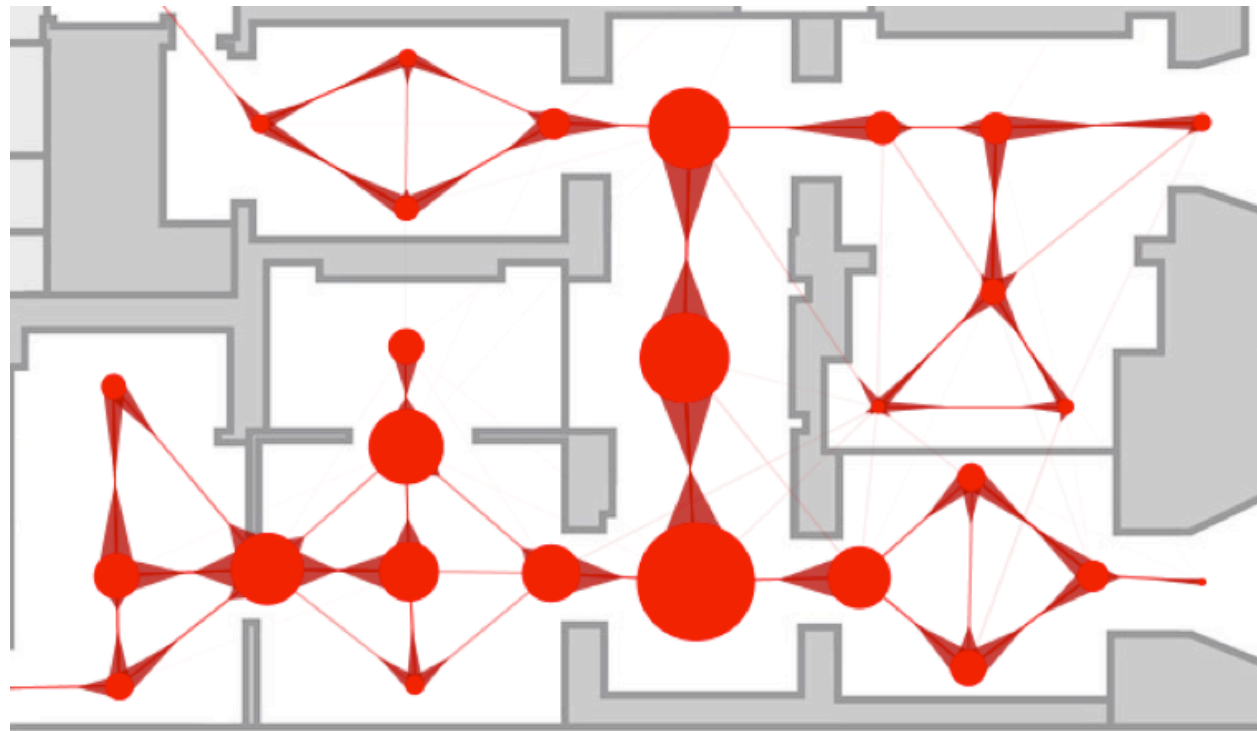
6 week period

Traffic

Dwell Time

Dwell Count

How to increase CVR by understanding customer dwells by zone?

ADDING SLIDE HERE ON FLOW

SHOPPING EXPERIENCE

IN-STORE

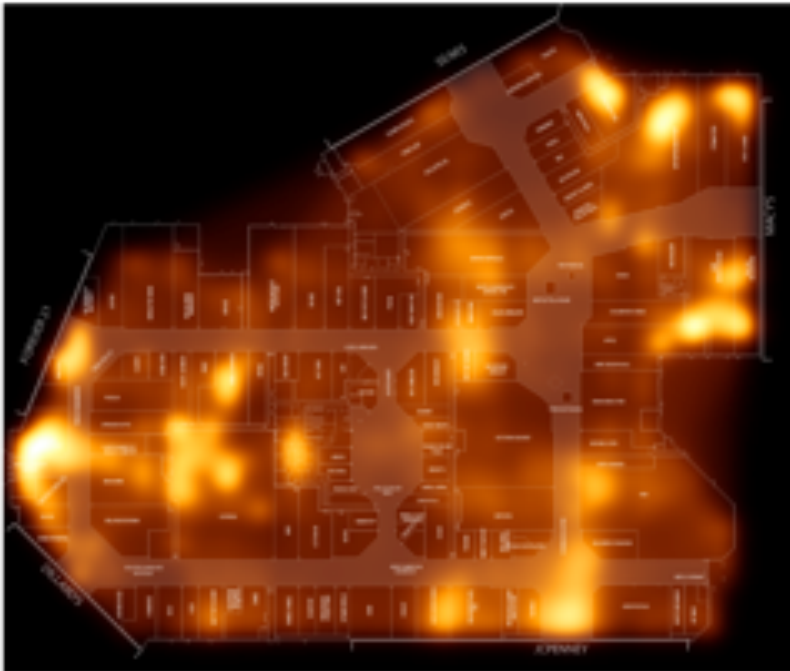Are your products and promotions getting the right attention?
Are they increasing sales?

