



OPTIMIZING STORE LAYOUT FOR MORE EFFECTIVE FLOOR USAGE

Analyzing shopper's in store shopping behavior with observation technology and understanding how the shopper behavior relates to sales

Case study: increasing sales with +25% by optimizing the store layout

Jan Hillesland, CEO at Link Analytix Global



Jan Hillesland

EXPERIENCES



CO-OWNER / CEO – SHOPPER & RETAIL INSIGHT



Loyalty
1-to-1 marketing



Consultancy
Retail optimization shopper
marketing research



Retail Operations &
monitoring systems.

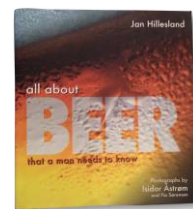
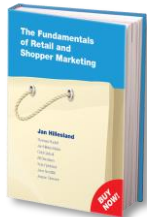


Employee
empowerment



Shopper flow,
Counting & queue

SOME CUSTOMERS



Conversion Rate & Shopper Flow

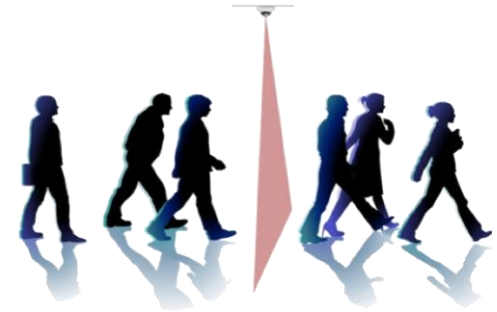
By sophisticated
camera software installations



Standard hardware and our own sophisticated
software



Shopper Heatmaps and Flow



Shopper Counting and Conversion
Rate

LINK ANALYTIX

– DOUBLE DIGIT GROWTH YEAR ON YEAR



ACCOCIATED PARTNERS



University of St.Gallen



+++'

OPTIMIZING STORE LAYOUT FOR MORE EFFECTIVE FLOOR USAGE



INSIGHTS – SHOPPER BEHAVIOUR

1%



THE CUSTOMER SEES
LESS THAN 1% OF THE
ITEMS IN A STORE

80%



THE CUSTOMER USES 80%
OF THE TIME IN A STORE
TO LOOK FOR ITEMS

1-3



THE CUSTOMER SEES ONLY
1-3 ITEMS IN A SHELF.
SHOPPER
DE-SELECT ITEMS

20%



CUSTOMERS VISIT ON
AVERAGE BETWEEN
20-30% OF THE STORE

3-7



AVERAGE TIME
IN STORE



HUGE VARIATIONS IN SALES AREA PRODUCTIVITY*

Huge variations means huge potentials for improvements

Average sales per M²
EUR 4.200

Retail turnover per m² of sales area in 2015

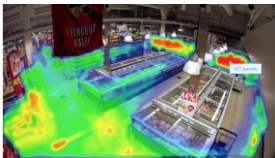


Shopper & Retailer Insights

TOOLS & PROCESSES

INSIGHTS – SHOPPER BEHAVIOR

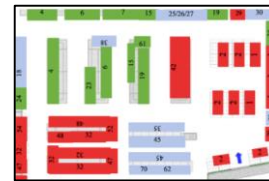
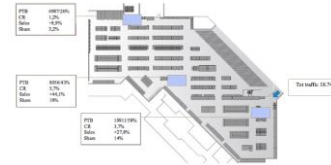
SHOPPER FLOW



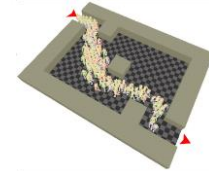
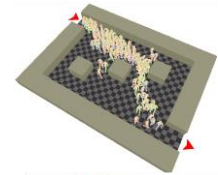
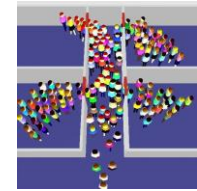
EYE-TRACKING

