



Scott Gladstone,
COO Anna's Linens

Anna's Linens

This multichannel specialty retailer realized a 10% increase in conversion rate by implementing a traffic counting solution.

Retailers accurately measure sales results, average trend, and margin, but they may be missing the key ingredient to maximizing sales- opportunity. After all, a missed opportunity is a missed sale. In order to understand and capitalize on opportunity, retailers must evaluate marketing and advertising campaigns, calculate customer-to-sale conversion rates, and identify peak selling times in hours, days, weeks, months years and seasons. Anna's Linens, a multichannel retailer specializing in home fashions, needed a solution that measured traffic so it could staff stores accordingly to maximize customer service levels and improve conversion rates.

IF YOU CAN'T MEASURE IT, YOU CAN'T IMPROVE IT

Scott Gladstone, COO at Anna's Linens, knew there was a lack of visibility into the drivers of sales and performance in the brick-and-mortar stores. "We only measured transactions," explains Gladstone. "We reported on average transactions and whether a transaction's value increased or decreased. We never had the ability to measure traffic. Store traffic was the key data point that we were missing. Even though we spent money on advertising, there was no way to determine how effective the campaigns were at driving traffic into stores."

Indeed, monitoring the movement of visitor traffic is a key metric in evaluating the performance of a store. And, traffic counting effectively improves business results by transforming visitors to customers. Anna's Linens lacked a solution that provided data about visitor traffic. Therefore, the retailer had no way of knowing if it was adequately staffing its stores at peak times. To remedy the issue, Gladstone researched six vendors and chose I-Count, a video-based traffic counting solution from CountWise. I-Count provides multi-zone, bi-directional pedestrian traffic counting by combining shape recognition and motion detection. The I-Count solution differentiates between and provides separate counts of adults, children, carts, etc. Its digital image processing and real-time algorithms adapt to ambient conditions and overcome shadows and reflections. Data from I-Count units is exported onto Anna's Linen's network for reporting and analytics.

"Prior to implementing I-Count, we thought the afternoon produced our peak sales volume, and it was actually reinforced through the reporting of sales," explains Gladstone. "We saw that the period from 3 p.m. to 6 p.m. was a peak sales volume period. The traffic counting solution provided the uniqueness of our 260 locations and how the traffic patterns differed in each store. Now we can measure and staff stores to maximize customer service levels. As we plan staffing models and labor planning inside the store, we layer guest traffic counts on top of that. We can align staffing models around those opportunities. Once we aligned the staff model with customer traffic, we realize a 10% improvement in conversion rate."



USE TRAFFIC COUNTING TO DEVELOP EMPLOYEE TRAINING

The I-Count solution has also helped Anna's Linens' training and HR departments, as these departments have developed specific training programs and measured results through conversion metrics. "As we focused more on customer service, conversion rates, and maximizing sales opportunities in-store, we've tailored our training programs for our associates to include a customer-centric focus," states Gladstone. "So many other metrics or KPIs (key performance indicators) measure the result of actions or behaviors. Traffic counting measures a key metric that allows us to make big decisions around staffing, sales, and improving that customer relationship, which is paramount to our success."

By 2011, Gladstone intends to integrate customer traffic counts into labor scheduling and time and attendance applications. Instead of taking a manual approach to measuring guest traffic and connecting it to staffing models, the retailer will automate it through its labor planning system. "Ultimately, the goal is to create rules within time and attendance systems," says Gladstone.



In-Store Systems
Case Study: Garner Traffic Intelligence
Written by Erin Harris
RetailSolutionsOnline.com
August 2010