Heat Map (visit duration)

Wi-Fi-based, available metrics:

- Unique visits, visit duration, occupancy
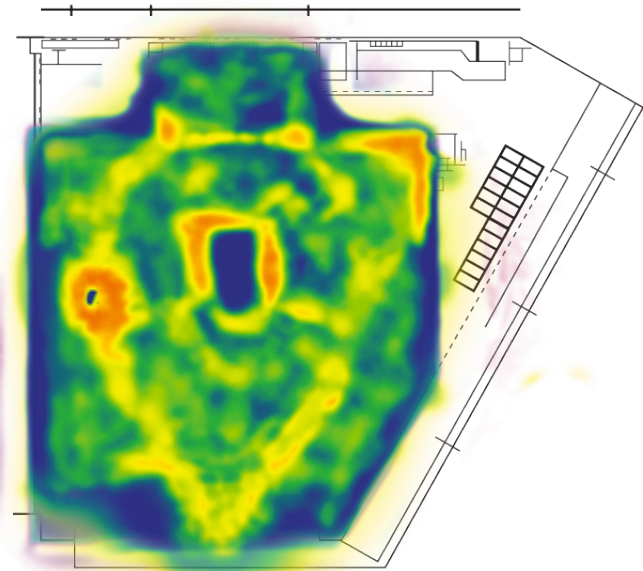- Path followed between departments

Benefits:

- Department-level exposure and engagement for a fraction of the cost
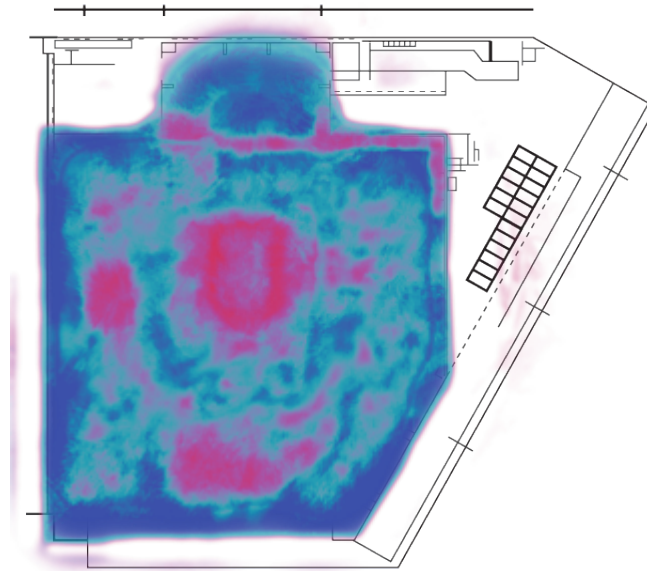- Cross-department opportunities for promotions and product exposure

