

Media Kit
HeadCount Corporation

HeadCount Service Backgrounder

Traffic counting technology first appeared in the 1970s, and has evolved since then with advances in sensor design and data collection, but fundamentally the equipment still does one thing – counts people as they enter a store. Despite the increased technical sophistication of traffic count systems today, even the most expensive traffic counters can't eliminate the 'noise' inherent in all traffic data as a result of staff movements and buying groups (i.e. families members shopping together in a group).

HeadCount uses its own proprietary sensors and data collection equipment for most installations, however because HeadCount is not a hardware company per se, they are able to source sensors, data collectors or any other technology that may be required to suit the client's situation

HeadCount's unique service-based model sets it apart from technology vendors. Including the equipment as part of the monthly service means clients are never burdened with obsolete equipment or ongoing maintenance expense. And HeadCount's web-based data collection process is reliable, cost effective and designed to work across a broad range of technical infrastructures. With the HeadCount service, retailers are not forced to make significant investments in new or additional technology.

But collecting data is only the beginning. Traffic and customer conversion data is just that — it's data. Reporting tools can produce charts and graphs, but it takes a trained, human eye to dig into the data, extract the key insights and find the potential opportunities. HeadCount Traffic Analysts plot the impact of promotions, holidays and even the weather on traffic and conversion rates right down to the individual store. And, if a store manager should have a question, they can simply call and talk to a HeadCount Traffic Analyst — it's all included as part of the service.

How it works

After a needs analysis by HeadCount, store-level traffic data collectors are installed at each retail outlet to capture and store customer traffic counts. Data from each sensor is gathered by a proprietary application on a local PC, it's encrypted and then transmitted over the Internet to HeadCount's secure server.

HeadCount analysts first validate and verify the data, then set to work identifying key insights from the data that are then passed on to the client in management reports delivered on a weekly and monthly basis. Because HeadCount collects data efficiently and cost effectively, it can add-value where it's most needed— turning the raw data into meaningful analysis and reporting that provides tangible, actionable insights for use across each client's organization, from head office down to the individual store.

Whether a retailer has three stores or 300 stores, the HeadCount service works for retailers of all sizes and categories.

Case Studies

Matching staff to traffic to drive sales performance

A mid-sized, general merchandise chain rolled-out with HeadCount to, among other things, provide store managers with better information about customer visitation and customer conversion. Head office hoped that if they armed their managers with insights into traffic and customer conversion they could make better decisions and ultimately deliver better sales results.

Senior management of the chain was realistic in their expectations for what traffic and customer conversion could do. Across a 50+ store chain they realized that some store managers are going to 'get it' immediately and start to use the insights while others will take time. Senior management understood that using these new metrics represented a 'cultural shift' and it may take time to realize the full benefit.

At a recent Store Managers training session, it was noted that one particular store had exceptionally high year-over-year comparable customer conversion rates – customer conversion rates were up between 2 points and 4.5 points for the past several months. The HeadCount trainer noted the great performance of the store, and in the training session asked the Store Manager what she did to deliver the great results. Her answer: "I used the HeadCount reports to match my staff scheduling to when customers were visiting the store."

The HeadCount service includes a unique briefing program that provides not only formal group training, but also one-on-one briefings with each store manager. During these individual briefings, store managers have an opportunity to discuss questions and issues about their own stores – this is powerful because it's very specific. Also, because the briefings are conducted one-on-one, store managers are uninhibited and freely discuss the real issues in their stores – in a way that they might feel less comfortable with even to their own District Managers.

Resolving the 'I don't work on Sundays' dilemma

Working on Sundays is part of life for those who work in retail. While staff doesn't usually like doing it, it's a necessary evil. When it comes to scheduling staff to work on Sundays, very often the best, most experienced salespeople don't work Sundays because they have earned the right not to. A hard goods retailer suspected that he

was missing important sales opportunities on Sundays, but he had a hard time convincing his senior salespeople that they should work on Sundays.