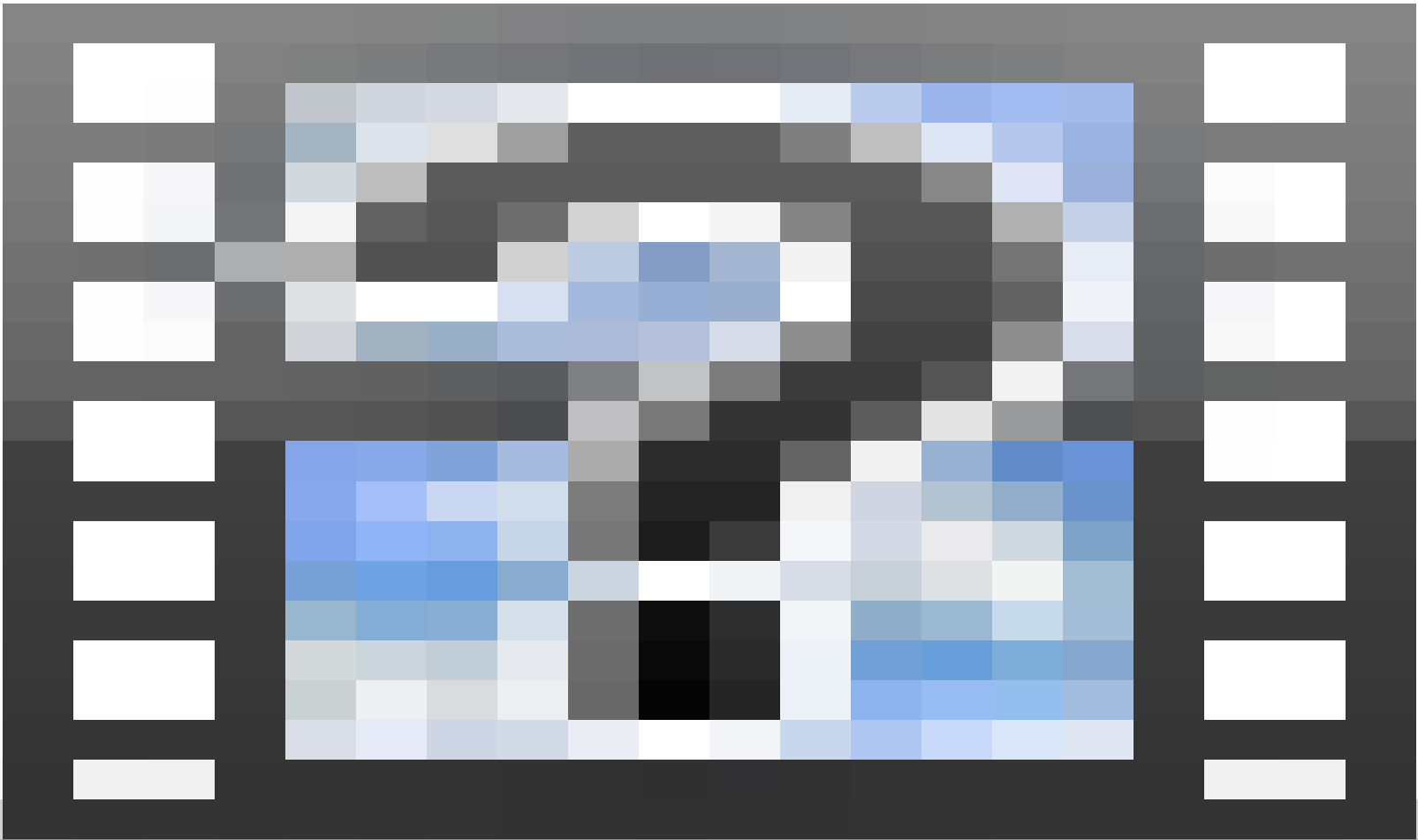


SALES NUMBERS



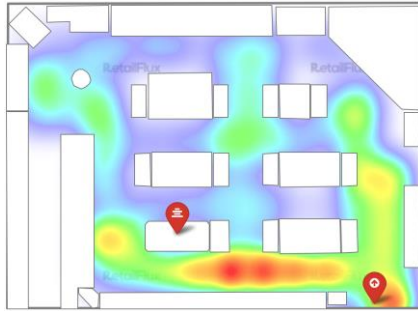
CROWD SIMULATION



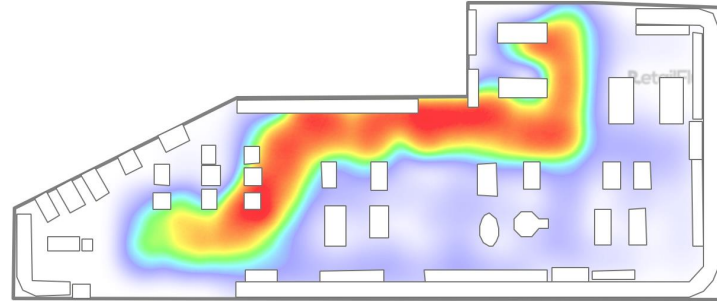


MOST STORES HAS A LOT OF "DEAD" SPACE

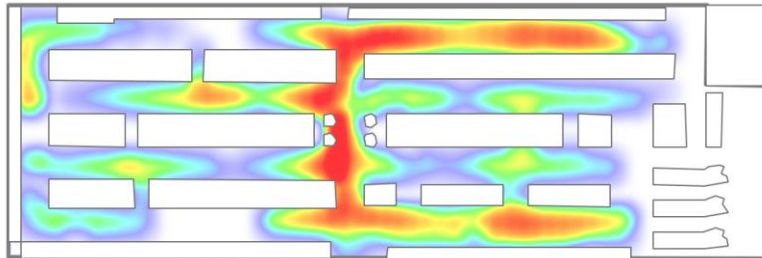
– and a lot of products with very low turnover & sales



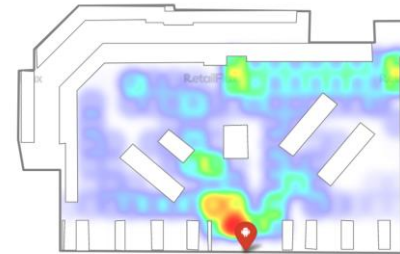
CONVENIENCE STORE / FUEL STATION



FURNITURES & HOME APPLIENCES



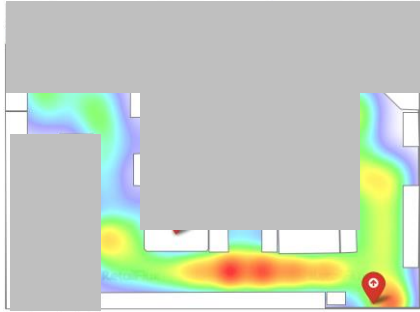
GROCERY



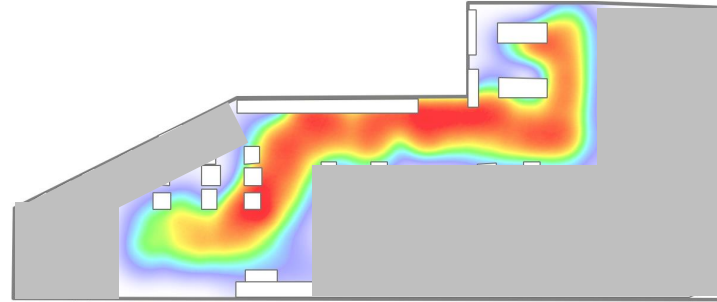
COMETICS

MOST STORES HAS A LOT OF "DEAD" SPACE

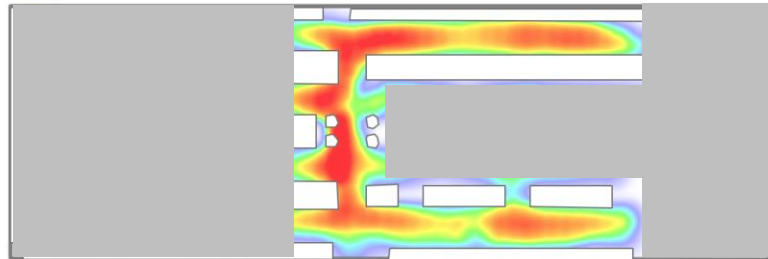
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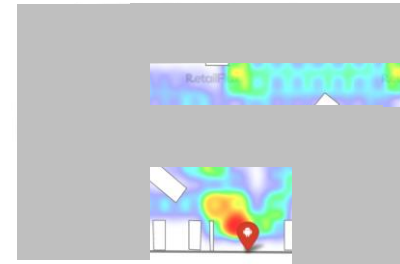
CONVENIENCE STORE / FUEL STATION