SHOPPER ACTIVITY

Kinetic Maps: Visualizations of shopper movement

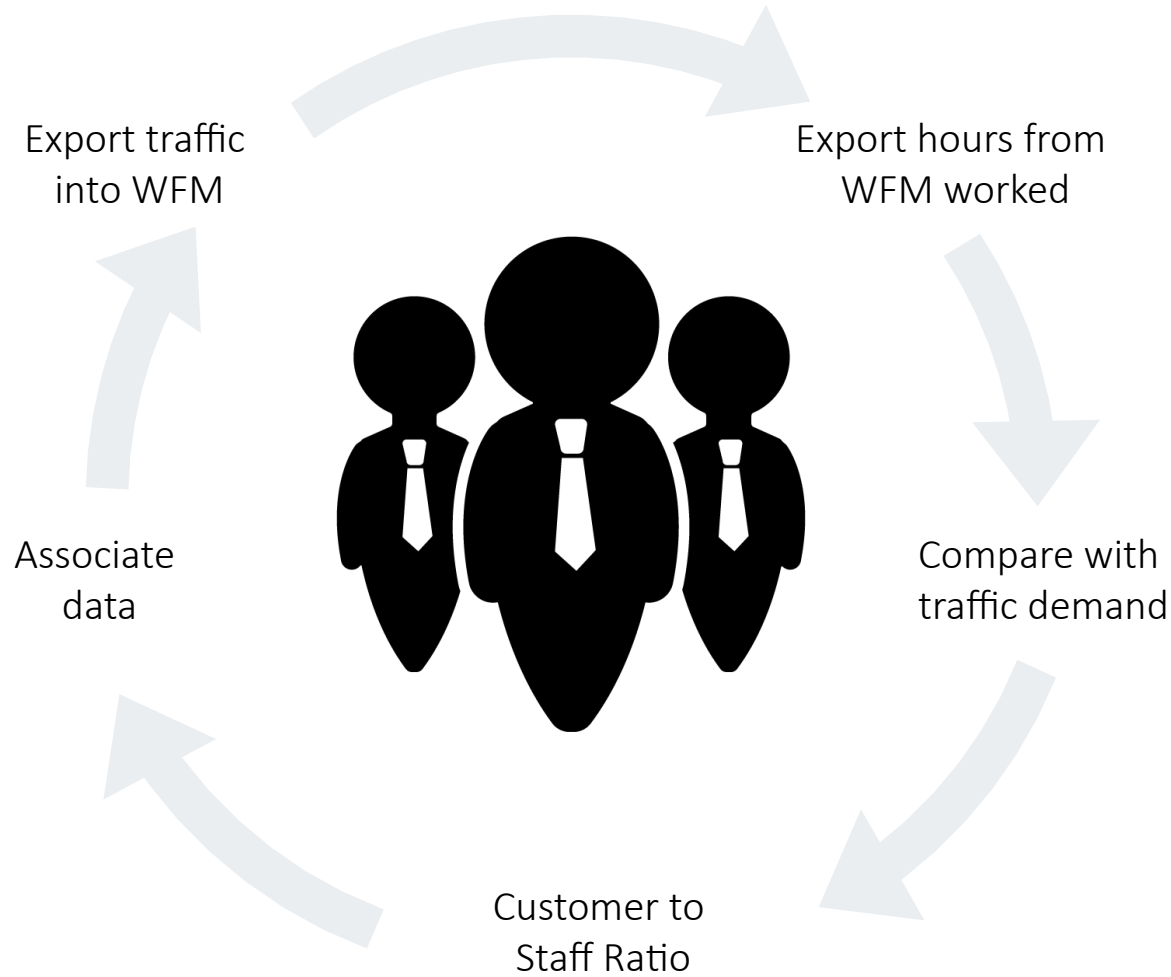Kinetic Map – Single/Multiple Camera

Kinetic Difference Map

- Understand store's unique traffic patterns over time.
- Identify high and low activity areas. Optimize the product placement to maximize value of retail space.
- Easily test and tweak new layouts and fixtures prior to widespread rollout.
- Differentiate between staff and shoppers.
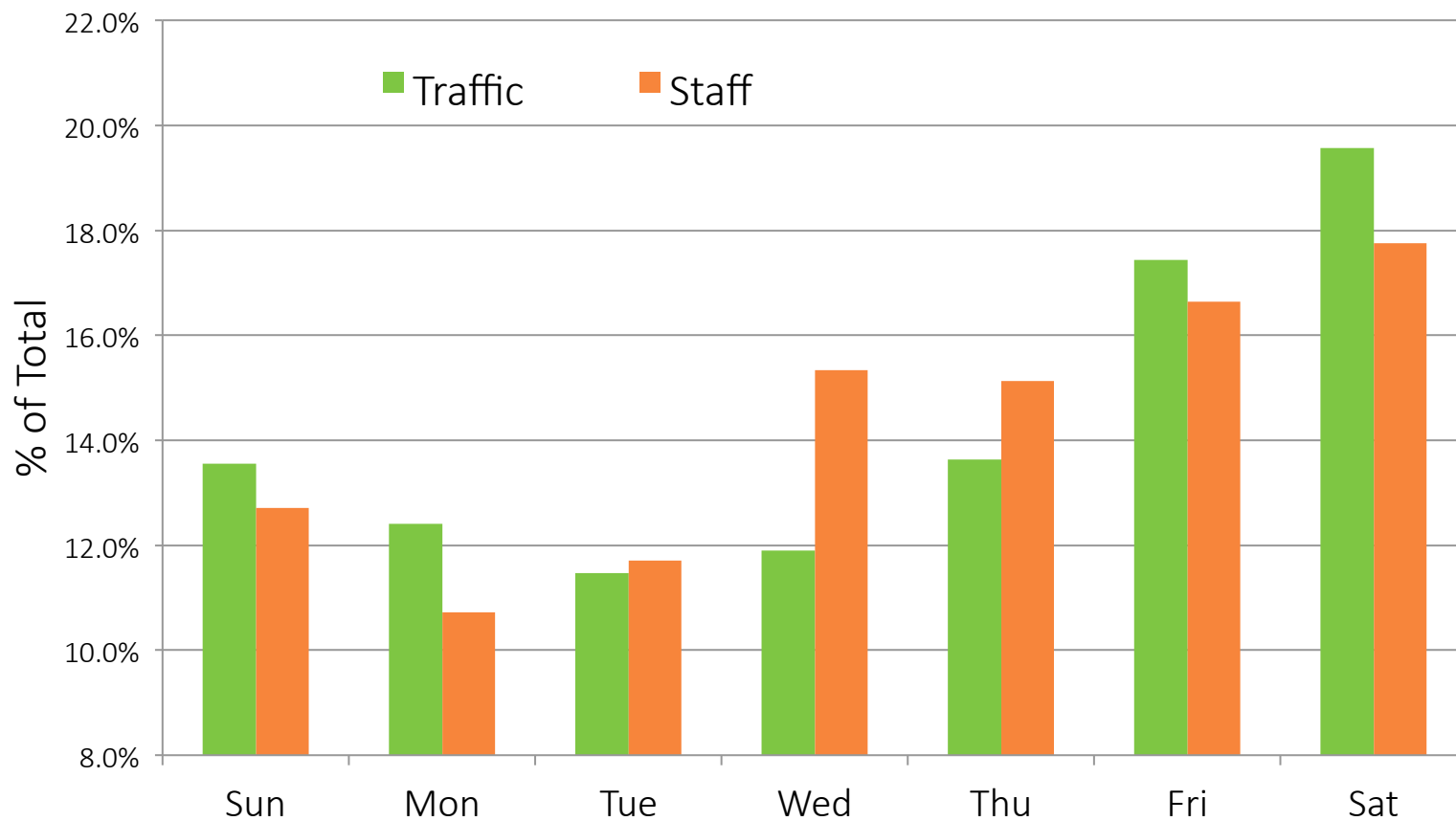
ASSOCIATE-CUSTOMER ENGAGEMENT