After signing onto the HeadCount service, the retailer's suspicions about Sundays were confirmed: not only were Sundays among the busiest traffic days of the month (in fact at some stores Sundays were even busier than Saturdays), he also realized that customer conversion rates (i.e. the percentage of buyers as a ratio of customer counts) were also consistently low on Sundays.

Using traffic and conversion analysis provided by HeadCount, the retailer presented the analysis to his senior sales people. After seeing the results, the senior salespeople themselves concluded that the stores were missing important sales opportunities and that given the importance of Sundays they should work on Sundays more often themselves.

Setting store hours – did extending store hours pay off?

There is no magic to setting stores hours. Many retailers struggle setting store hours and especially with whether they should alter store hours during different times of the year. One general merchandiser was wondering this very question. During the summer months when his store is usually busier, he decided to extend his store hours by 1 full hour – instead of closing at 9 PM he would keep the store open until 10 PM.

After several months of the extended hours, the store manager concluded that the extended hours were paying off because there were plenty of customers in the store between 9 PM and 10 PM – the newly extended hour. The problem was, however, overall sales hadn't improved. The retailer was very confused.

Working with HeadCount, the retailer discovered that the while there was customer traffic during this extended hour, what he failed to appreciate was that these shoppers were not necessarily new, incremental visitors, but rather shoppers who shopped early prior to the extended hours. Comparing total traffic before and after the store hour extension revealed that total traffic volume had not changed, but what did happen was that some customers who shopped at earlier hours 'shifted' to the extended hour. This retailer was paying extra labor cost to keep the store open, but there was not actually a gain in sales. Without HeadCount he could not have discovered this.

Does your advertising work?

Many retailers erroneously believe that there is a direct relationship between advertising and sales results. They use sales as the primary measure of whether or not their advertising is effective. While advertising and sales are related, they are not perfectly correlated. For example, if a retailer successfully drives lots of new prospects into his store but is understaffed and can't convert the traffic into a sale, the overall sales results may appear lackluster, and from this, they may wrongly conclude that the advertising didn't work. Understanding traffic volume can tell retailers much about the effectiveness of their advertising. HeadCount helps make this clear.

An auto dealer was perplexed about his advertising spending. His advertising spending was up over the prior year, but sales were about flat. He wondered if his advertising was doing the job. He reasoned that his advertising wasn't working because his sales hadn't increased even though his ad spend did.

Working with HeadCount the dealer set out to try to find the answer. After tracking showroom traffic for several months and through several advertising campaigns, the trends were clear – the advertising was not driving additional prospects into the showroom. Traffic remained flat throughout the several campaign segments. Instead of focusing solely on the sales results, the dealer is now focused on driving traffic as the key objective for his advertising. As a result of using the HeadCount analysis, the dealer changed his advertising approach and now focuses on driving traffic.

When the Cat's away... Maintaining sales performance even when managers aren't around

Retail is people and people are human. No matter how great your salespeople are, from time to time, they will let their performance slip, it's only natural. This is a tough issue to spot and for the most part retail managers are powerless to do anything about it.

A large specialty chain had started using HeadCount and was in the early stages of understanding how to best use the traffic and customer conversion insights. As they started to review the traffic reporting month-after-month, a number of interesting patterns emerged. One item that particularly caught the eye of the regional manager was the fact that every third Wednesday, conversion rates across the stores in his region 'sagged' between the hours of 2 PM and 4 PM. At first he

thought this was some kind of anomaly, but after seeing it consistently, he started to wonder if there was more to it.

After discussing the issue with his store managers, the answer became very clear: every third Wednesday all the department managers held their monthly meeting – all the department managers were off the sales floor for two hours – exactly the two hours when customer conversion dropped. Armed with HeadCount results, the managers made a few “adjustments” and the mystery of the ‘sagging’ customer conversion was soon solved.

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