



Fulfilling the last mile of the customer experience

Case Study for a leading Apparel Retailer

Retailer Profile

The case study is for a leading, international retailer who offers grocery, electronics, clothing, home products. The Company has over 500 stores in Europe, in high streets and retail parks, as well as stations, airports and other locations ranging from out-of-town and flagship stores of over 100,000 square feet.

Challenges

After scoping out the retailer's ideas for needed operational improvements, the following high priority issues were identified:

- Seasonal merchandising plans with monthly changes are made without tracking effectiveness
- Low cross shopping is believed to occur between associated zones
- Inadequate resource demand planning and scheduling impacts operational costs and customer services
- Ineffective loyalty program, low customer registration and interest knowledge means retention tactics are difficult to implement

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- High churn rate in specific customer segments that are of high value means core customer base is migrating to competitor stores
- Mass marketing tactics, without personalization and targeted messaging results in low conversion rates on promo items.

Solution

The solution involved installing SMI sensor-routers in a flagship store to test, at first phase, how SMI can give insight into shopper behavior in order to improve the operation and the customer experience.

The second phase includes the implementation of the SMI Omni Channel solution in order to register customers on the network for more effective CRM and marketing before, during and after the shopping journey.

The solution deployment took place over 3 months with agreed upon objectives with the client in the areas of Operations, Merchandising, and Marketing.

Merchandising and Shopper Journey Analytics goals

- Customer and store centric planograms that are adapted to shopping interests
- Analyzing 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
- Path flow analytics and heat maps on shopping activity at zone level at various days and store times
- Improving service areas such as cash lanes that become congested and have long queues at peak demand times
- Identifying zones (departments) which have high % of customers who left the store without buying
- Discover traffic and product interest patterns for creating attitudinal customer segmentation
- Identify zone relationships and zones that are shopped by customer segments before and after visiting other zones

CRM and Omni Channel Marketing goals

- Registering customers via Free WIFI access and data mining customer profiles with traffic patterns and purchases made (customer's mobile MAC address linked to loyalty ID)
- Provide store employees information on cross-selling opportunities for individual

- Increase the number of personal interactions between employees and customers
- In-store tracking alerts manager to customers showrooming in the store (looking online on specified sites)
- Communications targeted to segments with a high % of probable response rate
- Omni-channel, personalized ads, and promotion offers to customers during the shopping journey versus mass marketing campaigns
- Customer provided with welcome text and splash page with personalized offer, announcement when logging in to free Wifi

Benefits and Forecasted Gains

- Engineered store layout plans to drive traffic to selected under performing zones (non visited shopping areas) and increased visits by 3%
- Improve zone (dept.) Return on Space by up to 2.5% with increased shopping time
- Better resource planning with lower costs to ensure optimal number of sales assistants on the floor at different times
- Increased shopper visits to specific zones targeted during prom campaigns by up to 50%
- Increased sales conversions on promo items by over 25%
- Increased visit repeat rate, shopping frequency by 1.5% on targeted segments
- Decreased bounce rate (zones shopped but not purchased) by 2% in targeted zones
- Increased cross-shopping between zones with bundled promo offers by 8-15%
- Increased number of interactions between store personnel and customers by 15%

About SMI's CRM Omni-channel solution for bricks and mortar stores

Significant financial gains from improved marketing, CRM and store operations

Stores implementing ShareMyInsight's in-store tracking and marketing solutions have reaped fast gains: 9% higher conversions on marketing promos, 12% increase on cross-selling, 6% more repeat visits and more. Retailers who have engaged CPGs for personalized campaign messages that connect a brand to individual consumers, have realized more than 10X revenues from CPG sponsored ads over the SMI solution cost.