STAFFING INTEGRATION

Export traffic into WFM

Export hours from WFM worked

Associate data

Compare with traffic demand
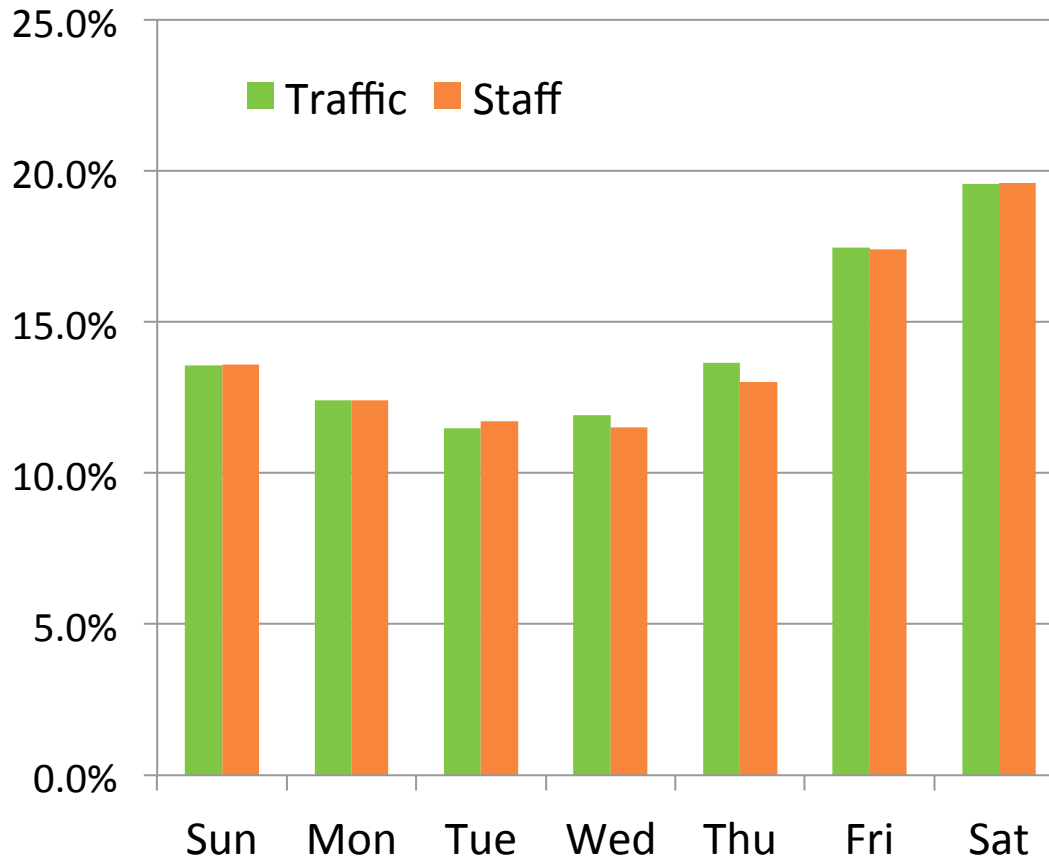
Customer to Staff Ratio

ALIGNING STAFFING TO TRAFFIC DEMANDS

Common findings

ALIGNING STAFFING TO TRAFFIC DEMANDS

Common results

Shifting staff from Wed and Thu to Sat, Fri and Sun results in a **3% to 8% sales growth.**
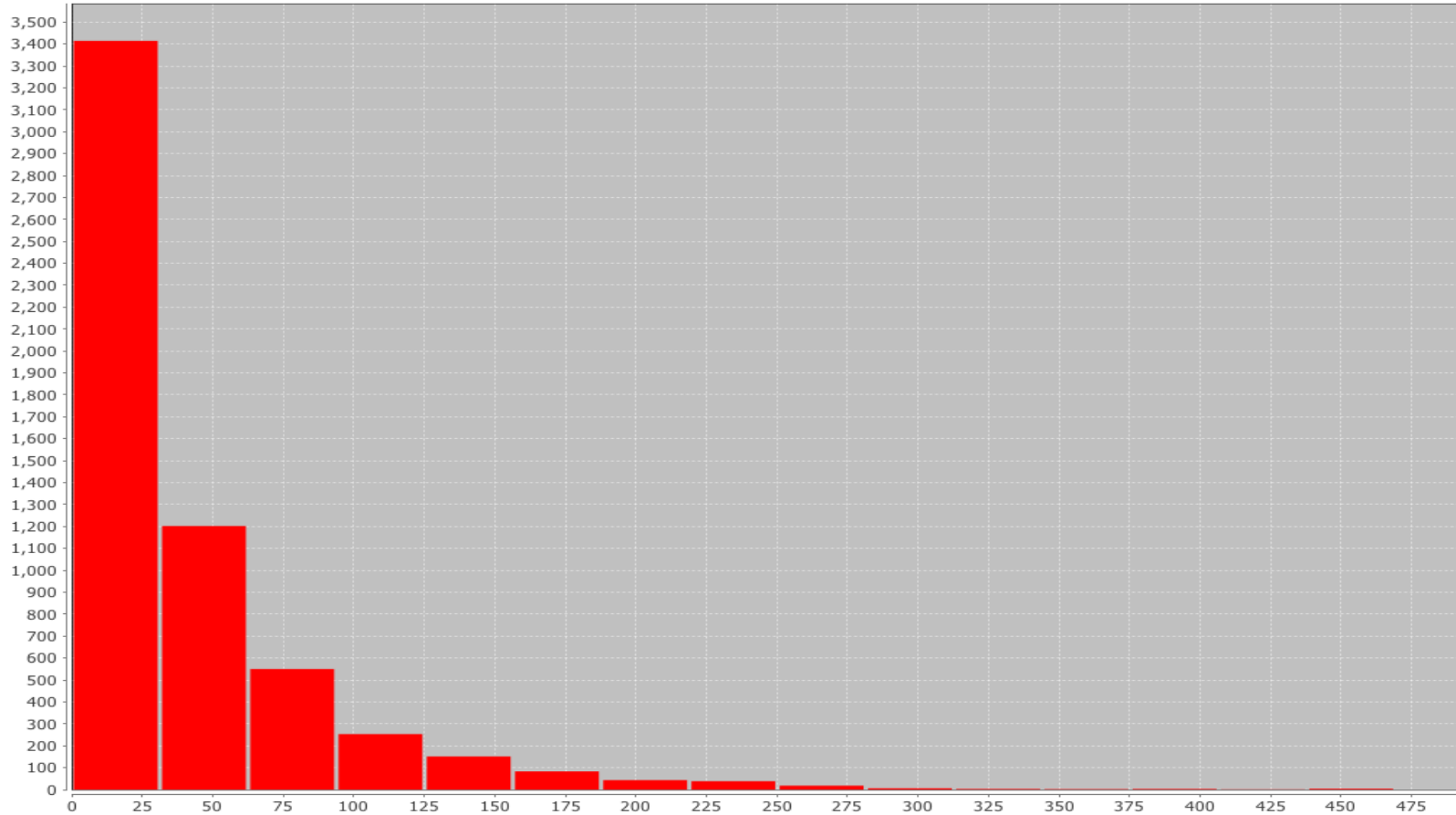
Room3 Traffic and Lime Green Zone Dwell — 2013-12-23 13:50:02 GMT

