Nextiva Retail Traffic Analytics

Understanding Customer Behaviours in Retail Environments

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VERINT ®

VIDEO INTELLIGENCE SOLUTIONS

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Preface

Retailers worldwide are increasingly challenged with enhancing the effectiveness of their retail operations. In an industry characterised by expensive real estate, slim margins, and tenuous customer loyalty, retailers in every category need to make smarter decisions and manage their businesses more effectively.

This paper highlights how businesses are applying advanced retail analytics tools based on video analytics to help improve merchandising and operational efficiencies.

About Verint Video Intelligence Solutions

Verint® Video Intelligence Solutions™ is the leading global provider of networked video solutions that enhance the security of people, property and assets. Verint's award-winning Nextiva portfolio includes video management software, integrated analytics, encoders and IP cameras, and intelligent DVRs for use in a variety of vertical market environments. Open, standards based and IT friendly, Verint solutions help organisations leverage their existing video investments and place IP video within the reach of virtually every organisation.

About Verint Systems

Verint Systems Inc. is a leading provider of Actionable Intelligence® solutions for an optimised enterprise and a safer world. More than 10,000 organisations in over 150 countries rely on Verint solutions to perform more effectively, build competitive advantage, and enhance the security of people, facilities, and infrastructure.

The Consumer Experience Revealed

Retailers around the globe are challenged with reducing expenses and increasing revenue by improving the effectiveness of their store operations. As the economy fluctuates, these businesses have become even more conscious of measuring store performance and lowering operational costs.

In the past, retailers relied on point of sale (POS) transactional data as the main source of information to measure store performance. Although POS information provided valuable insight into revenue and product sales, retailers were not getting detailed information on why specific product sales were higher than others or why they peaked at certain times. Behind every visit to a retail location, there exists analytics that can provide businesses with even more information about their merchandising and sales, as well as customer behaviours, including such details as:

- Exposure to merchandise

- Service and customer support

- Availability of products

- Store layout

- Price, competition, and more…

As technology evolves, so does the demand for more detailed analytics applications. With the help of analytics, retailers can better understand their customers' in-store activity and behaviors. As a result, analytics can also help retailers increase revenue, reduce operational costs, and gain significant insight into customer shopping behaviors.

Verint® Video Intelligence Solutions™ is uniquely positioned to address the important challenges that retailers face with the Nextiva® Retail Analytics suite. This robust suite of video applications designed specifically for the retail environment, includes such powerful solutions as Nextiva Retail Traffic Analytics.

Nextiva Retail Traffic Analytics is fully integrated with retailers' video surveillance systems and uses sophisticated computer vision and statistical algorithms to understand shopper behaviors, improve interaction with products, and promote workforce optimisation.

Best Buy® Leverages Verint's Nextiva Retail Traffic Analytics Solution for Customer Experience and Retail Optimisation

"We are already impressed with the value Nextiva Retail Traffic Analytics has shown for Best Buy in the areas of product placement, and the effectiveness of displays and promotional positioning."

"Within hours of the installation, store management was working actively with the solution and modifying product placements based on the information."

"Store operations found the user interface to be intuitive and easy to use, and we are very encouraged about the possibilities the solution can deliver."

Tim Fisher
Director of Loss Prevention
and Safety

Enhance the Customer Experience and Optimise Operational Effectiveness

Is the store busier on Monday evenings than it is on Friday afternoons? If there are multiple locations or departments, does one attract more customers than another? Does a store have "hot spots" — areas where customers tend to be drawn? How many people who enter the store actually end up making purchases?

These are all questions that can be answered with Verint's Nextiva Retail Traffic Analytics. Major retailers around the world leverage the software using their existing video surveillance systems to monitor shopper traffic patterns and deliver information about where, why, and how customers shop. The solution can also dramatically reduce retailers' reliance on soft data, replacing it with real-world information to help increase sales, optimise operations, improve the customer experience, and enhance customer value.

Nextiva Retail Traffic Analytics is designed to help retailers make operational decisions based on hard data and validate assumptions for key in-store marketing, product placement, and advertising decisions. The business intelligence the solution provides helps them more accurately gauge the success of merchandising and advertising initiatives, with point of sale data to verify results.

With Nextiva Retail Traffic Analytics, retailers can easily answer key questions about such in-store shopper behaviours as:

- How many customers are in a store or department at specific points in time?
- How many customers show interest in a specific product, and what is the conversion rate?
- How do customers "cross buy" among products and departments?
- Which promotions and marketing campaigns attract customers into the store?
- How do store layouts promote or discourage shopper interest?
- How can staff be more effectively deployed across stores and within departments?
- What is the real estate value of each location, and how can space productivity be improved?

Optimise the Workforce, Improve Customer Service, and Reduce Staffing Costs

Finding the right balance between staffing stores and meeting customer demand can be a daunting task. Without sufficient staff available, retailers face unsatisfied customers and lost sales. Similarly, over staffing can increase operational expenses, and many times does not result in better customer service or additional revenue.

Nextiva Retail Traffic Analytics can help retailers see how customer volume varies from day to day, week to week, and month to month; how volume is impacted by time of day; and how volume changes on weekends and holidays.