FURNITURES & HOME APPLIENCES



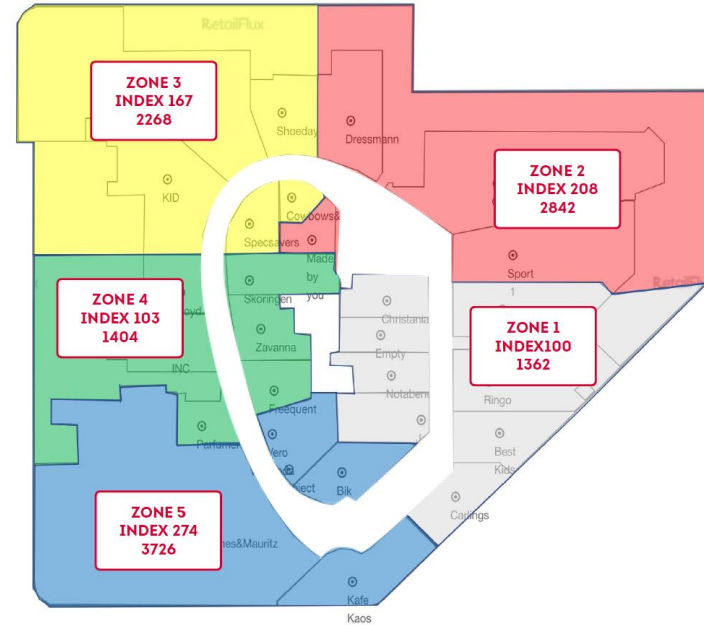
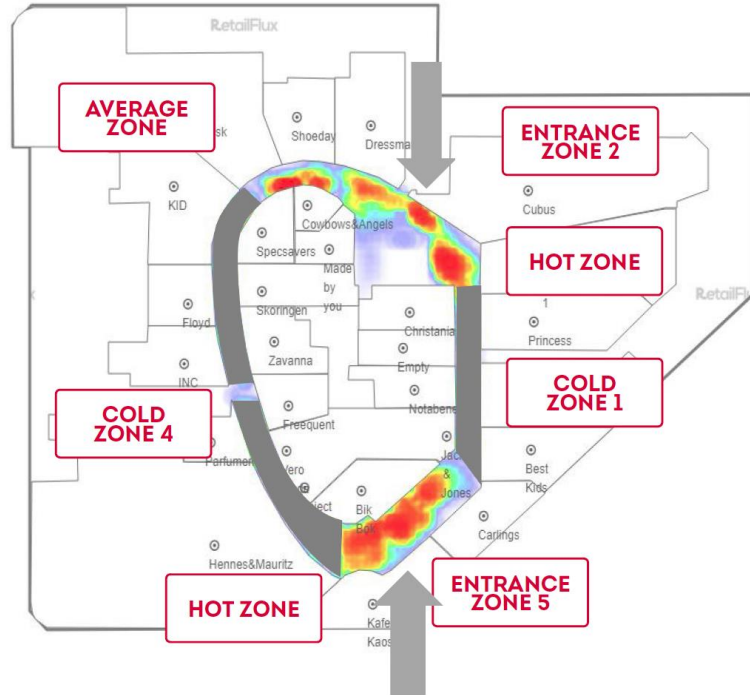
GROCERY



COMETICS

THE SAME GOES FOR SHOPPING MALLS

significant sales increases by moving shoppers into a new zone





75%

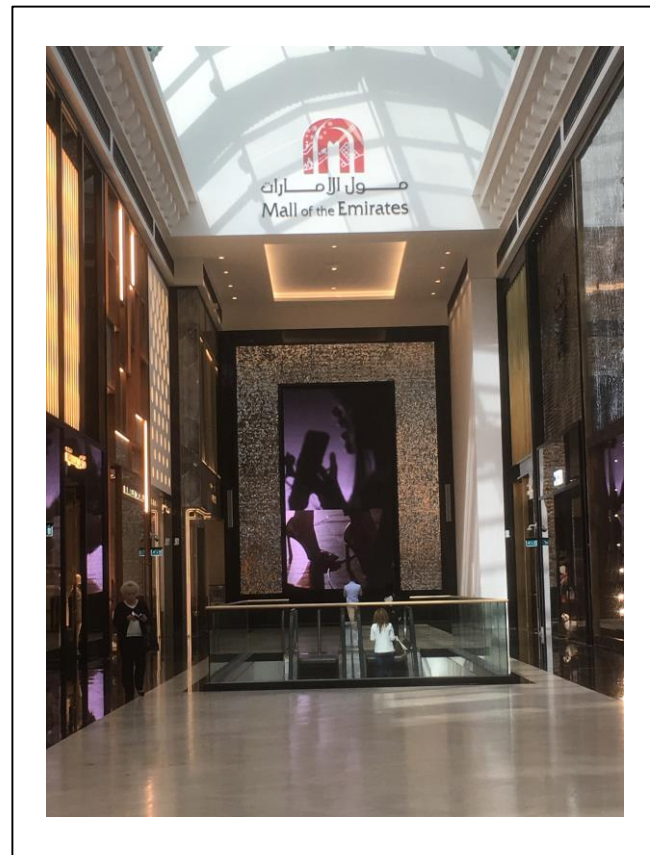
OF STORE SPACE IS HARDLY
VISITED
&
AND THAT FOR A GOOD
REASON



Its not easy to move around in this store -Its hardly any space at all

THIS IS
QUITE SOME
EXPENSIVE SPACE

IT NEEDS TO BE
UTILIZED !



SHOPPERS ENTER SOME ZONES & ENTRANCES – AND AVOID OTHERS.



Inviting and open. Easy to access and plenty of space.
Products in the walkway – to see & touch



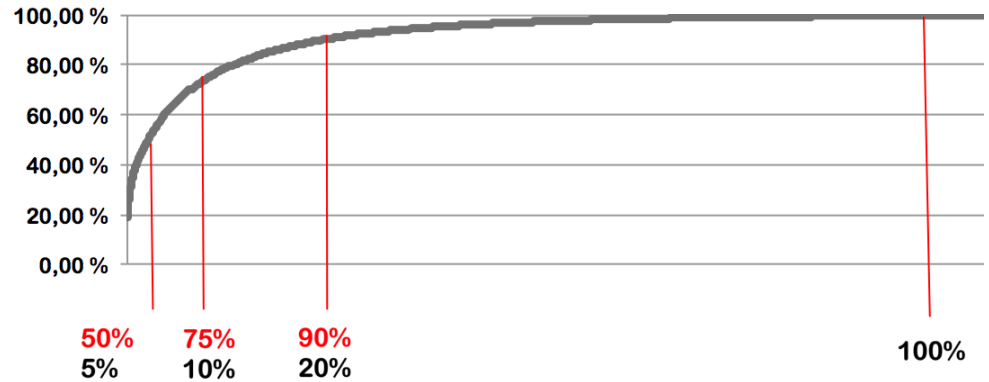
Inviting with warm and attractive lighting BUT nearly impossible to find a place to enter

DO WE NEED MORE PRODUCTS TO IMPROVE SPACE UTILIZATION ?

