Going Big: Why Retailers Need to Focus on In-Store Analytics

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ABOUT QUANTZIG

At Quantzig, we firmly believe that the capabilities to harnes maximum insights from the influx of continuous information around us is what will drive any organization's competitive readiness and success.

Our objective is to bring together the best combination of analysts and consultants to complement our clients with a shared need to discover and build those capabilities and drive continuous business excellence.

OUR CORE COMPETENCIES

Our core specialty lies in offering a complete range of analytics solutions and services that help in strategic decision making across industrial sectors.

OUR OBJECTIVE

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INTRODUCTION

A huge blind-spot prevails in today's retail environment starting from the moment the shoppers enter the store to the moment they checkout.
Eliminate expensive surveys and complex approaches and instantly capture insight-rich customer data using in-store analytics. Request a FREE proposal to know more!

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A lot of effort goes into running a successful retail chain besides merely having employees and a robust business framework. Though retailers operate differently with different products and clientele the basic business operations remain the same across industry sub-segments. The best way to maximize a store's performance is by leveraging the insights gained from in-store analytics. Retail in-store analytics can help retailers to understand in-store customer behaviors by offering heat maps for foot traffic and customer attention to help design better store layouts. Our portfolio of retail and in-store analytics solutions empower companies to gain a leading edge in the complex retail scenario. It offers a number of benefits, including:

- Insights on real-time shopper traffic, customer demographics and behavior scoring
- Point of sale and third-party data correlation for in-depth insights
- Interactive dashboards with comparative analysis and advanced customer segmentation filters

HOW DOES IN-STORE ANALYTICS WORK

In today's business scenario when buzzwords are flying off the shelves in the retail industry, it's easy to get confused what counts as in-store analytics and what doesn't. However, to understand how in-store analytics works its essential to first understand the definition. Let's start by defining what analytics means in this context. Analytics here simply refers to the process of finding meaningful patterns in customer behavior and purchase history.

There are different ways through which customer behavior can be measured and monitored. The process often leverages different technologies to gauge key web metrics to analyze customer behavior. Though it is mainly used in the context of website analytics it can also refer to monitoring customer behavior in brick-and-mortar stores. The final outcome is often measured and described using different metrics such as:

- Empiric metrics
- Statistical metrics
- Calculated metrics

A new wave of transformation is taking over the retail sector and the fact that every customer is leaving behind a digital footprint across touch points makes it essential to analyze customer data and convert it into actionable insights that empower retailers to take cohesive business decisions.

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Three Phases of Customer Journeys

In-store analytics essentially focuses on three phases of customer behavior including entry, browsing, and exit. Let's look at these three data points separately and discuss the ways they can be measured and used as a part of in-store analytics.

Entry Phase

The first phase deals with customer entry. It is all about customers entering the store and in-store analytics typically focuses on three different measurements.

Visitor numbers – You want to look at how many customers enter the shop.

When customers visit – You should also focus on the times when customers visit your shop. You might be able to see a pattern in shopping behavior and it can also reveal a lot about your shop's layout.

Where customers go first – Analyzing the entry also deals with the immediate direction your customers take when they enter your shop.

Browsing Phase

The second phase of a customer's journey focuses on analyzing what customers do inside the store. The in-store analytics of the browsing phase focus on measurements such as:

The conversion rate – How many of the customers that entered the shop actually ended up buying a product.

Average shopping cart size – You can look at the items your customers buy and see how long the customer looked at the specific item before making the purchase decision.

How customers navigate – This is all about finding the areas where your customers spend the most time, the areas they avoid and the areas they are most likely to buy from.

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Three Phases of Customer Journeys

Exit Phase

Finally, in-store analytics also focuses on dealing with the exit phase of customer journeys. Although the way and reasons customers leave your shop can reveal a lot more than why they entered the store. The exit phase focuses on measurements such as:

Bounce rate – Bounce rate measures the ratio of customers entering the store and failing to engage in any activity within the shop. It can reveal how many of your shoppers simply enter the shop and leave without making any sort of engagement, such as pausing to view a product, let alone to buy one.