Rate of interactions

$$\text{Interaction Frequency} = \frac{\text{Number of interactions}}{\text{Opportunities for interaction}}$$

TIME TO INITIAL INTERACTION

Relationship to shopper yield

As average time to first interaction goes down, yield goes up.
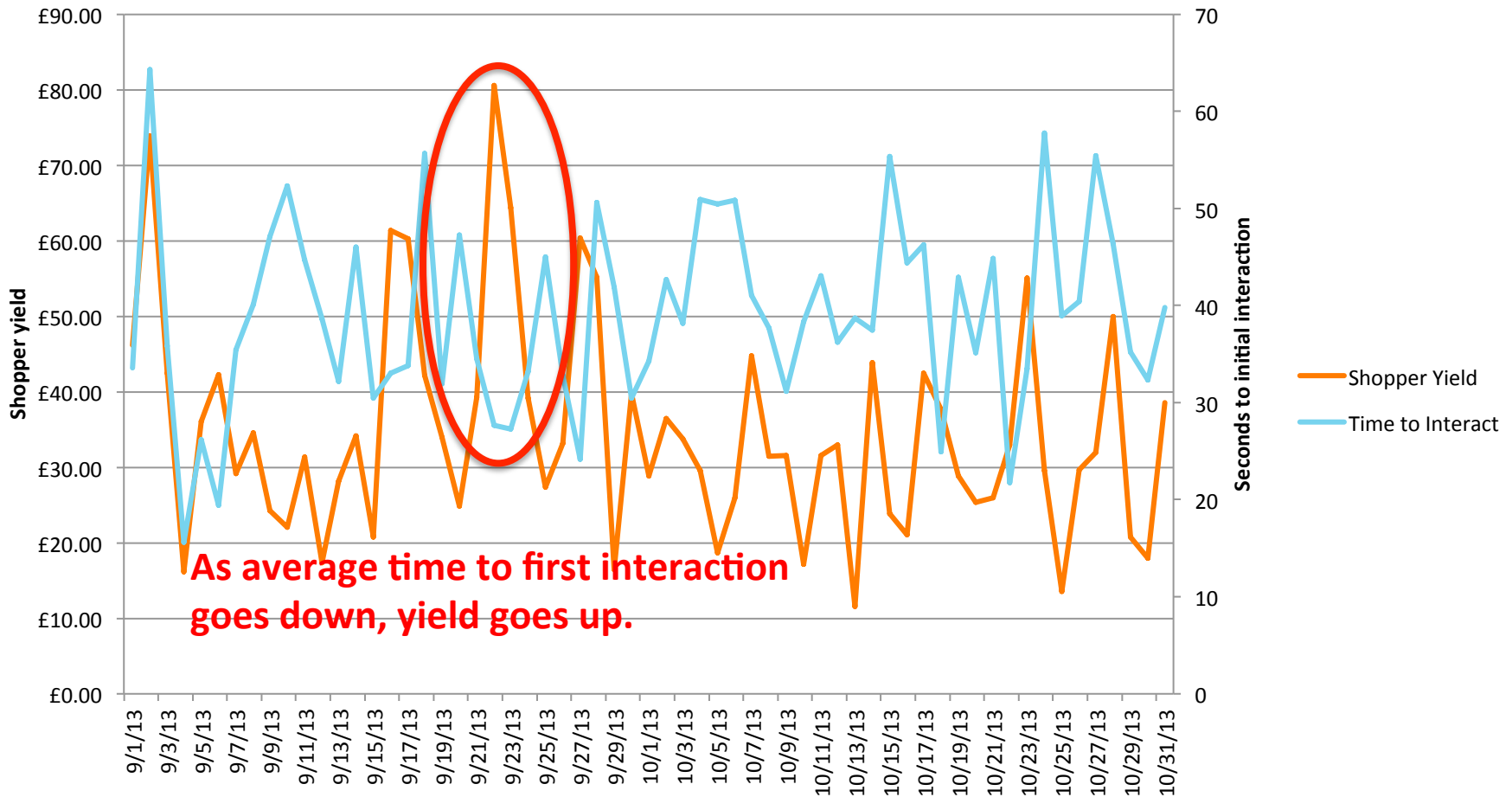
RATE OF INTERACTIONS

Relationship to shopper yield

RATE OF INTERACTIONS

Relationship to shopper yield

High associate interactions tend to drive shopper yield.