**THE MORE PRODUCTS WE HAVE
THE MORE WE SELL?**

PARETOS LAW says 80/20 but in retail its even more concentrated

5% | 50%



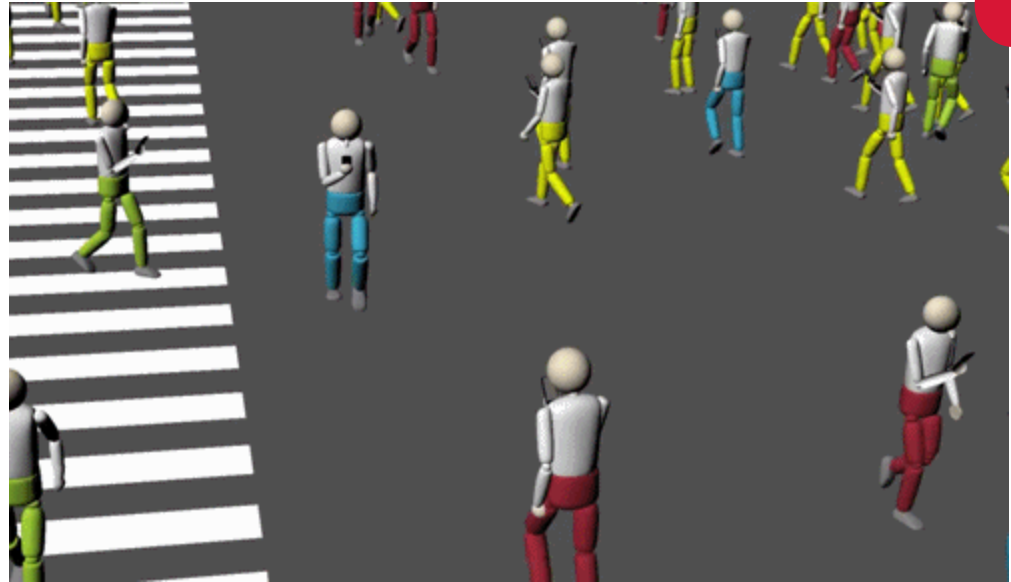
5 % of the products generate 50 % of the revenue



... MORE PRODUCTS?



PERSONAL SPACE
&
COMFORT
ZONE



PERSONAL SPACE & COMFORT ZONE



120 cm North America



100 cm Global Average

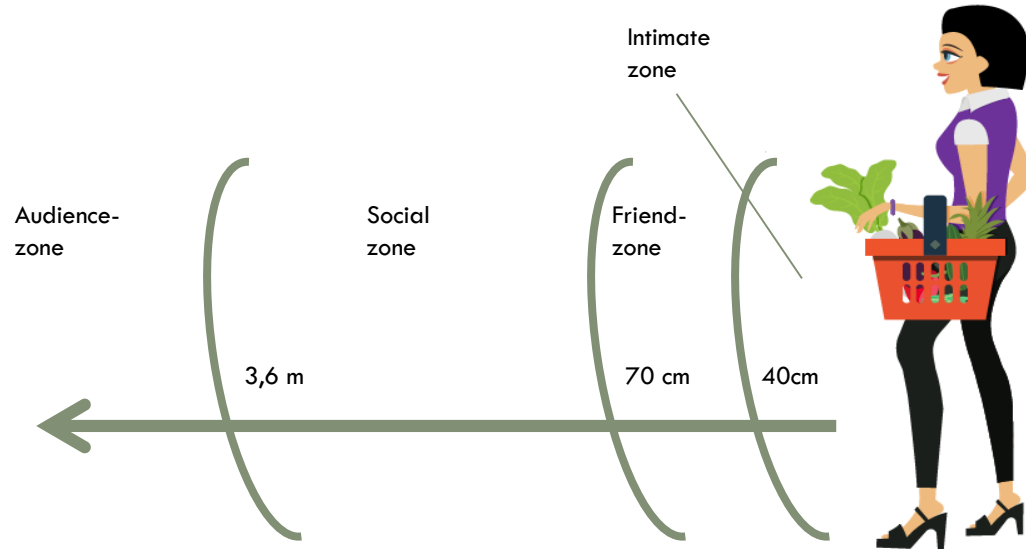


70-80 cm i Nord Europa



20-30 cm i Syd Europa

Personal Space

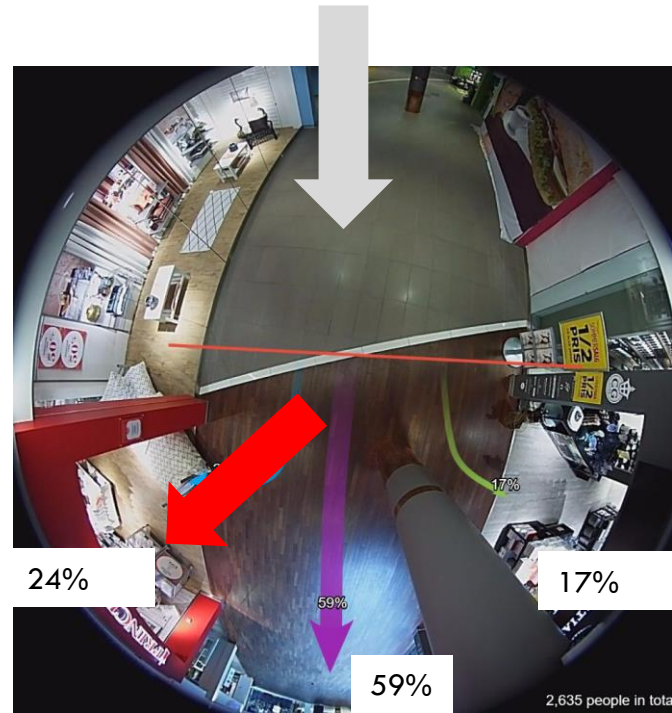
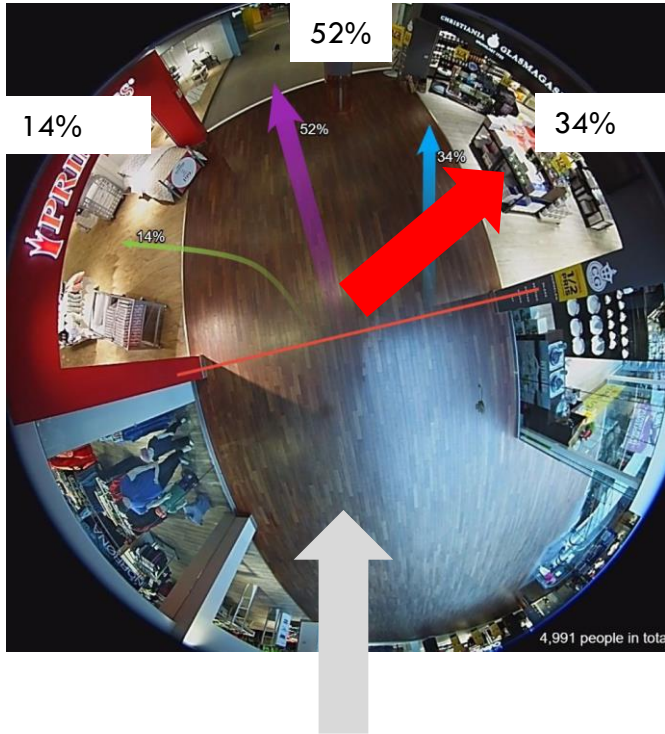


