



BOSCH
Invented for life

Shopper Digitization Playbook

www.boschsecurity.com

Overcoming 5 key customer engagement challenges with targeted, anonymous in-store shopper analytics



Shopper Digitization Playbook

Retailers have many sources of input available to help make in-store decisions. Information from entrance-counting systems, point-of-sale (POS) and other platforms – along with insight gained through on-the-ground experience, tribal knowledge and gut instinct – have all been useful in influencing traffic flows, product placement and even employee staffing strategies. What’s often missing is hard data around which design elements and merchandising decisions are producing the best customer experience (CX) and driving revenue.

In-store analytics provide the targeted information retailers have lacked. Viewed alongside other data sets, these analytics help brands better understand what’s happening in their physical locations – how shoppers behave, whether improvement initiatives are actually working and where optimization opportunities still exist. Retailers blending omnichannel and in-store strategies into a holistic sales funnel can also leverage in-store traffic data to better support the shopper experience as customers move between online and offline within the same transaction, as in the case of buy online, pick up in-store (BOPIS) and similar multichannel purchases.

This white paper will offer an overview of the state of in-store traffic analysis and the benefits of a more precise solution, including improvements in sales and customer loyalty driven by more accurately tracking the customer journey throughout the store. We’ll also focus on the **five key CX challenges** that can be optimized with more precise data analytics, delivered by a next-gen traffic monitoring system.

Store Design

Store design greatly impacts how customers discover products that interest them, whether it's the item they wanted to buy or a complementary item they also chose to purchase. Good store design aims to deliver a more enjoyable CX and better movement throughout the store. You want customers to easily locate the products they seek – shoppers can't purchase what they can't find – or to be inspired by new products they didn't know about. These may be gift purchases or indulgences for themselves. It's a concept more easily addressed in the digital sphere, but physical locations must also pay close attention to the link between store design and discovery trends and techniques.

In a brick-and-mortar environment, stores haven't enjoyed many metrics to gauge whether certain department arrangements are more conducive to sales of particular items or product categories. Without the ability to visualize customer paths, retailers lack the data to increase profitability by making high-margin merchandise visible to most shoppers. An in-store traffic analytics solution provides clarity on how shoppers move through the store and if they're visiting the intended areas. It also reveals engagement levels with various displays and shows where real estate isn't leveraged to its full advantage.



73% of Gen Z shoppers said they liked in-store for discovering products.

Source: A.T. Kearney, [Future Consumer Report](#)

HOW IT WORKS

Detailed traffic data allows brands to visualize shopper behavior throughout a store's footprint, showing which areas receive heavy traffic and strong engagement, and which could be better utilized or positioned. At the department level, retailers can analyze the flow of customers to understand where most people are entering the space, which product groups they discover first and how they then navigate across different product displays, allowing retailers to identify opportunities to drive cross-selling through strategic product positioning.

Data generated by an in-store traffic analytics solution allows retailers to iterate and optimize their store design faster, similar to the way e-Commerce site layouts are finely tuned to match shoppers with products and promotions that interest them.

Merchandising

As e-Commerce continues to expand, successful brands are shifting their physical merchandising strategies to keep pace. Along with driving more customers to the store and directing them to products of interest, retailers must also work to create great product experiences.

Savvy stores have embraced omnichannel showrooming concepts – strategies that don't target purchases directly, but still enable retailers to turn shoppers into product fans. This approach helps stores motivate customers to purchase items that are most compelling when experienced in person. Computers, premium sound systems, eyewear and wellness products are a few purchases that reveal their full feature set in-store, and a hands-on experience can drive a sale even if shoppers ultimately complete their transactions through a different channel.

Among Gen Z shoppers, **65%** said they liked the in-store experience for trialing products.

Source: A.T. Kearney, [Future Consumer Report](#)

HOW IT WORKS

Adding detailed in-store traffic data to traditional revenue figures shows retailers their full sales funnel performance. With stores creating more immersive CXs, using finely targeted displays and on-premise events, an in-store traffic analytics solution enables the organization to learn whether those campaigns are delivering optimal results – *Did people enter the store for an event but leave without completing a purchase? Is the in-store experience driving product interaction or are customers walking through without engaging?* Product discovery is a necessary precursor to a purchase, and in-store traffic analytics reveal insights that aren't captured through revenue alone.