This chart depicts a shopper count for the entire store. Retailers can analyse store traffic and value to better optimise their workforces and appropriately align staff across departments.

This insight can support retailers in assigning staff by actual need, which can generate significant cost reductions, while increasing customer satisfaction and sales.

Depending on time, promotions, and other in-store events, store managers may need to shift personnel assignments to optimise performance. Nextiva Retail Traffic Analytics can provide key information about in-store activity and help retailers understand and predict in-store patterns. Armed with such data, retail managers can staff store floors, departments, and other areas appropriately. They also can manage their resources more efficiently, helping deliver a higher quality customer experience.

Evaluate Real Estate

Many retailers lease valuable real estate to third-party vendors and manufacturers. By providing detailed analytics to potential leasers, they can charge the appropriate fees based on traffic analysis patterns.

Detailed analytics reports can also provide retailers with insights that help:

- Assess conversions

- Determine the effectiveness of advertising and merchandising

- Identify which products are most (or least) appealing to shoppers who visit retail stores


Nextiva Retail Traffic Analytics can highlight high-traffic "hot spots." In this case, the picture showcases an area that attracted more than 800.

Improve Merchandising and Display Effectiveness

With Verint's Nextiva Retail Traffic Analytics, retailers can determine the amount of time shoppers spend in specific areas of a store, identify hot spots and dead zones, and measure the number of people who actually shop for specific products, rather than just casually walk by. The solution also can help retailers more readily identify the merchandise and displays that most attract shoppers, enhance displays that previously attracted little shopper interest, and increase the appeal of valuable end cap areas.

Retailers use the detailed information that Nextiva Retail Traffic Analytics provides to better position products, evaluate in-store programs, and understand consumer shopping behaviours.
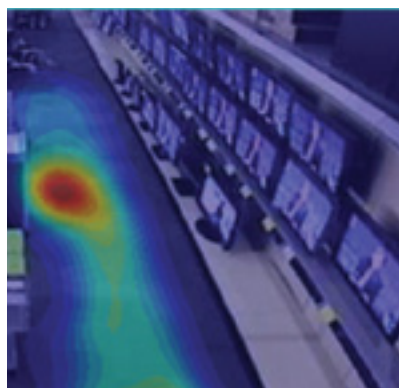

These "heat maps" illustrate where shoppers spend most of their time, as indicated in dark red.

The image on the left shows two end caps where one is "hot" and the other is "dead." Retailers can use this data to rework and enhance slow/low volume areas.

The image on the right depicts the location of the most popular TV on display. Retailers can use this type of data to gauge customers' interest in particular products.

Make the Most of Valuable Floor Space and Real Estate

Verint's Nextiva Retail Traffic Analytics can identify in-store traffic patterns and determine the direction in which people move through stores. It also can help pinpoint crowded or congested areas. Retailers can then leverage this information to improve store layout, drive shopper interest to more profitable or overstocked merchandise, and generate greater revenue. In addition, the solution can count the number of people who enter stores and which specific departments they visit. This information is especially useful for determining the percentage of shoppers that actually buy products and the effectiveness of advertising and merchandising plans.
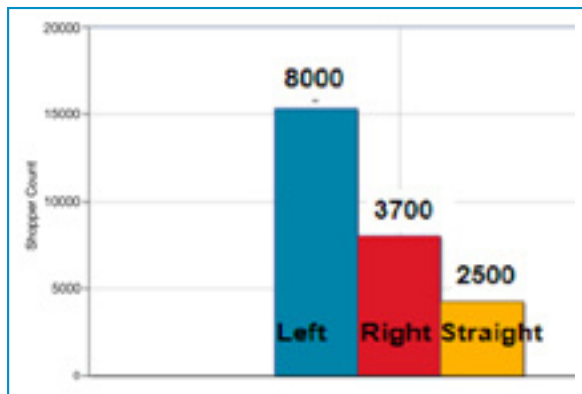
Nextiva Retail Traffic Analytics can show businesses traffic patterns, including the direction in which people move through their stores.

Verint's Nextiva Retail Traffic Analytics Solution

Nextiva Retail Traffic Analytics is available for single store implementation or as a centralised solution for multiple operations. Using the centralised solution, store managers can readily see what is happening in their stores, and analysts at headquarters can compare activity and performance across locations.

Maximising Video Analytics in Retail Environments

Nextiva Retail Traffic Analytics, from Verint Video Intelligence Solutions, is designed to help retailers gain a better understanding of in-store customer behaviours in order to implement improved store planning and operational effectiveness. The solution provides information on key indicators critical to retail store success – including how customers react to merchandise placements, express interest in products, and respond to promotions and advertising campaigns, as well as their traffic flow patterns and dwell-times as they navigate throughout the store.

Leveraging Nextiva Retail Traffic Analytics' easy-to-use video management interface, retailers can quickly extract and search for customer behaviours and patterns related to operational issues such as staffing at peak times, or for real estate evaluation purposes when leasing to third-party vendors. Further, when combined with POS data on customer buying patterns, it can help determine the success rate of specific promotions and optimise store layout and design to influence traffic patterns, maximise sales and improve the customer experience.

Verint Video Intelligence Solutions' leading retail analytics solution effectively addresses retailers' needs by combining the power of its IP video analytics technology with management software and dynamic reporting capabilities.