87%

OF ALL PEOPLE
ARE RIGHT HANDED
AND **MOVE TO THE RIGHT**

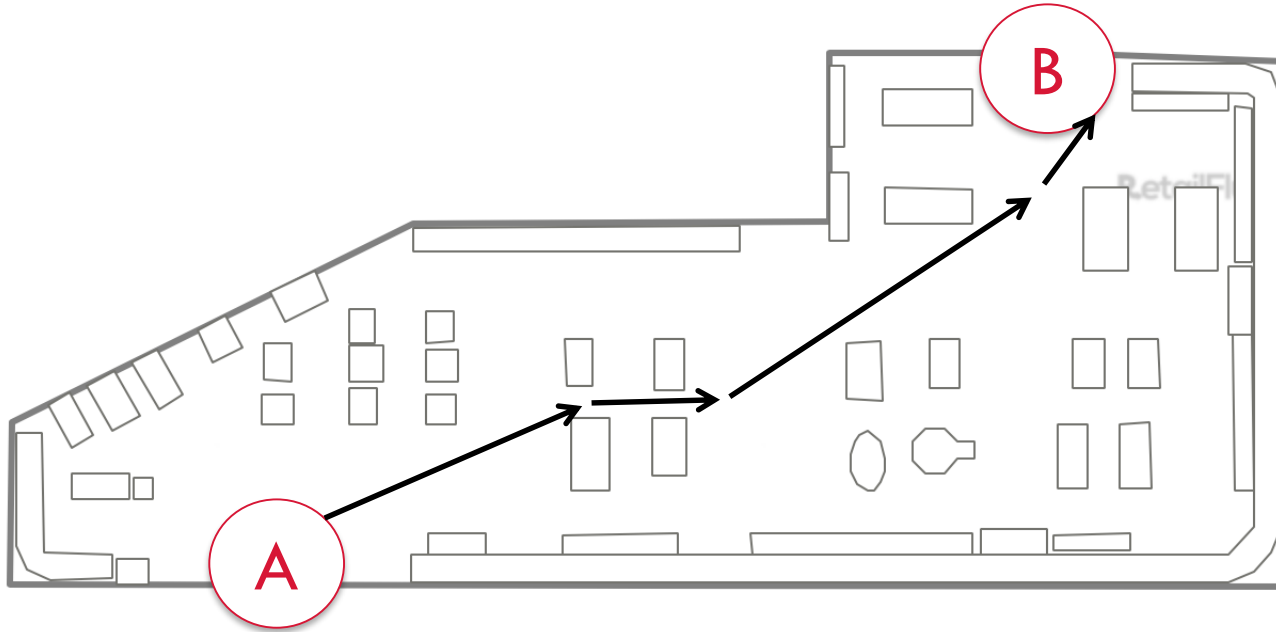


ROUTES- WE MOVE TO THE RIGHT



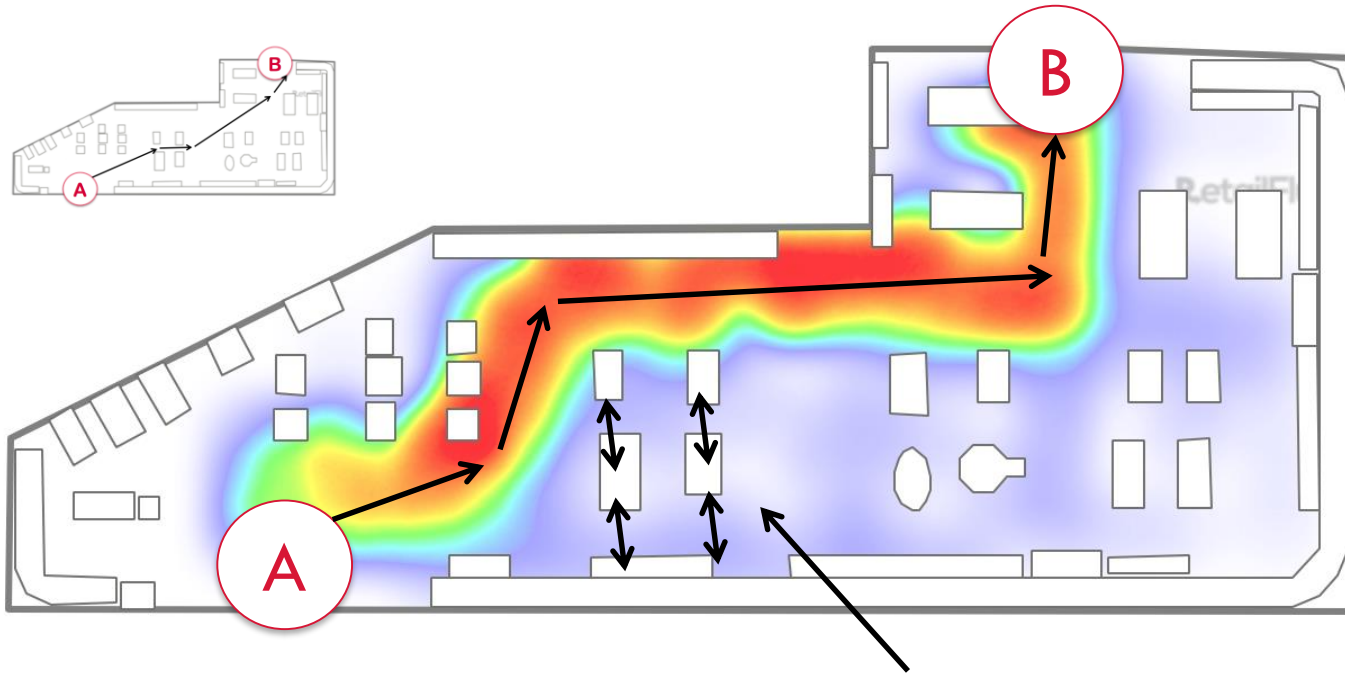
MOVING TOWARDS A TARGET

Fastest way from A to B



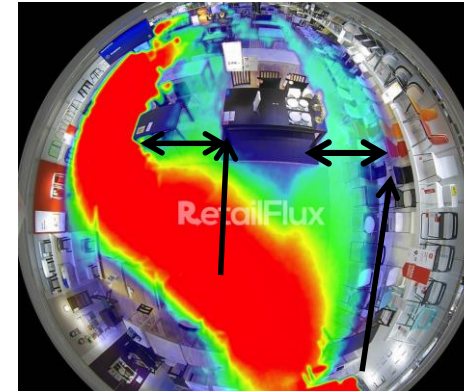
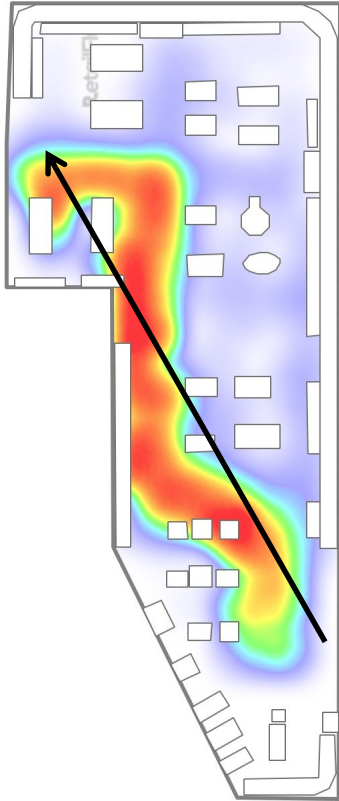
MOVING TOWARDS A TARGET

Mental obstacles & mental fences “force” us to take another direction.