Customer engagement is best measured through an in-store traffic data platform, allowing brands to take advantage of highly effective A/B testing to ensure they're delighting shoppers. Regular tweaks will result in a customer journey that's fresh and interesting, and ensures your retail space is being used most effectively to maintain engagement with your target shoppers.

Marketing And Promotional Activity

Retailers need to understand their product engagement levels to successfully increase sales. Only when these factors are known can the right promotional triggers – awareness generation for products that have lagging engagement, for example – be applied to increase engagement and drive revenue.



CASE STUDY

An electronics retailer ran a promotion on a specific product category over Black Friday weekend. Heavy store traffic during the event obscured the impacts of the promotion, but the availability of detailed in-store customer metrics – in this case engagement counts of the advertised product category – revealed a higher engagement and closure rate than the retailer could have otherwise measured. The data provided the retailer with the granularity to effectively determine the impact of its promotion.

HOW IT WORKS

Product engagement metrics enable brands to better target and measure promotions and marketing efforts. Improving product sales requires more than baseline engagement data, though. The length of time customers engage with a product or brand will be different depending on what you're selling. Expensive electronics equipment and computers experience longer engagements, while food sales are generally shorter.

With the product type and expected engagement period in mind, retailers can use in-store traffic data to measure where engagement is higher based on the concept. Granular traffic and engagement counts provide the insight necessary to position high-potential items to optimize visibility and drive revenue. Knowing the importance of product positioning, in-store analytics enable you to understand how each factor impacts engagement and which of those elements increase sales.

Employee And Task Scheduling

Workforce management remains a challenge for many retailers. Overstaffing is costly, but understaffing means you're likely to miss your conversion marks. Employee scheduling needs to support shoppers – optimizing clienteling, upselling and cross-selling – without leaving workers standing around idle.

Revenue data isn't sufficient for staff scheduling because it doesn't measure lost opportunities. Instead, traffic data for staff scheduling will measure the total potential of customers coming through the store's door. To create a solid plan, traffic data should be predicted into the future. For an optimal prediction, past data sets need to be cleaned from the effects of weather, promotions and other factors, and those effects should be anticipated for future time frames as well. Aside from scheduling, traffic data also allows retailers to compute useful metrics, such as conversion rate, that help evaluate past staff deployment.



HOW IT WORKS

The availability of traffic data at store entrances and at the department level gives retailers a solid footing to begin planning their labor requirements, enabling them to evaluate past traffic data and begin to predict workforce needs. It's also possible to better define whether employees' time is best spent supporting in-store activities tied to the brand's omnichannel strategy, or on the floor helping shoppers with product demonstrations and taking advantage of upsell or cross-sell opportunities.

The blending of multiple key data streams, including in-store traffic and department engagement levels throughout store hours as well as external information on events with local impact, enables retailers to better match staffing levels to anticipated store activity. Measured department and product engagements may indicate the need for consulting around a specific product category, for example. The effects of ad campaigns, weather and public holidays on in-store traffic are additional data points that can help inform workforce planning efforts.

Checkout And BOPIS Services

Physical stores are increasingly used to support retailers' omnichannel strategies. Ensuring services such as BOPIS meet customer service expectations – and that they generate repeat store business and enhance customer loyalty – requires a frictionless visit. Robust in-store traffic data analytics are the foundation for a successful BOPIS program, since shoppers are promised fast store pickup and an uninterrupted purchase process. Fulfilling that service commitment is proving to be a challenge. With brick-and-mortar locations geared to serve the nuances of a rich in-store experience, strong service metrics data will be necessary to reshape the journey to better align with new selling channels that require an emphasis on speed and convenience.



Stores lose a colossal **\$37.7 billion** in sales each year due to wait times. Almost half (**48%**) of shoppers said waits of more than five minutes were too long, prompting them to either purchase the item elsewhere or abandon the transaction entirely.

Source: Ayden, "[New Study: Long Lines Cost U.S. Retailers \\$37.7 Billion.](#)" May 1, 2018

HOW IT WORKS

In-store traffic data analytics show retailers how the service execution of omnichannel selling is actually happening in the physical locations. Wait times at the cash wrap can be evaluated, providing the brand with insight into whether the BOPIS station is moving customers through quickly enough and delivering on that fast transaction promise. It's also possible to see if shoppers are abandoning the line due to lengthy delays, walking away and leaving their planned purchases behind. In addition, retailers can identify appropriate opportunities to pursue upsells and help happy customers explore nearby products without adding friction to their journey.

