AMOOBI

What if I told you that every store is similar?

But every store is different!

Retailers are used to looking closely at the sales performance of all their stores, and it's fair to say that it can vary a lot from one store to another. Every store's sales performance will depend on a few internal and external factors:

Internal:
- In-store execution and supply chain (availability)
- Store layout

External:
- Demographics of clients (single vs families, etc.)
- Buying power of shoppers
- Competition
- Store Environment (parking, localization, etc.)

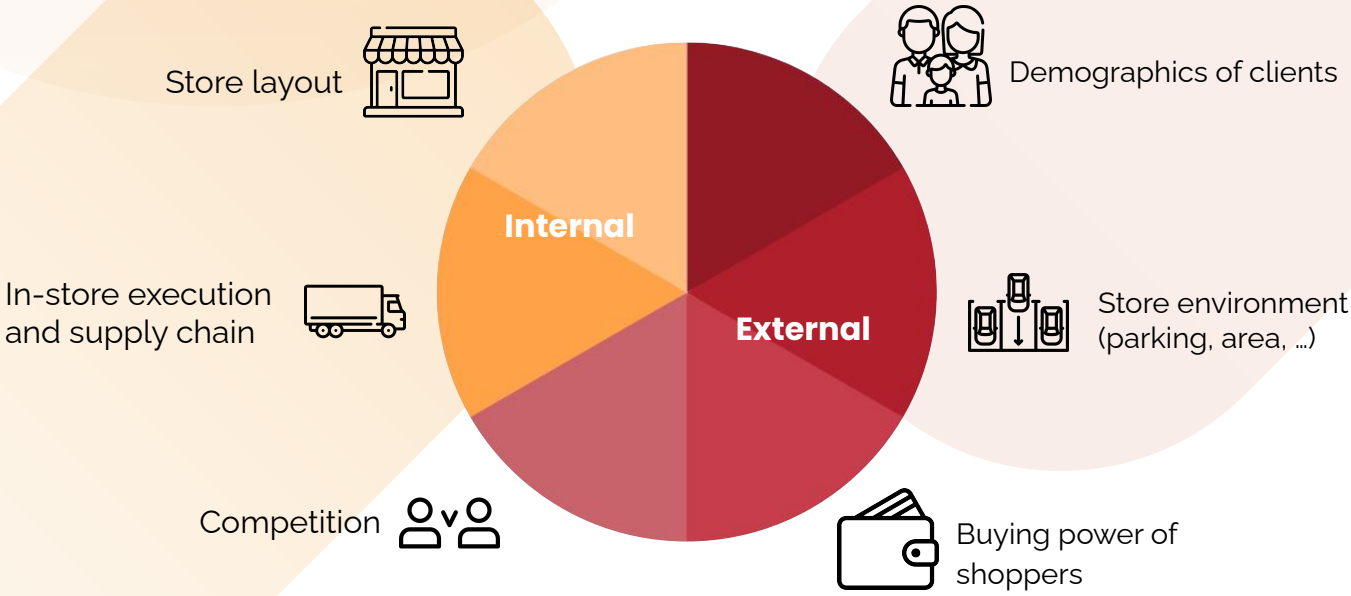

Figure 1: Overview of internal and external factors impacting store performance

Automated customer insights like Amoobi in-store analytics are complex to deploy, and retailers have to rely on a small subset of stores where they collect data. The big question then is, how can you derive valid insights for your fleet of stores if you only have a handful of stores monitored and every store is unique?

Are they really different?

Yes, sales are very different—not only at store level, but also at category level. However, looking over millions of shoppers' data in Europe, North America or the Middle East, we've come to find something quite surprising.

sales in a category are the results of four factors: traffic, interest, conversion and value of product bought (essentially: did they come, were they interested, did they buy, and if so, what they bought).

While traffic and what is bought can vary significantly from one store to another (hence the variation in sales), we've found that the behavior (how shoppers engage and how many purchase something) remains consistent among stores of the same format. To put it differently, the time spent, the stopping rate and the conversion rate in a given category (and a given format) is quite stable over time and across stores.