These walkways are around 60-80 cm width and simply too narrow “mentally” / not physically— a “mental fence” that most shoppers avoid

LESS THE 10% OF SHOPPERS MOVE OUT OF THE "MAIN STREET"



LIGHT, WIDTH, HIGHT OF BUILDINGS -OR SHELVES,
HAS A SIGNIFICANT INFLUENCE ON SHOPPER BEHAVIOUR



This direction?



...or this direction?

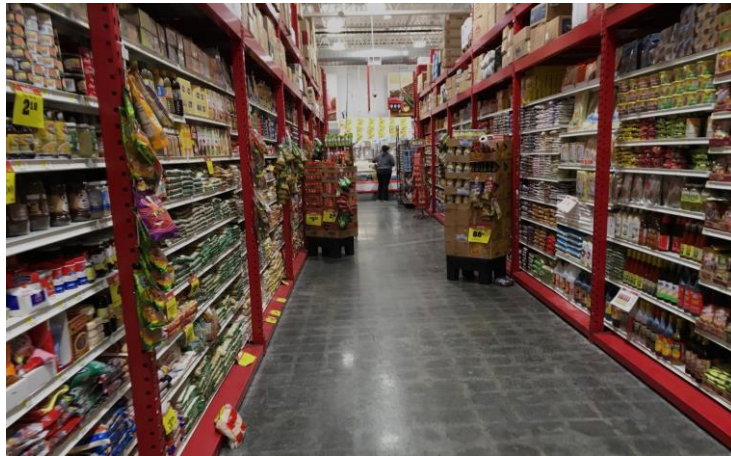
WHO WANTS TO ENTER INTO THESE CORRIDORS?



INVITING SHOPPERS IN...



PERCEPTION OF WIDTH IS CLOSELY CONNECTED TO
 HIGHT OF SHELVES & A GENEREAL OVERVIEW.



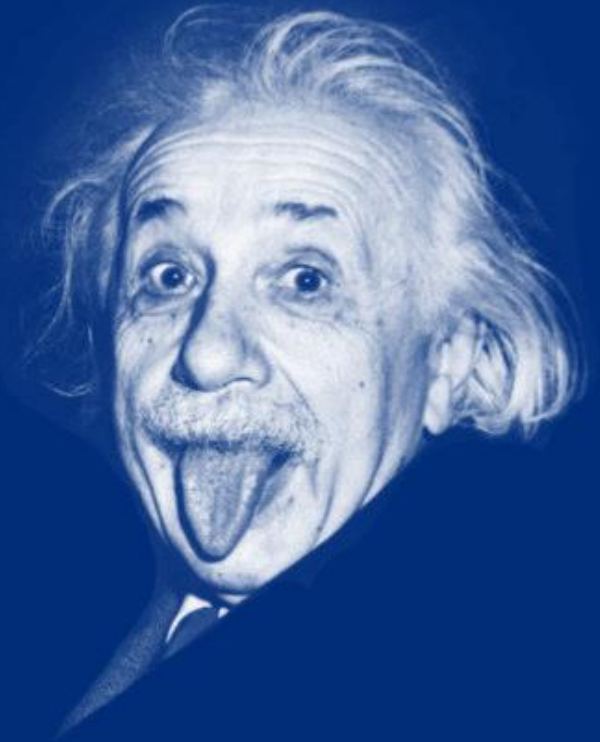
This STORE ?



...or this STORE?

"Insanity is doing the same thing over and over again and expecting different results"

Albert Einstein



Cases

Link Analytix

1%

=

1%

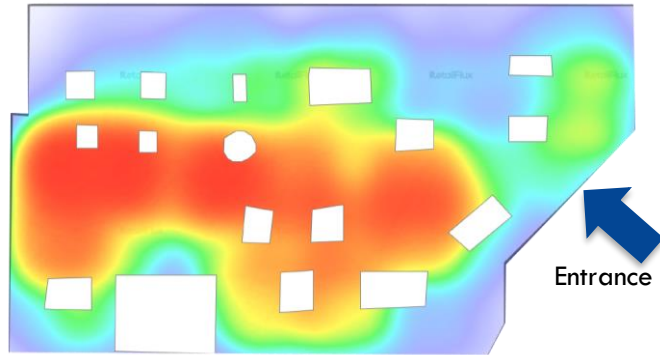
MORE TIME SPENT IN A STORE

INCREASED REVENUE

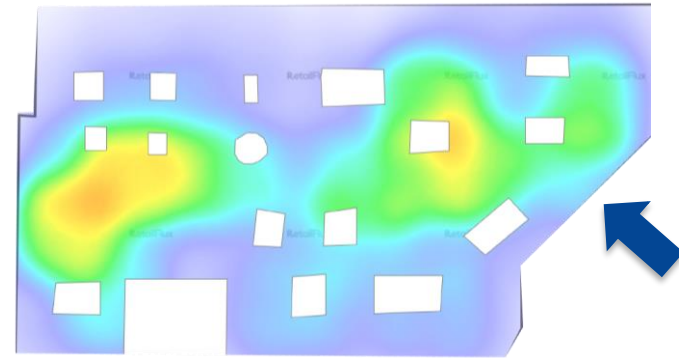
IN-STORE SHOPPER BEHAVIOUR

By RetailFlux

WOMAN FASHION



Where do the customers go?
– Passersby / Shopper flow



Where do the customers stop?
– Dwell Time / Stop & Shop

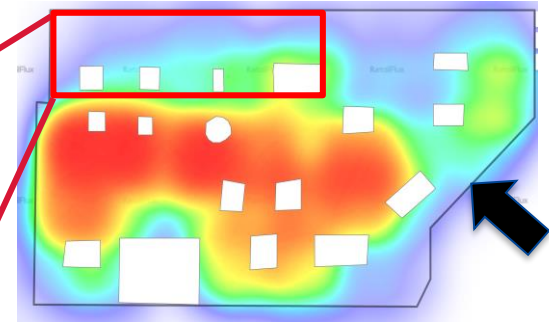
RetailFlux Flow is a Link Analytix product which can e.g. be utilized for an as-is analysis of optimization of spaces and zones as well as customer flow.

