

How to Maximize Wireless Sales with Video

A Guide on Growing Top Line Sales for
Wireless Dealers

Envysion[®]



SELECT
Retailer Solutions Partner

CASE STUDY



Active Communications

- Independent AT&T Authorized Retailer
- 6 locations in Colorado

Challenge:

President Anita Denboske built the company on the promise of friendly and knowledgeable staff. As the business grew, she worried that having multiple stores would compromise the intimate visibility and personalized customer experience she offered as a one-store operation. Looking to better understand daily operations, improve sales and marketing, tighten operating procedures and reduce loss, Active Communications reached out to Envysion to provide video-driven business intelligence™.

Wireless Industry Poised for Growth

Despite lingering economic uncertainty and slow to rebound consumer spending, many signs point to continued strength and ongoing growth for wireless dealers. IMS Research predicts global smartphone sales to reach more than \$1 billion by 2016.ⁱ In North America, iQmetrix's State of the Wireless Industry Report revealed that almost 70% of surveyed dealers expect the industry to continue to grow over the next five years. In anticipation of that growth, 85% of respondents are focusing on improving the in-store experience.ⁱⁱ With the wireless industry showing continued strong signs of increased sales, smart wireless dealers are hastening to find ways to capture more market share and build a foundation for profitable growth. Central to these efforts, is achieving increased visibility of daily store operations across different retail functions. From gaining a better understanding of what promotions bring consumers to the store and how store associates successfully up sell customers to improving workforce efficiency and customer service, dealers know that technology and initiatives to improve store execution will be essential to increasing store traffic, achieving higher basket size and growing revenue.

In an attempt to gain a competitive advantage, wireless retail carriers are recommending their dealers invest in customer loyalty, business

intelligence, secret shopping and other in-store data gathering initiatives. Yet even with an overwhelming amount of data about its stores, the average multisite wireless dealer still lacks visibility into daily store operations and the main components of top line sales growth – traffic count, average basket size and conversion rate. To maximize growth, dealers must be able to rapidly and intelligently adjust strategies and policies based on changes in consumer behavior as reflected in these metrics. In order to accomplish this, dealers need the real life story behind the numbers; they need to instantly see what is happening in the store and quickly respond with confidence. To solve for this challenge, leading retailers have begun to integrate critical business data and video into one video-driven business intelligence™ system, which provides a real-time, factual basis for decision making.

Gaining Vital Visibility to Daily Store Operations

At the core, video-driven business intelligence™ is any application that combines video with business data to give users better insight into their business to make better decisions and drive profit improvement. Most commonly retailers initially deploy, video-driven business intelligence™ to combine point of sale (POS) data with video so users can visually understand specific transaction types and sales, for example transactions with a promotional item

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Solution:

Active Communications wanted an easy-to-use video solution with seamless integration to their iQmetrix RQ4 platform. The company was also looking for a provider that offered cross functional value - video would be used to improve the efforts of departments across the company not just for loss prevention and security.

or transactions with a void. However, video-driven business intelligence™ is not limited to POS data; video can be combined with any important business data, including marketing and customer loyalty, video analytics, traffic counting, access control, alarm monitoring, safe and environmental systems. The true power of video-driven business intelligence™ is the ability to aggregate several data sets across different functions in the retail organization to deliver new and even greater insights into daily store operations.

While, video-driven business intelligence™ consists of any data system that is combined with video, several different deployment options exist for achieving video data integration. Some traditional video surveillance providers have even begun to offer rudimentary point of sale integration. More advanced managed video as a service (MVaaS) platforms offer distinct benefits and enhanced data integration for retailers looking to outpace competitors. A cloud-based MVaaS platform gives retailers the added advantage of rapid scalability and accessibility. Unlike traditional video solutions, MVaaS enables retailers to expand the functional usage of video usage within their company to improve the effectiveness of their operations, marketing, HR, loss prevention and other initiatives.

For wireless dealers, in particular, MVaaS provides a number of IT advantages over traditional video

systems. MVaaS solutions are designed to allow wireless dealers to focus on their business rather than on installing and maintaining video systems. As a plug and play, fully managed solution, MVaaS facilitates a fast, simple installation and provides ongoing system health monitoring and customer support. Since MVaaS is a software as a service application, users receive all new features and functionality by simply logging in to the service, removing the burden and expense of software patches and updates involved in maintaining a traditional video system.

While MVaaS solutions certainly lower the IT costs and resources required for installing and maintaining video, the real value of these cloud-based solutions is in the accelerated ability to innovate and combine new data sources, like video analytics and customer experience data, into the platform. This in turn, drives broad, company-wide usage of video to gain new insights into the execution of corporate initiatives at the store level. The insight from video-driven business intelligence™ gives dealers infinite possibilities for studying, testing and improving the top line revenue growth of a store through more effective marketing, merchandising and sales practices.

