

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.

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