HOW TO USE RETAIL ANALYTICS TO COMPETE WITH ONLINE
GIANTS

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Today's brick-and-mortar retail stores face an intimidating threat that isn't going away.

Online retail shopping has changed the game for retail stores dramatically. The image of shut shops with For Rent signs in windows is all too familiar.

Customers come in and leave without making a purchase, because they are going to go online and find the cheapest deal. What can brick-and-mortar stores do to avoid being beaten by the mega threat of online shopping?

Online stores have a major advantage: data. They know when people are online, what's being clicked on and whether or not it leads to a purchase (and if it isn't, how much time they spent before they clicked away). They can specifically target ads and suggest items to the customer based on what was looked at on previous visits or what they've searched for elsewhere on the internet. They can send customers reminders about items they were thinking about buying, and even offer specials and promotions catered to the individual in real-time.

Thinking of the power wielded by data-driven analytics, retail stores versus online shopping seems like bringing the proverbial knife to a gunfight. Or in this case, bringing a knife to a fight against Ironman, Wolverine and Thor all in one. Retail stores are today's underdog and have the option to roll over and play dead or learn the tricks of the superheroes and use it to their advantage.

" **Feel like you're bringing a knife to a gunfight?**

RETAIL STORES NEED TO UP THEIR GAME

It's time to evolve. Retail stores have continued to rely on antiquated analytics, or no analytics at all. The old way is to rely on reports that tell you where you've been, with the idea to learn from the past and adjust for the future. The new way is to access data in real-time, showing where you are, why you're there and what's coming next. Most retail stores are not accessing the data and insights needed to understand real-time shopper behaviour. Don't get left behind. Retail stores need to change tactics to keep up with online-only retailers that have used their advantage of a data-driven approach to optimise the customer experience.

Physical stores still have a vital part to play in purchasing. The physical touch and feel of merchandise and personal interaction with sales assistants are huge advantages. However, in order to please today's digitally-empowered consumers, retailers need to use these advantages and power them with data-driven instore analytics to provide an exceptional experience.

Think of data as connective tissue. In our bodies, connective tissue functions to connect, strengthen and support.

Likewise, data is the connective tissue that can hold retail stores together through the challenges of the current day and age.

Consumers are increasingly digital-savvy, from young ones growing up accustomed to technology, to grandparents using their smart phone for Paywave. Therefore, customer expectations are higher than ever in regard to customer service and the buying experience.

This pertains especially to consumer electronics. The consistent and easy experience of buying online means that retail stores need to up their game.

Just 49% of consumers feel they receive a consistent experience across retail channels, compared to 99% online.