Choosing The Right Tech Partner: 5 Questions To Ask

A successful implementation of an in-store traffic analytics solution requires the right mix of experience, expertise and capabilities. Retail businesses can begin with these **five key questions** to help assess potential technology partners and ensure they choose a company they can trust to deliver high-quality results in the right time frame.

1. How much help can the provider offer with consuming the data generated by its solution?

Deploying a successful system doesn't mean your team is prepared to tackle the analysis and action phases without some guidance. You want someone experienced enough to guide you through the steps, from implementation to employee training to diving into the data.

2. How dynamic is the solution?

Even with a solid use case in hand, you should expect your application of in-store traffic analytics to mature over time. You may want to evaluate different areas later or do a historical look-back. Be sure your technology partner can deliver a system flexible enough to support your evolution. It should also have the expertise to help you navigate any configuration changes that will be needed along the way.

3. Does the provider have experience scaling its solution?

Whatever your brand's footprint is today – across the state or around the globe – you want a partner with the know-how to help you grow your presence. As you add locations and enter new markets, your in-store traffic analysis solution will be a core asset in driving the best results.

4. Does the system generate high-quality data?

If the data isn't adequately localized, or if the system captures only a portion of shopper traffic, you won't be able to perform analysis down to a fixture or product level. And if the data captures only a portion of shopper traffic, it may not be representative. You want a partner able to deliver authentic metrics based on high-quality data.

5. Does the provider have a strong stance on data privacy?

Respecting customer privacy in today's retail environment is a key brand differentiator. The right technology partner will support a solution that doesn't collect personal data without asking customers to opt in. It will also utilize data processing protocols that limit potential privacy risks by harvesting data in a way that emphasizes customer privacy.



Traditional measures fail to capture many elements influencing shopper engagement. Only by adding detailed, nearly real-time in-store traffic data can retailers sift through everything impacting their metrics and identify what's working and where improvements can be made.

This level of information, previously unavailable at any workable level of granularity but available now through next-generation in-store traffic analytics platforms, enables stores to make better decisions and drive shopper engagement. It's also a vital component in delivering excellent and consistent customer service, shaping the shopper's journey to increase sales and loyalty, reflecting the unique value of your in-store experience, and differentiating your brick-and-mortar locations from your online presence as well as your competitors.



BOSCH
Invented for life

About Bosch Building Technologies Division

The Bosch division Building Technologies is a leading global supplier of security, safety, and communications products and systems. In selected countries Bosch offers solutions and services for building security, energy efficiency and building automation. About 9,000 associates generated sales of roughly 2.0 billion euros in 2018. Protecting lives, buildings and assets is the major aim. The product portfolio includes video surveillance, intrusion detection, fire detection and voice evacuation systems as well as access control and management systems. Professional audio and conference systems for communication of voice, sound and music complete the range. Building Technologies develops and manufactures in its own plants in Europe, Americas and Asia.

Additional information is available online at www.boschbuildingtechnologies.com.

About The Bosch Group

The Bosch Group is a leading global supplier of technology and services. It employs roughly 410,000 associates worldwide (as of December 31, 2018). The company generated sales of 78.5 billion euros in 2018. Its operations are divided into four business sectors: Mobility Solutions, Industrial Technology, Consumer Goods, and Energy and Building Technology. As a leading IoT company, Bosch offers innovative solutions for smart homes, smart cities, connected mobility and connected manufacturing. It uses its expertise in sensor technology software, and services, as well as its own IoT cloud, to offer its customers connected, cross-domain solutions from a single source. The Bosch Group's strategic objective is to deliver innovations for a connected life. Bosch improves quality of life worldwide with products and services that are innovative and spark enthusiasm. In short, Bosch creates technology that is "Invented for life." The Bosch Group comprises Robert Bosch GmbH and its roughly 460 subsidiary and regional companies in over 60 countries. Including sales and service partners, Bosch's global manufacturing, engineering, and sales network covers nearly every country in the world. The basis for the company's future growth is its innovative strength. At nearly 130 locations across the globe, Bosch employs some 68,700 associates in research and development.

Additional information is available online at www.bosch.com, www.iot.bosch.com, www.bosch-press.com, [www.twitter.com/BoschPress](https://twitter.com/BoschPress).