

Proven Results with RetailNext

More than one hundred global retailers use RetailNext™ to improve their bottom line by increasing sales, reducing theft, improving efficiency, and creating a better shopping experience. The specific initiatives driving this improvement vary as much as merchants do. However, stores have developed a number of useful optimization techniques that should be beneficial to many retail chains.

The leader in real-time in-store analytics, RetailNext enables retailers and manufacturers to collect, analyze, and visualize in-store data. The company uses best-in-class video analytics, point-of-sale systems, and other sources to automatically inform retailers about how shoppers engage with their stores, providing store operations executives with the insights needed to grow same-store sales by 20% or more. RetailNext tracks more than 800 million shoppers per year by collecting data from over 65,000 sensors in stores, capturing, and analyzing trillions of data points annually.

IMPROVING THE BOTTOM LINE

Using the techniques detailed in this paper, retailers have driven major store profitability improvements with RetailNext. These are some of the large retail chains who have publicly shared results:

- American Apparel increased same-store sales more than 30% and reduced theft 16%. The retailer reduced theft up to 75% in some stores. The theft reduction alone would completely pay for the RetailNext platform in four months.
- American Apparel also used RetailNext to combine its people-counting and Loss Prevention platforms, saving 40% in capital expenditure for these two functions.
- Family Dollar remodeled more than 1300 stores in the first nine months of its deployment based on findings from RetailNext.
- Brookstone used RetailNext analytics to reduce shrinkage more than 0.2%, improving the bottom line by roughly \$1 million per year.

APPLICATIONS FOR PROFIT OPTIMIZATION

PERFORMANCE BENCHMARKING. By calculating and comparing conversion rates for all stores, you can identify norms, trends, and outliers in conversion. This information is then usable in a number of ways. For example, you can discover your lowest performing stores and target them for training or support programs to bring conversion rates up. Or you can identify the highest-performing stores and investigate them for best practices to deploy across the entire organization. Either way, RetailNext can serve as your accountability tool to track key performance indicators (KPIs) at the store or district level.

STAFFING OPTIMIZATION. RetailNext can show you the traffic cyclicalities you experience throughout the day, week, and year. Understanding your optimized customer-to-staff ratio enables you to provide service appropriate to your business model, ultimately contributing directly to maximum profitable conversion. In fact, by correcting misalignment between staffing level and traffic volume, stores often increase conversion without spending additional budget.

MARKETING EFFECTIVENESS. In the past, you could measure the effectiveness of marketing campaigns based only on actual sales results, in the process losing a great deal of information that could help maximize marketing ROI. By understanding the path to purchase more completely, you gain deeper insight into why campaigns are effective or not, making more efficient marketing programs possible.

For example, an effective marketing campaign might increase sales by driving more shoppers into the store (traffic goes up and conversion remains flat), by causing existing shopper traffic to purchase more often (traffic remains flat and conversion goes up), or by causing shoppers to buy a greater number of items or more expensive items (traffic and conversion remain flat and the average transaction value goes up). Or any combination of the three. Each of these scenarios highlights a different success driver in the marketing campaign that you can identify and reproduce for future success.

FLOOR LAYOUT OPTIMIZATION. RetailNext's heat mapping feature shows you how much time customers spend at all parts of your show floor in a single, understandable image. Simply moving the highest margin products to more heavily-trafficked areas can significantly increase your sales and profits. Furthermore, you can easily test and tweak new layouts and fixtures to ensure their best effectiveness prior to widespread rollout.