How long customers stayed – By analyzing the average time spent by customers you should be able to compare the time shoppers who ended up buying a product spent at the store with the time shoppers who didn't buy spent looking at the items.

Did queues affect their decision to leave? – Exit analytics should also pay attention to the payment and queuing process at the store. You want to look at the average queue times and whether certain shoppers simply gave up because making the payment took too long.

All of the above three phases are measured by focusing on a variety of different scenarios. You can then analyze the data and use it to improve the different aspects of your business. By focusing on these aspects inside the store, you can further test the ways customer behavior and engagement can be improved.

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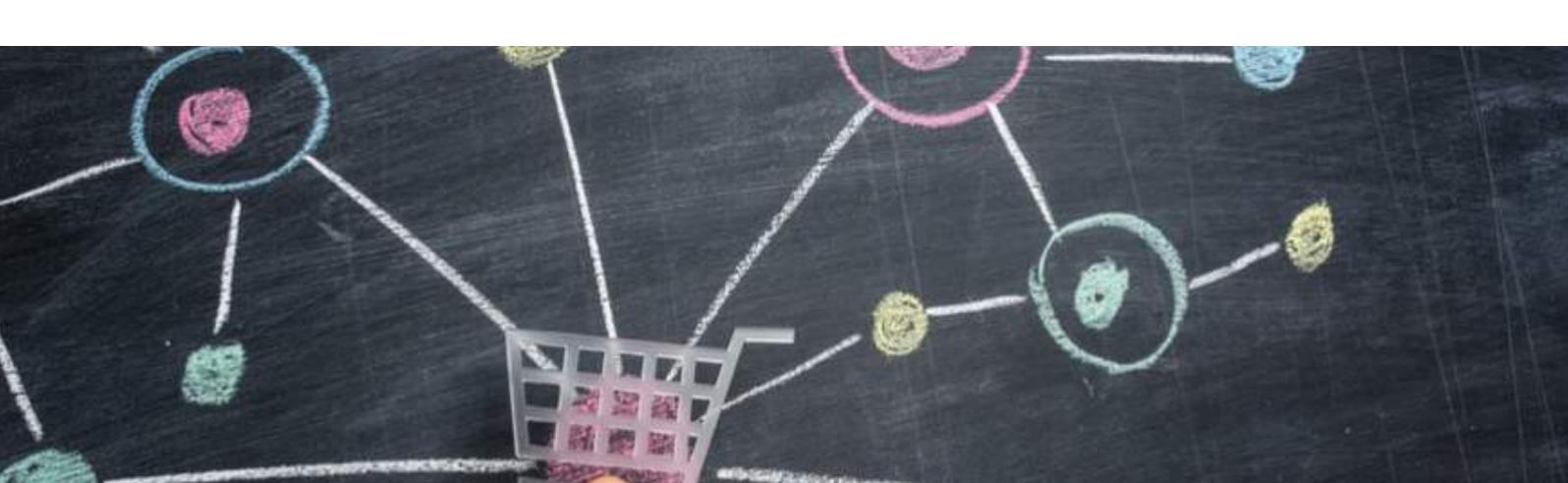
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How Can In-Store Analytics Benefit Businesses?

In-store analytics can benefit retailers in a number of ways:

Offers in-depth insights

In-store analytics offers in-depth insights into different sub-units within the business. Such insights empower businesses to better understand customer behaviors and purchase decisions. This has the potential to not only improve their product and service offerings, but also improves inventory management.

A better understanding of customer preferences

It's quite certain that when businesses understand their customers' needs and preferences they will be better equipped to address their demands. Also, understanding the aspects that drive customers to your store is crucial from a business perspective.

Improves the in-store experience of customers

All of the above factors can also impact the way you train staff. This will in turn lead to better customer service, which has the potential to boost revenue by increasing footfall.

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Get in touch!

At Quantzig, we help our clients to gain comprehensive insights and achieve long-term benefits through our customized retail analytics solutions.

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