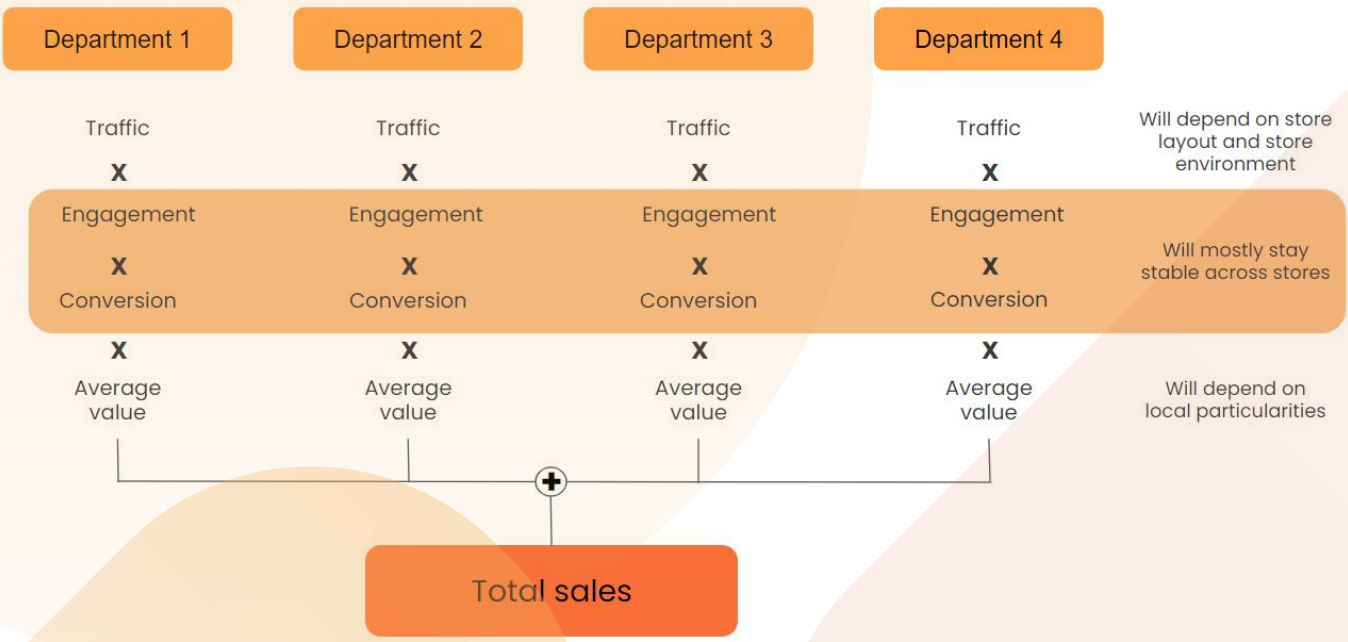

Figure 2: Sales as a product of traffic, engagement, conversion and average value

Let's take one of our clients as an example. They have two supermarkets equipped with our technology, and we compared the performances of their World Foods categories, as products in World Foods differ greatly between locations. Sales in those two stores are quite different, one making 3383€/week and the other one making 2767€/week (-18%). Comparing the two funnels shows the difference in traffic but the similarities in engagement:

	Store A	Store B
Traffic	2780	2456
Stopping rate	60%	57%
Conversion	25%	24%

Table 1: Comparison of World Foods behavior parameters in two stores

Let's take another example: Beers, Wines and Spirits departments in two different UK grocery stores. We decided to compare the engagement metrics for two stores that couldn't be more different in terms of layout and space allocation, store concepts (one was a brand-new concept) and geographic location (189 miles between them). When comparing the engagement metrics of all the sub-categories (stopping rate, dwell time and percentage of unique stops), we found that 73% were very comparable.

For example, one of the subcategories of rosé wine was different in size (store A had three segments, Store B had four segments). The location was also different; in store A, rosé wine was on a small element with two segments in the aisle and two as endcaps across Champagne while in store B, it was at the start of the aisle followed by white wine. Despite those differences, the similarities are striking:

KPI	Store A	Store B
% stopping rate	29%	27%
Dwell time	34s	34s
% unique stop (shoppers visiting only Rosé in BWS)	27%	24%

Table 2: Comparison of BWS behavior parameters in two different stores

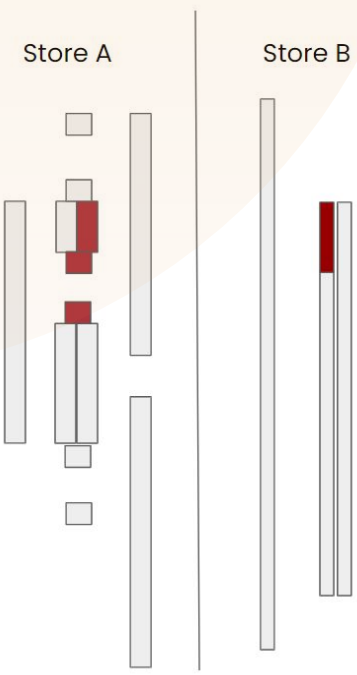

Figure 3: Floorplan of the BWS department and Rosé location in the two stores

We also see similar comparable data for non-food categories. We compared the behavior metrics for a hair care category in two different stores of a European retailer; the stores were located in different regions and speak different languages, but again, the results show a strong similarity between the data sets:

KPI	Store A	Store B
Traffic	1112	1102
% stopping rate	55%	56%
% considering rate	18%	19%

Table 3: Comparison of hair care behavior parameters in two different stores

Improving overall store performance by leveraging customer knowledge in just a few stores

Our experience shows that many shopper behavior insights are quite similar from one store to another, which means that as a retailer or brand, you don't need to deploy in a lot of stores to get representative insights. If you are currently working solely with sales and loyalty data, you're missing out on insights about many of your shoppers that are in your stores and not buying certain products. Instead, with a reasonable investment, you can generate value at scale for the business and improve space performance across your fleet.

About the Author

Olivier Delangre *is the CEO and co-founder of Amoobi. He pioneered the use of customer tracking data to help retailers improve in-store space performance. He has run Amoobi for over ten years and has worked with clients across the Fortune 500 on four different continents. He holds a PhD from both the University of Brussels (Belgium) and the University of Lille (France).*

Amoobi is a world leader in customer tracking technology. By using an innovative 3D sensor capability, we map the store floors of brick-and-mortar retailers and track unique, individual customer movements. We translate these movements into data so that retailers and brands can understand what their customers are doing on the store floor. Interested in taking your feature spaces and understanding of customer behavior to the next level? Reach out to Amoobi at info@amoobi.com to learn more.