AS IS-ANALYSIS – WOMAN FASHION

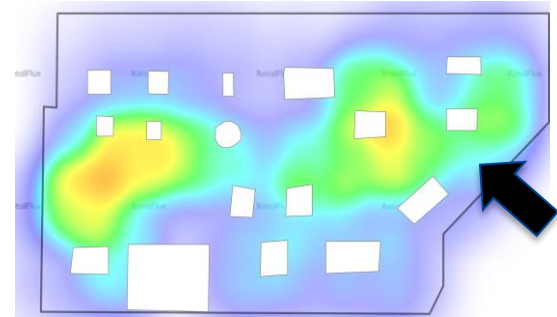
45% of the store is visited by shoppers .
 Only 25 % of the space is characterized
 by customers "stopping and shopping".



The right side of the store is hardly visited at all



Shopper Flow / Passersby



Dwell time -Stop & Shop

HOW MUCH SPACE IS NEEDED?

For the shoppers to examine the racks? To "stop" shoppers walking by?



BEFORE

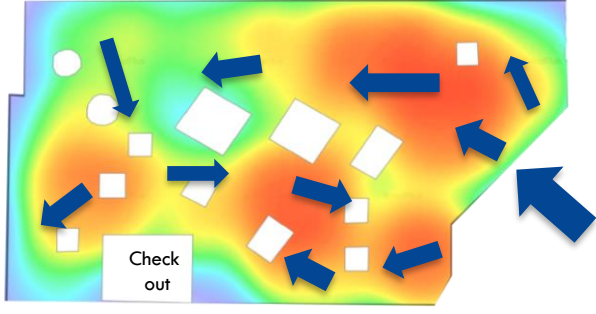
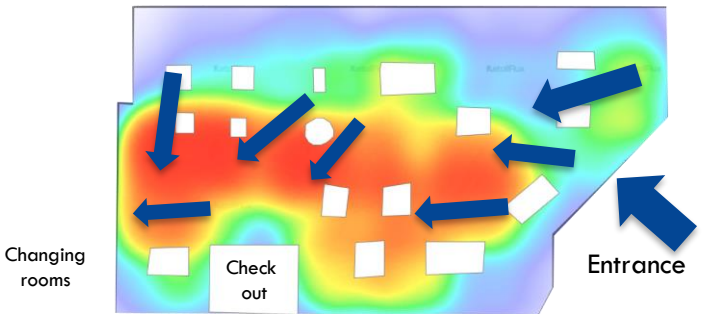


AFTER

ADJUSTMENTS & IMPROVEMENTS

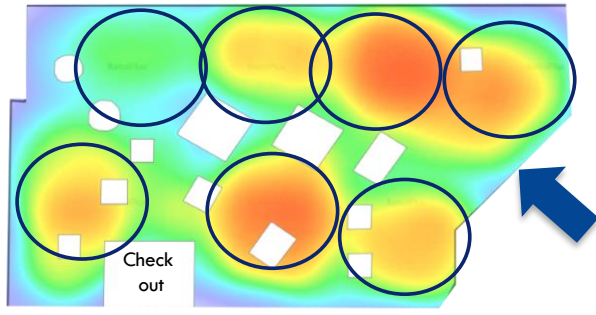
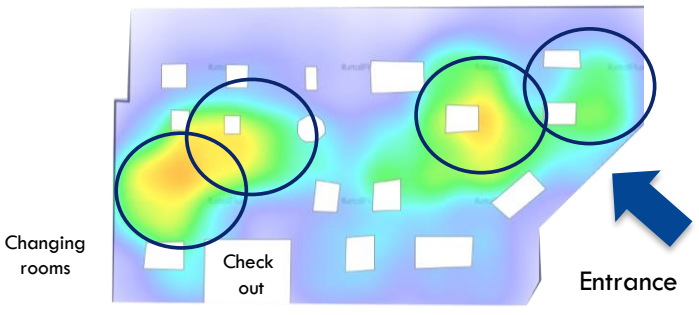
Here, the customers PASSES BY in approx. 45 % of the store, and stop in only approx. 25 % of the store

Here, the customers PASSES BY in approx. 85 % of the store, and stop in approx. 50 % of the store



FLOW - PASSERSBY

FLOW - PASSERSBY



DWELL TIME - STOP & SHOP

DWELL TIME - STOP & SHOP

RESULTS

24 %

WEEK

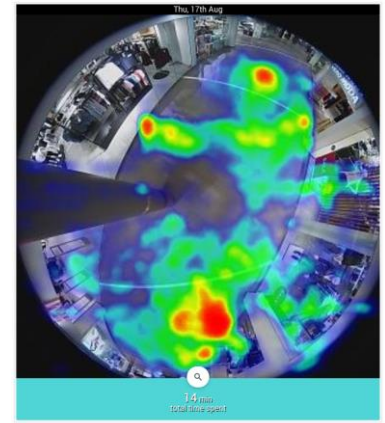
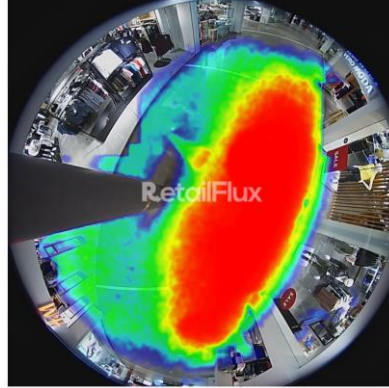
(*Improvement of sales relative to product portfolio)

18 %

MONTH

(*Improvement of sales relative to product portfolio)

ZONE ANALYTIX

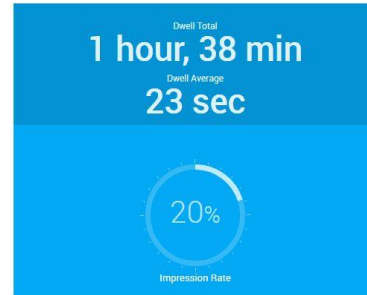


Why exactly are shoppers stopping in front of these windows?



