SMI omni-channel CRM: a digital merchandising, analytics and marketing platform for retail

‘SAMPLE ANALYTICS and BUSINESS CASES’

Prem Couture, CEO, ShareMyInsight
www.sharemyinsight.com
What does SMI deliver?

• Fulfillment across business lines for a complete solution
• Apps approach for fast deployment and low cost solutions
• Development platform for customization and private label
• Omni channel marketing before, during, after the shopper journey
• A brand new media channel that monetizes shopper data
‘Appification’ approach for delivering ready solutions

Apps are key to fast, low cost deployment: no requirement for manual configuration

<table>
<thead>
<tr>
<th>Application Name</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shopper Tracking</td>
<td>Shopper Journey</td>
</tr>
<tr>
<td>Real Time Marketing</td>
<td>Customer Engagement</td>
</tr>
<tr>
<td>Smart Merchandising</td>
<td>Customer Insight</td>
</tr>
<tr>
<td>Optimized Custom Services</td>
<td>Omni Channel Marketing</td>
</tr>
</tbody>
</table>

8 modular, self-serve apps with location services are fully integrated, starting from basic Shopper Tracking and ending with Omni Channel Marketing.
We identify and track customers using SMI wireless sensors.
Benchmarks by Store and Daily Trend

You get a dedicated, secure portal with dashboards that give a fast read out on the health of your business and identify trends.
Like 4 Like Store Comparison

SMI compare store by store performance on key metrics such as dwell time, repeat visits, conversion rate (from outdoor traffic) and bounce rate.
Lost Sales Diagnostics by Shopping Zone

‘Food 3’ has highest visitors, dwell time and bounce rate %

High Bounce Rate % for zones

Bounce Rate Analysis of shopping zones with a high % of customers who left the store from that zone without purchasing. Are customers online when in that zone?
Day/Time based shopping activity maps

9-11am
11am – 2pm
2-5pm
5-8pm
8-10pm

Is sales coverage required in certain areas and at certain times of day?
Knowing visitor demand during specific time periods allows to plan resources for departments that need sales assistants to help customers.
Buying Decision Triggers

Share of shoppers moving from one area to another – red path shows most frequented path

Path flow analytics reveal the shopper journey across zones with the ability to re-engineer traffic & optimize the store plan based segments that navigate the store.
Customer Centric Store Plan-o-grams

Measured zone productivity (Efficiency Score) gives a clear picture of what zones should be optimized based on shopper interests.
Which Zones have sales high/low conversion rates? Does a high Dwell Time Impact positively/negatively? This analysis shows how effective zones are at converting visits to sales and the relationship to the amount of shopping time.
Zone Profitability and Return on Space

What zones drive more traffic and more business? Which zones are more efficient at creating sales and are the most profitable?

Return on Space for Zone (RoS = sales conversions / sq. m of zone as a % of all zones) scores your most profitable and healthy zones.

Older Girl’s dept. has highest Return on Space

Which zones are more efficient at creating sales and are the most profitable?

Return on Space scores the most profitable and healthy zones.
Shopping Patterns by Shopper Frequency

Visit frequency and time spent

**Potential** value customers are those that have only shopped 1 time

**High Value** customers are determined by a combination of visits and dwell time.

High Value customer segment

Potential customer segment

Analysis of frequency and time spent in each zone.

*Can we influence our best customers to discover more of our range and offers?*
Shopper Clusters by Product Interest

Cluster Group frequenting men’s wear and suits are segmented as ‘Businessmen’

‘Businessmen’ are 7% of total customers

Shopper clustering by zones frequented enables targeted communications and ad campaigns
Cross-Shopping Factors

Here we see that visitors to the Apple zone mostly also visited the Accessories dept.

When we know that Apple visitors frequently shop for Accessories but also spend time comparing prices online, opening cross-selling and up-selling opportunities.
When customers stop to shop a previously shopped zone, then the engagement score is negative. New shoppers and an increase in shopping from existing customers, yields a positive score.
Driving information to the right people at the right time happens because information is continuously updated and analyzed, for example alerts to relevant store managers when repeat visitor count is down.
Interactive Customer Facing Pages

Splash and registrations pages are fully customizable to meet a retailer’s marketing needs and customer engagement practices, for example to sign up customers in a loyalty program.
Promo and ad pages include a number of personalization options to create relevant message, for example customer name, location of products, number of store visits, product interest.
Targeted, machine generated messaging

Campaigns are set up with machine generated, personalized ads sent to shoppers...