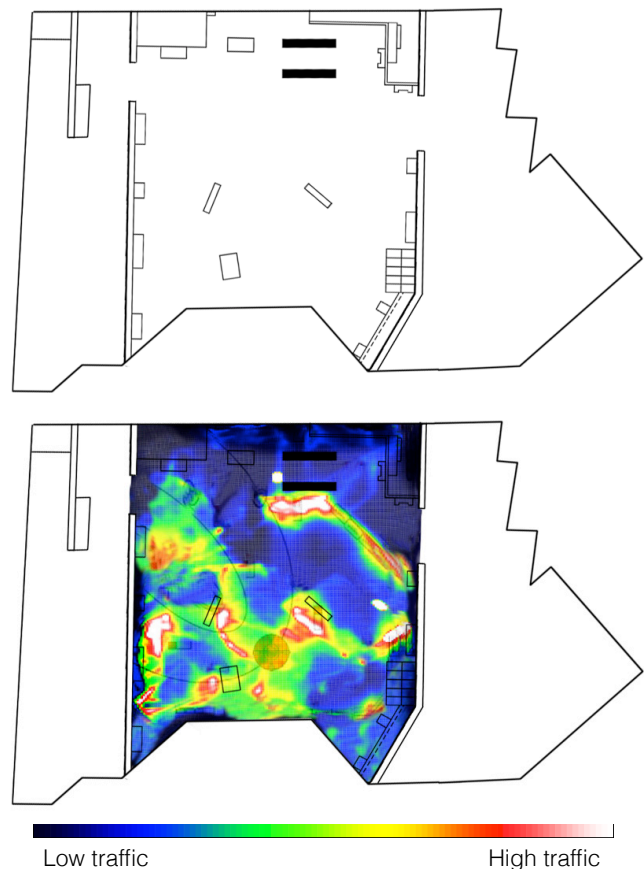
And by combining detailed understanding of traffic and dwell metrics throughout the store with RetailNext heat maps, you can build a fuller understanding of store flow—each store's unique traffic patterns by type, geography, weather, or other factors.

TESTING DISPLAY, FIXTURE, AND MERCHANDISING EFFECTIVENESS. Dwell and engagement analytics, heat mapping, split testing, and other techniques enable you to determine which in-store displays and fixtures are most effective. You can also use these techniques to determine the effectiveness of marketing and merchandising programs. In fact, trial testing allows you to modify and iterate your marketing so that you can maximize each program's effectiveness before rolling it out across the chain.

FRAUD DETECTION. Loss prevention teams can view aggregated trends in point-of-sale (POS) usage to efficiently monitor for outlier behavior that may indicate fraud or theft. Identified POS events are viewable instantly in the RetailNext interface.

QUEUE OPTIMIZATION. The RetailNext Queue Analytics module monitors your queues during all open hours and automatically provides metrics around time in queue, service time, and abandonment rate. You use this capability to understand the staffing needs for cash/wrap stations and even fitting rooms.

EMPLOYEE TRACKING. RetailNext's Wi-Fi tagging module makes it possible to differentiate employees from shoppers as they move in and out of stores and through the store. That way, your counts truly represent the opportunity presented by shoppers.



Gain deeper insights with shopper traffic heat maps. Highly trafficked areas within your store are noted on a color spectrum from blue (low traffic) to white (high traffic).

POS EXCEPTION REPORTING. Loss-prevention teams can easily monitor employee compliance by identifying events in the point of sale system like returns or voided transactions and by accessing video of each event with a single click. You can even set up automatic exception reports to notify LP teams of unusual POS activity. And the store operations team can quickly find and view video of specific types of events, such as large purchases, to learn more about your customers. Each POS event is linked to both a sales receipt and video, allowing one-click access to the full information behind each transaction.

REAL-TIME ALERTING. Store management can configure RetailNext to send alerts whenever certain trigger conditions occur, making immediate response possible. For example, if a shopper dwelling in a specified zone exceeds a set time threshold, RetailNext can alert an employee to come assist the customer.

SERVICE QUALITY MONITORING AND TEACHABLE MOMENTS. By monitoring in-store activity and viewing relevant video at will, management is able to keep closer tabs on overall service quality and directly identify improvement opportunities. In fact, it's easy to download and save video clips for inclusion in employee training.



CROSS-FUNCTIONAL ALIGNMENT. As managers in different functional departments gain visibility on and begin managing to the same set of measured results, RetailNext facilitates alignment of goals and perspectives across your organization. The platform can also foster a metrics-driven culture that ultimately contributes to better business management.

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 company's patented solution uses best-in-class video analytics, Wi-Fi detection, Bluetooth, data from point-of-sale systems, and other sources to automatically inform retailers about how customers engage with their stores. The highly scalable RetailNext platform easily integrates with 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 measures the behavior of 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. 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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