Retail shops need to provide a seamless shopping experience integrating online tools with instore actions.
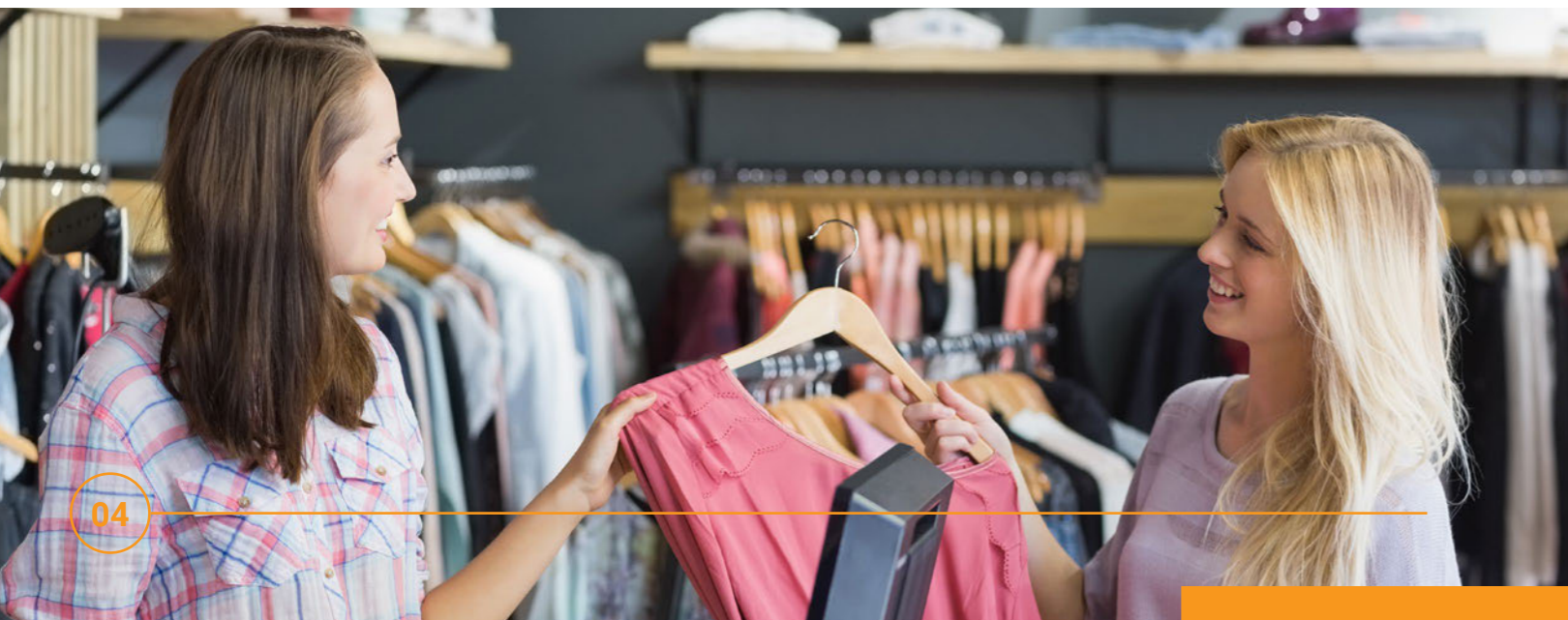
THE **BIG** QUESTION IS...
HOW TO DO IT?

Collecting data from customers instore interrupts the sales process and can skew the results. An interruption to find out what they are thinking may cause them to think twice. As the role of sales assistants evolves with consumer expectations, it's crucial for retail stores to embrace instore technologies and real-time analytics to measure shopper behaviour.

Imagine if you no longer had to guess how many staff to roster on a given day, that you finally knew the magical shoppers to assistant ratios. Imagine if you knew where to best place products and could see in real-time what customers were looking at and can set up promotions in hours instead of weeks or months. It's not enough simply to aim to provide the ultimate customer service experience. With retail analytics we can find out what the ultimate customer service experience actually is, instead of what the sales staff think it is. What if you had the data at your fingertips to maximize the customer experience?

It's like Tom Cruise in Minority Report. For those who missed it, picture that there are people who know what crimes are going to be committed, and they arrest people before they've committed the crime. With retail analytics, you can be like Tom Cruise and predict what customers are going to do before they even know themselves. Sounds a bit spooky right? People are actually incredibly predictable, once you recognise the patterns. And online shops have been using this to their advantage. Have you ever had Facebook show you an ad for something you already own, or were researching reviews for? It's not an accident.

For some, the thought of data collection can inspire an instant headache or summon negative images (like those creepy airport scanners). But it doesn't have to do either of those things. Think of data collection like dusting for fingerprints and examining every inch until you find the correct fingerprint set. The information is already in front of you. You just have to know how to find it and derive meaning from it. And let's be honest, we all secretly want to be a CSI investigator at least a little bit.

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It's time for brick-and-mortar retail stores to get up to date with the analytics that online retailers are already using.

WHAT ARE THE BENEFITS OF TRACKING INSTORE DATA?

01 CUSTOMER BEHAVIOUR INSIGHTS
THAT ARE ACTIONABLE

In short, you can measure what works and what doesn't. From measuring how a campaign affected conversion rates to analysing response to a product, using retail analytics instore can give a clear picture of where to focus more efforts with campaigns and which ones to leave in the history books.

