

RETAILERS: RAMP UP YOUR ROX MOXIE WITH VIDEO TECHNOLOGY

Written on behalf of IDIS America

Online retail giants are redefining the shopping experience of consumers everywhere. Brick and mortar storefronts are being threatened and replaced almost daily by eCommerce Goliaths like Amazon, Walmart and the list continues. Legacy retailers, including Sears, Dressbarn, Gap and so many others who have dominated the retail industry for decades are shuttering their stores because they simply couldn't compete with the online onslaught.

In a January, 2020 report, MoneyWise notes that retail chains shut down more than 9,300 stores in 2019, making it the biggest year ever for store closings. Coresight Research echoes that closures jumped about 60% from the 5,844 the firm tracked in 2018. And, as online shopping continues to grow, another 75,000 stores could be lost by 2026, according to investment bank UBS.

Given this grim forecast, what are today's brick and mortar retailers to do? What tactics can they leverage to keep their competitive edge and enhance their Return on Experience (a.k.a., ROX) for customers? Much more than a mere acronym, ROX is fast becoming the new benchmark for retailers that want to keep their physical stores open and profitable. And while it's true that online shopping is transforming the retail industry, there are strong strategies that traditional retailers can adopt to keep customers coming through their doors and enhance their ROX moxie. Technology ranks high on that list.

TECHNOLOGY TO THE RETAIL RESCUE

Winsight, LLC, a media company that offers research and analysis information to retailers, suggests that traditional retailers do the following:

- Collect and analyze consumer purchase data from your stores.
- Evaluate market-basket data, leverage that data with promotions and new products, evaluate again, and repeat.
- Look for opportunities to compress the order cycle and implement agile inventory-management models.

- Use technology to get goods to stores faster.

Clearly, technology has a pivotal part to play in helping retailers enhance their customers' shopping experiences. Tapping into the unprecedented power of video surveillance technology and data can undoubtedly deliver a markedly improved Return on Experience (ROX). The business operations intelligence video provides is far-reaching. Video analytics (VA), for instance, can offer up valuable information about what's going on in a retail environment in ways that other technologies simply can't. The practice of heat mapping and monitoring shoppers' movement patterns was only the beginning.

ANALYZE THIS!

VA - the capability of automatically analyzing video to detect and determine temporal and spatial events - relies on quality input video, so it's often combined with video enhancement technologies such as video denoising, image stabilization, unsharp masking and super resolution. The importance of using a superior camera with exceptional, triple-side de-warping and Smart UX Controls that allows for smooth and intuitive panning, tracking and zooming with ease and accuracy even via mobile devices cannot be overstated. Cameras such as IDIS' Super Fisheye which delivers high-definition footage all the way to the peripheral can educate retailers on what is catching customers' attention and what's not, particularly when combined with analytics, appliances or software. Methods which may have seemed minuscule in the past, including the analysis of shoppers' footfall, direction of travel and linger time to gauge reactions to advertising and displays, are now deemed effective and practical tools in improving ROX.

Using high performance video technology, behavior analysis can be applied to a physical retail environment to gain understanding of what potential customers look at, for how long, and what buying decisions they ultimately make. That spells good news not only for an individual retailer, but also for mall operators looking to attract other, viable retail brands. Using video analytics arms them with the ammunition they need to demonstrate that their shopping center has an optimum customer footprint and profile. In addition, video data analysis can be leveraged to understand customer behavior, manage staffing levels and optimize services, giving malls a tangible advantage. Video technology can provide this data in a way that basic heat mapping via Wi-Fi usage, which usually requires shoppers to log in, can't. Video is virtually the only media that can be harnessed to truly better understand more subtle customer responses, including how they are moving around

the mall. This, in turn, helps retailer tailor their messaging, promotions and customer services to improve ROX.

The aptly named 'VA in the Box' appliance from IDIS has been developed to offer all these functions very simply, so now you don't have to be a specialist to use these clever analytics tools. And it lets area managers pull together data from multiple stores if they want to, with an easy centralized reporting option that will help them understand what's going on at different locations as well as with their entire branch network. It gives them the sort of easy centralized business intelligent they won't have thought possible.

Superior video cameras can also provide other critically important information to retailers to help them reduce shrinkage, enhance employee productivity, and improve their overall operations.

And it's worth noting that compact and sleek cameras that blend with lighting and aesthetics such as those from IDIS are particularly suited to store environments, offering the kind of discrete, neat surveillance that isn't going to spoil anyone's shopping mood by raising fears about 'big brother' or giving them the feeling that crime is a problem in this place.

LOGISTICALLY SPEAKING

Logistics - the management of the flow of things between the point of origin and the point of consumption to meet requirements of customers or corporations - usually involves the integration of information flow, materials handling, production, packaging, inventory, transportation, warehousing, and often security. That's a whole lot of flow to manage, and thankfully, video can be put to the task to help.

For starters, retailers need to build the systems and infrastructure to ensure stock availability and next day delivery, both online and in-store. For eCommerce sales, video can provide visual package audit trails right up to the point of dispatch to guarantee productivity is on par and online customer experiences are positive. For these highly complex, fast-moving integrated business models, the use of analytics, which depends on cost-effective, HD video coverage, is becoming all the more crucial. For brick and mortar stores and mall operators, the latest generation video solutions can provide an easy way in. Although these may be installed to meet current and immediate challenges such as retail shrinkage, safety concerns,

compliance, etc., superior video technology solutions also provide increasingly useful analytics and impressive future-readiness.

Harnessing the intelligence and business operations information that can be gleaned from video technology and big data will undoubtedly be adopted increasingly more by retailers in this new decade. In a recent article, “*How Tech Will Transform Shopping In 2020*,” Forbes, a leading source for reliable news and updated analysis on Retail, shone a bright light on Predictive Analytics (Big Data). They reported that analyzing and using data and predictive analytics enables retailers “to understand important information about consumer purchasing behavior, personalize the shopping experience, address a consumer's needs based on where they are in the customer journey, improve efficiencies and reduce costs of supply chains and more. Predictive analytics helps retailers be smarter, more efficient, and reduce costs.”

A key takeaway message for retailers and their systems integration partners, as we head into a new decade, is that they will need to extend, modify, or upgrade surveillance systems at some point soon to improve ROX – and the time to start planning and budgeting for it is now. IDIS recommends looking for forward and backward compatibility that will leverage existing surveillance investments. This kind of flexibility will give retailers a phased and manageable path, integrating video analytics into their wider business operations. This will afford retailers the advantages they need to stay competitive and keep customers in their shops while simultaneously advancing their e-commerce infrastructure.

Providing consumers with an engaging, secure yet friendly shopping experience is what will keep customers coming back for more. Because, let’s face it, everyone, deep down, loves to shop ‘til they drop! And nobody loves to see that more than retailers. Video technology is giving them the eyes to help realize that vision.