that are triggered when conditions are met (e.g. store zone, demographics, buyer segment...)
Location and time are #1 influence factors

Ad was delivered when shopper was in the department store zone for Louis Vuitton handbags
Activation Tactics Example GAMIFICATION

- **LOYALTY**: introduce a ‘**tiered rewards program**’ based on customers performing certain actions to inch their way towards reaching a specific milestone: new tiers bring new rewards – e.g. offer more rewards points for the higher tiers

- **MARKETING**: improve retailer’s brand positioning with unique characters and game rules that change over time

- **ENGAGEMENT**: test new products, new promotions, new challenges and adapt, to keep customers spending and loving the overall experience more than ever
Closed Loop Activation Tactics

Closed loop analytics enables a highly iterative model for testing out targeting assumptions and identifying those factors that contribute to a high % of promo conversions.
Challenges:

- High customer churn rate in some locations
- Ineffective loyalty program with no immediate rewards or benefits
- No customer analytics and as a result no targeted marketing
- Traditional printed coupon ads have low conversion rate < 8%
- L4L sales dropping by 2.5% with increased competition and lower mall foot traffic
- Get more footfall to get customers better acquainted with the BK menu
- Cannot deliver promos during slow time periods and prior to closing
- No demand based resource planning means over/under personnel allocation

Benefits:

- 1.10% additional walk-ins from walk by traffic
- Registration of loyalty customers up 38%
- Increased promo conversion from 7.5% to 18%
- 4.5% increase on repeat visits in selected stores
- Reduced total man hours by avg 20 hours per week/store
- Increased number of tickets in slow periods by 12%
- Increased overall number of daily tickets by 1.90%
- Decreased avg. days from last from 8 to 7.25 days

Solution:

- Extended range of Free WIFI net made available to walk by traffic up to 50 meters from store
- Register customers into loyalty program on 1 click, connect to social media
- Offer targeted rewards based on frequency of visits
- Coupons to users of WIFI to drive new visitors
- Take away promos ads before closing hours
- Forecasted demand analytics for every location for scheduling resources
Test case for banking services

Finaport is a financial services company with bank custodial services, listed funds on Zurich exchange and private banking and asset management services. It operates in Europe, North America and Asia

Challenges:

- Account managers are not pro-actively following Know Your Client standards
- Customer specific related services are not well targeted to current needs with low take up on new products
- Banking services lacks personal knowledge about the customer
- Managers sell what they want to sell vs what the customer needs

‘With SMI, our account managers give better personal service and sell more financial products because they know how to present clients with the right product at the moment when they arrive at our offices’ – Head of Client Services, Finaport, Zurich, Switzerland

Solution:

- In-store tracking alerts manager of presence of customer when arriving at offices
- Account managers receive suggested offerings to fill gaps in the customer portfolio
- Customer is provided with welcome text and splash page with personalized offer and announcement when logging in

Benefits

- 8% increased sales on additional suggested investment products
- 3 X greater interest on new products offered (request information from manager)
- 12% increase on new investment products
- 18 % increased satisfaction over 6 month
Svyaznoy is a leading electronics and financial services company in Russia with 3000 stores, diversified in retail electronics, financial services, travel, fashion jewelry and home goods.

Challenges:
- No customer analytics and as a result no targeted marketing based on customer interests and preferences
- Lower ad conversion ratio of 1 to 1.5% on promo ads sent out
- No omni-channel execution with sales migrating online at the expense of bricks and mortar stores
- Cannibalization of products on competitive product promoted
- Poor cross-selling when customer is purchasing a product and is at cash desk

Solution:
- Customer analytics and segmentation based on historical purchasing trends by location, products, demographics …
- In-store tracking alerts manager customer is show rooming in the store (looking online on specified sites)
- Segmented and targeted to segments with a high % of probable response rate
- Omni channel, personalized ads and promo offers to customers during shopping journey vs. of mass marketing campaigns
- Suggestions to managers for cross-selling
- Customer provided with welcome text and splash page with personalized offer, announcement when logging in

Benefits:
- 1.25% additional walk-ins from exterior walk by traffic
- Increased promo conversion from 1.5 to 8%
- 3% increase on repeat visits to selected stores
- 16% increase on cross-sales on store floor
- 9% increase on Net Promoter Score
Extra (http://www.extrastores.com) is a leading electronics hypermarket chain of 40 stores across the Middle East company selling a wide range of retail consumer electronic products.

