RetailNext
Comprehensive In-Store Analytics

Improving Fixture Performance

A large retailer with more than fifty stores used RetailNext™ to understand and optimize the performance of two different apparel fixtures in its stores, hereafter referred to as the focal fixture and the secondary fixture. The RetailNext in-store analytics platform enabled the retailer to track shopper interaction and gain deep insights into how shoppers respond to the two fixtures. The following metrics were made available to the retailer:

EXPOSURE   **ENGAGEMENT**   **AVERAGE DWELL TIME**   **CONVERSION**

Measurement revealed that the focal fixture had a 93% exposure rate, more than double the exposure of the secondary fixture, while the secondary fixture had a conversion rate of more than double the focal fixture. Being able to identify the distinct drivers of each fixture's performance allowed the retailer to optimize its use of these in-store assets, providing the opportunity to increase overall sales.

APPAREL FIXTURE OPTIMIZATION

The retailer sought to more deeply understand how effectively two apparel fixtures located in different parts of the same store influenced shopper behavior, as compared to each other and to total store traffic. The only relevant metrics available from existing legacy systems were total store traffic and average fixture spend. These limited data points allowed the calculation of very rudimentary performance metrics, such as percent conversion and average fixture spend for the total set of store visitors.

By studying how shoppers responded to these two fixtures, the retailer hoped to uncover insights that would enhance its use of similar displays throughout the company, leading to improved overall sales.

THE RETAILNEXT SOLUTION

The retailer deployed the RetailNext in-store analytics platform to collect and analyze more granular data about shopper responses to each fixture. The RetailNext solution measures many factors of shopper behavior in stores, including store-wide and fixture-specific shopper exposure, engagement, average dwell time, and conversion. The platform analyzes data from video cameras, POS systems, and other sources and outputs results in a variety of easy to use formats. For instance, traffic around a fixture can be displayed as a heat map overlaid on the floor plan to visualize customer movement.

RESULTS ›

Fixture analysis revealed areas for improvement to build sales.

› More specific measurement of fixture performance uncovered specific recommendations to increase sales for different fixture types in different areas of the store.

› The focal fixture had high exposure and low engagement. To improve engagement, and, ultimately, conversion, the retailer could display trend merchandise instead of basic merchandise.

› The secondary fixture performed well in terms of engagement and conversion, but it suffered from low overall exposure. Driving traffic to this fixture with destination merchandise or marketing efforts should result in higher fixture productivity.

› The use of RetailNext analytics allowed for deeper insights to drive sales at both the store and the company levels that had previously gone undiscovered.

DATA-DRIVEN CONCLUSIONS

This case study refers to the two fixtures the retailer chose to investigate as the focal fixture and the secondary fixture. Similarities between the two fixtures included the categories of product displayed (apparel) and a very close average spend ($25 for the Focal Fixture and $26 for the Secondary Fixture).

However, the focal fixture was located at the front of the apparel department while the secondary fixture was further back in the center of this department. Although these oversimplified metrics showed these fixtures to be very similar, deeper investigation using RetailNext showed that shoppers behaved radically differently around the two.
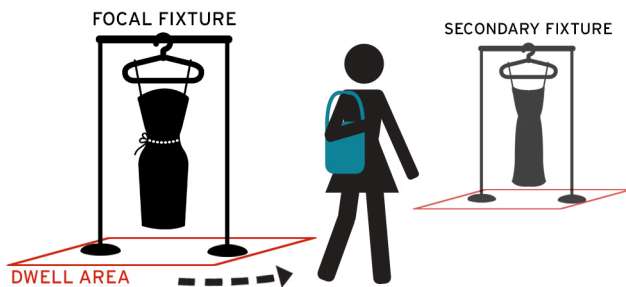
The defined zone around the studied fixtures identified exposure and shopping behavior specific to this area of the store.

The focal fixture had a very high exposure rate of 93% due to its location near the apparel department's entrance. The engagement at the fixture was 15%, highlighting the fact that many shoppers walked past the display without stopping. Once shoppers stopped, they had an average dwell time of 13 seconds. Of all the shoppers who entered the store, only a small fraction bought something from the fixture. All of these metrics indicate that the fixture is failing to engage and convert shoppers.

In comparison, the secondary fixture had a much lower exposure rate of 38%. However, the engagement rate was a much higher 28%, indicating that those who made it back to the display were more likely to shop the fixture. Once shoppers stopped, they had a much longer average dwell time of 17 seconds at this fixture, and they converted at three times the rate of focal fixture shoppers. These additional data points reveal strong differences in how the fixtures influence purchasing.

This more granular investigation of shopper behavior identified opportunities for the retailer to make changes that could lead to overall sales increases. The focal fixture needed an increased ability to engage the large number of shoppers who passed its way, which could be accomplished by displaying trend merchandise as opposed to basic merchandise. The secondary fixture was much more effective as a display but needed more exposure to shoppers, suggesting that the retailer should display destination merchandise at this fixture or apply marketing efforts in the store to increase traffic to this part of the store. By identifying these specific initiatives to improve how each fixture contributes to overall sales, the retailer became empowered to optimize its in-store assets and ultimately to apply these lessons across the entire chain. The RetailNext platform was a critical contributor by enabling the discovery of these differences in how the fixtures perform and providing ongoing measurement of how changes to these two fixtures affect the bottom line.

KEY TERMS >

TRAFFIC
The total number of shoppers entering a store or area of a store in a given time frame

DWELL
When a shopper stays within a specified area for longer than the designated threshold

AVERAGE FIXTURE SPEND
The average transaction value of products displayed at the fixture

AVERAGE DWELL TIME
Average time spent by shoppers standing in a specified area of the store

EXPOSURE
The number of times any shopper passes a display, product, or other element in the store

ENGAGEMENT
Percentage of exposed shoppers who dwell in the measured area

ABOUT RETAILNEXT >

RetailNext is the leader in Applied Big Data for physical retail, delivering real-time analytics that enable retailers, shopping centers, and manufacturers to collect, analyze, and visualize in-store data. The patented solution uses best-in-class video analytics, Wi-Fi detection of mobile devices (including Bluetooth), data from point-of-sale systems, and other sources to inform retailers about how customers engage with their stores. This comprehensive and highly versatile platform easily integrates with a number of store data sources, including promotional calendars, staffing systems, and even weather services, to analyze how internal and external factors impact customer shopping patterns and provide retailers the ability to identify opportunities for growth, execute changes, and measure success.

RetailNext tracks more than 800 million shoppers per year by collecting data from more than 65,000 sensors in retail stores and analyzing trillions of data points annually. Headquartered in San Jose, CA, RetailNext is a growing global brand operating in 33 countries.

For more information, visit www.retailnext.net

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🌐 www.RetailNext.net

Headquarters
60 S. Market Street, 10th Floor
San Jose, CA 95113

p: +1.408.884.2162
f: +1.408.298.8659

APAC Office
435 Orchard Road
11/F Wisma Atria
Singapore 238877

p: +65.6701.8218
f: +65.6701.8001