Shopper Yield

Interaction Frequency

RATE OF INTERACTIONS

Relationship to shopper yield

High associate interactions with poor yield. Opportunity?
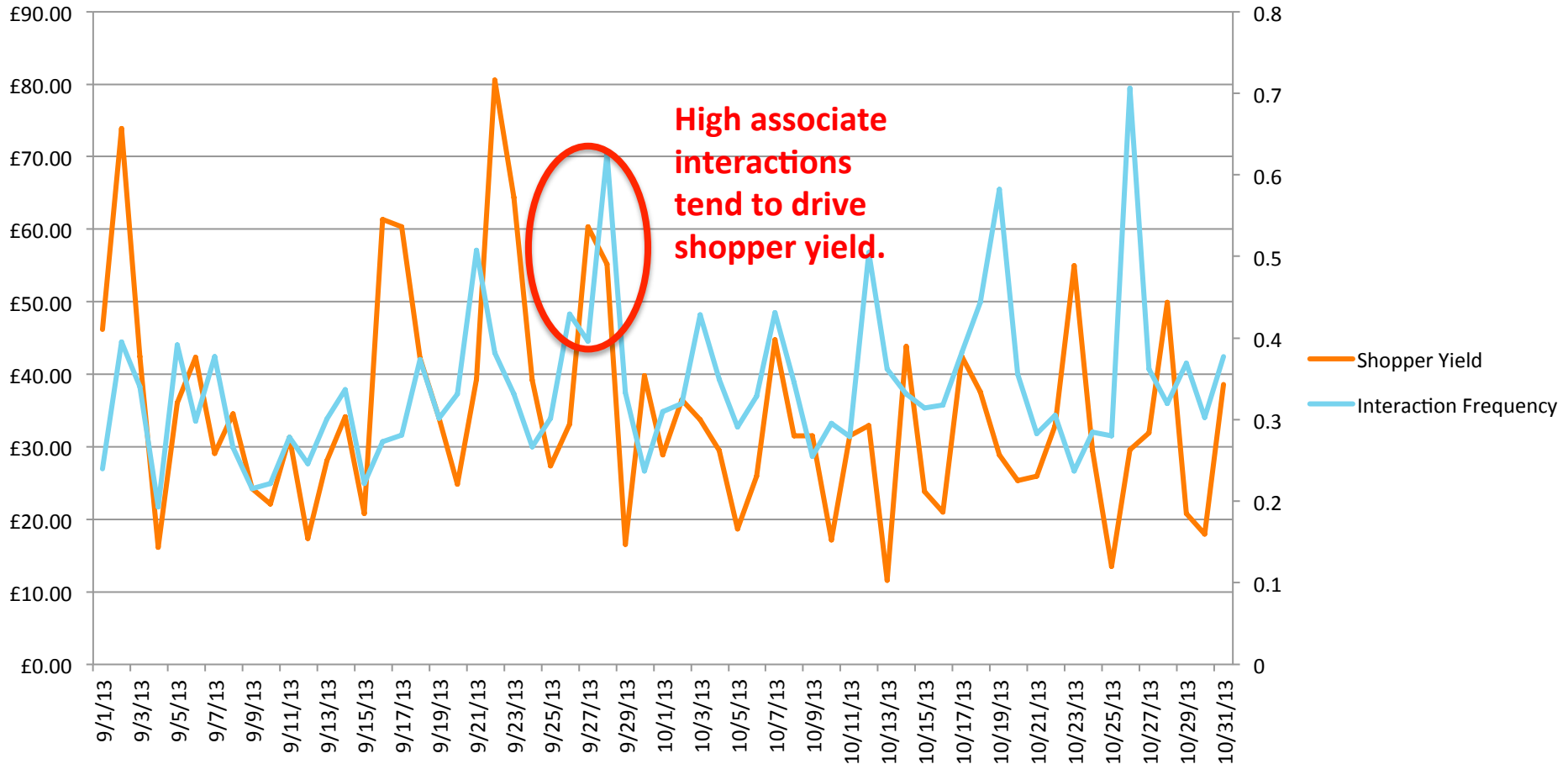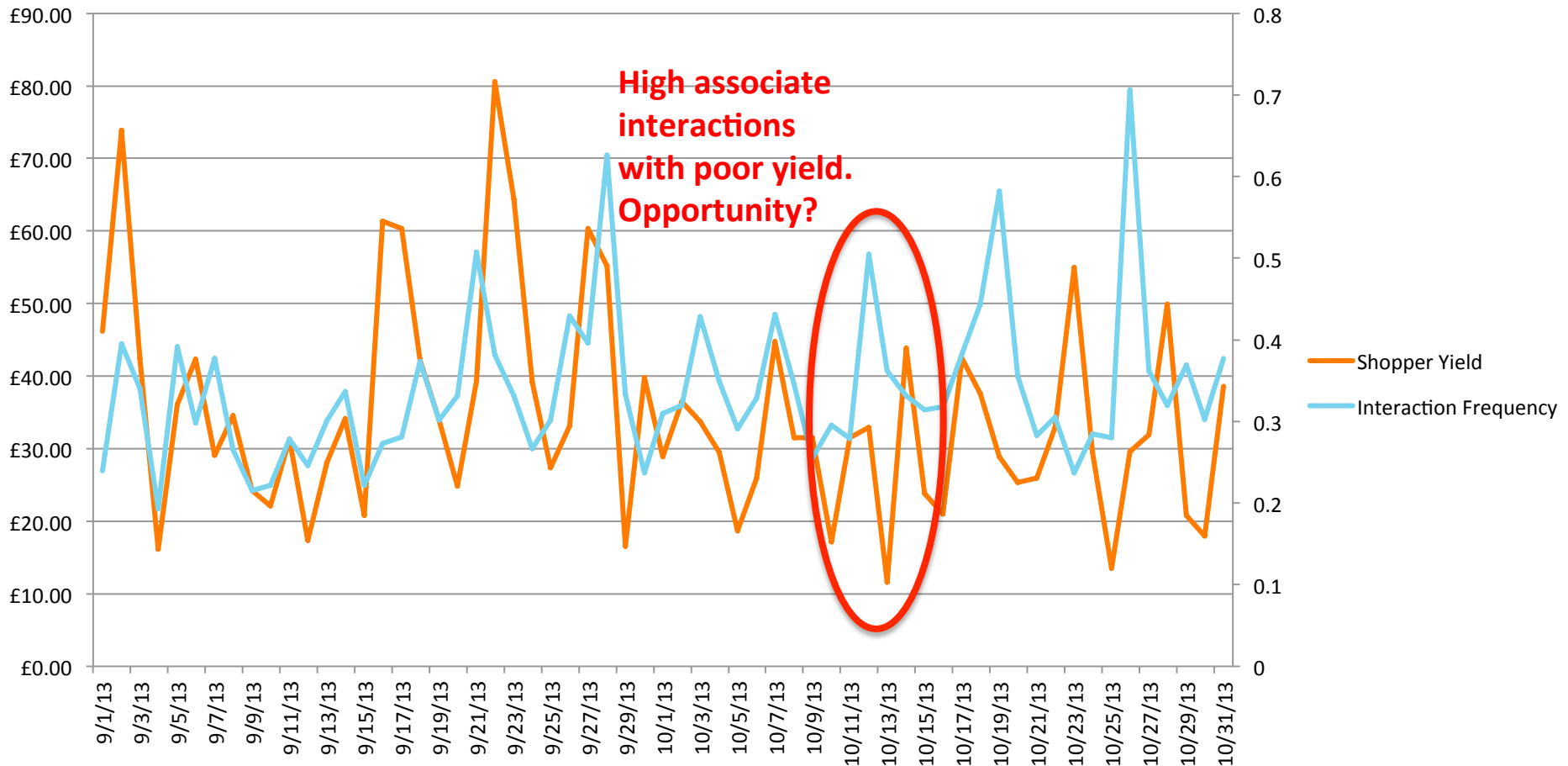
PERSONALIZATION