**Challenges:**

- Merchandising and store plans created ad-hoc, creating dead zones, poor product visibility
- High Bounce rate in zones (customers leaving zone without buying) caused by ‘show rooming’
- No loyalty program, customer analytics by product interests
- Poor cross-selling when customer is requesting product information on the floor from a sales assistant

**Solution:**

- Path flow analytics and heat maps (% of each zone shoppers, shopping elsewhere, from which zones did shopper come from, to which zones shopper go next) that show traffic patterns from zone to zone with traffic segmentation with result of creating planograms that direct traffic to poorly visited areas
- Registering customers via Free WIFI access to assign a loyalty ID number associated to the phone MAC address
- Data mining customer profiles with traffic patterns and purchases made (MAC address linked to loyalty ID)
- Provide store employees information on cross-selling opportunities for individual customers in their department

**Benefits**

- Increased traffic to specific zones from up to 50%
- Increased sales for accessories department by 11%
- Increased sales on promo items up to 4%
- Decreased bounce rate by 2% in targeted zones
Test case for apparel retailer

Adidas Group is a global leader in the sporting goods industry with brands built on a passion for sports and a sporting lifestyle.

Challenges:

• Merchandising and department layout plans are created ad-hoc in stores often creating congested areas in some departments and dead zones in others

• Lost sales in sales departments requiring a sales assistant to help the customer (e.g. footwear), with insufficient sales personnel during peak shopping hours

• No loyalty program, customer identification and knowledge of customer product interests

Solution:

• Zone (department) shopping analytics (dwell time, visitor count) by day/time to reveal which zones have high % of customers who left the store without buying

• Path flow analytics and heat maps on shopping activity at zone level

• Real time alerts to store managers when service areas become congested and there are with insufficient personnel

• Registering customers via Free WIFI access and data mining customer profiles with traffic patterns and purchases made (MAC address linked to loyalty ID)

Benefits Forecast & Gains

• Reduction in lost sales in service areas by 2.5%

• Engineered store layout plans to drive traffic to dead zones (non visited shopping areas)

• Better resource planning to ensure optimal number of sales assistants on the floor at different times
Test case for department store

Marks and Spencer is a landmark department store that has been satisfying customers in fashion, apparel, footwear and food for over 100 years

Challenges:
- Ad-hoc merchandising plans with monthly changes without tracking effectiveness
- Low cross shopping between associated zones
- Inadequate resource demand planning and scheduling
- Ineffective loyalty program, low customer registration and interest knowledge
- High churn rate in specific customer segments
- Mass marketing tactics, without personalization and targeted messaging

Solution:
- Customer and store centric planograms that adapt plan to shopping interests
- Path flow analytics and heat maps on shopping activity at zone level
- Real time alerts to store managers when service areas become congested and there are with insufficient personnel
- Registering customers via Free WIFI access and data mining customer profiles with traffic patterns and purchases made (MAC address linked to loyalty ID)

Benefits Forecast & Gains
- Increased visit repeat rate, shopping frequency by 1.5%
- Engineered store layout plans to drive traffic to dead zones (non visited shopping areas) – increase 3% traffic
- Increased cross-shopping between zones by 8-15%
- Better resource planning to ensure optimal number of sales assistants on the floor at different times
Bergendahls’ is a European hypermarket chain in Scandinavia with a large range of food, apparel and home supplies

Challenges:
- Low capability for store health monitoring and impact of layout on customer journey flow
- No loyalty program and basket data analytics contribute to poor knowledge of customer interests
- Poor cross selling of related products and offers
- 1 store format and planogram for 13 different countries and hundreds of locations
- Need for store personnel to engage customers needing product information in timely manner

Solution:
- Analyze how current and future planograms are driving traffic through the store in the optimal manner – measure shoppers/sq m and return on space for zones
- Discover traffic and product interest patterns for creating customer segments (e.g. Professional builder segment, Home decorator segment etc.)
- Identify zone relationships and zones that are shopped by which segments before and after visiting other zones
- Message employees to assist customers when dwell time in a zone is greater than 10% over average

Benefits Forecast & Gains
- Improve zone (dept.) Return on Space by up to 2.5%
- Improved, localized store planogram to increase visitor count by 2% to underperforming zones
- Increased cross-shopping between related zones by 3%
- Increase number of interactions between store personnel and customers by 15%
Sample customers

adidas
MARKS & SPENCER
extra
pound stretcher
ЛЕНТА
Связной
mvideo.ru
Спортмастер
Bergendahls
Norman Asset Management

Галереи ВРЕМЕНА ГОДА
ДОМ ФАРФОРА