02 MEASURE THE EFFECT
OF INSTORE INFLUENCES

Measure the effect of instore influences on purchase patterns. Make immediate adjustment to campaigns with a focus on what has proven to be most effective. Use data to analyse the success of promotions such as loyalty programs, one-time offers, gift with purchase, or seasonal discounts. Make the best of your space by analysing the design and layout of your store. Is there enough space? Where are people getting 'stuck?' Are certain areas avoided due to layout?

03 OPTIMISE
INSTORE STAFFING

Optimise instore staffing to maintain the balance between staff and shoppers. Find the magical sweet spot to properly staff your store so sales are optimised for profitability. Using analytics enables you to manage an appropriate shopper-to-assistant ratio and find the fine line between having enough staff on without the wages bill outrunning your sales. You'll have the ability to set rosters and goals based on actual numbers rather than intuition or historical data. Flipping through last year's figures to see when post-Christmas sales dropped off will be a thing of the past. You can determine your store's "Power Hours" (when traffic is at its highest and appropriate staffing is crucial) to take advantage of the opportunities for increased sales so you don't miss a beat.

Sales staff are no longer overheads but key assets to standing out from the retail crowd. Valuing your staff leads to higher quality interactions with customers, strengthening loyalty and resonating with your customers. Give them the tools to provide quality interactions by having enough staff to cope with the shoppers without anyone standing around with nothing to do.

04 MANAGE
EVERYDAY STOCK

Manage everyday stock by using data to plan out stock management, such as what items to restock and quantities needed. Having the ability in real-time to see which stock is moving means faster reordering, so your shelves are never empty. Customers don't want to wait for you to get something back in stock when they might be able to get it faster elsewhere (like somewhere that offers overnight delivery). Identifying the hot brands or models means you can know which accessories to bring in and what promotions could draw in more customers. This information could be at your fingertips in real-time instead of setting aside time to gather the info later - when your customers have moved on. Using RFID (Radio Frequency Identification) technology can enable weekly or even daily stock counts of your entire store – in 30 minutes or even less at >99% accuracy.

05 INCREASE
CUSTOMER LOYALTY

Increase customer loyalty by creating a rewarding experience for the buyer. Understanding shopper behaviour will allow your sales staff to anticipate their needs and deliver beyond expectations. Your customers will feel valued and have a greater attachment to your brand.

06 OPTIMISE
DECISION-MAKING

Optimise decision-making in all areas by basing decisions on actual data-driven statistics. Take the guesswork out of how much stock to carry, how many people to expect instore at any given time, and how many staff to have on the floor. No more relying on your gut feeling or the opinions of others.

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> Using RFID (Radio Frequency Identification) technology can enable weekly or even daily stock counts of your entire store – in 30 minutes or even less at >99% accuracy.

THIS ALL SOUNDS GREAT

HOW DO I GET THE TOOLS TO START?

LET **VITAG SYSTEMS** DO THE WORK FOR YOU. OUR SET OF TOOLS INCLUDE:

- ◉ InVue Insight, which records and reports real-time consumer product interaction

- ◉ Cross Point Analytics, cloud-based data capture which allows you to track performance from any web browser, iPhone or iPad

- ◉ InVue MicroSigns, which increases engagement with customers by providing easy access to product information

- ◉ Vitag RFID for transforming inventory accuracy and reducing stockholdings

INVUE INSIGHT

InVue Insight is a platform for retail analytics designed specifically for stores selling handheld devices like smartphones and tablets.

With InVue Insight, you can track what devices are being picked up, how long they are held, even what customers are looking at on the device. By tracking daily sales alongside this, you can see which products are leading to relatively quick sales and which are requiring more time, or have low sales. Is it the placement of the device? The information surrounding it? Behaviour of sales staff? Additionally, you can see when and which devices have power, when and why security alarms are activated, and how quickly staff respond.

Invue Insight allows you to see if devices are in their proper place for Planogram compliance and for security reasons. Has something been put back in the wrong place, or gone missing?