FRICTIONLESS WI-FI EXPERIENCE FOR SHOPPERS

1 — Connect to guest Wi-Fi

2 — See store's branded welcome page

3 — Provide identity (email address, phone number, …) to receive additional benefits

4 — Review T's & C's and privacy policy, then Opt In

5 — Gain free, high speed Internet access

6 — Get online automatically next time and at every store
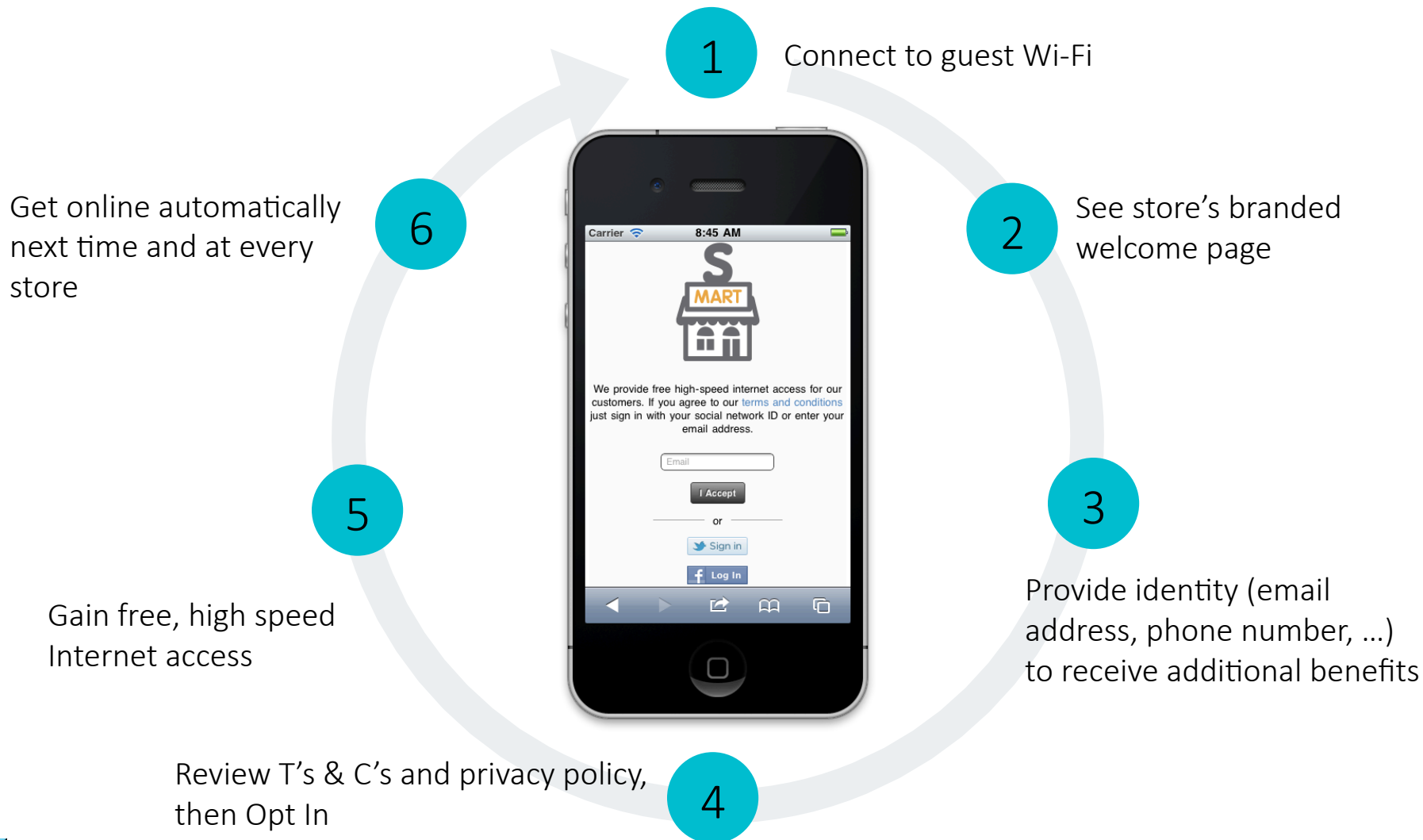
ADD SLIDE HERE ON PERSONALIZATION
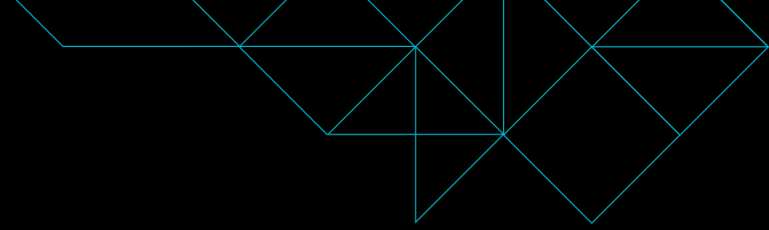
VALUE OF MOBILE IN-STORE