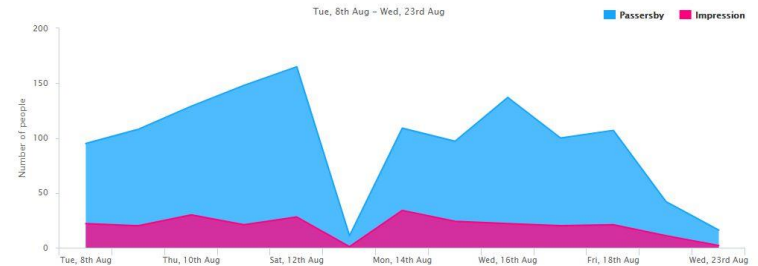
Zone Report

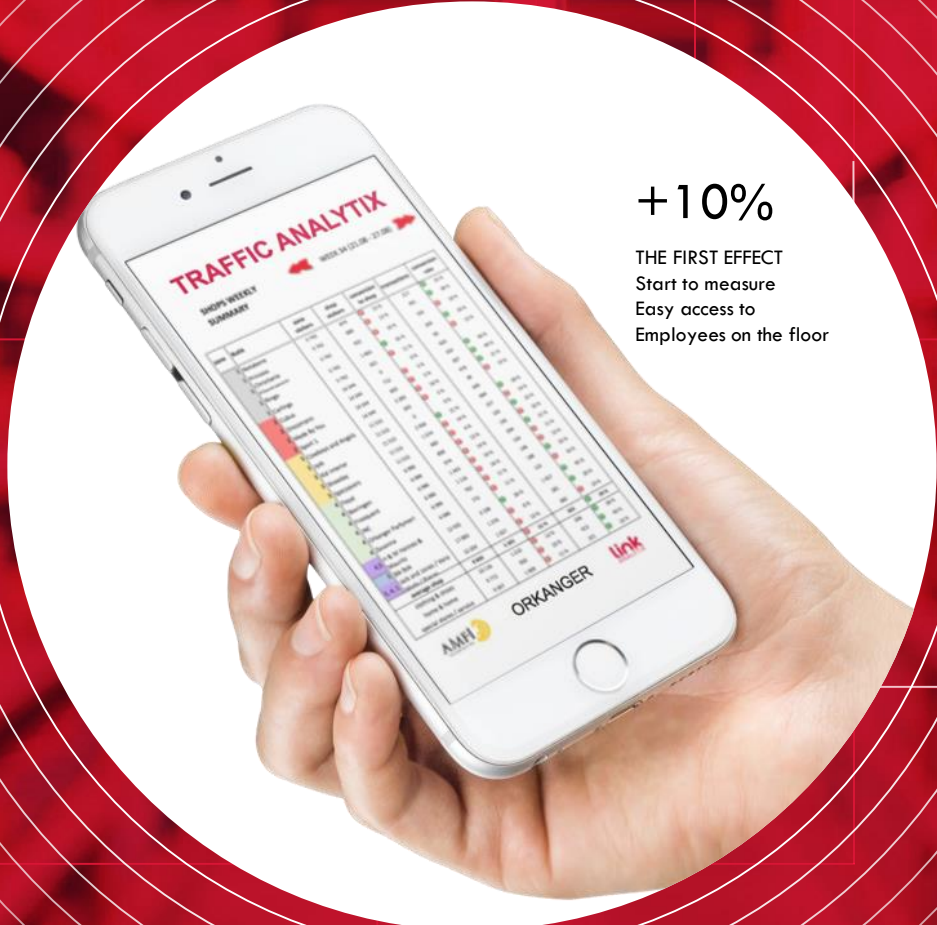
Activity in the pre-defined zones



Zone Penetration

Tue, 8th Aug - Wed, 23rd Aug





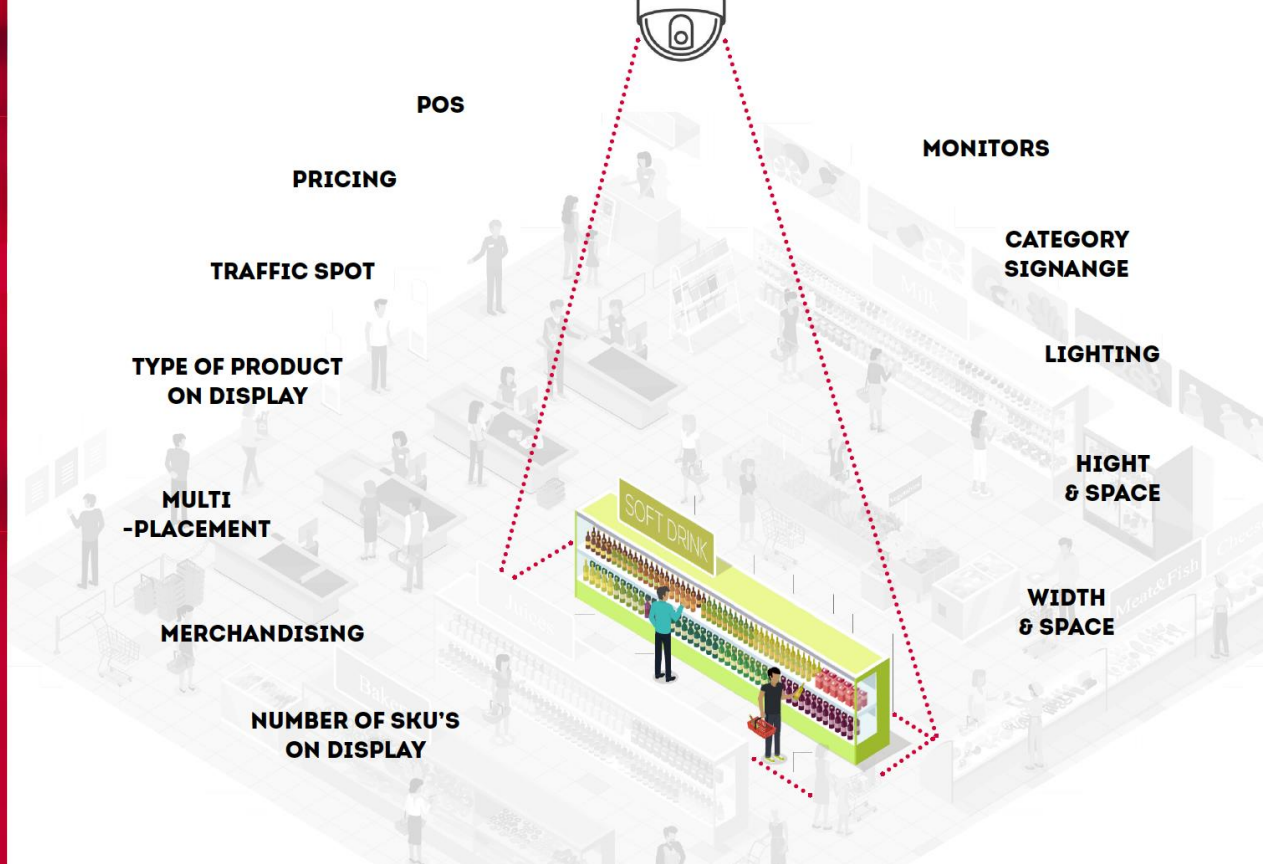
+10%

THE FIRST EFFECT
Start to measure
Easy access to
Employees on the floor

WHAT DECIDES SALE FROM A HOT SPOT?

Important factors that's easy to influence:

- Product (Bestseller?)
- Place (Hotspot? Multi-place?)
- Price (Promotion price?)
- POS (Easy to see)



ALL KEY FACTORS OVER CAN BE MEASURED, CALCULATED AND ANALYSED TO COME UP WITH CONCRETE ACTIONS TO INCREASE SALES.



THANK YOU

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