All of this can be viewed on your custom dashboard from any web browser, iPhone or iPad. This means that you can monitor Planogram compliance from remote locations instead of physically visiting a store. If you are in charge of multiple stores and want displays to look the same from branch to branch, this feature is a huge timesaver. Compliance can be tracked in real-time, leading to quick resolution of problems.

Is your store layout working for you or against you? Heat maps will show where customers spend most of their time in your store. Is there a constricted area without adequate space? Are they drawn to a certain item or a certain area? Are they spending a lot of time waiting in line? Gain a better understanding of how to use your space, and design your layout to enhance the customer experience.

CROSS POINT ANALYTICS

Cloud-based data capture allows you to track performance from any web browser, iPhone or iPad

Using Cross Point Analytics, customised dashboard data can be viewed from any web browser, iPhone or iPad, anytime and anywhere. Cloud-based data means managers at any level (store manager, regional, head office) have access to real-time data tailored appropriately to their level.

Regional managers will be able to quickly identify which stores need assistance. Store managers can receive notifications via text or email when a device is receiving considerably more, or less, activity than usual. The possibilities go on and on.

For more information visit: https://vitag.nz
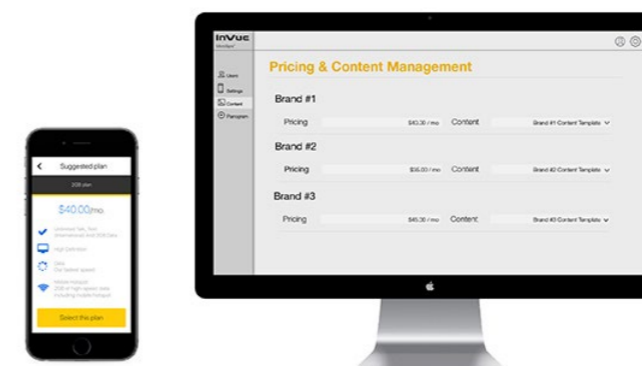
INVUE MICROSIGNS

InVue MicroSigns increases engagement with customers by providing easy access to product information

With information at their fingertips the customer is empowered to ask questions of the salesperson. Seeing what information customers are looking at can tip sales staff to what they are interested in, so they can feature certain functions and upsell accessories.

Microsigns also allows you to change promotions in a matter of hours rather than weeks (or months!) so you can appeal to your customers in real-time instead of anticipating promotions months in advance.

> " **"33% sales growth in 4 months and 15% improvement in margins."**
>
> **In a recent European trial.**

VITAG RFID

Transform inventory accuracy and reducing stockholdings

Using state of the art technology it is now truly possible to gain control over your inventory.

How often do your customers find that their size is not on the shelves, despite the POS system – and sales associates – saying "it should be there"? Call a halt to these lost sales by using RFID inventory management tools to count stock as frequently as you want to. In around 30 minutes you can have a full, 99% accurate count of your store inventory and update your back-office systems within seconds.

Retailers in the Northern Hemisphere are experiencing consistently strong business improvement from adopting RFID – 7.4% average sales growth, 25% average inventory reduction and very short ROI timeframes. Vitag's RFID system can be installed in a store in less than a day.

For more information visit: https://vitag.nz/rfid/

SO WHY PARTNER WITH
VITAG SYSTEMS?

We know retail, and we understand technology. We have been working in the retail security and analytics industry for 20 years. We work with leading retailers throughout Australasia and are passionate about providing the best technology possible to grow profitability. We regularly travel the world to research the newest available retail analytics technology and bring it back to New Zealand. And we make it all easy for you by providing turn key solutions from strategy through to implementation and monitoring.

The face of retail is changing. Gone are the days of providing a pleasant customer experience and hoping to succeed. Retailers that take steps to evolve can show they are not going anywhere, that they intend to establish themselves alongside the online-only shopping experience and not be threatened by it.

> " The underdog can compete with the superhero.

Using retail analytics to harness customer data that is actionable in real-time will prove vital to delivering the ultimate customer experience in 2018 and beyond.

VITAG SYSTEMS CAN HELP YOU ON THAT JOURNEY. CONTACT US TODAY TO FIND OUT MORE.

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