- Leverage Guest Wi-Fi to drive new membership into existing Email and SMS marketing campaigns
  - Capture valuable email addresses of connected shoppers.
  - Know your shopper the moment they enter the store.
  - Expand loyalty on the "Loyallist" program.
  - Trigger offers and content in real-time while the shopper is in-store.

bloomingdale's

Welcome to FREE Wi-Fi at Bloomingdale's

May we enhance your experience in the store?

☑ Use my location. Learn More

☑ Use my web browsing activity. Learn More

E-mail Coupons: Get the latest deals and news!

[Email address]
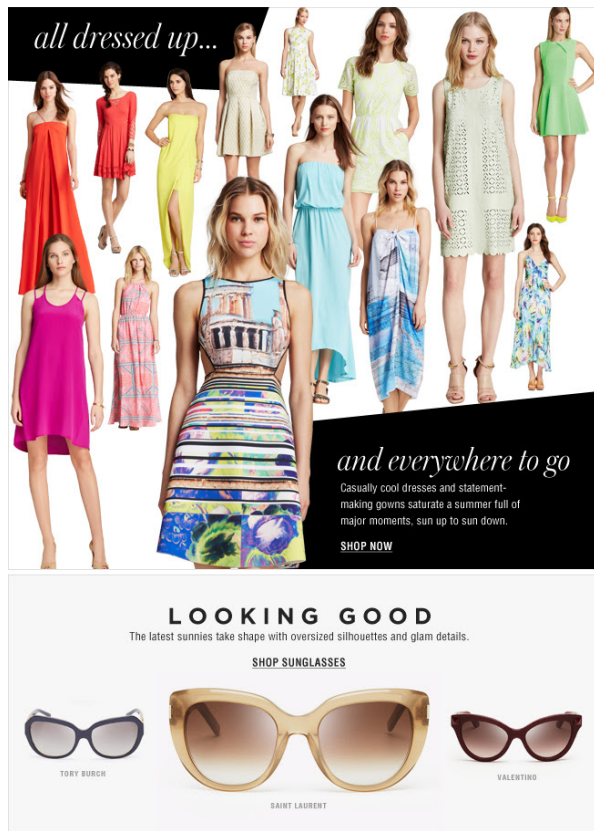
☑ I agree to the network terms & conditions and privacy policy.

GET ONLINE!
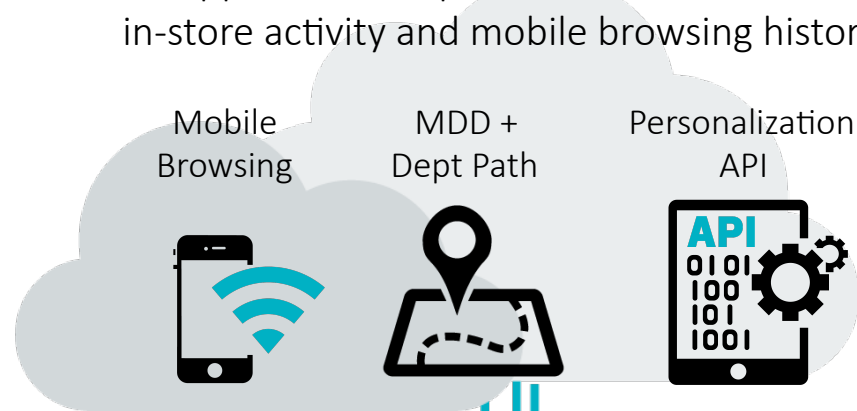
MOBILE DEVICE DETECTION ENABLES PERSONALIZATION

Before RetailNext
All shoppers receive the same content and offers.

RetailNext - MDD
Each shopper receives personalized content based on in-store activity and mobile browsing history.

Mobile Browsing

MDD + Dept Path

Personalization API

WHY ANALYTICS FOR PHYSICAL RETAIL?

MAXIMIZING THE TRAFFIC

TRAFFIC DEPLOYMENT

- Store roll out

- Training throughout organization by function

- Collection of data and understanding existing performance

- Report development by company function

- Benchmark based on store type, size, market

- Goal setting and raising the bar

- RetailNext Performance Quadrant

- Seasonal strategies

5-7%
Sales Growth
(Common finding)

STORES

STAFFING INTEGRATION

- Importing staffing information into RN system

- Understanding baseline opportunities by store

- Report development by company function

- Align staff to traffic demand by store

- Export traffic data into workforce scheduling system

- Monitor and measure performance, adjust as needed

6-8%
Sales Growth
(Common finding)

MERCHANDISE, STORE DESIGN & MARKETING

ADVANCED ANALYTICS

- Mobile Device Detection

- Interior fixture and layout measurements

- Full path analysis

- Wi-Fi Opt-In technologies to drive loyalty

- Personalized marketing initiatives and messaging

- Test and measure concepts prior to deployment

20% Sales
Growth
(specific categories)

QUESTIONS?

THANK YOU

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