Using Video to Grow Sales

All else constant, an increase in traffic will result in greater sales, and for this reason, dealers are keenly interested in tracking how many

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See the ResultsSM:

Using Envysion Insight, the only video-driven business intelligenceTM tool that integrates to RQ4, Active Communications has been able to:

- Track and visually review key store performance metrics
- Stack rank average sale per cashier to identify associates in need of sales coaching
- Audit high risk transactions, such as refunds and discounts, for potential fraud or training issues

people enter the store. But knowing the store's traffic count is only the first step to maximizing sales. By combining video analytics into their video-driven business intelligenceTM platform, wireless dealers gain an integrated solution that provides a firsthand understanding into all of the components of sales: traffic count, average sales, conversion rate. The wireless retailer can track customer traffic into the store, compare traffic at one store against all other stores in the chain's footprint and develop benchmarks and leading trends that would indicate poor performance long before sales significantly declined. As a store's traffic count begins to slip below the benchmark, the dealer can implement marketing promotions and initiatives specifically designed to increase traffic. Over time as the dealer tests promotions, collects resulting traffic count data and reviews video of the promotions, the company's marketing programs will become more effective at driving store traffic from targeted demographics and be able to report on how marketing efforts are contributing to revenue. Dealers can also leverage video-driven business intelligenceTM to gain greater visibility to customer demographics and psychographics – e.g. is the customer alone or with others who influenced purchase decisions or even made incremental purchases of their own – not possible with customer loyalty programs alone.

In addition to understanding what drives customers to the store, dealers can use video-driven business intelligenceTM to understand sales conversions and increase basket size. By integrating traffic count from video analytics with the total number of transaction and average dollar amount per sale as distilled from point of sale data, the video-driven business intelligenceTM system can establish the sales conversion rate of each store. Once the store's conversion rate is determined, dealers can test new sales techniques in a subset of stores to see what most frequently prompts customers to purchase up sell items like accessories or insurance plans. Dealers can also identify which store associates have the highest average sales per transaction and watch video footage of their sales to determine new cross sell and up sell techniques that encourage customers to spend more. Conversely, management can quickly identify employees who need additional training or are excessively using discounting and other sales incentives, which drive down average basket size. Retail management can also virtually audit other aspects of the customer experience that affect a customer's decision to buy. For example, how friendly and helpful are employees at the customer service desk and are associates proactively engaging customers?

Other Considerations for Store Profitability

By integrating video with business systems data, retailers can quickly identify opportunities to improve operating efficiency, which can have a significant impact on sales. For example, wireless dealers can use video-driven business intelligence™ to establish benchmarks and improvement tactics for one of the most critical areas of operating efficiency – the checkout line. Long lines can scare away potential customers, so dealers are using video to report on stores' line time performance and to understand the underlying problems creating long lines. A variety of factors affect line time, and retailers must pinpoint the root cause before they can shorten overall line time. Did marketing issue a new coupon, but forget to add a valid coupon code in the POS? Is the store understaffed? Or does HR need to retrain an insufficiently trained employee on using the POS terminal?

In addition to computing conversion rate, traffic count information in the video-driven business intelligence™ platform can assist store managers with staffing. Overstaffing leads to waste and excess labor costs; however, understaffing can also greatly impact profitability. Traditional staffing models budget labor as a percentage of sales, but fail to take into account the number of people entering the store – all of which could potentially make a purchase and should be treated as sales opportunities. Video-driven

business intelligence™ provides both traffic count and sales data so managers can optimally staff the store to prevent lost sales due to poor customer service because the store is understaffed. Not to mention all of the lost opportunities from customers who come to the store to browse and try phones or accessories and then buy elsewhere. If the store is properly staffed to provide consistent, engaging customer service then these potential purchases could be converted to sales in the store.

Video-driven business intelligence™ also provides the opportunity for human resources to become a strategic partner focused on growing revenue. HR is responsible for an essential component of the in store customer experience – the store associates who successfully convert and up sell customers by providing excellent customer service. With an established benchmark for average sales per associate, HR can utilize video to test and measure the impact of training, retention and staffing initiatives on revenue.

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About Envysion

Envysion enables large, national retail, restaurant, cinema and convenience store operators to increase profitability 10-15% by putting easy-to-use, video-driven business intelligence™ into the hands of the entire organization. Envysion created the Managed Video as a Service (MVaaS) model which transforms video surveillance into a strategic management tool that provides instant and unfiltered business insights to users across operations, loss prevention, marketing and human resources. The MVaaS model enables Envysion to accelerate innovation by rapidly responding to market opportunity and making new capabilities immediately available to all users. Envysion's platform quickly scales to 1,000s of locations and 10,000s of users without straining the IT department or network. For more information, visit www.envysion.com or call 877.258.9441.

ⁱ IMS Research. *Global Smartphones Sales Will Top 420 Million Devices in 2011, Taking 28 Percent of All Handsets, According to IMS Research.* IMS Research. N.p., 27 July 2011. Web. 22 June 2012. <http://imsresearch.com/press-release/Global_Smartphones_Sales_Will_Top_420_Million_Devices_in_2011_Taking_28_Percent_of_all_Handsets_According_to_IMS_Research>.

ⁱⁱ Pulga, Allan. "Deliver WOW: State of the Wireless Industry Panel." Weblog post. *IQmetrix*. N.p., 18 Oct. 2011. Web. 22 June 2012. <http://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&ved=0CFUQFjAA&url=http%3A%2F%2Fwww.iqmetrix.com%2Farticle%2F2011%2F10%2Fdeliver-wow-state-wireless-industry-panel&ei=ldbkT-n5JqHg2gXM1_zZCQ&usg=AFQjCNGtg_uB25zD_OiFhJVC2wDWKqUFwQ&sig2=mPlfNtOvNAL3Sv8JassSxw>.